# Annual Report 2024

UBS AG for filing in the EU

UBS

# Contents


2 Our key figures

## 1 Our business model and environment

4 Integration of Credit Suisse
6 Our businesses
14 Our environment
15 Regulation and supervision
20 Regulatory and legal developments
24 Risk factors

## 2 Financial and operating performance

37 Accounting and financial reporting
38 UBS AG consolidated performance
44 Global Wealth Management
45 Personal & Corporate Banking
47 Asset Management
48 Investment Bank
50 Non-core and Legacy
50 Group Items

## 3 Risk, capital, liquidity and funding, and balance sheet

52 Risk management and control
88 Capital, liquidity and funding, and balance sheet

## 4 Corporate governance

109 Corporate governance

## 5 Financial statements

134 Consolidated financial statements
259 Comparison between UBS AG consolidated and UBS Group AG consolidated
261 Standalone financial statements

## 6 Additional regulatory information

312 UBS AG consolidated supplemental disclosures required under SEC regulations

## 7 Sustainability Statement

320 Sustainability Statement

## A Appendix

488 Alternative performance measures
492 Abbreviations frequently used in our financial reports
494 Information sources
495 Cautionary statement


This report includes disclosures required for UBS AG by the German law implementing EU directive 2014/95 (CSR-Richtlinie-Umsetzungsgesetz / CSR-RUG) (nichtfinanzieller Konzernbericht) (the EU Non-Financial Reporting Directive) and the EU Taxonomy Regulation. This disclosure is included in the Sustainability Statement (book 7 of this report).

## Corporate information

**UBS AG** is incorporated and domiciled in Switzerland and operates under Art. 620ff. of the Swiss Code of Obligations as an Aktiengesellschaft, a corporation limited by shares. The addresses and telephone numbers of the two registered offices of UBS AG are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41-44-234 11 11; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41-61-288 50 50. The corporate identification number is CHE-101.329.561. UBS AG is a bank. The company was formed on 29 June 1998, when Union Bank of Switzerland (founded in 1862) and Swiss Bank Corporation (founded in 1872) merged to form UBS AG.

## Contacts

**Switchboards**
For all general inquiries
ubs.com/contact

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

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

ubs.com/investors

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

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

ubs.com/media

Zurich +41-44-234 8500
mediarelations@ubs.com

London +44-20-7567 4714
ubs-media-relations@ubs.com

New York +1-212-882 5858
mediarelations@ubs.com

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

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

UBS Group AG, Office of the
Group Company Secretary
PO Box, CH-8098 Zurich, Switzerland

sh-company-secretary@ubs.com

Zurich +41-44-235 6652

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

UBS Group AG, Shareholder Services
PO Box, CH-8098 Zurich, Switzerland

sh-shareholder-services@ubs.com

Zurich +41-44-235 6652

**US Transfer Agent**
For global registered share-related inquiries in the US.

Computershare Trust Company NA
PO Box 43006
Providence, RI, 02940-3006, USA

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

Shareholder website:
computershare.com/investor

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

## Corporate calendar UBS AG

Information about future publication dates is available at
ubs.com/global/en/investor-relations/events/calendar.html

## Imprint

Publisher: UBS AG, Zurich, Switzerland I ubs.com

Language: English

© UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

# Our key figures

## UBS AG consolidated key figures

| | As of or for the year ended | | |
|---|---|---|---|
| *USD m, except where indicated* | 31.12.24 | 31.12.23 | 31.12.22 |
| **Results** | | | |
| Total revenues | 42,323 | 33,675 | 34,915 |
| Credit loss expense / (release) | 544 | 143 | 29 |
| Operating expenses | 39,346 | 29,011 | 25,927 |
| Operating profit / (loss) before tax | 2,433 | 4,521 | 8,960 |
| Net profit / (loss) attributable to shareholders | 1,481 | 3,290 | 7,084 |
| **Profitability and growth[1,2]** | | | |
| Return on equity (%) | 1.9 | 6.0 | 12.6 |
| Return on tangible equity (%) | 2.0 | 6.7 | 14.2 |
| Return on common equity tier 1 capital (%) | 2.2 | 7.6 | 16.8 |
| Return on leverage ratio denominator, gross (%) | 3.0 | 3.2 | 3.4 |
| Cost / income ratio (%) | 93.0 | 86.2 | 74.3 |
| Net profit growth (%) | (55.0) | (53.6) | 0.7 |
| **Resources[1]** | | | |
| Total assets | 1,568,060 | 1,156,016 | 1,105,436 |
| Equity attributable to shareholders | 94,003 | 55,234 | 56,598 |
| Common equity tier 1 capital[3] | 73,792 | 44,130 | 42,929 |
| Risk-weighted assets[3] | 495,110 | 333,979 | 317,823 |
| Common equity tier 1 capital ratio (%)[3] | 14.9 | 13.2 | 13.5 |
| Going concern capital ratio (%)[3] | 18.1 | 17.0 | 17.2 |
| Total loss-absorbing capacity ratio (%)[3] | 36.7 | 33.3 | 32.0 |
| Leverage ratio denominator[3] | 1,523,277 | 1,104,408 | 1,029,561 |
| Common equity tier 1 leverage ratio (%)[3] | 4.8 | 4.0 | 4.2 |
| Liquidity coverage ratio (%)[4] | 186.1 | 189.7 | |
| Net stable funding ratio (%) | 124.1 | 119.6 | |
| **Other** | | | |
| Invested assets (USD bn)[2,5] | 6,087 | 4,505 | 3,981 |
| Personnel (full-time equivalents) | 68,982 | 47,590 | 47,628 |

1 Refer to the "Targets, capital guidance and ambitions" section of the UBS Group Annual Report 2024, available under "Annual reporting" at ubs.com/investors, for more information about our performance measurement. 2 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 3 Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital, liquidity and funding, and balance sheet" section of this report for more information. 4 The disclosed ratios represent averages for the fourth quarter of each year presented, which were calculated based on an average of 64 data points in the fourth quarter of 2024 and 63 data points in the fourth quarter of 2023. Refer to the "Capital, liquidity and funding, and balance sheet" section of this report for more information. 5 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 this report for more information.

## 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.

## Terms used in this report

| | |
|---|---|
| "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" | Credit Suisse Group AG and its consolidated subsidiaries, before the acquisition by UBS |
| "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" | UBS Group AG on a standalone basis |
| "Credit Suisse Group AG" | Credit Suisse Group AG on a standalone basis |
| "UBS AG standalone" | UBS AG on a standalone basis |
| "UBS Switzerland AG" | UBS Switzerland AG on a standalone basis |
| "UBS Europe SE consolidated" | UBS Europe SE and its consolidated subsidiaries |
| "UBS Americas Holding LLC" | 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.

## Comparability

Profit and loss and other flow-based information for the year ended 31 December 2024 includes seven months of consolidated data following the merger of UBS AG and Credit Suisse AG (June to December 2024) and five months of pre-merger UBS AG data only (January to May 2024). Comparative information for the years ended 31 December 2023 and 31 December 2022 includes pre-merger UBS AG data only.

Balance sheet information as at 31 December 2024 includes post-merger consolidated information. Balance sheet information as at 31 December 2023 and 31 December 2022 reflects pre-merger UBS AG information only.

# Our business model and environment

Management report

## Integration of Credit Suisse

On 12 June 2023, UBS Group AG acquired Credit Suisse Group AG, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse Group AG. Since the acquisition, we successfully executed our integration plans, we won back, retained and grew client assets. Throughout 2024 we continued to make significant progress with respect to the integration of Credit Suisse, and we are on track to substantially complete the integration by the end of 2026.

The merger of UBS AG and Credit Suisse AG was completed on 31 May 2024. UBS AG succeeded to all rights and obligations of Credit Suisse AG, including all outstanding Credit Suisse AG debt instruments. On 7 June 2024, we completed the transition to a single US intermediate holding company, and, on 1 July 2024, we completed the merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG. UBS Switzerland AG succeeded to all rights and obligations of Credit Suisse (Schweiz) AG.

› **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**

The significant-legal-entity mergers were key for the start of large-scale client account migrations and facilitated the ongoing decommissioning of legacy Credit Suisse platforms in the second half of 2024. In the fourth quarter of 2024, we completed the migration of our Global Wealth Management client accounts in Luxembourg, Hong Kong, Singapore and Japan to UBS platforms. We expect the first wave of Swiss business migrations to commence in the second quarter of 2025.

We reduced to zero the amount of funding outstanding under the Emergency Liquidity Assistance (ELA) facility in the second quarter of 2024 with Credit Suisse (Schweiz) AG fully repaying the remainder of the funding.

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

### Other developments

In June 2024, the Credit Suisse supply chain finance funds (the 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 aimed to provide fund investors with an accelerated exit from their positions and a high level of financial recovery and was funded by the acquisition of a new class of fund units by UBS. The offer did not have a material effect on the financial results or common equity tier 1 capital of UBS Group AG, given provisions recorded in connection with the acquisition of the Credit Suisse Group. On a subsidiary level, UBS AG on a consolidated basis recorded in the second quarter of 2024 a provision of around USD 0.9bn in connection with the offer. The offer did not have a material effect on UBS AG on a standalone basis. The investment in the SCFFs is managed in the Non-core and Legacy division.

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. UBS AG does not expect to recognize a material profit or loss upon completion of the transaction. Based on balances as of 31 December 2024, the completion of the transaction would reduce UBS AG's risk-weighted assets by around USD 1.3bn and UBS AG's leverage ratio denominator 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 in Switzerland between UBS and American Express, subject to certain closing conditions. Also in October 2024, UBS entered into an agreement with Swisscard to transition the Credit Suisse-branded card portfolios to UBS. In January 2025, UBS completed the purchase of the card portfolios, with the actual client migration expected to take place over the following quarters. The two transactions will result in similar profit and loss effects over the course of 2025 and, therefore, on a net basis are not expected to have a material impact for UBS. In 2024, UBS AG recorded an expense of USD 41m in connection with the termination of the Swisscard joint venture.

## Material weakness in internal control over financial reporting

As a registrant with the US Security and Exchange Commission (the SEC), UBS AG is subject to requirements under the Sarbanes–Oxley Act of 2002 with respect to financial reporting. This requires us to perform system and process evaluation and testing of internal control over financial reporting to enable management to assess the effectiveness of our internal controls. A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a registrant's financial statements will not be prevented or detected on a timely basis.

Following the acquisition and merger of Credit Suisse Group AG into UBS Group AG in June 2023, Credit Suisse AG concluded that as of 31 December 2023 its internal control over financial reporting continued to be ineffective. In May 2024, Credit Suisse AG and UBS AG merged with UBS AG as the surviving entity. Although Credit Suisse AG is no longer a separate legal entity, numerous of its booking, accounting and risk management systems remain in use for activities that have not yet been exited or migrated to UBS systems.

In 2024, in light of the increased complexity of the internal accounting and control environment, the remaining migration efforts still underway and limited time to demonstrate operating effectiveness and sustainability of the post-merger integrated control environment, management has concluded that additional evidence of effective operation of the remediated controls is required to conclude that the risk assessment processes are operating effectively on a sustainable basis. In light of the above, management has concluded that there is a material weakness in internal control over financial reporting at 31 December 2024.

› **Refer to the "Risk factors" section and to "Management's report on internal control over financial reporting" in the "Consolidated financial statements" section of this report for more information about management's assessment of internal control over financial reporting as of 31 December 2024 and the remediation of Credit Suisse material weaknesses**

# Our businesses

We operate through five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank and Non-core and Legacy. Our global reach and the breadth of our expertise are the major assets setting us apart from our competitors. Our Group functions are support and control functions that provide services to the Group. Virtually all costs incurred by the Group functions are allocated to the business divisions, leaving a residual amount that we refer to as Group Items in our segment reporting. We see collaboration, both within and between business divisions, as key to our growth.

› **Refer to the "Our strategy" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors,* for more information about the collaboration between our business divisions**

## Global Wealth Management

We are the largest truly global wealth manager and are focused on serving the needs of ultra high and high net worth individuals through trusted relationships with our advisors. Our global reach, our advisory approach led by the Chief Investment Office (the CIO) and access to our comprehensive platform with its broad array of solutions, supported by our premium brand, are key differentiators.

Global Wealth Management is organized into five regional business units covering the US, Switzerland, Asia Pacific, EMEA and Latin America, as well as capability-related and support units. Capability business units, such as the Chief Investment Office and the newly created GWM Solutions, help to efficiently deliver integrated solutions tied into the CIO-led value proposition. For regional reporting purposes, we disclose selected information about the Americas, Switzerland, Asia Pacific, EMEA and Global regions.

### Integration of Credit Suisse and organizational changes

The acquisition of the Credit Suisse Group in 2023 enhanced our leading global position, increased our scale and has expanded our capabilities. Since then, we have made substantial progress with the integration of our wealth management businesses. Our client migration is underway, with more than 90% of all assets outside of Switzerland migrated onto UBS platforms by year-end 2024. In the fourth quarter of 2024, we completed the migration of our Global Wealth Management client accounts in Luxembourg, Hong Kong, Singapore and Japan, followed by accounts in Italy in January 2025, and are currently focused on Swiss client account and platform migrations.

› **Refer to the "Integration of Credit Suisse" section of this report for more information**

Since 1 July 2024, Global Wealth Management has been jointly managed by two Co-Presidents. On that date, Iqbal Khan became Co-President Global Wealth Management and Robert Karofsky became Co-President Global Wealth Management and President UBS Americas. On 1 September 2024, Mr. Khan also became President UBS Asia Pacific.

In recognition of the increased size and potential of our wealth management business in Latin America following the acquisition of the Credit Suisse Group, Global Wealth Management Latin America became a new business unit in 2024. Also in 2024, we introduced GWM Solutions, which is aimed at combining all client solutions across UBS into a single unit in order to more effectively, efficiently and consistently deliver products and capabilities to our clients.

An integral part of our growth plans is to improve profitability across our Americas wealth business, which manages USD 2.1trn in invested assets and is a key pillar of our strategy and value proposition to clients. We are executing on our targeted investments to enhance and build out our multi-disciplinary coverage model of the ultra high net worth client segment and increase penetration of the high net worth and core affluent segments to further drive scale. These growth initiatives will be supported by investments in our banking capabilities and technology, as well as increased cost discipline.

### How we do business

With our distinctive approach to wealth management, and by offering advice, expertise and solutions, we help our clients pursue what matters most to them. Our alignment of our core offering across UBS and Credit Suisse platforms is near completion, and clients across our entire franchise can benefit from the best UBS has to offer regardless of the platform they are on.

Our investment advice to clients is led by our global CIO, which produces the *UBS House View*, identifying investment opportunities designed to protect and increase our clients' wealth over the long term. CIO views drive investment recommendations for advisory clients and investment decisions for discretionary clients, representing USD 1.8trn in fee-generating assets globally.

Through our platforms, we offer to our clients a broad range of securities and investment products. In addition to traditional equity and fixed-income securities, our investment specialists source and craft a range of investment products, including separately managed accounts (SMAs), structured products, sustainable- and impact-investing products, and alternative investments. Our alternatives offering gives clients access to private markets, hedge funds and real assets. We offer our own private equity multi-manager investments and enable clients to access selected single-manager funds and open-ended programs.

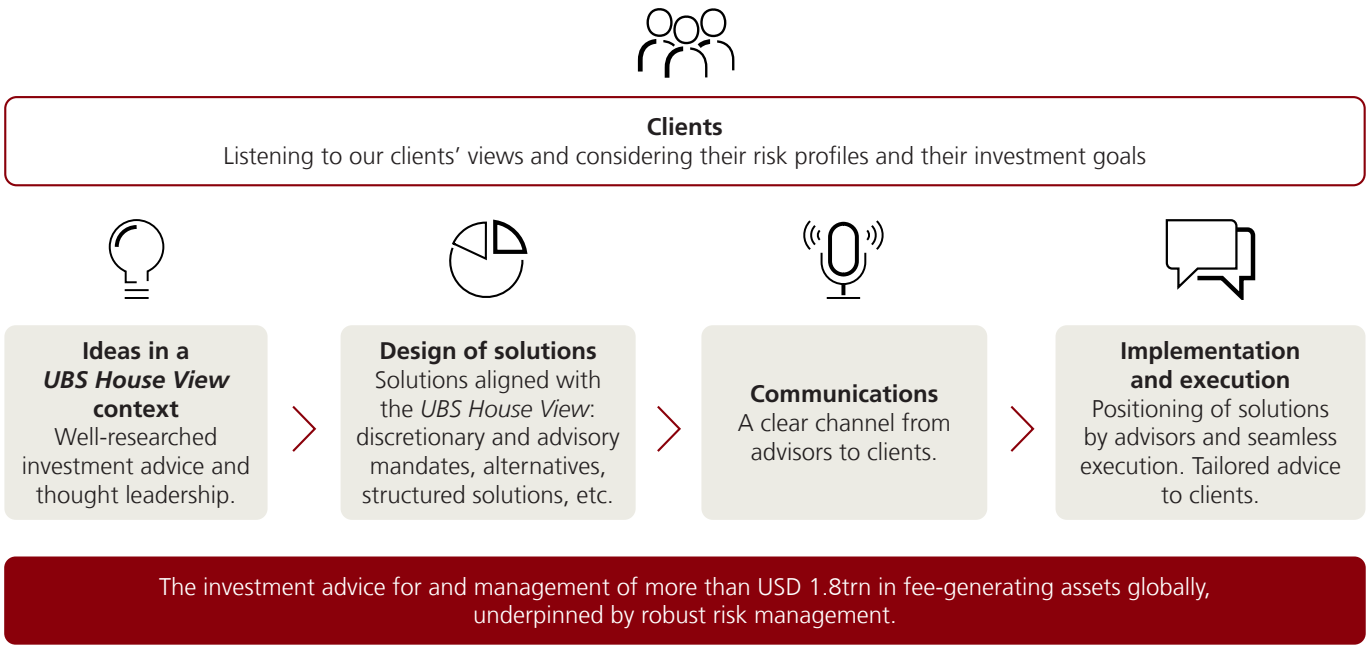
To complement this offering, we provide clients with advice on wealth planning, sustainability-focused and impact investing, and corporate and banking services. Our specialist teams also advise on art and collecting, family strategy and governance, philanthropy, next generation, and wealth transition.

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

In addition to our investment management products and solutions, we also offer extensive mortgage, securities-based and structured lending expertise, catering to clients' sophisticated lending needs.

The newly created GWM Solutions brings all client solutions into a single unit in order to more efficiently and consistently deliver integrated solutions tied into the CIO-led value proposition. GWM Solutions presents an opportunity to leverage cross-divisional capabilities to serve every aspect of our clients' financial needs. We are now extending the breadth and depth of our offering into the areas of alternative investment and corporate finance solutions. In 2024, we combined our private market and hedge fund manager selection franchises from Global Wealth Management and Asset Management to create a new business unit, called Unified Global Alternatives, which sits operationally within the Asset Management business division and additionally reports to Global Wealth Management. We also formed Unified Global Banking, combining Global Wealth Management's corporate finance capabilities with Global Banking to service the traditional corporate finance needs of our Global Wealth Management clients and their companies.

**Chief Investment Office-led value chain**




Note: The Chief Investment Office develops a clear, concise and consistent investment assessment, the UBS House View, consisting of strategic asset allocation and tactical asset allocation.

We are investing in our operating platforms and tools to better serve our clients' needs, improve their experience, enhance overall advisor productivity and improve operational resilience. We aim to make our service delivery faster, more responsive, and more convenient for our clients. Our platform for discretionary mandates provides significant flexibility and solutions. For example, *UBS My Way*, which is now also available on the Credit Suisse platform, enables clients to personalize their portfolios beyond traditional mandates, providing transparency and performance insights. As of 31 December 2024, it has reached over USD 15bn in invested assets.

In Asia Pacific and Switzerland, the Direct Investment Insights function on our online banking platform enables clients to trade directly based on CIO insights via their smartphones and other digital devices. *UBS Advice Compass* enables advisors in one-to-one meetings with their clients to review in depth all important portfolio aspects enhanced with actionable next steps and investment opportunities. Clients are thus offered an enhanced ability to monitor their portfolios and to put their investment strategy into action in line with CIO research.

For the benefit of our clients and to further empower our advisors, we are also leveraging investments in the artificial intelligence (AI) space. We are using AI-powered tools to enhance our capabilities and platforms, for example Red, our internal chatbot that builds on generative AI capabilities, was rolled out to around 7,000 employees in the fourth quarter of 2024. In the US, 13 million AI-generated insights were delivered to US advisors in 2024. Additionally, we are connecting our clients with leaders in the AI space and providing them with thought leadership, content and solutions regarding AI investment opportunities.

In addition, we are continuing to broaden our offering across asset classes and themes, collaborating with best-in-class managers across the most relevant strategies.

### Competition

Our main competitors fall into two categories: competitors with a strong position in the Americas but with more limited global footprints, such as Morgan Stanley, JPMorgan Chase, Wells Fargo and Bank of America; and competitors with international footprints but with a smaller presence than UBS in the US, such as Julius Baer, BNP Paribas, Deutsche Bank and HSBC. We also compete with fintech firms in some regions and products. We have strong positions in the largest wealth region (the US) and the fastest-growing wealth regions (Asia Pacific and the Middle East). The size of our global franchise, our bespoke cross-divisional solutions and our premium brand and reputation differentiate us from our competitors and would be difficult to replicate.

## Personal & Corporate Banking

As the leading bank in Switzerland, our home market, we provide a comprehensive range of financial products and services to private, corporate and institutional clients. With Personal & Corporate Banking at its core, Switzerland is the only region where we operate in all of our business areas. We are fully committed to maintaining our leadership in our home market. Swiss clients and the Swiss economy benefit from UBS's unparallelled global reach and capabilities. We are a go-to bank for entrepreneurs in Switzerland, providing comprehensive support at every stage of the entrepreneurial journey. Drawing on an extensive branch network and highly qualified client advisors, complemented by modern digital banking services and customer service centers, we are able to serve more than one-third of Swiss households and more than 90% of large Swiss companies. In 2024, UBS was named "Best Bank in Switzerland" by Euromoney for the tenth time since 2012.

Personal & Corporate Banking is organized into 10 regions, covering distinct Swiss economic areas. We operate a multi-channel approach, and we are constantly developing our digital and remote channels.

### Integration of Credit Suisse and organizational changes

We continue to make progress related to the integration of Credit Suisse, and we are on track to substantially complete the integration by the end of 2026. We are currently focused on client account and platform migrations and decommissioning applications and infrastructure. We expect the first wave of Swiss business migrations to commence in the second quarter of 2025.

On 1 July 2024, the merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG was completed and was a critical step on our integration journey. For the time being, the Credit Suisse brand will remain in use in Switzerland, and consumer finance services will continue to be provided through the BANK-now subsidiary.

› **Refer to the "Integration of Credit Suisse" section of this report for more information**

### How we do business

We provide our personal banking clients with access to a comprehensive, life-cycle-based offering. This includes a broad range of basic banking products, from payments to deposits, cards and convenient online and mobile banking, as well as lending (predominantly mortgages), investments and retirement planning services. Personal & Corporate Banking works closely with Global Wealth Management to provide our clients with access to leading wealth management services.

Our corporate and institutional clients benefit from our banking, financing and investment solutions, in particular access to equity and debt capital markets, syndicated and structured credit, private placements, leasing, and traditional financing. We offer transaction banking solutions for payment and cash management services, trade and export finance, and global custody solutions for institutional clients.

We work closely with the Investment Bank to offer capital market and foreign exchange products, hedging strategies, and trading capabilities, as well as corporate finance advice. In cooperation with Asset Management, we also provide fund and portfolio management solutions.

In our corporate business, we take a holistic approach to client dialogue. We seek to provide practical, tailored solutions with a deep understanding of our clients' business operations and collaborate with partners to offer a comprehensive range of products and services. We also launched sustainability-linked loans for commodity trade finance and corporate clients.

In 2024, we continued to focus on helping our clients to achieve their sustainability goals, as companies and individuals consider the best ways to transition to a lower-carbon economy.

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

We see a strong partner network as essential for UBS's success in Switzerland. To meet the increasing expectations of our clients, we have established strong partnerships that create significant value, for example, for homeowners, where protecting property value is crucial. Through our new partnership with NORM, we offer a digital, user-friendly energy analysis and a specific roadmap for sustainable renovations. Additionally, we have introduced *UBS Loan Green* to support sustainability in investment and commercial properties.

Through our collaboration with Fasoon and Startups.ch we actively support clients in founding their businesses and getting started financially from the very beginning. Our *UBS Marketplace* offers relevant partner solutions to support corporate clients throughout their life cycle.

We are building stronger relationships with our mortgage clients throughout the entire property ownership lifecycle with comprehensive services, including property acquisition, renovation, maintenance, and sale. Our exclusive partnership with SMG Swiss Marketplace Group enables us to expand our ecosystem to Switzerland's largest real estate portals, such as Homegate and Immoscout24. Through our partner *Brixel* we provide services related to property transactions and promotion financing. Our collaboration with *Houzy*, Switzerland's leading homeowner platform, connects our clients with a nationwide network of qualified craftsmen.

### Competition

In Personal Banking, our main competitors are the cantonal banks, Raiffeisen, PostFinance and other regional and local Swiss banks; we also face competition from international neobanks and other national digital market participants. Areas of competition are basic banking services, mortgages and foreign exchange, as well as investment mandates and funds.

In the corporate and institutional business, the cantonal banks and foreign banks are our main competitors. We compete in basic banking services, cash management, trade and export finance, asset servicing, investment advice for institutional clients, corporate finance and lending, and cash and securities transactions for banks. We also support the international business activities of our Swiss corporate clients through local hubs in New York, Frankfurt, Singapore and the Hong Kong SAR, where we compete with other foreign banks that have global operations. No other Swiss bank offers its corporate clients local banking capabilities abroad.

## Asset Management

We are a global, large-scale and diversified asset manager offering investment capabilities and strategies, across all major traditional and alternative asset classes, to institutions, wholesale intermediaries and Global Wealth Management clients.

Following the acquisition of the Credit Suisse Group, we have become one of the leading Europe-based asset managers, with total invested assets of USD 1.8trn. We are focused on meeting the evolving needs of our clients by capitalizing on the products and areas where we have a differentiated and scalable offering and by expanding our strong partnerships with the other business divisions across the Group.

Asset Management is organized into five areas: Client Coverage; Global Real Assets; Investments; Unified Global Alternatives; and the Chief Operating Officer (COO) area. We cover the main asset management markets globally and have a local presence in 24 locations across four regions: the Americas; Asia Pacific; EMEA; and Switzerland. We have nine main hubs: Chicago; the Hong Kong SAR; London; New York; Shanghai; Singapore; Sydney; Tokyo; and Zurich.

### Integration of Credit Suisse and organizational changes

We continued to move at pace with the integration of Credit Suisse. This included the completion of a number of legal entity transactions that enabled us to combine our core operating entities and teams in each region. Alongside that, we made significant strides toward bringing together our fund offerings and also commenced the technical migration of clients' investment portfolios onto the UBS platform.

During 2024, we completed a number of non-core divestments, including the sales of our Brazilian real estate fund management business (Credit Suisse Hedging-Griffo Real Estate), Credit Suisse Insurance Linked Strategies Ltd and our 62% majority stake in Credit Suisse Investment Partners. We also transferred the management of our Quantitative Investment Strategies business to a systematic investment manager.

› **Refer to the "Integration of Credit Suisse" section of this report for more information**

On 1 March 2024, Aleksandar Ivanovic became President Asset Management.

We also took a number of steps to increase our operational efficiency and simplify our organization. This included the reorganization and integration of our former Products functions into the Client Coverage and COO areas.

To capture the growing client demand for alternatives, at the end of 2024 we combined our manager selection franchises from Global Wealth Management and Asset Management to create a new business unit called Unified Global Alternatives (UGA). UGA sits operationally within the Asset Management business division, and additionally reports to Global Wealth Management.

With a combined USD 286bn in invested assets across Asset Management and Global Wealth Management, UGA is one of the leading global alternative players. By bringing together the breadth of our capabilities, we can better leverage and scale our deep expertise in sourcing, monitoring and managing investments. Given our ability to work flexibly alongside third-party alternatives managers across products, we believe we can strengthen our strategic partnerships with best-in-class general partners, and together deliver new and innovative solutions for clients.

Following the shift of our Real Estate & Private Markets (REPM) multi-manager capabilities to UGA, the remaining REPM business area has been renamed as Global Real Assets.

## How we do business

We are committed to delivering investment excellence and to creating value for our clients that endures through cycles. We offer a range of investment products and services across all major traditional and alternative asset classes and investing styles, and we also draw on the breadth of our capabilities to offer asset allocation and currency investment strategies across the risk–return spectrum, customized multi-asset solutions, and advisory and fiduciary services. In order to support our clients' sustainability objectives, we offer a comprehensive range of products and solutions which incorporates a variety of approaches, including active ownership, as well as impact- and transition-focused strategies.

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

To serve our clients' alternative investment needs, our UGA business maintains, manages and curates one of the world's premier open architecture platforms across hedge funds, private equity, private credit, real estate, infrastructure and multi-alternative investment products. We are also able to provide access to exclusive co-investments and secondary market opportunities for our more sophisticated clients. In addition, we offer access to a comprehensive range of direct investment capabilities across hedge funds and real assets, as well as our leading non-investment-grade fixed-income capabilities managed through our Credit Investment Group.

We continue to expand our index and exchange-traded funds capabilities, building on our position as the largest Europe-based manager of indexed investments. We are able to leverage our specialist teams, proprietary technology and expertise in customization to provide our clients with a compelling range of solutions across asset classes.

We also collaborate across business divisions to deliver our best capabilities to clients. For example, our SMA initiative with Global Wealth Management in the US continues to gain momentum, with USD 195bn in invested assets. Building on the success of this platform, we are also extending our offering to meet the needs of wholesale clients in this attractive market.

Our Partnerships Solutions business draws on our value chain across the Group to provide customized full-service fiduciary, investments and technology solutions for clients. Those include curated access to best-in-class third-party traditional and alternative investment managers, as well as a comprehensive suite of proprietary technology solutions and research services.

We are building on our extensive and long-standing presence in the Asia Pacific region, particularly in China, where we have enhanced our onshore presence through our joint ventures.

To better serve our clients' needs, enable further scalability and growth across our business, and position us to seize the opportunities presented by generative artificial intelligence, we are transforming our front-to-back business, our operating model and our technology platform. This includes our *UBS Advantage* initiative, which will enable us to streamline trading and portfolio implementation across our active and index capabilities through an integrated technology architecture. We also remain focused on capturing structural efficiencies to support our profitable growth. This includes refining our strategic product offering, further streamlining our organization, and realizing integration-related synergies.

## Competition

Our main competitors are global firms with wide-ranging capabilities and distribution channels, such as AllianceBernstein, Allianz Asset Management, Amundi, BlackRock, DWS, Franklin Templeton, Invesco, J.P. Morgan Asset Management, Morgan Stanley Investment Management, Schroders, State Street Global Advisors and T. Rowe Price, as well as firms with a specific market or asset-class focus.

# Investment Bank

The Investment Bank provides services to institutional, corporate and wealth management clients, helping them raise capital, invest and manage risks, while targeting attractive and sustainable risk-adjusted returns for the Group's shareholders. Our traditional strengths are in equities, foreign exchange, research, advisory services and capital markets, complemented by a focused rates and credit platform. We use our data-driven research and technology capabilities to help clients adapt to evolving market structures and changes in regulatory, technological, economic and competitive landscapes.

Aiming to deliver market-leading solutions by using our intellectual capital and electronic platforms, we work closely with Global Wealth Management, Personal & Corporate Banking and Asset Management to bring the best of the Group's capabilities to our clients. We do so while being disciplined about balance sheet deployment and costs.

Our two business areas, Global Banking and Global Markets, are organized globally by product. Our business is regionally diversified, with a presence in more than 30 countries. We cover the main investment banking markets globally and have major financial hubs across four regions: the Americas; Asia Pacific; EMEA; and Switzerland.

Our priority is providing high-quality execution and seamless client service, through an integrated, solutions-led approach, with disciplined growth in the advisory and execution businesses, while accelerating our digital transformation. In Global Banking, we position ourselves as trusted advisors via our client coverage and ability to provide access to the wider suite of UBS's capabilities. In Global Markets, we enable clients to buy, sell and finance securities on capital markets worldwide and to manage their risks and liquidity.

## Integration of Credit Suisse and organizational changes

The acquisition of the Credit Suisse Group in 2023 accelerated the Investment Bank's existing growth strategy, reinforcing and strengthening our coverage and presenting a powerful opportunity to enhance capabilities and client relevance in key products and regions.

The Investment Bank has benefited significantly from the integration of Credit Suisse, in terms of clients, talent and capabilities. And the integration has also helped us to build a more sustainable market share in a range of products and markets. The transfer of Credit Suisse positions onto UBS infrastructure is now complete, and all in-scope clients have been onboarded.

› **Refer to the "Integration of Credit Suisse" section of this report for more information**

On 1 July 2024, George Athanasopoulos and Marco Valla joined the Group Executive Board as Co-Presidents Investment Bank. They replaced Robert Karofsky, who on that date became Co-President Global Wealth Management and President UBS Americas.

In 2024, GWM Solutions was introduced and is aimed at combining all client solutions across UBS into a single construct so as to more effectively, efficiently and consistently deliver products and capabilities to our clients. As part of GWM Solutions, we announced the formation of Unified Global Banking, combining Global Wealth Management's corporate finance capabilities with Global Banking to service the traditional corporate finance needs of our Global Wealth Management clients and their companies.

## How we do business

The Investment Bank consists of two areas: Global Markets, which is supported by Investment Bank Research; and Global Banking. Our global coverage model utilizes our international industry expertise and product capabilities to meet clients' emerging needs.

Our Global Banking business offers a broad range of investment banking products and services to our clients. We work with our clients to understand their business needs and provide ideas that support growth and help them achieve their objectives. Global Banking advises clients on strategic business opportunities, such as mergers, acquisitions and related strategic matters, and helps them raise capital, in both public and private markets, to fund their activities. With teams located across the Americas, EMEA and Asia Pacific regions, our banking coverage offers clients local market expertise coupled with access to a global network.

Our Global Markets business helps clients engage with local markets globally, providing nimble, innovative and bespoke access to solutions, from market and insight tools to trade strategies and execution. Global Markets enables clients to buy, sell and finance securities on capital markets worldwide and to manage their risks and liquidity. We distribute, trade, finance and clear cash equities and equity-linked products, as well as structuring, originating and distributing new equity and equity-linked issues. From origination and distribution to managing risk and providing liquidity in foreign exchange, rates, credit and precious metals, we help clients to realize their financial goals. We provide flexible, innovative and bespoke access to solutions, from market and insight tools to trading strategies and execution.

Our Investment Bank Research business continues to publish research based on primary data to concentrate on data-driven outcomes and offers clients differentiated content about major financial markets and securities around the globe, with analysts based in more than 20 countries and with coverage of more than 3,700 stocks in 49 different countries. *HOLT*, a framework that helps investors to make better decisions, was successfully transferred from Credit Suisse to UBS in October 2024 and is an addition to our data capabilities, which include *Quant Research* and *UBS Evidence Lab*. *HOLT* provides investors with a robust framework to analyze, value and compare 20,000 companies globally.

Our capabilities, core products and services have been enhanced by the integration, which has enabled us to deliver these products and services to an expanded institutional and corporate client base. In addition, we are now better positioned to serve Global Wealth Management, offering investment banking capabilities, and to further enhance our connections with wealth management clients. The integration of Credit Suisse is expected to drive further changes in our future revenue footprint. Our increased scale will enhance our competitive positioning within each region and product set and rebalance our footprint.

We seek to develop new products and solutions consistent with our capital-efficient business model, typically related to new technologies or changing market standards.

The Investment Bank offers clients global advice and access to the world's primary, secondary and private capital markets, including through an array of sustainability-focused advice, products, research and events. We help meet clients' needs with respect to environmental, social and governance (ESG) considerations and sustainable finance, helping to reshape business models and investment opportunities and to develop sustainable finance products and solutions.

In Global Markets, we develop products and solutions designed to meet clients' specific and increasingly detailed ESG objectives. In Global Banking, the ESG Advisory Group supports UBS's clients globally in assessing their ESG / sustainability profile and linking such profiles to investor demand and valuation. The ESG research team delivers thematic reports on ESG and sustainability-related topics. More generally, through our research, we address ways in which ESG factors connect to individual markets, sectors and companies in our coverage.

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

The Investment Bank strives to be the digital investment bank of the future, focused on delivering innovation-led solutions and efficiencies for our clients. Our digital strategy harnesses technology to provide access to sources of unique, global liquidity, personalized advice and differentiated content. As the world around us changes, our digital capabilities harness emerging technologies and create new products and solutions, which help our clients to adapt to evolving market structures and achieve their investment goals.

Our ambition to be the most client-focused, efficient and data-driven investment bank is being realized through the simplification of technology architecture, increased speed and quality of delivery and the attraction of best-in-class talent. As we look forward to the continued evolution of our digital capabilities, we will see increased adoption of technologies, such as generative artificial intelligence, the consistent re-use of platforms and products, and the continued drive to make progress in our overall strategic imperatives, with regard to a new, combined Investment Bank.

Joint efforts between the Investment Bank and the other business divisions (for example, our work with Global Wealth Management through GWM Solutions coverage) and, externally, strategic partnerships (for example, UBS BB jointly with Banco do Brasil, focused on Latin America) continue to be key strategic priorities. Partnerships with Global Wealth Management and Asset Management enable us to provide clients with broad access to financing, global capital markets and portfolio solutions. We expect these initiatives to continue to lead to growth by delivering global products to each region, leveraging our global connectivity across borders and sharing and strengthening our best client relationships.

## Competition

Our global reach presents attractive options for growth. In the Americas, the largest investment banking fee pool globally, we continue to focus on increasing market share in our core Global Banking and Global Markets businesses. In Asia Pacific, we plan to capture opportunities arising from expected market internationalization and growth in China and other markets, and to strengthen our presence in the region. In EMEA, we plan to leverage our strong base and brand recognition to further gain market share.

Competing firms operate in many of our markets, but our strategy differentiates us, with our focus on selective leadership in the areas where we have chosen to compete and a business model that leverages talent and technology rather than balance sheet. Our main competitors are the major global investment banks (e.g. Morgan Stanley and Goldman Sachs) and corporate investment banks (e.g. Bank of America, Barclays, Citigroup, BNP Paribas, Deutsche Bank and JPMorgan Chase). In certain products and regions, we also compete with boutique investment banks and fintech firms.

# Non-core and Legacy

Non-core and Legacy includes positions and businesses not aligned with our long-term strategy and risk appetite. It consists of selected assets and liabilities from the former Credit Suisse business divisions, as well as residual assets and liabilities from UBS's former Non-core and Legacy Portfolio that preceded the acquisition of the Credit Suisse Group and smaller amounts of assets and liabilities of UBS's business divisions that have been assessed as not strategic in light of the acquisition.

We have made strong progress in actively reducing Non-core and Legacy's assets and liabilities.

› **Refer to the "Integration of Credit Suisse" section of this report for more information**

## Our key priorities and operations

We will continue to actively wind down Non-core and Legacy's positions in order to reduce operating costs and financial resource consumption, with a focus on economic profitability, and to enable us to simplify infrastructure. Incremental costs or losses may arise in connection with the reduction of such assets and liabilities.

Our key priorities continue to be as follows.

- Reduce RWA and LRD, freeing up capital for the UBS Group. We aim to achieve a share of below 5% of Group RWA by the end of 2026. We will continue to actively pursue the acceleration of the natural roll-off through active unwinds.
- Reduce operating costs and financial resource consumption by integrating onto the core platform, simplifying and decommissioning infrastructure, and minimize the number of legal entities. We aim to exit 2026 with around USD 0.8bn in underlying operating expenses (excluding litigation).
- Execute the de-risking strategy in an orderly manner to protect the client franchise, working in partnership with other business divisions.

Non-core and Legacy includes financial and non-financial assets, operating expenses and funding costs related to the following legacy Credit Suisse businesses: loans primarily related to corporate clients and emerging markets, the residual securitized products businesses, the macro trading business, including rates and foreign exchange, the legacy life-finance business, the equities portfolio, including the remaining equity swaps, share back-lending positions and legacy structured renewables-linked positions, and the residual credit business. It also includes residual trades from businesses exited by the pre-integration UBS Investment Bank, mainly in 2012. The portfolio additionally encompasses positions relating to legal matters transferred to it at the time of its formation in 2023.

# Group functions

Our Group functions are support and control functions that provide services to the Group, focusing on effectiveness, risk mitigation and efficiency.

## How we are organized

Our Group functions include the following major areas: Group Services (which consists of the Group Operations and Technology Office, Group Compliance, Regulatory & Governance, Group Finance, Group Risk Control, Group Human Resources and Corporate Services, Communications & Branding, Group Legal, the Group Integration Office, Group Sustainability and Impact and the Chief Strategy Office) and Group Treasury.

Virtually all costs incurred by the Group functions are allocated to the business divisions, leaving a residual amount that we refer to as Group Items in our segment reporting in accordance with IFRS Accounting Standards. Certain activities are retained centrally, where not directly related to the businesses, such as group hedging and own debt activities in Group Treasury and certain other costs that are mainly related to deferred tax assets and costs relating to our legal entity transformation program.

Most of our employees in the Group functions are employed by UBS Business Solutions AG or another of our service company subsidiaries of UBS Group AG. The costs of the Group functions employees in UBS Business Solutions AG are reflected as compensation expense in UBS Group AG reporting and as general and administrative expense in UBS AG reporting.

### Group Services

The vast majority of the support and control functions are fully aligned or shared among the business divisions. The activities of the businesses and support and control functions are closely aligned to improve efficiency and create a working environment built on accountability and collaboration.

### Group Treasury

Group Treasury manages balance sheet structural risk (e.g. interest rate, structural foreign exchange and collateral risks), as well as the risks associated with our liquidity, capital and funding portfolios. Group Treasury serves all five business divisions, and its risk management is integrated into the Group risk governance framework.

# Our environment

## Market environment

### Global economic developments in 2024[1]

Although global economic growth slowed slightly in 2024, to 3.2% from 3.4% in 2023, there was more growth than had been expected, helped by the strength of the US economy, slowing inflation, and central bank rate cuts.

The resilience of the US economy was the main surprise relative to projections coming into 2024. Robust consumer spending and greater business investment in artificial intelligence (AI) helped US GDP to grow by 2.8%, close to the 2.9% increase registered in 2023.

Growth in other developed economies was more muted. The Eurozone's GDP expanded by 0.7%, which was marginally better than the 0.5% registered in 2023. Germany was the main drag, with the region's largest economy held back by weak consumer demand, high energy prices and challenges in major export markets, including intensifying competition to its important automotive industry. In contrast, Swiss GDP growth accelerated to 1.4%, up from 0.7% in 2023, with improving consumer demand offsetting weakness in the manufacturing sector.

China's post-pandemic rebound continued to be disappointing, with GDP growth at 4.8%, compared with 5.2% in 2023. Consumers were cautious about spending against a backdrop of job insecurity and falling property prices. Stimulus from the government came late in the year and has yet to revive consumer confidence.

Inflation continued its trend toward normalization after the multi-decade highs experienced in the wake of the COVID-19 pandemic. Lower inflation in the Eurozone and the UK led the European Central Bank and the Bank of England to cut rates by 100 basis points and 50 basis points, respectively. Meanwhile, low inflation in Switzerland (1.1% in 2024) led the Swiss National Bank (the SNB) to cut interest rates by 125 basis points. The US Federal Reserve cut interest rates by 100 basis points, less than had been expected earlier in 2024. The consumer price index in the US rose 2.9% in the year to December 2024, compared with 3.4% in 2023.

Strong US earnings growth, lower interest rates, and optimism about AI helped the S&P 500 deliver a 25% return, contributing to a 20.7% return for the MSCI All Country World Index. The MSCI Europe index gained 10.3%, with the MSCI Switzerland returning 6.6%. Emerging market equities returned 8.1% in US dollar terms, with the MSCI China returning 19.8%, helped by government pledges of more forceful stimulus.

It was a volatile year for bond markets, amid shifting expectations over the timing, pace and magnitude of interest rate cuts from central banks. The yield on 10-year US Treasuries rose from 3.9% at the start of 2024 to 4.6%, boosted by stronger US economic data and the anticipation of higher inflation under the new US administration. The yield on 10-year German bunds also rose, despite concerns over weak growth in Germany and the Eurozone.

### Economic and market outlook for 2025[1]

We expect economic uncertainty to remain high in 2025, with the potential for significant policy developments from the new US administration and with geopolitical risks still elevated. However, our base case is for 2025 to be another resilient year for the global economy, and our projections show only a slight slowing of global GDP growth, to 3.0% in 2025.

In the US, we expect healthy consumption, further easing of fiscal policy and interest rate cuts from the Federal Reserve. This should help mitigate the potential drag from higher trade tariffs. Our base case is for US GDP to grow by around 2%. The prospect of higher tariffs on exports to the US could prove a headwind to growth in Europe and Asia. Although China could counter with further stimulus, we expect growth there to slow further, to 4.0% in 2025, due to the continued weakness in the property market and consumer demand. For the Eurozone, we expect growth to stabilize, with GDP increasing by 0.9% in 2025, as falling interest rates and higher levels of savings support both consumer spending and corporate investments. For Switzerland, we expect GDP growth of 1.3%, supported by stronger external demand from the Eurozone.

Regarding interest rates, we still see Federal Reserve rates as restrictive and expect further cuts in 2025, despite the resilience of the US economy. Our view is that subdued growth and slowing inflation in the Eurozone will prompt the European Central Bank to continue cutting interest rates in 2025. We also expect the SNB to further cut rates amid low inflation.

We expect a combination of continued economic growth, monetary easing, and advances in AI to contribute to another positive year for the S&P 500. Although a relaxation of regulations on businesses by the incoming US administration could further support stocks, international markets could face pressure from US tariffs.

We see only a modest downside to government bond yields, as resilient US growth and above-target US inflation partially offset the likely impact of lower central bank interest rates. We believe that the threat of tariffs and geopolitical uncertainty are likely to maintain the strength of the US dollar for at least the first half of 2025.

1 Based on the following sources: Haver Analytics, CEIC, National Statistics and UBS.

# Regulation and supervision

As a financial services provider based in Switzerland, the UBS Group is subject to consolidated supervision by the Swiss Financial Market Supervisory Authority (FINMA). The Group's entities are also regulated and supervised by authorities in each country where we conduct business. Through UBS AG and UBS Switzerland AG, which are licensed as banks in Switzerland, UBS may engage in a full range of financial services activities in Switzerland and abroad, including personal banking, commercial banking, investment banking and asset management.

UBS is a global systemically important bank, as designated by the Financial Stability Board, and a systemically relevant bank (an SRB) in Switzerland, UBS Group entities are subject to stricter regulatory requirements and supervision than most other Swiss banks.


- **Refer to the "Integration of Credit Suisse" section of this report for more information**
- **Refer to the "Regulatory and legal developments" and "Risk factors" sections of this report for more information**


## Regulation and supervision in Switzerland

### Supervision

UBS Group AG and its subsidiaries, including UBS AG, are subject to consolidated supervision by FINMA under the Swiss Banking Act and related ordinances, which impose standards for matters such as capital adequacy and risk diversification rules, liquidity, internal control systems, business conduct, and corporate governance. FINMA meets its statutory supervisory responsibilities through licensing, regulation, supervision, and enforcement. It is responsible for prudential supervision and mandates audit firms to perform regulatory audits and other supervisory tasks on its behalf.

### Capital adequacy and liquidity regulation

As an internationally active Swiss systemically important bank (an SIB), UBS is subject to capital and total loss-absorbing capacity (TLAC) requirements at both the group level, for UBS Group AG, and the parent bank level, for UBS AG, that are based on both risk-weighted assets and the leverage ratio denominator, and are among the most stringent in the world. UBS Group AG, UBS AG and UBS Switzerland AG are also subject to liquidity requirements and to minimum long-term funding requirements for Swiss SIBs.


- **Refer to the "Risk, capital, liquidity and funding, and balance sheet" section of this report for more information about the Swiss SRB framework and the Swiss too-big-to-fail (TBTF) requirements**
- **Refer to "Liquidity and funding management" in the "Risk, capital, liquidity and funding, and balance sheet" section of this report for more information about liquidity coverage ratio and net stable funding ratio requirements**


## Regulation and supervision outside Switzerland

### Regulation and supervision in the US

In the US, UBS is subject to regulation and supervision by the Board of Governors of the Federal Reserve System (the Federal Reserve Board) under a number of laws. UBS Group AG and UBS AG are subject to the Bank Holding Company Act, pursuant to which the Federal Reserve Board has supervisory authority over our US operations.

In addition to being a financial holding company under the Bank Holding Company Act, UBS AG has US branches, which are authorized and supervised by the Office of the Comptroller of the Currency (the OCC). UBS AG and Credit Suisse International are registered as swap dealers with the Commodity Futures Trading Commission (the CFTC) and registered as securities-based swap dealers with the Securities and Exchange Commission (the SEC).

UBS Americas Holding LLC is the intermediate holding company for our operations in the US outside of the UBS AG branch network, as required under the Dodd–Frank Act, and is subject to requirements established by the Federal Reserve Board related to risk-based capital, liquidity, the Comprehensive Capital Analysis and Review (CCAR) stress testing and capital planning process, and resolution planning and governance.

UBS Bank USA, a Federal Deposit Insurance Corporation (FDIC)-insured depository institution subsidiary, is licensed and regulated by state regulators in Utah and is also supervised by the FDIC.

UBS Financial Services Inc., UBS Securities LLC, Credit Suisse Securities (USA) LLC and several other US subsidiaries of UBS are subject to regulation by a number of different government agencies and self-regulatory organizations, including the SEC, the Financial Industry Regulatory Authority, the CFTC, the Municipal Securities Rulemaking Board and national securities exchanges, depending on the nature of their business. Certain of our activities in the US are subject to regulation by the Consumer Financial Protection Bureau.

### Regulation and supervision in the UK

Our regulated UK operations are mainly subject to the authority of the Prudential Regulation Authority (the PRA), which is part of the Bank of England (the BoE), and the Financial Conduct Authority (the FCA). We are also subject to the rules of the London Stock Exchange and other securities and commodities exchanges of which UBS AG is a member.

UBS AG has a UK-registered branch, UBS AG London Branch, which serves as a global booking center for our Investment Bank, with regulated subsidiaries that provide asset management services. Credit Suisse International, Credit Suisse Securities (Europe) Limited and Credit Suisse (UK) Limited are authorized and regulated by the FCA and subject to the authority of the PRA.

### Regulation and supervision in Europe

UBS Europe SE, headquartered in Germany, is subject to the direct supervision of the European Central Bank (the ECB), as well as to continued conduct, consumer protection and anti-money-laundering-related supervision by the German Federal Financial Supervisory Authority (BaFin) and supervisory support by the German Bundesbank. The entity is subject to EU and German laws and regulations. UBS Europe SE maintains branches in Denmark, France, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Spain, Sweden and Switzerland, and is subject to conduct supervision by authorities in all those countries.

In Italy, Credit Suisse (Italy) SpA is supervised by the Bank of Italy and the Commissione Nazionale per le Società e la Borsa. In Spain, Credit Suisse Bank (Europe) SA is supervised by the Bank of Spain, the Comisión Nacional del Mercado de Valores and the Servicio Ejecutivo de la Comisión de Prevención del Blanqueo de Capitales e Infracciones Monetarias. Credit Suisse Bank (Europe) SA operates a branch in the Netherlands, which is subject to conduct supervision by the De Nederlandsche Bank and De Autoriteit Financiële Markten. We expect to wind down or consolidate Credit Suisse (Italy) SpA and Credit Suisse Bank (Europe) SA into UBS Europe SE in accordance with the intermediate EU parent undertaking requirement, which in agreement with the ECB is to be implemented by June 2025.

### Regulation and supervision in Asia Pacific

We operate in numerous locations in Asia Pacific, including Singapore, the Hong Kong SAR, mainland China, Australia and Japan. The operations in these locations are subject to regulation and supervision by local financial regulators. Our Asia Pacific regional hubs are in Singapore and the Hong Kong SAR.

In Singapore, UBS AG Singapore Branch, UBS Securities Pte Ltd, UBS Asset Management (Singapore) Ltd and Credit Suisse Securities (Singapore) Pte Limited are supervised by the Monetary Authority of Singapore and the Singapore Exchange. Credit Suisse (Singapore) Limited is supervised by the Monetary Authority of Singapore.

In the Hong Kong SAR, UBS AG Hong Kong Branch is supervised by the Hong Kong Monetary Authority. UBS Securities Hong Kong Limited, UBS Securities Asia Limited, UBS Asset Management (Hong Kong) Limited, Credit Suisse (Hong Kong) Limited and Credit Suisse Securities (Hong Kong) Limited are supervised by the Hong Kong Securities and Futures Commission. In addition, UBS Securities Hong Kong Limited and Credit Suisse (Hong Kong) Limited are supervised by Hong Kong Exchanges and Clearing Limited.

In mainland China, we have multiple licenses to operate the respective business lines of UBS AG and Credit Suisse AG, and the various entities are subject to regulation by a number of different government agencies. The People's Bank of China oversees China's macro capital markets policies and ensures coordinated supervisory approaches by the National Administration of Financial Regulation (the China Banking and Insurance Regulatory Commission until May 2023), the China Securities Regulatory Commission and a number of exchanges.

In Australia, UBS AG Australia Branch is supervised by the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission, the Australian Transaction Reports and Analysis Centre, the Reserve Bank of Australia, and the Australian Securities Exchange. UBS Securities Australia Ltd, UBS Asset Management Limited and Credit Suisse Equities (Australia) Limited are supervised by the Australian Securities and Investments Commission, the Australian Transaction Reports and Analysis Centre and the Australian Securities Exchange.

In Japan, UBS Securities Japan Co., Ltd. and Credit Suisse Securities (Japan) Limited are supervised by the Financial Services Agency and the Japan Exchange Group. UBS AG Tokyo Branch is supervised by the Financial Services Agency and the Bank of Japan. UBS SuMi TRUST Wealth Management Co., Ltd. is supervised by the Financial Services Agency and the Japanese Ministry of Finance. UBS Asset Management (Japan) Ltd and UBS Japan Advisors Inc. are supervised by the Financial Services Agency.

## Financial crime prevention

Combating money laundering and terrorist financing has been a major focus of many governments in recent years. Laws and regulations, including the Swiss Banking Act and the US Bank Secrecy Act, require effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and the verification of client identities. Failure to introduce and maintain adequate programs to prevent money laundering and terrorist financing can result in significant legal and reputational risk and fines.

We are also subject to laws and regulations prohibiting corrupt or illegal payments to government officials and other persons, including the US Foreign Corrupt Practices Act and the UK Bribery Act. We maintain policies, procedures and internal controls intended to comply with those regulations.

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

## Data protection

We are subject to regulations concerning the use and protection of customer, employee and other personal and confidential information. This includes provisions under Swiss law, the EU General Data Protection Regulation (the GDPR) and laws of other jurisdictions.

› **Refer to the "Risk factors" section of this report for more information about regulatory change**

## Recovery and resolution

Swiss TBTF legislation requires each Swiss SRB to establish an emergency plan to maintain systemic functions in case of impending insolvency. In response to these Swiss requirements and similar ones in other jurisdictions, UBS has developed recovery plans and resolution strategies, as well as plans for restructuring or winding down businesses if the firm could not otherwise be stabilized.

In 2013, FINMA stated its preference for a single point of entry (an SPE) strategy for globally active SRBs, such as UBS, with a bail in at the group holding company level. UBS has made structural, financial and operational changes to facilitate an SPE strategy and is confident that a resolution of the bank is operationally executable and legally enforceable. In 2023, UBS acquired the Credit Suisse Group and merged Credit Suisse Group AG into UBS Group AG. UBS Group AG subsumed all the capital and loss-absorbing instruments of Credit Suisse Group AG with the acquisition. A bail in remains operationally executable for the combined UBS Group and an SPE resolution strategy remains the preferred strategy for UBS.

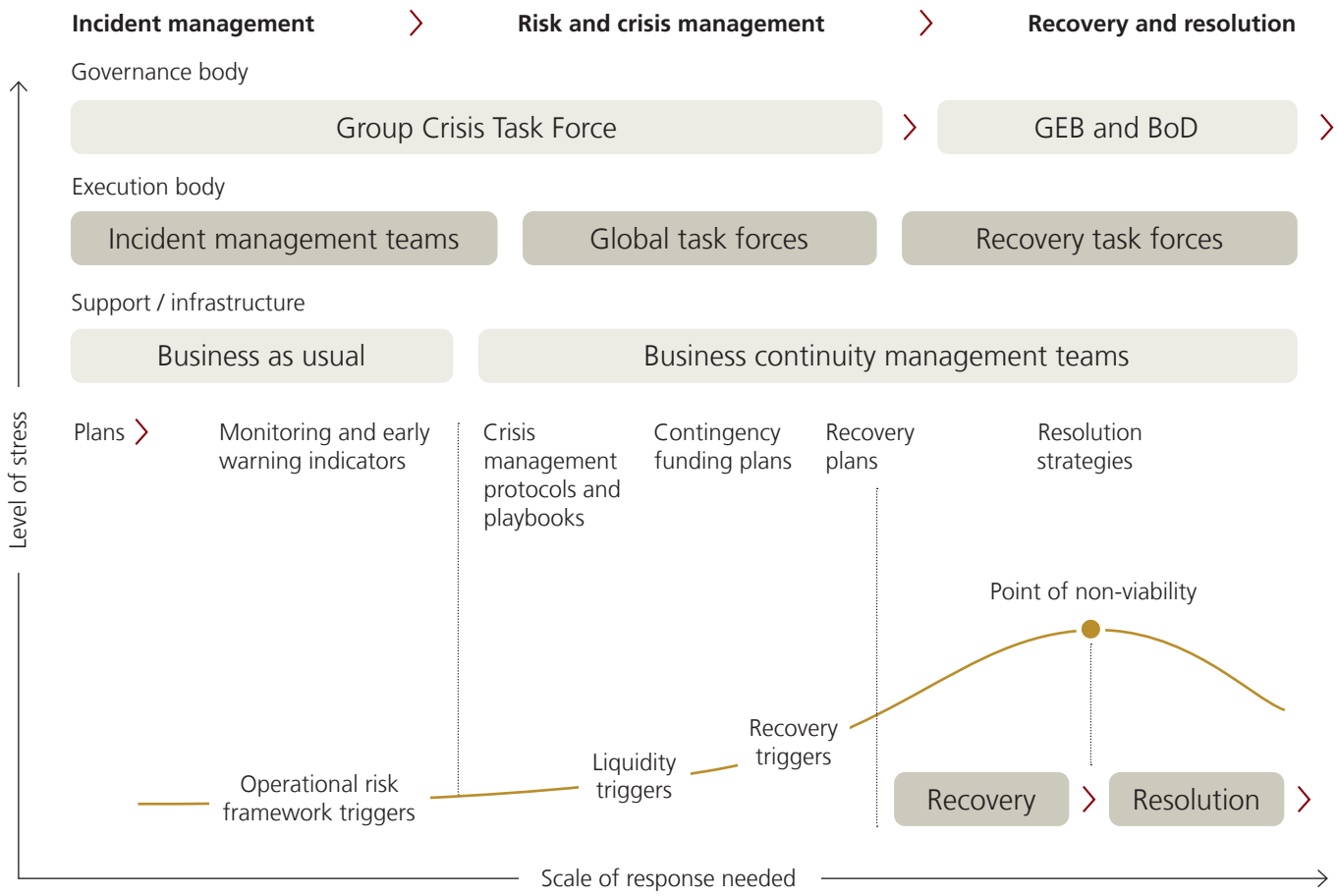
FINMA evaluates the recovery and resolution plans of Swiss SRBs on a regular basis. In October 2024, FINMA announced that it had suspended the annual approval of UBS's recovery and emergency plans and determined that the integration of Credit Suisse required adjustments by UBS to ensure continued resolvability. While FINMA recognized that UBS remains resolvable under its existing preferred resolution strategy, it noted that UBS's resolution planning must be further developed to increase the available options for FINMA in case of resolution. The preferred resolution strategy involves the recapitalization via a bail in at the group holding company level and a restructuring of the business into a viable business model. As additional optionality, an alternative resolution strategy based on an orderly market exit (either via disposal or wind-down or a combination of both) is expected by FINMA, and initial concepts are under discussion. This is in line with the TBTF report of the Swiss Federal Council, issued in April 2024, which will also require amendments to legislation to provide authorities with more options to increase flexibility in case of a crisis and increase legal certainty for executing these alternative resolution options.

### Crisis management framework

The UBS Group's crisis management framework assigns responsibility and actions depending on the nature of the stress incident and the scale of the response needed.

- For incident, risk and crisis management, the Group Crisis Task Force works with incident management teams that provide monitoring and early warning indicators at the local / regional level, without needing to activate protocols at the Group level. If a local response is insufficient, global task forces and crisis management teams provide decision-making guidance and coordination, including crisis management plans, protocols and playbooks, and contingency funding plans.
- The Group Executive Board (the GEB) and the Board of Directors (the BoD) would evaluate and decide upon the need to activate the Global Recovery Plan (the GRP) if a stress event reached a severity requiring activation based on the GRP's recovery risk indicators.
- FINMA has the authority to determine whether the point of non-viability, as defined by Swiss law, has been reached and, as part of the resolution plan, has the power to order the bail in of creditors to recapitalize and stabilize the Group, limit payments of dividends and interest, alter our legal structure, take actions to reduce business risk, and order a restructuring of the bank.

**UBS crisis management framework**




*Global Recovery Plan*

The GRP provides a tool to restore financial strength if UBS comes under severe capital or liquidity stress. Quantitative and qualitative triggers are monitored daily and are subject to predefined governance and escalation processes. Recovery options are linked to owners and checklists, with the objectives of preserving capital, raising capital or liquidity, or disposing of or winding down businesses.

*Global Resolution Strategy*

FINMA is required to produce a global resolution plan for UBS. The plan includes setting out measures that FINMA can take to resolve UBS in an orderly manner if the Group enters resolution. The SPE bail-in strategy would involve writing down the Group's remaining equity and additional tier 1 and tier 2 instruments, as well as the bailing in of the TLAC-eligible senior unsecured bonds at the UBS Group AG level. An internal recapitalization of undercapitalized subsidiaries would be executed simultaneously with losses transmitted to UBS AG and, ultimately, UBS Group AG. Post-resolution restructuring measures could include disposals or wind-down of businesses and assets.

*Local recovery and resolution plans*

The Swiss emergency plan demonstrates how UBS's systemically important functions and critical operations in Switzerland can continue if the UBS Group cannot be restructured. This is achieved mainly by operating the Swiss-booked business in a separate legal entity, UBS Switzerland AG, and by ensuring its financial and operational self-sufficiency to enable its continued operation throughout a crisis.

The US resolution plan sets out the steps that could be taken to resolve the US intermediate holding company, UBS Americas Holding LLC, and its subsidiaries if it suffered material financial distress and UBS Group was unable or unwilling to provide financial support. As required by US regulations, our US plan contemplates that UBS Americas Holding LLC will commence US bankruptcy proceedings. Prior to this, the plan envisages UBS Americas Holding LLC downstreaming financial resources to its respective subsidiaries to facilitate an orderly wind-down or disposal of businesses. The next updated plan has to be submitted by October 2025.

UBS Europe SE updates a local recovery plan annually based on ECB requirements and resolution planning information and capabilities based on Single Resolution Board requirements. On the basis of such information, the Internal Resolution Team, composed of members of the Single Resolution Board, produces a resolution plan for UBS Europe SE.

UBS operates a UK banking subsidiary with Credit Suisse International, which is in the process of being wound down as part of Non-core and Legacy. Credit Suisse International is subject to the UK Resolvability Assessment Framework, under which it is required to assess its recovery planning and resolvability planning capabilities against the standards defined in the UK Resolvability Assessment Framework on an annual basis and confirm its compliance to the BoE and PRA. The UK authorities have confirmed that as of January 2025 Credit Suisse International is no longer subject to the UK internal minimum requirements for own funds and eligible liabilities.

Other local recovery and resolution plans exist for various UBS AG entities and jurisdictions.

## Regulatory trends

Regulatory policy discussions resulting from the March 2023 banking turmoil continued throughout 2024. At the supranational level, the focus was on liquidity and interest rate risks, supervision, and the impact of technology and social media on depositor behavior, but there have been no specific policy proposals to date. Discussions in Switzerland focused on a thorough analysis of the Credit Suisse crisis and proposals aimed at strengthening the financial stability of Swiss financial institutions and the financial sector going forward. Now that the parliamentary investigation committee has released its report, the official analysis of the Credit Suisse crisis has been concluded.

The final Basel III implementation was a key theme across jurisdictions with further divergence emerging. While the final Basel III regulations have been implemented in Switzerland as of 1 January 2025, implementation timelines are increasingly varying across other major jurisdictions.

The trend of further digitalization in the banking industry has triggered regulatory policy responses across jurisdictions. In particular, the field of artificial intelligence (AI) has seen rapid technical and market developments. In response to this, various international organizations have advanced work to define global high-level principles, applicable across industries. At the same time, and in parallel with global efforts, jurisdictional approaches differ. Notably, the EU is implementing an expansive AI Act, which came into force on 1 August 2024. Other jurisdictions, including the US and Switzerland, are taking a more measured approach, emphasizing and clarifying the applicability of existing laws and building capacity and understanding of the technology, before taking targeted regulatory action. Separately, applications of distributed ledger technology and market adoption of digital assets continue to grow, while the maturity of the regulatory landscape has increased. 2024 saw the introduction of the EU Markets in Crypto-Assets Act, which seeks to harmonize stablecoin and crypto asset regulation in the EU. In the US, the change in administration has resulted in a more accommodative regulatory sentiment toward digital assets, driving a shift in the regulatory approach across responsible agencies. Meanwhile, various central banks are experimenting with central bank digital currencies to understand the benefits and risk, but often without any commitment toward implementation.

Operational resilience and banks' management of third-party risk has continued to receive a heightened regulatory and supervisory focus, including the management of cyber risks related to third-party vendors and how banks ensure compliance with minimum standards. This has been caused, in part, by high-profile incidents. Many jurisdictions are working on expanding incident reporting, including for cybersecurity incidents. Separately, the interconnectedness with, and dependence on, third-party providers has been in focus, including via the Basel Committee on Banking Supervision reviewing principles for the sound management of third-party risk in the banking industry and the UK implementing a critical third-party regime. Finally, regulators such as the Monetary Authority in Singapore have started to consider risks to banks related to quantum computing.

Sustainable finance stayed high on the policy agenda but with implementation of prescriptive legislation diverging across jurisdictions, and the EU proposing recently to simplify its sustainability reporting and due diligence requirements. Notable activity was observed related to sustainability reporting disclosures, with ongoing implementation and alignment efforts. In addition, there was increased policy attention regarding transition plans as a strategic tool for decarbonization and adaptation to a low-carbon future and, in some jurisdictions, also as a climate risk management tool. Policymakers also advanced developments on prudential disclosure standards for the supervision of climate-related financial risks. Finally, additional regulation was focused on voluntary carbon markets, including on market integrity and credit quality.

Policymakers maintained focus on financial stability risks in the non-bank financial intermediation (the NBFI) sector. At the global level, work focused on banks' counterparty credit risk management, as well as risks within the NBFI sector, including preparedness for margin and collateral calls, liquidity management in funds, and proposals to manage excessive leverage. The EU reviewed the adequacy of macroprudential tools for NBFI firms, and the Bank of England completed a first-of-its-kind, system-wide stress test to understand the role that NBFI firms play during an economic shock.

Anti-money-laundering was prominent on policymakers' agendas, with increased due diligence requirements for the financial industry in Switzerland, while sanctions remained a crucial component of western countries' strategies to counter Russian aggression in Ukraine.

Finally, while market structure reforms have been largely implemented in the US, similar issues are under discussion across jurisdictions in Europe, notably the element of the reforms related to the shortening of the standard settlement cycle for security transactions from two business days to one business day.

In 2025, various jurisdictions, including the EU, UK, and US, are shifting their stated policy and regulatory approaches toward promoting a growth- and competitiveness-focused agenda, with related measures to simplify and boost the framework conditions, while other jurisdictions, including Switzerland, remain focused on strengthening their regulatory environment as a consequence of the events in March 2023. This adds to the ongoing trend of regulatory fragmentation. However, we believe the continued adaptations made to our business model and our proactive management of regulatory change put us in a strong position to absorb upcoming challenges in the regulatory environment. We trust that our strengthened standing as a combined organization with a strong capital position and a balance sheet for all seasons will enable us to cope with any potential challenges.

› **Refer to the "Regulatory and legal developments" and the "Risk, capital, liquidity and funding, and balance sheet" sections of this report for more information**

# Regulatory and legal developments

## Developments related to the acquisition of the Credit Suisse Group

In April 2024, the Swiss Federal Council released its report on banking stability that evaluates the regulation of systemically important banks (SIBs). The report includes a comprehensive review of the acquisition of the Credit Suisse Group and concludes that the existing Swiss too-big-to-fail (TBTF) regime must be further developed and strengthened. The Swiss Federal Council proposes to introduce measures focused on three areas: strengthening prevention, strengthening liquidity and expanding the crisis toolkit.

Measures include proposals to strengthen the capital base, to improve resolvability and tighten capital requirements for global systemically important banks (G-SIBs), including the introduction of forward-looking elements for institution-specific Pillar 2 capital surcharges and more stringent capital adequacy requirements for the parent bank regarding foreign participations. The Swiss Federal Council also recommended measures related to corporate governance, such as a senior management regime and regulations regarding variable compensation. To strengthen liquidity, the Swiss Federal Council intends to significantly expand the potential for the Swiss National Bank (the SNB) to provide more liquidity in a crisis, as well as an obligation for SIBs to prepare collateral for that purpose. Furthermore, the Swiss Federal Council reiterated its support for the introduction of a public liquidity backstop. To expand the crisis toolkit, the Swiss Federal Council proposed measures that aim to minimize legal risks associated with the execution of resolution measures.

In October 2024, the Swiss Financial Market Supervisory Authority (FINMA) published its 2024 resolution reporting for UBS.

› **Refer to "Recovery and resolution" in the "Regulation and supervision" section of this report for more information**

In December 2024, the Swiss parliamentary investigation committee (*Parlamentarische Untersuchungskommission*, the PUK) published its report that examined the authorities' role and actions in the context of the Credit Suisse crisis. The PUK identified a need for improvement and action at both the enforcement and legislative levels and made recommendations regarding potential improvements to the crisis toolkit. The Swiss Federal Council stated that the PUK's proposals will be covered in the implementation of the Federal Council's proposed measures.

In February 2025, the Economic Affairs and Taxation Committee agreed to extend the suspension of its discussion on the introduction of a public liquidity backstop until the end of 2026. The Committee stated that the design of a public liquidity backstop can only be defined in the overall context of Switzerland's TBTF regulation. The discussion was initially suspended in August 2024 in order to take into account the PUK's report.

Based on its report on banking stability from April 2024, the Swiss Federal Council is expected to launch a public consultation in May 2025 on the implementation of the proposed measures. The measures will include changes at the ordinance level, which can be adopted by the Swiss Federal Council, and legislative amendments, which will be submitted to the Parliament. In February 2025, the Swiss Federal Department of Finance indicated that the capital adequacy requirements for foreign participations will be regulated at the legislative level, rather than at the ordinance level. Due to the broad range of possible outcomes, the impact of the proposals on UBS can be assessed only when the implementation details become clearer.

## Developments related to the implementation of the final Basel III standards

In Switzerland, the amendments to the Capital Adequacy Ordinance (the CAO) that incorporate the final Basel III standards into Swiss law, including the five new ordinances that contain the implementing provisions for the revised CAO, entered into force on 1 January 2025. The adoption of the final Basel III standards led to a similar impact on UBS AG consolidated as on UBS Group, with a USD 1bn increase in UBS AG's RWA, resulting in a minimal impact on the CET1 capital ratio. The USD 1bn increase was primarily driven by a USD 7bn increase in market risk RWA and a USD 3bn increase in credit valuation adjustment-related RWA resulting from the implementation of the Fundamental Review of the Trading Book (the FRTB) framework, largely offset by a USD 7bn reduction in operational risk RWA and a USD 1bn reduction in credit risk RWA. We will provide in our first quarter 2025 report an update on further improvements from mitigating actions and our dialogue with FINMA regarding various aspects of the final Basel III rules. These changes do not take into account the impact of the output floor. The output floor, which is being phased in until 2028, is currently not binding for UBS AG.

In the EU, the final Basel III requirements became applicable as of 1 January 2025, except for the market risk capital requirements, the implementation of which has been delayed until at least 1 January 2026, as confirmed by the European Commission in June 2024. The overall impact on UBS is limited.

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. In January 2025, the PRA announced that it has further postponed the implementation of the final Basel III standards until 1 January 2027, citing the need for greater clarity on US plans. In its announcement, the PRA left open the possibility of further postponement. The date for the full phase-in of the output floor continues to be 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 timing and the content of a re-proposal of the July 2023 version of the final Basel III rules remain uncertain as the change in principals at the US banking agencies has yet to be completed.

## Other developments related to prudential regulation

In April 2024, the SNB announced that it will raise the minimum reserve requirement for domestic banks from 2.5% to 4%, and it will therefore amend the National Bank Ordinance as of 1 July 2024. The SNB also announced that liabilities arising from cancelable customer deposits (excluding tied pension provisions) will be included in full in the calculation of the minimum reserve requirement, as is the case with the other relevant liabilities. This revokes the previous exception under which only 20% of these liabilities counted toward the calculation. Based on the latest internal assessments, UBS expects a negative impact of around USD 35m per annum on net interest income to result from these changes.

In June 2024, EU legislators published the final banking rules that include amendments to the Capital Requirements Regulation and the Capital Requirements Directive. The rules entered into force on 9 July 2024. The amendments include, alongside measures to implement the final elements of the Basel III standards, a requirement for non-EU firms to establish a physical presence within the EU when providing certain banking services, including deposit-taking and commercial lending, to EU-domiciled clients and counterparties, unless an exemption is obtained. The changes will affect the cross-border provision of lending services and will require UBS to adapt its approaches to providing such services to clients and counterparties in the EU. The requirement will become effective in January 2027, with grandfathering provisions for contracts entered into before 11 July 2026.

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.

## Developments in the regulation of financial markets

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.

In November 2024, the EU finalized changes to the existing European Market Infrastructure Regulation (the EMIR), with the changes entering into force in December 2024. The revised EMIR rules require relevant EU market participants to hold active accounts at EU Central Counterparties and to clear a representative portion of certain derivative contracts within the EU, effective June 2025. Other changes include enhanced transparency on clearing services to clients, new clearing threshold calculation methodology, and new rules on initial margin model validation. The impact of the revised EMIR on UBS and its in-scope clients will depend on the final design of the technical implementation standards, which are expected to be published later in 2025.

In January 2025, the Swiss Securities Post-Trade Council recommended that the transition to a shortened settlement cycle for securities transactions for the domestic markets in Switzerland and Liechtenstein from two business days (T+2) to one business day (T+1) should occur in October 2027, in alignment with the EU and the UK.

In February 2025, the European Commission published a legislative proposal to shorten the settlement cycle in the EU to T+1, setting 11 October 2027 as the appropriate date for the transition. The proposal is in alignment with the recommendations from the European Securities and Markets Authority from November 2024.

In February 2025, the UK announced that the transition to a T+1 settlement cycle will occur on 11 October 2027, in line with the recommendations included in the UK Accelerated Settlement Taskforce's report from March 2024 and its implementation plan from February 2025.

In the US, a shortened T+1 settlement cycle has applied to securities transactions since May 2024.

UBS implemented the required enhancements based on the US rules and will prepare for further implementation according to the evolving rules and market practice in other jurisdictions.

## Developments related to environmental, social and governance matters

In June 2024, the Swiss Federal Council launched a consultation on a proposed extension of the application scope and substance of the existing sustainability reporting requirements under the Swiss Code of Obligations. Under the proposed rules, a wider scope of companies would have to report on the risks of their business activities in the areas of the environment, human rights and corruption, as well as on measures taken against such risks. Affected companies would have the choice of reporting according to either the EU sustainability reporting requirements or another equivalent standard for sustainability reporting. The consultation closed in October 2024. The impact of the proposals on UBS can be assessed only when the implementation details become clearer. If the changes are adopted as proposed, UBS will be subject to the extended requirements.

In November 2024, the Swiss Federal Council adopted the Climate Protection Ordinance to the Climate and Innovation Act. The ordinance entered into force on 1 January 2025, and it introduces, among other matters, measures to support financial flows contributing to achieving the Swiss climate targets. The main instrument to measure progress made by the financial sector toward this goal will continue to be the voluntary climate tests conducted by the Swiss Federal Office for the Environment. UBS participates in the bi-annual climate tests conducted by the Swiss authorities.

In December 2024, the Swiss Federal Council launched a consultation on amending the Ordinance on Climate Disclosures to adapt it to the latest international developments. As the recommendations of the Task Force on Climate-related Financial Disclosures (the TCFD) have been incorporated into international standards, the Federal Council proposes that companies meet the obligation to report on climate-related matters by applying an internationally recognized standard or the sustainability reporting standard used in the EU. The draft proposal also establishes minimum requirements for transition plans for financial flows that describe the planned path to a net-zero target by 2050. The consultation will last until March 2025, and the amended Ordinance on Climate Disclosures is expected to enter into force on 1 January 2026. UBS is within the scope of the new requirements, with the impact on UBS dependent on the final ordinance.

In December 2024, FINMA published a new circular, applicable to banks and insurers, on the management of climate- and other nature-related financial risks. The circular sets out provisions for governance and institution-wide risk management, as well as provisions for risk identification, materiality assessment and scenario analysis regarding climate- and nature-related financial risks. Implementation will be guided by international frameworks and standards, including the Basel Committee on Banking Supervision Principles for the effective management and supervision of climate-related financial risks. The circular will enter into force on 1 January 2026 and will initially apply exclusively to climate-related financial risks. From 1 January 2028, the circular will apply to all nature-related financial risks. UBS is assessing the impact of the requirements, which will be addressed in a multi-year implementation plan.

In May 2024, the European Council approved the new Corporate Sustainability Due Diligence Directive (the CSDDD), which entered into force on 25 July 2024. The CSDDD requires in-scope companies to identify and address potential and actual adverse human rights and environmental impacts in their own operations, their subsidiaries and, where related to their value chain(s), those of their business partners. In addition, the CSDDD requires large companies to adopt a transition plan for climate change mitigation aligned with the 2050 climate neutrality objective of the Paris Agreement, as well as intermediate targets under the European Climate Law. The July 2026 deadline provided for the transposition of the CSDDD into Member States' national laws and the July 2027 start date of the first phase of the CSDDD application may be postponed by one year in light of the changes to the CSDDD proposed by the European Commission in February 2025 as part of its recent initiative to simplify sustainability regulations. UBS expects its EU entities will be required to implement the CSDDD rules. The full scope of application will depend on the implementation guidelines, which are expected to be developed by the European Commission by July 2026 (instead of July 2027) according to the newly proposed timeline, and on the changes to the CSDDD to be agreed by EU legislators in light of the European Commission's legislative proposal from February 2025.

In November 2024, the European Commission announced an intention to streamline and simplify sustainability regulations, including the Taxonomy Regulation, the Corporate Sustainability Reporting Directive and the CSDDD. Concrete proposals to that effect were unveiled in February 2025 and will now be subject to the EU legislative process involving the European Parliament and Council. The impact on UBS can be assessed only when the proposed changes and their details have been agreed by EU legislators later in 2025.

In February 2025, the US Securities and Exchange Commission (the SEC) stated its intention to withdraw its regulation mandating climate disclosures by SEC reporting companies, which would have included UBS. Effectiveness of the regulation had previously been stayed by the SEC pending resolution of litigation challenging it.

## Developments related to tax matters

In August 2024, the Swiss Federal Council launched a consultation related to the existing withholding tax exemption that applies to TBTF 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.

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 became effective on 1 January 2025. UBS's overall tax impact from the IIR is 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.

## Other regulatory and legal developments

In April 2024, the US Department of Labor (the DOL) adopted a new Retirement Security Rule, related amendments to existing rules governing transactions between covered plans and parties in interest, and amendments to the "qualified professional asset manager" transaction exemption. The effective date of the Retirement Security Rule, and the related amendments to PTE 2020-02 have been stayed by a court pending resolution of litigation challenging the regulations. The Retirement Security Rule, if it becomes effective, would expand the scope of transactions subject to requirements of the Employment Retirement Income Security Act by expanding the relationships and advice that create a fiduciary relationship between an investment professional and a plan or beneficiary, particularly in relation to individual retirement accounts (IRAs). The amendments to existing transaction exemptions generally limit or prohibit the use of those exemptions for transactions involving IRAs, with the intention of requiring transactions involving IRAs to rely upon an exemption (PTE 2020-2) imposing specific impartiality, conflict-of-interest and compliance requirements. Global Wealth Management US treats established IRA accounts as fiduciary relationships in accordance with PTE 2020-2.

In connection with the adoption of the Retirement Security Rule, the DOL also amended PTE 2020-2. These amendments would, if they become effective, expand the scope of affiliated persons for which a criminal conviction or determinations of misconduct disqualify an investment professional from using the exemption and add a one-year transition period for a newly disqualified investment professional to transition the related business. The amendments to the qualified professional asset manager exemption would also expand the scope of events that may trigger disqualification and add a similar one-year transition provision. In each case, the DOL would retain the ability to grant an individual exemption from the disqualification.

In May 2024, the Swiss Federal Council adopted a dispatch on strengthening its anti-money-laundering framework. Key elements include a non-publicly accessible federal register of beneficial owners, due diligence for particularly risky activities in legal professions, measures to prevent the circumvention of applicable sanctions under the Embargo Act, and due diligence obligations for cash payments in the real estate business and in precious metals trading. The measures are subject to parliamentary approval and, therefore, entry into force is not expected before 2026. Although the final assessment will only be concluded once the final law has been published, UBS expects that additional operational controls will be required to implement the amended framework.

In July 2024, the EU published the Artificial Intelligence Act (the EU AI Act). Among other matters, the EU AI Act classifies AI according to its risk, with the majority of obligations being placed on providers of high-risk AI systems and with some obligations for users who deploy an AI system in a professional capacity. The EU AI Act entered into force in August 2024, and it will be phased in over the next 36 months. UBS is assessing the potential impact of the uses of AI and the EU AI Act.

In November 2024, the PRA and the Financial Conduct Authority published a consultation on changes to remuneration rules for senior management functions and material risk takers. The consultation covers changes to several aspects of the PRA remuneration rulebook, including the reduction of the seven-year minimum deferral period to five years for senior managers and allowing deferred remuneration awards to vest on a pro rata basis from the time of award. UBS is reviewing the proposals.

# Risk factors

Certain risks, including those described below, may affect our ability to execute our strategy or our business activities, financial condition, results of operations and prospects. We are inherently exposed to multiple risks, many of which may become apparent only with the benefit of hindsight. As a result, risks that we do not consider to be material, or of which we are not currently aware, could also adversely affect us. Within each category, the risks that we consider to be most material are presented first.

## Strategy, management and operational risks

### UBS's acquisition of Credit Suisse Group AG exposes UBS AG to heightened litigation risk and regulatory scrutiny and entails significant additional costs, liabilities and business integration risks

UBS Group AG acquired Credit Suisse Group AG under exceptional circumstances and the continued outflows and deteriorating overall financial position of Credit Suisse, in order to avert a failure of Credit Suisse and thus damage to the Swiss financial center and to global financial stability. The acquisition was effected through a merger of Credit Suisse Group AG with and into UBS Group AG, with UBS Group AG succeeding to all assets and all liabilities of Credit Suisse Group AG, becoming the direct or indirect shareholder of the former Credit Suisse Group AG's direct and indirect subsidiaries. Therefore, on a consolidated basis, all assets, risks and liabilities of the Credit Suisse Group became a part of UBS. This includes all ongoing and future litigation, regulatory and similar matters arising out of the business of the Credit Suisse Group, thereby materially increasing UBS's exposure to litigation and investigation risks.

We have incurred and will continue to incur, substantial integration and restructuring costs as we combine the operations of UBS and Credit Suisse. In addition, we may not realize all of the expected cost reductions and other benefits of the transaction. We may not be able to successfully execute our strategic plans or to achieve the expected benefits of the acquisition of the Credit Suisse Group. The success of the transaction, including anticipated benefits and cost savings, will depend, in part, on the ability to successfully complete the integration of the operations of both firms rapidly and effectively, while maintaining stability of operations and high levels of service to customers of the combined franchise.

Our ability to complete the integration of Credit Suisse will depend on a number of factors, some of which are outside of our control, including our ability to:
- combine the operations of the two firms in a manner that preserves client service, simplifies infrastructure and results in operating cost savings, including the successful transfer of clients from legacy Credit Suisse platforms to UBS platforms in Switzerland, our largest booking center;
- maintain deposits and client invested assets in our Global Wealth Management division and in Switzerland, and to attract additional deposits and invested assets to the combined firm;
- achieve cost reductions at the levels and in the timeframe we plan;
- enhance, integrate and, where necessary, remediate risk management and financial control and other systems and frameworks, including to remediate the material weakness in Credit Suisse's internal controls over financial reporting;
- complete the simplification of the legal structure of the combined firm in an expedited manner, including obtaining regulatory approvals and licenses required to implement the changes;
- retain staff and reverse attrition of staff in certain of Credit Suisse's business areas;
- successfully execute the wind-down of the assets and liabilities in our Non-core and Legacy division and release capital and resources for other purposes;
- decommission the information technology and other legacy Credit Suisse operational infrastructure to simplify our infrastructure, reduce operational complexity and lower our operating expenses; and
- resolve outstanding litigation, regulatory and similar matters, including matters relating to Credit Suisse, on terms that are not significantly adverse to us, as well as to successfully remediate outstanding regulatory and supervisory matters and meet other regulatory commitments.

The level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, particularly in the area of the Swiss domestic bank, as well as the domestic and international wealth management businesses, the execution of the planned strategy regarding cost reductions and divestment of any non-core assets, and the level of resulting impairments and write-downs, may impact the operational results, share price and the credit rating of UBS entities. The combined Group will be required to devote significant management attention and resources to integrating its business practices and support functions. The diversion of management's attention and any delays or difficulties encountered in connection with the transaction and the coordination of the two companies' operations could have an adverse effect on the business, financial results, financial condition or the share price of the combined Group following the transaction. The coordination process may also result in additional and unforeseen expenses.

## Substantial changes in regulation may adversely affect our businesses and our ability to execute our strategic plans

Since the financial crisis of 2008, we have been subject to significant regulatory requirements, including recovery and resolution planning, changes in capital and prudential standards, changes in taxation regimes as a result of changes in governmental administrations, new and revised market standards and fiduciary duties, as well as new and developing environmental, social and governance (ESG) standards and requirements. Notwithstanding attempts by regulators to align their efforts, the measures adopted or proposed for banking regulation differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution. Regulatory reviews of the events leading to the failures of US banks and the acquisition of Credit Suisse by UBS Group in 2023, as well as regulatory measures to complete the implementation of the Basel 3 standards, may increase capital, liquidity and other requirements applicable to banks, including UBS AG. Swiss regulatory changes with regard to such matters as capital and liquidity have often proceeded more quickly than those in other major jurisdictions, and Switzerland's requirements for major international banks are among the strictest of the major financial centers. Switzerland has implemented the final Basel 3 requirements effective 1 January 2025, at least a year ahead of the EU and the UK and likely several years ahead of the United States. In addition, Switzerland is expected to introduce in 2025 proposals for changes in regulation following the failure of Credit Suisse that will likely include changes to capital and liquidity requirements for UBS, the remaining Swiss G-SIB, as well as changes to the supervisory regime. Increased capital or liquidity requirements would put us at a disadvantage when competing with peer financial institutions subject to lower capital or liquidity requirements or more lenient regulation and increase our competitive disadvantage in some areas with unregulated non-bank competitors.

Our implementation of additional regulatory requirements and changes in supervisory standards, as well as our compliance with existing laws and regulations, continue to receive heightened scrutiny from supervisors. If we do not meet supervisory expectations in relation to these or other matters, or if additional supervisory or regulatory issues arise, we would likely be subject to further regulatory scrutiny, as well as measures that may further constrain our strategic flexibility.

*Resolvability and resolution and recovery planning:* We have moved significant operations into subsidiaries to improve resolvability and meet other regulatory requirements, and this has resulted in substantial implementation costs, increased our capital and funding costs and reduced operational flexibility. For example, we have transferred all of our US subsidiaries under a US intermediate holding company to meet US regulatory requirements and have transferred substantially all the operations of Personal & Corporate Banking and Global Wealth Management booked in Switzerland to UBS Switzerland AG to improve resolvability.

These changes create operational, capital, liquidity, funding and tax inefficiencies. Our operations in subsidiaries are subject to local capital, liquidity, stable funding, capital planning and stress testing requirements. These requirements have resulted in increased capital and liquidity requirements in affected subsidiaries, which limit our operational flexibility and negatively affect our ability to benefit from synergies between business units and to distribute earnings to the Group.

Under the Swiss too-big-to-fail (TBTF) framework, we are required to put in place viable emergency plans to preserve the operation of systemically important functions in the event of a failure. Moreover, under this framework and similar regulations in the US, the UK, the EU and other jurisdictions in which we operate, we are required to prepare credible recovery and resolution plans detailing the measures that would be taken to recover in a significant adverse event or in the event of winding down the Group, UBS AG or the operations in a host country through resolution or insolvency proceedings. If a recovery or resolution plan that we produce is determined by the relevant authority to be inadequate or not credible, relevant regulation may permit the authority to place limitations on the scope or size of our business in that jurisdiction, or oblige us to hold higher amounts of capital or liquidity or to change our legal structure or business in order to remove the relevant impediments to resolution.

The authorities in Switzerland and internationally have published lessons learned from the Credit Suisse and the US regional bank failures, which are expected to result in additional requirements regarding resolution planning and early intervention tools for authorities. In connection with these reviews, FINMA has announced that it would not provide an assessment of the UBS resolution plans in 2024 as it expects to make adjustments to our resolution plan requirements based on lessons learned reviews as well as potential changes in its recovery and resolution authority under amendments that are expected to be proposed to Swiss law. We expect to make adjustments to our resolution plans to reflect additional guidance from FINMA and may be required to make further adjustment to reflect any changes to law that are enacted.

*Capital and prudential standards:* As an internationally active Swiss systemically relevant bank, we are subject to capital and total loss-absorbing capacity (TLAC) requirements that are among the most stringent in the world. Moreover, many of our subsidiaries must comply with minimum capital, liquidity and similar requirements and, as a result, UBS Group AG and UBS AG have contributed a significant portion of their capital and provide substantial liquidity to these subsidiaries. These funds are available to meet funding and collateral needs in the relevant entities, but are generally not readily available for use by the Group as a whole.

Our risk-weighted assets (RWA) and leverage ratio denominator (LRD) are affected as Switzerland has implemented the final standards promulgated by the Basel Committee on Banking Supervision (the BCBS) and may be further affected as provisions of the standards are phased in. Although these final Basel 3 standards have now been implemented in Switzerland, other major banking centers have delayed implementation or have not yet enacted the final standards into regulation. Extended delay in implementation by other jurisdictions may lead to higher capital requirements for UBS AG relative to peers.

In connection with the acquisition of the Credit Suisse Group, FINMA has permitted Credit Suisse entities to continue to apply certain prior interpretations and has provided supervisory rulings on the treatment of certain items for RWA or capital purposes. In general, these interpretations require that UBS phase out the treatment over the next several years. In addition, FINMA has agreed that the additional capital requirement applicable to Swiss systemically relevant banks, which is based on market share in Switzerland and leverage ratio denominator (LRD), will not increase as a result of the acquisition of the Credit Suisse Group before the end of 2025. The phase-out or end of these periods will likely increase our overall capital requirements.

The report of the Swiss Federal Council on the failure of Credit Suisse recommends changes to Swiss capital regulation that, if adopted, may have the effect of substantially increasing UBS's capital requirements. The Swiss Federal Council has indicated that it will publish proposed amendments to law and revisions to banking ordinances to implement the recommendations for public comment in May 2025. Certain of the measures recommended in the Federal Council report could require additional capital at UBS AG.

Increases in capital and changes in liquidity requirements may, in the aggregate require us to maintain significantly higher levels of capital, which may have an affect on our ability to meet our ambitions for return on capital and for capital returns to shareholders. Higher capital or liquidity requirements applied to UBS Group or UBS AG relative to competitors in Switzerland or abroad may affect UBS AG's ability to compete with firms subject to less stringent capital requirements and increase UBS AG's costs to serve customers.

*Market regulation and fiduciary standards:* Our wealth and asset management businesses operate in an environment of increasing regulatory scrutiny and changing standards with respect to fiduciary and other standards of care and the focus on mitigating or eliminating conflicts of interest between a manager or advisor and the client, which require effective implementation across the global systems and processes of investment managers and other industry participants. For example, we have made material changes to our business processes, policies and the terms on which we interact with these clients in order to comply with US Securities and Exchange Commission (SEC) Regulation Best Interest, which is intended to enhance and clarify the duties of brokers and investment advisers to retail customers, and the Volcker Rule, which limits our ability to engage in proprietary trading, as well as changes in European and Swiss market conduct regulation. Future changes in the regulation of our duties to customers may require us to make further changes to our businesses, which would result in additional expense and may adversely affect our business. We may also become subject to other similar regulations substantively limiting the types of activities in which we may engage or the way we conduct our operations.

In many instances, we provide services on a cross-border basis, and we are therefore sensitive to barriers restricting market access for third-country firms. In particular, efforts in the EU to harmonize the regime for third-country firms to access the European market may have the effect of creating new barriers that adversely affect our ability to conduct business in these jurisdictions from Switzerland. In addition, a number of jurisdictions are increasingly regulating cross-border activities based on determinations of equivalence of home country regulation, substituted compliance or similar principles of comity. A negative determination with respect to Swiss equivalence could limit our access to the market in those jurisdictions and may negatively influence our ability to act as a global firm. For example, the EU declined to extend its equivalence determination for Swiss exchanges, which lapsed as of 30 June 2019.

UBS AG has experienced cross-border outflows over a number of years as a result of heightened focus by fiscal authorities on cross-border investment and fiscal amnesty programs, in anticipation of the implementation in Switzerland of the global automatic exchange of tax information, and as a result of the measures UBS AG has implemented in response to these changes. Further changes in local tax laws or regulations and their enforcement, additional cross-border tax information exchange regimes, national tax amnesty or enforcement programs or similar actions may affect our clients' ability or willingness to do business with us and could result in additional cross-border outflows.

### Our reputation is critical to our success

Our reputation is critical to the success of our strategic plans, business and prospects. Reputational damage is difficult to reverse, and improvements tend to be slow and difficult to measure. In the past, our reputation has been adversely affected by our losses during the 2008 financial crisis, investigations into our cross-border private banking services, criminal resolutions of London Interbank Offered Rates (LIBOR)-related and foreign exchange matters, as well as other matters. We believe that reputational damage as a result of these events was an important factor in our loss of clients and client assets across our asset-gathering businesses. The Credit Suisse Group was more recently subject to significant litigation and regulatory matters and to financial losses that adversely affected its reputation and the confidence of clients, which played a significant role in the events leading to the acquisition of the Credit Suisse Group in March 2023. These events, or new events that cause reputational damage, could have a material adverse effect on our results of operation and financial condition, as well as our ability to achieve our strategic goals and financial targets.

## Operational risks affect our business

Our businesses depend on our ability to process a large number of transactions, many of which are complex, across multiple and diverse markets in different currencies, to comply with requirements of many different legal and regulatory regimes to which we are subject and to prevent, or promptly detect and stop, unauthorized, fictitious or fraudulent transactions. We also rely on access to, and on the functioning of, systems maintained by third parties, including clearing systems, exchanges, information processors and central counterparties. Any failure of our or third-party systems could have an adverse effect on us. These risks may be greater as we deploy newer technologies, such as blockchain, or processes, platforms or products that rely on these technologies. Our operational risk management and control systems and processes are designed to help ensure that the risks associated with our activities – including those arising from process error, failed execution, misconduct, unauthorized trading, fraud, system failures, financial crime, cyberattacks, breaches of information security, inadequate or ineffective access controls and failure of security and physical protection – are appropriately controlled. If our internal controls fail or prove ineffective in identifying and remedying these risks, we could suffer operational failures that might result in material losses. The acquisition of the Credit Suisse Group may elevate these risks, particularly during the first phases of integration, as the firms have historically operated under different procedures, IT systems, risk policies and structures of governance.

As a meaningful proportion of our staff have been and will continue working from outside the office, we have faced, and will continue to face, new challenges and operational risks, including maintenance of supervisory and surveillance controls, as well as increased fraud and data security risks. While we have taken measures to manage these risks, these measures could prove not to be effective.

We use automation as part of our efforts to improve efficiency, reduce the risk of error and improve our client experience. We intend to expand the use of robotic processing, machine learning and artificial intelligence (AI) to further these goals. Use of these tools presents their own risks, including the need for effective design and testing; the quality of the data used for development and operation of machine learning and AI tools may adversely affect their functioning and result in errors and other operational risks.

Financial services firms have increasingly been subject to breaches of security and to cyber- and other forms of attack, some of which are sophisticated and targeted attacks intended to gain access to confidential information or systems, disrupt service or steal or destroy data, which may result in business disruption or the corruption or loss of data at UBS AG's locations or those of third parties. Cyberattacks by hackers, terrorists, criminal organizations, nation states and extremists have also increased in frequency and sophistication. Current geopolitical tensions have also led to increased risk of cyberattack from foreign state actors. In particular, the Russia–Ukraine war and the imposition of significant sanctions on Russia by Switzerland, the US, the EU, the UK and others has resulted and may continue to result in an increase in the risk of cyberattacks. Such attacks may occur on our own systems or on the systems that are operated by external service providers, may be attempted through the introduction of ransomware, viruses or malware, phishing and other forms of social engineering, distributed denial of service attacks and other means. These attempts may occur directly or using equipment or security passwords of our employees, third-party service providers or other users. Cybersecurity risks also have increased due to the widespread use of digital technologies, cloud computing and mobile devices to conduct financial business and transactions, as well as due to generative AI, which increases the capabilities of adversaries to mount sophisticated phishing attacks, for example, through the use of deepfake technologies, and presents new challenges to the protection of our systems and networks and the confidentiality and integrity of our data. During the first quarter of 2023, a third-party vendor, ION XTP, suffered a ransomware attack, which resulted in some disruption to our exchange-traded derivatives clearing activities, although we restored our services within 36 hours, using an available alternative solution. In addition to external attacks, we have experienced loss of client data from failure by employees and others to follow internal policies and procedures and from misappropriation of our data by employees and others.

We may not be able to anticipate, detect or recognize threats to our systems or data and our preventative measures may not be effective to prevent an attack or a security breach. In the event of a security breach, notwithstanding our preventative measures, we may not immediately detect a particular breach or attack. The acquisition of the Credit Suisse Group may elevate and intensify these risks, as would-be attackers have a larger potential target in the combined bank and differences in systems, policies, and platforms could make threat detection more difficult. In addition, the implementation of the large-scale technological change program that is necessary to integrate the combined bank's systems at pace may also result in increased risks. Once a particular attack is detected, time may be required to investigate and assess the nature and extent of the attack, and to restore and test systems and data. If a successful attack occurs at a service provider, as we have recently experienced, we may be dependent on the service provider's ability to detect the attack, investigate and assess the attack and successfully restore the relevant systems and data. A successful breach or circumvention of security of our or a service provider's systems or data could have significant negative consequences for us, including disruption of our operations, misappropriation of confidential information concerning us or our clients, damage to our systems, financial losses for us or our clients, violations of data privacy and similar laws, litigation exposure, and damage to our reputation. We may be subject to enforcement actions as regulatory focus on cybersecurity increases and regulators have announced new rules, guidance and initiatives on ransomware and other cybersecurity-related issues.

We are subject to complex and frequently changing laws and regulations governing the protection of client and personal data, such as the EU General Data Protection Regulation. Ensuring that we comply with applicable laws and regulations when we collect, use and transfer personal information requires substantial resources and may affect the ways in which we conduct our business. In the event that we fail to comply with applicable laws, we may be exposed to regulatory fines and penalties and other sanctions. We may also incur such penalties if our vendors or other service providers or clients or counterparties fail to comply with these laws or to maintain appropriate controls over protected data. In addition, any loss or exposure of client or other data may adversely damage our reputation and adversely affect our business.

A major focus of US and other countries' governmental policies relating to financial institutions in recent years has been on fighting money laundering and terrorist financing. We are required to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of our clients under the laws of many of the countries in which we operate. We are also subject to laws and regulations related to corrupt and illegal payments to government officials by others, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. We have implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. Notwithstanding this, regulators have found deficiencies in the design and operation of anti-money-laundering programs in our US operations. We have undertaken a significant program to address these regulatory findings with the objective of fully meeting regulatory expectations for our programs. Failure to maintain and implement adequate programs to combat money laundering, terrorist financing or corruption, or any failure of our programs in these areas, could have serious consequences both from legal enforcement action and from damage to our reputation. Frequent changes in sanctions imposed and increasingly complex sanctions imposed on countries, entities and individuals, as exemplified by the breadth and scope of the sanctions imposed in relation to the war in Ukraine, increase our cost of monitoring and complying with sanctions requirements and increase the risk that we will not identify in a timely manner client activity that is subject to a sanction.

As a result of new and changed regulatory requirements and the changes we have made in our legal structure, the volume, frequency and complexity of our regulatory and other reporting has remained elevated. Regulators have also significantly increased expectations regarding our internal reporting and data aggregation, as well as management reporting. We have incurred, and continue to incur, significant costs to implement infrastructure to meet these requirements. Failure to meet external reporting requirements accurately and in a timely manner or failure to meet regulatory expectations of internal reporting, data aggregation and management reporting could result in enforcement action or other adverse consequences for us.

In addition, despite the contingency plans that we have in place, our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our businesses and the communities in which we operate. This may include a disruption due to natural disasters, pandemics, civil unrest, war or terrorism and involve electrical, communications, transportation or other services that we use or that are used by third parties with whom we conduct business.

### We depend on our risk management and control processes to avoid or limit potential losses in our businesses

Controlled risk-taking is a major part of the business of a financial services firm. Some losses from risk-taking activities are inevitable, but, to be successful over time, we must balance the risks we take against the returns generated. Therefore, we must diligently identify, assess, manage and control our risks, not only in normal market conditions but also as they might develop under more extreme, stressed conditions, when concentrations of exposures can lead to severe losses.

We have not always been able to prevent serious losses arising from risk management failures and extreme or sudden market events. We recorded substantial losses on fixed-income trading positions in the 2008 financial crisis, in the unauthorized trading incident in 2011 and, more recently, positions resulting from the default of a US prime brokerage client. Credit Suisse has suffered very significant losses from the default of the US prime brokerage client and losses in supply chain finance funds managed by it, as well as other matters. As a result of these, Credit Suisse is subject to significant regulatory remediation obligations to address deficiencies in its risk management and control systems, that continue following the merger.

We regularly revise and strengthen our risk management and control frameworks to seek to address identified shortcomings. Nonetheless, we could suffer further losses in the future if, for example:
- we do not fully identify the risks in our portfolio, in particular risk concentrations and correlated risks;
- our assessment of the risks identified, or our response to negative trends, proves to be untimely, inadequate, insufficient or incorrect;
- our risk models prove insufficient to predict the scale of financial risks the bank faces;
- markets move in ways that we do not expect – in terms of their speed, direction, severity or correlation – and our ability to manage risks in the resulting environment is, therefore, affected;
- third parties to whom we have credit exposure or whose securities we hold are severely affected by events and we suffer defaults and impairments beyond the level implied by our risk assessment; or
- collateral or other security provided by our counterparties and clients proves inadequate to cover their obligations at the time of default.

We also hold legacy risk positions, primarily in Non-core and Legacy, that, in many cases, are illiquid and may deteriorate in value. The acquisition of the Credit Suisse Group and the integration of UBS AG with Credit Suisse AG has increased, materially, the portfolio of business that is outside of our risk appetite and subject to exit that will be managed in the Non-core and Legacy segment.

We also manage risk on behalf of our clients. The performance of assets we hold for our clients may be adversely affected by the same aforementioned factors. If clients suffer losses or the performance of their assets held with us is not in line with relevant benchmarks against which clients assess investment performance, we may suffer reduced fee income and a decline in assets under management, or withdrawal of mandates.

Investment positions, such as equity investments made as part of strategic initiatives and seed investments made at the inception of funds that we manage, may also be affected by market risk factors. These investments are often not liquid and generally are intended or required to be held beyond a normal trading horizon. Deteriorations in the fair value of these positions would have a negative effect on our earnings.

### We may be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees

The financial services industry is characterized by intense competition, continuous innovation, restrictive, detailed and sometimes fragmented regulation and ongoing consolidation. We face competition at the level of local markets and individual business lines and from global financial institutions that are comparable to us in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. We expect these trends to continue and competition to increase. Our competitive strength and market position could be eroded if we are unable to identify market trends and developments, do not respond to such trends and developments by devising and implementing adequate business strategies, do not adequately develop or update our technology, including our digital channels and tools, or are unable to attract or retain the qualified people needed.

The amount and structure of our employee compensation is affected not only by our business results but also by competitive factors and regulatory considerations.

In response to the demands of various stakeholders, including regulatory authorities and shareholders, and in order to better align the interests of our staff with other stakeholders, we have increased average deferral periods for stock awards, expanded forfeiture provisions and, to a more limited extent, introduced clawback provisions for certain awards linked to business performance. We have also introduced individual caps on the proportion of fixed to variable pay for the members of the Executive Board (EB), as well as certain other employees. UBS is also required to maintain and enforce provisions requiring UBS to recover from EB members and certain other executives a portion of performance-based incentive compensation in the event that the UBS Group and UBS AG, or another entity with securities listed on a US national securities exchange, is required to restate its financial statements as a result of a material error.

Constraints on the amount or structure of employee compensation, higher levels of deferral, performance conditions and other circumstances triggering the forfeiture of unvested awards may adversely affect our ability to retain and attract key employees, particularly where we compete with companies that are not subject to these constraints. The loss of key staff and the inability to attract qualified replacements could seriously compromise our ability to execute our strategy and to successfully improve our operating and control environment, and could affect our business performance. This risk is intensified by elevated levels of attrition among Credit Suisse employees. Swiss law requires that shareholders approve the compensation of the UBS Group AG Board of Directors (the Group Board) and the UBS Group AG Group Executive Board (GEB) each year. If UBS Group AG's shareholders fail to approve the compensation for the GEB or the Group Board, this could have an adverse effect on our ability to retain experienced directors and our senior management.

### Our operating results, financial condition and ability to pay our obligations in the future may be affected by funding, dividends and other distributions received directly or indirectly from its subsidiaries, which may be subject to restrictions

UBS AG's ability to pay its obligations in the future will depend on the level of funding, dividends and other distributions, if any, received from UBS Switzerland AG and other subsidiaries. The ability of such subsidiaries to make loans or distributions, directly or indirectly, to UBS AG may be restricted as a result of several factors, including restrictions in financing agreements and the requirements of applicable law and regulatory, fiscal or other restrictions. In particular, UBS AG's direct and indirect subsidiaries, including UBS Switzerland AG, UBS Americas Holding LLC, Credit Suisse Holdings (USA) Inc., UBS Europe SE and Credit Suisse International, are subject to laws and regulations that require the entities to maintain minimum levels of capital and liquidity, that restrict dividend payments, that authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS Group AG, or that could affect their ability to repay any loans made to, or other investments in, such subsidiary by UBS AG or another member of the Group. For example, in the early stages of the COVID-19 pandemic, the European Central Bank ordered all banks under its supervision to cease dividend distributions, and the Board of Governors of the Federal Reserve System limited capital distributions by bank holding companies and intermediate holding companies. Restrictions and regulatory actions could impede access to funds that UBS Group AG may need to meet its obligations or to pay dividends to shareholders. In addition, UBS Group AG's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to all prior claims of the subsidiary's creditors.

Furthermore, UBS AG may guarantee some of the payment obligations of certain of the Group's subsidiaries from time to time. These guarantees may require UBS AG to provide substantial funds or assets to subsidiaries or their creditors or counterparties at a time when UBS AG is in need of liquidity to fund its own obligations.

## Market, credit and macroeconomic risks

### Performance in the financial services industry is affected by market conditions and the macroeconomic climate

Our businesses are materially affected by market and macroeconomic conditions. A market downturn and weak macroeconomic conditions can be precipitated by a number of factors, including geopolitical events, such as international armed conflicts, war, or acts of terrorism, the imposition of sanctions, global trade or global supply chain disruptions, including energy shortages and food insecurity, changes in monetary or fiscal policy, changes in trade policies or international trade disputes, significant inflationary or deflationary price changes, disruptions in one or more concentrated economic sectors, natural disasters, pandemics or local and regional civil unrest. Such developments can have unpredictable and destabilizing effects.

Adverse changes in interest rates, credit spreads, securities prices, market volatility and liquidity, foreign exchange rates, commodity prices, and other market fluctuations, as well as changes in investor sentiment, can affect our earnings and ultimately our financial and capital positions. As financial markets are global and highly interconnected, local and regional events can have widespread effects well beyond the countries in which they occur. Any of these developments may adversely affect our business or financial results.

As a result of significant volatility in the market, our businesses may experience a decrease in client activity levels and market volumes, which would adversely affect our ability to generate transaction fees, commissions and margins, particularly in Global Wealth Management and the Investment Bank. A market downturn would likely reduce the volume and valuation of assets that we manage on behalf of clients, which would reduce recurring fee income that is charged based on invested assets, primarily in Global Wealth Management and Asset Management, and performance-based fees in Asset Management. Such a downturn could also cause a decline in the value of assets that we own and account for as investments or trading positions. In addition, reduced market liquidity or volatility may limit trading opportunities and therefore may reduce transaction-based income and may also impede our ability to manage risks.

Health emergencies, including pandemics and measures taken by governmental authorities to manage them, may have effects such as labor market displacements, supply chain disruptions, and inflationary pressures, and adversely affect global and regional economic conditions, resulting in contraction in the global economy, substantial volatility in the financial markets, crises in markets for goods and services, disruptions in real estate markets, increased unemployment, increased credit and counterparty risk, and operational challenges, as we saw with the COVID-19 pandemic. Such economic or market disruptions, including inflationary pressures, may lead to reduced levels of client activity and demand for our products and services, increased utilization of lending commitments, significantly increased client defaults, continued and increasing credit and valuation losses in our loan portfolios, loan commitments and other assets, and impairments of other financial assets. A fall in equity markets and a consequent decline in invested assets would also reduce recurring fee income in our Global Wealth Management and Asset Management businesses, as we experienced in the second quarter of 2022. These factors and other consequences of a health emergency may negatively affect our financial condition, including possible constraints on capital and liquidity, as well as resulting in a higher cost of capital, and possible downgrades to our credit ratings.

*Geopolitical events:* Terrorist activity and armed conflict in the Middle East, as well as the continuing Russia–Ukraine war, may have significant impacts on global markets, exacerbate global inflationary pressures and slow global growth. 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 widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. If individual countries impose restrictions on cross-border payments or trade, or other exchange or capital controls, or change their currency (for example, if one or more countries should leave the Eurozone, as a result of the imposition of sanctions on individuals, entities or countries, or escalation of trade restrictions and other actions between the US, or other countries, and China), we could suffer adverse effects on our business, losses from enforced default by counterparties, be unable to access our own assets or be unable to effectively manage our risks.

We could be materially affected if a crisis develops, regionally or globally, as a result of disruptions in markets due to macroeconomic or political developments, trade restrictions, or the failure of a major market participant. Over time, our strategic plans have become more heavily dependent on our ability to generate growth and revenue in emerging markets, including China, causing us to be more exposed to the risks associated with such markets.

Global Wealth Management derives revenues from all the principal regions but has a greater concentration in Asia than many peers and a substantial presence in the US, unlike many European peers. The Investment Bank's business is more heavily weighted to Europe and Asia than our peers, while its derivatives business is more heavily weighted to structured products for wealth management clients, in particular with European and Asian underlyings. Our performance may therefore be more affected by political, economic and market developments in these regions and businesses than some other financial service providers.

The extent to which ongoing conflicts, current inflationary pressures and related adverse economic conditions affect our businesses, results of operations and financial condition, as well as our regulatory capital and liquidity ratios, will depend on future developments, including the effects of the current conditions on our clients, counterparties, employees and third-party service providers.

### Our credit risk exposure to clients, trading counterparties and other financial institutions would increase under adverse or other economic conditions

Credit risk is an integral part of many of our activities, including lending, underwriting and derivatives activities. Adverse economic or market conditions, or the imposition of sanctions or other restrictions on clients, counterparties or financial institutions, may lead to impairments and defaults on these credit exposures. Losses may be exacerbated by declines in the value of collateral securing loans and other exposures. In our prime brokerage, securities finance and Lombard lending businesses, we extend substantial amounts of credit against securities collateral the value or liquidity of which may decline rapidly. Market closures and the imposition of exchange controls, sanctions or other measures may limit our ability to settle existing transactions or to realize on collateral, which may result in unexpected increases in exposures. Our Swiss mortgage and corporate lending portfolios, which have increased substantially as a result of the Credit Suisse acquisition, are a large part of our overall lending. We are therefore exposed to the risk of adverse economic developments in Switzerland, including property valuations in the housing market, the strength of the Swiss franc and its effect on Swiss exports, a return to negative interest rates applied by the Swiss National Bank, economic conditions within the Eurozone or the EU, and the evolution of agreements between Switzerland and the EU or European Economic Area, which represent Switzerland's largest export market. We have exposures related to real estate in various countries, including a substantial Swiss mortgage portfolio. Although we believe this portfolio is prudently managed, we could nevertheless be exposed to losses if a substantial deterioration in the Swiss real estate market were to occur.

As we experienced in 2020, under the IFRS 9 expected credit loss (ECL) regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect our common equity tier 1 (CET1) capital and regulatory capital ratios.

### Interest rate trends and changes could negatively affect our financial results

UBS's businesses are sensitive to changes in interest rate trends. A prolonged period of low or negative interest rates, particularly in Switzerland and the Eurozone, adversely affected the net interest income generated by UBS's Personal & Corporate Banking and Global Wealth Management businesses prior to 2022. Actions that UBS AG took to mitigate adverse effects on income, such as the introduction of selective deposit fees or minimum lending rates, contributed to outflows of customer deposits (a key source of funding for UBS AG), net new money outflows and a declining market share in its Swiss lending business.

During 2022, interest rates increased sharply in the US and most other markets, including a shift from negative to positive central bank policy rates in the Eurozone and Switzerland, as central banks responded to higher inflation. Higher interest rates generally benefit UBS AG's net interest income. However, as returns on alternatives to deposits increase with rising interest rates, such as returns on money market funds, UBS AG experienced outflows from customer deposits and shifts of deposits from lower-interest account types to accounts bearing higher interest rates, such as savings and certificates of deposit, starting with effects in the US, where rates had rapidly increased. In addition, higher-for-longer interest rates, such as those experienced in 2023, have led to similar shifts in euro and Swiss franc deposits. Sustained higher interest rates also may adversely affect our credit counterparties. Customer deposit outflows could require UBS AG to obtain alternative funding, which would likely be more costly than customer deposits.

### Currency fluctuation may have an adverse effect on our profits, balance sheet and regulatory capital

We are subject to currency fluctuation risks as a substantial portion of our assets and liabilities are denominated in currencies other than UBS AG's presentation currency, the US dollar. In order to hedge our CET1 capital ratio, our CET1 capital must have foreign currency exposure, which leads to currency sensitivity. As a consequence, it is not possible to simultaneously fully hedge both CET1 capital and the CET1 capital ratio. Accordingly, changes in foreign exchange rates may adversely affect our profits, balance sheet, and capital, leverage and liquidity coverage ratios.

## Regulatory and legal risks

### Material legal and regulatory risks arise in the conduct of our business

As a global financial services firm operating in more than 50 countries, we are subject to many different legal, tax and regulatory regimes, including extensive regulatory oversight, and are exposed to significant liability risk. We are subject to a large number of claims, disputes, legal proceedings and government investigations, and we expect that our ongoing business activities will continue to give rise to such matters in the future. In addition, UBS inherited claims against Credit Suisse entities as part of the acquisition, including matters that may be material to the operating results of the combined Group. The extent of our financial exposure to these and other matters is material and could substantially exceed the level of provisions that we have established. We are not able to predict the financial and non-financial consequences these matters may have when resolved.

We may be subject to adverse preliminary determinations or court decisions that may negatively affect public perception and our reputation, result in prudential actions from regulators, and cause us to record additional provisions for such matters even when we believe we have substantial defenses and expect to ultimately achieve a more favorable outcome. This risk is illustrated by the award of aggregate penalties and damages of EUR 4.5bn against UBS by the court of first instance in France. This award was reduced to an aggregate of EUR 1.8bn against by the Court of Appeal, and, in a further appeal, the French Supreme Court referred the case back to the Paris Court of Appeal to reconsider the amount after a new trial.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Among other things, a guilty plea to, or conviction of, a crime (including as a result of termination of the Deferred Prosecution Agreement Credit Suisse entered into with the US Department of Justice in 2021 to resolve its Mozambique matter) could have material consequences for UBS.

Resolution of regulatory proceedings has required us 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 our participation in them. UBS and Credit Suisse have each required waivers or exemptions in order to continue to act as investment manager to pension plans and registered investment companies in the US, among other things; failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations arising from a disqualifying event, could have material adverse consequences for us.

Our settlements with governmental authorities in connection with foreign exchange, LIBOR and other benchmark interest rates starkly illustrate the significantly increased level of financial and reputational risk now associated with regulatory matters in major jurisdictions. In connection with investigations related to LIBOR and other benchmark rates, and to foreign exchange and precious metals, very large fines and disgorgement amounts were assessed against us, and we were required to enter guilty pleas despite our full cooperation with the authorities in the investigations and despite our receipt of conditional leniency or conditional immunity from anti-trust authorities in a number of jurisdictions, including the US and Switzerland.

For a number of years, we have been, and we continue to be, subject to a very high level of regulatory scrutiny and to certain regulatory measures that constrain our strategic flexibility. We believe we have remediated the deficiencies that led to significant losses in the past and made substantial changes in our controls and conduct risk frameworks to address the issues highlighted by past regulatory resolutions. We have also undertaken extensive efforts to implement new regulatory requirements and meet heightened supervisory expectations. Prior to its acquisition by UBS, Credit Suisse was also subject to a high level of regulatory scrutiny and had significant regulatory and other remediation programs to address identified issues, including as a result of the Archegos, Mozambique, supply chain finance and cross-border tax matters. As part of the integration of Credit Suisse, UBS is addressing these matters and will likely remain under additional regulatory scrutiny until the integration is substantially completed.

We continue to be in active dialogue with regulators concerning the actions we are taking to improve our operational risk management, risk control, anti-money-laundering, data management and other frameworks, and otherwise seek to meet supervisory expectations, but there can be no assurance that our efforts will have the desired effects. As a result of this history, our level of risk with respect to regulatory enforcement may be greater than that of some of our peers.

### If we experience financial difficulties, FINMA has the power to open restructuring or liquidation proceedings or impose protective measures in relation to UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on creditors

Under the Swiss Banking Act, FINMA is able to exercise broad statutory powers with respect to Swiss banks and Swiss parent companies of financial groups, such as UBS Group AG, UBS AG and UBS Switzerland AG, if there is justified concern that an entity is over-indebted, has serious liquidity problems or, after the expiration of any relevant deadline, no longer fulfills capital adequacy requirements. Such powers include ordering protective measures, instituting restructuring proceedings (and exercising any Swiss resolution powers in connection therewith), and instituting liquidation proceedings, all of which may have a material adverse effect on shareholders and creditors or may prevent UBS AG or UBS Switzerland AG from paying dividends or making payments on debt obligations.

UBS would have limited ability to challenge any such protective measures, and creditors and shareholders would also have limited ability under Swiss law or in Swiss courts to reject them, seek their suspension, or challenge their imposition, including measures that require or result in the deferment of payments.

If restructuring proceedings are opened with respect to UBS AG or UBS Switzerland AG the resolution powers that FINMA may exercise include the power to: (i) transfer all or some of the assets, debt and other liabilities, and contracts of the entity subject to proceedings to another entity; (ii) stay for a maximum of two business days (a) the termination of, or the exercise of rights to terminate, netting rights, (b) rights to enforce or dispose of certain types of collateral or (c) rights to transfer claims, liabilities or certain collateral, under contracts to which the entity subject to proceedings is a party; and (iii) partially or fully write down the equity capital and regulatory capital instruments and, if such regulatory capital is fully written down, write down or convert into equity the other debt instruments of the entity subject to proceedings. Creditors would have no right to reject, or to seek the suspension of, any restructuring plan pursuant to which such resolution powers are exercised. They would have only limited rights to challenge any decision to exercise resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

Upon full or partial write-down of the equity and regulatory capital instruments of the entity subject to restructuring proceedings, the relevant shareholders and creditors would receive no payment in respect of debt that is written down, the write-down would be permanent, and the investors would likely not, at such time or at any time thereafter, receive any shares or other participation rights, or be entitled to any write-up or any other compensation in the event of a potential subsequent recovery of the debtor. If FINMA orders the conversion of debt of the entity subject to restructuring proceedings into equity, the securities received by the investors may be worth significantly less than the original debt and may have a significantly different risk profile. In addition, creditors receiving equity would be effectively subordinated to all creditors of the restructured entity in the event of a subsequent winding up, liquidation or dissolution of the restructured entity, which would increase the risk that investors would lose all or some of their investment.

FINMA has significant discretion in the exercise of its powers in connection with restructuring proceedings. Furthermore, certain categories of debt obligations, such as certain types of deposits, are subject to preferential treatment. As a result, holders of obligations of an entity subject to a Swiss restructuring proceeding may have their obligations written down or converted into equity even though obligations ranking on par with such obligations are not written down or converted.

### Developments in sustainability, climate, environmental and social standards and regulations may affect our business and impact our ability to fully realize our goals

We are subject to separate, and sometimes conflicting, ESG regulations and regulator expectations in the various jurisdictions in which UBS AG operates. For example, in certain jurisdictions, we are required to set diversity targets or other ESG-related goals that are considered illegal or contrary to regulatory expectations in other jurisdictions. In addition, with respect to decarbonization mandates, there is substantial uncertainty as to the scope of actions that may be required of us, governments and others to achieve the goals we have set, and many of our goals and objectives are only achievable with a combination of government and private action. National and international standards and expectations, industry and scientific practices, regulatory taxonomies, and disclosure obligations addressing these matters are relatively immature and are rapidly evolving. In addition, there are significant limitations in the data available to measure our climate and other goals. Although we have defined and disclosed our goals based on the standards existing at the time of disclosure, there can be no assurance (i) that the various ESG regulatory and disclosure regimes under which we operate will not come into further conflict with one another, (ii) that the current standards will not be interpreted differently than our understanding or change in a manner that substantially increases the cost or effort for us to achieve such goals or (iii) that additional data or methods, whether voluntary or required by regulation, may substantially change our calculation of our goals and ambitions. It is possible that such goals may prove to be considerably more difficult or even impossible to achieve. The evolving standards may also require us to substantially change the stated goals and ambitions. If we are not able to achieve the goals we have set, or can only do so at significant expense to our business, we may fail to meet regulatory expectations, incur damage to our reputation or be exposed to an increased risk of litigation or other adverse action.

While ESG regulatory regimes and international standards are being developed, including to require consideration of ESG risks in investment decisions, some jurisdictions, notably in the US, have developed rules restricting the consideration of ESG factors in investment and business decisions. Under these anti-ESG rules, companies that are perceived as boycotting or discriminating against certain industries may be restricted from doing business with certain governmental entities. Our businesses may be adversely affected if we are considered as discriminating against companies based on ESG considerations, or if further anti-ESG rules are developed or broadened.

### Material weaknesses of Credit Suisse controls over financial reporting

In March 2023, prior to the acquisition by UBS Group AG, the Credit Suisse Group and Credit Suisse AG disclosed that their management had identified material weaknesses in internal control over financial reporting as a result of which, the Credit Suisse Group and Credit Suisse AG had concluded that, as of 31 December 2022, their internal controls over financial reporting were not effective, and for the same reasons, reached the same conclusion regarding 31 December 2021. A material weakness is a deficiency or a combination of deficiencies in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of a registrant's financial statements will not be prevented or detected on a timely basis. The material weaknesses result in a risk that a material error may not be detected by internal controls that could result in a material misstatement to the company's reported financial results. Following the acquisition and merger of Credit Suisse Group AG into UBS Group AG in June 2023, Credit Suisse AG concluded that as of 31 December 2023 its internal control over financial reporting continued to be ineffective. For the year ended 31 December 2023, UBS AG concluded that its internal control over financial reporting was effective.

In June 2024 Credit Suisse AG and UBS AG merged with UBS AG as the surviving entity. Although Credit Suisse is no longer a separate legal entity, numerous of its booking, accounting and risk management systems remain in use for activities that have not yet been exited or migrated to UBS AG's systems.

The material weaknesses that were identified by Credit Suisse related to the failure to design and maintain an effective risk assessment process to identify and analyze the risk of material misstatements in its financial statements and the failure to design and maintain effective monitoring activities relating to (i) providing sufficient management oversight over the internal control evaluation process to support Credit Suisse internal control objectives; (ii) involving appropriate and sufficient management resources to support the risk assessment and monitoring objectives; and (iii) assessing and communicating the severity of deficiencies in a timely manner to those parties responsible for taking corrective action. These material weaknesses contributed to an additional material weakness, as the Credit Suisse Group management did not design and maintain effective controls over the classification and presentation of the consolidated statement of cash flows under US GAAP.

Since the Credit Suisse acquisition, we have executed a remediation program to address the identified material weaknesses and have implemented additional controls and procedures. As of 31 December 2024, management has assessed that the changes to internal controls made to address the material weakness relating to the classification and presentation of the consolidated statement of cash flows as well as assessment and communication of the severity of deficiencies are designed and operating effectively.

The remaining material weakness relates to the risk assessment of internal controls. We have implemented an enhanced severity assessment framework and additional management oversight of severity assessments and have integrated the Credit Suisse control frameworks into the UBS AG's internal control framework and risk assessment and evaluation processes in 2024. In addition, UBS AG has reviewed the processes, systems and internal control processes in connection with the integration of the financial accounting and controls environment of Credit Suisse into UBS AG, and implementation of updated or additional processes and controls to reflect the increase in complexity of the accounting and financial control environment following the acquisition.

Management has assessed that the risk assessment process was designed effectively. However, in light of the increased complexity of the internal accounting and control environment, the remaining migration efforts still underway and the limited time to demonstrate operating effectiveness and sustainability of the post-merger integrated control environment, management has concluded that additional evidence of effective operation of the remediated controls is required to conclude that the risk assessment processes is operating effectively on a sustainable basis. In light of the above, management has concluded that there is a material weakness in internal control over financial reporting at 31 December 2024 and, as a result, that our disclosure controls and procedures were also not effective as of that date.

### Our financial results may be negatively affected by changes to assumptions and valuations, as well as changes to accounting standards

We prepare our consolidated financial statements in accordance with IFRS Accounting Standards. The application of these accounting standards requires the use of judgment based on estimates and assumptions that may involve significant uncertainty at the time they are made. This is the case, for example, with respect to the measurement of fair value of financial instruments, the recognition of deferred tax assets (DTAs), the assessment of the impairment of goodwill, expected credit losses and estimation of provisions for litigation, regulatory and similar matters. Such judgments, including the underlying estimates and assumptions, which encompass historical experience, expectations of the future and other factors, are regularly evaluated to determine their continuing relevance based on current conditions. Using different assumptions could cause the reported results to differ. Changes in assumptions, or failure to make the changes necessary to reflect evolving market conditions, may have a significant effect on the financial statements in the periods when changes occur. Estimates of provisions may be subject to a wide range of potential outcomes and significant uncertainty. For example, the broad range of potential outcomes in our legal proceedings in France and in a number of Credit Suisse's legal proceedings increase the uncertainty associated with assessing the appropriate provision. If the estimates and assumptions in future periods deviate from the current outlook, our financial results may also be negatively affected.

Changes to IFRS Accounting Standards or interpretations thereof may cause future reported results and financial positions to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect our regulatory capital and ratios. For example, the introduction of the ECL regime under IFRS 9 in 2018 fundamentally changed how credit risk arising from loans, loan commitments, guarantees and certain revocable facilities is accounted for. Under the ECL regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2, only gradually diminishing once the economic outlook improves. As we observed in 2020, this effect may be more pronounced in a deteriorating economic environment. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect our CET1 capital and regulatory capital ratios.

### We may be unable to maintain our capital strength

Capital strength enables us to grow our businesses and absorb increases in regulatory and capital requirements. Our ability to maintain our capital ratios is subject to numerous risks, including the financial results of our businesses, the effect of changes to capital standards, methodologies and interpretations that may adversely affect the calculation of our capital ratios, the imposition of risk add-ons or capital buffers, and the application of additional capital, liquidity and similar requirements to subsidiaries. Our capital and leverage ratios are driven primarily by RWA, LRD and eligible capital, all of which may fluctuate based on a number of factors, some of which are outside of our control. The results of our businesses may be adversely affected by events arising from other risk factors described herein. In some cases, such as litigation and regulatory risk and operational risk events, losses may be sudden and large.

Our eligible capital may be reduced by losses recognized within net profit or other comprehensive income. Eligible capital may also be reduced for other reasons, including acquisitions that change the level of goodwill, changes in temporary differences related to DTAs included in capital, adverse currency movements affecting the value of equity, prudential adjustments that may be required due to the valuation uncertainty associated with certain types of positions, changes in regulatory interpretations on the inclusion or exclusion of items contributing to our shareholders' equity in regulatory capital, and changes in the value of certain pension fund assets and liabilities or in the interest rate and other assumptions used to calculate the changes in our net defined benefit obligation recognized in other comprehensive income.

RWA are driven by our business activities, by changes in the risk profile of our exposures, by changes in our foreign currency exposures and foreign exchange rates, and by regulation. For instance, substantial market volatility, a widening of credit spreads, adverse currency movements, increased counterparty risk, deterioration in the economic environment or increased operational risk could result in an increase in RWA. Changes in the calculation of RWA, the imposition of additional supplemental RWA charges or multipliers applied to certain exposures and other methodology changes, as well as the finalization of the Basel III framework and Fundamental Review of the Trading Book promulgated by the BCBS, which are expected to affect our RWA.

The leverage ratio is a balance sheet-driven measure and therefore limits balance sheet-intensive activities, such as lending, more than activities that are less balance sheet intensive, and it may constrain our business even if we satisfy other risk-based capital requirements. Our LRD is driven by, among other things, the level of client activity, including deposits and loans, foreign exchange rates, interest rates, other market factors and changes in required liquidity. Many of these factors are wholly or partly outside of our control.

### The effect of taxes on our financial results is significantly influenced by tax law changes and reassessments of our deferred tax assets and, also, operating losses of certain entities with no associated tax benefit

Our effective tax rate is highly sensitive to our performance, our expectation of future profitability and any potential increases or decreases in statutory tax rates, such as any potential increase or decrease in the US federal corporate tax rate. Furthermore, based on prior years' tax losses and deductible temporary differences, we have recognized DTAs reflecting the probable recoverable level based on future taxable profit as informed by our business plans. If our performance is expected to produce diminished taxable profit in future years, particularly in the US, we may be required to write down all or a portion of the currently recognized DTAs through the income statement in excess of anticipated amortization. This would have the effect of increasing our effective tax rate in the year in which any write-downs are taken. Conversely, if we expect the performance of entities in which we have unrecognized tax losses to improve, particularly in the US or the UK, we could potentially recognize additional DTAs. The effect of doing so would be to reduce our effective tax rate in years in which additional DTAs are recognized and to increase our effective tax rate in future years. Our effective tax rate is also sensitive to any future reductions in statutory tax rates, particularly in the US, which would cause the expected future tax benefit from items such as tax loss carry-forwards in the affected locations to diminish in value. This, in turn, would cause a write-down of the associated DTAs. Conversely, an increase in US corporate tax rates would result in an increase in the Group's DTAs.

We generally revalue our DTAs in the fourth quarter of the financial year based on a reassessment of future profitability taking into account our updated business plans. We consider the performance of our businesses and the accuracy of historical forecasts, tax rates and other factors in evaluating the recoverability of our DTAs, including the remaining tax loss carry-forward period and our assessment of expected future taxable profits over the life of DTAs. Estimating future profitability is inherently subjective and is particularly sensitive to future economic, market and other conditions, which are difficult to predict.

Our results in past years have demonstrated that changes in the recognition of DTAs can have a very significant effect on our reported results. Any future change in the manner in which UBS AG remeasures DTAs could affect UBS AG's effective tax rate, particularly in the year in which the change is made.

Our full-year effective tax rate would be impacted if aggregate tax expenses in respect of profits from branches and subsidiaries without loss coverage differ from what is expected or if certain branches and subsidiaries incur operating losses that we cannot benefit from through the income statement. In particular, operating losses at entities or branches that cannot offset for tax purposes taxable profits in other Group entities, and which do not result in additional DTA recognition, would increase our effective tax rate. In addition, tax laws or the tax authorities in countries where we have undertaken legal structure changes may cause entities to be subject to taxation as permanent establishments or may prevent the transfer of tax losses incurred in one legal entity to newly organized or reorganized subsidiaries or affiliates, or may impose limitations on the utilization of tax losses that relate to businesses formerly conducted by the transferor. Were this to occur in situations where there were also limited planning opportunities to utilize the tax losses in the originating entity, the DTAs associated with such tax losses may be required to be written down through the income statement.

Changes in tax law may materially affect our effective tax rate and, in some cases, may substantially affect the profitability of certain activities. In addition, statutory and regulatory changes, as well as changes to the way in which courts and tax authorities interpret tax laws, including assertions that we are required to pay taxes in a jurisdiction as a result of activities connected to that jurisdiction constituting a permanent establishment or similar theory, and changes in our assessment of uncertain tax positions, could cause the amount of taxes we ultimately pay to materially differ from the amount accrued.

### We may incur material future tax liabilities in connection with the combination with Credit Suisse

In the past, the Credit Suisse Group has recorded significant impairments of the tax value of its participations in subsidiaries below their tax acquisition costs. Following the acquisition of the Credit Suisse Group and the subsequent combination of Credit Suisse AG with UBS AG, tax acquisition costs of certain participations held by Credit Suisse Group AG and its subsidiaries have been transferred to UBS AG. UBS Group AG and its subsidiaries may become subject to additional Swiss tax on future reversals of such impairments for Swiss tax purposes. Reversals of prior impairments may occur to the extent that the net asset value of the previously impaired subsidiary increases, e.g., as a result of an increase in retained earnings. Although it is difficult to quantify this additional future tax exposure, as various potential mitigants (e.g., transfers of assets and liabilities, business activities, subsidiary investments, as well as other restructuring measures within the combined Group in the course of the integration) exist, it may be material.

## Liquidity and funding risk

### Liquidity and funding management are critical to UBS AG's ongoing performance

The viability of our business depends on the availability of funding sources, and our success depends on our ability to obtain funding at times, in amounts, for tenors and at rates that enable us to efficiently support our asset base in all market conditions. Our funding sources have generally been stable, but could change in the future because of, among other things, general market disruptions or widening credit spreads, which could also influence the cost of funding. A substantial part of our liquidity and funding requirements are met using short-term unsecured funding sources, including retail and wholesale deposits and the regular issuance of money market securities. A change in the availability of short-term funding could occur quickly.

The addition of loss-absorbing debt as a component of capital requirements, the regulatory requirements to maintain minimum TLAC at UBS AG and at certain of its subsidiaries, as well as the power of resolution authorities to bail in TLAC instruments and other debt obligations, and uncertainty as to how such powers will be exercised, caused and may still cause a further increase in UBS's cost of funding, and could potentially increase the total amount of funding required, in the absence of other changes in its business.

Reductions in our credit ratings may adversely affect the market value of the securities and other obligations and increase our funding costs, in particular with regard to funding from wholesale unsecured sources, and could affect the availability of certain kinds of funding. In addition, as experienced in connection with the Moody's Investors Service Ltd. downgrade of UBS AG's long-term debt rating in June 2012, rating downgrades can require us to post additional collateral or make additional cash payments under trading agreements. Our credit ratings, together with our capital strength and reputation, also contribute to maintaining client and counterparty confidence, and it is possible that rating changes could influence the performance of some of our businesses. The acquisition of the Credit Suisse Group has elevated these risks and may cause these risks to intensify. Upon the close of the acquisition in June 2023, Fitch Ratings Ireland Limited downgraded the Long-Term Issuer Default Ratings (IDRs) of UBS AG to "A+" from "AA–". Fitch Ratings Ltd. also upgraded Credit Suisse AG's Long-Term IDR to "A+" from "BBB+".

The requirement to maintain a liquidity coverage ratio of high-quality liquid assets to estimated stressed short-term net cash outflows, and other similar liquidity and funding requirements, oblige us to maintain high levels of overall liquidity, limit our ability to optimize interest income and expense, make certain lines of business less attractive and reduce our overall ability to generate profits. The liquidity coverage ratio and net stable funding ratio requirements are intended to ensure that we are not overly reliant on short-term funding and that we have sufficient long-term funding for illiquid assets. The relevant calculations make assumptions about the relative likelihood and amount of outflows of funding and available sources of additional funding in market-wide and firm-specific stress situations. In an actual stress situation, however, our funding outflows could exceed the assumed amounts. Further, UBS AG is subject to increased liquidity requirements related to too-big-to-fail (TBTF) measures under the direction of FINMA, which became effective on 1 January 2024.

# Financial and operating performance

Management report

## Accounting and financial reporting

### Critical accounting estimates and judgments

In preparing our financial statements in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (the IASB), we apply judgment and make estimates and assumptions that may involve significant uncertainty at the time they are made. We regularly reassess those estimates and assumptions, which encompass historical experience, expectations of the future and other pertinent factors, to determine their continuing relevance based on current conditions and update them as necessary. Changes in estimates and assumptions may have significant effects on the financial statements. Furthermore, actual results may differ significantly from our estimates, which could result in significant losses to UBS AG, beyond what we expected or provided for.

Key areas involving a high degree of judgment and areas where estimates and assumptions are significant to the consolidated financial statements include the following (note references below are found in the "Consolidated financial statements" section of this report):
- determination of carrying amounts of assets and liabilities and treatment of reserves for business combinations under common control (refer to "Note 2 Accounting for the merger of UBS AG and Credit Suisse AG");
- expected credit loss measurement (refer to "Note 20 Expected credit loss measurement");
- fair value measurement (refer to "Note 21 Fair value measurement");
- income taxes (refer to "Note 9 Income taxes");
- provisions and contingent liabilities (refer to "Note 18 Provisions and contingent liabilities");
- post-employment benefit plans (refer to "Note 26 Post-employment benefit plans");
- goodwill (refer to "Note 13 Goodwill and intangible assets"); and
- consolidation of structured entities (refer to "Note 28 Interests in subsidiaries and other entities").

› **Refer to "Note 1 Summary of material accounting policies" in the "Consolidated financial statements" section of this report and to the "Risk factors" section of this report for more information**

### Accounting and financial reporting changes after 2024

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*, and is effective from 1 January 2027. 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. UBS is assessing the impact of the new requirements on its reporting but expects it to be limited.

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* (the Amendments). The Amendments relate to derecognition of financial liabilities settled through electronic transfer systems and classification of financial assets, and they introduce new disclosure requirements. 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 is currently assessing the impact of the new requirements on its financial statements.

# UBS AG consolidated performance

### Income statement

| | For the year ended | | | % change from |
|---|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 | 31.12.23 |
| Net interest income | 4,678 | 4,566 | 6,517 | 2 |
| Other net income from financial instruments measured at fair value through profit or loss | 12,959 | 9,934 | 7,493 | 30 |
| Net fee and commission income | 23,438 | 18,610 | 19,023 | 26 |
| Other income | 1,248 | 566 | 1,882 | 121 |
| **Total revenues** | 42,323 | 33,675 | 34,915 | 26 |
| **Credit loss expense / (release)** | 544 | 143 | 29 | 281 |
| Personnel expenses | 19,958 | 15,655 | 15,080 | 27 |
| General and administrative expenses | 16,548 | 11,118 | 9,001 | 49 |
| Depreciation, amortization and impairment of non-financial assets | 2,840 | 2,238 | 1,845 | 27 |
| **Operating expenses** | 39,346 | 29,011 | 25,927 | 36 |
| **Operating profit / (loss) before tax** | 2,433 | 4,521 | 8,960 | (46) |
| Tax expense / (benefit) | 900 | 1,206 | 1,844 | (25) |
| **Net profit / (loss)** | 1,533 | 3,315 | 7,116 | (54) |
| Net profit / (loss) attributable to non-controlling interests | 51 | 25 | 32 | 107 |
| **Net profit / (loss) attributable to shareholders** | 1,481 | 3,290 | 7,084 | (55) |
| **Comprehensive income** | | | | |
| Total comprehensive income | 749 | 4,625 | 2,719 | (84) |
| Total comprehensive income attributable to non-controlling interests | 3 | 27 | 18 | (90) |
| **Total comprehensive income attributable to shareholders** | 747 | 4,598 | 2,701 | (84) |

### Integration-related expenses, by business division and Group Items

| | For the year ended | |
|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 |
| Global Wealth Management | 1,478 | 423 |
| Personal & Corporate Banking | 551 | 123 |
| Asset Management | 286 | 51 |
| Investment Bank | 605 | 281 |
| Non-core and Legacy | 831 | 225 |
| Group Items | 37 | 289 |
| **Total integration-related expenses** | 3,788 | 1,392 |
| *of which: total revenues* | *51* | *0* |
| *of which: operating expenses* | *3,737* | *1,392* |
| *of which: personnel expenses* | *1,291* | *626* |
| *of which: general and administrative expenses* | *2,047* | *491* |
| *of which: depreciation, amortization and impairment of non-financial assets* | *399* | *274* |

## 2024 compared with 2023

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 2024 financial year, which covers seven full months of post-merger results, with the 2023 financial year, 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 2024 vs 2023

In 2024, net profit attributable to shareholders decreased by USD 1,809m to USD 1,481m, and included a net tax expense of USD 900m.

Operating profit before tax decreased by USD 2,088m, or 46%, to USD 2,433m, reflecting higher operating expenses and an increase in net credit loss expenses, partly offset by higher total revenues. Operating expenses increased by USD 10,335m, or 36%, to USD 39,346m and included USD 3,737m of integration-related expenses. This increase was mainly driven by increases of USD 5,430m in general and administrative expenses and USD 4,303m in personnel expenses, as well as a USD 602m increase in depreciation, amortization and impairment of non-financial assets. Net credit loss expenses were USD 544m, compared with USD 143m in 2023. Total revenues increased by USD 8,648m, or 26%, to USD 42,323m, mainly driven by a USD 3,137m increase in total combined net interest income and other net income from financial instruments measured at fair value through profit and loss, USD 4,828m higher net fee and commission income, and a USD 682m increase in other income.

Integration-related expenses are defined as expenses that are temporary, incremental and directly related to the integration of Credit Suisse into UBS, including 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 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

### 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 3,137m to USD 17,637m, mainly driven by the consolidation of Credit Suisse AG revenues.

Global Wealth Management increased by USD 858m to USD 7,373m, mainly driven by the consolidation of Credit Suisse AG revenues. The remaining variance included a decrease in net interest income, reflecting lower deposit and loan revenues and higher liquidity and funding costs, and an increase in transaction-based income, mainly driven by higher levels of client activity, particularly in the Asia Pacific and Americas regions.

Personal & Corporate Banking increased by USD 1,183m to USD 4,755m, predominantly driven by the consolidation of Credit Suisse AG revenues.

The Investment Bank increased by USD 1,106m to USD 6,129m. The overall increase was mainly attributable to the Derivatives & Solutions business, mostly driven by increases in Equity Derivatives and Foreign Exchange. In addition, Financing revenues increased, particularly in the Capital Markets Financing business. Global Banking revenues also increased mainly due to higher revenues across Public Capital Markets, primarily driven by Leveraged Capital Markets.

› **Refer to "Note 4 Net interest income and other net income from financial instruments measured at fair value through profit or loss" in the "Consolidated financial statements" section of this report for more information**

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

| | For the year ended | | | % change from |
|---|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23[1] | 31.12.22 | 31.12.23 |
| Net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income | (777) | 2,801 | 5,108 | |
| Net interest income from financial instruments measured at fair value through profit or loss and other | 5,455 | 1,765 | 1,410 | 209 |
| Other net income from financial instruments measured at fair value through profit or loss | 12,959 | 9,934 | 7,493 | 30 |
| **Total** | 17,637 | 14,500 | 14,011 | 22 |
| Global Wealth Management | 7,373 | 6,515 | 6,357 | 13 |
| *of which: net interest income* | *5,901* | *5,345* | *5,274* | *10* |
| *of which: transaction-based income from foreign exchange and other intermediary activity[2]* | *1,472* | *1,171* | *1,082* | *26* |
| Personal & Corporate Banking | 4,755 | 3,572 | 2,686 | 33 |
| *of which: net interest income* | *4,035* | *3,059* | *2,192* | *32* |
| *of which: transaction-based income from foreign exchange and other intermediary activity[2]* | *719* | *513* | *495* | *40* |
| Asset Management | (3) | (34) | (23) | (92) |
| Investment Bank | 6,129 | 5,023 | 5,770 | 22 |
| Non-core and Legacy | 32 | 43 | 118 | (27) |
| Group Items | (648) | (621) | (896) | 4 |

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 about the relevant changes. 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 of Global Wealth Management and Personal & Corporate Banking in the "Global Wealth Management" and "Personal & Corporate Banking" sections of this report, respectively.

### Net fee and commission income

Net fee and commission income increased by USD 4,828m to USD 23,438m, mainly driven by the consolidation of Credit Suisse AG revenues.

Fees from portfolio management increased by USD 2,237m to USD 11,328m, and investment fund fees increased by USD 939m to USD 5,669m, predominantly in Global Wealth Management and Asset Management, respectively. The increase in Global Wealth Management was mainly due to positive market performance and the consolidation of Credit Suisse AG revenues. For Asset Management, the increase was mainly from the consolidation of Credit Suisse AG revenues, positive market performance and foreign currency effects, as well as the revaluation of a real estate fund co-investment, partly offset by the effects of continued margin compression.

Net brokerage fees increased by USD 1,002m to USD 4,081m, largely as a result of the consolidation of Credit Suisse AG revenues. The remaining variance included an increase in Cash Equities across all regions in Execution Services in the Investment Bank. There was also an increase in Global Wealth Management which was driven by higher levels of client activity, particularly in the Asia Pacific and Americas regions, and the consolidation of Credit Suisse AG transaction-based income.

- **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 1,248m, compared with USD 566m in 2023, and included the consolidation of Credit Suisse AG income. Included in other income was a loss of USD 80m related to an investment in an associate, compared with a loss of USD 255m related to an investment in an associate recognized in 2023. In addition, there was a USD 125m net gain in Asset Management from the sale of non-strategic businesses, as well as a USD 119m gain related to the sale of our investment in an associate. Other income also included higher costs charged to shared services subsidiaries of UBS Group AG.

- **Refer to "Note 6 Other income" in the "Consolidated financial statements" section of this report for more information**
- **Refer to "Note 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of this report for more information about disposals of subsidiaries and businesses**

## Credit loss expense / release

Total net credit loss expenses were USD 544m, reflecting net releases of USD 63m related to stage 1 and 2 positions and net expenses of USD 608m related to credit-impaired stage 3 positions. Credit loss expenses were USD 143m in 2023.

- **Refer to "Note 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement" and "Note 20 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information about credit loss expenses / releases**
- **Refer to the "Risk factors" 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 year ended 31.12.24 | | | |
| Global Wealth Management | (49) | 48 | (1) |
| Personal & Corporate Banking | (61) | 454 | 393 |
| Asset Management | 0 | 0 | 0 |
| Investment Bank | 52 | 47 | 98 |
| Non-core and Legacy | (5) | 60 | 55 |
| Group Items | 0 | 0 | 0 |
| Total | (63) | 608 | 544 |
| For the year ended 31.12.23 | | | |
| Global Wealth Management | (2) | 27 | 25 |
| Personal & Corporate Banking | 13 | 37 | 50 |
| Asset Management | 0 | (1) | (1) |
| Investment Bank | 11 | 56 | 67 |
| Non-core and Legacy | 0 | 1 | 1 |
| Group Items | 1 | 0 | 1 |
| Total | 23 | 120 | 143 |
| For the year ended 31.12.22 | | | |
| Global Wealth Management | (5) | 5 | 0 |
| Personal & Corporate Banking | 27 | 12 | 39 |
| Asset Management | 0 | 0 | 0 |
| Investment Bank | 6 | (18) | (12) |
| Non-core and Legacy | 0 | 2 | 2 |
| Group Items | 0 | 0 | 0 |
| Total | 29 | 0 | 29 |

## Operating expenses

### Personnel expenses

Personnel expenses increased by USD 4,303m to USD 19,958m, mainly driven by the consolidation of Credit Suisse AG expenses reflecting the combined workforce resulting from the merger. Salaries and variable compensation increased by USD 3,731m, including a USD 744m increase in financial advisor compensation as a result of higher compensable revenues.

- **Refer to "Note 7 Personnel expenses", "Note 26 Post-employment benefit plans" and "Note 27 Employee benefits: variable compensation" in the "Consolidated financial statements" section of this report for more information**

### General and administrative expenses

General and administrative expenses increased by USD 5,430m to USD 16,548m, largely driven by an increase of USD 2,659m in shared services costs for Technology, Finance, Risk charged by other subsidiaries of UBS Group AG, resulting from the consolidation of Credit Suisse AG expenses. General and administrative expenses also included USD 698m higher expenses for litigation, regulatory and similar matters, largely reflecting UBS's decision from 2024 to fund an offer by the Credit Suisse supply chain finance funds to redeem all of the outstanding units of the respective funds. In addition, there were increases of USD 520m in consulting, legal and audit fees, USD 354m in technology costs and USD 351m in outsourcing costs.

- **Refer to "Note 8 General and administrative expenses" and "Note 18 Provisions and contingent liabilities" in the "Consolidated financial statements" section of this report for more information**

### Depreciation, amortization and impairment of non-financial assets

Depreciation, amortization and impairment of non-financial assets increased by USD 602m to USD 2,840m, which included the consolidation of Credit Suisse AG expenses, as well as an increase in amortization of internally generated capitalized software and depreciation of real estate leases, partly offset by a USD 206m decrease in impairment, following the impairment of software projects in 2023, resulting from a reprioritization of software development activity following the acquisition of the Credit Suisse Group.

**Operating expenses**

| | For the year ended | | | % change from |
|---|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 | 31.12.23 |
| Personnel expenses | 19,958 | 15,655 | 15,080 | 27 |
| *of which: salaries* | *7,884* | *5,898* | *5,528* | *34* |
| *of which: variable compensation* | *9,414* | *7,669* | *7,636* | *23* |
| *of which: performance awards* | *3,511* | *2,841* | *2,910* | *24* |
| *of which: financial advisors[1]* | *5,293* | *4,549* | *4,508* | *16* |
| *of which: other* | *610* | *279* | *217* | *118* |
| *of which: other personnel expenses[2]* | *2,660* | *2,088* | *1,916* | *27* |
| General and administrative expenses | 16,548 | 11,118 | 9,001 | 49 |
| *of which: net expenses for litigation, regulatory and similar matters* | *1,514* | *816* | *348* | *85* |
| Depreciation, amortization and impairment of non-financial assets | 2,840 | 2,238 | 1,845 | 27 |
| **Total operating expenses** | 39,346 | 29,011 | 25,927 | 36 |

1 Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. 2 Consists of expenses related to contractors, social security, post-employment benefit plans, and other personnel expenses. Refer to "Note 7 Personnel expenses" in the "Consolidated financial statements" section of this report for more information.

## Tax

Income tax expenses of USD 900m were recognized for UBS AG in 2024, representing an effective tax rate of 37.0% compared with USD 1,206m for 2023, which represented an effective tax rate of 26.7%.

The income tax expenses for 2024 included a net Swiss tax expense of USD 461m and a net non-Swiss tax expense of USD 439m.

The net Swiss tax expense included current tax expenses of USD 567m in respect of taxable profits of UBS Switzerland AG and other Swiss entities and a deferred tax benefit of USD 106m that mainly related to a USD 65m net upward revaluation of deferred tax assets (DTAs).

The net non-Swiss tax expense included current tax expenses of USD 831m that mainly related to US corporate alternative minimum tax with an equivalent deferred tax benefit for DTAs recognized in respect of tax credits carried forward and USD 608m in respect of other taxable profits of non-Swiss subsidiaries and branches.

These current tax expenses were partly offset by a net non-Swiss deferred tax benefit, which reflected benefits of USD 831m related to the aforementioned deferred tax benefit, USD 417m in respect of a net upward revaluation of DTAs and USD 252m in respect of an increase in deferred tax asset recognition for UBS AG's US branch. These benefits were partly offset by an expense of USD 500m that primarily related to the amortization of DTAs previously recognized in relation to tax losses carried forward and deductible temporary differences.

- **Refer to "Note 9 Income taxes" in the "Consolidated financial statements" section of this report for more information**
- **Refer to the "Risk factors" section of this report for more information**

## Total comprehensive income attributable to shareholders

In 2024, total comprehensive income attributable to shareholders was USD 747m, reflecting net profit of USD 1,481m and negative other comprehensive income (OCI), net of tax, of USD 735m.

Foreign currency translation OCI was negative USD 1,261m, mainly due to the US dollar strengthening against the Swiss franc and the euro.

OCI related to cash flow hedges was USD 635m, mainly reflecting net losses on hedging instruments that were reclassified from OCI to the income statement, partly offset by net unrealized losses on US dollar hedging derivatives resulting from increases in the relevant US dollar long-term interest rates.


- **Refer to "Statement of comprehensive income" in the "Consolidated financial statements" section of this report for more information**
- **Refer to "Note 25 Hedge accounting" in the "Consolidated financial statements" section of this report for more information about cash flow hedges of forecast transactions**


## Sensitivity to interest rate movements

As of 31 December 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 1.2bn in the first year after such a shift. Of this increase, approximately USD 0.7bn, 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 increase in annual net interest income of approximately USD 0.6bn. Of this increase, approximately USD 1.1bn would result from changes in Swiss franc interest rates, driven by both contractual and assumed flooring benefits under negative interest rates. US dollar and euro interest rates would lead to an offsetting decrease of USD 0.4bn and USD 0.1bn, respectively.

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 31 December 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 net interest income forecasts.

## Seasonal characteristics

Our revenues may show seasonal patterns, notably in the Investment Bank and transaction-based revenues for Global Wealth Management, and typically reflect the highest client activity levels in the first quarter, with lower levels throughout the rest of the year, especially during the summer months and the end-of-year holiday season.

## Key figures

Below we provide an overview of selected key figures of UBS AG consolidated. For further information about key figures related to capital management, refer to the "Capital, liquidity and funding, and balance sheet" section of this report.

### Cost / income ratio

The cost / income ratio was 93.0%, compared with 86.2%, reflecting an increase in operating expenses, partly offset by an increase in total revenues.

### Return on common equity tier 1 capital

The return on common equity tier 1 (CET1) capital was 2.2%, compared with 7.6%, reflecting a USD 1,809m decrease in net profit attributable to shareholders and a USD 24.3bn increase in average CET1 capital.

### CET1 capital

CET1 capital increased by USD 29.7bn to USD 73.8bn as of 31 December 2024, primarily due to the merger of UBS AG and Credit Suisse AG, which resulted in an increase of USD 41.4bn as of the date of the merger, operating profit before tax of USD 2.4bn and an increase in eligible deferred tax assets on temporary differences of USD 2.6bn. These increases were partly offset by dividend accruals of USD 13.0bn, current tax expense of USD 2.0bn, and foreign currency translation losses of USD 1.3bn.

### Risk-weighted assets

Risk-weighted assets (RWA) increased by USD 161.1bn to USD 495.1bn, predominantly due to the merger of UBS AG and Credit Suisse AG, which resulted in a USD 190.0bn increase in RWA. Excluding that merger, RWA decreased by USD 28.9bn, primarily driven by decreases of USD 23.3bn due to asset size and other movements and USD 10.2bn due to currency effects, partly offset by an increase of USD 4.6bn due to model updates and methodology changes.

### CET1 capital ratio

Our CET1 capital ratio increased to 14.9% from 13.2%, reflecting a USD 29.7bn increase in CET1 capital, partly offset by a USD 161.1bn increase in RWA.

### Leverage ratio denominator

The leverage ratio denominator (the LRD) increased by USD 418.9bn to USD 1,523.3bn, predominantly due to the merger of UBS AG and Credit Suisse AG, which resulted in a USD 516.4bn increase in the LRD. Excluding that merger, the LRD decreased by USD 97.5bn, driven by currency effects of USD 49.9bn and asset size and other movements of USD 47.6bn.

### CET1 leverage ratio

Our CET1 leverage ratio increased to 4.8% from 4.0%, due to the aforementioned increase in CET1 capital, partly offset by the aforementioned increase in the LRD.

### Personnel

The number of internal personnel employed as of 31 December 2024 was 68,982 (full-time equivalents), a net increase of 21,392 compared with 31 December 2023, predominantly driven by the legal merger of UBS AG and Credit Suisse AG on 31 May 2024.

**Equity, CET1 capital and returns**

| | As of or for the year ended | | |
|---|---|---|---|
| *USD m, except where indicated* | 31.12.24 | 31.12.23 | 31.12.22 |
| **Net profit** | | | |
| Net profit attributable to shareholders | 1,481 | 3,290 | 7,084 |
| **Equity** | | | |
| Equity attributable to shareholders | 94,003 | 55,234 | 56,598 |
| *less: goodwill and intangible assets* | *6,661* | *6,265* | *6,267* |
| Tangible equity attributable to shareholders | 87,343 | 48,969 | 50,331 |
| *less: other CET1 deductions* | *13,550* | *4,839* | *7,402* |
| CET1 capital | 73,792 | 44,130 | 42,929 |
| **Return on equity** | | | |
| Return on equity (%) | 1.9 | 6.0 | 12.6 |
| Return on tangible equity (%) | 2.0 | 6.7 | 14.2 |
| Return on CET1 capital (%) | 2.2 | 7.6 | 16.8 |

# Global Wealth Management

**Global Wealth Management[1]**

| | As of or for the year ended | | % change from |
|---|---|---|---|
| *USD m, except where indicated* | 31.12.24 | 31.12.23[2] | 31.12.23 |
| **Results** | | | |
| Net interest income | 5,901 | 5,345 | 10 |
| Recurring net fee income[3] | 12,082 | 10,143 | 19 |
| Transaction-based income[3] | 4,122 | 3,079 | 34 |
| Other income | 43 | (28) | |
| **Total revenues** | 22,148 | 18,539 | 19 |
| **Credit loss expense / (release)** | (1) | 25 | |
| **Operating expenses** | 18,893 | 14,900 | 27 |
| **Business division operating profit / (loss) before tax** | 3,255 | 3,614 | (10) |
| **Performance measures and other information** | | | |
| Pre-tax profit growth (year-on-year, %)[3] | (9.9) | (26.2) | |
| Cost / income ratio (%)[3] | 85.3 | 80.4 | |
| Financial advisor compensation[4] | 5,292 | 4,548 | 16 |
| Net new money (USD bn)[3] | 13.0 | 75.0 | |
| Invested assets (USD bn)[3] | 4,182 | 3,187 | 31 |
| Loans, gross (USD bn)[5] | 302.2 | 218.3 | 38 |
| Customer deposits (USD bn)[5] | 470.6 | 355.3 | 32 |
| Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[3,6] | 0.4 | 0.3 | |
| Advisors (full-time equivalents) | 9,803 | 8,838 | 11 |

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 compensation, determined using a formulaic approach based on production, and deferred awards. 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 1,683m as of 31 December 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.

## 2024 compared with 2023

### Results

Profit before tax decreased by USD 359m, or 10%, to USD 3,255m, 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

Total revenues increased by USD 3,609m, or 19%, to USD 22,148m, 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.

Net interest income increased by USD 556m, or 10%, to USD 5,901m, mainly driven by the consolidation of Credit Suisse AG net interest income. The remaining variance was due to lower deposit revenues, mainly as a result of lower margins, and included the effects of shifts to lower-margin deposit products. The change was also due to higher liquidity and funding costs, as well as lower loan revenues, reflecting lower average volumes.

Recurring net fee income increased by USD 1,939m, or 19%, to USD 12,082m, mainly driven by positive market performance and the consolidation of Credit Suisse AG recurring net fee income.

Transaction-based income increased by USD 1,043m, or 34%, to USD 4,122m, mainly driven by higher levels of client activity, particularly in the Asia Pacific and Americas regions, and due to the consolidation of Credit Suisse AG transaction-based income.

Other income was USD 43m, compared with other income of negative USD 28m. Other income in 2024 included a loss of USD 21m related to an investment in an associate, compared with a loss of USD 64m related to an investment in an associate recognized in 2023. The change in other income was also due to an increase in shared services costs charged to other subsidiaries of UBS Group AG, which was mainly related to secondments.

#### Credit loss expense / release

Net credit loss releases were USD 1m, compared with net expenses of USD 25m in 2023.

### Operating expenses

Operating expenses increased by USD 3,993m, or 27%, to USD 18,893m, mainly driven by the consolidation of Credit Suisse AG operating expenses and higher personnel expenses (primarily reflecting an increase in financial advisor compensation as a result of higher compensable revenues), as well as by higher integration-related expenses and higher technology expenses.

### Cost / income ratio

The cost / income ratio increased to 85.3% from 80.4%, as an increase in operating expenses more than offset an increase in total revenues.

### Invested assets

Invested assets increased by USD 995bn, or 31%, to USD 4,182bn, mainly driven by the consolidation of Credit Suisse AG invested assets, positive market performance of USD 114bn and net new money inflows, offset by negative foreign currency effects of USD 41bn.

### Loans

Loans increased by USD 83.9bn to USD 302.2bn, mainly driven by the consolidation of Credit Suisse AG loans, partly offset by negative foreign currency effects and negative net new loans.

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

### Customer deposits

Customer deposits increased by USD 115.3bn to USD 470.6bn, mainly driven by the consolidation of Credit Suisse AG customer deposits and net new deposit inflows, partly offset by negative foreign currency effects.

# Personal & Corporate Banking

**Personal & Corporate Banking – in Swiss francs[1]**

| | As of or for the year ended | | % change from |
|---|---|---|---|
| *CHF m, except where indicated* | 31.12.24 | 31.12.23[2] | 31.12.23 |
| **Results** | | | |
| Net interest income | 3,554 | 2,743 | 30 |
| Recurring net fee income[3] | 1,190 | 851 | 40 |
| Transaction-based income[3] | 1,529 | 1,179 | 30 |
| Other income | 32 | (83) | |
| **Total revenues** | 6,305 | 4,689 | 34 |
| **Credit loss expense / (release)** | 348 | 46 | 660 |
| **Operating expenses** | 4,152 | 2,589 | 60 |
| **Business division operating profit / (loss) before tax** | 1,805 | 2,055 | (12) |
| **Performance measures and other information** | | | |
| Pre-tax profit growth (year-on-year, %)[3] | (12.2) | 20.5 | |
| Cost / income ratio (%)[3] | 65.9 | 55.2 | |
| Net interest margin (bps)[3] | 168 | 188 | |
| Loans, gross (CHF bn) | 245.3 | 146.8 | 67 |
| Customer deposits (CHF bn) | 255.5 | 169.6 | 51 |
| Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[3,4] | 1.5 | 0.9 | |

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 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.

# 2024 compared with 2023

## Results

Profit before tax decreased by CHF 250m, or 12%, to CHF 1,805m, as higher total revenues were more than offset by higher operating expenses and net credit loss expenses.

### Total revenues

Total revenues increased by CHF 1,616m, or 34%, to CHF 6,305m, 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 811m to CHF 3,554m, largely reflecting the consolidation of Credit Suisse AG net interest income.

Recurring net fee income increased by CHF 339m to CHF 1,190m, mainly due to the consolidation of Credit Suisse AG recurring net fee income, as well as an increase in revenues due to higher investment product levels, reflecting positive market performance and net new inflows.

Transaction-based income increased by CHF 350m to CHF 1,529m, largely due to the consolidation of Credit Suisse AG transaction-based income.

Other income was positive CHF 32m, compared with negative CHF 83m. Other income in 2024 included a loss of CHF 54m related to an investment in an associate, compared with a loss of CHF 161m recognized in 2023.

### Credit loss expense / release

Net credit loss expenses were CHF 348m, mainly due to the consolidation of Credit Suisse AG, and reflected net credit loss expenses on credit-impaired positions, primarily in the legacy Credit Suisse corporate loan book, partly offset by net credit loss releases related to performing positions. Net credit loss expenses in 2023 were CHF 46m.

### Operating expenses

Operating expenses increased by CHF 1,563m, or 60%, to CHF 4,152m, largely due to the consolidation of Credit Suisse AG expenses, and included higher integration-related expenses.

### Cost / income ratio

The cost / income ratio increased to 65.9% from 55.2%, as the relative increase in operating expenses was higher than the relative increase in total revenues.

**Personal & Corporate Banking – in US dollars[1]**

| | As of or for the year ended | | % change from |
|---|---|---|---|
| *USD m, except where indicated* | 31.12.24 | 31.12.23[2] | 31.12.23 |
| **Results** | | | |
| Net interest income | 4,035 | 3,059 | 32 |
| Recurring net fee income[3] | 1,350 | 949 | 42 |
| Transaction-based income[3] | 1,734 | 1,314 | 32 |
| Other income | 39 | (105) | |
| **Total revenues** | 7,159 | 5,216 | 37 |
| **Credit loss expense / (release)** | 393 | 50 | 679 |
| **Operating expenses** | 4,714 | 2,889 | 63 |
| **Business division operating profit / (loss) before tax** | 2,052 | 2,277 | (10) |
| **Performance measures and other information** | | | |
| Pre-tax profit growth (year-on-year, %)[3] | (9.9) | 27.2 | |
| Cost / income ratio (%)[3] | 65.9 | 55.4 | |
| Net interest margin (bps)[3] | 168 | 189 | |
| Loans, gross (USD bn) | 270.2 | 174.4 | 55 |
| Customer deposits (USD bn) | 281.4 | 201.5 | 40 |
| Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[3,4] | 1.5 | 0.9 | |

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 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]

| *USD m, except where indicated* | As of or for the year ended 31.12.24 | 31.12.23[2] | % change from 31.12.23 |
|---|---|---|---|
| **Results** | | | |
| Net management fees[3] | 2,538 | 1,977 | 28 |
| Performance fees | 136 | 70 | 94 |
| Net gain from disposals | 125 | 23 | 437 |
| Total revenues | 2,799 | 2,071 | 35 |
| Credit loss expense / (release) | 0 | (1) | |
| Operating expenses | 2,334 | 1,706 | 37 |
| Business division operating profit / (loss) before tax | 465 | 366 | 27 |
| **Performance measures and other information** | | | |
| Pre-tax profit growth (year-on-year, %)[4] | 27.1 | (73.8) | |
| Cost / income ratio (%)[4] | 83.4 | 82.4 | |
| Gross margin on invested assets (bps)[4] | 18 | 18 | |
| **Information by business line / asset class** | | | |
| Net new money (USD bn)[4] | | | |
| Equities | 28.1 | 0.2 | |
| Fixed Income | 23.8 | 29.5 | |
| *of which: money market* | *17.9* | *23.6* | |
| Multi-asset & Solutions | 2.9 | 3.3 | |
| Hedge Fund Businesses | (4.0) | (3.9) | |
| Real Estate & Private Markets | 1.0 | 2.7 | |
| Total net new money excluding associates | 51.9 | 31.8 | |
| *of which: net new money excluding money market* | *34.0* | *8.1* | |
| Associates[5] | 8.8 | 0.5 | |
| Total net new money | 60.6 | 32.3 | |
| Invested assets (USD bn)[4] | | | |
| Equities | 755 | 539 | 40 |
| Fixed Income | 464 | 323 | 44 |
| *of which: money market* | *157* | *131* | *20* |
| Multi-asset & Solutions | 268 | 180 | 49 |
| Hedge Fund Businesses | 58 | 54 | 9 |
| Real Estate & Private Markets | 143 | 102 | 40 |
| Total invested assets excluding associates | 1,689 | 1,199 | 41 |
| *of which: passive strategies* | *807* | *540* | *49* |
| Associates[5] | 84 | 24 | 255 |
| Total invested assets | 1,773 | 1,222 | 45 |
| **Information by region** | | | |
| Invested assets (USD bn)[4] | | | |
| Americas | 443 | 350 | 27 |
| Asia Pacific[6] | 224 | 153 | 46 |
| EMEA (excluding Switzerland) | 435 | 314 | 39 |
| Switzerland | 670 | 405 | 65 |
| Total invested assets | 1,773 | 1,222 | 45 |
| **Information by channel** | | | |
| Invested assets (USD bn)[4] | | | |
| Third-party institutional | 1,008 | 659 | 53 |
| Third-party wholesale | 169 | 126 | 35 |
| UBS's wealth management businesses | 512 | 414 | 24 |
| Associates[5] | 84 | 24 | 255 |
| Total invested assets | 1,773 | 1,222 | 45 |

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 and net new money amounts reported for associates are prepared in accordance with their local regulatory requirements and practices. 6 Includes invested assets from associates.

## 2024 compared with 2023

### Results

Profit before tax increased by USD 99m, or 27%, to USD 465m, mainly reflecting the impact from the consolidation of Credit Suisse AG, including net gains of USD 125m from the sale of non-strategic businesses.

#### Total revenues

Total revenues increased by USD 728m, or 35%, to USD 2,799m, primarily reflecting the consolidation of Credit Suisse AG revenues, and included USD 125m net gains from the aforementioned sales.

Net management fees increased by USD 561m, or 28%, to USD 2,538m, largely attributable to the consolidation of Credit Suisse AG net management fees, positive market performance and foreign currency effects, and the revaluation of a real estate fund co-investment, partly offset by continued margin compression. In addition, 2023 included the fee income of the former UBS Hana Asset Management Co. and negative pass-through fees, with the corresponding offset in performance fees.

Performance fees increased by USD 66m, or 94%, to USD 136m, 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 due to 2023 including the aforementioned pass-through fees.

#### Operating expenses

Operating expenses increased by USD 628m, or 37%, to USD 2,334m, largely due to the consolidation of Credit Suisse AG operating expenses, and included higher integration-related expenses.

### Cost / income ratio

The cost / income ratio increased to 83.4% from 82.4%, as the relative increase in operating expenses was higher than the relative increase in total revenues.

### Invested assets

Invested assets increased by USD 551bn, or 45%, to USD 1,773bn, mainly reflecting the impact of the merger of UBS AG and Credit Suisse AG and related business transfers, positive market performance of USD 140bn and net new money of USD 61bn, partly offset by negative foreign currency effects of USD 48bn. Excluding money market flows and associates, net new money was USD 34bn.

# Investment Bank

**Investment Bank[1]**

| | As of or for the year ended | | % change from |
|---|---|---|---|
| *USD m, except where indicated* | 31.12.24 | 31.12.23[2] | 31.12.23 |
| **Results** | | | |
| Advisory | 871 | 604 | 44 |
| Capital Markets | 1,511 | 1,005 | 50 |
| **Global Banking** | 2,382 | 1,609 | 48 |
| Execution Services[3] | 1,714 | 1,336 | 28 |
| Derivatives & Solutions[3] | 3,446 | 2,860 | 21 |
| Financing | 2,296 | 1,980 | 16 |
| **Global Markets** | 7,455 | 6,175 | 21 |
| *of which: Equities* | *5,563* | *4,457* | *25* |
| *of which: Foreign Exchange, Rates and Credit* | *1,893* | *1,718* | *10* |
| **Total revenues** | 9,837 | 7,784 | 26 |
| **Credit loss expense / (release)** | 98 | 67 | 47 |
| **Operating expenses** | 8,753 | 7,588 | 15 |
| **Business division operating profit / (loss) before tax** | 987 | 130 | 658 |
| **Performance measures and other information** | | | |
| Pre-tax profit growth (year-on-year, %)[4] | 658.5 | (92.9) | |
| Cost / income ratio (%)[4] | 89.0 | 97.5 | |

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 year ended 31 December 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.

## 2024 compared with 2023

### Results

Profit before tax increased by USD 857m to USD 987m, mainly due to higher total revenues, partly offset by higher operating expenses.

#### Total revenues

Total revenues increased by USD 2,053m, or 26%, to USD 9,837m, reflecting increases in Global Markets and Global Banking.

#### *Global Banking*

Global Banking revenues increased by USD 773m, or 48%, to USD 2,382m, reflecting higher Capital Markets and Advisory revenues.

Advisory revenues increased by USD 267m, or 44%, to USD 871m, mostly due to higher merger and acquisition transaction revenues.

Capital Markets revenues increased by USD 506m, or 50%, to USD 1,511m, mainly due to higher revenues across all products, led by Leveraged Capital Markets.

#### *Global Markets*

Global Markets revenues increased by USD 1,280m, or 21%, to USD 7,455m, driven by higher Derivatives & Solutions, Execution Services and Financing revenues.

Execution Services revenues increased by USD 378m, or 28%, to USD 1,714m, mainly due to increases in Cash Equities across all regions.

Derivatives & Solutions revenues increased by USD 586m, or 21%, to USD 3,446m, mainly reflecting increases in Equity Derivatives and Foreign Exchange.

Financing revenues increased by USD 316m, or 16%, to USD 2,296m, mainly driven by Capital Markets Financing, and included a USD 51m gain from the sale of our investment in an associate.

*Equities*

Global Markets Equities revenues increased by USD 1,106m, or 25%, to USD 5,563m, mainly due to increases in Equity Derivatives, Cash Equities and Financing, as well as the aforementioned gain from sale.

*Foreign Exchange, Rates and Credit*

Global Markets Foreign Exchange, Rates and Credit revenues increased by USD 175m, or 10%, to USD 1,893m, mainly driven by increases in Foreign Exchange.

#### Credit loss expense / release

Net credit loss expenses were USD 98m, compared with net credit loss expenses of USD 67m, reflecting net credit loss expenses on performing and credit-impaired positions, including the impact of model updates.

#### Operating expenses

Operating expenses increased by USD 1,165m, or 15%, to USD 8,753m, and included higher integration-related expenses, with the remaining increase reflecting higher personnel expenses (including secondment of Credit Suisse employees prior to the merger of UBS AG and Credit Suisse AG, as well as variable compensation) and higher technology expenses.

#### Cost / income ratio

The cost / income ratio decreased to 89.0% from 97.5%, as the increase in total revenues more than offset the increase in operating expenses.

# Non-core and Legacy

**Non-core and Legacy[1]**

| | As of or for the year ended | | % change from |
|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23[2] | 31.12.23 |
| **Results** | | | |
| Total revenues | 335 | 58 | 474 |
| Credit loss expense / (release) | 55 | 1 | |
| Operating expenses | 3,673 | 1,010 | 264 |
| Operating profit / (loss) before tax | (3,392) | (952) | 256 |

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.

## 2024 compared with 2023

### Results

Loss before tax was USD 3,392m, primarily due to the impact of the merger of UBS AG and Credit Suisse AG, compared with a loss before tax of USD 952m.

#### Total revenues

Total revenues were USD 335m, which was USD 277m higher than the amount recorded in 2023, mainly due to the consolidation of Credit Suisse AG revenues. In 2024, total revenues reflected net gains from position exits, along with net interest income from securitized products and credit products. Total revenues in 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 55m, almost entirely driven by credit-impaired positions, compared with net credit loss expenses of USD 1m.

#### Operating expenses

Operating expenses were USD 3,673m, compared with operating expenses of USD 1,010m recorded in 2023, with the change largely due to the consolidation of Credit Suisse AG expenses, and included a USD 606m increase in integration-related expenses. Operating expenses also included litigation expenses of USD 1,338m, 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 the outstanding units of the respective funds. 2023 included USD 665m of expenses 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 year ended | | % change from |
|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23[2] | 31.12.23 |
| **Results** | | | |
| Total revenues | 45 | 6 | 653 |
| Credit loss expense / (release) | 0 | 1 | |
| Operating expenses | 979 | 919 | 7 |
| Operating profit / (loss) before tax | (935) | (914) | 2 |

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.

## 2024 compared with 2023

### Results

Loss before tax increased by USD 21m to USD 935m, mainly due to higher shared services costs charged by other subsidiaries of UBS Group AG, partly offset by lower integration-related expenses.

# Risk, capital, liquidity and funding, and balance sheet

Management report

## Audited information according to IFRS 7 and IAS 1

Risk and capital disclosures provided in line with the requirements of IFRS 7, *Financial Instruments: Disclosures,* and IAS 1, *Presentation of Financial Statements,* form part of the financial statements included in the "Consolidated financial statements" section of this report and are audited by the independent registered public accounting firm Ernst & Young Ltd, Basel. This information is marked as "Audited" within this section of the report.

## Signposts

The **Audited** I signpost that is displayed at the beginning of a section, table or chart indicates that those items have been audited. A triangle symbol – ▲ – indicates the end of the audited section, table or chart.

# Risk management and control

## Table of contents


**53** Top and emerging risks
**54** Risk oversight
**55** Risk categories
**57** Risk appetite framework
**59** Risk measurement
**60** Credit risk
**72** Market risk
**81** Country risk
**83** Non-financial risk
**87** Model risk

# Risk management and control

With regard to the ongoing integration of Credit Suisse, we have substantially completed the initial phases of the integration, focusing on the alignment of governance structures and frameworks (aligning Credit Suisse policies to UBS standards) and the merger or reparenting of key legal entities, including the merger of Credit Suisse AG with UBS AG, the merger of Credit Suisse (Schweiz) AG with UBS Switzerland AG and the reparenting of Credit Suisse Holdings (USA), Inc. in connection with the transition to a single US intermediate holding company. These steps set the stage for the next critical phase of client account and data migrations. In 2024, we completed client account migrations in Hong Kong, Singapore and Japan, and in some locations in Europe. Our goal is to ensure a smooth and seamless transition for our clients, minimizing any disruption. We are also working toward a fully integrated risk framework, which is expected to be achieved by the end of 2025, and a single-model risk management framework by retiring and / or integrating legacy Credit Suisse models into the UBS risk management framework.

Following the merger of UBS AG and Credit Suisse AG on 31 May 2024, the risk profile of UBS AG consolidated does not differ materially from that of UBS Group AG consolidated. The changes over the year primarily reflect this merger.

## Top and emerging risks

An overview of our top and emerging risks, from a risk management perspective, is disclosed below. Investors should also carefully review all information set out in the "Risk factors" section of this report, where we discuss these and other material risks that could have an effect on our ability to execute our strategy and may affect our business activities, financial condition, results of operations and business prospects.

| Top and emerging risk | Description |
|---|---|
| **Geopolitical uncertainty** | 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 and global trade relations, and UBS AG continues to monitor conflicts in the Middle East. Geopolitical tensions will continue to create uncertainty and complicate the energy price outlook. |
| **Macroeconomic risks** | UBS AG is exposed to a number of macroeconomic risks, as well as general market conditions. As noted in "Market, credit and macroeconomic risks" in the "Risk factors" section of this report, these external pressures may have a significant adverse effect on UBS AG's business activities and related financial results, primarily through reduced margins and revenues, asset impairments and other valuation adjustments, and exit prices for its Non-core and Legacy portfolio. Accordingly, these macroeconomic factors are considered in the development of stress-testing scenarios for UBS AG's ongoing risk management activities.<br>Inflation has abated to some extent in major Western economies, though there are still concerns that inflation could return, including upward pressure on interest rates. Central banks' monetary policy remains 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.<br>The commercial real estate sector continues to be a source of concerns, especially the office sector in the US, given structural changes (higher interest rates and the shift to remote working).<br>UBS AG remains focused on non-bank financial intermediation and growth in private markets, given their significance and interconnectivity across the financial sector, with the potential to create spillover effects into the broader financial system. Across its business divisions UBS AG undertakes a broad range of private-markets-related activities, including financing, advisory services, investment facilitation and asset management. |
| **Regulatory and legal risks** | UBS AG is exposed to substantial changes in the regulation of its businesses that could have a material adverse effect on its business, as discussed in the "Regulatory and legal developments" section of this report and in "Regulatory and legal risks" in the "Risk factors" section of this report.<br>As a global financial services firm, UBS AG is subject to many different legal, tax and regulatory regimes and extensive regulatory oversight. UBS AG is exposed to significant liability risk, and it is subject to various claims, disputes, legal proceedings and government investigations, as noted in "Regulatory and legal risks" in the "Risk factors" section of this report. Information about litigation, regulatory and similar matters considered significant is disclosed in "Note 18 Provisions and contingent liabilities" in the "Consolidated financial statements" section of this report. |
| **Cyber risks** | Global geopolitical trends increase the likelihood of external state-driven cyber activity. Alongside a general trend toward more sophisticated forms of ransomware and other cyber threats, there is a risk of operational disruption to business activities at UBS AG's locations and those of third-party suppliers or corruption or loss of data. Additionally, as a result of the dynamic and material nature of recent geopolitical and environmental events and the operational complexity of all its businesses, UBS AG is continually exposed to operational resilience scenarios such as process error, failed execution, system failures, loss of third-party service and fraud.<br>› **Refer to "Non-financial risk" and "Cybersecurity and information security" in this section for more information** |
| **Conduct risks** | Conduct risks are inherent in UBS AG's businesses. Achieving fair outcomes for its clients, upholding market integrity and cultivating the highest standards of employee conduct are of critical importance to UBS AG. Management of conduct risks is an integral part of UBS AG's risk management framework.<br>› **Refer to "Non-financial risk" in this section and "Strategy, management and operational risks" in the "Risk factors" section of this report for more information** |

| Top and emerging risk | Description |
|---|---|
| **Financial crime risks** | Financial crime (including money laundering, terrorist financing, sanctions violations, fraud, bribery, and corruption) presents significant risk and is subject to heightened regulatory expectations and attention. This requires investment in people and systems, while emerging technologies and changing geopolitical risks further increase the complexity of identifying and preventing financial crime, in particular managing the continuously evolving sanctions environment.<br>› **Refer to "Non-financial risk" in this section for more information** |
| **Sustainability and climate risks** | Sustainability and climate risks continue to be in focus for UBS AG, for regulators and for stakeholders. To address these emerging risks, UBS AG has further enhanced its transition and physical risk methodologies and updated its guidelines on sustainable finance and on carbon and environmental markets.<br>› **Refer to "Sustainability and climate risk" in the "Risk management and control" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**<br>› **Refer to "Appendix 1 – Governance" to the UBS Group Sustainability Report 2024, available under "Annual reporting" *at ubs.com/investors*, for a full description of our sustainability and climate risk policy framework**<br>Regulatory requirements and industry guidelines are emerging simultaneously in various jurisdictions, leading to an increased risk of divergence, which in turn increases the risk that UBS AG may not comply with all relevant regulations. |
| **New technologies** | New risks related to client demand for distributed ledger technology, blockchain-based assets and virtual currencies continue to emerge. UBS AG's exposure to these risks is currently limited, and relevant control frameworks are continuously being enhanced and implemented. Furthermore, technological developments in the areas of artificial intelligence (AI) and digitization will have a significant impact and create not only opportunities but also heightened operational risks.<br>As the digitalization of UBS AG's business and the marketplace results in the adoption of new technologies, the responsible use of AI and the increasing regulatory and client expectations on ensuring ethical data usage are becoming more important. With rapidly advancing technology and changing communication preferences, there is heightened focus on electronic communications, including the use of approved communication channels and appropriate recordkeeping.<br>› **Refer to "Non-financial risk" in this section for more information** |

# Risk oversight

## Risk governance

The risk governance of UBS AG is modeled on that of the UBS Group, with the same three lines of defense and equal governance structure in terms of key roles and responsibility for risk management.

› **Refer to "Risk governance" in the "Risk management and control" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors,* for more information about our risk governance and the three lines of defense**

## Risk identification

Risk identification at UBS AG is the process of systematically identifying, assessing and cataloguing risks across all business activity and risk categories. It is a fundamental component of UBS AG's risk management approach, ensuring that a comprehensive understanding of its risk exposure is maintained. UBS AG's structured risk identification framework integrates both bottom-up and top-down risk identification approaches and enhances its ability to capture, measure, monitor and control risks, in alignment with global regulatory expectations. The process involves subject matter experts from both the first and second lines of defense, including senior management across the organization, and is conducted periodically, complementing day-to-day risk identification and risk management frameworks. By anchoring to a common risk taxonomy and risk materiality approach, UBS AG ensures consistent categorization and prioritization of risks across business divisions and significant entities. Additionally, documenting root-cause drivers and early warning signs strengthens UBS AG's ability to monitor emerging risks.

Various review and approval steps are embedded throughout the process to maximize risk transparency, including presentation at senior governance bodies for each business division, applicable significant entities and at the UBS AG level. The output of the process helps ensure that stress-testing exercises take into account the firm's key vulnerabilities, while also supporting broader risk management activity.

## Internal risk reporting

Comprehensive and transparent reporting of risks is central to our risk governance framework's control and oversight responsibilities and required by our risk management and control principles. Accordingly, risks are reported at a frequency and level of detail commensurate with the extent and variability of the risk and the needs of the various governance bodies, regulators and risk authority holders. Data used to produce risk reports is generally aligned with that used by both the business divisions and control functions for managing and monitoring risks. This alignment ensures consistency in risk assessment and decision-making across the organization.

As UBS AG's risk profile is closely aligned to that of the Group, it relies on the internal risk reporting framework for the Group to cover the reporting for UBS AG.

The Group Risk Report provides a detailed qualitative and quantitative monthly overview of developments in financial and non-financial risks at the firm-wide level. The Group Risk Report is distributed internally to the BoD and the Executive Board (EB), and senior members of Risk Control, Internal Audit (IA), Finance and Legal. Risk reports are also produced covering significant Group entities and branches (i.e. entities and branches subject to enhanced standards of corporate governance), which also include significant entities and branches of UBS AG.

Monthly divisional risk reports are supplemented with daily or weekly reports, at various levels of granularity, covering market and credit risks of the business divisions to enable risk officers and senior management to monitor and control our risk profile.

Our internal risk reporting covers financial and non-financial risks and is supported by risk data and measurement systems that are used for risk management and monitoring purposes and also for external disclosure and regulatory reporting. Dedicated units within Risk Control assume responsibility for measurement, analysis and reporting of risk and for overseeing the quality and integrity of risk-related data. Our risk data and measurement systems are subject to periodic review by IA, which applies a risk-based audit approach.

# Risk categories

UBS AG categorizes its risk exposures in line with the UBS Group and as outlined in the table below. The risk appetite framework is designed to capture all risk categories.

› **Refer to "Risk appetite framework" in this section for more information**

| | Risk managed by | Independent oversight by |
|---|---|---|
| **Financial risks** | | |
| Audited I **Credit risk**: the risk of loss resulting from the failure of a client or counterparty (including an issuer) to meet its contractual obligations toward UBS AG. This includes loan underwriting risk and settlement risk.<br>***Loan underwriting risk:*** the risk of loss arising during the holding period of financing transactions that are intended for further distribution.<br>***Settlement risk:*** the short-term form of credit risk arising when UBS AG delivers its side of an agreed-upon transaction but does not receive an expected value in return from the counterparty. ▲<br>› **Refer to "Credit risk" in this section for more information** | Business divisions | Risk Control |
| Audited I **Market risk**: the risk of loss resulting from adverse movements in market variables. Market risks are actively taken as part of trading activities but can also arise from non-trading activities. Market variables include observable variables, such as interest rates, foreign exchange rates, equity prices, credit spreads and commodity (including precious metal) prices, as well as variables that may be unobservable or only indirectly observable, such as volatilities and correlations. Market risk includes issuer risk and investment risk.<br>***Issuer risk:*** the risk of loss that would occur if an issuer to which UBS AG is exposed through tradable securities or derivatives referencing the issuer was subject to a credit-related event.<br>***Investment risk:*** the risk associated with positions held as financial investments. ▲<br>› **Refer to "Market risk" in this section for more information** | Business divisions and Group Treasury | Risk Control |
| **Treasury risk:** the risks associated with asset and liability management and UBS AG's liquidity and funding positions, as well as structural exposures, including pension risks.<br>Audited I ***Liquidity risk:*** the risk that UBS AG is unable to meet business-as-usual or stress cash / collateral flows. ▲<br>Audited I ***Funding risk:*** the risk that UBS AG is unable to borrow funds to support its current business and desired strategy. ▲<br>› **Refer to "Liquidity and funding management" in the "Capital, liquidity and funding, and balance sheet" section of this report for more information**<br>***Interest rate risk in the banking book:*** the risk to the firm's capital and earnings arising from the adverse effects of interest rate movements on the firm's banking book positions. The risk is transferred from the originating business divisions, i.e. Global Wealth Management and Personal & Corporate Banking, to Group Treasury to risk manage this centrally and benefit from firm-wide netting while leaving the business divisions with margin management.<br>› **Refer to "Market risk" in this section for more information**<br>***Structural foreign exchange risk:*** the risk of decreases in UBS AG's capital due to changes in foreign exchange rates with an adverse translation effect on capital held in currencies other than the US dollar. | Group Treasury | Risk Control |
| ***Pension risk:*** the risk of a negative impact on UBS AG's capital as a result of deteriorating funded status from decreases in the fair value of assets held in defined benefit pension funds and / or changes in the value of defined benefit pension obligations due to changes in actuarial assumptions (e.g. discount rate, life expectancy and rate of pension increase) and / or changes to plan designs. | Group Treasury and Human Resources | Risk Control and Finance |
| **Country risk:** the risk of loss resulting from country-specific events. This includes the risk of sovereign default and also transfer risk, which involves a country's authorities preventing or restricting the payment of an obligation, as well as systemic risk events arising from country-specific political or macroeconomic developments.<br>› **Refer to "Country risk" in this section for more information** | Business divisions | Risk Control |

| | Risk managed by | Independent oversight by |
|---|---|---|
| **Financial risks (continued)** | | |
| **Sustainability and climate risk:** the risk that UBS AG negatively impacts, or is impacted by, climate change, natural capital, human rights, and other environmental and social matters. Sustainability and climate risks may manifest as credit, market, liquidity, business and non-financial risks for UBS AG resulting in potential adverse financial, liability and reputational impacts. These risks extend to the value of investments and may also affect the value of collateral (e.g. real estate). Sustainability and climate risk includes transition risk and physical risk.<br>***Transition risk:*** climate-driven transition risks arise from global efforts to mitigate the effects of climate change. They cover the financial impact on clients or on UBS AG itself as reflected in the creditworthiness of UBS AG's counterparties or the value of collateral held by UBS AG.<br>***Physical risk:*** climate-driven physical risks arise from acute hazards, which are increasing in severity and frequency, and from chronic climate risks, which arise from an incrementally changing climate. These effects may include increased temperature and sea-level rise, and the gradual changes may affect productivity and property values and increase the severity and frequency of acute hazards.<br>› **Refer to "Sustainability and climate risk" in the "Risk management and control" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information** | Business divisions | Risk Control |
| **Capital risk:** the risk that UBS AG does not maintain adequate capital to support its activities and maintain the minimum capital requirements.<br>› **Refer to "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of this report for more information** | Group Treasury | Risk Control and Finance |
| **Business risk:** the potential negative impact on earnings from lower-than-expected business volumes and / or margins, to the extent they are not offset by a decrease in expenses. For example, changes in the competitive landscape, client behavior or market conditions can have a negative impact. | Business divisions | Risk Control and Finance |
| **Strategic risk:** the idiosyncratic risk arising from the impact of strategic decisions on UBS, which can be driven by exogenous factors, such as changes in the industry environment, or by endogenous factors, such as constraints related to or execution of strategic decisions.<br>› **Refer to "Strategy, management and operational risks" in the "Risk factors" section of this report for more information** | Business divisions and Group functions | Finance, Chief Strategy Office and Risk Control |
| **Non-financial risks** | | |
| **Compliance risk:** the risk of failure to comply with laws, rules and regulations, internal policies and procedures, and the firm's Code of Conduct and Ethics.<br>› **Refer to "Non-financial risk" in this section for more information** | Business divisions | GCRG |
| ***Employment risk:*** the risk arising from acts inconsistent with laws, rules and regulations or the firm's human resources policies governing employment practices, discrimination, compensation and employee-related taxes and benefits. | | Human Resources |
| ***Conduct risk:*** the risk that the conduct of the firm or its individuals unfairly impacts clients or counterparties, undermines the integrity of the financial system or impairs effective competition to the detriment of consumers. | | GCRG |
| ***Market conduct risk:*** the risk of failure to maintain appropriate standards to ensure fair and effective markets and meet legal / regulatory requirements and expectations governing activities undertaken on or through a market or in pricing- / transaction-related bilateral interactions between counterparties. | | GCRG |
| ***Client suitability risk:*** the risk arising from an inability to demonstrate adherence to applicable investment suitability standards, laws, rules and regulations. | | GCRG |
| **Financial crime risk:** the risk of failure to prevent financial crime (including money laundering, terrorist financing, sanctions or embargo violations, internal and external fraud, bribery, and corruption).<br>› **Refer to "Non-financial risk" in this section for more information** | Business divisions and Financial Crime Prevention | GCRG |
| **Operational risk:** the risk resulting from inadequate or failed internal processes, people or systems, or from external causes (deliberate, accidental or natural).<br>› **Refer to "Non-financial risk" in this section for more information** | Business divisions | GCRG |
| ***Cybersecurity and information-security risk:*** the risk of a malicious internal or external act, or a failure of IT hardware or software, or human error, leading to a material impact on confidentiality, integrity or availability of UBS's data or information systems.<br>› **Refer to "Non-financial risk" in this section for more information** | Business divisions and GOTO | GCRG |
| ***Model risk:*** the risk of adverse consequences (e.g. financial loss, due to legal matters, operational loss, biased business decisions, or reputational damage) resulting from decisions based on incorrect / inadequate or misused model outputs and reports.<br>› **Refer to "Model risk" in this section for more information** | Business divisions and Group functions | Risk Control |
| **Legal risk:** the risk of: (i) being held liable for a breach of applicable laws, rules or regulations; (ii) being held liable for a breach of contractual or other legal obligations; (iii) an inability or failure to enforce or protect contractual rights or non-contractual rights sufficiently to protect UBS AG's interests; and (iv) being party to a claim or investigated by a regulator or public authority in respect of any of the above (and the risk of loss of attorney–client privilege in the context of any such claim). | Business divisions | Legal |
| **Reputational risk:** the risk of an unfavorable perception of UBS AG or a decline in the firm's reputation from the point of view of clients, shareholders, regulators, employees or society, which may lead to potential financial loss and / or loss of market share.<br>› **Refer to "Non-financial risk" in this section for more information** | All business divisions and Group functions | All control functions |

## Overview of risks arising from our business activities

### Key risks by business division and Group functions

| Business divisions and Group functions | Key financial risks arising from business activities |
|---|---|
| **Global Wealth Management** | **Credit risk** from collateralized lending primarily against securities, residential and commercial real estate, other real assets (such as ships and aircraft), private equity and hedge fund interest, and investors' uncalled capital commitments, as well as from collateralized clients' derivatives trading. Also includes unsecured lending, i.e. cash-flow-based corporate lending to entities owned and controlled by UBS AG's Global Wealth Management clients, and recourse-based lending.<br>Limited contribution to **market risk** from municipal securities and taxable fixed-income securities. Interest rate risk in the banking book related to Global Wealth Management is transferred to and managed by Group Treasury. |
| **Personal & Corporate Banking** | **Credit risk** from mortgages (owner-occupied and income-producing), secured and unsecured corporate lending, commodity trade finance, trade and export finance, consumer finance, and lending to banks and other regulated clients, as well as a small amount of derivatives trading activity.<br>Minimal contribution to **market risk**. Interest rate risk in the banking book related to Personal & Corporate Banking is transferred to and managed by Group Treasury. |
| **Asset Management** | Limited exposure to **credit risk** and **market risk** from on-balance sheet positions such as seed capital and co-investments in funds managed by Asset Management.<br>Indirect exposure to credit risk and market risk from client assets invested in Asset Management funds, which can adversely impact management and performance fees and cause heightened fund outflows and liquidity risk. |
| **Investment Bank** | **Credit risk** from lending (take-and-hold, as well as temporary loan underwriting activities), derivatives trading and securities financing.<br>**Market risk** from primary underwriting activities and secondary trading. |
| **Non-core and Legacy** | **Credit risk** arising from large, less-liquid structured financing transactions, including some with residential and commercial real estate collateral, a material corporate loan portfolio and a counterparty credit trading portfolio with lending against securities collateral and derivatives.<br>**Market risk** from structured trades, large portfolios of loans and securitized products, and both complex and simple credit, interest rate and equity derivative transactions. |
| **Group functions** | **Credit risk**, **market risk** and **treasury risk** arising from Group Treasury's management of UBS AG's balance sheet (asset and liability management), capital, profit or loss, and liquidity and funding. |
| All business divisions and the Group functions are exposed to **country risk, sustainability and climate risk** and **non-financial risk**. Non-financial risk is an inevitable consequence of being an operating firm and can arise as a result of UBS AG's past and current business activities. | |

# Risk appetite framework

Our risk appetite is defined at the aggregate Group level and reflects the risk that we are willing to accept or wish to avoid. It is set via complementary qualitative and quantitative risk appetite statements defined at a firm-wide level and is embedded throughout our business divisions and legal entities by Group, business division and legal entity policies, limits and authorities. Our risk appetite is reviewed and recalibrated annually, with the aim of ensuring that risk-taking at every level of the organization is in line with our strategic priorities, our capital and liquidity plans, our *Pillars, Principles and Behaviors*, and minimum regulatory requirements. It is governed by a single overarching policy and conforms to the Financial Stability Board's Principles for an Effective Risk Appetite Framework. The "Risk appetite framework" chart below shows the key elements of the framework.

Risk appetite framework

Risk appetite statements

| Risk principles, governance, roles and responsibilities | Risk objectives, measures and controls |
|---|---|
| – Risk management and control principles<br>– Code of Conduct and Ethics<br>– Total Reward Principles<br>– Organization regulations/policies<br>– Roles and responsibilities | – Group-wide risk appetite objectives<br>– Non-financial risk appetite objectives<br>– Risk measurement frameworks<br>– Authorities and limits |

Risk reporting and disclosure, including internal, regulatory and external reporting

## Risk principles and risk culture

Qualitative risk appetite statements aim to ensure we maintain the desired risk culture. Maintaining a strong risk culture is a prerequisite for success in today's highly complex operating environment and a source of sustainable competitive advantage.

Our risk appetite framework combines all the important elements of our risk culture, expressed in our *Pillars, Principles and Behaviors*, our risk management and control principles, our Code of Conduct and Ethics, and our Total Reward Principles. They help to create a solid foundation for promoting risk awareness, leading to appropriate risk-taking and the establishing of robust risk management and control processes.

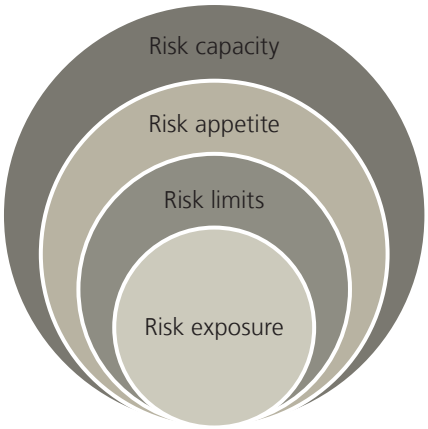

- **Refer to "Employees" in the "How we create value for our stakeholders" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information about our Pillars, Principles and Behaviors**
- **Refer to the Code of Conduct and Ethics of UBS, available at *ubs.com/code* for, more information**


### Risk management and control principles

| | |
|---|---|
| **Protection of financial strength** | Protecting UBS AG's financial strength by controlling its risk exposure and avoiding potential risk concentrations at individual exposure levels, at specific portfolio levels and at an aggregate firm-wide level across all risk types. |
| **Protection of reputation** | Protecting UBS AG's reputation through a sound risk culture characterized by a holistic and integrated view of risk, performance and reward, and through full compliance with its standards and principles, particularly its Code of Conduct and Ethics. |
| **Business management accountability** | Maintaining management accountability, whereby business management owns all risks assumed throughout UBS AG and is responsible for the continuous and active management of all risk exposures to provide for balanced risk and return. |
| **Independent controls** | Independent control functions that monitor the effectiveness of the businesses' risk management and oversee risk-taking activities. |
| **Risk disclosure** | Disclosure of risks to senior management, the BoD, investors, regulators, credit rating agencies and other stakeholders with an appropriate level of comprehensiveness and transparency. |

## Quantitative risk appetite objectives

### Risk appetite objective framework




Our quantitative **risk appetite** objectives aim to ensure that our aggregate **risk exposure** remains within the desired **risk capacity**, based on capital and business plans. The specific definition of risk capacity for each objective is aimed at ensuring we have sufficient capital, earnings, funding and liquidity to protect our businesses and exceed minimum regulatory requirements under a severe stress event. The risk appetite objectives are evaluated during the annual business planning process and approved by the Board of Directors. The quantitative risk appetite objectives are supported by a comprehensive suite of **risk limits**.

The quantitative risk appetite objectives are complemented by a standardized set of quantitative firm-wide non-financial risk appetite objectives. Non-financial risk events exceeding predetermined risk tolerances, expressed as percentages of UBS AG's total revenue and operational risk regulatory capital, trigger a review of key loss drivers and required mitigation measures, and are reported in the Group Risk Report.

Risk appetite statements are set for certain legal entities, which must be consistent with the firm-wide risk appetite framework and approved in accordance with Group and legal entity regulations. Differences may exist that reflect the specific nature, size, complexity and regulations applicable to the relevant legal entity.

### Portfolio and position limits

With the risk profile of UBS AG closely aligned to that of the Group since the merger of UBS AG and Credit Suisse AG, we ensure that UBS AG's risk exposure remains within the desired risk capacity through a comprehensive suite of risk portfolio limits set at Group level.

Since the aforementioned merger, UBS has significantly extended its set of combined portfolio limits to oversee the aggregate risk profile. Only certain market risk limits continue to be separately monitored on the legacy Credit Suisse infrastructure until these positions are migrated to UBS infrastructure.

› **Refer to "Credit risk" in this section for more information about counterparty limits**

## Risk measurement

Audited | We apply a variety of methodologies and measurements to quantify the risks of our portfolios and potential risk concentrations. Risks that are not fully reflected within standard measures are subject to additional controls, which may include preapproval of specific transactions and the application of specific restrictions. Models to quantify risk are generally developed by dedicated units within control functions and are subject to independent validation. ▲

› **Refer to "Credit risk", "Market risk" and "Non-financial risk" in this section for more information about model confirmation procedures**

### Stress testing

We perform stress testing to estimate losses that could result from extreme yet plausible macroeconomic and geopolitical stress events to identify, better understand and manage our potential vulnerabilities and risk concentrations. Stress testing has a key role in our limits framework at the firm-wide, business division, legal entity and portfolio levels. Stress test results are regularly reported to the BoD and the EB. We also provide detailed stress loss analyses to the Swiss Financial Market Supervisory Authority (FINMA) and regulators of our legal entities in accordance with their requirements. As described in "Risk appetite framework", stress testing has a central role in our risk appetite and business planning processes.

The combined stress-testing (CST) framework is scenario based and aims to quantify overall firm-wide losses that could result from various potential global systemic events. The framework captures all material risks, as covered in "Risk categories".

Scenarios are forward looking and encompass macroeconomic and geopolitical stress events calibrated to different levels of severity. In each scenario we assume changes in a wide range of macroeconomic and market variables to stress the key risk drivers of our portfolios. We also capture the business risk resulting from lower fee, interest and trading income net of lower expenses. These effects are measured for all businesses and material risk types to calculate the aggregate estimated effect of the given scenario on profit or loss, other comprehensive income, risk-weighted assets, the leverage ratio denominator and, ultimately, capital and leverage ratios. The assumed changes in macroeconomic and market variables are updated periodically to account for changes in the current and possible future market environment.

At least once a year, the Risk Committee approves the most relevant scenario, known as the binding scenario, for use as the main scenario for regular CST reporting and for monitoring risk exposure against our minimum capital, earnings and leverage ratio objectives in our risk appetite framework. In 2024, the binding scenario for CST was the internal stagflationary geopolitical crisis scenario. This scenario assumes that a geopolitical event leads to economic regionalization and fears of prolonged stagflation. Central banks signal a firm commitment to price stability and continue to tighten monetary policy, triggering a broad rise in interest rates and impacting economic activity and asset values.

With regard to treasury risk, we routinely analyze the effect of movements in interest rates and changes in the structure of yield curves. We also perform stress testing to determine the optimal asset and liability structure, enabling us to maintain an appropriately balanced liquidity and funding position under various scenarios. These scenarios differ from those outlined above, because they focus on specific situations that could generate liquidity and funding stress, as opposed to the scenarios used in the CST framework, which focus on the effect on profit or loss and capital.

› **Refer to "Credit risk" and "Market risk" in this section for more information about stress loss measures**
› **Refer to the "Capital, liquidity and funding, and balance sheet" section of this report for more information about stress testing**
› **Refer to "Note 20 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information about scenarios used for expected credit loss measurement**

## Risk concentrations

Audited I Risk concentrations may exist where one or several positions within or across different risk categories could result in significant losses relative to UBS AG's financial strength. Identifying such risk concentrations and assessing their potential impact is a critical component of our risk management and control process.

For financial risks, we consider a number of elements, such as shared characteristics of positions, the size of the portfolio and the sensitivity of positions to changes in the underlying risk factors. Also important in our assessment is the liquidity of the markets where the positions are traded, as well as the availability and effectiveness of hedges or other potential risk-mitigating factors. Particular attention is given to identification of wrong-way risk and risk on risk. Wrong-way risk is defined as a positive correlation between the size of the exposure and the likelihood of a loss. Risk on risk refers to a situation where a position and its risk mitigation can be impacted by the same event.

For non-financial risks, risk concentrations may result from, for example, a single operational risk issue that is large on its own (i.e. it has the potential to produce a single high-impact loss or a number of losses that together are high impact) or related risk issues that may link together to create a high impact.

Risk concentrations are subject to increased oversight by Group Risk Control and Group Compliance, Regulatory & Governance, and assessed to determine whether they should be reduced or mitigated, depending on the available means to do so. It is possible that material losses could occur on financial or non-financial risks, particularly if the correlations that emerge in a stressed environment differ markedly from those envisaged by risk models. ▲


- **Refer to "Credit risk" and "Market risk" in this section for more information about the composition of our portfolios and how risk concentrations are monitored and mitigated**
- **Refer to the "Risk factors" section of this report for more information**


# Credit risk

### Audited I Main sources of credit risk

- In Global Wealth Management, credit risk arises from collateralized lending, primarily against securities, residential and commercial real estate, other real assets (such as ships and aircraft), private equity and hedge fund interest, and investors' uncalled capital commitments, as well as from collateralized clients' derivatives trading. In addition, credit risk also arises from unsecured lending, i.e. cash-flow-based corporate lending to entities owned and controlled by our Global Wealth Management clients, and recourse-based lending.
- A substantial portion of our credit risk arises from Personal & Corporate Banking's lending exposure, including mortgage loans, secured mainly by owner-occupied properties and income-producing real estate, as well as corporate loans, that depends on the performance of the Swiss economy and real estate market.
- The Investment Bank's credit risk arises mainly from lending, derivatives trading and securities financing. Derivatives trading and securities financing are mainly investment grade. Loan underwriting activity can be lower rated and gives rise to temporary concentrated exposure.
- Credit risk in Non-core and Legacy relates to large, less-liquid structured financing transactions, including some with residential and commercial real estate collateral, a corporate loan portfolio and a counterparty credit trading portfolio with lending against securities collateral and derivatives. ▲

### Audited I Overview of measurement, monitoring and management techniques

- Credit risk from transactions with individual counterparties is based on our estimates of probability of default (PD), exposure at default (EAD) and loss given default (LGD). Limits are established for individual counterparties and groups of related counterparties covering banking and traded products, and for settlement amounts. Risk authorities are approved by the Board of Directors and are delegated to the President of the Executive Board, the Chief Risk Officer (the CRO) and divisional CROs, based on risk exposure amounts, internal credit rating and potential for losses.
- Limits apply not only to the current outstanding amount but also to contingent commitments and the potential future exposure of traded products.
- The Investment Bank monitoring, measurement and limit framework distinguishes between exposures intended to be held to maturity (take-and-hold exposures) and those intended for distribution or risk transfer (temporary exposures).
- We use models to derive portfolio credit risk measures of expected loss, statistical loss and stress loss at firm-wide and business division levels, and to establish portfolio limits.
- Credit risk concentrations can arise if clients are engaged in similar activities, located in the same geographical region or have comparable economic characteristics, e.g. if their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. To avoid credit risk concentrations, we establish limits and operational controls that constrain risk concentrations at portfolio, sub-portfolio or counterparty levels for sector exposure, country risk exposure and specific product exposures. ▲

## Credit risk profile of UBS AG

The exposures detailed in this section are based on management's view of credit risk, which differs in certain respects from the expected credit loss (ECL) measurement requirements of IFRS Accounting Standards.

Internally, we classify credit risk exposures into two broad categories: banking products and traded products. Banking products include drawn loans, guarantees and loan commitments, amounts due from banks, balances at central banks, and other financial assets at amortized cost. Traded products include over-the-counter (OTC) derivatives, exchange-traded derivatives (ETD) and securities financing transactions (SFTs), consisting of securities borrowing and lending, and repurchase and reverse repurchase agreements.

**Banking and traded products exposure in our business divisions and Group Items**

| | 31.12.24 | | | | | | |
|---|---|---|---|---|---|---|---|
| *USD m* | Global Wealth Management | Personal & Corporate Banking | Asset Management | Investment Bank | Non-core and Legacy | Group Items | Total |
| **Banking products exposure, gross[1,2]** | 453,812 | 428,356 | 1,533 | 72,987 | 33,779 | 19,742 | 1,010,209 |
| *of which: loans and advances to customers (on-balance sheet)* | *297,602* | *270,165* | *9* | *17,497* | *1,660* | *3,243* | *590,176* |
| *of which: guarantees and irrevocable loan commitments (off-balance sheet)* | *18,978* | *46,986* | *5* | *34,516* | *2,211* | *17,164* | *119,859* |
| **Committed unconditionally revocable credit lines[3]** | 79,462 | 65,749 | 0 | 452 | 4 | 3,233 | 148,900 |
| **Traded products exposure, gross[2,4]** | 14,900 | 5,034 | 0 | | 46,076 | | 66,009 |
| *of which: over-the-counter derivatives* | *11,705* | *4,594* | *0* | | *17,371* | | *33,670* |
| *of which: securities financing transactions* | *186* | *0* | *0* | | *18,352* | | *18,538* |
| *of which: exchange-traded derivatives* | *3,009* | *440* | *0* | | *10,353* | | *13,802* |
| Total credit-impaired exposure, gross[1] | 1,421 | 4,187 | 0 | 595 | 1,289 | 0 | 7,492 |
| Total allowances and provisions for expected credit losses | 302 | 1,914 | 0 | 382 | 922 | 6 | 3,527 |
| *of which: stage 1* | *97* | *269* | *0* | *110* | *4* | *6* | *487* |
| *of which: stage 2* | *68* | *247* | *0* | *142* | *166* | *0* | *623* |
| *of which: stage 3* | *138* | *1,398* | *0* | *130* | *751* | *0* | *2,417* |

| | 31.12.23[5] | | | | | | |
|---|---|---|---|---|---|---|---|
| *USD m* | Global Wealth Management | Personal & Corporate Banking | Asset Management | Investment Bank | Non-core and Legacy | Group Items | Total |
| **Banking products exposure, gross[1,2]** | 342,690 | 275,787 | 1,331 | 81,971 | 3,621 | 32,179 | 737,579 |
| *of which: loans and advances to customers (on-balance sheet)* | *213,377* | *174,425* | *0* | *13,657* | *168* | *4,941* | *406,568* |
| *of which: guarantees and irrevocable loan commitments (off-balance sheet)* | *12,323* | *28,385* | *0* | *15,744* | *1,728* | *19,049* | *77,229* |
| **Committed unconditionally revocable credit lines[3]** | 13,438 | 27,574 | 0 | 4,714 | 0 | 1,694 | 47,421 |
| **Traded products exposure, gross[2,4]** | 8,789 | 952 | 0 | | 34,712 | | 44,454 |
| *of which: over-the-counter derivatives* | *6,668* | *938* | *0* | | *8,124* | | *15,730* |
| *of which: securities financing transactions* | *0* | *0* | *0* | | *16,792* | | *16,792* |
| *of which: exchange-traded derivatives* | *2,122* | *14* | *0* | | *9,796* | | *11,932* |
| Total credit-impaired exposure, gross[1] | 925 | 1,698 | 0 | 331 | 12 | 1 | 2,966 |
| Total allowances and provisions for expected credit losses | 224 | 783 | 0 | 225 | 6 | 6 | 1,244 |
| *of which: stage 1* | *74* | *171* | *0* | *57* | *0* | *6* | *308* |
| *of which: stage 2* | *52* | *165* | *0* | *56* | *0* | *0* | *272* |
| *of which: stage 3* | *97* | *448* | *0* | *112* | *6* | *0* | *664* |

1 IFRS 9 gross exposure for banking products includes the following financial instruments in scope of expected credit loss measurement: 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 Commitments that can be canceled by UBS AG at any time but expose UBS AG to credit risk if the client has the ability to draw the facility before UBS AG can take action. These commitments are subject to expected credit loss requirements. 4 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. 5 Comparative-period information has 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.

## Banking products

- **Refer to "Note 1 Summary of material accounting policies" in the "Consolidated financial statements" section of this report for more information about our accounting policy for allowances and provisions for ECL**
- **Refer to "Note 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement" and "Note 20 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information about ECL measurement requirements under IFRS Accounting Standards**
- **Refer to "Note 14 Other assets" in the "Consolidated financial statements" section of this report for more details**

**Global Wealth Management, Personal & Corporate Banking, and Investment Bank: banking products exposure, by internal UBS ratings[1,2]**

| *USD m, except where indicated* | 31.12.24 | | | | | 31.12.23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Investment grade / | Sub-investment grade | | | Banking | Investment grade / | Sub-investment grade | | | Banking |
| Business divisions | Rating 1–5 | Rating 6–9 | Rating 10–13 | Defaulted / Credit-impaired | products exposure, gross | Rating 1–5 | Rating 6–9 | Rating 10–13 | Defaulted / Credit-impaired | products exposure, gross |
| Global Wealth Management | 278,566 | 46,912 | 2,166 | 1,421 | 329,065 | 198,159 | 34,726 | 1,641 | 925 | 235,450 |
| Personal & Corporate Banking | 229,372 | 84,758 | 8,601 | 4,187 | 326,918 | 134,095 | 63,357 | 6,724 | 1,698 | 205,873 |
| Investment Bank | 26,357 | 16,699 | 15,588 | 595 | 59,239 | 17,954 | 11,644 | 6,662 | 331 | 36,591 |

1 Excluding balances at central banks and Group Treasury reallocations. 2 The ratings of the major credit rating agencies, and their mapping to our internal rating scale, are shown in the "Internal UBS rating scale and mapping of external ratings" table in this section.

### Global Wealth Management

Gross banking products exposure increased by USD 111bn to USD 454bn as of 31 December 2024, driven by the merger of UBS AG and Credit Suisse AG.

Our Global Wealth Management loan portfolio is mainly secured by securities (Lombard loans) and by residential real estate. As of 31 December 2024, most of our USD 179bn of Lombard loans, including traded products collateralized by securities, were of high quality, with 92% rated as investment grade based on our internal ratings. Moreover, Lombard loans are typically uncommitted, short-term in nature and can be canceled immediately if the collateral quality deteriorates and margin calls are not met. Lending values in the Lombard book are derived by applying discounts (haircuts) to the pledged collateral's market value in line with a possible adverse change in market value over a given close-out period and confidence level. Less-liquid or more volatile collateral will typically have larger haircuts. In 2024, the Lombard book, including traded products, increased approximately 29%, driven by the merger of UBS AG and Credit Suisse AG.

The residential real estate portfolio increased by approximately 47% in 2024, due to the aforementioned merger.

Specialized financings as of 31 December 2024 accounted for approximately 13% of the total banking products exposure. This portfolio mainly consists of commercial real estate loans, financing for ships, yachts and aircraft, unsecured lending, and loans collateralized with uncalled capital commitments. As a result of the aforementioned merger, these financings almost doubled in 2024.

› **Refer to "Lending secured by real estate" and "Lombard lending" in this section for further information about these types of lending**

**Collateralization of Loans and advances to customers[1]**

| | Global Wealth Management | | Personal & Corporate Banking | |
|---|---|---|---|---|
| *USD m, except where indicated* | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Secured by collateral | 291,679 | 210,243 | 235,413 | 157,278 |
| *Residential real estate* | *107,176* | *67,910* | *186,137* | *126,199* |
| *Commercial / industrial real estate* | *9,487* | *5,045* | *37,413* | *22,632* |
| *Cash* | *28,455* | *24,797* | *2,631* | *2,750* |
| *Equity and debt instruments* | *120,376* | *96,371* | *2,783* | *2,626* |
| *Other collateral[2]* | *26,186* | *16,121* | *6,450* | *3,071* |
| Subject to guarantees | 1,751 | 92 | 7,032 | 2,706 |
| Uncollateralized and not subject to guarantees | 4,172 | 3,042 | 27,720 | 14,441 |
| Total loans and advances to customers, gross | 297,602 | 213,377 | 270,165 | 174,425 |
| Allowances | (231) | (147) | (1,660) | (634) |
| Total loans and advances to customers, net of allowances | 297,371 | 213,230 | 268,505 | 173,791 |
| Collateralized loans and advances to customers as a percentage of total loans and advances to customers, gross (%) | 98.0 | 98.5 | 87.1 | 90.2 |

1 Collateral arrangements generally incorporate a range of collateral, including cash, equity and debt instruments, real estate and other collateral. For the purpose of this disclosure, UBS AG 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 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.

## Personal & Corporate Banking

Gross banking products exposure increased by USD 153bn to USD 428bn as of 31 December 2024, due to the merger of UBS AG and Credit Suisse AG.

The exposure is mainly driven by our Swiss mortgage portfolio, our Swiss corporate banking portfolio and, to a lesser extent, our commodity trade finance portfolio. As of 31 December 2024, the majority of the banking products exposure was rated investment grade, and 87% of loans and advances to customers were secured by collateral, mainly residential and commercial property. The total unsecured amount mainly consists of cash-flow-based lending to corporate counterparties.

Our Swiss corporate banking products take-and-hold portfolio exposure was USD 73bn (CHF 66bn) as of 31 December 2024 and increased by USD 35bn compared with 31 December 2023, due to the merger of UBS AG and Credit Suisse AG. The portfolio consists of loans, guarantees and loan commitments to multi-national and domestic counterparties. The small and medium-sized entity portfolio, in particular, is well diversified across industries. However, such companies are reliant on the domestic economy and the economies to which they export, in particular the EU and the US.

Our commodity trade finance portfolio focuses on energy and base-metal trading companies, where the related commodity price risk is hedged to a large extent by the commodity trader. The majority of limits in this business are uncommitted, transactional and short-term in nature. Our portfolio size was USD 9bn (CHF 8bn) as of 31 December 2024, compared with USD 6bn (CHF 5bn) as of 31 December 2023. The increase of USD 3bn was due to the aforementioned merger. A considerable part of the exposure correlates with commodity prices.

## Swiss mortgage loan portfolio

Our Swiss mortgage loan portfolio secured by residential and commercial real estate in Switzerland continued to be our largest loan portfolio. These mortgage loans (including loans on owner-occupied commercial real estate), totaling USD 313bn (CHF 284bn) as of 31 December 2024, mainly originated from Personal & Corporate Banking, with contributions also from Global Wealth Management Region Switzerland. The increase of USD 112bn compared with 31 December 2023 was due to the aforementioned merger.

Of the aggregate amount of Swiss residential mortgages, 99.9% would continue to be covered by the real estate collateral even if the collateral value were to decrease 20%, and more than 99% would remain covered by the real estate collateral if the collateral value were to decrease 30%.

**Swiss mortgages: exposure by exposure segments and loan-to-value (LTV) buckets[1]**

| *USD bn, except where indicated* | | 31.12.24 | | | | | | | | 31.12.23 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | LTV buckets | | | | | | | | |
| Exposure segment | | ≤30% | 31–50% | 51–60% | 61–70% | 71–80% | 81–100% | >100% | Total | Total |
| Residential mortgages | Exposure | 154.4 | 61.8 | 14.1 | 5.5 | 1.5 | 0.3 | 0.1 | 237.6 | 162.4 |
| Income-producing real estate | Exposure | 39.4 | 14.3 | 2.7 | 1.0 | 0.2 | 0.1 | 0.1 | 57.7 | 25.5 |
| Corporates | Exposure | 10.7 | 3.4 | 0.7 | 0.4 | 0.2 | 0.1 | 0.2 | 15.7 | 12.2 |
| Other segments | Exposure | 1.4 | 0.5 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 2.2 | 1.1 |
| Mortgage-covered exposure | Exposure | 206.0 | 80.0 | 17.7 | 6.9 | 1.9 | 0.5 | 0.3 | 313.2 | 201.1 |
| | as a percentage of total | 66 | 26 | 6 | 2 | 1 | 0 | 0 | 100 | 100 |
| | Exposure | 129.5 | 52.4 | 12.4 | 5.1 | 1.4 | 0.3 | 0.1 | 201.1 | |
| Mortgage-covered exposure 31.12.23 | as a percentage of total | 64 | 26 | 6 | 3 | 1 | 0 | 0 | 100 | |

1 The amount of each mortgage loan is allocated across the LTV buckets to indicate the portion at risk at the various value levels shown; for example, a loan of 75 with an LTV ratio of 75% (i.e. a collateral value of 100) would result in allocations of 30 in the less-than-or-equal-to-30% LTV bucket, 20 in the 31–50% bucket, 10 in the 51–60% bucket, 10 in the 61–70% bucket and 5 in the 71–80% bucket.

## Investment Bank

The Investment Bank's lending activities are largely associated with corporate and non-bank financial institutions. The business is broadly diversified across industry sectors but concentrated in North America.

Gross banking products exposure decreased by USD 9bn to USD 73bn as of 31 December 2024, driven by a decrease in balances at central banks, partly offset by an increase in guarantees and irrevocable loan commitments and loans and advances to customers due to the merger of UBS AG and Credit Suisse AG. The banking products exposure is almost equally distributed between investment grade and sub-investment grade rating, with a slight predominance of the latter.

Mandated loan underwriting commitments on a notional basis were USD 4.6bn as of 31 December 2024 (31 December 2023: USD 2.1bn), reflecting new mandates during the year. As of 31 December 2024, USD 0.2bn of these commitments had not yet been distributed as originally planned. The loan underwriting commitments reported as of the end of 2023 were fully syndicated or canceled in 2024.

Loan underwriting exposures are classified as held for trading, with fair values reflecting the market conditions at the end of 2024. Credit hedges are in place to help protect against fair value movements in the portfolio.

› **Refer to "Credit risk models" in this section for more information about rating grades and rating agency mappings**

**Investment Bank: banking products exposure, by geographical region[1]**

| | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| | USD m | % | USD m | % |
| Asia Pacific | 5,821 | 9.8 | 4,618 | 12.6 |
| Latin America | 778 | 1.3 | 745 | 2.0 |
| Middle East and Africa | 392 | 0.7 | 249 | 0.7 |
| North America | 37,567 | 63.4 | 19,901 | 54.4 |
| Switzerland | 132 | 0.2 | 135 | 0.4 |
| Rest of Europe | 14,550 | 24.6 | 10,943 | 29.9 |
| Exposure | 59,239 | 100.0 | 36,591 | 100.0 |

1 Excluding balances at central banks and Group Treasury reallocations.

**Investment Bank: banking products exposure, by industry sector[1]**

| | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| | USD m | % | USD m | % |
| Banks | 6,895 | 11.6 | 5,092 | 13.9 |
| Chemicals | 2,376 | 4.0 | 587 | 1.6 |
| Electricity, gas, water supply | 443 | 0.7 | 359 | 1.0 |
| Financial institutions, excluding banks | 21,295 | 35.9 | 15,562 | 42.5 |
| Manufacturing | 5,174 | 8.7 | 1,889 | 5.2 |
| Mining | 1,461 | 2.5 | 894 | 2.4 |
| Public authorities | 587 | 1.0 | 258 | 0.7 |
| Real estate and construction | 2,234 | 3.8 | 1,718 | 4.7 |
| Retail and wholesale | 5,249 | 8.9 | 2,945 | 8.0 |
| Technology and communications | 7,277 | 12.3 | 2,033 | 5.6 |
| Transport and storage | 839 | 1.4 | 341 | 0.9 |
| Other | 5,409 | 9.1 | 4,913 | 13.4 |
| Exposure | 59,239 | 100.0 | 36,591 | 100.0 |

1 Excluding balances at central banks and Group Treasury reallocations.

### Non-core and Legacy

Gross banking products exposure increased by USD 30bn to USD 34bn as of 31 December 2024, due to the merger of UBS AG and Credit Suisse AG.

As of 31 December 2024, Non-core and Legacy had no mandated loan underwriting commitments.

- **Refer to "Balance sheet assets" in the "Capital, liquidity and funding, and balance sheet" section of this report for more information**
- **Refer to the "Our businesses" section of this report for more information**
- **Refer to the "Non-core and Legacy" section of this report for more information**

### Group Items

Gross banking products exposure, which arises primarily in connection with treasury activities, decreased by USD 12bn to USD 20bn as of 31 December 2024, due to decreases in amounts due from banks and other financial assets measured at amortized cost. This was partly offset by an increase in balances at central banks.

- **Refer to "Balance sheet assets" in the "Capital, liquidity and funding, and balance sheet" section of this report for more information**
- **Refer to the "Group Items" section of this report for more information**

## Traded products

Audited | Counterparty credit risk (CCR) arising from traded products, which include OTC derivatives, ETD exposures and SFTs originating in the Investment Bank, Non-core and Legacy, and Group Treasury, is generally managed on a close-out basis. This takes into account possible effects of market movements on the exposure and any associated collateral over the time it would take to close out our positions. Limits are applied to the potential future exposure per counterparty, with the size of the limit dependent on the counterparty's creditworthiness (as determined by Risk Control). Limit frameworks are also used to control overall exposure to specific sectors. Such portfolio limits are monitored and reported to senior management.

Trading in OTC derivatives is conducted through central counterparties where practicable. Where central counterparties are not used, we have clearly defined policies and processes for trading on a bilateral basis. Trading is typically conducted under bilateral International Swaps and Derivatives Association agreements or similar master netting agreements, which generally permit close-out and netting of transactions in case of default, subject to applicable law. For certain counterparties, initial margin is taken to cover some or all of the calculated close-out exposure. This is in addition to the variation margin taken to settle changes in market value of transactions. For most major market participant counterparties, we use two-way collateral agreements under which either party can be required to provide collateral in the form of cash or marketable securities when the exposure exceeds specified levels. Non-cash collateral typically consists of well-rated government debt or other collateral acceptable to Risk Control and permitted by applicable regulations. ▲

In the tables below, OTC derivatives exposures are generally presented as net positive replacement values after the application of legally enforceable netting agreements and the deduction of cash and marketable securities held as collateral. SFT exposures are reported taking into account collateral received, and ETD exposures take into account collateral margin calls.

- **Refer to "Note 11 Derivative instruments" in the "Consolidated financial statements" section of this report for more information about OTC derivatives settled through central counterparties**
- **Refer to "Note 22 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of this report for more information about the effect of netting and collateral arrangements on derivative exposures**

**Investment Bank, Non-core and Legacy, and Group Treasury: traded products exposure, by internal UBS ratings[1]**

| *USD m, except where indicated* | 31.12.24 | | | | | 31.12.23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Sub-investment grade | | | | | Sub-investment grade | | | |
| Product | Investment grade / Rating 1–5 | Rating 6–9 | Rating 10–13 | Defaulted / Credit-impaired | Traded products exposure, net[2] | Investment grade / Rating 1–5 | Rating 6–9 | Rating 10–13 | Defaulted / Credit-impaired | Traded products exposure, net[2] |
| OTC derivatives | 16,266 | 841 | 40 | 211 | 17,357 | 7,307 | 701 | 3 | 6 | 8,017 |
| ETD | 10,245 | 109 | 0 | 0 | 10,353 | 9,735 | 61 | 0 | 0 | 9,796 |
| SFTs | 18,063 | 289 | 0 | 0 | 18,352 | 16,631 | 151 | 10 | 0 | 16,792 |
| Traded products exposure, net[2] | 44,573 | 1,239 | 40 | 211 | 46,062 | 33,672 | 914 | 14 | 6 | 34,605 |

1 The ratings of the major credit rating agencies, and their mapping to our internal rating scale, are shown in the "Internal UBS rating scale and mapping of external ratings" table in this section. 2 After credit valuation adjustments and hedges.

**Investment Bank, Non-core and Legacy, and Group Treasury: net OTC derivatives and SFT exposure, by geographical region**

| | Net OTC derivatives exposure | | | | Net SFT exposure | | | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.24 | | 31.12.23 | | 31.12.24 | | 31.12.23 | |
| | USD m | % | USD m | % | USD m | % | USD m | % |
| Asia Pacific | 5,126 | 29.5 | 970 | 12.1 | 2,307 | 12.6 | 2,510 | 14.9 |
| Latin America | 88 | 0.5 | 93 | 1.2 | 27 | 0.1 | 0 | 0.0 |
| Middle East and Africa | 111 | 0.6 | 232 | 2.9 | 511 | 2.8 | 414 | 2.5 |
| North America | 4,165 | 24.0 | 3,118 | 38.9 | 4,946 | 27.0 | 3,044 | 18.1 |
| Switzerland | 2,522 | 14.5 | 900 | 11.2 | 494 | 2.7 | 499 | 3.0 |
| Rest of Europe | 5,345 | 30.8 | 2,704 | 33.7 | 10,066 | 54.9 | 10,324 | 61.5 |
| Exposure | 17,357 | 100.0 | 8,017 | 100.0 | 18,352 | 100.0 | 16,792 | 100.0 |

**Investment Bank, Non-core and Legacy, and Group Treasury: net OTC derivatives and SFT exposure, by industry sector**

| | Net OTC derivatives exposure | | | | Net SFT exposure | | | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.24 | | 31.12.23 | | 31.12.24 | | 31.12.23 | |
| | USD m | % | USD m | % | USD m | % | USD m | % |
| Banks | 1,673 | 9.6 | 1,544 | 19.3 | 1,577 | 8.6 | 1,200 | 7.1 |
| Chemicals | 7 | 0.0 | 17 | 0.2 | 0 | 0.0 | 0 | 0.0 |
| Electricity, gas, water supply | 138 | 0.8 | 111 | 1.4 | 0 | 0.0 | 0 | 0.0 |
| Financial institutions, excluding banks | 14,804 | 85.3 | 5,721 | 71.4 | 16,357 | 89.1 | 15,093 | 89.9 |
| Manufacturing | 32 | 0.2 | 29 | 0.4 | 0 | 0.0 | 0 | 0.0 |
| Mining | 65 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Public authorities | 446 | 2.6 | 441 | 5.5 | 417 | 2.3 | 496 | 3.0 |
| Retail and wholesale | 9 | 0.1 | 18 | 0.2 | 0 | 0.0 | 0 | 0.0 |
| Transport, storage and communication | 24 | 0.1 | 74 | 0.9 | 0 | 0.0 | 3 | 0.0 |
| Other | 159 | 0.9 | 63 | 0.8 | 0 | 0.0 | 0 | 0.0 |
| Exposure | 17,357 | 100.0 | 8,017 | 100.0 | 18,352 | 100.0 | 16,792 | 100.0 |

## Credit risk mitigation

Audited I UBS AG actively manages credit risk in its portfolios by taking collateral against exposures and by utilizing credit hedging. ▲

### Lending secured by real estate

Audited I UBS AG uses a scoring model as part of a standardized front-to-back process for credit decisions on originating or modifying Swiss mortgage loans. The model's two key factors are the LTV ratio and an affordability calculation. ▲

The calculation of affordability takes into account interest payments, minimum amortization requirements and potential property maintenance costs in relation to gross income or rental income for rental properties. The imputed interest rate is set at 5% per annum, independently of the current interest rate environment.

For residential properties occupied by the borrower, the maximum LTV for the standard approval process is 80%. For income-producing real estate (IPRE), the maximum LTV allowed within the standard approval process ranges from 30% to 75%, depending on the type and age of the property, and the amount of renovation work needed.

Audited I The value assigned to each property is based on the lowest value determined from model-derived valuations, the purchase price, an asset value for IPRE and, in some cases, an additional external valuation. ▲

To take market developments into account for external valuation models, an external vendor regularly updates the parameters and / or refines the architecture for each model. Model changes and parameter updates are subject to the same validation procedures as our internally developed models.

Audited I UBS AG similarly applies underwriting guidelines for its Global Wealth Management Region Americas mortgage loan portfolio, taking into account loan affordability and collateral sufficiency. LTV standards are defined for the various mortgage types, such as residential mortgages or investment properties, based on associated risk factors, such as property type and loan size and purpose. The maximum LTV allowed within the standard approval process ranges from 45% to 80%. In addition to LTV, other credit risk metrics, such as debt-to-income ratios, credit scores and required client reserves, are also part of our underwriting guidelines.

A risk limit framework is applied to the Global Wealth Management Region Americas mortgage loan portfolio. Limits are set to govern exposures within LTV categories, geographic concentrations, portfolio growth and high-risk mortgage segments, such as interest-only loans. These limits are monitored by a specialized credit risk monitoring team and reported to senior management. Supplementing this limit framework is a real estate lending policy and procedures framework, set up to govern real estate lending activities. Quality assurance and quality control programs monitor compliance with mortgage underwriting and documentation requirements.

For UBS AG's mortgage loan portfolio in the Global Wealth Management regions of EMEA and Asia Pacific, global underwriting guidelines with regional variations are applied to allow for regulatory and market differentials. As in other regions, the underwriting guidelines take into account affordability and collateral sufficiency. Affordability is assessed at a stressed interest rate using, for residential real estate, the borrowers' sustainable income and declared liabilities, and for commercial real estate the quality and sustainability of rental income. For interest-only loans, a declared and evidenced repayment strategy must be in place. The applicable LTV for each mortgage is based on the quality and liquidity of the property and assessed against valuations from bank-appointed third-party valuers. Maximum LTV varies from 30% to 70%, depending on the type and location of the property, as well as other factors. Serviceability may be further supported by personal guarantees from related third parties. The overall portfolio is centrally assessed against a number of stress scenarios to ensure that exposures remain within predefined stress limits. ▲

› **Refer to "Swiss mortgage loan portfolio" in this section for more information about LTV in the Swiss mortgage portfolio**

## Lombard lending

Audited | Lombard loans are secured by pledges of marketable securities, guarantees and other forms of collateral. Eligible financial securities are primarily liquid and actively traded transferable securities (such as bonds, equities and certain hybrid securities), and other transferable securities, such as approved structured products for which regular prices are available and the issuer of the security provides a market. To a lesser degree, less-liquid collateral is also used.

Lending values are derived by applying discounts (haircuts) to the pledged collateral's market value. Haircuts for marketable securities are calculated to cover a possible adverse change in market value over a given close-out period and confidence level. Less-liquid or more volatile collateral will typically have larger haircuts.

Concentration and correlation risks across collateral posted are assessed at a counterparty level, and at a divisional level across counterparties. Targeted firm-wide reviews of concentration are also performed. Concentration of collateral in single securities, issuers or issuer groups, industry sectors, countries, regions or currencies may result in higher risk and reduced liquidity. In such cases, the lending value of the collateral, margin call and close-out levels are adjusted accordingly. ▲

Exposures and collateral market values are monitored daily, with the aim of ensuring that the credit exposure always remains within the established risk tolerance. A shortfall occurs when the lending value drops below the exposure; if it exceeds a defined trigger level, a margin call is initiated, requiring the client to provide additional collateral, reduce the exposure or take other action to bring exposure in line with the agreed lending value of the collateral. If a shortfall is not corrected within the required period, a close-out is initiated, through which collateral is liquidated, open derivative positions are closed and guarantees are called.

Stress testing of collateralized exposures is conducted to simulate market events that reduce collateral market value, increase exposure of traded products, or do both. For certain classes of counterparties, limits on such calculated stress exposures are applied and controlled at a counterparty level. Also, portfolio limits are applied across certain businesses or collateral types.

› **Refer to "Stress loss" in this section for more information about our stress testing**

## Credit hedging

Audited | UBS AG uses single-name credit default swaps (CDSs), credit-index CDSs, structured portfolio hedges (SPHs), bespoke protection and other instruments to actively manage credit risk. The aim is to reduce concentrations of risk from specific counterparties, sectors or portfolios and, for CCR, the profit or loss effect arising from changes in credit valuation adjustments.

UBS AG has strict guidelines with regard to taking credit hedges into account for credit risk mitigation purposes. For example, when monitoring exposures against counterparty limits, UBS AG does not usually apply certain credit risk mitigants, such as proxy hedges (credit protection on a correlated but different name) or credit-index CDSs, to reduce counterparty exposures. SPHs are structured to achieve true risk transfer by providing explicit protection against events that could cause a loss in the referenced hedged positions, with the hedge payoff matched to the actual loss incurred on those positions (i.e. no basis risk). Buying credit protection, if unfunded, also creates credit exposure with regard to the protection provider. UBS AG monitors and limits exposures to credit protection providers and also monitors the effectiveness of credit hedges. ▲

› **Refer to "Note 11 Derivative instruments" in the "Consolidated financial statements" section of this report for more information**
› **Refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for more information about risk transfer through synthetic securitizations**

## Mitigation of settlement risk

To mitigate settlement risk, actual settlement volumes are reduced by using multi-lateral and bilateral agreements with counterparties, including payment netting. In relation to the exchange of cash or securities, transactions can be settled on a delivery-versus-payment basis.

Foreign exchange transactions are UBS AG's most significant source of settlement risk. UBS AG is a member of CLSSettlement (operated by CLS, formerly known as Continuous Linked Settlement), an industry utility that provides a multi-lateral framework to settle transactions on a payment-versus-payment basis, thus reducing foreign-exchange-related settlement risk relative to the volume of business. However, mitigation of settlement risk through CLS and other means does not fully eliminate credit risk in foreign exchange transactions resulting from changes in exchange rates prior to settlement, which is managed as part of UBS AG's overall credit risk management of OTC derivatives.

## Credit risk models

### Basel III – A-IRB credit risk models

Audited | UBS AG has developed tools and models to estimate future credit losses that may be implicit in our current portfolio.

Exposures to individual counterparties are measured using three generally accepted parameters: PD, EAD and LGD. For a given credit facility, the product of these three parameters results in the expected loss (the EL). These parameters are the basis for the majority of our internal measures of credit risk, and key inputs for regulatory capital calculation under the advanced internal ratings-based (A-IRB) approach of the Basel III framework. Models are also used to derive the portfolio credit risk measures of EL, statistical loss and stress loss. ▲

› **Refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for more information about the regulatory capital calculation under the A-IRB approach and key credit risk models applied to UBS AG exposures**

Audited |

**Internal UBS rating scale and mapping of external ratings**

| Internal UBS rating | *1-year PD range, in %* | *Description* | *Moody's Investors Service mapping* | *S&P mapping* | *Fitch mapping* |
|---|---|---|---|---|---|
| 0 and 1 | *0.00–0.02* | *Investment grade* | Aaa | AAA | AAA |
| 2 | *0.02–0.05* | | Aa1 to Aa3 | AA+ to AA– | AA+ to AA– |
| 3 | *0.05–0.12* | | A1 to A3 | A+ to A– | A+ to A– |
| 4 | *0.12–0.25* | | Baa1 to Baa2 | BBB+ to BBB | BBB+ to BBB |
| 5 | *0.25–0.50* | | Baa3 | BBB– | BBB– |
| 6 | *0.50–0.80* | *Sub-investment grade* | Ba1 | BB+ | BB+ |
| 7 | *0.80–1.30* | | Ba2 | BB | BB |
| 8 | *1.30–2.10* | | Ba3 | BB– | BB– |
| 9 | *2.10–3.50* | | B1 | B+ | B+ |
| 10 | *3.50–6.00* | | B2 | B | B |
| 11 | *6.00–10.00* | | B3 | B– | B– |
| 12 | *10.00–17.00* | | Caa1 to Caa2 | CCC+ to CCC | CCC+ to CCC |
| 13 | *>17* | | Caa3 to C | CCC– to C | CCC– to C |
| Counterparty is in default | *Default* | *Defaulted* | | D | D |

▲

#### *Probability of default*

PD estimates the likelihood of a counterparty defaulting on its contractual obligations over the next 12 months and is assessed using rating tools tailored to the various categories of counterparties.

The ratings of major credit rating agencies, and their mapping to the UBS masterscale and internal PD bands, are shown in the "Internal UBS rating scale and mapping of external ratings" table above. For Moody's and S&P, the mapping is based on the long-term average of one-year default rates available from these rating agencies, with Fitch ratings being mapped to the equivalent S&P ratings. For each external rating category, the average default rate is compared with our internal PD bands to derive a periodically reviewed mapping to our internal rating scale.

#### *Exposure at default*

EAD is the amount expected to be owed by a counterparty at the time of possible default. EAD is derived from current exposure to the counterparty and possible future exposure development.

The EAD of an on-balance sheet loan is its notional amount, while for off-balance sheet commitments that are not drawn, credit conversion factors (CCFs) are used in order to obtain an expected on-balance sheet amount.

For traded products under the internal model method for derivatives and the repo value-at-risk approach for SFTs, EAD is derived by modeling the range of possible exposure outcomes at various points in time using a simulation based on a scenario-consistent technique. UBS AG assesses the net amount that may be owed to it or that it may owe to others, taking into account the effect of market movements over the potential time it would take to close out positions.

Exposures where there is a material correlation between the factors driving the credit quality of the counterparty and those driving the potential future value of UBS AG's traded products exposure (wrong-way risk) are assessed, and specific controls to mitigate such risks have been established.

*Loss given default*
LGD is the magnitude of the likely loss if there is a default. UBS AG's LGD estimates, which consider downturn conditions, include loss of principal, interest and other amounts less recovered amounts. UBS AG determines LGD based on the likely recovery rate of claims against defaulted counterparties, which depends on the type of counterparty and any credit mitigation due to collateral or guarantees. UBS AG's estimates are supported by internal loss data and external information, where available. If collateral is held, such as marketable securities or a mortgage on a property, LTV ratios are typically a key parameter in determining LGD. For risk-weighted asset (RWA) calculation, floors are applied to LGD in line with regulation.

*Expected loss*
UBS AG uses the concept of EL to quantify future credit losses that may be implicit in its current portfolio. The EL for a given credit facility is the product of the three components described above, i.e. PD, EAD and LGD. The EL is aggregated for individual counterparties to derive expected portfolio credit losses.

## IFRS 9 – ECL credit risk models

*Expected credit loss*
ECL is defined as the difference between contractual cash flows and those UBS AG expects to receive, discounted at the effective interest rate (EIR) or contractual interest rate. For loan commitments and other credit facilities in scope of ECL requirements, expected cash shortfalls are determined by considering expected future drawdowns. Rather than focusing on an average through-the-cycle (TTC) expected annual loss, the purpose of ECL is to estimate the amount of losses inherent in a portfolio based on current conditions and future outlook (a point-in-time (PIT) measure), whereby such a forecast has to be unbiased (i.e. exclude conservative adjustments) and include all information available without undue cost and effort, and address multiple scenarios where there is perceived non-linearity between changes in economic conditions and their effect on credit losses. From a credit risk modeling perspective, ECL parameters are generally derivations of the factors assessed for regulatory Basel III EL.

*Comparison of Basel III EL and IFRS 9 ECL credit risk models*
The IFRS 9 ECL concept has a number of key differences from the Basel III credit risk models, both in the loss estimation process and the result thereof. Most notably, regulatory Basel III EL parameters are TTC / downturn estimates, which might include a margin of conservatism, while IFRS 9 ECL parameters are typically PIT, reflecting current economic conditions and future outlook. The table below summarizes the main differences. Stage 1 and 2 ECL releases in 2024 were USD 63m and the respective allowances and provisions as of 31 December 2024 were USD 1,110m. This included ECL allowances and provisions of USD 749m related to positions under the Basel III A-IRB approach. Basel III EL for non-defaulted positions was USD 1,238m.

- **Refer to "Note 1 Summary of material accounting policies" in the "Consolidated financial statements" section of this report for more information about our accounting policy for allowances and provisions for ECL including key definitions relevant for the ECL calculation under IFRS 9**

The table below shows the main differences between the two expected loss measures.

| | Basel III EL (A-IRB approach) | IFRS 9 ECL |
|---|---|---|
| **Scope** | The Basel III A-IRB approach applies to most credit risk exposures. It includes transactions measured at amortized cost, at fair value through profit or loss and at fair value through OCI, including loan commitments and financial guarantees. | The IFRS 9 ECL calculation mainly applies to financial assets measured at amortized cost and debt instruments measured at fair value through OCI, as well as loan commitments and financial guarantees not at fair value through profit or loss. |
| **12-month versus lifetime expected loss** | The Basel III A-IRB approach takes into account expected losses resulting from expected default events occurring within the next 12 months. | In the absence of a significant increase in credit risk (an SICR), a maximum 12-month ECL is recognized. Once an SICR event has occurred, a lifetime ECL is recognized considering expected default events over the life of the transaction. |
| **Exposure at default (EAD)** | EAD is the amount we expect a counterparty to owe us at the time of a possible default. For banking products, EAD equals the book value as of the reporting date; for traded products, the vast majority of EAD is modeled. For lending, EAD is expected to remain constant over a 12-month period. For loan commitments, a credit conversion factor is applied to model expected future drawdowns. | EAD is generally calculated on the basis of the cash flows that are expected to be outstanding at the individual points in time during the life of the transaction. For loan commitments, a credit conversion factor is applied to model expected future drawdowns. |
| **Probability of default (PD)** | PD estimates are determined on a through-the-cycle (TTC) basis. They represent historical average PDs, taking into account observed losses over a prolonged historical period, and therefore are less sensitive to movements in the underlying economy. | PD estimates are determined on a point-in-time (PIT) basis, based on current conditions and incorporating forecasts for future economic conditions at the reporting date. |
| **Loss given default (LGD)** | LGD includes prudential adjustments, such as downturn LGD assumptions and floors. Similar to PD, LGD is determined on a TTC basis. | LGD should reflect the losses that are reasonably expected and prudential adjustments should therefore not be applied. Similar to PD, LGD is determined on the basis of a PIT approach. |
| **Use of scenarios** | No use of scenarios. | Multiple forward-looking scenarios have to be taken into account to determine a probability-weighted ECL. |

## Further key aspects of credit risk models

### *Stress loss*

UBS AG complements its statistical modeling approach with scenario-based stress loss measures. Stress tests are run regularly to monitor potential effects of extreme, but nevertheless plausible, events on its portfolios, under which key credit risk parameters are assumed to deteriorate substantially. Where considered appropriate limits on this basis are applied.

Stress scenarios and methodologies are tailored to portfolios' natures, ranging from regionally focused to global systemic events and varying in time horizon.

› **Refer to "Stress testing" in this section for more information about the stress-testing framework**

### *Credit risk model confirmation*

UBS AG's approach to model confirmation involves both quantitative methods, such as monitoring compositional changes in portfolios and results of backtesting, and qualitative assessments, such as feedback from users on model output as a practical indicator of a model's performance and reliability. In addition, changes in market, regulatory and business practices are assessed.

Material changes in portfolio composition may invalidate the conceptual soundness of a model. UBS AG therefore performs regular analyses of the evolution of portfolios to identify such changes in the structure and credit quality of portfolios.

› **Refer to "Model risk" in this section for more information**

### *Backtesting*

We monitor the performance of models by backtesting and benchmarking them, with model outcomes compared with actual results, based on our internal experience and externally observed results. To assess the predictive power of credit exposure models for traded products, such as OTC derivatives and ETD products, we statistically compare predicted future exposure distributions at different forecast horizons with realized values.

For PD, we derive a predicted distribution of the number of defaults. The observed number of defaults is compared with the upper tail of the predicted distribution. If the observed number of defaults is higher than a given upper tail quantile, we conclude there is evidence that the model may underpredict the number of defaults. Based on historical long-run average default rates and, if required, additional margin of conservatism, we also derive PD calibration targets and a lower boundary. As a general rule, follow-up actions, such as a recalibration of the rating tool, are defined if the portfolio average PD lies below the derived lower boundary.

For LGD, backtesting statistically tests whether the mean difference between the observed and predicted LGD is zero. If the test fails, there is evidence that our predicted LGD is too low. In such cases, and where these differences are outside expectations, follow-up actions, such as a recalibration of the models, are taken.

CCFs, used for the calculation of EAD for undrawn facilities, are dependent on several credit facility contractual dimensions. We compare the predicted amount drawn with observed historical use of such facilities by defaulted counterparties. If any statistically significant deviation is observed, follow-up actions, such as an update of the relevant CCFs, are performed.

### *Changes to models and model parameters during the period*

As part of our continuous efforts to enhance models to reflect market developments and newly available data, we updated several models in 2024.

In Personal & Corporate Banking and Global Wealth Management, we implemented a new Swiss corporate PD model and updated the retail and corporate LGD parameters of the Swiss LGD model. In addition, we implemented an RWA add-on for IPRE mortgages to private clients in Switzerland as an alternative to recalibrating the PD model. In Global Wealth Management, the conservative fixed RWA add-on for concentrated equity lending and lending against concentrated hedge fund and private equity collateral was replaced by a dynamic RWA buffer calculation based on a detailed transactional risk assessment that will be in place until the expected go-live of dedicated models in the second half of 2025.

In the Investment Bank, new PD models for broker-dealers and mortgage originators went live, and PD models for banks and hedge funds were recalibrated. In addition, certain RWA multipliers were adjusted as a result of improvements to models, and the majority of the mortgage originators portfolio has been switched from the A-IRB approach to the securitization standardized approach framework. Furthermore, we deployed a new US commercial real estate LGD model across the Investment Bank and Global Wealth Management, and in Global Wealth Management we implemented a supervisory slotting model for the commercial real estate portfolio outside the US and Switzerland.

For the sovereign portfolio on the legacy Credit Suisse infrastructure, we rolled out the UBS sovereign PD model, replacing the previous Credit Suisse model. In addition, the Credit Suisse PD model for fund-linked products and the equity REIT supervisory slotting model were decommissioned, as there was no remaining exposure on the legacy Credit Suisse infrastructure. The Credit Suisse models for hedge funds and broker-dealers were also decommissioned, due to the reduced remaining materiality of the respective portfolios on the legacy Credit Suisse infrastructure, with the remaining exposure now subject to the standardized approach for the calculation of risk-weighted assets. For positions that have migrated from Credit Suisse to UBS infrastructure, UBS models have been adopted accordingly.

Where required, changes to models and model parameters were approved by the Swiss Financial Market Supervisory Authority (FINMA) before implementation.

- **Refer to "Risk-weighted assets" in the "Capital, liquidity and funding, and balance sheet" section of this report for more information about the effect of the changes to models and model parameters on credit risk RWA**

### Credit-risk-model-related regulatory capital developments

In Switzerland, the amendments to the Capital Adequacy Ordinance that incorporate the final Basel III standards into Swiss law entered into force on 1 January 2025, together with implementing ordinances issued by FINMA in 2024. The adoption of the final Basel III standards led to a number of revisions to the internal ratings-based (IRB) approaches, namely: (i) removing the option of using the A-IRB approach for certain asset classes (including general corporates with consolidated annual revenues greater than EUR 500m, and banks and other financial institutions); (ii) placing floors on certain model inputs under the IRB approach, e.g. PD and LGD; and (iii) introducing various requirements to reduce RWA variability (e.g. for LGD). In addition, the removal of the internal model approach for credit valuation adjustment became effective on 1 January 2025. The aforementioned revisions have been adopted for all FINMA-regulated entities.

- **Refer to "Capital management objectives" in the "Capital, liquidity and funding, and balance sheet" section of this report for more information about the development of RWA**
- **Refer to "Risk measurement" in this section for more information about our approach to model confirmation procedures**
- **Refer to the "Regulatory and legal developments" and "Risk factors" sections of this report for more information**

## Credit policies for distressed assets

### Non-performing

Audited | In line with the regulatory definition, we report a claim as non-performing when: (i) it is more than 90 days past due; (ii) it is subject to restructuring proceedings, where preferential conditions concerning interest rates, subordination, tenor, etc. have been granted in order to avoid default of the counterparty (forbearance); (iii) the counterparty is subject to bankruptcy / enforced liquidation proceedings in any form, even if there is sufficient collateral to cover the due payment; or (iv) there is other evidence that payment obligations will not be fully met without recourse to collateral.

### Default and credit impaired

UBS AG uses a single definition of default for classifying assets and determining the PD of its obligors for risk modeling purposes. The definition of default is based on quantitative and qualitative criteria. A counterparty is classified as defaulted when material payments of interest, principal or fees are overdue for more than 90 days, or more than 180 days for certain exposures in relation to loans to private and commercial clients in Personal & Corporate Banking and to private clients of Global Wealth Management Region Switzerland. UBS AG does not consider the general 90-day presumption for default recognition appropriate for those portfolios, given the cure rates, which show that strict application of the 90-day criterion would not accurately reflect the inherent credit risk. Counterparties are also classified as defaulted when: bankruptcy, insolvency proceedings or enforced liquidation have commenced; obligations have been restructured on preferential terms (forbearance); or there is other evidence that payment obligations will not be fully met without recourse to collateral. The latter may be the case even if, to date, all contractual payments have been made when due. If one claim against a counterparty is defaulted on, generally all claims against the counterparty are treated as defaulted.

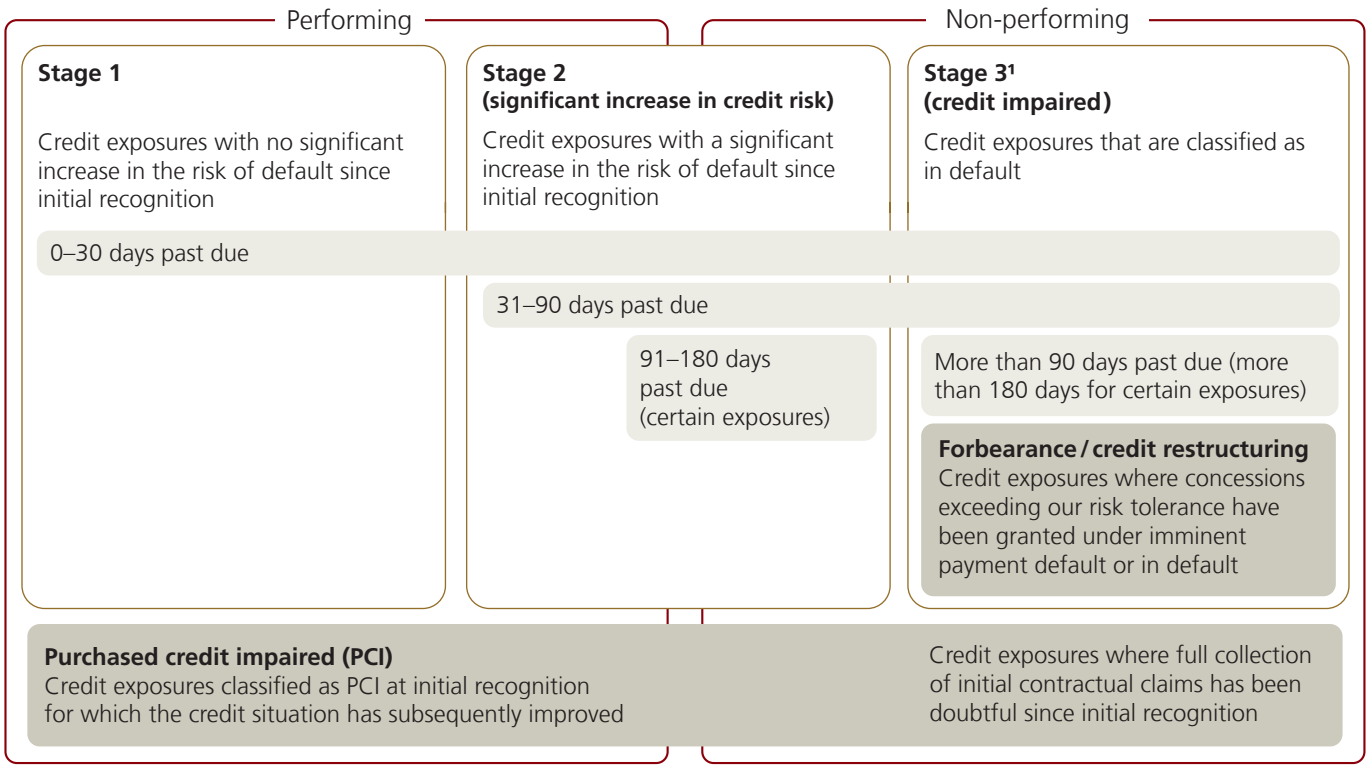
An instrument is classified as credit impaired if the counterparty is classified as defaulted and / or the instrument is identified as purchased credit impaired (PCI). An instrument is PCI if it has been purchased at a deep discount to its carrying amount following a risk event of the issuer or originated with a defaulted counterparty. Once a financial asset is classified as defaulted / credit impaired (except PCI), it is reported as a stage 3 instrument and remains as such unless all past due amounts have been rectified, additional payments have been made on time, the position is not classified as credit-restructured, and there is general evidence of credit recovery. A three-month probation period is applied before a transfer back to stages 1 or 2 can be triggered. However, most instruments remain in stage 3 for a longer period of time. ▲

### Forbearance (credit restructuring)

Audited | If payment default is imminent or default has already occurred, concessions to borrowers in financial difficulties may be granted that would otherwise not be considered in the normal course of business, such as offering preferential interest rates, extending maturity, modifying the schedule of repayments, debt / equity swap, subordination, etc. When a forbearance measure takes place, each case is considered individually, and the exposure is generally classified as defaulted. Forbearance classification remains until the loan is repaid or written off, non-preferential conditions are granted that supersede the preferential conditions or the counterparty has recovered, and the preferential conditions no longer exceed UBS AG's risk tolerance.

Contractual adjustments when there is no evidence of imminent payment default, or where changes to terms and conditions are within UBS AG's usual risk tolerance, are not considered to be forborne. ▲

**Exposure categorization**




1 Excluding purchased credit-impaired instruments.

## Loss history statistics

An instrument is classified as credit impaired if the counterparty has defaulted. This also includes credit-impaired exposures for which no loss has occurred or for which no allowance has been recognized (e.g. UBS AG expects to fully recover the exposures via collateral held).

Coverage ratios are calculated for the core loan portfolio by taking ECL allowances and provisions divided by the gross carrying amount of the exposures. Core loan exposure is defined as the sum of Loans and advances to customers and Loans to financial advisors.

The total combined on- and off-balance sheet coverage ratio was 37 basis points as of 31 December 2024, 15 basis points higher than the ratio as of 31 December 2023. The combined stage 1 and 2 ratio of 10 basis points was unchanged compared with the ratio as of 31 December 2023; the stage 3 ratio was 31%, 9 percentage points higher than the ratio as of 31 December 2023.

- **Refer to "Note 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement" and "Note 20 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information about ECL measurement and the calculation of the coverage ratio**
- **Refer to "Note 14 Other assets" in the "Consolidated financial statements" section of this report for more details**
- **Refer to the "UBS AG consolidated performance" section of this report for more information about credit loss expense / release**

**Loss history statistics**

| *USD m, except where indicated* | 31.12.24 | 31.12.23 | 31.12.22 |
|---|---|---|---|
| Banking products, core exposure and off-balance sheet, gross[1] | 879,853 | 562,095 | 509,024 |
| *of which: amounts due from banks and loans and advances to customers, gross* | *608,330* | *434,780* | *402,801* |
| Credit-impaired exposure, gross (stage 3) | 7,492 | 2,966 | 2,455 |
| *of which: credit-impaired amounts due from banks and loans and advances to customers (stage 3)* | *7,120* | *2,586* | *2,012* |
| Non-performing amounts due from banks and loans and advances to customers | 6,044 | 2,793 | 2,333 |
| ECL allowances and provisions for credit losses[2] | 3,527 | 1,244 | 1,091 |
| *of which: core loan exposure (all stages)* | *3,203* | *1,172* | *1,043* |
| *of which: amounts due from banks and loans and advances to customers (all stages)* | *2,872* | *942* | *789* |
| *of which: amounts due from banks and loans and advances to customers (stage 3)* | *2,266* | *377* | *474* |
| Write-offs (stage 3) | 380 | 77 | 95 |
| *of which: write-offs for amounts due from banks and loans and advances to customers* | *361* | *62* | *74* |
| Credit loss expense / (release)[3] | 544 | 143 | 29 |
| **Ratios** | | | |
| Credit-impaired lending assets as a percentage of total lending assets, gross (%)[4] | 1.2 | 0.6 | 0.5 |
| Non-performing lending assets as a percentage of total lending assets, gross (%)[4] | 1.0 | 0.6 | 0.6 |
| ECL allowances for lending assets as a percentage of total lending assets, gross (%)[4] | 0.5 | 0.2 | 0.2 |
| Write-offs as a percentage of average gross lending assets outstanding during the period (%)[4] | 0.1 | 0.0 | 0.0 |

1 Includes amounts due from banks, core loan exposure (Loans and advances to customers and Loans to financial advisors) and off balance sheet items defined as guarantees and loan commitments. 2 Includes provisions for ECL of guarantees and loan commitments and allowances for securities financing transactions. 3 Includes credit loss expense / (release) for other financial assets at amortized cost, guarantees, loan commitments, and securities financing transactions. 4 Lending assets include amounts due from banks and loans and advances to customers.

# Market risk

## Audited I Main sources of market risk

Market risks arise from both trading and non-trading business activities.

- Trading market risks arise primarily in the Investment Bank, Non-core and Legacy and, to a lesser extent, Global Wealth Management. In the Investment Bank these risks are mainly connected with primary debt and equity underwriting, as well as securities and derivatives trading for market-making and client facilitation. In Non-core and Legacy, market risks arise mainly from structured trades, portfolios of loans and securitized products, and both complex and simple credit, interest rate and equity derivative transactions. A limited contribution to market risk in Global Wealth Management comes from municipal securities and taxable fixed-income securities.
- Non-trading market risks arise predominantly in the form of interest rate and foreign exchange risks connected with personal banking and lending in our wealth management businesses, the Swiss business of our Personal & Corporate Banking business division, the Investment Bank's lending business, and treasury activities.
- Group Treasury assumes market risks in the process of managing interest rate risk, structural foreign exchange risk and the Group's liquidity and funding profile, including high-quality liquid assets (HQLA).
- Equity and debt investments can also give rise to market risks, as can some aspects of employee benefits, such as defined benefit pension schemes. ▲

## Audited I Overview of measurement, monitoring and management techniques

- Market risk limits are set for the Group, the business divisions and Group Treasury at granular levels in the various business lines, reflecting the nature and magnitude of the market risks.
- Management value-at-risk (VaR) measures exposures under the market risk framework, including trading market risks and some non-trading market risks. Non-trading market risks not included in VaR are covered in the risks controlled by the Market and Treasury Risk Control functions.
- Our primary portfolio measures of market risk are liquidity-adjusted stress loss and VaR. Both are subject to limits that are approved by the Board of Directors (the BoD). Market risk measurement for certain legacy Credit Suisse components can differ from UBS AG excluding the aforementioned legacy Credit Suisse components, as set out below. These positions continue to be managed on legacy Credit Suisse infrastructure until full migration of these positions to UBS infrastructure or the liquidation of the positions.
- These measures are complemented by concentration and granular limits for general and specific market risk factors. Our trading businesses are subject to multiple market risk limits, which take into account the extent of market liquidity and volatility, business outlook and growth, and, for our single-name exposures, issuer credit quality.
- Trading market risks are managed at portfolio level. As risk factor sensitivities change due to new transactions, transaction expiries or changes in market levels, risk factors are dynamically rehedged to remain within limits. We do not generally seek to distinguish in the trading portfolio between specific positions and associated hedges.
- Issuer risk for credit products is controlled by limits applied at the business division level based on jump-to-zero measures, which estimate maximum default exposure (the default event loss assuming zero recovery).
- Non-trading foreign exchange risks are managed under market risk limits, with the exception of Group Treasury management of consolidated capital activity.

Our CRO Treasury function applies a holistic risk framework, setting the appetite for treasury-related risk-taking activities across UBS AG. Key elements of the framework include an overarching regulatory (interest rate risk in the banking book (IRRBB)) delta economic value of equity (EVE) target, set by the BoD. Limits are also set by the BoD to balance the effect of foreign exchange movements on our common equity tier 1 (CET1) capital and CET1 capital ratio. Non-trading interest rate and foreign exchange risks are included in firm-wide statistical and stress-testing metrics, which flow into our risk appetite framework.

Equity and debt investments are subject to a range of risk controls, including preapproval of new investments for commercial purposes by business management and Risk Control and regular monitoring and reporting by Group Finance. They are also included in firm-wide statistical and stress-testing metrics. ▲


- **Refer to "Currency management" in the "Capital, liquidity and funding, and balance sheet" section of this report for more information about Group Treasury's management of foreign exchange risks**
- **Refer to the "Capital, liquidity and funding, and balance sheet" section of this report for more information about the sensitivity of our CET1 capital and CET1 capital ratio to currency movements**


## Market risk stress loss

The measurement and management of market risks include an extensive set of stress tests and scenario analyses, continuously evaluated to ensure that losses resulting from an extreme yet plausible event do not exceed our risk appetite.

### Liquidity-adjusted stress

Liquidity-adjusted stress is our primary stress loss measure for firm-wide market risk. The framework captures the economic losses that could arise under specified stress scenarios. Shocks are applied to positions based on expected market movements in the liquidity-adjusted holding periods resulting from the specified scenario.

The holding periods used for liquidity-adjusted stress are calibrated to reflect the time needed to reduce or hedge the risk of positions in each major risk factor in a stressed environment. We apply minimum holding periods, regardless of observed liquidity levels, as identification of and reaction to a crisis may not always be immediate.

The expected market movements are derived using historical market behavior (based on analysis of historical events) and forward-looking analysis including consideration of defined scenarios that have not occurred in the past.

Stress-based limits apply at several levels of the organizational hierarchy. Liquidity-adjusted stress is also the core market risk component of our combined stress test framework and therefore integral to our overall risk appetite framework.


- **Refer to "Risk appetite framework" in this section for more information**
- **Refer to "Stress testing" in this section for more information about our stress-testing framework**


## Value-at-risk

### VaR definition

Audited | VaR is a statistical measure of market risk, quantifying the potential market risk losses over a set time horizon (holding period) at an established level of confidence. VaR assumes no change in UBS AG's trading positions over the set time horizon.

We calculate VaR daily. The profit or loss distribution from which VaR is estimated is derived from our internally developed VaR model, which simulates returns over the holding period for risk factors our trading positions are sensitive to, and subsequently quantifies the profit / loss effect of these risk factor returns on our trading positions. Systematic commodity, credit, equity, foreign exchange rate and interest rate risk factor returns are based on a pure historical simulation approach. An unweighted five-year look-back window is used for UBS AG excluding certain legacy Credit Suisse components and an exponentially weighted two-year window for the aforementioned legacy Credit Suisse components. Modeling idiosyncratic and specific risks for equity and credit risk factors using historical simulation is challenging, due to the limited availability of continuous good-quality historical data. Wherever possible, historical simulation to model-specific risk is used for the legacy Credit Suisse components; however, both traded market risk portfolios rely upon factor models to distinguish systematic and idiosyncratic returns. For UBS AG excluding certain legacy Credit Suisse components, idiosyncratic returns are simulated through a Monte Carlo model, aggregating the sum of systematic and residual returns in such a way that systematic and residual risk are consistently captured. For the legacy Credit Suisse components, the available distribution of idiosyncratic returns is used to determine an extreme scenario for a given risk factor's specific risk; the resultant VaR and extreme scenario loss for a given risk factor are aggregated using a zero-correlation assumption.

For both UBS AG excluding certain legacy Credit Suisse components and the aforementioned legacy Credit Suisse components, VaR models are used for internal management purposes and for determining market risk risk-weighted assets (RWA), although the two use cases consider different confidence levels and time horizons. For internal management purposes, risk limits are established and exposures measured using VaR at a 95% confidence level for UBS AG excluding certain legacy Credit Suisse components and 98% for the aforementioned legacy Credit Suisse components, with a 1-day holding period, aligned to the way we consider the risks associated with our trading activities. The regulatory measure of market risk used to underpin the market risk capital requirements under Basel III involves a measure equivalent to a 99% confidence level using a 10-day holding period. To calculate a 10-day holding period VaR, we use 10-day risk factor returns.

The portfolio populations for management and regulatory VaR are slightly different. The one for regulatory VaR meets regulatory requirements for inclusion in regulatory VaR. Management VaR includes a broader range of positions. For example, regulatory VaR excludes credit spread risks from the securitization portfolio, which are treated instead under the securitization approach for regulatory purposes.

We also use stressed VaR (SVaR) for the calculation of market risk RWA. SVaR uses broadly the same methodology as regulatory VaR and is calculated using the same population, holding period (10-day) and confidence level (99%). For SVaR, both for UBS AG excluding certain legacy Credit Suisse components and the aforementioned legacy Credit Suisse components, the most significant one-year period of financial stress from a historical dataset covering the period from 1 January 2007 to the present is identified. ▲

› **Refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for more information about the regulatory capital calculation under the advanced internal ratings-based approach**

## Management VaR for the period

UBS AG excluding certain legacy Credit Suisse components continued to maintain generally low levels of management VaR. Average management VaR (1-day, 95% confidence level) decreased to USD 12m from USD 15m in 2024, mainly driven by the Investment Bank's Global Markets business.

Average management VaR (1-day, 98% confidence level) of the legacy Credit Suisse components was USD 12m in 2024, driven by Non-core and Legacy positions.

Audited I

**Management value-at-risk (1-day, 95% confidence level, 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]**

| | For the year ended 31.12.24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *USD m* | | | | | Equity | Interest rates | Credit spreads | Foreign exchange | Commodities |
| | Min. | | | | 0 | 10 | 6 | 1 | 2 |
| | | Max. | | | 12 | 24 | 16 | 9 | 14 |
| | | | Average | | 4 | 16 | 9 | 4 | 4 |
| | | | | 31.12.24 | 1 | 20 | 10 | 3 | 4 |
| **Total management VaR** | 5 | 23 | 12 | 11 | *Average (per business division and risk type)* | | | | |
| 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 | 3 | 23 | 11 | 10 | *4* | *15* | *8* | *3* | *4* |
| Non-core and Legacy | 1 | 3 | 1 | 1 | *0* | *1* | *1* | *0* | *0* |
| Group Items | 3 | 12 | 5 | 6 | *1* | *4* | *3* | *1* | *0* |
| Diversification effect[3,4] | | | (6) | (8) | *(1)* | *(5)* | *(4)* | *(1)* | *0* |

| | For the year ended 31.12.23 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *USD m* | | | | | Equity | Interest rates | Credit spreads | Foreign exchange | Commodities |
| | Min. | | | | 3 | 9 | 3 | 1 | 1 |
| | | Max. | | | 19 | 21 | 19 | 10 | 10 |
| | | | Average | | 9 | 12 | 6 | 2 | 3 |
| | | | | 31.12.23 | 11 | 18 | 7 | 2 | 3 |
| **Total management VaR** | 7 | 25 | 15 | 19 | *Average (per business division and risk type)* | | | | |
| Global Wealth Management | 1 | 2 | 1 | 2 | *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 | 23 | 14 | 18 | *9* | *12* | *5* | *2* | *3* |
| Non-core and Legacy | 1 | 2 | 1 | 1 | *0* | *1* | *1* | *0* | *0* |
| Group Items | 3 | 6 | 4 | 4 | *1* | *3* | *3* | *1* | *0* |
| Diversification effect[3,4] | | | (6) | (6) | *(1)* | *(4)* | *(4)* | *(1)* | *0* |

1 The legacy Credit Suisse components not included in the UBS AG management VaR predominantly reflect the portfolio in Non-core and Legacy. 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 UBS infrastructure or the 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.

**Management value-at-risk (1-day, 98% confidence level, 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]**

| | For the year ended 31.12.24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *USD m* | | | | | Equity | Interest rates | Credit spreads | Foreign exchange | Commodities |
| | Min. | | | | 1 | 2 | 4 | 0 | 0 |
| | | Max. | | | 13 | 12 | 14 | 5 | 1 |
| | | | Average | | 5 | 6 | 9 | 1 | 0 |
| | | | | 31.12.24 | 1 | 2 | 4 | 1 | 0 |
| Total management VaR | 5 | 21 | 12 | 5 | *Average (per business division and risk type)* | | | | |
| Global Wealth Management | 1 | 3 | 2 | 1 | *1* | *0* | *1* | *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 | 1 | 11 | 3 | 1 | *2* | *1* | *1* | *0* | *0* |
| Non-core and Legacy | 4 | 16 | 10 | 4 | *4* | *4* | *9* | *1* | *0* |
| Group Items | 0 | 0 | 0 | 0 | *0* | *0* | *0* | *0* | *0* |
| Diversification effect[3,4] | | | (3) | (1) | *(2)* | *1* | *(2)* | *0* | *0* |

1 The legacy Credit Suisse components not included in the UBS AG management VaR predominantly reflect the portfolio in Non-core and Legacy. 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 UBS infrastructure or the 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.

▲

## VaR limitations

Audited I Actual realized market risk losses may differ from those implied by VaR for a variety of reasons.

- VaR is calibrated to a specified level of confidence and may not indicate potential losses beyond this confidence level.
- The 1-day time horizon used for VaR for internal management purposes (a 10-day horizon for regulatory VaR) may not fully capture market risk of positions that cannot be closed out or hedged within the specified period.
- In some cases, VaR calculations approximate the effect of changes in risk factors on the values of positions and portfolios.
- Effects of extreme market movements are subject to estimation errors, which may result from non-linear risk sensitivities, and the potential for actual volatility and correlation levels to differ from assumptions implicit in VaR calculations.
- The choice of a longer historical window means sudden increases in market volatility will tend not to increase VaR as quickly as the use of shorter historical observation periods, but such increases will affect VaR for a longer period of time. Similarly, after periods of increased volatility, as markets stabilize, VaR predictions will remain more conservative for a period of time, influenced by the length of the historical observation period.

SVaR is subject to the limitations noted for VaR above, but the use of one-year datasets avoids the smoothing effect of longer datasets used for VaR. In addition, the ability to select a one-year period outside of recent market history allows for a wider variety of potential loss events. Therefore, although the significant period of stress during the 2007–2009 financial crisis is no longer contained in the look-back window used for management and regulatory VaR, SVaR continues to use that data. This approach aims to reduce the procyclicality of the regulatory capital requirements for market risks.

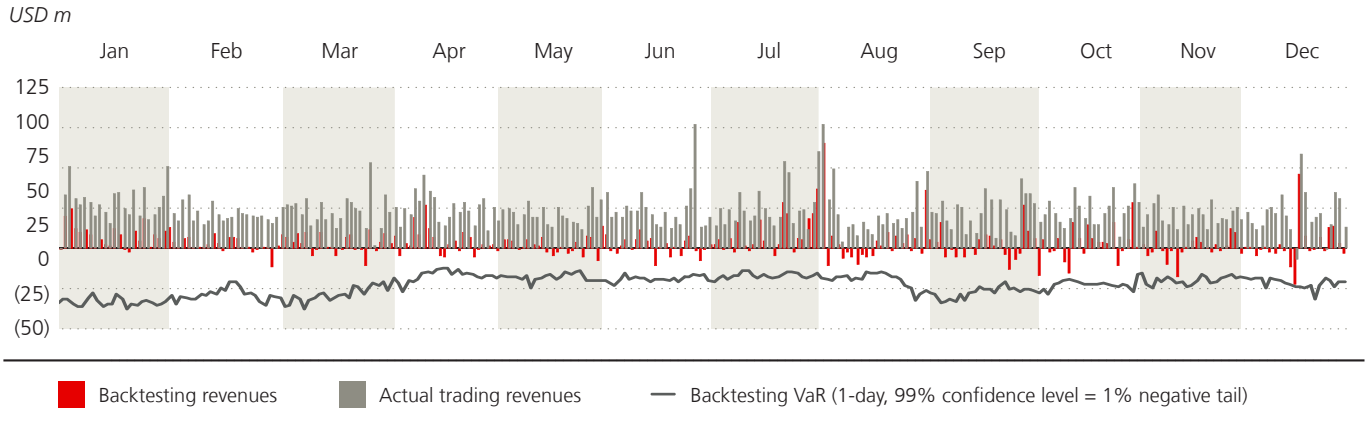
We recognize that no single measure can encompass all risks associated with a position or portfolio. We use a set of metrics with both overlapping and complementary characteristics to create a holistic framework that aims to ensure material completeness of risk identification and measurement. As a statistical aggregate risk measure, VaR supplements our comprehensive stress-testing framework.

We also have a framework to identify and quantify potential risks not fully captured by our VaR model and refer to such risks as risks not in VaR. The framework underpins these potential risks with additional regulatory capital. ▲

## Backtesting of VaR

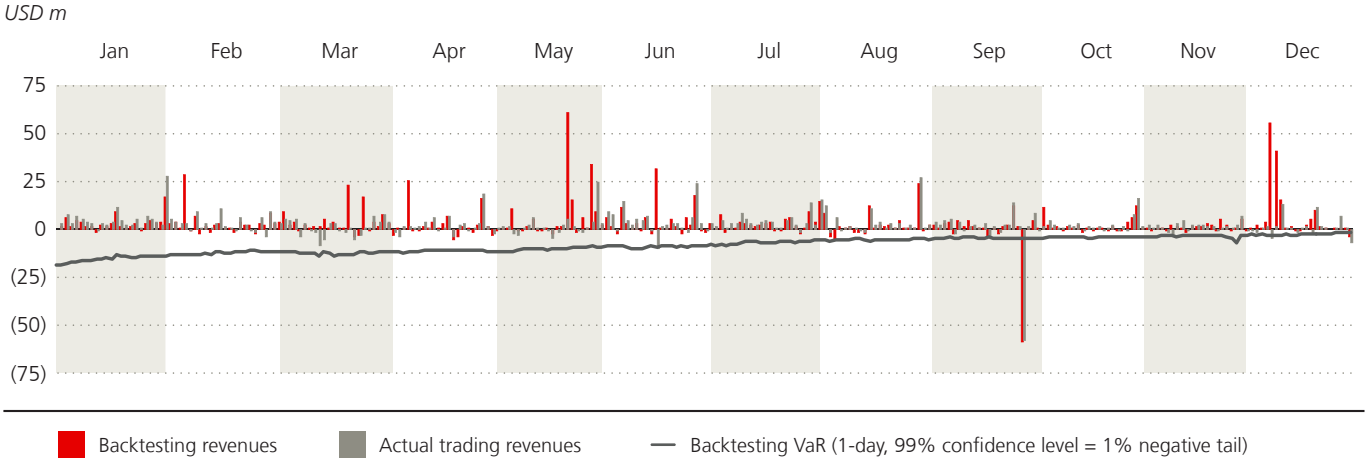
VaR backtesting is a performance measurement process in which a 1-day VaR prediction is compared with the realized 1-day profit or loss. We compute backtesting VaR using a 99% confidence level and 1-day holding period for the regulatory VaR population. Since 99% VaR is defined as a risk measure that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

**UBS AG excluding certain legacy Credit Suisse components: development of regulatory backtesting revenues[1] and actual trading revenues[2] against backtesting VaR[3] (1-day, 99% confidence level)**




1 The chart is based on data for the UBS Group excluding certain legacy Credit Suisse components as the risk profile compared with UBS AG excluding certain legacy Credit Suisse components does not materially differ. 2 Excludes non-trading revenues, such as valuation reserves, commissions and fees, and revenues from intraday trading. 3 Includes backtesting revenues and revenues from intraday trading. 4 Based on Basel III regulatory VaR; excludes CVA positions and their eligible hedges, which are subject to the standalone CVA charge.

**Legacy Credit Suisse components: development of regulatory backtesting revenues[1] and actual trading revenues[2] against backtesting VaR[3,4] (1-day, 99% confidence level)**




1 Excludes non-trading revenues, such as valuation reserves, commissions and fees, and revenues from intraday trading. 2 Includes backtesting revenues and revenues from intraday trading. 3 Based on Basel III regulatory VaR; excludes CVA positions and their eligible hedges, which are subject to the standalone CVA charge. 4 One negative VaR backtesting exception was recorded for the legacy Credit Suisse components in September 2024, driven by valuation adjustments related to exit cost reserves, which does not count toward the total exceptions relevant for the capital multiplier.

Statistically, given the 99% confidence level, two or three backtesting exceptions a year can be expected. More than four exceptions could indicate that the VaR model is not performing appropriately, as could too few exceptions over a long period. However, as noted for VaR limitations above, a sudden increase (or decrease) in market volatility relative to the volatility observed in the look-back window could lead to a higher (or lower) number of exceptions. Therefore, Group-level backtesting exceptions are investigated, as are exceptional positive backtesting revenues, with the results reported to senior business management and regulators.

UBS AG excluding certain legacy Credit Suisse components had no new negative backtesting exceptions in 2024. The number of negative backtesting exceptions within the most recent 250-business-day window remained at zero at the end of 2024.

For legacy Credit Suisse components, the number of negative backtesting exceptions within the most recent 250-business-day window was three at the end of 2024.

As the number of negative backtesting exceptions for both UBS AG excluding certain legacy Credit Suisse components and the aforementioned legacy Credit Suisse components was below five, the Swiss Financial Market Supervisory Authority (FINMA) VaR multiplier derived from negative backtesting exceptions for market risk RWA was unchanged compared with 2023, at 3.0.

## VaR model confirmation

In addition to the for-regulatory-purposes backtesting described above, we conduct extended backtesting for internal model confirmation purposes. This includes observing model performance across the entire profit or loss distribution (not just the tails) and at multiple levels within the business division hierarchies.

› **Refer to "Risk measurement" in this section for more information about our approach to model confirmation procedures**

### VaR model developments in 2024

Audited | In January 2024 we made two material VaR model changes to the VaR model of UBS AG excluding certain legacy Credit Suisse components: (i) the integration of time decay into regulatory VaR and stressed VaR for derivatives with optionality and (ii) an improvement in the profit or loss representation of derivatives with multiple underlyings. As reported in the UBS AG first quarter 2024 report, the two changes resulted in a significant increase in market risk RWA.

In the second quarter of 2024, certain components of the legacy Credit Suisse VaR model were upgraded: (i) the full-revaluation framework was extended to include interest rate and interest rate volatility risk factors; (ii) empirical correlations in the aggregation of specific risk for the price risk of fund-linked products were added; and (iii) a two-factor regression model for traded loans was introduced. These changes did not have a material impact on market risk RWA.

▲

### Market-risk-related regulatory capital developments

The Basel Committee on Banking Supervision (the BCBS) final Basel III standards on the minimum capital requirements for market risk, known as the Fundamental Review of the Trading Book (the FRTB), entered into force on 1 January 2025. FINMA issued implementing ordinances to support these changes. These ordinances are effective from 1 January 2025 and provide technical details for the revised Capital Adequacy Ordinance, ensuring alignment with international standards. Key elements of the revised market risk framework include: (i) changes to the internal model-based approach, including changes to the model approval and performance measurement process; (ii) changes to the standardized approach with the aim of providing a credible fallback method for an internal model-based approach; and (iii) a revised boundary between the trading book and the banking book.

As part of going live with the FRTB, UBS AG has adopted the standardized approach for all FINMA-regulated legal entities.


- **Refer to "Risk-weighted assets" in the "Capital, liquidity and funding, and balance sheet" section of this report for more information about the development of RWA including the regulatory add-on**
- **Refer to "Risk measurement" in this section for more information about our approach to model confirmation procedures**
- **Refer to the "Regulatory and legal developments" and "Risk factors" sections of this report for more information**


## Interest rate risk in the banking book

### Sources of interest rate risk in the banking book

Audited | IRRBB arises from balance sheet positions such as Amounts due from banks, Loans and advances to customers, Financial assets at fair value not held for trading, Financial assets measured at amortized cost, Customer deposits, Debt issued measured at amortized cost, and Derivative financial instruments, including those subject to hedge accounting. Fair value changes to these positions may affect other comprehensive income (OCI) or the income statement, depending on their accounting treatment.

UBS AG's largest banking book interest rate exposures arise from customer deposits and lending products in Global Wealth Management and Personal & Corporate Banking, as well as from debt issuance, liquidity buffers and interest rate hedges in Group Treasury. The inherent interest rate risks stemming from Global Wealth Management and Personal & Corporate Banking are generally transferred to Group Treasury, to manage them centrally together with UBS AG's modeled interest rate duration assigned to equity, goodwill and real estate. This makes the netting of interest rate risks across different sources possible, while leaving the originating businesses with commercial margin and volume management. The residual interest rate risk is mainly hedged with interest rate swaps, to the vast majority of which hedge accounting is applied. Short-term exposures and HQLA classified as Financial assets at fair value not held for trading are hedged with derivatives accounted for on a mark-to-market basis. Long-term fixed-rate debt issued and HQLA hedged with external interest rate swaps are designated in fair value hedge accounting relationships.

### Risk management and governance

IRRBB is measured using several metrics, the most relevant of which are the following.

- EVE sensitivity to yield curve moves is calculated as changes in the present value of future cash flows irrespective of accounting treatment. These yield curve moves are also the key risk factors for statistical and stress-based measures, e.g. VaR and stress scenarios, as well as the regulatory interest rate scenarios. These are measured and reported daily. The regulatory IRRBB EVE exposure is the most adverse regulatory interest rate scenario that is netted across currencies. It excludes the sensitivity from additional tier 1 (AT1) capital instruments (as per specific FINMA requirements) and the modeled interest rate duration assigned to equity, goodwill and real estate. UBS AG also applies granular internal interest rate shock scenarios to its banking book positions to monitor its specific risk profile.
- Net interest income (NII) sensitivities to yield curve moves are calculated as changes of baseline NII over a set time horizon, which we internally compute by assuming interest rates in all currencies develop according to their market-implied forward rates and assuming constant business volumes and product mix and no specific management actions. The sensitivities are measured and reported monthly.

UBS AG actively manages IRRBB, with the aim of reducing the volatility of NII subject to limits and triggers for EVE and NII exposure at consolidated and significant legal entity levels.

The Asset and Liability Committee (the ALCO) of UBS AG and, where relevant, ALCOs at a legal entity level perform independent oversight over the management of IRRBB, which is also subject to Internal Audit and model governance.


- **Refer to "Internal Audit" in the "Corporate governance" section of this report and to "Risk measurement" in this section for more information**

## Key modeling assumptions

The cash flows from customer deposits and lending products used in calculation of EVE sensitivity exclude commercial margins and other spread components, are aggregated by daily time buckets and are discounted using risk-free rates. UBS AG's external issuances are discounted using its senior debt curve, and capital instruments are modeled to the first call date. NII sensitivity, which includes commercial margins, is calculated over a one-year time horizon, assuming constant balance sheet structure and volumes, and considers embedded interest rate options.

The average repricing maturity of non-maturing deposits and loans is determined via target replication portfolios designed to protect product margins. Optimal replicating portfolios are determined at granular currency- and product-specific levels by simulating and applying a real-world market rate model to historically calibrated client rate and volume models.

UBS AG uses an econometric prepayment model to forecast prepayment rates on US mortgage loans in UBS Bank USA and agency mortgage-backed securities (MBSs) held in various liquidity portfolios of UBS Americas Holding LLC consolidated. These prepayment rates are used to forecast both mortgage loan and MBS balances under various macroeconomic scenarios. The prepayment model is used for a variety of purposes, including risk management and regulatory stress testing. Swiss mortgages and fixed-term deposits generally do not carry similar optionality, due to prepayment and early redemption penalties. ▲

## Effect of interest rate changes on shareholders' equity and CET1 capital

The "Accounting and capital effect of changes in interest rates" table below shows the effects on shareholders' equity and CET1 capital of gains and losses from changes in interest rates in the main banking book positions. We use derivatives to hedge interest rate risks in the banking book and these reflect changes in interest rates as an immediate fair value gain or loss, recognized either in the income statement or through OCI. Where hedged items are accrual accounted, we aim to minimize accounting asymmetries by applying hedge accounting to reflect the economic hedge relationship.

In a rising rate scenario, we would have an initial decrease in shareholders' equity as a result of fair value losses on our derivatives recognized in OCI, while we would expect higher NII over time as rates increase. The effect on CET1 capital would be much lower, as gains and losses on interest rate swaps designated as cash flow hedges are not recognized for regulatory capital purposes.

**Accounting and capital effect of changes in interest rates[1]**

| | Recognition | | Shareholders' equity | | CET1 capital | |
|---|---|---|---|---|---|---|
| | Timing | Income statement / OCI | Gains | Losses | Gains | Losses |
| Loans and deposits at amortized cost[2,3] | Gradual | Income statement | ● | ● | ● | ● |
| Other financial assets and liabilities measured at amortized cost[2] | Gradual | Income statement | ● | ● | ● | ● |
| Debt issued measured at amortized cost[2,3] | Gradual | Income statement | ● | ● | ● | ● |
| Receivables and payables from securities financing transactions[2] | Gradual | Income statement | ● | ● | ● | ● |
| Financial assets at fair value not held for trading | Immediate | Income statement | ● | ● | ● | ● |
| Financial assets at fair value through other comprehensive income | Immediate | OCI | ● | ● | | ● |
| Derivatives designated as cash flow hedges | Immediate | OCI[4] | ● | ● | | |
| Derivatives designated as fair value hedges[5] | Immediate | Income statement | ● | ● | ● | ● |
| Derivatives transacted as economic hedges | Immediate | Income statement | ● | ● | ● | ● |

1 Refer to the "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" table in the "Capital, liquidity and funding, and balance sheet" section of this report for more information about the differences between shareholders' equity and CET1 capital. 2 For fixed-rate financial instruments, changes in interest rates affect the income statement when these instruments roll over and reprice. 3 For hedge-accounted items, a fair value adjustment is applied in line with the treatment of the hedging derivatives. 4 Excluding hedge ineffectiveness that is recognized in the income statement in accordance with IFRS Accounting Standards. 5 The fair value of the derivatives is offset by the fair value adjustment of the hedged items. Under the fair value hedge program applied to cross-currency swaps and foreign currency debt, the foreign currency basis spread is excluded from the hedge designation and accounted for through OCI, which is included in CET1.

## Economic value of equity sensitivity

Audited | The EVE sensitivity in UBS AG's banking book to a +1-basis-point parallel shift in yield curves was negative USD 37.1m as of 31 December 2024, compared with negative USD 28.1m as of 31 December 2023. This excluded the sensitivity of USD 5.6m from AT1 capital instruments (as per specific FINMA requirements) in contrast to general BCBS guidance. The exposure in the banking book of UBS AG increased in 2024, driven by net interest income stabilization initiatives and the merger of UBS AG and Credit Suisse AG on 31 May 2024.

The majority of UBS AG's IRRBB is a reflection of the net asset duration that it ran to offset our modeled sensitivity of net USD 29.4m (31 December 2023: USD 22.4m) assigned to our equity, goodwill and real estate, with the aim of generating a stable NII contribution. Of this, USD 17.1m and USD 10.6m were attributable to the US dollar and the Swiss franc portfolios, respectively, (31 December 2023: USD 15.8m and USD 5.6m, 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 measured at fair value, was the most severe and would have resulted in a change in EVE of negative USD 6.7bn, or 7.4%, of our tier 1 capital (31 December 2023: negative USD 5.3bn, or 9.3%), which is well below the 15% threshold as per the BCBS supervisory outlier test for high levels of IRRBB.

The immediate effect on UBS AG's tier 1 capital in the "Parallel up" scenario as of 31 December 2024 would have been a decrease of approximately USD 0.9bn, or 1.0% (31 December 2023: USD 0.5bn, 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 NII, 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 7.2bn (31 December 2023: positive USD 5.4bn) and a small positive immediate effect on UBS AG's tier 1 capital.

### Net interest income sensitivity

The main NII sensitivity in the banking book resides in Global Wealth Management and Personal & Corporate Banking. UBS AG assigns a target duration to its investment of equity portfolio, and Group Treasury actively manages the residual IRRBB. This sensitivity is assessed using a number of scenarios assuming parallel and non-parallel shifts in yield curves, with various degrees of severity, and UBS AG has set and monitors thresholds for the NII sensitivity to immediate parallel shocks of –200 and +200 basis points under the assumption of no change to balance sheet size and product mix, stable foreign exchange rates, and no specific management action. ▲

› **Refer to the "UBS AG consolidated performance" section of this report for more information about sensitivity to interest rate movements**

Audited I

**Interest rate risk – banking book**

| | 31.12.24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *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 | (10.5) | (1.3) | (0.3) | (24.6) | (0.5) | (37.1) | 5.6 | (31.6) |
| Parallel up[2] | (1,510.7) | (251.8) | (64.4) | (4,747.8) | (96.2) | (6,670.9) | 1,009.9 | (5,661.1) |
| Parallel down[2] | 1,644.9 | 280.0 | 74.0 | 5,054.3 | 101.7 | 7,154.8 | (1,183.4) | 5,971.4 |
| Steepener[3] | (748.7) | (4.0) | (10.6) | (1,253.2) | (9.2) | (2,025.8) | 167.6 | (1,858.2) |
| Flattener[4] | 463.5 | (37.8) | (2.2) | 161.3 | (11.0) | 573.7 | 63.6 | 637.4 |
| Short-term up[5] | (150.2) | (112.6) | (24.0) | (1,815.4) | (46.8) | (2,148.9) | 490.6 | (1,658.3) |
| Short-term down[6] | 133.4 | 112.5 | 24.7 | 1,926.2 | 47.4 | 2,244.2 | (510.8) | 1,733.4 |

| | 31.12.23 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *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 | (4.3) | (0.7) | 0.0 | (23.1) | 0.1 | (28.1) | 4.8 | (23.3) |
| Parallel up[2] | (608.9) | (142.9) | 2.2 | (4,522.3) | (15.0) | (5,287.0) | 888.3 | (4,398.7) |
| Parallel down[2] | 686.1 | 150.0 | (11.8) | 4,593.2 | 17.1 | 5,434.5 | (1,028.0) | 4,406.6 |
| Steepener[3] | (335.2) | (16.0) | (13.1) | (973.6) | (23.0) | (1,361.0) | 95.9 | (1,265.1) |
| Flattener[4] | 214.1 | (6.8) | 12.3 | (94.1) | 17.5 | 142.9 | 104.7 | 247.6 |
| Short-term up[5] | (38.5) | (48.4) | 13.4 | (1,909.8) | 7.1 | (1,976.3) | 477.4 | (1,498.9) |
| Short-term down[6] | 42.9 | 49.8 | (14.3) | 2,036.8 | (10.0) | 2,105.3 | (498.9) | 1,606.4 |

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.

▲

## Other market risk exposures

### Own credit

UBS AG is exposed to changes in its own credit reflected in the valuation of financial liabilities designated at fair value when UBS AG's own credit risk would be considered by market participants, except for fully collateralized liabilities or other obligations for which it is established market practice to not include an own-credit component.

› **Refer to "Note 21 Fair value measurement" in the "Consolidated financial statements" section of this report for more information about own credit**

### Structural foreign exchange risk

Upon consolidation, assets and liabilities held in foreign operations are translated into US dollars at the closing foreign exchange rate on the balance sheet date. Value changes (in US dollars) of non-US-dollar assets or liabilities due to foreign exchange movements are recognized in OCI and therefore affect shareholders' equity and CET1 capital.

Group Treasury uses strategies to manage this foreign currency exposure, including matched funding of assets and liabilities and net investment hedging.

› **Refer to the "Capital, liquidity and funding, and balance sheet" section of this report for more information about our exposure to and management of structural foreign exchange risk**
› **Refer to "Note 11 Derivative instruments" in the "Consolidated financial statements" section of this report for more information about our hedges of net investments in foreign operations**

## Equity investments and investment fund units

Audited | UBS AG makes direct investments in a variety of entities and buys equity holdings in both listed and unlisted companies, with the aim of supporting its business activities and delivering strategic value to the firm. This includes investments in exchange and clearing house memberships, as well as minority investments in early-stage fintechs and technology companies via UBS Next. UBS AG may also make investments in funds that it manages in order to fund or seed them at inception or to demonstrate that UBS AG's interests align with those of investors. UBS AG also buys, and is sometimes required by agreement or regulation to buy, securities and units from investment vehicles that it has sold to clients.

The fair value of equity investments tends to be influenced by factors specific to the individual investments. Equity investments are generally intended to be held for the medium or long term and may be subject to lock-up agreements. For these reasons, UBS AG generally does not control these exposures by using market risk measures applied to trading activities. However, such equity investments are subject to a different range of controls, including preapproval of new investments for commercial purposes by business management and Risk Control, portfolio and concentration limits, and regular monitoring and reporting to senior management. They are also included in the firm-wide statistical and stress-testing metrics, which flow into the risk appetite framework.

As of 31 December 2024, UBS AG held equity investments and investment fund units totaling USD 6.5bn (31 December 2023: USD 2.9bn), of which USD 4.2bn (31 December 2023: USD 1.9bn) was classified as Financial assets at fair value not held for trading and USD 2.3bn (31 December 2023: USD 1.0bn) as Investments in associates. ▲

- **Refer to "Note 21 Fair value measurement" and "Note 28 Interests in subsidiaries and other entities" in the "Consolidated financial statements" section of this report for more information**
- **Refer to "Note 1 Summary of material accounting policies" in the "Consolidated financial statements" section of this report for more information about the classification of financial instruments**

## Debt investments

Audited | Debt investments classified as Financial assets measured at fair value through other comprehensive income as of 31 December 2024 can broadly be categorized as money market instruments and debt securities primarily held for statutory, regulatory or liquidity reasons.

The risk control framework applied to debt instruments classified as Financial assets measured at fair value through other comprehensive income depends on the nature of the instruments and the purpose for which we hold them. UBS AG's exposures may be included in market risk limits or be subject to specific monitoring and interest rate sensitivity analysis. They are also included in the firm-wide statistical and stress-testing metrics, which flow into our risk appetite framework.

Debt instruments classified as Financial assets measured at fair value through other comprehensive income had a fair value of USD 2.2bn as of 31 December 2024 (31 December 2023: USD 2.2bn). ▲

- **Refer to "Note 21 Fair value measurement" in the "Consolidated financial statements" section of this report for more information**
- **Refer to "Economic value of equity sensitivity" in this section for more information**
- **Refer to "Note 1 Summary of material accounting policies" in the "Consolidated financial statements" section of this report for more information about the classification of financial instruments**

## Pension risk

We provide a number of pension plans for past and current employees, some classified as defined benefit pension plans under IFRS Accounting Standards, which can have a material effect on our equity under IFRS Accounting Standards and CET1 capital.

Pension risk is the risk that defined benefit plans' funded status might decrease, negatively affecting our capital. This can result from falls in the value of a plan's assets or in the investment returns, increases in defined benefit obligations, or combinations of the above.

Important risk factors affecting the fair value of pension plans' assets include equity market returns, interest rates, bond yields, and real estate prices. Important risk factors affecting the present value of expected future benefit payments include high-grade bond yields, interest rates, inflation rates, and life expectancy.

Pension risk is included in our firm-wide statistical and stress-testing metrics, which flow into our risk appetite framework. The potential effects are thus captured in the post-stress capital ratio calculations.

- **Refer to "Note 1 Summary of material accounting policies" and "Note 26 Post-employment benefit plans" in the "Consolidated financial statements" section of this report for more information about defined benefit plans**

# Country risk

## Country risk framework

Country risk includes all country-specific events occurring in a sovereign jurisdiction that may lead to impairment of UBS AG's exposures. It may take the form of: (i) sovereign risk, which is the ability and willingness of a government to honor its financial commitments; (ii) transfer risk, which arises if a counterparty or issuer cannot acquire foreign currencies following a moratorium by a central bank on foreign exchange transfers; or (iii) "other" country risk. "Other" country risk may manifest itself through increased and multiple counterparty and issuer default risk (systemic risk) or through events that may affect a country's standing, such as adverse shocks affecting political stability or institutional and / or legal frameworks.

UBS AG assigns a country rating to each country, which reflects its view of a country's creditworthiness and of the probability of a country risk event occurring. Country ratings are mapped to statistically derived default probabilities, described under "Probability of default" in this section. UBS AG uses this internal analysis to set the credit ratings of governments and central banks, estimate the probability of a transfer event occurring, and establish rules on how aspects of country risk should be incorporated in counterparty ratings of non-sovereign entities domiciled in the respective country.

Country ratings are also used to define UBS AG's risk appetite regarding foreign countries. A country risk limit (i.e. maximum aggregate exposure) applies to exposures to counterparties or issuers of securities and financial investments in the given foreign country. UBS AG may limit the extension of credit, transactions in traded products or positions in securities based on a country risk ceiling even if its exposure to a counterparty is otherwise acceptable.

UBS AG's country risk framework differs across the firm, and alignment of approaches is part of the ongoing integration of Credit Suisse.

For internal measurement and control of country risk, UBS AG also considers the financial effect of market disruptions arising prior to, during and after a country crisis. These may take the form of a severe deterioration in a country's debt, equity or other asset markets, or a sharp depreciation of its currency. UBS AG uses stress testing to assess potential financial effects of severe country or sovereign crises. This involves the developing of plausible stress scenarios for combined stress testing and the identification of countries that may potentially be subject to a crisis event, determining potential losses and making assumptions about recovery rates depending on the types of credit transactions involved and their economic importance to the affected countries.

## Country risk exposure

### Country risk exposure measure

The presentation of country risk follows UBS AG's internal risk view, where the basis for measuring exposures depends on the product category in which the exposures are classified. In addition to the classification of exposures into banking products and traded products, covered in "Credit risk profile of UBS AG" in this section, for UBS AG excluding certain legacy Credit Suisse components the trading inventory is also shown. Issuer risk on securities (such as bonds and equities) and risk relating to underlying reference assets for derivative positions are classified under trading inventory. The trading inventory is managed on a net basis, and the value of long positions is netted against that of short positions with the same underlying issuer. Net exposures are floored at zero per issuer. As a result, potentially offsetting benefits of certain hedges and short positions across issuers are not recognized.

UBS AG does not recognize any expected recovery values when reporting country exposures as exposure before hedges, except for risk-reducing effects of master netting agreements and collateral held in either cash or portfolios of diversified marketable securities, which are deducted from the potential exposure values. Within banking products and traded products, risk-reducing effects of credit protection are generally taken into account on a notional basis when determining the net of hedge exposures.

### Country risk exposure allocation

In general, exposures are shown against the country of domicile of the contractual counterparty or the issuer of the security. For some counterparties whose economic substance in terms of assets or source of revenues is primarily located in a different country, the exposure is allocated to the risk domicile of those assets or revenues.

In the case of derivatives, UBS AG shows the counterparty's risk potential exposure against the counterparty's country of risk (presented within traded products). In addition, risk associated with an instantaneous fall in value of underlying reference assets to zero (assuming no recovery) is shown against the country of risk of the issuer of the reference asset (presented within the trading inventory for UBS AG excluding certain legacy Credit Suisse components only). This approach enables UBS AG to capture both counterparty and, where applicable, issuer elements of risk arising from derivatives and applies comprehensively for all derivatives, including single-name credit default swaps and other credit derivatives.

## Top 20 country risk exposures

The table below shows UBS AG's 20 largest country exposures by product type, excluding its home country, as of 31 December 2024 compared with 31 December 2023.

Compared with 2023, UBS AG's net exposure generally increased due to the merger of UBS AG and Credit Suisse AG. The list of UBS AG's top 20 countries remained broadly unchanged, with two new entries (Belgium and Ireland) at the bottom of the list, with the exposure to each of those two not exceeding USD 2.0bn. Based on the sovereign rating categories, as of 31 December 2024, 85% of UBS AG's emerging market country exposure was rated investment grade, compared with 88% as of 31 December 2023.

## Israel and Middle East

As of 31 December 2024, UBS AG's direct country risk exposure to Israel was USD 284m, mainly from lending and collateralized over-the-counter derivatives exposure within the Investment Bank, and its direct exposure to Gulf Cooperation Council countries was USD 4.0bn. As of 31 December 2024, UBS AG's direct exposure to Egypt, Jordan and Lebanon was limited, and there was no direct exposure to Iran, Iraq or Syria.

## Russia

UBS AG's direct country risk exposure to Russia contributed USD 365m to its total emerging market exposure of USD 27.2bn as of 31 December 2024. This included cash account balances, loans and trade finance exposures in Non-core and Legacy and Personal & Corporate Banking. UBS AG had no material direct country risk exposure to Belarus or to Ukraine as of 31 December 2024. Potential second-order impacts, such as European energy security, continue to be monitored.

**Top 20 country risk net exposures, by product type**

| *USD m* | Total | | Banking products (loans, guarantees, loan commitments) | | Traded products (counterparty risk from derivatives and securities financing) after master netting agreements and net of collateral | | Trading inventory (securities and potential benefits / remaining exposure from derivatives) | |
|---|---|---|---|---|---|---|---|---|
| | Net of hedges[1] | | Net of hedges[1] | | Net of hedges | | Net long per issuer | |
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 | 31.12.24[2] | 31.12.23 |
| United States | 228,353 | 165,639 | 156,763 | 104,845 | 28,847 | 27,463 | 42,744 | 33,331 |
| United Kingdom | 35,637 | 40,836 | 15,644 | 22,248 | 18,112 | 16,922 | 1,880 | 1,666 |
| Germany | 30,205 | 20,864 | 15,247 | 7,212 | 7,162 | 7,533 | 7,796 | 6,118 |
| Japan | 25,819 | 18,328 | 20,131 | 13,300 | 4,757 | 4,457 | 931 | 571 |
| Australia | 16,920 | 8,446 | 6,357 | 1,964 | 8,404 | 4,443 | 2,158 | 2,038 |
| France | 14,729 | 9,125 | 2,007 | 1,466 | 4,936 | 3,206 | 7,786 | 4,453 |
| Singapore | 12,260 | 10,310 | 3,568 | 2,122 | 3,565 | 3,362 | 5,127 | 4,827 |
| Canada | 8,516 | 8,722 | 835 | 550 | 2,839 | 2,741 | 4,843 | 5,431 |
| Luxembourg | 7,649 | 3,947 | 6,360 | 3,212 | 1,191 | 566 | 99 | 169 |
| Netherlands | 5,446 | 3,804 | 1,830 | 812 | 2,572 | 2,051 | 1,044 | 941 |
| China | 4,910 | 4,993 | 1,661 | 1,015 | 1,278 | 835 | 1,971 | 3,144 |
| South Korea | 4,368 | 4,312 | 602 | 437 | 666 | 647 | 3,100 | 3,228 |
| Hong Kong SAR | 3,792 | 2,776 | 1,490 | 884 | 1,190 | 885 | 1,111 | 1,007 |
| Italy | 3,355 | 1,459 | 1,542 | 751 | 909 | 470 | 904 | 238 |
| Sweden | 3,334 | 3,259 | 413 | 225 | 1,479 | 1,545 | 1,442 | 1,490 |
| Spain | 2,099 | 1,316 | 937 | 669 | 661 | 321 | 502 | 325 |
| Norway | 1,809 | 2,114 | 70 | 58 | 440 | 530 | 1,299 | 1,526 |
| Belgium | 1,742 | 610 | 614 | 128 | 421 | 229 | 706 | 253 |
| Finland | 1,713 | 1,185 | 76 | 44 | 303 | 341 | 1,335 | 800 |
| Ireland | 1,673 | 577 | 1,146 | 176 | 475 | 332 | 53 | 69 |
| Total top 20[3] | 414,329 | 312,622 | 237,293 | 162,118 | 90,207 | 78,879 | 86,831 | 71,625 |

1 Before deduction of IFRS 9 ECL allowances and provisions. 2 Trading inventory exposures are for UBS AG excluding legacy Credit Suisse components only. 3 Excluding Switzerland, supranationals, global funds and legacy Credit Suisse shipping finance exposures.

**Emerging markets[1] net exposure[2], by internal UBS country rating category**

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Investment grade | 23,025 | 19,328 |
| Sub-investment grade | 4,155 | 2,697 |
| Total | 27,180 | 22,025 |

1 UBS AG classifies countries as emerging markets based on per capita GDP, historical real GDP growth, alignment with international institutions (such as the BIS, the World Bank, the IMF and the MSCI) and other factors. 2 Net of credit hedges (for banking products and for traded products); net long per issuer (for trading inventory) for UBS AG excluding legacy Credit Suisse components only. Before deduction of IFRS 9 ECL allowances and provisions.

# Non-financial risk

Compliance risk, financial crime risk and operational risk are independently overseen by Group Compliance, Regulatory & Governance (GCRG) and are covered in this section. Legal risk is overseen by Group Legal. Reputational risk is managed by the business divisions and Group functions and overseen by control functions.

› **Refer to "Top and emerging risks" in this section for more information about legal risk**

## Compliance risk

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

Suitability risk, product selection, cross-divisional service offerings, quality of advice and price transparency continue to be areas of heightened focus for the Group, UBS AG and for the industry as a whole. Cross-border risk (including the risk of 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. We maintain a series of controls designed to address these risks, and we are increasing the number of automated controls, thereby increasing overall control coverage.

Reputational risk, regulatory fragmentation related to environmental, social and governance topics, and the elevated risk of greenwashing arising from our service offering, disclosures and commitments remain key risks for 2025.

› **Refer to "Top and emerging risks" in this section for more information**

## Financial crime risk

Financial crime, including money laundering, terrorist financing, sanctions violations, fraud, bribery and corruption, presents a major risk, as technological innovation and geopolitical developments increase the complexity of doing business and heightened regulatory attention continues.

An effective financial crime prevention program therefore remains essential, and we continue to focus on strategic enhancements to our global anti-money-laundering, know-your-client and sanctions programs. Money laundering and financial fraud techniques are becoming increasingly sophisticated, 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 manage circumvention risks, while conflicts in the Middle East may further increase terrorist-financing risks.

› **Refer to "Top and emerging risks" in this section for more information**

## Operational risk

There is an increased risk of cyber-related operational disruption to business activities at our locations and / or those of third-party suppliers due to operating a more complex set of legal entities since the merger of UBS AG and Credit Suisse AG and the increasingly dynamic threat environment, which is intensified by current geopolitical factors and evidenced by continuing high volumes of, and the increasing sophistication of, cyberattacks against financial institutions globally and on third-party service providers.

We remain on heightened alert to respond to and mitigate elevated cyber- and information-security threats, and continue to invest in improving our technology infrastructure and information-security governance to improve our defense, detection and response capabilities against attacks. In addition, we are implementing a global framework designed to drive enhancements in operational resilience across all business divisions and relevant jurisdictions, as well as working with the third-party service providers 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 the use of artificial intelligence (AI) and machine learning are opening up new questions related to the fairness of AI algorithms, data life-cycle management, data ethics, data privacy and security, and records management.

Legal entity integration, including that of existing Credit Suisse businesses, and the closing of legacy businesses introduce operational complexity and the risk that businesses in wind-down are not effectively managed. These risks continue to be carefully monitored in addition to the delivery of consolidated financial and regulatory reporting submissions.

› **Refer to "Top and emerging risks" in this section for more information**

## Non-financial risk framework

We follow a firm-wide non-financial risk framework that establishes requirements for identifying, controlling, managing, assessing and mitigating compliance risk, financial crime risk and operational risk to maintain the safety and soundness of the firm and to protect its financial position and reputation. The framework is built on the following pillars:

- classifying inherent risks through 19 non-financial risk taxonomies, which define the universe of non-financial risks that can arise as a consequence of our business activities and external factors;
- performing control assurance activities, including self-assessing the design and operating effectiveness of controls, first- and second-line-of-defense control reviews, and independent control testing;
- defining the non-financial risk appetite (including relevant indicators for each non-financial risk taxonomy) and assessing risk exposure against appetite;
- assessing inherent and residual risk through risk assessment processes and determining whether additional remediation plans are required to address identified deficiencies; and
- proactively and sustainably remediating identified control deficiencies.

Reputational risk is an integral part of the non-financial risk framework. It is one of the key impacts of non-financial risk, alongside regulatory and financial risks.

Divisional Presidents are accountable for the effectiveness of non-financial risk management and for the robustness of the front-to-back control environment within their business divisions, and legal-entity-responsible executives are in charge of non-financial risk management within their legal entities. Group function heads are accountable for supporting the divisional Presidents and legal-entity-responsible executives of our legal entities in the discharge of this responsibility, by confirming completeness and effectiveness of the control environment and non-financial risk management within their Group functions. Collectively, divisional Presidents, central Group function heads and legal-entity-responsible executives are in charge of implementing the non-financial risk framework.

GCRG owns the firm's non-financial risk framework, and it is responsible for providing an independent and objective view of the adequacy of non-financial risk management across the firm and ensuring that compliance risk, financial crime risk and operational risk are understood, owned and managed in accordance with our risk appetite. Compliance & Operational Risk Control (C&ORC) business- or function-aligned teams are embedded within the GCRG function, reporting to the Chief Compliance and Governance Officer, who is a member of the Executive Board (the EB).

The non-financial risk framework forms the common basis for managing and assessing compliance risk, financial crime risk and operational risk, and there are additional C&ORC activities intended to ensure we are able to demonstrate compliance with applicable laws, rules and regulations.

All functions within UBS are required to periodically assess the design and operating effectiveness of key internal non-financial risk controls.

Key control deficiencies identified during the internal control and risk assessment processes must be reported in the non-financial risk inventory, and sustainable remediation must be defined and executed. These control deficiencies are assigned to owners at senior management level and the remediation progress is reflected in the respective managers' annual performance measurement and objectives. To assist with prioritizing the most material control deficiencies and measuring aggregated risk exposure, irrespective of origin, a common rating methodology is applied across all three lines of defense, as well as by external audit.

In 2024, we focused on finalizing the rollout of the framework to the combined organization and ensuring adherence to the framework standards. We continue to improve effectiveness by simplifying and automating non-financial risk framework-related processes.

### Reputational risk management

Our reputation is ultimately defined by our ability to adhere to the three keys: our *Pillars, Principles and Behaviors*. In accordance with our Code of Conduct and Ethics, it is the responsibility of the Board of Directors (the BoD) and each employee to refrain from any conduct which may pose a risk to our reputation.

All employees are responsible for carefully evaluating the reputational risks involved in all business activities. Reputational risk is considered as part of standard risk identification and assessment processes governed by relevant frameworks relating to new and existing clients, transactions, products and services. The business divisions and Group functions have primary responsibility for identifying, assessing and managing reputational risk. The control functions are responsible for providing independent oversight and challenge and must raise their concerns if they disagree with the assessment of the business divisions or Group functions of any reputational risk. For instances where the inherent reputational risk is determined to be high, these cases must be escalated to the relevant divisional management team for review and decision. At the discretion of those teams, cases may also be presented to the EB for further evaluation and decision through the respective divisional President.

## Cybersecurity and information security

### Risk management and strategy

Cybersecurity and information-security (CIS) risk is the risk that a malicious internal or external act, or a failure of IT hardware or software, or human error may have a material impact on confidentiality, integrity, or availability of UBS AG's data or information systems.

CIS risk is a key operational risk facing UBS, and we devote considerable resources to establishing and maintaining processes for assessing, identifying and managing CIS risk through our global workforce and cyber-operations centers around the world.

› **Refer to "Risk governance" in this section for information about our risk governance framework**

### Governance

In line with our overall non-financial risk management framework, we take a cross-functional approach to addressing CIS risk, with the Group Operations and Technology Office (GOTO), business divisions, GCRG, Group Risk Control, Group Legal, and Internal Audit all playing key roles. Our risk control framework follows the three-lines-of-defense model. GOTO establishes the policies and procedures designed to safeguard our information systems and the information those systems collect and process. The business divisions, together with GOTO, are then responsible for implementing those policies and procedures as part of the first line of defense. GCRG leads the second line of defense, by convening and consulting with additional control functions to provide independent oversight, and challenges the first line's CIS framework and implementation. As the third line of defense, Internal Audit conducts independent reviews and validates the first-line and second-line processes and functions.

The Cyber and Information Security Committee (the CIS-C) is the primary decision-making body with oversight of and accountability for the Group-wide CIS program. The committee is jointly chaired by the Chief Operations and Technology Officer and the Chief Compliance and Governance Officer. The Head Internal Audit is a permanent guest. The committee meets on a monthly basis and serves as a platform for interaction across the three lines of defense for the identification and effective governance of CIS strategy, risks and regulatory obligations. The CIS-C governance structure is intended to streamline decision-making and, where necessary, escalation to the BoD and the EB.

Following the merger of UBS AG and Credit Suisse AG on 31 May 2024, UBS established a unified governance structure and consolidated CIS leadership under a single Group Chief Information Security Officer (Group CISO) function. This unified governance ensures that consistent and robust security measures are embedded across the entire organization. Consequently, the role of the Credit Suisse Chief Information Security Officer has been dissolved, and all CIS responsibilities are now managed centrally by the Group CISO. We have raised the profile and highlighted the role of our regional CISOs to better position our ability to engage with regulators and other key stakeholders. All regional CISOs now report directly to the Group CISO.

› **Refer to "Cybersecurity governance" in "Board of Directors" in the "Corporate governance" section of this report for more information**

### CIS program

Our CIS program is led by the Group CISO, who reports both to the Chief Operations and Technology Officer and the Chief Compliance and Governance Officer. The CIS program is designed to identify, prevent, detect and respond to CIS events, with the goal of maintaining the integrity and availability of our technology infrastructure and the confidentiality and integrity of our information. Our Group CISO, senior management within GOTO and management personnel overseeing the CIS program all have substantial relevant expertise in the areas of cybersecurity and information security. Our CIS program includes the following elements:

- *Threat intelligence:* We systematically gather threat information and monitor threat alerts from external sources. Our cyber-threat intelligence team analyzes such information and uses it to enhance existing defense capabilities, to respond to identified threats and to adjust our CIS strategy where needed. In 2024, the team's remit was expanded to include providing research, analysis and advice on CIS risks associated with emerging technologies, including AI.
- *Preventative and detection controls:* We use layered firm-wide controls to prevent and detect cyberattacks. Defenses include system hardening, firewalls, intrusion prevention and detection systems, and other controls. External network connections are identified and recorded in an inventory. Access rights are defined for information assets, and IT systems and applications enforce authentication. We maintain access controls and approval processes designed to prevent unauthorized access.
- *Cyber-defense and incident response capabilities*: The Cybersecurity Operations Center is responsible for providing 24/7/365 real-time monitoring, detection and response capabilities for cyberattacks and acting as the primary interface for cybersecurity events. Incidents assessed as having the potential to adversely affect our critical operations are subject to mandatory management notification. If assessed as potentially significant, cybersecurity and data incidents are managed under our crisis management framework.
- *Education and training:* All UBS staff, including the external workforce, receive appropriate CIS awareness training, commensurate with their roles and responsibilities.
- *Third-party risk:* Vulnerabilities in the cyber-risk environment of third parties represent a particular threat to our CIS and our ability to maintain our business services. We follow a risk-based approach to assess and mitigate CIS risks related to third parties. Third-party services and processes are monitored and checked on an ongoing basis, with appropriate supervision from the CIS-C. This is a key component of our third-party risk management program, notwithstanding the challenges we face in imposing the same levels of protection to the systems and data of third parties that we rely on ourselves.

– *Monitoring and testing:* Effective incident response and problem management processes are complemented by vulnerability assessments, penetration and testing engagements based on specific threat scenarios that simulate tactics, techniques and procedures that might be used against our systems, as mandated by our policy regulations. This includes testing by internal and external red teams (simulating attacks by potential adversaries). Actual security-related events are directly correlated with threat scenarios to monitor and detect potential threats, such as network-intrusion and malware-driven events. Our deployed security measures are designed with the objective of isolating and containing threats that are detected to allow for effective incident response and analysis.

### CIS assessment framework

Our CIS assessment framework includes internal and external cybersecurity risk assessments for applications and bank processes alongside a structured risk assessment process of third-party service providers. These processes are designed, along with our security capabilities, to support business objectives and priorities.

We conduct assessments to evaluate and test our CIS program and provide guidance on operating and improving the program, including the design and operational effectiveness of the security and resiliency of our information systems. Our assessments, along with our threat intelligence capabilities, are used to assess and prioritize programs to improve our security, our incident response capabilities and our operational resilience. As the cyber-threat landscape evolves at an increasing pace, we seek to enhance our CIS controls to meet developing threats. We have ongoing programs that are intended to increase our CIS maturity across various dimensions, including governance, identification, protection and detection, as well as cyberattack response and recovery, and risk from third-party service providers.

We recognize that we will never be able to completely eliminate the risk of a future cyberattack, but, by using a risk-based approach, we work toward reducing the likelihood of a successful attack and toward mitigation of the potential business impact of such an attack.

The BoD, its Risk Committee and the EB receive regular presentations and reports throughout the year from our Chief Operations and Technology Officer and our Group CISO on internal and external CIS developments, threats and risks. In addition, on a quarterly basis, the BoD receives reports on the performance of CIS risk appetite metrics, including metrics on vulnerabilities and third-party CIS risks and incidents, and is notified promptly if a Board-level CIS risk limit is breached. The Risk Committee of the BoD and the EB also receive regular updates on CIS strategy, risks and alignment with regulatory requirements.

### Operational resilience and incident response

Our business continuity and resilience framework is designed to limit the disruption CIS events cause to our business activities. In accordance with the firm's cyber-incident response framework, the CIS-C, including the incident response team, tracks, documents, responds to and analyzes CIS threats and incidents, including those experienced by the firm's third-party service providers that may impact the firm. Additionally, we maintain established procedures for responding to, and escalating, CIS and other system availability incidents. These are regularly practiced, including tabletop exercises up to and including the Group Crisis Task Force.

Our CIS and data confidentiality contingency plans include event playbooks and escalation procedures designed to support a structured assessment of potential incidents and timely escalation and reporting of incidents based on the assessed potential impact. Incidents assessed to have the potential to adversely affect our critical operations are subject to mandatory management notification. If assessed as potentially significant, cybersecurity and data incidents are managed under our crisis management framework, which provides pre-established cross-functional task forces to manage the incident, ensure appropriate and timely regulatory, market and client communications and robust oversight by management, with escalation frameworks to inform and ensure oversight by the EB and the BoD.

› **Refer to "Crisis management framework" in the "Regulation and supervision" section of this report for more information about our crisis management framework**

## Non-financial risk capital measurement

The non-financial risk framework underpins the calculation of regulatory capital for operational risk, which enables us to quantify operational risk and define effective risk-mitigating management incentives as part of the related operational risk capital allocation approach to the business divisions.

In 2024, we measured non-financial risk exposure and calculated operational risk regulatory capital using the advanced measurement approach (AMA) in accordance with Swiss Financial Market Supervisory Authority (FINMA) and international requirements. As reported in the UBS AG Annual Report 2023, total operational-risk-related risk-weighted assets (RWA) are derived by an aggregation of the respective AMA models of UBS and legacy Credit Suisse.

The AMA models are reviewed regularly to maintain risk sensitivity and recalibrated at least annually. Furthermore, the models are subject to an independent validation performed by Model Risk Management & Control in line with our model risk management framework.

For model calibration purposes, and in line with regulatory expectations, the AMA capital model methodology utilizes both historical internal losses and external losses suffered by the broader industry. Initial model outputs driven by the loss history are reviewed and adjusted to reflect fast-changing external developments, such as new regulations, geopolitical change, volatile market and economic conditions, and internal factors (e.g. changes in business strategy and control framework enhancements). The resulting baseline data-driven frequency and severity distributions are reviewed by subject matter experts and where necessary adjusted based on a review of qualitative information about the business environment and internal control factors, as well as expert judgment, with the aim of forecasting losses. Any changes to regulatory capital as a result of a recalibration or methodology changes are subject to FINMA approval.

The AMA was replaced by the standardized approach for determining regulatory capital on 1 January 2025, in line with the final Basel Committee on Banking Supervision (BCBS) Basel III standards. The adoption of the standardized approach is expected to lead to a USD 7bn decrease in operational risk RWA to USD 138bn from USD 145bn under the AMA. We will report RWA under the revised framework for the first time in the first quarter of 2025, and we will provide an update in our first quarter 2025 report on further improvements from mitigating actions and our dialogue with FINMA regarding various aspects of the final Basel III rules.

› **Refer to "Capital management objectives" in the "Capital, liquidity and funding, and balance sheet" section of this report for more information about the capital impacts from the adoption of the final Basel III standards on 1 January 2025**

Although the AMA capital model is being replaced for regulatory capital reporting activities, we will continue to maintain a non-financial risk measurement model, closely aligned with the historical UBS AMA calibration and governance practices. The related model has been refined and enhanced to reflect the full risk exposures after the acquisition of the Credit Suisse Group and to support broader internal usage as referenced.

# Model risk

## Main sources of model risk

We rely on models to inform risk management and control decisions, to measure risks or exposures, to value instruments or positions, to conduct stress testing, to assess adequacy of capital, and to manage clients' assets and our own assets. Models may also be used to measure and monitor compliance with rules and regulations, for surveillance activities, and to meet financial or regulatory reporting requirements. Our artificial intelligence (AI)-based solutions may rely on models, and models may include functionalities defined as AI.

Model risk is defined as the risk of adverse consequences (e.g. financial losses or reputational damage) resulting from incorrect or misused models. AI-specific risks are managed in conjunction with other relevant risk frameworks, and specific guidelines for the recognition of those risks apply.

## Overview of measurement, monitoring and management techniques

Our model governance framework establishes requirements for identifying, measuring, monitoring, reporting, controlling and mitigating model risk. All the models that we use are subject to governance and controls throughout their life cycles, with rigor, depth and frequency determined by the model's materiality and complexity. This is designed to ensure that risks arising from model use are identified, understood, managed, monitored, controlled and reported on both a model-specific and an aggregated level. Before approval for use is granted, all our models are independently validated.

Once approved for use, a model is subject to ongoing model monitoring, regular model confirmation and periodic revalidation, ensuring that the model is only used if it continues to be fit for purpose.

Our model risk governance framework follows our overarching risk governance framework along the three lines of defense, with: (i) the business divisions and Group functions (including Risk Control, Finance and Compliance) responsible for the development, maintenance and appropriate use of the models; (ii) the Model Risk Management & Control function, headed by the Chief Model Risk Officer, responsible for independent review, oversight and challenge of the models; and (iii) Internal Audit, responsible for the assessment of the design and operating effectiveness and the sustainability of the related processes.

Model risk is included in the firm-wide risk appetite framework.

Model oversight committees and forums ensure that model risk is overseen at different levels of the organization, appropriate model risk management and control actions are taken and, where necessary, escalated to the next level. The Group Model Governance Committee is our most senior oversight and escalation body for all models in scope of our model governance framework. It is co-chaired by the Group Chief Risk Officer and the Group CFO and is responsible for: (i) reviewing and approving changes to the framework; (ii) approving the model risk appetite statement; (iii) overseeing adherence to the UBS model risk governance framework; and (iv) monitoring model risk at a firm-wide level.

The migration of client accounts and positions to UBS infrastructure impacts models to some extent. Respective model integration plans are defined and overseen by the Group Model Governance Committee. The legacy Credit Suisse model inventory has been reduced by more than 50% since June 2023, with certain legacy Credit Suisse models still being used until they are retired or integrated into the UBS risk management framework.

# Capital, liquidity and funding, and balance sheet

## Table of contents


**89 Capital management**
89 Capital management objectives
89 Swiss SRB total loss-absorbing capacity framework
92 Total loss-absorbing capacity
96 Risk-weighted assets
97 Leverage ratio denominator

**99 Liquidity and funding management**
99 Strategy, objectives and governance
99 Liquidity and funding stress testing
100 Management of liquidity and funding risk
101 Liquidity coverage ratio
101 Too-big-to-fail liquidity requirements
101 Net stable funding ratio

**102 Balance sheet and off-balance sheet**
102 Balance sheet
105 Off-balance sheet
107 Cash flows

**108 Currency management**

# Capital management

## Capital management objectives

Audited | An adequate level of common equity tier 1 (CET1) capital and total loss-absorbing capacity (TLAC) meeting both internal assessment and regulatory requirements is a prerequisite for conducting our business activities. ▲

We are therefore committed to maintaining a strong CET1 capital and TLAC position at all times, in order to meet regulatory capital requirements and our target capital ratios, and to support the growth of our businesses.

As of 31 December 2024, the CET1 capital ratio was 14.9% and CET1 leverage ratio 4.8%, each above the requirements for Swiss systemically relevant banks (SRBs) and Basel Committee on Banking Supervision (BCBS) requirements. We believe that our capital strength, consistent with our capital guidance, is a source of confidence for our stakeholders, contributes to our sound credit ratings and is one of the foundations of our success.

In Switzerland, the amendments to the Capital Adequacy Ordinance (the CAO) that incorporate the final Basel III standards into Swiss law, including the five new ordinances that contain the implementing provisions for the revised CAO, entered into force on 1 January 2025. The adoption of the final Basel III standards in January 2025 led to a similar impact on UBS AG consolidated as on UBS Group, with a USD 1bn increase in UBS AG's consolidated risk-weighted assets (RWA), resulting in a minimal impact on the CET1 capital ratio. The USD 1bn increase was primarily driven by a USD 7bn increase in market risk RWA and a USD 3bn increase in credit valuation adjustment-related RWA resulting from the implementation of the Fundamental Review of the Trading Book (the FRTB) framework, largely offset by a USD 7bn reduction in operational risk RWA and a USD 1bn reduction in credit risk RWA. We will provide in our first quarter 2025 report an update on further improvements from mitigating actions and our dialogue with the Swiss Financial Market Supervisory Authority (FINMA) regarding various aspects of the final Basel III rules. These changes do not take into account the impact of the output floor. The output floor, which is being phased in until 2028, is currently not binding for UBS AG. In UBS AG's consolidated leverage ratio denominator (LRD), the adoption led to a single-digit percentage increase, reducing the CET1 leverage ratio by around 10 basis points.


- **Refer to "We may be unable to maintain our capital strength" in the "Risk factors" section of this report for more information about capital ratio-related risks**
- **Refer to the "Regulatory and legal developments" section of this report for more information about the incorporation of final Basel III standards**
- **Refer to "Capital and capital ratios of our significant regulated subsidiaries" in this section for more information**


## Swiss SRB total loss-absorbing capacity framework

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 SRBs.

Additional regulatory disclosures for UBS AG on a consolidated basis are provided in the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*.

Capital and other regulatory information for UBS Group AG consolidated in accordance with the Basel III framework, as applicable to Swiss SRBs, is provided in the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*.

### Merger of UBS AG and Credit Suisse AG

On 31 May 2024, the merger of UBS AG and Credit Suisse AG was completed, with UBS AG becoming the sole Swiss parent entity, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse AG, and becoming the direct or indirect shareholder of all of the former direct and indirect subsidiaries of Credit Suisse AG. UBS has accounted for the acquisition as a business combination under common control accounting principles. As part of this method of accounting, the assets and liabilities of Credit Suisse AG have been converted from US generally accepted accounting principles to IFRS Accounting Standards. Prior periods have not been restated.

The merger of UBS AG and Credit Suisse AG resulted in a USD 190.0bn increase in RWA and a USD 41.4bn increase in CET1 capital as of the date of the merger.

### Regulatory framework

The Basel III framework came into effect in Switzerland on 1 January 2013 and is embedded in the CAO. The CAO also includes the too-big-to-fail (TBTF) provisions applicable to Swiss SRBs.

Under the Swiss SRB framework, going and gone concern requirements represent UBS AG's TLAC requirement. TLAC encompasses regulatory capital, such as CET1 capital, loss-absorbing additional tier 1 (AT1) and tier 2 capital instruments, and liabilities that can be written down or converted into equity in case of resolution or for the purpose of restructuring measures.

### Capital and other instruments contributing to total loss-absorbing capacity

In addition to CET1 capital, the following instruments contribute to loss-absorbing capacity:
- loss-absorbing AT1 capital instruments (high and low trigger);
- non-Basel III-compliant tier 2 capital instruments; and
- TLAC-eligible unsecured debt instruments.

Under the Swiss SRB rules, going concern capital includes CET1 capital and high-trigger loss-absorbing AT1 capital instruments. Existing outstanding low-trigger loss-absorbing AT1 capital instruments are available to meet the going concern capital requirements 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.

Outstanding high- and low-trigger loss-absorbing tier 2 capital instruments, non-Basel III-compliant tier 2 capital instruments and TLAC-eligible unsecured debt instruments are eligible to meet gone concern requirements until one year before maturity. 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 (i.e. are in the last year of eligibility). However, 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.

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

### Total loss-absorbing capacity and leverage ratio requirements

#### *Going concern capital requirements*

Under the Swiss SRB requirements, total going concern minimum requirements for all Swiss SRBs are a capital ratio requirement of 12.86% of RWA and a leverage ratio requirement of 4.5%. In addition to these minimum requirements, an add-on reflecting the degree of systemic importance is applied, based on market share and LRD. The applicable market share add-on and LRD requirements for UBS AG were both unchanged at 0.72% of RWA and 0.25% of LRD, resulting in add-ons of 1.44% of RWA and 0.50% of LRD.

The Swiss countercyclical capital buffer, at a maximum level of 2.5% on risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland, increased the minimum CET1 capital requirement by 37 basis points as of 31 December 2024. We also continued to apply countercyclical buffer requirements introduced in other BCBS member jurisdictions, which resulted in an additional buffer requirement of 15 basis points as of 31 December 2024. Overall, countercyclical capital buffers contributed 52 basis points to the minimum CET1 capital requirement as of 31 December 2024.

The UBS AG going concern requirements include the FINMA Pillar 2 capital add-on of USD 338m related to the supply chain finance funds matter at Credit Suisse. This Pillar 2 capital add-on results in an additional CET1 capital ratio requirement of 7 basis points and an additional CET1 leverage ratio requirement of 2 basis points as of 31 December 2024.

The total going concern capital requirements applicable are 14.89% of RWA (including countercyclical buffer requirements and the Pillar 2 add-on) and 5.02% of LRD. Furthermore, of the total going concern capital requirement of 14.89% of RWA, at least 10.59% must be met with CET1 capital, while a maximum of 4.3% can be met with high-trigger loss-absorbing AT1 capital instruments (and our existing outstanding low-trigger AT1 capital instruments, which qualify until their first call date as mentioned above).

Similarly, of the total going concern leverage ratio requirement of 5.02%, at least 3.52% must be met with CET1 capital, while a maximum of 1.5% can be met with high-trigger loss-absorbing AT1 capital instruments (and our existing outstanding low-trigger AT1 capital instruments, which qualify until their first call date as mentioned above).

#### *Gone concern loss-absorbing capacity requirements*

As an internationally active Swiss SRB, UBS AG is also subject to gone concern loss-absorbing capacity requirements. The gone concern requirements also include add-ons for market share and LRD.

In November 2022, the Swiss Federal Council adopted amendments to the Banking Act and the Banking Ordinance, which entered into force as of 1 January 2023. The amendments replaced the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs), including UBS, with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements and the Pillar 2 add-on). In addition, as of July 2024, FINMA has the authority to impose a surcharge of up to 25% of the total going concern requirements (excluding countercyclical buffer requirements and the Pillar 2 add-on) based on obstacles to an SIB's resolvability identified in future resolvability assessments. Our total gone concern requirements remained substantially unchanged in 2024.

Our gone concern requirements can be reduced when higher-quality capital instruments (CET1 capital, low-trigger loss-absorbing AT1 or certain low-trigger tier 2 capital instruments) are used to meet gone concern requirements. As of 31 December 2024, UBS did not use any higher-quality capital instruments to fulfill gone concern requirements.

From 1 January 2022 onward, the gone concern requirement after the potential reduction for the use of higher-quality capital instruments has been floored at 10.0% and 3.75% for the RWA- and LRD-based requirements, respectively.

In this report, we refer to the RWA-based gone concern requirements as gone concern loss-absorbing capacity requirements and the RWA-based gone concern ratio is referred to as the gone concern loss-absorbing capacity ratio.

The table below provides the RWA- and LRD-based requirements and information as of 31 December 2024.

**Swiss SRB going and gone concern requirements and information**

| As of 31.12.24 | RWA | | LRD | |
|---|---|---|---|---|
| *USD m, except where indicated* | in % | | in % | |
| Required going concern capital | | | | |
| Total going concern capital | 14.89[1] | 73,720 | 5.02[1] | 76,502 |
| Common equity tier 1 capital | 10.59 | 52,430 | 3.52[2] | 53,653 |
| *of which: minimum capital* | *4.50* | *22,280* | *1.50* | *22,849* |
| *of which: buffer capital* | *5.50* | *27,231* | *2.00* | *30,466* |
| *of which: countercyclical buffer* | *0.52* | *2,581* | | |
| Maximum additional tier 1 capital | 4.30 | 21,290 | 1.50 | 22,849 |
| *of which: additional tier 1 capital* | *3.50* | *17,329* | *1.50* | *22,849* |
| *of which: additional tier 1 buffer capital* | *0.80* | *3,961* | | |
| Eligible going concern capital | | | | |
| Total going concern capital | 18.10 | 89,623 | 5.88 | 89,623 |
| Common equity tier 1 capital | 14.90 | 73,792 | 4.84 | 73,792 |
| Total loss-absorbing additional tier 1 capital[3] | 3.20 | 15,830 | 1.04 | 15,830 |
| *of which: high-trigger loss-absorbing additional tier 1 capital* | *2.95* | *14,585* | *0.96* | *14,585* |
| *of which: low-trigger loss-absorbing additional tier 1 capital[3]* | *0.25* | *1,245* | *0.08* | *1,245* |
| Required gone concern capital | | | | |
| Total gone concern loss-absorbing capacity[4,5,6] | 10.73 | 53,101 | 3.75 | 57,123 |
| *of which: base requirement including add-ons for market share and LRD* | *10.73[7]* | *53,101* | *3.75[7]* | *57,123* |
| Eligible gone concern capital | | | | |
| Total gone concern loss-absorbing capacity | 18.62 | 92,177 | 6.05 | 92,177 |
| Total tier 2 capital | 0.04 | 207 | 0.01 | 207 |
| *of which: non-Basel III-compliant tier 2 capital* | *0.04* | *207* | *0.01* | *207* |
| TLAC-eligible unsecured debt | 18.58 | 91,970 | 6.04 | 91,970 |
| Total loss-absorbing capacity | | | | |
| Required total loss-absorbing capacity | 25.61 | 126,820 | 8.77 | 133,625 |
| Eligible total loss-absorbing capacity | 36.72 | 181,800 | 11.93 | 181,800 |
| Risk-weighted assets / leverage ratio denominator | | | | |
| Risk-weighted assets | | 495,110 | | |
| Leverage ratio denominator | | | | 1,523,277 |

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 and the Pillar 2 add-on). 6 As of July 2024, FINMA has the authority to impose a surcharge of up to 25% of the total going concern capital requirements (excluding countercyclical buffer requirements and the Pillar 2 add-on) 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.

# Total loss-absorbing capacity

## Swiss SRB going and gone concern information

| *USD m, except where indicated* | 31.12.24 | 31.12.23 |
|---|---|---|
| **Eligible going concern capital** | | |
| Total going concern capital | 89,623 | 56,628 |
| Total tier 1 capital | 89,623 | 56,628 |
| Common equity tier 1 capital | 73,792 | 44,130 |
| Total loss-absorbing additional tier 1 capital | 15,830 | 12,498 |
| *of which: high-trigger loss-absorbing additional tier 1 capital* | *14,585* | *11,286* |
| *of which: low-trigger loss-absorbing additional tier 1 capital* | *1,245* | *1,212* |
| **Eligible gone concern capital** | | |
| Total gone concern loss-absorbing capacity | 92,177 | 54,458 |
| Total tier 2 capital | 207 | 538 |
| *of which: non-Basel III-compliant tier 2 capital* | *207* | *538* |
| TLAC-eligible unsecured debt | 91,970 | 53,920 |
| **Total loss-absorbing capacity** | | |
| Total loss-absorbing capacity | 181,800 | 111,086 |
| **Risk-weighted assets / leverage ratio denominator** | | |
| Risk-weighted assets | 495,110 | 333,979 |
| Leverage ratio denominator | 1,523,277 | 1,104,408 |
| **Capital and loss-absorbing capacity ratios (%)** | | |
| Going concern capital ratio | 18.1 | 17.0 |
| *of which: common equity tier 1 capital ratio* | *14.9* | *13.2* |
| Gone concern loss-absorbing capacity ratio | 18.6 | 16.3 |
| Total loss-absorbing capacity ratio | 36.7 | 33.3 |
| **Leverage ratios (%)** | | |
| Going concern leverage ratio | 5.9 | 5.1 |
| *of which: common equity tier 1 leverage ratio* | *4.8* | *4.0* |
| Gone concern leverage ratio | 6.1 | 4.9 |
| Total loss-absorbing capacity leverage ratio | 11.9 | 10.1 |

Audited I

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

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Total equity under IFRS Accounting Standards | 94,666 | 55,569 |
| Equity attributable to non-controlling interests | (662) | (335) |
| Defined benefit plans, net of tax | (822) | (336) |
| Deferred tax assets recognized for tax loss carry-forwards | (2,288) | (3,004) |
| Deferred tax assets for unused tax credits | (688) | (97) |
| Deferred tax assets on temporary differences, excess over threshold | | (1,233) |
| Goodwill, net of tax[1] | (6,207) | (5,750) |
| Intangible assets, net of tax | (103) | (146) |
| Expected losses on advanced internal ratings-based portfolio less provisions | (569) | (532) |
| Unrealized (gains) / losses from cash flow hedges, net of tax | 2,585 | 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 | 1,179 | 313 |
| Own credit related to (gains) / losses on derivative financial instruments that existed at the balance sheet date | (62) | (63) |
| Prudential valuation adjustments | (167) | (177) |
| Accruals for dividends to shareholders | (13,000)[2] | (3,000) |
| Other | (69) | (39) |
| Total common equity tier 1 capital | 73,792 | 44,130 |

1 Includes goodwill related to significant investments in financial institutions of USD 19m as of 31 December 2024 (31 December 2023: USD 20m) presented on the balance sheet line Investments in associates.
2 Reflects a proposed ordinary dividend distribution of USD 6.5bn and the appropriation of USD 6.5bn to a special dividend reserve, both subject to approval at the Annual General Meeting in the second quarter of 2025. The decision on the distribution of the special dividend is intended to be made at an Extraordinary General Meeting in the second half of 2025, considering any proposed requirements from Switzerland's ongoing review of its capital regime.

## Total loss-absorbing capacity and movement

TLAC increased by USD 70.7bn to USD 181.8bn as of 31 December 2024.

### Going concern capital and movement

Audited I CET1 capital mainly consists of: share capital; share premium, which primarily consists of additional paid-in capital related to shares issued; and retained earnings. A detailed reconciliation of equity under IFRS Accounting Standards to CET1 capital is provided in the "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" table.

CET1 capital increased by USD 29.7bn to USD 73.8bn as of 31 December 2024, primarily due to the merger of UBS AG and Credit Suisse AG (which resulted in an increase of USD 41.4bn as of the date of the merger), operating profit before tax of USD 2.4bn and an increase in eligible deferred tax assets on temporary differences of USD 2.6bn. These increases were partly offset by dividend accruals of USD 13.0bn, current tax expense of USD 2.0bn, and foreign currency translation losses of USD 1.3bn. Accruals for dividends to UBS Group AG of USD 13.0bn as of 31 December 2024 reflect a proposed ordinary dividend distribution of USD 6.5bn and the appropriation of USD 6.5bn to a special dividend reserve, both subject to approval at the Annual General Meeting in the second quarter of 2025. The decision on the distribution of the special dividend is intended to be made at an Extraordinary General Meeting in the second half of 2025, considering any proposed requirements from Switzerland's ongoing review of its capital regime.

Loss-absorbing AT1 capital issued by the Group and on lent to UBS AG increased by USD 3.3bn to USD 15.8bn, mainly driven by new issuances of AT1 capital instruments of USD 3.5bn, USD 0.6bn of AT1 capital instruments recognized by UBS AG upon the merger of UBS AG and Credit Suisse AG, and positive impacts from interest rate risk hedge, foreign currency translation and other effects. These increases were 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 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.

› **Refer to "Conversion capital" in the "Corporate Governance" section of the UBS Group Annual Report 2024, available under "Annual Reporting" at *ubs.com/investors*, for more information about conversion capital**

### Gone concern loss-absorbing capacity and movement

Audited I Total gone concern loss-absorbing capacity increased by USD 37.7bn to USD 92.2bn as of 31 December 2024 and included USD 92.0bn of TLAC-eligible unsecured debt issued by the Group and on lent to UBS AG. ▲

The increase of USD 37.7bn mainly reflected TLAC-eligible unsecured debt instruments totaling an equivalent of USD 41.6bn recognized by UBS AG upon the merger of UBS AG and Credit Suisse AG and new issuances of USD 9.7bn equivalent of TLAC-eligible unsecured debt instruments. These increases were partly offset by the call of USD 10.3bn equivalent of TLAC-eligible unsecured debt instruments, as well as USD 3.1bn equivalent of unsecured debt instruments and USD 0.3bn tier 2 instruments ceasing to be eligible as gone concern capital as they entered the final year before maturity.

### Loss-absorbing capacity and leverage ratios

Our CET1 capital ratio increased to 14.9% from 13.2%, reflecting a USD 29.7bn increase in CET1 capital, partly offset by a USD 161.1bn increase in RWA.

Our CET1 leverage ratio increased to 4.8% from 4.0%, due to the aforementioned increase in CET1 capital, partly offset by a USD 418.9bn increase in the LRD.

Our going concern capital ratio increased to 18.1% from 17.0%, reflecting a USD 33.0bn increase in going concern capital, partly offset by a USD 161.1bn increase in RWA.

Our going concern leverage ratio increased to 5.9% from 5.1%, due to the aforementioned increase in going concern capital, partly offset by a USD 418.9bn increase in the LRD.

Our gone concern loss-absorbing capacity ratio increased to 18.6% from 16.3%, due to an increase in gone concern loss-absorbing capacity of USD 37.7bn, partly offset by the aforementioned increase in RWA.

Our gone concern leverage ratio increased to 6.1% from 4.9%, driven by the aforementioned increase in gone concern loss-absorbing capacity, partly offset by the increase in the LRD.

**Swiss SRB total loss-absorbing capacity movement**

*USD m*

| Going concern capital | Swiss SRB |
|---|---|
| Common equity tier 1 capital as of 31.12.23 | 44,130 |
| Operating profit / (loss) before tax | 2,432 |
| Current tax (expense) / benefit | (2,006) |
| Foreign currency translation effects, before tax | (1,284) |
| Eligible deferred tax assets on temporary differences | 2,619 |
| CET1 capital taken over from Credit Suisse AG consolidated as of the date of the merger | 41,359 |
| Accruals for proposed dividends to shareholders[1] | (13,000) |
| Other | (458) |
| Common equity tier 1 capital as of 31.12.24 | 73,792 |
| Loss-absorbing additional tier 1 capital as of 31.12.23 | 12,498 |
| Issuance of high-trigger loss-absorbing additional tier 1 capital | 3,483 |
| Call of high-trigger loss-absorbing additional tier 1 capital | (1,015) |
| Instruments recognized by UBS AG upon the merger of UBS AG and Credit Suisse AG | 579 |
| Interest rate risk hedge, foreign currency translation and other effects | 286 |
| Loss-absorbing additional tier 1 capital as of 31.12.24 | 15,830 |
| Total going concern capital as of 31.12.23 | 56,628 |
| Total going concern capital as of 31.12.24 | 89,623 |

| Gone concern loss-absorbing capacity | |
|---|---|
| Tier 2 capital as of 31.12.23 | 538 |
| Debt no longer eligible as gone concern loss-absorbing capacity due to residual tenor falling to below one year | (328) |
| Interest rate risk hedge, foreign currency translation and other effects | (4) |
| Tier 2 capital as of 31.12.24 | 207 |
| TLAC-eligible unsecured debt as of 31.12.23 | 53,920 |
| Issuance of TLAC-eligible unsecured debt | 9,744 |
| Call of TLAC-eligible unsecured debt | (10,337) |
| Debt no longer eligible as gone concern loss-absorbing capacity due to residual tenor falling to below one year | (3,052) |
| Instruments recognized by UBS AG upon the merger of UBS AG and Credit Suisse AG | 41,626 |
| Interest rate risk hedge, foreign currency translation and other effects | 69 |
| TLAC-eligible unsecured debt as of 31.12.24 | 91,970 |
| Total gone concern loss-absorbing capacity as of 31.12.23 | 54,458 |
| Total gone concern loss-absorbing capacity as of 31.12.24 | 92,177 |

| Total loss-absorbing capacity | |
|---|---|
| Total loss-absorbing capacity as of 31.12.23 | 111,086 |
| Total loss-absorbing capacity as of 31.12.24 | 181,800 |

1 Reflects a proposed ordinary dividend distribution of USD 6.5bn and the appropriation of USD 6.5bn to a special dividend reserve, both subject to approval at the Annual General Meeting in the second quarter of 2025. The decision on the distribution of the special dividend is intended to be made at an Extraordinary General Meeting in the second half of 2025, considering any proposed requirements from Switzerland's ongoing review of its capital regime.

## Additional information

### Active management of sensitivity to foreign exchange movements

Group Treasury is mandated to minimize adverse effects from changes in foreign currency rates on our CET1 capital and / or CET1 capital ratio of UBS AG consolidated. A significant portion of our CET1 capital and RWA is denominated in Swiss francs, euro, pounds sterling and other currencies. In order to hedge the CET1 capital ratio, CET1 capital needs to have foreign currency exposure, leading to foreign currency rates sensitivity of CET1 capital.

Consequently, it is not possible to simultaneously fully hedge CET1 capital and the CET1 capital ratio. As the proportion of RWA denominated in currencies other than the US dollar outweighs CET1 capital in such currencies, a significant appreciation of the US dollar against such currencies could benefit our capital ratios, while a significant depreciation of the US dollar against these currencies could adversely affect our capital ratios.

The UBS AG Asset and Liability Committee has mandated Group Treasury to adjust the currency mix of CET1 capital of UBS AG consolidated, within limits set by the Board of Directors, to balance the effect of foreign exchange movements on CET1 capital and the CET1 capital ratio. Limits are in place for the sensitivity of both CET1 capital and the CET1 capital ratio to an appreciation or depreciation of 10% in the value of the US dollar against other currencies.

### 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 21bn and our CET1 capital by USD 2.6bn as of 31 December 2024 (31 December 2023: USD 15bn and USD 1.5bn, respectively) and decreased our CET1 capital ratio by 11 basis points (31 December 2023: 12 basis points).

Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our RWA by USD 19bn and our CET1 capital by USD 2.3bn (31 December 2023: USD 13bn and USD 1.4bn, respectively) and increased our CET1 capital ratio by 11 basis points (31 December 2023: 12 basis points).

*Leverage ratio denominator*

Our leverage ratio is also sensitive to foreign exchange movements as a result of the currency mix of our capital and LRD. When adjusting the currency mix in capital, potential effects on the going concern leverage ratio are taken into account and the sensitivity of the going concern leverage ratio to an appreciation or depreciation of 10% in the value of the US dollar against other currencies is actively monitored.

We estimate that a 10% depreciation of the US dollar against other currencies would have increased our LRD by USD 97bn as of 31 December 2024 (31 December 2023: USD 69bn) and decreased our CET1 leverage ratio by 13 basis points (31 December 2023: 10 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our LRD by USD 88bn (31 December 2023: USD 62bn) and increased our CET1 leverage ratio by 13 basis points (31 December 2023: 11 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.

## Capital and capital ratios of our significant regulated subsidiaries

UBS AG has contributed a significant portion of capital to, and provided substantial liquidity to its subsidiaries. Many of these subsidiaries are subject to regulations requiring compliance with minimum capital, liquidity and similar requirements. Regulatory capital components and capital ratios of our significant regulated subsidiaries determined under the regulatory framework of each subsidiary's home jurisdiction are provided in the "Financial and regulatory key figures for our significant regulated subsidiaries and sub-groups" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*. Supervisory authorities generally have discretion to impose higher requirements, or to otherwise limit the activities of subsidiaries. Supervisory authorities also may require entities to measure capital and leverage ratios on a stressed basis and may limit the ability of the entity to engage in new activities or take capital actions based on the results of those tests.

› **Refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for more capital and other regulatory information about our significant regulated subsidiaries and sub-groups**

### Joint liability of UBS AG and UBS Switzerland AG

In June 2015, upon the transfer of the Personal & Corporate Banking and Global Wealth Management businesses booked in Switzerland from UBS AG to UBS Switzerland AG, UBS AG and UBS Switzerland AG assumed joint liability for obligations transferred to UBS Switzerland AG and existing at UBS AG, respectively. Under certain circumstances, the Swiss Banking Act and FINMA's Banking Insolvency Ordinance authorize FINMA to modify, extinguish or convert to common equity liabilities of a bank in connection with a resolution or insolvency of such bank.

The joint liability amounts have declined as obligations matured, terminated or were novated following the transfer date. As of 31 December 2024, the liability of UBS Switzerland AG amounted to CHF 2.4bn (USD 2.6bn), a decrease of CHF 0.4bn (USD 0.7bn) compared with 31 December 2023. The respective liability of UBS AG has been substantially extinguished.

# Risk-weighted assets

## RWA development in 2024

During 2024, RWA increased by USD 161.1bn to USD 495.1bn, predominantly due to the merger of UBS AG and Credit Suisse AG, which resulted in a USD 190.0bn increase in RWA. Excluding that merger, RWA decreased by USD 28.9bn, primarily driven by decreases of USD 23.3bn due to asset size and other movements and USD 10.2bn due to currency effects, partly offset by an increase of USD 4.6bn due to model updates and methodology changes.

- **Refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for more information about RWA movements and definitions of RWA movement key drivers on a UBS Group AG consolidated basis**

**Movement in risk-weighted assets, by key driver**

| *USD bn* | RWA as of 31.12.23 | Currency effects | Model updates and methodology changes | Asset size and other[1] | Merger of UBS AG and Credit Suisse AG on 30.6.24[2] | RWA as of 31.12.24 |
|---|---|---|---|---|---|---|
| Credit and counterparty credit risk[3] | 220.1 | (9.8) | (6.6) | (26.6) | 115.2 | 292.3 |
| Non-counterparty-related risk[4] | 22.7 | (0.4) | | 1.4 | 6.6 | 30.2 |
| Market risk | 14.7 | | 6.5 | 1.9 | 4.1 | 27.2 |
| Operational risk | 76.5 | | 4.8 | | 64.2 | 145.4 |
| **Total** | **334.0** | **(10.2)** | **4.6** | **(23.3)** | **190.0** | **495.1** |

1 Includes the Pillar 3 categories "Asset size", "Credit quality of counterparties", "Acquisitions and disposals" and "Other". For more information, refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors. 2 Reflects the RWA acquired as part of the merger of UBS AG and Credit Suisse AG as reported in the UBS AG second quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors. Subsequent changes in this portfolio in the second half of 2024 are shown under currency effects, model updates and methodology changes or asset size and other changes. 3 Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book, and securitization exposures in the banking book. 4 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 72.2bn to USD 292.3bn as of 31 December 2024, mainly due to the merger of UBS AG and Credit Suisse AG, which resulted in a USD 115.2bn increase in credit and counterparty credit risk RWA. Excluding that merger, RWA decreased by USD 43.0bn, primarily driven by asset size and other movements of USD 26.6bn, currency effects of USD 9.8bn and model updates and methodology changes of USD 6.6bn.

Asset size and other movements decreased RWA by USD 26.6bn, mainly due to lower RWA in Non-core and Legacy, primarily driven by our actions to actively unwind the portfolio, in addition to the natural roll-off, and, to a lesser extent, due to lower RWA from loans and loan commitments across Personal & Corporate Banking, the Investment Bank and Global Wealth Management, as well as reductions of RWA in Group Treasury.

Model updates and methodology changes resulted in an RWA decrease of USD 6.6bn, mainly due to the phase-out of certain multipliers following improvements to models.

- **Refer to "Credit risk" in the "Risk management and control" section of this report for more information about credit and counterparty credit risk developments**
- **Refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for more information about credit and counterparty credit risk developments on a UBS Group AG consolidated basis**

### Market risk

Market risk RWA increased by USD 12.5bn to USD 27.2bn as of 31 December 2024, primarily driven by an increase of USD 6.5bn from the FINMA-approved integration of time decay into regulatory value-at-risk (VaR) and stressed VaR for derivatives with optionality, which was partly offset by an improvement in the profit and loss representation of derivatives with multiple underlying in the first quarter of 2024, as well as from the capital buffer newly introduced by FINMA in the third quarter of 2024 to capitalize potential maturity mismatches between positions and hedges in the incremental risk charge. The merger of UBS AG and Credit Suisse AG resulted in a USD 4.1bn increase in market risk RWA. Further increases in market risk RWA were due to increases in asset size and other movements of USD 1.9bn, mainly in the Investment Bank.

- **Refer to "Market risk" in the "Risk management and control" section of this report for more information about market risk developments**
- **Refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for more information about market risk developments on a UBS Group AG consolidated basis**

### Operational risk

Operational risk RWA increased by USD 68.9bn to USD 145.4bn as of 31 December 2024 primarily as a result of the merger of UBS AG and Credit Suisse AG, which resulted in a USD 64.2bn increase in operational risk RWA. Excluding that merger, RWA increased by USD 4.8bn, driven by a recalibration of the advanced measurement approach (AMA) used for the calculation of operational risk capital. In addition, in the first quarter of 2024, we updated the methodology that we use to allocate operational risk RWA to the business divisions and Group Items.

- **Refer to "Non-financial risk capital measurement" in the "Risk management and control" section of this report for more information about the AMA, which has been used to measure operational risk exposure and calculate operational risk regulatory capital**

**Risk-weighted assets, by business division and Group Items[1]**

| *USD bn* | Global Wealth Management | Personal & Corporate Banking | Asset Manage-ment | Investment Bank | Non-core and Legacy | Group Items | Total RWA |
|---|---|---|---|---|---|---|---|
| | | | | 31.12.24 | | | |
| Credit and counterparty credit risk[2] | 93.6 | 120.7 | 7.0 | 56.3 | 10.6 | 4.1 | 292.3 |
| Non-counterparty-related risk[3] | 5.3 | 2.2 | 0.5 | 3.1 | 0.8 | 18.3 | 30.2 |
| Market risk | 2.7 | 0.2 | 0.0 | 22.1 | 2.2 | 0.0 | 27.2 |
| Operational risk | 63.2 | 19.3 | 7.2 | 24.4 | 27.1 | 4.2 | 145.4 |
| **Total** | 164.8 | 142.5 | 14.8 | 106.0 | 40.6 | 26.6 | 495.1 |
| | | | | 31.12.23 | | | |
| Credit and counterparty credit risk[2] | 72.0 | 75.4 | 2.5 | 60.3 | 1.5 | 8.4 | 220.1 |
| Non-counterparty-related risk[3] | 5.6 | 1.9 | 0.6 | 3.8 | 0.0 | 10.8 | 22.7 |
| Market risk | 1.6 | 0.1 | | 11.5 | 1.6 | 0.0 | 14.7 |
| Operational risk | 30.2 | 10.3 | 3.8 | 13.1 | 15.8 | 3.3 | 76.5 |
| **Total** | **109.5** | **87.6** | **6.9** | **88.7** | **18.8** | **22.4** | **334.0** |
| | | | | 31.12.24 vs 31.12.23 | | | |
| Credit and counterparty credit risk[2] | 21.6 | 45.3 | 4.5 | (4.1) | 9.1 | (4.2) | 72.2 |
| Non-counterparty-related risk[3] | (0.3) | 0.3 | (0.1) | (0.7) | 0.8 | 7.4 | 7.5 |
| Market risk | 1.0 | 0.2 | | 10.7 | 0.6 | 0.0 | 12.5 |
| Operational risk | 32.9 | 9.1 | 3.5 | 11.3 | 11.3 | 0.9 | 68.9 |
| **Total** | **55.3** | **54.9** | **7.9** | **17.2** | **21.7** | **4.1** | **161.1** |

1 From the first quarter of 2024 onward, we have started to further push out risk-weighted assets from Group Items to the business divisions. Prior periods have been restated to reflect these changes. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of this report for more information about the realignment of the business divisions. 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 (31 December 2024: USD 17.9bn; 31 December 2023: USD 11.3bn), as well as property, equipment, software and other items (31 December 2024: USD 12.2bn; 31 December 2023: USD 11.4bn).

# Leverage ratio denominator

During 2024, the LRD increased by USD 418.9bn to USD 1,523.3bn, predominantly due to the merger of UBS AG and Credit Suisse AG, which resulted in a USD 516.4bn increase in the LRD. Excluding that merger, the LRD decreased by USD 97.5bn, driven by currency effects of USD 49.9bn and asset size and other movements of USD 47.6bn.

**Movement in leverage ratio denominator, by key driver**

| *USD bn* | LRD as of 31.12.23 | Currency effects | Asset size and other | Merger of UBS AG and Credit Suisse AG on 30.6.24[1] | LRD as of 31.12.24 |
|---|---|---|---|---|---|
| On-balance sheet exposures (excluding derivatives and securities financing transactions)[2] | 878.2 | (38.7) | (81.0) | 396.2 | 1,154.6 |
| Derivatives[2] | 94.0 | (5.0) | 18.0 | 25.1 | 132.2 |
| Securities financing transactions | 106.1 | (4.5) | 16.5 | 59.0 | 177.1 |
| Off-balance sheet items | 37.2 | (1.7) | (2.1) | 36.8 | 70.1 |
| Deduction items | (11.1) | 0.1 | 1.0 | (0.7) | (10.7) |
| **Total** | **1,104.4** | **(49.9)** | **(47.6)** | **516.4** | **1,523.3** |

1 Reflects the LRD acquired as part of the merger of UBS AG and Credit Suisse AG as reported in the UBS AG second quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors. Subsequent changes in this portfolio in the second half of 2024 are shown under currency effects, model updates and methodology changes or asset size and other changes. 2 Prior to the fourth quarter of 2024, certain exposures related to derivative cash collateral were included in On-balance sheet exposures. From the fourth quarter of 2024 onward, we have refined the approach to include these exposures in Derivatives, which had no bottom-line impact on total LRD. The comparative period has not been restated.

The LRD movements described below exclude currency effects and the impact of the merger.

On-balance sheet exposures (excluding derivatives and securities financing transactions) decreased by USD 81.0bn, reflecting a decrease in cash and balances at central banks, mainly due to repayment of funding from the Swiss National Bank, as well as a decrease in lending balances due to negative net new loans in Personal & Corporate Banking and Global Wealth Management. There were also decreases in trading portfolio assets due to unwinding activities in Non-core and Legacy and financial assets reflecting maturities of the high-quality liquid asset portfolio securities. These decreases were partly offset by an increase in trading portfolio assets driven by higher inventory held to hedge client positions in the Investment Bank.

Derivative exposures increased by USD 18.0bn mainly due to market-driven movements on foreign currency contracts in the Investment Bank, partly offset by lower trading volumes in Non-core and Legacy.

Securities financing transactions increased by USD 16.5bn, mainly reflecting higher cash reinvestment in Group Treasury and brokerage receivables reflecting increases in client activity levels.

Off-balance sheet items decreased by USD 2.1bn, mainly driven by lower commitments.

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

## Leverage ratio denominator, by business division and Group Items[1]

| *USD bn* | Global Wealth Management | Personal & Corporate Banking | Asset Management | Investment Bank | Non-core and Legacy | Group Items | Total |
|---|---|---|---|---|---|---|---|
| | | | | 31.12.24 | | | |
| On-balance sheet exposures[2] | 480.6 | 400.5 | 5.0 | 211.5 | 39.8 | 17.2 | 1,154.6 |
| Derivatives[2] | 12.2 | 6.0 | 0.0 | 104.6 | 9.7 | (0.2) | 132.2 |
| Securities financing transactions | 71.6 | 44.8 | 0.1 | 59.2 | 2.3 | (0.9) | 177.1 |
| Off-balance sheet items | 18.4 | 31.3 | 0.1 | 18.2 | 1.8 | 0.2 | 70.1 |
| Items deducted from Swiss SRB tier 1 capital | (5.2) | (0.7) | (1.2) | (0.4) | (0.4) | (2.7) | (10.7) |
| **Total** | 577.5 | 481.8 | 4.1 | 393.2 | 53.1 | 13.6 | 1,523.3 |
| | | | | 31.12.23 | | | |
| On-balance sheet exposures[2] | 365.4 | 259.9 | 3.6 | 216.2 | 4.0 | 29.1 | 878.2 |
| Derivatives[2] | 6.1 | 1.9 | 0.0 | 84.1 | 1.4 | 0.5 | 94.0 |
| Securities financing transactions | 35.5 | 22.4 | 0.1 | 46.4 | 1.6 | 0.1 | 106.1 |
| Off-balance sheet items | 8.8 | 17.8 | 0.0 | 8.4 | 0.9 | 1.4 | 37.2 |
| Items deducted from Swiss SRB tier 1 capital | (5.3) | (0.2) | (1.2) | (0.4) | 0.0 | (4.1) | (11.1) |
| **Total** | 410.5 | 301.8 | 2.5 | 354.7 | 7.9 | 27.1 | 1,104.4 |
| | | | | 31.12.24 vs 31.12.23 | | | |
| On-balance sheet exposures | 115.2 | 140.7 | 1.4 | (4.7) | 35.8 | (11.9) | 276.5 |
| Derivatives | 6.1 | 4.1 | 0.0 | 20.4 | 8.3 | (0.8) | 38.1 |
| Securities financing transactions | 36.1 | 22.4 | 0.0 | 12.8 | 0.6 | (1.0) | 71.0 |
| Off-balance sheet items | 9.7 | 13.5 | 0.1 | 9.9 | 1.0 | (1.2) | 32.9 |
| Items deducted from Swiss SRB tier 1 capital | 0.0 | (0.6) | 0.0 | 0.0 | (0.4) | 1.3 | 0.4 |
| **Total** | 167.0 | 180.0 | 1.6 | 38.5 | 45.2 | (13.5) | 418.9 |

1 From the first quarter of 2024 onward, we have started to further push out LRD from Group Items to the business divisions. Prior periods have been restated to reflect these changes. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of this report for more information about the realignment of the business divisions. 2 Prior to the fourth quarter of 2024, certain exposures related to derivative cash collateral were included in On-balance sheet exposures. From the fourth quarter of 2024 onward, we have refined the approach to include these exposures in Derivatives, which had no bottom-line impact on total LRD. The comparative period has not been restated.

# Liquidity and funding management

We manage the structural risks of our balance sheet, including interest rate risk, structural foreign exchange risk and collateral risk, as well as liquidity and funding risk. This section provides information about liquidity and funding regulatory requirements, governance, management (including sources of liquidity and funding), contingency planning, and stress testing. The balances disclosed in this section represent year-end positions, unless indicated otherwise. Intra-period balances fluctuate in the ordinary course of business and may differ from year-end positions.

Following the completion of the merger of UBS AG and Credit Suisse AG in May 2024, Credit Suisse AG became part of the overall liquidity and funding management of UBS AG.

## Strategy, objectives and governance

Audited I Our management of liquidity and funding ensures that our business franchises are protected and that our internal and regulatory liquidity and funding requirements are prudently managed. We measure liquidity and funding risk using internal and regulatory models and metrics. We define and implement internal stress testing across different time horizons, scenarios and currencies to ensure we have sufficient liquidity and funding, while remaining compliant with regulatory liquidity and funding requirements. Our liquidity and funding strategy is proposed by Group Treasury and approved by the Asset and Liability Committee (the ALCO) of UBS AG, which is a committee of the Executive Board (the EB) that is overseen by the Risk Committee of the Board of Directors (the BoD).

Liquidity and funding limits and other indicators (including early-warning indicators) are set at UBS AG (consolidated) and, where appropriate, at legal entity and business-division levels. Key limits (which are under the authority of the BoD) and indicators linked to these limits are reviewed and reconfirmed at least once a year by the BoD of UBS AG, the EB of UBS AG, the ALCO of UBS AG and the Group Treasurer, taking into consideration the Group's business strategy and risk appetite. Treasury Risk Control provides independent oversight over liquidity and funding risk, including the setting of key internal limits and early-warning indicators associated with these limits. ▲

› **Refer to the "Corporate governance" and "Risk management and control" sections of this report for more information**

Group Treasury monitors and oversees the implementation and execution of our liquidity and funding strategy and manages liquidity and funding risk within the limits and other relevant indicators, thereby adhering to the internal risk appetite and regulatory requirements. This includes the management of both our cash and non-cash collateral, including our high-quality liquid assets (HQLA), and centralizes the Group's access to wholesale funding markets in Group Treasury. To complement our business-as-usual management, Group Treasury maintains a Contingency Funding Plan and contributes to plans for recovery and resolution, defining crisis management processes throughout the crisis continuum. Group Treasury reports on the liquidity and funding status and position, at least monthly, to the ALCO of UBS AG and the Risk Committee of the BoD.

## Liquidity and funding stress testing

Audited I Our liquidity and funding risk appetite objective is to ensure that the firm has sufficient liquidity to survive a severe three-month idiosyncratic and market-wide liquidity stress event and to ensure that the firm has sufficient long-term funding to maintain franchise assets at a constant level under stressed market conditions for up to one year, in both cases without government support and allowing for discrete management actions.

Group Treasury maintains a diversified, high-quality pool of unencumbered liquid assets under Treasury control. The liquid asset portfolio is managed dynamically, so as to operate at all times within the internal risk appetite and other relevant Group, UBS AG and subsidiary liquidity and funding requirements. ▲

Our liquidity and funding stress testing has been further refined to cover three main stress scenarios: a combined (i.e. market and idiosyncratic) scenario, an idiosyncratic scenario, and a structural market-wide scenario.

› **Refer to "Risk measurement" in the "Risk management and control" section of this report for more information about stress testing**

### Combined (market and idiosyncratic) scenario

In this scenario, UBS faces the consequences of both a severely deteriorated macroeconomic and financial market environment and a UBS-specific event, resulting in an acute loss of liquidity over a relatively short period of time. This scenario represents severe yet plausible events encompassing both market-wide and idiosyncratic elements, in which, however, franchise client relationships are materially maintained.

UBS ensures that its liquidity risk appetite objective is met by maintaining a cumulative liquidity surplus on each day in the three-month stress horizon. The liquidity gap is assessed by modeling the stressed liquidity value of the liquidity buffer and stressed liquidity inflows and outflows under the scenario.

### Idiosyncratic scenario

In this three-month stress scenario, UBS is subject to a significant and unforeseen event specific to UBS. This materially damages the market's perception of the reputation and creditworthiness of UBS. The event occurs in otherwise benign macroeconomic and financial market conditions. UBS's difficulties throughout the scenario are limited to UBS and do not trigger material market moves.

### Structural market-wide scenario

In this scenario, UBS is subject to a significant deterioration of macroeconomic and financial market conditions globally. Macroeconomic shocks result in deteriorated financial market conditions over the scenario horizon of one year. UBS is assumed to be affected equally relative to other global financial institutions.

UBS ensures that its funding risk appetite objective is met by maintaining a positive cumulative behavioral liquidity gap across the 3-month, 6-month, 9-month and 12-month tenors. The liquidity gap is assessed by modeling the stressed liquidity value of the liquidity buffer and the stressed liquidity inflows and outflows under the scenario.

## Management of liquidity and funding risk

Audited | Group Treasury monitors the Group's funding position, including concentration risk, aiming to ensure that UBS maintains a well-balanced and diversified liability structure. Group Treasury also looks to create the optimal liability structure to finance our businesses in a reliable and cost-efficient manner. Our funding activities are planned by analyzing the overall liquidity and funding requirements, taking into account the amount of stable funding that would be needed to support ongoing business activities through periods of difficult market conditions. ▲

The funding strategy of UBS AG is set annually in the Funding Plan and is reviewed on an ongoing basis. The Funding Plan is developed by Group Treasury and approved by the ALCO of UBS AG.

› **Refer to "Balance sheet and off-balance sheet" in this section for more information about the development of our short- and long-term debt during 2024**

Global Wealth Management and Personal & Corporate Banking provide significant, cost-efficient and stable sources of funding. These include deposits and debt issued through the Swiss central mortgage institutions and UBS's covered bond programs, which use a portion of our portfolio of Swiss residential mortgages as collateral to generate long-term funding. In addition, we have several short-, medium- and long-term funding programs under which we issue senior unsecured debt and structured notes, as well as short-term debt. These programs enable UBS to source funding from institutional and private investors who are active in Europe, the US and Asia Pacific. Collectively, these broad product offerings and funding sources, together with the global scope of our business activities, support our funding stability.

### Internal funding and funds transfer pricing

We use our global liquidity and funding framework to govern the liquidity management of our branches and subsidiaries. Group Treasury meets internal demands for funding by channeling funds from entities generating surplus cash to those in need of financing, except in circumstances where transfer restrictions exist.

Funding costs and benefits are allocated to our business divisions according to our liquidity and funding risk management framework. Our internal funds transfer pricing system aims to balance funding supply and demand.

### Credit ratings

Credit ratings can affect the cost and availability of funding, especially from wholesale unsecured sources. UBS's credit ratings can also influence the performance of some of our businesses and the levels of client and counterparty confidence. Rating agencies take into account a range of factors when assessing creditworthiness and setting credit ratings. These include the company's strategy, its business position and franchise value, stability and quality of earnings, capital adequacy, risk profile and management, liquidity management, diversification of funding sources, asset quality, and corporate governance. Credit ratings reflect the opinions of the rating agencies and can change at any time.

In evaluating our liquidity and funding requirements, we consider the potential effect of a reduction in our long-term credit ratings and a corresponding reduction in short-term ratings. If our credit ratings were to be downgraded, rating trigger clauses could result in an immediate cash settlement or the need to deliver additional collateral to counterparties from contractual obligations related to over-the-counter (OTC) derivative positions and other obligations. Based on our credit ratings as of 31 December 2024, in the event of a one-notch reduction in our long-term credit ratings of UBS AG, UBS Europe SE, UBS Switzerland AG and Credit Suisse International, we would have been required to provide USD 0.0bn in cash or other collateral. In the event of a two-notch reduction, it would have been USD 0.3bn and for a three-notch downgrade, USD 1.1bn. In the two- and three-notch scenarios the collateral requirements predominantly relate to OTC derivative positions.

During 2024, Moody's upgraded the long-term senior unsecured debt ratings of UBS AG to Aa2 from Aa3.

› **Refer to "Liquidity and funding management are critical to UBS AG's ongoing performance" in the "Risk factors" section of this report for more information**

### Contingency Funding Plan

Audited | We maintain our Contingency Funding Plan in preparation and as an action plan, aiming to ensure we maintain sufficient liquidity to meet payment obligations in a liquidity and funding stress scenario. The plan specifies the processes, tools and responsibilities that we have available to effectively manage liquidity and funding through these periods. Our funding diversification and global scope help to protect our liquidity position in the event of a crisis. Our contingent funding sources include our HQLA portfolios, available Central Bank eligible non-HQLA collateral for liquidity facilities at several major central banks, contingent reductions of trading portfolio assets, and other actions available to management. ▲

## Liquidity coverage ratio

The liquidity coverage ratio (the LCR) measures the short-term resilience of a bank's liquidity profile by assessing whether sufficient HQLA are available to meet expected net cash outflows from a significant liquidity stress scenario, as defined by the relevant regulator.

For UBS AG, HQLA are low-risk unencumbered assets under the control of Group Treasury that are easily and immediately convertible into cash at little or no loss of value, in order to meet liquidity needs. Our HQLA predominantly consist of assets that qualify as Level 1 in the LCR framework, including cash, central bank reserves and government bonds. HQLA are held by UBS AG and its subsidiaries and may include amounts that are available to meet funding and collateral needs in certain jurisdictions but are not readily available for use by UBS AG consolidated as a whole. These limitations are typically the result of local regulatory requirements, including local LCR and large exposure requirements. Funds that are effectively restricted in subsidiaries and branches are excluded from the calculation of UBS AG consolidated HQLA. On this basis, USD 56.3bn of assets were excluded from our daily average UBS AG consolidated HQLA for the fourth quarter of 2024. Amounts held in excess of local liquidity requirements that are not subject to other restrictions are generally available for transfer within UBS AG consolidated.

Basel Committee on Banking Supervision (BCBS) standards require an LCR of at least 100%. In a period of financial stress, the Swiss Financial Market Supervisory Authority (FINMA) may permit banks to use their HQLA and allow their LCR to temporarily fall below the minimum threshold. We monitor the LCR in all significant currencies in order to manage any currency mismatches between HQLA and the net expected cash outflows in times of stress.

Our daily average LCR of UBS AG consolidated for the fourth quarter of 2024 was 186.1%, compared with 189.7% in the fourth quarter of 2023.

The HQLA of UBS AG consolidated for the fourth quarter of 2024 increased by USD 77.1bn to USD 331.6bn, substantially related to the merger of UBS AG and Credit Suisse AG, partly offset by a reduction of HQLA following an increase in non-HQLA-related securities financing transactions, lower cash available from additional funding of trading assets, and higher margin requirements. The net cash outflows of UBS AG consolidated for the fourth quarter of 2024 increased by USD 43.9bn to USD 178.2bn, mainly due to higher outflows from customer deposits as a result of the merger of UBS AG and Credit Suisse AG.

› **Refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for more information about the LCR on a UBS Group AG consolidated basis**

**Liquidity coverage ratio**

| *USD bn, except where indicated* | Average 4Q24[1] | Average 4Q23[1] |
|---|---|---|
| High-quality liquid assets | 331.6 | 254.5 |
| Total net cash outflows[2] | 178.2 | 134.3 |
| Liquidity coverage ratio (%)[3] | 186.1 | 189.7 |

1 Calculated based on an average of 64 data points in the fourth quarter of 2024 and 63 data points in the fourth quarter of 2023. 2 Represents the net cash outflows expected over a stress period of 30 calendar days. 3 Calculated after the application of haircuts and inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows.

## Too-big-to-fail liquidity requirements

The too-big-to-fail (TBTF) liquidity requirements communicated by FINMA in the third quarter of 2023 became effective on 1 January 2024. The affected legal entities of UBS AG consolidated were compliant with these requirements throughout 2024.

## Net stable funding ratio

The net stable funding ratio (the NSFR) framework is intended to limit overreliance on short-term wholesale funding, to encourage a better assessment of funding risk across all on- and off-balance sheet items and to promote funding stability. The NSFR has two components: available stable funding (ASF), as numerator, and required stable funding (RSF), as denominator. ASF is the portion of capital and liabilities expected to be available over the period of one year. RSF is a measure of the stable funding requirement of assets based on their maturity, encumbrance and other characteristics, as well as the potential for contingent calls on funding liquidity from off-balance sheet exposures. The BCBS NSFR regulatory framework requires a ratio of at least 100%.

As of 31 December 2024, the NSFR of UBS AG consolidated increased 4.5 percentage points to 124.1%.

Available stable funding increased by USD 244.4bn to USD 847.0bn, predominantly driven by the contribution of Credit Suisse after the merger, mainly reflecting deposit balances, regulatory capital and debt issued.

Required stable funding increased by USD 178.7bn to USD 682.5bn, predominantly driven by the contribution of Credit Suisse after the merger, substantially reflecting lending assets.

- **Refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for more information about the NSFR on a UBS Group AG consolidated basis**

**Net stable funding ratio**

| *USD bn, except where indicated* | 31.12.24 | 31.12.23 |
|---|---|---|
| Available stable funding (ASF) | 847.0 | 602.6 |
| Required stable funding (RSF) | 682.5 | 503.8 |
| Net stable funding ratio (%) | 124.1 | 119.6 |

# Balance sheet and off-balance sheet

## Balance sheet

The balances disclosed in this section represent year-end positions, unless indicated otherwise. Intra-period balances fluctuate in the ordinary course of business and may differ from year-end positions. Refer to the "Consolidated financial statements" section of this report for more information about the development of UBS AG's financial position. For more information about the effects of the merger of UBS AG and Credit Suisse AG on the balance sheet, refer to "Note 2 Accounting for the merger of UBS AG and Credit Suisse AG" in the "Consolidated financial statements" section of this report.

### Balance sheet assets

Total assets were USD 1,568.1bn as of 31 December 2024. The increase of USD 412.1bn compared with 31 December 2023 was primarily related to the merger of UBS AG and Credit Suisse AG, which contributed USD 489.3bn in May 2024.

Cash and balances at central banks increased by USD 51.5bn, mainly reflecting the aforementioned merger, which contributed USD 114.8bn in May 2024. Excluding the effects of the merger, cash and balances at central banks decreased by USD 63.3bn, mainly due to net investments in securities financing transactions at amortized cost, the repayment of funding from the Swiss National Bank (the SNB) and currency effects, partly offset by inflows from the disposal of high-quality liquid asset (HQLA) portfolio securities.

Lending assets increased by USD 171.7bn, predominantly reflecting the aforementioned merger, which contributed USD 229.8bn in May 2024. Excluding the effects of the merger, lending assets decreased by USD 58.1bn, primarily reflecting currency effects and negative net new loans in Personal & Corporate Banking and Global Wealth Management.

Securities financing transactions at amortized cost increased by USD 44.2bn to USD 118.3bn, reflecting the aforementioned merger, which added USD 28.4bn in May 2024. Excluding the effects of the merger, there was an increase of USD 15.8bn, mainly reflecting higher cash reinvestment in Group Treasury.

Trading assets increased by USD 24.1bn, mainly driven by the aforementioned merger, which contributed USD 15.5bn in May 2024, with the remaining increase of USD 8.6bn reflecting a higher inventory held in the Investment Bank to hedge client positions.

Derivatives and cash collateral receivables on derivative instruments increased by USD 66.4bn, mainly as a result of the aforementioned merger, which contributed USD 42.3bn in May 2024. Excluding the effects of the merger, there was an increase of USD 24.1bn, mainly in foreign currency contracts, reflecting market-driven increases, partly offset by a decrease in interest rate contracts, primarily reflecting unwinding activities in Non-core and Legacy.

Brokerage receivables increased by USD 5.0bn, mainly reflecting higher client activity levels. Other financial assets measured at amortized cost increased by USD 5.0bn, mainly due the aforementioned merger, which contributed USD 10.9bn in May 2024. Excluding the effects of the merger, there was a decrease of USD 5.9bn, mainly reflecting HQLA portfolio securities maturing.

Other financial assets measured at fair value increased by USD 31.4bn to USD 97.4bn, mainly reflecting the effects of the aforementioned merger, which contributed USD 36.6bn in May 2024. Excluding the effects of the merger, there was a decrease of USD 5.2bn, mainly reflecting unwinding activities in Non-core and Legacy. Non-financial assets increased by USD 12.9bn, primarily reflecting the effects of the merger.

### Assets

| USD bn | As of 31.12.24 | 31.12.23 | % change from 31.12.23 |
|---|---|---|---|
| Cash and balances at central banks | 223.3 | 171.8 | 30 |
| Lending[1] | 605.5 | 433.8 | 40 |
| Securities financing transactions at amortized cost | 118.3 | 74.1 | 60 |
| Trading assets | 159.2 | 135.1 | 18 |
| Derivatives and cash collateral receivables on derivative instruments | 230.4 | 164.0 | 40 |
| Brokerage receivables | 25.9 | 20.9 | 24 |
| Other financial assets measured at amortized cost | 59.3 | 54.3 | 9 |
| Other financial assets measured at fair value[2] | 97.4 | 66.0 | 48 |
| Non-financial assets | 48.8 | 35.9 | 36 |
| **Total assets** | **1,568.1** | 1,156.0 | 36 |

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.

## Asset encumbrance

The table below provides a breakdown of on- and off-balance sheet assets between encumbered assets, unencumbered assets and assets that cannot be pledged as collateral.

Assets are presented as Encumbered if they have been pledged as collateral against an existing liability or are otherwise not available for securing additional funding. Included within the latter category are assets protected under client asset segregation rules, financial assets for unit-linked investment contracts and assets held in certain jurisdictions to comply with explicit minimum local asset maintenance requirements.

Assets that cannot be pledged as collateral represent assets that are not encumbered but by their nature are not considered available to secure funding or meet collateral needs.

All other assets are presented as Unencumbered. This category consists of cash and securities readily realizable in the normal course of business, which include HQLA and unencumbered positions in the trading portfolio of UBS AG. Unencumbered assets also includes loans and advances to customers and amounts due from banks. Unencumbered assets that are considered to be available to secure funding at the legal-entity level may be subject to restrictions that limit the total amount of assets available to UBS AG as a whole.

› **Refer to "Note 23 Restricted and transferred financial assets" in the "Consolidated financial statements" section of this report for more information**

### Asset encumbrance as of 31 December 2024

| USD bn | Encumbered: Assets pledged as collateral | Encumbered: Assets otherwise restricted and not available to secure funding | Unencumbered assets | Assets that cannot be pledged as collateral | Total Group |
|---|---|---|---|---|---|
| **Balance sheet** | | | | | |
| Cash and balances at central banks | 0.9 | 0.1 | 222.3 | 0.0 | 223.3 |
| Amounts due from banks | | 2.5 | 15.6 | 0.0 | 18.1 |
| Receivables from securities financing transactions measured at amortized cost | | | | 118.3 | 118.3 |
| Cash collateral receivables on derivative instruments | | 8.0 | 0.0 | 35.9 | 44.0 |
| Loans and advances to customers | 71.9 | 0.2 | 515.2 | 0.1 | 587.3 |
| Other financial assets measured at amortized cost | 8.7[1] | 4.2 | 37.7 | 8.7 | 59.3 |
| **Total financial assets measured at amortized cost** | **81.5** | **15.0** | **790.9** | **163.0** | **1,050.3** |
| Financial assets at fair value held for trading | 71.1[1] | 0.3 | 87.9 | 0.0 | 159.2 |
| Derivative financial instruments | | | | 186.4 | 186.4 |
| Brokerage receivables | | | | 25.9 | 25.9 |
| Financial assets at fair value not held for trading | 3.6[1] | 20.4 | 45.1 | 26.1 | 95.2 |
| **Total financial assets measured at fair value through profit or loss** | **74.7** | **20.6** | **132.9** | **238.4** | **466.7** |
| **Financial assets measured at fair value through other comprehensive income** | | **1.9** | **0.3** | | **2.2** |
| **Non-financial assets** | | | **21.6** | **27.2** | **48.8** |
| **Total balance sheet assets as of 31 December 2024** | **156.2** | **37.5** | **945.7** | **428.7** | **1,568.0** |
| **Total balance sheet assets as of 31 December 2023** | 115.5 | 30.7 | 723.0 | 286.7 | 1,156.0 |
| **Off-balance sheet** | | | | | |
| **Fair value of securities accepted as collateral as of 31 December 2024** | **383.2** | **7.5** | **191.0** | **0.0** | **581.8** |
| **Fair value of securities accepted as collateral as of 31 December 2023** | 357.0 | 5.3 | 127.1 | | 489.5 |
| **Total balance sheet assets and off-balance sheet securities accepted as collateral as of 31 December 2024** | **539.4** | **45.0** | **1,136.8[2]** | **428.7** | **2,149.8** |
| **Total balance sheet assets and off-balance sheet securities accepted as collateral as of 31 December 2023** | 472.6 | 36.0 | 850.2[2] | 286.7 | 1,645.5 |

1 Includes assets pledged as collateral that may be sold or repledged by counterparties. The respective amounts are disclosed in "Note 23 Restricted and transferred financial assets" in the "Consolidated financial statements" section of this report. 2 Includes high-quality liquid assets (31 December 2024: USD 339.0bn; 31 December 2023: USD 261.7bn).

## Balance sheet liabilities

Total liabilities were USD 1,473.4bn as of 31 December 2024. The increase of USD 373.0bn compared with 31 December 2023 was primarily related to the merger of UBS AG and Credit Suisse AG, which contributed USD 429.7bn in May 2024.

Short-term borrowings were broadly stable, with the increase of USD 20.7bn in May 2024 relating to the effects of the aforementioned merger, broadly offset by the repayment of the funding from the SNB, as well as maturities of commercial paper and certificate of deposits.

Securities financing transactions at amortized cost increased by USD 9.0bn, primarily reflecting the effects of the aforementioned merger. Customer deposits increased by USD 193.8bn, with an increase of USD 224.6bn in May 2024 relating to the aforementioned merger. Excluding the effects of the merger, there was a decrease of USD 30.8bn, mainly reflecting currency effects and net new deposit outflows. Funding from UBS Group AG measured at amortized cost increased by USD 40.6bn, mainly reflecting the effects of the aforementioned merger. Debt issued designated at fair value and long-term debt issued measured at amortized cost increased by USD 54.3bn, mainly reflecting the effects of the aforementioned merger, which contributed USD 70.5bn in May 2024. Excluding the effects of the merger, there was a decrease of USD 16.2bn, mainly driven by net redemptions and currency effects.

Derivatives and cash collateral payables on derivative instruments increased by USD 41.4bn to USD 217.0bn. The increase was mainly related to the aforementioned merger, which added USD 39.7bn in May 2024. Excluding the effects of the merger, there was an increase of USD 1.7bn, mainly reflecting an increase in foreign currency contracts in the Investment Bank, largely offset by a decrease in interest rate contracts, primarily reflecting unwinding activities in Non-core and Legacy. Brokerage payables increased by USD 6.7bn, mainly reflecting higher client activity levels as on the asset side.

Other financial liabilities measured at amortized cost increased by USD 9.1bn, Other financial liabilities measured at fair value increased by USD 6.6bn and Non-financial liabilities increased by USD 7.8bn, all mostly due to the aforementioned merger.

› **Refer to the "Capital management" section of this report for more information**

## Equity

Equity attributable to shareholders increased by USD 38,769m to USD 94,003m as of 31 December 2024.

This increase was mainly driven by the effects of the merger of UBS AG and Credit Suisse AG, which resulted in an increase in equity of USD 41,432m as of the date of the merger and total comprehensive income attributable to shareholders of USD 747m, reflecting net profit of USD 1,481m and negative other comprehensive income (OCI) of USD 735m. OCI mainly included negative OCI related to foreign currency translation of USD 1,261m, partly offset by cash flow hedge OCI of USD 635m.

These increases were partly offset by a dividend distribution of USD 3,000m to UBS Group AG.

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

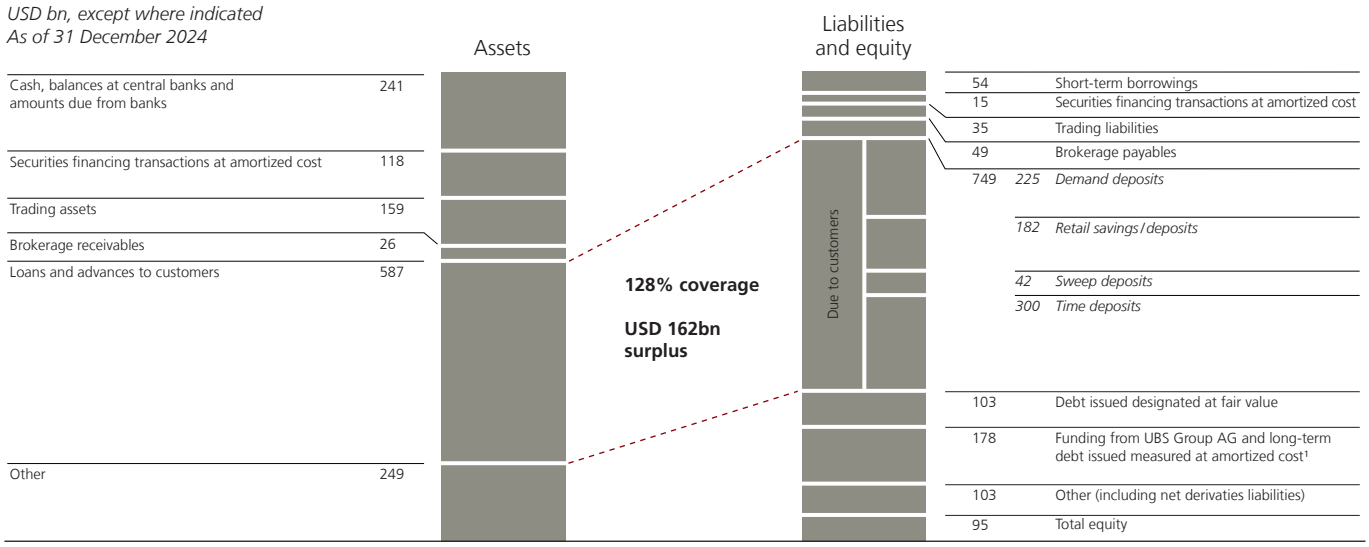
› **Refer to the "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" table in this section for more information about the effects of OCI on common equity tier 1 capital**

### Liabilities and equity

| | As of | | % change from |
|---|---|---|---|
| *USD bn* | 31.12.24 | 31.12.23 | 31.12.23 |
| Short-term borrowings[1,2] | 53.9 | 54.0 | 0 |
| Securities financing transactions at amortized cost | 14.8 | 5.8 | 156 |
| Customer deposits | 749.5 | 555.7 | 35 |
| Funding from UBS Group AG measured at amortized cost | 107.9 | 67.3 | 60 |
| Debt issued designated at fair value and long-term debt issued measured at amortized cost[2] | 173.1 | 118.8 | 46 |
| Trading liabilities | 35.2 | 31.7 | 11 |
| Derivatives and cash collateral payables on derivative instruments | 217.0 | 175.6 | 24 |
| Brokerage payables | 49.0 | 42.3 | 16 |
| Other financial liabilities measured at amortized cost | 21.8 | 12.7 | 71 |
| Other financial liabilities designated at fair value | 34.0 | 27.4 | 24 |
| Non-financial liabilities | 17.0 | 9.2 | 85 |
| **Total liabilities** | 1,473.4 | 1,100.4 | 34 |
| Share capital | 0.4 | 0.4 | 0 |
| Share premium | 84.8 | 24.6 | 244 |
| Retained earnings | 7.8 | 28.2 | (72) |
| Other comprehensive income[3] | 1.0 | 2.0 | (49) |
| **Total equity attributable to shareholders** | 94.0 | 55.2 | 70 |
| Equity attributable to non-controlling interests | 0.7 | 0.3 | 98 |
| **Total equity** | 94.7 | 55.6 | 70 |
| **Total liabilities and equity** | 1,568.1 | 1,156.0 | 36 |

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.

## Asset funding UBS AG




1 The classification of debt issued measured at amortized cost into short- 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.

### Liabilities by product and currency

| | All currencies | | USD equivalent of which: USD | | USD equivalent of which: CHF | | USD equivalent of which: EUR | |
|---|---|---|---|---|---|---|---|---|
| *USD bn* | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Short-term borrowings | 53.9 | 54.0 | 22.5 | 35.6 | 5.7 | 4.3 | 11.7 | 5.9 |
| *of which: amounts due to banks* | *23.3* | *16.7* | *8.1* | *8.1* | *5.4* | *3.9* | *3.1* | *0.7* |
| *of which: short-term debt issued[1,2]* | *30.5* | *37.3* | *14.5* | *27.6* | *0.3* | *0.3* | *8.6* | *5.2* |
| Securities financing transactions at amortized cost | 14.8 | 5.8 | 7.9 | 5.1 | 3.8 | 0.0 | 2.9 | 0.3 |
| Customer deposits | 749.5 | 555.7 | 312.5 | 236.4 | 298.2 | 216.0 | 71.5 | 51.5 |
| *of which: demand deposits* | *225.0* | *146.2* | *55.7* | *36.8* | *108.7* | *61.5* | *33.2* | *24.7* |
| *of which: retail savings / deposits* | *182.3* | *152.7* | *34.9* | *28.9* | *143.3* | *119.2* | *4.0* | *4.5* |
| *of which: sweep deposits* | *41.9* | *41.0* | *41.9* | *41.0* | *0.0* | *0.0* | *0.0* | *0.0* |
| *of which: time deposits* | *300.3* | *215.8* | *179.9* | *129.6* | *46.1* | *35.4* | *34.3* | *22.3* |
| Funding from UBS Group AG measured at amortized cost | 107.9 | 67.3 | 74.4 | 44.6 | 2.6 | 2.0 | 27.6 | 18.9 |
| Debt issued designated at fair value and long-term debt issued measured at amortized cost[2] | 173.1 | 118.8 | 86.2 | 75.2 | 40.5 | 18.8 | 30.4 | 14.4 |
| Trading liabilities | 35.2 | 31.7 | 14.4 | 12.0 | 1.3 | 1.0 | 10.0 | 8.9 |
| Derivatives and cash collateral payables on derivative instruments | 217.0 | 175.6 | 183.4 | 146.7 | 4.4 | 4.1 | 18.3 | 15.2 |
| Brokerage payables | 49.0 | 42.3 | 38.1 | 31.4 | 0.5 | 0.7 | 3.4 | 2.4 |
| Other financial liabilities measured at amortized cost | 21.8 | 12.7 | 12.9 | 7.6 | 3.2 | 1.9 | 1.9 | 1.0 |
| Other financial liabilities designated at fair value | 34.0 | 27.4 | 6.5 | 5.7 | 0.1 | 0.1 | 5.6 | 4.1 |
| Non-financial liabilities | 17.0 | 9.2 | 8.7 | 2.4 | 3.2 | 2.0 | 2.5 | 2.5 |
| **Total liabilities** | 1,473.4 | 1,100.4 | 767.5 | 602.7 | 363.3 | 251.0 | 185.8 | 125.0 |

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

In the normal course of business, UBS AG enters into transactions where, pursuant to IFRS Accounting Standards, the maximum contractual exposure may not be recognized in whole or in part on its balance sheet. These transactions include derivative instruments, guarantees, loan commitments and similar arrangements.

When UBS AG incurs an obligation or becomes entitled to an asset through these arrangements, it recognizes them on the balance sheet. It should be noted that in certain instances the amount recognized on the balance sheet does not represent the full gain or loss potential inherent in such arrangements.

The following paragraphs provide more information about certain off-balance sheet arrangements. Additional off-balance sheet information is primarily provided in Notes 10, 11, 18, 20, 21h, 23 and 28 in the "Consolidated financial statements" section of this report.

## Guarantees, loan commitments and similar arrangements

In the normal course of business, UBS AG issues various forms of guarantees, commitments to extend credit, standby and other letters of credit to support clients, forward starting transactions, note issuance facilities, and revolving underwriting facilities. With the exception of related premiums, generally these guarantees and similar obligations are kept as off-balance sheet items, unless a provision to cover probable losses or expected credit losses is required.

Guarantees represent irrevocable assurances that, subject to the satisfying of certain conditions, UBS AG will make payments if its clients fail to fulfill their obligations to third parties. As of 31 December 2024, the net exposure (i.e. gross values less sub-participations) from guarantees and similar instruments was USD 38.4bn, compared with USD 31.5bn as of 31 December 2023. The increase of USD 6.9bn mainly reflected the effect of the merger of UBS AG and Credit Suisse AG, partly offset by business-driven lower volumes. Fee income from issuing guarantees compared with total net fee and commission income was insignificant for both 2024 and 2023.

UBS AG also enters into commitments to extend credit in the form of credit lines available to secure the liquidity needs of clients. For the majority of irrevocable loan commitments, UBS AG is committed to provide credit at any time within a contractual maturity period of up to three years from the balance sheet date. During 2024, irrevocable loan commitments increased by USD 35.6bn to USD 79.6bn and committed unconditionally revocable credit lines increased by USD 101.5bn to USD 148.9bn, both predominantly driven by the aforementioned merger. Forward starting reverse repurchase and securities borrowing agreements increased by USD 14.5bn, mainly reflecting fluctuations in levels of business division activity in short-dated securities financing transactions.

**Off-balance sheet**

| | As of | | % change from |
|---|---|---|---|
| *USD bn* | 31.12.24 | 31.12.23 | 31.12.23 |
| Guarantees[1,2] | 38.4 | 31.5 | 22 |
| Irrevocable loan commitments[1] | 79.6 | 44.0 | 81 |
| Committed unconditionally revocable credit lines | 148.9 | 47.4 | 214 |
| Forward starting reverse repurchase and securities borrowing agreements | 24.9 | 10.4 | 140 |

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

If customers fail to meet their obligations, the maximum exposure to credit risk of UBS AG is generally the contractual amount of these instruments. The risk is similar to the risk involved in extending loan facilities and is subject to the same risk management and control framework. In 2024, UBS AG recognized net credit loss releases of USD 11m related to irrevocable loan commitments, guarantees and other credit facilities in the scope of expected credit loss measurement, compared with net credit loss releases of USD 13m in 2023. Provisions recognized for irrevocable loan commitments, guarantees and other credit facilities in the scope of expected credit loss measurement were USD 332m as of 31 December 2024, compared with USD 188m as of 31 December 2023.

› **Refer to "Note 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement" and "Note 20 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information about provisions for expected credit losses**

For certain obligations, UBS AG enters into partial sub-participations to mitigate various risks from guarantees and irrevocable loan commitments. A sub-participation is an agreement by another party to take a share of the loss in the event that the obligation is not fulfilled by the obligor and, where applicable, to fund a part of the credit facility. UBS AG retains the contractual relationship with the obligor, and the sub-participant has only an indirect relationship. Generally, UBS AG only enters into sub-participation agreements with banks to which it ascribes a credit rating equal to or better than that of the obligor.

UBS AG also provides representations, warranties and indemnifications to third parties in the normal course of business.

## Support provided to non-consolidated investment funds

In 2024, UBS AG did not provide material support, financial or otherwise, to unconsolidated investment funds when it was not contractually obligated to do so, nor does it currently have an intention to do so.

## Clearing house and exchange memberships

UBS AG is a member of numerous securities and derivative exchanges and clearing houses. In connection with some of these memberships, UBS AG may be required to pay a share of the financial obligations of another member who defaults, or UBS AG may be otherwise exposed to additional financial obligations. While the membership rules vary, obligations generally would arise only if the exchange or clearing house had exhausted its resources. UBS AG considers the probability of a material loss due to such obligations to be remote.

## Deposit insurance

Swiss banking law and the deposit insurance system require Swiss banks and securities dealers to jointly guarantee an amount of up to CHF 7.9bn for privileged client deposits in the event that a Swiss bank or securities dealer becomes insolvent. As of 31 December 2024, FINMA estimates UBS AG's share in the deposit insurance system to be CHF 1.6bn. This represents a contingent payment obligation and exposes UBS AG to additional risk. As of 31 December 2024, UBS AG considered the probability of a material loss from its obligations to be remote.

UBS AG is also subject to, or is a member of, other deposit protection schemes in other countries. However, no contingent payment obligation existed as of 31 December 2024 from any other material scheme.

### Material cash requirements

The material cash requirements of UBS AG as of 31 December 2024 are represented by the residual contractual maturities for non-derivative and non-trading financial liabilities included in the table presented in "Note 24b Maturity analysis of financial liabilities on an undiscounted basis" in the "Consolidated financial statements" section of this report. Included in that table are Debt issued designated at fair value (USD 114.1bn), Debt issued measured at amortized cost (USD 108.5bn) and Funding from UBS Group AG measured at amortized cost (USD 143.8bn). The amounts represent estimated future interest and principal payments on an undiscounted basis.

In the normal course of business, UBS AG also issues or enters into various forms of guarantees, irrevocable loan commitments and other similar arrangements that may result in an outflow of cash in the future. The maturity profile of these obligations, which are presented off-balance sheet, are included in "Note 24b Maturity analysis of financial liabilities on an undiscounted basis" in the "Consolidated financial statements" section of this report.

## Cash flows

As we are a global financial institution, our cash flows are complex and often may bear little relation to our net earnings and net assets. Consequently, we believe that a traditional cash flow analysis is less meaningful when evaluating our liquidity position than the liquidity, funding and capital management frameworks and measures described elsewhere in this section.

› **Refer to the "Liquidity and funding management" section of this report for more information**

### Cash and cash equivalents

As of 31 December 2024, cash and cash equivalents totaled USD 243.4bn, an increase of USD 52.9bn compared with 31 December 2023, driven by net cash inflows from investing activities. These inflows were partly offset by net cash outflows from financing and operating activities, as well as negative foreign exchange effects, largely reflecting the strengthening of the US dollar against the Swiss franc in 2024.

### Operating activities

Net cash outflows from operating activities were USD 27.1bn in 2024, compared with outflows of USD 28.2bn in 2023. The net negative change in operating assets and liabilities of USD 41.7bn was mainly driven by a USD 27.6bn movement in financial assets and liabilities at fair value held for trading and derivative financial instruments, a USD 19.6bn increase in receivables from securities financing transactions measured at amortized cost, outflows from a USD 13.4bn decrease in customer deposits and a USD 6.1bn negative movement in cash collateral on derivative instruments. These effects were partly offset by inflows from a USD 21.2bn decrease in loans and advances to customers, a USD 2.3bn positive movement in financial assets at fair value not held for trading and a USD 1.8bn positive movement in brokerage receivables and payables. Non-cash items included in net profit and other adjustments are mainly to remove the net impact of non-cash effects in the balance sheet, such as foreign currency effects.

### Investing activities

Investing activities resulted in a net cash inflow of USD 122.4bn in 2024, compared with a net outflow of USD 4.9bn in 2023, primarily reflecting the effect of cash and cash equivalents acquired upon the merger of UBS AG and Credit Suisse AG in the amount of USD 121.3bn, as well as net inflows from debt securities measured at amortized cost of USD 2.4bn.

### Financing activities

Financing activities resulted in a net cash outflow of USD 32.1bn in 2024, compared with inflow of USD 19.7bn in 2023, mainly due to USD 15.3bn of net cash used to repay debt designated at fair value and long-term debt measured at amortized cost, USD 10.3bn repayment of funding from the Swiss National Bank, and USD 6.2bn of net cash used to repay short-term debt measured at amortized cost. These outflows were partly offset by net issuance proceeds of USD 3.6bn from securities financing transactions measured at amortized cost.

› **Refer to "Primary financial statements and share information" in the "Consolidated financial statements" section of this report for more information about cash flows**

**Statement of cash flows (condensed)**

| | For the year ended | |
|---|---|---|
| *USD bn* | 31.12.24 | 31.12.23 |
| Net cash flow from / (used in) operating activities | (27.1) | (28.2) |
| Net cash flow from / (used in) investing activities | 122.4 | (4.9) |
| Net cash flow from / (used in) financing activities | (32.1) | 19.7 |
| Effects of exchange rate differences on cash and cash equivalents | (10.3) | 8.7 |
| Net increase / (decrease) in cash and cash equivalents | 52.9 | (4.7) |
| Cash and cash equivalents at the end of the year | 243.4 | 190.5 |

# Currency management

## Strategy, objectives and governance

Group Treasury focuses on three main areas of currency risk management: (i) currency-matched funding and investment of non-US-dollar assets and liabilities; (ii) the sell-down of foreign currency IFRS Accounting Standards profits and losses; and (iii) selective hedging of anticipated non-US-dollar profits and losses to further mitigate the effect of structural imbalances in the balance sheet.

### Currency-matched funding and investment of non-US-dollar assets and liabilities

For monetary balance sheet items and other investments, as far as is practical and efficient, UBS AG follows the principle of matching the currencies of its assets and liabilities for funding purposes. This avoids profits and losses arising from the translation of non-US-dollar assets and liabilities.

Net investment hedge accounting is applied to non-US-dollar core investments to balance the effect of foreign exchange movements on both common equity tier 1 (CET1) capital and the CET1 capital ratio.


- **Refer to "Note 1 Summary of material accounting policies" and "Note 25 Hedge accounting" in the "Consolidated financial statements" section of this report for more information**
- **Refer to "Capital management" in this section for more information about UBS AG's active management of sensitivity to currency movements and the effect thereof on the key ratios**


### Sell-down of non-US-dollar reported profits and losses

Income statement items of UBS AG subsidiaries and branches with a functional currency other than the US dollar are translated into US dollars at average exchange rates. To reduce earnings volatility on the translation of previously recognized earnings in foreign currencies, Group Treasury centralizes the profits and losses (under IFRS Accounting Standards) arising in UBS AG and its branches and sells or buys the profit or loss for US dollars on a monthly basis. UBS AG subsidiaries follow a similar monthly sell-down process into their own functional currencies. Retained earnings in subsidiaries and branches with a functional currency other than the US dollar are integrated and managed as part of UBS AG's net investment hedge accounting program.

# Corporate governance

Management report

## Audited information according to the Swiss law and applicable regulatory requirements and guidance

Disclosures provided are in line with the requirements of the Swiss Code of Obligations (tables containing such information are marked as "Audited" throughout this section), as well as other applicable regulations and guidance.

## Table of contents


**110** Corporate governance
**110** Operational structure
**110** Share capital structure
**111** Shareholders' participation rights
**112** Board of Directors
**122** Executive Board
**131** Change of control and defense measures
**131** Auditors
**133** Information policy

# Corporate governance

UBS AG is incorporated and domiciled in Switzerland and operates under Art. 620 et seq. of the Swiss Code of Obligations and Swiss banking law as an *Aktiengesellschaft*, a corporation limited by shares. The addresses and telephone numbers of the two registered offices of UBS AG are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41-44-234 11 11; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41-61-288 50 50. The corporate identification number is CHE-101.329.561.

The company was incorporated with unlimited duration on 29 June 1998, when Union Bank of Switzerland (founded in 1862) and Swiss Bank Corporation (founded in 1872) merged to form UBS AG. UBS AG is a regulated bank in Switzerland and is 100% owned by UBS Group AG, the ultimate parent of the UBS Group. UBS AG's purpose, in accordance with art. 2 of its Articles of Association, as amended on 23 April 2024, is the operation of a bank and its scope extends to a full range of financial services activities in Switzerland and abroad.

As a non-US company with securities listed on the New York Stock Exchange (the NYSE), UBS AG complies with the relevant corporate governance standards applicable to foreign private issuers listing debt securities. In addition, it also follows the standards established in the Swiss Code of Best Practice for Corporate Governance. The Organization Regulations of UBS AG, adopted by the Board of Directors of UBS AG (the BoD) based on Art. 716b of the Swiss Code of Obligations and Art. 24 and 26 of the Articles of Association of UBS AG (the AoA), constitute UBS AG's primary corporate governance guidelines.

## Operational structure

### Operational structure

As at 31 December 2024, the operational structure of UBS AG is composed of the Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy business divisions, as well as Group functions.

› **Refer to the "Our businesses" section of this report for more information about our business divisions and Group functions**

## Share capital structure

### Ordinary share capital

At the end of 2024, UBS AG had 3,858,408,466 issued fully paid registered shares, with a nominal value of USD 0.10 each, equating to a share capital of USD 385,840,846.60.

Under Swiss company law, shareholders must approve, in a general meeting of shareholders, any increase or reduction in the ordinary share capital, the creation of conditional share capital or the introduction of a capital band.

### Conditional capital

At year-end 2024, the following conditional capital was available to the BoD.

– Conditional capital in the amount of USD 38,000,000, for the issuance of a maximum of 380,000,000 fully paid registered shares with a nominal value of USD 0.10 each, to be issued through the voluntary or mandatory exercise of conversion rights and / or warrants granted in connection with the issuance of bonds or similar financial instruments on national or international capital markets. This conditional capital allowance was approved at the Extraordinary General Meeting (the EGM) held on 26 November 2014, having originally been approved at the Annual General Meeting (the AGM) of UBS AG on 14 April 2010. The BoD has not made use of such allowance.

› **Refer to article 4a of the AoA for more information about the terms and conditions of the issue of shares out of existing conditional capital – the AoA are available at *ubs.com/governance***

### Conversion capital

On 31 December 2024, UBS AG had conversion capital in the amount of USD 70,000,000, for the issuance of a maximum of 700,000,000 fully paid registered shares with a nominal value of USD 0.10 each. The issuance of fully paid registered shares only occurs through the mandatory conversion of claims arising upon the occurrence of one or more trigger events under financial market instruments with contingent conversion features issued by UBS AG. The creation of this conversion capital was approved at the AGM held on 23 April 2024.

› **Refer to article 4b of the AoA for more information about the terms and conditions of the issue of shares out of existing conversion capital – the AoA are available at *ubs.com/governance***

### Capital band and reserve capital

As of the date of this report, UBS AG had not introduced any capital band or any reserve capital.

### Shares

UBS AG has a single class of shares, which are registered shares in the form of uncertificated securities (in the sense of the Swiss Code of Obligations) and intermediary-held securities (in the sense of the Swiss Federal Act on Intermediated Securities). Each registered share has a nominal value of USD 0.10 and carries one vote. UBS AG imposes no limitation on the rights to own its securities.

### Dividend distributions

The decision to pay a dividend and the amount of any dividend depend on a variety of factors, including our profits, cash flow generation and capital ratios.

For the 2024 financial year, the BoD is proposing at the 2025 AGM to the shareholder for approval an ordinary dividend distribution of USD 6,500m, to be paid out shortly after the AGM, and the appropriation of USD 6,500m to a special dividend reserve. The decision on the distribution of the special dividend is intended to be made at an EGM in the second half of 2025, considering any proposed requirements from Switzerland's ongoing review of its capital regime.

On 31 December 2024, UBS AG had 3,858,408,466 issued shares with a nominal value of USD 0.10 each, equating to a share capital of USD 385,840,846.60. All shares carry voting rights, were fully paid in and eligible for dividends. There are no preferential rights associated with these shares, and no other classes of shares have been issued by UBS AG.

## Shareholders' participation rights

### Voting rights

The sole direct shareholder of UBS AG is UBS Group AG, which holds 100% of UBS AG shares. These shares are entitled to voting rights without restriction.

### Statutory quorums

Motions are decided at a general meeting by a majority of the votes represented, excluding blank and invalid ballots. For the approval of certain specific issues, the Swiss Code of Obligations requires a positive vote from a two-thirds majority of the votes represented at the given general meeting and from a majority of the nominal value of shares represented thereat. Such issues include creating shares with privileged voting rights, introducing restrictions on the transferability of registered shares, creating conditional capital or introducing a capital band or reserve capital and restricting or excluding shareholders' preemptive rights.

The AoA also require a two-thirds majority of votes represented for approval of any change to their provisions regarding the number of BoD members, any decision to remove one-quarter or more of the BoD members and any modification to the provision establishing this qualified quorum.

### Convocation of general meetings of shareholders

The AGM must be held within six months of the close of the financial year (i.e. 31 December). In 2025, the AGM will take place on 8 April.

EGMs may be convened whenever the BoD or the auditors consider it necessary. Shareholders individually or jointly representing at least 10% of the share capital may at any time, including during an AGM, require, by way of a written statement, that an EGM be convened to address a specific issue they put forward.

# Board of Directors

The BoD, led by the Chairman, consists of at least 5 and no more than 12 members, as per our AoA.

The BoD, led by the Chairman, decides on the strategy of UBS AG upon recommendation by the President of its Executive Board (the EB) and exercises the ultimate supervision of management. Its ultimate responsibility for the success of UBS AG is exercised subject to the parameters set by the Group.

Members of the Board of Directors

| Non-executive members of the Board | Position | Initial election | Step down | UBS business address |
|---|---|---|---|---|
| **Colm Kelleher** | Chairman of the BoD | 2022 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Lukas Gähwiler** | Vice Chairman / member of the Risk Committee | 2022 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Jeremy Anderson** | Chairperson of Audit Committee | 2018 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Claudia Böckstiegel** | Member of the BoD | 2021 | 8.4.2025 | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **William C. Dudley** | Member of the Risk Committee | 2019 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Patrick Firmenich** | Member of the Audit Committee | 2021 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Fred Hu** | Member of the Compensation Committee (as of 23.4.2024) | 2018 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Mark Hughes** | Chairperson of the Risk Committee | 2020 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Gail Kelly** | Member of the BoD | 2024 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Nathalie Rachou** | Member of the Audit Committee (as of 24.4.2024) / member of the Risk Committee (until 24.4.2024) | 2020 | 8.4.2025 | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Julie G. Richardson** | Chairperson of the Compensation Committee / member of the Risk Committee | 2017 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Dieter Wemmer** | Member of the Audit Committee / member of the Compensation Committee (both until 24.4.2024) | 2016 | 23.4.2024 | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Jeanette Wong** | Member of the Audit Committee / member of the Compensation Committee | 2019 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Renata Jungo Brüngger** | Candidate to the UBS AG Board | Proposed for election at the 2025 AGM | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Lila Tretikov** | Candidate to the UBS AG Board | Proposed for election at the 2025 AGM | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |

No current BoD member has either an employment contract or a significant business connection to UBS or any of its subsidiaries. No member of the BoD currently carries out operational management tasks within the Group. Except for the Vice Chairman, who was Chairman of UBS Switzerland AG until April 2022, and Gail Kelly, who was a Senior Global Advisor for UBS until September 2023, no BoD member has carried out operational management tasks within the Group over the past three years. All members of the BoD are also members of UBS Group AG's Board of Directors, and committee membership is the same for both entities.

In 2024, the BoD had three permanent committees: the Audit Committee, the Compensation Committee and the Risk Committee.

The following biographies provide information about the BoD members who were in office after the 2024 AGM and the Company Secretary.

## Colm Kelleher

**Chairman of the Board of Directors, independent and non-executive member of the Board since 2022**

**Nationality:** Irish | **Year of birth:** 1957

Colm Kelleher was elected Chairman of UBS in April 2022. In March 2023, he led the successful negotiations for UBS to acquire the Credit Suisse Group. He served as President of Morgan Stanley until retiring from that firm in 2019, overseeing both the Institutional Securities Business and Wealth Management. Before that, he was Co-President and then President of Morgan Stanley Institutional Securities. During the global financial crisis, he held the position of CFO and Co-Head Corporate Strategy from 2007 to 2009. Mr. Kelleher is a well-respected leader in the financial services sector. His 30-year career with Morgan Stanley attests to his solid leadership experience in banking and excellent relationships around the world. He has a deep understanding of the global banking landscape and broad banking experience across all the geographical regions and major business areas in which UBS operates.

**Professional experience**

| | |
|---|---|
| 2016 – 2019 | President, Morgan Stanley, responsible for Institutional Securities and Wealth Management |
| 2011 – 2016 | CEO of Morgan Stanley International, Morgan Stanley |
| 2013 – 2015 | President, Institutional Securities, Morgan Stanley |
| 2010 – 2012 | Co-President, Institutional Securities, Morgan Stanley |
| 2007 – 2009 | CFO and Co-Head Corporate Strategy, Morgan Stanley |
| 2006 – 2007 | Head Global Capital Markets, Morgan Stanley |
| 2004 – 2006 | Co-Head Fixed Income, Europe, Morgan Stanley |
| 1989 – 2004 | Various roles, Morgan Stanley |

**Education**
- Master's degree, modern history, the University of Oxford
- Fellow of the Institute of Chartered Accountants in England and Wales

**Listed company boards**
- Member of the Board of Norfolk Southern Corporation (chair of the finance and risk management committee)

**Other activities and functions**
- Chairman of the Board of Directors of UBS Group AG
- Member of the Board of Directors of the Bretton Woods Committee
- Member of the Board of the Swiss Finance Council
- Member of the International Monetary Conference
- Member of the Board of the Bank Policy Institute
- Member of the Board of Americans for Oxford
- Visiting Professor of Banking and Finance, Loughborough Business School
- Member of the European Financial Services Round Table
- Member of the European Banking Group
- Member of the International Advisory Council of the China Securities Regulatory Commission
- Member of the Chief Executive's Advisory Council (Hong Kong)

**Key competencies**
- Banking (wealth management, asset management, personal and corporate banking) and insurance
- Investment banking, capital markets
- Finance, audit, accounting
- Risk management, compliance and legal

**Leadership experience**
- CEO, Chairman

## Lukas Gähwiler

**Vice Chairman, non-independent and non-executive member of the Board since 2022**
– Member of the Risk Committee since 2023

**Nationality:** Swiss I **Year of birth:** 1965

Lukas Gähwiler brings a wealth of industry experience and an in-depth understanding of UBS to the Board of Directors of UBS. He served as Chairman of the Board of UBS Switzerland AG for five years and was previously a member of the Group Executive Board of UBS and President UBS Switzerland, responsible for the private clients, wealth management, corporate and institutional clients, investment banking, and asset management businesses in UBS's home market. Before joining UBS, Mr. Gähwiler worked for Credit Suisse for over twenty years, his last role being Chief Credit Officer, Global Private and Corporate Banking. In addition to his leadership and industry experience across all parts of the banking business, his strong connections and network, particularly in Switzerland, are instrumental for the firm. After the acquisition of the Credit Suisse Group in 2023, Mr. Gähwiler served as Chairman of Credit Suisse AG.

**Professional experience**

| | |
|---|---|
| 2023 – May 2024 | Chairman of the Board of Directors of Credit Suisse AG |
| 2017 – 2022 | Chairman of the Board of Directors of UBS Switzerland AG |
| 2010 – 2016 | Member of the Group Executive Board, UBS and President UBS Switzerland |
| 2003 – 2010 | Chief Credit Officer, Global Private and Corporate Banking, Credit Suisse |
| 2002 – 2003 | Head Credit Risk Management, Corporate Clients Switzerland, Credit Suisse |
| 1998 – 2001 | Chief of Staff to CEO, Private and Corporate Clients, Credit Suisse |
| 1990 – 1998 | Various senior front office roles in Corporate Clients in Switzerland and North America, Credit Suisse |
| 1981 – 1986 | Client Advisor Retail and Wealth Management, St.Galler Kantonalbank |

**Education**
– Advanced Management Program, Harvard Business School
– MBA program, International Bankers School, New York
– Bachelor's degree, business administration, University of Applied Sciences, St. Gallen

**Non-listed company boards**
– Vice Chairman of the Board of Directors of Pilatus Aircraft Ltd
– Member of the Board of Directors of Ringier AG

**Other activities and functions**
– Vice Chairman of the Board of Directors of UBS Group AG
– Member of the Board and Board Committee of economiesuisse
– Chairman of the Employers Association of Banks in Switzerland
– Member of the Board of Directors of the Swiss Employers Association
– Member of the Board of Directors and the Board of Directors Committee of the Swiss Bankers Association
– Member of the Board of the Swiss Finance Council
– Member of the Board of Trustees of Avenir Suisse

**Key competencies**
– Banking (wealth management, asset management, personal and corporate banking) and insurance
– Finance, audit, accounting
– Risk management, compliance and legal
– Human resources management, including compensation

**Leadership experience**
– CEO, Chairman

## Jeremy Anderson

**Independent and non-executive member of the Board since 2018**
– Chairperson of the Audit Committee since 2018

**Nationality:** British I **Year of birth:** 1958

Jeremy Anderson is a financial services veteran, with more than 30 years' experience working in the banking and insurance sector in an advisory capacity, covering a broad range of topics, including strategy, audit and risk management, technology-enabled transformation, mergers, and bank restructuring. Before retiring from KPMG in 2017, he was its Chairman of Global Financial Services. Mr. Anderson is also an IT expert, having started out as a software developer in the early 1980s, before working in IT consulting and developing a broad knowledge of systems integration and IT outsourcing services, as well as software development. He cemented his reputation as a tech specialist by becoming a founding sponsor of KPMG's Global Fintech Network in 2014.

**Professional experience**

| | |
|---|---|
| 2010 – 2017 | Chairman of Global Financial Services, KPMG International |
| 2008 – 2011 | Head of Clients and Markets KPMG Europe, KPMG International |
| 2006 – 2011 | Head of Financial Services KPMG Europe, KPMG International |
| 2004 – 2006 | Head of Financial Services KPMG UK, KPMG International |
| 2002 – 2004 | Member of the Group Management Board and Head of UK operations, Atos Origin SA |
| 1985 – 2002 | KPMG consulting UK, KPMG |
| 1980 – 1985 | Software developer, Triad Computing Systems |

**Education**
– Bachelor's degree, economics, University College London

**Listed company boards**
– Member of the Board of Prudential plc (chair of the risk committee)

**Non-listed company boards**
– Chairman of Lamb's Passage Holding Ltd

**Other activities and functions**
– Member of the Board of Directors of UBS Group AG
– Member of the Board of Credit Suisse International
– Trustee of the UK's Productivity Leadership Group

**Key competencies**
– Banking (wealth management, asset management, personal and corporate banking) and insurance
– Finance, audit, accounting
– Risk management, compliance and legal
– Technology, including artificial intelligence and cybersecurity

**Leadership experience**
– Executive board leadership

## Claudia Böckstiegel

**Independent and non-executive member of the Board since 2021**

**Nationality:** Swiss and German | **Year of birth:** 1964

Claudia Böckstiegel has been General Counsel and a member of the Enlarged Executive Committee of Roche Holding AG since 2020. She started her professional career as an attorney in private practice in Germany, then joined the Swiss pharmaceutical company Roche in Germany in 2001 and subsequently held various global legal management positions in Switzerland. Ms. Böckstiegel brings a wealth of know-how in a highly regulated sector, including safety, health, and environment and sustainability. Her responsibilities at Roche Holding AG include a broad range of topics, such as patents, audit and risk advisory, and compliance.

**Professional experience**

| | |
|---|---|
| 2020 – date | General Counsel and member of the Enlarged Executive Committee, Roche Holding AG |
| 2016 – 2020 | Head of Legal Diagnostics, F. Hoffmann-La Roche Ltd, Basel, Switzerland, Roche Group |
| 2010 – 2016 | Head Legal Business, Roche Diagnostics International Ltd, Rotkreuz, Switzerland, Roche Group |
| 2005 – 2010 | Head Legal Business, Roche Diagnostics GmbH, Mannheim, Germany, Roche Group |
| 2001 – 2005 | Legal Counsel, Roche Diagnostics GmbH, Mannheim, Germany, Roche Group |
| 1995 – 2001 | Attorney (Partner), Philipp & Littig, Mannheim, Germany |
| 1992 – 1995 | Attorney (Associate), Dr. Hermann Büttner, Karlsruhe, Germany |

**Education**
- Master's degree, law, Universities of Mannheim and Heidelberg
- Master of Laws (LL.M.), Georgetown University, Washington, DC

**Listed company boards**
- Member of the Enlarged Executive Committee of Roche Holding AG

**Other activities and functions**
- Member of the Board of Directors of UBS Group AG
- Member of the Chairman's Committee of the Board of the Chamber of Commerce Germany-Switzerland

**Key competencies**
- Finance, audit, accounting
- Risk management, compliance and legal
- Regulatory authority, central bank
- Environmental, social and governance (ESG)

**Leadership experience**
- Executive board leadership

## William C. Dudley

**Independent and non-executive member of the Board since 2019**
- Member of the Risk Committee since 2019

**Nationality:** American (US) | **Year of birth:** 1953

William C. Dudley served as the President and CEO of the Federal Reserve Bank of New York for nine years. He demonstrated exceptional leadership in monetary policy and as a top regulator, including during the years of the global financial crisis. During that period, his additional area of focus included cultural behavior and social and governance topics in the financial services industry. He also served as the Vice Chairman and a permanent member of the Federal Open Market Committee. Mr. Dudley brings a wealth of experience in banking and research thanks to his former management positions at Goldman Sachs Group and Morgan Guaranty Trust.

**Professional experience**

| | |
|---|---|
| 2009 – 2018 | President and CEO, the Federal Reserve Bank of New York |
| 2007 – 2009 | Executive Vice President and Head Markets Group, the Federal Reserve Bank of New York |
| 2006 | Senior advisor (part-time), Goldman Sachs Group |
| 2002 – 2005 | Partner and Director US Economic Research Group, Goldman Sachs Group |
| 1996 – 2002 | Managing Director and Director US Economic Research Group, Goldman Sachs Group |
| 1983 – 1996 | Economist at Goldman Sachs Group, Morgan Guaranty Trust Company, and Board of Governors of the Federal Reserve System |

**Education**
- Bachelor of Arts, New College of Florida
- Doctorate, economics, University of California, Berkeley

**Non-listed company boards**
- Member of the Advisory Board of Suade Labs

**Other activities and functions**
- Member of the Board of Directors of UBS Group AG
- Senior Advisor to the Griswold Center for Economic Policy Studies, Princeton University
- Member of the Group of Thirty
- Member of the Council on Foreign Relations
- Chairman of the Bretton Woods Committee Board of Directors
- Member of the Board of the Council for Economic Education

**Key competencies**
- Investment banking, capital markets
- Risk management, compliance and legal
- Regulatory authority, central bank
- Environmental, social and governance (ESG)

**Leadership experience**
- CEO, Chairman

## Patrick Firmenich

**Independent and non-executive member of the Board since 2021**
– Member of the Audit Committee since 2021

**Nationality:** Swiss I **Year of birth:** 1962

Patrick Firmenich was Chairman of the Board of Firmenich International SA, a privately owned fragrances and flavorings company, from 2016 to 2023 and its CEO for 12 years. In 2023, he became Vice Chairman of dsm–firmenich, a listed company. He has demonstrated his entrepreneurial leadership by significantly advancing the Firmenich group's global position through organic and in-organic growth and succeeded in transforming the organization to continuously respond to client needs and the market environment. He developed an ambitious sustainability strategy for the group to lead the industry in health, safety and environmental performance. Before joining Firmenich, he held several positions in the legal and banking sectors, including working as an international investment banking analyst.

**Professional experience**

| | |
|---|---|
| 2016 – 2023 | Chairman of the Board of Firmenich International SA, Geneva |
| 2014 – 2016 | Vice Chairman of the Board, Firmenich International SA, Geneva |
| 2002 – 2014 | CEO, Firmenich SA, Geneva |
| 2001 – 2002 | Corporate Vice President, Special Operations, Firmenich SA, Geneva |
| 1997 – 2001 | Vice President Fine Fragrance worldwide and Président Directeur Général, Firmenich & Cie, Paris, and Firmenich Inc, New York |
| 1993 – 1997 | Vice President Fine Fragrance North America, Firmenich Inc, New York |
| 1990 – 1993 | Account Manager, Firmenich & Cie, Paris |
| 1988 – 1989 | Analyst, International Investment Banking, Credit Suisse First Boston |
| 1988 | Production administrator, Firmenich SA de CV, Mexico |
| 1984 – 1986 | Attorney, Business Law, Patry, Junet, Simon & Le Fort, Geneva |

**Education**
– Master's degree, law, University of Geneva, admitted to the bar in Geneva
– MBA, INSEAD Fontainebleau

**Listed company boards**
– Vice Chairman of the Board of dsm–firmenich (chair of the governance and nomination committee)

**Other activities and functions**
– Member of the Board of Directors of UBS Group AG
– Member of the Board of Directors of INSEAD and La Fondation Mondiale INSEAD
– Member of the Advisory Council of the Swiss Board Institute

**Key competencies**
– Finance, audit, accounting
– Risk management, compliance and legal
– Human resources management, including compensation
– Environmental, social and governance (ESG)

**Leadership experience**
– CEO, Chairman

## Fred Hu

**Independent and non-executive member of the Board since 2018**
– Member of the Compensation Committee since 2024

**Nationality:** Chinese I **Year of birth:** 1963

Fred Hu has been the Chairman and CEO of Primavera Capital Group, an Asia-based private investment firm focused on emerging technology and innovative industries, since founding it in 2010. In that role he oversees the overall strategy, talent development, and culture and assumes the primary responsibilities for establishing and maintaining the long-term partnerships with global investors. Prior to that, he was a Partner and Chairman for Greater China at Goldman Sachs. Mr. Hu has a profound understanding of China's economy and rapidly developing financial system, and a vast amount of experience in founding, advising and investing in leading firms in the tech, consumer and health-care sectors in China and globally. He has worked at the IMF and advised the Chinese government on economic policy.

**Professional experience**

| | |
|---|---|
| 2010 – date | Founder, Chairman and CEO, Primavera Capital Group, China |
| 2008 – 2010 | Partner and Chairman of Greater China, Goldman Sachs |
| 2004 – 2008 | Partner and Co-Head, Investment Banking, China, Goldman Sachs |

**Education**
– Master's degree, engineering science, Tsinghua University
– Master's degree and doctorate, economics, Harvard University

**Listed company boards**
– Non-executive Chairman of the Board of Yum China Holdings (chair of the nomination and governance committee)
– Member of the Board of ICBC (chair of the nomination committee)

**Non-listed company boards**
– Chairman of Primavera Capital Ltd

**Other activities and functions**
– Member of the Board of Directors of UBS Group AG
– Trustee of the China Medical Board
– Co-Chairman of the Nature Conservancy Asia Pacific Council
– Member of the Board of Trustees, the Institute for Advanced Study

**Key competencies**
– Banking (wealth management, asset management, personal and corporate banking) and insurance
– Investment banking, capital markets
– Technology, including artificial intelligence and cybersecurity
– Regulatory authority, central bank

**Leadership experience**
– CEO, Chairman

## Mark Hughes

**Independent and non-executive member of the Board since 2020**
– Chairperson of the Risk Committee since 2020

**Nationality:** Canadian, British and American (US) I **Year of birth:** 1958

Mark Hughes is a highly experienced professional in the financial services sector, having spent more than 35 years working for RBC (the Royal Bank of Canada) in Canada, the US and the UK. In his final role as Group Chief Risk Officer of RBC, he was responsible for the strategic management of risk on an enterprise-wide basis and oversaw all risk functions. During his career, Mr. Hughes has also held senior management positions in the front office and key operational roles. Currently, he is a frequent lecturer at the University of Leeds and the University of Manchester (both in England) and is chair of the Global Risk Institute, bringing an enormous amount of experience as a risk specialist to the Board of Directors of UBS.

**Professional experience**

| | |
|---|---|
| 2014 – 2018 | Group Chief Risk Officer and member Group Executive Committee, RBC |
| 2013 | Deputy Chief Risk Officer, RBC |
| 2008 – 2013 | COO, RBC Capital Markets, RBC |
| 2001 – 2008 | Head of Global Credit, RBC |
| 1999 – 2001 | Head of Debt Products, RBC |
| 1998 – 1999 | Senior Vice President and General Manager USA, RBC |
| 1997 – 1998 | Senior Vice President Financial Services, RBC |
| 1982 – 1996 | Various positions, RBC |

**Education**
– Bachelor of Laws (LL.B.), University of Leeds
– MBA, finance, University of Manchester

**Other activities and functions**
– Member of the Board of Directors of UBS Group AG
– Chair of the Board of Directors of the Global Risk Institute
– Senior advisor to McKinsey & Company

**Key competencies**
– Banking (wealth management, asset management, personal and corporate banking) and insurance
– Investment banking, capital markets
– Risk management, compliance and legal
– Technology, including artificial intelligence and cybersecurity

**Leadership experience**
– Executive board leadership

## Gail Kelly

**Non-independent and non-executive member of the Board since 2024**

**Nationality:** Australian I **Year of birth:** 1956

Gail Kelly brings to the board more than 35 years of banking experience in South Africa and Australia. She served as the Group CEO and Managing Director for two banks in Australia: St. George Bank, from 2002 to 2007, followed by Westpac Banking Corporation, from 2008 to 2015. During her tenure as CEO, Ms. Kelly navigated Westpac through the challenges of the global financial crisis in 2008 and 2009 and the successful merger with St. George Bank in 2008, the largest in-market financial services merger in Australia. At the time of her retirement from that firm, the Westpac Group was the 12th largest bank in the world in terms of market capitalization. After her executive career, Ms. Kelly continues to hold a portfolio of roles, leveraging her experience and insights as a global leader. She was a Senior Global Advisor for UBS from 2016 to 2023.

**Professional experience**

| | |
|---|---|
| 2008 – 2015 | Group CEO and Managing Director, Westpac Banking Corporation |
| 2002 – 2007 | Group CEO and Managing Director, St. George Bank |
| 1999 – 2001 | Group Executive, Customer Service Division, Commonwealth Bank of Australia |
| 1997 – 1999 | Group Manager, Strategic Marketing, Commonwealth Bank of Australia |
| 1990 – 1997 | Various General Manager positions, Nedbank Group, South Africa |

**Education**
– Bachelor of Arts, the University of Cape Town
– MBA, University of Witwatersrand, Johannesburg

**Listed company boards**
– Member of the Board of Singtel Communications (chair of the executive resource and compensation committee)

**Other activities and functions**
– Member of the Board of Directors of UBS Group AG
– Member of the Group of Thirty
– Member of the Board of Directors of the Bretton Woods Committee
– Member of the Board of Directors of the Australia Philanthropic Services
– Member of the Australian American Leadership Dialogue Advisory Board
– Senior advisor to McKinsey & Company

**Key competencies**
– Banking (wealth management, asset management, personal and corporate banking) and insurance
– Investment banking, capital markets
– Human resources management, including compensation
– Regulatory authority, central bank

**Leadership experience**
– CEO, Chairman

## Nathalie Rachou

**Independent and non-executive member of the Board since 2020**
– Member of the Audit Committee since 2024

**Nationality:** French I **Year of birth:** 1957

Nathalie Rachou is a seasoned expert in financial services, having held a number of banking positions, such as CEO of Prime Brokerage and head of a business line in Capital Markets at Crédit Agricole Indosuez in the UK and in France. In 1999, she founded a London-based asset management company that merged with a French asset manager and continued as a senior adviser until 2020. Alongside these roles, Ms. Rachou brings extensive experience from serving as a board member of Société Générale for 12 years. Currently, she sits on the boards of two other listed companies: the pan-European bourse, Euronext N.V., and Lancashire Holdings Limited, a provider of global insurance and reinsurance products.

**Professional experience**

| | |
|---|---|
| 2015 – 2020 | Senior Advisor, Clartan Associés (formerly Rouvier Associés), France |
| 1999 – 2014 | Founding partner and CEO,Topiary Finance Ltd, UK |
| 1996 – 1999 | Head of Global Foreign Exchange and Currency Options, Crédit Agricole Indosuez (formerly Banque Indosuez), UK |
| 1991 – 1996 | Corporate Secretary and Secretary to the Board of Directors, Crédit Agricole Indosuez, France |
| 1986 – 1991 | COO, Carr Futures, France (owned by Banque Indosuez), Crédit Agricole Indosuez, France |
| 1983 – 1986 | Head of Asset and Liability Management & Market Risks, Crédit Agricole Indosuez, France |
| 1978 – 1982 | Position in Forex Exchange Sales, Crédit Agricole Indosuez, France and UK |

**Education**
– Master's degree, management, HEC Paris
– MBA, INSEAD Fontainebleau

**Listed company boards**
– Member of the Board of Euronext N.V. (chair of the remuneration committee)
– Member of the Board of Lancashire Holdings Limited

**Non-listed company boards**
– Member of the Board of the African Financial Institutions Investment Platform

**Other activities and functions**
– Member of the Board of Directors of UBS Group AG
– Member of the Board of Directors of Fondation Léopold Bellan

**Key competencies**
– Banking (wealth management, asset management, personal and corporate banking) and insurance
– Investment banking, capital markets
– Finance, audit, accounting
– Risk management, compliance and legal

## Julie G. Richardson

**Independent and non-executive member of the Board since 2017**
– Chairperson of the Compensation Committee since 2019
– Member of the Risk Committee since 2017

**Nationality:** American (US) I **Year of birth:** 1963

Julie G. Richardson spent more than 25 years on Wall Street as a senior investment banker and private equity investor, with a focus on telecom, media and technology. She began her career at Merrill Lynch, before moving to JPMorgan Chase, where she headed the telecommunications, media and technology investment banking group. Later, she moved into private equity, as head, and subsequently senior advisor, of the New York office of Providence Equity Partners, where she spearheaded many important investments and buyouts. Throughout her career, Ms. Richardson has spent substantial amounts of time with both incumbent and new technology companies, acting as an independent board member of a digital knowledge management company, a leading cloud monitoring firm and a cyber insurance company.

**Professional experience**

| | |
|---|---|
| 2012 – 2014 | Senior advisor, Providence Equity Partners, New York |
| 2003 – 2012 | Partner and Head of the New York office, Providence Equity Partners, New York |
| 1998 – 2003 | Vice Chairman of the Investment Banking division of JPMorgan Chase & Co. and Head of its Global Telecommunications, Media and Technology group |
| 1986 – 1998 | Various positions at Merrill Lynch, final position: Managing Director Media and Communications Investment Banking |

**Education**
– Bachelor's degree, business administration, University of Wisconsin–Madison

**Listed company boards**
– Member of the Board of Yext (chair of the audit committee) (stepped down in February 2025)
– Member of the Board of Datadog (chair of the audit committee)

**Non-listed company boards**
– Member of the Board of Fivetran
– Member of the Board of Coalition, Inc.

**Other activities and functions**
– Member of the Board of Directors of UBS Group AG

**Key competencies**
– Investment banking, capital markets
– Risk management, compliance and legal
– Human resources management, including compensation
– Technology, including artificial intelligence and cybersecurity

## Jeanette Wong

**Independent and non-executive member of the Board since 2019**
- Member of the Compensation Committee since 2020
- Member of the Audit Committee since 2019

**Nationality:** Singaporean I **Year of birth:** 1960

Jeanette Wong has more than 30 years of operational experience in the financial sector in Singapore. She retired from DBS Group in 2019, where she was Group Executive responsible for the institutional banking business, a post that encompassed corporate banking, global transaction services, strategic advisory, and mergers and acquisitions. She has also held the positions of Director of DBS Bank (China) Limited, Chairperson of DBS Bank (Taiwan) Ltd and CFO of DBS Group. During a 16-year career with JPMorgan, Ms. Wong helped build up its Asia FX, fixed income and emerging markets business. She brings extensive experience from serving as a member of the board of directors of two high-value listed companies.

**Professional experience**

| | |
|---|---|
| 2008 – 2019 | Group Executive institutional banking business, DBS Bank, Singapore |
| 2003 – 2008 | CFO, DBS Bank, Singapore |
| 2003 | Chief Administration Officer, DBS Bank, Singapore |
| 1997 – 2002 | Country Manager Singapore, JPMorgan, Singapore |
| 1986 – 1997 | Various roles in Global Markets and Emerging Markets Sales and Trading business, Asia, JPMorgan, Singapore |
| 1984 – 1986 | Manager, Private Banking, Citibank, Singapore |
| 1982 – 1984 | Manager, Corporate Banking, Paribas, Singapore |

**Education**
- Bachelor's degree, business administration, the National University of Singapore
- MBA, University of Chicago

**Listed company boards**
- Member of the Board of Prudential plc
- Member of the Board of Singapore Airlines Limited

**Non-listed company boards**
- Member of the Board of GIC Pte Ltd
- Member of the Board of PSA International
- Member of the Board of Pavilion Capital Holdings Pte Ltd

**Other activities and functions**
- Member of the Board of Directors of UBS Group AG
- Chairman of the CareShield Life Council
- Member of the Securities Industry Council
- Member of the Board of Trustees of the National University of Singapore

**Key competencies**
- Banking (wealth management, asset management, personal and corporate banking) and insurance
- Investment banking, capital markets
- Finance, audit, accounting
- Environmental, social and governance (ESG)

**Leadership experience**
- Executive board leadership

## Markus Baumann

**Company Secretary since 2017**

**Nationality:** Swiss I **Year of birth:** 1963

Markus Baumann joined UBS in 1979 as a banking apprentice and has now been with the firm for more than 40 years. He has held a broad range of leadership roles across the Group in Switzerland, the US and Japan, including COO EMEA for Asset Management and COO of Group Internal Audit. Since 2015, he has supported the Chairmen of the Board of Directors as Chief of Staff and later as Group Company Secretary.

**Professional experience**

| | |
|---|---|
| 2017 – date | Group Company Secretary of UBS Group AG and Company Secretary of UBS AG |
| 2015 – 2016 | Chief of Staff to the Chairman of the Board of Directors, UBS |
| 2006 – 2015 | COO, Group Internal Audit, UBS |
| 2005 – 2006 | Head Global Reporting & Controlling, Global Asset Management, UBS |
| 2002 – 2004 | Head Management Support CEO EMEA, Global Asset Management, UBS |
| 1998 – 2002 | COO EMEA, Global Asset Management, UBS |
| 1979 – 1997 | Various positions, Union Bank of Switzerland |

**Education**
- Swiss Federal Diploma as a Business Analyst
- MBA, INSEAD Fontainebleau

**Other activities and functions**
- Chairman of the Board of Directors of the Savoy Baur en Ville, Zurich

## Elections and terms of office

UBS AG's sole shareholder, UBS Group AG, annually elects each member of the BoD individually.

## Organizational principles and structure

Following each AGM, the BoD meets to appoint one or more Vice Chairmen, the BoD committee members and the respective committee Chairpersons. At the same meeting, the BoD appoints the Company Secretary, who, pursuant to the Organization Regulations, acts as secretary to the BoD and its committees.

Pursuant to the AoA and the Organization Regulations, the BoD meets as often as business requires, but it must meet at least six times a year. In 2024, the BoD met 32 times jointly with the Board of Directors of UBS Group AG and four times in standalone UBS AG meetings.

### BoD committees

The committees listed below assist the BoD in fulfilling the performance of its responsibilities. Each committee meets as often as its business requires, but at least four times a year for the Audit Committee, the Compensation Committee and the Risk Committee.

### Audit Committee

Throughout 2024, the Audit Committee consisted of four independent BoD members; Jeremy Anderson (Chairperson), Patrick Firmenich, Dieter Wemmer and Jeanette Wong. After the AGM, Nathalie Rachou joined the committee after Dieter Wemmer stepped down from the BoD. All Audit Committee members have accounting or related financial management expertise and, in compliance with the rules established pursuant to the 2002 US Sarbanes–Oxley Act, at least one member qualifies as a financial expert. The NYSE standards on corporate governance and Rule 10A-3 under the US Securities Exchange Act set more stringent independence requirements for members of audit committees than for the other members of the BoD. Throughout 2024, all members of the Audit Committee satisfied these requirements, in that they did not receive, directly or indirectly, any consulting, advisory or compensatory fees from any member of the Group other than in their capacity as a BoD member, did not hold, directly or indirectly, UBS AG shares in excess of 5% of the outstanding capital, and did not serve on the audit committees of more than two other public companies. The function of the Audit Committee is to support the Board in fulfilling its oversight duty relating to financial reporting and internal controls over financial reporting, the effectiveness of the external and internal audit functions, as well as the whistleblowing procedures. Management is responsible for the preparation, presentation and integrity of the financial statements, while the external auditors are responsible for auditing financial statements. The Audit Committee's responsibility is one of oversight and review.

### Compensation Committee

Throughout 2024, the Compensation Committee consisted of three independent BoD members, Julie G. Richardson (Chairperson), Dieter Wemmer and Jeanette Wong; at the AGM, Fred Hu joined the committee replacing Dieter Wemmer, who stepped down from the BoD. The function of the Compensation Committee is to support the Board in its duties to set guidelines on compensation and benefits, to oversee implementation thereof, to approve certain compensation and to scrutinize executive performance.

### Risk Committee

In 2024, the Risk Committee consisted of four independent BoD members, Mark Hughes (Chairperson), William C. Dudley, Nathalie Rachou, Julie G. Richardson and the Vice Chairman, Lukas Gähwiler. Immediately after the AGM, Nathalie Rachou stepped down from this committee. The function of the Risk Committee is to oversee and support the Board in fulfilling its duty to set and supervise an appropriate risk management and control framework in the areas of:
(i) financial and non-financial risks; and
(ii) balance sheet, treasury and capital management, including funding, liquidity and equity attribution.

## Cybersecurity governance

Cybersecurity, as one of the inherently highest and most rapidly evolving non-financial risks, is a key focus for the BoD. It is primarily covered by the Risk Committee through a combination of (i) regular reporting as part of the monthly risk reports and quarterly cybersecurity updates, and (ii) dedicated deep dives on specific cybersecurity topics, including assessments of actual cybersecurity incidents in the industry, assessments of the firm's security posture and related continuous improvement measures. In addition, the BoD members receive periodic updates from the Group Chief Information Security Office on key cybersecurity threats and incidents across the globe and industries, and education and training sessions are organized regularly for all BoD members.

With respect to the BoD, Jeremy Anderson, Fred Hu, Mark Hughes and Julie G. Richardson all have expertise in technology and cybersecurity. Mr. Anderson is an IT expert, having started out as a software developer in the early 1980s, before working in IT consulting and developing a broad knowledge of systems integration and IT outsourcing services, as well as software development. He cemented his reputation as a tech specialist by becoming a founding sponsor of KPMG's Global Fintech Network in 2014. Mr. Hu has a master's degree in engineering science from Tsinghua University and has a vast amount of experience in founding, advising and investing in leading firms in the tech, consumer and health-care sectors in China and globally. Mr. Hughes gained substantial experience overseeing cybersecurity risk as the Group Chief Risk Officer at Royal Bank of Canada. As current chair of the Global Risk Institute, he brings additional know-how as a risk specialist to the BoD. Finally, Ms. Richardson has spent significant time with both incumbent and new technology companies, including being a board member of a digital knowledge management company, a leading cloud monitoring firm and a cyber insurance company.

The BoD is supported in overseeing risk at the executive management level by the cybersecurity expertise of Mike Dargan, who is the Group Chief Operations and Technology Officer, and Markus Ronner, who is the Group Chief Compliance and Governance Officer. Mr. Dargan is responsible for delivering digital platforms, technology services, infrastructure, and operations, including cybersecurity and information security. Previously, he was Group Chief Digital and Information Officer, after leading our Group Technology function since joining UBS in 2016. In addition to this remit, he was also UBS Group AG's Group Executive Board (GEB) sponsor for our digital assets strategy and a sponsor of artificial intelligence and our agile transformation, which were integrated into his area of responsibility in 2023. Prior to joining UBS, he held various senior roles in technology, corporate strategy and investment banking at Standard Chartered Bank, Merrill Lynch, and Oliver Wyman. Mr. Ronner has been with UBS for more than 40 years and held various positions across the firm, including manager of the Group-wide too-big-to-fail program, COO Wealth Management & Swiss Bank, Head Products and Services of Wealth Management & Swiss Bank, COO Asset Management, and Head Group Internal Audit. In his current position, he is responsible for overseeing compliance, financial crime prevention and operational risk control, as well as regulatory and governance functions at the Group level.

› **Refer to "Non-financial risk" in the "Risk management and control" section of this report for information about cybersecurity**

## Important business connections of independent members of the Board of Directors

As a global financial services provider and a major Swiss bank, we enter into business relationships with many large companies, including some in which BoD members have management or independent board responsibilities.

Our Organization Regulations require one-third of UBS AG BoD members to be independent. For this purpose, independence is determined in accordance with FINMA Circular 2017/1 "Corporate governance – banks" and the NYSE rules.

In 2024, our BoD met the standards of the Organization Regulations for the percentage of directors who are considered independent under the criteria described above.

All relationships and transactions with UBS AG's independent BoD members are conducted in the ordinary course of business and are on the same terms as those prevailing at the time for comparable transactions with non-affiliated persons. All relationships and transactions with BoD members' associated companies are conducted at arm's length.

## Checks and balances: Board of Directors and Executive Board

We operate under a strict dual board structure, as mandated by Swiss banking law. The separation of responsibilities between the BoD and the EB is clearly defined in the Organization Regulations. The BoD decides on the strategy of UBS AG, upon recommendations by the President of the EB, and exercises ultimate supervision over management; whereas the EB, headed by the President of the EB, has executive management responsibility. The functions of Chairman and President of the EB are assigned to two different people, leading to a separation of powers. This structure establishes checks and balances and preserves the institutional independence of the BoD from the executive management of UBS AG, for which responsibility is delegated to the EB, under the leadership of the President of the EB. No member of one board may simultaneously be a member of the other.

Supervision and control of the EB remain with the BoD. The authorities and responsibilities of the two bodies are governed by the AoA and the Organization Regulations.

Although the recruiting process for BoD and EB members takes into account a broad spectrum of factors, such as skills, backgrounds, experience and expertise, our approach with regard to diversity considerations does not constitute a diversity policy within the meaning of the EU Directive on Non-Financial Reporting, and Swiss law does not require UBS to maintain such a policy.

# Executive Board

The BoD delegates the management of the business to the Executive Board (the EB).

## Responsibilities, authorities and organizational principles of the Executive Board

At UBS AG, management of the business is also delegated, and its EB, under the leadership of the President of the EB, has executive management responsibility for UBS AG and its business. All members of the EB are members of the GEB. Sabine Keller-Busse, who serves as President UBS Switzerland AG, and Ulrich Körner, who served as CEO of Credit Suisse AG until 30 June 2024, are both not members of the EB. In 2024, the EB held 31 combined meetings with the GEB and four UBS AG standalone meetings.

UBS AG EB has two permanent committees: the Asset and Liability Committee (the ALCO) and the Finance and Risk Committee (the FRC).

The ALCO is responsible for managing UBS AG's assets and liabilities in line with the UBS AG and Group strategy and regulatory requirements. In 2024, the ALCO held 11 meetings.

The FRC is responsible for supervising and controlling UBS AG's business, financial and risk profile of the overall UBS AG standalone as well as the entity's business activities in Switzerland and cross-jurisdictional branch-related matters, in line with the UBS AG and Group strategy and regulatory requirements. The FRC is also responsible for ensuring the financial and risk profile of UBS AG standalone complies with the agreed risk appetite, by ascertaining that appropriate and timely actions are taken. In 2024, the FRC held four meetings.

| Executive Board | Position | Initial appointment to the EB | Step-down date | UBS business address |
|---|---|---|---|---|
| **Sergio P. Ermotti** | President of the Executive Board (also from 2011 to 2020) | 2023 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **George Athanasopoulos** | Co-President Investment Bank | 1.7.2024 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Michelle Bereaux** | Integration Officer | 2023 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Michael Dargan** | Chief Operations and Technology Officer | 2021 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Aleksandar Ivanovic** | President Asset Management | 1.3.2024 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Robert Karofsky** | Co-President Global Wealth Management and President UBS Americas | 2018 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Iqbal Khan** | Co-President Global Wealth Management and President UBS Asia Pacific | 2019 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Barbara Levi** | General Counsel | 2021 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Beatriz Martin Jimenez** | Head Non-core and Legacy and President UBS Europe, Middle East and Africa | 2023 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Markus Ronner** | Chief Compliance and Governance Officer | 2018 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Stefan Seiler** | Head Human Resources & Corporate Services | 2023 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Todd Tuckner** | Chief Financial Officer | 2023 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Marco Valla** | Co-President Investment Bank | 1.7.2024 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Damian Vogel** | Chief Risk Officer | 1.7.2024 | | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Christian Bluhm** | Chief Risk Officer | 2016 | 1.7.2024 | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Suni Harford** | President Asset Management | 2019 | 1.3.2024 | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Naureen Hassan** | President UBS Americas | 2022 | 1.7.2024 | Bahnhofstrasse 45, 8001 Zurich, Switzerland |
| **Edmund Koh** | President UBS Asia Pacific | 2019 | 1.9.2024 | Bahnhofstrasse 45, 8001 Zurich, Switzerland |

The following biographies provide information about the EB members in office on 31 December 2024.

## Sergio P. Ermotti

**President of the Executive Board, member of the EB from 2011 to 2020 and since 2023**

**Nationality:** Swiss I **Year of birth:** 1960

Sergio P. Ermotti has been Group CEO of UBS Group AG and President of the Executive Board of UBS AG since 2023. He was also the Group CEO from 2011 to 2020. He re-joined UBS from Swiss Re, where he was Chairman of the Board of Directors until 2023. Prior to joining UBS in 2011, he was at UniCredit Group, where from 2007 to 2010 he served as Group Deputy CEO and Head of Corporate & Investment Banking and Private Banking, prior to which he served as Head of the Markets & Investment Banking Division. Before that, he held various positions at Merrill Lynch & Co. in the areas of equity derivatives and capital markets. He became Co-Head of Global Equity Markets and a member of the Executive Management Committee for Global Markets & Investment Banking in 2001.

**Professional experience**

| | |
|---|---|
| 2023 – date | Group CEO, UBS Group AG, and President of the Executive Board, UBS AG |
| 2021 – 2023 | Chairman of the Board of Directors, Swiss Re |
| 2020 – 2021 | Member of the Board of Directors, Swiss Re |
| 2011 – 2020 | Group CEO, UBS |
| 2011 | Chairman and CEO UBS Group Europe, Middle East and Africa, and member of the Group Executive Board, UBS |
| 2007 – 2010 | Group Deputy CEO and Head Corporate & Investment Banking and Private Banking, UniCredit |
| 2005 – 2007 | Head Markets & Investment Banking Division, UniCredit |
| 1987 – 2004 | Various senior management positions, Merrill Lynch & Co |

**Education**
- Swiss-certified banking expert
- Advanced Management Programme, the University of Oxford

**Listed company boards**
- Member of the Board of Ermenegildo Zegna N.V. (Lead Non-Executive Director)

**Non-listed company boards**
- Member of the Board of Società Editrice del Corriere del Ticino SA

**Other activities and functions**
- Group CEO of UBS Group AG
- Member of the Board of Innosuisse, the Swiss Innovation Agency
- Member of Institut International d'Etudes Bancaires
- Member of the WEF International Business Council and Governor of the Financial Services / Banking Community
- Member of the MAS International Advisory Panel
- Member of the Board of the Institute of International Finance
- Member of the Board of the Swiss-American Chamber of Commerce

## George Athanasopoulos

**Co-President Investment Bank, member of the EB since July 2024**

**Nationality:** Greek and British | **Year of birth:** 1969

George Athanasopoulos became Co-President of the Investment Bank in July 2024. He jointly manages the Investment Bank with Marco Valla across all regions to ensure an unparalleled global offering for our client franchise. Having worked in financial markets for more than 30 years, he brings a wealth of experience into the position. He started his career in 1992, working in Europe and Asia for NatWest Markets and Merrill Lynch. Before joining UBS in 2010, he was General Manager at Eurobank EFG and previously worked for Barclays Capital, most recently responsible for Global Foreign Exchange and Global Emerging Markets Distribution. Since joining UBS in 2010, Mr. Athanasopoulos has held various senior roles, including Co-Head Global Markets from 2020 to June 2024 and Head of Global Family and Institutional Wealth from 2022 to June 2024.

**Professional experience**

| | |
|---|---|
| July 2024 – date | Co-President of the Investment Bank, UBS Group AG and UBS AG |
| 2022 – June 2024 | Head Global Family and Institutional Wealth, UBS |
| 2020 – June 2024 | Co-Head of Global Markets, UBS |
| 2016 – 2019 | Global Head of Foreign Exchange, Rates and Credit and Head of Non-Core, UBS |
| 2013 – 2016 | Global Co-Head of Foreign Exchange, Rates and Credit, UBS |
| 2011 – 2013 | Co-Head of Global Foreign Exchange and Precious Metals, UBS |
| 2010 – 2011 | Head of Global Foreign Exchange Distribution, UBS |
| 2009 – 2010 | General Manager, Group Head of Trading, Sales and Structuring, Eurobank EFG |
| 2008 – 2009 | Global Head of Foreign Exchange and Emerging Markets Distribution, Barclays Capital |
| 2004 – 2008 | Various management positions in FX Markets, Barclays Capital |

**Education**

- Master's degree, shipping, trade and finance, Bayes Business School
- Diploma in mechanical engineering, the National Technical University of Athens

**Other activities and functions**

- Member of the Group Executive Board of UBS Group AG

## Michelle Bereaux

**Integration Officer, member of the EB since 2023**

**Nationality:** British and Trinidadian & Tobagonian | **Year of birth:** 1964

Michelle Bereaux was appointed Group Integration Officer, UBS Group AG, and Integration Officer, UBS AG in 2023. Working closely with all Group Executive Board (GEB) members and workstream leads, she manages the Group Integration function to ensure the coherent and consistent execution of integration plans and milestones for consolidating Credit Suisse into UBS. Ms. Bereaux has been at UBS for more than 25 years and has held various leadership roles across the firm. She has served as both COO and Head HR for our Investment Bank, has successfully led multiple firm-wide cost and transformation projects, and, most recently, served as COO and UK Country Head of Asset Management. She brings both a wealth of transformation experience and a strong legal, HR, investment banking and asset management background to lead our integration efforts.

**Professional experience**

| | |
|---|---|
| 2023 – date | Group Integration Officer, UBS Group AG and Integration Officer, UBS AG |
| 2021 – 2023 | Country Head UBS Asset Management UK and CEO Asset Management UK Ltd |
| 2020 – 2023 | COO, UBS Asset Management |
| 2018 – 2020 | Head of Group Efficiency and Cost Management, UBS Business Solutions AG |
| 2015 – 2018 | Non-Executive Director and Chairman Remuneration Committee, UBS Limited |
| 2011 – 2014 | Global Head Human Resources, UBS Investment Bank |
| 2011 | Global Strategic Projects at CEO Management Office, UBS Investment Bank |
| 2009 – 2010 | Chief of Staff and Joint Global COO, UBS Investment Bank |

**Education**

- Bachelor's degree, law, the University of Cambridge
- Bachelor's degree, politics, economics and law, the University of Buckingham

**Other activities and functions**

- Member of the Group Executive Board of UBS Group AG

## Mike Dargan

**Chief Operations and Technology Officer, member of the EB since 2021**

**Nationality:** British | **Year of birth:** 1977

Mike Dargan was appointed Group Chief Operations and Technology Officer for UBS Group AG and Chief Operations and Technology Officer for UBS AG in 2023 and is accountable for delivering digital platforms, technology services, infrastructure, and operations, including cybersecurity and information security. In addition, he is responsible for driving Group-wide innovation and digitalization by defining and driving the implementation of the firm's strategy for artificial intelligence, digital assets and other emerging technologies. In his role, Mr. Dargan also oversees the capabilities and tools to migrate Credit Suisse clients and data to UBS platforms, facilitating the firm's key legal entity transactions and the decommissioning of the Credit Suisse applications and infrastructure after these migrations. Previously, he was Group Chief Digital and Information Officer (CDIO), after leading our Group Technology function since joining UBS in 2016. Prior to joining UBS, he held various senior roles in technology, corporate strategy and investment banking at Standard Chartered Bank, Merrill Lynch, and Oliver Wyman.

**Professional experience**

| | |
|---|---|
| 2023 – date | Group Chief Operations and Technology Officer, UBS Group AG, and Chief Operations and Technology Officer, UBS AG |
| 2021 – date | President of the Executive Board, UBS Business Solutions AG |
| 2021 – 2023 | Group CDIO, UBS Group AG, and CDIO, UBS AG |
| 2016 – 2021 | Head Group Technology, UBS |
| 2015 – 2016 | CIO for Corporate and Institutional Banking, Standard Chartered Bank |
| 2014 – 2015 | Global Group Technology and Operations Head for Global Markets, Wealth Management, Private Banking and Securities Services, Group Technology and Operations Engineering, Standard Chartered Bank |
| 2013 – 2014 | CIO for Financial Markets, Standard Chartered Bank |
| 2009 – 2013 | Global Head of Strategy and Corporate M&A, Global Markets, Standard Chartered Bank |
| 2005 – 2009 | Head Corporate Strategy & M&A, EMEA and Pacific Rim, Merrill Lynch |

**Education**

- Master's degree, politics, philosophy and economics, St. John's College, the University of Oxford

**Other activities and functions**

- Member of the Group Executive Board of UBS Group AG
- Member of the Board of Directors and President of the Executive Board of UBS Business Solutions AG
- Member of the Board of UBS Optimus Foundation
- Member of the Advisory Board of SCION Association

## Aleksandar Ivanovic

**President Asset Management, member of the EB since March 2024**

**Nationality:** Swiss | **Year of birth:** 1976

Aleksandar Ivanovic was appointed President Asset Management in March 2024. With his experience and broad network across the UBS Group, he is leading the Asset Management business division forward, creating an even stronger organization through integration and providing cross-divisional solutions to clients with industry-leading capabilities on a truly global scale. Before joining the EB, he was Head Client Coverage and Head of the EMEA and Switzerland regions for Asset Management at UBS. In those functions Mr. Ivanovic played a key role in the development and execution of our strategy for Asset Management while leading the engagement with our institutional and wholesale clients, as well as the ongoing partnership with Global Wealth Management. Starting as an apprentice at UBS in 1992, he has worked in all our business divisions and later held various leadership roles at Credit Suisse and Morgan Stanley.

**Professional experience**

| | |
|---|---|
| March 2024 – date | President Asset Management, UBS Group AG and UBS AG |
| 2019 – Feb. 2024 | Head Region EMEA, Asset Management, UBS |
| 2018 – Feb. 2024 | Head Client Coverage, Asset Management, UBS |
| 2018 – Feb. 2024 | Head Region Switzerland, Asset Management, UBS |
| 2017 – 2018 | Head Institutional Client Coverage, Asset Management, UBS |
| 2011 – 2016 | Head of Europe, Middle East and Africa, Distribution, Financial Engineering, Structured Products, Institutional Equity Derivatives, London, Morgan Stanley |
| 2008 – 2011 | Head of Distribution Northern Europe, Structured Products, Institutional Equity Derivatives, London, Credit Suisse |
| 2000 – 2008 | Various positions in Global Markets, UBS Investment Bank, London / Switzerland, UBS |

**Education**

- Master's degree, finance, London Business School
- Bachelor's degree, Economics and Business Administration, Hochschule für Wirtschaft Zurich

**Other activities and functions**

- Member of the Group Executive Board of UBS Group AG
- Chairman of UBS Asset Management AG

## Robert Karofsky

**Co-President Global Wealth Management and President UBS Americas, member of the EB since 2018**

**Nationality:** American (US) I **Year of birth:** 1967

Robert Karofsky became Co-President Global Wealth Management and President UBS Americas in July 2024. He jointly manages Global Wealth Management across all regions to ensure an unparalleled global offering for our wealth management client franchise. As President UBS Americas, he is responsible for the cross-divisional collaboration and represents the Group to the broader public in the Americas. Mr. Karofsky was President Investment Bank from 2021 to June 2024 and previously Co-President Investment Bank from 2018 to 2021. Before that he was President UBS Securities LLC from 2015 to 2021. He reshaped the Investment Bank business division, realigning efforts around clients' evolving needs, focusing resources on opportunities for profitable growth and reinvesting in UBS's digital transformation. Before joining UBS, he acquired know-how in investment banking as an analyst and trader, working for various financial institutions, including Morgan Stanley, Deutsche Bank and AllianceBernstein.

**Professional experience**

| | |
|---|---|
| July 2024 – date | Co-President Global Wealth Management and President UBS Americas, UBS Group AG and UBS AG |
| 2021 – June 2024 | President Investment Bank, UBS |
| 2018 – 2021 | Co-President Investment Bank, UBS |
| 2015 – 2021 | President UBS Securities LLC, UBS |
| 2014 – 2018 | Global Head Equities, UBS |
| 2011 – 2014 | Global Head of Equity Trading, AllianceBernstein |
| 2008 – 2010 | Co-Head of Global Equities, Deutsche Bank |
| 2005 – 2008 | Head of North American Equities, Deutsche Bank |

**Education**

- Bachelor's degree, economics, Hobart and William Smith Colleges, New York
- MBA, finance and statistics, the University of Chicago Booth School of Business

**Other activities and functions**

- Member of the Group Executive Board of UBS Group AG
- Member of the Board of UBS Americas Holding LLC
- Member of the Board of UBS Optimus Foundation

## Iqbal Khan

**Co-President Global Wealth Management and President UBS Asia Pacific, member of the EB since 2019**

**Nationality:** Swiss I **Year of birth:** 1976

Iqbal Khan became Co-President Global Wealth Management in July 2024 and President UBS Asia Pacific in September 2024. He jointly manages Global Wealth Management across all regions to ensure an unparalleled global offering for our wealth management client franchise. As Regional President UBS Asia Pacific, he is responsible for the cross-divisional collaboration and represents the Group to the broader public in the Asia Pacific region. Previously, he was President Global Wealth Management from 2022 to June 2024 and President UBS Europe, Middle East and Africa from 2021 to 2023. He joined UBS in 2019 as Co-President Global Wealth Management. Prior to UBS, Mr. Khan was at Credit Suisse, holding senior leadership positions as CFO Private Banking & Wealth Management and CEO International Wealth Management. He joined Ernst & Young in 2001, holding numerous leadership positions and becoming a very young executive and a partner of the firm's Swiss arm; when leaving Ernst & Young, he was lead auditor of UBS.

**Professional experience**

| | |
|---|---|
| September 2024 – date | President UBS Asia Pacific, UBS Group AG and UBS AG |
| July 2024 – date | Co-President Global Wealth Management, UBS Group AG and UBS AG |
| 2022 – June 2024 | President Global Wealth Management, UBS |
| 2021 – 2023 | President UBS Europe, Middle East and Africa, UBS |
| 2019 – 2022 | Co-President Global Wealth Management, UBS |
| 2015 – 2019 | CEO International Wealth Management, Credit Suisse |
| 2013 – 2015 | CFO Private Banking & Wealth Management, Credit Suisse |
| 2011 – 2013 | Managing Partner Assurance and Advisory Services – Financial Services, Ernst & Young |
| 2009 – 2011 | Industry Lead Partner Banking and Capital Markets, Switzerland and EMEA Private Banking, Ernst & Young |
| 2001 – 2009 | Various positions in Ernst & Young |

**Education**

- Swiss Certified Public Accountant
- Advanced Master of International Business Law (LL.M.) degree, University of Zurich

**Other activities and functions**

- Member of the Group Executive Board of UBS Group AG
- Member of the Board of UBS Optimus Foundation

## Barbara Levi

**General Counsel, member of the EB since 2021**

**Nationality:** Italian | **Year of birth:** 1971

Barbara Levi has been Group General Counsel, UBS Group AG and General Counsel, UBS AG since 2021. In her role, she provides legal advice and manages the Group's legal affairs, ensuring effective and timely assessment of legal matters impacting the Group and its businesses. A qualified attorney-at-law, she has been admitted to the Supreme Court of the United States, the New York State bar and the bar of Milan, Italy, and has worked in several law firms in New York and Milan. Ms. Levi began her corporate career with Novartis Group in 2004 and worked there for 16 years, holding a number of senior legal roles across Europe. Before joining UBS, she served as Chief Legal Officer & External Affairs at Rio Tinto Group and, before that, as General Counsel, based in London. In both roles, she was a member of that company's executive committee.

**Professional experience**

| | |
|---|---|
| 2021 – date | Group General Counsel, UBS Group AG, and General Counsel, UBS AG |
| 2021 | Chief Legal Officer & External Affairs, Rio Tinto Group |
| 2020 – 2021 | Group General Counsel, Rio Tinto Group |
| 2019 | Group Legal Head, M&A and Strategic Transactions, Novartis |
| 2016 – 2019 | Global General Counsel, Sandoz International GmbH, Novartis |
| 2014 – 2016 | Global Legal Head, Product Strategy & Commercialization, Novartis |
| 2013 – 2014 | Global Legal Head, TechOps, Primary Care and Established Medicines, Novartis |
| 2009 – 2013 | Head of Legal & Compliance, Region Asia-Pacific, Middle East, and African Countries, Region Group Emerging Markets, Novartis |

**Education**
- Law degree, the University of Milan
- Master of Laws (LL.M.), banking, corporate and finance law, Fordham University School of Law, New York

**Other activities and functions**
- Member of the Group Executive Board of UBS Group AG
- Member of the Board of Directors of the European General Counsel Association
- Member of the Legal Committee of the Swiss-American Chamber of Commerce

## Beatriz Martin Jimenez

**Head Non-core and Legacy and President UBS Europe, Middle East and Africa, member of the EB since 2023**

**Nationality:** Spanish | **Year of birth:** 1973

Beatriz Martin Jimenez became Head Non-core and Legacy, as well as President UBS Europe, Middle East and Africa of UBS Group AG and UBS AG in 2023. She has been the UBS GEB Lead for Sustainability and Impact since March 2024 and the UBS Chief Executive for the UK since 2019. In her role as the GEB Lead for Sustainability and Impact, she is responsible for the implementation of the Group's sustainability and impact strategy. As Head Non-core and Legacy, she effectively manages the derisking and cost efforts for the integration of Credit Suisse into UBS. Her responsibilities as Regional President UBS Europe, Middle East and Africa include the cross-divisional collaboration and representation of the Group to the broader public in the region. Before joining UBS in 2012, she held various roles in fixed income sales and trading at Morgan Stanley and Deutsche Bank.

**Professional experience**

| | |
|---|---|
| 2023 – date | Head Non-core and Legacy and President UBS Europe, Middle East and Africa, UBS Group AG and UBS AG |
| March 2024 – date | UBS GEB Lead for Sustainability and Impact, UBS Group AG |
| 2019 – date | UK Chief Executive, UBS AG London Branch |
| 2020 – 2023 | Group Treasurer, UBS Group AG |
| 2022 – 2023 | Chief Transformation Officer, UBS Group AG |
| 2015 – 2020 | COO, UBS Investment Bank |
| 2015 – 2019 | UK COO, UBS AG London Branch and UBS Limited |
| 2012 – 2015 | Chief of Staff to CEO, UBS Investment Bank |
| 1996 – 2012 | Various positions in Global Markets, Morgan Stanley and Deutsche Bank |

**Education**
- Master of Business Administration, Universidad Autónoma de Madrid, Madrid
- Erasmus Exchange programme, Hochschule für Bankwirtschaft, Frankfurt

**Other activities and functions**
- Member of the Group Executive Board of UBS Group AG
- Member of the Supervisory Board of UBS Europe SE
- Member of the Board of Directors of Credit Suisse International
- Chair of the Board of UBS Optimus Foundation

## Markus Ronner

**Chief Compliance and Governance Officer, member of the EB since 2018**

**Nationality:** Swiss I **Year of birth:** 1965

Markus Ronner has served as Group Chief Compliance and Governance Officer and Chief Compliance and Governance Officer, UBS AG since 2018, overseeing compliance, financial crime prevention and operational risk control as well as regulatory and governance functions at the Group level. In more than 40 years at UBS, he has acquired deep expertise across businesses and in non-financial risk management and control. In that time, Mr. Ronner has held a variety of senior positions across the firm, including managing the Group-wide too-big-to-fail program, COO Wealth Management & Swiss Bank, Head Products and Services of Wealth Management & Swiss Bank, COO Asset Management, and Head Group Internal Audit. From 2022 until 2023, he served as Chairman of UBS Switzerland AG, the leading Swiss universal bank.

**Professional experience**

| | |
|---|---|
| 2018 – date | Group Chief Compliance and Governance Officer, UBS Group AG, and Chief Compliance and Governance Officer, UBS AG |
| 2022 – 2023 | Chairman of UBS Switzerland AG |
| 2012 – 2018 | Head Group Regulatory and Governance, UBS |
| 2011 – 2013 | Manager Group-wide too-big-to-fail program, UBS |
| 2010 – 2011 | COO Wealth Management & Swiss Bank, UBS |
| 2009 – 2010 | Head Products and Services of Wealth Management & Swiss Bank, UBS |
| 2007 – 2009 | COO Asset Management, UBS |
| 2001 – 2007 | Head Group Internal Audit, UBS |

**Education**

– Swiss Banking Diploma

**Other activities and functions**

– Member of the Group Executive Board of UBS Group AG

## Stefan Seiler

**Head Human Resources & Corporate Services, member of the EB since 2023**

**Nationality:** Swiss I **Year of birth:** 1974

Stefan Seiler has been Head Group Human Resources & Corporate Services, UBS Group AG and Head Human Resources & Corporate Services, UBS AG since 2023. He leads the combined Group Human Resources and Corporate Services function, ensuring effective and efficient alignment of our people, real estate and vendor management strategies. His responsibility was expanded to include Group Communications and Branding in July 2024. Mr. Seiler started his career at the Swiss Military Academy at ETH Zurich and, after working for Credit Suisse from 2002 to 2006, he returned to the Swiss Military Academy as Department Head of Leadership and Communication. Mr. Seiler joined UBS in 2011 and became Group Head HR in 2018 after gaining experience as Head HR for Switzerland and Group Functions, as well as Global Head Talent and Recruiting. During his career, he has lived in Switzerland, the UK, the US and Singapore.

**Professional experience**

| | |
|---|---|
| 2023 – date | Head Group Human Resources & Corporate Services, UBS Group AG and Head Human Resources & Corporate Services, UBS AG |
| 2018 – 2023 | Group Head Human Resources, UBS |
| 2016 – 2018 | Global Head Talent & Recruiting, UBS |
| 2014 – 2016 | Head HR UBS Switzerland and Global Head HR Group Control & CEO Functions, UBS |
| 2012 – 2016 | Head HR UBS Switzerland, UBS |
| 2011 – 2012 | Global Head HR Corporate Center, UBS |
| 2010 – 2011 | Visiting Professor, Nanyang Business School, Singapore |
| 2006 – 2011 | Department Head of Leadership and Communication, Swiss Military Academy, ETH Zurich |
| 2002 – 2006 | Assessment specialist, HR Transformation Manager and Global Lead for Human Capital Management Implementation Group Functions, Credit Suisse, Zurich and New York |

**Education**

– Master of Science (lic. Phil.), Educational Psychology, University of Fribourg
– PhD in Educational Psychology, University of Fribourg

**Other activities and functions**

– Member of the Group Executive Board of UBS Group AG
– Member of the Foundation Board of the Pension Fund of UBS
– Member of the Foundation Council of the UBS Center for Economics in Society, University of Zurich
– Chairman of the Foundation Board of the Swiss Finance Institute
– Member of the IMD Foundation Board
– Adjunct Professor for Leadership and Strategic Human Resource Management, Nanyang Technological University (NTU), Singapore

## Todd Tuckner

**Chief Financial Officer, member of the EB since 2023**

**Nationality:** American (US) I **Year of birth:** 1965

Todd Tuckner was appointed to the EB of UBS AG in 2023 and became Group CFO, UBS Group AG and CFO, UBS AG on the date of legal closing of the acquisition of the Credit Suisse Group in 2023. In his role, he oversees the Group's financial accounting, controlling, forecasting, planning and reporting processes, ensuring the transparency in and the assessment of the financial performance of the Group and the business divisions. He is also responsible for managing and controlling the Group's tax affairs, treasury and capital management, including funding and liquidity risk, and regulatory capital ratios. Additionally, he coordinates relations with analysts and investors alongside the President of the EB. He was previously CFO and Head Business Performance and Risk Management for our Global Wealth Management business. Mr. Tuckner joined UBS in 2004 after working for KPMG for 17 years and has since held various leadership roles across the Group Finance function.

**Professional experience**

| | |
|---|---|
| 2023 – date | Group CFO, UBS Group AG and CFO, UBS AG |
| 2020 – 2023 | CFO and Head Business Performance and Risk Management, Global Wealth Management, UBS |
| 2016 – 2021 | Group Controller and Chief Accounting Officer, UBS |
| 2012 – 2019 | Group Finance COO, UBS |
| 2009 – 2012 | Group Head Tax & Accounting Policy, UBS |
| 2004 – 2009 | Group Head Tax – Americas, UBS |
| 1987 – 2004 | Various management positions, KPMG LLP, New York |

**Education**
- Bachelor's degree, economics, Princeton University
- MBA, accounting, New York University

**Other activities and functions**
- Member of the Group Executive Board of UBS Group AG

## Marco Valla

**Co-President Investment Bank, member of the EB since July 2024**

**Nationality:** American (US) I **Year of birth:** 1972

Marco Valla became Co-President of the Investment Bank in July 2024. He jointly manages the Investment Bank with George Athanasopoulos across all regions to ensure an unparalleled global offering for our client franchise. Having spent more than 30 years in investment banking, he brings together a unique set of capabilities to drive UBS's competitive position, creating a powerful proposition for clients, employees, and shareholders. He began his career at Credit Suisse First Boston in 1994 as an Investment Banking analyst, before working for Lehman Brothers and Barclays. During his tenure at Barclays, he was the Global Head of TMT and Consumer Retail Investment Banking, overseeing the coverage of technology, media, telecommunications, consumer and retail clients, and a member of the Investment Banking Management Committee. Mr. Valla has held increasingly senior management roles and advised over 300 completed transactions across various industries.

**Professional experience**

| | |
|---|---|
| July 2024 – date | Co-President of the Investment Bank, UBS Group AG and UBS AG |
| 2023 – June 2024 | Co-Head of Global Banking, Investment Banking, UBS |
| 2020 – 2023 | Global Head of TMT and Consumer Retail, Investment Banking Member of the Investment Banking Management Committee, Barclays |
| 2013 – 2019 | Global Co-Head of Consumer Retail Group, Investment Banking, Barclays |
| 2008 – 2013 | Managing Director, Retail Group, Investment Banking, Barclays |
| 2005 – 2008 | Managing Director, Retail Group, Investment Banking, Lehman Brothers |
| 1994 – 2005 | Investment Banking, Credit Suisse First Boston |

**Education**
- Bachelor's degree, economics and Italian literature, University of California, Berkeley

**Other activities and functions**
- Member of the Group Executive Board of UBS Group AG
- Member of the Board of Directors of Good Shepherd Services
- Member of the Board of the Mount Sinai Department of Urology

## Damian Vogel

**Chief Risk Officer, member of the EB since July 2024**

**Nationality:** Swiss I **Year of birth:** 1972

Damian Vogel was appointed Group Chief Risk Officer, UBS Group AG and Chief Risk Officer, UBS AG in July 2024 and is responsible for the development of the Group's risk management and control framework for various risk categories and the implementation of its independent control frameworks. He has sound financial services experience, as well as risk management experience, which he has gained during his career at UBS and Credit Suisse. Since joining UBS in 2010, he has held various risk-related leadership roles across Global Wealth Management, Personal & Corporate Banking and the Switzerland region before being appointed Chief Risk Officer for Credit Suisse and Group Risk Control Head of Integration in 2023. In his most recent role, he was responsible for the risk control related integration activities, defining the best possible setup for the combined Group Risk Control function and assisting with the shaping of the risk function of the future.

**Professional experience**

| | |
|---|---|
| July 2024 – date | Group Chief Risk Officer, UBS Group AG and Chief Risk Officer, UBS AG |
| 2023 – June 2024 | Chief Risk Officer, Credit Suisse AG<br>Group Risk Control Head Integration, UBS |
| 2018 – 2023 | Chief Risk Officer Global Wealth Management, UBS |
| 2016 – 2018 | Chief Risk Officer Personal & Corporate Banking and Region Switzerland, Zurich, UBS |
| 2012 – 2016 | Portfolio Underwriter and Head Risk Control Swiss Corporates, Zurich, UBS |
| 2010 – 2011 | Project Manager within Chief Risk Officer Wealth Management and Swiss Bank, Zurich, UBS |
| 2009 – 2010 | Credit Risk Manager, Credit Risk Management Investment Banking, New York, Credit Suisse |
| 2008 – 2009 | Head Structured Lombard Solutions, Credit Risk Management Private Banking, Zurich, Credit Suisse |
| 1999 – 2008 | Various management positions in Credit Suisse |

**Education**

- Bachelor's degree, business and administration, University of Applied Sciences, Visp
- Executive Program, Stanford University Graduate School of Business
- Master of Advanced Study, corporate finance, University of Lucerne

**Other activities and functions**

- Member of the Group Executive Board of UBS Group AG
- Member of the Board of UBS Switzerland AG
- Member of Foundation Board of the International Financial Risk Institute

# Change of control and defense measures

Our Articles of Association (the AoA) do not provide any measures for delaying, deferring or preventing a change of control.

### Clauses on change of control

Neither the terms regulating the BoD members' mandate nor any employment contracts with EB members contain change of control clauses.

All employment contracts with EB members stipulate a notice period of six to twelve months. During the notice period, EB members are entitled to their salaries and the continuation of existing employment benefits and may be eligible to be considered for a discretionary performance award based on their contribution during their tenure.

In case of a change of control, we may, at our discretion, accelerate the vesting of and / or relax applicable forfeiture provisions of employees' awards.

# Auditors

Audit is an integral part of corporate governance. While safeguarding their independence, the external auditors closely coordinate their work with Internal Audit (IA). The Audit Committee and, ultimately, the BoD supervise the effectiveness of audit work.

› **Refer to "Board of Directors" in this section for more information about the Audit Committee**

### External independent auditors

The 2024 AGM re-elected Ernst & Young Ltd (EY) as auditors for UBS AG for the 2024 financial year. UBS Group also appointed EY as the auditors of the Credit Suisse entities for the 2024 financial year.

EY assumes virtually all auditing functions according to laws, regulatory requests and the AoA. Robert Jacob is the EY lead partner in charge of the overall coordination of the UBS Group financial and regulatory audits and the co-signing partner of the financial audit. In 2020, Maurice McCormick became the lead audit partner for the financial statement audit and has an incumbency limit of five years. Mr. Jacob will be succeeded in 2025 by Isabelle Santenac, who will take over as the EY partner overseeing UBS Group's financial audits and as the lead audit partner for the financial statement audit, with a five-year term. At the same time, Mr. McCormick will be succeeded by Robert Wadley, who will assume the role of co-signing partner for the financial statement audit, with a seven-year incumbency limit. In 2021, Hannes Smit became the Lead Auditor to the Swiss Financial Market Supervisory Authority (FINMA), with an incumbency limit of seven years. Daniel Martin has been the co-signing partner for the FINMA audit since 2019, with an incumbency limit of seven years.

During 2024, the Audit Committee held 14 meetings with the external auditors.

#### Review of UBS AG audit engagement

Forvis Mazars has been appointed as auditors of UBS Europe SE, a subsidiary of UBS AG, as EU rules require UBS Europe SE to rotate its external auditors in the 2024 financial year. In connection with this required change, and in consideration of governance best practices, the BoD considered whether it would propose to shareholders a rotation of the Group auditor concurrent with the change at UBS Europe SE. Under the direction of the Audit Committee, UBS conducted a formal review of the UBS AG audit engagement including soliciting proposals from potential auditors. In early 2022, based on the results of this assessment, the BoD decided to retain EY as the Group's external auditors.

#### Audit effectiveness assessment

The Audit Committee assesses the performance, effectiveness and independence of the external auditors on an annual basis. The assessment is generally based on interviews with senior management and survey feedback from stakeholders across the Group. Assessment criteria include quality of service delivery, quality and competence of the audit team, value added as part of the audit, insightfulness, and the overall relationship with EY. Based on its own analysis and the assessment results, including feedback received as part of the review of the Group audit engagement described above, the Audit Committee concluded that EY's audit has been effective.

#### Services performed by EY and related fees

The Audit Committee oversees all services provided to UBS by the external auditors. For services requiring the approval from the Audit Committee, a preapproval may be granted either for a specific mandate or in the form of a blanket preapproval authorizing a limited and well-defined type and scope of services. The fees (including expenses) paid to EY are set forth in the table below. In addition, EY received USD 52m in 2024 (USD 27m in 2023) for services performed on behalf of our investment funds, many of which have independent fund boards or trustees.

Audit work includes all services necessary to perform the audit for UBS AG in accordance with applicable laws and generally accepted auditing standards, as well as other assurance services that conventionally only the auditor can provide. These include statutory and regulatory audits, attestation services and the review of documents to be filed with regulatory bodies. The additional services classified as audit in 2024 included several engagements for which EY was mandated at the request of FINMA.

Audit-related work consists of assurance and related services traditionally performed by auditors, such as attestation services related to financial reporting, internal control reviews and performance standard reviews, as well as consultation concerning financial accounting and reporting standards.

Tax work involves services performed by professional staff in EY's tax division and includes tax compliance and tax consultation with respect to our own affairs.

"Other" services are permitted services, which include technical IT security control reviews and assessments.

**Fees paid to EY**

UBS AG and its subsidiaries paid the following fees (including expenses) to EY.

| | For the year ended | |
|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 |
| **Audit** | | |
| Global audit fees | 120 | 52 |
| Additional services classified as audit (services required by law or statute, including work of a non-recurring nature mandated by regulators) | 24 | 5 |
| Total audit | 144 | 57 |
| **Non-audit** | | |
| Audit-related fees | 18 | 10 |
| *of which: assurance and attestation services* | *13* | *5* |
| *of which: control and performance reports* | *5* | *5* |
| *of which: consultation concerning financial accounting and reporting standards* | *0* | *0* |
| Tax fees | 2 | 1 |
| All other fees | 1 | 0 |
| Total non-audit | 21 | 11 |

### Special auditors for potential capital increases

At the AGM on 23 April 2024, BDO AG was reappointed as special auditors for a three-year term of office. Special auditors provide audit opinions in connection with potential capital increases independently from other auditors.

## Internal Audit

IA performs the internal auditing role for UBS AG. It is an independent function that provides expertise and insights to confirm controls are functioning correctly and highlight where UBS needs to better manage current and emerging risks.

IA supports the BoD in discharging its governance responsibilities by taking a dynamic approach to audit, issue assurance and risk assessment, confirming where controls are functioning well and highlighting where UBS needs to better manage current and emerging risks. By doing so, it drives action to prevent unexpected loss or damage to the firm's reputation. To support the achievement of UBS's objectives, IA independently, objectively and systematically assesses the:

(i) soundness of UBS AG's risk and control culture;
(ii) reliability and integrity of financial and operational information, including whether activities are properly, accurately and completely recorded, and the quality of underlying data and models; and
(iii) design, operating effectiveness and sustainability of:
  – processes to define strategy and risk appetite, as well as the overall adherence to the approved strategy;
  – governance processes;
  – risk management, including whether risks are appropriately identified and managed;
  – internal controls, specifically whether they are commensurate with the risks taken;
  – remediation activities; and
  – processes to comply with legal and regulatory requirements, internal policies, and UBS AG's constitutional documents and contracts.

Audit reports that include significant issues are provided to the President of the EB, relevant EB members and other responsible management. The Chairman, the Audit Committee and the Risk Committee of the BoD are regularly informed of such issues.

In addition, IA provides independent assurance on the effective and sustainable remediation of control deficiencies within its mandate, taking a prudent and conservative risk-based approach and assessing at the issue level whether the root cause and the potential exposure for the firm have been holistically and sustainably addressed. IA also cooperates closely with risk control functions and internal and external legal advisors on investigations into major control issues.

To ensure IA's independence from management, the IA Executive UBS AG reports to the Chairman of the BoD and to the Audit Committee, which assesses annually whether IA has sufficient resources to perform its function, as well as its independence and performance. In the Audit Committee's assessment, IA is sufficiently resourced to fulfill its mandate and complete its auditing objectives. IA's role, position, responsibilities and accountability are set out in UBS AG's Organization Regulations and the Charter for IA. IA has unrestricted access to all accounts, books, records, systems, property and personnel, and must be provided with all information and data that it needs to fulfill its auditing responsibilities. IA also conducts special audits at the request of the Audit Committee, or other BoD members, committees or the President of the EB in consultation with the Audit Committee.

IA enhances the efficiency of its work through coordination and close cooperation with the external auditors.

# Information policy

We provide regular information to our shareholder and to the wider financial community.

### Financial reports for UBS AG are expected to be published on the following dates:

| | |
|---|---|
| First quarter 2025 | 8 May 2025 |
| Second quarter 2025 | 8 August 2025 |
| Third quarter 2025 | 4 November 2025 |

### The annual general meetings of the shareholders of UBS AG will take place on the following dates:

| | |
|---|---|
| 2025 | 8 April 2025 |
| 2026 | 14 April 2026 |

› **Refer to the corporate calendar available at *ubs.com/investors* for the dates of the publication of financial reports and other key dates**

Our annual and quarterly publications are available in fully online and .pdf formats at *ubs.com/investors*, under "Financial information".

### Financial reporting policies

We report UBS AG's results for each financial quarter, with the exception of the fourth quarter, including a breakdown of results by business division and disclosures or key developments relating to risk management and control, capital, liquidity and funding management. With the exception of the fourth quarter, each quarter we publish quarterly financial reports for UBS AG.

The consolidated financial statements of UBS AG are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

› **Refer to "Note 1 Summary of material accounting policies" in the "Consolidated financial statements" section of this report for more information about the basis of accounting**

#### US disclosure requirements

As a foreign private issuer, we must file reports and other information, including certain financial reports, with the US Securities and Exchange Commission (the SEC) under the US federal securities laws.

An evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a–15e) under the US Securities Exchange Act of 1934 has been carried out, under the supervision of management, including the Group CEO, the Group CFO and the Group Controller. Based on that evaluation, and reflecting the determination that our internal control over financial reporting was not effective as of 31 December 2024, the President of the Executive Board and the CFO concluded that our disclosure controls and procedures were not effective as of 31 December 2024.

No significant changes have been made to our internal controls or to other factors that could significantly affect these controls subsequent to the date of their evaluation.

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

# Financial statements

## Consolidated financial statements

### Table of contents


135 Management's report on internal control over financial reporting
136 Reports of the independent registered public accounting firm / statutory auditor included in this report
137 Report of independent registered public accounting firm on the financial statements
142 Statutory auditor's report on the audit of the consolidated financial statements

148 **UBS AG consolidated financial statements**

148 Primary financial statements and share information
148 Income statement
149 Statement of comprehensive income
150 Balance sheet
151 Statement of changes in equity
153 Share information and earnings per share
154 Statement of cash flows

156 Notes to the UBS AG consolidated financial statements
156 1 Summary of material accounting policies
173 2 Accounting for the merger of UBS AG and Credit Suisse AG
175 3a Segment reporting
178 3b Segment reporting by geographic location

179 Income statement notes
179 4 Net interest income and other net income from financial instruments measured at fair value through profit or loss
179 5 Net fee and commission income
180 6 Other income
180 7 Personnel expenses
180 8 General and administrative expenses
181 9 Income taxes

184 Balance sheet notes
184 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement
188 11 Derivative instruments
190 12 Property, equipment and software
190 13 Goodwill and intangible assets
192 14 Other assets
193 15 Amounts due to banks, customer deposits, and funding from UBS Group AG
194 16 Debt issued designated at fair value
194 17 Debt issued measured at amortized cost
195 18 Provisions and contingent liabilities
203 19 Other liabilities

204 Additional information
204 20 Expected credit loss measurement
215 21 Fair value measurement
229 22 Offsetting financial assets and financial liabilities
231 23 Restricted and transferred financial assets
233 24 Maturity analysis of assets and liabilities
236 25 Hedge accounting
239 26 Post-employment benefit plans
244 27 Employee benefits: variable compensation
248 28 Interests in subsidiaries and other entities
252 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses
252 30 Related parties
255 31 Invested assets and net new money
256 32 Currency translation rates
256 33 Main differences between IFRS Accounting Standards and Swiss GAAP
258 34 Supplemental guarantor information

259 Comparison between UBS AG consolidated and UBS Group AG consolidated

## Management's report on internal control over financial reporting

### Management's responsibility for internal control over financial reporting

The Board of Directors and management of UBS AG are responsible for establishing and maintaining adequate internal control over financial reporting. UBS AG's internal control over financial reporting is designed to provide reasonable assurance regarding the preparation and fair presentation of published financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

UBS AG's internal control over financial reporting includes those policies and procedures that:
- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation and fair presentation of financial statements, and that receipts and expenditures of the company are being made only in accordance with authorizations of UBS AG management; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Management's assessment of internal control over financial reporting as of 31 December 2024

UBS AG management has assessed the effectiveness of UBS AG's internal control over financial reporting as of 31 December 2024 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework (2013 Framework). Based on this assessment for the reasons discussed below, management believes that, as of 31 December 2024, UBS AG's internal control over financial reporting was not effective because of the material weakness described below related to the Credit Suisse business acquired in 2023.

A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a registrant's financial statements will not be prevented or detected on a timely basis.

Prior to the acquisition, Credit Suisse management had identified and disclosed three material weaknesses, one of which related to controls to design and maintain an effective risk assessment process. Management concluded that as of 31 December 2024, changes made to the risk assessment process were designed effectively, but that additional time, in part due to the broader integration and migration efforts underway, is required to conclude that these controls are operating effectively on a sustained basis.

### Remediation of Credit Suisse material weaknesses

In March 2023, prior to the acquisition by UBS Group AG, the Credit Suisse Group and Credit Suisse AG disclosed that their management had identified material weaknesses in internal control over financial reporting as a result of which the Credit Suisse Group and Credit Suisse AG had concluded that, as of 31 December 2022, their internal control over financial reporting was not effective, and for the same reasons, reached the same conclusion regarding 31 December 2021. Following the acquisition and merger of Credit Suisse Group AG into UBS Group AG in June 2023, Credit Suisse AG concluded that as of 31 December 2023 its internal control over financial reporting continued to be ineffective. For the year ended 31 December 2023, UBS AG concluded that its internal control over financial reporting was effective.

In May 2024, Credit Suisse AG and UBS AG merged with UBS AG as the surviving entity. Although Credit Suisse AG is no longer a separate legal entity, numerous of its booking, accounting and risk management systems remain in use for activities that have not yet been exited or migrated to UBS systems.

The material weaknesses that were identified by Credit Suisse related to the failure to design and maintain an effective risk assessment process to identify and analyze the risk of material misstatements in its financial statements and the failure to design and maintain effective monitoring activities relating to (i) providing sufficient management oversight over the internal control evaluation process to support Credit Suisse internal control objectives; (ii) involving appropriate and sufficient management resources to support the risk assessment and monitoring objectives; and (iii) assessing and communicating the severity of deficiencies in a timely manner to those parties responsible for taking corrective action. These material weaknesses contributed to an additional material weakness, as the Credit Suisse Group management did not design and maintain effective controls over the classification and presentation of the consolidated statement of cash flows under US GAAP.

Since the Credit Suisse acquisition, we have executed a remediation program to address the identified material weaknesses and have implemented additional controls and procedures. As of 31 December 2024, management has assessed that the changes to internal controls made to address the material weaknesses relating to the classification and presentation of the consolidated statement of cash flows as well as assessment and communication of the severity of deficiencies are designed and operating effectively.

The remaining material weakness relates to the risk assessment of internal controls. We have integrated the Credit Suisse control framework into the UBS internal control framework and risk assessment and evaluation processes in 2024. In addition, UBS has reviewed the processes, systems and internal control processes in connection with the integration of the financial accounting and controls environment of Credit Suisse into UBS, and implementation of updated or additional processes and controls to reflect the increase in complexity of the accounting and financial control environment following the acquisition.

Management has assessed that the risk assessment process was designed effectively. However, in light of the increased complexity of the internal accounting and control environment, the remaining migration efforts still underway and limited time to demonstrate operating effectiveness and sustainability of the post-merger integrated control environment, management has concluded that additional evidence of effective operation of the remediated controls is required to conclude that the risk assessment processes are operating effectively on a sustainable basis. In light of the above, management has concluded that there is a material weakness in internal control over financial reporting at 31 December 2024.

## Reports of the independent registered public accounting firm / statutory auditor included in this report

The accompanying report of the independent registered public accounting firm on the consolidated financial statements *Report of independent registered public accounting firm on the consolidated financial statements* of UBS AG is included in our filing on 17 March 2025 with the Securities and Exchange Commission on Form 20-F pursuant to US reporting obligations.

The accompanying statutory auditor's report on the audit of the consolidated financial statements of UBS AG *Statutory auditor's report on the audit of the consolidated financial statements*, in addition to the aforementioned report, is included in our UBS AG Annual Report 2024 available on our website and filed on 17 March 2025 with all other relevant non-US exchanges.

Shape the future
with confidence

Ernst & Young Ltd
Aeschengraben 27
P.O. Box
4002 Basel

Phone: +41 58 286 86 86
www.ey.com/en_ch

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of UBS AG

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of UBS AG and subsidiaries ("the Group") as of 31 December 2024 and 2023, the related consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended 31 December 2024, and the related notes to the consolidated financial statements, including the information identified as "audited" as described in Note 1 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group at 31 December 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2024, in conformity with the IFRS Accounting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

These financial statements are the responsibility of the Group's Board of Directors. Our responsibility is to express an opinion on the Group's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

***Valuation of complex or illiquid instruments at fair value***

*Description of the Matter*

At 31 December 2024, as explained in Notes 1 and 21 to the consolidated financial statements, the Group held financial assets and liabilities measured at fair value of USD 476,340 million and USD 401,555 million, respectively, including financial instruments that did not trade in active markets. These instruments are reported within the following accounts: financial assets and liabilities at fair value held for trading, derivative financial instruments, financial assets at fair value not held for trading, debt issued designated at fair value, brokerage payables designated at fair value, and other financial liabilities designated at fair value. In determining the fair value of these financial instruments, the Group used valuation techniques, modelling assumptions, and estimates of unobservable market inputs which required significant management judgment.

Auditing management's judgments and assumptions used in the estimation of the fair value of these instruments was complex due to the highly judgmental nature of valuation techniques, key modelling assumptions and significant unobservable inputs. Auditing the valuation of complex or illiquid instruments at fair value included consideration of any incremental risks arising from the impact of current macroeconomic influences on valuation techniques and inputs, such as geopolitics and inflation. The valuation techniques that required especially complex judgement included discounted cash flow and earnings-based valuation techniques. Highly judgmental modelling assumptions result from a range of different models or model calibrations used by market participants. Valuation inputs which were particularly complex and subjective included those with a limited degree of observability and the associated extrapolation, interpolation or calibration of curves using limited and proxy data points. Examples of such inputs included unobservable credit spreads and bond prices, interest rate and FX correlation and equity volatility.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over management's financial instrument valuation processes, including controls over market data inputs, model and methodology governance, and valuation adjustments.

We tested the valuation techniques, models and methodologies, and the inputs used in those models, as outlined above, by performing an independent revaluation of certain complex or illiquid financial assets and liabilities with the support of specialists. We used independent models and inputs, and compared inputs to available market data among other procedures. We also independently challenged key judgments in relation to a sample of fair value adjustments.

We also assessed management's disclosures regarding fair value measurement (within Notes 1 and 21 to the consolidated financial statements).

***Expected credit losses***

*Description of the Matter*

At 31 December 2024, the Group's allowances and provisions for expected credit losses ("ECL") were USD 3,527 million. As explained in Notes 1, 10 and 20 to the consolidated financial statements, ECL is recognized for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, fee and lease receivables, financial guarantees, and loan commitments not measured at fair value. ECL is also recognized on the undrawn portion of committed unconditionally revocable credit lines, which include the Group's credit card limits and master credit facilities. The allowances and provisions for ECL consists of exposures that are in default which are individually evaluated for impairment ("stage

3”), as well as losses inherent in the loan portfolio that are not specifically identified (stage 1 and stage 2). Management’s ECL estimates represent the difference between contractual cash flows and those the Group expects to receive, discounted at the effective interest rate. The method used to calculate ECL is based on a combination of the following principal factors: probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”).

Auditing management’s estimate of the allowances and provisions for ECL was complex due to the highly judgmental nature of forward-looking economic scenarios that form the basis of the ECL calculation, their probability weightings, post-model adjustments, and the credit risk models used to estimate stage 1 and stage 2 ECL. The macroeconomic developments during 2024, including persisting geopolitical tensions and inflation, contributed to further uncertainty and complexity in estimating ECL. As a result, the ECL estimation required higher management judgement, specifically within the following three areas: (i) scenario selection, including assumptions about the scenario severity, underlying macroeconomic variables, and the number of scenarios necessary to sufficiently cover the bandwidth of potential outcomes, as well as related scenario weights; (ii) credit risk models, since the output from historic data based models may not be indicative of current or future conditions; and (iii) post-model adjustments.

Additionally, auditing the measurement of individual ECL for stage 3 was complex due to the high degree of judgment involved in management’s process for estimating ECL based on assumptions. These assumptions take into account expected future cash flows from collateral and other credit enhancements or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of management’s controls over the ECL estimate, including management’s choice of forward-looking economic scenarios used to measure ECL and the probability weighting assigned to such scenarios. We evaluated management’s methodologies and governance controls for developing and monitoring the economic scenarios used and the probability weightings assigned to them, and selected post-model adjustments. Supported by specialists, we assessed the key macroeconomic variables used in the forward-looking scenarios, such as real gross domestic product growth, unemployment rate, interest rates and house price indices, and evaluated the modelled correlation and translation of those macroeconomic factors to the ECL estimate. We further assessed the appropriateness of the post-model adjustments by considering management’s governance process, assumptions used and sensitivity analysis.

We also obtained an understanding, evaluated the design and tested the operating effectiveness of controls over credit risk models used in the ECL estimate, including controls over the completeness and accuracy of data flow and calculation logic in the ECL calculation. With the support of specialists, on a sample basis, we performed an evaluation of management’s models and tested the model outcomes by inspecting model documentation, reperforming model calculations, and comparing data used as inputs to management’s forecast to external sources, among other procedures.

For the measurement of stage 3, we obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management’s process, including an evaluation of the assumptions used by management regarding the future cash flows from

debtors' continuing operations and/or the liquidation of collateral. Supported by specialists in certain areas, we additionally tested collateral valuation, cash flow assumptions and exit strategies by performing inquiries of management, inspecting underlying documents, such as loan contracts, financial statements, covenants, budgets and business plans, and by re-performing discounted cash flow calculations among other procedures, on a sample basis.

We also assessed management's disclosures regarding financial assets at amortized cost and other positions in scope of expected credit loss measurement (within Notes 1, 10 and 20 to the consolidated financial statements).

***Recognition of deferred tax assets***

*Description of the Matter*

At 31 December 2024, the Group's deferred tax assets ("DTAs") were USD 10,481 million (see Note 9 to the consolidated financial statements). DTAs are recognized to the extent it is probable that taxable profits will be available, against which applicable deductible temporary differences or the carryforward of unused tax losses within the loss carryforward period can be utilized. There is significant judgment exercised when estimating future taxable income that is not based on the reversal of taxable temporary differences. Management's estimate of future taxable profits is based on its strategic plan and tax planning strategies which would be utilized if necessary to generate additional future taxable income as well as the consideration of expiry dates of unused tax losses.

Auditing management's assessment of the recognition of the Group's DTAs was complex due to the judgmental nature of estimating future taxable profits and the use of tax planning strategies. Estimating future profitability is inherently subjective and tax planning strategies require judgement in applying applicable tax law.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over DTA valuation, which included the consideration of tax planning strategies, assumptions used in developing the strategic plan and estimating future taxable income.

We assessed the completeness and accuracy of the input data used for the estimations of future taxable income and the appropriateness of tax planning strategies used in management's DTA recognition assessment. This included consideration of the expiry dates of unused tax losses.

We involved specialists to assist in assessing the key economic assumptions embedded in the strategic plans. We compared key assumptions used to forecast future taxable income to externally available historical and prospective data and assumptions and assessed the sensitivity of the outcomes using reasonably possible changes in assumptions.

We also assessed management's disclosure regarding recognized and unrecognized deferred tax assets (within Note 9 to the consolidated financial statements).

***Legal provisions and contingent liabilities***

*Description of the Matter*

At 31 December 2024, the Group's provisions for litigation, regulatory and similar matters and contingent liabilities (legal provisions) were USD 3,598 million. As explained in Note 18 to the consolidated financial statements, the Group operates in a legal and regulatory environment

that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcomes may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the legal provisions which have been established.

Auditing management's assessment of legal provisions was complex and judgmental due to the significant subjectivity involved in management's estimate of the amount and probability that an outflow of resources will be required for existing legal matters, including inquiries regarding cross-border wealth management businesses (Note 18b.1), mortgage-related matters (Note 18b.5), and customer account matters (Note 18b.7). The legal provisions for these matters are based on management's estimation of the amount and likelihood of the occurrence of certain scenarios.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the legal provision process. Our procedures included testing management's review of the accuracy of the inputs to the estimation of the amount and likelihood of the occurrence of certain scenarios.

Where appropriate, we assessed the methodologies on which the provision amounts were based, recalculated the provisions and tested the underlying information. We inspected internal and external legal analyses of the matters supporting the judgmental aspects impacted by legal interpretations. We obtained correspondence directly from external legal counsel to assess the information provided by management and performed inquiries with external counsel as necessary. We also assessed the appropriateness of the accounting treatment for the remeasurement of legal provisions.

We also assessed management's disclosure regarding legal provisions (within Note 18 to the consolidated financial statements).

Ernst & Young Ltd

*Ernst & Young Ltd*

We have served as the Group's auditor since 1998.

Basel, Switzerland

14 March 2025

Shape the future with confidence

Ernst & Young Ltd
Aeschengraben 27
P.O. Box
CH-4002 Basel

Phone: +41 58 286 86 86
www.ey.com/en_ch

To the General Meeting of

UBS AG, Zurich & Basel

Basel, 14 March 2025

## Statutory auditor's report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of UBS AG and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of 31 December 2024 and 31 December 2023, and the consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended 31 December 2024, and the related notes to the consolidated financial statements, including the information identified as "audited" as described in Note 1 (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended 31 December 2024 in accordance with IFRS Accounting Standards and comply with Swiss law.

### Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Key audit matters

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

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

***Valuation of complex or illiquid instruments at fair value***

*Area of focus*

At 31 December 2024, as explained in Notes 1 and 21 to the consolidated financial statements, the Group held financial assets and liabilities measured at fair value of USD 476,340 million and USD 401,555 million, respectively, including financial instruments that did not trade in active markets. These instruments are reported within the following accounts: financial assets and liabilities at fair value held for trading, derivative financial instruments, financial assets at fair value not held for trading, debt issued designated at fair value, brokerage payables designated at fair value, and other financial liabilities designated at fair value. In determining the fair value of these financial instruments, the Group used valuation techniques, modelling assumptions, and estimates of unobservable market inputs which required significant management judgment.

Auditing management's judgments and assumptions used in the estimation of the fair value of these instruments was complex due to the highly judgmental nature of valuation techniques, key modelling assumptions and significant unobservable inputs. Auditing the valuation of complex or illiquid instruments at fair value included consideration of any incremental risks arising from the impact of current macroeconomic influences on valuation techniques and inputs, such as geopolitics and inflation. The valuation techniques that required especially complex judgement included discounted cash flow and earnings-based valuation techniques. Highly judgmental modelling assumptions result from a range of different models or model calibrations used by market participants. Valuation inputs which were particularly complex and subjective included those with a limited degree of observability and the associated extrapolation, interpolation or calibration of curves using limited and proxy data points. Examples of such inputs included unobservable credit spreads and bond prices, interest rate and FX correlation and equity volatility.

*Our audit response*

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over management's financial instrument valuation processes, including controls over market data inputs, model and methodology governance, and valuation adjustments.

We tested the valuation techniques, models and methodologies, and the inputs used in those models, as outlined above, by performing an independent revaluation of certain complex or illiquid financial assets and liabilities with the support of specialists. We used independent models and inputs, and compared inputs to available market data among other procedures. We also independently challenged key judgments in relation to a sample of fair value adjustments.

We also assessed management's disclosures regarding fair value measurement (within Notes 1 and 21 to the consolidated financial statements).

***Expected credit losses***

*Area of focus*

At 31 December 2024, the Group's allowances and provisions for expected credit losses ("ECL") were USD 3,527 million. As explained in Notes 1, 10 and 20 to the consolidated financial statements, ECL is recognized for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, fee and lease receivables, financial guarantees, and loan commitments not measured at fair value. ECL is also recognized on the undrawn portion of committed unconditionally

revocable credit lines, which include the Group's credit card limits and master credit facilities. The allowances and provisions for ECL consists of exposures that are in default which are individually evaluated for impairment ("stage 3"), as well as losses inherent in the loan portfolio that are not specifically identified (stage 1 and stage 2). Management's ECL estimates represent the difference between contractual cash flows and those the Group expects to receive, discounted at the effective interest rate. The method used to calculate ECL is based on a combination of the following principal factors: probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD").

Auditing management's estimate of the allowances and provisions for ECL was complex due to the highly judgmental nature of forward-looking economic scenarios that form the basis of the ECL calculation, their probability weightings, post-model adjustments, and the credit risk models used to estimate stage 1 and stage 2 ECL. The macroeconomic developments during 2024, including persisting geopolitical tensions and inflation, contributed to further uncertainty and complexity in estimating ECL. As a result, the ECL estimation required higher management judgement, specifically within the following three areas: (i) scenario selection, including assumptions about the scenario severity, underlying macroeconomic variables, and the number of scenarios necessary to sufficiently cover the bandwidth of potential outcomes, as well as related scenario weights; (ii) credit risk models, since the output from historic data based models may not be indicative of current or future conditions; and (iii) post-model adjustments.

Additionally, auditing the measurement of individual ECL for stage 3 was complex due to the high degree of judgment involved in management's process for estimating ECL based on assumptions. These assumptions take into account expected future cash flows from collateral and other credit enhancements or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims.

*Our audit response*

We obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the ECL estimate, including management's choice of forward-looking economic scenarios used to measure ECL and the probability weighting assigned to such scenarios. We evaluated management's methodologies and governance controls for developing and monitoring the economic scenarios used and the probability weightings assigned to them, and selected post-model adjustments. Supported by specialists, we assessed the key macroeconomic variables used in the forward-looking scenarios, such as real gross domestic product growth, unemployment rate, interest rates and house price indices, and evaluated the modelled correlation and translation of those macroeconomic factors to the ECL estimate. We further assessed the appropriateness of the post-model adjustments by considering management's governance process, assumptions used and sensitivity analysis.

We also obtained an understanding, evaluated the design and tested the operating effectiveness of controls over credit risk models used in the ECL estimate, including controls over the completeness and accuracy of data flow and calculation logic in the ECL calculation. With the support of specialists, on a sample basis, we performed an evaluation of management's models and tested the model outcomes by inspecting model documentation, reperforming model calculations, and comparing data used as inputs to management's forecast to external sources, among other procedures.

For the measurement of stage 3, we obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's process, including an evaluation of the assumptions used by management regarding the future cash flows from debtors' continuing operations and/or the liquidation of collateral. Supported by specialists in certain areas, we additionally tested collateral valuation, cash flow assumptions and exit strategies by performing inquiries of management, inspecting underlying documents, such as loan contracts, financial statements, covenants, budgets and business plans, and by re-performing discounted cash flow calculations among other procedures, on a sample basis.

We also assessed management's disclosures regarding financial assets at amortized cost and other positions in scope of expected credit loss measurement (within Notes 1, 10 and 20 to the consolidated financial statements).

***Recognition of deferred tax assets***

*Area of focus*

At 31 December 2024, the Group's deferred tax assets ("DTAs") were USD 10,481 million (see Note 9 to the consolidated financial statements). DTAs are recognized to the extent it is probable that taxable profits will be available, against which applicable deductible temporary differences or the carryforward of unused tax losses within the loss carryforward period can be utilized. There is significant judgment exercised when estimating future taxable income that is not based on the reversal of taxable temporary differences. Management's estimate of future taxable profits is based on its strategic plan and tax planning strategies which would be utilized if necessary to generate additional future taxable income as well as the consideration of expiry dates of unused tax losses.

Auditing management's assessment of the recognition of the Group's DTAs was complex due to the judgmental nature of estimating future taxable profits and the use of tax planning strategies. Estimating future profitability is inherently subjective and tax planning strategies require judgement in applying applicable tax law.

*Our audit response*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over DTA valuation, which included the consideration of tax planning strategies, assumptions used in developing the strategic plans and estimating future taxable income.

We assessed the completeness and accuracy of the input data used for the estimations of future taxable income and the appropriateness of tax planning strategies used in management's DTA recognition assessment. This included consideration of the expiry dates of unused tax losses.

We involved specialists to assist in assessing the key economic assumptions embedded in the strategic plans. We compared key assumptions used to forecast future taxable income to externally available historical and prospective data and assumptions and assessed the sensitivity of the outcomes using reasonably possible changes in assumptions.

We also assessed management's disclosure regarding recognized and unrecognized deferred tax assets (within Note 9 to the consolidated financial statements).

***Legal provisions and contingent liabilities***

*Area of focus*

At 31 December 2024, the Group's provisions for litigation, regulatory and similar matters and contingent liabilities (legal provisions) were USD 3,598 million. As explained in Note 18 to the consolidated financial statements, the Group operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcomes may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the legal provisions which have been established.

Auditing management's assessment of legal provisions was complex and judgmental due to the significant subjectivity involved in management's estimate of the amount and probability that an outflow of resources will be required for existing legal matters, including inquiries regarding cross-border wealth management businesses (Note 18b.1), mortgage-related matters (Note 18b.5), and customer account matters (Note 18b.7). The legal provisions for these matters are based on management's estimation of the amount and likelihood of the occurrence of certain scenarios.

*Our audit response*

We obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the legal provision process. Our procedures included testing management's review of the accuracy of the inputs to the estimation of the amount and likelihood of the occurrence of certain scenarios.

Where appropriate, we assessed the methodologies on which the provision amounts were based, recalculated the provisions and tested the underlying information. We inspected internal and external legal analyses of the matters supporting the judgmental aspects impacted by legal interpretations. We obtained correspondence directly from external legal counsel to assess the information provided by management and performed inquiries with external counsel as necessary. We also assessed the appropriateness of the accounting treatment for the remeasurement of legal provisions.

We also assessed management's disclosure regarding legal provisions (within Note 18 to the consolidated financial statements).

**Other information in the annual report**

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements of UBS Group AG and UBS AG, the standalone financial statements of UBS Group AG, the compensation report[1], and our auditor's reports thereon.
Our opinions on the consolidated financial statements of UBS Group AG and UBS AG, the standalone financial statements of UBS Group AG and the compensation report[1] do not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially

[1] Specifically, the following tables in the compensation report: "Share ownership/entitlements of GEB members," "Total of all vested and unvested shares of GEB members," "Number of shares of BoD members," and "Total of all blocked and unblocked shares of BoD Members."

inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Board of Directors' responsibilities for the consolidated financial statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

**Report on other legal and regulatory requirements**

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

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Maurice McCormick
Licensed audit expert
(Auditor in charge)

Robert E. Jacob, Jr.
Certified Public Accountant (U.S.)

# UBS AG consolidated financial statements

## Primary financial statements and share information

Audited I

### Income statement

| | | For the year ended | | |
|---|---|---|---|---|
| *USD m* | Note | 31.12.24 | 31.12.23 | 31.12.22 |
| Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income | 4 | 28,967 | 22,444 | 11,803 |
| Interest expense from financial instruments measured at amortized cost | 4 | (29,745) | (19,643) | (6,696) |
| Net interest income from financial instruments measured at fair value through profit or loss and other | 4 | 5,455 | 1,765 | 1,410 |
| Net interest income | 4 | 4,678 | 4,566 | 6,517 |
| Other net income from financial instruments measured at fair value through profit or loss | 4 | 12,959 | 9,934 | 7,493 |
| Fee and commission income | 5 | 25,806 | 20,399 | 20,846 |
| Fee and commission expense | 5 | (2,369) | (1,790) | (1,823) |
| Net fee and commission income | 5 | 23,438 | 18,610 | 19,023 |
| Other income | 6 | 1,248 | 566 | 1,882 |
| **Total revenues** | | 42,323 | 33,675 | 34,915 |
| **Credit loss expense / (release)** | 20 | 544 | 143 | 29 |
| Personnel expenses | 7 | 19,958 | 15,655 | 15,080 |
| General and administrative expenses | 8 | 16,548 | 11,118 | 9,001 |
| Depreciation, amortization and impairment of non-financial assets | 12, 13 | 2,840 | 2,238 | 1,845 |
| **Operating expenses** | | 39,346 | 29,011 | 25,927 |
| **Operating profit / (loss) before tax** | | 2,433 | 4,521 | 8,960 |
| Tax expense / (benefit) | 9 | 900 | 1,206 | 1,844 |
| **Net profit / (loss)** | | 1,533 | 3,315 | 7,116 |
| Net profit / (loss) attributable to non-controlling interests | | 51 | 25 | 32 |
| **Net profit / (loss) attributable to shareholders** | | 1,481 | 3,290 | 7,084 |

## Statement of comprehensive income

| USD m | Note | For the year ended 31.12.24 | 31.12.23 | 31.12.22 |
|---|---|---|---|---|
| **Comprehensive income attributable to shareholders** | | | | |
| Net profit / (loss) | | 1,481 | 3,290 | 7,084 |
| 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 | | (2,629) | 1,747 | (869) |
| Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax | | 1,340 | (912) | 319 |
| Foreign currency translation differences on foreign operations reclassified to the income statement | | 15 | 58 | 32 |
| Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement | | (12) | (28) | (4) |
| Income tax relating to foreign currency translations, including the effect of net investment hedges | | 24 | (17) | 4 |
| Subtotal foreign currency translation, net of tax | | (1,261)[1] | 849 | (519) |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Net unrealized gains / (losses), before tax | | 0 | 4 | (440) |
| Net realized (gains) / losses reclassified to the income statement from equity | | 0 | 1 | 1 |
| Reclassification of financial assets to Other financial assets measured at amortized cost[2] | | | | 449 |
| Income tax relating to net unrealized gains / (losses) | | 0 | 0 | (3) |
| Subtotal financial assets measured at fair value through other comprehensive income, net of tax | | 0 | 5 | 6 |
| Cash flow hedges of interest rate risk | 25 | | | |
| Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax | | (1,198) | (36) | (5,758) |
| Net (gains) / losses reclassified to the income statement from equity | | 1,907 | 1,745 | (159) |
| Income tax relating to cash flow hedges | | (74) | (309) | 1,124 |
| Subtotal cash flow hedges, net of tax | | 635 | 1,400 | (4,793) |
| Cost of hedging | 25 | | | |
| Cost of hedging, before tax | | (87) | (19) | 45 |
| Income tax relating to cost of hedging | | 0 | 0 | 0 |
| Subtotal cost of hedging, net of tax | | (87) | (19) | 45 |
| Total other comprehensive income that may be reclassified to the income statement, net of tax | | (714) | 2,235 | (5,260) |
| Other comprehensive income that will not be reclassified to the income statement | | | | |
| Defined benefit plans | 26 | | | |
| Gains / (losses) on defined benefit plans, before tax | | (106) | (103) | 40 |
| Income tax relating to defined benefit plans | | 20 | (33) | 41 |
| Subtotal defined benefit plans, net of tax | | (86) | (136) | 81 |
| Own credit on financial liabilities designated at fair value | 21 | | | |
| Gains / (losses) from own credit on financial liabilities designated at fair value, before tax | | 75 | (861) | 867 |
| Income tax relating to own credit on financial liabilities designated at fair value | | (10) | 71 | (71) |
| Subtotal own credit on financial liabilities designated at fair value, net of tax | | 65 | (790) | 796 |
| Total other comprehensive income that will not be reclassified to the income statement, net of tax | | (21) | (927) | 877 |
| Total other comprehensive income | | (735) | 1,308 | (4,383) |
| Total comprehensive income attributable to shareholders | | 747 | 4,598 | 2,701 |
| **Comprehensive income attributable to non-controlling interests** | | | | |
| Net profit / (loss) | | 51 | 25 | 32 |
| Total other comprehensive income that will not be reclassified to the income statement, net of tax | | (48) | 2 | (14) |
| Total comprehensive income attributable to non-controlling interests | | 3 | 27 | 18 |
| **Total comprehensive income** | | | | |
| Net profit / (loss) | | 1,533 | 3,315 | 7,116 |
| Other comprehensive income | | (783) | 1,311 | (4,396) |
| *of which: other comprehensive income that may be reclassified to the income statement* | | *(714)* | *2,235* | *(5,260)* |
| *of which: other comprehensive income that will not be reclassified to the income statement* | | *(69)* | *(924)* | *864* |
| Total comprehensive income | | 749 | 4,625 | 2,719 |

1 Mainly reflects a strengthening of the US dollar against the Swiss franc and the euro. 2 Effective 1 April 2022, a portfolio of assets previously classified as Financial assets measured at fair value through other comprehensive income was reclassified to Other financial assets measured at amortized cost. Refer to Note 14a for more information.

## Balance sheet

| *USD m* | Note | 31.12.24 | 31.12.23 |
|---|---|---|---|
| **Assets** | | | |
| Cash and balances at central banks | | 223,329 | 171,806 |
| Amounts due from banks | 10 | 18,111 | 28,206 |
| Receivables from securities financing transactions measured at amortized cost | 10, 22 | 118,302 | 74,128 |
| Cash collateral receivables on derivative instruments | 10, 22 | 43,959 | 32,300 |
| Loans and advances to customers | 10 | 587,347 | 405,633 |
| Other financial assets measured at amortized cost | 10, 14a | 59,279 | 54,334 |
| **Total financial assets measured at amortized cost** | | 1,050,326 | 766,407 |
| Financial assets at fair value held for trading | 21 | 159,223 | 135,098 |
| *of which: assets pledged as collateral that may be sold or repledged by counterparties* | | *38,532* | *44,524* |
| Derivative financial instruments | 11, 21, 22 | 186,435 | 131,728 |
| Brokerage receivables | 21 | 25,858 | 20,883 |
| Financial assets at fair value not held for trading | 21 | 95,203 | 63,754 |
| **Total financial assets measured at fair value through profit or loss** | | 466,719 | 351,463 |
| **Financial assets measured at fair value through other comprehensive income** | 21 | 2,195 | 2,233 |
| Investments in associates | 28b | 2,306 | 983 |
| Property, equipment and software | 12 | 12,091 | 11,044 |
| Goodwill and intangible assets | 13 | 6,661 | 6,265 |
| Deferred tax assets | 9 | 10,481 | 9,244 |
| Other non-financial assets | 14b | 17,282 | 8,377 |
| **Total assets** | | 1,568,060 | 1,156,016 |
| **Liabilities** | | | |
| Amounts due to banks | 15a | 23,347 | 16,720 |
| Payables from securities financing transactions measured at amortized cost | 22 | 14,824 | 5,782 |
| Cash collateral payables on derivative instruments | 22 | 36,366 | 34,886 |
| Customer deposits | 15a | 749,476 | 555,673 |
| Funding from UBS Group AG measured at amortized cost | 15b | 107,918 | 67,282 |
| Debt issued measured at amortized cost | 17 | 101,104 | 69,784 |
| Other financial liabilities measured at amortized cost | 19a | 21,762 | 12,713 |
| **Total financial liabilities measured at amortized cost** | | 1,054,796 | 762,840 |
| Financial liabilities at fair value held for trading | 21 | 35,247 | 31,712 |
| Derivative financial instruments | 11, 21, 22 | 180,678 | 140,707 |
| Brokerage payables designated at fair value | 21 | 49,023 | 42,275 |
| Debt issued designated at fair value | 16, 21 | 102,567 | 86,341 |
| Other financial liabilities designated at fair value | 19b, 21 | 34,041 | 27,366 |
| **Total financial liabilities measured at fair value through profit or loss** | | 401,555 | 328,401 |
| Provisions | 18a | 5,131 | 2,524 |
| Other non-financial liabilities | 19c | 11,911 | 6,682 |
| **Total liabilities** | | 1,473,394 | 1,100,448 |
| **Equity** | | | |
| Share capital | | 386 | 386 |
| Share premium | | 84,777 | 24,638 |
| Retained earnings | | 7,838 | 28,235 |
| Other comprehensive income recognized directly in equity, net of tax | | 1,002 | 1,974 |
| **Equity attributable to shareholders** | | 94,003 | 55,234 |
| Equity attributable to non-controlling interests | | 662 | 335 |
| **Total equity** | | 94,666 | 55,569 |
| **Total liabilities and equity** | | 1,568,060 | 1,156,016 |

## Statement of changes in equity

| *USD m* | Share capital | Share premium | Retained earnings |
|---|---|---|---|
| **Balance as of 31 December 2021** | **338** | **24,653** | **27,912** |
| Premium on shares issued and warrants exercised | | (14)[2] | |
| Tax (expense) / benefit | | 5 | |
| Dividends | | | (4,200) |
| Translation effects recognized directly in retained earnings | | | 69 |
| Share of changes in retained earnings of associates and joint ventures | | | 0 |
| New consolidations / (deconsolidations) and other increases / (decreases) | | 4 | 3 |
| Total comprehensive income for the year | | | 7,961 |
| *of which: net profit / (loss)* | | | *7,084* |
| *of which: OCI, net of tax* | | | *877* |
| **Balance as of 31 December 2022** | **338** | **24,648** | **31,746** |
| Premium on shares issued and warrants exercised | | (19)[2] | |
| Tax (expense) / benefit | | 12 | |
| Dividends | | | (6,000) |
| Translation effects recognized directly in retained earnings | | | 127 |
| Share of changes in retained earnings of associates and joint ventures | | | (1) |
| Share capital currency change | 48 | (48) | |
| New consolidations / (deconsolidations) and other increases / (decreases) | | 45[3] | 0 |
| Total comprehensive income for the year | | | 2,363 |
| *of which: net profit / (loss)* | | | *3,290* |
| *of which: OCI, net of tax* | | | *(927)* |
| **Balance as of 31 December 2023** | **386** | **24,638** | **28,235** |
| Equity recognized due to the merger of UBS AG and Credit Suisse AG[4] | | 60,571 | (18,848) |
| Premium on shares issued and warrants exercised | | (20)[2] | |
| Tax (expense) / benefit | | 18 | |
| Dividends | | | (3,000) |
| Translation effects recognized directly in retained earnings | | | (33) |
| Share of changes in retained earnings of associates and joint ventures | | | (3) |
| New consolidations / (deconsolidations) and other increases / (decreases) | | (431)[5] | 26 |
| Total comprehensive income for the year | | | 1,460 |
| *of which: net profit / (loss)* | | | *1,481* |
| *of which: OCI, net of tax* | | | *(21)* |
| **Balance as of 31 December 2024** | **386** | **84,777** | **7,838** |

1 Excludes other comprehensive income related to defined benefit plans and own credit, which is recorded directly in Retained earnings. 2 Includes decreases related to recharges by UBS Group AG for share-based compensation awards granted to employees of UBS AG or its subsidiaries. 3 Includes an increase of USD 45m related to the issuance of high-trigger loss-absorbing additional tier 1 capital with an equity conversion feature. 4 Refer to Note 2 for more information. 5 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. 6 Includes an increase of USD 490m in the second quarter of 2024 due to the merger of UBS AG and Credit Suisse AG.

| Other comprehensive income recognized directly in equity, net of tax[1] | *of which: foreign currency translation* | *of which: financial assets at fair value through OCI* | *of which: cash flow hedges* | Total equity attributable to shareholders | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| **5,200** | ***4,617*** | ***(7)*** | ***628*** | **58,102** | **340** | **58,442** |
| | | | | (14) | | (14) |
| | | | | 5 | | 5 |
| | | | | (4,200) | (9) | (4,209) |
| (69) | | *0* | *(69)* | 0 | | 0 |
| | | | | 0 | | 0 |
| (3) | | *(3)* | | 4 | (7) | (3) |
| (5,260) | *(519)* | *6* | *(4,793)* | 2,701 | 18 | 2,719 |
| | | | | *7,084* | *32* | *7,116* |
| *(5,260)* | *(519)* | *6* | *(4,793)* | *(4,383)* | *(14)* | *(4,396)* |
| **(133)** | ***4,098*** | ***(4)*** | ***(4,234)*** | **56,598** | **342** | **56,940** |
| | | | | (19) | | (19) |
| | | | | 12 | | 12 |
| | | | | (6,000) | (4) | (6,004) |
| (127) | | *0* | *(127)* | 0 | | 0 |
| | | | | (1) | | (1) |
| | | | | 0 | | 0 |
| | | | | 45 | (31) | 15 |
| 2,235 | *849* | *5* | *1,400* | 4,598 | 27 | 4,625 |
| | | | | *3,290* | *25* | *3,315* |
| *2,235* | *849* | *5* | *1,400* | *1,308* | *2* | *1,311* |
| **1,974** | ***4,947*** | ***1*** | ***(2,961)*** | **55,234** | **335** | **55,569** |
| (291) | | | *(291)* | 41,432 | | 41,432 |
| | | | | (20) | | (20) |
| | | | | 18 | | 18 |
| | | | | (3,000) | (30) | (3,029) |
| 33 | | *0* | *33* | 0 | | 0 |
| | | | | (3) | | (3) |
| | | | | (405) | 355[6] | (51)[6] |
| (714) | *(1,261)* | *0* | *635* | 747 | 3 | 749 |
| | | | | *1,481* | *51* | *1,533* |
| *(714)* | *(1,261)* | *0* | *635* | *(735)* | *(48)* | *(783)* |
| 1,002 | *3,686* | *0* | *(2,585)* | 94,003 | 662 | 94,666 |

## Ordinary share capital

As of 31 December 2024, UBS AG had 3,858,408,466 issued fully paid registered shares (31 December 2023: 3,858,408,466 shares) with a nominal value of USD 0.10 each, leading to a share capital of USD 385,840,846.60. The shares were entirely held by UBS Group AG.

## Conditional capital

As of 31 December 2024, the following conditional capital was available to the Board of Directors (the BoD) of UBS AG:

– Conditional capital in the amount of USD 38,000,000, for the issuance of a maximum of 380,000,000 fully paid registered shares with a nominal value of USD 0.10 each, to be issued through the voluntary or mandatory exercise of conversion rights and / or warrants granted in connection with the issuance of bonds or similar financial instruments on national or international capital markets. This conditional capital allowance was approved at the Extraordinary General Meeting held on 26 November 2014, having originally been approved at the Annual General Meeting (the AGM) of UBS AG on 14 April 2010. The BoD has not made use of such allowance.

## Conversion capital

As of 31 December 2024, UBS AG had conversion capital in the amount of USD 70,000,000, for the issuance of a maximum of 700,000,000 fully paid registered shares with a nominal value of USD 0.10 each. The issuance of fully paid registered shares only occurs through the mandatory conversion of claims arising upon the occurrence of one or more trigger events under financial market instruments with contingent conversion features issued by UBS AG. The creation of this conversion capital was approved at the AGM held on 23 April 2024.

## Capital band and reserve capital

As of 31 December 2024, UBS AG has not introduced a capital band or any reserve capital.

## Earnings per share

In 2015, UBS AG shares were delisted from the SIX Swiss Exchange and the New York Stock Exchange. As of 31 December 2024, 100% of UBS AG's issued shares were held by UBS Group AG and therefore were not publicly traded. Accordingly, earnings per share information is not provided for UBS AG.

## Statement of cash flows

| | For the year ended | | |
|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
| **Cash flow from / (used in) operating activities** | | | |
| Net profit / (loss) | 1,533 | 3,315 | 7,116 |
| **Non-cash items included in net profit and other adjustments:** | | | |
| Depreciation, amortization and impairment of non-financial assets | 2,840 | 2,238 | 1,845 |
| Credit loss expense / (release) | 544 | 143 | 29 |
| Share of net (profit) / loss of associates and joint ventures and impairment related to associates | (73) | 163 | (32) |
| Deferred tax expense / (benefit) | (1,106) | (222) | 491 |
| Net loss / (gain) from investing activities | 207 | (225) | (1,515) |
| Net loss / (gain) from financing activities | (3,643) | 4,919 | (16,587) |
| Other net adjustments[1] | 14,292 | (10,383) | 5,792 |
| **Net change in operating assets and liabilities:[1,2]** | | | |
| Amounts due from banks and amounts due to banks | (708) | (10,093)[3] | (1,088) |
| Receivables from securities financing transactions measured at amortized cost | (19,580) | (4,993) | 5,690 |
| Payables from securities financing transactions measured at amortized cost | 471 | 1,543 | (1,247) |
| Cash collateral on derivative instruments | (6,132) | 1,162 | 73 |
| Loans and advances to customers | 21,240 | 3,707 | 1,653 |
| Customer deposits | (13,407) | 6,521 | (9,409) |
| Financial assets and liabilities at fair value held for trading and derivative financial instruments | (27,623) | (16,017) | 8,173 |
| Brokerage receivables and payables | 1,842 | (6,101) | 6,019 |
| Financial assets at fair value not held for trading and other financial assets and liabilities | 2,272 | (4,661) | 5,557 |
| Provisions and other non-financial assets and liabilities | 1,465 | 2,325 | (437) |
| Income taxes paid, net of refunds | (1,500) | (1,541) | (1,495) |
| **Net cash flow from / (used in) operating activities** | (27,065)[4] | (28,202) | 10,630 |
| **Cash flow from / (used in) investing activities** | | | |
| Cash and cash equivalents obtained due to the merger of UBS AG and Credit Suisse AG[5] | 121,258 | | |
| Purchase of subsidiaries, business, associates and intangible assets | (64) | (4) | (3) |
| Disposal of subsidiaries, business, associates and intangible assets[6] | 233 | 109 | 1,729 |
| Purchase of property, equipment and software | (1,512) | (1,283) | (1,478) |
| Disposal of property, equipment and software | 71 | 33 | 161 |
| Net (purchase) / redemption of financial assets measured at fair value through other comprehensive income | (3) | 30 | (699) |
| Purchase of debt securities measured at amortized cost | (5,962) | (14,244) | (30,792) |
| Disposal and redemption of debt securities measured at amortized cost | 8,384 | 10,435 | 18,799 |
| **Net cash flow from / (used in) investing activities** | 122,406 | (4,924) | (12,283) |

Table continues below.

## Statement of cash flows (continued)

Table continued from above.

| USD m | For the year ended 31.12.24 | 31.12.23 | 31.12.22 |
|---|---|---|---|
| **Cash flow from / (used in) financing activities** | | | |
| Repayment of Swiss National Bank funding[7] | (10,304) | | |
| Net issuance (repayment) of short-term debt measured at amortized cost | (6,163) | 7,181 | (12,249) |
| Distributions paid on UBS AG shares | (3,000) | (6,000) | (4,200) |
| Issuance of debt designated at fair value and long-term debt measured at amortized cost[8] | 102,997 | 104,551 | 79,457 |
| Repayment of debt designated at fair value and long-term debt measured at amortized cost[8] | (118,286) | (85,541) | (67,670) |
| Inflows from securities financing transactions measured at amortized cost[9] | 6,273 | | |
| Outflows from securities financing transactions measured at amortized cost[9] | (2,688) | | |
| Net cash flows from other financing activities | (965) | (501) | (595) |
| **Net cash flow from / (used in) financing activities** | (32,137) | 19,690 | (5,257) |
| **Total cash flow** | | | |
| **Cash and cash equivalents at the beginning of the year** | 190,469 | 195,200 | 207,755 |
| Net cash flow from / (used in) operating, investing and financing activities | 63,205 | (13,435) | (6,911) |
| Effects of exchange rate differences on cash and cash equivalents[1] | (10,315) | 8,704 | (5,645) |
| **Cash and cash equivalents at the end of the year[10]** | 243,359[11] | 190,469 | 195,200 |
| *of which: cash and balances at central banks[12]* | *223,329* | *171,723* | *169,363* |
| *of which: amounts due from banks[12]* | *16,654* | *12,078* | *13,329* |
| *of which: money market paper[12,13]* | *3,115* | *6,668* | *12,508* |
| **Additional information** | | | |
| Net cash flow from / (used in) operating activities includes: | | | |
| Interest received in cash | 48,253 | 32,576 | 15,730 |
| Interest paid in cash | 41,454 | 26,711 | 8,315 |
| Dividends on equity investments, investment funds and associates received in cash[14] | 2,780 | 2,241 | 1,907 |

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, with the exception of foreign currency hedge effects related to foreign exchange swaps, which are presented on the line Financial assets and liabilities at fair value held for trading and derivative financial instruments. 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 Mainly reflects funding provided to Credit Suisse. 4 Includes cash receipts from the sale of loans and loan commitments of USD 4,237m within Non-core and Legacy. 5 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. 6 Includes dividends received from associates. 7 Reflects the repayment of the Emergency Liquidity Assistance facility to the Swiss National Bank, which was recognized in the balance sheet line Amounts due to banks. 8 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 Other financial liabilities designated at fair value). 9 Reflects cash flows from securities financing transactions measured at amortized cost that use UBS debt instruments as the underlying. 10 As of 31 December 2024, the balance includes USD 16,555m (31 December 2023: USD 9,209m; 31 December 2022: USD 8,648m) of Cash and cash equivalents not available for general use by the UBS AG, which consisted of USD 4,701m (31 December 2023: USD 4,553m; 31 December 2022: USD 4,253m) considered by UBS AG as restricted (refer to Note 23 for more information) and USD 11,855m (31 December 2023: USD 4,656m; 31 December 2022: USD 4,395m) placed at central banks to meet local statutory minimum reserve requirements. 11 The balance includes USD 0.3bn related to cash held in Assets of disposal groups held for sale, recognized within Other non-financial assets. 12 Includes only balances with an original maturity of three months or less. 13 Money market paper is included in the balance sheet under Financial assets at fair value not held for trading (31 December 2024: USD 2,589m; 31 December 2023: USD 6,345m; 31 December 2022: USD 6,048m), Other financial assets measured at amortized cost (31 December 2024: USD 400m; 31 December 2023: USD 295m; 31 December 2022: USD 6,459m) and Financial assets at fair value held for trading (31 December 2024: USD 126m; 31 December 2023: USD 29m; 31 December 2022: USD 2m). 14 Includes dividends received from associates reported within Net cash flow from / (used in) investing activities.

## Changes in liabilities arising from financing activities

| USD m | Debt issued measured at amortized cost | *of which: short-term[1]* | *of which: long-term[2]* | Securities financing transactions measured at amortized cost[3] | Debt issued designated at fair value | Swiss National Bank funding[4] | Over-the-counter debt instruments[5] | Funding from UBS Group AG[6] | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as of 31 December 2022** | 59,499 | *29,676* | *29,823* | | 71,842 | | 1,684 | 57,943 | 190,968 |
| Cash flows | 7,979 | *7,181* | *798* | | 8,433 | | (122) | 9,901 | 26,191 |
| Non-cash changes | 2,306 | *428* | *1,878* | | 6,066 | | 4 | 2,389 | 10,764 |
| *of which: foreign currency translation* | *1,718* | *428* | *1,290* | | *1,033* | | *(50)* | *766* | *3,467* |
| *of which: fair value changes* | | | | | *5,033* | | *53* | *374* | *5,461* |
| *of which: hedge accounting and other effects* | *588* | | *588* | | | | | *1,249* | *1,836* |
| **Balance as of 31 December 2023** | 69,784 | *37,285* | *32,499* | | 86,341 | | 1,566 | 70,232 | 227,923 |
| Changes arising upon the merger of UBS AG and Credit Suisse AG[7] | 44,521 | | *44,521* | 5,333 | 25,947 | 10,240 | 2,499 | 47,116 | 135,654 |
| Cash flows | (10,590) | *(6,163)* | *(4,427)* | 3,585 | (10,059) | (10,304) | 1,797 | (2,601) | (28,172) |
| Non-cash changes | (2,610) | *(613)* | *(1,997)* | (146) | 338 | 64 | (326) | (1,487) | (4,166) |
| *of which: foreign currency translation* | *(2,045)* | *(613)* | *(1,432)* | *(146)* | *(2,328)* | *64* | *(104)* | *(2,558)* | *(7,117)* |
| *of which: fair value changes* | | | | | *2,887* | | *(207)* | *(66)* | *2,613* |
| *of which: hedge accounting and other effects* | *(565)* | | *(565)* | | *(221)* | | *(14)* | *1,138* | *338* |
| **Balance as of 31 December 2024** | 101,104 | *30,509* | *70,595* | 8,772 | 102,567 | 0 | 5,536 | 113,260 | 331,239 |

1 Debt with an original contractual maturity of less than one year. 2 Debt with an original 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 Reflects securities financing transactions measured at amortized cost that use UBS debt instruments as the underlying. 4 Reflects the Emergency Liquidity Assistance facility from the Swiss National Bank, which was recognized in the balance sheet line Amounts due to banks. 5 Included in balance sheet line Other financial liabilities designated at fair value. 6 Includes funding from UBS Group AG measured at amortized cost (refer to Note 15b) and measured at fair value (refer to Note 19b). 7 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG.

# Notes to the UBS AG consolidated financial statements

## Note 1 Summary of material accounting policies

The following table provides an overview of information included in this Note.


157 **a) Material accounting policies**
157 Basis of accounting
157 1) Consolidation and business combinations
158 2) Financial instruments
158 *a. Recognition*
158 *b. Classification, measurement and presentation*
162 *c. Loan commitments and financial guarantees*
162 *d. Interest income and expense*
162 *e. Derecognition*
163 *f. Fair value of financial instruments*
163 *g. Allowances and provisions for expected credit losses*
166 *h. Restructured and modified financial assets*
167 *i. Offsetting*
167 *j. Hedge accounting*
168 3) Fee and commission income and expenses
168 4) Share-based and other deferred compensation plans
169 5) Post-employment benefit plans
169 6) Income taxes
170 7) Investments in associates
170 8) Property, equipment and software
170 9) Goodwill and other separately identifiable intangible assets
171 10) Provisions and contingent liabilities
171 11) Foreign currency translation
171 12) Cash and cash equivalents

172 **b) Changes in IFRS Accounting Standards and Interpretations**

## a) Material accounting policies

This Note describes the material accounting policies applied in the preparation of the consolidated financial statements (the Financial Statements) of UBS AG and its subsidiaries (UBS AG). On 6 March 2025, the Financial Statements were authorized for issue by the Board of Directors (the BoD).

### Basis of accounting

The Financial Statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (the IASB), and are presented in US dollars.

Disclosures marked as audited in the "Risk, capital, liquidity and funding, and balance sheet" section of this report form an integral part of the Financial Statements. These disclosures relate to requirements under IFRS 7, *Financial Instruments: Disclosures*, and IAS 1, *Presentation of Financial Statements*, and are not repeated in this section.

The accounting policies described in this Note have been applied consistently in all years presented unless otherwise stated in Note 1b.

**Critical accounting estimates and judgments**

Preparation of these Financial Statements under IFRS Accounting Standards requires management to apply judgment and make estimates and assumptions that affect reported amounts of assets, liabilities, income and expenses and disclosure, of contingent assets and liabilities, and may involve significant uncertainty at the time they are made. Such estimates and assumptions are based on the best available information. UBS AG regularly reassesses such estimates and assumptions, which encompass historical experience, expectations of the future and other pertinent factors, to determine their continuing relevance based on current conditions, updating them as necessary. Changes in those estimates and assumptions may have a significant effect on the Financial Statements. Furthermore, actual results may differ significantly from UBS AG's estimates, which could result in significant losses to UBS AG, beyond what was anticipated or provided for.

The following areas contain estimation uncertainty or require critical judgment and have a significant effect on amounts recognized in the Financial Statements:

- determination of carrying amounts of assets and liabilities and treatment of reserves for business combinations under common control (refer to item 1 in this Note and Note 2)
- expected credit loss measurement (refer to item 2g in this Note and to Note 20);
- fair value measurement (refer to item 2f in this Note and to Note 21);
- income taxes (refer to item 6 in this Note and to Note 9);
- provisions and contingent liabilities (refer to item 10 in this Note and to Note 18);
- post-employment benefit plans (refer to item 5 in this Note and to Note 26);
- goodwill (refer to item 9 in this Note and to Note 13); and
- consolidation of structured entities (refer to item 1 in this Note and to Note 28).

### 1) Consolidation and business combinations

*Consolidation*

The Financial Statements include the financial statements of UBS AG and its subsidiaries, presented as a single economic entity; intercompany transactions and balances have been eliminated. UBS AG consolidates all entities that it controls, including structured entities (SEs), which is the case when it has: (i) power over the relevant activities of the entity; (ii) exposure to the entity's variable returns; and (iii) the ability to use its power to affect its own returns.

Consideration is given to all facts and circumstances to determine whether UBS AG has power over another entity, i.e. the current ability to direct the relevant activities of an entity when decisions about those activities need to be made.

Subsidiaries, including SEs, are consolidated from the date when control is gained and deconsolidated from the date when control ceases. Control, or the lack thereof, is reassessed if facts and circumstances indicate that there is a change to one or more elements required to establish that control is present.

› **Refer to Note 28 for more information**

**Critical accounting estimates and judgments**

Each individual entity is assessed for consolidation in line with the aforementioned consolidation principles. The assessment of control can be complex and requires the use of significant judgment, in particular in determining whether UBS AG has power over the entity. As the nature and extent of UBS AG's involvement is unique for each entity, there is no uniform consolidation outcome by entity. When carrying out the consolidation assessment, judgment is exercised considering all the relevant facts and circumstances, including the nature and activities of the investee, as well as the substance of voting and similar rights.

› **Refer to Note 28 for more information**

Transactions with subsidiaries of UBS Group AG that are outside of the consolidation scope of UBS AG are accounted for and presented as transactions with third parties. This may lead to differences in presentation between the financial statements of UBS Group and those of UBS AG, e.g. personnel expenses incurred by UBS Business Solutions entities and recharged to UBS AG entities are presented by UBS AG in *General and administrative expenses*.

*Business combinations*
Business combinations are accounted for using the acquisition method. The amount of non-controlling interests, if any, is measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

*Business combinations under common control*
A business combination in which the combining entities or businesses are ultimately controlled by UBS both before and after the business combination and where that control is not transitory is considered to constitute a business combination under common control as defined by IFRS 3, *Business Combinations*. Business combinations under common control are outside the scope of IFRS 3.

**Critical accounting estimates and judgments**

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 date of the business combination under common control are not restated, because such transactions are accounted for prospectively.

## 2) Financial instruments

### a. Recognition

UBS AG generally recognizes financial instruments when it becomes a party to contractual provisions of an instrument. However, UBS AG does not recognize assets received in transfers that do not qualify for derecognition by the transferor (applying derecognition principles under IFRS Accounting Standards as described in item 2e below). UBS AG applies settlement date accounting to all standard purchases and sales of non-derivative financial instruments. UBS AG may act in a fiduciary capacity, which results in it holding or placing assets on behalf of individuals, trusts, retirement benefit plans and other institutions. Unless these items meet the definition of an asset and the recognition criteria are satisfied, they are not recognized on UBS AG's balance sheet and the related income is excluded from the Financial Statements.

Client cash balances associated with derivatives clearing and execution services are not recognized on the balance sheet if, through contractual agreement, regulation or practice, UBS AG neither obtains benefits from nor controls such cash balances.

### b. Classification, measurement and presentation

*Financial assets*
Where the contractual terms of a debt instrument result in cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, the debt instrument is classified as measured at amortized cost if it is held within a business model that has an objective of holding financial assets to collect contractual cash flows, or at fair value through other comprehensive income (FVOCI) if it is held within a business model that has an objective of both collecting contractual cash flows and selling financial assets.

All other financial assets are measured at fair value through profit or loss (FVTPL), including those held for trading or those managed on a fair value basis, except for derivatives designated in certain hedge accounting relationships (refer to item 2j in this Note for more information).

*Business model assessment and contractual cash flow characteristics*
UBS AG determines the nature of a business model by considering the way portfolios of financial assets are managed to achieve a particular business objective at the time an asset is recognized.

In assessing whether contractual cash flows are SPPI, UBS AG considers whether the contractual terms of the financial asset contain a term that could change the timing or amount of contractual cash flows arising over the life of the instrument. This assessment includes contractual cash flows that may vary due to environmental, social and governance (ESG) triggers.

*Financial liabilities*

*Financial liabilities measured at amortized cost*
Financial liabilities measured at amortized cost include *Debt issued measured at amortized cost* and *Funding from UBS Group AG measured at amortized cost*. The latter includes contingent capital instruments issued to UBS Group AG prior to November 2023 that contain contractual provisions under which the principal amounts would be written down upon either a specified common equity tier 1 (CET1) ratio breach or a determination by the Swiss Financial Market Supervisory Authority (FINMA) that a viability event has occurred. Such contractual provisions are not derivatives, as the underlying is deemed to be a non-financial variable specific to a party to the contract. Issuances after November 2023 include a contractual equity conversion feature with the same triggers, i.e. a CET1 ratio breach or FINMA viability event. When the debt is issued in US dollars, these conversion features are classified as equity and are accounted for in *Share premium* separately from the amortized cost debt host.

When the legal bail-in mechanism for write-down or conversion into equity does not form part of the contractual terms of issued debt instruments, it does not affect the accounting classification of these instruments as debt or equity.

If a debt were to be written down or converted into equity in a future period, it would be partially or fully derecognized, with the difference between its carrying amount and the fair value of any equity issued recognized in the income statement, with the conversion features classified as equity always remaining in *Equity attributable to shareholders*.

*Financial liabilities measured at fair value through profit or loss*
UBS AG designates certain issued debt instruments as financial liabilities at fair value through profit or loss, on the basis that such financial instruments include embedded derivatives that are not closely related and which significantly impact the cash flows of the instrument and / or are managed on a fair value basis (refer to the table below for more information). Financial instruments including embedded derivatives arise predominantly from the issuance of certain structured debt instruments.

*Measurement and presentation*
On initial recognition, financial instruments are measured at fair value adjusted for directly attributable transaction costs, unless the instrument is classified at FVTPL, in which case transaction costs are excluded. Financial instruments acquired through business combinations under common control are initially measured using the historic carrying values of financial assets and financial liabilities of the transferred entity or business as of the date of the transfer, determined under IFRS Accounting Standards.

After initial recognition, UBS AG classifies, measures and presents its financial assets and liabilities in accordance with IFRS 9, as described in the table below.

**Classification, measurement and presentation of financial assets**

| Financial assets classification | | Significant items included | Measurement and presentation |
|---|---|---|---|
| **Measured at amortized cost** | | This classification includes:<br>– cash and balances at central banks;<br>– amounts due from banks;<br>– receivables from securities financing transactions;<br>– cash collateral receivables on derivative instruments;<br>– residential and commercial mortgages;<br>– corporate loans;<br>– secured loans, including Lombard loans, and unsecured loans; and<br>– debt securities held as high-quality liquid assets (HQLA). | Measured at amortized cost using the effective interest method less allowances for expected credit losses (ECL) (refer to items 2d and 2g in this Note for more information).<br><br>The following items are recognized in the income statement:<br>– interest income, which is accounted for in accordance with item 2d in this Note;<br>– ECL and reversals; and<br>– foreign exchange (FX) translation gains and losses.<br><br>When a financial asset at amortized cost is derecognized, the gain or loss is recognized in the income statement.<br><br>For amounts arising from settlement of certain derivatives, see below in this table. |
| **Measured at FVOCI** | Debt instruments measured at FVOCI | This classification primarily includes debt securities held as HQLA. | Measured at fair value, with unrealized gains and losses reported in *Other comprehensive income*, net of applicable income taxes, until such investments are derecognized. Upon derecognition, any accumulated balances in *Other comprehensive income* are reclassified to the income statement and reported within *Other income*.<br><br>The following items, which are determined on the same basis as for financial assets measured at amortized cost, are recognized in the income statement:<br>– interest income, which is accounted for in accordance with item 2d in this Note;<br>– ECL and reversals; and<br>– FX translation gains and losses. |

**Classification, measurement and presentation of financial assets**

| Financial assets classification | | Significant items included | Measurement and presentation |
|---|---|---|---|
| **Measured at FVTPL** | Held for trading | Financial assets held for trading include:<br>– all derivatives with a positive replacement value, except those that are designated and effective hedging instruments; and<br>– other financial assets acquired principally for the purpose of selling or repurchasing in the near term, or that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Included in this category are debt instruments (including those in the form of securities, money market paper, and traded corporate and bank loans) and equity instruments. | Measured at fair value, with changes recognized in the income statement.<br><br>Derivative assets (including derivatives that are designated and effective hedging instruments) are generally presented as *Derivative financial instruments*, except those exchange-traded derivatives (ETD) and over-the-counter (OTC)-cleared derivatives that are legally settled on a daily basis or economically net settled on a daily basis, which are presented within *Cash collateral receivables on derivative instruments.*<br><br>Changes in fair value, initial transaction costs, dividends and gains and losses arising on disposal or redemption are recognized in *Other net income from financial instruments measured at fair value through profit or loss*, except interest income on instruments other than derivatives (refer to item 2d in this Note), interest on derivatives designated as hedging instruments in hedges of interest rate risk and forward points on certain short- and long-duration FX contracts acting as economic hedges, which are reported in *Net interest income.*<br><br>Changes in the fair value of derivatives that are designated and effective hedging instruments are presented either in the income statement or *Other comprehensive income*, depending on the type of hedge relationship (refer to item 2j in this Note for more information). |
| | Mandatorily measured at FVTPL – Other | Financial assets mandatorily measured at FVTPL that are not held for trading include:<br>– certain structured instruments, certain commercial loans, and receivables from securities financing transactions that are managed on a fair value basis;<br>– loans managed on a fair value basis, including those hedged with credit derivatives;<br>– certain debt securities held as HQLA and managed on a fair value basis;<br>– brokerage receivables, for which contractual cash flows do not meet the SPPI criterion because the aggregate balance is accounted for as a single unit of account, with interest being calculated on the individual components;<br>– equity instruments; and<br>– assets held under unit-linked investment contracts. | |

**Classification, measurement and presentation of financial liabilities**

| Financial liabilities classification | | Significant items included | Measurement and presentation |
|---|---|---|---|
| **Measured at amortized cost** | | This classification includes:<br>– demand and time deposits;<br>– retail savings / deposits;<br>– sweep deposits;<br>– payables from securities financing transactions;<br>– non-structured debt issued;<br>– subordinated debt;<br>– commercial paper and certificates of deposit;<br>– obligations against funding from UBS Group AG; and<br>– cash collateral payables on derivative instruments. | Measured at amortized cost using the effective interest method.<br><br>When a financial liability at amortized cost is derecognized, the gain or loss is recognized in the income statement.<br><br>Interest income generated from client deposits derecognized pursuant to certain deposit sweep programs is presented within *Net interest income from financial instruments measured at fair value through profit or loss and other*. |
| **Measured at FVTPL** | Held for trading | Financial liabilities held for trading include:<br>– all derivatives with a negative replacement value (including certain loan commitments), except those that are designated and effective hedging instruments; and<br>– obligations to deliver financial instruments, such as debt and equity instruments, that UBS AG has sold to third parties but does not own (short positions). | Measurement and presentation of financial liabilities classified at FVTPL follow the same principles as for financial assets classified at FVTPL, except that the amount of change in the fair value of a financial liability designated at FVTPL that is attributable to changes in UBS AG's own credit risk is presented in *Other comprehensive income* directly within *Retained earnings* and is never reclassified to the income statement.<br><br>Derivative liabilities (including derivatives that are designated and effective hedging instruments) are generally presented as *Derivative financial instruments*, except those exchange-traded and OTC-cleared derivatives that are legally settled on a daily basis or economically net settled on a daily basis, which are presented within *Cash collateral payables on derivative instruments*. |
| | Designated at FVTPL | Financial liabilities designated at FVTPL include:<br>– issued hybrid debt instruments, primarily equity-linked, credit-linked and rates-linked bonds or notes;<br>– issued debt instruments managed on a fair value basis;<br>– obligations against funding from UBS Group AG managed on a fair value basis;<br>– certain payables from securities financing transactions;<br>– amounts due under unit-linked investment contracts, the cash flows of which are linked to financial assets measured at FVTPL and eliminate an accounting mismatch; and<br>– brokerage payables, which arise in conjunction with brokerage receivables and are measured at FVTPL to achieve measurement consistency. | |

### c. Loan commitments and financial guarantees

Loan commitments are arrangements to provide credit under defined terms and conditions. Irrevocable loan commitments are classified as: (i) derivative loan commitments measured at fair value through profit or loss; (ii) loan commitments designated at fair value through profit or loss; or (iii) loan commitments not measured at fair value, in which case the ECL requirements as set out in item 2g in this Note apply.

Financial guarantee contracts are contracts that require UBS AG to make specified payments to reimburse the holder for an incurred loss because a specified debtor fails to make payments when due in accordance with the terms of a specified debt instrument. The ECL requirements as set out in item 2g in this Note apply to financial guarantees issued that are not accounted for at FVTPL.

Financial guarantee contracts held by UBS for credit risk mitigation purposes that are assessed to be integral to the guaranteed exposure are accounted for as a component of that exposure, with cash flows expected from the credit enhancement included in the measurement of the ECL of the respective exposure. Rights to reimbursement arising from financial guarantees held that are not integral to the terms of the exposure they cover are recognized when their realization is considered to be virtually certain.

### d. Interest income and expense

Interest income from financial instruments measured at amortized cost and FVOCI and interest expense from financial instruments measured at amortized cost are recognized in the income statement based on the effective interest method. When calculating the effective interest rate (the EIR) for financial instruments (other than credit-impaired financial instruments), UBS AG estimates future cash flows considering all contractual terms of the instrument, but not expected credit losses, with the EIR applied to the gross carrying amount of the financial asset or the amortized cost of a financial liability. However, when a financial asset becomes credit impaired after initial recognition, interest income is determined by applying the EIR to the amortized cost of the instrument, which represents the gross carrying amount adjusted for any credit loss allowance.

Upfront fees, including fees on loan commitments not measured at fair value where a loan is expected to be issued, and direct costs are included within the initial measurement of a financial instrument measured at amortized cost or FVOCI and recognized over the expected life of the instrument as part of its EIR.

Fees related to loan commitments where no loan is expected to be issued, as well as loan syndication fees where UBS AG does not retain a portion of the syndicated loan or where UBS AG does retain a portion of the syndicated loan at the same effective yield for comparable risk as other participants, are included in *Net fee and commission income* and either recognized over the life of the commitment or when syndication occurs.

› **Refer to item 3 in this Note for more information**

Interest income on financial assets, excluding derivatives, is included in interest income when positive and in interest expense when negative. Similarly, interest expense on financial liabilities, excluding derivatives, is included in interest expense, except when interest rates are negative, in which case it is included in interest income.

› **Refer to item 2b in this Note and Note 4 for more information**

### e. Derecognition

#### *Financial assets*

UBS AG derecognizes a transferred financial asset, or a portion of a financial asset, if the purchaser has obtained substantially all the risks and rewards of the asset or a significant part of the risks and rewards combined with a practical ability to sell or pledge the asset.

Where financial assets have been pledged as collateral or in similar arrangements, they are considered to have been transferred if the counterparty has received the contractual rights to the cash flows of the pledged assets, as may be evidenced by, for example, the counterparty's right to sell or repledge the assets. In transfers where control over the financial asset is retained, UBS AG continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset following the transfer.

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

#### *Financial liabilities*

UBS AG derecognizes a financial liability when it is extinguished, i.e. when the obligation specified in the contract is discharged, canceled or expires. When an existing financial liability is exchanged for a new one from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the original liability is derecognized and a new liability recognized with any difference in the respective carrying amounts recorded in the income statement.

Most OTC derivative contracts and exchange-traded futures and option contracts cleared through central clearing counterparties and exchanges are considered to be settled on a daily basis, as the payment or receipt of a variation margin on a daily basis represents a legal or economic settlement, which results in derecognition of the associated derivatives.

› **Refer to Note 22 for more information**

### f. Fair value of financial instruments

UBS AG accounts for a significant portion of its assets and liabilities at fair value. Fair value is the price on the measurement date that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or in the most advantageous market in the absence of a principal market.

› **Refer to Note 21 for more information**

**Critical accounting estimates and judgments**

The use of valuation techniques, modeling assumptions and estimates of unobservable market inputs in the fair valuation of financial instruments requires significant judgment and could affect the amount of gain or loss recorded for a particular position. Valuation techniques that rely more heavily on unobservable inputs and sophisticated models inherently require a higher level of judgment and may require adjustment to reflect factors that market participants would consider in estimating fair value, such as close-out costs, which are presented in Note 21d.

UBS AG's governance framework over fair value measurement is described in Note 21b, and UBS AG provides a sensitivity analysis of the estimated effects arising from changing significant unobservable inputs in Level 3 financial instruments to reasonably possible alternative assumptions in Note 21f.

› **Refer to Note 21 for more information**

### g. Allowances and provisions for expected credit losses

ECL are recognized for financial assets measured at amortized cost, financial assets measured at FVOCI, fee and lease receivables, financial guarantees, and loan commitments not measured at fair value, including those acquired through a business combination under common control. ECL are also recognized on the undrawn portion of committed unconditionally revocable credit lines, which include UBS AG's credit card limits and master credit facilities, as UBS AG is exposed to credit risk because the borrower has the ability to draw down funds before UBS AG can take credit risk mitigation actions.

#### *Recognition of expected credit losses*

ECL are recognized on the following basis.

- Stage 1 – those instruments for which no significant increase in credit risk (SICR) has been observed (see *Significant increase in credit risk* below): Maximum 12-month ECL are recognized from initial recognition, reflecting the portion of lifetime ECL that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring.
- Stage 2 – those instruments for which an SICR is observed but which are not credit impaired: Lifetime ECL are recognized reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of a financial instrument, weighted by the risk of a default occurring. When an SICR is no longer observed, the instrument will move back to stage 1.
- Stage 3 – credit-impaired financial instruments (as determined by the occurrence of one or more loss events): Lifetime ECL are always recognized by estimating expected cash flows based on a chosen recovery strategy. Credit-impaired exposures may include positions for which no allowance has been recognized, for example because they are expected to be fully recoverable through collateral held.
- Changes in lifetime ECL since initial recognition are also recognized for assets that are purchased credit impaired (PCI). PCI financial instruments include those that are purchased at a deep discount or newly originated with a defaulted counterparty; they remain a separate category until derecognition.

All or part of a financial asset is written off if it is deemed uncollectible or forgiven. Write-offs reduce the principal amount of a claim and are charged against related allowances for credit losses. Recoveries, in part or in full, of amounts previously written off are generally credited to *Credit loss expense / (release)*.

ECL are recognized in the income statement in *Credit loss expense / (release)*. A corresponding ECL allowance is reported as a decrease in the carrying amount of financial assets measured at amortized cost on the balance sheet. For financial assets that are measured at FVOCI, the carrying amount is not reduced, but an accumulated amount is recognized in *Other comprehensive income*. For off-balance sheet financial instruments and other credit lines, provisions for ECL are presented in *Provisions*.

#### *Default and credit impairment*

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

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

#### *Measurement of expected credit losses*

IFRS 9 ECL reflect an unbiased, probability-weighted estimate based on loss expectations resulting from default events. The method used to calculate ECL applies the following principal factors: probability of default (PD), loss given default (LGD) and exposure at default (EAD). Parameters are generally determined on an individual financial asset level. Based on the materiality of the portfolio, for credit card exposures and personal account overdrafts in Switzerland, a portfolio approach is applied that derives an average PD and LGD for the entire portfolio. PDs and LGDs used in the ECL calculation are point-in-time (PIT)-based for key portfolios and consider both current conditions and expected cyclical changes. For material portfolios, PDs and LGDs are determined for different scenarios, whereas EAD projections are treated as scenario independent.

For the purpose of determining the ECL-relevant parameters, UBS AG leverages its Basel III advanced internal ratings-based (A-IRB) models that are also used in determining expected loss (EL) and risk-weighted assets under the Basel III framework and Pillar 2 stress loss models. Adjustments have been made to these models and IFRS-9-related models have been developed that consider the complexity, structure and risk profile of relevant portfolios and take account of the fact that PDs and LGDs used in the ECL calculation are PIT based, as opposed to the corresponding Basel III through-the-cycle (TTC) parameters. All models that are relevant for measuring expected credit losses are subject to UBS AG's model validation and oversight processes.

*Probability of default:* PD represents the probability of a default over a specified time period. A 12-month PD represents the probability of default determined for the next 12 months and a lifetime PD represents the probability of default over the remaining lifetime of the instrument. PIT PDs are derived from TTC PDs and scenario forecasts. The modeling is region, industry and client segment specific and considers both macroeconomic scenario dependencies and client-idiosyncratic information.

*Exposure at default:* EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring, considering expected repayments, interest payments and accruals, discounted at the EIR. Future drawdowns on facilities are considered through a credit conversion factor (a CCF) that is reflective of historical drawdown and default patterns and the characteristics of the respective portfolios.

*Loss given default:* LGD represents an estimate of the loss at the time of a potential default occurring, taking into account expected future cash flows from collateral and other credit enhancements, or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims. LGD is commonly expressed as a percentage of EAD.

*Estimation of expected credit losses*

*Number of scenarios and estimation of scenario weights*
Determination of probability-weighted ECL requires evaluating a range of diverse and relevant future economic conditions, especially with a view to modeling the non-linear effect of assumptions about macroeconomic factors on the estimate.

To accommodate this requirement, UBS AG uses different economic scenarios in the ECL calculation. Each scenario is represented by a specific scenario narrative, which is relevant considering the exposure of key portfolios to economic risks, and for which a set of consistent macroeconomic variables is determined. The estimation of the appropriate weights for these scenarios is predominantly judgment based. The assessment is based on a holistic review of the prevailing economic or political conditions, which may exhibit different levels of uncertainty. It takes into account the impact of changes in the nature and severity of the underlying scenario narratives and the projected economic variables.

The determined weights constitute the probabilities that the respective set of macroeconomic conditions will occur and not that the chosen particular narratives with the related macroeconomic variables will materialize.

*Macroeconomic and other factors*
The range of macroeconomic, market and other factors that is modeled as part of the scenario determination is wide, and historical information is used to support the identification of the key factors. As the forecast horizon increases, the availability of information decreases, requiring an increase in judgment. For cycle-sensitive PD and LGD determination purposes, UBS AG projects the relevant economic factors for a period of three years before reverting, over a specified period, to cycle-neutral PD and LGD for longer-term projections.

Factors relevant for ECL calculation vary by type of exposure. Regional and client-segment characteristics are generally taken into account, with specific focus on Switzerland and the US, considering UBS AG's key ECL-relevant portfolios.

For UBS AG, the following forward-looking macroeconomic variables represent the most relevant factors for ECL calculation:
- gross domestic product (GDP) growth rates, given their significant effect on borrowers' performance;
- unemployment rates, given their significant effect on private clients' ability to meet contractual obligations;
- house price indices, given their significant effect on mortgage collateral valuations;
- interest rates, given their significant effect on counterparties' abilities to service debt;
- consumer price indices, given their overall relevance for companies' performance, private clients' purchasing power and economic stability; and
- equity indices, given that they are an important factor in UBS AG's corporate rating tools.

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

*ECL measurement period*

The period for which lifetime ECL are determined is based on the maximum contractual period that UBS AG is exposed to credit risk, taking into account contractual extension, termination and prepayment options. For irrevocable loan commitments and financial guarantee contracts, the measurement period represents the maximum contractual period for which UBS AG has an obligation to extend credit.

Additionally, some financial instruments include both an on-demand loan and a revocable undrawn commitment, where the contractual cancellation right does not limit UBS AG's exposure to credit risk to the contractual notice period, as the client has the ability to draw down funds before UBS AG can take risk-mitigating actions. In such cases UBS AG is required to estimate the period over which it is exposed to credit risk. This applies to UBS AG's credit card limits, which do not have a defined contractual maturity date, are callable on demand and where the drawn and undrawn components are managed as one exposure. The exposure arising from UBS AG's credit card limits is not significant and is managed at a portfolio level, with credit actions triggered when balances are past due. An ECL measurement period of seven years is applied for credit card limits, capped at 12 months for stage 1 balances, as a proxy for the period that UBS AG is exposed to credit risk.

Customary master credit agreements in the Swiss corporate market also include on-demand loans and revocable undrawn commitments. For smaller commercial facilities, a risk-based monitoring (RbM) approach is in place that highlights negative trends as risk events, at an individual facility level, based on a combination of continuously updated risk indicators. The risk events trigger additional credit reviews by a risk officer, enabling informed credit decisions to be taken. Larger corporate facilities are not subject to RbM, but are reviewed at least annually through a formal credit review. UBS AG has assessed these credit risk management practices and considers both the RbM approach and formal credit reviews as substantive credit reviews resulting in a re-origination of the given facility. Following this, a 12-month measurement period from the reporting date is used for both types of facilities as an appropriate proxy of the period over which UBS AG is exposed to credit risk, with 12 months also used as a look-back period for assessing an SICR, always from the respective reporting date.

*Significant increase in credit risk*

Financial instruments subject to ECL are monitored on an ongoing basis. To determine whether the recognition of a maximum 12-month ECL continues to be appropriate, an assessment is made as to whether an SICR has occurred since initial recognition of the financial instrument, applying both quantitative and qualitative factors.

Primarily, UBS AG assesses changes in an instrument's risk of default on a quantitative basis by comparing the annualized forward-looking and scenario-weighted lifetime PD of an instrument determined at two different dates:
- at the reporting date; and
- at inception of the instrument.

If, based on UBS AG's quantitative modeling, an increase exceeds a set threshold, an SICR is deemed to have occurred and the instrument is transferred to stage 2 with lifetime ECL recognized.

The threshold applied varies depending on the original credit quality of the borrower, with a higher SICR threshold set for those instruments with a low PD at inception. The SICR assessment based on PD changes is made at an individual financial asset level. A high-level overview of the SICR trigger, which is a multiple of the annualized remaining lifetime PIT PD expressed in rating downgrades, is provided in the "SICR thresholds" table below. The actual SICR thresholds applied are defined on a more granular level by interpolating between the values shown in the table.

**SICR thresholds**

| Internal rating at origination of the instrument | Rating downgrades / SICR trigger |
|---|---|
| 0–3 | 3 |
| 4–8 | 2 |
| 9–13 | 1 |

› **Refer to the "Risk management and control" section of this report for more details about UBS AG's internal rating system**

Irrespective of the SICR assessment based on default probabilities, credit risk is generally deemed to have significantly increased for an instrument if contractual payments are more than 30 days past due. For certain less material portfolios, specifically the Swiss credit card portfolio, the 30-day past due criterion is used as the primary indicator of an SICR. Where instruments are transferred to stage 2 due to the 30-day past due criterion, a minimum period of six months is applied before a transfer back to stage 1 can be triggered, where applicable. For instruments in Personal & Corporate Banking and Global Wealth Management Region Switzerland that are between 90 and 180 days past due but have not been reclassified to stage 3, a one-year period is applied before a transfer back to stage 1 can be triggered.

Additionally, based on individual counterparty-specific indicators, external market indicators of credit risk or general economic conditions, counterparties may be moved to a watch list, which is used as a secondary qualitative indicator for an SICR. Exception management is further applied, allowing for individual and collective adjustments on exposures sharing the same credit risk characteristics to take account of specific situations that are not otherwise fully reflected.

In general, the overall SICR determination process does not apply to Lombard loans, securities financing transactions and certain other asset-based lending transactions, because of the risk management practices adopted, including daily monitoring processes with strict margining. If margin calls are not satisfied, a position is closed out and classified as a stage 3 position. In exceptional cases, an individual adjustment and a transfer into stage 2 may be made to take account of specific facts.

Credit risk officers are responsible for the identification of an SICR, which for accounting purposes is in some respects different from internal credit risk management processes. This difference mainly arises because ECL accounting requirements are instrument specific, such that a borrower can have multiple exposures allocated to different stages, and maturing loans in stage 2 will migrate to stage 1 upon renewal irrespective of the actual credit risk at that time. Under a risk-based approach, a holistic counterparty credit assessment and the absolute level of risk at any given date will determine what risk-mitigating actions may be warranted.

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

**Critical accounting estimates and judgments**

The calculation of ECL requires management to apply significant judgment and make estimates and assumptions that can result in significant changes to the timing and the amount of ECL recognized.

*Determination of a significant increase in credit risk*
IFRS 9 does not include a definition of what constitutes an SICR, with UBS AG's assessment considering qualitative and quantitative criteria. An IFRS 9 ECL Management Forum has been established to review and challenge the SICR results.

*Scenarios, scenario weights and macroeconomic variables*
ECL reflect an unbiased and probability-weighted amount, which UBS AG determines by evaluating a range of possible outcomes. Management selects forward-looking scenarios that include relevant macroeconomic variables and management's assumptions around future economic conditions. IFRS 9 Scenario Sounding Sessions, in addition to the IFRS 9 ECL Management Forum, are in place to derive, review and challenge the scenario selection and weights, and to determine whether any additional post-model adjustments are required that may significantly affect ECL.

*ECL measurement period*
Lifetime ECL are generally determined based upon the contractual maturity of the transaction, which significantly affects ECL. For credit card limits and Swiss callable master credit facilities, judgment is required, as UBS AG must determine the period over which it is exposed to credit risk. A seven-year period is applied for credit card limits, capped at 12 months for stage 1 positions, and a 12-month period applied for master credit facilities.

*Modeling and post-model adjustments*
A number of complex models have been developed or modified to calculate ECL, with additional post-model adjustments required that may significantly affect ECL. The models are governed by UBS AG's model validation controls and approved by the GMGC. The post-model adjustments are approved by the ECL Management Forum and endorsed by the GMGC.

A sensitivity analysis covering key macroeconomic variables, scenario weights and SICR trigger points on ECL measurement is provided in Note 20f.

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

## h. Restructured and modified financial assets

When payment default is expected, or where default has already occurred, UBS AG may grant concessions to borrowers in financial difficulties that it would not consider in the normal course of its business, such as preferential interest rates, extension of maturity, modifying the schedule of repayments, debt / equity swap, subordination, etc.

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

Modifications result in an alteration of future contractual cash flows and can occur within UBS AG's normal risk tolerance or as part of a credit restructuring where a counterparty is in financial difficulties. The restructuring or modification of a financial asset could lead to a substantial change in the terms and conditions, resulting in the original financial asset being derecognized and a new financial asset being recognized. Where the modification does not result in a derecognition, any difference between the modified contractual cash flows discounted at the original EIR and the existing gross carrying amount of the given financial asset is recognized in the income statement as of the date of modification.

### i. Offsetting

UBS AG presents recognized financial assets and liabilities net on its balance sheet only if (i) it has a legally enforceable right to set off the recognized amounts and (ii) it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Netted positions include, for example, certain derivatives and repurchase and reverse repurchase transactions with various counterparties, exchanges and clearing houses.

In assessing whether UBS AG intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously, emphasis is placed on the effectiveness of operational settlement mechanics in eliminating substantially all credit and liquidity exposure between the counterparties. This condition precludes offsetting on the balance sheet for substantial amounts of UBS AG's financial assets and liabilities, even though they may be subject to enforceable netting arrangements. Repurchase arrangements and securities financing transactions are presented net only to the extent that the settlement mechanism eliminates, or results in insignificant, credit and liquidity risk, and processes the receivables and payables in a single settlement process or cycle.

› **Refer to Note 22 for more information**

### j. Hedge accounting

UBS AG applies hedge accounting requirements of IFRS 9 where the criteria for documentation and hedge effectiveness are met. If a hedge relationship no longer meets the criteria for hedge accounting, hedge accounting is discontinued. Voluntary discontinuation of hedge accounting is not permitted under IFRS 9.

*Fair value hedges of interest rate risk related to debt instruments and loan assets*

The fair value change of the hedged item attributable to a hedged risk is reflected as an adjustment to the carrying amount of the hedged item and recognized in the income statement along with the change in the fair value of the hedging instrument.

*Fair value hedges of FX risk related to debt instruments*

The fair value change of the hedged item attributable to the hedged risk is reflected in the measurement of the hedged item and recognized in the income statement along with the change in the fair value of the hedging instrument. The foreign currency basis spread of cross-currency swaps designated as hedging derivatives is excluded from the designation and accounted for as a cost of hedging with amounts deferred in *Other comprehensive income* within *Equity*. These amounts are released to the income statement over the term of the hedged item.

*Discontinuation of fair value hedges*

Discontinuations for reasons other than derecognition of the hedged item result in an adjustment to the carrying amount, which is amortized to the income statement over the remaining life of the hedged item using the effective interest method. If the hedged item is derecognized, the unamortized fair value adjustment or deferred cost of hedging amount is recognized immediately in the income statement as part of any derecognition gain or loss.

*Cash flow hedges of forecast transactions*

Fair value gains or losses associated with the effective portion of derivatives designated as cash flow hedges for cash flow repricing risk are recognized initially in *Other comprehensive income* within *Equity* and reclassified to *Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income* or *Interest expense from financial instruments measured at amortized cost* in the periods when the hedged forecast cash flows affect profit or loss, including discontinued hedges for which forecast cash flows are expected to occur. If the forecast transactions are no longer expected to occur, the deferred gains or losses are immediately reclassified to the income statement.

*Hedges of net investments in foreign operations*

Gains or losses on the hedging instrument relating to the effective portion of a hedge are recognized directly in *Other comprehensive income* within *Equity*, while any gains or losses relating to the ineffective and / or undesignated portion (for example, the interest element of a forward contract) are recognized in the income statement. Upon disposal or partial disposal of the foreign operation, the cumulative value of any such gains or losses recognized in *Equity* associated with the entity is reclassified to *Other income*.

› **Refer to Note 25 for more information**

### 3) Fee and commission income and expenses

UBS AG earns fee income from the diverse range of services it provides to its clients. Fee income can be divided into two broad categories: fees earned from services that are provided over a certain period of time, such as management of clients' assets, custody services and certain advisory services; and fees earned from PIT services, such as underwriting fees, deal-contingent merger and acquisitions fees, and brokerage fees (e.g. securities and derivatives execution and clearing). UBS AG recognizes fees earned from PIT services when it has fully provided the service to the client. Where the contract requires services to be provided over time, income is recognized on a systematic basis over the life of the agreement.

Consideration received is allocated to the separately identifiable performance obligations in a contract. Owing to the nature of UBS AG's business, contracts that include multiple performance obligations are typically those that are considered to include a series of similar performance obligations fulfilled over time with the same pattern of transfer to the client, e.g. management of client assets and custodial services. As a consequence, UBS AG is not required to apply significant judgment in allocating the consideration received across the various performance obligations.

PIT services are generally for a fixed price or dependent on deal size, e.g. a fixed number of basis points of trade size, where the amount of revenue is known when the performance obligation is met. Fixed-over-time fees are recognized on a straight-line basis over the performance period. Custodial and asset management fees can be variable through reference to the size of the customer portfolio. However, they are generally billed on a monthly or quarterly basis once the customer's portfolio size is known or known with near certainty and therefore also recognized ratably over the performance period. UBS AG does not recognize performance fees related to management of clients' assets or fees related to contingencies beyond UBS AG's control until such uncertainties are resolved.

UBS AG's fees are generally earned from short-term contracts. As a result, UBS AG's contracts do not include a financing component or result in the recognition of significant receivables or prepayment assets. Furthermore, due to the short-term nature of such contracts, UBS AG has not capitalized any material costs to obtain or fulfill a contract or generated any significant contract assets or liabilities.

UBS AG presents expenses primarily in line with their nature in the income statement, differentiating between expenses that are directly attributable to the satisfaction of specific performance obligations associated with the generation of revenues, which are generally presented within *Total revenues* as *Fee and commission expense*, and those that are related to personnel, general and administrative expenses, or depreciation and amortization which are presented within *Operating expenses*. For derivatives execution and clearing services (where UBS AG acts as an agent), UBS AG only records its specific fees in the income statement, with fees payable to other parties not recognized as an expense but instead directly offset against the associated income collected from the given client.

› **Refer to Note 5 for more information, including the disaggregation of revenues**

### 4) Share-based and other deferred compensation plans

UBS AG recognizes expenses for deferred compensation awards over the period that the employee is required to provide service to become entitled to the award. Where the service period is shortened, for example in the case of employees affected by restructuring programs or mutually agreed termination provisions, recognition of such expense is accelerated to the termination date. Where no future service is required, such as for employees who are eligible for retirement or who have met certain age and length-of-service criteria, the services are presumed to have been received and compensation expense is recognized over the performance year or, in the case of off-cycle awards, immediately on the grant date.

#### Share-based compensation plans

UBS Group AG is the grantor of and maintains the obligation to settle share-based compensation plans that are awarded to employees of UBS AG. As a consequence, UBS AG classifies the awards of UBS Group AG shares as equity-settled share-based payment transactions. UBS AG recognizes the fair value of awards granted to its employees by reference to the fair value of UBS Group AG's equity instruments on the date of grant, taking into account the terms and conditions inherent in the award, including, where relevant, dividend rights, transfer restrictions in effect beyond the vesting date, market conditions, and non-vesting conditions.

For equity-settled awards, fair value is not remeasured unless the terms of the award are modified such that there is an incremental increase in value. Expenses are recognized, on a per-tranche basis, over the service period based on an estimate of the number of instruments expected to vest and are adjusted to reflect the actual outcomes of service or performance conditions.

For equity-settled awards, forfeiture events resulting from a breach of a non-vesting condition (i.e. one that does not relate to a service or performance condition) do not result in any adjustment to the share-based compensation expense.

For cash-settled share-based awards, fair value is remeasured at each reporting date, so that the cumulative expense recognized equals the cash distributed.

### Other deferred compensation plans

Compensation expense for other deferred compensation plans is recognized on a per-tranche or straight-line basis, depending on the nature of the plan. The amount recognized is measured based on the present value of the amount expected to be paid under the plan and is remeasured at each reporting date, so that the cumulative expense recognized equals the cash or the fair value of respective financial instruments distributed.

› **Refer to Note 27 for more information**

## 5) Post-employment benefit plans

### Defined benefit plans

Defined benefit plans specify an amount of benefit that an employee will receive, which usually depends on one or more factors, such as age, years of service and compensation. The defined benefit liability recognized in the balance sheet is the present value of the defined benefit obligation, measured using the projected unit credit method, less the fair value of the plan's assets at the balance sheet date, with changes resulting from remeasurements recorded immediately in *Other comprehensive income*. If the fair value of the plan's assets is higher than the present value of the defined benefit obligation, the recognition of the resulting net asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Calculation of the net defined benefit obligation or asset takes into account the specific features of each plan, including risk sharing between employee and employer, and is calculated periodically by independent qualified actuaries.

**Critical accounting estimates and judgments**

The net defined benefit liability or asset at the balance sheet date and the related personnel expense depend on the expected future benefits to be provided, determined using a number of economic and demographic assumptions. A range of assumptions could be applied, and different assumptions could significantly alter the defined benefit liability or asset and pension expense recognized. The most significant assumptions include life expectancy, discount rate, expected salary increases, pension increases and interest credits on retirement savings account balances. Sensitivity analysis for reasonable possible movements in each significant assumption for UBS AG's post-employment obligations is provided in Note 26.

› **Refer to Note 26 for more information**

### Defined contribution plans

A defined contribution plan pays fixed contributions into a separate entity from which post-employment and other benefits are paid. UBS AG has no legal or constructive obligation to pay further amounts if the plan does not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods. Compensation expense is recognized when the employees have rendered services in exchange for contributions. This is generally in the year of contribution. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

## 6) Income taxes

UBS AG is subject to the income tax laws of Switzerland and those of the non-Swiss jurisdictions in which UBS AG has business operations.

UBS AG's provision for income taxes is composed of current and deferred taxes. Current income taxes represent taxes to be paid or refunded for the current period or previous periods.

Deferred tax assets (DTAs) and deferred tax liabilities (DTLs) are recognized for temporary differences between the carrying amounts and tax bases of assets and liabilities that will result in deductible or taxable amounts, respectively in future periods. DTAs may also arise from other sources, including unused tax losses and unused tax credits. DTAs and DTLs are measured using the applicable tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and that will be in effect when such differences are expected to reverse.

DTAs are recognized only to the extent it is probable that sufficient taxable profits will be available against which these differences can be used. When an entity or tax group has a history of recent losses, DTAs are only recognized to the extent that there are sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilized.

Deferred and current tax assets and liabilities are offset when: (i) they arise in the same tax reporting group; (ii) they relate to the same tax authority; (iii) the legal right to offset exists; and (iv) with respect to current taxes they are intended to be settled net or realized simultaneously.

Current and deferred taxes are recognized as income tax benefit or expense in the income statement, except for current and deferred taxes recognized in relation to: (i) the acquisition of a subsidiary (for which such amounts would affect the amount of goodwill arising from the acquisition); (ii) unrealized gains or losses on financial instruments that are classified at FVOCI; (iii) changes in fair value of derivative instruments designated as cash flow hedges; (iv) remeasurements of defined benefit plans; or (v) certain foreign currency translations of foreign operations. Amounts relating to points (ii) through (v) above are recognized in *Other comprehensive income* within *Equity*.

UBS AG reflects the potential effect of uncertain tax positions for which acceptance by the relevant tax authority is not considered probable by adjusting current or deferred taxes, as applicable, using either the most likely amount or expected value methods, depending on which method is deemed a better predictor of the basis on which, and extent to which, the uncertainty will be resolved.

**Critical accounting estimates and judgments**

Tax laws are complex, and judgment and interpretations about the application of such laws are required when accounting for income taxes. UBS AG considers the performance of its businesses and the accuracy of historical forecasts and other factors when evaluating the recoverability of its DTAs, including the remaining tax loss carry-forward period, and its assessment of expected future taxable profits in the forecast period used for recognizing DTAs. Estimating future profitability and business plan forecasts is inherently subjective and is particularly sensitive to future economic, market and other conditions.

Forecasts are reviewed annually, but adjustments may be made at other times, if required. If recent losses have been incurred, convincing evidence is required to prove there is sufficient future profitability given that the value of UBS AG's DTAs may be affected, with effects primarily recognized through the income statement.

In addition, judgment is required to assess the expected value of uncertain tax positions and the related probabilities, including interpretation of tax laws, the resolution of any income tax-related appeals and litigation.

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

## 7) Investments in associates

Interests in entities where UBS AG has significant influence over the financial and operating policies of these entities but does not have control are classified as investments in associates and accounted for under the equity method of accounting. Typically, UBS AG has significant influence when it holds, or has the ability to hold, between 20% and 50% of an entity's voting rights. Investments in associates are initially recognized at cost, and the carrying amount is increased or decreased after the date of acquisition to recognize UBS AG's share of the investee's comprehensive income and any impairment losses. The net investment in an associate is impaired if there is objective evidence of a loss event and the carrying amount of the investment in the associate exceeds its recoverable amount.

› **Refer to Note 28 for more information**

## 8) Property, equipment and software

*Property, equipment and software* is measured at cost less accumulated depreciation and impairment losses. Software development costs are capitalized only when the costs can be measured reliably and it is probable that future economic benefits will arise. Depreciation of property, equipment and software begins when they are available for use and is calculated on a straight-line basis over an asset's estimated useful life.

Property, equipment and software are generally tested for impairment at the appropriate cash-generating unit level, alongside goodwill and intangible assets as described in item 9 in this Note. An impairment charge is recognized for such assets if the recoverable amount is below its carrying amount. The recoverable amounts of such assets, other than property that has a market price, are generally determined using a replacement cost approach that reflects the amount that would be currently required by a market participant to replace the service capacity of the asset. If such assets are no longer used, they are tested individually for impairment.

› **Refer to Note 12 for more information**

## 9) Goodwill and other separately identifiable intangible assets

Goodwill represents the excess of the consideration over the fair value of identifiable assets, liabilities and contingent liabilities acquired that arises in a business combination. Goodwill is not amortized but is assessed for impairment at the end of each reporting period, or when indicators of impairment exist. UBS AG tests goodwill for impairment annually, irrespective of whether there is any indication of impairment.

Business combinations under common control do not result in recognition of goodwill or other intangible assets incremental to those already recognized by the acquired entity prior to the date of transfer. Goodwill assumed is subsequently allocated to respective cash-generating units and tested for impairment.

An impairment charge is recognized in the income statement if the carrying amount exceeds the recoverable amount of a cash-generating unit.

**Critical accounting estimates and judgments**

UBS AG's methodology for goodwill impairment testing is based on a model that is most sensitive to the following key assumptions: (i) forecasts of earnings available to shareholders (typically estimated on a discrete basis for years one to three but could extend up to five years, as permitted under IFRS Accounting Standards, in order to reflect facts and circumstances specific to a cash-generating unit); (ii) changes in the discount rates; and (iii) changes in the long-term growth rate.

Earnings available to shareholders are estimated on the basis of forecast results, which are part of the business plan approved by the BoD. The discount rates and growth rates are determined using external information, and also considering inputs from both internal and external analysts and the view of management.

The key assumptions used to determine the recoverable amounts of each cash-generating unit are tested for sensitivity by applying reasonably possible changes to those assumptions.

› **Refer to Notes 3 and 13 for more information**

## 10) Provisions and contingent liabilities

Provisions are liabilities of uncertain timing or amount, and are generally recognized in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, when: (i) UBS AG has a present obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) a reliable estimate of the amount of the obligation can be made. IAS 37 provisions are measured considering the best estimate of the consideration required to settle the present obligation at the balance sheet date.

When conditions required to recognize a provision are not met, a contingent liability is disclosed, unless the likelihood of an outflow of resources is remote. Contingent liabilities are also disclosed for possible obligations that arise from past events, the existence of which will be confirmed only by uncertain future events not wholly within the control of UBS AG.

**Critical accounting estimates and judgments**

Recognition of provisions often involves significant judgment in assessing the existence of an obligation that results from past events and in estimating the probability, the timing and the amount of any outflows of resources. This is particularly the case for litigation, regulatory and similar matters, which, due to their nature, are subject to many uncertainties, making their outcome difficult to predict.

The amount of any provision recognized is sensitive to the assumptions used, and there could be a wide range of possible outcomes for any particular matter.

Management regularly reviews all the available information regarding such matters, including legal advice, to assess whether the recognition criteria for provisions have been satisfied and to determine the timing and the amount of any potential outflows.

› **Refer to Note 18 for more information**

## 11) Foreign currency translation

Transactions denominated in a foreign currency are translated into the functional currency of the reporting entity at the spot exchange rate on the date of the transaction. At the balance sheet date, all monetary assets, including those at FVOCI, and monetary liabilities denominated in foreign currency are translated into the functional currency using the closing exchange rate. Translation differences are reported in *Other net income from financial instruments measured at fair value through profit or loss*.

Non-monetary items measured at historical cost are translated at the exchange rate on the date of the transaction.

Upon consolidation, assets and liabilities of foreign operations are translated into US dollars, UBS AG's presentation currency, at the closing exchange rate on the balance sheet date, and income and expense items and other comprehensive income are translated at the average rate for the period. The resulting foreign currency translation differences are recognized in *Equity* and reclassified to the income statement when UBS AG disposes of, partially or in its entirety, the foreign operation and UBS AG no longer controls the foreign operation.

Share capital issued and share premium held are translated at the historic average rate, with the difference between the historic average rate and the spot rate realized upon repayment of share capital reported as *Share premium.* Cumulative amounts recognized in *Other comprehensive income* in respect of cash flow hedges and financial assets measured at FVOCI are translated at the closing exchange rate as of the balance sheet dates, with any translation effects adjusted through *Retained earnings*.

› **Refer to Note 32 for more information**

## 12) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of balances with an original maturity of three months or less including cash, money market paper and balances with central and other banks.

In certain circumstances cash and cash equivalent balances held are not available for the use by UBS AG, for example amounts placed at central banks to meet local statutory minimum reserve requirements, balances protected under client asset segregation rules and balances pledged under depositor protection schemes.

## b) Changes in IFRS Accounting Standards and Interpretations

### 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 evaluate 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* (the 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.

### Other amendments to IFRS Accounting Standards

The IASB has issued a number of minor amendments to IFRS Accounting Standards, effective from 1 January 2024 and later. These amendments do not have or are not expected to have a significant effect on UBS AG when they are adopted.

## 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

UBS AG has taken on the carrying amount of the total IFRS equity of Credit Suisse AG as of 31 May 2024. This was allocated to the individual components of equity for UBS AG as follows:

- The individual equity reserve balances of Credit Suisse AG recorded from 31 May 2023 to 31 May 2024 have been added to the corresponding equity reserves of UBS AG, with the exception of the foreign currency translation reserve.
- UBS AG has elected to reset the foreign currency translation reserve. 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 remaining balance of the foreign currency translation reserve was then added to *Share premium*.
- 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 individually retained.
- The difference between the net carrying value of the Credit Suisse AG assets and liabilities as of 31 May 2024 and the individual equity reserve balances established as outlined above 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

Income statement, statement of comprehensive income and statement of cash flows for the year ended 31 December 2024 include seven months of consolidated data following the merger of UBS AG and Credit Suisse AG (June to December 2024) and five months of pre-merger UBS AG data only (January to May 2024). Statement of changes in equity includes seven months of consolidated data, following the addition of the equity reserve balances of Credit Suisse AG recorded from 31 May 2023 to 31 May 2024 as described above, and five months of pre-merger UBS AG data only. Comparative information for the years ended 31 December 2023 and 31 December 2022 includes pre-merger UBS AG data only.

Balance sheet information as at 31 December 2024 includes post-merger consolidated information. Balance sheet information as at 31 December 2023 reflects 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)

### Transactions related to businesses and subsidiaries of Credit Suisse

In June 2024, the Credit Suisse supply chain finance funds (the SCFFs) made a voluntary offer to the SCFFs' investors to redeem all outstanding fund units.

› **Refer to Note 18 for more information**

In August 2024 and October 2024, respectively, UBS AG has also entered into the agreements to sell Select Portfolio Servicing, the US mortgage servicing business of Credit Suisse, and its 50% interest in Swisscard AECS GmbH.

› **Refer to Note 29 for more information**

## Note 3a Segment reporting

UBS AG's businesses are organized globally into five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. All five business divisions are supported by Group functions and qualify as reportable segments for the purpose of segment reporting. Together with Group functions, the five business divisions reflect the management structure of UBS AG.

- **Global Wealth Management** provides financial services, advice and solutions to private wealth clients. Its offering ranges from investment management to estate planning and corporate finance advice, in addition to specific wealth management and banking products and services.
- **Personal & Corporate Banking** serves its private, corporate and institutional clients' needs, from banking to retirement, financing, investments and strategic transactions, in Switzerland, through its branch network and digital channels.
- **Asset Management** is a global, large-scale and diversified asset manager. It offers investment capabilities and styles across all major traditional and alternative asset classes, as well as advisory support to institutions, wholesale intermediaries and wealth management clients.
- The **Investment Bank** provides a range of services to institutional, corporate and wealth management clients globally, to help them raise capital, grow their businesses, invest and manage risks. Its offering includes research, advisory services, facilitating clients raising debt and equity from the public and private markets and capital markets, cash and derivatives trading across equities and fixed income, and financing.
- **Non-core and Legacy** includes positions and businesses not aligned with our long-term strategy and risk appetite. It consists of selected assets and liabilities from the Credit Suisse business divisions, as well as residual assets and liabilities from UBS's former Non-core and Legacy Portfolio that preceded the acquisition of the Credit Suisse Group and smaller amounts of assets and liabilities of UBS's business divisions that have been assessed as not strategic in light of that acquisition.
- Our Group functions are support and control functions that provide services to the Group. Virtually all costs incurred by the Group functions are allocated to the business divisions, leaving a residual amount that we refer to as **Group Items** in our segment reporting. Group functions include the following major areas: Group Services (which consists of the Group Operations and Technology Office, Group Compliance, Regulatory & Governance, Group Finance, Group Risk Control, Group Human Resources and Corporate Services, Communications & Branding, Group Legal, the Group Integration Office, Group Sustainability and Impact and the Chief Strategy Office) and Group Treasury.

## Note 3a Segment reporting (continued)

Financial information about the five business divisions and Group Items is presented separately in internal management reports to the Executive Board, which is considered the "chief operating decision-maker" pursuant to IFRS 8, *Operating Segments*.

UBS AG's internal accounting policies, which include management accounting policies and service-level agreements, determine the revenues and expenses directly attributable to each reportable segment. Transactions between the reportable segments are carried out at internally agreed rates and are reflected in the operating results of the reportable segments. Revenue-sharing agreements are used to allocate external client revenues to reportable segments where several reportable segments are involved in the value creation chain. Total intersegment revenues for UBS AG are immaterial, as the majority of the revenues are allocated across the segments by means of revenue-sharing agreements. Interest income earned from managing UBS AG's consolidated equity is allocated to the reportable segments based on average attributed equity and currency composition. Assets and liabilities of the reportable segments are funded through and invested with Group functions, and the net interest margin is reflected in the results of each reportable segment.

Segment assets are based on a third-party view and do not include intercompany balances. This view is in line with internal reporting to management. If one operating segment is involved in an external transaction together with another operating segment or Group function, additional criteria are considered to determine the segment that will report the associated assets. This will include a consideration of which segment's business needs are being addressed by the transaction and which segment is providing the funding and / or resources. Allocation of liabilities follows the same principles.

Non-current assets disclosed for segment reporting purposes represent assets that are expected to be recovered more than 12 months after the reporting date, excluding financial instruments, deferred tax assets and post-employment benefits.

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 twelve-month period ended 31 December 2023 has been restated, resulting in decreases in Operating profit / (loss) before tax of USD 91m for Global Wealth Management and USD 69m for Personal & Corporate Banking, and increases in Operating profit / (loss) before tax of USD 134m for Group Items, USD 25m 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.

## Note 3a Segment reporting (continued)

| *USD m* | Global Wealth Management | Personal & Corporate Banking | Asset Management | Investment Bank | Non-core and Legacy | Group Items | UBS AG |
|---|---|---|---|---|---|---|---|
| **For the year ended 31 December 2024** | | | | | | | |
| Net interest income | 5,901 | 4,035 | (54) | (3,484) | (12) | (1,708) | 4,678 |
| Non-interest income | 16,247 | 3,123 | 2,853 | 13,321 | 347 | 1,753 | 37,645 |
| Total revenues | 22,148 | 7,159 | 2,799 | 9,837 | 335 | 45 | 42,323 |
| Credit loss expense / (release) | (1) | 393 | 0 | 98 | 55 | 0 | 544 |
| Operating expenses | 18,893 | 4,714 | 2,334 | 8,753 | 3,673 | 979 | 39,346 |
| **Operating profit / (loss) before tax** | **3,255** | **2,052** | **465** | **987** | **(3,392)** | **(935)** | **2,433** |
| Tax expense / (benefit) | | | | | | | 900 |
| **Net profit / (loss)** | | | | | | | **1,533** |
| **Additional information** | | | | | | | |
| Total assets | 560,194 | 449,224 | 22,291 | 453,078 | 67,696 | 15,577 | 1,568,060 |
| Additions to non-current assets | 286 | 704 | 77 | 589 | 61 | 0 | 1,717 |

| *USD m* | Global Wealth Management | Personal & Corporate Banking | Asset Management | Investment Bank | Non-core and Legacy | Group Items | UBS AG |
|---|---|---|---|---|---|---|---|
| **For the year ended 31 December 2023[1]** | | | | | | | |
| Net interest income | 5,345 | 3,059 | (37) | (2,586) | 24 | (1,238) | 4,566 |
| Non-interest income | 13,194 | 2,158 | 2,108 | 10,371 | 34 | 1,244 | 29,109 |
| Total revenues | 18,539 | 5,216 | 2,071 | 7,784 | 58 | 6 | 33,675 |
| Credit loss expense / (release) | 25 | 50 | (1) | 67 | 1 | 1 | 143 |
| Operating expenses | 14,900 | 2,889 | 1,706 | 7,588 | 1,010 | 919 | 29,011 |
| **Operating profit / (loss) before tax** | **3,614** | **2,277** | **366** | **130** | **(952)** | **(914)** | **4,521** |
| Tax expense / (benefit) | | | | | | | 1,206 |
| **Net profit / (loss)** | | | | | | | **3,315** |
| **Additional information** | | | | | | | |
| Total assets[1] | 404,747 | 283,980 | 19,662 | 402,415 | 13,845 | 31,368 | 1,156,016 |
| Additions to non-current assets | 666 | 219 | 70 | 445 | 0 | 0 | 1,400 |

| *USD m* | Global Wealth Management | Personal & Corporate Banking | Asset Management | Investment Bank | Non-core and Legacy | Group Items | UBS AG |
|---|---|---|---|---|---|---|---|
| **For the year ended 31 December 2022** | | | | | | | |
| Net interest income | 5,274 | 2,192 | (19) | (241) | 1 | (690) | 6,517 |
| Non-interest income | 13,689 | 2,113 | 2,980[2] | 8,958 | 236 | 423 | 28,398 |
| Total revenues | 18,963 | 4,304 | 2,961 | 8,717 | 237 | (267) | 34,915 |
| Credit loss expense / (release) | 0 | 39 | 0 | (12) | 2 | 0 | 29 |
| Operating expenses | 14,069 | 2,475 | 1,565 | 6,890 | 104 | 823 | 25,927 |
| **Operating profit / (loss) before tax** | **4,894** | **1,790** | **1,396** | **1,839** | **131** | **(1,091)** | **8,960** |
| Tax expense / (benefit) | | | | | | | 1,844 |
| **Net profit / (loss)** | | | | | | | **7,116** |
| **Additional information** | | | | | | | |
| Total assets | 388,624 | 235,330 | 16,971 | 391,495 | 13,367 | 59,649 | 1,105,436 |
| Additions to non-current assets | 42 | 13 | 1 | 33 | 0 | 1,773 | 1,862 |

1 Comparative-period information has been restated for Group Treasury allocations. 2 Includes an USD 848m gain in Asset Management related to the sale of UBS AG's shareholding in Mitsubishi Corp.-UBS Realty Inc.

## Note 3b Segment reporting by geographic location

The operating regions shown in the table below correspond to the regional management structure of UBS AG. The allocation of total revenues to these regions reflects, and is consistent with, the basis on which the business is managed and its performance is evaluated. These allocations involve assumptions and judgments that management considers to be reasonable and may be refined to reflect changes in estimates or management structure. The main principles of the allocation methodology are that client revenues are attributed to the domicile of the given client and trading and portfolio management revenues are attributed to the country where the risk is managed. This revenue attribution is consistent with the mandate of the regional Presidents. Certain revenues, such as those related to Non-core and Legacy and Group Items, are included in the *Global* line.

The geographic analysis of non-current assets is based on the location of the entity in which the given assets are recorded.

**For the year ended 31 December 2024**

| | Total revenues | | Total non-current assets | |
|---|---|---|---|---|
| | USD bn | Share % | USD bn | Share % |
| Americas[1] | 15.7 | 37 | 8.9 | 42 |
| Asia Pacific | 6.7 | 16 | 1.3 | 6 |
| Europe, Middle East and Africa (excluding Switzerland) | 7.0 | 17 | 2.7 | 13 |
| Switzerland | 12.0 | 28 | 8.2 | 39 |
| Global | 0.9 | 2 | 0.0 | 0 |
| **Total** | 42.3 | 100 | 21.1 | 100 |

**For the year ended 31 December 2023**

| | Total revenues[2] | | Total non-current assets | |
|---|---|---|---|---|
| | USD bn | Share % | USD bn | Share % |
| Americas[1] | 13.3 | 39 | 8.6 | 47 |
| Asia Pacific | 5.0 | 15 | 1.2 | 7 |
| Europe, Middle East and Africa (excluding Switzerland) | 6.1 | 18 | 2.6 | 14 |
| Switzerland | 9.2 | 27 | 5.9 | 32 |
| Global | 0.0 | 0 | 0.0 | 0 |
| **Total** | 33.7 | 100 | 18.3 | 100 |

**For the year ended 31 December 2022**

| | Total revenues | | Total non-current assets | |
|---|---|---|---|---|
| | USD bn | Share % | USD bn | Share % |
| Americas[1] | 13.8 | 40 | 9.0 | 48 |
| Asia Pacific | 5.6 | 16 | 1.5 | 8 |
| Europe, Middle East and Africa (excluding Switzerland) | 7.0 | 20 | 2.6 | 14 |
| Switzerland | 7.7 | 22 | 5.6 | 30 |
| Global | 0.8 | 2 | 0.0 | 0 |
| **Total** | 34.9 | 100 | 18.7 | 100 |

1 Predominantly related to the US. 2 Comparative-period information has been restated for changes in Group Treasury allocations.

## Note 4 Net interest income and other net income from financial instruments measured at fair value through profit or loss

| | For the year ended | | |
|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
| Net interest income from financial instruments measured at fair value through profit or loss and other | 5,455 | 1,765 | 1,410 |
| Other net income from financial instruments measured at fair value through profit or loss[1] | 12,959 | 9,934 | 7,493 |
| **Total net income from financial instruments measured at fair value through profit or loss and other** | 18,414 | 11,698 | 8,903 |
| **Net interest income** | | | |
| Interest income from loans and deposits[2] | 25,751 | 19,637 | 9,634 |
| Interest income from securities financing transactions measured at amortized cost[3] | 3,716 | 3,450 | 1,378 |
| Interest income from other financial instruments measured at amortized cost | 1,339 | 1,152 | 545 |
| Interest income from debt instruments measured at fair value through other comprehensive income | 104 | 103 | 74 |
| Interest resulting from derivative instruments designated as cash flow hedges | (1,943) | (1,898) | 173 |
| **Total interest income from financial instruments measured at amortized cost and fair value through other comprehensive income** | 28,967 | 22,444 | 11,803 |
| Interest expense on loans and deposits[4] | 23,621 | 14,977 | 4,488 |
| Interest expense on securities financing transactions measured at amortized cost[5] | 1,939 | 1,714 | 1,089 |
| Interest expense on debt issued | 4,053 | 2,855 | 1,031 |
| Interest expense on lease liabilities | 132 | 97 | 88 |
| **Total interest expense from financial instruments measured at amortized cost** | 29,745 | 19,643 | 6,696 |
| **Total net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income** | (777) | 2,801 | 5,108 |
| **Total net interest income from financial instruments measured at fair value through profit or loss and other** | 5,455 | 1,765 | 1,410 |
| **Total net interest income** | 4,678 | 4,566 | 6,517 |

1 Includes net losses from financial liabilities designated at fair value of USD 2,090m (net losses of USD 4,065m in 2023 and net gains of USD 17,036m in 2022). This complementary "of which" information for financial liabilities designated at fair value excludes fair value changes on hedges related to financial liabilities designated at fair value, and foreign currency translation effects arising from translating foreign currency transactions into the respective functional currency, both of which are reported within Other net income from financial instruments measured at fair value through profit or loss. Net gains / (losses) from financial liabilities designated at fair value included net losses of USD 1,844m (net losses of USD 2,045m and net gains of USD 4,112m in 2023 and 2022, respectively) from financial liabilities related to unit-linked investment notes issued by UBS AG's Asset Management business division. These gains / (losses) are fully offset within Other net income from financial instruments measured at fair value through profit or loss by the fair value change on the financial assets hedging the unit-linked investment contracts, which are not disclosed as part of Net gains / (losses) from financial liabilities designated at fair value. 2 Consists of interest income from cash and balances at central banks, amounts due from banks and customers, 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. 3 Includes negative interest, including fees, on payables from securities financing transactions measured at amortized cost. 4 Consists of interest expense on amounts due to banks, cash collateral payables on derivative instruments, customer deposits, and funding from UBS Group AG measured at amortized cost, as well as negative interest on cash and balances at central banks, amounts due from banks, and cash collateral receivables on derivative instruments. 5 Includes negative interest, including fees, on receivables from securities financing transactions measured at amortized cost.

Total combined net interest income and other net income from financial instruments measured at fair value through profit or loss increased by USD 3,137m to USD 17,637m, mainly driven by the consolidation of Credit Suisse AG revenues.

## Note 5 Net fee and commission income

| | For the year ended | | |
|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
| Underwriting fees | 838 | 637 | 633 |
| M&A and corporate finance fees | 1,016 | 669 | 804 |
| Brokerage fees | 4,407 | 3,323 | 3,487 |
| Investment fund fees | 5,669 | 4,730 | 4,942 |
| Portfolio management and related services | 11,328 | 9,091 | 9,059 |
| Other | 2,548 | 1,950 | 1,921 |
| **Total fee and commission income[1]** | 25,806 | 20,399 | 20,846 |
| *of which: recurring* | *17,065* | *14,008* | *14,229* |
| *of which: transaction-based* | *8,604* | *6,320* | *6,550* |
| *of which: performance-based* | *137* | *71* | *68* |
| **Fee and commission expense** | 2,369 | 1,790 | 1,823 |
| **Net fee and commission income** | 23,438 | 18,610 | 19,023 |

1 For the year ended 31 December 2024, reflects third-party fee and commission income of USD 15,527m for Global Wealth Management, USD 2,588m for Personal & Corporate Banking, USD 3,333m for Asset Management, USD 4,135m for the Investment Bank, USD 230m for Non-core and Legacy and negative USD 6m for Group Items (for the year ended 31 December 2023: USD 12,687m for Global Wealth Management, USD 1,840m for Personal & Corporate Banking, USD 2,723m for Asset Management, USD 3,153m for the Investment Bank, USD 7m for Non-core and Legacy and negative USD 11m for Group Items; for the year ended 31 December 2022: USD 12,990m for Global Wealth Management, USD 1,657m for Personal & Corporate Banking, USD 2,840m for Asset Management, USD 3,350m for the Investment Bank, USD 0m for Non-core and Legacy and USD 10m for Group Items).

Net fee and commission income increased by USD 4,828m to USD 23,438m, mainly driven by the consolidation of Credit Suisse AG revenues.

## Note 6 Other income

| | For the year ended | | |
|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
| **Associates, joint ventures and subsidiaries** | | | |
| Net gains / (losses) from acquisitions and disposals of subsidiaries[1] | 9 | 24 | 148 |
| Net gains / (losses) from disposals of investments in associates and joint ventures | 118 | 0 | 844[2] |
| Share of net profits of associates and joint ventures[3] | 74 | (163) | 32 |
| **Total** | 201 | (138) | 1,024 |
| Net gains / (losses) from disposals of financial assets measured at fair value through other comprehensive income | 0 | (1) | (1) |
| Income from properties[4] | 29 | 18 | 20 |
| Net gains / (losses) from properties held for sale | (16) | 8 | 71 |
| Income from shared services provided to UBS Group AG or its subsidiaries | 733 | 568 | 460 |
| Other[5] | 301[6] | 112 | 308[7] |
| **Total other income** | 1,248 | 566 | 1,882 |

1 Includes foreign exchange gains / (losses) reclassified from other comprehensive income related to the disposal or closure of foreign operations. Refer to Note 29 for more information about UBS AG's acquisitions and disposals of subsidiaries and businesses. 2 Includes an USD 848m gain related to the sale of UBS AG's shareholding in Mitsubishi Corp.-UBS Realty Inc. 3 2024 includes a loss of USD 80m due to UBS's share of proportionate impairment losses reflected in the profit and loss of an associate (2023: loss of USD 255m). 4 Includes rent received from third parties. 5 2024 includes gains of USD 0m related to the repurchase of UBS AG's own debt instruments (compared with a gain of USD 21m in 2023 and a gain of USD 23m in 2022). 6 Includes USD 113m net gains in Asset Management from the sale of the Brazilian real estate fund management business. 7 Mainly relates to a portion of the total USD 133m gain on the sale of UBS AG's domestic wealth management business in Spain of USD 111m (with the remaining amount disclosed within Net gains / (losses) from acquisitions and disposals of subsidiaries) and income of USD 111m related to a legacy litigation settlement and a legacy bankruptcy claim.

## Note 7 Personnel expenses

| | For the year ended | | |
|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
| Salaries[1] | 7,884 | 5,898 | 5,528 |
| Variable compensation[2] | 9,414 | 7,669 | 7,636 |
| *of which: performance awards* | *3,511* | *2,841* | *2,910* |
| *of which: financial advisors[3]* | *5,293* | *4,549* | *4,508* |
| *of which: other* | *610* | *279* | *217* |
| Contractors | 110 | 98 | 119 |
| Social security | 1,060 | 835 | 730 |
| Post-employment benefit plans[4] | 787 | 579 | 555 |
| *of which: defined benefit plans* | *380* | *259* | *256* |
| *of which: defined contribution plans* | *408* | *320* | *299* |
| Other personnel expenses | 703 | 576 | 513 |
| **Total personnel expenses** | 19,958 | 15,655 | 15,080 |

1 Includes role-based allowances. 2 Refer to Note 27 for more information. 3 Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. 4 Refer to Note 26 for more information. Includes curtailment gains of USD 71m for the year ended 31 December 2024 (for the year ended 31 December 2023: USD 3m; for the year ended 31 December 2022: USD 13m), which represent a reduction in the defined benefit obligation related to the Swiss pension plans resulting from a decrease in headcount following restructuring activities.

Personnel expenses increased by USD 4,303m to USD 19,958m, mainly driven by the consolidation of Credit Suisse AG expenses.

## Note 8 General and administrative expenses

| | For the year ended | | |
|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
| Outsourcing costs | 829 | 478 | 451 |
| Technology costs | 912 | 558 | 502 |
| Consulting, legal and audit fees | 1,170 | 650 | 494 |
| Real estate and logistics costs | 832 | 679 | 507 |
| Market data services | 573 | 400 | 367 |
| Marketing and communication | 356 | 209 | 195 |
| Travel and entertainment | 279 | 205 | 156 |
| Litigation, regulatory and similar matters[1] | 1,514 | 816 | 348 |
| Other | 10,085 | 7,123 | 5,981 |
| *of which: shared services costs charged by UBS Group AG or its subsidiaries* | *8,862* | *6,203* | *5,264* |
| **Total general and administrative expenses** | 16,548 | 11,118 | 9,001 |

1 Reflects the net increase, including recoveries from third parties, in provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to Note 18 for more information. In 2024, in accordance with the applicable contractual arrangements, UBS AG received a reimbursement of USD 177m from a direct subsidiary of UBS Group AG.

General and administrative expenses increased by USD 5,430m to USD 16,548m, which included the effect of consolidating Credit Suisse AG expenses.

## Note 9 Income taxes

| | For the year ended | | |
|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
| **Tax expense / (benefit)** | | | |
| Swiss | | | |
| Current | 567 | 810 | 664 |
| Deferred | (106) | 39 | (22) |
| Total Swiss | 461 | 849 | 642 |
| Non-Swiss | | | |
| Current | 1,439 | 618 | 689 |
| Deferred | (1,000) | (262) | 513 |
| Total non-Swiss | 439 | 356 | 1,202 |
| Total income tax expense / (benefit) recognized in the income statement | 900 | 1,206 | 1,844 |

### Income tax recognized in the income statement

The Swiss current tax expenses related to taxable profits of UBS Switzerland AG and other Swiss entities.

The net Swiss deferred tax benefit mainly related to a net upward revaluation of deferred tax assets (DTAs) of USD 65m.

The non-Swiss current tax expenses included USD 831m that mainly related to US corporate alternative minimum tax with an equivalent deferred tax benefit for DTAs recognized in respect of tax credits carried forward and USD 608m in respect of other taxable profits of non-Swiss subsidiaries and branches.

The net non-Swiss deferred tax benefit included benefits of USD 831m related to the aforementioned deferred tax benefit, USD 417m in respect of a net upward revaluation of DTAs and USD 252m in respect of an increase in deferred tax asset recognition for UBS AG's US branch. These benefits were partly offset by an expense of USD 500m that primarily related to the amortization of DTAs previously recognized in relation to tax losses carried forward and deductible temporary differences.

| | For the year ended | | |
|---|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
| Operating profit / (loss) before tax | 2,433 | 4,521 | 8,960 |
| *of which: Swiss* | *221* | *3,174* | *4,052* |
| *of which: non-Swiss* | *2,212* | *1,347* | *4,907* |
| Income taxes at Swiss tax rate of 18.5% for 2024, 18.5% for 2023 and 18% for 2022 | 450 | 836 | 1,613 |
| Increase / (decrease) resulting from: | | | |
| Non-Swiss tax rates differing from Swiss tax rate | (66) | (43) | 267 |
| Tax effects of losses not recognized | 358 | 71 | 74 |
| Previously unrecognized tax losses now utilized | (454) | (401) | (217) |
| Non-taxable and lower-taxed income | (232) | (165) | (316) |
| Non-deductible expenses and additional taxable income | 1,379 | 1,017 | 414 |
| Adjustments related to prior years, current tax | (35) | (15) | (33) |
| Adjustments related to prior years, deferred tax | (27) | 10 | 19 |
| Change in deferred tax recognition | (608) | (273) | (217) |
| Adjustments to deferred tax balances arising from changes in tax rates | 6 | 0 | 0 |
| Other items | 128 | 169 | 240 |
| Income tax expense / (benefit) | 900 | 1,206 | 1,844 |

The components of operating profit before tax, and the differences between income tax expense reflected in the financial statements and the amounts calculated at the Swiss tax rate, are provided in the table above and explained below.

| Component | Description |
|---|---|
| **Non-Swiss tax rates differing from the Swiss tax rate** | To the extent that UBS AG profits or losses arise outside Switzerland, the applicable local tax rate may differ from the Swiss tax rate. This item reflects, for such profits, an adjustment from the tax expense that would arise at the Swiss tax rate to the tax expense that would arise at the applicable local tax rate. Similarly, it reflects, for such losses, an adjustment from the tax benefit that would arise at the Swiss tax rate to the tax benefit that would arise at the applicable local tax rate. |
| **Tax effects of losses not recognized** | This item relates to tax losses of entities arising in the year that are not recognized as DTAs and where no tax benefit arises in relation to those losses. Therefore, the tax benefit calculated by applying the local tax rate to those losses as described above is reversed. |
| **Previously unrecognized tax losses now utilized** | This item relates to taxable profits of the year that are offset by tax losses of previous years for which no DTAs were previously recorded. Consequently, no current tax or deferred tax expense arises in relation to those taxable profits and the tax expense calculated by applying the local tax rate on those profits is reversed. |
| **Non-taxable and lower-taxed income** | This item relates to tax deductions for the year in respect of permanent differences. These include deductions in respect of profits that are either not taxable or are taxable at a lower rate of tax than the local tax rate. They also include deductions made for tax purposes, which are not reflected in the accounts. |
| **Non-deductible expenses and additional taxable income** | This item relates to additional taxable income for the year in respect of permanent differences. These include income that is recognized for tax purposes by an entity but is not included in its profit that is reported in the financial statements, as well as expenses for the year that are non-deductible (e.g. client entertainment costs are not deductible in certain locations). |
| **Adjustments related to prior years, current tax** | This item relates to adjustments to current tax expense for prior years (e.g. if the tax payable for a year is agreed with the tax authorities in an amount that differs from the amount previously reflected in the financial statements). |
| **Adjustments related to prior years, deferred tax** | This item relates to adjustments to deferred tax positions recognized in prior years (e.g. if a tax loss for a year is fully recognized and the amount of the tax loss agreed with the tax authorities is expected to differ from the amount previously recognized as DTAs in the accounts). |
| **Change in deferred tax recognition** | This item relates to changes in DTAs, including changes in DTAs previously recognized resulting from reassessments of expected future taxable profits. It also includes changes in temporary differences in the year, for which deferred tax is not recognized. |
| **Adjustments to deferred tax balances arising from changes in tax rates** | This item relates to remeasurements of DTAs and liabilities recognized due to changes in tax rates. These have the effect of changing the future tax saving that is expected from tax losses or deductible tax differences and therefore the amount of DTAs recognized or, alternatively, changing the tax cost of additional taxable income from taxable temporary differences and therefore the deferred tax liability. |
| **Other items** | Other items include other differences between profits or losses at the local tax rate and the actual local tax expense or benefit, including movements in provisions for uncertain positions in relation to the current year and other items. |

## Income tax recognized directly in equity

A net tax expense of USD 40m was recognized in *Other comprehensive income* (2023: net expense of USD 288m) and a net tax benefit of USD 18m was recognized in *Share premium* (2023: net benefit of USD 12m).

## Deferred tax assets and liabilities

UBS AG has gross DTAs, valuation allowances and recognized DTAs related to tax loss carry-forwards and deductible temporary differences, as well as deferred tax liabilities in respect of taxable temporary differences, as shown in the table below. The valuation allowances reflect DTAs that were not recognized because, as of the last remeasurement period, management did not consider it probable that there would be sufficient future taxable profits available to utilize the related tax loss carry-forwards and deductible temporary differences.

The recognition of DTAs is supported by forecasts of taxable profits for the entities concerned. In addition, tax planning opportunities are available that would result in additional future taxable income and these would be utilized, if necessary.

Deferred tax liabilities are recognized in respect of investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that UBS AG can control the timing of the reversal of the associated taxable temporary difference, and it is probable that such will not reverse in the foreseeable future. However, as of 31 December 2024, this exception was not considered to apply to any taxable temporary differences.

| USD m | 31.12.24 | | | 31.12.23 | | |
|---|---|---|---|---|---|---|
| **Deferred tax assets**[1] | Gross | Valuation allowance | Recognized | Gross | Valuation allowance | Recognized |
| Tax loss carry-forwards | 19,871 | (17,594) | 2,277 | 11,453 | (8,496) | 2,957 |
| Unused tax credits | 675 | 0 | 675 | 95 | 0 | 95 |
| Temporary differences | 10,123 | (2,594) | 7,529 | 6,771 | (579) | 6,192 |
| *of which: related to real estate costs capitalized for US tax purposes* | *2,971* | *0* | *2,971* | *2,703* | *0* | *2,703* |
| *of which: related to compensation and benefits* | *1,920* | *(503)* | *1,417* | *1,457* | *(205)* | *1,252* |
| *of which: related to cash flow hedges* | *607* | *0* | *607* | *619* | *0* | *619* |
| *of which: other* | *4,625* | *(2,090)* | *2,535* | *1,992* | *(374)* | *1,618* |
| Total deferred tax assets | 30,669 | (20,188) | 10,481[2] | 18,319 | (9,076) | 9,244[2] |
| *of which: related to the US* | | | *9,174* | | | *8,505* |
| *of which: related to other locations* | | | *1,307* | | | *739* |
| **Deferred tax liabilities** | | | | | | |
| Total deferred tax liabilities | | | 283 | | | 162 |

1 After offset of DTLs, as applicable. 2 As of 31 December 2024, UBS AG recognized DTAs of USD 777m (31 December 2023: USD 408m) in respect of entities that incurred losses in either 2024 or 2023.

In general, US federal tax losses incurred prior to 31 December 2017 can be carried forward for 20 years. US federal tax losses incurred after that date can be carried forward indefinitely, although the utilization of such losses is limited to 80% of the entity's future year taxable profits. UK tax losses can also be carried forward indefinitely; they can shelter up to either 25% or 50% of future year taxable profits, depending on when the tax losses arose. The amounts of US tax loss carry-forwards that are included in the table below are based on their amount for federal tax purposes rather than for state and local tax purposes.

**Unrecognized tax loss carry-forwards**

| USD m | 31.12.24 | 31.12.23 |
|---|---|---|
| Within 1 year | 387 | 192 |
| From 2 to 5 years | 9,491 | 10,278 |
| From 6 to 10 years | 3,127 | 2,708 |
| From 11 to 20 years | 3,760 | 1,199 |
| No expiry | 50,770 | 16,252 |
| Total | 67,535 | 30,630 |
| *of which: related to the US*[1] | *19,213* | *12,354* |
| *of which: related to the UK* | *38,293* | *14,333* |
| *of which: related to other locations* | *10,029* | *3,943* |

1 Related to UBS AG's US branch.

## Pillar Two top-up taxes under Global Anti-Base Erosion rules

Certain countries in which UBS AG operates have enacted legislation implementing the Pillar Two Global Anti-Base Erosion rules published by the Organisation for Economic Co-operation and Development that introduced domestic top-up taxes that applied to local UBS AG entities during 2024. These include Switzerland, the UK, Japan, Canada and most EU Member States. Moreover, Switzerland and, also, most EU Member States had enacted legislation by 31 December 2024 that introduced non-domestic top-up taxes that are effective from 1 January 2025, which apply to UBS AG's worldwide entities.

The exception in paragraph 4A of IAS 12, *Income Taxes*, which requires that deferred tax assets and deferred tax liabilities be neither recognized nor disclosed in respect of such top-up taxes, has been applied for the purposes of these financial statements.

UBS AG's current tax expenses for 2024 do not include a material expense in relation to top-up taxes because, to the extent that UBS AG's profits arose in entities to which top-up taxes applied, these were almost all in countries that had effective tax rates of 15% or more.

An assessment of UBS AG's potential future exposure to top-up taxes under legislation that was enacted or substantively enacted to implement the Pillar Two model rules by 31 December 2024 but was not yet in effect was performed, reflecting country-by-country reporting and, also, the corporate tax expenses of UBS AG entities that are expected in future years. This assessment indicated that UBS AG's profits in future years are expected to be almost entirely earned in countries with corporate tax expenses that are at an effective tax rate of 15% or more and will not, therefore, be subject to top-taxes. Consequently, UBS AG is not expected to have a material annual exposure to top-up taxes for future years under this legislation.

## Note 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement

The tables below provide information about financial instruments and certain credit lines that are subject to expected credit loss (ECL) requirements. UBS AG's ECL disclosure segments, or "ECL segments" are aggregated portfolios based on shared risk characteristics and on the same or similar rating methods applied. The key segments are presented in the table below.

› **Refer to Note 20 for more information about expected credit loss measurement**

| Segment | Segment description | Description of credit risk sensitivity | Business division |
|---|---|---|---|
| **Private clients with mortgages** | Lending to private clients secured by owner-occupied real estate and personal account overdrafts of those clients | Sensitive to Swiss GDP, interest rate environment, unemployment levels, real estate collateral values and other regional aspects | – Personal & Corporate Banking<br>– Global Wealth Management |
| **Real estate financing** | Rental or income-producing real estate financing to private and corporate clients secured by real estate | Sensitive to Swiss GDP, unemployment levels, the interest rate environment, real estate collateral values and other regional aspects | – Personal & Corporate Banking<br>– Global Wealth Management<br>– Investment Bank |
| **Large corporate clients** | Lending to large corporate and multi-national clients | Sensitive to GDP developments, unemployment levels, credit default swap (CDS) indices, seasonality, business cycles and collateral values (diverse collateral, including real estate and other collateral types) | – Personal & Corporate Banking<br>– Investment Bank<br>– Global Wealth Management<br>– Non-core and Legacy |
| **SME clients** | Lending to small and medium-sized corporate clients | Sensitive to GDP developments, unemployment levels, the interest rate environment and, to some extent, seasonality, business cycles and collateral values (diverse collateral, including real estate and other collateral types) | – Personal & Corporate Banking |
| **Lombard** | Loans secured by pledges of marketable securities, guarantees and other forms of collateral (including hedge funds, private equity and unlisted equities) | Sensitive to equity and debt markets (e.g. changes in collateral values) | – Global Wealth Management |
| **Credit cards** | Credit card exposures in Switzerland and the US | Sensitive to unemployment levels | – Personal & Corporate Banking<br>– Global Wealth Management |
| **Commodity trade finance** | Working capital financing of commodity traders, generally extended on a self-liquidating transactional basis | Sensitive primarily to the strength of individual transaction structures and collateral values (price volatility of commodities), as the primary source for debt service is directly linked to the shipments financed | – Personal & Corporate Banking |
| **Consumer financing** | Consumer loans and car leasing | Sensitive to unemployment levels | – Personal & Corporate Banking |
| **Ship financing** | Ship financing mainly includes bulk carriers, oil tankers, containers and liquefied natural gas carriers | Sensitive to real GDP, earnings of tankers and earnings of bulk carriers | – Global Wealth Management |
| **Aircraft financing** | Corporate aircraft financing | Sensitive to collateral values | – Global Wealth Management |
| **Financial intermediaries and hedge funds** | Lending to financial institutions and pension funds, including exposures to broker-dealers and clearing houses | Sensitive to GDP development, CDS indices, the interest rate environment, price and volatility risks in financial markets, regulatory and political risk, and collateral values (diverse collateral, including real estate and other collateral types) | – Personal & Corporate Banking<br>– Investment Bank<br>– Global Wealth Management<br>– Non-core and Legacy |

› **Refer to Note 20f for more details regarding sensitivity**

## Note 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement (continued)

The tables below provide ECL exposure and ECL allowance and provision information about financial instruments and certain non-financial instruments that are subject to ECLs.

| *USD m* | 31.12.24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount[1] | | | | ECL allowances | | | |
| Financial instruments measured at amortized cost | Total | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| Cash and balances at central banks | 223,329 | 223,201 | 128 | 0 | (186) | 0 | (186) | 0 |
| Amounts due from banks | 18,111 | 17,912 | 198 | 0 | (42) | (1) | (5) | (36) |
| Receivables from securities financing transactions measured at amortized cost | 118,302 | 118,302 | 0 | 0 | (2) | (2) | 0 | 0 |
| Cash collateral receivables on derivative instruments | 43,959 | 43,959 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans and advances to customers | 587,347 | 560,531 | 22,309 | 4,506 | (2,830) | (276) | (323) | (2,230) |
| *of which: Private clients with mortgages* | *251,955* | *241,690* | *9,009* | *1,256* | *(166)* | *(46)* | *(70)* | *(50)* |
| *of which: Real estate financing* | *83,780* | *79,480* | *4,071* | *229* | *(100)* | *(24)* | *(27)* | *(49)* |
| *of which: Large corporate clients* | *25,599* | *21,073* | *3,493* | *1,033* | *(828)* | *(72)* | *(123)* | *(632)* |
| *of which: SME clients* | *21,002* | *17,576* | *2,293* | *1,133* | *(963)* | *(55)* | *(47)* | *(860)* |
| *of which: Lombard* | *147,714* | *147,326* | *266* | *122* | *(107)* | *(6)* | *0* | *(101)* |
| *of which: Credit cards* | *1,978* | *1,533* | *406* | *39* | *(41)* | *(6)* | *(11)* | *(25)* |
| *of which: Commodity trade finance* | *4,204* | *4,089* | *106* | *9* | *(122)* | *(9)* | *0* | *(113)* |
| *of which: Ship / aircraft financing* | *8,058* | *7,136* | *922* | *0* | *(31)* | *(14)* | *(16)* | *0* |
| *of which: Consumer financing* | *2,814* | *2,468* | *114* | *232* | *(137)* | *(15)* | *(19)* | *(102)* |
| Other financial assets measured at amortized cost | 59,279 | 58,645 | 439 | 194 | (135) | (25) | (7) | (103) |
| *of which: Loans to financial advisors* | *2,723* | *2,568* | *59* | *95* | *(41)* | *(4)* | *(1)* | *(37)* |
| **Total financial assets measured at amortized cost** | **1,050,326** | **1,022,550** | **23,074** | **4,701** | **(3,195)** | **(304)** | **(521)** | **(2,369)** |
| **Financial assets measured at fair value through other comprehensive income** | **2,195** | **2,195** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total on-balance sheet financial assets in scope of ECL requirements** | **1,052,521** | **1,024,746** | **23,074** | **4,701** | **(3,195)** | **(304)** | **(521)** | **(2,369)** |

| | 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 | 40,280 | 38,860 | 1,242 | 178 | (61) | (16) | (24) | (22) |
| *of which: Large corporate clients* | *7,818* | *7,098* | *635* | *85* | *(18)* | *(6)* | *(9)* | *(2)* |
| *of which: SME clients* | *2,524* | *2,074* | *393* | *57* | *(27)* | *(5)* | *(15)* | *(7)* |
| *of which: Financial intermediaries and hedge funds* | *21,590* | *21,449* | *141* | *0* | *(1)* | *(1)* | *0* | *0* |
| *of which: Lombard* | *3,709* | *3,652* | *24* | *33* | *(4)* | *(1)* | *0* | *(3)* |
| *of which: Commodity trade finance* | *2,678* | *2,676* | *2* | *0* | *(1)* | *(1)* | *0* | *0* |
| Irrevocable loan commitments | 79,579 | 75,158 | 4,178 | 243 | (192) | (105) | (61) | (26) |
| *of which: Large corporate clients* | *47,381* | *43,820* | *3,393* | *168* | *(155)* | *(91)* | *(54)* | *(10)* |
| Forward starting reverse repurchase and securities borrowing agreements | 24,896 | 24,896 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed unconditionally revocable credit lines | 148,900 | 146,496 | 2,149 | 255 | (75) | (59) | (17) | 0 |
| *of which: Real estate financing* | *7,674* | *7,329* | *345* | *0* | *(6)* | *(4)* | *(2)* | *0* |
| *of which: Large corporate clients* | *14,692* | *14,091* | *584* | *17* | *(22)* | *(14)* | *(7)* | *(2)* |
| *of which: SME clients* | *9,812* | *9,289* | *333* | *190* | *(34)* | *(28)* | *(6)* | *0* |
| *of which: Lombard* | *73,267* | *73,181* | *84* | *1* | *0* | *0* | *0* | *0* |
| *of which: Credit cards* | *10,074* | *9,604* | *467* | *3* | *(8)* | *(6)* | *(2)* | *0* |
| Irrevocable committed prolongation of existing loans | 4,608 | 4,602 | 4 | 2 | (3) | (3) | 0 | 0 |
| **Total off-balance sheet financial instruments and other credit lines** | **298,263** | **290,012** | **7,572** | **678** | **(332)** | **(183)** | **(102)** | **(48)** |
| **Total allowances and provisions** | | | | | **(3,527)** | **(487)** | **(623)** | **(2,417)** |

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances.

## Note 10 Financial assets at amortized cost and other positions in scope of 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 | 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 within the scope of ECL requirements** | **768,640** | **748,015** | **18,475** | **2,150** | **(1,057)** | **(197)** | **(217)** | **(643)** |

| | Total exposure | | | | ECL provisions | | | |
|---|---|---|---|---|---|---|---|---|
| **Off-balance sheet (within the scope of ECL)** | Total | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| 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* |
| *of which: Commodity trade finance* | *537* | *537* | *0* | *0* | *0* | *0* | *0* | *0* |
| Irrevocable committed prolongation of existing loans | 4,183 | 4,169 | 11 | 4 | (4) | (3) | 0 | 0 |
| **Total off-balance sheet financial instruments and 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.

## Note 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement (continued)

Coverage ratios are calculated for the core loan portfolio by taking ECL allowances and provisions divided by the gross carrying amount of the exposures. Core loan exposure is defined as the sum of *Loans and advances to customers* and *Loans to financial advisors*.

These ratios are influenced by the following key factors:
- Lombard loans are generally secured with marketable securities in portfolios that are, as a rule, highly diversified, with strict lending policies that are intended to ensure that credit risk is minimal under most circumstances;
- mortgage loans to private clients and real estate financing are controlled by conservative eligibility criteria, including low loan-to-value ratios and strong debt service capabilities;
- the amount of unsecured retail lending (including credit cards) is insignificant;
- contractual maturities in the loan portfolio, which are a factor in the calculation of ECLs, are generally short, with Lombard lending typically having average contractual maturities of 12 months or less, real estate lending generally between two and three years in Switzerland, with long-dated maturities in the US, and corporate lending between one and two years with related loan commitments up to four years; and
- write-offs of ECL allowances against the gross loan balances when all or part of a financial asset is deemed uncollectible or forgiven reduce the coverage ratios.

The total combined on- and off-balance sheet coverage ratio was at 37 basis points as of 31 December 2024, 15 basis points higher than the ratio as of 31 December 2023. The combined stage 1 and 2 ratio of 10 basis points was unchanged compared with the ratio as of 31 December 2023; the stage 3 ratio was 31%, 9 percentage points higher than the ratio as of 31 December 2023.

| | | | | | 31.12.24 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 252,121 | 241,736 | 9,079 | 1,306 | 7 | 2 | 77 | 5 | 386 |
| Real estate financing | 83,880 | 79,504 | 4,098 | 278 | 12 | 3 | 66 | 6 | 1,768 |
| Total real estate lending | 336,001 | 321,240 | 13,177 | 1,584 | 8 | 2 | 73 | 5 | 628 |
| Large corporate clients | 26,427 | 21,145 | 3,617 | 1,665 | 313 | 34 | 341 | 79 | 3,795 |
| SME clients | 21,966 | 17,631 | 2,341 | 1,993 | 439 | 31 | 203 | 52 | 4,316 |
| Total corporate lending | 48,393 | 38,776 | 5,958 | 3,659 | 370 | 33 | 287 | 67 | 4,079 |
| Lombard | 147,821 | 147,332 | 267 | 222 | 7 | 0 | 8 | 0 | 4,531 |
| Credit cards | 2,019 | 1,539 | 416 | 64 | 205 | 39 | 256 | 85 | 3,857 |
| Commodity trade finance | 4,327 | 4,098 | 106 | 122 | 283 | 22 | 40 | 23 | 9,258 |
| Ship / aircraft financing | 8,089 | 7,150 | 938 | 0 | 38 | 20 | 175 | 38 | 0 |
| Consumer financing | 2,951 | 2,484 | 134 | 334 | 464 | 62 | 1,447 | 133 | 3,057 |
| Other loans and advances to customers | 40,576 | 38,188 | 1,636 | 752 | 83 | 7 | 56 | 9 | 3,965 |
| Loans to financial advisors | 2,764 | 2,571 | 60 | 132 | 149 | 14 | 159 | 17 | 2,785 |
| Total other lending | 208,547 | 203,363 | 3,558 | 1,627 | 39 | 4 | 161 | 7 | 4,152 |
| Total[1] | 592,941 | 563,379 | 22,693 | 6,869 | 48 | 5 | 143 | 10 | 3,301 |

| | 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 | 8,473 | 8,271 | 176 | 26 | 4 | 4 | 22 | 4 | 81 |
| Real estate financing | 8,694 | 8,300 | 394 | 0 | 7 | 6 | 33 | 7 | 0 |
| Total real estate lending | 17,167 | 16,571 | 570 | 26 | 6 | 5 | 30 | 6 | 81 |
| Large corporate clients | 69,896 | 65,013 | 4,612 | 271 | 28 | 17 | 151 | 26 | 528 |
| SME clients | 13,944 | 12,788 | 842 | 315 | 59 | 30 | 324 | 48 | 532 |
| Total corporate lending | 83,840 | 77,800 | 5,454 | 586 | 33 | 19 | 177 | 30 | 530 |
| Lombard | 80,390 | 80,235 | 120 | 35 | 1 | 0 | 1 | 0 | 2,330 |
| Credit cards | 10,074 | 9,604 | 467 | 3 | 8 | 6 | 36 | 8 | 0 |
| Commodity trade finance | 3,487 | 3,464 | 23 | 0 | 3 | 3 | 51 | 3 | 0 |
| Ship / aircraft financing | 2,669 | 2,663 | 6 | 0 | 13 | 13 | 49 | 13 | 0 |
| Consumer financing | 134 | 134 | 0 | 0 | 6 | 6 | 0 | 6 | 0 |
| Financial intermediaries and hedge funds | 22,842 | 22,378 | 464 | 0 | 1 | 1 | 8 | 1 | 0 |
| Other off-balance sheet commitments | 52,765 | 52,268 | 468 | 29 | 4 | 2 | 28 | 2 | 2,945 |
| Total other lending | 172,360 | 170,745 | 1,549 | 67 | 3 | 1 | 23 | 2 | 2,470 |
| Total[2] | 273,367 | 265,117 | 7,572 | 678 | 12 | 7 | 135 | 10 | 704 |
| Total on- and off-balance sheet[3] | 866,308 | 828,495 | 30,265 | 7,547 | 37 | 6 | 141 | 10 | 3,067 |

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 Financial assets at amortized cost and other positions in scope of expected credit loss measurement (continued)

| | 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 11 Derivative instruments

### Overview

Over-the-counter (OTC) derivative contracts are usually traded under a standardized International Swaps and Derivatives Association (ISDA) master agreement or other recognized local industry-standard master agreements between UBS AG and its counterparties. Terms are negotiated directly with counterparties and the contracts have industry-standard settlement mechanisms prescribed by ISDA or similar industry-standard solutions. Other OTC derivatives are cleared through clearing houses, in particular interest rate swaps with LCH, where a settled-to-market method has been generally adopted, under which cash collateral exchanged on a daily basis is considered to legally settle the market value of the derivatives. Regulators in various jurisdictions have introduced rules requiring the payment and collection of initial and variation margins on certain OTC derivative contracts, which may have a bearing on price and other relevant terms.

Exchange-traded derivatives (ETD) are standardized in terms of their amounts and settlement dates, and are bought and sold on regulated exchanges. Exchanges offer the benefits of pricing transparency, standardized daily settlement of changes in value and, consequently, reduced credit risk.

Most of UBS AG's derivative transactions relate to sales and market-making activity. Sales activities include the structuring and marketing of derivative products to customers to enable them to take, transfer, modify or reduce current or expected risks. Market-making aims to directly support the facilitation and execution of client activity, and involves quoting bid and offer prices to other market participants with the aim of generating revenues based on spread and volume. UBS AG also uses various derivative instruments for hedging purposes.


- **Refer to Notes 16 and 21 for more information about derivative instruments**
- **Refer to Note 25 for more information about derivatives designated in hedge accounting relationships**

## Risks of derivative instruments

The derivative financial assets shown on the balance sheet can be an important component of UBS AG's credit exposure; however, the positive replacement values related to a respective counterparty are rarely an adequate reflection of UBS AG's credit exposure in its derivatives business with that counterparty. This is generally the case because, on the one hand, replacement values can increase over time (potential future exposure), while, on the other hand, exposure may be mitigated by entering into master netting agreements and bilateral collateral arrangements. Both the exposure measures used internally by UBS AG to control credit risk and the capital requirements imposed by regulators reflect these additional factors.

- **Refer to Note 22 for more information about derivative financial assets and liabilities after consideration of netting potential permitted under enforceable netting arrangements**
- **Refer to the "Risk management and control" section of this report for more information about the risks arising from derivative instruments**

## Derivative instruments

| | 31.12.24 | | | | 31.12.23 | | | |
|---|---|---|---|---|---|---|---|---|
| *USD bn* | Derivative financial assets | Derivative financial liabilities | Notional amounts related to derivative financial assets and liabilities[1,2] | Other notional amounts[1,3] | Derivative financial assets | Derivative financial liabilities | Notional amounts related to derivative financial assets and liabilities[1,2] | Other notional amounts[1,3] |
| Interest rate | 42.1 | 36.6 | 3,649.8 | 16,843.5 | 35.3 | 32.8 | 2,471.7 | 13,749.0 |
| *of which: forwards (OTC)[4]* | *0.1* | *0.0* | *92.9* | *851.5* | *0.1* | *0.0* | *114.0* | *1,061.4* |
| *of which: swaps (OTC)* | *27.1* | *20.3* | *1,360.1* | *14,974.2* | *23.0* | *18.2* | *788.0* | *11,884.1* |
| *of which: options (OTC)* | *14.7* | *16.1* | *2,189.1* | | *12.1* | *14.4* | *1,569.4* | |
| *of which: futures (ETD)* | | | | *827.5* | | | | *707.4* |
| *of which: options (ETD)* | *0.1* | *0.0* | *7.8* | *190.3* | *0.0* | *0.0* | *0.2* | *96.1* |
| Credit derivatives | 3.1 | 3.7 | 143.8 | | 1.8 | 1.6 | 93.1 | |
| *of which: credit default swaps (OTC)* | *2.8* | *3.3* | *138.7* | | *1.6* | *1.5* | *91.4* | |
| *of which: total return swaps (OTC)* | *0.0* | *0.3* | *1.0* | | *0.0* | *0.1* | *0.7* | |
| Foreign exchange | 101.1 | 94.6 | 7,216.1 | 268.8 | 65.4 | 71.7 | 6,367.1 | 179.6 |
| *of which: forwards (OTC)* | *36.9* | *32.3* | *2,268.3* | | *15.6* | *18.9* | *1,881.7* | |
| *of which: swaps (OTC)* | *55.5* | *53.5* | *3,793.5* | *267.0* | *43.5* | *46.7* | *3,587.2* | *178.7* |
| *of which: options (OTC)* | *8.6* | *8.7* | *1,145.2* | | *6.2* | *6.1* | *892.6* | |
| Equity / index | 36.9 | 42.7 | 1,364.8 | 93.3 | 27.3 | 32.9 | 1,191.1 | 84.3 |
| *of which: swaps (OTC)* | *5.9* | *8.2* | *352.8* | | *6.0* | *8.9* | *263.4* | |
| *of which: options (OTC)* | *4.4* | *8.3* | *226.1* | | *2.8* | *5.9* | *193.4* | |
| *of which: futures (ETD)* | | | | *84.6* | | | | *77.3* |
| *of which: options (ETD)* | *13.4* | *13.5* | *784.7* | *8.7* | *10.3* | *10.0* | *732.7* | *6.9* |
| *of which: client-cleared transactions (ETD)* | *13.1* | *12.7* | | | *8.1* | *8.0* | | |
| Commodities | 2.6 | 2.2 | 155.4 | 17.1 | 1.6 | 1.3 | 128.6 | 15.5 |
| *of which: swaps (OTC)* | *0.9* | *1.1* | *58.3* | | *0.7* | *0.5* | *44.8* | |
| *of which: options (OTC)* | *0.8* | *0.4* | *42.2* | | *0.6* | *0.3* | *38.4* | |
| *of which: futures (ETD)* | | | | *12.6* | | | | *13.0* |
| *of which: forwards (ETD)* | *0.0* | *0.0* | *27.3* | | *0.0* | *0.0* | *31.5* | |
| *of which: client-cleared transactions (ETD)* | *0.3* | *0.4* | | | *0.2* | *0.3* | | |
| Other[5] | 0.6 | 0.8 | 86.9 | | 0.3 | 0.4 | 86.0 | |
| Total derivative instruments, based on netting under IFRS Accounting Standards[6] | 186.4 | 180.7 | 12,616.8 | 17,222.8 | 131.7 | 140.7 | 10,337.6 | 14,028.4 |

1 In cases where derivative financial instruments are presented on a net basis on the balance sheet, the respective notional amounts of the netted derivative financial instruments are still presented on a gross basis. 2 Notional amounts of client-cleared ETD and OTC transactions through central clearing counterparties are not disclosed, as they have a significantly different risk profile. 3 Other notional amounts relate to derivatives that are cleared through either a central counterparty or an exchange and settled on a daily basis (except for OTC derivatives settled through collateralized-to-market arrangements, which are presented under Derivative financial assets and Derivative financial liabilities). 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 any of the periods presented. 4 Includes certain forward starting repurchase and reverse repurchase agreements that are classified as measured at fair value through profit or loss and are recognized within derivative instruments. 5 Includes mainly derivative 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. 6 Derivative financial assets and liabilities are presented net on the balance sheet if UBS AG 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 the entity and all of the counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Refer to Note 22 for more information on netting arrangements.

On a notional amount basis, approximately 55% of OTC interest rate contracts held as of 31 December 2024 (31 December 2023: 51%) mature within one year, 27% (31 December 2023: 30%) within one to five years and 18% (31 December 2023: 19%) after five years.

## Note 11 Derivative instruments (continued)

Notional amounts of interest rate contracts cleared through either a central counterparty or an exchange that are legally settled or economically net settled on a daily basis are presented under *Other notional amounts* in the table above and are categorized into maturity buckets on the basis of contractual maturities of the cleared underlying derivative contracts. Other notional amounts related to interest rate contracts increased by USD 3.1trn compared with 31 December 2023, mainly reflecting the merger of UBS AG and Credit Suisse AG, and higher business volume in the Investment Bank, partly offset by unwinding activities in Non-core and Legacy.

## Note 12 Property, equipment and software

**At historical cost less accumulated depreciation**

| *USD m* | Owned properties and equipment[1] | Leased properties and equipment[2] | Software | Projects in progress | 2024 | 2023 |
|---|---|---|---|---|---|---|
| **Historical cost** | | | | | | |
| Balance at the beginning of the year | 11,362 | 4,379 | 9,789 | 640 | 26,169 | 24,893 |
| Balance recognized upon the merger of UBS AG and Credit Suisse AG[3] | 1,614 | 1,500 | 979 | 49 | 4,142 | |
| Additions | 116 | 213 | 48 | 1,340 | 1,717 | 1,393 |
| Disposals / write-offs[4] | (464) | (118) | (357) | 0 | (940) | (1,449) |
| Reclassifications[5] | 117 | (12) | 1,124 | (1,388) | (158) | 378 |
| Foreign currency translation | (597) | (112) | (212) | (34) | (955) | 954 |
| Balance at the end of the year | 12,148 | 5,850 | 11,371 | 607 | 29,975 | 26,169 |
| **Accumulated depreciation** | | | | | | |
| Balance at the beginning of the year | 7,520 | 2,058 | 5,548 | 0 | 15,126 | 13,577 |
| Accumulated depreciation recognized upon the merger of UBS AG and Credit Suisse AG[3] | 643 | 446 | 426 | 0 | 1,514 | |
| Depreciation | 637 | 719 | 1,437 | 0 | 2,793 | 1,974 |
| Impairment[6] | 2 | 3 | 18 | 0 | 23 | 238 |
| Disposals / write-offs[4] | (462) | (118) | (357) | 0 | (937) | (1,445) |
| Reclassifications[5] | (32) | (3) | (5) | 0 | (40) | 206 |
| Foreign currency translation | (407) | (69) | (118) | 0 | (594) | 576 |
| Balance at the end of the year | 7,900 | 3,036 | 6,949 | 0 | 17,885 | 15,126 |
| **Net book value** | | | | | | |
| Net book value at the beginning of the year | 3,842 | 2,321 | 4,241 | 640 | 11,044 | 11,316 |
| **Net book value at the end of the year** | **4,247** | **2,814** | **4,422** | **607[7]** | **12,091** | **11,044** |

1 Includes leasehold improvements and IT hardware. 2 Represents right-of-use assets recognized by UBS AG as lessee. UBS AG predominantly enters into lease contracts, or contracts that include lease components, in relation to real estate, including offices, retail branches and sales offices. The total cash outflow for leases during 2024 was USD 917m (2023: USD 594m). Interest expense on lease liabilities is included within Interest expense from financial instruments measured at amortized cost and Lease liabilities is included within Other financial liabilities measured at amortized cost. Refer to Notes 4 and 19a, respectively. There were no material gains or losses arising from sale-and-leaseback transactions in 2024 and in 2023. 3 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. 4 Includes write-offs of fully depreciated assets. 5 The total reclassification amount for the respective periods represents net reclassifications from / to Other non-financial assets. 6 Impairment charges recorded in 2024 generally relate to assets that are no longer used, of which USD 23m for Group Items. The recoverable amount based on a value-in-use approach was determined to be zero. 7 Consists of USD 315m related to software and USD 291m related to Owned properties and equipment.

## Note 13 Goodwill and intangible assets

### Introduction

UBS AG performs an impairment test on its goodwill assets on an annual basis or when indicators of impairment exist.

UBS AG considers Asset Management, as reported in Note 3a, as a separate cash-generating unit (a CGU), as that is the level at which the performance of investment (and the related goodwill) is reviewed and assessed by management. Given that a significant amount of goodwill in Global Wealth Management relates to the acquisition of PaineWebber Group, Inc. in 2000, which mainly affected the Americas portion of the business, this goodwill remains separately monitored by the Americas, despite the formation of Global Wealth Management in 2018. Therefore, goodwill for Global Wealth Management is separately considered for impairment at the level of two CGUs: Americas; and Switzerland and International (consisting of EMEA, Asia Pacific and Global).

The impairment test is performed for each CGU to which goodwill is allocated by comparing the recoverable amount with the carrying amount of the respective CGU. UBS AG determines the recoverable amount of the respective CGUs based on their value in use. An impairment charge is recognized if the carrying amount exceeds the recoverable amount.

Upon the merger of UBS AG and Credit Suisse AG in May 2024, an existing goodwill balance of USD 0.5bn in Personal & Corporate Banking was transferred to UBS AG. This goodwill balance was included in the impairment test as of 31 December 2024.

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

As of 31 December 2024, total goodwill recognized on the balance sheet was USD 6.5bn, of which USD 3.7bn was carried by the Global Wealth Management Americas CGU, USD 1.2bn was carried by the Global Wealth Management Switzerland and International CGU, USD 1.1bn was carried by Asset Management and USD 0.5bn was carried by Personal & Corporate Banking. Based on the impairment testing methodology described below, UBS AG concluded that the goodwill balances as of 31 December 2024 allocated to these CGUs were not impaired. For each of the CGUs, the recoverable amount substantially exceeded the carrying value as of 31 December 2024, and there was no indication of a significant risk of goodwill impairment based on the testing performed as of 31 December 2024.

## Methodology for goodwill impairment testing

The recoverable amounts are determined using a discounted cash flow model, which has been adapted to use inputs that consider features of the banking business and its regulatory environment. The recoverable amount of a CGU is the sum of the discounted earnings attributable to shareholders from the first three forecast years and the terminal value, adjusted for the effect of the capital assumed to be needed over the next three years and to support growth beyond that period. The terminal value, which covers all periods beyond the third year, is calculated on the basis of the forecast of the third-year profit, the discount rate and the long-term growth rate, as well as the implied perpetual capital growth. For the Global Wealth Management Americas CGU, the methodology is consistently applied, but the forecast period covers five years (with a terminal value thereafter) in order to provide for the CGU's specific planning assumptions, namely the ongoing investments in the core banking infrastructure in the US to enhance the product capabilities and offerings in this market in the medium term. The extended forecast period of five years did not trigger, defer or avoid an impairment of goodwill as of 31 December 2024.

The carrying amount for each CGU is determined by reference to UBS's equity attribution framework. Within this framework, UBS attributes equity to the businesses on the basis of their risk-weighted assets and leverage ratio denominator (both metrics include resource allocations from Group functions to the business divisions), or by their common equity tier 1 (CET1) capital equivalent of risk-based capital if higher, their goodwill and their intangible assets, as well as attributed equity related to certain CET1 capital deduction items. The framework is primarily used for the purpose of measuring the performance of the businesses and includes certain management assumptions. Attributed equity is equal to the capital a CGU requires to conduct its business and is currently considered a reasonable approximation of the carrying amount of the CGUs. The attributed equity methodology is also applied in the business planning process, the inputs from which are used in calculating the recoverable amounts of the respective CGU.

## Assumptions

Valuation parameters used within UBS AG's impairment test model are linked to external market information, where applicable. The model used to determine the recoverable amount is most sensitive to changes in the forecast earnings available to shareholders in years one to three, to changes in the discount rates and to changes in the long-term growth rate. The applied long-term growth rate is based on long-term economic growth rates for different regions worldwide. Earnings available to shareholders are estimated on the basis of forecast results, which are part of the business plan approved by the Board of Directors.

The discount rates are determined by applying a capital asset pricing model-based approach, as well as considering quantitative and qualitative inputs from both internal and external analysts and the view of management. They also take into account regional differences in risk-free rates at the level of the individual CGUs. In line with discount rates, long-term growth rates are determined at the regional level based on nominal GDP growth rate forecasts.

Key assumptions used to determine the recoverable amounts of each CGU are tested for sensitivity by applying a reasonably possible change to those assumptions. Forecast earnings available to shareholders were changed by 20%, the discount rates were changed by 1.5 percentage points, and the long-term growth rates were changed by 0.75 percentage points. Under all scenarios, reasonably possible changes in key assumptions did not result in an impairment of goodwill or intangible assets reported by Global Wealth Management Americas, Global Wealth Management Switzerland and International, and Asset Management.

If the estimated earnings and other assumptions in future periods deviate from the current outlook, the value of goodwill attributable to Global Wealth Management Americas, Global Wealth Management Switzerland and International, and Asset Management may become impaired in the future, giving rise to losses in the income statement. Recognition of any impairment of goodwill would reduce IFRS Accounting Standards equity and net profit. It would not affect cash flows and, as goodwill is required to be deducted from capital under the Basel III capital framework, no effect would be expected on UBS AG's capital ratios.

**Discount and growth rates**

| | Discount rates | | Growth rates | |
|---|---|---|---|---|
| *In %* | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Global Wealth Management Americas | 9.5 | 9.5 | 3.8 | 3.8 |
| Global Wealth Management Switzerland and International | 9.5 | 9.5 | 3.7 | 3.4 |
| Asset Management | 9.0 | 9.0 | 3.3 | 3.3 |
| Personal & Corporate Banking | 7.5 | | 2.5 | |

## Note 13 Goodwill and intangible assets (continued)

| *USD m* | Goodwill | Intangible assets[1] | 2024 | 2023 |
|---|---|---|---|---|
| **Historical cost** | | | | |
| Balance at the beginning of the year | 6,043 | 1,602 | 7,645 | 7,641 |
| Balance recognized upon the merger of UBS AG and Credit Suisse AG[2] | 505 | 386 | 891 | |
| Additions | 0 | 0 | 0 | 6 |
| Disposals[3] | 0 | (1) | (1) | (40) |
| Reclassifications[4] | 0 | (384) | (384) | 0 |
| Foreign currency translation | (52) | (61) | (113) | 38 |
| Balance at the end of the year | 6,496 | 1,544 | 8,039 | 7,645 |
| | | | | |
| Accumulated amortization and impairment | | | | |
| Balance at the beginning of the year | 0 | 1,379 | 1,379 | 1,374 |
| Balance recognized upon the merger of UBS AG and Credit Suisse AG[2] | | 72 | 72 | |
| Amortization | 0 | 44 | 44 | 26 |
| Impairment / (reversal of impairment) | 0 | 1 | 1 | 0 |
| Disposals[3] | 0 | 0 | 0 | (30) |
| Reclassifications[4] | 0 | (96) | (96) | 0 |
| Foreign currency translation | 0 | (23) | (23) | 9 |
| Balance at the end of the year | 0 | 1,378 | 1,378 | 1,379 |
| **Net book value at the end of the year** | 6,496 | 165 | 6,661 | 6,265 |
| *of which: Global Wealth Management Americas* | *3,706* | *28* | *3,734* | *3,748* |
| *of which: Global Wealth Management Switzerland and International* | *1,158* | *38* | *1,196* | *1,233* |
| *of which: Personal & Corporate Banking* | *505* | *0* | *505* | *0* |
| *of which: Asset Management* | *1,127* | *0* | *1,127* | *1,149* |
| *of which: Investment Bank* | *0* | *98* | *98* | *135* |
| *of which: Non-core and Legacy* | *0* | *1* | *1* | *0* |

1 Intangible assets mainly include customer relationships, core deposits, contractual rights and the fully amortized branch network intangible asset recognized in connection with the acquisition of PaineWebber Group, Inc. in 2000. 2 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. 3 Reflects the derecognition of goodwill allocated to businesses and intangible assets held by entities that have been disposed of. 4 In 2024, certain intangible assets were reclassified to Assets of disposal group held for sale. Refer to Note 29 for more information.

The table below presents estimated aggregated amortization expenses for intangible assets.

| *USD m* | Intangible assets |
|---|---|
| **Estimated aggregated amortization expenses for:** | |
| 2025 | 22 |
| 2026 | 22 |
| 2027 | 22 |
| 2028 | 17 |
| 2029 | 11 |
| Thereafter | 68 |
| Not amortized due to indefinite useful life | 3 |
| **Total** | 165 |

## Note 14 Other assets

### a) Other financial assets measured at amortized cost

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Debt securities | 41,583 | 43,245 |
| Loans to financial advisors | 2,723 | 2,615 |
| Fee- and commission-related receivables | 2,231 | 1,883 |
| Finance lease receivables | 5,934 | 1,427 |
| Settlement and clearing accounts | 430 | 311 |
| Accrued interest income | 2,196 | 2,004 |
| Other[1] | 4,182 | 2,849 |
| **Total other financial assets measured at amortized cost** | 59,279 | 54,334 |

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

Effective 1 April 2022, UBS reclassified a portfolio of HQLA financial assets from *Financial assets measured at fair value through other comprehensive income* with a fair value of USD 6.9bn (the Portfolio) to *Other financial assets measured at amortized cost*.

## Note 14 Other assets (continued)

The Portfolio's cumulative fair value losses of USD 449m pre-tax and USD 333m post-tax, previously recognized in Other comprehensive income, were removed from equity and adjusted against the value of the assets on the reclassification date, so that the Portfolio was measured as if the assets had always been classified at amortized cost, with a value of USD 7.4bn as on 1 April 2022. The reclassification has had no effect on the income statement. At the time, the accounting reclassification arose as a direct result of the planned transformation of UBS's Global Wealth Management Americas business, involving significant growth and extension of the business, generating substantial cash balances, with a number of new saving and deposit products being launched that are longer in duration. Additional lending, and a broader range of customer segments were targeted. As a consequence, the Portfolio is no longer held in a business model to collect the contractual cash flows and sell the assets but is instead solely held to collect the contractual cash flows until the assets mature, requiring a reclassification of the Portfolio in line with IFRS 9 with effect from 1 April 2022.

### b) Other non-financial assets

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Precious metals and other physical commodities | 7,341 | 4,426 |
| Deposits and collateral provided in connection with litigation, regulatory and similar matters[1] | 1,946 | 1,379 |
| Prepaid expenses | 1,194 | 1,062 |
| Current tax assets | 1,504 | 184 |
| VAT, withholding tax and other tax receivables | 1,129 | 561 |
| Properties and other non-current assets held for sale | 195 | 105 |
| Assets of disposal groups held for sale[2] | 1,823 | |
| Other | 2,149 | 660 |
| **Total other non-financial assets** | 17,282 | 8,377 |

1 Refer to Note 18 for more information. 2 Refer to Note 29 for more information about the agreement to sell Select Portfolio Servicing.

## Note 15 Amounts due to banks, customer deposits, and funding from UBS Group AG

### a) Amounts due to banks and customer deposits

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Amounts due to banks | 23,347 | 16,720 |
| Customer deposits | 749,476 | 555,673 |
| *of which: demand deposits* | *224,982* | *146,163* |
| *of which: retail savings / deposits* | *182,273* | *152,683* |
| *of which: sweep deposits* | *41,935* | *41,045* |
| *of which: time deposits[1]* | *300,284* | *215,782* |
| **Total amounts due to banks and customer deposits** | 772,822 | 572,393 |

1 Includes customer deposits in UBS AG Jersey Branch and UBS AG Guernsey Branch placed by UBS Switzerland AG and UBS AG Swiss Branch on behalf of their clients.

Customer deposits increased by USD 193.8bn, with the increase of USD 224.6bn in May 2024 relating to the merger of UBS AG and Credit Suisse AG. Excluding the effects of the merger, there was a decrease of USD 30.8bn, driven by currency effects and net new deposit outflows mainly in time deposits due to maturities, partly offset by shifts into retail savings / deposits as a result of the aforementioned maturities.

### b) Funding from UBS Group AG measured at amortized cost

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Debt contributing to total loss-absorbing capacity (TLAC) | 87,036 | 51,102 |
| Debt eligible as high-trigger loss-absorbing additional tier 1 capital instruments[1] | 14,585 | 11,286 |
| Debt eligible as low-trigger loss-absorbing additional tier 1 capital instruments | 1,245 | 1,212 |
| Other[2] | 5,051 | 3,682 |
| **Total funding from UBS Group AG measured at amortized cost[3,4]** | 107,918 | 67,282 |

1 For 31 December 2024, includes USD 6.9bn (31 December 2023: USD 3.6bn) that are, upon the occurrence of a trigger event or a viability event, subject to conversion into ordinary UBS shares. 2 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. 3 The Total funding from UBS Group AG measured at amortized cost 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. All instruments contributing to TLAC are subordinated since 1.1.2020. 4 UBS AG has also recognized funding from UBS Group AG that is designated at fair value. Refer to Note 19b for more information.

## Note 15 Amounts due to banks, customer deposits, and funding from UBS Group AG (continued)

UBS AG uses interest rate and foreign exchange derivatives to manage the risks inherent in certain debt instruments held at amortized cost. In some cases, UBS AG applies hedge accounting for interest rate risk as discussed in item 2j in Note 1a and Note 25. As a result of applying hedge accounting, the life-to-date adjustment to the carrying amount of *Funding from UBS Group AG measured at amortized cost* was a decrease of USD 5.8bn as of 31 December 2024 and a decrease of USD 3.2bn as of 31 December 2023. The movement was mainly the result of the merger of UBS AG and Credit Suisse AG.

Of the *Total funding from UBS Group AG measured at amortized cost* outstanding as of 31 December 2024, USD 105.8bn pays a fixed interest rate and USD 2.1bn pays a floating rate of interest.

› **Refer to Note 24 for maturity information**

## Note 16 Debt issued designated at fair value

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Issued debt instruments | | |
| Equity-linked[1] | 54,069 | 46,269 |
| Rates-linked | 23,641 | 16,880 |
| Credit-linked | 5,225 | 4,506 |
| Fixed-rate | 14,250 | 14,295 |
| Commodity-linked | 3,592 | 3,704 |
| Other | 1,789 | 687 |
| Total debt issued designated at fair value[2] | 102,567 | 86,341 |
| *of which: issued by UBS AG with original maturity greater than one year[3]* | *82,491* | *73,544* |
| *of which: issued by Credit Suisse International standalone with original maturity greater than one year[3]* | *96* | |

1 Includes investment fund unit-linked instruments issued. 2 As of 31 December 2024, 100% of Total debt issued designated at fair value was unsecured. 3 Based on original contractual maturity without considering any early redemption features.

## Note 17 Debt issued measured at amortized cost

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Short-term debt[1] | 30,509 | 37,285 |
| Senior unsecured debt | 33,416 | 18,450 |
| *of which: issued by UBS AG with original maturity greater than one year* | *32,621* | *18,446* |
| Covered bonds | 8,814 | 1,006 |
| Subordinated debt | 689 | 3,008 |
| *of which: eligible as non-Basel III-compliant tier 2 capital instruments* | *207* | *538* |
| Debt issued through the Swiss central mortgage institutions | 27,251 | 10,035 |
| Other long-term debt | 424 | 0 |
| Long-term debt[2] | 70,595 | 32,499 |
| Total debt issued measured at amortized cost[3,4] | 101,104 | 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 (91% secured), 100% of the balance was unsecured as of 31 December 2024.

UBS AG uses interest rate and foreign exchange derivatives to manage the risks inherent in certain debt instruments held at amortized cost. In some cases, UBS AG applies hedge accounting for interest rate risk as discussed in item 2j in Note 1a and Note 25. As a result of applying hedge accounting, the life-to-date adjustment to the carrying amount of *Debt issued measured at amortized cost* was an increase of USD 0.0bn as of 31 December 2024 and a decrease of USD 0.4bn as of 31 December 2023, reflecting changes in fair value due to interest rate movements.

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. All of the subordinated debt instruments outstanding as of 31 December 2024 pay a fixed rate of interest.

› **Refer to Note 24 for maturity information**

## Note 18 Provisions and contingent liabilities

### a) Provisions

The table below presents an overview of total provisions.

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Provisions other than provisions for expected credit losses | 4,799 | 2,336 |
| Provisions for expected credit losses[1] | 332 | 188 |
| **Total provisions** | 5,131 | 2,524 |

1 Refer to Note 10 for more information about ECL provisions recognized for off-balance sheet financial instruments and credit lines.

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

| | Litigation, regulatory and similar matters[1] | Restructuring[2] | Real estate[3] | Other[4] | Total 2024 |
|---|---|---|---|---|---|
| **Balance at the beginning of the year** | 1,810 | 209 | 135 | 181 | 2,336 |
| Provisions recognized upon merger of UBS AG and Credit Suisse AG[5] | 1,986 | 463 | 89 | 106 | 2,644 |
| Increase in provisions recognized in the income statement | 1,598[6] | 667 | 15 | 123 | 2,403 |
| Release of provisions recognized in the income statement | (199) | (167) | (3) | (78) | (448) |
| Reclassifications | 82[6] | 0 | 0 | 0 | 82 |
| Provisions used in conformity with designated purpose | (1,580)[6] | (472) | (17) | (34) | (2,103) |
| Foreign currency translation and other movements | (99) | (1) | 4 | (19) | (115) |
| **Balance at the end of the year** | 3,598 | 699 | 224 | 278 | 4,799 |

1 Consists of provisions for losses resulting from legal, liability and compliance risks. 2 Consists of USD 383m of provisions for onerous contracts related to real estate as of 31 December 2024 (31 December 2023: USD 146m); USD 262m of personnel-related restructuring provisions as of 31 December 2024 (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, VAT and operational risks. 5 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. 6 Mainly relating to the funding by UBS AG of the offer made in June 2024 by the Credit Suisse supply chain finance funds to redeem all of their outstanding units. As a result of the offer, UBS AG increased the IAS 37 Provisions related to litigation, regulatory and similar matters by USD 944m with a corresponding impact on the income statement, as the probability of an outflow of resources increased, bringing the total IAS 37 provision for this matter to USD 1,421m. The provision has been used to recognize the funding obligation, which was accounted for as a derivative liability with a fair value of USD 1,421m. Post the expiry of the offer, USD 92m was reclassified from derivative liabilities back into IAS 37 provisions in relation to investors who did not accept the redemption offer.

Restructuring provisions are generally recognized as a consequence of management agreeing to materially change the scope of the business or the manner in which it is conducted, including changes in management structures. Restructuring provisions relate to onerous contracts and personnel-related provisions. Onerous contracts for property are recognized when UBS AG is committed to pay for non-lease components, such as utilities, service charges, taxes and maintenance, when a property is vacated or not fully recovered from sub-tenants. Personnel-related restructuring provisions are generally used within a short period of time. The level of personnel-related provisions can change when natural staff attrition reduces the number of people affected by a restructuring event, and therefore results in lower estimated costs.

Information about provisions and contingent liabilities in respect of litigation, regulatory and similar matters, as a class, is included in Note 18b. 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.

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 18a above. UBS provides below an estimate of the aggregate liability for its 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 3.7bn.

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 Manage-ment | Personal & Corporate Banking | Asset Manage-ment | Investment Bank | Non-core and Legacy | Group Items | Total |
|---|---|---|---|---|---|---|---|
| Balance at the beginning of the year | 1,220 | 156 | 12 | 286 | 4 | 132 | 1,810 |
| Provisions recognized upon merger of UBS AG and Credit Suisse AG[2] | 14 | 1 | 2 | 2 | 1,964 | 4 | 1,986 |
| Increase in provisions recognized in the income statement[3] | 174 | 1 | 7 | 17 | 1,393 | 6 | 1,598 |
| Release of provisions recognized in the income statement | (18) | 0 | 0 | (9) | (171) | (2) | (199) |
| Reclassifications[3] | 3 | 0 | 0 | 0 | 79 | 0 | 82 |
| Provisions used in conformity with designated purpose[3] | (55) | 0 | (20) | (20) | (1,481) | (4) | (1,580) |
| Foreign currency translation and other movements | (69) | (10) | 0 | (11) | (10) | 0 | (99) |
| Balance at the end of the year | 1,271 | 147 | 1 | 266 | 1,779 | 135 | 3,598 |

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, Noncore 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 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. 3 Mainly relates to the funding by UBS AG of the offer made in June 2024 by the Credit Suisse supply chain finance funds to redeem all of their outstanding units. As a result of the offer, UBS AG increased the IAS 37 Provisions related to litigation, regulatory and similar matters by USD 944m with a corresponding impact on the income statement, as the probability of an outflow of resources increased, bringing the total IAS 37 provision for this matter to USD 1,421m. The provision has been used to recognize the funding obligation, which was accounted for as a derivative liability with a fair value of USD 1,421m. Post the expiry of the offer, USD 92m was reclassified from derivative liabilities back into IAS 37 provisions in relation to investors who did not accept the redemption offer.

## 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 entered into an agreement with the US Department of Justice (DOJ) to plead guilty to conspiring to aid and abet US taxpayers in filing false tax returns (2014 Plea Agreement). Credit Suisse continued to report to and cooperate with US authorities in accordance with its obligations under the 2014 Plea Agreement, 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. UBS continues to cooperate with the ongoing investigation by the DOJ.

Our balance sheet at 31 December 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 UK 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.

*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, and 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 US District Court for the Southern District of New York (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, which affirmed the dismissal in November 2024.

*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 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, which amount was confirmed on 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, which was approved by the court in November 2024.

*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, UBS's balance sheet at 31 December 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.

UBS's balance sheet at 31 December 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. Following a non-jury trial, the court issued a decision in December 2024 that the plaintiff had established breaches of representations and warranties relating to 210 of the 783 loans at issue. The court deferred decision as to damages, which will either be agreed upon by the parties or briefed for further decision by the court. 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 cases 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 Credit Suisse Securities (Europe) Limited (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. In January 2025, as permitted under the terms of the DPA, the DOJ elected to extend the term of the DPA by one year.

### 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 February 2025, the court granted class certification for two of the three classes proposed by plaintiffs and denied class certification of 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. In November 2024, the court issued a judgment that acquitted UBS AG and annulled the fine and compensatory claim ordered by the first instance court. The court of appeal's judgment may be appealed to the Swiss Federal Supreme Court.

### 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.

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. FINMA has closed the enforcement proceeding, finding that Credit Suisse breached its cooperation obligations with FINMA Enforcement. FINMA refrained from ordering any remedial measures as it did not find similar issues with UBS.

In December 2024, the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) concluded its investigation. The CSSF identified non-compliance with several obligations under Luxembourg law and imposed a sanction of EUR 250,000.

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.

### 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, the WEKO, 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 19 Other liabilities

### a) Other financial liabilities measured at amortized cost

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Other accrued expenses | 2,732 | 1,613 |
| Accrued interest expenses | 5,862 | 4,186 |
| Settlement and clearing accounts | 1,925 | 1,314 |
| Lease liabilities | 3,871 | 2,904 |
| Other | 7,372 | 2,695 |
| **Total other financial liabilities measured at amortized cost** | 21,762 | 12,713 |

### b) Other financial liabilities designated at fair value

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Financial liabilities related to unit-linked investment contracts | 17,203 | 15,922 |
| Securities financing transactions | 5,798 | 6,927 |
| Over-the-counter debt instruments and other | 5,698 | 1,566 |
| Funding from UBS Group AG[1] | 5,342 | 2,950 |
| **Total other financial liabilities designated at fair value** | 34,041 | 27,366 |

1 The 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.

### c) Other non-financial liabilities

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Compensation-related liabilities | 6,897 | 4,526 |
| *of which: financial advisor compensation plans* | *1,601* | *1,472* |
| *of which: cash awards and other compensation plans* | *3,818* | *1,955* |
| *of which: net defined benefit liability* | *691* | *487* |
| *of which: other compensation-related liabilities[1]* | *786* | *611* |
| Current tax liabilities | 1,536 | 932 |
| Deferred tax liabilities | 283 | 162 |
| VAT, withholding tax and other tax payables | 1,067 | 712 |
| Deferred income | 614 | 276 |
| Liabilities of disposal groups held for sale[2] | 1,212 | |
| Other | 304 | 74 |
| **Total other non-financial liabilities** | 11,911 | 6,682 |

1 Includes liabilities for payroll taxes and untaken vacation. 2 Refer to Note 29 for more information about the agreement to sell Select Portfolio Servicing.

## Note 20 Expected credit loss measurement

### a) Expected credit losses in the period

Total net credit loss expenses were USD 544m in 2024, reflecting net credit loss releases of USD 63m related to stage 1 and 2 positions and net credit loss expenses of USD 608m related to credit-impaired (stage 3) positions, predominantly in the corporate lending portfolios.

› **Refer to Note 20b for more information regarding changes to expected credit loss models, scenarios, scenario weights and the post-model adjustments and to Note 20c for more information regarding the development of ECL allowances and provisions**

**Credit loss expense / (release)**

| | Performing positions | Credit-impaired positions | |
|---|---|---|---|
| *USD m* | Stages 1 and 2 | Stage 3 | Total |
| For the year ended 31.12.24 | | | |
| Global Wealth Management | (49) | 48 | (1) |
| Personal & Corporate Banking | (61) | 454 | 393 |
| Asset Management | 0 | 0 | 0 |
| Investment Bank | 52 | 47 | 98 |
| Non-core and Legacy | (5) | 60 | 55 |
| Group Items | 0 | 0 | 0 |
| Total | (63) | 608 | 544 |
| For the year ended 31.12.23 | | | |
| Global Wealth Management | (2) | 27 | 25 |
| Personal & Corporate Banking | 13 | 37 | 50 |
| Asset Management | 0 | (1) | (1) |
| Investment Bank | 11 | 56 | 67 |
| Non-core and Legacy | 0 | 1 | 1 |
| Group Items | 1 | 0 | 1 |
| Total | 23 | 120 | 143 |
| For the year ended 31.12.22 | | | |
| Global Wealth Management | (5) | 5 | 0 |
| Personal & Corporate Banking | 27 | 12 | 39 |
| Asset Management | 0 | 0 | 0 |
| Investment Bank | 6 | (18) | (12) |
| Non-core and Legacy | 0 | 2 | 2 |
| Group Items | 0 | 0 | 0 |
| Total | 29 | 0 | 29 |

### b) Changes to ECL models, scenarios, scenario weights and key inputs

Refer to Note 1a for information about the principles governing expected credit loss (ECL) models, scenarios, scenario weights and key inputs.

#### Governance

Comprehensive cross-functional and cross-divisional governance processes are in place and are used to discuss and approve scenario updates and weights, to assess whether significant increases in credit risk resulted in stage transfers, to review model outputs and to reach conclusions regarding post-model adjustments.

#### Model changes

During 2024, the model review and enhancement process led to adjustments of the probability of default (PD), loss given default (LGD) and credit conversion factor (CCF) models, resulting in a USD 49m increase in ECL allowances. This included an increase of USD 68m in the Investment Bank related to large corporate clients and a USD 17m decrease in Global Wealth Management related to lending for ship financing.

### Scenario and key input updates

During 2024, the scenarios and related macroeconomic factors were updated from those applied at the end of 2023 by considering the prevailing economic and political conditions and uncertainty. The review focused on events that significantly changed the economic outlook during the year: the milder inflation outlook and the start of a monetary policy easing cycle, and geopolitical uncertainties. ECLs for legacy Credit Suisse positions were calculated based on legacy Credit Suisse models, including the same scenario and scenario weight inputs as for UBS's existing business activity.

*Baseline scenario*: the projections of the baseline scenario, which are aligned to the economic and market assumptions used for UBS's business planning purposes, are broadly in line with external benchmarks, such as those from Bloomberg Consensus, Oxford Economics and the International Monetary Fund World Economic Outlook. The expectation for 2025 is that global growth slows due to rising uncertainty, with the prospect of renewed tariff escalation, and a deceleration in US economic growth. Unemployment rates are forecast to increase somewhat from their 2024 levels. After declining over 2024, long-term interest rates are expected to remain broadly stable in 2025. The outlook for house prices worldwide remains resilient, including in Switzerland.

*Mild debt crisis scenario:* The first hypothetical downside scenario is the mild debt crisis scenario. The mild debt crisis assumes that political, solvency and liquidity concerns cause a sell-off of sovereign debt in emerging markets and the peripheral Eurozone. The global economy and financial markets are negatively affected, and central banks are assumed to ease their monetary policy.

*Stagflationary geopolitical crisis scenario:* The second downside scenario is aligned with the 2024 Group binding stress scenario and was updated in 2024 to reflect expected risks, resulting in minimal changes. Geopolitical tensions cause an escalation of security concerns and undermine globalization. The ensuing economic regionalization leads to a surge in global commodity prices and further disruptions of supply chains and raises the specter of prolonged stagflation. Central banks are forced to further tighten monetary policy to contain inflationary pressures.

*Asset price appreciation scenario:* The upside scenario is based on positive developments, such as an easing of geopolitical tensions across the globe and a rebound in Chinese economic growth. A combination of lower commodity prices, effective monetary policies and easing supply chain disruptions helps to reduce inflation. Improved consumer and business sentiment lead to a global economic rebound, enabling central banks to normalize interest rates, which causes asset prices to increase significantly.

The table below details the key assumptions for the four scenarios applied as of 31 December 2024.

### Scenario generation, review process and governance

A team of economists within Group Risk Control develops the forward-looking macroeconomic assumptions, with a broad range of experts also being involved in that process.

The scenarios, their weights and the key macroeconomic and other factors are subject to a critical assessment by the IFRS 9 Scenario Sounding Sessions and ECL Management Forum, which include senior management from Group Risk and Group Finance. Important aspects for the review include whether there may be particular credit risk concerns that may not be capable of being addressed systematically and require post-model adjustments for stage allocation and ECL allowances.

The Group Model Governance Committee (the GMGC), as the highest authority under UBS's model governance framework, ratifies the decisions taken by the ECL Management Forum.

### Scenario weights and post-model adjustments

Scenario weights, as illustrated in the table below, are unchanged.

However, unquantifiable risks continue to be relevant, as the geopolitical risks remained high in 2024, and the impact on the world economy from escalations with unforeseeable consequences could be severe. In the near term, this uncertainty relates primarily to developments in the Russia–Ukraine war and Middle East conflicts. Models, which are based on supportable statistical information from past experiences regarding interdependencies of macroeconomic factors and their implications for credit risk portfolios, cannot comprehensively reflect such extraordinary events, such as a pandemic or a fundamental change in the world political order. Rather than creating multiple additional scenarios to attempt to gauge these risks and applying model parameters that lack supportable information and cannot be robustly validated, management continued to also apply post-model adjustments.

Total stage 1 and 2 allowances and provisions were USD 1,110m as of 31 December 2024 and included post-model adjustments of USD 235m (31 December 2023: USD 133m). Post-model adjustments are to address uncertainty levels, including those arising from the geopolitical situation, and to align Credit Suisse's model results with the results expected under the applicable UBS model, after the migration of positions.

## Note 20 Expected credit loss measurement (continued)

**Economic scenarios and weights applied**

| | Assigned weights in % | |
|---|---|---|
| ECL scenario | 31.12.24 | 31.12.23 |
| Asset price appreciation / inflation | 0.0 | 0.0 |
| Baseline | 60.0 | 60.0 |
| Mild debt crisis | 15.0 | 15.0 |
| Stagflationary geopolitical crisis | 25.0 | 25.0 |

| Scenario assumptions | One year | | | | Three years cumulative | | | |
|---|---|---|---|---|---|---|---|---|
| 31.12.24 | Asset price inflation | Baseline | Mild debt crisis | Stagflationary geopolitical crisis | Asset price inflation | Baseline | Mild debt crisis | Stagflationary geopolitical crisis |
| Real GDP growth (percentage change) | | | | | | | | |
| United States | 3.5 | 2.0 | (1.4) | (4.8) | 8.6 | 5.5 | 0.8 | (4.4) |
| Eurozone | 2.5 | 0.9 | (1.7) | (5.6) | 5.6 | 3.2 | (0.1) | (5.7) |
| Switzerland | 2.7 | 0.9 | (1.1) | (4.8) | 6.2 | 4.2 | 0.4 | (4.9) |
| Consumer price index (percentage change) | | | | | | | | |
| United States | 2.3 | 2.6 | 0.0 | 10.0 | 8.1 | 7.8 | 2.5 | 15.8 |
| Eurozone | 2.0 | 2.2 | 0.0 | 9.6 | 7.3 | 5.9 | 2.0 | 14.8 |
| Switzerland | 1.4 | 0.7 | (0.2) | 5.8 | 5.7 | 2.7 | 1.4 | 10.7 |
| Unemployment rate (end-of-period level, %) | | | | | | | | |
| United States | 3.1 | 4.3 | 6.8 | 9.8 | 3.0 | 4.1 | 8.1 | 12.4 |
| Eurozone | 6.0 | 7.0 | 7.9 | 10.5 | 6.0 | 6.8 | 8.3 | 11.7 |
| Switzerland | 2.3 | 2.6 | 3.4 | 4.6 | 2.3 | 2.5 | 4.2 | 5.5 |
| Fixed income: 10-year government bonds (change in yields, basis points) | | | | | | | | |
| USD | 0 | 77 | (137) | 270 | 45 | 82 | (77) | 245 |
| EUR | 0 | 25 | (113) | 245 | 38 | 35 | (68) | 215 |
| CHF | 0 | (4) | (22) | 195 | 38 | 11 | (1) | 180 |
| Equity indices (percentage change) | | | | | | | | |
| S&P 500 | 20.0 | 12.0 | (28.1) | (56.5) | 51.7 | 26.7 | (14.0) | (51.2) |
| EuroStoxx 50 | 16.0 | (0.6) | (27.9) | (56.6) | 41.7 | 9.9 | (18.3) | (52.7) |
| SPI | 14.0 | (0.6) | (26.0) | (56.6) | 37.9 | 8.0 | (13.0) | (52.7) |
| Swiss real estate (percentage change) | | | | | | | | |
| Single-Family Homes | 4.5 | 3.2 | (4.3) | (18.5) | 10.7 | 8.8 | (3.0) | (28.6) |
| Other real estate (percentage change) | | | | | | | | |
| United States (S&P / Case–Shiller) | 6.3 | 3.4 | (7.6) | (20.2) | 16.8 | 11.9 | (5.2) | (30.5) |
| Eurozone (House Price Index) | 4.5 | 3.7 | (6.1) | (8.4) | 10.7 | 11.6 | (5.6) | (12.9) |

| Scenario assumptions | One year | | | | Three years cumulative | | | |
|---|---|---|---|---|---|---|---|---|
| 31.12.23 | Asset price inflation | Baseline | Mild debt crisis | Stagflationary geopolitical crisis | Asset price inflation | Baseline | Mild debt crisis | Stagflationary geopolitical crisis |
| Real GDP growth (percentage change) | | | | | | | | |
| United States | 4.0 | 0.1 | (1.6) | (4.8) | 9.1 | 4.4 | 0.6 | (4.4) |
| Eurozone | 3.0 | 0.5 | (1.7) | (5.6) | 6.2 | 2.9 | (0.1) | (5.7) |
| Switzerland | 3.0 | 1.4 | (1.2) | (4.8) | 6.6 | 4.4 | 0.3 | (4.9) |
| Consumer price index (percentage change) | | | | | | | | |
| United States | 2.5 | 2.3 | (0.1) | 10.0 | 8.1 | 7.1 | 2.3 | 15.8 |
| Eurozone | 2.3 | 2.0 | (0.2) | 9.6 | 7.4 | 6.1 | 1.8 | 14.8 |
| Switzerland | 2.1 | 1.5 | (0.4) | 5.8 | 6.2 | 4.3 | 0.8 | 10.7 |
| Unemployment rate (end-of-period level, %) | | | | | | | | |
| United States | 3.0 | 4.4 | 6.3 | 9.2 | 3.0 | 4.4 | 7.7 | 11.8 |
| Eurozone | 6.0 | 6.9 | 8.2 | 10.6 | 6.0 | 6.8 | 9.0 | 11.8 |
| Switzerland | 1.6 | 2.3 | 2.9 | 4.1 | 1.5 | 2.3 | 3.8 | 5.0 |
| Fixed income: 10-year government bonds (change in yields, basis points) | | | | | | | | |
| USD | 13 | (82) | (215) | 270 | 37 | (78) | (155) | 245 |
| EUR | 20 | (90) | (185) | 225 | 58 | (78) | (140) | 195 |
| CHF | 25 | (41) | (73) | 195 | 63 | (34) | (28) | 180 |
| Equity indices (percentage change) | | | | | | | | |
| S&P 500 | 20.0 | 15.3 | (26.6) | (51.5) | 51.7 | 28.1 | (12.2) | (45.6) |
| EuroStoxx 50 | 20.0 | 12.0 | (26.4) | (51.6) | 46.6 | 22.9 | (16.6) | (47.2) |
| SPI | 15.0 | 4.6 | (24.5) | (51.6) | 39.2 | 15.9 | (11.2) | (47.2) |
| Swiss real estate (percentage change) | | | | | | | | |
| Single-Family Homes | 6.6 | (1.5) | (4.4) | (18.5) | 14.0 | 0.8 | (3.0) | (28.6) |
| Other real estate (percentage change) | | | | | | | | |
| United States (S&P / Case–Shiller) | 8.1 | 0.6 | (8.6) | (20.0) | 19.7 | 5.8 | (5.2) | (30.2) |
| Eurozone (House Price Index) | 7.0 | 0.6 | (5.9) | (8.4) | 15.4 | 6.4 | (5.2) | (12.9) |

## c) Development of ECL allowances and provisions

The ECL allowances and provisions recognized in the period are impacted by a variety of factors, such as:
- the effect of selecting and updating forward-looking scenarios and the respective weights;
- origination of new instruments during the period;
- the effect of passage of time (lower residual lifetime PD and the effect of discount unwind) as the ECL on an instrument for the remaining lifetime decreases (all other factors remaining the same);
- derecognition of instruments in the period;
- change in individual asset quality of instruments;
- movements from a maximum 12-month ECL to the recognition of lifetime ECL (and vice versa) following transfers between stages 1 and 2;
- movements from stages 1 and 2 to stage 3 (credit-impaired status) when default has become certain and PD increases to 100% (or vice versa);
- changes in models or updates to model parameters;
- write-off; and
- foreign exchange translations for assets denominated in foreign currencies.

The table below explains the changes in the ECL allowances and provisions for on- and off-balance sheet financial instruments and credit lines in scope of ECL requirements between the beginning and the end of the period due to the factors listed above.

**Development of ECL allowances and provisions**

| *USD m* | Total | Stage 1 | Stage 2 | Stage 3 |
|---|---|---|---|---|
| Balance as of 31 December 2023 | (1,244) | (308) | (272) | (664) |
| Merger with Credit Suisse AG | (2,114) | (322) | (268) | (1,523) |
| Net movement from new and derecognized transactions[1] | (16) | (6) | (21) | 11 |
| *of which: Private clients with mortgages* | *3* | *(7)* | *9* | *0* |
| *of which: Real estate financing* | *5* | *3* | *2* | *0* |
| *of which: Large corporate clients* | *(46)* | *(21)* | *(36)* | *10* |
| *of which: SME clients* | *6* | *0* | *6* | *0* |
| *of which: Other* | *16* | *18* | *(2)* | *0* |
| *of which: Financial intermediaries and hedge funds* | *1* | *0* | *0* | *1* |
| *of which: Loans to financial advisors* | *0* | *0* | *0* | *0* |
| Remeasurements with stage transfers[2] | (453) | 23 | (31) | (445) |
| *of which: Private clients with mortgages* | *(3)* | *0* | *(3)* | *0* |
| *of which: Real estate financing* | *(9)* | *1* | *(5)* | *(5)* |
| *of which: Large corporate clients* | *(73)* | *16* | *(7)* | *(82)* |
| *of which: SME clients* | *(318)* | *2* | *(9)* | *(312)* |
| *of which: Other* | *(50)* | *3* | *(8)* | *(46)* |
| *of which: Financial intermediaries and hedge funds* | *1* | *0* | *0* | *1* |
| *of which: Loans to financial advisors* | *1* | *2* | *(1)* | *0* |
| Remeasurements without stage transfers[3] | (26) | 117 | 32 | (175) |
| *of which: Private clients with mortgages* | *33* | *18* | *18* | *(2)* |
| *of which: Real estate financing* | *20* | *7* | *4* | *9* |
| *of which: Large corporate clients* | *74* | *52* | *38* | *(17)* |
| *of which: SME clients* | *(94)* | *6* | *1* | *(100)* |
| *of which: Other* | *(59)* | *34* | *(28)* | *(65)* |
| *of which: Sovereigns* | *(9)* | *12* | *(21)* | *0* |
| *of which: Loans to financial advisors* | *(3)* | *3* | *(1)* | *(6)* |
| Model changes[4] | (49) | (14) | (35) | 0 |
| Movements with profit or loss impact[5] | (544) | 120 | (55) | (608) |
| Movements without profit or loss impact (write-off, FX and other)[6] | 376 | 24 | (28) | 379 |
| Balance as of 31 December 2024 | (3,527) | (487) | (623) | (2,417) |

1 Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. 2 Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. 3 Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. 4 Represents the change in the allowances and provisions related to changes in models and methodologies. 5 Includes ECL movements from new and derecognized transactions, remeasurement changes, and model and methodology changes. 6 Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

- *Movements with profit or loss impact*: Stage 1 and 2 ECL allowances and provisions increased on a net basis by USD 530m.
- *Merger with Credit Suisse AG portfolios*: Expected credit loss (ECL) allowances and provisions of USD 591m for performing loans were recognized as of the merger date.
- *Net movement from new and derecognized transactions* includes stage 1 increases of USD 6m and stage 2 increases of USD 21m. Stage 2 increases are predominantly driven by expenses on the corporate lending portfolios.
- *Remeasurements with stage transfers* include USD 31m increases in stage 2, following a number of corporate and real estate lending credit reviews and transfers to stage 2.
- *Model changes:* refer to Note 20b for more information.

*Movements without profit or loss impact*: Stage 1 and 2 allowances increased by USD 5m. Stage 3 and PCI allowances decreased by USD 379m, mainly driven by net write-offs.

**Development of ECL allowances and provisions**

| *USD m* | Total | Stage 1 | Stage 2 | Stage 3 |
|---|---|---|---|---|
| Balance as of 31 December 2022 | (1,091) | (260) | (267) | (564) |
| Net movement from new and derecognized transactions[1] | (11) | (27) | 9 | 7 |
| *of which: Private clients with mortgages* | *(5)* | *(8)* | *3* | *0* |
| *of which: Real estate financing* | *(2)* | *(4)* | *3* | *0* |
| *of which: Large corporate clients* | *2* | *(8)* | *3* | *7* |
| *of which: SME clients* | *(3)* | *(3)* | *0* | *0* |
| *of which: Other* | *(4)* | *(4)* | *0* | *0* |
| *of which: Financial intermediaries and hedge funds* | *(1)* | *(1)* | *0* | *0* |
| *of which: Loans to financial advisors* | *0* | *0* | *0* | *0* |
| Remeasurements with stage transfers[2] | (140) | 8 | (7) | (142) |
| *of which: Private clients with mortgages* | *3* | *1* | *3* | *(1)* |
| *of which: Real estate financing* | *(2)* | *2* | *(5)* | *0* |
| *of which: Large corporate clients* | *(76)* | *3* | *(3)* | *(76)* |
| *of which: SME clients* | *(56)* | *1* | *(1)* | *(55)* |
| *of which: Other* | *(10)* | *1* | *0* | *(11)* |
| *of which: Financial intermediaries and hedge funds* | *0* | *0* | *1* | *0* |
| *of which: Loans to financial advisors* | *1* | *0* | *0* | *0* |
| Remeasurements without stage transfers[3] | 35 | 7 | 14 | 14 |
| *of which: Private clients with mortgages* | *5* | *(5)* | *14* | *(3)* |
| *of which: Real estate financing* | *5* | *2* | *3* | *(1)* |
| *of which: Large corporate clients* | *15* | *13* | *10* | *(8)* |
| *of which: SME clients* | *44* | *(1)* | *1* | *44* |
| *of which: Other* | *(34)* | *(2)* | *(14)* | *(18)* |
| *of which: Sovereigns* | *(15)* | *0* | *(15)* | *0* |
| *of which: Loans to financial advisors* | *(7)* | *1* | *0* | *(8)* |
| Model changes[4] | (27) | (18) | (9) | 0 |
| Movements with profit or loss impact[5] | (143) | (30) | 7 | (120) |
| Movements without profit or loss impact (write-off, FX and other)[6] | (10) | (18) | (13) | 21 |
| Balance as of 31 December 2023 | (1,244) | (308) | (272) | (664) |

1 Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. 2 Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. 3 Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. 4 Represents the change in the allowances and provisions related to changes in models and methodologies. 5 Includes ECL movements from new and derecognized transactions, remeasurement changes, and model and methodology changes. 6 Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

**ECL stage 2 ("significant deterioration in credit risk") allowances / provisions as of 31 December 2024 – classification by trigger**

| *USD m* | Total | *of which: PD layer* | *of which: watch list* | *of which: ≥30 days past due* |
|---|---|---|---|---|
| *Private clients with mortgages* | *(71)* | *(47)* | *(1)* | *(22)* |
| *Real estate financing* | *(29)* | *(18)* | *(2)* | *(9)* |
| *Large corporate clients* | *(194)* | *(96)* | *(95)* | *(4)* |
| *SME clients* | *(76)* | *(41)* | *(20)* | *(14)* |
| *Ship / aircraft financing* | *(17)* | *(16)* | *(1)* | *(1)* |
| *Financial intermediaries and hedge funds* | *(2)* | *(1)* | *0* | *(1)* |
| *Loans to financial advisors* | *(1)* | *0* | *0* | *(1)* |
| *Credit cards* | *(12)* | *0* | *0* | *(12)* |
| *Consumer financing* | *(19)* | *(12)* | *0* | *(7)* |
| *Commodity trade finance* | *(1)* | *0* | *0* | *0* |
| *Other* | *(201)* | *(189)* | *(10)* | *(1)* |
| On- and off-balance sheet | (623) | *(420)* | *(131)* | *(72)* |

## d) Maximum exposure to credit risk

The tables below provide UBS AG's maximum exposure to credit risk for financial instruments subject to ECL requirements and the respective collateral and other credit enhancements mitigating credit risk for these classes of financial instruments.

## Note 20 Expected credit loss measurement (continued)

The maximum exposure to credit risk includes the carrying amounts of financial instruments recognized on the balance sheet subject to credit risk and the notional amounts for off-balance sheet arrangements. Where information is available, collateral is presented at fair value. For other collateral, such as real estate, a reasonable alternative value is used. Credit enhancements, such as credit derivative contracts and guarantees, are included at their notional amounts. Both are capped at the maximum exposure to credit risk for which they serve as security. The "Risk management and control" section of this report describes management's view of credit risk and the related exposures, which can differ in certain respects from the requirements of IFRS Accounting Standards.

**Maximum exposure to credit risk**

| | 31.12.24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Collateral[1,2] | | | | Credit enhancements[1] | | | |
| *USD bn* | Maximum exposure to credit risk | Cash collateral received | Collateralized by equity and debt instruments | Secured by real estate | Other collateral[3] | Netting | Credit derivative contracts | Guarantees and sub-participations | Exposure to credit risk after collateral and credit enhancements |
| **Financial assets measured at amortized cost on the balance sheet** | | | | | | | | | |
| Cash and balances at central banks | 223.3 | | | | | | | | 223.3 |
| Amounts due from banks[4] | 18.1 | | 0.2 | | 0.0 | | | 0.2 | 17.7 |
| Receivables from securities financing transactions measured at amortized cost | 118.3 | 0.0 | 113.2 | | 4.1 | | | | 1.0 |
| Cash collateral receivables on derivative instruments[5,6] | 44.0 | | | | | 28.3 | | | 15.7 |
| Loans and advances to customers | 587.3 | 32.9 | 130.3 | 341.1 | 41.1 | | | 9.6 | 32.4 |
| Other financial assets measured at amortized cost | 59.3 | 0.2 | 0.7 | | 5.3 | | | | 53.1 |
| **Total financial assets measured at amortized cost** | 1,050.3 | 33.1 | 244.3 | 341.1 | 50.6 | 28.3 | 0.0 | 9.8 | 343.2 |
| **Financial assets measured at fair value through other comprehensive income – debt** | 2.2 | | | | | | | | 2.2 |
| **Total maximum exposure to credit risk reflected on the balance sheet within the scope of ECL** | 1,052.5 | 33.1 | 244.3 | 341.1 | 50.6 | 28.3 | 0.0 | 9.8 | 345.4 |
| Guarantees[7] | 40.2 | 1.9 | 19.6 | 0.4 | 2.3 | | | 3.9 | 12.3 |
| Irrevocable loan commitments | 79.4 | 0.2 | 3.8 | 1.6 | 22.7 | | | 4.2 | 46.8 |
| Forward starting reverse repurchase and securities borrowing agreements | 24.9 | | 24.9 | | | | | | |
| Committed unconditionally revocable credit lines | 148.8 | 19.4 | 61.6 | 12.9 | 1.5 | | | 3.1 | 50.3 |
| **Total maximum exposure to credit risk not reflected on the balance sheet within the scope of ECL** | 293.3 | 21.4 | 109.9 | 14.9 | 26.4 | 0.0 | 0.0 | 11.2 | 109.4 |

| | 31.12.23 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Collateral[1,2] | | | | Credit enhancements[1] | | | |
| *USD bn* | Maximum exposure to credit risk | Cash collateral received | Collateralized by equity and debt instruments | Secured by real estate | Other collateral[3] | Netting | Credit derivative contracts | Guarantees and sub-participations | Exposure to credit risk after collateral and credit enhancements |
| **Financial assets measured at amortized cost on the balance sheet** | | | | | | | | | |
| Cash and balances at central banks | 171.8 | | | | | | | | 171.8 |
| Amounts due from banks[4] | 28.2 | | 0.2 | | 4.8 | | | 0.1 | 23.1 |
| Receivables from securities financing transactions measured at amortized cost | 74.1 | 0.0 | 70.7 | | 2.8 | | | | 0.7 |
| Cash collateral receivables on derivative instruments[5,6] | 32.3 | | | | | 22.8 | | | 9.5 |
| Loans and advances to customers | 405.6 | 31.4 | 105.2 | 222.7 | 24.9 | | | 2.8 | 18.7 |
| Other financial assets measured at amortized cost | 54.3 | 0.1 | 0.8 | 0.0 | 1.5 | | | | 51.9 |
| **Total financial assets measured at amortized cost** | 766.4 | 31.5 | 176.8 | 222.7 | 33.9 | 22.8 | 0.0 | 2.9 | 275.7 |
| **Financial assets measured at fair value through other comprehensive income – debt** | 2.2 | | | | | | | | 2.2 |
| **Total maximum exposure to credit risk reflected on the balance sheet within the scope of ECL** | 768.6 | 31.5 | 176.8 | 222.7 | 33.9 | 22.8 | 0.0 | 2.9 | 277.9 |
| Guarantees[7] | 33.2 | 1.6 | 19.8 | 0.2 | 1.8 | | | 2.0 | 7.8 |
| Irrevocable loan commitments | 43.9 | 0.2 | 2.0 | 1.8 | 8.9 | | 0.0 | 1.0 | 30.0 |
| Forward starting reverse repurchase and securities borrowing agreements | 10.4 | | 10.4 | | | | | | |
| Committed unconditionally revocable credit lines | 47.4 | 0.5 | 9.1 | 7.1 | 5.1 | | | 0.6 | 25.1 |
| **Total maximum exposure to credit risk not reflected on the balance sheet within the scope of ECL** | 134.8 | 2.3 | 41.3 | 9.0 | 15.7 | 0.0 | 0.0 | 3.5 | 62.9 |

1 Of which: USD 3,742m for 31 December 2024 (31 December 2023: USD 1,637m) relates to total credit-impaired financial assets measured at amortized cost and USD 356m for 31 December 2024 (31 December 2023: USD 105m) to total off-balance sheet financial instruments and credit lines for credit-impaired positions. 2 Collateral arrangements generally incorporate a range of collateral, including cash, equity and debt instruments, real estate and other collateral. For the purpose of this disclosure, UBS AG 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 a risk-based approach is applied that generally prioritizes real estate collateral and prioritizes other collateral according to its liquidity profile. In case of loan facilities with funded and unfunded elements, the collateral is proportionally allocated. 3 Includes but is not limited to life insurance contracts, rights in respect of subscription or capital commitments from fund partners, lien claims on assets of borrowers, inventory, mortgage loans, gold and other commodities. 4 Amounts due from banks include amounts held with third-party banks on behalf of clients. The credit risk associated with these balances may be borne by those clients. 5 Included within Cash collateral receivables on derivative instruments are margin balances due from exchanges or clearing houses. Some of these margin balances reflect amounts transferred on behalf of clients who retain the associated credit risk. 6 The amount shown in the "Netting" column represents the netting potential not recognized on the balance sheet. Refer to Note 22 for more information. 7 Guarantees collateralized by equity and debt instruments include certain overnight repurchase and reverse repurchase transactions where UBS acts as a sponsoring member for eligible clients when clearing through the Fixed Income Clearing Corporation (the FICC). As part of this arrangement, UBS guarantees the FICC for prompt and full payment and performance of the clients' respective obligations under the FICC rules. The Group minimizes its liability under these guarantees by obtaining a security interest in the cash or high-quality securities collateral that the clients place with the clearing house; therefore, the risk of loss is expected to be remote.

## e) Financial assets subject to credit risk by rating category

The table below shows the credit quality and the maximum exposure to credit risk based on UBS AG's internal credit rating system and year-end stage classification. Under IFRS 9, the credit risk rating reflects UBS AG's assessment of the probability of default of individual counterparties, prior to substitutions. The amounts presented are gross of impairment allowances.

› **Refer to the "Risk management and control" section of this report for more details regarding UBS AG's internal grading system**

**Financial assets subject to credit risk by rating category**

| *USD m* | 31.12.24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Rating category[1] | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total gross carrying amount | ECL allowances | Net carrying amount (maximum exposure to credit risk) |
| Financial assets measured at amortized cost | | | | | | | | | |
| Cash and balances at central banks | 222,734 | 442 | 24 | 0 | 313 | 0 | 223,514 | (186) | 223,329 |
| *of which: stage 1* | *222,734* | *442* | *24* | *0* | *0* | *0* | *223,201* | *0* | *223,201* |
| *of which: stage 2* | *0* | *0* | *0* | *0* | *313* | *0* | *313* | *(186)* | *128* |
| Amounts due from banks | 156 | 14,528 | 2,331 | 799 | 338 | 0 | 18,153 | (42) | 18,111 |
| *of which: stage 1* | *156* | *14,496* | *2,253* | *780* | *228* | *0* | *17,913* | *(1)* | *17,912* |
| *of which: stage 2* | *0* | *32* | *78* | *18* | *75* | *0* | *203* | *(5)* | *198* |
| *of which: stage 3* | *0* | *0* | *0* | *1* | *35* | *0* | *37* | *(36)* | *0* |
| Receivables from securities financing transactions | 67,467 | 17,033 | 6,361 | 26,097 | 1,345 | 0 | 118,303 | (2) | 118,302 |
| *of which: stage 1* | *67,467* | *17,033* | *6,361* | *26,097* | *1,345* | *0* | *118,303* | *(2)* | *118,302* |
| Cash collateral receivables on derivative instruments | 10,166 | 19,998 | 7,794 | 5,893 | 109 | 0 | 43,959 | 0 | 43,959 |
| *of which: stage 1* | *10,166* | *19,998* | *7,794* | *5,893* | *109* | *0* | *43,959* | *0* | *43,959* |
| Loans and advances to customers | 1,921 | 264,783 | 171,138 | 107,851 | 37,827 | 6,656 | 590,177 | (2,830) | 587,347 |
| *of which: stage 1* | *1,921* | *263,009* | *167,732* | *99,328* | *28,818* | *0* | *560,807* | *(276)* | *560,531* |
| *of which: stage 2* | *0* | *1,762* | *3,400* | *8,493* | *8,976* | *0* | *22,632* | *(323)* | *22,309* |
| *of which: stage 3* | *0* | *12* | *6* | *30* | *33* | *6,656* | *6,737* | *(2,230)* | *4,506* |
| Other financial assets measured at amortized cost | 26,310 | 21,139 | 2,939 | 7,060 | 1,669 | 296 | 59,413 | (135) | 59,279 |
| *of which: stage 1* | *26,310* | *21,108* | *2,912* | *6,921* | *1,419* | *0* | *58,670* | *(25)* | *58,645* |
| *of which: stage 2* | *0* | *30* | *27* | *139* | *250* | *0* | *447* | *(7)* | *439* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *1* | *296* | *297* | *(103)* | *194* |
| Total financial assets measured at amortized cost | 328,754 | 337,923 | 190,587 | 147,701 | 41,601 | 6,953 | 1,053,520 | (3,195) | 1,050,326 |
| On-balance sheet financial instruments | | | | | | | | | |
| Financial assets measured at FVOCI – debt instruments | 1,393 | 702 | 0 | 101 | 0 | 0 | 2,195 | 0 | 2,195 |
| Total on-balance sheet financial instruments | 330,147 | 338,625 | 190,587 | 147,801 | 41,601 | 6,953 | 1,055,715 | (3,195) | 1,052,521 |

1 Refer to the "Internal UBS rating scale and mapping of external ratings" table in the "Risk management and control" section of this report for more information about rating categories.

**Financial assets measured at FVOCI – debt instruments**

| *Total on-balance sheet financial instruments* | 31.12.24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Rating category[1] | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total carrying amount (maximum exposure to credit risk) | ECL provision |
| Off-balance sheet financial instruments | | | | | | | | |
| Guarantees | 17,395 | 7,283 | 8,403 | 5,197 | 1,829 | 174 | 40,280 | (61) |
| *of which: stage 1* | *17,395* | *7,247* | *8,362* | *4,485* | *1,371* | *0* | *38,860* | *(16)* |
| *of which: stage 2* | *0* | *36* | *41* | *708* | *458* | *0* | *1,242* | *(24)* |
| *of which: stage 3* | *0* | *0* | *0* | *4* | *0* | *174* | *178* | *(22)* |
| Irrevocable loan commitments | 1,119 | 23,843 | 22,361 | 14,249 | 17,764 | 243 | 79,579 | (192) |
| *of which: stage 1* | *1,119* | *23,650* | *21,974* | *13,742* | *14,673* | *0* | *75,158* | *(105)* |
| *of which: stage 2* | *0* | *193* | *387* | *507* | *3,091* | *0* | *4,178* | *(61)* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *243* | *243* | *(26)* |
| Forward starting reverse repurchase and securities borrowing agreements | 0 | 0 | 0 | 24,896 | 0 | 0 | 24,896 | 0 |
| Total off-balance sheet financial instruments | 18,514 | 31,126 | 30,763 | 44,342 | 19,593 | 417 | 144,755 | (253) |
| Credit lines | | | | | | | | |
| Committed unconditionally revocable credit lines | 2,180 | 101,163 | 22,877 | 15,991 | 6,434 | 255 | 148,900 | (75) |
| *of which: stage 1* | *2,180* | *100,606* | *22,416* | *15,423* | *5,872* | *0* | *146,496* | *(59)* |
| *of which: stage 2* | *0* | *557* | *461* | *568* | *562* | *0* | *2,149* | *(17)* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *255* | *255* | *0* |
| Irrevocable committed prolongation of existing loans | 6 | 1,997 | 946 | 739 | 918 | 2 | 4,608 | (3) |
| *of which: stage 1* | *6* | *1,997* | *946* | *739* | *914* | *0* | *4,602* | *(3)* |
| *of which: stage 2* | *0* | *0* | *0* | *1* | *3* | *0* | *4* | *0* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *2* | *2* | *0* |
| Total credit lines | 2,186 | 103,161 | 23,823 | 16,730 | 7,351 | 257 | 153,508 | (79) |

1 Refer to the "Internal UBS rating scale and mapping of external ratings" table in the "Risk management and control" section of this report for more information about rating categories.

## Note 20 Expected credit loss measurement (continued)

**Financial assets subject to credit risk by rating category**

| *USD m* | 31.12.23 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Rating category[1] | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total gross carrying amount | ECL allowances | Net carrying amount (maximum exposure to credit risk) |
| Financial assets measured at amortized cost | | | | | | | | | |
| Cash and balances at central banks | 171,573 | 215 | 0 | 0 | 43 | 0 | 171,832 | (26) | 171,806 |
| *of which: stage 1* | *171,573* | *215* | *0* | *0* | *0* | *0* | *171,788* | *0* | *171,788* |
| *of which: stage 2* | *0* | *0* | *0* | *0* | *43* | *0* | *43* | *(26)* | *18* |
| Amounts due from banks | 811 | 25,095 | 1,359 | 463 | 485 | 0 | 28,213 | (7) | 28,206 |
| *of which: stage 1* | *811* | *25,095* | *1,354* | *462* | *476* | *0* | *28,198* | *(6)* | *28,191* |
| *of which: stage 2* | *0* | *0* | *5* | *1* | *9* | *0* | *15* | *(1)* | *14* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* |
| Receivables from securities financing transactions | 36,689 | 15,958 | 6,073 | 14,319 | 1,091 | 0 | 74,130 | (2) | 74,128 |
| *of which: stage 1* | *36,689* | *15,958* | *6,073* | *14,319* | *1,091* | *0* | *74,130* | *(2)* | *74,128* |
| Cash collateral receivables on derivative instruments | 8,009 | 13,575 | 6,423 | 4,095 | 198 | 0 | 32,300 | 0 | 32,300 |
| *of which: stage 1* | *8,009* | *13,575* | *6,423* | *4,095* | *198* | *0* | *32,300* | *0* | *32,300* |
| Loans and advances to customers | 5,993 | 196,897 | 82,867 | 89,738 | 28,486 | 2,586 | 406,568 | (935) | 405,633 |
| *of which: stage 1* | *5,993* | *195,590* | *80,534* | *82,633* | *20,916* | *0* | *385,666* | *(173)* | *385,493* |
| *of which: stage 2* | *0* | *1,307* | *2,333* | *7,106* | *7,570* | *0* | *18,316* | *(185)* | *18,131* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *2,586* | *2,586* | *(577)* | *2,009* |
| Other financial assets measured at amortized cost | 25,727 | 20,541 | 678 | 6,770 | 499 | 206 | 54,421 | (87) | 54,334 |
| *of which: stage 1* | *25,727* | *20,539* | *659* | *6,619* | *353* | *0* | *53,897* | *(16)* | *53,882* |
| *of which: stage 2* | *0* | *2* | *19* | *151* | *146* | *0* | *317* | *(5)* | *312* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *206* | *206* | *(66)* | *141* |
| Total financial assets measured at amortized cost | 248,802 | 272,281 | 97,400 | 115,386 | 30,802 | 2,792 | 767,462 | (1,057) | 766,407 |
| On-balance sheet financial instruments | | | | | | | | | |
| Financial assets measured at FVOCI – debt instruments | 1,222 | 850 | 0 | 161 | 0 | 0 | 2,233 | 0 | 2,233 |
| Total on-balance sheet financial instruments | 250,024 | 273,131 | 97,400 | 115,547 | 30,802 | 2,792 | 769,696 | (1,057) | 768,640 |

1 Refer to the "Internal UBS rating scale and mapping of external ratings" table in the "Risk management and control" section of this report for more information about rating categories.

**Off-balance sheet positions subject to expected credit loss by rating category**

| *USD m* | 31.12.23 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Rating category[1] | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total carrying amount (maximum exposure to credit risk) | ECL provision |
| Off-balance sheet financial instruments | | | | | | | | |
| Guarantees | 17,771 | 7,306 | 4,268 | 2,800 | 948 | 118 | 33,211 | (40) |
| *of which: stage 1* | *17,771* | *7,267* | *4,219* | *2,301* | *774* | *0* | *32,332* | *(14)* |
| *of which: stage 2* | *0* | *39* | *49* | *499* | *174* | *0* | *761* | *(7)* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *118* | *118* | *(19)* |
| Irrevocable loan commitments | 1,720 | 13,920 | 9,834 | 11,142 | 7,345 | 56 | 44,018 | (95) |
| *of which: stage 1* | *1,720* | *13,920* | *9,781* | *10,845* | *5,818* | *0* | *42,085* | *(55)* |
| *of which: stage 2* | *0* | *0* | *53* | *298* | *1,527* | *0* | *1,878* | *(38)* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *56* | *56* | *(2)* |
| Forward starting reverse repurchase and securities borrowing agreements | 10,152 | 2 | 84 | 135 | 0 | 0 | 10,373 | 0 |
| Total off-balance sheet financial instruments | 29,643 | 21,228 | 14,186 | 14,077 | 8,293 | 174 | 87,601 | (134) |
| Credit lines | | | | | | | | |
| Committed unconditionally revocable credit lines | 2,604 | 17,303 | 10,893 | 11,950 | 4,616 | 56 | 47,421 | (49) |
| *of which: stage 1* | *2,604* | *16,903* | *10,553* | *11,452* | *3,941* | *0* | *45,452* | *(39)* |
| *of which: stage 2* | *0* | *400* | *341* | *497* | *675* | *0* | *1,913* | *(10)* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *56* | *56* | *0* |
| Irrevocable committed prolongation of existing loans | 4 | 1,803 | 1,045 | 826 | 501 | 4 | 4,183 | (4) |
| *of which: stage 1* | *4* | *1,803* | *1,045* | *824* | *493* | *0* | *4,169* | *(3)* |
| *of which: stage 2* | *0* | *0* | *0* | *2* | *9* | *0* | *11* | *0* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *4* | *4* | *0* |
| Total credit lines | 2,609 | 19,105 | 11,939 | 12,776 | 5,117 | 59 | 51,604 | (53) |

1 Refer to the "Internal UBS rating scale and mapping of external ratings" table in the "Risk management and control" section of this report for more information about rating categories.

## f) Sensitivity information

As outlined in Note 1a, ECL estimates involve significant uncertainties at the time they are made.

### ECL models

The models applied to determine point-in-time PD and LGD rely on market and statistical data, which has been found to correlate well with historically observed defaults in sufficiently homogeneous segments. The risk sensitivities for each of the ECL reporting segments to such factors are summarized in Note 10.

### Sustainability and climate risk

Sustainability and climate risk may negatively affect clients or portfolios due to direct or indirect transition costs, or exposure to chronic and acute physical risks in locations likely to be impacted by climate change. Such effects could lead to a deterioration in credit worthiness, which in turn would have an impact on ECLs.

While some macroeconomic indicators used in the current PD models could be influenced by climate change, UBS currently does not use a specific sustainability and climate risk scenario in addition to the typically four general economic scenarios applied to derive the weighted-average ECL. The rationale for the approach at this point in time is the significance of model risks and challenges in calibration and probability weight assessments given the paucity of data.

Instead, UBS focuses on the process of vetting clients and business transactions, where both physical and transition risks for selected sensitive portfolios use internally developed, counterparty level, climate assessment models. This review process may lead to a downward revision of the counterparty's credit rating, or the adoption of risk mitigating actions, impacting the individual contribution to ECLs.

At the portfolio level, UBS has started to use stress loss assumptions to assess the extent to which sustainability and climate risk may affect the quality of the loans extended to small and medium-sized entities, large corporate clients and financial institutions.

The tests used were based on a set of assumptions and methodologies from a mainstream leading climate model vendor and complemented by the Network for Greening the Financial System (the NGFS) (2023) climate pathway scenarios. Such analysis undertaken during 2024 as part of a regulatory climate scenario analysis exercise mandated by FINMA concluded that the counterparties are not expected to be significantly impacted by physical or transition risks, mainly as there are no material risk concentrations in high-risk sectors. The analysis of the corporate loan book has also shown that any potential significant impacts from transition costs or physical risks would materialize over a time horizon that exceeds in most cases the contractual lifetime of the underlying assets. The analysis and its results are also subject to challenges in model assumptions, calibration and heightened model uncertainty, as are other climate models in the novel discipline of climate risk modeling. Based on current internal modeling exercises, this conclusion holds for the portfolio of private clients with mortgages and the portfolio of real estate financing.

As a result of the aforementioned factors, it was assessed that the magnitude of any impact of sustainability and climate risk on the weighted-average ECL would not be material as of 31 December 2024. Therefore, no specific post-model adjustment was made in this regard.

› **Refer to the "UBS AG consolidated supplemental disclosures required under SEC regulations" section of this report for more information about the maturity profile of UBS AG's core loan book**

### Forward-looking scenarios

Depending on the scenario selection and related macroeconomic assumptions for the risk factors, the components of the relevant weighted-average ECL change. This is particularly relevant for interest rates, which can move in both directions under a given growth assumption, e.g. low growth with high interest rates in a stagflation scenario, versus low growth and falling interest rates in a recession. Management generally looks for scenario narratives that reflect the key risk drivers of a given credit portfolio.

As forecasting models are complex, due to the combination of multiple factors, simple what-if analyses involving a change of individual parameters do not necessarily provide realistic information on the exposure of segments to changes in the macroeconomy. Portfolio-specific analyses based on their key risk factors would also not be meaningful, as potential compensatory effects in other segments would be ignored. The table below indicates some sensitivities to ECLs, if a key macroeconomic variable for the forecasting period is amended across all scenarios with all other factors remaining unchanged.

**Potential effect on stage 1 and stage 2 positions from changing key parameters as of 31 December 2024**

| *USD m* | 100% Baseline | 100% Stagflationary geopolitical crisis | 100% Mild debt crisis | Weighted average |
|---|---|---|---|---|
| Change in key parameters | | | | |
| Fixed income: Government bonds (absolute change) | | | | |
| –0.50% | (5) | (6) | (124) | (15) |
| +0.50% | 6 | 11 | 139 | 20 |
| +1.00% | 12 | 24 | 302 | 43 |
| Unemployment rate (absolute change) | | | | |
| –1.00% | (6) | (10) | (117) | (18) |
| –0.50% | (3) | (5) | (63) | (9) |
| +0.50% | 3 | 6 | 72 | 11 |
| +1.00% | 7 | 12 | 154 | 22 |
| Real GDP growth (relative change) | | | | |
| –2.00% | 55 | 85 | 86 | 67 |
| –1.00% | 25 | 40 | 47 | 32 |
| +1.00% | (24) | (44) | (49) | (27) |
| +2.00% | (48) | (80) | (83) | (55) |
| House Price Index (relative change) | | | | |
| –5.00% | 9 | 26 | 241 | 37 |
| –2.50% | 4 | 12 | 111 | 18 |
| +2.50% | (6) | (14) | (102) | (20) |
| +5.00% | (9) | (23) | (188) | (33) |
| Equity (S&P500, EuroStoxx, SMI) (relative change) | | | | |
| –10.00% | 9 | 13 | 18 | 12 |
| –5.00% | 2 | 5 | 7 | 4 |
| +5.00% | (7) | (8) | (13) | (8) |
| +10.00% | (10) | (13) | (22) | (12) |

Sensitivities can be more meaningfully assessed in the context of coherent scenarios with consistently developed macroeconomic factors. The table above outlines favorable and unfavorable effects, based on reasonably possible alternative changes to the economic conditions for stage 1 and stage 2 positions. The ECL impact is calculated for material portfolios and disclosed for each scenario.

The forecasting horizon is limited to three years, with a model-based mean reversion of PD and LGD assumed thereafter. Changes to these timelines may have an effect on ECLs: depending on the cycle, a longer or shorter forecasting horizon will lead to different annualized lifetime PD and average LGD estimations. This is currently not deemed to be material for UBS, as a large proportion of loans, including mortgages in Switzerland, have maturities that are within the forecasting horizon.

## Scenario weights and stage allocation

**Potential effect on stage 1 and stage 2 positions from changing scenario weights or moving to an ECL lifetime calculation as of 31 December 2024**

| | Actual ECL allowances and provisions, including staging (as per Note 9) | Pro forma ECL allowances and provisions, including staging and assuming application of 100% scenario weighting | | | Pro forma ECL allowances and provisions, assuming all positions being subject to lifetime ECL |
|---|---|---|---|---|---|
| Scenarios | Weighted average | 100% Baseline | 100% Stagflationary geopolitical crisis | 100% Mild debt crisis | Weighted average |
| *USD m, except where indicated* | | | | | |
| Segmentation | | | | | |
| Private clients with mortgages | (118) | (43) | (718) | (68) | (408) |
| Real estate financing | (57) | (40) | (164) | (49) | (185) |
| Large corporate clients | (377) | (247) | (757) | (401) | (673) |
| SME clients | (180) | (151) | (259) | (223) | (327) |
| Ship financing | (24) | (27) | (42) | (28) | (78) |
| Consumer financing / credit cards | (58) | (63) | (72) | (65) | (168) |
| Other segments | (295) | (246) | (370) | (283) | (395) |
| Total | (1,110) | (818) | (2,381) | (1,116) | (2,234) |

**Potential effect on stage 1 and stage 2 positions from changing scenario weights or moving to an ECL lifetime calculation as of 31 December 2023**

| | Actual ECL allowances and provisions, including staging (as per Note 9) | Pro forma ECL allowances and provisions, including staging and assuming application of 100% scenario weighting | | | Pro forma ECL allowances and provisions, assuming all positions being subject to lifetime ECL |
|---|---|---|---|---|---|
| Scenarios | Weighted average | 100% Baseline | 100% Stagflationary geopolitical crisis | 100% Mild debt crisis | Weighted average |
| *USD m, except where indicated* | | | | | |
| **Segmentation** | | | | | |
| Private clients with mortgages | (133) | (43) | (521) | (63) | (368) |
| Real estate financing | (52) | (34) | (200) | (36) | (125) |
| Large corporate clients | (152) | (108) | (252) | (146) | (234) |
| SME clients | (103) | (85) | (186) | (96) | (164) |
| Other segments | (140) | (126) | (162) | (151) | (302) |
| **Total** | (580) | (396) | (1,322) | (492) | (1,193) |

## Scenario weights

ECL is sensitive to changing scenario weights, in particular if narratives and parameters are selected that are not close to the baseline scenario, highlighting the non-linearity of credit losses.

As shown in the table above, the ECLs for stage 1 and stage 2 positions would have been USD 818m (31 December 2023: USD 396m) instead of USD 1,110m (31 December 2023: USD 580m) if ECLs had been determined solely on the *baseline scenario*. The weighted-average ECL therefore amounted to 135% (31 December 2023: 146%) of the baseline value. The effects of weighting each of the four scenarios 100% are shown in the table above.

## Stage allocation and SICR

The determination of what constitutes an SICR is based on management judgment, as explained in Note 1a. Changing the SICR trigger will have a direct effect on ECLs, as more or fewer positions would be subject to lifetime ECLs under any scenario.

The relevance of the SICR trigger on overall ECL is demonstrated in the table above with the indication that the ECL allowances and provisions for stage 1 and stage 2 positions would have been USD 2,234m, if all non-impaired positions across the portfolio had been measured for lifetime ECLs irrespective of their actual SICR status. This amount compares with actual stage 1 and 2 allowances and provisions of USD 1,110m as of 31 December 2024.

## Maturity profile

The maturity profile is an important driver in ECLs, in particular for transactions in stage 2. A transfer of a transaction into stage 2 may therefore have a significant effect on ECLs. The current maturity profile of most lending books is relatively short.

Lending to large corporate clients is generally between one and two years, with related loan commitments up to four years. Real estate lending is generally between two and three years in Switzerland, with long-dated maturities in the US. Lombard-lending contracts typically have average contractual maturities of 12 months or less, and include callable features.

A significant portion of our lending to SMEs and Real estate financings is documented under multi-purpose credit agreements, which allow for various forms of utilization but are unconditionally cancelable by UBS at any time: (i) for drawings under such agreements with a fixed maturity, the respective term is applied for ECL calculations, or a maximum of 12 months in stage 1; (ii) for unused credit lines and all drawings that have no fixed maturity (e.g. current accounts), UBS generally applies a 12-month maturity from the reporting date, given the credit review policies, which require either continuous monitoring of key indicators and behavioral patterns for smaller positions or an annual formal review for any other limit. The ECLs for these products are sensitive to shortening or extending the maturity assumption.

## Note 21 Fair value measurement

### a) Valuation principles

All financial and non-financial assets and liabilities measured or disclosed at fair value are categorized into one of three fair value hierarchy levels in accordance with IFRS Accounting Standards. The fair value hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. In certain cases, the inputs used to measure fair value may fall within different levels of the fair value hierarchy. For disclosure purposes, the level in the hierarchy within which an instrument is classified in its entirety is based on the lowest level input that is significant to the position's fair value measurement:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – valuation techniques for which all significant inputs are, or are based on, observable market data; or
- Level 3 – valuation techniques for which significant inputs are not based on observable market data.

Fair values are determined using quoted prices in active markets for identical assets or liabilities, where available. Where the market for a financial instrument or non-financial asset or liability is not active, fair value is established using a valuation technique, including pricing models. Valuation adjustments may be made to allow for additional factors, including model, liquidity, credit and funding risks, which are not explicitly captured within the valuation technique, but which would nevertheless be considered by market participants when establishing a price. The limitations inherent in a particular valuation technique are considered in the determination of the classification of an asset or liability within the fair value hierarchy. Generally, the unit of account for a financial instrument is the individual instrument, and UBS AG applies valuation adjustments at an individual instrument level, consistent with that unit of account. However, if certain conditions are met, UBS AG may estimate the fair value of a portfolio of financial assets and liabilities with substantially similar and offsetting risk exposures on the basis of the net open risks.

› **Refer to Note 21d for more information**

### b) Valuation governance

UBS AG's fair value measurement and model governance framework includes numerous controls and other procedural safeguards that are intended to maximize the quality of fair value measurements reported in the financial statements. New products and valuation techniques must be reviewed and approved by key stakeholders from the risk and finance control functions. Responsibility for the ongoing measurement of financial and non-financial instruments at fair value is with the business divisions.

Fair value estimates are validated by the risk and finance control functions, which are independent of the business divisions. Independent price verification is performed by Finance through benchmarking the business divisions' fair value estimates with observable market prices and other independent sources. A governance framework and associated controls are in place in order to monitor the quality of third-party pricing sources where used. For instruments where valuation models are used to determine fair value, independent valuation and model control groups within Finance and Risk Control evaluate UBS AG's models on a regular basis, including valuation and model input parameters, as well as pricing. As a result of the valuation controls employed, valuation adjustments may be made to the business divisions' estimates of fair value to align with independent market data and the relevant accounting standard.

› **Refer to Note 21d for more information**

## c) Fair value hierarchy

The table below provides the fair value hierarchy classification of financial and non-financial assets and liabilities measured at fair value. The narrative that follows describes valuation techniques used in measuring their fair value of different product types (including significant valuation inputs and assumptions used) and the factors considered in determining their classification within the fair value hierarchy.

During 2024, and for Credit-Suisse-related assets and liabilities for the period between the merger date and 31 December 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. As of 31 December 2024, Level 3 assets and Level 3 liabilities increased by USD 7.5bn and USD 7.0bn, respectively, compared with 31 December 2023, following the merger of UBS AG and Credit Suisse AG.

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

| | 31.12.24 | | | | 31.12.23 | | | |
|---|---|---|---|---|---|---|---|---|
| *USD m* | 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 | 128,428 | 27,687 | 3,108 | 159,223 | 115,345 | 17,936 | 1,817 | 135,098 |
| *of which: Equity instruments* | *116,536* | *430* | *91* | *117,056* | *99,510* | *721* | *140* | *100,372* |
| *of which: Government bills / bonds* | *4,443* | *3,261* | *41* | *7,746* | *6,843* | *2,195* | *14* | *9,052* |
| *of which: Investment fund units* | *6,537* | *987* | *151* | *7,675* | *8,008* | *1,082* | *9* | *9,098* |
| *of which: Corporate and municipal bonds* | *911* | *17,585* | *838* | *19,334* | *982* | *11,956* | *648* | *13,586* |
| *of which: Loans* | *0* | *5,200* | *1,799* | *6,998* | *0* | *1,870* | *904* | *2,775* |
| *of which: Asset-backed securities* | *1* | *219* | *153* | *373* | *3* | *111* | *101* | *215* |
| Derivative financial instruments | 795 | 182,849 | 2,792 | 186,435 | 593 | 129,871 | 1,264 | 131,728 |
| *of which: Foreign exchange* | *472* | *100,572* | *66* | *101,111* | *317* | *65,070* | *0* | *65,387* |
| *of which: Interest rate* | *0* | *41,193* | *878* | *42,071* | *0* | *35,028* | *284* | *35,311* |
| *of which: Equity / index* | *0* | *35,747* | *1,129* | *36,876* | *0* | *26,649* | *667* | *27,317* |
| *of which: Credit* | *0* | *2,555* | *581* | *3,136* | *0* | *1,452* | *301* | *1,752* |
| *of which: Commodities* | *1* | *2,599* | *17* | *2,617* | *0* | *1,627* | *12* | *1,639* |
| Brokerage receivables | 0 | 25,858 | 0 | 25,858 | 0 | 20,883 | 0 | 20,883 |
| Financial assets at fair value not held for trading | 35,910 | 50,545 | 8,747 | 95,203 | 29,529 | 30,124 | 4,101 | 63,754 |
| *of which: Financial assets for unit-linked investment contracts* | *17,101* | *6* | *0* | *17,106* | *15,814* | *0* | *0* | *15,814* |
| *of which: Corporate and municipal bonds* | *31* | *14,695* | *133* | *14,859* | *62* | *16,716* | *215* | *16,994* |
| *of which: Government bills / bonds* | *18,264* | *6,204* | *0* | *24,469* | *13,262* | *3,332* | *0* | *16,594* |
| *of which: Loans* | *0* | *4,427* | *3,192* | *7,619* | *0* | *4,172* | *1,254* | *5,426* |
| *of which: Securities financing transactions* | *0* | *24,026* | *611* | *24,638* | *0* | *5,541* | *4* | *5,545* |
| *of which: Asset-backed securities* | *0* | *972* | *597* | *1,569* | *0* | *18* | *0* | *18* |
| *of which: Auction rate securities* | *0* | *0* | *191* | *191* | *0* | *0* | *1,208* | *1,208* |
| *of which: Investment fund units* | *423* | *133* | *681* | *1,237* | *367* | *233* | *205* | *804* |
| *of which: Equity instruments* | *91* | *0* | *2,916* | *3,008* | *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 | 59 | 2,137 | 0 | 2,195 | 68 | 2,165 | 0 | 2,233 |
| *of which: Commercial paper and certificates of deposit* | *0* | *1,959* | *0* | *1,959* | *0* | *1,948* | *0* | *1,948* |
| *of which: Corporate and municipal bonds* | *59* | *178* | *0* | *237* | *68* | *207* | *0* | *276* |
| **Non-financial assets measured at fair value on a recurring basis** | | | | | | | | |
| Precious metals and other physical commodities | 7,341 | 0 | 0 | 7,341 | 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 | 84 | 84 | 0 | 0 | 17 | 17 |
| **Total assets measured at fair value** | 172,532 | 289,076 | 14,731 | 476,340 | 149,962 | 200,979 | 7,198 | 358,139 |

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

| | 31.12.24 | | | | 31.12.23 | | | |
|---|---|---|---|---|---|---|---|---|
| *USD m* | 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 | 24,577 | 10,429 | 240 | 35,247 | 25,451 | 6,110 | 151 | 31,712 |
| *of which: Equity instruments* | *18,528* | *257* | *29* | *18,814* | *16,310* | *236* | *87* | *16,632* |
| *of which: Corporate and municipal bonds* | *5* | *8,771* | *206* | *8,982* | *28* | *4,893* | *58* | *4,979* |
| *of which: Government bills / bonds* | *4,336* | *1,174* | *0* | *5,510* | *8,320* | *806* | *0* | *9,126* |
| *of which: Investment fund units* | *1,708* | *162* | *3* | *1,873* | *794* | *117* | *4* | *915* |
| Derivative financial instruments | 829 | 175,788 | 4,060 | 180,678 | 716 | 136,833 | 3,158 | 140,707 |
| *of which: Foreign exchange* | *506* | *94,077* | *46* | *94,628* | *400* | *71,322* | *21* | *71,743* |
| *of which: Interest rate* | *0* | *36,313* | *324* | *36,636* | *0* | *32,656* | *107* | *32,763* |
| *of which: Equity / index* | *0* | *39,597* | *3,142* | *42,739* | *0* | *30,209* | *2,717* | *32,926* |
| *of which: Credit* | *0* | *3,280* | *414* | *3,694* | *0* | *1,341* | *273* | *1,614* |
| *of which: Commodities* | *1* | *2,200* | *15* | *2,216* | *0* | *1,271* | *20* | *1,291* |
| *of which: Loan commitments measured at FVTPL* | *0* | *75* | *62* | *137* | *0* | *3* | *17* | *21* |
| **Financial liabilities designated at fair value on a recurring basis** | | | | | | | | |
| Brokerage payables designated at fair value | 0 | 49,023 | 0 | 49,023 | 0 | 42,275 | 0 | 42,275 |
| Debt issued designated at fair value | 0 | 90,725 | 11,842 | 102,567 | 0 | 78,509 | 7,832 | 86,341 |
| Other financial liabilities designated at fair value | 0 | 29,779 | 4,262 | 34,041 | 0 | 25,069 | 2,297 | 27,366 |
| *of which: Financial liabilities related to unit-linked investment contracts* | *0* | *17,203* | *0* | *17,203* | *0* | *15,922* | *0* | *15,922* |
| *of which: Securities financing transactions* | *0* | *5,798* | *0* | *5,798* | *0* | *6,927* | *0* | *6,927* |
| *of which: Funding from UBS Group AG* | *0* | *3,848* | *1,494* | *5,342* | *0* | *1,327* | *1,623* | *2,950* |
| *of which: Over-the-counter debt instruments and others* | *0* | *2,930* | *2,768* | *5,698* | *0* | *892* | *674* | *1,566* |
| **Total liabilities measured at fair value** | 25,406 | 355,744 | 20,405 | 401,555 | 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.

## Valuation techniques

UBS AG uses widely recognized valuation techniques for determining the fair value of financial and non-financial instruments that are not actively traded and quoted. The most frequently applied valuation techniques include discounted value of expected cash flows, relative value and option pricing methodologies.

Discounted value of expected cash flows is a valuation technique that measures fair value using estimated expected future cash flows from assets or liabilities and then discounts these cash flows using a discount rate or discount margin that reflects the credit and / or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by using industry-standard cash flow projection models. The discount factors within the calculation are generated using industry-standard yield curve modeling techniques and models.

Relative value models measure fair value based on the market prices of equivalent or comparable assets or liabilities, making adjustments for differences between the characteristics of the observed instrument and the instrument being valued.

Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry-standard yield curve modeling techniques and models. The option pricing model may be implemented using a closed-form analytical formula or other mathematical techniques (e.g. binomial tree or Monte Carlo simulation).

Where available, valuation techniques use market-observable assumptions and inputs. If such data is not available, inputs may be derived by reference to similar assets in active markets, from recent prices for comparable transactions or from other observable market data. In such cases, the inputs selected are based on historical experience and practice for similar or analogous instruments, derivation of input levels based on similar products with observable price levels, and knowledge of current market conditions and valuation approaches.

For more complex instruments, fair values may be estimated using a combination of observed transaction prices, consensus pricing services and relevant quotes. Consideration is given to the nature of the quotes (e.g. indicative or firm) and the relationship of recently evidenced market activity to the prices provided by consensus pricing services. UBS AG also uses internally developed models, which are typically based on valuation methods and techniques recognized as standard within the industry. Assumptions and inputs used in valuation techniques include benchmark interest rate curves, credit and funding spreads used in estimating discount rates, bond and equity prices, equity index prices, foreign exchange rates, levels of market volatility and correlation. Refer to Note 21e for more information. The discount curves used by UBS AG incorporate the funding and credit characteristics of the instruments to which they are applied.

## Financial instruments excluding derivatives: valuation and classification in the fair value hierarchy

| Product | Valuation and classification in the fair value hierarchy | |
|---|---|---|
| **Government bills and bonds** | Valuation | – Generally valued using prices obtained directly from the market.<br>– Instruments not priced directly using active-market data are valued using discounted cash flow valuation techniques that incorporate market data for similar government instruments. |
| | Fair value hierarchy | – Generally traded in active markets with prices that can be obtained directly from these markets, resulting in classification as Level 1, while the remaining positions are classified as Level 2 or Level 3. |
| **Corporate and municipal bonds** | Valuation | – Generally valued using prices obtained directly from the market for the security, or similar securities, adjusted for seniority, maturity and liquidity.<br>– When prices are not available, instruments are valued using discounted cash flow valuation techniques incorporating the credit spread of the issuer or similar issuers.<br>– For convertible bonds without directly comparable prices, issuances may be priced using a convertible bond model. |
| | Fair value hierarchy | – Generally classified as Level 1 or Level 2, depending on the depth of trading activity behind price sources.<br>– Level 3 instruments have no suitable pricing information available. |
| **Traded loans and loans measured at fair value** | Valuation | – Valued directly using market prices that reflect recent transactions or quoted dealer prices, where available.<br>– Where no market price data is available, loans are valued by relative value benchmarking using pricing derived from debt instruments in comparable entities or different products in the same entity, or by using a credit default swap valuation technique, which requires inputs for credit spreads, credit recovery rates and interest rates.<br>– Securitization lending facilities are valued using a discounted cashflow analysis that incorporates adjustments for any bespoke features of the loan and collateral. Recently originated commercial real estate loans are measured using a securitization approach based on rating agency guidelines. |
| | Fair value hierarchy | – Instruments with suitably deep and liquid pricing information are classified as Level 2.<br>– Positions requiring the use of valuation techniques, or for which the price sources have insufficient trading depth, are classified as Level 3. |
| **Investment fund units** | Valuation | – Predominantly exchange-traded, with readily available quoted prices in liquid markets. Where market prices are not available, fair value may be measured using net asset values (NAVs). |
| | Fair value hierarchy | – Listed units are classified as Level 1, provided there is sufficient trading activity to justify active-market classification, while other positions are classified as Level 2.<br>– Positions for which NAVs are not available, or where the unit or underlying investments are illiquid, are classified as Level 3. |
| **Asset-backed securities (ABS)** | Valuation | – For liquid securities, the valuation process will use trade and price data, updated for movements in market levels between the time of trading and the time of valuation. Less liquid instruments are measured using discounted expected cash flows incorporating price data for instruments or indices with similar risk profiles. |
| | Fair value hierarchy | – Residential mortgage-backed securities, commercial mortgage-backed securities and other ABS are generally classified as Level 2 when reliable external price quotes are available. However, if significant inputs are unobservable, or if market or fundamental data is not available, they are classified as Level 3. |
| **Auction rate securities (ARS)** | Valuation | – ARS are valued utilizing a discounted cash flow methodology. The model captures interest rate risk emanating from the note coupon, credit risk attributable to the underlying closed-end fund investments, liquidity risk as a function of the level of trading volume in these positions, and extension risk, as ARS are perpetual instruments that require an assumption regarding their maturity or issuer redemption date. |
| | Fair value hierarchy | – Granular and liquid pricing information is generally not available for ARS. As a result, these securities are classified as Level 3. |
| **Equity instruments** | Valuation | – Listed equity instruments are generally valued using prices obtained directly from the market.<br>– Unlisted equity holdings, including private equity positions, are initially marked at their transaction price and are revalued when reliable evidence of price movement becomes available or when the position is deemed to be impaired. |
| | Fair value hierarchy | – The majority of equity securities are actively traded on public stock exchanges where quoted prices are readily and regularly available, resulting in Level 1 classification.<br>– Equity securities less actively traded will be classified as Level 2, and illiquid positions as Level 3. |
| **Financial assets for unit-linked investment contracts** | Valuation | – The majority of assets are listed on exchanges and fair values are determined using quoted prices. |
| | Fair value hierarchy | – Most assets are classified as Level 1 if actively traded, or Level 2 if trading is not active.<br>– Instruments for which prices are not readily available are classified as Level 3. |
| **Securities financing transactions** | Valuation | – These instruments are valued using discounted expected cash flow techniques. The discount rate applied is based on funding curves that are relevant to the collateral eligibility terms. |
| | Fair value hierarchy | – Collateral funding curves for these instruments are generally observable and, as a result, these positions are classified as Level 2.<br>– Where the collateral terms are non-standard, the funding curve may be considered unobservable, and these positions are classified as Level 3. |
| **Brokerage receivables and payables** | Valuation | – Fair value is determined based on the value of the underlying balances. |
| | Fair value hierarchy | – Due to their on-demand nature, these receivables and payables are deemed as Level 2. |

| Product | Valuation and classification in the fair value hierarchy | |
|---|---|---|
| **Financial liabilities related to unit-linked investment contracts** | Valuation | – The fair values of investment contract liabilities are determined by reference to the fair value of the corresponding assets. |
| | Fair value hierarchy | – The liabilities themselves are not actively traded, but are mainly referenced to instruments that are actively traded and are therefore classified as Level 2. |
| **Precious metals and other physical commodities** | Valuation | – Physical assets are valued using the spot rate observed in the relevant market. |
| | Fair value hierarchy | – Generally traded in active markets with prices that can be obtained directly from these markets, resulting in classification as Level 1. |
| **Debt issued designated at fair value** | Valuation | – The risk management and the valuation approaches for these instruments are closely aligned with the equivalent derivatives business and the underlying risk, and the valuation techniques used for this component are the same as the relevant valuation techniques described below. |
| | Fair value hierarchy | – The observability is closely aligned with the equivalent derivatives business and the underlying risk. |
| **Commercial paper and certificates of deposit** | Valuation | – Generally valued using discounted cash flow valuation techniques incorporating the spread of the issuer or similar issuers over the underlying currency risk-free curve. |
| | Fair value hierarchy | – Due to the short-dated nature of the positions and liquid underlying pricing inputs, they are generally classified as Level 2. |

## Derivative instruments: valuation and classification in the fair value hierarchy

The curves used for discounting expected cash flows in the valuation of collateralized derivatives reflect the funding terms associated with the relevant collateral arrangement for the instrument being valued. These collateral arrangements differ across counterparties with respect to the eligible currency and interest terms of the collateral. The majority of collateralized derivatives are measured using a discount curve based on funding rates derived from overnight interest in the cheapest eligible currency for the respective counterparty collateral agreement.

Uncollateralized and partially collateralized derivatives are discounted using the alternative reference rate (the ARR) (or equivalent) curve for the currency of the instrument. As described in Note 21d, the fair value of uncollateralized and partially collateralized derivatives is then adjusted by credit valuation adjustments (CVAs), debit valuation adjustments (DVAs) and funding valuation adjustments (FVAs), as applicable, to reflect an estimation of the effect of counterparty credit risk, UBS AG's own credit risk, and funding costs and benefits.

› **Refer to Note 11 for more information about derivative instruments**

| Derivative product | Valuation and classification in the fair value hierarchy | |
|---|---|---|
| **Interest rate contracts** | Valuation | – Interest rate swap contracts are valued by estimating future interest cash flows and discounting those cash flows using a rate that reflects the appropriate funding rate for the position being measured. The yield curves used to estimate future index levels and discount rates are generated using market-standard yield curve models using interest rates associated with current market activity. The key inputs to the models are interest rate swap rates, forward rate agreement rates, short-term interest rate futures prices, basis swap spreads and inflation swap rates.<br>– Interest rate option contracts are valued using various market-standard option models, using inputs that include interest rate yield curves, inflation curves, volatilities and correlations.<br>– When the maturity of an interest rate swap or option contract exceeds the term for which standard market quotes are observable for a significant input parameter, the contracts are valued by extrapolation from the last observable point using standard assumptions or by reference to another observable comparable input parameter to represent a suitable proxy for that portion of the term. |
| | Fair value hierarchy | – The majority of interest rate swaps are classified as Level 2, as the standard market contracts that form the inputs for yield curve models are generally traded in active and observable markets.<br>– Options are generally treated as Level 2, as the calibration process enables the model output to be validated to active-market levels. Models calibrated in this way are then used to revalue the portfolio of both standard options and more exotic products.<br>– Interest rate swap or option contracts are classified as Level 3 when the terms exceed standard market-observable quotes.<br>– Exotic options for which appropriate volatility or correlation input levels cannot be implied from observable market data are classified as Level 3. |
| **Credit derivative contracts** | Valuation | – Credit derivative contracts are valued using industry-standard models based primarily on market credit spreads, upfront pricing points and implied recovery rates. Where a derivative credit spread is not directly available, it may be derived from the price of the reference cash bond.<br>– Asset-backed credit derivatives are valued using a valuation technique similar to that of the underlying security with an adjustment to reflect the funding differences between cash and synthetic form. |
| | Fair value hierarchy | – Single-entity and portfolio credit derivative contracts are classified as Level 2 when credit spreads and recovery rates are determined from actively traded observable market data. Where the underlying reference name(s) are not actively traded and the correlation cannot be directly mapped to actively traded tranche instruments, these contracts are classified as Level 3.<br>– Asset-backed credit derivatives follow the characteristics of the underlying security and are therefore distributed across Level 2 and Level 3. |

| Derivative product | Valuation and classification in the fair value hierarchy | |
|---|---|---|
| **Foreign exchange contracts** | Valuation | – Open spot foreign exchange (FX) contracts are valued using the FX spot rate observed in the market.<br>– Forward FX contracts are valued using the FX spot rate adjusted for forward pricing points observed from standard market-based sources.<br>– Over-the-counter (OTC) FX option contracts are valued using market-standard option valuation models. The models used for shorter-dated options (i.e. maturities of five years or less) tend to be different from those used for longer-dated options because the models needed for longer-dated OTC FX contracts require additional consideration of interest rate and FX rate interdependency.<br>– The valuation for multi-dimensional FX options uses a multi-local volatility model, which is calibrated to the observed FX volatilities for all relevant FX pairs. |
| | Fair value hierarchy | – The markets for FX spot and FX forward pricing points are both actively traded and observable and, therefore, such FX contracts are generally classified as Level 2.<br>– A significant proportion of OTC FX option contracts are classified as Level 2 as inputs are derived mostly from standard market contracts traded in active and observable markets. |
| **Equity / index contracts** | Valuation | – Equity forward contracts have a single stock or index underlying and are valued using market-standard models. The key inputs to the models are stock prices, estimated dividend rates and equity funding rates (which are implied from prices of forward contracts observed in the market). Estimated cash flows are then discounted using market-standard discounted cash flow models using a rate that reflects the appropriate funding rate for that portion of the portfolio. When no market data is available for the instrument maturity, they are valued by extrapolation of available data, use of historical dividend data, or use of data for a related equity.<br>– Equity option contracts are valued using market-standard models that estimate the equity forward level as described for equity forward contracts and incorporate inputs for stock volatility and for correlation between stocks within a basket. The probability-weighted expected option payoff generated is then discounted using market-standard discounted cash flow models applying a rate that reflects the appropriate funding rate for that portion of the portfolio. When volatility, forward or correlation inputs are not available, they are valued using extrapolation of available data, historical dividend, correlation or volatility data, or the equivalent data for a related equity. |
| | Fair value hierarchy | – As inputs are derived mostly from standard market contracts traded in active and observable markets, a significant proportion of equity forward contracts are classified as Level 2.<br>– Equity option positions for which inputs are derived from standard market contracts traded in active and observable markets are also classified as Level 2. Level 3 positions are those for which volatility, forward or correlation inputs are not observable. |
| **Commodity contracts** | Valuation | – Commodity forward and swap contracts are measured using market-standard models that use market forward levels on standard instruments.<br>– Commodity option contracts are measured using market-standard option models that estimate the commodity forward level as described for commodity forward and swap contracts, incorporating inputs for the volatility of the underlying index or commodity. For commodity options on baskets of commodities or bespoke commodity indices, the valuation technique also incorporates inputs for the correlation between different commodities or commodity indices. |
| | Fair value hierarchy | – Individual commodity contracts are typically classified as Level 2, because active forward and volatility market data is available. |
| **Loan commitments measured at FVTPL** | Valuation | – Valued directly using market prices that reflect recent transactions or quoted dealer prices, where available.<br>– Where no market price data is available, loan commitments are valued by relative value benchmarking using pricing derived from debt instruments in comparable entities or different products in the same entity, or by using a credit default swap valuation technique, which requires inputs for credit spreads, credit recovery rates and interest rates. |
| | Fair value hierarchy | – Instruments with suitably deep and liquid pricing information are classified as Level 2.<br>– Positions requiring the use of valuation techniques, or for which the price sources have insufficient trading depth, are classified as Level 3. |

## d) Valuation adjustments and other items

The output of a valuation technique is always an estimate of a fair value that cannot be measured with complete certainty. As a result, valuations are adjusted where appropriate and when such factors would be considered by market participants in estimating fair value, to reflect close-out costs, credit exposure, model-driven valuation uncertainty, funding costs and benefits, trading restrictions and other factors.

### Deferred day-1 profit or loss reserves

For new transactions where the valuation technique used to measure fair value requires significant inputs that are not based on observable market data, the financial instrument is initially recognized at the transaction price. The transaction price may differ from the fair value obtained using a valuation technique, where any such difference is deferred and not initially recognized in the income statement.

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 pricing of equivalent products or the underlying parameters becomes observable or when the transaction is closed out.

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

**Deferred day-1 profit or loss reserves**

| *USD m* | 2024 | 2023 | 2022 |
|---|---|---|---|
| Reserve balance at the beginning of the year | 397 | 422 | 418 |
| Profit / (loss) deferred on new transactions | 244 | 250 | 299 |
| (Profit) / loss recognized in the income statement | (215) | (275) | (295) |
| Foreign currency translation | (6) | 0 | 0 |
| Reserve balance at the end of the year | 421 | 397 | 422 |

## Own credit

Own credit risk is reflected in the valuation of UBS AG's fair value option liabilities where this component is considered relevant for valuation purposes by UBS AG's counterparties and other market participants.

Changes in the fair value of financial liabilities designated at fair value through profit or loss related to own credit are recognized in *Other comprehensive income* directly within *Retained earnings, with no reclassification to the income statement in future periods.* This presentation neither creates nor increases an accounting mismatch in the income statement, as UBS AG does not hedge changes in own credit.

Own credit is estimated using own credit adjustment (OCA) curves, which incorporate observable market data, including market-observed secondary prices for UBS's debt and debt curves of peers. In the table below, the change in unrealized own credit consists of changes in fair value that are attributable to the change in UBS AG's credit spreads, as well as the effect of changes in fair values attributable to factors other than credit spreads, such as redemptions, effects from time decay and changes in interest and other market rates. Realized own credit is recognized when an instrument with an associated unrealized OCA is repurchased prior to the contractual maturity date. Life-to-date amounts reflect the cumulative unrealized change since initial recognition.

› **Refer to Note 16 for more information about debt issued designated at fair value**

**Own credit adjustments on financial liabilities designated at fair value**

| | Included in Other comprehensive income | | |
|---|---|---|---|
| | For the year ended | | |
| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
| Realized gain / (loss) | (50) | 8 | 1 |
| Unrealized gain / (loss) | (891) | (869) | 866 |
| Total gain / (loss), before tax | (941) | (861) | 867 |
| *of which: recognized during the period and disclosed in the Statement of comprehensive income* | 75 | (861) | 867 |
| *of which: recognized upon the merger of UBS AG and Credit Suisse AG*[1] | (1,016) | | |

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

| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
|---|---|---|---|
| Recognized on the balance sheet as of the end of the period: | | | |
| Unrealized life-to-date gain / (loss) | (1,165) | (312) | 556 |
| *of which: debt issued designated at fair value* | *(780)* | *(208)* | *289* |
| *of which: other financial liabilities designated at fair value* | *(385)* | *(105)* | *266* |

## Credit valuation adjustments

In order to measure the fair value of OTC derivative instruments, including funded derivative instruments that are classified as *Financial assets at fair value not held for trading,* CVAs are needed to reflect the credit risk of the counterparty inherent in these instruments. This amount represents the estimated fair value of protection required to hedge the counterparty credit risk of such instruments. A CVA is determined for each counterparty, considering all exposures with that counterparty, and is dependent on the expected future value of exposures, default probabilities and recovery rates, applicable collateral or netting arrangements, break clauses, funding spreads, and other contractual factors.

## Funding valuation adjustments

Uncollateralized FVAs reflect the costs and benefits of funding associated with uncollateralized and partially collateralized derivative receivables and payables and are calculated as the valuation effect from moving the discounting of the uncollateralized derivative cash flows from the ARR to OCA using the CVA framework, including the probability of counterparty default. An FVA is also applied to collateralized derivative assets in cases where the collateral cannot be sold or repledged and in cases where collateral agreements contain optionality regarding the type of collateral that can be pledged or received.

### Debit valuation adjustments

A DVA is estimated to incorporate own credit in the valuation of derivatives where an FVA is not already recognized. The DVA calculation is effectively consistent with the CVA framework, being determined for each counterparty, considering all exposures with that counterparty and taking into account collateral netting agreements, expected future mark-to-market movements and UBS AG's credit default spreads.

### Other valuation adjustments

Instruments that are measured as part of a portfolio of combined long and short positions are valued at mid-market levels to ensure consistent valuation of the long- and short-component risks. A liquidity valuation adjustment is then made to the overall net long or short exposure to move the fair value to bid or offer as appropriate, reflecting current levels of market liquidity. The bid–offer spreads used in the calculation of this valuation adjustment are obtained from market transactions and other relevant sources and are updated periodically.

Uncertainties associated with the use of model-based valuations are incorporated into the measurement of fair value through the use of model reserves. These reserves reflect the amounts that UBS AG estimates should be deducted from valuations produced directly by models to incorporate uncertainties in the relevant modeling assumptions, in the model and market inputs used, or in the calibration of the model output to adjust for known model deficiencies. In arriving at these estimates, UBS AG considers a range of market practices, including how it believes market participants would assess these uncertainties. Model reserves are reassessed periodically in light of data from market transactions, consensus pricing services and other relevant sources.

**Other valuation adjustment reserves on the balance sheet**

| | As of | |
|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 |
| Credit valuation adjustments[1] | (125) | (37) |
| Funding and debit valuation adjustments | (96) | (82) |
| Other valuation adjustments | (1,206) | (730) |
| *of which: liquidity* | *(746)* | *(308)* |
| *of which: model uncertainty* | *(460)* | *(423)* |

1 Amounts do not include reserves against defaulted counterparties.

## e) 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, the inputs used in a given valuation technique that are considered significant as of 31 December 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 ranges will therefore vary from period to period and parameter to parameter based on characteristics of the instruments held at each balance sheet date. Furthermore, the ranges of unobservable inputs may differ across other financial institutions, reflecting the diversity of the products in each firm's inventory.

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

| | Fair value | | | | | | Range of inputs | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Assets | | Liabilities | | | | 31.12.24 | | | 31.12.23 | | | |
| *USD bn* | 31.12.24 | 31.12.23 | 31.12.24 | 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* | *0.2* | *0.1* | Relative value to market comparable | Bond price equivalent | 23 | 114 | 98 | 9 | 114 | 93 | points |
| | | | | | Discounted expected cash flows | Discount margin | 868 | 868 | 868 | 491 | 491 | 491 | basis points |
| *Traded loans, loans designated at fair value and guarantees* | *5.2* | *2.3* | *0.0* | *0.0* | Relative value to market comparable | Loan price equivalent | 1 | 173 | 84 | 6 | 101 | 98 | points |
| | | | | | Discounted expected cash flows | Credit spread | 16 | 545 | 195 | 200 | 275 | 252 | basis points |
| | | | | | Market comparable and securitization model | Credit spread | 75 | 1,899 | 208 | 162 | 1,849 | 318 | basis points |
| *Asset-backed securities* | *0.7* | *0.1* | *0.0* | *0.0* | Relative value to market comparable | Bond price equivalent | 0 | 112 | 79 | 1 | 205 | 108 | points |
| *Investment fund units*[3] | *0.8* | *0.2* | *0.0* | *0.0* | Relative value to market comparable | Net asset value | | | | | | | |
| *Equity instruments*[3] | *3.0* | *1.2* | *0.0* | *0.1* | Relative value to market comparable | Price | | | | | | | |
| **Debt issued designated at fair value**[4] | | | 11.8 | 7.8 | | | | | | | | | |
| **Other financial liabilities designated at fair value** | | | 4.3 | 2.3 | Discounted expected cash flows | Funding spread | 95 | 201 | | 51 | 201 | | basis points |
| **Derivative financial instruments** | | | | | | | | | | | | | |
| *Interest rate* | *0.9* | *0.3* | *0.3* | *0.1* | Option model | Volatility of interest rates | 50 | 156 | | 84 | 112 | | basis points |
| | | | | | | IR-to-IR correlation | 60 | 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 | 1,789 | | 1 | 306 | | basis points |
| | | | | | | Credit correlation | 50 | 66 | | | | | % |
| | | | | | | Recovery rates | 0 | 100 | | | | | % |
| | | | | | Option model | Credit volatility | 59 | 127 | | | | | % |
| *Equity / index* | *1.1* | *0.7* | *3.1* | *2.7* | Option model | Equity dividend yields | 0 | 16 | | 0 | 14 | | % |
| | | | | | | Volatility of equity stocks, equity and other indices | 4 | 126 | | 4 | 104 | | % |
| | | | | | | Equity-to-FX correlation | (65) | 80 | | (40) | 70 | | % |
| | | | | | | Equity-to-equity correlation | 0 | 100 | | 13 | 100 | | % |
| *Loan commitments measured at FVTPL* | | | *0.1* | *0.0* | Relative value to market comparable | Loan price equivalent | 60 | 101 | | 78 | 101 | | 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.

## Significant unobservable inputs in Level 3 positions

This section discusses the significant unobservable inputs used in the valuation of Level 3 instruments and assesses the potential effect that a change in each unobservable input in isolation may have on a fair value measurement. Relationships between observable and unobservable inputs have not been included in the summary below.

| Input | Description |
|---|---|
| **Bond price equivalent** | – Where market prices are not available for a bond, fair value is measured by comparison with observable pricing data from similar instruments. Factors considered when selecting comparable instruments include credit quality, maturity and industry of the issuer. Fair value may be measured either by a direct price comparison or by conversion of an instrument price into a yield (either as an outright yield or as a spread to the relevant benchmark rate).<br>– For corporate and municipal bonds, the range represents the range of prices from reference issuances used in determining fair value. Bonds priced at 0 are distressed to the point that no recovery is expected, while prices significantly in excess of 100 or par relate to inflation-linked or structured issuances that pay a coupon in excess of the market benchmark as of the measurement date.<br>– For credit derivatives, the bond price range represents the range of prices used for reference instruments, which are typically converted to an equivalent yield or credit spread as part of the valuation process. |
| **Loan price equivalent** | – Where market prices are not available for a traded loan or a loan commitment, fair value is measured by comparison with observable pricing data for similar instruments. Factors considered when selecting comparable instruments include industry segment, collateral quality, maturity and issuer-specific covenants. Fair value may be measured either by a direct price comparison or by conversion of an instrument price into a yield. The range represents the range of prices derived from reference issuances of a similar credit quality used to measure fair value for loans classified as Level 3. Loans priced at 0 are distressed to the point that no recovery is expected, while a current price of 100 represents a loan that is expected to be repaid in full. |
| **Credit spread** | – Valuation models for many credit derivatives and other credit-sensitive products require an input for the credit spread, which is a reflection of the credit quality of the associated referenced underlying. The credit spread of a particular security is quoted in relation to the yield on a benchmark security or reference rate, typically either US Treasury or ARR, and is generally expressed in terms of basis points. An increase / (decrease) in credit spread will increase / (decrease) the value of credit protection offered by credit default swaps and other credit derivative products. The income statement effect from such changes depends on the nature and direction of the positions held. Credit spreads may be negative where the asset is more creditworthy than the benchmark against which the spread is calculated. A wider credit spread represents decreasing creditworthiness. The range represents a diverse set of underlyings, with the lower end of the range representing credits of the highest quality and the upper end of the range representing greater levels of credit risk. |
| **Discount margin** | – The discount margin (DM) spread represents the discount rates applied to present value cash flows of an asset to reflect the market return required for uncertainty in the estimated cash flows. DM spreads are a rate or rates applied on top of a floating index (e.g. Secured Overnight Financing Rate (SOFR)) to discount expected cash flows. Generally, a decrease / (increase) in the DM in isolation would result in a higher / (lower) fair value.<br>– The high end of the range relates to securities that are priced low within the market relative to the expected cash flow schedule. This indicates that the market is pricing an increased risk of credit loss into the security that is greater than what is being captured by the expected cash flow generation process. The low ends of the ranges are typical of funding rates on better-quality instruments. |
| **Funding spread** | – Structured financing transactions are valued using synthetic funding curves that best represent the assets that are pledged as collateral for the transactions. They are not representative of where UBS AG can fund itself on an unsecured basis but provide an estimate of where UBS AG can source and deploy secured funding with counterparties for a given type of collateral. The funding spreads are expressed in terms of basis points, and if funding spreads widen, this increases the effect of discounting.<br>– A small proportion of structured debt instruments and non-structured fixed-rate bonds within financial liabilities designated at fair value had an exposure to funding spreads that was longer in duration than the actively traded market. |
| **Volatility** | – Volatility measures the variability of future prices for a particular instrument and is generally expressed as a percentage, where a higher number reflects a more volatile instrument, for which future price movements are more likely to occur. Volatility is a key input into option models, where it is used to derive a probability-based distribution of future prices for the underlying instrument. The effect of volatility on individual positions within the portfolio is driven primarily by whether the option contract is a long or short position. In most cases, the fair value of an option increases as a result of an increase in volatility and is reduced by a decrease in volatility. Generally, volatility used in the measurement of fair value is derived from active-market option prices (referred to as implied volatility). A key feature of implied volatility is the volatility "smile" or "skew", which represents the effect of pricing options of different option strikes at different implied volatility levels.<br>– Volatilities of low interest rates tend to be much higher than volatilities of high interest rates. In addition, different currencies may have significantly different implied volatilities. |
| **Recovery rate** | – The projected recovery rate reflects the estimated recovery that will be realized given expected defaults; it is an analogous pricing input for corporate or sovereign credits. Reduction in recovery rates will result in lower expected cash flows into the structure upon the default of the instruments. In general, a significant increase / (decrease) in the recovery rate in isolation would result in significantly higher / (lower) fair value for the respective underlying cash security. The impact of a change in recovery rate on a credit derivative position will depend on whether credit protection has been bought or sold. The recovery rate is ultimately driven by the value recoverable from collateral held after default occurs relative to the outstanding exposure at that point. |
| **Correlation** | – Correlation measures the interrelationship between the movements of two variables. It is expressed as a percentage between –100% and +100%, where +100% represents perfectly correlated variables (meaning a movement of one variable is associated with a movement of the other variable in the same direction), and –100% implies that the variables are inversely correlated (meaning a movement of one variable is associated with a movement of the other variable in the opposite direction). The effect of correlation on the measurement of fair value depends on the specific terms of the instruments being valued, reflecting the range of different payoff features within such instruments. |

| Input | Description |
|---|---|
| **Equity dividend yields** | – The derivation of a forward price for an individual stock or index is important for measuring fair value for forward or swap contracts and for measuring fair value using option pricing models. The relationship between the current stock price and the forward price is based on a combination of expected future dividend levels and payment timings, and, to a lesser extent, the relevant funding rates applicable to the stock in question. Dividend yields are generally expressed as an annualized percentage of the share price, with the lowest limit of 0% representing a stock that is not expected to pay any dividend. The dividend yield and timing represent the most significant parameter in determining fair value for instruments that are sensitive to an equity forward price. |

## f) 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 favorable and unfavorable alternative assumptions would change fair value significantly, and the estimated effect thereof. The table below does not represent the estimated effect of stress scenarios. Interdependencies between Level 1, 2 and 3 parameters have not been incorporated in the table. Furthermore, direct interrelationships between the Level 3 parameters discussed below are not a significant element of the valuation uncertainty.

Sensitivity data is estimated using a number of techniques, including the estimation of price dispersion among different market participants, variation in modeling approaches and reasonably possible changes to assumptions used within the fair value measurement process. The sensitivity ranges are not always symmetrical around the fair values, as the inputs used in valuations are not always precisely in the middle of the favorable and unfavorable range.

Sensitivity data is determined at a product or parameter level and then aggregated assuming no diversification benefit. Diversification would incorporate estimated correlations across different sensitivity results and, as such, would result in an overall sensitivity that would be less than the sum of the individual component sensitivities. However, UBS AG believes that the diversification benefit is not significant to this analysis.

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

| | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| *USD m* | Favorable changes | Unfavorable changes | Favorable changes | Unfavorable changes |
| Traded loans, loans measured at fair value and guarantees | 185 | (143) | 15 | (19) |
| Securities financing transactions | 30 | (24) | 24 | (24) |
| Auction rate securities | 8 | (6) | 67 | (21) |
| Asset-backed securities | 32 | (28) | 25 | (22) |
| Equity instruments | 333 | (308) | 189 | (178) |
| Investment fund units | 179 | (181) | 21 | (23) |
| Loan commitments measured at FVTPL | 38 | (42) | 7 | (10) |
| Interest rate derivatives, net | 115 | (70) | 27 | (18) |
| Credit derivatives, net | 112 | (117) | 2 | (5) |
| Foreign exchange derivatives, net | 3 | (2) | 5 | (4) |
| Equity / index derivatives, net | 732 | (617) | 358 | (285) |
| Other | 289 | (161) | 42 | (39) |
| **Total** | 2,056 | (1,700) | 781 | (648) |

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

## g) 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 at the beginning of the year.

**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 compre-hensive 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 twelve months ended 31 December 2024[3] | | | | | | | | | | | | |
| Financial assets at fair value held for trading | 1.8 | 7.8 | (0.0) | *(0.3)* | 0.5 | (4.2) | 0.5 | (3.1) | 0.3 | (0.4) | (0.1) | 3.1 |
| *of which: Equity instruments* | *0.1* | *0.1* | *(0.1)* | *(0.1)* | *0.0* | *(0.2)* | *0.0* | *(0.0)* | *0.1* | *(0.0)* | *(0.0)* | *0.1* |
| *of which: Corporate and municipal bonds* | *0.6* | *0.4* | *(0.1)* | *(0.1)* | *0.3* | *(0.3)* | *0.0* | *(0.0)* | *0.1* | *(0.0)* | *(0.0)* | *0.8* |
| *of which: Loans* | *0.9* | *7.0* | *0.2* | *(0.1)* | *0.0* | *(3.5)* | *0.5* | *(3.0)* | *0.0* | *(0.4)* | *(0.1)* | *1.8* |
| Derivative financial instruments – assets | 1.3 | 0.7 | 0.0 | *0.2* | 0.0 | (0.1) | 1.3 | (0.7) | 0.7 | (0.4) | (0.0) | 2.8 |
| *of which: Interest rate* | *0.3* | *0.0* | *0.1* | *0.0* | *0.0* | *(0.1)* | *0.5* | *(0.1)* | *0.2* | *(0.0)* | *0.0* | *0.9* |
| *of which: Equity / index* | *0.7* | *0.2* | *0.1* | *0.1* | *0.0* | *(0.0)* | *0.6* | *(0.3)* | *0.2* | *(0.3)* | *(0.0)* | *1.1* |
| *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 | 0.2 | *0.2* | 0.3 | (0.4) | 2.4 | (1.9) | 0.5 | (0.4) | (0.1) | 8.7 |
| *of which: Loans* | *1.3* | *0.8* | *0.2* | *0.3* | *0.0* | *0.0* | *1.6* | *(0.4)* | *0.0* | *(0.3)* | *(0.1)* | *3.2* |
| *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)* | *0.2* | *(0.2)* | *0.0* | *(0.0)* | *0.1* | *0.0* | *(0.0)* | *2.9* |
| *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)* | *0.7* |
| *of which: Asset-backed securities* | *0.0* | *0.5* | *0.0* | *0.0* | *0.0* | *(0.1)* | *0.0* | *0.0* | *0.3* | *(0.1)* | *0.0* | *0.6* |
| Derivative financial instruments – liabilities | 3.2 | 0.9 | 0.1 | *0.2* | 0.0 | (0.0) | 1.9 | (2.0) | 0.6 | (0.6) | (0.1) | 4.1 |
| *of which: Interest rate* | *0.1* | *0.1* | *0.0* | *0.1* | *0.0* | *(0.0)* | *0.0* | *(0.0)* | *0.1* | *(0.0)* | *0.0* | *0.3* |
| *of which: Equity / index* | *2.7* | *0.2* | *0.4* | *0.2* | *0.0* | *(0.0)* | *1.7* | *(1.8)* | *0.4* | *(0.4)* | *(0.1)* | *3.1* |
| *of which: Credit* | *0.3* | *0.2* | *(0.1)* | *(0.1)* | *0.0* | *(0.0)* | *0.2* | *(0.1)* | *0.0* | *(0.0)* | *(0.0)* | *0.4* |
| *of which: Loan commitments measured at FVTPL* | *0.0* | *0.4* | *(0.2)* | *(0.0)* | *0.0* | *(0.0)* | *0.0* | *(0.1)* | *0.0* | *(0.1)* | *(0.0)* | *0.1* |
| Debt issued designated at fair value | 7.8 | 4.5 | 0.3 | *0.2* | 0.0 | (0.0) | 4.3 | (3.5) | 1.7 | (2.9) | (0.3) | 11.8 |
| Other financial liabilities designated at fair value | 2.3 | 1.9 | (0.1) | *(0.1)* | 0.0 | (0.0) | 1.3 | (1.1) | 0.1 | (0.1) | (0.0) | 4.3 |
| For the twelve months ended 31 December 2023 | | | | | | | | | | | | |
| Financial assets at fair value held for trading | 1.5 | | (0.1) | *(0.1)* | 0.4 | (0.8) | 0.8 | 0.0 | 0.2 | (0.3) | 0.0 | 1.8 |
| *of which: Equity instruments* | *0.1* | | *(0.1)* | *(0.1)* | *0.0* | *(0.1)* | *0.0* | *0.0* | *0.2* | *(0.0)* | *0.0* | *0.1* |
| *of which: Corporate and municipal bonds* | *0.5* | | *(0.0)* | *(0.0)* | *0.4* | *(0.3)* | *0.0* | *0.0* | *0.0* | *(0.0)* | *0.0* | *0.6* |
| *of which: Loans* | *0.6* | | *(0.1)* | *(0.1)* | *0.1* | *(0.4)* | *0.8* | *0.0* | *0.0* | *(0.2)* | *0.0* | *0.9* |
| Derivative financial instruments – assets | 1.5 | | (0.3) | *(0.3)* | 0.0 | (0.0) | 0.7 | (0.5) | 0.1 | (0.3) | 0.0 | 1.3 |
| *of which: Interest rate* | *0.5* | | *0.0* | *(0.0)* | *0.0* | *0.0* | *0.1* | *(0.2)* | *0.0* | *(0.1)* | *(0.0)* | *0.3* |
| *of which: Equity / index* | *0.7* | | *(0.2)* | *(0.2)* | *0.0* | *0.0* | *0.6* | *(0.1)* | *0.0* | *(0.2)* | *0.0* | *0.7* |
| *of which: Credit* | *0.3* | | *(0.1)* | *(0.1)* | *0.0* | *0.0* | *0.1* | *(0.1)* | *0.1* | *(0.0)* | *0.0* | *0.3* |
| Financial assets at fair value not held for trading | 3.7 | | 0.2 | *0.2* | 0.8 | (0.7) | 0.0 | (0.0) | 0.1 | (0.1) | 0.0 | 4.1 |
| *of which: Loans* | *0.7* | | *0.3* | *0.3* | *0.3* | *(0.0)* | *0.0* | *(0.0)* | *0.1* | *(0.1)* | *(0.0)* | *1.3* |
| *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* | | *0.1* | *0.0* | *0.4* | *(0.2)* | *0.0* | *0.0* | *0.1* | *0.0* | *0.0* | *1.1* |
| *of which: Investment fund units* | *0.2* | | *(0.0)* | *(0.0)* | *0.1* | *(0.1)* | *0.0* | *0.0* | *0.0* | *(0.0)* | *0.0* | *0.2* |
| Derivative financial instruments – liabilities | 1.7 | | 0.3 | *0.3* | 0.0 | (0.0) | 1.9 | (0.6) | 0.0 | (0.2) | 0.0 | 3.2 |
| *of which: Interest rate* | *0.1* | | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *(0.1)* | *0.0* | *(0.0)* | *0.0* | *0.1* |
| *of which: Equity / index* | *1.2* | | *0.3* | *0.3* | *0.0* | *0.0* | *1.8* | *(0.4)* | *0.0* | *(0.2)* | *0.0* | *2.7* |
| *of which: Credit* | *0.3* | | *(0.0)* | *0.0* | *0.0* | *0.0* | *0.1* | *0.0* | *0.0* | *(0.1)* | *(0.0)* | *0.3* |
| Debt issued designated at fair value | 9.2 | | 0.4 | *0.3* | 0.0 | 0.0 | 3.5 | (3.2) | 0.5 | (2.6) | 0.0 | 7.8 |
| Other financial liabilities designated at fair value | 2.0 | | 0.3 | *0.4* | 0.0 | 0.0 | 0.2 | (0.2) | 0.0 | (0.0) | 0.0 | 2.3 |

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 31 December 2024 were USD 14.7bn (31 December 2023: USD 7.2bn). Total Level 3 liabilities as of 31 December 2024 were USD 20.4bn (31 December 2023: USD 13.4bn).

## h) Maximum exposure to credit risk for financial instruments measured at fair value

The tables below provide UBS AG's maximum exposure to credit risk for financial instruments measured at fair value and the respective collateral and other credit enhancements mitigating credit risk for these classes of financial instruments.

The maximum exposure to credit risk includes the carrying amounts of financial instruments recognized on the balance sheet subject to credit risk and the notional amounts for off-balance sheet arrangements. Where information is available, collateral is presented at fair value. For other collateral, such as real estate, a reasonable alternative value is used. Credit enhancements, such as credit derivative contracts and guarantees, are included at their notional amounts. Both are capped at the maximum exposure to credit risk for which they serve as security. The "Risk management and control" section of this report describes management's view of credit risk and the related exposures, which can differ in certain respects from the requirements of IFRS Accounting Standards.

**Maximum exposure to credit risk**

| | 31.12.24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Collateral | | | | Credit enhancements | | | |
| *USD bn* | Maximum exposure to credit risk | Cash collateral received | Collateralized by equity and debt instruments | Secured by real estate | Other collateral | Netting | Credit derivative contracts | Guarantees and sub-participations | Exposure to credit risk after collateral and credit enhancements |
| **Financial assets measured at fair value on the balance sheet[1]** | | | | | | | | | |
| Financial assets at fair value held for trading – debt instruments[2,3] | 34.5 | | | | | | | | 34.5 |
| Derivative financial instruments[4,5] | 186.4 | | 6.7 | | | 156.0 | | | 23.8 |
| Brokerage receivables | 25.9 | | 25.7 | | | | | | 0.2 |
| Financial assets at fair value not held for trading – debt instruments[6] | 73.8 | 0.1 | 31.5 | | 1.0 | | | | 41.3 |
| **Total financial assets measured at fair value** | 320.6 | 0.1 | 63.9 | 0.0 | 1.0 | 156.0 | 0.0 | 0.0 | 99.7 |
| Guarantees | 0.4 | 0.1 | | | 0.0 | | | 0.3 | 0.0 |

| | 31.12.23 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Collateral | | | | Credit enhancements | | | |
| *USD bn* | Maximum exposure to credit risk | Cash collateral received | Collateralized by equity and debt instruments | Secured by real estate | Other collateral | Netting | Credit derivative contracts | Guarantees and sub-participations | Exposure to credit risk after collateral and credit enhancements |
| **Financial assets measured at fair value on the balance sheet[1]** | | | | | | | | | |
| Financial assets at fair value held for trading – debt instruments[2,3] | 25.6 | | | | | | | | 25.6 |
| Derivative financial instruments[4,5] | 131.7 | | 5.1 | | | 117.6 | | | 9.1 |
| Brokerage receivables | 20.9 | | 20.5 | | | | | | 0.4 |
| Financial assets at fair value not held for trading – debt instruments[6] | 46.0 | | 10.2 | | | | | | 35.8 |
| **Total financial assets measured at fair value** | 224.3 | 0.0 | 35.8 | 0.0 | 0.0 | 117.6 | 0.0 | 0.0 | 70.9 |
| Guarantees | 0.1 | | | | | | | 0.1 | 0.0 |

1 The maximum exposure to loss is generally equal to the carrying amount and subject to change over time with market movements. 2 For the purpose of this disclosure, collateral and credit enhancements were not considered as these positions are generally managed under the market risk framework. 3 Does not include investment fund units. 4 Includes USD 146m (31 December 2023: USD 21m) fair values of loan commitments and USD 20m (31 December 2023: USD 32m) forward starting reverse repurchase agreements classified as derivatives. The full contractual committed amount of forward starting reverse repurchase agreements (generally highly collateralized) of USD 51.5bn (31 December 2023: USD 60.4bn) and derivative loan commitments (mostly secured) of USD 14.8bn, of which USD 4bn has been sub-participated (31 December 2023: USD 4.8bn, of which USD 1.4bn had been sub-participated), is presented in Note 11 under notional amounts. 5 The amount shown in the "Netting" column represents the netting potential not recognized on the balance sheet. Refer to Note 22 for more information. 6 Does not include unit-linked investment contracts and investment fund units. Financial assets at fair value not held for trading collateralized by equity and debt instruments consisted of structured loans and reverse repurchase and securities borrowing agreements.

## i) Financial instruments not measured at fair value

The table below provides the estimated fair values of financial instruments not measured at fair value.

**Financial instruments not measured at fair value**

| | 31.12.24 | | | | | | 31.12.23 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | | | Carrying amount | Fair value | | | | |
| *USD bn* | Total | Carrying amount approximates fair value[1] | Level 1 | Level 2 | Level 3 | Total | Total | Carrying amount approximates fair value[1] | Level 1 | Level 2 | Level 3 | Total |
| **Assets** | | | | | | | | | | | | |
| Cash and balances at central banks | 223.3 | 223.3 | 0.0 | 0.0 | 0.0 | 223.3 | 171.8 | 171.7 | 0.0 | 0.1 | 0.0 | 171.8 |
| Amounts due from banks | 18.1 | 17.1 | 0.0 | 0.8 | 0.2 | 18.1 | 28.2 | 12.5 | 0.0 | 15.4 | 0.2 | 28.2 |
| Receivables from securities financing transactions measured at amortized cost | 118.3 | 115.1 | 0.0 | 2.8 | 0.4 | 118.3 | 74.1 | 68.7 | 0.0 | 3.9 | 1.5 | 74.1 |
| Cash collateral receivables on derivative instruments | 44.0 | 44.0 | 0.0 | 0.0 | 0.0 | 44.0 | 32.3 | 32.3 | 0.0 | 0.0 | 0.0 | 32.3 |
| Loans and advances to customers | 587.3 | 182.9 | 0.0 | 44.5 | 355.0 | 582.4 | 405.6 | 131.8 | 0.0 | 44.3 | 220.4 | 396.5 |
| Other financial assets measured at amortized cost | 59.3 | 10.5 | 13.2 | 31.0 | 2.8 | 57.5 | 54.3 | 9.0 | 12.8 | 29.6 | 2.6 | 54.1 |
| **Liabilities** | | | | | | | | | | | | |
| Amounts due to banks | 23.3 | 16.1 | 0.0 | 7.2 | 0.0 | 23.4 | 16.7 | 8.8 | 0.0 | 8.0 | 0.0 | 16.7 |
| Payables from securities financing transactions measured at amortized cost[2] | 14.8 | 7.1 | 0.0 | 7.5 | 0.2 | 14.8 | 5.8 | 5.1 | 0.0 | 0.4 | 0.4 | 5.8 |
| Cash collateral payables on derivative instruments | 36.4 | 36.4 | 0.0 | 0.0 | 0.0 | 36.4 | 34.9 | 34.9 | 0.0 | 0.0 | 0.0 | 34.9 |
| Customer deposits | 749.5 | 677.3 | 0.0 | 72.6 | 0.0 | 750.0 | 555.7 | 482.1 | 0.0 | 74.5 | 0.0 | 556.6 |
| Funding from UBS Group AG measured at amortized cost | 107.9 | 2.5 | 0.0 | 110.0 | 0.0 | 112.5 | 67.3 | 3.3 | 0.0 | 64.4 | 0.0 | 67.7 |
| Debt issued measured at amortized cost | 101.1 | 15.6 | 0.0 | 87.1 | 0.0 | 102.7 | 69.8 | 18.1 | 0.0 | 51.7 | 0.0 | 69.8 |
| Other financial liabilities measured at amortized cost | 17.9 | 16.5 | 0.0 | 0.1 | 1.3 | 17.9 | 9.8 | 9.8 | 0.0 | 0.0 | 0.0 | 9.8 |

1 Includes certain financial instruments where the carrying amount is a reasonable approximation of the fair value due to the instruments' short-term nature (instruments that are receivable or payable on demand or with a remaining maturity (excluding the effects of callable features) of three months or less). 2 Excludes lease liabilities.

The fair values included in the table above have been calculated for disclosure purposes only. The valuation techniques and assumptions described below relate only to the fair value of UBS AG's financial instruments not measured at fair value. Other institutions may use different methods and assumptions for their fair value estimations, and therefore such fair value disclosures cannot necessarily be compared from one financial institution to another. The following principles were applied when determining fair value estimates for financial instruments not measured at fair value.

- For financial instruments with remaining maturities greater than three months, the fair value was determined from quoted market prices, if available.
- Where quoted market prices were not available, the fair values were estimated by discounting contractual cash flows using current market interest rates or appropriate yield curves for instruments with similar credit risk and maturity. These estimates generally include adjustments for counterparty credit risk or UBS AG's own credit.
- For short-term financial instruments with remaining maturities of three months or less, the carrying amount, which is net of credit loss allowances, is generally considered a reasonable estimate of fair value.

## Note 22 Offsetting financial assets and financial liabilities

UBS AG enters into netting agreements with counterparties to manage the credit risks associated primarily with repurchase and reverse repurchase transactions, securities borrowing and lending, over-the-counter derivatives, and exchange-traded derivatives. These netting agreements and similar arrangements generally enable the counterparties to set off liabilities against available assets received in the ordinary course of business and / or in the event that the counterparties to the transaction are unable to fulfill their contractual obligations.

The tables below provide a summary of financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements, as well as financial collateral received or pledged to mitigate credit exposures for these financial instruments.

UBS AG engages in a variety of counterparty credit risk mitigation strategies in addition to netting and collateral arrangements. Therefore, the net amounts presented in the tables below do not purport to represent their actual credit risk exposure.

**Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements**

| | Assets subject to netting arrangements | | | | | | Assets not subject to netting arrangements[2] | Total assets | |
|---|---|---|---|---|---|---|---|---|---|
| | Netting recognized on the balance sheet | | | Netting potential not recognized on the balance sheet[1] | | | | | |
| *As of 31.12.24, USD bn* | Gross assets before netting | Netting with gross liabilities[3] | Net assets recognized on the balance sheet | Financial liabilities | Collateral received | Assets after consideration of netting potential | Assets recognized on the balance sheet | Total assets after consideration of netting potential | Total assets recognized on the balance sheet |
| Receivables from securities financing transactions measured at amortized cost | 111.4 | (13.3) | 98.2 | (3.1) | (95.0) | 0.1 | 20.1 | 20.3 | 118.3 |
| Derivative financial instruments | 178.7 | (2.6) | 176.1 | (135.6) | (27.1) | 13.5 | 10.3 | 23.8 | 186.4 |
| Cash collateral receivables on derivative instruments[4] | 42.0 | 0.0 | 42.0 | (25.9) | (2.4) | 13.7 | 1.9 | 15.7 | 44.0 |
| Financial assets at fair value not held for trading | 112.3 | (87.1) | 25.2 | (1.8) | (23.3) | 0.1 | 70.0 | 70.1 | 95.2 |
| *of which: reverse repurchase agreements* | *109.6* | *(87.1)* | *22.5* | *(1.8)* | *(20.6)* | *0.1* | *1.0* | *1.0* | *23.4* |
| Total assets | 444.5 | (103.0) | 341.5 | (166.4) | (147.7) | 27.4 | 102.4 | 129.8 | 443.9 |
| *As of 31.12.23, USD bn* | | | | | | | | | |
| Receivables from securities financing transactions measured at amortized cost | 69.2 | (12.2) | 56.9 | (1.5) | (55.2) | 0.3 | 17.2 | 17.5 | 74.1 |
| Derivative financial instruments | 128.8 | (2.5) | 126.3 | (99.3) | (23.4) | 3.7 | 5.4 | 9.1 | 131.7 |
| Cash collateral receivables on derivative instruments[4] | 31.5 | 0.0 | 31.5 | (20.4) | (2.5) | 8.7 | 0.8 | 9.5 | 32.3 |
| Financial assets at fair value not held for trading | 96.3 | (89.6) | 6.7 | (1.8) | (4.9) | 0.0 | 57.1 | 57.1 | 63.8 |
| *of which: reverse repurchase agreements* | *95.1* | *(89.6)* | *5.5* | *(1.8)* | *(3.7)* | *0.0* | *0.0* | *0.0* | *5.5* |
| Total assets | 325.7 | (104.3) | 221.4 | (122.9) | (85.9) | 12.6 | 80.5 | 93.1 | 301.9 |

1 For the purpose of this disclosure, the amounts of financial instruments and cash collateral presented have been capped so as not to exceed the net amount of financial assets presented on the balance sheet; i.e. over-collateralization, where it exists, is not reflected in the table. 2 Includes assets not subject to enforceable netting arrangements and other out-of-scope items. 3 The logic of the table results in amounts presented in the "Netting with gross liabilities" column corresponding directly to the amounts presented in the "Netting with gross assets" column in the liabilities table presented below. Netting in this column for reverse repurchase agreements presented within the lines "Receivables from securities financing transactions measured at amortized cost" and "Financial assets at fair value not held for trading" taken together corresponds to the amounts presented for repurchase agreements in the "Payables from securities financing transactions measured at amortized cost" and "Other financial liabilities designated at fair value" lines in the liabilities table presented below. 4 The net amount of Cash collateral receivables on derivative instruments recognized on the balance sheet includes certain OTC derivatives that are net settled on a daily basis either legally or in substance under IAS 32 principles and exchange-traded derivatives that are economically settled on a daily basis.

**Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements**

| | Liabilities subject to netting arrangements | | | | | | Liabilities not subject to netting arrangements[2] | Total liabilities | |
|---|---|---|---|---|---|---|---|---|---|
| | Netting recognized on the balance sheet | | | Netting potential not recognized on the balance sheet[1] | | | | | |
| *As of 31.12.24, USD bn* | Gross liabilities before netting | Netting with gross assets[3] | Net liabilities recognized on the balance sheet | Financial assets | Collateral pledged | Liabilities after consideration of netting potential | Liabilities recognized on the balance sheet | Total liabilities after consideration of netting potential | Total liabilities recognized on the balance sheet |
| Payables from securities financing transactions measured at amortized cost | 25.0 | (11.5) | 13.5 | (1.1) | (12.4)[4] | 0.0 | 1.4 | 1.4 | 14.8 |
| Derivative financial instruments | 176.2 | (2.6) | 173.6 | (135.6) | (30.8) | 7.2 | 7.1 | 14.3 | 180.7 |
| Cash collateral payables on derivative instruments[5] | 34.8 | 0.0 | 34.8 | (20.2) | (2.4) | 12.2 | 1.6 | 13.8 | 36.4 |
| Other financial liabilities designated at fair value | 96.9 | (88.9) | 8.0 | (3.8) | (4.1) | 0.0 | 26.1 | 26.1 | 34.0 |
| *of which: repurchase agreements* | *94.7* | *(88.9)* | *5.8* | *(3.8)* | *(2.0)* | *0.0* | *0.0* | *0.0* | *5.8* |
| Total liabilities | 332.8 | (103.0) | 229.8 | (160.7) | (49.7) | 19.5 | 36.1 | 55.6 | 265.9 |
| *As of 31.12.23, USD bn* | | | | | | | | | |
| Payables from securities financing transactions measured at amortized cost | 16.1 | (12.1) | 4.0 | (0.8) | (3.2) | 0.0 | 1.8 | 1.8 | 5.8 |
| Derivative financial instruments | 135.9 | (2.5) | 133.5 | (99.3) | (24.5) | 9.7 | 7.2 | 16.9 | 140.7 |
| Cash collateral payables on derivative instruments[5] | 33.5 | 0.0 | 33.5 | (17.2) | (3.4) | 12.9 | 1.4 | 14.3 | 34.9 |
| Other financial liabilities designated at fair value | 97.1 | (89.8) | 7.3 | (2.5) | (4.8) | 0.0 | 20.1 | 20.1 | 27.4 |
| *of which: repurchase agreements* | *96.7* | *(89.8)* | *6.9* | *(2.5)* | *(4.4)* | *0.0* | *0.0* | *0.0* | *6.9* |
| Total liabilities | 282.6 | (104.3) | 178.3 | (119.7) | (36.0) | 22.5 | 30.4 | 53.0 | 208.7 |

1 For the purpose of this disclosure, the amounts of financial instruments and cash collateral presented have been capped so as not to exceed the net amount of financial liabilities presented on the balance sheet; i.e. over-collateralization, where it exists, is not reflected in the table. 2 Includes liabilities not subject to enforceable netting arrangements and other out-of-scope items. 3 The logic of the table results in amounts presented in the "Netting with gross assets" column corresponding to the amounts presented in the "Netting with gross liabilities" column in the assets table presented above. Netting in this column for repurchase agreements presented within the lines "Payables from securities financing transactions measured at amortized cost" and "Other financial liabilities designated at fair value" taken together corresponds to the amounts presented for reverse repurchase agreements in the "Receivables from securities financing transactions measured at amortized cost" and "Financial assets at fair value not held for trading" lines in the assets table presented above. 4 Includes collateral of USD 8.8bn for securities financing transactions measured at amortized cost that use UBS AG debt instruments as the underlying. 5 The net amount of Cash collateral payables on derivative instruments recognized on the balance sheet includes certain OTC derivatives that are net settled on a daily basis either legally or in substance under IAS 32 principles and exchange-traded derivatives that are economically settled on a daily basis.

## Note 23 Restricted and transferred financial assets

This Note provides information about restricted financial assets (Note 23a), transfers of financial assets (Note 23b and 23c) and financial assets that are received as collateral with the right to resell or repledge these assets (Note 23d).

### a) Restricted financial assets

Restricted financial assets consist of assets pledged as collateral against an existing liability or contingent liability and other assets that are otherwise explicitly restricted such that they cannot be used to secure funding.

Financial assets are mainly pledged as collateral in securities lending transactions, in repurchase transactions and in relation to mortgage loans, which serve as collateral against loans from Swiss mortgage institutions and US Federal Home Loan Banks, and in connection with the issuance of covered bonds. Of these pledged mortgage loans, approximately USD 7.2bn as of 31 December 2024 could be withdrawn or used as collateral for future liabilities, covered bond issuances or used for securities financing transactions backed by available retained covered bonds without breaching existing collateral requirements (31 December 2023: approximately USD 2.0bn). Existing liabilities against Swiss central mortgage institutions and US Federal Home Loan Banks and for existing covered bond issuances were USD 48.4bn as of 31 December 2024 (31 December 2023: USD 15.4bn).

Repurchase and securities lending arrangements are generally entered into under standard market agreements. For securities lending, the cash received as collateral may be more or less than the fair value of the securities loaned, depending on the nature of the transaction. For repurchase agreements, the fair value of the collateral sold under an agreement to repurchase is generally in excess of the cash borrowed.

Other restricted financial assets include assets protected under client asset segregation rules, assets held under unit-linked investment contracts to back related liabilities to the policy holders and assets held in certain jurisdictions to comply with explicit minimum local asset maintenance requirements. The carrying amount of the liabilities associated with these other restricted financial assets is generally equal to the carrying amount of the assets, with the exception of assets held to comply with local asset maintenance requirements, for which the associated liabilities are greater.

**Restricted financial assets**

| *USD m* | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| | Restricted financial assets | *of which: assets pledged as collateral that may be sold or repledged by counterparties* | Restricted financial assets | *of which: assets pledged as collateral that may be sold or repledged by counterparties* |
| **Financial assets pledged as collateral** | | | | |
| Cash and balances at central banks[1] | 876 | | 709 | |
| Financial assets at fair value held for trading | 71,050 | *38,532* | 76,579 | *44,524* |
| Loans and advances to customers | 71,887 | | 28,105 | |
| Financial assets at fair value not held for trading | 3,645 | *2,566* | 3,099 | *2,110* |
| Debt securities classified as Other financial assets measured at amortized cost | 8,703 | *7,891* | 7,043 | *6,299* |
| **Total financial assets pledged as collateral** | 156,160 | | 115,535 | |
| **Other restricted financial assets** | | | | |
| Amounts due from banks | 2,473 | | 2,543 | |
| Financial assets at fair value held for trading | 264 | | 169 | |
| Cash collateral receivables on derivative instruments | 8,006 | | 4,685 | |
| Loans and advances to customers | 186 | | 28 | |
| Other financial assets measured at amortized cost[2] | 4,184 | | 3,334 | |
| Financial assets at fair value not held for trading | 20,377 | | 17,844 | |
| Financial assets measured at fair value through other comprehensive income | 1,863 | | 1,846 | |
| Other | 128 | | 249 | |
| **Total other restricted financial assets** | 37,481 | | 30,698 | |
| **Total financial assets pledged and other restricted financial assets[3]** | 193,641 | | 146,233 | |

1 Assets pledged to the depositor protection system in Switzerland. 2 Predominantly includes cash collateral provided to exchanges and clearing houses to secure securities trading activity through those counterparties. 3 Does not include assets placed with central banks related to undrawn credit lines and for payment, clearing and settlement purposes, as well as undrawn contingency funding facilities (31 December 2024: USD 30.5bn; 31 December 2023: USD 26.5bn).

## Note 23 Restricted and transferred financial assets (continued)

In addition to restrictions on financial assets, UBS AG and its subsidiaries are, in certain cases, subject to regulatory requirements that affect the transfer of dividends and capital within UBS AG, as well as intercompany lending. Supervisory authorities also may require entities to measure capital and leverage ratios on a stressed basis, such as the Federal Reserve Board's Comprehensive Capital Analysis and Review (CCAR) process, which may limit the relevant subsidiaries' ability to make distributions of capital based on the results of those tests.

Supervisory authorities generally have discretion to impose higher requirements or to otherwise limit the activities of subsidiaries.

Non-regulated subsidiaries are generally not subject to such requirements and transfer restrictions. However, restrictions can also be the result of different legal, regulatory, contractual, entity- or country-specific arrangements and / or requirements.

### b) Transferred financial assets that are not derecognized in their entirety

The table below presents information for financial assets that have been transferred but are subject to continued recognition in full, as well as recognized liabilities associated with those transferred assets.

**Transferred financial assets subject to continued recognition in full**

| *USD m* | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| | Carrying amount of transferred assets | Carrying amount of associated liabilities recognized on balance sheet | Carrying amount of transferred assets | Carrying amount of associated liabilities recognized on balance sheet |
| Financial assets at fair value held for trading that may be sold or repledged by counterparties | 38,532 | 19,690 | 44,524 | 23,374 |
| Financial assets at fair value not held for trading that may be sold or repledged by counterparties | 2,566 | 2,012 | 2,110 | 1,976 |
| Debt securities classified as Other financial assets measured at amortized cost that may be sold or repledged by counterparties | 7,891 | 7,442 | 6,299 | 5,928 |
| Total financial assets transferred | 48,989 | 29,144 | 52,933 | 31,278 |

Transactions in which financial assets are transferred but continue to be recognized in their entirety on UBS AG's balance sheet include securities lending and repurchase agreements, as well as other financial asset transfers. Repurchase and securities lending arrangements are, for the most part, conducted under standard market agreements and are undertaken with counterparties subject to UBS AG's normal credit risk control processes.

› **Refer to Note 1a item 2e for more information about repurchase and securities lending agreements**

Financial assets at fair value held for trading that may be sold or repledged by counterparties include securities lending and repurchase agreements in exchange for cash received, securities lending agreements in exchange for securities received and other financial asset transfers.

For securities lending and repurchase agreements, a haircut of between 0% and 15% is generally applied to the transferred assets, which results in associated liabilities having a carrying amount below the carrying amount of the transferred assets. The counterparties to the associated liabilities included in the table above have full recourse to UBS AG.

In securities lending arrangements entered into in exchange for the receipt of other securities as collateral, neither the securities received nor the obligation to return them are recognized on UBS AG's balance sheet, as the risks and rewards of ownership are not transferred to UBS AG. In cases where such financial assets received are subsequently sold or repledged in another transaction, this is not considered to be a transfer of financial assets.

Other financial asset transfers primarily include securities transferred to collateralize derivative transactions, for which the carrying amount of associated liabilities is not included in the table above, because those replacement values are managed on a portfolio basis across counterparties and product types, and therefore there is no direct relationship between the specific collateral pledged and the associated liability.

Transferred financial assets that are not subject to derecognition in full but remain on the balance sheet to the extent of UBS AG's continuing involvement were not material as of 31 December 2024 and as of 31 December 2023.

## Note 23 Restricted and transferred financial assets (continued)

### c) Transferred financial assets that are derecognized in their entirety with continuing involvement

Continuing involvement in a transferred and fully derecognized financial asset may result from contractual provisions in the particular transfer agreement or from a separate agreement, with the counterparty or a third party, entered into in connection with the transfer.

The fair value and carrying amount of UBS AG's continuing involvement from transferred positions as of 31 December 2024 and 31 December 2023 was not material. Life-to-date losses reported in prior periods primarily relate to legacy positions in securitization vehicles that have been fully marked down, with no remaining exposure to loss.

### d) Off-balance sheet assets received

The table below presents assets received from third parties that can be sold or repledged and that are not recognized on the balance sheet but that are held as collateral, including amounts that have been sold or repledged.

**Off-balance sheet assets received**

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Fair value of assets received that can be sold or repledged[1] | 581,769 | 489,476 |
| *of which: sold or repledged[2]* | *383,227* | *357,020* |

1 Includes securities received as initial margin from its clients that UBS AG is required to remit to central counterparties, brokers and deposit banks through its exchange-traded derivative clearing and execution services. 2 Does not include off-balance sheet securities (31 December 2024: USD 21.4bn; 31 December 2023: USD 16.0bn) placed with central banks related to undrawn credit lines and for payment, clearing and settlement purposes for which there are no associated liabilities or contingent liabilities.

## Note 24 Maturity analysis of assets and liabilities

### a) Maturity analysis of carrying amounts of assets and liabilities

The table below provides an analysis of carrying amounts of balance sheet assets and liabilities, as well as off-balance sheet exposures by residual contractual maturity as of the reporting date. The residual contractual maturity of assets includes the effect of callable features. The residual contractual maturity of liabilities and off-balance sheet exposures is based on the earliest date on which a third party could require UBS AG to pay.

Derivative financial instruments and financial assets and liabilities at fair value held for trading are presented in the *Due within 1 month* column; however, the respective contractual maturities may extend over significantly longer periods.

Assets held to hedge unit-linked investment contracts (presented within *Financial assets at fair value not held for trading*) are presented in the *Due within 1 month* column, consistent with the maturity assigned to the related amounts due under unit-linked investment contracts (presented within *Other financial liabilities designated at fair value*).

Other financial assets and liabilities with no contractual maturity, such as equity securities, are presented in the *Perpetual / Not applicable* column. Undated or perpetual instruments are classified based on the contractual notice period that the counterparty of the instrument is entitled to give. Where there is no contractual notice period, undated or perpetual contracts are presented in the *Perpetual / Not applicable* column.

Non-financial assets and liabilities with no contractual maturity are generally included in the *Perpetual / Not applicable* column.

## Note 24 Maturity analysis of assets and liabilities (continued)

| | 31.12.24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *USD bn* | Due within 1 month | Due between 1 and 3 months | Due between 3 and 12 months | Due between 1 and 2 years | Due between 2 and 5 years | Due over 5 years | Perpetual / Not applicable | Total |
| **Assets** | | | | | | | | |
| Total financial assets measured at amortized cost | 558.4 | 50.3 | 70.2 | 116.2 | 130.5 | 124.7 | | 1,050.3 |
| *Amounts due from banks* | *16.7* | *0.5* | *0.5* | *0.0* | *0.2* | *0.1* | | *18.1* |
| *Loans and advances to customers* | *164.9* | *33.3* | *62.0* | *108.9* | *112.5* | *105.7* | | *587.3* |
| *Other financial assets measured at amortized cost* | *9.9* | *0.9* | *5.3* | *6.6* | *17.7* | *18.9* | | *59.3* |
| Total financial assets measured at fair value through profit or loss | 413.2 | 6.5 | 14.2 | 13.5 | 12.7 | 2.3 | 4.2 | 466.7 |
| *Financial assets at fair value not held for trading* | *41.7* | *6.5* | *14.2* | *13.5* | *12.7* | *2.3* | *4.2* | *95.2* |
| Financial assets measured at fair value through other comprehensive income | 0.5 | 0.8 | 0.9 | 0.0 | 0.0 | 0.0 | | 2.2 |
| Total non-financial assets | 12.8 | 0.3 | 0.6 | 0.0 | 2.5 | 1.1 | 31.5 | 48.8 |
| **Total assets** | **984.8** | **57.9** | **86.0** | **129.7** | **145.8** | **128.2** | **35.8** | **1,568.1** |
| **Liabilities** | | | | | | | | |
| Total financial liabilities measured at amortized cost | 691.5 | 80.0 | 88.0 | 45.9 | 71.6 | 61.9 | 15.9 | 1,054.8 |
| *Customer deposits* | *611.7* | *65.5* | *51.2* | *8.9* | *11.8* | *0.3* | | *749.5* |
| *Funding from UBS Group AG measured at amortized cost* | *0.0* | *2.5* | *3.2* | *17.0* | *31.9* | *37.5* | *15.9* | *107.9* |
| *Debt issued measured at amortized cost* | *8.3* | *7.3* | *29.6* | *15.4* | *18.7* | *21.8* | | *101.1* |
| *of which: non-subordinated* | *8.3* | *7.3* | *29.2* | *15.2* | *18.6* | *21.8* | | *100.4* |
| *of which: subordinated* | *0.0* | | *0.3* | *0.3* | *0.1* | *0.0* | | *0.7* |
| Total financial liabilities measured at fair value through profit or loss[1] | 299.7 | 11.9 | 27.7 | 26.7 | 13.1 | 22.4 | | 401.6 |
| *Debt issued designated at fair value* | *12.0* | *11.4* | *26.3* | *25.1* | *11.5* | *16.3* | | *102.6* |
| Total non-financial liabilities | 11.3 | 3.9 | 0.1 | 0.2 | 0.4 | 0.4 | 0.7 | 17.0 |
| **Total liabilities** | **1,002.4** | **95.8** | **115.8** | **72.9** | **85.2** | **84.7** | **16.6** | **1,473.4** |
| **Guarantees, loan commitments and forward starting transactions[2]** | | | | | | | | |
| Irrevocable loan commitments | 78.7 | 0.5 | 0.4 | 0.0 | | | | 79.6 |
| Guarantees | 40.7 | | | | | | | 40.7 |
| Forward starting reverse repurchase and securities borrowing agreements | 24.9 | | | | | | | 24.9 |
| Irrevocable committed prolongation of existing loans | 2.5 | 0.7 | 1.4 | 0.0 | | | | 4.6 |
| **Total** | **146.7** | **1.2** | **1.7** | **0.0** | | | | **149.8** |

| | 31.12.23 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *USD bn* | Due within 1 month | Due between 1 and 3 months | Due between 3 and 12 months | Due between 1 and 2 years | Due between 2 and 5 years | Due over 5 years | Perpetual / Not applicable | Total |
| **Assets** | | | | | | | | |
| Total financial assets measured at amortized cost | 416.2 | 25.6 | 47.6 | 105.2 | 77.8 | 94.0 | | 766.4 |
| *Amounts due from banks* | *12.0* | *0.5* | *5.4* | *10.0* | *0.2* | *0.1* | | *28.2* |
| *Loans and advances to customers* | *135.5* | *12.1* | *33.3* | *89.4* | *61.4* | *74.0* | | *405.6* |
| *Other financial assets measured at amortized cost* | *7.4* | *1.6* | *4.2* | *5.1* | *16.1* | *19.9* | | *54.3* |
| Total financial assets measured at fair value through profit or loss | 312.5 | 6.7 | 7.8 | 7.4 | 11.8 | 3.4 | 1.9 | 351.5 |
| *Financial assets at fair value not held for trading* | *24.8* | *6.7* | *7.8* | *7.4* | *11.8* | *3.4* | *1.9* | *63.8* |
| Financial assets measured at fair value through other comprehensive income | 0.1 | 1.1 | 1.0 | 0.1 | 0.0 | 0.0 | | 2.2 |
| Total non-financial assets | 6.6 | | 0.2 | | 1.2 | 0.4 | 27.5 | 35.9 |
| **Total assets** | **735.4** | **33.4** | **56.5** | **112.7** | **90.8** | **97.8** | **29.5** | **1,156.0** |
| **Liabilities** | | | | | | | | |
| Total financial liabilities measured at amortized cost | 497.1 | 65.1 | 81.1 | 30.3 | 49.6 | 27.1 | 12.5 | 762.8 |
| *Customer deposits* | *433.2* | *48.9* | *49.6* | *15.3* | *8.4* | *0.3* | | *555.7* |
| *Funding from UBS Group AG measured at amortized cost* | *2.5* | *0.8* | | *8.2* | *24.3* | *19.0* | *12.5* | *67.3* |
| *Debt issued measured at amortized cost* | *6.4* | *11.7* | *26.8* | *6.3* | *11.8* | *6.8* | | *69.8* |
| *of which: non-subordinated* | *6.4* | *11.7* | *24.3* | *6.0* | *11.6* | *6.8* | | *66.8* |
| *of which: subordinated* | | | *2.5* | *0.3* | *0.2* | | | *3.0* |
| Total financial liabilities measured at fair value through profit or loss[1] | 250.1 | 11.4 | 22.6 | 23.3 | 8.3 | 12.7 | | 328.4 |
| *Debt issued designated at fair value* | *13.1* | *11.3* | *21.8* | *23.0* | *8.0* | *9.1* | | *86.3* |
| Total non-financial liabilities | 5.2 | 2.8 | 0.0 | 0.1 | 0.4 | 0.1 | 0.5 | 9.2 |
| **Total liabilities** | **752.5** | **79.3** | **103.8** | **53.7** | **58.3** | **39.9** | **13.0** | **1,100.4** |
| **Guarantees, loan commitments and forward starting transactions[2]** | | | | | | | | |
| Irrevocable loan commitments | 43.0 | 0.5 | 0.4 | 0.0 | 0.0 | | | 44.0 |
| Guarantees | 33.4 | | | | | | | 33.4 |
| Forward starting reverse repurchase and securities borrowing agreements | 10.4 | | | | | | | 10.4 |
| Irrevocable committed prolongation of existing loans | 2.0 | 0.8 | 1.3 | 0.0 | 0.0 | | | 4.2 |
| **Total** | **88.8** | **1.4** | **1.8** | **0.0** | **0.0** | | | **91.9** |

1 As of 31 December 2024 and 31 December 2023, the contractual redemption amount at maturity of debt issued designated at fair value through profit or loss and other financial liabilities designated at fair value through profit or loss was not materially different from the carrying amount. 2 The notional amounts associated with derivative loan commitments, as well as forward starting repurchase and reverse repurchase agreements, measured at fair value through profit or loss are presented together with notional amounts related to derivative instruments and have been excluded from the table above. Refer to Note 11 for more information.

## b) Maturity analysis of financial liabilities on an undiscounted basis

The table below provides an analysis of financial liabilities on an undiscounted basis, including all cash flows relating to principal and future interest payments. The residual contractual maturities for non-derivative and non-trading financial liabilities are based on the earliest date on which UBS AG could be contractually required to pay. Derivative positions and trading liabilities, predominantly made up of short sale transactions, are presented in the *Due within 1 month* column, as this provides a conservative reflection of the nature of these trading activities. The residual contractual maturities may extend over significantly longer periods.

| | 31.12.24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *USD bn* | Due within 1 month | Due between 1 and 3 months | Due between 3 and 12 months | Due between 1 and 2 years | Due between 2 and 5 years | Due over 5 years | Perpetual / Not applicable | Total |
| **Financial liabilities recognized on balance sheet[1]** | | | | | | | | |
| Amounts due to banks | 13.5 | 3.1 | 3.1 | 1.5 | 2.8 | | | 24.1 |
| Payables from securities financing transactions | 5.4 | 1.5 | 0.7 | 2.8 | 5.0 | | | 15.5 |
| Cash collateral payables on derivative instruments | 36.3 | | | | | | | 36.4 |
| Customer deposits | 612.3 | 66.5 | 53.7 | 9.9 | 13.9 | 0.3 | | 756.7 |
| Funding from UBS Group AG measured at amortized cost[2] | 0.3 | 4.0 | 6.4 | 21.9 | 44.6 | 50.3 | 16.3 | 143.8 |
| Debt issued measured at amortized cost[2] | 8.5 | 7.7 | 30.6 | 16.8 | 20.7 | 24.2 | | 108.5 |
| Other financial liabilities measured at amortized cost | 11.4 | 0.1 | 0.7 | 0.9 | 2.5 | 2.6 | | 18.3 |
| *of which: lease liabilities* | *0.1* | *0.1* | *0.6* | *0.7* | *1.5* | *1.5* | | *4.5* |
| **Total financial liabilities measured at amortized cost** | 687.8 | 83.0 | 95.3 | 53.7 | 89.6 | 77.4 | 16.3 | 1,103.2 |
| Financial liabilities at fair value held for trading[3,4] | 35.2 | | | | | | | 35.2 |
| Derivative financial instruments[3,5] | 180.7 | | | | | | | 180.7 |
| Brokerage payables designated at fair value | 49.0 | | | | | | | 49.0 |
| Debt issued designated at fair value[6] | 12.1 | 11.7 | 28.1 | 27.7 | 12.5 | 22.1 | | 114.1 |
| Other financial liabilities designated at fair value | 22.6 | 0.5 | 1.4 | 1.7 | 1.6 | 14.8 | | 42.6 |
| **Total financial liabilities measured at fair value through profit or loss** | 299.6 | 12.2 | 29.6 | 29.4 | 14.1 | 36.9 | | 421.7 |
| **Total** | **987.4** | **95.2** | **124.9** | **83.1** | **103.7** | **114.3** | **16.3** | **1,524.9** |
| **Guarantees, loan commitments and forward starting transactions** | | | | | | | | |
| Irrevocable loan commitments[7] | 78.7 | 0.5 | 0.4 | 0.0 | | | | 79.6 |
| Guarantees | 40.7 | | | | | | | 40.7 |
| Forward starting reverse repurchase and securities borrowing agreements[7] | 24.9 | | | | | | | 24.9 |
| Irrevocable committed prolongation of existing loans | 2.5 | 0.7 | 1.4 | 0.0 | | | | 4.6 |
| **Total** | **146.7** | **1.2** | **1.7** | **0.0** | | | | **149.8** |

| | 31.12.23 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *USD bn* | Due within 1 month | Due between 1 and 3 months | Due between 3 and 12 months | Due between 1 and 2 years | Due between 2 and 5 years | Due over 5 years | Perpetual / Not applicable | Total |
| **Financial liabilities recognized on balance sheet[1]** | | | | | | | | |
| Amounts due to banks | 6.2 | 2.6 | 3.9 | 0.3 | 4.4 | 0.0 | | 17.4 |
| Payables from securities financing transactions | 4.0 | 1.1 | 0.7 | | | | | 5.8 |
| Cash collateral payables on derivative instruments | 34.9 | | | | | | | 34.9 |
| Customer deposits | 433.5 | 49.7 | 51.6 | 16.9 | 9.8 | 0.3 | | 561.8 |
| Funding from UBS Group AG measured at amortized cost[2] | 2.8 | 1.7 | 1.7 | 11.0 | 31.9 | 24.1 | 12.9 | 86.1 |
| Debt issued measured at amortized cost | 6.4 | 11.9 | 27.4 | 7.0 | 12.8 | 8.1 | | 73.6 |
| Other financial liabilities measured at amortized cost | 6.2 | 0.1 | 0.4 | 0.5 | 1.1 | 1.1 | | 9.4 |
| *of which: lease liabilities* | *0.0* | *0.1* | *0.4* | *0.5* | *1.1* | *1.1* | | *3.3* |
| **Total financial liabilities measured at amortized cost** | 494.1 | 67.0 | 85.7 | 35.6 | 60.1 | 33.6 | 12.9 | 789.1 |
| Financial liabilities at fair value held for trading[3,4] | 31.7 | | | | | | | 31.7 |
| Derivative financial instruments[3,5] | 140.7 | | | | | | | 140.7 |
| Brokerage payables designated at fair value | 42.3 | | | | | | | 42.3 |
| Debt issued designated at fair value[6] | 13.1 | 11.8 | 22.5 | 25.7 | 8.1 | 11.8 | | 93.0 |
| Other financial liabilities designated at fair value | 22.1 | 0.1 | 0.8 | 0.3 | 0.3 | 7.2 | | 30.8 |
| **Total financial liabilities measured at fair value through profit or loss** | 249.9 | 11.9 | 23.3 | 26.0 | 8.4 | 19.0 | | 338.4 |
| **Total** | **744.0** | **78.9** | **109.0** | **61.6** | **68.5** | **52.6** | **12.9** | **1,127.5** |
| **Guarantees, loan commitments and forward starting transactions** | | | | | | | | |
| Irrevocable loan commitments[7] | 43.0 | 0.5 | 0.4 | 0.0 | 0.0 | | | 44.0 |
| Guarantees | 33.4 | | | | | | | 33.4 |
| Forward starting reverse repurchase and securities borrowing agreements[7] | 10.4 | | | | | | | 10.4 |
| Irrevocable committed prolongation of existing loans | 2.0 | 0.8 | 1.3 | 0.0 | 0.0 | | | 4.2 |
| **Total** | **88.8** | **1.4** | **1.8** | **0.0** | **0.0** | | | **91.9** |

1 Except for financial liabilities at fair value held for trading and derivative financial instruments (see footnote 3), the amounts presented generally represent undiscounted cash flows of future interest and principal payments. 2 The time-bucket Perpetual / Not applicable includes perpetual loss-absorbing additional tier 1 capital instruments. 3 Carrying amount is fair value. Management believes that this best represents the cash flows that would have to be paid if these positions had to be settled or closed out. 4 Contractual maturities of financial liabilities at fair value held for trading are: USD 33.0bn due within 1 month (31 December 2023: USD 29.9bn), USD 2.2bn due between 1 month and 1 year (31 December 2023: USD 1.8bn) and USD 0bn due between 1 and 5 years (31 December 2023: USD 0bn). 5 Includes USD 166m (31 December 2023: USD 52m) related to fair values of derivative loan commitments and forward starting reverse repurchase agreements classified as derivatives, presented within "Due within 1 month". The full contractual committed amount of USD 66.3bn (31 December 2023: USD 65.2bn) is presented in Note 11 under notional amounts. 6 Future interest payments on variable-rate liabilities are determined by reference to the applicable interest rate prevailing as of the reporting date. Future principal payments that are variable are determined by reference to the conditions existing at the relevant reporting date. 7 Excludes derivative loan commitments and forward starting reverse repurchase agreements measured at fair value (see footnote 5).

## Derivatives designated in hedge accounting relationships

UBS AG applies hedge accounting to interest rate risk and foreign exchange risk, including structural foreign exchange risk related to net investments in foreign operations.

› **Refer to "Market risk" in the "Risk management and control" section of this report for more information about how risks arise and how they are managed by UBS AG**

### Hedging instruments and hedged risk

Interest rate swaps are designated in fair value hedges or cash flow hedges of interest rate risk arising solely from changes in benchmark interest rates. Fair value changes arising from such risk are usually the largest component of the overall change in the fair value of the hedged position in transaction currency.

Cross-currency swaps are designated as fair value hedges of foreign exchange risk. Foreign exchange forwards and foreign exchange swaps are mainly designated as hedges of structural foreign exchange risk related to net investments in foreign operations. In both cases the hedged risk arises solely from changes in the spot foreign exchange rate.

The notional of the designated hedging instruments matches the notional of the hedged items, except when the interest rate swaps are designated in cash flow hedges after the trade date, in which case the hedge ratio designated is determined based on the swap sensitivity.

### Hedged items and hedge designation

*Fair value hedges of interest rate risk related to debt instruments and loan assets*

Fair value hedges of interest rate risk related to debt instruments and loan assets involve swapping fixed cash flows associated with loans to customers (including long-term fixed-rate mortgage loans in Swiss francs), debt securities held, customer deposits, funding from UBS Group AG, debt issued to floating cash flows by entering into interest rate swaps that either pay fixed and receive floating cash flows or that receive fixed and pay floating cash flows. The floating future cash flows are based on the following benchmark rates: Secured Overnight Financing Rate (SOFR), Effective Federal Funds Rate (EFFR), Swiss Average Rate Overnight (SARON), Euro Interbank Offered Rate (EURIBOR), Euro Short-Term Rate (ESTR), Sterling Overnight Index Average (SONIA), AUD London Interbank Offered Rate (AUD LIBOR), Tokyo Overnight Average Rate (TONA), Singapore Overnight Rate Average (SORA) and Norwegian Krona Overnight Index Swap (NOK OIS).

*Cash flow hedges of forecast transactions*

UBS AG hedges forecast cash flows on non-trading financial assets and liabilities that bear interest at variable rates or are expected to be refinanced or reinvested in the future, due to movements in future market rates. The amounts and timing of future cash flows, representing both principal and interest flows, are projected on the basis of contractual terms and other relevant factors, including estimates of prepayments and defaults. The aggregate principal balances and interest cash flows across all portfolios over time form the basis for identifying the non-trading interest rate risk of UBS AG, which is hedged with interest rate swaps, the maximum maturity of which is 15 years. Cash flow forecasts and risk exposures are monitored and adjusted on an ongoing basis, and consequently additional hedging instruments are traded and designated, or are terminated resulting in a hedge discontinuance.

*Fair value hedges of foreign exchange risk related to debt instruments*

Debt instruments denominated in currencies other than the US dollar are designated in fair value hedges of spot foreign exchange risk, in addition to and separate from the fair value hedges of interest rate risk. Cross-currency swaps economically convert debt instruments denominated in currencies other than the US dollar to US dollars. The hedge designations also involve intragroup debt instruments that are eliminated upon consolidation but FX gains and losses impact consolidated profit or loss.

*Hedges of net investments in foreign operations*

UBS AG applies hedge accounting for certain net investments in foreign operations, which include subsidiaries, branches and associates. Upon maturity of hedging instruments, typically one to three months, the hedge relationship is terminated and new designations are made to reflect any changes in the net investments in foreign operations.

### Economic relationship between hedged item and hedging instrument

The economic relationship between the hedged item and the hedging instrument is determined based on a qualitative analysis of their critical terms. In cases where hedge designation takes place after the trade date of the hedging instrument, a quantitative analysis of the possible behavior of the hedging derivative and the hedged item during their respective terms is also performed.

### Sources of hedge ineffectiveness

In hedges of interest rate risk, hedge ineffectiveness can arise from mismatches of critical terms and / or the use of different curves to discount the hedged item and instrument, or from entering into a hedge relationship after the trade date of the hedging derivative.

In hedges of foreign exchange risk related to debt instruments, hedge ineffectiveness can arise due to the discounting of the hedging instruments and undesignated risk components and lack of such discounting and risk components in the hedged items.

In hedges of net investments in foreign operations, ineffectiveness is unlikely unless the hedged net assets fall below the designated hedged amount. The exceptions are hedges where the hedging currency is not the same as the currency of the foreign operation, where the currency basis may cause ineffectiveness.

Hedge ineffectiveness from financial instruments measured at fair value through profit or loss is recognized in *Other net income from financial instruments measured at fair value through profit or loss.*

### Derivatives not designated in hedge accounting relationships

Non-hedge-accounted derivatives are mandatorily held for trading with all fair value movements taken to *Other net income from financial instruments measured at fair value through profit or loss*, even when held as an economic hedge or to facilitate client clearing. The one exception relates to forward points on certain short- and long-duration foreign exchange and interest rate contracts acting as economic hedges, which are reported in *Net interest income.*

**All hedges: designated hedging instruments and hedge ineffectiveness**

| | As of or for the year ended | | | | | |
|---|---|---|---|---|---|---|
| | 31.12.24 | | | | | |
| | | Carrying amount | | | | |
| *USD m* | Notional amount | Derivative financial assets | Derivative financial liabilities | Changes in fair value of hedging instruments[1] | Changes in fair value of hedged items[1] | Hedge ineffectiveness recognized in the income statement |
| **Interest rate risk** | | | | | | |
| Fair value hedges | 227,737 | 25 | 10 | (718) | 676 | (43) |
| Cash flow hedges | 88,256 | 1 | 0 | (1,458) | 1,453 | (5) |
| **Foreign exchange risk** | | | | | | |
| Fair value hedges[2] | 51,562 | 566 | 1,153 | (749) | 721 | (28) |
| Hedges of net investments in foreign operations | 20,454 | 670 | 1 | 1,345 | (1,340) | 4 |

| | As of or for the year ended | | | | | |
|---|---|---|---|---|---|---|
| | 31.12.23 | | | | | |
| | | Carrying amount | | | | |
| *USD m* | Notional amount | Derivative financial assets | Derivative financial liabilities | Changes in fair value of hedging instruments[1] | Changes in fair value of hedged items[1] | Hedge ineffectiveness recognized in the income statement |
| **Interest rate risk** | | | | | | |
| Fair value hedges | 114,618 | 0 | 0 | 2,203 | (2,195) | 8 |
| Cash flow hedges | 83,333 | 3 | 0 | (35) | 57 | 22 |
| **Foreign exchange risk** | | | | | | |
| Fair value hedges[2] | 33,877 | 468 | 291 | 132 | (151) | (19) |
| Hedges of net investments in foreign operations | 13,260 | 3 | 455 | (910) | 912 | 3 |

1 Amounts used as the basis for recognizing hedge ineffectiveness for the period. 2 The foreign currency basis spread of cross-currency swaps designated as hedging derivatives is excluded from the hedge accounting designation and accounted for as a cost of hedging with amounts deferred in Other comprehensive income within Equity.

## Note 25 Hedge accounting (continued)

**Fair value hedges: designated hedged items recognized on balance sheet[1]**

| *USD m* | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| | Interest rate risk | FX risk | Interest rate risk | FX risk |
| **Loans and advances to customers** | | | | |
| Carrying amount of designated loans | 58,439 | | 15,296 | |
| *of which: accumulated amount of fair value hedge adjustment* | *373* | | *(508)* | |
| *of which: accumulated amount of fair value hedge adjustment subject to amortization attributable to the portion of the portfolio that ceased to be part of hedge accounting* | *(176)* | | *(179)* | |
| **Other financial assets measured at amortized cost – debt securities** | | | | |
| Carrying amount of designated debt securities | 9,125 | | 6,333 | |
| *of which: accumulated amount of fair value hedge adjustment* | *(348)* | | *(109)* | |
| **Customer deposits** | | | | |
| Carrying amount of customer deposits | 13,031 | | 8,972 | |
| *of which: accumulated amount of fair value hedge adjustment* | *(18)* | | *50* | |
| **Funding from UBS Group AG and its subsidiaries** | | | | |
| Carrying amount of designated debt instruments | 105,470 | 15,419 | 63,760 | 17,693 |
| *of which: accumulated amount of fair value hedge adjustment* | *(5,820)* | | *(3,174)* | |
| **Debt issued measured at amortized cost** | | | | |
| Carrying amount of designated debt issued | 39,731 | 21,047 | 15,243 | 4,636 |
| *of which: accumulated amount of fair value hedge adjustment* | *31* | | *(412)* | |

1 In addition, as of 31 December 2024 UBS AG designated in fair value hedges of FX risk USD 15bn (31 December 2023 USD 12bn) of intragroup debt instruments that are not recognized on consolidated balance sheet but FX gains and losses on these instruments impact consolidated profit or loss.

**Fair value hedges: profile of the timing of the nominal amount of the hedging instrument**

| | 31.12.24 | | | | | |
|---|---|---|---|---|---|---|
| *USD bn* | Due within 1 month | Due between 1 and 3 months | Due between 3 and 12 months | Due between 1 and 5 years | Due after 5 years | Total |
| Interest rate swaps | 3 | 9 | 38 | 115 | 64 | 228 |
| Cross-currency swaps | 1 | 0 | 5 | 36 | 9 | 52 |

| | 31.12.23 | | | | | |
|---|---|---|---|---|---|---|
| *USD bn* | Due within 1 month | Due between 1 and 3 months | Due between 3 and 12 months | Due between 1 and 5 years | Due after 5 years | Total |
| Interest rate swaps | 1 | 6 | 12 | 62 | 35 | 115 |
| Cross-currency swaps | 1 | 2 | 2 | 22 | 7 | 34 |

**Cash flow hedge reserve on a pre-tax basis**

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Amounts related to hedge relationships for which hedge accounting continues to be applied | (2,514) | (2,349) |
| Amounts related to hedge relationships for which hedge accounting is no longer applied | (714) | (1,331) |
| **Total other comprehensive income recognized directly in equity related to cash flow hedges, on a pre-tax basis** | (3,228) | (3,680) |

**Foreign currency translation reserve on a pre-tax basis**

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| Amounts related to hedge relationships for which hedge accounting continues to be applied | 639 | (690) |
| Amounts related to hedge relationships for which hedge accounting is no longer applied | 266 | 266 |
| **Total other comprehensive income recognized directly in equity related to hedging instruments designated as net investment hedges, on a pre-tax basis** | 904 | (424) |

## Note 26 Post-employment benefit plans

### a) Defined benefit plans

UBS AG has established defined benefit plans for its employees in various jurisdictions in accordance with local regulations and practices. The major plans are located in Switzerland, with smaller plans mainly in UK, US and Germany. The level of benefits depends on the specific plan rules.

#### Major Swiss pension plans

The major Swiss pension plans consist of the UBS Swiss plan and the Credit Suisse Swiss plan, covering employees of UBS AG in Switzerland and employees of companies in Switzerland that have close economic or financial ties with UBS AG, and exceed the minimum benefit requirements under Swiss pension law. A significant number of employees are employed by UBS Business Solutions AG and Credit Suisse Services AG, which are subsidiaries of UBS Group AG. UBS AG, UBS Business Solutions AG and Credit Suisse Services AG each are legal sponsors of the Swiss plans. The sponsoring entities apply proportionate defined benefit accounting, i.e. the net pension cost and the net pension asset / liability of the Swiss pension plans are allocated proportionally between UBS AG, UBS Business Solutions AG and Credit Suisse Services AG based on the aggregated net pension cost and defined benefit obligations related to their employees. The Swiss plans offer retirement, disability and survivor benefits and are governed by Pension Foundation Boards. The responsibilities of these boards are defined by Swiss pension law and the plan rules. The UBS Swiss plan covers contributions for all salary levels. The Credit Suisse Swiss plan covers contributions up to a salary of CHF 144,060 (USD 158,639), and contributions above that salary go into the Credit Suisse Swiss 1e plan, which is accounted for under IFRS Accounting Standards as a defined contribution plan.

Savings contributions to the Swiss plans are paid by both the employer and the employee. For the UBS AG Swiss plan, depending on the age of the employee, UBS AG pays a savings contribution that ranges between 6.5% and 27.5% of the contributory base salary and between 2.8% and 9% of the contributory variable compensation. Employees can choose the level of savings contributions paid by them, which vary between 2.5% and 13.5% of the contributory base salary and between 0% and 9% of the contributory variable compensation, depending on age and choice of savings contribution category. For the Credit Suisse Swiss plan, depending on the age of the employee, UBS AG pays a savings contribution that ranges between 7.5% and 25.0% of the contributory base salary and 6% of the contributory variable compensation. Employees can choose the level of savings contributions paid by them, which vary between 5.0% and 14.0% of the contributory base salary and between 3% and 9% of the contributory variable compensation, depending on age and choice of savings contribution category. UBS AG also pays risk contributions that are used to fund disability and survivor benefits.

The plans offer to members at the normal retirement age of 65 a choice between a lifetime pension and a partial or full lump sum payment. Participants can choose to draw early retirement benefits starting from the age of 58, but they can also continue employment and remain active members of the plan until the age of 70. Employees can make additional purchases of benefits to fund early retirement benefits.

The pension amount payable to a participant is calculated by applying a conversion rate to the accumulated balance of the participant's retirement savings account at the retirement date. The balance is based on credited vested benefits transferred from previous employers, purchases of benefits, employee and employer contributions made to the participant's retirement savings account, and interest accrued. The annual interest rate credited to participants is determined by the Pension Foundation Boards at the end of each year.

Although the Swiss plans are based on a defined contribution promise under Swiss pension law, they are accounted for as defined benefit plans under IFRS Accounting Standards, primarily because of the obligation to accrue interest on the participants' retirement savings accounts and the payment of lifetime pension benefits.

Actuarial valuations in accordance with Swiss pension law are performed regularly. Should an underfunded situation on this basis occur, the Pension Foundation Board of the respective plan is required to take the necessary measures to ensure that full funding can be expected to be restored within a maximum period of 10 years. If a Swiss plan were to become significantly underfunded on a Swiss pension law basis, additional employer and employee contributions could be required. In this situation, the risk is shared between employer and employees, and the employer is not legally obliged to cover more than 50% of the additional contributions required. As of 31 December 2024, the technical funding ratio in accordance with Swiss pension law was 120.6% at a 0.5% technical interest rate for the UBS Swiss plan and 125.7% at a 1.31% technical interest rate for the Credit Suisse Swiss plan (UBS Swiss plan 31 December 2023: 119.2% at a 0.5% technical interest rate).

The investment strategies of the Swiss plans comply with Swiss pension law, including the rules and regulations relating to diversification of plan assets, and are derived from the risk budget defined by the Pension Foundation Boards based on regularly performed asset and liability management analyses. The Pension Foundation Boards strive for a medium- and long-term balance between assets and liabilities.

## Note 26 Post-employment benefit plans (continued)

As of 31 December 2024, the Swiss plans were in surplus situations on an IFRS Accounting Standards measurement basis, as the fair value of the plan assets exceeded the defined benefit obligation (DBO) by USD 2,683m for the UBS Swiss plan and USD 2,474m for the Credit Suisse Swiss plan (UBS Swiss plan 31 December 2023: USD 3,585m). However, a surplus is only recognized on the balance sheet to the extent that it does not exceed the estimated future economic benefit, which equals the difference between the present value of the estimated future net service cost and the present value of the estimated future employer contributions. As of both 31 December 2024 and 31 December 2023, the estimated future economic benefit of the UBS Swiss plan was zero and therefore no net defined benefit asset was recognized on the balance sheet; as of 31 December 2024 a net defined benefit asset of USD 17m was recognized by UBS AG for prepaid contributions held at the Credit Suisse Swiss plan.

The regular employer contributions in 2025 are estimated at USD 297m for the UBS Swiss plan and USD 200m for the Credit Suisse Swiss plan.

### Financial information

The tables below provide an analysis of the movement in the net asset / liability recognized on the balance sheet for defined benefit plans, as well as an analysis of amounts recognized in net profit and in *Other comprehensive income*.

**Net asset / liability of defined benefit plans**

| *USD m* | | |
|---|---|---|
| Major Swiss plans | 31.12.24[1] | 31.12.23 |
| Defined benefit obligation at the beginning of the year | 15,748 | 12,539 |
| Defined benefit obligation recognized upon the merger of UBS AG and Credit Suisse AG[2] | 13,367 | |
| Current service cost | 411 | 236 |
| Interest expense | 296 | 287 |
| Plan participant contributions | 244 | 163 |
| Remeasurements | 2,657 | 1,901 |
| *of which: actuarial (gains) / losses due to changes in demographic assumptions* | *18* | *45* |
| *of which: actuarial (gains) / losses due to changes in financial assumptions* | *2,011* | *1,168* |
| *of which: experience (gains) / losses[3]* | *628* | *688* |
| Curtailments | (71) | (3) |
| Benefit payments | (1,420) | (662) |
| Foreign currency translation | (1,257) | 1,288 |
| Defined benefit obligation at the end of the year | 29,977 | 15,748 |
| *of which: amounts owed to active members* | *16,758* | *9,336* |
| *of which: amounts owed to deferred members* | *0* | *0* |
| *of which: amounts owed to retirees* | *13,219* | *6,412* |
| *of which: funded plans* | *29,977* | *15,748* |
| *of which: unfunded plans* | *0* | *0* |
| Fair value of plan assets at the beginning of the year | 19,333 | 16,957 |
| Fair value of plan assets recognized upon the merger of UBS AG and Credit Suisse AG[2] | 16,097 | |
| Return on plan assets excluding interest income | 1,623 | 513 |
| Interest income | 369 | 393 |
| Employer contributions | 431 | 290 |
| Plan participant contributions | 244 | 163 |
| Benefit payments | (1,420) | (662) |
| Administration expenses, taxes and premiums paid | (15) | (8) |
| Other movements | 0 | 2 |
| Foreign currency translation | (1,527) | 1,685 |
| **Fair value of plan assets at the end of the year** | 35,135 | 19,333 |
| **Surplus / (deficit)** | 5,158 | 3,585 |
| Asset ceiling effect at the beginning of the year | 3,585 | 4,418 |
| Asset ceiling effect recognized upon the merger of UBS AG and Credit Suisse AG[2] | 2,713 | |
| Interest expense on asset ceiling effect | 68 | 102 |
| Asset ceiling effect excluding interest expense and foreign currency translation on asset ceiling effect | (955) | (1,332) |
| Foreign currency translation | (270) | 397 |
| **Asset ceiling effect at the end of the year** | 5,141 | 3,585 |
| **Net defined benefit asset / (liability) of major Swiss plans** | 17 | 0 |
| Other plans | | |
| **Net defined benefit asset / (liability) of other plans[4]** | 203 | (105) |
| **Total net defined benefit asset / (liability)** | 220 | (105) |
| *of which: Net defined benefit asset* | *911* | *383* |
| *of which: Net defined benefit liability[5]* | *(691)* | *(487)* |

1 Including Credit Suisse AG from 31 May 2024. 2 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. 3 Experience (gains) / losses are a component of actuarial remeasurements of the defined benefit obligation and reflect the effects of differences between the previous actuarial assumptions and what has actually occurred. 4 Mainly relates to UK, US and German plans. 5 Refer to Note 19c.

**Income statement – expenses related to defined benefit plans[1]**

| *USD m* | | |
|---|---|---|
| Major Swiss plans | 31.12.24[2] | 31.12.23 |
| Current service cost | 411 | 236 |
| Interest expense related to defined benefit obligation | 296 | 287 |
| Interest income related to plan assets | (369) | (393) |
| Interest expense on asset ceiling effect | 68 | 102 |
| Administration expenses, taxes and premiums paid | 15 | 8 |
| Curtailments | (71) | (3) |
| Other movements | 1 | 0 |
| **Net periodic expenses recognized in net profit for major Swiss plans** | 353 | 236 |
| Other plans | | |
| **Net periodic expenses recognized in net profit for other plans[3]** | 27 | 23 |
| **Total net periodic expenses recognized in net profit** | 380 | 259 |

1 Refer to Note 7. 2 Including Credit Suisse AG from 31 May 2024. 3 Includes differences between actual and estimated performance award accruals.

**Other comprehensive income – gains / (losses) on defined benefit plans**

| *USD m* | | |
|---|---|---|
| Major Swiss plans | 31.12.24[1] | 31.12.23 |
| Other comprehensive income recognized upon the merger of UBS AG and Credit Suisse AG[2] | 109 | |
| Remeasurement of defined benefit obligation | *(2,657)* | *(1,901)* |
| *of which: change in discount rate assumption* | *(2,102)* | *(1,332)* |
| *of which: change in rate of salary increase assumption* | *(168)* | *(42)* |
| *of which: change in rate of pension increase assumption* | *0* | *0* |
| *of which: change in rate of interest credit on retirement savings assumption* | *257* | *207* |
| *of which: change in life expectancy* | *0* | *0* |
| *of which: change in other actuarial assumptions* | (17) | (46) |
| *of which: experience gains / (losses)[3]* | (628) | (688) |
| Return on plan assets excluding interest income | 1,623 | 513 |
| **Asset ceiling effect excluding interest expense and foreign currency translation** | 955 | 1,332 |
| **Total gains / (losses) recognized in other comprehensive income for major Swiss plans** | 30 | (56) |
| Other plans | | |
| **Total gains / (losses) recognized in other comprehensive income for other plans[4]** | (83) | (47) |
| **Total gains / (losses) recognized in other comprehensive income** | (53) | (103) |
| *of which: attributable to other comprehensive income recognized upon the merger of UBS AG and Credit Suisse AG[2]* | 53 | |
| *of which: attributable to other comprehensive income recognized for defined benefit plans during the period[5]* | *(106)* | *(103)* |

1 Including Credit Suisse AG from 31 May 2024. 2 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. 3 Experience (gains) / losses are a component of actuarial remeasurements of the defined benefit obligation and reflect the effects of differences between the previous actuarial assumptions and what has actually occurred. 4 Mainly relates to UK, US and German plans. 5 Refer to the "Statement of comprehensive income".

The table below provides information about the duration of the DBO and the timing for expected benefit payments.

| Major Swiss defined benefit plans | 31.12.24 | 31.12.23 |
|---|---|---|
| **Duration of the defined benefit obligation (in years)** | 13.3[1] | 14.1 |
| **Maturity analysis of benefits expected to be paid** | | |
| *USD m* | | |
| Benefits expected to be paid within 12 months | 2,095 | 811 |
| Benefits expected to be paid between 1 and 3 years | 3,392 | 1,627 |
| Benefits expected to be paid between 3 and 6 years | 5,043 | 2,552 |
| Benefits expected to be paid between 6 and 11 years | 7,718 | 4,233 |
| Benefits expected to be paid between 11 and 16 years | 6,607 | 3,878 |
| Benefits expected to be paid in more than 16 years | 20,622 | 13,751 |

1 The duration of the defined benefit obligation represents a weighted average across the UBS and Credit Suisse plans.

## Actuarial assumptions

The actuarial assumptions used for the defined benefit plans are based on the economic conditions prevailing in the jurisdiction in which they are offered. Changes in the defined benefit obligation are most sensitive to changes in the discount rate. The discount rate is based on the yield of high-quality corporate bonds quoted in an active market in the currency of the respective plan. A decrease in the discount curve increases the DBO. UBS AG regularly reviews the actuarial assumptions used in calculating the DBO to determine their continuing relevance.

› **Refer to Note 1a item 5 for a description of the accounting policy for defined benefit plans**

The tables below show the significant actuarial assumptions used in calculating the DBO at the end of the year.

**Significant actuarial assumptions of major Swiss defined benefit plans**

| *In %* | 31.12.24[1] | 31.12.23 |
|---|---|---|
| Discount rate | 0.92 | 1.48 |
| Rate of salary increase | 2.80 | 2.36 |
| Rate of pension increase | 0.00 | 0.00 |
| Rate of interest credit on retirement savings | 2.02 | 2.48 |

1 Represents weighted average across the UBS and Credit Suisse plans.

| | aged 65 | | aged 45 | |
|---|---|---|---|---|
| Swiss mortality table: BVG 2020 G with CMI 2023 projections[1] | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Life expectancy at age 65 for a male member currently | 21.9 | 21.8 | 23.5 | 23.5 |
| Life expectancy at age 65 for a female member currently | 23.6 | 23.5 | 25.2 | 25.1 |

1 In 2023, BVG 2020 G with CMI 2022 projections was used.

## Sensitivity analysis of significant actuarial assumptions

The table below presents a sensitivity analysis for each significant actuarial assumption, showing how the DBO would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date. Unforeseen circumstances may arise, which could result in variations that are outside the range of alternatives deemed reasonably possible. Caution should be used in extrapolating the sensitivities below on the DBO, as the sensitivities may not be linear.

**Sensitivity analysis of significant actuarial assumptions of major Swiss defined benefit plans[1]**

| Increase / (decrease) in defined benefit obligation | | |
|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 |
| Discount rate | | |
| Increase by 50 basis points | (1,667) | (857) |
| Decrease by 50 basis points | 1,893 | 973 |
| Rate of salary increase | | |
| Increase by 50 basis points | 166 | 120 |
| Decrease by 50 basis points | (167) | (117) |
| Rate of pension increase | | |
| Increase by 50 basis points | 1,315 | 639 |
| Decrease by 50 basis points | —[2] | —[2] |
| Rate of interest credit on retirement savings | | |
| Increase by 50 basis points | 254 | 144 |
| Decrease by 50 basis points | (252) | (144) |
| Life expectancy | | |
| Increase in longevity by one additional year | 895 | 416 |

1 The sensitivity analyses are based on a change in one assumption while holding all other assumptions constant, so that interdependencies between the assumptions are excluded. 2 As the assumed rate of pension increase was 0% as of 31 December 2024 and as of 31 December 2023, a downward change in assumption is not applicable.

**Composition and fair value of Swiss defined benefit plan assets**

| | 31.12.24 | | | | 31.12.23 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value | | | Plan asset allocation % | Fair value | | | Plan asset allocation % |
| *USD m* | Quoted in an active market | Other | Total | | Quoted in an active market | Other | Total | |
| Cash and cash equivalents | 773 | 0 | 773 | 2 | 62 | 0 | 62 | 0 |
| Equity securities | | | | | | | | |
| Foreign | 0 | 1,216 | 1,216 | 3 | 0 | 0 | 0 | 0 |
| Bonds | | | | | | | | |
| Domestic, AAA to BBB– | 133 | 0 | 133 | 0 | 0 | 0 | 0 | 0 |
| Real estate / property | | | | | | | | |
| Domestic | 0 | 3,955 | 3,955 | 11 | 0 | 2,426 | 2,426 | 13 |
| Foreign | 0 | 617 | 617 | 2 | 0 | 576 | 576 | 3 |
| Investment funds | | | | | | | | |
| Equity | | | | | | | | |
| Domestic | 885 | 0 | 885 | 3 | 489 | 0 | 489 | 3 |
| Foreign | 5,645 | 1,177 | 6,822 | 19 | 3,283 | 1,244 | 4,526 | 23 |
| Bonds[1] | | | | | | | | |
| Domestic, AAA to BBB– | 4,682 | 0 | 4,682 | 13 | 2,605 | 0 | 2,605 | 13 |
| Domestic, below BBB– | 8 | 0 | 8 | 0 | 0 | 0 | 0 | 0 |
| Foreign, AAA to BBB– | 8,902 | 0 | 8,902 | 25 | 4,073 | 0 | 4,073 | 21 |
| Foreign, below BBB– | 862 | 0 | 862 | 2 | 668 | 0 | 668 | 3 |
| Real estate | | | | | | | | |
| Domestic | 1,654 | 0 | 1,654 | 5 | 0 | 0 | 0 | 0 |
| Foreign | 385 | 67 | 451 | 1 | 0 | 45 | 45 | 0 |
| Other | 799 | 1,927 | 2,726 | 8 | 1,094 | 1,910 | 3,004 | 16 |
| Other investments | 218 | 1,231 | 1,449 | 4 | 378 | 481 | 859 | 4 |
| Total fair value of plan assets | 24,947 | 10,189 | 35,135 | 100 | 12,652 | 6,681 | 19,333 | 100 |

| | 31.12.24 | 31.12.23 |
|---|---|---|
| Total fair value of plan assets | 35,135 | 19,333 |
| *of which: Investments in UBS Group AG instruments[2]* | | |
| *Bank accounts at UBS Group AG* | *782* | *69* |
| *UBS Group AG debt instruments* | *137* | *116* |
| *UBS Group AG shares* | *42* | *26* |
| *Securities lent to UBS Group AG[3]* | *609* | *467* |
| *Property occupied by UBS Group AG* | *41* | *61* |
| *Derivative financial instruments, counterparty UBS Group AG[3]* | *(83)* | *302* |

1 The bond credit ratings are primarily based on S&P's credit ratings. Ratings AAA to BBB– and below BBB– represent investment grade and non-investment grade ratings, respectively. In cases where credit ratings from other rating agencies were used, these were converted to the equivalent rating in S&P's rating classification. 2 Bank accounts at UBS AG encompass accounts in the name of the Swiss pension funds. The other positions disclosed in the table encompass both direct investments in UBS AG instruments and UBS Group AG shares and indirect investments, i.e. those made through funds that the pension fund invests in. 3 Securities lent to UBS AG and derivative financial instruments are presented gross of any collateral. Securities lent to UBS AG were fully covered by collateral as of 31 December 2024 and 31 December 2023. Net of collateral, derivative financial instruments amounted to negative USD 50m as of 31 December 2024 (31 December 2023: negative USD 19m).

## b) Defined contribution plans

UBS AG sponsors several defined contribution plans, with the most significant plans in the US and the UK. UBS AG's obligation is limited to its contributions made in accordance with each plan, which may include direct contributions and matching contributions. Employer contributions to defined contribution plans are recognized as an expense and were USD 408m in 2024 and USD 320m in 2023.

› **Refer to Note 6 for more information**

### c) Related-party disclosure

UBS AG is the principal provider of banking services for the pension funds of UBS and Credit Suisse in Switzerland. In this capacity, UBS AG is engaged to execute most of the pension funds' banking activities. These activities can include, but are not limited to, investment management fees, trading, securities lending and borrowing and derivative transactions. The non-Swiss UBS AG pension funds do not have a similar banking relationship with UBS AG. During 2024, UBS AG received USD 25m in fees for banking services from the major UBS AG plans (2023: USD 20m). As of 31 December 2024, the Swiss, UK and US post-employment benefit plans held USD 378m in UBS shares (31 December 2023: USD 396m).

› **Refer to the "Composition and fair value of Swiss defined benefit plan assets" table in Note 26a for more information about fair value of investments in UBS AG and UBS Group AG instruments held by the major Swiss pension funds**

## Note 27 Employee benefits: variable compensation

### a) Plans offered

UBS has several share-based and other deferred compensation plans that align the interests of Group Executive Board (GEB) members and other employees with the interests of investors.

Share-based awards are granted in the form of notional shares and, where permitted, carry a dividend equivalent that may be paid in notional shares or cash. Awards are settled by delivering UBS shares at vesting, except in jurisdictions where this is not permitted for legal or tax reasons.

Deferred compensation awards are generally forfeitable upon, among other circumstances, voluntary termination of employment with UBS. These compensation plans are also designed to meet regulatory requirements and include special provisions for regulated employees. For the majority of variable compensation awards granted under such plans to employees of UBS AG, the grantor entity is UBS Group AG. Expenses associated with these awards are charged by UBS Group AG to UBS AG. For the purpose of this Note, references to shares refer to UBS Group AG shares.

The most significant deferred compensation plans are described below.

› **Refer to Note 1a item 4 for a description of the accounting policy related to share-based and other deferred compensation plans**

#### Mandatory deferred compensation plans

Long-Term Incentive Plan

The Long-Term Incentive Plan (the LTIP) is a mandatory deferral plan for GEB members and Managing Directors (MDs) reporting to the GEB and their direct reports at MD level.

The number of notional shares delivered at vesting depends on two equally weighted performance metrics over a three-year performance period: return on common equity tier 1 (CET1) capital and relative total shareholder return (TSR), which compares the TSR of UBS with the TSR of an index consisting of listed Global Systemically Important Banks as determined by the Financial Stability Board (excluding UBS). The final number of shares vest over three years following the performance period for GEB members and cliff vest in the year following the performance period for selected senior management.

Equity Ownership Plan / Fund Ownership Plan

The Equity Ownership Plan (the EOP) is the deferred share-based compensation plan for employees whose deferral is not within the scope of the LTIP. EOP awards generally vest over three years.

Certain Asset Management employees receive some or all of their EOP in the form of notional funds (Fund Ownership Plan or FOP, previously named AM EOP). This plan is generally delivered in cash and vests over three years. The amount delivered depends on the value of the underlying investment funds at the time of vesting.

Deferred Contingent Capital Plan

The Deferred Contingent Capital Plan (the DCCP) is a deferred compensation plan for all employees who are subject to deferral requirements. Such employees are awarded notional additional tier 1 (AT1) capital instruments, which, at the discretion of UBS, can be settled in cash or a perpetual, marketable AT1 capital instrument. DCCP awards generally bear notional interest paid annually (except for certain regulated employees) and vest in full after five years. Awards are forfeited if a viability event occurs (i.e. if the Swiss Financial Market Supervisory Authority (FINMA) notifies the firm that the DCCP awards must be written down to mitigate the risk of insolvency, bankruptcy or failure of UBS) or if the firm receives a commitment of extraordinary support from the public sector that is necessary to prevent such an event. DCCP awards are also written down if the Group's CET1 capital ratio falls below a defined threshold. In addition, GEB members forfeit 20% of DCCP awards for each loss-making year during the vesting period.

## Deferred compensation plans awarded to employees of Credit Suisse

### Existing compensation plans offered to employees of Credit Suisse prior to the acquisition

Credit Suisse offered a range of compensation plans to its employees. Generally, outstanding deferred awards continue to vest according to their original terms. Awards referenced to shares of the Credit Suisse Group were converted into units over UBS Group shares according to the exchange ratio applied to the merger transaction (1 share in UBS for 22.48 shares in Credit Suisse).

Unvested awards include upfront cash awards, share awards and other deferred awards settled in cash and continue to be expensed over the future service period.

Upfront cash awards are subject to repayment (clawback) by the employee in the event of voluntary resignation, termination for cause or other specified events within three years from the grant date. The expense is recognized over the three-year service period according to the clawback provisions.

Share awards that were granted as part of the annual performance incentive typically vest over three years with one-third of the award vesting on each of the three anniversaries of the grant date.

Retention awards were offered to selected employees of the Credit Suisse Group in 2023 prior to the acquisition date. These awards were contingent on the completion of the acquisition and were delivered 50% in cash (in general vesting 60 days from the completion of the acquisition) and 50% in shares (in general vesting on the first anniversary of the completion of the acquisition). Vesting periods are longer for certain regulated employees.

## Financial advisor variable compensation

In line with market practice for US wealth management businesses, the compensation for US financial advisors in Global Wealth Management consists of cash compensation, determined using a formulaic approach based on production, and deferred awards.

Cash compensation reflects a percentage of the compensable production that each financial advisor generates. Compensable production is generally based on transaction revenue and investment advisory fees and may reflect further adjustments. The percentage rate generally varies based on the level of the production and firm tenure.

Financial advisors may also be granted deferred awards. These amounts generally vest over a six-year period. The deferred award takes into account the overall percentage rate and production.

Cash compensation and deferred awards may be reduced for, among other things, errors, negligence or carelessness, or failure to comply with the firm's rules, standards, practices and / or policies, and / or applicable laws and regulations.

Financial advisors may also participate in additional programs to support promoting and developing their business or supporting the transition of client relationships where appropriate. Financial advisor compensation also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

## b) Effect on the income statement

### Effect on the income statement for the financial year and future periods

The table below provides information about compensation expenses related to total variable compensation that were recognized in the financial year ended 31 December 2024, as well as expenses that were deferred and will be recognized in the income statement for 2025 and later. Deferred expenses related to compensation plans granted to employees of Credit Suisse in 2023 and earlier years are presented under Variable compensation – other. The expense recognized in 2024 associated with these awards was USD 122m for outstanding deferred compensation plans that existed on the date of the acquisition.

The majority of expenses deferred to 2025 and later that are related to the 2024 performance year pertain to awards granted in February 2025. The total unamortized compensation expense for unvested share-based awards granted up to 31 December 2024 will be recognized in future periods over a weighted average period of 2.4 years.

## Note 27 Employee benefits: variable compensation (continued)

**Variable compensation**

| | Expenses recognized in 2024 | | | Expenses deferred to 2025 and later[1] | | |
|---|---|---|---|---|---|---|
| *USD m* | Related to the 2024 performance year | Related to prior performance years | Total | Related to the 2024 performance year | Related to prior performance years | Total |
| Non-deferred cash | 2,469 | (59) | 2,410 | 0 | 0 | 0 |
| Deferred compensation awards | 463 | 638 | 1,101 | 679 | 814 | 1,493 |
| *of which: Equity Ownership Plan* | *146* | *263* | *409* | *242* | *209* | *451* |
| *of which: Deferred Contingent Capital Plan* | *163* | *268* | *431* | *286* | *491* | *777* |
| *of which: Long-Term Incentive Plan* | *131* | *67* | *197* | *124* | *90* | *214* |
| *of which: Fund Ownership Plan* | *24* | *41* | *64* | *27* | *24* | *52* |
| Variable compensation – performance awards | 2,932 | 579 | 3,511 | 679 | 814 | 1,493 |
| Variable compensation – financial advisors[2] | 4,485 | 808 | 5,293 | 1,028 | 3,639 | 4,667 |
| *of which: non-deferred cash* | *4,125* | *(1)* | *4,124* | *0* | *0* | *0* |
| *of which: deferred share-based awards* | *123* | *96* | *219* | *130* | *232* | *362* |
| *of which: deferred cash-based awards* | *203* | *239* | *443* | *476* | *1,176* | *1,652* |
| *of which: compensation commitments with recruited financial advisors* | *33* | *474* | *507* | *422* | *2,231* | *2,653* |
| Variable compensation – other[3] | 314 | 297 | 610 | 220 | 455 | 675 |
| Total variable compensation | 7,730 | 1,684 | 9,414[4] | 1,927 | 4,908 | 6,835 |

1 Estimate as of 31 December 2024. Actual amounts to be expensed in future periods may vary; e.g. due to forfeiture of awards. 2 Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. 3 Consists of existing deferred awards and retention awards granted to Credit Suisse employees as well as replacement payments, forfeiture credits, severance payments, retention plan payments and interest expense related to the Deferred Contingent Capital Plan. 4 Includes USD 930m in expenses related to share-based compensation (performance awards: USD 606m; other variable compensation: USD 105m; financial advisor compensation: USD 219m). A further USD 101m in expenses related to share-based compensation was recognized within other expense categories included in Note 7 (salaries: USD 2m related to role-based allowances; social security: USD 74m; other personnel expenses: USD 25m related to the Equity Plus Plan).

**Variable compensation (continued)**

| | Expenses recognized in 2023 | | | Expenses deferred to 2024 and later[1] | | |
|---|---|---|---|---|---|---|
| *USD m* | Related to the 2023 performance year | Related to prior performance years | Total | Related to the 2023 performance year | Related to prior performance years | Total |
| Non-deferred cash | 1,884 | (36) | 1,848 | 0 | 0 | 0 |
| Deferred compensation awards | 356 | 637 | 993 | 537 | 731 | 1,268 |
| *of which: Equity Ownership Plan* | *95* | *319* | *415* | *180* | *235* | *416* |
| *of which: Deferred Contingent Capital Plan* | *124* | *233* | *357* | *216* | *436* | *652* |
| *of which: Long-Term Incentive Plan* | *121* | *39* | *160* | *112* | *33* | *145* |
| *of which: Fund Ownership Plan* | *15* | *45* | *61* | *28* | *27* | *55* |
| Variable compensation – performance awards | 2,240 | 601 | 2,841 | 537 | 731 | 1,268 |
| Variable compensation – financial advisors[2] | 3,761 | 788 | 4,549 | 1,236 | 3,300 | 4,536 |
| *of which: non-deferred cash* | *3,440* | *(4)* | *3,436* | *0* | *0* | *0* |
| *of which: deferred share-based awards* | *110* | *87* | *197* | *113* | *209* | *321* |
| *of which: deferred cash-based awards* | *169* | *245* | *414* | *301* | *1,029* | *1,331* |
| *of which: compensation commitments with recruited financial advisors* | *42* | *459* | *501* | *822* | *2,062* | *2,884* |
| Variable compensation – other[3] | 168 | 111 | 279 | 224 | 214 | 438 |
| Total variable compensation | 6,169 | 1,500 | 7,669[4] | 1,997 | 4,245 | 6,242 |

1 Estimate as of 31 December 2023. Actual amounts expensed may vary; e.g. due to forfeiture of awards. 2 Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. 3 Consists of replacement payments, forfeiture credits, severance payments, retention plan payments and interest expense related to the Deferred Contingent Capital Plan. 4 Includes USD 818m in expenses related to share-based compensation (performance awards: USD 575m; other variable compensation: USD 46m; financial advisor compensation: USD 197m). A further USD 135m in expenses related to share-based compensation was recognized within other expense categories included in Note 7 (salaries: USD 4m related to role-based allowances; social security: USD 109m; other personnel expenses: USD 22m related to the Equity Plus Plan).

## Note 27 Employee benefits: variable compensation (continued)

**Variable compensation (continued)**

| | Expenses recognized in 2022 | | | Expenses deferred to 2023 and later[1] | | |
|---|---|---|---|---|---|---|
| *USD m* | Related to the 2022 performance year | Related to prior performance years | Total | Related to the 2022 performance year | Related to prior performance years | Total |
| Non-deferred cash | 2,012 | (9) | 2,003 | 0 | 0 | 0 |
| Deferred compensation awards | 346 | 561 | 907 | 582 | 730 | 1,312 |
| *of which: Equity Ownership Plan* | *191* | *225* | *416* | *294* | *240* | *534* |
| *of which: Deferred Contingent Capital Plan* | *123* | *211* | *334* | *238* | *395* | *634* |
| *of which: Long-Term Incentive Plan* | *11* | *30* | *41* | *30* | *40* | *70* |
| *of which: Fund Ownership Plan* | *21* | *95* | *116* | *20* | *54* | *74* |
| **Variable compensation – performance awards** | **2,358** | **552** | **2,910** | **582** | **730** | **1,312** |
| **Variable compensation – financial advisors[2]** | **3,799** | **709** | **4,508** | **1,290** | **2,652** | **3,942** |
| *of which: non-deferred cash* | *3,481* | *0* | *3,481* | *0* | *0* | *0* |
| *of which: deferred share-based awards* | *104* | *62* | *166* | *122* | *180* | *302* |
| *of which: deferred cash-based awards* | *185* | *215* | *400* | *588* | *636* | *1,224* |
| *of which: compensation commitments with recruited financial advisors* | 29 | 432 | 461 | 580 | 1,836 | 2,416 |
| **Variable compensation – other[3]** | **146** | **72** | **217** | **230** | **189** | **419** |
| **Total variable compensation** | **6,304** | **1,332** | **7,636[4]** | **2,101** | **3,571** | **5,672** |

1 Estimate as of 31 December 2022. Actual amounts expensed may vary; e.g. due to forfeiture of awards. 2 Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. 3 Consists of replacement payments, forfeiture credits, severance payments, retention plan payments and interest expense related to the Deferred Contingent Capital Plan. 4 Includes USD 680m in expenses related to share-based compensation (performance awards: USD 457m; other variable compensation: USD 56m; financial advisor compensation: USD 166m). A further USD 80m in expenses related to share-based compensation was recognized within other expense categories included in Note 7 (salaries: USD 4m related to role-based allowances; social security: USD 57m; other personnel expenses: USD 19m related to the Equity Plus Plan).

### c) Outstanding share-based compensation awards

#### Share and performance share awards

Movements in outstanding share-based awards granted by UBS AG and its subsidiaries to employees during 2024 and 2023 are provided in the table below.

**Movements in outstanding share-based compensation awards**

| | Number of shares 2024 | Weighted average grant date fair value (USD) | Number of shares 2023 | Weighted average grant date fair value (USD) |
|---|---|---|---|---|
| Outstanding, at the beginning of the year | 756,925 | 19 | 614,428 | 17 |
| Share obligations assumed at merger with Credit Suisse AG | 7,697,548 | 20 | | |
| Awarded during the year | 151,964 | 26 | 279,310 | 20 |
| Distributed during the year | (1,202,448) | 20 | (132,770) | 15 |
| Forfeited during the year | (219,425) | 21 | (4,043) | 19 |
| Outstanding, at the end of the year | 7,184,565 | 20 | 756,925 | 19 |
| *of which: shares vested for accounting purposes* | *4,936,340* | | *217,420* | |

The total carrying amount of the liability related to cash-settled share-based awards as of 31 December 2024 and 31 December 2023 was USD 22m and USD 14m, respectively.

### d) Valuation

#### UBS share awards

UBS measures compensation expense based on the average market price of UBS shares on the grant date as quoted on the SIX Swiss Exchange, taking into consideration post-vesting sale and hedge restrictions, non-vesting conditions and market conditions, where applicable. The fair value of the share awards subject to post-vesting sale and hedge restrictions is discounted on the basis of the duration of the post-vesting restriction and is referenced to the cost of purchasing an at-the-money European put option for the term of the transfer restriction. The grant date fair value of notional shares without dividend entitlements also includes a deduction for the present value of future expected dividends to be paid between the grant date and distribution.

## Note 28 Interests in subsidiaries and other entities

### a) Interests in subsidiaries

UBS AG defines its significant subsidiaries as those entities that, either individually or in aggregate, contribute significantly to UBS AG's financial position or results of operations, based on a number of criteria, including the subsidiaries' equity and contribution to UBS AG's total assets and profit or loss before tax, in accordance with the requirements set by IFRS 12, Swiss regulations and the rules of the US Securities and Exchange Commission (the SEC).

#### Individually significant subsidiaries

The table below lists UBS AG's individually significant subsidiaries as of 31 December 2024. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares held entirely by UBS AG and the proportion of ownership interest held is equal to the voting rights held by UBS AG.

The country where the respective registered office is located is also the principal place of business. UBS AG operates through a global branch network and a significant proportion of its business activity is conducted outside Switzerland, including in the UK, the US, Singapore, the Hong Kong SAR and other countries. UBS Europe SE has branches and offices in a number of EU Member States, including Germany, France, Italy, Luxembourg and Spain. Share capital is provided in the currency of the legally registered office.

**Individually significant subsidiaries of UBS AG as of 31 December 2024[1]**

| Company | Registered office | Primary business | Share capital in million | | Equity interest accumulated in % |
|---|---|---|---|---|---|
| Credit Suisse International | London, UK | Non-core and Legacy | USD | 7,267.5 | 97.6 |
| UBS Americas Holding LLC | Wilmington, Delaware, US | Group Items | USD | 2,900.0[2] | 100.0 |
| UBS Americas Inc. | Wilmington, Delaware, US | Group Items | USD | 0.0 | 100.0 |
| UBS Asset Management AG | Zurich, Switzerland | Asset Management | CHF | 43.2 | 100.0 |
| UBS Bank USA | Salt Lake City, Utah, US | Global Wealth Management | USD | 0.0 | 100.0 |
| UBS Europe SE | Frankfurt, Germany | Global Wealth Management | EUR | 446.0 | 100.0 |
| UBS Financial Services Inc. | Wilmington, Delaware, US | Global Wealth Management | USD | 0.0 | 100.0 |
| UBS Securities LLC | Wilmington, Delaware, US | Investment Bank | USD | 1,283.1[3] | 100.0 |
| UBS Switzerland AG | Zurich, Switzerland | Personal & Corporate Banking | CHF | 10.0 | 100.0 |

1 Includes direct and indirect subsidiaries of UBS AG. 2 Consists of common share capital of USD 1,000 and non-voting preferred share capital of USD 2.9bn. 3 Consists of common share capital of USD 100,000 and non-voting preferred share capital of USD 1.3bn.

#### Other subsidiaries

The table below lists other direct and indirect subsidiaries of UBS AG that are not individually significant but contribute to UBS AG's total assets and aggregated profit before tax thresholds and are thus disclosed in accordance with requirements set by the SEC.

**Other subsidiaries of UBS AG as of 31 December 2024**

| Company | Registered office | Primary business | Share capital in million | | Equity interest accumulated in % |
|---|---|---|---|---|---|
| Banco de Investimentos Credit Suisse (Brasil) S.A. | São Paulo, Brazil | Investment Banking | BRL | 164.8 | 100.0 |
| Credit Suisse (UK) Limited | London, UK | Global Wealth Management | GBP | 245.2 | 100.0 |
| Credit Suisse (USA) LLC | Wilmington, Delaware, US | Non-core and Legacy | USD | 0.0 | 100.0 |
| Credit Suisse Securities (Europe) Limited | London, UK | Non-core and Legacy | USD | 9.6 | 100.0 |
| Credit Suisse Securities (USA) LLC | Wilmington, Delaware, US | Non-core and Legacy | USD | 0.0 | 100.0 |
| Credit Suisse Securities (Japan) Limited | Tokyo, Japan | Non-core and Legacy | JPY | 78,100.0 | 100.0 |
| UBS Asset Management (Americas) LLC | Wilmington, Delaware, US | Asset Management | USD | 0.0 | 100.0 |
| UBS Asset Management Life Ltd | London, UK | Asset Management | GBP | 15.0 | 100.0 |
| UBS Business Solutions US LLC | Wilmington, Delaware, US | Group Items | USD | 0.0 | 100.0 |
| UBS Credit Corp. | Wilmington, Delaware, US | Global Wealth Management | USD | 0.0 | 100.0 |
| UBS Fund Management (Switzerland) AG | Basel, Switzerland | Asset Management | CHF | 1.0 | 100.0 |
| UBS (Monaco) S.A. | Monte Carlo, Monaco | Global Wealth Management | EUR | 49.2 | 100.0 |
| UBS Securities Australia Ltd | Sydney, Australia | Investment Bank | AUD | 0.3[1] | 100.0 |
| UBS Securities Hong Kong Limited | Hong Kong SAR, China | Investment Bank | HKD | 3,254.2 | 100.0 |
| UBS Securities Japan Co., Ltd. | Tokyo, Japan | Investment Bank | JPY | 44,908.7 | 100.0 |
| UBS SuMi TRUST Wealth Management Co., Ltd. | Tokyo, Japan | Global Wealth Management | JPY | 5,165.0 | 51.0 |

1 Includes a nominal amount relating to redeemable preference shares.

### Consolidated structured entities

Consolidated structured entities (SEs) include certain investment funds, securitization vehicles and client investment vehicles. UBS AG has no individually significant subsidiaries that are SEs.

In 2024 and 2023, UBS AG did not enter into any contractual obligation that could require UBS AG to provide financial support to consolidated SEs. In addition, UBS AG did not provide support, financial or otherwise, to a consolidated SE when UBS AG was not contractually obligated to do so, nor does UBS AG currently have any intention to do so in the future. Furthermore, UBS AG did not provide support, financial or otherwise, to a previously unconsolidated SE that resulted in UBS AG controlling the SE during the reporting period.

## b) Interests in associates and joint ventures

As of 31 December 2024 and 31 December 2023, no associate or joint venture was individually material to UBS AG. Also, there were no significant restrictions on the ability of associates or joint ventures to transfer funds to UBS AG or its subsidiaries as cash dividends or to repay loans or advances made. There were no quoted market prices for any associates or joint ventures of UBS AG.

**Investments in associates and joint ventures**

| *USD m* | 2024 | 2023 |
|---|---|---|
| Carrying amount at the beginning of the year | 983 | 1,101 |
| Balance recognized upon the merger of UBS AG and Credit Suisse AG[1] | 1,330 | |
| Additions | 0 | 1 |
| Disposals | (6) | 0 |
| Share of comprehensive income | 105 | (180) |
| *of which: share of net profit / (loss)[2]* | *74* | *(163)* |
| *of which: share of other comprehensive income[3]* | *31* | *(17)* |
| Share of changes in retained earnings | (3) | (1) |
| Dividends received | (31) | (35) |
| Foreign currency translation | (73) | 97 |
| Carrying amount at the end of the year | 2,306 | 983 |
| *of which: associates* | *2,057* | *980* |
| *of which: SIX Group AG, Zurich[4]* | *1,484* | *826* |
| *of which: other associates* | *572* | *154* |
| *of which: joint ventures[5]* | *249* | *3* |

1 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. 2 For 2024, consists of USD 40m from associates and USD 33m from joint ventures (for 2023, consists of negative USD 163m from associates). 3 For 2024, consists of USD 31m from associates (for 2023, consists of negative USD 17m from associates). 4 In 2024, UBS AG's legal equity interest amounted to 34% (for 2023, UBS AG's legal equity interest amounted to 17%). UBS AG is represented on the Board of Directors. 5 In October 2024, UBS AG entered into an agreement to sell its 50% interest in Swisscard AECS GmbH. Refer to Note 29 for more information.

## c) Unconsolidated structured entities

UBS AG is considered to sponsor another entity if, in addition to ongoing involvement with that entity, it had a key role in establishing that entity or in bringing together relevant counterparties for a transaction facilitated by that entity. During 2024, UBS AG sponsored the creation of various SEs and interacted with a number of non-sponsored SEs, including securitization vehicles, client vehicles and certain investment funds, that UBS AG did not consolidate as of 31 December 2024 because it did not control them.

### Interests in unconsolidated structured entities

The table below presents UBS AG's interests in and maximum exposure to loss from unconsolidated SEs, as well as the total assets held by the SEs in which UBS AG had an interest as of year-end, except for investment funds and other vehicles sponsored by third parties, for which the carrying amount of UBS AG's interest as of year-end has been disclosed.

As a consequence of the merger of UBS AG and Credit Suisse AG and the resulting increase in interests in structured entities, interests in client vehicles sponsored by UBS AG are presented separately to other vehicles sponsored by third parties, to clearly distinguish the different types of entities that UBS AG is involved with.

### Sponsored unconsolidated structured entities in which UBS AG did not have an interest at year-end

During 2024 and 2023, UBS AG did not earn material income from sponsored unconsolidated SEs in which UBS AG did not have an interest at year-end.

During 2024 and 2023, UBS AG and third parties did not transfer any assets into sponsored securitization vehicles created in the year. UBS AG and third parties transferred assets, alongside deposits and debt issuances (which are assets from the perspective of the vehicle), of USD 2.5bn and USD 3.0bn, respectively, into sponsored client vehicles created in 2024 (2023: USD 0.5bn and USD 0.5bn, respectively). For sponsored investment funds, several new open ended and close ended funds were created during the year with further transfers arising from management of the strategy and investor activity, which, when combined with market movements, resulted in a net asset value movement of USD 3bn in 2024 (2023: USD 3bn).

## Note 28 Interests in subsidiaries and other entities (continued)

**Interests in unconsolidated structured entities**

| | 31.12.24 | | | | | |
|---|---|---|---|---|---|---|
| *USD m, except where indicated* | Securitization vehicles[1] | Client vehicles sponsored by UBS AG[2] | Investment funds | Other vehicles sponsored by third parties[3] | Total | Maximum exposure to loss[4] |
| Financial assets at fair value held for trading | 94 | 143 | 6,482 | 235 | 6,953 | 6,953 |
| Derivative financial instruments | 2 | 110 | 83 | 0 | 195 | 195 |
| Loans and advances to customers | 0 | 138 | 286 | 23 | 446 | 446 |
| Financial assets at fair value not held for trading | 1,275 | 0 | 631 | 236 | 2,142 | 2,142 |
| Financial assets measured at fair value through other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 |
| Other financial assets measured at amortized cost | 1,023 | 0 | 0 | 0 | 1,024 | 1,024 |
| **Total assets** | 2,394 | 392 | 7,482 | 494 | 10,761 | 10,761 |
| Derivative financial instruments | 1 | 50 | 716 | 0 | 767 | 2 |
| **Total liabilities** | 1 | 50 | 716 | 0 | 767 | 2 |
| **Assets held by the unconsolidated structured entities in which UBS AG had an interest (USD bn)** | 63[5] | 3[6] | 180[7] | 0[8] | | |

| | 31.12.23 | | | | | |
|---|---|---|---|---|---|---|
| *USD m, except where indicated* | Securitization vehicles[1] | Client vehicles sponsored by UBS AG[2] | Investment funds | Other vehicles sponsored by third parties[3] | Total | Maximum exposure to loss[4] |
| Financial assets at fair value held for trading | 88 | 37 | 7,413 | | 7,538 | 7,538 |
| Derivative financial instruments | 2 | 147 | 66 | | 215 | 215 |
| Loans and advances to customers | 0 | 0 | 200 | | 200 | 200 |
| Financial assets at fair value not held for trading | 0 | 0 | 143 | | 143 | 143 |
| Financial assets measured at fair value through other comprehensive income | 0 | 0 | 0 | | 0 | 0 |
| Other financial assets measured at amortized cost | 188 | 0 | 0 | | 188 | 438 |
| **Total assets** | 278 | 185 | 7,821 | | 8,285 | 8,534 |
| Derivative financial instruments | 1 | 8 | 590 | | 598 | 2 |
| **Total liabilities** | 1 | 8 | 590 | | 598 | 2 |
| **Assets held by the unconsolidated structured entities in which UBS AG had an interest (USD bn)** | 17[5] | 2[6] | 118[7] | | | |

1 Includes loans with a high LTV and credit-impaired loans to pre-securitization warehouse structured entities managed by third parties, as well as securities issued by securitization structured entities sponsored by both UBS AG and third parties. 2 Client vehicles sponsored by UBS AG are structured entities that do not qualify as a securitization in line with regulatory requirements and are not considered an investment fund. 3 Other vehicles sponsored by third parties are structured entities that do not qualify as a securitization in line with regulatory requirements and are not considered an investment fund. Interests in other vehicles sponsored by third parties included loans with a high LTV and credit-impaired loans provided to third-party structured entities. 4 For the purpose of this disclosure, maximum exposure to loss amounts do not consider the risk-reducing effects of collateral or other credit enhancements. 5 Represents the principal amount outstanding. 6 Represents the market value of total assets. 7 Represents the net asset value of the investment funds sponsored by UBS AG and the carrying amount of UBS AG's interests in the investment funds not sponsored by UBS AG. 8 Represents the carrying amount of UBS AG's interest in other vehicles sponsored by third parties.

UBS AG retains or purchases interests in unconsolidated SEs in the form of direct investments, financing, guarantees, letters of credit and derivatives, as well as through management contracts. UBS AG's maximum exposure to loss is generally equal to the carrying amount of UBS AG's interest in the given SE, with this subject to change over time with market movements. Guarantees, letters of credit and credit derivatives are an exception, with the given contract's notional amount, adjusted for losses already incurred, representing the maximum loss that UBS AG is exposed to.

The maximum exposure to loss disclosed in the table above does not reflect UBS AG's risk management activities, including effects from financial instruments that may be used to economically hedge risks inherent in the given unconsolidated SE or risk-reducing effects of collateral or other credit enhancements.

In 2024 and 2023, UBS AG did not provide support, financial or otherwise, to any unconsolidated SE when not contractually obligated to do so, nor does UBS AG currently have any intention to do so in the future.

In 2024 and 2023, income and expenses from interests in unconsolidated SEs primarily resulted from mark-to-market movements recognized in *Other net income from financial instruments measured at fair value through profit or loss*, which were generally hedged with other financial instruments, as well as fee and commission income received from UBS AG-sponsored funds.

### Interests in securitization vehicles

As of 31 December 2024 and 31 December 2023, UBS AG held interests, both retained and acquired, in various securitization vehicles that relate to financing, underwriting, secondary market and derivative trading activities. In addition to the interests disclosed in the table above, UBS AG manages the assets of certain securitization vehicles and receives fees based, in whole or in part, on the asset value of the vehicles. Interest in such vehicles, as a result of the merger of UBS AG and Credit Suisse AG, is not represented by the on-balance sheet fee receivable but rather by the future exposure to variable fees. The net asset value of such vehicles was USD 24bn as of 31 December 2024 and has been excluded from the table above.

The numbers outlined in the table above may differ from the securitization positions presented in the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for the following reasons: (i) exclusion of synthetic securitizations transacted with entities that are not SEs and transactions in which UBS AG did not have an interest because it did not absorb any risk; (ii) a different measurement basis in certain cases (e.g. IFRS Accounting Standards carrying amount within the table above compared with net exposure amount at default for Pillar 3 disclosures); and (iii) different classification of vehicles viewed as sponsored by UBS AG versus sponsored by third parties.

› **Refer to the 31 December 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for more information**

### Interests in client vehicles sponsored by UBS AG

UBS AG-sponsored client vehicles are established predominantly for clients to gain exposure to specific assets or risk exposures. Such vehicles may enter into derivative agreements, with UBS AG or a third party, to align the cash flows of the entity with the investor's intended investment objective, or to introduce other desired risk exposures.

As of 31 December 2024 and 31 December 2023, UBS AG retained interests in client vehicles sponsored by UBS AG that relate to financing, secondary market and derivative trading activities, and to hedge structured product offerings.

### Interests in investment funds

Investment funds have a collective investment objective, and are either passively managed, so that any decision-making does not have a substantive effect on variability, or are actively managed and investors or their governing bodies do not have substantive voting or similar rights.

UBS AG holds interests in a number of investment funds, primarily resulting from seed investments or in order to hedge structured product offerings. In addition to the interests disclosed in the table above, UBS AG manages the assets of various pooled investment funds and receives fees based, in whole or in part, on the net asset value of the fund and / or the performance of the fund. The specific fee structure is determined based on various market factors and considers the fund's nature and the jurisdiction of incorporation, as well as fee schedules negotiated with clients. These fee contracts represent an interest in the fund, as they align UBS AG's exposure with investors, providing a variable return based on the performance of the entity. Depending on the structure of the fund, these fees may be collected directly from the fund's assets and / or from the investors. Any amounts due are collected on a regular basis and are generally backed by the fund's assets. Therefore, interest in such funds is not represented by the on-balance sheet fee receivable but rather by the future exposure to variable fees. The net asset value of such funds were USD 547bn and USD 356bn as of 31 December 2024 and 31 December 2023, respectively, and has been excluded from the table above. UBS AG did not have any material exposure to loss from these interests as of 31 December 2024 or as of 31 December 2023.

### Interests in other vehicles sponsored by third parties

Interests in other vehicles sponsored by third parties include loans with a high LTV and credit-impaired loans provided to third-party structured entities.

## Note 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses

### Disposals of subsidiaries and businesses

#### Agreement to sell Select Portfolio Servicing

On 13 August 2024, UBS AG 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. As of 31 December 2024, the associated assets and liabilities were presented as *Assets of disposal groups held for sale* and *Liabilities of disposal groups held for sale*, respectively, and amounted to USD 1,823m and USD 1,212m, respectively. UBS AG does not expect to recognize a material profit or loss upon completion of the transaction.

#### Agreement to sell Swisscard AECS GmbH

In October 2024, UBS AG 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 in Switzerland between UBS AG and American Express, subject to certain closing conditions. Also in October 2024, UBS AG entered into an agreement with Swisscard to transition the Credit Suisse-branded card portfolios to UBS AG. In January 2025, UBS AG completed the purchase of the card portfolios, with the actual client migration expected to take place over the following quarters. The two transactions will result in similar profit and loss effects over the course of 2025 and, therefore, on a net basis are not expected to have a material impact for UBS AG. In the fourth quarter of 2024, UBS AG recorded an expense of USD 41m in connection with the termination of the Swisscard joint venture.

### Changes in organization

#### Legal structure integration

On 31 May 2024, the merger of UBS AG and Credit Suisse AG was completed. UBS AG succeeded to all rights and obligations of Credit Suisse AG, including all outstanding Credit Suisse AG debt instruments.

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

On 7 June 2024, the transition to a single US intermediate holding company was completed.

On 1 July 2024, the merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG was completed. UBS Switzerland AG succeeded to all rights and obligations of Credit Suisse (Schweiz) AG.

## Note 30 Related parties

Related parties of UBS AG are:
- entities within UBS Group, i.e. the parent entity, UBS Group AG, and fellow subsidiaries consolidated within UBS Group (including Credit Suisse subsidiaries from the date of the acquisition of the Credit Suisse Group);
- associates (entities that are under the significant influence of UBS AG or other group entities consolidated within UBS Group);
- joint ventures (entities in which UBS AG or other group entity consolidated within UBS Group shares control with another party);
- post-employment benefit plans for the benefit of UBS AG's employees or employees of entities related to UBS AG;
- key management personnel and close family members of key management personnel; and
- entities over which key management personnel or their close family members have solely or jointly a direct or indirect significant influence.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly. UBS AG considers the members of the Board of Directors (the BoD) and the Executive Board (the EB) of UBS AG and the members of the Board of Directors (the BoD) and the Group Executive Board (the GEB) of UBS Group AG to constitute key management personnel.

### a) Remuneration of key management personnel

The Vice Chairman of the BoD has a specific management employment contract and receives pension benefits upon retirement. Total remuneration of the Chairman and the Vice Chairman of the BoD and all EB and GEB members (as defined above) is included in the table below.

## Note 30 Related parties (continued)

| Remuneration of key management personnel | | | |
|---|---|---|---|
| *USD m, except where indicated* | 31.12.24 | 31.12.23 | 31.12.22 |
| Base salaries and other cash payments[1] | 33 | 35 | 26 |
| Incentive awards – cash[2] | 30 | 24 | 16 |
| Annual incentive award under DCCP | 39 | 36 | 23 |
| Employer's contributions to retirement benefit plans | 3 | 3 | 2 |
| Benefits in kind, fringe benefits (at market value) | 2 | 1 | 1 |
| Share-based compensation[3] | 65 | 63 | 42 |
| Total | 172 | 162 | 110 |
| Total (CHF m)[4] | 151 | 147 | 106 |

1 For 2023 and 2022, may include role-based allowances in line with market practice and regulatory requirements. For 2024, role-based allowances for EB/GEB members were eliminated. 2 The cash portion may also include blocked shares in line with regulatory requirements. 3 Compensation expense is based on the share price on grant date taking into account performance conditions. Refer to Note 27 for more information. For EB/GEB members, share-based compensation for 2024, 2023 and 2022 was entirely composed of LTIP awards. For the Chairman and the Vice-Chairman of the BoD, the share-based compensation for 2024, 2023 and 2022 was entirely composed of UBS shares. 4 Swiss franc amounts disclosed represent the respective US dollar amounts translated at the applicable performance award currency exchange rates (2024: USD / CHF 0.88; 2023: USD / CHF 0.91; 2022: USD / CHF 0.96).

The independent members of the BoD, including the Chairman, do not have employment or service contracts with UBS AG, and thus are not entitled to benefits upon termination of their service on the BoD. Payments to these individuals for their services as independent members of the BoD amounted to USD 13.1m (CHF 11.5m) in 2024, USD 11.7m (CHF 10.6m) in 2023 and USD 11.1m (CHF 10.7m) in 2022.

### b) Equity holdings of key management personnel

| Equity holdings of key management personnel[1] | | |
|---|---|---|
| | 31.12.24 | 31.12.23 |
| Number of UBS Group AG shares held by members of the BoD, EB and parties closely linked to them[2] | 5,593,474 | 5,121,564 |

1 No options were held in 2024 and 2023 by non-independent members of the BoD or any EB member or any of their related parties. 2 Excludes shares granted under variable compensation plans with forfeiture provisions.

Of the share totals above, no shares were held by close family members of key management personnel on 31 December 2024 and 31 December 2023. No shares were held by entities that are directly or indirectly controlled or jointly controlled by key management personnel or their close family members on 31 December 2024 and 31 December 2023. As of 31 December 2024, no member of the BoD or EB was the beneficial owner of more than 1% of the shares in UBS Group AG.

### c) Loans, advances, mortgages and deposit balances with key management personnel

The non-independent members of the BoD and EB members are granted loans, fixed advances and mortgages in the ordinary course of business on substantially the same terms and conditions that are available to other employees, including interest rates and collateral, and neither involve more than the normal risk of collectability nor contain any other unfavorable features for the firm. Independent BoD members are granted loans and mortgages in the ordinary course of business at general market conditions.

Outstanding balances with key management personnel were as follows.

| Loans, advances and mortgages to key management personnel[1] | | |
|---|---|---|
| *USD m, except where indicated* | 2024 | 2023 |
| Balance at the beginning of the year | 55 | 28 |
| Balance at the end of the year[2] | 51 | 55 |
| Balance at the end of the year (CHF m)[2] | 46 | 46 |

1 All loans are secured loans. 2 Swiss franc amounts disclosed represent the respective US dollar amounts translated at the relevant year-end closing exchange rate.

In addition, there were outstanding deposit balances with key management personnel that amounted to USD 139m (CHF 126m) as of 31 December 2024 and USD 21m (CHF 18m) as of 31 December 2023.

### d) Other related-party transactions with entities controlled by key management personnel

In 2024 and 2023, UBS AG did not enter into transactions with entities over whom key management personnel or their close family members have solely or jointly a direct or indirect significant influence and as of 31 December 2024, 31 December 2023 and 31 December 2022 there were no outstanding balances related to such transactions. Furthermore, in 2024 and 2023, such entities did not sell any goods or provide any services to UBS AG and therefore did not receive any fees from UBS AG. UBS AG also did not provide services to such entities in 2024 and 2023 and therefore also received no fees.

## e) Transactions with associates and joint ventures

**Loans to and outstanding receivables from associates and joint ventures**

| *USD m* | 2024 | 2023 |
|---|---|---|
| Carrying amount at the beginning of the year | 183 | 217 |
| Additions[1] | 955 | 664 |
| Reductions | (440) | (716) |
| Foreign currency translation | (34) | 18 |
| Carrying amount at the end of the year | 663 | 183 |
| *of which: unsecured loans and receivables* | *656* | *174* |

1 Additions in 2024 include balances of USD 89m recognized upon the merger of UBS AG and CS AG.

**Other transactions with associates and joint ventures**

| | As of or for the year ended | |
|---|---|---|
| *USD m* | 31.12.24 | 31.12.23 |
| Payments to associates and joint ventures for goods and services received | 200 | 155 |
| Fees received for services provided to associates and joint ventures | 27 | 10 |
| Liabilities to associates and joint ventures | 312 | 103 |

In addition to the items in the table above, transactions with associates and joint ventures also include off-balance sheet exposures of USD 1.1bn, which are provided on an arm's length basis.

› **Refer to Note 28 for an overview of investments in associates and joint ventures**

## f) Receivables and payables from / to UBS Group AG and other subsidiaries of UBS Group AG

| *USD m* | 31.12.24 | 31.12.23 |
|---|---|---|
| **Receivables** | | |
| Amounts due from banks | 0 | 14,752[1] |
| Cash collateral receivables on derivative instruments | 0 | 312 |
| Loans and advances to customers | 2,826 | 4,889 |
| Other financial assets measured at amortized cost | 423 | 232 |
| Financial assets at fair value held for trading | 123 | 325 |
| Derivative financial instruments | 885 | 3,031 |
| **Payables** | | |
| Amounts due to banks | 0 | 364 |
| Cash collateral payables on derivative instruments | 876 | 1,447 |
| Customer deposits | 3,699 | 3,069 |
| Funding from UBS Group AG measured at amortized cost | 107,918 | 67,282 |
| Other financial liabilities measured at amortized cost | 3,930 | 2,574 |
| Derivative financial instruments | 42 | 2,032 |
| Other financial liabilities designated at fair value[2] | 5,342 | 2,995 |

1 Reflects funding provided to Credit Suisse. 2 Mainly represents funding recognized from UBS Group AG that is designated at fair value. Refer to Note 19b for more information.

## Note 31 Invested assets and net new money

The following disclosures provide a breakdown of UBS AG's invested assets and a presentation of their development, including net new money, as required by the Swiss Financial Market Supervisory Authority (FINMA).

### Invested assets

Invested assets consist of all client assets managed by or deposited with UBS AG for investment purposes. Invested assets include 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. All assets held for purely transactional purposes and custody-only assets, including corporate client assets held for cash management and transactional purposes, are excluded from invested assets, as UBS AG only administers the assets and does not offer advice on how they should be invested. Also excluded are non-bankable assets (e.g. art collections) and deposits from third-party banks for funding or trading purposes.

Discretionary assets are defined as client assets that UBS AG decides how to invest. Other invested assets are those where the client ultimately decides how the assets are invested. When a single product is created in one business division and sold in another, it is counted in both the business division managing the investment and the one distributing it. This results in double counting within UBS AG's total invested assets and net new money, as both business divisions are independently providing a service to their respective clients, and both add value and generate revenue.

### Net new money

Net new money in a reporting period is the amount of invested assets entrusted to UBS AG by new and existing clients, less those withdrawn by existing clients and clients who terminated relationships with UBS AG.

Net new money is calculated using the direct method, under which inflows and outflows to / from invested assets are determined at the client level, based on transactions. Interest and dividend income from invested assets are not counted as net new money inflows. Market and currency movements, as well as fees, commissions and interest on loans charged, are excluded from net new money, as are effects resulting from any acquisition or divestment of a UBS subsidiary or business. Reclassifications between invested assets and custody-only assets as a result of a change in service level delivered are generally treated as net new money flows. However, where the change in service level directly results from an externally imposed regulation or a strategic decision by UBS AG to exit a market or specific service offering, the one-time net effect is reported as *Other effects*.

The Investment Bank does not track invested assets and net new money. However, when a client is transferred from the Investment Bank to another business division, this may produce net new money even though the client's assets were already with UBS AG.

**Invested assets and net new money**

| | As of or for the year ended | |
|---|---|---|
| *USD bn* | 31.12.24 | 31.12.23 |
| Fund assets managed by UBS | 639 | 429 |
| Discretionary assets | 2,213 | 1,674 |
| Other invested assets | 3,235 | 2,402 |
| Total invested assets[1] | 6,087 | 4,505 |
| *of which: double counts* | *503* | *411* |
| Net new money[1,2] | 81 | 112 |

1 Includes the share of net new money and invested assets relating to associates in the Asset Management business division. 2 Includes double counts.

**Development of invested assets**

| *USD bn* | 31.12.24 | 31.12.23 |
|---|---|---|
| Total invested assets at the beginning of the year[1,2] | 4,505 | 3,981 |
| Net new money | 81 | 112 |
| Market movements[3] | 497 | 379 |
| Foreign currency translation | (126) | 69 |
| Invested assets recognized upon the merger of Credit Suisse AG with UBS AG[4] | 1,153 | |
| Other effects | (23) | (37) |
| *of which: acquisitions / (divestments)* | *(4)* | *(25)* |
| Total invested assets at the end of the year[1,2] | 6,087 | 4,505 |

1 Includes the share of net new money and invested assets relating to associates in the Asset Management business division. 2 Includes double counts. 3 Includes interest and dividend income. 4 Invested assets recognized upon the merger of UBS AG and Credit Suisse AG were measured and reported as of 31 May 2024, the merger effective date, in alignment with UBS AG's accounting policies.

## Note 32 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 year ended | | |
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 | 31.12.22 |
| 1 CHF | 1.10 | 1.19 | 1.13 | 1.11 | 1.05 |
| 1 EUR | 1.04 | 1.10 | 1.08 | 1.08 | 1.05 |
| 1 GBP | 1.25 | 1.28 | 1.28 | 1.25 | 1.23 |
| 100 JPY | 0.63 | 0.71 | 0.66 | 0.71 | 0.76 |

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 year represent an average of twelve 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.

## Note 33 Main differences between IFRS Accounting Standards and Swiss GAAP

The consolidated financial statements of UBS AG are prepared in accordance with IFRS Accounting Standards. The Swiss Financial Market Supervisory Authority (FINMA) requires financial groups presenting financial statements under IFRS Accounting Standards to provide a narrative explanation of the main differences between IFRS Accounting Standards and Swiss generally accepted accounting principles (GAAP) (the FINMA Accounting Ordinance, FINMA Circular 2020/1 "Accounting – banks" and the Banking Ordinance (the BO)). Included in this Note are the significant differences in the recognition and measurement between IFRS Accounting Standards and the provisions of the BO and the guidelines of FINMA governing true and fair view financial statement reporting pursuant to Art. 25 to Art. 42 of the BO.

### 1. Consolidation

Under IFRS Accounting Standards, all entities that are controlled by the holding entity are consolidated. Under Swiss GAAP controlled entities deemed immaterial to a group or those held only temporarily are exempt from consolidation, but instead are recorded as participations accounted for under the equity method of accounting or as financial investments measured at the lower of cost or market value.

### 2. Classification and measurement of financial assets

Under IFRS Accounting Standards, debt instruments are measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL), depending on the nature of the business model within which the particular asset is held and the characteristics of the contractual cash flows of the asset. Equity instruments are accounted for at FVTPL by UBS. Under Swiss GAAP, trading assets and derivatives are measured at FVTPL, in line with IFRS Accounting Standards. However, non-trading debt instruments are generally measured at amortized cost, even when the assets are managed on a fair value basis. In addition, the measurement of financial assets in the form of securities depends on the nature of the asset: debt instruments not held to maturity, i.e. instruments available for sale, and equity instruments with no permanent holding intent, are classified as *Financial investments* and measured at the lower of (amortized) cost or market value. Market value adjustments up to the original cost amount and realized gains or losses upon disposal of the investment are recorded in the income statement as *Other income from ordinary activities.* Equity instruments with a permanent holding intent are classified as participations in *Non-consolidated investments in subsidiaries and other participations* and are measured at cost less impairment. Impairment losses are recorded in the income statement as *Impairment of investments in non-consolidated subsidiaries and other participations.* Reversals of impairments up to the original cost amount and realized gains or losses upon disposal of the investment are recorded as *Extraordinary income / Extraordinary expenses*.

### 3. Fair value option applied to financial liabilities

Under IFRS Accounting Standards, UBS applies the fair value option to certain financial liabilities not held for trading. Instruments for which the fair value option is applied are accounted for at FVTPL. The amount of change in the fair value attributable to changes in UBS's own credit is presented in *Other comprehensive income* directly within *Retained earnings*. The fair value option is applied primarily to issued structured debt instruments, certain non-structured debt instruments, certain payables under repurchase agreements and cash collateral on securities lending agreements, amounts due under unit-linked investment contracts, and brokerage payables.

Under Swiss GAAP, the fair value option can only be applied to structured debt instruments consisting of a debt host contract and one or more embedded derivatives that do not relate to own equity. Furthermore, unrealized changes in fair value attributable to changes in UBS's own credit are not recognized, whereas realized own credit is recognized in *Net trading income*.

## 4. Allowances and provisions for credit losses

Swiss GAAP permit use of IFRS Accounting Standards for accounting for allowances and provisions for credit losses based on an expected credit loss (ECL) model. UBS has chosen to apply the IFRS 9 ECL approach to those exposures that are in the ECL scope of both frameworks, IFRS Accounting Standards and Swiss GAAP.

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

- For exposures for which Pillar 1 internal ratings-based models are applied to measure credit risk, ECL is determined by the regulatory expected loss (EL), with an add-on for scaling up to the residual maturity of exposures maturing beyond the next 12 months, as appropriate. For detailed information on regulatory EL, refer to the "Risk management and control" section of this report.
- For exposures for which the Pillar 1 standardized approach is used to measure credit risk, ECL is determined using a portfolio approach that derives a conservative probability of default (PD) and a conservative loss given default (LGD) for the entire portfolio.

## 5. Hedge accounting

Under IFRS Accounting Standards, when cash flow hedge accounting is applied, the fair value gain or loss on the effective portion of a derivative designated as a cash flow hedge is recognized initially in equity and reclassified to the income statement when certain conditions are met. When fair value hedge accounting is applied, the fair value change of the hedged item attributable to the hedged risk is reflected in the measurement of the hedged item and is recognized in the income statement along with the change in the fair value of the hedging derivative. Under Swiss GAAP, the effective portion of the fair value change of a derivative instrument designated as a cash flow or as a fair value hedge is deferred on the balance sheet as *Other assets* or *Other liabilities*. The carrying amount of the hedged item designated in fair value hedges is not adjusted for fair value changes attributable to the hedged risk.

## 6. Goodwill and intangible assets

Under IFRS Accounting Standards, goodwill acquired in a business combination is not amortized but tested annually for impairment. Intangible assets with an indefinite useful life are also not amortized but tested annually for impairment. Under Swiss GAAP, goodwill and intangible assets with indefinite useful lives are amortized over a period not exceeding five years, unless a longer useful life, which may not exceed ten years, can be justified. In addition, these assets are tested annually for impairment.

## 7. Post-employment benefit plans

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

UBS has elected to apply IAS 19 for the non-Swiss defined benefit plans in the UBS AG standalone financial statements and Swiss GAAP (FER 16) for the Swiss pension plan in the UBS AG and the UBS Switzerland AG standalone financial statements. The requirements of Swiss GAAP are better aligned with the specific nature of Swiss pension plans, which are hybrid in that they combine elements of defined contribution and defined benefit plans, but are treated as defined benefit plans under IFRS Accounting Standards. Key differences between Swiss GAAP and IFRS Accounting Standards include the treatment of dynamic elements, such as future salary increases and future interest credits on retirement savings, which are not considered under the static method used in accordance with Swiss GAAP. Also, the discount rate used to determine the defined benefit obligation in accordance with IFRS Accounting Standards is based on the yield of high-quality corporate bonds of the market in the respective pension plan country. The discount rate used in accordance with Swiss GAAP (i.e. the technical interest rate) is determined by the Pension Foundation Board based on the expected returns of the Board's investment strategy.

For defined benefit plans, IFRS Accounting Standards require the full defined benefit obligation net of the plan assets to be recorded on the balance sheet subject to the asset ceiling rules, with changes resulting from remeasurements recognized directly in equity. However, for non-Swiss defined benefit plans for which IFRS Accounting Standards are elected, changes due to remeasurements are recognized in the income statement of UBS AG standalone under Swiss GAAP.

Swiss GAAP require employer contributions to the pension fund to be recognized as personnel expenses in the income statement. Swiss GAAP also require an assessment of whether, based on the pension fund's financial statements prepared in accordance with Swiss accounting standards (FER 26), an economic benefit to, or obligation of, the employer arises from the pension fund that is recognized in the balance sheet when conditions are met. Conditions for recording a pension asset or liability would be met if, for example, an employer contribution reserve is available or the employer is required to contribute to the reduction of a pension deficit (on an FER 26 basis).

### 8. Leasing

Under IFRS Accounting Standards, a single lease accounting model applies that requires UBS to record a right-of-use (RoU) asset and a corresponding lease liability on the balance sheet when UBS is a lessee in a lease arrangement. The RoU asset and the lease liability are recognized when UBS acquires control of the physical use of the asset. The lease liability is measured based on the present value of the lease payments over the lease term, discounted using UBS's unsecured borrowing rate. The RoU asset is recorded at an amount equal to the lease liability but is adjusted for rent prepayments, initial direct costs, any costs to refurbish the leased asset and / or lease incentives received. The RoU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset.

Under Swiss GAAP, leases that transfer substantially all the risks and rewards, but not necessarily legal title in the underlying assets, are classified as finance leases. All other leases are classified as operating leases. Whereas finance leases are recognized on the balance sheet and measured in line with IFRS Accounting Standards, operating leases are not recognized on the balance sheet, with payments recognized as *General and administrative expenses* on a straight-line basis over the lease term, which commences with control of the physical use of the asset. Lease incentives are treated as a reduction of rental expense and recognized on a consistent basis over the lease term.

### 9. Netting of derivative assets and liabilities

Under IFRS Accounting Standards, derivative assets, derivative liabilities and related cash collateral not settled to market are reported on a gross basis unless the restrictive netting requirements under IFRS Accounting Standards are met: (i) existence of master netting agreements and related collateral arrangements that are unconditional and legally enforceable, in both the normal course of business and the event of default, bankruptcy or insolvency of UBS and its counterparties; and (ii) UBS's intention to either settle on a net basis or to realize the asset and settle the liability simultaneously. Under Swiss GAAP, derivative assets, derivative liabilities and related cash collateral not settled to market are generally reported on a net basis, provided the master netting and the related collateral agreements are legally enforceable in the event of default, bankruptcy or insolvency of UBS's counterparties.

### 10. Negative interest

Under IFRS Accounting Standards, negative interest income arising on a financial asset does not meet the definition of interest income and, therefore, negative interest on financial assets and negative interest on financial liabilities are presented within interest expense and interest income, respectively. Under Swiss GAAP, negative interest on financial assets is presented within interest income and negative interest on financial liabilities is presented within interest expense.

### 11. Extraordinary income and expense

Certain non-recurring and non-operating income and expense items, such as realized gains or losses from the disposal of participations, fixed and intangible assets, and reversals of impairments of participations and fixed assets, are classified as extraordinary items under Swiss GAAP. This distinction is not available under IFRS Accounting Standards.

## Note 34 Supplemental guarantor information

In 2015, the Personal & Corporate Banking and Wealth Management businesses booked in Switzerland were transferred from UBS AG to UBS Switzerland AG through an asset transfer in accordance with the Swiss Merger Act. Under the terms of the asset transfer agreement, UBS Switzerland AG assumed joint liability for contractual obligations of UBS AG existing on the asset transfer date, including the full and unconditional guarantee of certain SEC-registered debt securities issued by UBS AG. The joint liability of UBS Switzerland AG for contractual obligations of UBS AG decreased in 2024 by USD 0.7bn to USD 2.6bn as of 31 December 2024. The decrease substantially relates to a combination of contractual maturities, fair value movements and foreign currency effects.

UBS AG, together with UBS Group AG, has fully and unconditionally guaranteed the outstanding SEC-registered debt securities of Credit Suisse (USA) LLC, which as of 31 December 2024 consisted of a single outstanding issuance with a balance of USD 742m maturing in July 2032. Credit Suisse (USA) LLC is an indirect, wholly owned subsidiary of UBS AG. UBS AG assumed Credit Suisse AG's obligations under the guarantee as of 31 May 2024 (i.e. the date of the merger). In accordance with the guarantee, if Credit Suisse (USA) LLC fails to make a timely payment under the agreements governing such debt securities, the holders of the debt securities may demand payment from either UBS Group AG or UBS AG, without first proceeding against Credit Suisse (USA) LLC. ▲

# 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 2024, UBS AG consolidated recognized a net profit of USD 1,533m, while UBS Group AG consolidated recognized a net profit of USD 5,146m. The USD 3,613m 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. These 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. UBS Group AG also has lower expenses for litigation, regulatory and similar matters than UBS AG as a result of the PPA effects recognized at the UBS Group AG level. Other differences in net profit mainly arise as Credit Suisse AG was merged into UBS AG on 31 May 2024, whereas UBS Group AG included the results of the former Credit Suisse AG for the full year, and 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 9.1bn lower than the equity of UBS AG consolidated as of 31 December 2024. This difference was mainly driven by PPA effects of USD 5.1bn 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 3.9bn.

The going concern capital of UBS Group AG consolidated was USD 1.9bn lower than the going concern capital of UBS AG consolidated as of 31 December 2024, reflecting the common equity tier 1 (CET1) capital of UBS Group AG being lower by USD 2.4bn, partly offset by its going concern loss-absorbing additional tier 1 (AT1) capital being USD 0.5bn higher.

The USD 2.4bn lower CET1 capital of UBS Group AG consolidated was primarily due to UBS Group AG consolidated IFRS equity being USD 9.1bn lower, compensation-related regulatory capital accruals at the UBS Group AG level of USD 2.8bn and a USD 0.8bn effect from eligible deferred tax assets on temporary differences, partly offset by a USD 10.2bn difference in dividend accruals between UBS Group AG and UBS AG.

## Comparison between UBS AG consolidated and UBS Group AG consolidated

| *USD m, except where indicated* | As of or for the year ended 31.12.24 | | |
|---|---|---|---|
| | UBS AG consolidated | UBS Group AG consolidated | Difference (absolute) |
| **Income statement** | | | |
| Total revenues | 42,323 | 48,611 | (6,288) |
| Credit loss expense / (release) | 544 | 551 | (7) |
| Operating expenses | 39,346 | 41,239 | (1,893) |
| Operating profit / (loss) before tax | 2,433 | 6,821 | (4,388) |
| Net profit / (loss) | 1,533 | 5,146 | (3,613) |
| **Balance sheet** | | | |
| Total assets | 1,568,060 | 1,565,028 | 3,033 |
| Total liabilities | 1,473,394 | 1,479,454 | (6,060) |
| Total equity | 94,666 | 85,574 | 9,092 |
| **Capital information** | | | |
| Common equity tier 1 capital | 73,792 | 71,367 | 2,425 |
| Going concern capital | 89,623 | 87,739 | 1,884 |
| Risk-weighted assets | 495,110 | 498,538 | (3,429) |
| Common equity tier 1 capital ratio (%) | 14.9 | 14.3 | 0.6 |
| Going concern capital ratio (%) | 18.1 | 17.6 | 0.5 |
| Total loss-absorbing capacity ratio (%) | 36.7 | 37.2 | (0.5) |
| Leverage ratio denominator | 1,523,277 | 1,519,477 | 3,799 |
| Common equity tier 1 leverage ratio (%) | 4.8 | 4.7 | 0.1 |
| Liquidity coverage ratio (%)[1] | 186.1 | 188.4 | (2.3) |
| Net stable funding ratio (%) | 124.1 | 125.5 | (1.4) |

1 The disclosed ratios represent averages for the fourth quarter of each year presented, which were calculated based on an average of 64 data points in the fourth quarter of 2024. Refer to the "Capital, liquidity and funding, and balance sheet" section of this report for more information.

# Standalone financial statements

## Table of contents


262 Report of the statutory auditor

269 **UBS AG standalone financial statements (audited)**

269 Income statement
270 Balance sheet
271 Off-balance sheet
272 Statement of changes in equity

273 1 Name, legal form and registered office
273 2 Accounting policies
278 3a Net trading income by business
278 3b Net trading income by underlying risk category
279 4 Investments in subsidiaries and other participations
279 5 Sundry ordinary income and expenses
280 6 Personnel expenses
280 7 General and administrative expenses
281 8 Changes in provisions for litigation, regulatory and similar matters, and other provisions
281 9 Extraordinary income and expenses
282 10 Taxes
282 11 Securities financing transactions
283 12a Collateral for loans and off-balance sheet transactions
284 12b Credit-impaired financial instruments
284 13 Allowances and provisions
285 13a Allowances for credit losses
285 13b Provisions
286 13c Development of allowances and provisions for credit losses
288 13d Balance sheet and off-balance sheet positions subject to ECL
290 13e Financial assets subject to credit risk, by rating category
294 14 Trading portfolio and other financial instruments measured at fair value
295 15 Derivative instruments
297 16a Financial investments by instrument type
297 16b Financial investments by counterparty rating – debt instruments
297 17a Other assets
298 17b Other liabilities
298 18 Pledged assets
299 19 Country risk of total assets
300 20 Structured debt instruments
300 21 Funding eligible as total loss-absorbing capacity at the UBS AG level
301 22a Share capital
301 22b Significant shareholders
302 23 Post-employment benefit plans
303 24 Related parties
304 25 Fiduciary transactions
304 26a Invested assets and net new money
304 26b Development of invested assets

305 **Statement of proposed appropriation of total profit and dividend distribution**

306 **UBS AG standalone regulatory information**

306 Key metrics of the fourth quarter of 2024
307 Swiss systemically relevant bank going and gone concern requirements and information
310 Climate risk

Shape the future
with confidence

Ernst & Young Ltd
Aeschengraben 27
P.O. Box
CH-4002 Basel

Phone: +41 58 286 86 86
www.ey.com/en_ch

To the General Meeting of
UBS AG, Zurich and Basel

Basel, 14 March 2025

# Report of the statutory auditor

## Report on the audit of the financial statements

### Opinion

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

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

### Basis for opinion

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

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

### Key audit matters

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

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

Shape the future
with confidence

**Valuation of investments in subsidiaries and other participations**

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

Shape the future
with confidence

**Valuation of complex or illiquid instruments at fair value**

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

Shape the future
with confidence

**Expected credit losses**

**Area of focus**

UBS AG applies in its standalone financial statements the ECL approach which is used in its consolidated financial statements under the IFRS Accounting Standards.

ECL is recognized for financial assets measured at amortized cost, fee and lease receivables, claims arising from Group-internal funding presented as Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity, guarantees, irrevocable loan commitments, revolving revocable credit lines, and forward starting reverse repurchase and securities borrowing agreements. The allowances and provisions for ECL consists of exposures that are in default which are individually evaluated for impairment ("stage 3" as well as losses inherent in the loan portfolio that are not specifically identified ("stage 1 and stage 2"). Management's ECL estimates represent the difference between contractual cash flows and those the Company expects to receive, discounted at the effective interest rate. The method used to calculate ECL is based on a combination of the following principal factors: probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD").

Auditing management's estimate of the allowances and provisions for ECL was complex due to the highly judgmental nature of forward-looking economic scenarios that form the basis of the ECL calculation, their probability weightings, post-model adjustments, and the credit risk models used to estimate stage 1 and stage 2 ECL. The macroeconomic developments during 2024, including persisting geopolitical tensions and inflation, contributed to further uncertainty and complexity in estimating ECL. As a result, the ECL estimation required higher management judgement, specifically within the following three areas: (i) scenario selection, including assumptions about the scenario severity, underlying macroeconomic variables, and the number of scenarios necessary to sufficiently cover the bandwidth of potential outcomes, as well as related scenario weights (ii) credit risk models, since the output from historic data based models may not be indicative of current or future conditions; and (iii) post-model adjustments.

Additionally, auditing the measurement of individual ECL for stage 3 was complex due to the high degree of judgment involved in management's process for estimating ECL based on assumptions. These assumptions take into account expected future cash flows from collateral and other credit enhancements or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims.

Shape the future
with confidence

**Our audit response**

We obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the ECL estimate, including management's choice of forward-looking economic scenarios used to measure ECL and the probability weighting assigned to such scenarios. We evaluated management's methodologies and governance controls for developing and monitoring the economic scenarios used and the probability weightings assigned to them, and selected post-model adjustments. Supported by specialists, we assessed the key macroeconomic variables used in the forward-looking scenarios, such as real gross domestic product growth, unemployment rate, interest rates and house price indices, and evaluated the modelled correlation and translation of those macroeconomic factors to the ECL estimate. We further assessed the appropriateness of the post-model adjustments by considering management's governance process, assumptions used and sensitivity analysis.

We also obtained an understanding, evaluated the design and tested the operating effectiveness of controls over credit risk models used in the ECL estimate, including controls over the completeness and accuracy of data flow and calculation logic in the ECL calculation. With the support of specialists, on a sample basis, we performed an evaluation of management's models and tested the model outcomes by inspecting model documentation, reperforming model calculations, and comparing data used as inputs to management's forecast to external sources, among other procedures.

For the measurement of stage 3, we obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's process, including an evaluation of the assumptions used by management regarding the future cash flows from debtors' continuing operations and/or the liquidation of collateral. Supported by specialists in certain areas, we additionally tested collateral valuation, cash flow assumptions and exit strategies by performing inquiries of management, inspecting underlying documents, such as loan contracts, financial statements, covenants, budgets and business plans, and by re-performing discounted cash flow calculations among other procedures, on a sample basis.

We also assessed management's disclosures regarding financial assets at amortized cost and other positions in scope of expected credit loss measurement (within Notes 13a to 13e to the financial statements).

Shape the future
with confidence

### Legal provisions

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



### Other information

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

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

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

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

Shape the future
with confidence

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

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

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

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

## Report on other legal and regulatory requirements

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

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

Ernst & Young Ltd

Maurice McCormick
Licensed audit expert
(Auditor in charge)

Kristina Prenrecaj
Licensed audit expert

# UBS AG standalone financial statements (audited)

## Income statement

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

## Balance sheet

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

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

**Balance sheet (continued)**

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

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

## Off-balance sheet items

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

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

### Joint and several liability – value-added tax

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

### Guarantees – UBS Europe SE

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

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

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

### Indemnities – UBS Europe SE

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

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

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

## Statement of changes in equity

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

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

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

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

## Note 1 Name, legal form and registered office

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

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

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

## Note 2 Accounting policies

### a) Significant accounting policies

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

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

#### Compensation policy

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

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

#### Deferred compensation

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

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

#### Foreign currency translation

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

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

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

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

## Presentation currencies

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

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

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

## Structured debt instruments

Structured debt instruments consist of debt instruments issued and transacted over the counter and include a host contract and one or more embedded derivatives that do not relate to UBS AG's own equity. By applying the fair value option, the vast majority of structured debt instruments are measured at fair value as a whole and recognized in *Financial liabilities designated at fair value*. The fair value option for structured debt instruments can be applied only if the following criteria are cumulatively met:

- the structured debt instrument is measured on a fair value basis and is subject to risk management that is equivalent to risk management for trading activities;
- the application of the fair value option eliminates or significantly reduces an accounting mismatch that would otherwise arise; and
- changes in fair value attributable to changes in unrealized own credit are not recognized.

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

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

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

## Group-internal funding

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

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

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

## Subordinated assets and liabilities

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

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

## Investments in subsidiaries and other participations

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

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

## Hedge accounting for Investments in subsidiaries and other participations

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

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

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

## Revenue and expense transfers with other Group entities

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

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

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

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

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

## Post-employment benefit plans

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

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

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

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

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

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

## Deferred taxes

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

## Allowances and provisions for expected credit losses

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

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

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

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

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

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

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

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

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

### Dispensations in the standalone financial statements

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

## b) Changes in accounting policies

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

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

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

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

## c) Change in organization

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

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

### Merger of UBS AG and Credit Suisse AG

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

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

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

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

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

### Other integration activities

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

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

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

## Note 2 Accounting policies (continued)

### d) Events after the reporting period

There were no significant events after the reporting period.

### e) Risk management

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

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

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

## Note 3a Net trading income by business

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

1 Almost entirely Global Markets.

## Note 3b Net trading income by underlying risk category

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

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

## Note 4 Investments in subsidiaries and other participations

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

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

### Reorganizations

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

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

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

### Impairments and reversal of impairments

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

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

### Dividends and capital repayments

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

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

## Note 5 Sundry ordinary income and expenses

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

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

## Note 6 Personnel expenses

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

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

## Note 7 General and administrative expenses

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

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

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

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

## Note 9 Extraordinary income and expenses

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

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

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

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

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

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

## Note 10 Taxes

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

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

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

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

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

## Note 11 Securities financing transactions

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

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

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

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

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

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

## Note 12b Credit-impaired financial instruments

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

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

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

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

## Note 13 Allowances and provisions

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

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

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

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

## Note 13a Allowances for credit losses

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

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

## Note 13b Provisions

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

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

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

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

## Note 13c Development of allowances and provisions for credit losses

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

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

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

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

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

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

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

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

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

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

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

| *USD m* | 31.12.24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount[1] | | | | ECL allowances | | | |
| Financial instruments measured at amortized cost | Total | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| Cash and balances at central banks | 69,614 | 69,614 | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from banks | 96,243 | 96,164 | 79 | 0 | (14) | (14) | (1) | 0 |
| Receivables from securities financing transactions | 117,338 | 117,338 | 0 | 0 | (2) | (2) | 0 | 0 |
| Due from customers | 148,955 | 143,834 | 3,288 | 1,833 | (1,710) | (106) | (108) | (1,496) |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 43,652 | 43,652 | 0 | 0 | (23) | (23) | 0 | 0 |
| Mortgage loans | 8,438 | 7,880 | 356 | 201 | (7) | (2) | (1) | (4) |
| Accrued income and prepaid expenses[2] | 3,091 | 3,081 | 10 | 0 | 0 | 0 | 0 | 0 |
| Other assets[3] | 2,172 | 2,170 | 0 | 2 | (5) | (1) | 0 | (4) |
| Total on-balance sheet financial assets within the scope of ECL | 489,504 | 483,734 | 3,733 | 2,037 | (1,762) | (148) | (109) | (1,504) |

| | Total exposure | | | | ECL provisions | | | |
|---|---|---|---|---|---|---|---|---|
| Off-balance sheet (within the scope of ECL) | Total | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| Contingent liabilities, gross | 34,989 | 34,799 | 147 | 43 | (7) | (4) | 0 | (3) |
| Irrevocable commitments, gross | 44,469 | 40,818 | 3,526 | 125 | (128) | (74) | (40) | (14) |
| Forward starting transactions (securities financing transactions)[4] | 22,954 | 22,954 | 0 | 0 | 0 | 0 | 0 | 0 |
| Credit lines | 39,291 | 39,239 | 46 | 6 | 0 | 0 | 0 | 0 |
| Irrevocable committed prolongation of existing loans | 245 | 245 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total off-balance sheet financial instruments and credit lines within the scope of ECL | 141,947 | 138,055 | 3,718 | 173 | (134) | (78) | (40) | (16) |
| Total allowances and provisions | | | | | (1,896) | (226) | (150) | (1,520) |

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

| *CHF m* | 31.12.24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount[1] | | | | ECL allowances | | | |
| Financial instruments measured at amortized cost | Total | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| Cash and balances at central banks | 63,217 | 63,217 | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from banks | 87,399 | 87,327 | 71 | 0 | (13) | (12) | (1) | 0 |
| Receivables from securities financing transactions | 106,555 | 106,555 | 0 | 0 | (2) | (2) | 0 | 0 |
| Due from customers | 135,266 | 130,616 | 2,985 | 1,664 | (1,553) | (96) | (98) | (1,358) |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 39,640 | 39,640 | 0 | 0 | (21) | (21) | 0 | 0 |
| Mortgage loans | 7,662 | 7,156 | 324 | 183 | (6) | (2) | (1) | (4) |
| Accrued income and prepaid expenses[2] | 2,807 | 2,798 | 9 | 0 | 0 | 0 | 0 | 0 |
| Other assets[3] | 1,972 | 1,970 | 0 | 2 | (4) | (1) | 0 | (3) |
| Total on-balance sheet financial assets within the scope of ECL | 444,518 | 439,279 | 3,390 | 1,849 | (1,600) | (134) | (100) | (1,366) |

| | Total exposure | | | | ECL provisions | | | |
|---|---|---|---|---|---|---|---|---|
| Off-balance sheet (within the scope of ECL) | Total | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| Contingent liabilities, gross | 31,773 | 31,601 | 134 | 39 | (6) | (4) | 0 | (2) |
| Irrevocable commitments, gross | 40,382 | 37,067 | 3,202 | 113 | (116) | (67) | (37) | (12) |
| Forward starting transactions (securities financing transactions)[4] | 20,844 | 20,844 | 0 | 0 | 0 | 0 | 0 | 0 |
| Credit lines | 35,680 | 35,633 | 41 | 5 | 0 | 0 | 0 | 0 |
| Irrevocable committed prolongation of existing loans | 222 | 222 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total off-balance sheet financial instruments and credit lines within the scope of ECL | 128,901 | 125,367 | 3,377 | 157 | (122) | (71) | (36) | (15) |
| Total allowances and provisions | | | | | (1,722) | (205) | (136) | (1,380) |

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

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

| *USD m* | 31.12.23 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount[1] | | | | ECL allowances | | | |
| **Financial instruments measured at amortized cost** | Total | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| Cash and balances at central banks | 49,449 | 49,449 | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from banks | 56,082 | 56,082 | 0 | 0 | (5) | (5) | 0 | 0 |
| Receivables from securities financing transactions | 69,381 | 69,381 | 0 | 0 | (2) | (2) | 0 | 0 |
| Due from customers | 107,463 | 105,919 | 1,275 | 270 | (202) | (69) | (19) | (114) |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 29,380 | 29,380 | 0 | 0 | (22) | (22) | 0 | 0 |
| Mortgage loans | 5,116 | 4,997 | 6 | 113 | 0 | 0 | 0 | 0 |
| Accrued income and prepaid expenses | 3,000 | 2,991 | 8 | 0 | 0 | 0 | 0 | 0 |
| Other assets[2] | 918 | 918 | 0 | 0 | (2) | 0 | 0 | (2) |
| **Total on-balance sheet financial assets within the scope of ECL** | **320,789** | **319,117** | **1,289** | **383** | **(233)** | **(99)** | **(19)** | **(116)** |
| | Total exposure | | | | ECL provisions | | | |
| **Off-balance sheet (within the scope of ECL)** | Total | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| Contingent liabilities, gross | 31,360 | 31,226 | 129 | 4 | (3) | (2) | (1) | (1) |
| Irrevocable commitments, gross | 19,900 | 18,427 | 1,458 | 14 | (56) | (33) | (21) | (2) |
| Forward starting transactions (securities financing transactions)[3] | 9,500 | 9,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Credit lines | 9,777 | 9,446 | 331 | 0 | (1) | (1) | 0 | 0 |
| Irrevocable committed prolongation of existing loans | 1,907 | 1,907 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total off-balance sheet financial instruments and credit lines within the scope of ECL** | **72,444** | **70,507** | **1,918** | **18** | **(60)** | **(35)** | **(22)** | **(4)** |
| **Total allowances and provisions** | | | | | **(294)** | **(133)** | **(41)** | **(120)** |

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

| *CHF m* | 31.12.23 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount[1] | | | | ECL allowances | | | |
| **Financial instruments measured at amortized cost** | Total | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| Cash and balances at central banks | 41,620 | 41,620 | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from banks | 47,204 | 47,204 | 0 | 0 | (4) | (4) | 0 | 0 |
| Receivables from securities financing transactions | 58,398 | 58,398 | 0 | 0 | (1) | (1) | 0 | 0 |
| Due from customers | 90,451 | 89,151 | 1,073 | 227 | (170) | (58) | (16) | (96) |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 24,729 | 24,729 | 0 | 0 | (19) | (19) | 0 | 0 |
| Mortgage loans | 4,306 | 4,206 | 5 | 95 | 0 | 0 | 0 | 0 |
| Accrued income and prepaid expenses | 2,525 | 2,518 | 7 | 0 | 0 | 0 | 0 | 0 |
| Other assets[2] | 772 | 772 | 0 | 0 | (2) | 0 | 0 | (1) |
| **Total on-balance sheet financial assets within the scope of ECL** | **270,005** | **268,598** | **1,085** | **322** | **(197)** | **(83)** | **(16)** | **(98)** |
| | Total exposure | | | | ECL provisions | | | |
| **Off-balance sheet (within the scope of ECL)** | Total | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| Contingent liabilities, gross | 26,395 | 26,283 | 109 | 3 | (3) | (1) | 0 | (1) |
| Irrevocable commitments, gross | 16,749 | 15,510 | 1,227 | 12 | (49) | (29) | (19) | (2) |
| Forward starting transactions (securities financing transactions)[3] | 7,996 | 7,996 | 0 | 0 | 0 | 0 | 0 | 0 |
| Credit lines | 8,229 | 7,951 | 278 | 0 | 0 | 0 | 0 | 0 |
| Irrevocable committed prolongation of existing loans | 1,605 | 1,605 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total off-balance sheet financial instruments and credit lines within the scope of ECL** | **60,975** | **59,345** | **1,615** | **15** | **(51)** | **(30)** | **(18)** | **(3)** |
| **Total allowances and provisions** | | | | | **(247)** | **(112)** | **(34)** | **(101)** |

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

## Note 13e Financial assets subject to credit risk, by rating category

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification.

**Financial assets subject to credit risk by rating category**

| *USD m* | 31.12.24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Rating category | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total gross carrying amount | ECL allowances | Net carrying amount (maximum exposure to credit risk) |
| Financial instruments measured at amortized cost | | | | | | | | | |
| Cash and balances at central banks | 69,375 | 216 | 23 | 0 | 0 | 0 | 69,614 | 0 | 69,614 |
| *of which: stage 1* | *69,375* | *216* | *23* | *0* | *0* | *0* | *69,614* | *0* | *69,614* |
| Due from banks | 10,103 | 82,957 | 1,501 | 1,572 | 124 | 0 | 96,257 | (14) | 96,243 |
| *of which: stage 1* | *10,103* | *82,957* | *1,483* | *1,570* | *65* | *0* | *96,178* | *(14)* | *96,164* |
| *of which: stage 2* | *0* | *0* | *18* | *2* | *59* | *0* | *79* | *(1)* | *79* |
| Receivables from securities financing transactions | 50,251 | 23,557 | 12,213 | 29,796 | 1,523 | 0 | 117,340 | (2) | 117,338 |
| *of which: stage 1* | *50,251* | *23,557* | *12,213* | *29,796* | *1,523* | *0* | *117,340* | *(2)* | *117,338* |
| Due from customers | 5,426 | 52,373 | 18,111 | 64,292 | 7,136 | 3,326 | 150,665 | (1,710) | 148,955 |
| *of which: stage 1* | *5,426* | *52,252* | *17,718* | *63,125* | *5,419* | *0* | *143,940* | *(106)* | *143,834* |
| *of which: stage 2* | *0* | *121* | *392* | *1,167* | *1,715* | *0* | *3,396* | *(108)* | *3,288* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *2* | *3,326* | *3,329* | *(1,496)* | *1,833* |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 0 | 43,675 | 0 | 0 | 0 | 0 | 43,675 | (23) | 43,652 |
| *of which: stage 1* | *0* | *43,675* | *0* | *0* | *0* | *0* | *43,675* | *(23)* | *43,652* |
| Mortgage loans | 2 | 599 | 1,653 | 4,518 | 1,468 | 206 | 8,446 | (7) | 8,438 |
| *of which: stage 1* | *2* | *582* | *1,628* | *4,309* | *1,362* | *0* | *7,883* | *(2)* | *7,880* |
| *of which: stage 2* | *0* | *17* | *25* | *209* | *106* | *0* | *357* | *(1)* | *356* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *206* | *206* | *(4)* | *201* |
| Accrued income and prepaid expenses | 373 | 1,512 | 296 | 839 | 72 | 0 | 3,091 | 0 | 3,091 |
| *of which: stage 1* | *373* | *1,512* | *290* | *838* | *69* | *0* | *3,081* | *0* | *3,081* |
| *of which: stage 2* | *0* | *0* | *6* | *1* | *3* | *0* | *10* | *0* | *10* |
| Other assets | 348 | 416 | 41 | 1,349 | 16 | 6 | 2,177 | (5) | 2,172 |
| *of which: stage 1* | *348* | *416* | *41* | *1,349* | *16* | *0* | *2,170* | *(1)* | *2,170* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *6* | *6* | *(4)* | *2* |
| Total in scope of ECL assets / ECL amounts by stages | 135,879 | 205,306 | 33,837 | 102,366 | 10,339 | 3,538 | 491,265 | (1,762) | 489,504 |

**Off-balance sheet positions and credit lines subject to expected credit loss by rating category**

| *USD m* | 31.12.24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Rating category | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total off-balance sheet exposure (maximum exposure to credit risk) | ECL provisions |
| Off-balance sheet (within the scope of ECL) | | | | | | | | |
| Contingent liabilities, gross | 16,706 | 12,865 | 3,204 | 1,486 | 684 | 43 | 34,989 | (7) |
| *of which: stage 1* | *16,706* | *12,862* | *3,195* | *1,471* | *564* | *0* | *34,799* | *(4)* |
| *of which: stage 2* | *0* | *3* | *9* | *16* | *120* | *0* | *147* | *0* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *43* | *43* | *(3)* |
| Irrevocable commitments, gross | 1,447 | 10,520 | 10,045 | 7,549 | 14,827 | 82 | 44,469 | (128) |
| *of which: stage 1* | *1,447* | *10,354* | *9,889* | *7,320* | *11,808* | *0* | *40,818* | *(74)* |
| *of which: stage 2* | *0* | *165* | *156* | *229* | *2,975* | *0* | *3,526* | *(40)* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *43* | *82* | *125* | *(14)* |
| Forward starting transactions (securities financing transactions) | 0 | 0 | 0 | 22,954 | 0 | 0 | 22,954 | 0 |
| *of which: stage 1* | *0* | *0* | *0* | *22,954* | *0* | *0* | *22,954* | *0* |
| Credit lines | 7 | 34,857 | 784 | 3,522 | 115 | 6 | 39,291 | 0 |
| *of which: stage 1* | *7* | *34,838* | *776* | *3,522* | *96* | *0* | *39,239* | *0* |
| *of which: stage 2* | *0* | *19* | *8* | *0* | *18* | *0* | *46* | *0* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *6* | *6* | *0* |
| Irrevocable committed prolongation of existing loans | 0 | 245 | 0 | 0 | 0 | 0 | 245 | 0 |
| *of which: stage 1* | *0* | *245* | *0* | *0* | *0* | *0* | *245* | *0* |
| Total off-balance sheet financial instruments and credit lines | 18,160 | 58,486 | 14,033 | 35,511 | 15,626 | 130 | 141,947 | (134) |

## Note 13e Financial assets subject to credit risk, by rating category (continued)

**Financial assets subject to credit risk by rating category**

| *CHF m* | 31.12.24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Rating category | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total gross carrying amount | ECL allowances | Net carrying amount (maximum exposure to credit risk) |
| Financial instruments measured at amortized cost | | | | | | | | | |
| Cash and balances at central banks | 62,999 | 196 | 21 | 0 | 0 | 0 | 63,217 | 0 | 63,217 |
| *of which: stage 1* | *62,999* | *196* | *21* | *0* | *0* | *0* | *63,217* | *0* | *63,217* |
| Due from banks | 9,175 | 75,334 | 1,363 | 1,427 | 112 | 0 | 87,411 | (13) | 87,399 |
| *of which: stage 1* | *9,175* | *75,334* | *1,347* | *1,426* | *58* | *0* | *87,339* | *(12)* | *87,327* |
| *of which: stage 2* | *0* | *0* | *17* | *2* | *54* | *0* | *72* | *(1)* | *71* |
| Receivables from securities financing transactions | 45,633 | 21,392 | 11,090 | 27,058 | 1,383 | 0 | 106,557 | (2) | 106,555 |
| *of which: stage 1* | *45,633* | *21,392* | *11,090* | *27,058* | *1,383* | *0* | *106,557* | *(2)* | *106,555* |
| Due from customers | 4,928 | 47,560 | 16,446 | 58,384 | 6,481 | 3,020 | 136,818 | (1,553) | 135,266 |
| *of which: stage 1* | *4,928* | *47,450* | *16,090* | *57,324* | *4,921* | *0* | *130,712* | *(96)* | *130,616* |
| *of which: stage 2* | *0* | *110* | *356* | *1,059* | *1,558* | *0* | *3,084* | *(98)* | *2,985* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *2* | *3,020* | *3,023* | *(1,358)* | *1,664* |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 0 | 39,662 | 0 | 0 | 0 | 0 | 39,662 | (21) | 39,640 |
| *of which: stage 1* | *0* | *39,662* | *0* | *0* | *0* | *0* | *39,662* | *(21)* | *39,640* |
| Mortgage loans | 2 | 544 | 1,501 | 4,102 | 1,333 | 187 | 7,669 | (6) | 7,662 |
| *of which: stage 1* | *2* | *528* | *1,478* | *3,913* | *1,237* | *0* | *7,159* | *(2)* | *7,156* |
| *of which: stage 2* | *0* | *16* | *23* | *189* | *96* | *0* | *324* | *(1)* | *324* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *187* | *187* | *(4)* | *183* |
| Accrued income and prepaid expenses | 338 | 1,373 | 269 | 762 | 65 | 0 | 2,807 | 0 | 2,807 |
| *of which: stage 1* | *338* | *1,373* | *263* | *761* | *63* | *0* | *2,798* | *0* | *2,798* |
| *of which: stage 2* | *0* | *0* | *5* | *1* | *2* | *0* | *9* | *0* | *9* |
| Other assets | 316 | 378 | 37 | 1,225 | 14 | 6 | 1,977 | (4) | 1,972 |
| *of which: stage 1* | *316* | *378* | *37* | *1,225* | *14* | *0* | *1,971* | *(1)* | *1,970* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *6* | *6* | *(3)* | *2* |
| Total in scope of ECL assets / ECL amounts by stages | 123,392 | 186,439 | 30,727 | 92,959 | 9,388 | 3,213 | 446,118 | (1,600) | 444,518 |

**Off-balance sheet positions and credit lines subject to expected credit loss by rating category**

| *CHF m* | 31.12.24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Rating category | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total off-balance sheet exposure (maximum exposure to credit risk) | ECL provisions |
| Off-balance sheet (within the scope of ECL) | | | | | | | | |
| Contingent liabilities, gross | 15,171 | 11,683 | 2,910 | 1,350 | 621 | 39 | 31,773 | (6) |
| *of which: stage 1* | *15,171* | *11,680* | *2,902* | *1,336* | *513* | *0* | *31,601* | *(4)* |
| *of which: stage 2* | *0* | *3* | *8* | *14* | *109* | *0* | *134* | *0* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *39* | *39* | *(2)* |
| Irrevocable commitments, gross | 1,314 | 9,553 | 9,122 | 6,855 | 13,464 | 74 | 40,382 | (116) |
| *of which: stage 1* | *1,314* | *9,403* | *8,980* | *6,647* | *10,723* | *0* | *37,067* | *(67)* |
| *of which: stage 2* | *0* | *150* | *141* | *208* | *2,702* | *0* | *3,202* | *(37)* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *39* | *74* | *113* | *(12)* |
| Forward starting transactions (securities financing transactions) | 0 | 0 | 0 | 20,844 | 0 | 0 | 20,844 | 0 |
| *of which: stage 1* | *0* | *0* | *0* | *20,844* | *0* | *0* | *20,844* | *0* |
| Credit lines | 6 | 31,654 | 712 | 3,198 | 104 | 5 | 35,680 | 0 |
| *of which: stage 1* | *6* | *31,637* | *705* | *3,198* | *88* | *0* | *35,633* | *0* |
| *of which: stage 2* | *0* | *17* | *7* | *0* | *17* | *0* | *41* | *0* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *5* | *5* | *0* |
| Irrevocable committed prolongation of existing loans | 0 | 222 | 0 | 0 | 0 | 0 | 222 | 0 |
| *of which: stage 1* | *0* | *222* | *0* | *0* | *0* | *0* | *222* | *0* |
| Total off-balance sheet financial instruments and credit lines | 16,491 | 53,111 | 12,744 | 32,248 | 14,190 | 118 | 128,901 | (122) |

› **Refer to "Note 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement" and "Note 20 Expected credit loss measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information about ECL in accordance with IFRS Accounting Standards**

## Note 13e Financial assets subject to credit risk, by rating category (continued)

**Financial assets subject to credit risk by rating category**

| *USD m* | 31.12.23 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Rating category | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total gross carrying amount | ECL allowances | Net carrying amount (maximum exposure to credit risk) |
| Financial instruments measured at amortized cost | | | | | | | | | |
| Cash and balances at central banks | 49,186 | 262 | 0 | 0 | 0 | 0 | 49,449 | 0 | 49,449 |
| *of which: stage 1* | *49,186* | *262* | *0* | *0* | *0* | *0* | *49,449* | *0* | *49,449* |
| Due from banks | 1,128 | 53,671 | 823 | 452 | 13 | 0 | 56,087 | (5) | 56,082 |
| *of which: stage 1* | *1,128* | *53,671* | *823* | *452* | *13* | *0* | *56,087* | *(5)* | *56,082* |
| Receivables from securities financing transactions | 23,453 | 24,046 | 5,286 | 15,507 | 1,091 | 0 | 69,383 | (2) | 69,381 |
| *of which: stage 1* | *23,453* | *24,046* | *5,286* | *15,507* | *1,091* | *0* | *69,383* | *(2)* | *69,381* |
| Due from customers | 1,551 | 43,921 | 10,578 | 48,624 | 2,607 | 384 | 107,665 | (202) | 107,463 |
| *of which: stage 1* | *1,551* | *43,783* | *10,332* | *48,182* | *2,139* | *0* | *105,987* | *(69)* | *105,919* |
| *of which: stage 2* | *0* | *138* | *246* | *442* | *468* | *0* | *1,294* | *(19)* | *1,275* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *384* | *384* | *(114)* | *270* |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 0 | 29,403 | 0 | 0 | 0 | 0 | 29,403 | (22) | 29,380 |
| *of which: stage 1* | *0* | *29,403* | *0* | *0* | *0* | *0* | *29,403* | *(22)* | *29,380* |
| Mortgage loans | 0 | 1 | 668 | 3,295 | 1,039 | 113 | 5,116 | 0 | 5,116 |
| *of which: stage 1* | *0* | *1* | *668* | *3,290* | *1,039* | *0* | *4,997* | *0* | *4,997* |
| *of which: stage 2* | *0* | *0* | *0* | *6* | *0* | *0* | *6* | *0* | *6* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *113* | *113* | *0* | *113* |
| Accrued income and prepaid expenses | 156 | 1,491 | 447 | 852 | 54 | 0 | 3,000 | 0 | 3,000 |
| *of which: stage 1* | *156* | *1,491* | *443* | *851* | *51* | *0* | *2,991* | *0* | *2,991* |
| *of which: stage 2* | *0* | *0* | *4* | *2* | *3* | *0* | *8* | *0* | *8* |
| Other assets | 21 | 179 | 14 | 696 | 8 | 2 | 920 | (2) | 918 |
| *of which: stage 1* | *21* | *179* | *14* | *696* | *8* | *0* | *918* | *0* | *918* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *2* | *2* | *(2)* | *0* |
| Total in scope of ECL assets / ECL amounts by stages | 75,496 | 152,973 | 17,816 | 69,427 | 4,811 | 499 | 321,022 | (233) | 320,789 |

**Off-balance sheet positions and credit lines subject to expected credit loss by rating category**

| *USD m* | 31.12.23 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Rating category | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total carrying amount (maximum exposure to credit risk) | ECL provision |
| Off-balance sheet (in scope of ECL) | | | | | | | | |
| Contingent liabilities, gross | 17,689 | 9,145 | 2,230 | 1,977 | 314 | 4 | 31,360 | (3) |
| *of which: stage 1* | *17,689* | *9,116* | *2,212* | *1,967* | *243* | *0* | *31,226* | *(2)* |
| *of which: stage 2* | *0* | *30* | *19* | *10* | *71* | *0* | *129* | *(1)* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *4* | *4* | *(1)* |
| Irrevocable commitments, gross | 1,177 | 5,489 | 4,727 | 2,515 | 5,978 | 14 | 19,900 | (56) |
| *of which: stage 1* | *1,177* | *5,489* | *4,715* | *2,407* | *4,639* | *0* | *18,427* | *(33)* |
| *of which: stage 2* | *0* | *0* | *12* | *108* | *1,339* | *0* | *1,458* | *(21)* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *14* | *14* | *(2)* |
| Forward starting transactions (securities financing transactions) | 9,062 | 219 | 84 | 135 | 0 | 0 | 9,500 | 0 |
| *of which: stage 1* | *9,062* | *219* | *84* | *135* | *0* | *0* | *9,500* | *0* |
| Credit lines | 0 | 3,662 | 196 | 4,495 | 1,424 | 0 | 9,777 | (1) |
| *of which: stage 1* | *0* | *3,628* | *148* | *4,493* | *1,178* | *0* | *9,446* | *(1)* |
| *of which: stage 2* | *0* | *34* | *49* | *3* | *246* | *0* | *331* | *0* |
| Irrevocable committed prolongation of existing loans | 0 | 1,907 | 0 | 0 | 0 | 0 | 1,907 | 0 |
| *of which: stage 1* | *0* | *1,907* | *0* | *0* | *0* | *0* | *1,907* | *0* |
| Total off-balance sheet financial instruments and credit lines | 27,928 | 20,423 | 7,237 | 9,122 | 7,715 | 18 | 72,444 | (60) |

## Note 13e Financial assets subject to credit risk, by rating category (continued)

**Financial assets subject to credit risk, by rating category**

| *CHF m* | 31.12.23 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Rating category | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total gross carrying amount | ECL allowances | Net carrying amount (maximum exposure to credit risk) |
| Financial instruments measured at amortized cost | | | | | | | | | |
| Cash and balances at central banks | 41,400 | 221 | 0 | 0 | 0 | 0 | 41,621 | 0 | 41,620 |
| *of which: stage 1* | *41,400* | *221* | *0* | *0* | *0* | *0* | *41,621* | *0* | *41,620* |
| Due from banks | 950 | 45,175 | 693 | 381 | 11 | 0 | 47,209 | (4) | 47,204 |
| *of which: stage 1* | *950* | *45,175* | *693* | *381* | *11* | *0* | *47,209* | *(4)* | *47,204* |
| Receivables from securities financing transactions | 19,741 | 20,239 | 4,449 | 13,052 | 918 | 0 | 58,399 | (1) | 58,398 |
| *of which: stage 1* | *19,741* | *20,239* | *4,449* | *13,052* | *918* | *0* | *58,399* | *(1)* | *58,398* |
| Due from customers | 1,306 | 36,968 | 8,903 | 40,926 | 2,194 | 323 | 90,621 | (170) | 90,451 |
| *of which: stage 1* | *1,306* | *36,852* | *8,696* | *40,554* | *1,801* | *0* | *89,209* | *(58)* | *89,151* |
| *of which: stage 2* | *0* | *116* | *207* | *372* | *394* | *0* | *1,089* | *(16)* | *1,073* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *323* | *323* | *(96)* | *227* |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 0 | 24,748 | 0 | 0 | 0 | 0 | 24,748 | (19) | 24,729 |
| *of which: stage 1* | *0* | *24,748* | *0* | *0* | *0* | *0* | *24,748* | *(19)* | *24,729* |
| Mortgage loans | 0 | 1 | 562 | 2,774 | 874 | 95 | 4,306 | 0 | 4,306 |
| *of which: stage 1* | *0* | *1* | *562* | *2,769* | *874* | *0* | *4,206* | *0* | *4,206* |
| *of which: stage 2* | *0* | *0* | *0* | *5* | *0* | *0* | *5* | *0* | *5* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *95* | *95* | *0* | *95* |
| Accrued income and prepaid expenses | 131 | 1,255 | 376 | 718 | 45 | 0 | 2,525 | 0 | 2,525 |
| *of which: stage 1* | *131* | *1,255* | *373* | *716* | *43* | *0* | *2,518* | *0* | *2,518* |
| *of which: stage 2* | *0* | *0* | *4* | *1* | *2* | *0* | *7* | *0* | *7* |
| Other assets | 17 | 151 | 12 | 586 | 7 | 1 | 774 | (2) | 772 |
| *of which: stage 1* | *17* | *151* | *12* | *586* | *7* | *0* | *773* | *0* | *772* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *1* | *1* | *(1)* | *0* |
| Total in scope of ECL assets / ECL amounts by stages | 63,544 | 128,757 | 14,995 | 58,436 | 4,050 | 420 | 270,202 | (197) | 270,005 |

**Off-balance sheet positions and credit lines subject to expected credit loss by rating category**

| *CHF m* | 31.12.23 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Rating category | 0–1 | 2–3 | 4–5 | 6–8 | 9–13 | Credit-impaired (defaulted) | Total carrying amount (maximum exposure to credit risk) | ECL provision |
| Off-balance sheet (in scope of ECL) | | | | | | | | |
| Contingent liabilities, gross | 14,889 | 7,698 | 1,877 | 1,664 | 264 | 3 | 26,395 | (3) |
| *of which: stage 1* | *14,889* | *7,673* | *1,862* | *1,655* | *204* | *0* | *26,283* | *(1)* |
| *of which: stage 2* | *0* | *25* | *16* | *9* | *60* | *0* | *109* | *0* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *3* | *3* | *(1)* |
| Irrevocable commitments, gross | 990 | 4,620 | 3,978 | 2,117 | 5,032 | 12 | 16,749 | (49) |
| *of which: stage 1* | *990* | *4,620* | *3,968* | *2,026* | *3,905* | *0* | *15,510* | *(29)* |
| *of which: stage 2* | *0* | *0* | *10* | *91* | *1,127* | *0* | *1,227* | *(19)* |
| *of which: stage 3* | *0* | *0* | *0* | *0* | *0* | *12* | *12* | *(2)* |
| Forward starting transactions (securities financing transactions) | 7,627 | 185 | 70 | 114 | 0 | 0 | 7,996 | 0 |
| *of which: stage 1* | *7,627* | *185* | *70* | *114* | *0* | *0* | *7,996* | *0* |
| Credit lines | 0 | 3,082 | 165 | 3,784 | 1,198 | 0 | 8,229 | 0 |
| *of which: stage 1* | *0* | *3,054* | *124* | *3,781* | *991* | *0* | *7,951* | *0* |
| *of which: stage 2* | *0* | *28* | *41* | *2* | *207* | *0* | *278* | *0* |
| Irrevocable committed prolongation of existing loans | 0 | 1,605 | 0 | 0 | 0 | 0 | 1,605 | 0 |
| *of which: stage 1* | *0* | *1,605* | *0* | *0* | *0* | *0* | *1,605* | *0* |
| Total off-balance sheet financial instruments and credit lines | 23,507 | 17,190 | 6,091 | 7,678 | 6,494 | 15 | 60,975 | (51) |

## Note 14 Trading portfolio and other financial instruments measured at fair value

| | USD m | | CHF m | |
|---|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| **Assets** | | | | |
| Trading portfolio assets | 148,686 | 124,682 | 135,022 | 104,943 |
| *of which: debt instruments[1]* | *30,308* | *21,300* | *27,523* | *17,928* |
| *of which: listed* | *21,960* | *17,653* | *19,942* | *14,858* |
| *of which: equity instruments* | *113,185* | *100,646* | *102,783* | *84,713* |
| *of which: precious metals and other physical commodities* | *5,193* | *2,735* | *4,715* | *2,302* |
| Total assets measured at fair value | 148,686 | 124,682 | 135,022 | 104,943 |
| *of which: fair value derived using a valuation model* | *27,939* | *17,340* | *25,371* | *14,595* |
| *of which: securities eligible for repurchase transactions in accordance with liquidity regulations[2]* | *15,542* | *12,167* | *14,113* | *10,241* |
| **Liabilities** | | | | |
| Trading portfolio liabilities | 29,316 | 27,280 | 26,622 | 22,961 |
| *of which: debt instruments[1]* | *11,884* | *11,191* | *10,792* | *9,419* |
| *of which: listed* | *11,157* | *10,908* | *10,131* | *9,181* |
| *of which: equity instruments* | *17,431* | *16,089* | *15,829* | *13,542* |
| Financial liabilities designated at fair value[3] | 102,901 | 80,859 | 93,444 | 68,058 |
| Total liabilities measured at fair value | 132,216 | 108,139 | 120,065 | 91,019 |
| *of which: fair value derived using a valuation model* | *112,247* | *85,898* | *101,931* | *72,300* |

1 Includes money market paper. 2 Consists of high-quality liquid debt securities that are eligible for repurchase transactions at the Swiss National Bank or other central banks. 3 Refer to Note 20 for more information.

## Note 15 Derivative instruments[1]

| USD bn | 31.12.24 Derivative financial assets | 31.12.24 Derivative financial liabilities | 31.12.24 Total notional values[2] | 31.12.23 Derivative financial assets | 31.12.23 Derivative financial liabilities | 31.12.23 Total notional values[2] |
|---|---|---|---|---|---|---|
| **Interest rate contracts** | | | | | | |
| Forwards[3] | 0.2 | 0.2 | 602 | 0.1 | 0.2 | 1,076 |
| Swaps | 32.7 | 25.8 | 15,269 | 25.7 | 21.0 | 12,667 |
| *of which: designated in hedge accounting relationships* | *0.0* | *0.0* | *197* | *0.0* | *0.0* | *123* |
| Futures | 0.0 | 0.0 | 802 | 0.0 | 0.0 | 704 |
| Over-the-counter (OTC) options | 11.6 | 13.2 | 1,963 | 12.1 | 14.4 | 1,571 |
| Exchange-traded options | 0.1 | 0.2 | 198 | 0.1 | 0.1 | 96 |
| **Total** | 44.6 | 39.4 | 18,834 [4] | 38.1 | 35.7 | 16,114 |
| **Foreign exchange contracts** | | | | | | |
| Forwards | 37.2 | 32.5 | 2,290 | 15.6 | 18.9 | 1,892 |
| *of which: designated in hedge accounting relationships* | *0.2* | *0.0* | *3* | *0.0* | *0.0* | *0* |
| Swaps | 53.1 | 51.4 | 4,012 | 44.5 | 47.1 | 3,823 |
| *of which: designated in hedge accounting relationships* | *0.9* | *0.9* | *59* | *0.5* | *0.7* | *46* |
| Futures | 0.0 | - | 1 | 0.0 | 0.0 | 1 |
| Over-the-counter (OTC) options | 9.5 | 9.7 | 1,157 | 6.3 | 6.1 | 894 |
| Exchange-traded options | 0.1 | 0.1 | 9 | 0.1 | 0.1 | 5 |
| **Total** | 99.9 | 93.7 | 7,469 | 66.4 | 72.2 | 6,615 |
| **Equity contracts** | | | | | | |
| Forwards | 0.3 | 0.3 | 30 | 0.2 | 0.4 | 33 |
| Swaps | 6.1 | 8.6 | 363 | 6.5 | 9.3 | 269 |
| Futures | 0.0 | 0.0 | 80 | 0.0 | 0.0 | 73 |
| Over-the-counter (OTC) options | 4.4 | 8.5 | 229 | 2.9 | 6.0 | 199 |
| Exchange-traded options | 13.2 | 12.9 | 778 | 9.5 | 9.0 | 726 |
| **Total** | 24.1 | 30.3 | 1,479 | 19.1 | 24.6 | 1,299 |
| **Credit derivative contracts** | | | | | | |
| Credit default swaps | 2.4 | 3.0 | 133 | 1.5 | 1.3 | 95 |
| Total return swaps | 0.1 | 0.4 | 1 | 0.0 | 0.1 | 1 |
| Other | 0.3 | 0.0 | 4 | 0.1 | 0.0 | 1 |
| **Total** | 2.8 | 3.3 | 139 | 1.7 | 1.5 | 97 |
| **Commodity, precious metals and other contracts** | | | | | | |
| Forwards[5] | 0.6 | 0.4 | 78 | 0.1 | 0.2 | 49 |
| Swaps | 0.9 | 1.1 | 58 | 0.7 | 0.5 | 45 |
| Futures | 0.0 | 0.0 | 13 | 0.0 | 0.0 | 13 |
| Over-the-counter (OTC) options | 0.8 | 0.4 | 42 | 0.6 | 0.3 | 38 |
| Exchange-traded options | 0.3 | 0.4 | 9 | 0.3 | 0.3 | 4 |
| **Total** | 2.6 | 2.3 | 200 | 1.6 | 1.3 | 150 |
| **Total before netting** | 173.9 | 169.1 | 28,120 | 126.9 | 135.3 | 24,275 |
| *of which: trading derivatives* | *172.9* | *168.1* | | *126.4* | *134.5* | |
| *of which: fair value derived using a valuation model* | *171.9* | *167.2* | | *125.8* | *133.8* | |
| *of which: derivatives designated in hedge accounting relationships* | *1.0* | *0.9* | | *0.5* | *0.7* | |
| *of which: fair value derived using a valuation model* | *1.0* | *0.9* | | *0.5* | *0.7* | |
| Netting with cash collateral payables / receivables | (20.2) | (23.4) | | (17.9) | (19.4) | |
| Replacement value netting | (131.8) | (131.7) | | (98.9) | (98.9) | |
| **Total after netting** | 21.9 | 14.0 | | 10.1 | 16.9 | |
| *of which: with central clearing counterparties* | *0.6* | *0.3* | | *0.5* | *0.2* | |
| *of which: with bank and broker-dealer counterparties* | *3.0* | *4.2* | | *2.1* | *2.1* | |
| *of which: other client counterparties* | *18.3* | *9.5* | | *7.5* | *14.6* | |

1 Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are excluded from this table. The replacement values and related notional values of these derivatives were not material for the periods presented. 2 Total notional values include USD 15.5trn (31 December 2023: USD 13.8trn) relating to derivatives that are cleared through either a central counterparty or an exchange. The fair value of these derivatives net of the corresponding cash margin was not material for any of the periods presented. 3 Includes forward rate agreements. 4 Notional amounts related to interest rate contracts increased by USD 2.7trn compared with 31 December 2023, mainly reflecting the effect of the merger of UBS AG and Credit Suisse AG, and higher business volume in the Investment Bank . 5 Includes derivative loan commitments with notional values of USD 23bn as of 31 December 2024 (31 December 2023: USD 6bn) and negative replacement values of USD 137m (31 December 2023: USD 21m).

## Note 15 Derivative instruments (continued)[1]

| | 31.12.24 | | | 31.12.23 | | |
|---|---|---|---|---|---|---|
| *CHF bn* | Derivative financial assets | Derivative financial liabilities | Total notional values[2] | Derivative financial assets | Derivative financial liabilities | Total notional values[2] |
| **Interest rate contracts** | | | | | | |
| Forwards[3] | 0.2 | 0.2 | 547 | 0.1 | 0.1 | 905 |
| Swaps | 29.7 | 23.4 | 13,865 | 21.7 | 17.6 | 10,662 |
| *of which: designated in hedge accounting relationships* | *0.0* | *0.0* | *179* | *0.0* | *0.0* | *104* |
| Futures | 0.0 | 0.0 | 728 | 0.0 | 0.0 | 593 |
| Over-the-counter (OTC) options | 10.6 | 12.0 | 1,782 | 10.2 | 12.1 | 1,322 |
| Exchange-traded options | 0.1 | 0.1 | 180 | 0.1 | 0.1 | 81 |
| **Total** | 40.5 | 35.8 | 17,103[4] | 32.0 | 30.0 | 13,563 |
| **Foreign exchange contracts** | | | | | | |
| Forwards | 33.8 | 29.5 | 2,080 | 13.1 | 15.9 | 1,593 |
| *of which: designated in hedge accounting relationships* | *0.1* | *0.0* | *3* | *0.0* | *0.0* | *0* |
| Swaps | 48.2 | 46.7 | 3,643 | 37.5 | 39.6 | 3,218 |
| *of which: designated in hedge accounting relationships* | *0.8* | *0.9* | *53* | *0.4* | *0.6* | *39* |
| Futures | 0.0 | 0.0 | 1 | 0.0 | 0.0 | 1 |
| Over-the-counter (OTC) options | 8.7 | 8.8 | 1,050 | 5.3 | 5.2 | 752 |
| Exchange-traded options | 0.1 | 0.1 | 8 | 0.0 | 0.0 | 5 |
| **Total** | 90.7 | 85.1 | 6,783 | 55.9 | 60.7 | 5,568 |
| **Equity contracts** | | | | | | |
| Forwards | 0.3 | 0.3 | 27 | 0.2 | 0.3 | 27 |
| Swaps | 5.5 | 7.8 | 329 | 5.4 | 7.8 | 226 |
| Futures | 0.0 | 0.0 | 73 | 0.0 | 0.0 | 61 |
| Over-the-counter (OTC) options | 4.0 | 7.7 | 208 | 2.5 | 5.0 | 168 |
| Exchange-traded options | 12.0 | 11.7 | 706 | 8.0 | 7.6 | 611 |
| **Total** | 21.9 | 27.5 | 1,343 | 16.1 | 20.7 | 1,094 |
| **Credit derivative contracts** | | | | | | |
| Credit default swaps | 2.2 | 2.7 | 121 | 1.2 | 1.1 | 80 |
| Total return swaps | 0.0 | 0.3 | 1 | 0.0 | 0.1 | 1 |
| Other | 0.3 | 0.0 | 4 | 0.1 | 0.0 | 1 |
| **Total** | 2.5 | 3.0 | 126 | 1.4 | 1.2 | 81 |
| **Commodity, precious metals and other contracts** | | | | | | |
| Forwards[5] | 0.5 | 0.3 | 71 | 0.1 | 0.1 | 41 |
| Swaps | 0.8 | 1.0 | 53 | 0.6 | 0.5 | 38 |
| Futures | 0.0 | 0.0 | 11 | 0.0 | 0.0 | 11 |
| Over-the-counter (OTC) options | 0.7 | 0.4 | 38 | 0.5 | 0.2 | 32 |
| Exchange-traded options | 0.3 | 0.4 | 8 | 0.2 | 0.3 | 4 |
| **Total** | 2.3 | 2.1 | 181 | 1.4 | 1.1 | 126 |
| **Total before netting** | 157.9 | 153.5 | 25,536 | 106.8 | 113.9 | 20,432 |
| *of which: trading derivatives* | *157.0* | *152.7* | | *106.4* | *113.2* | |
| *of which: fair value derived using a valuation model* | *156.1* | *151.9* | | *105.9* | *112.6* | |
| *of which: derivatives designated in hedge accounting relationships* | *1.0* | *0.9* | | *0.4* | *0.6* | |
| *of which: fair value derived using a valuation model* | *1.0* | *0.9* | | *0.4* | *0.6* | |
| Netting with cash collateral payables / receivables | (18.4) | (21.2) | | (15.1) | (16.4) | |
| Replacement value netting | (119.7) | (119.6) | | (83.2) | (83.2) | |
| **Total after netting** | 19.9 | 12.7 | | 8.5 | 14.2 | |
| *of which: with central clearing counterparties* | *0.6* | *0.2* | | *0.4* | *0.2* | |
| *of which: with bank and broker-dealer counterparties* | *2.7* | *3.8* | | *1.7* | *1.7* | |
| *of which: other client counterparties* | *16.6* | *8.7* | | *6.3* | *12.3* | |

1 Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are excluded from this table. The replacement values and related notional values of these derivatives were not material for the periods presented. 2 Total notional values include CHF 14.1trn (31 December 2023: CHF 11.6trn) relating to derivatives that are cleared through either a central counterparty or an exchange. The fair value of these derivatives net of the corresponding cash margin was not material for any of the periods presented. 3 Includes forward rate agreements. 4 Notional amounts related to interest rate contracts increased by CHF 3.5trn compared with 31 December 2023, mainly reflecting the effect of the merger of UBS AG and Credit Suisse AG, and higher business volume in the Investment Bank. 5 Includes derivative loan commitments with notional values of CHF 20bn as of 31 December 2024 (31 December 2023: CHF 5bn) and negative replacement values of CHF 125m (31 December 2023: CHF 17m).

## Note 16a Financial investments by instrument type

| | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| *USD m* | Carrying amount | Fair value | Carrying amount | Fair value |
| Debt instruments | 38,710 | 38,190 | 40,857 | 40,864 |
| *of which: held to maturity* | *21,095* | *20,413* | *20,760* | *20,474* |
| *of which: available for sale* | *17,615* | *17,776* | *20,097* | *20,390* |
| Equity instruments | 1,140 | 1,144 | 16 | 19 |
| *of which: qualified participations*[1] | *1* | *1* | *2* | *2* |
| Other | 0 | 0 | 1 | 1 |
| **Total financial investments** | 39,850 | 39,334 | 40,874 | 40,884 |
| *of which: securities eligible for repurchase transactions in accordance with liquidity regulations*[2] | *34,381* | *33,744* | *36,255* | *36,065* |

1 Qualified participations are investments in which UBS AG holds 10% or more of the total capital or has at least 10% of total voting rights. 2 Consists of high-quality liquid debt securities that are eligible for repurchase transactions at the Swiss National Bank or other central banks.

| | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| *CHF m* | Carrying amount | Fair value | Carrying amount | Fair value |
| Debt instruments | 35,153 | 34,680 | 34,388 | 34,395 |
| *of which: held to maturity* | *19,157* | *18,537* | *17,473* | *17,233* |
| *of which: available for sale* | *15,996* | *16,143* | *16,915* | *17,162* |
| Equity instruments | 1,035 | 1,038 | 14 | 16 |
| *of which: qualified participations*[1] | *1* | *1* | *1* | *1* |
| Other | 0 | 0 | 1 | 1 |
| **Total financial investments** | 36,188 | 35,719 | 34,403 | 34,412 |
| *of which: securities eligible for repurchase transactions in accordance with liquidity regulations*[2] | *31,221* | *30,643* | *30,515* | *30,355* |

1 Qualified participations are investments in which UBS AG holds 10% or more of the total capital or has at least 10% of total voting rights. 2 Consists of high-quality liquid debt securities that are eligible for repurchase transactions at the Swiss National Bank or other central banks.

## Note 16b Financial investments by counterparty rating – debt instruments

| | USD m | | CHF m | |
|---|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| **Internal UBS rating**[1] | | | | |
| 0–1 | 25,113 | 31,902 | 22,805 | 26,852 |
| 2–3 | 13,231 | 8,929 | 12,015 | 7,515 |
| 4–5 | 363 | 24 | 330 | 20 |
| 6–8 | 0 | 0 | 0 | 0 |
| 9–13 | 0 | 0 | 0 | 0 |
| Non-rated | 3 | 1 | 3 | 1 |
| **Total financial investments** | 38,710 | 40,857 | 35,153 | 34,388 |

1 Refer to Note 19 for more information.

## Note 17a Other assets

| | USD m | | CHF m | |
|---|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Deferral position for hedging instruments | 9,129 | 6,824 | 8,290 | 5,743 |
| Deposits and collateral provided in connection with litigation, regulatory and similar matters[1] | 1,290 | 1,372 | 1,172 | 1,155 |
| Fee- and commission-related receivables | 282 | 242 | 256 | 203 |
| Net assets for defined benefit plans | 428 | 344 | 388 | 290 |
| VAT, withholding tax and other tax receivables | 823 | 425 | 747 | 357 |
| Other | 1,966 | 699 | 1,784 | 587 |
| *of which: other receivables due from UBS Group AG and subsidiaries in the UBS Group* | *1,459* | *483* | *1,325* | *407* |
| **Total other assets**[2] | 13,918 | 9,905 | 12,638 | 8,336 |

1 Refer to item 1 in Note 18b to the UBS AG consolidated financial statements in the UBS AG Annual Report 2024 for more information. 2 Includes components of other receivables due from UBS Group AG and subsidiaries in the UBS Group and other assets totaling USD 2,172m (CHF 1,972m) as of 31 December 2024 USD 918m (CHF 772m) as of 31 December 2023), which are within the scope of expected credit loss accounting. Refer to Note 13d for more information.

## Note 17b Other liabilities

| | USD m | | CHF m | |
|---|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Settlement and clearing accounts | 401 | 115 | 364 | 97 |
| Net defined benefit liabilities | 61 | 66 | 55 | 56 |
| VAT, withholding tax and other tax payables[1] | 108 | 82 | 98 | 69 |
| Other | 4,626 | 1,491 | 4,201 | 1,254 |
| *of which: other payables to third parties* | *2,493* | *490* | *2,264* | *412* |
| *of which: other payables due to UBS Group AG and subsidiaries in the UBS Group* | *1,885* | *900* | *1,712* | *758* |
| **Total other liabilities** | 5,196 | 1,755 | 4,718 | 1,475 |

1 Excludes capital tax payables.

## Note 18 Pledged assets

The table below provides information about pledged assets, other than assets placed with central banks related to undrawn credit lines and for payment, clearing and settlement purposes (31 December 2024: USD 1.1bn (CHF 0.9bn), 31 December 2023: USD 3.5bn (CHF 2.9bn)) and those pledged in connection with securities financing transactions (refer to Note 11 for more information).

| | 31.12.24 | 31.12.23 |
|---|---|---|
| *USD m* | Carrying amount of pledged assets | Carrying amount of pledged assets |
| Securities[1] | 12,112 | 8,011 |
| Property[2] | 2,025 | 2,187 |
| **Total pledged assets** | 14,137 | 10,198 |

1 Includes securities pledged for derivative transactions, where the replacement values are managed on a portfolio basis across counterparties and product types, and therefore there is no direct relationship between the specific collateral pledged and the associated liability. 2 These pledged properties serve as collateral for an existing mortgage loan from UBS Switzerland AG, the carrying amount of which was USD 2,521m as of 31 December 2024 (USD 2,804m as of 31 December 2023).

| | 31.12.24 | 31.12.23 |
|---|---|---|
| *CHF m* | Carrying amount of pledged assets | Carrying amount of pledged assets |
| Securities[1] | 10,999 | 6,743 |
| Property[2] | 1,839 | 1,841 |
| **Total pledged assets** | 12,838 | 8,584 |

1 Includes securities pledged for derivative transactions, where the replacement values are managed on a portfolio basis across counterparties and product types, and therefore there is no direct relationship between the specific collateral pledged and the associated liability. 2 These pledged properties serve as collateral for an existing mortgage loan from UBS Switzerland AG, the carrying amount of which was CHF 2,289m as of 31 December 2024 (CHF 2,360m as of 31 December 2023).

## Note 19 Country risk of total assets

The table below provides a breakdown of total non-Swiss assets by credit rating, after netting of assets and liabilities as recognized on the balance sheet but before other risk mitigants. The credit ratings reflect the sovereign credit rating of the country to which the ultimate risk of the underlying asset is related. The ultimate country of risk for unsecured loan positions is the domicile of the immediate borrower or, in the case of a legal entity, the domicile of the ultimate parent entity. For collateralized or guaranteed positions, the ultimate country of risk is the domicile of the provider of the collateral or guarantor or, if applicable, the domicile of the ultimate parent entity of the provider of the collateral or guarantor. For mortgage loans, the ultimate country of risk is the country where the real estate is located. Similarly, the ultimate country of risk for property and equipment is the country where the property and equipment are located. Assets for which Switzerland is the ultimate country of risk are provided separately at the bottom of the table in order to provide a reconciliation to total balance sheet assets.

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

| | | | | | | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|---|---|---|---|---|
| Classification | Internal UBS rating[1] | Description | Moody's Investors Service | S&P | Fitch | USD m | % | USD m | % |
| Low risk | 0 and 1 | Investment grade | Aaa | AAA | AAA | 343,884 | 43 | 251,204 | 45 |
| | 2 | | Aa1 to Aa3 | AA+ to AA– | AA+ to AA– | 134,479 | 17 | 90,612 | 16 |
| Medium risk | 3 | | A1 to A3 | A+ to A– | A+ to A– | 93,246 | 12 | 71,893 | 13 |
| | 4 | | Baa1 to Baa2 | BBB+ to BBB | BBB+ to BBB | 18,082 | 2 | 10,340 | 2 |
| | 5 | | Baa3 | BBB– | BBB– | 6,872 | 1 | 5,328 | 1 |
| High risk | 6 | Sub-investment grade | Ba1 | BB+ | BB+ | 828 | 0 | 127 | 0 |
| | 7 | | Ba2 | BB | BB | 2,765 | 0 | 774 | 0 |
| | 8 | | Ba3 | BB– | BB– | 246 | 0 | 1,940 | 0 |
| | 9 | | B1 | B+ | B+ | 1,805 | 0 | 750 | 0 |
| Very high risk | 10 | | B2 | B | B | 454 | 0 | 503 | 0 |
| | 11 | | B3 | B– | B– | 129 | 0 | 121 | 0 |
| | 12 | | Caa1 to Caa2 | CCC+ to CCC | CCC+ to CCC | 4,659 | 1 | 261 | 0 |
| | 13 | | Caa3 to C | CCC– to C | CCC– to C | 121 | 0 | 134 | 0 |
| Distressed | Default | Defaulted | | D | D | 119 | 0 | 29 | 0 |
| **Subtotal** | | | | | | 607,688 | 77 | 434,016 | 78 |
| Switzerland | | | | | | 183,608 | 23 | 124,511 | 22 |
| **Total assets** | | | | | | 791,297 | 100 | 558,527 | 100 |

1 Internal ratings are mapped to the external ratings in line with the table published in the "Risk management and control" section of the UBS Group AG Annual Report 2024.

| | | | | | | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|---|---|---|---|---|
| Classification | Internal UBS rating[1] | Description | Moody's Investors Service | S&P | Fitch | CHF m | % | CHF m | % |
| Low risk | 0 and 1 | Investment grade | Aaa | AAA | AAA | 312,281 | 43 | 211,428 | 45 |
| | 2 | | Aa1 to Aa3 | AA+ to AA– | AA+ to AA– | 122,121 | 17 | 76,271 | 16 |
| Medium risk | 3 | | A1 to A3 | A+ to A– | A+ to A– | 84,676 | 12 | 60,511 | 13 |
| | 4 | | Baa1 to Baa2 | BBB+ to BBB | BBB+ to BBB | 16,420 | 2 | 8,703 | 2 |
| | 5 | | Baa3 | BBB– | BBB– | 6,240 | 1 | 4,485 | 1 |
| High risk | 6 | Sub-investment grade | Ba1 | BB+ | BB+ | 752 | 0 | 107 | 0 |
| | 7 | | Ba2 | BB | BB | 2,511 | 0 | 651 | 0 |
| | 8 | | Ba3 | BB– | BB– | 223 | 0 | 1,633 | 0 |
| | 9 | | B1 | B+ | B+ | 1,639 | 0 | 631 | 0 |
| Very high risk | 10 | | B2 | B | B | 412 | 0 | 423 | 0 |
| | 11 | | B3 | B– | B– | 117 | 0 | 102 | 0 |
| | 12 | | Caa1 to Caa2 | CCC+ to CCC | CCC+ to CCC | 4,231 | 1 | 220 | 0 |
| | 13 | | Caa3 to C | CCC– to C | CCC– to C | 110 | 0 | 113 | 0 |
| Distressed | Default | Defaulted | | D | D | 108 | 0 | 24 | 0 |
| **Subtotal** | | | | | | 551,841 | 77 | 365,302 | 78 |
| Switzerland | | | | | | 166,734 | 23 | 104,803 | 22 |
| **Total assets** | | | | | | 718,576 | 100 | 470,106 | 100 |

1 Internal ratings are mapped to the external ratings in line with the table published in the "Risk management and control" section of the UBS Group AG Annual Report 2024.

## Note 20 Structured debt instruments

The table below provides a breakdown of financial liabilities designated at fair value that are considered structured debt instruments.

| | USD m | | CHF m | |
|---|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Fixed-rate bonds with structured features | 8,684 | 5,679 | 7,886 | 4,780 |
| Structured debt instruments issued: | | | | |
| Equity-linked | 53,917 | 46,220 | 48,962 | 38,903 |
| Rates-linked | 22,373 | 16,681 | 20,316 | 14,040 |
| Credit-linked | 4,787 | 4,287 | 4,347 | 3,608 |
| Commodity-linked[1] | 3,620 | 3,704 | 3,288 | 3,118 |
| FX-linked | 1,253 | 699 | 1,138 | 589 |
| Funding received from UBS Group AG designated at fair value[2] | 4,998 | 2,711 | 4,539 | 2,282 |
| Structured over-the-counter (OTC) debt instruments | 3,268 | 877 | 2,968 | 738 |
| **Total financial liabilities designated at fair value** | 102,901 | 80,859 | 93,444 | 68,058 |

1 Includes precious metals-linked debt instruments issued. 2 Refer to Note 21 for more information.

In addition to *Financial liabilities designated at fair value*, certain structured debt instruments were reported within the balance sheet lines *Due to banks*, *Due to customers* and *Bonds issued*. These instruments were bifurcated for measurement purposes. As of 31 December 2024, the total carrying amount of the host instruments was USD 8,258m (CHF 7,499m) (31 December 2023: USD 7,555m (CHF 6,359m)) and the total carrying amount of the bifurcated embedded derivatives was positive USD 63m (CHF 57m) (31 December 2023: positive USD 58m (CHF 49m)).

## Note 21 Funding eligible as total loss-absorbing capacity at the UBS AG level

| | USD m | | CHF m | |
|---|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Funding eligible as total loss-absorbing capacity at the UBS AG level included in: | | | | |
| Funding received from UBS Group AG measured at amortized cost | 108,185 | 67,292 | 98,243 | 56,639 |
| Funding received from UBS Group AG designated at fair value | 4,998 | 2,711 | 4,539 | 2,282 |
| Bonds issued | 218 | 546 | 198 | 460 |
| **Total funding eligible as total loss-absorbing capacity at the UBS AG level[1]** | 113,401 | 70,549 | 102,980 | 59,381 |

1 Represents the Swiss GAAP carrying amount of instruments qualifying as total loss-absorbing capital. In accordance with the Basel III framework, as applicable to Swiss systemically relevant banks (SRB), total funding eligible as total loss-absorbing capacity at the UBS AG level was USD 108,004m (CHF 98,079m) as of 31 December 2024 (31 December 2023: USD 66,951m (CHF 56,352m)). Refer to the "UBS AG standalone regulatory information" section of this report for more information about Swiss SRB going and gone concern capital.

## Note 22a Share capital

### UBS AG shares issued and outstanding

As of 31 December 2024, UBS AG's share capital of USD 386m (CHF 380m) consisted of 3,858,408,466 fully paid-up registered issued and outstanding shares with a nominal value of USD 0.10, which each entitle the holder to one vote at the meeting of the shareholders of UBS AG, if entered into the share register as having the right to vote, as well as a proportionate share of distributed dividends (unchanged from 31 December 2023). UBS AG's shares are not subject to any restrictions or limitations on their transferability. All shares were held by UBS Group AG.

### Conditional share capital

As of 31 December 2024, the following conditional share capital was available to the Board of Directors (the BoD) of UBS AG:

– Conditional capital in the amount of USD 38,000,000, for the issuance of a maximum of 380,000,000 fully paid registered shares with a nominal value of USD 0.10 each (unchanged from 31 December 2023), to be issued through the voluntary or mandatory exercise of conversion rights and / or warrants granted in connection with the issuance of bonds or similar financial instruments on national or international capital markets. This conditional capital allowance was approved at the Extraordinary General Meeting held on 26 November 2014, having originally been approved at the Annual General Meeting (the AGM) of UBS AG on 14 April 2010. The BoD has not made use of such allowance.

### Conversion capital

As of 31 December 2024, UBS AG had conversion capital in the amount of USD 70,000,000, for the issuance of a maximum of 700,000,000 fully paid registered shares with a nominal value of USD 0.10 each. The issuance of fully paid registered shares only occurs through the mandatory conversion of claims arising upon occurrence of one or more trigger events under financial market instruments with contingent conversion features issued by UBS AG. The creation of this conversion capital was approved at the Annual General Meeting of Shareholders (the AGM) held on 23 April 2024.

### Non-distributable reserves

Non-distributable reserves consist of 50% of the share capital of UBS AG, amounting to USD 193m (CHF 190m) as of 31 December 2024 (unchanged from 31 December 2023).

## Note 22b Significant shareholders

The sole direct shareholder of UBS AG is UBS Group AG, which holds 100% of UBS AG shares. These shares are entitled to voting rights. Indirect shareholders of UBS AG included in the table below are the direct shareholders of UBS Group AG (acting in their own name or in their capacity as nominees for other investors or beneficial owners) that were registered in the UBS Group AG share register with 3% or more of the share capital of UBS Group AG as of 31 December 2024 or as of 31 December 2023. The shares and share capital of UBS AG held by indirect shareholders, as shown in the table below, represent their relative holding of UBS Group AG shares. They do not have voting rights in UBS AG.

| | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| *USD m, except where indicated* | Share capital held | Shares held (%) | Share capital held | Shares held (%) |
| **Significant direct shareholder of UBS AG** | | | | |
| UBS Group AG | 386 | 100 | 386 | 100 |
| **Significant indirect shareholders of UBS AG** | | | | |
| DTC (Cede & Co.), New York[1] | 25 | 6 | 29 | 7 |
| Nortrust Nominees Ltd., London | 14 | 4 | 15 | 4 |
| Chase Nominees Ltd., London | | | 44 | 11 |

1 The US securities clearing organization DTC (Cede & Co.), New York, "The Depository Trust Company", is a US securities clearing organization.

| | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| *CHF m, except where indicated* | Share capital held | Shares held (%) | Share capital held | Shares held (%) |
| **Significant direct shareholder of UBS AG** | | | | |
| UBS Group AG | 380 | 100 | 380 | 100 |
| **Significant indirect shareholders of UBS AG** | | | | |
| DTC (Cede & Co.), New York[1] | 25 | 6 | 28 | 7 |
| Nortrust Nominees Ltd., London | 14 | 4 | 15 | 4 |
| Chase Nominees Ltd., London | | | 43 | 11 |

1 The US securities clearing organization DTC (Cede & Co.), New York", is a US securities clearing organization.

## Note 23 Post-employment benefit plans

| a) Assets related to defined benefit plans | USD m | | CHF m | |
|---|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Net defined benefit assets for defined benefit plans[1] | 428 | 344 | 388 | 290 |
| **Total assets for defined benefit plans** | 428 | 344 | 388 | 290 |

1 As of 31 December 2024, USD 428m (CHF 388m) mainly reflected USD 362m (CHF 329m) for the UBS UK defined benefit plan, USD 36m (CHF 33m) for the Credit Suisse Guernsey defined benefit plan, USD 22m (CHF 20m) for the UBS US Investment Bank defined benefit plan and USD 6m (CHF 6m) for the Credit Suisse Swiss pension plan. As of 31 December 2023, USD 344m (CHF 290m) mainly reflected USD 341m (CHF 287m) for the UBS UK defined benefit plan and USD 3m (CHF 2m) for the UBS US defined benefit plan.

| b) Liabilities related to defined benefit plans | USD m | | CHF m | |
|---|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Provision for Swiss pension plans | 0 | 0 | 0 | 0 |
| Net defined benefit liabilities for defined benefit plans[1] | 61 | 66 | 55 | 56 |
| Total provision for defined benefit plans | 61 | 66 | 55 | 56 |
| Bank accounts at UBS and UBS debt instruments held by Swiss pension funds | 293 | 11 | 266 | 10 |
| UBS derivative financial instruments held by Swiss pension funds | 15 | 34 | 14 | 29 |
| **Total liabilities related to defined benefit plans** | 369 | 112 | 335 | 94 |

1 As of 31 December 2024, USD 61m (CHF 55m) mainly reflected USD 35m (CHF 32m) for the UBS US plans, USD 12m (CHF 11m) for the UBS UK plan and USD 8m (CHF 7m) for the UBS Taiwan plan. As of 31 December 2023, USD 66m (CHF 56m) mainly reflected USD 37m (CHF 31m) for the UBS US plans, USD 14m (CHF 12m) for the UBS UK plan and USD 11m (CHF 9m) for the UBS Taiwan plan.

| c) Swiss pension plan | USD m | | CHF m | |
|---|---|---|---|---|
| | As of or for the year ended | | | |
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Pension plan surplus[1] | 1,195 | 343 | 1,085 | 288 |
| Economic benefit / (obligation) of UBS AG | 6 | 0 | 6 | 0 |
| Change in economic benefit / (obligation) recognized in the income statement | 0 | 0 | 0 | 0 |
| Employer contributions in the period recognized in the income statement | 177 | 28 | 157 | 25 |
| Performance awards-related employer contributions accrued | 7 | 3 | 6 | 3 |
| **Total pension expense recognized in the income statement within Personnel expenses** | 184 | 31 | 163 | 28 |

1 The pension plan surplus is determined in accordance with Swiss GAAP (FER 26) and consists of the reserve for the fluctuation in asset value and a prepaid contribution. The reserve for the fluctuation did not represent an economic benefit for UBS AG in accordance with Swiss GAAP (FER 16) as of both 31 December 2024 and 31 December 2023.

UBS AG has elected to apply FER 16 for its Swiss pension plan and IFRS Accounting Standards (IAS 19) for its non-Swiss defined benefit plans. However, remeasurements of the defined benefit obligations and assets for non-Swiss defined benefit plans are recognized in the income statement rather than directly in equity.

In 2024, an expense of USD 277m (CHF 243m) was recognized in the income statement, driven by expenses of USD 130m (CHF 116m) related to defined contribution plans and USD 148m (CHF 127m) related to defined benefit plans. In 2023, an expense of USD 124m (CHF 115m) was recognized in the income statement, driven by expenses of USD 76m (CHF 68m) related to defined contribution plans and USD 49m (CHF 47m) related to defined benefit plans.

The Swiss pension plans had an employer contribution reserve of USD 6m as of 31 December 2024 and none as of 31 December 2023.


- **Refer to Note 2 for more information**
- **Refer to "Note 26 Post-employment benefit plans" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information about defined benefit plans in accordance with IFRS Accounting Standards**

## Note 24 Related parties

Transactions with related parties are conducted at internally agreed transfer prices or at arm's-length terms and neither involve more than the normal risk of collectability nor contain any other unfavorable features for the firm. Loans, fixed advances and mortgages granted to non-independent members of the governing bodies in the ordinary course of business are also on substantially the same terms and conditions that are available to other employees, including interest rates and collateral. Independent members of the governing bodies are granted loans and mortgages in the ordinary course of business at general market conditions.

| | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| *USD m* | Amounts due from | Amounts due to | Amounts due from | Amounts due to |
| Qualified shareholders[1] | 3,099 | 123,802 | 4,344 | 77,258 |
| *of which: due from / to customers* | *2,047* | *2,590* | *3,804* | *2,535* |
| *of which: funding received from UBS Group AG measured at amortized cost* | | *113,898* | | *70,620* |
| *of which: funding received from UBS Group AG designated at fair value* | | *4,998* | | *2,711* |
| Subsidiaries | 187,707 | 116,401 | 116,967 | 68,654 |
| *of which: due from / to banks* | *88,211* | *73,492* | *35,235* | *51,206* |
| *of which: due from / to customers* | *33,376* | *4,869* | *35,319* | *1,267* |
| *of which: receivables / payables from securities financing transactions* | *17,475* | *35,526* | *15,979* | *15,121* |
| *of which: funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity* | *43,652* | | *29,380* | |
| Affiliated entities[2] | 502 | 1,397 | 16,644 | 2,004 |
| *of which: due from / to banks* | *0* | *0* | *14,821* | *1,194* |
| *of which: due from / to customers* | *416* | *889* | *904* | *232* |
| External auditors | | 23 | | 4 |
| Other related parties[3] | 63 | 21 | | 2 |

1 The qualified shareholder of UBS AG is UBS Group AG. 2 Affiliated entities of UBS AG are all direct subsidiaries of UBS Group AG, including Credit Suisse AG as of 31 December 2023. 3 Includes amounts due to / from other participations.

| | 31.12.24 | | 31.12.23 | |
|---|---|---|---|---|
| *CHF m* | Amounts due from | Amounts due to | Amounts due from | Amounts due to |
| Qualified shareholders[1] | 2,815 | 112,424 | 3,656 | 65,027 |
| *of which: due from / to customers* | *1,859* | *2,352* | *3,201* | *2,134* |
| *of which: funding received from UBS Group AG measured at amortized cost* | | *103,431* | | *59,440* |
| *of which: funding received from UBS Group AG designated at fair value* | | *4,539* | | *2,282* |
| Subsidiaries | 170,457 | 105,704 | 98,450 | 57,785 |
| *of which: due from / to banks* | *80,105* | *66,738* | *29,657* | *43,099* |
| *of which: due from / to customers* | *30,309* | *4,422* | *29,728* | *1,067* |
| *of which: receivables / payables from securities financing transactions* | *15,869* | *32,261* | *13,450* | *12,727* |
| *of which: funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity* | *39,640* | | *24,729* | |
| Affiliated entities[2] | 456 | 1,268 | 14,009 | 1,687 |
| *of which: due from / to banks* | *0* | *0* | *12,475* | *1,005* |
| *of which: due from / to customers* | *378* | *808* | *761* | *195* |
| External auditors | | 20 | | 3 |
| Other related parties[3] | 58 | 19 | | 2 |

1 The qualified shareholder of UBS AG is UBS Group AG. 2 Affiliated entities of UBS AG are all direct subsidiaries of UBS Group AG, including Credit Suisse AG as of 31 December 2023. 3 Includes amounts due to / from other participations.

As of 31 December 2024, off-balance sheet positions related to subsidiaries amounted to USD 14.2bn (CHF 12.9bn) (31 December 2023: USD 8.6bn (CHF 7.2bn)), of which USD 8.4bn (CHF 7.6bn) related to guarantees to third parties (31 December 2023: USD 6.4bn (CHF 5.4bn)) and USD 1.9bn (CHF 1.7bn) related to loan commitments (31 December 2023: USD 0.5bn (CHF 0.4bn)).

As of 31 December 2024, there were no off-balance sheet positions related to affiliates (31 December 2023: USD 1.0bn (CHF 0.8bn)).

Loans to and deposits from members of governing bodies were immaterial for all periods presented.

## Note 25 Fiduciary transactions

| | USD m | | CHF m | |
|---|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Fiduciary deposits | 2,435 | 39 | 2,211 | 33 |
| *of which: placed with third-party banks* | *2,435* | *39* | *2,211* | *33* |
| *of which: placed with subsidiaries and affiliated entities* | *0* | *0* | *0* | *0* |
| **Total fiduciary transactions** | 2,435 | 39 | 2,211 | 33 |

Fiduciary transactions encompass transactions entered into by UBS AG that result in holding or placing assets on behalf of individuals, trusts, defined benefit plans and other institutions. Unless the recognition criteria for the assets are satisfied, these assets and the related income are excluded from UBS AG's balance sheet and income statement but are disclosed in this Note as off-balance sheet fiduciary transactions. Client deposits that are initially placed as fiduciary transactions with UBS AG may be recognized on UBS AG's balance sheet in situations in which the deposit is subsequently placed within UBS AG. In such cases, these deposits are not reported in the table above.

## Note 26a Invested assets and net new money

| | USD bn | | CHF bn | |
|---|---|---|---|---|
| | As of or for the year ended | | As of or for the year ended | |
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Discretionary assets | 106 | 60 | 96 | 51 |
| Other invested assets | 799 | 434 | 726 | 365 |
| **Total invested assets[1]** | 905 | 494 | 822 | 416 |
| **Net new money** | (12) | 23 | (11) | 21 |

1 Includes no double counts.

## Note 26b Development of invested assets

| | USD bn | | CHF bn | |
|---|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.24 | 31.12.23 |
| Total invested assets at the beginning of the year[1] | 494 | 468 | 416 | 432 |
| Invested assets recognized upon the merger of UBS AG and Credit Suisse AG[2] | 382 | | 345 | |
| Net new money | (12) | 23 | (11) | 21 |
| Market movements[3] | 67 | 3 | 61 | 1 |
| Foreign currency translation | (10) | 2 | 25 | (37) |
| Other effects | (16) | (1) | (14) | (1) |
| **Total invested assets at the end of the year[1]** | 905 | 494 | 822 | 416 |

1 Includes no double counts. 2 Invested assets recognized upon the merger of UBS AG and Credit Suisse AG were measured and reported as of 31 May 2024, the merger effective date, in alignment with UBS accounting policies outlined in Note 31 to the UBS AG consolidated financial statements in the UBS AG Annual Report 2024. 3 Includes interest and dividend income.

› **Refer to "Note 31 Invested assets and net new money" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

# Statement of proposed appropriation of total profit and dividend distribution

The Board of Directors (the BoD) proposes that the Annual General Meeting of Shareholders (the AGM) on 8 April 2025 approve the appropriation of total profit and an ordinary dividend distribution of USD 6,500m out of the total profit (USD 5,138m) and out of the *Voluntary earnings reserve* (USD 1,362m). Furthermore, the BoD proposes the appropriation of an amount of USD 6,500m out of the *Voluntary earnings reserve* to a special dividend reserve within the *Voluntary earnings reserve*.

**Appropriation of and distribution out of total profit**

| | USD m | CHF m |
|---|---|---|
| | For the year ended | For the year ended |
| | 31.12.24 | 31.12.24[1] |
| Net profit for the period | 5,138 | 4,684 |
| Profit / (loss) carried forward | 0 | 0 |
| **Total profit available for appropriation** | 5,138 | 4,684 |
| | | |
| **Appropriation of total profit** | | |
| Dividend distribution | (5,138) | (4,684) |
| **Profit / (loss) carried forward** | 0 | 0 |
| | | |
| **Proposed dividend out of voluntary earnings reserve** | | |
| Total voluntary earnings reserve before distribution | 13,157 | 11,311 |
| Dividend distribution | (1,362) | (1,219) |
| **Total voluntary earnings reserve after distribution** | 11,795 | 10,092 |
| *of which: appropriation to special dividend reserve within voluntary earnings reserve*[2] | *6,500* | *5,903* |

1 For illustrative purposes, the proposed dividend of USD 6,500m is converted to Swiss francs at the closing exchange rate as of 31 December 2024 (CHF / USD 1.10), which equals a Swiss franc dividend of CHF 5,903m and would result in a distribution of CHF 4,684m out of total profit and the remainder of CHF 1,219m out of the voluntary earnings reserve. 2 The Voluntary earnings reserve includes a special dividend reserve of USD 6,500m (CHF 5,903m) available for appropriation. The decision on the special dividend payment is intended to be made at an Extraordinary General Meeting in the second half of 2025, considering any proposed requirements from Switzerland's ongoing review of its capital regime.

# UBS AG standalone regulatory information

## Key metrics for the fourth quarter of 2024

The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules and IFRS Accounting Standards.

During the fourth quarter of 2024, tier 1 capital decreased by USD 8.5bn to USD 90.9bn. Common equity tier 1 (CET1) capital decreased by USD 8.1bn to USD 75.1bn, mainly as operating profit before tax of USD 1.1bn was more than offset by additional accruals for capital returns to UBS Group AG of USD 8.5bn. As of 31 December 2024, accruals for capital returns to UBS Group AG amounted to USD 13.0bn, reflecting a proposed ordinary dividend distribution of USD 6.5bn and the appropriation of USD 6.5bn to a special dividend reserve, both subject to approval at the Annual General Meeting in the second quarter of 2025. The decision on the distribution of the special dividend is intended to be made at an Extraordinary General Meeting in the second half of 2025, considering any proposed requirements from Switzerland's ongoing review of its capital regime.

Additional tier 1 (AT1) capital issued by the Group and on lent to UBS AG decreased by USD 0.4bn to USD 15.8bn, mainly reflecting negative impacts from interest rate risk hedge, foreign currency translation and other effects.

Phase-in risk-weighted assets (RWA) decreased by USD 57.2bn to USD 508.0bn during the fourth quarter of 2024, primarily driven by decreases in participation RWA as a result of capital repatriations and credit and counterparty credit risk RWA.

During the fourth quarter of 2024, the leverage ratio denominator (the LRD) decreased by USD 45.1bn to USD 899.3bn, driven by currency effects of USD 31.2bn and asset size and other movements of USD 13.9bn. The asset size and other movements were mainly driven by lower lending balances, investments in subsidiaries as a result of capital repatriations, trading portfolio assets and disposals of high-quality liquid asset (HQLA) portfolio securities, partly offset by higher securities financing transactions and derivative exposures.

Correspondingly, the CET1 capital ratio of UBS AG standalone increased to 14.8% from 14.7%, reflecting the decrease in RWA, partly offset by the decrease in CET1 capital. The firm's Basel III leverage ratio decreased to 10.1% from 10.5%, reflecting the decrease in tier 1 capital, partly offset by the aforementioned decrease in the LRD.

The quarterly average liquidity coverage ratio (the LCR) of UBS AG standalone decreased 38.3 percentage points to 244.0%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the quarterly average LCR was primarily driven by a decrease in HQLA of USD 27.5bn to USD 142.7bn, mainly reflecting lower cash available, driven by decreases in debt issued measured at amortized cost and short-term borrowings, higher funding provided to subsidiaries, and an increase in non-HQLA-related securities financing transactions and funding of trading assets. The effect of the decrease in HQLA was partly offset by a decrease in net cash outflows of USD 1.8bn to USD 58.6bn, reflecting lower net outflows from derivatives and higher net inflows from securities financing transactions, partly offset by lower inflows from intercompany funding to subsidiaries.

As of 31 December 2024, the net stable funding ratio decreased 3.1 percentage points to 97.3%, remaining above the prudential requirement communicated by FINMA. Available stable funding decreased by USD 36.2bn to USD 410.2bn, mainly driven by lower regulatory capital, deposits and debt issued. Required stable funding decreased by USD 23.1bn to USD 421.8bn, mainly driven by lower lending assets and investments in subsidiaries.

## KM1: Key metrics

*USD m, except where indicated*

| | | 31.12.24 | 30.9.24 | 30.6.24 | 31.3.24 | 31.12.23 |
|---|---|---|---|---|---|---|
| **Available capital (amounts)** | | | | | | |
| 1 | Common Equity Tier 1 (CET1) | 75,051 | 83,113 | 82,329 | 51,971 | 52,553 |
| 2 | Tier 1 | 90,881 | 99,363 | 97,461 | 66,175 | 65,051 |
| 3 | Total capital | 90,882 | 99,365 | 97,461 | 66,175 | 65,052 |
| **Risk-weighted assets (amounts)[1]** | | | | | | |
| 4 | Total risk-weighted assets (RWA) | 507,964 | 565,180 | 554,478 | 356,821 | 354,083 |
| 4a | Minimum capital requirement[2] | 40,637 | 45,214 | 44,358 | 28,546 | 28,327 |
| **Risk-based capital ratios as a percentage of RWA[1]** | | | | | | |
| 5 | CET1 ratio (%) | 14.77 | 14.71 | 14.85 | 14.56 | 14.84 |
| 6 | Tier 1 ratio (%) | 17.89 | 17.58 | 17.58 | 18.55 | 18.37 |
| 7 | Total capital ratio (%) | 17.89 | 17.58 | 17.58 | 18.55 | 18.37 |
| **Additional CET1 buffer requirements as a percentage of RWA** | | | | | | |
| 8 | Capital conservation buffer requirement (%) | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| 9 | Countercyclical buffer requirement (%) | 0.19 | 0.19 | 0.18 | 0.12 | 0.12 |
| 9a | Additional countercyclical buffer for Swiss mortgage loans (%) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 | Bank G-SIB and / or D-SIB additional requirements (%)[3] | | | | | |
| 11 | Total of bank CET1 specific buffer requirements (%)[4] | 2.69 | 2.69 | 2.68 | 2.62 | 2.62 |
| 12 | CET1 available after meeting the bank's minimum capital requirements (%)[5] | 9.89 | 9.58 | 9.58 | 10.06 | 10.34 |
| **Basel III leverage ratio** | | | | | | |
| 13 | Total Basel III leverage ratio exposure measure | 899,348 | 944,404 | 921,796 | 641,315 | 643,939 |
| 14 | Basel III leverage ratio (%) | 10.11 | 10.52 | 10.57 | 10.32 | 10.10 |
| **Liquidity coverage ratio (LCR)[6]** | | | | | | |
| 15 | Total high-quality liquid assets (HQLA) | 142,661 | 170,179 | 137,003 | 123,742 | 129,961 |
| 16 | Total net cash outflow | 58,620 | 60,445 | 50,458 | 46,115 | 50,376 |
| *16a* | *of which: cash outflows* | *231,213* | *228,228* | *197,846* | *174,814* | *163,836* |
| *16b* | *of which: cash inflows* | *172,593* | *167,783* | *147,387* | *128,700* | *113,460* |
| 17 | LCR (%) | 243.95 | 282.26 | 269.55 | 268.69 | 260.16 |
| **Net stable funding ratio (NSFR)[7]** | | | | | | |
| 18 | Total available stable funding | 410,197 | 446,435 | 448,005 | 274,568 | 279,758 |
| 19 | Total required stable funding | 421,792 | 444,875 | 437,275 | 288,322 | 304,938 |
| 20 | NSFR (%) | 97.25 | 100.35 | 102.45 | 95.23 | 91.74 |

1 Based on phase-in rules for RWA. Refer to "Swiss systemically relevant bank going and gone concern requirements and information" below for more information. 2 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 3 Swiss SRB going and gone concern requirements and information for UBS AG standalone are provided below in this section. 4 Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 5 Represents the CET1 ratio that is available to meet buffer requirements. Calculated as the CET1 ratio minus the BCBS CET1 capital requirement and, where applicable, minus the BCBS tier 2 capital requirement met with CET1 capital. 6 Calculated after the application of haircuts, inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 64 data points in the fourth quarter of 2024 and 65 data points in the third quarter of 2024. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information. 7 In accordance with Art. 17h para. 3 and 4 of the Liquidity Ordinance, UBS AG standalone is required to maintain a minimum NSFR of at least 80% without taking into account excess funding of UBS Switzerland AG and 100% after taking into account such excess funding.

## Swiss systemically relevant bank going and gone concern requirements and information

UBS AG standalone is considered a systemically relevant bank (an SRB) under Swiss banking law and is subject to capital regulations on a standalone basis.

The capital requirements based on RWA include a minimum CET1 capital requirement of 10.26%, including a countercyclical buffer of 0.19%, and a total going concern capital requirement of 14.56%, including a countercyclical buffer of 0.19%. The capital requirements based on the LRD include a minimum CET1 capital requirement of 3.54% and a total going concern leverage ratio requirement of 5.04%.

CET1 capital and high-trigger AT1 capital instruments are eligible as going concern capital. As of 31 December 2024, one remaining outstanding low-trigger AT1 capital instrument, amounting to USD 1.2bn, that was on lent from UBS Group AG to UBS AG qualified as going concern capital, as agreed with FINMA.

UBS AG standalone is subject to a gone concern capital requirement based on the sum of: (i) the nominal value of the gone concern instruments issued by UBS entities and held by the parent firm; (ii) 75% of the capital requirements resulting from third-party exposure on a standalone basis; and (iii) a buffer requirement equal to 30% of the Group's gone concern capital requirement on UBS AG's consolidated exposure. As of 1 January 2024, the buffer requirement has been fully phased in. The gone concern capital requirement is the higher of RWA- and LRD-based requirements, calculated separately. The gone concern capital coverage ratio reflects how much gone concern capital is available to meet the gone concern requirement. Outstanding high- and low-trigger loss-absorbing tier 2 capital instruments, non-Basel III-compliant tier 2 capital instruments, and total loss-absorbing capacity-eligible unsecured debt instruments are eligible to meet gone concern requirements until one year before maturity.

For direct and indirect investments, including the holding of regulatory capital instruments of UBS AG by subsidiaries that are active in banking and finance, a FINMA decree introduced a risk-weighting approach, with a phase-in period until 1 January 2028. From 1 January 2019 onward, the initial risk weight of these investments of 200% is being gradually raised by 5 percentage points per year for Switzerland-domiciled investments and by 20 percentage points per year for foreign-domiciled investments until the fully applied risk weights are 250% and 400%, respectively. As of 31 December 2024, the applicable phase-in risk weights were 230% for Switzerland-domiciled investments and 320% for foreign-domiciled investments.

› **Refer to "Capital and capital ratios of our significant regulated subsidiaries" in the "Capital, liquidity and funding, and balance sheet" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information about the joint liability of UBS AG and UBS Switzerland AG**

The tables below provide details of the Swiss SRB RWA- and LRD-based going and gone concern requirements and information as required by FINMA; details regarding eligible gone concern instruments are provided below.

### Swiss SRB going and gone concern requirements and information

| As of 31.12.24 | RWA, phase-in | | RWA, fully applied as of 1.1.28 | | LRD | |
|---|---|---|---|---|---|---|
| *USD m, except where indicated* | in % | | in % | | in % | |
| Required going concern capital | | | | | | |
| Total going concern capital | 14.56[1] | 73,948 | 14.55[1] | 80,869 | 5.04[1] | 45,305 |
| Common equity tier 1 capital | 10.26 | 52,106 | 10.25 | 56,973 | 3.54 | 31,815 |
| *of which: minimum capital* | *4.50* | *22,858* | *4.50* | *25,008* | *1.50* | *13,490* |
| *of which: buffer capital* | *5.50* | *27,938* | *5.50* | *30,565* | *2.00* | *17,987* |
| *of which: countercyclical buffer* | *0.19* | *971* | *0.19* | *1,063* | | |
| Maximum additional tier 1 capital | 4.30 | 21,842 | 4.30 | 23,896 | 1.50 | 13,490 |
| *of which: additional tier 1 capital* | *3.50* | *17,779* | *3.50* | *19,450* | *1.50* | *13,490* |
| *of which: additional tier 1 buffer capital* | *0.80* | *4,064* | *0.80* | *4,446* | | |
| Eligible going concern capital | | | | | | |
| Total going concern capital | 17.89 | 90,881 | 16.35 | 90,881 | 10.11 | 90,881 |
| Common equity tier 1 capital | 14.77 | 75,051 | 13.51 | 75,051 | 8.35 | 75,051 |
| Total loss-absorbing additional tier 1 capital | 3.12 | 15,830 | 2.85 | 15,830 | 1.76 | 15,830 |
| *of which: high-trigger loss-absorbing additional tier 1 capital* | *2.87* | *14,585* | *2.62* | *14,585* | *1.62* | *14,585* |
| *of which: low-trigger loss-absorbing additional tier 1 capital* | *0.25* | *1,245* | *0.22* | *1,245* | *0.14* | *1,245* |
| Risk-weighted assets / leverage ratio denominator | | | | | | |
| Risk-weighted assets | | 507,964 | | 555,726 | | |
| Leverage ratio denominator | | | | | | 899,348 |

| Required gone concern capital[2] | Higher of RWA- or LRD-based |
|---|---|
| Total gone concern loss-absorbing capacity | 75,339 |
| Eligible gone concern capital | |
| Total gone concern loss-absorbing capacity | 92,174 |
| Gone concern capital coverage ratio | 122.35 |

1 Includes applicable add-ons of 1.51% for risk-weighted assets (RWA) phase-in, 1.50% for risk-weighted assets (RWA) fully applied, and 0.54% for leverage ratio denominator (LRD), of which 7 basis points for RWA phase-in, 6 basis points for RWA fully applied and 4 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 A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital.

## Swiss SRB going and gone concern information

| *USD m, except where indicated* | 31.12.24 | 30.9.24 | 31.12.23 |
|---|---|---|---|
| **Eligible going concern capital** | | | |
| Total going concern capital | 90,881 | 99,363 | 65,051 |
| Total tier 1 capital | 90,881 | 99,363 | 65,051 |
| Common equity tier 1 capital | 75,051 | 83,113 | 52,553 |
| Total loss-absorbing additional tier 1 capital | 15,830 | 16,250 | 12,498 |
| *of which: high-trigger loss-absorbing additional tier 1 capital* | *14,585* | *15,012* | *11,286* |
| *of which: low-trigger loss-absorbing additional tier 1 capital* | *1,245* | *1,239* | *1,212* |
| **Eligible gone concern capital** | | | |
| Total gone concern loss-absorbing capacity | 92,174 | 96,470 | 54,452 |
| Total tier 2 capital | 204 | 286 | 533 |
| *of which: non-Basel III-compliant tier 2 capital* | *204* | *286* | *533* |
| TLAC-eligible unsecured debt | 91,970 | 96,184 | 53,920 |
| **Total loss-absorbing capacity** | | | |
| Total loss-absorbing capacity | 183,055 | 195,833 | 119,504 |
| **Denominators for going and gone concern ratios** | | | |
| Risk-weighted assets, phase-in | 507,964 | 565,180 | 354,083 |
| *of which: investments in Switzerland-domiciled subsidiaries*[1] | *83,221* | *87,083* | *43,448* |
| *of which: investments in foreign-domiciled subsidiaries*[1] | *162,098* | *200,092* | *121,374* |
| Risk-weighted assets, fully applied as of 1.1.28 | 555,726 | 622,776 | 399,369 |
| *of which: investments in Switzerland-domiciled subsidiaries*[1] | *90,458* | *94,656* | *48,276* |
| *of which: investments in foreign-domiciled subsidiaries*[1] | *202,623* | *250,115* | *161,832* |
| Leverage ratio denominator | 899,348 | 944,404 | 643,939 |
| **Capital and loss-absorbing capacity ratios (%)** | | | |
| Going concern capital ratio, phase-in | 17.9 | 17.6 | 18.4 |
| *of which: common equity tier 1 capital ratio, phase-in* | *14.8* | *14.7* | *14.8* |
| Going concern capital ratio, fully applied as of 1.1.28 | 16.4 | 16.0 | 16.3 |
| *of which: common equity tier 1 capital ratio, fully applied as of 1.1.28* | *13.5* | *13.3* | *13.2* |
| **Leverage ratios (%)** | | | |
| Going concern leverage ratio | 10.1 | 10.5 | 10.1 |
| *of which: common equity tier 1 leverage ratio* | *8.3* | *8.8* | *8.2* |
| **Capital coverage ratio (%)** | | | |
| Gone concern capital coverage ratio | 122.3 | 120.1 | 112.5 |

1 Net exposures for direct and indirect investments including holding of regulatory capital instruments in Switzerland-domiciled subsidiaries and for direct and indirect investments including holding of regulatory capital instruments in foreign-domiciled subsidiaries are risk-weighted at 230% and 320%, respectively, for the current year. Risk weights will gradually increase by 5 percentage points per year for Switzerland-domiciled investments and 20 percentage points per year for foreign-domiciled investments until the fully applied risk weights of 250% and 400%, respectively, are applied.

## Climate risk

Our climate strategy and governance are determined and overseen at the UBS Group level. Similarly, we identify and manage climate risks, including climate-related financial risks, in our own operations, balance sheet, client assets and supply chain at the UBS Group level.

Climate-related metrics for the UBS AG legal entity are presented in the UBS Group Annual Report 2024.

- **Refer to "Our focus on sustainability" in the "How we create value for our stakeholders" section and to "Sustainability and climate risk" in the "Risk management and control" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**
- **Refer to "Our sustainability and impact strategy" in the "Strategy" section of the UBS Group Sustainability Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

# Additional regulatory information

## Table of contents


312 **UBS AG consolidated supplemental disclosures required under SEC regulations**

312 A – Introduction

312 B – Selected financial data
312 Dividends received from investments in subsidiaries and associates
313 Balance sheet data

313 C – Information about the company
313 Property, plant and equipment

314 D – Information required by Subpart 1400 of Regulation S-K
314 Selected statistical information
314 Average balances and interest rates
316 Analysis of changes in interest income and expense
318 Deposits
318 Uninsured deposits
319 Investments in debt instruments
319 Loan portfolio
319 Allowance for credit losses

# UBS AG consolidated supplemental disclosures required under SEC regulations

## A – Introduction

The following pages contain supplemental UBS AG disclosures that are required under US Securities and Exchange Commission (SEC) regulations. UBS AG's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the IASB) and are denominated in US dollars.

The merger of UBS AG and Credit Suisse AG was completed on 31 May 2024. UBS AG succeeded to all rights and obligations of Credit Suisse AG, including all outstanding Credit Suisse AG debt instruments. The merger effected 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 Summary of material accounting policies" in the "Consolidated financial statements" section of this report.

› **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**

## B – Selected financial data

### Dividends received from investments in subsidiaries and associates

In 2024, UBS AG received dividends of USD 6,275m (2023: USD 5,430m; 2022: USD 6,465m) from its subsidiaries and associates. This includes dividends received from its Credit Suisse subsidiaries since the merger of UBS AG and Credit Suisse AG in 2024. Dividends disclosed have been translated to US dollars from the functional currency of the entity paying the dividend, using the closing exchange rate of the month the dividend was received.

### Balance sheet data

| *USD m* | 31.12.24 | 31.12.23 | 31.12.22 |
|---|---|---|---|
| **Assets** | | | |
| Cash and balances at central banks | 223,329 | 171,806 | 169,445 |
| Amounts due from banks | 18,111 | 28,206 | 14,671 |
| Receivables from securities financing transactions at amortized cost | 118,302 | 74,128 | 67,814 |
| Cash collateral receivables on derivative instruments | 43,959 | 32,300 | 35,033 |
| Loans and advances to customers | 587,347 | 405,633 | 390,027 |
| Other financial assets measured at amortized cost | 59,279 | 54,334 | 53,389 |
| Total financial assets measured at amortized cost | 1,050,326 | 766,407 | 730,379 |
| Financial assets at fair value held for trading | 159,223 | 135,098 | 108,034 |
| *of which: assets pledged as collateral that may be sold or repledged by counterparties* | *38,532* | *44,524* | *36,742* |
| Derivative financial instruments | 186,435 | 131,728 | 150,109 |
| Brokerage receivables | 25,858 | 20,883 | 17,576 |
| Financial assets at fair value not held for trading | 95,203 | 63,754 | 59,408 |
| Total financial assets measured at fair value through profit or loss | 466,719 | 351,463 | 335,127 |
| Financial assets measured at fair value through other comprehensive income | 2,195 | 2,233 | 2,239 |
| Investments in associates | 2,306 | 983 | 1,101 |
| Property, equipment and software | 12,091 | 11,044 | 11,316 |
| Goodwill and intangible assets | 6,661 | 6,265 | 6,267 |
| Deferred tax assets | 10,481 | 9,244 | 9,354 |
| Other non-financial assets | 17,282 | 8,377 | 9,652 |
| Total assets | 1,568,060 | 1,156,016 | 1,105,436 |
| | | | |
| **Liabilities** | | | |
| Amounts due to banks | 23,347 | 16,720 | 11,596 |
| Payables from securities financing transactions at amortized cost | 14,824 | 5,782 | 4,202 |
| Cash collateral payables on derivative instruments | 36,366 | 34,886 | 36,436 |
| Customer deposits | 749,476 | 555,673 | 527,171 |
| Funding from UBS Group AG measured at amortized cost | 107,918 | 67,282 | 56,147 |
| Debt issued measured at amortized cost | 101,104 | 69,784 | 59,499 |
| Other financial liabilities measured at amortized cost | 21,762 | 12,713 | 10,391 |
| Total financial liabilities measured at amortized cost | 1,054,796 | 762,840 | 705,442 |
| Financial liabilities at fair value held for trading | 35,247 | 31,712 | 29,515 |
| Derivative financial instruments | 180,678 | 140,707 | 154,906 |
| Brokerage payables designated at fair value | 49,023 | 42,275 | 45,085 |
| Debt issued designated at fair value | 102,567 | 86,341 | 71,842 |
| Other financial liabilities designated at fair value | 34,041 | 27,366 | 32,033 |
| Total financial liabilities measured at fair value through profit or loss | 401,555 | 328,401 | 333,382 |
| Provisions | 5,131 | 2,524 | 3,183 |
| Other non-financial liabilities | 11,911 | 6,682 | 6,489 |
| Total liabilities | 1,473,394 | 1,100,448 | 1,048,496 |
| Equity attributable to shareholders | 94,003 | 55,234 | 56,598 |
| Equity attributable to non-controlling interests | 662 | 335 | 342 |
| Total equity | 94,666 | 55,569 | 56,940 |
| Total liabilities and equity | 1,568,060 | 1,156,016 | 1,105,436 |

# C – Information about the company

## Property, plant and equipment

As of 31 December 2024, UBS AG operated in about 725 business and banking locations worldwide, of which approximately 40% were in Switzerland, 44% in the Americas, 8% in the rest of Europe, the Middle East and Africa, and 8% in Asia Pacific. Of the business and banking locations in Switzerland, 25% were owned directly by UBS AG, with the remainder, along with most of UBS AG's offices outside Switzerland, being held under commercial leases. These premises are subject to continuous maintenance and upgrading and are considered suitable and adequate for current and anticipated operations.

# D – Information required by Subpart 1400 of Regulation S-K

## Selected statistical information

The tables below set forth selected statistical information regarding UBS AG's banking operations extracted from its financial statements. Unless otherwise indicated, average balances for the years ended 31 December 2024, 31 December 2023 and 31 December 2022 are calculated from monthly data. From 31 May 2024 to 31 December 2024, the calculation includes the effect of the merger of UBS AG with Credit Suisse AG. Unless otherwise indicated, the distinction between domestic (Swiss) and foreign (non-Swiss) is generally based on the booking location.

## Average balances and interest rates

The tables below set forth average interest-earning assets and average interest-bearing liabilities, along with the average yield, for 2024, 2023 and 2022. Refer to "Note 4 Net interest income and other net income from financial instruments measured at fair value through profit or loss" in the "Consolidated financial statements" section of this report for more information about interest income and interest expense.

| For the year ended | 31.12.24 | | | 31.12.23 | | | 31.12.22 | | |
|---|---|---|---|---|---|---|---|---|---|
| *USD m, except where indicated* | Average balance | Interest income | Average yield (%) | Average balance | Interest income | Average yield (%) | Average balance | Interest income | Average yield (%) |
| **Assets** | | | | | | | | | |
| Balances at central banks | | | | | | | | | |
| Domestic | 112,314 | 1,335 | 1.2 | 84,775 | 1,267 | 1.5 | 99,777 | 92 | 0.1 |
| Foreign | 91,617 | 3,944 | 4.3 | 70,892 | 2,946 | 4.2 | 88,267 | 595 | 0.7 |
| Amounts due from banks | | | | | | | | | |
| Domestic | 7,404 | 342 | 4.6 | 7,370 | 323 | 4.4 | 2,966 | 50 | 1.7 |
| Foreign | 13,468 | 365 | 2.7 | 10,937 | 48 | 0.4 | 12,205 | 8 | 0.1 |
| Receivables from securities financing transactions measured at amortized cost[1] | | | | | | | | | |
| Domestic | 7,442 | 194 | 2.6 | 3,592 | 167 | 4.6 | 6,431 | 30 | 0.5 |
| Foreign | 93,766 | 3,316 | 3.5 | 75,553 | 3,016 | 4.0 | 70,942 | 1,105 | 1.6 |
| Loans and advances to customers | | | | | | | | | |
| Domestic | 368,968 | 9,544 | 2.6 | 243,241 | 5,868 | 2.4 | 225,540 | 3,212 | 1.4 |
| Foreign | 159,047 | 8,294 | 5.2 | 150,165 | 7,472 | 5.0 | 160,496 | 4,824 | 3.0 |
| Financial assets at fair value[1,2] | | | | | | | | | |
| Domestic | 18,221 | 548 | 3.0 | 6,970 | 199 | 2.9 | 5,922 | 50 | 0.8 |
| Foreign | 219,007 | 8,986 | 4.1 | 172,570 | 6,782 | 3.9 | 151,672 | 2,113 | 1.4 |
| Other interest-earning assets | | | | | | | | | |
| Domestic | 12,444 | 321 | 2.6 | 8,840 | 181 | 2.1 | 8,226 | 125 | 1.5 |
| Foreign | 76,685 | 2,646 | 3.5 | 71,488 | 2,171 | 3.0 | 63,108 | 858 | 1.4 |
| **Total interest-earning assets[3]** | 1,180,383 | 39,837 | 3.4 | 906,393 | 30,440 | 3.4 | 895,553 | 13,064 | 1.5 |
| Net interest income on swaps | | 4,874 | | | 2,253 | | | 1,812 | |
| Interest income on off-balance sheet securities and other | | 696 | | | 747 | | | 677 | |
| **Interest income and average interest-earning assets** | 1,180,383 | 45,407[4] | 3.8 | 906,393 | 33,440[4] | 3.7 | 895,553 | 15,553[4] | 1.7 |
| Non-interest-earning assets[5] | 330,706 | | | 282,137 | | | 297,691 | | |
| **Total average assets** | 1,511,089 | | | 1,188,531 | | | 1,193,244 | | |

1 Reverse repurchase agreements are presented on a gross basis and therefore, for the purpose of this disclosure, do not reflect the effect of netting permitted under IFRS Accounting Standards. 2 Includes financial assets at fair value held for trading, financial assets at fair value not held for trading, financial assets at fair value through other comprehensive income and brokerage receivables. 3 Non-taxable positions and amounts were not material for the years presented. 4 For the purpose of this disclosure, negative interest income on assets is presented as a reduction to interest income, while in the consolidated income statement negative interest income on assets is presented as interest expense. Refer to "Note 4 Net interest income and other net income from financial instruments measured at fair value through profit or loss" in the "Consolidated financial statements" section of this report for more information. 5 Mainly includes derivative financial instruments, equity instruments at fair value held for trading and financial assets for unit-linked investment contracts.

## Average balances and interest rates (continued)

| For the year ended | 31.12.24 | | | 31.12.23 | | | 31.12.22 | | |
|---|---|---|---|---|---|---|---|---|---|
| *USD m, except where indicated* | Average balance | Interest expense | Average interest rate (%) | Average balance | Interest expense | Average interest rate (%) | Average balance | Interest expense | Average interest rate (%) |
| **Liabilities and equity** | | | | | | | | | |
| Amounts due to banks | | | | | | | | | |
| Domestic | 17,240 | 292 | 1.7 | 9,890 | 158 | 1.6 | 10,733 | 3 | 0.0 |
| Foreign | 6,419 | 136 | 2.1 | 5,026 | 174 | 3.5 | 3,255 | 44 | 1.3 |
| Payables from securities financing transactions measured at amortized cost[1] | | | | | | | | | |
| Domestic | 8,773 | 417 | 4.8 | 3,225 | 163 | 5.0 | 3,357 | 40 | 1.2 |
| Foreign | 15,566 | 899 | 5.8 | 16,552 | 853 | 5.2 | 13,351 | 289 | 2.2 |
| Customer deposits | | | | | | | | | |
| Domestic | 366,616 | 3,347 | 0.9 | 276,288 | 1,663 | 0.6 | 275,270 | (61) | 0.0 |
| *of which: demand deposits* | *149,115* | *800* | *0.5* | *119,796* | *500* | *0.4* | *149,357* | *(141)* | *(0.1)* |
| *of which: savings and sweep deposits* | *139,577* | *426* | *0.3* | *122,954* | *243* | *0.2* | *119,685* | *6* | *0.0* |
| *of which: time deposits* | *77,924* | *2,121* | *2.7* | *33,538* | *920* | *2.7* | *6,227* | *74* | *1.2* |
| Foreign | 308,396 | 11,764 | 3.8 | 243,413 | 7,722 | 3.2 | 246,072 | 1,820 | 0.7 |
| *of which: demand deposits* | *39,556* | *697* | *1.8* | *38,043* | *626* | *1.6* | *66,987* | *120* | *0.2* |
| *of which: savings and sweep deposits* | *68,039* | *1,867* | *2.7* | *75,671* | *2,176* | *2.9* | *111,130* | *578* | *0.5* |
| *of which: time deposits* | *200,801* | *9,200* | *4.6* | *129,698* | *4,920* | *3.8* | *67,956* | *1,121* | *1.7* |
| Funding from UBS Group AG | | | | | | | | | |
| Domestic | 69,069 | 3,107 | 4.5 | 61,922 | 2,416 | 3.9 | 56,884 | 1,875 | 3.3 |
| Foreign | 25,330 | 897 | 3.5 | 0 | 0 | 0.0 | 0 | 0 | 0.0 |
| Commercial paper | | | | | | | | | |
| Domestic | 0 | 0 | 0.0 | 1 | 0 | 0.0 | 1 | 0 | 0.0 |
| Foreign | 18,255 | 985 | 5.4 | 20,858 | 1,097 | 5.3 | 20,452 | 256 | 1.3 |
| Other short-term debt issued measured at amortized cost | | | | | | | | | |
| Domestic | 297 | 2 | 0.7 | 322 | 4 | 1.3 | 366 | 4 | 1.2 |
| Foreign | 15,421 | 759 | 4.9 | 12,023 | 610 | 5.1 | 11,927 | 124 | 1.0 |
| Long-term debt issued measured at amortized cost | | | | | | | | | |
| Domestic | 28,090 | 571 | 2.0 | 11,830 | 211 | 1.8 | 11,538 | 184 | 1.6 |
| Foreign | 30,591 | 1,066 | 3.5 | 17,177 | 492 | 2.9 | 22,929 | 439 | 1.9 |
| Financial liabilities at fair value (excluding debt issued designated at fair value)[1,2] | | | | | | | | | |
| Domestic | 704 | 5 | 0.7 | 374 | 11 | 3.0 | 289 | 11 | 3.7 |
| Foreign | 166,684 | 6,510 | 3.9 | 154,909 | 5,578 | 3.6 | 141,526 | 1,476 | 1.0 |
| Debt issued designated at fair value | | | | | | | | | |
| Domestic | 5,879 | 123 | 2.1 | 7,304 | 209 | 2.9 | 7,400 | 43 | 0.6 |
| Foreign | 91,212 | 4,374 | 4.8 | 72,610 | 3,451 | 4.8 | 63,470 | 1,283 | 2.0 |
| Other interest-bearing liabilities | | | | | | | | | |
| Domestic | 2,733 | 90 | 3.3 | 2,174 | 62 | 2.8 | 2,872 | 14 | 0.5 |
| Foreign | 34,833 | 1,462 | 4.2 | 33,639 | 1,229 | 3.7 | 38,838 | 429 | 1.1 |
| **Total interest-bearing liabilities** | 1,212,108 | 36,806 | 3.0 | 949,537 | 26,104 | 2.7 | 930,531 | 8,273 | 0.9 |
| Swap interest on hedged debt instruments and other swaps | | 3,292 | | | 2,061 | | | 40 | |
| Interest expense on off-balance sheet securities and other | | 631 | | | 710 | | | 723 | |
| **Interest expense and average interest-bearing liabilities** | 1,212,108 | 40,729[3] | 3.4 | 949,537 | 28,874[3] | 3.0 | 930,531 | 9,035[3] | 1.0 |
| Non-interest-bearing liabilities[4] | 219,018 | | | 183,979 | | | 206,337 | | |
| Total liabilities | 1,431,125 | | | 1,133,517 | | | 1,136,868 | | |
| Total equity | 79,964 | | | 55,014 | | | 56,376 | | |
| Total average liabilities and equity | 1,511,089 | | | 1,188,531 | | | 1,193,244 | | |
| **Net interest income** | | 4,678 | | | 4,566 | | | 6,517 | |
| **Net yield on interest-earning assets** | | | 0.4 | | | 0.5 | | | 0.7 |

1 Repurchase agreements are presented on a gross basis and therefore, for the purpose of this disclosure, do not reflect the effect of netting permitted under IFRS Accounting Standards. 2 Includes financial liabilities at fair value held for trading, other financial liabilities designated at fair value and brokerage payables designated at fair value. 3 For the purpose of this disclosure, negative interest expense on liabilities is presented as a reduction to interest expense, while in the consolidated income statement negative interest income on liabilities is presented as interest income. Refer to "Note 4 Net interest income and other net income from financial instruments measured at fair value through profit or loss" in the "Consolidated financial statements" section of this report for more information. 4 Mainly includes derivative financial instruments, equity instruments at fair value held for trading and financial liabilities related to unit-linked investment contracts.

The percentage of total average interest-earning assets attributable to foreign activities was 55% for 2024 (2023: 61%; 2022: 61%). The percentage of total average interest-bearing liabilities attributable to foreign activities was 59% for 2024 (2023: 61%; 2022: 60%). All assets and liabilities are translated into US dollars at uniform month-end rates. Interest income and expense are translated at monthly average rates.

Average rates earned and paid on assets and liabilities can change from period to period based on the changes in interest rates in general, but are also affected by changes in the currency mix included in the assets and liabilities. Tax-exempt income is not recorded on a tax-equivalent basis. For all three years presented, tax-exempt income is considered to be insignificant, and the effect from such income is therefore negligible.

## Analysis of changes in interest income and expense

The tables below provide information, by categories of interest-earning assets and interest-bearing liabilities, about the changes in interest income and expense due to changes in volume and interest rates for the year ended 31 December 2024 compared with the year ended 31 December 2023, and for the year ended 31 December 2023 compared with the year ended 31 December 2022. The change in average volume represents the change in the current average balance compared with the average balance from the prior year with respect to the average rate of the prior year. The change in average rate represents the difference between the net change in interest income and expense and the change in average volume.

| | 2024 compared with 2023 | | | 2023 compared with 2022 | | |
|---|---|---|---|---|---|---|
| | Increase / (decrease) due to changes in[1] | | | Increase / (decrease) due to changes in[1] | | |
| *USD m* | Average volume | Average interest rate | Net change | Average volume | Average interest rate | Net change |
| **Interest income from interest-earning assets** | | | | | | |
| Balances at central banks | | | | | | |
| Domestic | 412 | (344) | 68 | (14) | 1,189 | 1,175 |
| Foreign | 861 | 137 | 998 | (117) | 2,467 | 2,350 |
| Amounts due from banks | | | | | | |
| Domestic | 1 | 18 | 19 | 75 | 198 | 273 |
| Foreign | 11 | 306 | 317 | (1) | 42 | 41 |
| Receivables from securities financing transactions measured at amortized cost | | | | | | |
| Domestic | 179 | (152) | 27 | (13) | 149 | 136 |
| Foreign | 727 | (427) | 300 | 72 | 1,839 | 1,911 |
| Loans and advances to customers | | | | | | |
| Domestic | 3,033 | 644 | 3,677 | 252 | 2,403 | 2,655 |
| Foreign | 442 | 380 | 822 | (311) | 2,959 | 2,648 |
| Financial assets at fair value | | | | | | |
| Domestic | 321 | 29 | 350 | 9 | 140 | 149 |
| Foreign | 1,825 | 379 | 2,204 | 291 | 4,378 | 4,669 |
| Other interest-earning assets | | | | | | |
| Domestic | 74 | 66 | 140 | 9 | 47 | 56 |
| Foreign | 158 | 317 | 475 | 114 | 1,199 | 1,313 |
| Interest income | | | | | | |
| Domestic | 4,020 | 261 | 4,281 | 318 | 4,126 | 4,444 |
| Foreign | 4,024 | 1,092 | 5,116 | 48 | 12,884 | 12,932 |
| Total interest income from interest-earning assets | 8,044 | 1,353 | 9,397 | 366 | 17,010 | 17,376 |
| Net interest income on swaps | | | 2,621 | | | 441 |
| Interest income on off-balance sheet securities and other | | | (51) | | | 70 |
| **Total interest income** | | | 11,967 | | | 17,887 |

1 Currency effect is included within the variances disclosed in this table.

## Analysis of changes in interest income and expense (continued)

| | 2024 compared with 2023 | | | 2023 compared with 2022 | | |
|---|---|---|---|---|---|---|
| | Increase / (decrease) due to changes in[1] | | | Increase / (decrease) due to changes in[1] | | |
| *USD m* | Average volume | Average interest rate | Net change | Average volume | Average interest rate | Net change |
| **Interest expense on interest-bearing liabilities** | | | | | | |
| Amounts due to banks | | | | | | |
| Domestic | 117 | 18 | 135 | 0 | 155 | 155 |
| Foreign | 48 | (86) | (38) | 24 | 106 | 130 |
| Payables from securities financing transactions measured at amortized cost | | | | | | |
| Domestic | 280 | (26) | 254 | (2) | 124 | 122 |
| Foreign | (51) | 97 | 46 | 69 | 495 | 564 |
| Customer deposits | | | | | | |
| Domestic | 1,372 | 312 | 1,684 | 351 | 1,373 | 1,724 |
| *of which: demand deposits* | *122* | *178* | *300* | *28* | *613* | *641* |
| *of which: savings and sweep deposits* | *33* | *150* | *183* | *0* | *237* | *237* |
| *of which: time deposits* | *1,217* | *(16)* | *1,201* | *323* | *523* | *846* |
| Foreign | 2,502 | 1,540 | 4,042 | (20) | 5,923 | 5,903 |
| *of which: demand deposits* | *25* | *45* | *70* | *(52)* | *558* | *506* |
| *of which: savings and sweep deposits* | *(220)* | *(89)* | *(309)* | *(184)* | *1,782* | *1,598* |
| *of which: time deposits* | *2,697* | *1,584* | *4,281* | *1,019* | *2,779* | *3,798* |
| Funding from UBS Group AG | | | | | | |
| Domestic | 279 | 412 | 691 | 166 | 375 | 541 |
| Foreign | 897 | 0 | 897 | 0 | 0 | 0 |
| Commercial paper | | | | | | |
| Domestic | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign | (137) | 25 | (112) | 5 | 836 | 841 |
| Other short-term debt issued measured at amortized cost | | | | | | |
| Domestic | 0 | (2) | (2) | (1) | 1 | 0 |
| Foreign | 172 | (23) | 149 | 1 | 485 | 486 |
| Long-term debt issued measured at amortized cost | | | | | | |
| Domestic | 291 | 69 | 360 | 5 | 22 | 27 |
| Foreign | 384 | 190 | 574 | (110) | 163 | 53 |
| Financial liabilities at fair value (excluding debt issued designated at fair value) | | | | | | |
| Domestic | 10 | (16) | (6) | 3 | (2) | 1 |
| Foreign | 424 | 508 | 932 | 140 | 3,962 | 4,102 |
| Debt issued designated at fair value | | | | | | |
| Domestic | (41) | (45) | (86) | (1) | 167 | 166 |
| Foreign | 884 | 39 | 923 | 185 | 1,983 | 2,168 |
| Other interest-bearing liabilities | | | | | | |
| Domestic | 16 | 12 | 28 | (3) | 51 | 48 |
| Foreign | 44 | 189 | 233 | (57) | 858 | 801 |
| Interest expense | | | | | | |
| Domestic | 2,324 | 733 | 3,057 | 518 | 2,265 | 2,783 |
| Foreign | 5,167 | 2,479 | 7,645 | 237 | 14,811 | 15,048 |
| Total interest expense on interest-bearing liabilities | 7,491 | 3,212 | 10,702 | 755 | 17,076 | 17,831 |
| Swap interest on hedged debt instruments and other swaps | | | 1,231 | | | 2,021 |
| Interest expense on off-balance sheet securities and other | | | (79) | | | (12) |
| **Total interest expense** | | | 11,854 | | | 19,839 |

1 Currency effect is included within the variances disclosed in this table.

## Deposits

The table below analyzes average deposits and average rates on each deposit category for the years ended 31 December 2024, 31 December 2023 and 31 December 2022. For the purpose of this disclosure, foreign deposits represent deposits from depositors who are based outside of Switzerland. Deposits by foreign depositors in domestic offices were USD 87,497m as of 31 December 2024 (31 December 2023: USD 60,596m; 31 December 2022: USD 59,897m).

| | 31.12.24 | | 31.12.23 | | 31.12.22 | |
|---|---|---|---|---|---|---|
| *USD m, except where indicated* | Average deposits | Average rate (%) | Average deposits | Average rate (%) | Average deposits | Average rate (%) |
| **Due to banks** | | | | | | |
| **Domestic** | | | | | | |
| Demand deposits | 1,746 | 0.0 | 766 | (0.1) | 908 | (0.3) |
| Time deposits | 2,801 | 2.2 | 2,301 | 2.7 | 2,793 | 0.5 |
| Total domestic | 4,547 | 1.4 | 3,067 | 2.0 | 3,700 | 0.3 |
| **Foreign** | | | | | | |
| Demand deposits | 9,486 | 1.0 | 5,118 | 1.0 | 5,774 | 0.0 |
| Time deposits | 9,627 | 2.8 | 6,731 | 3.3 | 4,513 | 0.8 |
| Total foreign | 19,113 | 1.9 | 11,849 | 2.3 | 10,288 | 0.3 |
| **Total due to banks[1]** | 23,659 | 1.8 | 14,916 | 2.2 | 13,988 | 0.3 |
| **Customer deposits** | | | | | | |
| **Domestic** | | | | | | |
| Demand deposits | 116,440 | 0.7 | 88,794 | 0.6 | 97,217 | (0.1) |
| Savings and sweep deposits | 127,973 | 0.3 | 111,750 | 0.2 | 109,039 | 0.0 |
| Time deposits | 89,476 | 3.2 | 31,742 | 2.4 | 9,715 | 0.4 |
| Total domestic | 333,889 | 1.2 | 232,285 | 0.7 | 215,971 | 0.0 |
| **Foreign** | | | | | | |
| Demand deposits | 72,232 | 0.9 | 69,046 | 0.9 | 119,127 | 0.1 |
| Savings and sweep deposits | 79,644 | 2.4 | 86,875 | 2.5 | 121,776 | 0.5 |
| Time deposits | 189,249 | 4.5 | 131,494 | 3.9 | 64,468 | 1.8 |
| Total foreign | 341,125 | 3.2 | 287,415 | 2.7 | 305,370 | 0.6 |
| **Total customer deposits[1]** | 675,014 | 2.2 | 519,701 | 1.8 | 521,342 | 0.3 |

1 For the purpose of this table, the distinction between foreign and domestic deposits is based on the domicile of the depositor, while foreign and domestic deposits disclosed in previous tables are based on the booking location.

## Uninsured deposits

From the combined total of Due to banks and Customer deposits as of 31 December 2024, total estimated uninsured deposits were USD 570bn (31 December 2023: USD 415bn; 31 December 2022: USD 365bn). Uninsured deposits are deposits that are in excess of local deposit insurance or protection scheme limits in the key locations in which UBS AG operates, calculated based on the respective local regulations, as well as deposits in uninsured accounts. The main deposit insurance schemes applicable to UBS AG deposits are the Swiss depositor protection scheme in Switzerland (which protects applicable deposits up to a maximum of CHF 100,000 per client and per bank or securities firm), the Compensation Scheme of German Banks in combination with the Deposit Protection Fund of the Association of German Banks in Germany (which protects applicable deposits up to a maximum of EUR 5m per client and EUR 50m per business) and the Federal Deposit Insurance Corporation (the FDIC) scheme in the Americas (which protects applicable deposits up to a maximum of USD 250,000 per depositor, per insured bank, for each account ownership category).

The table below presents the maturity of estimated uninsured time deposits as of 31 December 2024. Where a depositor holds multiple accounts, which in aggregate are in excess of a deposit insurance or protection limit, the insured amount is first allocated to the account with the shortest time to maturity.

| *USD m* | Uninsured time deposits[1] |
|---|---|
| Within 3 months | 228,303 |
| 3 to 6 months | 29,183 |
| 6 to 12 months | 19,031 |
| Over 12 months | 8,135 |
| **Total uninsured time deposits as of 31 December 2024** | 284,651 |

1 Amounts are estimated based on the methodologies defined in each local jurisdiction. As of 31 December 2024, there were no US time deposits subject to the FDIC scheme that were in excess of the FDIC insurance limit.

## Investments in debt instruments

The table below presents the carrying amount and weighted average yield of debt instruments presented within Financial assets measured at fair value through other comprehensive income and Other financial assets measured at amortized cost on the balance sheet by contractual maturity bucket. The yield for each range of maturities is calculated by dividing the annualized interest income by the average balance of the investment per contractual maturity bucket. The maturity information presented does not consider any early redemption features.

| | Within 1 year | | 1 to 5 years | | 5 to 10 years | | Over 10 years | | |
|---|---|---|---|---|---|---|---|---|---|
| *USD m, except where indicated* | Carrying amount | Yield (%) | Carrying amount | Yield (%) | Carrying amount | Yield (%) | Carrying amount | Yield (%) | Total carrying amount |
| Debt instruments measured at fair value through other comprehensive income | | | | | | | | | |
| Corporate and other | 2,165 | 5.26 | 30 | 1.54 | | | | | 2,195 |
| Subtotal as of 31 December 2024 | 2,165 | | 30 | | | | | | 2,195 |
| Debt securities measured at amortized cost | | | | | | | | | |
| Asset-backed securities | | | 200 | 1.51 | 1,545 | 2.81 | 7,146 | 3.40 | 8,891 |
| Government bills / bonds | 2,480 | 2.33 | 7,353 | 2.41 | 2,782 | 2.81 | 3,562 | 3.94 | 16,177 |
| Corporate and other | 2,586 | 1.85 | 12,338 | 2.53 | 1,591 | 2.62 | | | 16,515 |
| Subtotal as of 31 December 2024 | 5,067 | | 19,891 | | 5,918 | | 10,708 | | 41,583 |
| Total as of 31 December 2024 | 7,232 | | 19,921 | | 5,918 | | 10,708 | | 43,779 |

## Loan portfolio

The table below provides the maturity profile of UBS AG's core loan portfolio as of 31 December 2024. The contractual maturity is based on carrying amounts and includes the effect of callable features. For loans due after one year, a breakdown between fixed and adjustable or floating interest rates is also provided.

| *USD m* | 31.12.24 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Within 1 year | 1 to 5 years | 5 to 15 years | Over 15 years | Total | *of which: over 1 year* | |
| | | | | | | *Fixed rate* | *Adjustable or floating rate* |
| Private clients with mortgages | 34,997 | 135,959 | 51,436 | 29,564 | 251,955 | *142,712* | *74,246* |
| Real estate financing | 33,824 | 35,070 | 14,350 | 537 | 83,780 | *38,250* | *11,706* |
| Large corporate clients | 11,487 | 12,362 | 1,730 | 20 | 25,599 | *4,366* | *9,746* |
| SME clients | 12,993 | 6,293 | 1,660 | 55 | 21,002 | *5,785* | *2,224* |
| Lombard | 137,579 | 9,123 | 1,012 | 0 | 147,714 | *6,780* | *3,355* |
| Credit cards | 1,978 | 0 | 0 | 0 | 1,978 | *0* | *0* |
| Commodity trade finance | 4,059 | 145 | 0 | 0 | 4,204 | *85* | *60* |
| Ship / aircraft financing | 941 | 4,860 | 2,257 | 0 | 8,058 | *141* | *6,977* |
| Consumer financing | 1,040 | 1,558 | 217 | 0 | 2,814 | *1,774* | *1* |
| Other loans and advances to customers | 21,367 | 16,035 | 2,757 | 83 | 40,241 | *5,169* | *13,705* |
| Loans to financial advisors | 195 | 504 | 1,800 | 223 | 2,723 | *2,527* | *0* |
| Total | 260,459 | 221,909 | 77,219 | 30,482 | 590,069 | *207,590* | *122,020* |

## Allowance for credit losses

For the years ended 31 December 2024, 31 December 2023 and 31 December 2022, the ratio of net charge-offs (i.e. write-offs of expected credit loss allowances to gross carrying amount of the average loans outstanding) during the period was not material for UBS AG's core loan portfolio, both on an overall basis and on an individual loan category basis. Total write-offs for 31 December 2024 were USD 380m (31 December 2023: USD 77m, 31 December 2022: USD 95m). Refer to the coverage ratio tables in "Note 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement" in the "Consolidated financial statements" section of this report for the ratio of expected credit loss allowances to total loans outstanding at each period end.

# Sustainability Statement

Management report

The following disclosures are required for UBS AG by the German law implementing EU directive 2014/95 (CSR Richtlinie-Umsetzungsgesetz / CSR-RUG) (nichtfinanzieller Konzernbericht) (the EU Non-Financial Reporting Directive) and the EU Taxonomy Regulation.

This Sustainability Statement has been prepared with reference to the Global Reporting Initiative (GRI) and in accordance with our Basis of preparation.

- **Refer to the Basis of preparation document, available at *ubs.com/sustainability-reporting*, for more information on the metrics definitions, approaches and scope**
- **Refer to the GRI Content index, available at *ubs.com/sustainability-reporting*, for more information on the metrics with references to GRI standards**


**321** Independent assurance report on selected sustainability metrics and disclosures
**330** General information
**330** Our business model
**332** Our stakeholder engagement
**335** Governance
**335** Our sustainability governance
**339** Business conduct and corporate culture
**344** Strategy
**344** Our sustainability and impact strategy
**346** Environmental information
**346** Our climate transition plan
**348** Supporting our clients' low-carbon transition
**359** Reducing our own climate impact
**366** Managing the climate impact of our supply chain
**367** Supporting our climate approach: key enabling actions
**369** Social information
**369** People and culture make the difference
**373** Respecting human rights
**373** Cyber and information security
**374** Managing sustainability and climate risks
**374** Sustainability and climate risk management framework
**376** Risk identification and measurement
**381** Monitoring and risk appetite setting
**383** Risk management and control
**384** Risk reporting and disclosure
**385** Our investment management approach to sustainability and climate risks
**387** Other supplemental information
**387** Additional UBS Europe SE considerations for sustainability and climate risk management
**398** Climate-related risk methodologies and scenarios
**401** Information on non-financial disclosures
**403** Key terms and definitions

**404** Information on UBS AG standalone and UBS Europe SE consolidated pursuant to Art. 8 of the EU Taxonomy Regulation

**409** UBS AG standalone
**410** Assets for the calculation of the GAR
**418** GAR sector information
**420** GAR KPI stock
**428** GAR KPI flow
**432** KPI off-balance sheet exposures and flow
**434** Nuclear and fossil gas related activities

**449** UBS Europe SE consolidated
**450** Assets for the calculation of the GAR
**458** GAR sector information
**460** GAR KPI stock
**468** GAR KPI flow
**472** KPI off-balance sheet exposures and flow
**474** Nuclear and fossil gas related activities

Ernst & Young Ltd
Aeschengraben 27
P.O. Box
CH-4002 Basel

Phone +41 58 286 86 86
www.ey.com/ch

To the Management of
UBS AG, Zurich

Basel, 14 March 2025

# Independent assurance report on selected sustainability metrics and disclosures for the year ended 31 December 2024

We have been engaged to perform assurance procedures to provide limited and reasonable assurance on selected sustainability metrics (including GHG emissions) and Art. 8 of the EU Taxonomy disclosures included in UBS AG's (UBS's) Annual Report 2024 for the year ended 31 December 2024 (the Report). Specifically, we were engaged to provide:

- limited assurance on metrics identified in Appendix A, UBS's GRI (Global Reporting Initiative) metrics identified in Appendix B;
- reasonable assurance on metrics identified in Appendix C; and
- limited assurance on Art. 8 of the EU Taxonomy Regulation disclosures identified in section "Information on UBS AG standalone and UBS Europe SE consolidated pursuant to Art. 8 of the EU Taxonomy Regulation" of the Report.

We did not perform assurance procedures on other information included in the Report, other than as described in the preceding paragraph, and accordingly, we do not express an opinion or conclusion on this information.

## Applicable criteria

The Group defined as applicable criteria (Applicable Criteria):

- GRI Standards (a summary of the standards is presented on the GRI homepage);
- UBS definitions and methods as defined in the 'Basis of Preparation' document (within the Report and the Supplement of the UBS Group Sustainability Report 2024). The 'Basis of Preparation' has been used as the applicable criteria for metrics identified in Appendices A and C; and
- Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and related Delegated Acts adopted thereunder

## Inherent limitations

The accuracy and completeness of selected metrics (including GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the non-financial matters metrics is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the emissions factors and the values needed to combine e.g. emissions of different gases. Our assurance report should therefore be read in connection with the 'Basis of Preparation' document in the Reports, its definitions and procedures on non-financial matters reporting therein.

The EU Taxonomy Regulation and the Delegated Acts contain terms subject to interpretation uncertainties, with clarifications not yet published in every instance. The Management has disclosed the main interpretations of the EU Taxonomy Regulation, and the Delegated Acts in section "Information on UBS AG standalone and UBS Europe SE consolidated pursuant to Art. 8 of the EU Taxonomy Regulation" of the UBS AG Annual Report 2024. As such terms may be interpreted differently by regulators or courts, the legal conformity of any measurement or evaluation of sustainability matters made on the basis of these interpretations is uncertain.

## Responsibility of the Management

The Management is responsible for the selection of the Applicable Criteria and for preparation and presentation, in all material respects, of the disclosed metrics (including GHG emissions) and disclosures in accordance with the Applicable

Criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the metrics and disclosures that it is free from material misstatement, whether due to fraud or error.

## Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Our responsibility

*Limited assurance*

Our responsibility is to express a conclusion on the selected metrics (including GHG emissions) and disclosures based on the evidence we have obtained.

*Reasonable assurance*

Our responsibility is to express an opinion on the presentation of the selected metrics based on the evidence we have obtained.

We conducted our limited and reasonable assurance engagements in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform these engagements to obtain limited or reasonable assurance about whether the metrics (including GHG emissions) and disclosures are free from material misstatement, whether due to fraud or error.

## Summary of work performed

*Limited assurance*

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

*Reasonable assurance*

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the metrics in scope of reasonable assurance. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the metrics in the scope of reasonable assurance. In making those risk assessments, we considered internal control relevant to UBS's preparation of the metrics in scope of reasonable assurance.

Although we considered management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Shape the future
with confidence

*Procedures performed*

Our limited and reasonable assurance procedures included, amongst others, the following work:

- Evaluating the appropriateness of the Applicable Criteria used, their consistent application and related disclosures in the Report.
- Conducting interviews with key personal to understand the process for collecting, collating, and reporting the metrics and information during the reporting period, including obtaining an understanding of internal control relevant to the engagements, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Undertaking analytical review procedures to support the reasonableness of the data and to identify areas of the metrics and information with a higher risk of misleading or unbalanced information or material misstatements and obtaining an understanding of any explanations provided for significant variances.
- Evaluating the appropriateness of metrics within the Report and the consistency of the metrics and information presented across the Report.
- Evaluating the process to identify the economic activities taxonomy-eligible and aligned economic activities as well as the corresponding disclosures in the Report.

In addition, our procedures over the metrics in scope of reasonable assurance included, but were not limited to:

- Performing process walkthroughs to obtain an understanding of Management's reporting processes, including Management's internal control framework and guidelines.
- Selecting key items and representative samples based on statistical sampling methodology and agreeing to source information to test the accuracy and completeness of the data, including the correct filtering and mapping of data based on the underlying Applicable Criteria.

Our procedures did not include testing the accuracy of the externally published input data provided by third parties.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

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

**Conclusion – limited assurance**

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected metrics and disclosures in scope of limited assurance (including GHG emissions) in the Report of UBS have not been prepared, in all material respects, in accordance with the Applicable Criteria.

**Opinion – reasonable assurance**

In our opinion, the selected metrics in scope of reasonable assurance in the Report of UBS have been prepared, in all material respects, in accordance with the Applicable Criteria.

## Restricted use

This report is intended solely for the information and use of UBS to inform Management about the result of the assurance engagements. Consequently, it may not be suitable for any other purpose than the aforementioned.

Ernst & Young Ltd.

Maurice McCormick
Partner

Eveline Hunziker
Executive in charge

Shape the future with confidence

## Appendix A

| Subject Matter covered by our limited assurance engagement (custom metrics) | | |
|---|---|---|
| **Section** | **Metric** | **Reporting Boundary** |
| Table "Climate-related investing metrics: Opportunities – net zero investing (Asset Management)" | Assets with net-zero ambition (USD billion) | UBS Group AG |
| | Number of net-zero ambition portfolios | UBS Group AG |
| | Net-zero ambition assets share of total assets under management (%) | UBS Group AG |
| Table "Climate-related investing metrics – portfolio emissions (Asset Management)" | Asset Management Investment-associated carbon emissions: carbon emissions (absolute million metric tons of $CO_2e$) | UBS Group AG |
| | Asset Management Investment-associated carbon emissions: carbon intensity (metric tons of $CO_2e$ per USD million invested) | UBS Group AG |
| | Asset Management Investment-associated carbon emissions: carbon intensity (metric tons of $CO_2e$ per USD million of revenue) | UBS Group AG |
| | Equity Asset Class carbon intensity (metric tons of $CO_2e$ per USD million invested) | UBS Group AG |
| | Equity Asset Class carbon intensity (metric tons of $CO_2e$ per USD million revenue) | UBS Group AG |
| | Fixed income Asset Class carbon intensity (metric tons of $CO_2e$ per USD million invested) | UBS Group AG |
| | Fixed income Asset Class carbon intensity (metric tons of $CO_2e$ per USD million revenue) | UBS Group AG |
| Table "Overview of our 2030 lending sector decarbonization targets and progress (UBS Group)" | Swiss residential real estate physical intensity (kg $CO_2e/m^2$ ERA) (reported as of 31.12.2023) | UBS Group AG |
| | Swiss residential real estate (% reduction vs. 2021) (reported as of 31.12.2023) | UBS Group AG |
| | Swiss commercial real estate physical intensity (kg $CO_2e/m^2$ ERA) (reported as of 31.12.2023) | UBS Group AG |
| | Swiss commercial real estate (% reduction vs. 2021) (reported as of 31.12.2023) | UBS Group AG |
| | Fossil fuels (coal, oil and gas) – scopes 1, 2 and 3 physical intensity (million metric tons $CO_2e$) | UBS Group AG |
| | Fossil fuels - % change vs baseline (reported as of 31.12.2023) | UBS Group AG |
| | Power generation - scope 1 physical intensity (kg $CO_2e$/MWh) (reported as of 31.12.2023) | UBS Group AG |
| | Power generation - % change vs baseline (reported as of 31.12.2023) | UBS Group AG |
| | Iron and steel - scopes 1 and 2 physical intensity (metric tons $CO_2$/metric ton steel) (reported as of 31.12.2023) | UBS Group AG |
| | Iron and steel - % change vs baseline (reported as of 31.12.2023) | UBS Group AG |
| | Cement - scopes 1 and 2 physical intensity (metric tons $CO_2$/metric ton cementitious) (reported as of 31.12.2023) | UBS Group AG |
| | Cement - % change vs baseline (reported as of 31.12.2023) | UBS Group AG |
| Table "2030 lending sector decarbonization targets and progress (UBS Group - UBS AG reconciliation)" | Swiss residential real estate – 2023 actuals (kg $CO_2e/m^2$ ERA) | UBS AG |
| | Swiss commercial real estate – 2023 actuals (kg $CO_2e/m^2$ ERA) | UBS AG |
| | Fossil fuels (coal, oil and gas) – 2023 actuals (million metric tons $CO_2e$) | UBS AG |
| | Power generation – 2023 actuals (kg $CO_2e$/MWh) | UBS AG |
| | Iron and steel – 2023 actuals (metric tons $CO_2$/metric ton steel) | UBS AG |
| | Cement – 2023 actuals (metric tons $CO_2$/metric ton cementitious) | UBS AG |
| Table "Financed emissions covered by lending sector decarbonization targets (UBS Group)" | Swiss residential real estate financed emissions, scopes 1 and 2 (million tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Swiss residential real estate PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023) | UBS Group AG |
| | Swiss residential real estate economic intensity (million tons $CO_2e$/USD billion) (reported as of 31.12.2023) | UBS Group AG |
| | Swiss commercial real estate financed emissions, scopes 1 and 2 (million tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Swiss commercial real estate PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023) | UBS Group AG |
| | Swiss commercial real estate economic intensity (million tons $CO_2e$/USD billion) (reported as of 31.12.2023) | UBS Group AG |
| | Fossil fuels (coal, oil and gas) - financed emissions, scopes 1 and 2 (million metric tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Fossil fuels (coal, oil and gas) - financed emissions, scope 3 (million metric tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Fossil fuels (coal, oil and gas) PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023) | UBS Group AG |
| | Fossil fuels (coal, oil and gas) PCAF score for financed emissions, scope 3 (reported as of 31.12.2023) | UBS Group AG |

| | | |
|---|---|---|
| | Fossil fuels (coal, oil and gas) economic intensity (million tons $CO_2e$/USD billion) (reported as of 31.12.2023) | UBS Group AG |
| | Power generation financed emissions, scopes 1 and 2 (million tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Power generation PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023) | UBS Group AG |
| | Power generation economic intensity (million tons $CO_2e$/USD billion) (reported as of 31.12.2023) | UBS Group AG |
| | Iron and steel financed emissions, scopes 1 and 2 (million tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Iron and steel PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023) | UBS Group AG |
| | Iron and steel economic intensity (million tons $CO_2e$/USD billion) (reported as of 31.12.2023) | UBS Group AG |
| | Cement financed emissions, scopes 1 and 2 (million tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Cement PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023) | UBS Group AG |
| | Cement economic intensity (million tons $CO_2e$/USD billion) (reported as of 31.12.2023) | UBS Group AG |
| | Other non-financial corporates and real estate mortgages - financed emissions, scopes 1 and 2 (million tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Other non-financial corporates and real estate mortgages - financed emissions, scope 3 (million tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Other non-financial corporates and real estate mortgages - scopes 1 and 2 PCAF score (reported as of 31.12.2023) | UBS Group AG |
| | Other non-financial corporates and real estate mortgages - scope 3 PCAF score (reported as of 31.12.2023) | UBS Group AG |
| | Other non-financial corporates and real estate mortgages - economic intensity (million tons $CO_2e$/USD billion) (reported as of 31.12.2023) | UBS Group AG |
| | Estimated total non-financial corporates and real estate mortgages – financed emissions, scopes 1 and 2 (million tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Estimated total non-financial corporates and real estate mortgages – financed emissions, scope 3 (million tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| Table "Facilitated emissions for selected carbon-intensive sectors (UBS Group)" | Total facilitated amount (USD billion) (reported as of 31.12.2023) | UBS Group AG |
| | Facilitated amount – selected carbon-intensive sectors (USD billion) (reported as of 31.12.2023) | UBS Group AG |
| | Selected carbon-intensive sectors - scopes 1 and 2 facilitated emissions (million metric tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Selected carbon-intensive sectors - scope 3 facilitated emissions (million metric tons $CO_2e$) (reported as of 31.12.2023) | UBS Group AG |
| | Selected carbon-intensive sectors - scopes 1 and 2 facilitated emissions PCAF score (reported as of 31.12.2023) | UBS Group AG |
| | Selected carbon-intensive sectors - scope 3 facilitated emissions PCAF score (reported as of 31.12.2023) | UBS Group AG |
| | Selected carbon-intensive sectors – facilitated intensity (million metric tons $CO_2e$/USD billion) (reported as of 31.12.2023) | UBS Group AG |
| Graph "Climate-driven transition risk profile chart for UBS Group AG" | Climate-driven transition risk profile chart for the UBS Group AG (sector/segment breakdown in USD billion) | UBS Group AG |
| Graph "Climate-driven physical risk profile chart for UBS Group AG" | Climate-driven physical risk profile chart for the UBS Group AG (sector/segment breakdown in USD billion) | UBS Group AG |
| Table "Risk management – Climate-related metrics" | Exposure to climate-sensitive sectors, transition risk: Traded products, UBS Group AG (consolidated) (USD billion) | UBS Group AG |
| | Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS Group AG (consolidated) (USD billion) | UBS Group AG |
| | Exposure to climate-sensitive sectors, physical risk: Traded products, UBS Group AG (consolidated) (USD billion) | UBS Group AG |
| | Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS Group AG (consolidated) (USD billion) | UBS Group AG |
| Table "Risk management – Climate-related metrics" | Exposure to climate-sensitive sectors, transition risk: Traded products, UBS AG (standalone) (USD billion) | UBS AG |
| | Exposure to climate-sensitive sectors, transition risk: Traded products, UBS Switzerland AG (standalone) (USD billion) | UBS Switzerland AG |
| | Exposure to climate-sensitive sectors, transition risk: Traded products, UBS Europe SE (standalone) (USD billion) | UBS Europe SE |
| | Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS AG (standalone) (USD billion) | UBS AG |
| | Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS Switzerland AG (standalone) (USD billion) | UBS Switzerland AG |
| | Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS Europe SE (standalone) (USD billion) | UBS Europe SE |
| | Exposure to climate-sensitive sectors, physical risk: Traded products, UBS AG (standalone) (USD billion) | UBS AG |

| | | |
|---|---|---|
| | Exposure to climate-sensitive sectors, physical risk: Traded products, UBS Switzerland AG (standalone) (USD billion) | UBS Switzerland AG |
| | Exposure to climate-sensitive sectors, physical risk: Traded products, UBS Europe SE (standalone) (USD billion) | UBS Europe SE |
| | Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS AG (standalone) (USD billion) | UBS AG |
| | Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS Switzerland AG (standalone) (USD billion) | UBS Switzerland AG |
| | Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS Europe SE (standalone) (USD billion) | UBS Europe SE |
| Table "Risk management - Climate- and nature-related metrics for UBS Europe SE (standalone)" | Carbon-related assets (USD million) | UBS Europe SE |
| | Total exposure to climate-sensitive sectors, transition risk (USD million) | UBS Europe SE |
| | Exposure to climate-sensitive sectors, transition risk: Traded products (USD million) | UBS Europe SE |
| | Exposure to climate-sensitive sectors, transition risk: Issuer risk (USD million) | UBS Europe SE |
| | Total exposure to climate-sensitive sectors, physical risk (USD million) | UBS Europe SE |
| | Exposure to climate-sensitive sectors, physical risk: Traded products (USD million) | UBS Europe SE |
| | Exposure to climate-sensitive sectors, physical risk: Issuer risk (USD million) | UBS Europe SE |
| | Total exposure to nature-related risks (USD million) | UBS Europe SE |
| | Exposure to nature-related risks: Traded products (USD million) | UBS Europe SE |
| | Exposure to nature-related risks: Issuer risk (USD million) | UBS Europe SE |
| Table "Risk exposures by sector for UBS Group" | Risk exposures by sector for UBS Group – transition and physical risk (USD billion) | UBS Group AG |
| Table "Climate- and nature-related risk exposures by sector for UBS Europe SE (standalone)" | Climate- and nature-related risk exposures by sector for UBS Europe SE (standalone) (USD million) | UBS Europe SE |
| Graph "Climate-driven transition risk profile chart for the UBS Europe SE" | Climate-driven transition risk profile chart for the UBS Europe SE (sector/segment breakdown in USD million) | UBS Europe SE |
| Graph "Climate-driven physical risk profile chart for the UBS Europe SE" | Climate-driven physical risk profile chart for the UBS Europe SE (sector/segment breakdown in USD million) | UBS Europe SE |
| Graph "Nature-related risk profile chart for the UBS Europe SE" | Nature-related risk profile chart for the UBS Europe SE (sector/segment breakdown in USD million) | UBS Europe SE |
| Text "Our scope 1 and 2 net-zero target" | Percentage of contractual instruments, scope 2 GHG emissions | UBS Group AG |
| | Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to scope 2 GHG emissions | UBS Group AG |
| | Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to scope 2 GHG emissions | UBS Group AG |
| Table "Carbon credits canceled (UBS Group)" | Carbon credits canceled in reporting year (tons $CO_2e$) | UBS Group AG |
| Text "Fair and equitable pay" | Statistical pay gap (%) | UBS Group AG |
| Text "Increased transparency and reporting of climate information by vendors" | Number of vendors voluntarily disclosing their environmental performance through CDP's Supply Chain Program | UBS Group AG |
| | % of the vendors voluntarily disclosing that actually submitted disclosures in CDP | UBS Group AG |
| | Number of vendors that submitted disclosures in CDP | UBS Group AG |
| Table "Overview of climate-related disclosures of our GHG key vendors (UBS Group)" | Number of GHG key vendors | UBS Group AG |
| | % of GHG key vendors that have disclosed their emissions and declared in CDP a stated net-zero target | UBS Group AG |

Shape the future with confidence

## Appendix B

| Subject Matter covered by our limited assurance engagement (GRI metrics) | | |
|---|---|---|
| **Section** | **Metric** | **Reporting Boundary** |
| Table "Our key aspirations and progress" | Share of recycled and FSC paper in own operations (%) | UBS Group AG |
| | Waste recycling ratio (%) | UBS Group AG |
| Table "GHG intensity per net revenue (UBS AG)" | Total GHG emissions (location-based) per net revenue (ton $CO2_e$/USD million) | UBS AG |
| | Total GHG emissions (market-based) per net revenue (ton $CO2_e$/USD million) | UBS AG |
| Table "Overview of our environmental indicators (UBS Group)" | Total direct and intermediate energy consumption (GWh) | UBS Group AG |
| | Total direct energy consumption (GWh) | UBS Group AG |
| | Natural gas (% of total direct energy consumption) | UBS Group AG |
| | Heating oil (% of total direct energy consumption) | UBS Group AG |
| | Fuels (petrol, diesel, gas, biomass) (% of total direct energy consumption) | UBS Group AG |
| | Renewable energy (solar power, etc.) (% of total direct energy consumption) | UBS Group AG |
| | Total intermediate energy purchased (GWh) | UBS Group AG |
| | Electricity (GWh) | UBS Group AG |
| | Electricity from gas-fired power stations (%) | UBS Group AG |
| | Electricity from oil-fired power stations (%) | UBS Group AG |
| | Electricity from coal-fired power stations (%) | UBS Group AG |
| | Electricity from nuclear power stations (%) | UBS Group AG |
| | Electricity from hydroelectric power stations (%) | UBS Group AG |
| | Electricity from other renewable sources (%) | UBS Group AG |
| | Heat (e.g., district heating) (GWh) | UBS Group AG |
| | Share of electricity from renewable sources (%) | UBS Group AG |
| | Total business travel (Pkm) | UBS Group AG |
| | Rail travel (% of total business travel Pkm) | UBS Group AG |
| | Road travel (% of total business travel Pkm) | UBS Group AG |
| | Air travel (% of total business travel Pkm) | UBS Group AG |
| | Number of flights (segments) | UBS Group AG |
| | Total paper consumption (metric ton) | UBS Group AG |
| | Paper - post-consumer recycled (% of total paper consumption in metric ton) | UBS Group AG |
| | Paper - new fibers FSC (% of total paper consumption in metric ton) | UBS Group AG |
| | Paper - new fibers ECF/TCF (% of total paper consumption in metric ton) | UBS Group AG |
| | Paper - new fibers chlorine bleached (% of total paper consumption in metric ton) | UBS Group AG |
| | Total waste (metric ton) | UBS Group AG |
| | Valuable material separated and recycled (% of total waste in metric ton) | UBS Group AG |
| | Waste incinerated (% of total waste in metric ton) | UBS Group AG |
| | Waste landfilled (% of total waste in metric ton) | UBS Group AG |
| | Total water consumption (million $m^3$) | UBS Group AG |

| | | |
|---|---|---|
| | Direct greenhouse gas (GHG) emissions (scope 1) (metric ton) | UBS Group AG |
| | Gross location-based energy indirect GHG emissions (scope 2) (metric ton) | UBS Group AG |
| | GHG reductions from renewable electricity (metric ton) | UBS Group AG |
| | Market-based energy indirect GHG emissions (scope 2) (metric ton) | UBS Group AG |
| | Gross other indirect GHG emissions (gross scope 3) (metric ton) | UBS Group AG |
| | Total gross GHG emissions (metric ton) | UBS Group AG |
| | Total net GHG emissions (GHG Footprint) (metric ton) | UBS Group AG |
| Table "Overview of GHG emissions across our scope 3 subcategories (UBS Group)" | Scope 3 category 1 purchased goods and services (t $CO_2e$) | UBS Group AG |
| | Scope 3 category 3 fuel- and energy-related activities (not included in scope 1 or Scope 2) (t $CO_2e$) | UBS Group AG |
| | Scope 3 category 5 waste generated in operations (t $CO_2e$) | UBS Group AG |
| | Scope 3 category 6 business travel (t $CO_2e$) | UBS Group AG |
| | Scope 3 category 7 employee commuting (t $CO_2e$) | UBS Group AG |
| Text "The role of our supervisory bodies – the Board of Directors of UBS Group" | Number of non-executive members (Group Executive Board) | UBS Group AG & UBS AG |
| | Number of executive members (Group Executive Board) | UBS Group AG & UBS AG |
| | Number of non-executive members (Board of Directors) | UBS Group AG & UBS AG |
| | Number of executive members (Board of Directors) | UBS Group AG & UBS AG |
| Text "The role of our supervisory bodies – the Board of Directors of UBS Group" & text "Workforce inclusion" | Percentage of female Group Executive Board members | UBS Group AG & UBS AG |
| | Percentage of female Board of Directors members | UBS Group AG & UBS AG |
| Text "Governments and regulators" | Support for Swiss political system - donations given to political parties in Switzerland (CHF million) | UBS Group AG |
| Text "Talent management and development" | Training by gender (average training hours) | UBS Group AG & UBS AG |
| Table "Training by employee category" | Training by employee category (average training hours) | UBS Group AG & UBS AG |
| Text "Reduce supply-chain-related carbon emissions" | Supply-chain vendor scope 3 emissions (category 1, 2, 4 and 9) current year | UBS Group AG |
| | Supply-chain vendor scope 3 emissions (category 1, 2, 4 and 9) reduction current year compared with baseline | UBS Group AG |
| Text "Assess and improve high-ESG-impact vendors' practices" | RSCM assessments of vendors requiring improvement (%) | UBS Group AG |
| | Number of RSCM assessment on vendors | UBS Group AG |
| Table "Employees: employment term and region" | Employees: by employment term and region (number) | UBS Group AG & UBS AG |
| | Employees: by employment term and region by % | UBS Group AG & UBS AG |
| Text "Employee representation" | Number of employee forum representation in significant countries | UBS AG |
| | Employee forum representation (%) | UBS Group AG & UBS AG |
| | Number of collective bargaining agreements | UBS AG |
| | Collective bargaining agreement coverage (significant EEA only) (%) | UBS AG |
| Text "Workforce inclusion" | Percentage of women reporting directly to a member of the GEB | UBS Group AG & UBS AG |
| | Percentage of women in director and above population | UBS Group AG & UBS AG |
| Text "Characteristics of our workforce" | Total employees by headcount | UBS Group AG & UBS AG |
| | Total employees by full time equivalent | UBS Group AG & UBS AG |
| | Total number of externals | UBS Group AG & UBS AG |

Shape the future
with confidence

## Appendix C

| Subject Matter covered by our reasonable assurance engagement (custom metrics) | | |
|---|---|---|
| **Section** | **Metric** | **Reporting Boundary** |
| Table "Risk management – Climate-related metrics" | Carbon-related assets: UBS Group AG (consolidated) (USD billion) | UBS Group AG |
| | Carbon-related assets proportion of total gross lending exposure, UBS Group AG (consolidated) gross (%) | UBS Group AG |
| | Carbon-related assets: UBS AG (standalone) (USD billion) | UBS AG |
| | Carbon-related assets: UBS Switzerland AG (standalone) (USD billion) | UBS Switzerland AG |
| | Carbon-related assets: UBS Europe SE (standalone) (USD billion) | UBS Europe SE |
| | Total exposure to climate-sensitive sectors, transition risk: UBS Group AG (consolidated) (USD billion) | UBS Group AG |
| | Climate-sensitive sectors, transition risk, proportion of total gross lending exposure, UBS Group AG (consolidated) gross (%) | UBS Group AG |
| | Total exposure to climate-sensitive sectors, transition risk: UBS AG (standalone) (USD billion) | UBS AG |
| | Total exposure to climate-sensitive sectors, transition risk: UBS Switzerland AG (standalone) (USD billion) | UBS Switzerland AG |
| | Total exposure to climate-sensitive sectors, transition risk: UBS Europe SE (standalone) (USD billion) | UBS Europe SE |
| | Total exposure to climate-sensitive sectors, physical risk: UBS Group AG (consolidated) (USD billion) | UBS Group AG |
| | Climate-sensitive sectors, physical risk, proportion of total gross lending exposure, UBS Group AG (consolidated) gross (%) | UBS Group AG |
| | Total exposure to climate-sensitive sectors, physical risk: UBS AG (standalone) (USD billion) | UBS AG |
| | Total exposure to climate-sensitive sectors, physical risk: UBS Switzerland AG (standalone) (USD billion) | UBS Switzerland AG |
| | Total exposure to climate-sensitive sectors, physical risk: UBS Europe SE (standalone) (USD billion) | UBS Europe SE |

# General information

## Our business model

### UBS – who we are

UBS is the largest truly global wealth manager and the leading bank in Switzerland. These key pillars of our strategy are enhanced by focused and competitive investment bank and asset management capabilities. Staying close to our clients, whether they are individuals, institutions or businesses, and providing financial advice and solutions to help them to achieve their goals is of the upmost importance to us. We have a capital-generative and well-diversified business model with strong competitive positions in our target markets. Our business model, our strong and risk-aware culture and our superior client service, as well as our respected brand with over 160 years of history and our capital prudence, have made it possible to consistently and sustainably both grow profits and deliver a high return on equity over the long term. The acquisition of the Credit Suisse Group has further accelerated our growth strategy by providing our client franchises with additional scale, complementary capabilities and talent in line with our ambition to position UBS for sustainable, high-quality returns and long-term growth.

### We are focused on driving sustainable long-term growth while maintaining risk and cost discipline

Our objective is to generate value for our shareholders and clients by driving sustainable long-term structural growth and attractive capital returns. To accomplish this, we are building on our scale, content and solutions, while remaining disciplined on capital, risk and costs. Maintaining a balance sheet for all seasons remains the foundation of our success. This gives us the capacity to invest strategically and will enable us to deliver against our financial targets and ambitions, which are outlined in the "Targets, capital guidance and ambitions" section of this report.

Our growth plans are rooted in an attractive business mix that is also a source of our competitive strength. Our asset-gathering businesses are characterized by being structurally attractive from a capital consumption perspective and generate more than half of our revenues[1], while representing around 40% of our risk-weighted assets (RWA)[1]. Roughly another third of our RWA[1] are in Personal & Corporate Banking in Switzerland, our home market and an attractive, stable and well-diversified economy, with low historic credit losses. Furthermore, we operate a capital-light Investment Bank, which is limited to 25% of Group RWA.[1]

Moreover, our aim is to maximize our impact and that of our clients to create long-term sustainable value. We also have a responsibility toward the communities we serve and our employees. We have outlined selected environmental, social and governance (ESG) aspirations, which we expect to support our financial targets and ambitions.

### We have a global, diversified business model

Our invested assets of more than USD 6trn are regionally diversified across the globe. We give our clients access to a broad, relevant and customizable range of solutions, which, together with our thought leadership and capabilities, position us well to become their partner of choice. Our strategic ambitions reflect the long-term outlook on demographic and social trends affecting wealth distribution, product demand and client experience.

Half of our wealth management clients' invested assets are in the Americas, where we are among the top players in the world's largest wealth pool, with solid wealth generation prospects. The Investment Bank has invested in growing its Global Banking, Global Markets and Research capabilities in the region, and it is focused on cross-regional and cross-divisional collaboration to drive growth.

In Asia Pacific, which is the fastest-growing wealth market, we are by far the largest wealth manager,[2] and we are building on that scale to drive growth. We are further developing our businesses in the region to deliver our leading capabilities, leveraging our expanded and diversified footprint, strengths in cross-divisional collaboration and global connectivity.

In EMEA we are focused on improving profitability and driving focused growth by optimizing our domestic footprint and providing a comprehensive offering for entrepreneurs.

Finally, in Switzerland we have a highly integrated business and aim to reinforce our position as the leading bank. We are driving our digital transformation, enhancing the client experience and improving efficiency, while focusing on capturing selected growth opportunities. We are also delivering on our commitments to our home market, as we continue to provide around CHF 350bn of credit to Swiss companies and the economy.

## We collaborate as one UBS to deliver integrated coverage for clients

We strive to serve our clients as one firm, with collaboration across our business divisions being a cornerstone of our strategy and a key differentiator, as we deliver the best of UBS. For example, our asset-gathering franchises work in synergy to offer clients a comprehensive product suite paired with exclusive, premium personalized services. The Investment Bank complements these by delivering insights, execution capabilities and risk management expertise to both our wealth and Swiss corporate clients. We regularly enhance this integrated approach to support our growth, as demonstrated by recent initiatives, such as the establishing of the division-agnostic Unified Global Alternatives and the creation of Global Wealth Management Solutions.

## Supporting sustainability

We help our clients achieve their sustainability and impact objectives while navigating the evolving macroeconomic and complex regulatory landscape. To help us realize this ambition, our sustainability and impact strategy is based on three strategic pillars: (i) Protect – manage our business in alignment with our sustainable, long-term Group strategy and evolving standards; (ii) Grow – embed an innovative sustainability and impact offering across all our business divisions; and (iii) Attract – be the bank of choice for clients and employees. We support our clients in the transition to a low-carbon world and consider climate change risks and opportunities across our bank for the benefit of our clients, shareholders and all our stakeholders.

## We are investing in our technology to drive business outcomes

We have a proven technology strategy in place to focus on delivery and experience for our clients and employees, while we are preparing for the future. We are constantly modernizing our technology to support an already strong foundation; we have a robust infrastructure, 70% of which is in the public and private Cloud, that maintained over 99.999% availability over the last year and maintains high security standards.

This foundation facilitates our integration and enables us to embrace and implement innovation, such as generative artificial intelligence (AI), to bring technology products and solutions to the next level.

We are evolving into an AI-driven institution, using generative AI to drive growth, improve client service, and increase productivity. In the fourth quarter of 2024, we announced the deployment of 50,000 Microsoft Copilot licenses, the largest in the global financial services industry at the time. This initiative is already showing increased usage of generative AI tools, with 1.75 million prompts across all tools in 2024, and it is expected to substantially expand in 2025. We will continue delivering AI initiatives across our businesses, including re-inventing how we do software engineering.

We invest in partnerships with leading academic institutions worldwide and other key players to develop ideas, drive outcomes across the firm and foster pioneering AI research.

We are committed to driving innovation and excellence, ensuring that our technology advancements meet the expectations of our clients, employees, and stakeholders.

Our efforts are supported by our governance and controls that are designed to safeguard the interests of our clients, employees and other stakeholders.

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

1 Excluding Non-core and Legacy.
2 Asian Private Banker, 23 January 2024.

# Our stakeholder engagement

We engage with UBS's stakeholders, such as clients, employees, investors, policymakers, legislators and regulators, along with representatives of the business community, society and non-governmental organizations (NGOs), on a regular basis and on a wide range of topics. This engagement helps us to better understand stakeholder expectations and concerns and to manage pertinent issues and challenges. In recent years, the exchange of views and ideas with stakeholders on sustainability-related issues has grown in importance. Such interactions are undertaken through various dedicated channels.

## Employees

Our employees want to be heard and to be involved in shaping their daily experience. As such, we offer opportunities throughout the year for employees to connect with management and provide feedback on topics such as strategic alignment, employee engagement, well-being, our work environment and line manager effectiveness. As an example, initiatives such as our regular Ask the CEO event, give employees the chance to learn about (and ask questions about) topics such as strategy.

Our multi-faceted employee listening strategy is adaptable, captures feedback in a timely way and drives meaningful improvements to the employee experience. We conduct employee life cycle surveys, short "pulse" surveys to understand what is top of employees' minds and in-depth analyses, such as virtual focus group sessions. In 2024, those conversations allowed participants from every business division and function to share their perspectives and insights on the integration and provided employee sentiment data points to track progress. Group-wide surveys measure cultural indicators, such as line manager effectiveness and employee experience.

## Clients

Our clients' needs and their preferred communication channels continually evolve. Our objective is to engage with clients in the ways most convenient for them. We use a variety of channels, in particular digital channels and regular client relationship and service meetings, as well as various corporate roadshows and dedicated events, with a mix of hybrid and in-person events.

Global Wealth Management interacted with its clients through a broad range of forums and channels in 2024, from personalized private briefings with subject matter experts to segment-specific virtual and in-person events and large-scale initiatives. Through marketing and media campaigns, events, advertising, publications and digital-only solutions, we helped drive greater awareness of UBS among prospective clients and reinforced trust-based relationships between advisors and clients. We proactively engaged with clients to reassure them about the acquisition of the Credit Suisse Group and highlighted the benefits of the combined organization for them. This was done through individual meetings and calls and by opening up certain flagship events and conferences to clients of the combined firm. Our global footprint means that we were well positioned to take advantage of the opportunities in every region. We have continued to deliver capabilities to clients, for example through digitally enabled e-banking and sales tools, while also setting up new units, such as Global Wealth Management Solutions, Unified Global Banking and Unified Global Alternatives, adding even greater connectivity across all our businesses. We have also continued to roll out artificial intelligence (AI) to positively impact our business and serve our clients better. We expect generative AI will continue to help us generate more personalized advice and solutions more quickly and in a sustainable and responsible way, ensuring a more efficient experience for our clients around the globe.

Personal & Corporate Banking holds regular client events (leveraging a number of formats, such as webcasts and in-person, virtual or hybrid events), covering a wide range of topics. In 2024, we further enhanced our digital engagement strategies to reach more clients and strengthen relationships with existing ones. We utilize various channels, including social media, online displays, search engines and helplines, as well as our branch network.

In Asset Management, we continue to host our global program of client events and engagement activities. These include our annual *The Red Thread* market outlook roadshow, which we host in key locations across the world, as well as our flagship *UBS Reserve Management Seminar*, which marked its 30th year of operation in 2024. The event brings together institutional investors to debate relevant topics and share best practices, and the accompanying survey provides one of the most authoritative depictions of central banks' investment views. Alongside this, our teams continued the high level of interaction with clients globally, supported by digital tools and our publication of macro and thematic insights. We also hosted a broad range of hybrid events, including our investment series, to help our clients better understand market challenges and opportunities, and we continued to engage with clients through our social media and online channels.

The Investment Bank hosted more than 240 conferences and educational seminars globally in 2024, providing clients with access to corporations, experts, research and capital introductions. The events covered a diverse range of topics, including macroeconomic, geopolitical and sector- and region-specific themes, in addition to regulatory, product and market trends. More than 50,000 clients took part in such events over the year. We leverage our intellectual capital and relationships and use our execution capabilities, differentiated research content, bespoke solutions, client franchise model and global platform to expand coverage across a broad set of clients. *UBS Live Desk,* built within the *UBS Neo* platform, provides clients with a stream of fast-paced commentary from UBS traders. The *UBS Analytical Research Community (UBS-ARC)* is a proprietary, interconnected research network of industry leaders, subject matter specialists, executives, academics and analysts in the Americas region.

### Client feedback and surveys

We engage with our clients on a regular basis and on a wide range of topics. This engagement helps us to better understand clients' expectations and concerns, including those pertaining to sustainability, and to manage pertinent issues and challenges. Feedback received from clients relevant to our policies is considered in the regular reviews of policies and incorporated where applicable. Our client insight and feedback teams are responsible for gathering and processing all demands and issues raised through our central channel, available online.

## Investors

We have regular interactions with institutional investors, financial analysts and other market participants, such as credit-rating agencies, including on sustainability topics. These interactions take place through the UBS Investor Relations team, with subject matter experts engaged as required, and help us to learn about investors' concerns and address them as effectively as possible. The annual general meeting is also an open forum for shareholders to voice their concerns or inquiries that may then feed into our approach on material topics.

## Governments and regulators

Financial market stability is largely dependent on the overall economic, regulatory and political environment and the conduct of firms within the sector. We actively participate in political and regulatory discussions to share our expertise on proposed regulatory and supervisory changes. Our lobbying priorities and engagements – both direct and indirect through our trade associations – are a reflection of our strategy and priorities. In Switzerland, they must be aligned with the general political engagement approach defined by the Political Board Swiss Chapter. In the US, our lobbying priorities are presented to and approved by the Region Americas' top management group at the beginning of each year.

Regarding the stability of the financial system, UBS advocates for an internationally aligned regulatory framework, including capital and liquidity rules, anti-money laundering and digital regulation. Moreover, in the wake of the Credit Suisse rescue, we advocate for targeted and balanced amendments to the too-big-to-fail (TBTF) framework to address the lessons learned from the recent crisis. We also actively engage in discussions relating to corporate responsibility and sustainability. Sustainability and sustainable finance continue to remain key focus topics in our interactions with our financial regulators and supervisors. These are subject to ongoing oversight and control by the second and third lines of defense.

In recognition of the vital function of Switzerland's political parties, UBS provided a total of CHF 1.2m[1] to political parties in both 2023 and 2024 as a contribution toward their operational costs. These financial contributions are direct and calculated based on the number of parliamentary seats the respective party holds at the federal and cantonal level. Swiss parties are eligible to apply for a financial contribution if they commit to free competition, the market economy and the Swiss financial center. They should also have a national focus and either form a parliamentary group in the federal parliament or be represented in at least one cantonal government.

1 Beyond the above there were no additional contributions, including in-kind.

## Society

We regularly interact with various stakeholders across broader society. This supports our efforts to consider views and insights from a range of backgrounds and further enhances the experience UBS provides both inside and outside the firm. This includes UBS's ambition to maximize its impact in local communities in which it operates by providing financial and human support through strategic grant making and employee volunteering. Our partnerships in academia further contribute to our efforts to engage with thought leaders in universities and other academic institutions.

We also engage with NGOs and appreciate their input and insight, as they help us consider our approach to, and understanding of, societal issues and concerns. NGOs have long established themselves as critical watchdogs of companies, both scrutinizing and challenging how we address a broad range of environmental, social and human rights concerns. In 2024, discussions with NGOs remained particularly focused on climate change, including the transition to a low-carbon economy. Other topics discussed included sustainable finance, human rights and nature.

Meanwhile, our media teams maintain direct and long-term relationships with media representatives across all our business regions and provide them with timely information on a wide range of global, regional and local topics. We also actively engage in dialogue with analysts at ESG rating and research agencies, which helps us to evaluate our sustainability performance and activities and provides a useful means for benchmarking. In 2024, we provided detailed information about our sustainability performance to a range of agencies, either in response to questionnaires or via calls (with ESG analysts) and our Sustainability Report regularly serves as a key source of information for these agencies.

# Governance

## Our sustainability governance

### The role of our supervisory bodies – the Board of Directors of UBS Group

The Board of Directors of the UBS Group (the BoD) has ultimate responsibility for the success of the Group and for delivering sustainable shareholder value within a framework of prudent and effective controls. The BoD decides on the Group's strategy and the necessary financial and human resources, on the recommendation of the Group Chief Executive Officer (the Group CEO), and also sets the Group's values and standards to ensure its obligations to shareholders and other stakeholders are met. The BoD oversees the overall direction, supervision and control of the Group and its management. It also supervises compliance with applicable laws, rules and regulations. The Chairman of the BoD, together with the Group CEO, takes responsibility for UBS's reputation and is closely involved in, and responsible for, ensuring effective communication with shareholders and stakeholders, including government officials, regulators and public organizations.

As of 31 December 2024, the UBS Group BoD consisted of 12 non-executive members and the Group Executive Board (the GEB) consisted of 15 executive members (2023: 12 and 16 respectively). All non-executive members are also elected as members of the UBS AG BoD. Except for the President of UBS Switzerland AG, all GEB members are executive members of UBS AG.

As of 31 December 2024, the UBS AG BoD consisted of 12 non-executive members and the Executive Board consisted of 14 executive members. The number of members is unchanged from 2023.

26.7% (2023: 37.5%) of members of the UBS Group GEB and 41.7% (2023: 33.3%) of members of the BoD were women, while for UBS AG women made up 21.4% of members of the Executive Board and 41.7% of members of the BoD.

#### The BoD's role on ESG topics

Five committees support the BoD in fulfilling its duty through the respective responsibilities and authority given to them. All BoD committees have specific responsibilities pertaining to ESG (environmental, social and governance) matters. For example, the Risk Committee supervises the integration of ESG in risk management, the Governance and Nominating Committee supports the BoD in establishing best practices in corporate governance, the Compensation Committee is responsible for financial and non-financial compensation topics, and the Audit Committee has oversight of the control framework underpinning ESG metrics.

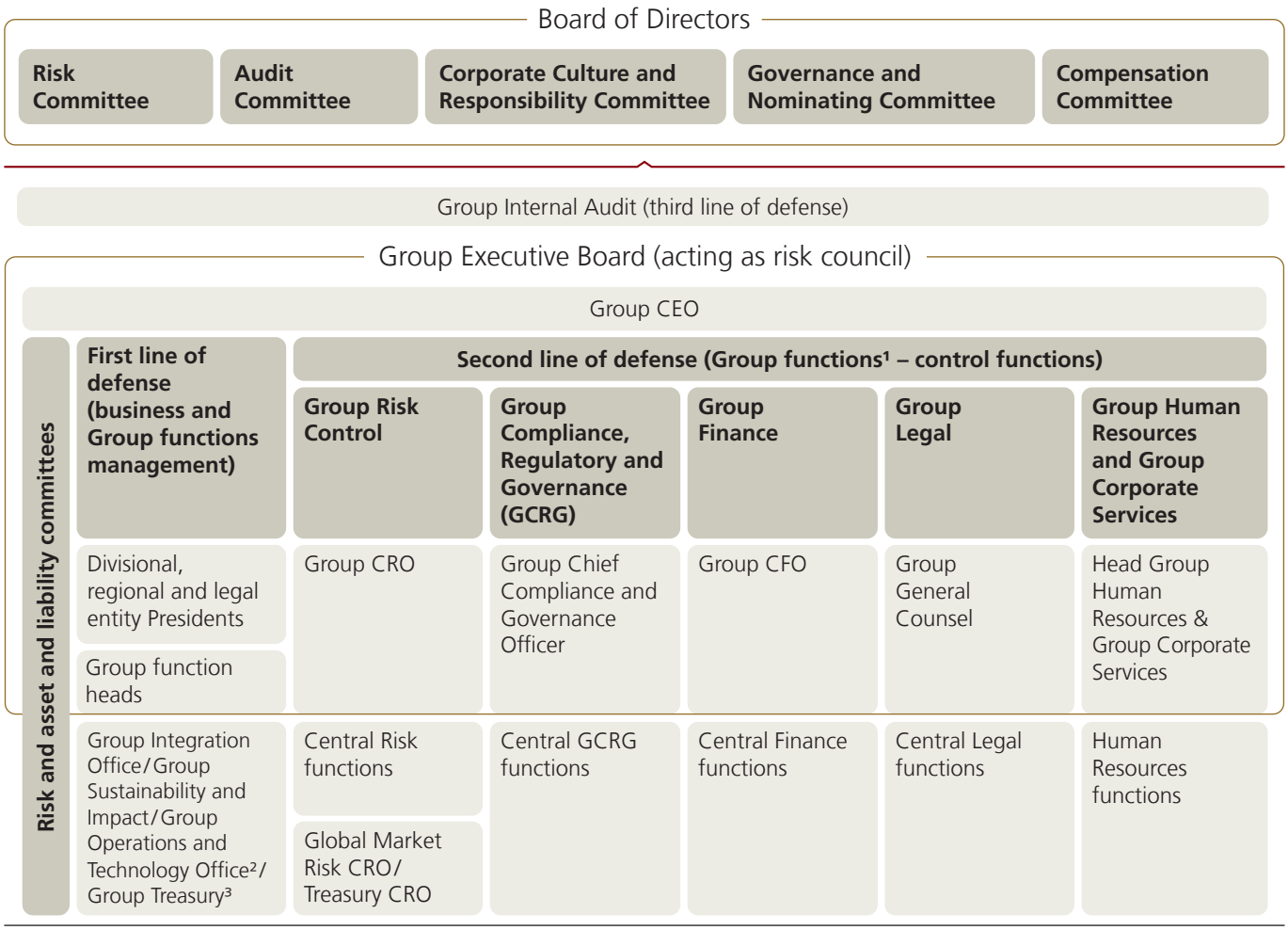
› **Refer to the "Corporate Governance" section of this report for more information about BoD committees**

The BoD's Corporate Culture and Responsibility Committee (the CCRC) is the supervisory body primarily responsible for corporate culture and sustainability. It is chaired by the Chairman of the UBS Group, with four BoD members as committee members. Permanent guests include the Group CEO, the Group Chief Risk Officer (the GCRO), the GEB Lead for Sustainability and Impact (S&I), the Chief Sustainability Officer (the CSO) and the Group General Counsel. The CCRC oversees our Group-wide sustainability and impact strategy and key activities across environmental and social topics. These include climate, nature and human rights. Annually, it considers and approves the firm's sustainability and impact objectives. As part of this process, it also considers the impact and financial materiality of climate- and sustainability-related risks and opportunities on UBS.

The CCRC's function is forward-looking in that it monitors and reviews societal trends and transformational developments and assesses their potential relevance for the Group. In undertaking this assessment, it reviews stakeholder concerns and expectations pertaining to the societal performance of UBS and the development of its corporate culture. UBS has various mechanisms (including complaint and feedback procedures) in place to ensure that such concerns and expectations are received, managed and, where necessary, brought to the attention of the GEB and the BoD. The CCRC is also responsible for conducting the annual review process for the Code of Conduct and Ethics (the Code) and for proposing amendments to the BoD. This process includes a prior review of the Code by the GEB and is led by the Group CEO.

### The role of our supervisory and administrative bodies

The GEB develops the Group strategy and is responsible for managing our assets and liabilities in line with that strategy and our regulatory commitments, and in the interests of our stakeholders. As determined by the BoD's Risk Committee, the GEB manages the risk profile of the Group as a whole and has overall responsibility for establishing and implementing risk management and control. For the management of risks, UBS maintains a risk governance framework. This framework also governs ESG risks.




1 Our Group functions are support and control functions that provide services for the business divisions and include the following major areas: Group Services (which consists of the Group Operations and Technology Office (GOTO), Corporate Services, Compliance, Regulatory and Governance, Finance, Risk Control, Human Resources, Communications & Branding, Legal, the Group Integration Office, Group Sustainability and Impact, and Chief Strategy Office) and Group Treasury. 2 Including the Cyber Information Security Office. 3 Group Treasury reports to the Group CFO. ▲

Our risk governance framework operates along three lines of defense. Our first line of defense, business management, owns its risks and is accountable for maintaining effective processes and systems to manage them in compliance with applicable laws, rules and regulations, as well as internal standards, including identifying control weaknesses and inadequate processes.

Our second line of defense, control functions, is separate from the business. Control functions provide independent oversight, challenge financial and non-financial risks arising from the firm's business activities and establish independent frameworks for risk assessment, measurement, aggregation, control and reporting, protecting against non-compliance with applicable laws, rules and regulations.

Our third line of defense, Group Internal Audit (GIA), reports to the Chairman of the BoD and to the Audit Committee. This function assesses the design and operating effectiveness and sustainability of processes to define risk appetite, governance, risk management, internal controls, remediation activities and processes to comply with legal and regulatory requirements and internal governance standards.

› **Refer to the "Non-financial risk framework" in the "Risk management and control" section of this report for information about our approach to managing non-financial risks**

## Ensuring (availability of) appropriate skills and expertise

The BoD and the GEB are well diversified and composed of members with a broad spectrum of skills, educational backgrounds, experience and expertise from a range of sectors that reflect the nature and scope of the firm's business. The Governance and Nominating Committee maintains a competencies and experience matrix to identify gaps in the competencies and experiences considered most relevant to the BoD, taking into consideration the firm's business exposure, risk profile, strategy and geographic reach. In recent years, the composition of the BoD has been systematically shaped in response to the identified requirements. We consider the continuous education of our BoD and GEB members to be an important priority and support their participation in various training sessions. In addition to a comprehensive induction program for new BoD members, continuous training and topical deep dives are part of the BoD and GEB agenda.

## Our sustainability governance

Our sustainability and corporate culture activities are grounded in our Principles and Behaviors and overseen at the highest level of our organization. Our Code covers our commitment to acting with the long term in mind and creating value for clients, employees, communities and investors. This includes our commitment to protecting the environment and fulfilling our compliance obligations.

**UBS Group AG sustainability governance**

### Integration of Credit Suisse

In 2024, we advanced with integrating Credit Suisse sustainability activities. It is our aim to complete integration in accordance with the overall UBS Group integration efforts and timeline.

› **Refer to the "Integration of Credit Suisse" section of this report for more information**

## Group Sustainability and Impact (GSI)

GSI develops the Group's sustainability and impact (S&I) strategy and oversees the strategy's implementation by the business divisions and Group functions responsible for execution. GSI operates as a Group function under the leadership of the GEB Lead for S&I. Each of the senior managers listed below reports directly to the GEB Lead for S&I. Specifically, the senior manager roles directly reporting to the GEB Lead for S&I are the Chief Sustainability Officer, the Head of Social Impact and Philanthropy and the GSI Chief Operating Officer. Senior managers may hold more than one role and, where required, may have additional responsibilities and reporting lines in the Group's legal entities.

### GEB Lead for Sustainability and Impact

The GEB Lead for S&I has overall responsibility for the management and control of the GSI function. In particular, the GEB Lead for S&I is responsible for the oversight of matters, such as maintaining an appropriate and adequate functional organization designed to ensure compliance with applicable laws and regulations. Additionally, where necessary, the GEB Lead for S&I represents UBS in interactions with regulatory authorities on Group-wide sustainability- and impact-related topics in close coordination with the Group CEO, other GEB members and Governmental and Regulatory Affairs. In relation to disclosures, the annual UBS sustainability reporting and disclosure process is managed by the GEB Lead jointly with Group Finance.

### Chief Sustainability Officer

The Chief Sustainability Officer (CSO), jointly with the Head of Social Impact and Philanthropy (SIP), supports the GEB Lead for S&I in setting the Group-wide S&I strategy, in alignment with the business divisions and Group functions. The CSO and team develop and maintain frameworks and methodologies to drive Group-wide consistency. In addition, the CSO team monitors new GSI regulatory consultations and owns and drives Group advocacy efforts, in partnership with the GSI Chief Operating Officer (GSI COO) and GSI-aligned Group functions. The CSO maintains and annually reviews our S&I commitments, memberships or contracts at Group, divisional, functional or regional level for completeness and alignment with the Group-wide S&I strategy.

### Head of Social Impact and Philanthropy

The Head of SIP and team oversee the UBS charitable entities, including Optimus Foundation entities and donor-advised fund entities. Their remit includes overseeing the strategy, corporate structure and governance, financial matters and relevant risks and controls. The SIP team reviews inherent reputational risks relating to social impact grants and escalates high reputational risks to the GEB Lead for S&I, in line with the UBS Reputational Risk Management Policy. They also manage the SIP client and employee offering through the delivery of philanthropic insights, advice and execution services to existing and prospective clients.

### GSI Chief Operating Officer

The GSI Chief Operating Officer (GSI COO) and team manage the end-to-end processes and the service delivery, operating and control environment of GSI, together with business divisions and Group functions, ensuring timely escalation of relevant matters impacting GSI and effective oversight of operational performance. Furthermore, they support the GEB Lead for S&I in developing Group-wide S&I objectives, in alignment with business divisions and Group functions, to implement the Group-wide S&I strategy and monitor the progress against these objectives. In addition, the team manages the annual UBS sustainability reporting process, jointly with Group Finance.

### Oversight of objective-setting and monitoring processes

UBS runs an annual objective-setting process for objectives related to sustainability and impact matters, which includes environmental (including climate-related) and social topics. As delegated to the GEB Lead for S&I by the Group Chief Executive Officer (the Group CEO), the GEB Lead for S&I is responsible for setting the Group-wide S&I strategy and developing Group-wide S&I objectives in alignment with business divisions and Group functions. The annual strategy review and objective-setting process is done to identify priorities and strategic focus areas across the Group. Progress made in implementing Group-wide S&I objectives is reported as part of UBS's annual sustainability disclosure.

› **Refer to "Strategy" in this section for more information**

In 2024, to further support our evolved S&I strategy, we revised our GSI governance structure and internal forums, which now comprise the GSI Business Development & Client Forum (the GSI BDCF) and the GSI Execution Forum (the GSI EF).

### GSI Business Development & Client Forum

The GSI BDCF is established under the authority of the GEB Lead for S&I. The forum is focused on client, product and impact approaches in relation to the overall UBS S&I implementation activities, together with the business divisions. The GSI BDCF is the most senior administrative body overseeing the Group-wide S&I activities.

### GSI Execution Forum

The GSI Execution Forum reports to the GSI BDCF and is established under the authority of the GSI COO to help discharge their role and responsibilities. The forum is responsible for the oversight of the front-to-back operating environment and for the implementation of the Group-wide S&I strategy through Group-wide strategic objectives and outcomes.

## Other senior management roles with Group-wide sustainability responsibilities

### Chief Risk Officer Sustainability

Our management of sustainability and climate risk is steered at the GEB level. Reporting to the Group CEO, the Group Chief Risk Officer is responsible for developing and implementing control principles and an appropriate independent control framework for sustainability and climate risk within UBS, together with integrating it into the firm's overall risk management and risk appetite frameworks. The Chief Risk Officer Sustainability supports the GEB by providing leadership on sustainability risk in collaboration with business divisions and Group functions.

### GSI Chief Financial Officer

The GSI Chief Financial Officer (the GSI CFO) is the primary lead on sustainability topics for the Group Chief Financial Officer (the GCFO), working closely with the Group Controller and the GEB Lead for S&I. The GSI CFO oversees the external sustainability disclosures and associated requirements in partnership with Group Legal, Group Compliance, Regulatory and Governance, Group Risk and GSI. The GSI CFO additionally ensures that UBS operates an effective control environment, underpinning our sustainability disclosures and reporting processes.

### Head of Group Compliance, Regulatory & Governance (GCRG) Sustainability

The Head of GCRG Sustainability is responsible for the integration of ESG requirements into the UBS non-financial risk framework and non-financial risk appetite objectives in line with firm-wide standards as part of the broader GCRG mandate. GCRG is responsible for developing the Group's risk management and control framework for non-financial risks (compliance risk, operational risk control and financial crime prevention). The GCRG function provides ongoing monitoring of the adequacy of our control environment for these risks and drives the review and, where necessary, the required adaptations to our internal frameworks to ensure that our independent control and oversight capabilities evolve in line with emerging regulations and changes across business activities.

### Head of Sustainable Finance Legal

The Head of Sustainable Finance Legal is responsible for the ongoing delivery of legal advice to the CSO, business divisions and Group functions in relation to sustainability matters. The Sustainable Finance Legal (SFL) team acts as a center of excellence fully dedicated to sustainability-related legal risks and opportunities. This includes, but is not limited to, the interpretation of and provision of support for the implementation of sustainability-related laws and regulations in the EU, the UK, Switzerland and Asia Pacific, and regional and global international standards applicable, in particular, to sustainable products, services and activities. In addition, SFL monitors the regulatory developments in the space of greenwashing along with sustainability-related disputes (including regulatory enforcement actions), human rights and environmental due diligence regimes across the globe.

## Key sustainability topics

### Climate program

The climate program coordinates the implementation and execution of our ambition to support our clients in the transition to a low-carbon world and embed considerations of climate change risks and opportunities in our firm for the benefit of our stakeholders. It does so in line with UBS's fiduciary responsibilities and includes members from the business divisions and Group functions. As part of the program, our in-house environmental management is steered by Group Real Estate and Supply Chain (GRESC).

## Other key sustainability topics

### Human rights

As our Human Rights Statement articulates, the governance outlined above also applies to our commitment to respecting internationally recognized human rights across UBS globally.

› **Refer to the Human Rights Statement available at *ubs.com/sustainability-reporting*, for more information**

# Business conduct and corporate culture

In our Code of Conduct and Ethics (the Code), the Board of Directors (the BoD) and the Group Executive Board (the GEB) set out the principles and practices that define our ethical standards and the way we do business, which apply to all aspects of our business. The Corporate Culture and Responsibility Committee (the CCRC) of the BoD is also responsible for conducting the annual review process for the Code and for proposing amendments to the BoD. This review process includes a prior review of the Code by the GEB and is led by the Group CEO. In undertaking this assessment, it reviews stakeholder concerns and expectations pertaining to the societal performance of UBS and to the development of UBS's corporate culture.

› **Refer to the Code of Conduct and Ethics of UBS, available at *ubs.com/code*, for more information**

Principles for identifying, preventing, escalating and managing conduct risks are established in the Group-wide Conduct Risk Management Framework. These principles are aligned to the Code and the Group-wide escalation framework and include:

- our strategy and business model, along with our incentives and rewards, which are designed to actively manage conduct risk. Above all, our culture and our Principles and Behaviors are the strongest mitigant to our exposure to conduct risk;
- a review of relevant management information, which is critical to giving a view of the risk landscape and where risks may be crystallizing;
- policy, appetite and governance, which are key components of our conduct risk framework and contribute to its sustainability.

Identifying actual or potential conduct risks is the responsibility of every UBS employee, who must take appropriate steps to identify and escalate any actual or potential conduct risks they may see in their day-to-day-activities and have a duty to lead by example, role model UBS's Behaviors and support our risk culture of "see something, say something."

Ongoing monitoring ensures the firm's activities and those of employees are monitored to detect issues with a potential impact on clients and markets and to detect individual cases of employee misconduct.

We are committed to incentivizing the right behavior by establishing reward principles and internal control frameworks to support adherence to internal and external standards, laws, rules and regulations.

Violations, whether it is of our Code, UBS policies or external laws, rules or regulations, may result in a disciplinary action, up to and including dismissal. Furthermore, employees' conduct is taken into account in year-end performance and reward decisions.

We have a global mandatory training module, Conduct and Culture, that educates all UBS employees on adherence to the three keys to success, understanding the Code, identifying conduct risk and how it can arise from within any part of the organization, and culture and ethics.

Additionally, all employees must affirm annually that they have read and will adhere to the Code and other key policies, supporting a culture where ethical and responsible behavior is part of our everyday operations. By following and affirming the Code, we foster a culture where responsible behavior is ingrained in a way that protects our clients, our people and our reputation and ensures stability and sustainable performance. This safeguards our ability to create lasting value for our shareholders, clients and societies.

Significant matters requiring immediate senior management awareness and action are managed in accordance with our Group-wide escalation framework, which lays out: (i) minimum requirements for escalations; (ii) applicable escalation paths for distinct governance dimensions; and (iii) the interplay between governance dimensions. The framework is complemented by relevant divisional / functional / legal entity / local annexes detailing specific escalation requirements, which outline taxonomies, thresholds, processes and protocols. The framework does not replace day-to-day information exchange, decision-making mechanisms or regular reporting. As such, the escalation framework does not replace existing governance, line management, any of the existing monitoring / reporting requirements or regular risk assessments that may result in the need to report and follow up.

The firm has a global Whistleblowing Protection for Employees Policy and framework, with established internal whistleblower reporting channels, including hotlines and an online platform, where the whistleblower can remain anonymous if preferred.

All employees are required to complete mandatory Speak Up training every two years, with new joiners required to complete it upon onboarding. This training aligns with the Whistleblowing Protection for Employees Policy, raising awareness of available reporting channels. Throughout the year, there are activities such as communication from the GEB, newsletters, whistleblowing campaigns and regular employee surveys, aimed at encouraging employees to speak up and raise awareness with regard to the various whistleblower reporting channels that can be used to raise concerns.

For staff receiving whistleblowing reports, there are procedures and guidance on handling such reports to ensure each whistleblowing concern is taken seriously and investigated. Whistleblowing reports made through the dedicated whistleblowing channels (hotlines and online platform) are received and appropriately triaged by the relevant Regional Head of Investigations and their delegates (selected investigators in their team), who are trained on how to handle such whistleblowing reports.

There are controls and processes in place to check for potential retaliation against known whistleblowers. For example, if a whistleblower is potentially at risk of redundancy, this individual is flagged to the Investigations Operating Group to assess whether the redundancy decision is made independently of the whistleblowing.

Our framework and Group Investigations Policy define clear roles and responsibilities, including reporting requirements, for ensuring accurate and complete quarterly reporting to the BoD and the GEB, as well as to regulators.

Our Group Investigations function is responsible for delivering and overseeing all investigations, including incidents of corruption and bribery. These must be conducted and governed in a way that ensures the investigations are independent, objective and reliable as defined in our Group Investigations Policy, which governs the conduct of all investigations, including whistleblowing investigations. Roles and responsibilities in the overall Group Investigations framework are defined at two levels: (i) cross-functional governance bodies that have responsibilities across the investigations portfolio; and (ii) prescribed roles and responsibilities over certain individual investigations.

Policy effectiveness is assessed through our non-financial risk framework. All policies are accompanied by controls that are designed to prevent non-financial risks from materializing, ensuring UBS operates within its risk appetite. These controls are regularly evaluated for both design and operational effectiveness. Should the firm operate beyond its risk appetite or if a non-financial risk event occurs, corrective actions are taken to return to within the defined appetite. This may involve remediating deficient controls, adjusting risk tolerance, modifying the firm's risk profile or accepting the risk. Independent assurance processes are in place to promptly identify and address heightened non-financial risks.

Non-financial risks are regularly reported to the GEB and the BoD. The BoD oversees UBS's risk management and culture, approving the risk management and control framework of the Group. The GEB, acting as the risk council, holds overall responsibility for establishing and supervising the implementation of risk management and control principles, and for managing the Group's risk profile as determined by the BoD and the Risk Committee. Monthly reports summarize relevant changes to the firm's risk profile and the Annual Non-Financial Risk Report highlights the identified key risk themes and activities undertaken to manage related exposures.

## Combating financial crime

The GEB oversees our efforts to combat money laundering, corruption and terrorist financing. Our first line of defense owns the anti-money-laundering (AML) and terrorist-financing risk front to back for its respective clients and their activities and has the primary responsibility for managing that risk. Dedicated staff in our second line of defense support the organization in developing, maintaining and implementing Group financial crime programs, including control and oversight. Our third line of defense is the reinforcement component led by Group Internal Audit and independently evaluates the financial crime control frameworks.

UBS complies with applicable laws and regulations and is committed to meeting industry standards regarding the effective prevention of money laundering and financing of terrorism. We take comprehensive measures to prevent and detect non-compliance with laws and regulations and do not tolerate or facilitate criminal activity or breaches of the letter or spirit of applicable laws, regulations, rules and policies designed to prevent such activities.

We do not engage in business activities that present unacceptably high levels of money laundering, fraud, sanctions or corruption risk. Additionally, we do not engage in activities that pose risks that cannot be effectively managed by the existing control environment. Although it is not possible to eliminate such residual risk entirely, we have appropriate policies, procedures, controls and processes in place to manage the relevant risks.

We assess the money laundering, fraud, sanctions and bribery and corruption risks associated with all of our business operations annually against our control framework and take action, where appropriate, to further mitigate these risks.

## Public-private partnerships

We are a founding member of the Wolfsberg Group, an association of global banks that aims to develop standards for the financial services sector to prevent financial crimes, such as money laundering, fraud, corruption and terrorist financing, and to develop industry standards for know-your-client (KYC) due diligence and ongoing transaction monitoring.

The Wolfsberg Group brings together banks from around the world at its annual forum and regional outreach meetings focused on financial crime topics. It also delivers an annual academy to support the development of junior Financial Crime Prevention (FCP) officers and works on guidance papers in related key areas of financial crime. UBS is actively involved with this group.

We are a member of various public-private partnerships operating globally that have been set up to foster closer working relationships between financial institutions and law enforcement, most notably the Joint Money Laundering Intelligence Taskforce operations group in the UK, which has worked on a number of human trafficking and modern slavery cases.

## Prevention and detection of corruption and bribery

Our Group Policy Against Bribery & Corruption (ABC Policy) is consistent with the principles of the United Nations Convention against Corruption. Our policy sets out a zero-tolerance approach to bribery and corruption; UBS is committed to detecting and preventing bribery and corruption and requires employees and associated persons to do business in a fair and transparent manner, in compliance with the principles of the policy.

Every employee is responsible for the following:
- compliance with the UBS Group's zero-tolerance approach to bribery and corruption and the requirements set forth in the policy and related procedures;
- taking reasonable steps to detect and prevent bribery;
- maintaining accurate books and records to fairly reflect employees' expenditure;
- reporting cases of concern or doubt to Financial Crime Prevention Anti-Bribery and Corruption (FCP ABC) or based on the Group's Whistleblowing Protection for Employees Policy.

Delegated by the Global Head Financial Crime Prevention to Anti-Bribery and Corruption (ABC) Taxonomy Owner, the Global ABC Head, supported by the specialized teams, is responsible for establishing and maintaining an ABC framework and incorporating the principles of the policy as minimum global standards. To this end, we have controls in place and hold ourselves accountable for detecting, stopping and reporting bribery and corruption matters; we do not tolerate any form of corruption or bribery, including facilitating payments, nor do we offer or accept improper gifts or payments.

The ABC framework comprises: policy, procedures, training and communications, risk assessments, controls across all key risks areas, investigations and incident management, and monitoring and assurance (including independent audit). The framework aligns with globally recognized standards and laws, rules and regulations designed to prevent and mitigate bribery and corruption risks across all jurisdictions in which we operate (e.g. UK and US legal and regulatory requirements for ABC frameworks, including the UK Bribery Act and the US Foreign Corrupt Practices Act). There is a global team of dedicated anti-bribery and corruption officers responsible for setting and maintaining the framework standards. The board and senior management set out the ABC policies and risk appetite, and all employees are accountable for compliance. The ABC framework includes controls across all key risk areas: employees, third parties (vendors and intermediaries), charitable and political donations and sponsorships, hiring, gifts and business entertainment, deals, mergers and acquisitions, and client-related ABC risk. There is regular control testing to ensure that the program and controls are appropriately designed, operationally effective and adhered to in line with policy requirements.

Where corruption or bribery incidents arise, these are identified through controls monitoring, self-declaration or reporting (e.g. through the whistleblowing mechanism) or through ongoing due diligence or risk assessments. Each incident is assessed for severity and impact, with senior management involved for the more serious incidents. Incidents that are breaches of the Group's policies, including the ABC Policy, are dealt with in line with the Employee Incidents Policy and framework and may result in disciplinary action, including dismissal, in serious cases.

The ABC risk appetite of UBS (including business division appetite and significant Group entity appetite) is defined within the Anti-Bribery and Corruption Risk Appetite Statement (RAS), which is governed by the Non-Financial Risk Framework Policy and aims to define the risk appetite of the firm in relation to bribery and corruption risks. The ABC RAS is subject to annual approval and review by the Board of Directors (the BoD).

Inherent risks for bribery and corruption within the organization are not dissimilar to those faced by other multinationals; specifically, third-party risk, employee insider threat risk and client risk. The organization has a robust framework in place to monitor and mitigate the risk of bribery or corruption arising through such inherent risk sources across all levels of the organization. Specifically, the framework includes controls coverage of functions where such inherent risk is more likely to arise, such as those functions and teams that actively engage with clients and third parties and those involved in employee hiring (i.e. business first-line teams and third-party and employee management functions). Additionally, the framework and policy are applicable to all employees, including executive- and board- level management.

The Group Investigations team, including investigators and the investigations committee, are independent, with a separate reporting line to the ABC framework and team management. This allows for fair and independent investigation of both internal or external concerns relating to bribery or corruption.

The effectiveness of the ABC framework, including incident management reporting, is subject to frequent and regular updates at both first-and second-line management forums, including up to the BoD. The reporting includes provision of qualitative and quantitative risk indicators, covering both inherent and control risk. When a threshold is exceeded, this may indicate an increased risk of bribery and corruption. Assessment of these risk indicators on a regular basis prompts the identification of excess(es) of the thresholds under the program's risk appetite assessments, which will trigger a review of whether (further) action is deemed necessary at a divisional / entity and / or Group level to avoid undue risk, thereby focusing on staying within the overall ABC risk appetite.

The ABC Policy is translated into multiple languages and is accessible to all employees through our internal policy repository and relevant intranet ABC site. There is mandatory training for all employees on the policy requirements (see details below for further information on training provision under the ABC framework). Furthermore, an annual declaration and commitment to this policy is required from all UBS staff, including a statement of compliance with regard to any past or current bribery- or corruption-related incidents.

In 2024, all employees of UBS, including its senior management and governance bodies, received adequate training on financial crime prevention matters, which covers AML / KYC, sanctions, fraud and anti-corruption. All staff are required to complete the Global Financial Crime Prevention refresher module on an annual basis. The frequency for each training course is specified by the course owner (onetime, annual, bi-annual).

ABC training is mandatory for all UBS Group employees, including the GEB and the BoD, and is rolled out on an annual basis. All new joiners are required to complete a more substantial training course within 30 days of joining, then all employees are required to complete an annual refresher training course within 60 days of rollout (with a test score of 80% required to pass). The training covers the full ABC Policy and framework, including topics on risk identification, assessment and escalation of bribery and corruption.

Additional targeted training is delivered online or in person to selected functions on specific financial crime risks associated with the business lines or activities they are involved in, as needed.

Web-based training modules are regularly updated to address compliance issues, including financial crime standards, and to incorporate learning from both internal and external events and geopolitical developments.

### Onboarding and ongoing monitoring

UBS performs risk-based initial due diligence on all customers, which is designed to establish their identity and ownership, the nature of their business activities, and the source(s) of their wealth and funds. This includes formal processes for mitigating the risk of impersonation fraud in circumstances where we are not doing business on a face-to-face basis. Where the client represents a potentially elevated risk according to the Group AML & KYC Policy, enhanced due diligence is performed.

We do not establish or maintain relationships with parties when the KYC information cannot be sufficiently established or where we have reason to believe the party has or intends to use UBS products or services for illicit activities. We do not open accounts for relationships that do not meet our standards or that pose unacceptable financial crime or reputational risks for the firm.

After a client onboarding is completed, ongoing due diligence and name screening are performed during the life cycle of the client relationship. Clients are subjected to regular risk rating and client activities and transactions are subject to AML transaction monitoring. In addition, ongoing periodic KYC reviews are conducted with varying frequency, driven by the client risk rating.

Our Group AML & KYC Policy sets out the process and criteria relating to the identification, senior management sign-off, periodic review and ongoing monitoring of clients deemed to be Politically Exposed Persons (PEPs), along with other customers who have links with jurisdictions or industries that pose elevated levels of financial crime risk.

We apply KYC rules and use advanced technology to help identify suspicious transaction patterns and compliance risk issues. We continue to invest in our detection capabilities and core systems as part of our FCP program. Red flags must be referred to FCP if any UBS staff become aware of potentially suspicious activities during the client life cycle and this may result in investigation, suspicious activity report filing and / or client exit, as appropriate. When a UBS employee is suspected of or identified as acting or failing to act in accordance with applicable laws or regulations or in violation of UBS policy, we escalate this to Group Investigations for further assessment under the Group Investigations Policy. Our Group Investigations Policy defines clear roles and responsibilities, including reporting requirements, for ensuring accurate and complete quarterly reporting to the BoD and the GEB, as well as to regulators.

We adhere to the global Financial Action Task Force standards and local laws and regulations with regard to record-keeping.

Our entire financial crime framework is subject to regular controls testing, in both the first and second lines of defense, which includes a cycle of regular peer review testing executed by a designated team within the Group's FCP function. Additionally, our Group Internal Audit team performs a rigorous cycle of independent audit reviews covering the financial crime framework globally and cross-divisionally and we are subject to ongoing supervision by regulatory authorities in all the markets in which we operate.

## Conduct and culture

The Code sets out the principles and commitments that define our ethical standards and the way we do business. The Code commits all UBS employees to do whatever we can to combat money laundering, fraud, corruption and terrorist financing.

Additionally, the Code requires that UBS employees do not help or advise our clients, or any other party, to evade taxes or misreport taxable income and gains. It also states that we should not contract with third parties who provide services for UBS or on our behalf, where those services help others improperly evade taxes.

› **Refer to the Code of Conduct and Ethics of UBS, available at *ubs.com/code***

# Strategy

## Our sustainability and impact strategy

We are guided by our ambition to be a leader in sustainability. This is reflected in our vision to be the bank for the next generation. To help us realize that vision, our sustainability and impact strategy is based on three overarching strategic pillars: Protect, Grow and Attract, representing a natural evolution in our strategic approach.

| Sustainability and impact vision: the bank for the next generation | | |
|---|---|---|
| **Protect** | **Grow** | **Attract** |
| Manage our business in alignment with our sustainable, long-term Group strategy and evolving standards. | Embed an innovative sustainability and impact offering across all our business divisions. | Be the bank of choice for clients and employees. |

### Protect

As part of our continued commitment to protect our clients' assets and those of our firm, we are focused on managing our business by aligning to the sustainable long-term Group strategy and evolving standards. We maintain a strong control and risk framework, as well as a robust sustainability data strategy, to support our risk management processes, regulatory requirements and product offerings.


- **Refer to "Environmental information" in this section for more information about our decarbonization approach and efforts**
- **Refer to "Managing sustainability and climate risks" in this section for more information about our sustainability and climate risk management approach**


### Grow

We continue to expand our sustainability and impact offerings across all business divisions to meet our clients' evolving needs. For example, we identify and offer innovative sustainable financing and investment solutions, with the aim to support our clients through the world's transition to a low-carbon economy. To facilitate this, we established a dedicated Group Sustainability and Impact (GSI) Business Development & Client Forum (the GSI BDCF) under the authority of the Group Executive Board (the GEB) Lead for Sustainability and Impact, focused on client, product and impact approaches.


- **Refer to "Governance" in this section for more information about our GSI Business Development & Client Forum (BDCF)**


### Attract

We aspire to be the bank of choice for clients and employees alike, maintaining top quartile sustainability ratings and positioning UBS as the go-to employer through our engagement and education programs. In 2024, our MSCI AA rating was reaffirmed[1] and we increased our S&P Global Corporate Sustainability Assessment (CSA) score to 72,[2] compared with 69 in 2023.


- **Refer to "Social information" in this section for more information about UBS's employees and its philanthropic activities**


1 Source: MSCI ESG Ratings & Climate Search Tool, UBS Group AG ESG Rating 2024.
2 Source: S&P Global, UBS Group AG 2024 CSA Score as of March 2025, out of a maximum of 100.

## Our key aspirations and progress

We work with a long-term focus on providing appropriate returns to our stakeholders in a responsible manner.

We are committed to providing transparent aspirations, goals and targets and reporting on the progress made against them. This table provides an overview, with more detailed information provided throughout this section of this report.

| Ambitions | Topics | Our aspirations, goals or targets | Progress in 2024 |
|---|---|---|---|
| **1. Protect** | Climate | Lending sector decarbonization targets have been established to address our financed emissions by aligning specified sectors to decarbonization pathways.[1]<br>Reduce emissions intensity associated with UBS in-scope lending by 2030 from 2021 levels for:<br>– Swiss residential real estate by 45%;<br>– Swiss commercial real estate by 48%;<br>– power generation by 60%;<br>– iron and steel by 27%; and<br>– cement by 24%.<br>Reduce absolute financed emissions associated with UBS in-scope lending by 2030 from 2021 levels for:<br>– fossil fuels by 70%. | Calculated progress against pathways for lending sector decarbonization targets.[2]<br>Changes in emissions intensity associated with UBS in-scope lending (end of 2023 vs 2021 baseline):<br>– Swiss residential real estate reduced 11%;<br>– Swiss commercial real estate reduced 9%;<br>– power generation reduced 33%;<br>– iron and steel reduced 20%; and<br>– cement reduced 3%.<br>Changes in absolute financed emissions associated with UBS in-scope lending (end of 2023 vs 2021 baseline):<br>– fossil fuels reduced 80%. |
| | | Reduce our scope 1 and 2 emissions to net zero by 2035 (90% reduction of scope 1 and net scope 2 emissions by 2035 vs 2023 baseline, neutralizing the remaining 10% with high-quality carbon removals). | Scope 1 and net scope 2 emissions reduced 35% vs 2023 baseline. |
| | | Reduce our absolute energy consumption by 35% by 2030 vs 2023 baseline. | Absolute energy consumption reduced 10% vs 2023 baseline. |
| | | Achieve 100% renewable electricity aligned to RE100 in markets where feasible by 2026. | Achieved 99.8% renewable electricity aligned to RE100. |
| | Environment | Paper: Use 100% recycled and Forest Stewardship Council (FSC) paper for our operations by 2025. | Reached 49.9% share of recycled and FSC paper in our operations in 2024. |
| | | Waste: Achieve 60% recycling ratio for our office waste by 2025. | Achieved 52.9% recycling ratio in 2024. |
| | | Water: Reduce water consumption by 5% by 2025 vs 2019 baseline. | Water consumption reduced 8% vs 2019 baseline. |
| **2. Grow** | Social impact and philanthropy | Raise USD 1bn in donations to our client philanthropy foundations and funds (cumulative for 2021–2025). | Achieved a UBS Optimus Foundation donation volume of USD 366m in 2024 (2023: USD 328m), totaling USD 1.1bn since 2021, thus surpassing our goal (all figures include UBS matching contributions).[3] |
| | | Reach 26.5 million beneficiaries by 2025 (cumulative for 2021–2025). | Reached 7.4 million beneficiaries in 2024 (2023: 7 million)[4] and 25.9 million beneficiaries across our social impact activities since 2021.[5] |
| **3. Attract** | Bank of choice | Maintain top quartile position in key ESG ratings by the end of 2026. | Achieved top quartile position vs direct peers as defined in UBS compensation report in:<br>– MSCI: AA rating, "Leader" in industry group;<br>– S&P Global Corporate Sustainability Assessment: Score of 72. Constituent of the Dow Jones Sustainability Indices (DJSI);<br>– CDP: A– rating. Included in the leadership band. |

**Cautionary note:** We have developed methodologies that we use to set our climate-related targets and identify climate-related risks and that underly the metrics that are disclosed in this report. Standard-setting organizations and regulators continue to provide new or revised guidance and standards, as well as new or enhanced regulatory requirements for climate disclosures. Our disclosed metrics are based upon data available to us, including estimates and approximations where actual or specific data is not available. We intend to update our disclosures to comply with new guidance and regulatory requirements as they become applicable to UBS. Such updates may result in revisions to our disclosed metrics, our methodologies and related disclosures, which may be substantial, as well as changes to the metrics we disclose.

1 Our climate transition plan does not cover all our business activities. We may add ambitions for additional scope 3 activities over time and on a best-efforts basis based on the availability of appropriate measurement frameworks and data, and the materiality of the relevant activity to UBS. We will continue to publicly disclose our progress on an annual basis and, while we continue to take steps to align our in-scope business activities with the ambitions set out above, it is important to note that progress toward our targets may not be linear. We regularly review our targets and update our disclosures in line with new or enhanced regulatory developments, evolving best practices for the financial sector and climate science. Such reviews may lead us to revise previously agreed voluntary commitments, metrics and methodologies. Metrics are based on gross lending exposure consisting of total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments. 2 Refer to "Environmental information" in this section more information. The inherent one-year time lag between the as-of date of our lending exposure and the as-of date of emissions can be explained by two factors: corporations disclose their emissions in annual reporting only a few months after the end of a financial year, and specialized third-party data providers take between 12 and 18 months to collect disclosed data and make it available to data users. Consequently, the baselines for our decarbonization targets are calculated based on year-end 2021 lending exposure and 2020 emissions data. Our 2023 emissions actuals are based on year-end 2023 lending exposure and 2022 emissions data. For asset financing (i.e. real estate) there is no time lag, and exposure and emissions actuals refer to the same year. 3 Figures provided for the UBS Optimus Foundation are based on unaudited management accounts and information available as of January 2025. Audited financial statements for UBS Optimus Foundation entities are produced and available per local market regulatory guideline. 4 Figures prior to 2024 exclude beneficiaries reached through Credit Suisse-led programs. 5 Some of the beneficiaries reached were due to activities funded through mandatory contributions required in India and South Africa due to respective corporate social responsibility laws. The cumulative reported figure does not represent unique beneficiaries. Where the same individual was enrolled in a program in the previous year, they are still counted in the following year as they are considered to have received different levels of support over the period.

# Environmental information

## Our climate transition plan

We have drawn up a climate transition plan, including our overarching climate approach, along with specified key policies and principles, targets and actions. This transition plan has been approved by the Corporate Culture and Responsibility Committee (the CCRC) of the Board of Directors and is included in our annual objective-setting process for sustainability and impact matters.

› **Refer to "Governance" in this section for more information about our sustainability and climate governance and our objective-setting process**

### Our climate approach

Our climate approach is guided by our climate ambition and its underlying key objectives.

#### Our climate ambition

We will support our clients in the transition to a low-carbon world and embed considerations of climate change risks and opportunities into our firm for the benefit of our stakeholders, now and in the future.

#### Our key objectives

*Supporting our clients' low-carbon transition*

- Mobilizing capital toward an orderly transition to a low-carbon economy.
- Aligning our in-scope lending activities to the objectives of the Paris Agreement.
- Supporting the transition of our financing and investing clients to low-carbon and climate-resilient business models.
- Embedding climate considerations into our financing, investment and capital markets offering.

*Reducing our climate impact*

- Minimizing our own operational footprint and utilizing resources in an efficient and sustainable way.
- Measuring and managing our travel footprint, including reducing air-travel-related emissions.
- Interacting with our suppliers on emissions reductions and managing our supply chain responsibly.

*Managing the risks of climate change to our business*

- Identifying, measuring, monitoring, managing and reporting sustainability and climate risks (including nature-related risks).
- Applying our sustainability and climate risk policy framework.
- Further integrating sustainability and climate risk regulatory requirements into financial risk management and stress-test frameworks.
- Ensuring that the sustainability and climate risk policy framework is integrated into our Group- and organization-wide activities.

Our climate approach is aligned to our sustainability and impact strategy, which is based on three overarching strategic pillars: protect, grow and attract. In relation to our climate approach, our strategic ambition manifests as:

- **Protect** our business by managing climate risks and supporting our clients' low-carbon transition to protect their assets.
- **Grow** our business by embedding an innovative UBS climate transition offering across all business divisions.
- **Attract** and be the bank of choice for clients and employees by being recognized as a leader in climate, and leading by example in our own operations.

› **Refer to "Strategy" in this section for more information about the sustainability and impact strategy**

## Our climate-related targets

By 2050, the global economy aims to transition to net zero. For example, across our own operations (scopes 1 and 2), UBS plans to achieve net zero by 2035, well ahead of 2050.

We have defined the following targets:

**Scopes 1 and 2:** Reducing our scope 1 and 2 emissions to net zero by 2035.[1]

**Scope 3:** Addressing our financed emissions by aligning specified sectors to decarbonization pathways.[2]

In 2024, we have updated our climate targets to consider the following:
- alignment with upcoming regulatory requirements and market standards;
- a review of the combined organization, reflecting the current state of planning within the firm; and
- ongoing macro-developments in public policy and climate science projections across the sectors in which we operate.

Our climate-related targets have been set based on the methodologies, data and assumptions currently in use. Following a review of our own operations target for scopes 1 and 2 for the integrated organization, we have set a new 1.5°C-aligned scope 1 and 2 net-zero target to be achieved by 2035. The target reflects our enlarged corporate real estate portfolio following the acquisition of the Credit Suisse Group and considers the latest definition of a "net-zero target" in the Corporate Sustainability Reporting Directive (CSRD).[3]

We remain committed to our lending sector decarbonization targets to address our financed emissions in specified sectors. All these targets are 1.5°C-aligned except for targets for Swiss residential real estate and Swiss commercial real estate, which are aligned to a below-2°C scenario.[4] In 2024, we also engaged EY to perform agreed upon procedures on our lending sector decarbonization targets to assist us in determining whether these have been set in line with reference scenarios mentioned and informed by certain requirements taken from pertinent global standards and initiatives.

Our Asset Management business division is committed to supporting our clients in achieving their climate-related investment goals. In the UBS Group Sustainability Report 2023, we referred to the target set by Asset Management aiming, by 2030, to align 20% of UBS AG Asset Management's total assets under management (AuM) with net zero. Given the integration taking place within Asset Management, we are reviewing the legacy target set prior to the acquisition of the Credit Suisse Group, taking into account all AuM of the combined businesses. Therefore, we have withdrawn the target. We remain committed to supporting the Paris Agreement climate goals in line with global efforts. We recorded USD 64.4bn of total assets as having a net-zero ambition at the end of 2024, compared with USD 35.5bn at the end of 2023.

We regularly review our targets and update our disclosures in line with new or enhanced regulatory developments, evolving best practices for the financial sector and climate science. Such reviews may lead us to revise previously agreed voluntary commitments, metrics and methodologies.

Our climate transition plan does not cover all our business activities. We may add ambitions for additional scope 3 activities over time and on a best-efforts basis based on the availability of appropriate measurement frameworks and data, and the materiality of the relevant activity to UBS. We will continue to publicly disclose our progress on an annual basis and, while we continue to take steps to align our in-scope business activities with the ambitions set out above, it is important to note that progress toward our targets may not be linear.

Our priority is to support our clients in the transition to a low-carbon world, including their transition-financing needs. In the area of client investments, our ability to meet our ambitions depends on our obligations to our clients, including fiduciary duties as an investment manager and on the terms of the mandates agreed with clients. We continue to embed sustainability and climate considerations into our operating model, leading to regular adjustment of evaluation and decision-making frameworks, governance structures, control and monitoring processes and underlying systems.

Our climate-related ambitions and targets have a critical dependency on the overall progress made by all sectors and countries. Collaboration across the private and public sectors is required. The decarbonization of the global economy, emissions reductions by clients and the realization of our own targets and ambitions all depend on various factors outside our direct influence. Clear guidance from governments through thoughtful regulations, policies and incentives, the development and scaling of key technologies and broader changes in the behavior of society are needed.

1 Refer to the "Reducing our own climate impact" section of this report for details about our scope 1 and 2 net-zero target.
2 Refer to the "Supporting our financing clients' low-carbon transition" section of this report for details about our lending sector decarbonization targets.
3 Definition of a net-zero target by the CSRD: Setting a net-zero target at the level of an undertaking aligned with meeting societal climate goals means: (i) achieving a scale of value chain emissions reductions consistent with the abatement required to reach global net zero in 1.5°C pathways; and (ii) neutralizing the impact of any residual emissions (after approximately 90–95% of GHG emission reduction with the possibility of justified sectoral variations in line with a recognized sectoral pathway) by permanently removing an equivalent volume of $CO_2$.
4 For Swiss real estate mortgage lending (commercial and residential real estate), our targets are using the percentage decarbonization rate implied by the Energy Perspectives 2050+ ZERO Basis scenario (below-2°C scenario) as a minimum rate to be followed. This scenario is a representative, country-specific pathway, reflective of the government's climate strategy. It also informs Switzerland's decarbonization ambitions for real estate as set out in the Swiss Climate and Innovation Act.

# Supporting our clients' low-carbon transition

It is our priority to support our clients in the transition to a low-carbon world. To support this aim, we have defined a set of targets and actions related to our financing and investing activities, which are outlined below (and reflect UBS Group).

## Supporting our financing clients' low-carbon transition

### Our lending sector decarbonization targets

This section outlines the methodologies and processes used to calculate the climate-related lending metrics and the approach taken to define the UBS Group lending sector decarbonization targets.

Our approach to target-setting is based on industry guidance and our calculation methodology is based on global standards such as the GHG Protocol Corporate Accounting and Reporting Standard and the Partnership for Carbon Accounting Financials (the PCAF).

#### *Target scope (1)*

Lending sector decarbonization targets for 2030 have been established for Swiss real estate mortgages (residential and commercial real estate) and for financing of in-scope activities in the fossil fuels (oil, gas and coal), power generation, iron and steel and cement corporate sectors.

The sectors for which decarbonization targets were set account for 7.2 million metric tons of $CO_2e$ emissions financed, or 73% of the total financed emissions of 9.9 million metric tons for sectors where data and methodologies are available to estimate emissions. We expect the coverage to change over time as the availability and quality of data improve.

During the target-setting process, we prioritized sectors that have the highest carbon impact. These include the materiality of sectors in terms of financial exposure and the availability of data and applicable methodologies to estimate baselines and develop pathways. We performed additional analyses to establish transparency around the contribution of each sector in our portfolio to the total. We perform an annual assessment of sectors and exposures not covered by targets, considering materiality, the availability of data and methodologies, market expectations and business strategy.

For real estate, we considered owner-occupied properties, properties rented out on a non-commercial scale, rented-out properties in multi-family homes, any other income-producing real estate and own-use commercial real estate.

For each corporate sector, we considered subsectors or parts of the value chain that hold the bulk of the impact on the climate system and where the decarbonization efforts must be concentrated.

#### *Baseline and emissions (2)*

Based on qualitative and quantitative criteria, such as alignment and feasibility (following industry best practices), 2021 was chosen as a baseline year for our decarbonization targets across all lending sectors.

For all targets except iron and steel and cement, for which non-$CO_2$ GHGs are considered not material, the emissions in scope are the seven gases mandated under the Kyoto Protocol. For ease of accounting, these gases are normally reported by data providers and clients as carbon dioxide equivalents ($CO_2e$). Our targets are gross targets, meaning that they do not include GHG removals, carbon credits or avoided emissions as a means of achieving the targets.

Emissions financed from lending activities fall under scope 3, category 15, downstream emissions as defined in the GHG Protocol Corporate Accounting and Reporting Standard. Financed emissions reported under scope 3, category 15, include apportioned scope 1 and 2 emissions of the counterparties or assets being financed. We included scope 3 emissions in our assessment of financed emissions for the fossil fuels sector.[1] To estimate the emissions from our clients, we rely on data available in their own disclosures, data from specialized third-party providers and internal data. Current limitations on the availability of emissions data at company or asset level required us to include estimations in the calculations. For example, we applied a sector-level proxy where company- or asset-level data is not available.

As in previous reports, related lending metrics are not shown for the current reporting year due to the inherent time lag in the availability of emissions data of our borrowers. This one-year time lag between the as of date of our lending exposure and the as of date of emissions can be explained by two factors: corporate clients disclose their emissions in annual reporting only a few months after the end of a financial year and specialized third-party data providers take between 12 and 18 months to collect disclosed data and make it available to data users.

#### *Scenario selection (3)*

For Swiss real estate mortgage lending (commercial and residential real estate), our 2030 targets are using the percentage decarbonization rate implied by the Energy Perspectives 2050+ ZERO Basis scenario (below-2°C scenario) as a minimum rate to be followed. This scenario is a representative, country-specific pathway, reflective of the government's climate strategy. It also informs Switzerland's decarbonization ambitions for real estate as set out in the Swiss Climate and Innovation Act.

1 Scope 3 emissions were also included in our assessment of financed emissions for the automotive sector, which is not a target sector. Automotive sector emissions are reported as part of our overall financed emissions.

For the fossil fuels (oil, gas, and coal), power generation, iron and steel, and cement corporate sectors, we use the percentage decarbonization rate implied by the scenario – IEA NZE by 2050 (IEA's World Energy Outlook of October 2023 update)[1] – as a minimum rate to be followed. This scenario is one of the most recent and widely accepted models that achieves a temperature increase of 1.5°C by the end of the century (1.5°C-aligned scenario). Over time, we aim to augment our sector pathways as we gain greater clarity on the validity of key technological and regulatory uncertainties identified and assumed within the IEA NZE scenario (e.g. production volumes, biofuels or carbon capture utilizations and storage). Until that point, the possibility of overshoot is factored into certain sector pathways due to the heavy reliance on external factors beyond our steering capabilities.

*Target-setting (4)*

For the fossil fuels sector, we defined an absolute emissions reduction target and applied the Absolute Contraction Approach. For all other sectors within scope, we have defined physical emissions intensity targets, applying the Sector Decarbonization Approach (SDA). The SDA assumes global convergence of key sector's emissions intensities by 2050 and we set our 2030 decarbonization targets to be in line with this assumption.

Generally, we believe that most sectors are best steered by using physical emissions intensity. The physical emissions intensity is a metric that normalizes emissions (e.g. by a company's output). Through intensity metrics, we can monitor whether our corporate clients, or real estate assets we are financing, are becoming increasingly efficient. In addition, emissions intensity measures tend to be less volatile as these are less dependent on the amount of lending business that UBS undertakes in different years.

Establishing absolute emissions targets could impose constraints on our ability to lend to clients, including those with lower carbon intensity. This might restrict our ability to support clients as they transition to a low-carbon economy. For transparency, we also disclose the total value of absolute emissions for the sectors covered by the trajectories without setting a target for absolute emissions other than for the fossil fuel sector.

*Target governance (5)*

Our 2030 lending sector decarbonization targets were set at UBS Group level, and were approved and are continued to be overseen by the CCRC. They are managed by the business divisions in collaboration with Group Sustainability and Impact (GSI) and the Group functions under the leadership of the Group Executive Board (the GEB) Lead for Sustainability and Impact.

We will continue to publicly disclose our progress on an annual basis, and we aim, at a minimum, to review our targets every five years and, from 2030 onwards, to update the base year and target values after every five-year period to ensure consistency with the most recent climate science and best practices. It is important to note that progress toward our targets may not be linear and year-on-year volatility is expected due to changes in the portfolios' composition over time.

All related metrics shown in the tables below, including financed emissions, are reported at UBS Group level to ensure consistency. There is an immaterial difference in in-scope exposures and derived metrics between UBS AG and UBS Group due to purchase price allocation adjustments recorded in UBS Group as a result of the acquisition of Credit Suisse Group AG in compliance with IFRS 3, Business Combinations. A reconciliation table for both entities is provided below. As of end of 2022, Credit Suisse AG was not part of UBS AG, therefore 2022 comparative values are not included in these tables.

1 For fossil fuels, (oil, gas and coal), we selected the scenario IEA NZE by 2050 as a reference to base our 2030 target. Our 2030 target is more ambitious than the reduction implied by this scenario.

## Overview of our 2030 lending sector decarbonization targets and progress (UBS Group)

For the year ended 31.12.23

| | Gross lending exposure | | Targets | | | | | | Progress[8] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sectors | Full value chain (USD bn)[1] | Covered with targets (USD bn)[1] | Target scope | GHG emissions scope | Scenario | Target value | 2021–2030 target | Unit | 2021 baseline | 2023 actuals | % change |
| Residential real estate[3] | 384.7 | 242.4 | Region Switzerland | 1,2[5] | Energy Perspectives 2050+ ZERO basis (below 2°C) | 21.1 | (45%) | kg $CO_2e$ / $m^2$ ERA[2] | 38.7 | 34.4 | (11%) |
| Commercial real estate[3] | | 102.1 | Region Switzerland | 1,2[5] | Energy Perspectives 2050+ ZERO basis (below 2°C) | 16.2 | (48%) | kg $CO_2e$ / $m^2$ ERA[2] | 31.3 | 28.5 | (9%) |
| Fossil fuels (coal, oil and gas)[4] | 10.6 | 2.8 | B.05, B.06, C.19[6] | 1,2,3 | IEA NZE 2050 - WEO 2023 (1.5°C)[7] | 19.4 | (70%) | million metric t $CO_2e$ | 64.7 | 12.9 | (80%) |
| Power generation | 5.0 | 3.9 | D.35.1.1, D.35.1.3[6] | 1 | IEA NZE 2050 - WEO 2023 (1.5°C) | 136 | (60%) | kg $CO_2e$ / MWh | 339 | 227 | (33%) |
| Iron and steel | 0.7 | 0.5 | C.24.1[6] | 1,2 | IEA NZE 2050 - WEO 2023 (1.5°C) | 1.28 | (27%) | metric t $CO_2$ / metric t steel | 1.75 | 1.41 | (20%) |
| Cement | 1.1 | 1.0 | C.23.5.1[6] | 1,2 | IEA NZE 2050 - WEO 2023 (1.5°C) | 0.48 | (24%) | metric t $CO_2$ / metric t cementitious | 0.64 | 0.62 | (3%) |

1 Full value chain includes all activities within each sector. Refer to target scope for details on sector coverage. Exposures are shown on a gross basis; gross lending exposure includes total on-balance sheet loans and advances to customers and off-balance sheet guarantees, and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated IFRS numbers (inclusive of purchase price allocation adjustments recorded in UBS Group AG as a result of the acquisition of Credit Suisse Group AG in compliance with IFRS 3, Business Combinations). 2 ERA: Energy Reference Area. 3 Residential real estate includes owner-occupied properties and properties rented out on a non-commercial scale. Commercial real estate includes rented-out properties in multi-family homes, any other income-producing real estate, and own-use commercial real estate. The reported figures reflect the exposure linked to loans that are secured by real estate collateral. 4 For fossil fuels, a significant share of our gross lending exposure not covered by this target is commodity trade financing for which guidelines and methodologies have yet to be developed. 5 Residential real estate emissions scope covers owners' energy consumption only, Commercial real estate emissions scope covers owners' or tenants' energy consumption only. 6 For corporate sectors, NACE codes are referenced, the following parts of the value chain are included in the targets scope: fossil fuels: coal extraction, oil and gas upstream, refining and integrated companies; power generation: power generation and integrated electric utility companies; iron and steel: production of iron and steel, hot rolling and coking coal manufacturing; cement: production of cement and clinker. 7 For fossil fuels (oil, gas and coal), we selected the scenario IEA NZE by 2050 as a reference to base our 2030 target. Our 2030 target is more ambitious than the percentage reduction implied by this scenario. 8 Metrics are calculated based on gross lending exposures.

## 2030 lending sector decarbonization targets and progress (UBS Group - UBS AG reconciliation)[1]

For the year ended 31.12.23

| | UBS Group | | | UBS AG |
|---|---|---|---|---|
| Sectors with target | 2021 baseline | 2023 actuals | Reduction to date | 2023 actuals |
| Swiss residential real estate | 38.7 | 34.4 | (11%) | 34.5 |
| Swiss commercial real estate | 31.3 | 28.5 | (9%) | 28.7 |
| Fossil fuels (coal, oil and gas) | 64.7 | 12.9 | (80%) | 13.1 |
| Power generation | 339 | 227 | (33%) | 228 |
| Iron and steel | 1.75 | 1.41 | (20%) | 1.43 |
| Cement | 0.64 | 0.62 | (3%) | 0.62 |

1 Metrics are calculated based on gross exposures.

## Financed emissions covered by lending sector decarbonization targets (UBS Group)

For the year ended 31.12.23

| | Gross lending exposure (USD bn)[1] | Outstanding exposure (USD bn)[2] | Financed emissions, scopes 1 and 2 (mt $CO_2e$)[3] | Financed emissions, scope 3 (mt $CO_2e$)[3] | PCAF score, scopes 1 and 2[4] | PCAF score, scope 3[4] | Economic intensity (mt $CO_2e$ / USD bn)[3] |
|---|---|---|---|---|---|---|---|
| **Exposure covered by target** | | | | | | | |
| Swiss residential real estate[5] | 242.4 | 240.6 | 1.2 | | 4.1 | | 0.01 |
| Swiss commercial real estate[5] | 102.1 | 101.4 | 0.8 | | 4.1 | | 0.01 |
| Fossil fuels (coal, oil and gas) | 2.8 | 0.8 | 0.2 | 3.3 | 1.3 | 1.5 | 4.60 |
| Power generation | 3.9 | 0.9 | 1.1 | | 2.1 | | 1.15 |
| Iron and steel | 0.5 | 0.2 | 0.2 | | 1.7 | | 0.90 |
| Cement | 1.0 | 0.1 | 0.4 | | 4.1 | | 3.74 |
| **Exposure not covered by target** | | | | | | | |
| Other non-financial corporates and real estate mortgages | 142.0 | 81.1 | 2.5 | 0.2 | 4.8 | 5.0 | 0.03 |
| **Estimated total non-financial corporates and real estate mortgages[6]** | 494.7 | 425.1 | 6.4 | 3.5 | | | |
| Financial services firms, private individuals and other | 284.7 | 216.4 | | | | | |
| **Total exposure** | 779.4 | 641.5 | | | | | |

1 Gross lending exposure includes total on-balance sheet loans and advances to customers and off-balance sheet guarantees, and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated IFRS numbers (inclusive of purchase price allocation adjustments recorded in UBS Group AG as a result of the acquisition of Credit Suisse Group AG in compliance with IFRS 3, Business Combinations). 2 Outstanding exposure includes total on-balance sheet loans and advances to customers (within the scope of expected credit loss) and is based on consolidated IFRS numbers. 3 Based on outstanding exposure. 4 PCAF scores shown represent weighted average based on outstanding exposures. 5 Residential real estate includes owner-occupied properties and properties rented out on a non-commercial scale. Commercial real estate includes rented-out properties in multi-family homes, any other income-producing real estate, and own-use commercial real estate. The reported figures reflect the exposure linked to loans that are secured by real estate collateral. 6 Based on outstanding exposure which includes total loans and advances to customers and guarantees as well as irrevocable loan commitments. For consistency and comparability purposes, shipping related exposures as reported in 2023 are now aggregated in this line.

The sectors for which decarbonization targets have been set represent 352.7bn, or 45%, of the USD 779.4bn in total gross lending exposure for 2023, and 71% of the USD 494.7bn in gross lending exposure for which data and methodologies are available to estimate emissions. These sectors account for 7.2 million metric tons of $CO_2e$ emissions financed, or 73% of the total financed emissions of 9.9 million metric tons. We expect the coverage to change over time as the availability and quality of data improve.

### Decarbonization levers and key actions underpinning our lending sector decarbonization targets

To underpin our lending sector decarbonization targets, we assessed the impact of two decarbonization levers. Through lever 1, we assess the effects of our clients' disclosed decarbonization commitments on our future expected portfolio intensities. Lever 2 focuses on managing our portfolio to achieve the remaining required intensity reductions.

In addition, we identified key actions relevant to both levers, outlining how we support our clients in realizing their decarbonization commitments and how we manage our portfolio toward achieving our targets: i) providing products and services; ii) engaging with clients; and iii) monitoring progress against targets through our decarbonization control framework.

#### *Lever 1: Clients' disclosed decarbonization commitments*

To understand the current decarbonization ambitions of our clients, we conducted a review of our clients' currently disclosed decarbonization commitments and transition plans. On this basis, we assessed the future potential aggregated reduction of our portfolio intensities for the power generation, iron and steel and cement sectors, assuming that our clients realize their decarbonization commitments and transition plans. Through actions 1 and 2 outlined below, we aim to support our clients in realizing their decarbonization commitments.

We recognize that our clients' realization of their emission reductions has dependencies on various factors and that financial institutions have limited direct influence over clients' transition abilities or the speed at which the transition happens. We constantly track our clients' progress toward their disclosed commitments and assess the influence of them meeting their commitments on our own trajectories.

#### *Lever 2: Portfolio management*

To work toward the remaining required reduction of our portfolio intensities to realize our lending sector decarbonization targets, we aim to manage our portfolio. This can be done at the business selection stage, which is in line with our sustainability risk process. It may trigger enhanced due diligence for transactions in carbon-intensive sectors that have higher climate-related impacts and risks, as well as trigger the pre-deal assessment review of deals against our set decarbonization thresholds. It can also be done through the exit from or maturity of our Non-core and Legacy loans, which contribute to the adjustment of our lending exposure and associated carbon intensity. Through actions 1 and 2 outlined below, we aim to support our clients' climate transition, while action 3 allows us to track our performance and manage progress toward our targets.

Although we continue to take steps to align our in-scope business activities with our decarbonization targets, it is important to note that progress toward our targets may not be linear. Our priority is to support our clients in the transition to a low-carbon world, and their transition-financing needs. Collaboration across the private and public sectors is required. The decarbonization of the global economy, emission reductions by clients and the realization of our own targets and ambitions all depend on various factors outside our direct influence. Clear guidance by governments through thoughtful regulations, policies and incentives, the development and scaling of key technologies and broader changes in the behavior of our society are needed.

› **Refer to "Non-core and Legacy" in the "Our businesses" section of this report for more information**

#### *Action 1: Providing products and services*

We offer sustainable and sustainability-linked financial advice and solutions (advisory, lending, basic banking and transition financing solutions) to support our clients' climate transition. These solutions can be on-balance sheet (e.g. green or sustainable loans and mortgages) or off-balance sheet (e.g. access to debt and equity capital markets). They can also include transaction structuring.

For example, in Personal & Corporate Banking, we offer sustainability-linked loans (SLLs) to incentivize the borrowers to achieve their sustainability performance targets. Our SLL offering is open to eligible corporate clients from all sectors that wish to reflect their sustainability ambitions in their funding strategy and to benefit from meeting agreed sustainability performance targets. The SLLs have specific sustainability-related key performance indicators that are agreed with each client.

We continue to develop and refine our sustainable finance solutions and approaches on an ongoing basis.

#### *Action 2: Engaging with clients*

In 2024, to support our review of our clients' disclosed decarbonization commitments and transition plans (lever 1), we developed the Company Transition Assessment Scorecard (CTAS). The CTAS was designed to support a range of purposes in the future, including the support of our clients' climate transition through engagement. By understanding our clients better, we aim to work alongside them to assist with their climate transition efforts. This can include encouraging the disclosure of current emissions, setting future decarbonization targets in line with Paris Agreement-aligned pathways and developing credible transition plans.

› **Refer to "Supporting our climate approach: key enabling actions" in this section for more information about the CTAS**

*Action 3: Monitoring progress against targets through our decarbonization control framework*

We implemented a decarbonization control framework to track our performance and manage progress toward our lending sector decarbonization targets. This framework has been approved at GEB level and has been integrated into our sustainability and climate risk policy framework.

For in-scope sectors, the performance and associated changes in the lending portfolio are discussed during quarterly performance reviews with business division representatives (Global Wealth Management, Personal & Corporate Banking and the Investment Bank) and our sustainability and climate risk unit. This includes an analysis of trends and significant changes in exposures, emissions or criteria that are deemed to influence the target metrics. Possible measures to be taken by the business divisions are also discussed.

For in-scope corporate sectors for which decarbonization targets have been set, we have established a pre-deal assessment process to review the impact of relevant transactions that are within the scope of our lending sector decarbonization targets. For each in-scope sector, risk tolerance thresholds have been defined at business division and Group levels. An internal tool enables the business divisions to evaluate the potential impact of a new transaction on the portfolio. An escalation process has been put in place should a transaction exceed these thresholds. Transactions are then also reviewed by the business division representatives and can be further escalated up to GEB level if required. The risk tolerance thresholds are defined annually and the utilization of the agreed thresholds is monitored on a quarterly basis. Relevant staff in the business divisions have been trained on these requirements.

Performance against targets and outlook

For the in-scope lending sectors for which decarbonization targets have been set, the following sections describe, for each sector:

- the scope of the target and relevance for our business divisions;
- the progress against the sector target and the indicative trend line, including the main drivers for the reduction or increase of absolute emissions / emissions intensity;
- the impact of the decarbonization levers and a description of key actions taken, where relevant (note that not all levers apply to all target sectors); and
- a description of the key dependencies.

Our lending sector decarbonization targets have a critical dependency on the overall progress made by all sectors and countries.

*Swiss residential real estate*

The scope of the decarbonization pathway for residential real estate lending is limited to our financing activity in Switzerland across Personal & Corporate Banking and Global Wealth Management.

The required 45% reduction to realize our 2030 target is slightly more ambitious than the decarbonization rate implied by the Swiss government's Energy Perspectives 2050+ ZERO Basis (EP 2050+) scenario for residential buildings, which is 44%. For the target scope, this scenario is a representative, country-specific pathway, reflective of the government's climate strategy. The EP 2050+ also informs Switzerland's decarbonization ambitions for real estate as set out in the Swiss Climate and Innovation Act.

As at the end of 2023, our estimated emissions intensity for the portfolio had decreased by 11% against the 2021 baseline, with an emissions intensity of 34.4 kg $CO_2e$ / $m^2$ ERA (Energy Reference Area). The reduction was primarily driven by an increased share of financed properties with non-fossil-fuel heating. Our estimated emission intensity is 1% below the 2023 level of our indicative trend line to 2030 (34.8 kg $CO_2e$ / $m^2$ ERA).

To further decarbonize our real estate portfolio in alignment with the Swiss government's decarbonization ambitions, we remain dependent on technical advances and concerted policy action, for example, by incentivizing improved building efficiency and the use of non-fossil-fuel heating systems. We will continue to work with the government and our industry peers to align on the required actions.

We remain committed to doing our part and supporting our clients in reducing the emissions intensity of their properties. This includes raising the awareness of our existing and prospective clients regarding the climate impact of real estate and helping our existing clients decarbonize their properties through renovations. For example, we provide access to an online renovation journey and calculator for owner-occupied real estate, enabling our clients to work out expected renovation costs and timelines, the $CO_2e$ emissions footprint and the energy consumption levels before and after renovation. For renovations or acquisitions of energy-efficient properties, we offer preferential financial conditions to clients through our UBS Mortgage Green, UBS Mortgage Energy and UBS Mortgage Renovation products. In 2024, our partner Norm Technologies launched an offering for our new and existing mortgage clients to carry out a tailored, digital energy analysis for them to gain an improved understanding of the climate impact of their properties.

*Swiss commercial real estate*

The scope of the decarbonization pathway for commercial real estate lending is limited to our financing activity in Switzerland across Personal & Corporate Banking and Global Wealth Management.

The required 48% reduction required to realize our 2030 target is in line with the decarbonization rate implied by the Swiss government's EP 2050+ scenario for residential buildings and services, which is also 48%.

As at the end of 2023, our estimated emissions intensity for the portfolio had decreased by 9% against the 2021 baseline, with an emission intensity of 28.5 kg $CO_2e$ / $m^2$ ERA. The reduction was primarily driven by an increase in the share of financed properties with a good-quality building envelope that reduces heat loss. Our estimated emissions intensity is 2% above the 2023 level of our indicative trend line to 2030 (28.0 kg $CO_2e$ / $m^2$ ERA).

To further decarbonize our real estate portfolio in alignment with the Swiss government's decarbonization ambitions, we remain dependent on technical advances and concerted policy action, for example, by incentivizing improved building efficiency and the use of non-fossil-fuel heating systems. We will continue to work with the government and our industry peers to align on the required actions.

We remain committed to doing our part and supporting our clients in reducing the emissions intensity of their properties. This includes helping our existing clients to decarbonize through renovations and providing the respective financing. In 2024, we launched the UBS Loan Green, which is designed for clients planning new low-energy constructions or energy-efficient renovations, or purchasing energy-efficient properties. The product provides tailored financing and comprehensive expert advice and accepts various building certifications.

Furthermore, in 2024, we teamed up with Wincasa, a leading Swiss property services provider, to launch a new advisory solution, UBS Renovation Services, for investment property owners planning energy upgrades. The service offers tailored analysis of the renovation potential, a detailed feasibility study and coordination of construction planning and management through a network of specialized real estate companies.

*Fossil fuels (oil, gas and coal)*

Our fossil fuel portfolio is concentrated in a small number of corporate clients in the Investment Bank and Personal & Corporate Banking with limited exposure from Global Wealth Management.

As at the end of 2023, our estimated total financed emissions for the fossil fuels portfolio have decreased by 80% against the 2021 baseline, accounting to 12.9 million metric tons of $CO_2e$. From 2021 to 2022, there was a 29% reduction, primarily driven by an overall reduction of the financed portfolio and a significant decrease in exposure to coal. In 2023 our portfolio had a number of loans that were classified as non-core, and as of 31 December 2023, these loans were no longer held in line with the strategy of the Group, primarily driving the remaining reduction. Our estimated financed emissions are 76% below the 2023 level of our indicative trend line to 2030 (54.6 million metric tons of $CO_2e$).

With the remaining concentrated portfolio, we would not expect the same level of emission reductions over the next few years. Achieving our target requires collaboration across the private and public sectors due to the reliance on fossil fuels for energy security and because it is the most affordable source of energy in many countries.

*Power generation*

Our power generation portfolio mainly consists of corporate clients in the Investment Bank, Personal & Corporate Banking and Global Wealth Management.

As at the end of 2023, our estimated emissions intensity for the portfolio had decreased by 33% against the 2021 baseline, with an emissions intensity of 227 kg $CO_2e$ / MWh. The reduction was primarily driven by a decrease in exposure to clients with relatively high carbon intensity, including loans that were classified as non-core. In Personal & Corporate Banking, our clients in the power generation sector, who have a significant share of renewable energy production in Switzerland, further contributed to our emissions intensity being below the International Energy Agency (the IEA) benchmark. Our estimated emission intensity is 23% below the 2023 level of our indicative trend line to 2030 (294 kg $CO_2e$ / MWh).

We expect a further decrease in intensity based on our assessment of our clients' disclosed decarbonization commitments, assuming that our clients realize those decarbonization commitments.

We aim to manage our portfolio by engaging with our clients to support them in adapting their energy mix and increase our own exposure to sources of energy with lower emissions. We expect the reduction of loans that were classified as non-core to further contribute to a decrease in the portfolio intensity.

Reaching our target requires collaboration across the private and public sectors. The sector remains dependent on the right policies, incentives and frameworks to be in place. Recent data indicates that investment of around USD 2trn per annum is going toward clean energy, which represents two thirds of the global energy investment. This increase is mainly driven by emissions reduction targets and the need to guarantee energy security.[1]

*Iron and steel*

Our iron and steel portfolio is concentrated in a small number of clients in the Investment Bank and Personal & Corporate Banking with limited exposure from Global Wealth Management.

As at the end of 2023, our estimated emissions intensity for the portfolio had decreased by 20% against the 2021 baseline, with an emissions intensity of 1.41 metric tons of $CO_2$ / metric ton of steel. The reduction was primarily driven by existing clients reducing their carbon intensities, a decrease in loans that were classified as non-core, and an increased share of exposure to secondary steel production clients with lower intensities. Our estimated emissions intensity is 14% below the 2023 level of our indicative trend line to 2030 (1.64 $CO_2$ / metric ton of steel).

1 https://www.iea.org/reports/world-energy-investment-2024/

We expect a further decrease in intensity based on our assessment of our clients' disclosed decarbonization commitments, assuming that our clients realize those decarbonization commitments.

We will continue to finance our clients' transition to support shifting production to reduce the sector's reliance on coal while increasing scrap production and the use of direct reduction and electric arc furnaces.

Reaching our target requires collaboration across the private and public sectors. The sector remains dependent on the commercialization and scaling up of low-carbon steelmaking technologies, which requires research and development, and robust policy and market incentives.

*Cement*

Our cement portfolio consists of corporate clients in Personal & Corporate Banking and the Investment Bank.

As at the end of 2023, our estimated emissions intensity for the portfolio had decreased by 3% against the 2021 baseline, with an emissions intensity of 0.62 metric tons of $CO_2$ / metric ton of cementitious. The reduction was primarily driven by a decrease in intensity by our existing clients. Our estimated emissions intensity is 2% above the 2023 level of our indicative trend line to 2030 (0.60 metric tons of $CO_2$ / metric ton of cementitious).

We believe our main clients in the cement industry are best in class in terms of ESG (environmental, social and governance) disclosures and externally verified emissions reduction targets, some of which include interim 2030 targets. We will continue to finance our clients' transition, potentially increasing our exposure with appropriate sustainability-linked product offerings or project ring-fencing, and advising on various transactions, such as the acquisition of assets, disposal of certain business lines, equity raises and share buybacks.

Reaching our target requires collaboration across the private and public sectors. The sector remains dependent on the right policies and incentive frameworks being in place. Specifically in the cement sector, production emissions intensity has remained flat in recent years, highlighting the need for technological disruption.

## Our approach to measuring facilitated emissions from our capital markets business

Our role in capital market transactions helps our clients to access capital for their businesses. We facilitate capital-raising by clients, and we believe it is important to monitor the related emissions from these transactions. The Investment Bank offers clients access to the primary and secondary public capital markets and private capital transactions.

Facilitated emissions differ from financed emissions in two respects: firstly, they are off-balance sheet (representing services rather than financing) and, secondly, our role is completed within a short time frame rather than a long-term loan-related exposure. As a result, and in line with industry guidance, we distinguish between on-balance sheet "financed" and off-balance sheet "facilitated" emissions.

By disclosing our facilitated emissions for selected carbon-intensive sectors for public capital markets transactions, we aim to provide transparency regarding the emissions we facilitate as a result of our capital market activities. Our facilitated emissions are calculated following the PCAF's Global GHG Accounting and Reporting Standard – Part B Facilitated Emissions (first version, December 2023) for facilitated emissions, including public equity capital markets and public debt capital markets, where we held a lead bookrunner or lead manager / co-manager role in the transaction. Facilitated emissions are not shown for the 2024 reporting year, due to the inherent time lag in the availability of emissions data.

It is important to note that these facilitated emissions are dependent on the capital markets activity during the year and our market share is expected to fluctuate in our year-on-year reporting.

We continue to review and assess emerging industry guidance and target-setting methodologies for facilitated emissions.

We review and assess Global Banking transactions and employ a robust business selection process for mandates that are accepted. This means that, in our capital markets activities for carbon-intensive sectors, we consider the potential climate and sustainability impacts of the transaction and related material risks and opportunities, in line with our sustainability and climate risk policy framework.

**Facilitated emissions for selected carbon-intensive sectors (UBS Group)**

| | For the year ended | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31.12.23 | | | | | | 31.12.22 | | | | | |
| | Facilitated amount (USD bn) | Facilitated emissions, scopes 1 and 2 (million metric t $CO_2e$) | Facilitated emissions, scope 3 (million metric t $CO_2e$) | PCAF score, scopes 1 and 2[2] | PCAF score, scope 3[2] | Facilitated intensity (million metric t $CO_2e$ / USD bn) | Facilitated amount (USD bn) | Facilitated emissions, scopes 1 and 2 (million metric t $CO_2e$) | Facilitated emissions, scope 3 (million metric t $CO_2e$) | PCAF score, scopes 1 and 2[2] | PCAF score, scope 3[2] | Facilitated intensity (million metric t $CO_2e$ / USD bn) |
| Selected carbon-intensive sectors[1] | 6.5 | 1.3 | 1.8 | 1.6 | 1.7 | 0.46 | 12.0 | 2.0 | 2.3 | 1.6 | 2.3 | 0.35 |
| Selected carbon-intensive sectors as % of total | 5.3% | | | | | | 5.7% | | | | | |
| Other sectors | 117.7 | | | | | | 197.7 | | | | | |
| **Total facilitated amount[3]** | 124.2 | | | | | | 209.7 | | | | | |

1 Selected carbon-intensive sectors are the following: fossil fuels (coal, oil and gas), power generation, iron and steel, aluminum, cement, automotive and air transportation. Agriculture and real estate are excluded due to the limited data availability. 2 The PCAF data quality score has been combined for the key sectors and weighted by the facilitated amount. 3 Includes all sectors.

## Supporting our investing clients' low-carbon transition

We are committed to supporting our investing clients in the transition to a low-carbon world in line with our obligations to our clients, including fiduciary duties as an investment manager and on the terms of the mandates agreed with clients. We offer a distinct approach to client investments, which focuses on solutions and engagement activities that empower clients to achieve their transition goals. We have identified six key strategic actions to support our investing clients in Asset Management and Global Wealth Management. It is important to note that not all these strategic actions are relevant to both business divisions, or to all regions within a division, and our progress, where applicable, may not be linear or simultaneous.

- Develop our platform of available climate-related strategies, products and solutions to facilitate our investing clients' transition to a low-carbon world.
- Engage investee companies to encourage them to adopt credible climate transition plans and manage climate-related risks and opportunities (applicable to Asset Management only).
- Collaborate with third-party fund managers to understand their climate transition plans and approach to consider climate-related risks and opportunities (applicable to Global Wealth Management only), where the legal framework allows.
- Support clients' progress on their climate objectives through education sessions and thought leadership, along with portfolio construction and transparency, aiming to assist clients who seek awareness of mitigating climate risks and identifying transition opportunities in their investments.
- Provide employees with the training, tools and information necessary to support our clients to navigate the transition to a low-carbon world in accordance with their climate objectives.
- Engage with policymakers on key topics such as regulations and policy development.

Details by business division on each strategic action are provided in the respective sections below.

› **Refer to "Supporting our climate approach: key enabling actions" in this section for more information about our Group initiatives**

### Asset Management

Asset Management is committed to supporting our clients in achieving their climate-related investment goals. In the UBS Group Sustainability Report 2023, we referred to the target set by Asset Management aiming, by 2030, to align 20% of UBS AG Asset Management's total assets under management (AuM) with net zero. Given the integration taking place within Asset Management, we are reviewing the legacy target set prior to the acquisition of the Credit Suisse Group, taking into account all of the AuM of the combined businesses. We have therefore withdrawn the target. We remain committed to supporting the Paris Agreement climate goals in line with global efforts. At the end of 2024, we recorded USD 64.4bn of total assets as having a net-zero ambition, compared with USD 35.5bn at the end of 2023.

Aligned to our overall approach for supporting our investing clients, Asset Management has adopted key policies, guidelines and frameworks, along with actions to manage our climate-related impacts and realize opportunities. These policies and actions are outlined below.

#### *Our climate-related policies, guidelines and frameworks*

Specific policies, guidelines and frameworks are in place and aim to manage climate-related impacts and the realization of opportunities within Asset Management.

The climate risk integration guidelines describe the approach toward integrating the physical and transition risks of climate change into the assessment of public market issuers and investment portfolios. The guidelines identify companies with elevated climate risks and set steps for assessment of the specific risks and mitigation actions, which are incorporated into investment decision-making. The scope of the framework covers listed equity and corporate bonds. The most senior level accountable for the implementation of the guidelines is the head of the Sustainable Investing team.

The net-zero alignment framework has been established to guide the internal classification and development of products and solutions meeting clients' needs for net-zero investing. The framework describes a range of methodologies for determining the net-zero ambition of investment products and covers investments in public equities and corporate bonds, sovereign bonds, direct real estate, direct infrastructure, carbon markets and private debt. In 2024, the framework was reviewed and updated to reflect further developments of industry guidance. The most senior level accountable for the implementation of the guidelines is the head of the Sustainable Investing team.

#### *Climate-related investing metrics*

The table below provides metrics related to the investments of our Asset Management division. Investment-associated emissions are provided based on the recommendations of the Task Force on Climate-related Financial Disclosures (the TCFD) and are derived from the GHG emissions (scopes 1 and 2) attributed to the issuers and the positions within the investment portfolios we manage. The metrics are calculated for portfolios where emissions data is available and primarily covers our equity, fixed income and multi-asset portfolios, accounting for 48% of the total invested assets of Asset Management.

The design of the table has been changed with a view to simplifying the presentation of the metrics. It now includes three commonly used metrics for investment-associated emissions for Asset Management. Furthermore, it provides carbon intensity metrics for equity and fixed income asset classes.

Absolute carbon emissions increased year on year primarily due to inclusion of Credit Suisse portfolios and greater coverage for fixed income portfolios. Carbon intensity for Asset Management decreased as a result of an overall fall in carbon intensity across the equities asset class driven by increased equity market valuations, partially offset by a rise in the carbon intensity of fixed income.

**Climate-related investing metrics – portfolio emissions (Asset Management)**

| | For the year ended | |
|---|---|---|
| | 31.12.24 | 31.12.23 |
| Asset Management Investment-associated carbon emissions: | | |
| Carbon emissions (absolute in million metric tons of $CO_2e$)[1,2] | 54.8 | 41.3 |
| Carbon intensity (in metric tons of $CO_2e$ per USD m invested)[1] | 56.5 | 62 |
| Carbon intensity (in metric tons of $CO_2e$ per USD m of revenue)[1] | 101.2 | 103.6 |
| Equities Asset Class | | |
| Carbon intensity (in metric tons of $CO_2e$ per USD m invested)[1] | 38.5 | 45.6 |
| Carbon intensity (in metric tons of $CO_2e$ per USD m revenue)[1] | 90.4 | 101.5 |
| Fixed income Asset Class | | |
| Carbon intensity (in metric tons of $CO_2e$ per USD m invested)[1] | 108.3 | 84.2 |
| Carbon intensity (in metric tons of $CO_2e$ per USD m revenue)[1] | 130.9 | 122.5 |

1 Based on data for scope 1 and 2 GHG emission of investee companies from a third-party data provider and positions held in investment portfolios. Note the scope of the portfolio emissions metrics reported for 2024 is Asset Management, and includes Credit Suisse portfolios which have migrated onto UBS platforms by the end of the year. This process is carried out in waves and will continue until the end of 2025 at a minimum. The scope of the metrics reported for 2023 is UBS AG Asset Management only and excludes Credit Suisse portfolios. 2 2023 absolute carbon emissions have been restated from 46.3 to 41.3 million metric tons of $CO_2e$.

### *Our key climate-related actions*

Asset Management aims to manage its climate-related impacts and realize opportunities through the actions described below. These actions are only partially and indirectly connected to the investment-associated emissions we report for Asset Management and for the selected asset classes.

### *Action 1: Develop our platform of available climate-related strategies, products and solutions*

Asset Management has a broad sustainable investing product shelf that includes traditional and alternative funds, ETFs and mandates with broad sustainability and climate orientations. Examples of such products include strategies that invest in climate solutions, the energy transition, infrastructure debt, green real estate and more. To meet our client preferences and demand, we continuously review our suite of sustainability and climate-related portfolios.

In 2024, we expanded our offering in the net-zero fixed income space to cover both corporate and sovereign issuers. We partnered with Bloomberg to create The Bloomberg Global Treasury Net Zero Progress Index, a net-zero sovereign progress index. This methodology served as the benchmark index for converting two of our existing funds to net-zero-aligned strategies: the UBS (CH) Investment Fund – Bonds Global ex CHF Government Net Zero Ambition Index, and the UBS (CH) Investment Fund – Bonds Global Corporate Climate Aware Hedged NSL, respectively.

We added two low carbon ETFs to support the preferences of clients wishing to reduce carbon emissions in their ETF investments: the UBS (Irl) ETF plc – MSCI Canada ESG Universal Low Carbon Select UCITS ETF, and the UBS (Irl) ETF plc – S&P 500 Climate Transition ESG UCITS ETF. These strategies target investee companies reducing carbon emission intensities alongside exclusions in fossil fuel extraction and thermal coal power.

The table below shows progress related to total assets with a net-zero ambition.

The increase in the value of assets with net-zero ambition was driven by an increase in the number of net-zero ambition portfolios and market performance. The classification of additional net-zero ambition portfolios resulted from newly launched portfolios, changes to existing portfolios and a refinement to the Asset Management's net-zero alignment framework to align with current industry standards and best market practice.

**Climate-related investing metrics: Opportunities – net-zero investing (Asset Management)**

| | For the year ended | |
|---|---|---|
| | 31.12.24 | 31.12.23 |
| Assets with net-zero ambition (USD bn)[1] | 64.4 | 35.5 |
| Number of net-zero ambition portfolios[1] | 49 | 35 |
| Net-zero ambition assets share of total assets under management (%)[2] | 3.6 | 2.9 |

1 Credit Suisse portfolios are in the process of being assessed in the context of the Asset Management's net-zero alignment framework to identify portfolios with a net-zero ambition and are therefore not reflected in the reported metrics. 2 For 2024, the total assets under management represent Asset Management including Credit Suisse. For 2023, the total assets under management represent UBS AG Asset Management excluding Credit Suisse.

### *Action 2: Engage investee companies*

Asset Management has had a dedicated climate engagement program focused on investee companies in place for over six years. This program is based on selecting companies that make a significant contribution to portfolio emissions across listed equity and corporate fixed income investment portfolios. This engagement is based on a set of expectations published on our website from which company specific engagement objectives are developed, supplemented with an evidenced-based research framework, along with sector-specific standards addressing governance, corporate transition plans and exposure to sector-specific decarbonization levers across business operations and the value chain.

In its private markets business, Asset Management's active ownership on climate change is integrated into the management of its funds and is implemented by all operational functions throughout the ownership cycle of an underlying project. This spans from development or acquisition to the ongoing asset management, renovation and maintenance, through to sale.

*Action 3: Support clients' progress on their climate objectives*

Asset Management recognizes that its approach to climate change investment is determined by clients' choices. Therefore, we aim to play a role in helping our clients to achieve their climate objectives, working collaboratively with them on climate risk management by providing information about best practices and approaches for portfolios with a net-zero ambition. This includes supporting climate-oriented portfolio construction through internal transition readiness assessment methodologies, transparency on climate-relevant data metrics and thought leadership.

In 2024, Asset Management supported clients in a variety of ways reflecting the specific needs of the clients involved. We created thought pieces and guidance for clients on climate change aspects of investing. We supported a client in meeting the need for decarbonizing the sovereign part of a portfolio. We also assisted a retail bank with developing a net-zero multi-asset offering for its client, along with methodology and building blocks for a fund-of-funds solution. A further example is our development of a net-zero ambition corporate bond fund for Swiss institutional clients. As a result, we have increased the shelf of products that we offer to clients with a climate-related perspective.

During the year, Asset Management published a Climate Aware report showing decarbonization path visualizations. It also published a series of insights on approaches to COP29, physical risks, battery power and natural capital, as well as an engagement for impact report, an IPE special report and a climate report that provided an overview of its commitment and actions to the energy transition.

*Action 4: Provide employees with training, tools and information*

Asset Management provides relevant training, tools and information to its employees to support clients in the transition to a low-carbon world. With the aim of enabling the alignment of the activities of Asset Management's employees to the division's sustainable investing goals, Asset Management delivered an ESG talk series and updated Group foundational sustainable investing training aimed at an Asset Management audience. It enhanced role-specific sustainable investing know-how by running the first Berkeley UBS external certification program. It also conducted regulatory learning sessions educating investment professionals on sustainable investing regulatory and greenwashing risks.

› **Refer to "Supporting our climate approach: key enabling actions" in this section for more information about our Group-wide training and culture activities**

*Action 5: Engage with policymakers*

Asset Management undertakes engagement with the industry and government with the aim of providing input to policy and regulation in the development of well-functioning markets.

With respect to climate change, Asset Management engages with key stakeholders such as national and international policymakers through industry forums, including the European Fund and Asset Management Association Stewardship, Market Integrity and ESG Investment Standing. In Switzerland, Asset Management is a member of Swiss Sustainable Finance and the Asset Management Association Switzerland Working Groups on Sustainable Finance, including a focus on developing the Swiss Climate Scores methodologies and the Swiss Stewardship Code.

› **Refer to "Supporting our climate approach: key enabling actions" in this section for more information about the Group's initiatives on industry, governments and public sector engagement**

### Global Wealth Management

Global Wealth Management is a distributor of investment solutions, including those that focus on climate. We recognize that some investors may have decarbonization ambitions or an interest in investing in the transition to a low-carbon world, therefore we aim to provide a range of solutions for private investors and family offices to address their own decarbonization targets where possible. We may seek to do this through allocations to climate-related solutions in our discretionary mandates where relevant and available, and by curating climate investment options for advisory portfolios. The focus on providing a range of credible solutions is complemented by building investor awareness, driving solutions innovation across asset classes and strategies, and providing investors with the tools to understand their portfolios in a climate context. However, the available solutions, approaches and climate-related data and information will differ by region.

*Our key climate-related actions*

*Action 1: Develop our platform of available climate-related strategies, products and solutions*

Global Wealth Management aims to support climate change mitigation by providing options for private investors and family offices to address their own decarbonization objectives where possible. In 2024, Global Wealth Management continued to increase the number of investment solutions across asset classes and strategies to support clients' decarbonization objectives.

*Action 2: Support clients' progress on their climate objectives*

We aim to support our clients in making progress on their climate objectives through education, investment research, and portfolio construction and transparency. Our investment specialists provide investment insights to clients and advisors on various climate-related and transition-investing topics, given the importance of climate change for capital markets and business models. This includes incorporating climate considerations into portfolios, setting portfolio decarbonization targets and building exposure to carbon markets.

In 2024, we continued to provide coverage of climate-related and broader sustainable investing topics in publications for private clients. Our Chief Investment Office identified three key sustainability themes for the year that encompass different areas of the transition to the low-carbon world: the industrial transition, sustainable infrastructure, and water and agriculture. Throughout the year, we provided a private investor perspective on investment opportunities tied to the transition. Our analysts covered a broad range of topics, including, but not limited to, longer-term investment themes (e.g. energy efficiency, the energy transition(s), smart mobility, the circular economy, and the blue economy), investments in renewable energy infrastructure, decarbonization of high-climate-impact sectors (e.g. cement, steel and shipping), climate risks and opportunities tied to artificial intelligence, implications for the transition from global election outcomes. We activated this content internally and externally through a variety of channels, including video content, social media campaigns and podcasts in collaboration with industry partners, as well as through our website.

We also continue to see a greater focus on climate transparency in select regions. Since the introduction of the Swiss Climate Scores in 2023, we have continued to inform advisors on this content and made reports published by Asset Management and third-party managers available through our platform. We also incorporated key environmental statistics into the after-sales materials for relevant investment modules we offer to our clients.

*Action 3: Collaborate with third-party fund managers*

We work closely with third-party fund managers on developing new sustainability and climate solutions, where relevant and as legal frameworks allow for it. We aim to identify relevant and compelling investment opportunities and credible tools and to support the launch of new solutions where such are possible and relevant for client portfolios. For example, in 2024, we co-designed and launched an energy transition infrastructure fund for clients interested in investing in transition-related real assets. We also host regular "innovation sessions" with managers on our platform to discuss market trends, development ideas and new strategies. These sessions include a focus on sustainability and transition.

We continue to believe that the transition to a low-carbon world requires an "all-of-the-above" approach, where investments in clean energy infrastructure and green technologies are complemented by effective and credible shareholder and bondholder engagement with heavy polluters on decarbonization. As such, we dedicate a portion of our discretionary portfolios to impactful engagement strategies, including those that invest in companies with the objective of engaging on decarbonization, and regularly collaborate with these managers on their impact measurement and reporting capabilities.

*Action 4: Provide employees with training, tools and information*

In growing our employees' capabilities around climate and the transition, we aim to provide them with the training, tools and information necessary to support our clients in navigating the transition to a low-carbon world. In Global Wealth Management, we continued the rollout of an education curriculum covering sustainability and sustainable investing topics in certain regions. This curriculum offered to advisors covered climate-relevant topics and considerations for investing around the transition.

› **Refer to "Supporting our climate approach: key enabling actions" in this section for more information about our Group-wide training and culture activities**

# Reducing our own climate impact

Reporting to the Head Group Human Resources and Corporate Services, Group Real Estate and Supply Chain (GRESC) has overall responsibility for managing environmental and climate-related impacts arising from our own operations and supply chain. GRESC partners with Group Operations and Technology Office (GOTO), who manages technology-related environmental impacts, from hardware and data centers. GRESC ensures that implementation, monitoring and improvement efforts comply with local legislation and adhere to the international environmental management standard ISO 14001 globally and the international energy management standard ISO 50001 in the EMEA region. GOTO drives the optimization of our technology within our data centers and the cloud, ensuring optimal efficiency measures across our energy-intensive assets while encouraging development practices that consider efficiency and reduce our overall environmental impact. To mitigate our climate-related impacts, we have defined a scope 1 and 2 emissions reduction target and actions to guide our transition toward net zero. Due to the nature of our operations and the way we manage our own climate impact, all information and data provided in this section relates to UBS Group, unless explicitly stated.

## Our scope 1 and 2 net-zero target

We have replaced our original 2025 scope 1 and 2 target with a new scope 1 and 2 net-zero target to be achieved by 2035 that is in line with net-zero guidelines. The new target reflects our enlarged corporate real estate portfolio following the acquisition of the Credit Suisse Group and considers the latest definition of a "net-zero target" in the Commission Delegated Regulation (EU) 2023/2772 (CSRD).[1] We aim to, at a minimum, reduce our emissions by 90% against our 2023 baseline of 46,278 metric tons of $CO_2e$ before neutralizing any residual emissions through the purchase of carbon removal credits.

This target covers our scope 1 and market-based scope 2 emissions across all our global own operations. As part of the pathway toward 2035, we also defined a 2030 interim target to reduce our scope 1 and net scope 2 emissions by 57% against our 2023 baseline. This interim target does not include the use of any carbon removal credits.

When developing the new scope 1 and 2 target, we reviewed sectoral net-zero pathways (e.g. real estate) but concluded that there was no sectoral pathway that reflected the structure of our operations. We have followed the latest guidance from the SBTi and use its Absolute Contraction Approach[2] limiting global warming to 1.5°C. Demonstrating our commitment to climate action, we have set a more ambitious target, aiming to achieve net zero by 2035, well ahead of 2050 – the deadline under the SBTi Absolute Contraction Approach.

For our own operations and the scope of our scope 1 and net scope 2 emission reduction targets, business growth and technological advancement may lead to changes in the workforce numbers impacting real estate- and service-related needs. The continued advancement of low-emission technologies for space heating and countries' net-zero targets, will positively impact the target achievability. We recognize that the impact of such developments is difficult to quantify and therefore needs to be closely monitored. Projections of real estate demand changes will be factored into the annual model review to ensure early course correction if required. Another development that will impact target achievement is the availability of renewable electricity in line with RE100 requirements as global demand increases with production not necessarily following at the same pace.

In 2024, our scope 1 and net scope 2 emissions reduced by 35% against our baseline. This reduction was mainly driven by the consolidation of our real estate footprint and our increased coverage of renewable electricity.

Accompanying our scope 1 and 2 net-zero target, we also aim to reduce by 2030 our absolute energy consumption by 35% compared with our 2023 baseline. The ambition level of this energy reduction target was set through forecasting the expected energy usage reductions resulting from the implementation of the decarbonization levers and actions described below. In 2024, we achieved a 10% reduction in energy use compared with our baseline, driven by the consolidation and energy optimization of our real estate and data centers. Our energy reduction target also contributes to mitigating the risk of not being able to secure full coverage of renewable electricity.

We have also set a target of sourcing 100% renewable electricity from qualifying generation by 2026 in line with RE100 technical guidance, in markets where credible renewable electricity generation and tracking systems exist. This will cover our corporate real estate portfolio, including data centers. In 2024, 99.8% of the electricity we used across our global real estate portfolio was from renewable sources, with 30% of bundled electricity and 70% of unbundled electricity coming from such sources. Out of our total gross scope 2 emissions, 91% is covered by contractual instruments.

We have set 2023 as our baseline year for our scope 1 and 2 net-zero target and our energy reduction target. The updated baseline reflects material changes for the combined firm and an adjusted scope of our renewable-source electricity commitment to address markets with limited procurement availability of electricity from renewable sources in line with RE100. All three targets are led and managed by GRESC in collaboration with GOTO. We have actively engaged relevant stakeholders in the development of these targets by collecting strategic assessments from topic experts, regional representatives and real estate managers.

1 Definition of a net-zero target by the CSRD: Setting a net-zero target at the level of an undertaking aligned with meeting societal climate goals means: (i) achieving a scale of value chain emission reductions consistent with the abatement required to reach global net-zero in 1.5°C pathways; and (ii) neutralizing the impact of any residual emissions (after approximately 90–95% of greenhouse gas emission reduction with the possibility of justified sectoral variations in line with a recognized sectoral pathway) by permanently removing an equivalent volume of $CO_2$.
2 As per the SBTi Corporate Net-Zero Standard Criteria v1.2, March 2024

We aim, at a minimum, to review our targets every five years and, from 2030 onward, to update the base year and target values after every five-year period to ensure consistency with the most recent climate science and best practices. It is important to note that progress towards our targets may not be linear, with year-on-year volatility expected due to the nature of operational requirements and business development.

As part of our global emission accounting to model our 2035 reduction target, we have also assessed the prevalence of locked-in emissions within the scope of our target. We own and control some buildings with significant on-site fossil fuel use (such as those heated with natural gas or oil) and are aiming to either replace such systems or move out of the real estate, wherever possible. For some locations, we are also dependent on municipal action to develop or decarbonize district heating systems, as electrification with the current infrastructure or location is not a viable alternative.

## Decarbonization levers and key actions underpinning our own operations targets

To achieve our targets related to our own operations as outlined above and to manage our climate-related impacts in our own operations, we have identified key decarbonization levers and actions required in our real estate operations and service portfolio. The decarbonization levers are aggregated types of mitigation actions. Therefore, actions are structured by decarbonization lever.

### Lever 1: Phase out fossil fuels and switch to greener alternatives (scope 1)

We have established a four-part action plan to phase out fossil fuels and implement greener alternatives in order to significantly reduce our associated scope 1 emissions. By deploying a series of targeted actions, we can transition to more sustainable practices and energy sources, ensuring a cleaner and more resilient future for our own operations.

#### *Action 1: Phase out fossil-fuel-powered own vehicles*

Across all regions, we plan to phase out our fossil-fuel-powered own vehicles by 2035. In markets where this is not feasible, we will pursue the best available industry options, such as hybrid vehicles, while continuing to seek greener alternatives. This will help us ensure compliance with emission standards and optimized operational efficiency while minimizing our carbon footprint.

#### *Action 2: Switch to more sustainable fuel alternatives and battery replacements*

In 2024, we developed high-level plans, which extend through 2035, to reduce and replace fossil fuels in critical engineering power systems. We will seek to replace those fuels with more sustainable alternatives, such as biofuels, hydrogenated vegetable oils and battery replacements.

We initiated a cross-regional market analysis of fuel alternatives in 2024, to be completed by 2025, to ensure appropriate replacements can be procured accordingly to meet our 2035 scope 1 and 2 net-zero target. The outcome of this market analysis will inform our further detailed planning.

#### *Action 3: Eliminate usage of heating oils and natural gas*

We aim to eliminate oil- and natural-gas-based heating systems within our own operations by 2035, in line with industry decarbonization efforts. We plan to achieve this by identifying and targeting real estate assets for electrification and switching to district heating to maximize the operational and cost efficiency of each asset's life cycle.

#### *Action 4: Transition to low-GWP refrigerants*

We have initiated the replacement of refrigerants with alternatives with lower global warming potential factors. We plan to complete this action across all regions by 2035.

### Lever 2: Reduce our operational emissions (scope 2)

In parallel with reducing our scope 1 emissions, we are also focusing on reducing our operational emissions through strategic enhancements to our corporate real estate portfolio. By implementing three key actions, we plan to create more energy-efficient workspaces and real estate.

#### *Action 1: Consolidate and optimize our corporate real estate portfolio*

In collaboration with the individual business divisions, we will prioritize the selective exits from, and downsizing of, underutilized spaces in our real estate globally through 2035 and beyond. We also plan to optimize our corporate real estate portfolio's energy usage either via retrofitting (Action 2) or, in some cases, by relocating to more sustainable buildings. During 2024, we achieved a 52% reduction of our scope 2 market-based emissions across the consolidated portfolio against our 2023 baseline.

We are reducing energy consumption in our own data centers as a result of migrating to third-party co-location data centers and cloud providers where the power usage effectiveness ratio is substantially more efficient.

#### *Action 2: Upgrade and retrofit our corporate real estate portfolio*

To effectively address our real estate energy footprint, we intend to upgrade and retrofit our real estate portfolio and fit out in line with internationally recognized building standards, such as Leadership in Energy and Environmental Design (LEED) by the USGBC. We expect to improve and extend the existing energy management system within the EMEA region, with greater implementation of ISO 50001 to drive energy efficiency within our own operations.

*Action 3: Support the decarbonization of district heating and cooling systems*
Although we recognize that we do not exert any direct operational control over external district heating and cooling systems, we plan to support their decarbonization in connection with our real estate consolidation strategy. To achieve this objective, we intend to establish an engagement plan for stakeholder management activities within the next few years, including fostering partnerships and exerting influence with stakeholders (e.g. local communities and utility companies) to promote the decarbonization of district heating systems.

Lever 3: Transition to renewable electricity generation (scope 2)
The uptake of renewable electricity generation is critical for supporting the transition to a low-carbon electricity market. Since 2020, we have been working on maximizing the use of renewable energy in our own operations globally. In accordance with our commitments, we want to source 100% of the electricity we use from renewable-source-qualifying generation by 2026 in line with RE100 technical guidance, in markets where it is feasible to do so.

We aim to leverage our position in the global electricity market to support the transition to a global low-carbon grid through the key actions listed below.

*Action 1: Identify and implement opportunities for direct power purchase agreements*
We will regularly review our real estate ownership and lease arrangements to identify substantial, long-term opportunities to source our electricity for these volumes directly from renewable electricity generators through power purchase agreements. This will support the build-out of new electricity generation plants and strengthen the chain of custody between the generation source and the end use of electricity, while decreasing the carbon content of the grid in the longer term.

*Action 2: Improve the transparency of the chain of custody for renewable energy certificates*
We will work with our key electricity suppliers to improve the transparency of the chain of custody for renewable energy certificates associated with the supply of electricity to our assets. We will ensure that existing products / electricity tariffs meet RE100 technical criteria and we will identify opportunities to support new products / tariffs that improve our compliance, driving a more competitive and RE100-aligned marketplace in the future.

*Action 3: Build competitive renewable energy certificate supply solutions*
In electricity markets where our volumes are not large enough to facilitate tariff negotiations, or where regulated markets restrict the electricity tariff options available to us, we will continue to purchase additional renewable energy certificates to meet our residual needs.

We will undertake competitive tendering for broker services and maintain those contracts through our corporate vendor management practices to ensure the renewable energy certificates we purchase remain aligned to evolving technical standards. We will also support renewable electricity generators where their products cannot be sold within local energy products / tariffs.

*Action 4: Actively contribute to consultations on renewable electricity tracking systems in markets where infrastructure is not developed*
In a few countries where we operate, the infrastructure to measure and track electricity volumes generated from renewable sources is either underdeveloped or non-existent, compromising the availability of renewable energy certificates in line with RE100 technical criteria. In these areas, we will be a strong advocate for the development of tracking infrastructure, participating in consultations to help change the market, with a view to extending our coverage of electricity from renewable sources into countries where renewable energy procurement is unfeasible.

*Action 5: Assess and install on-site renewable generation of electricity at our owned assets*
We regularly review our real estate ownership and lease arrangements to identify those assets where we expect to have long-term operational control and available infrastructure (e.g. roof space) that could facilitate the installation of on-site renewable generation of electricity. We will continue to make the necessary investments in on-site renewables where physically and economically feasible, ensuring we minimize our dependency on grid offerings and reducing the risk of unforeseen market developments that may compromise our ability to source renewable electricity tariffs or renewable electricity certificates.

## Carbon removals and credits

We plan to purchase technological carbon removal credits to neutralize residual emissions for our 2035 scope 1 and 2 net-zero target. We estimate that we will eventually retire around 5,000 metric tons annually based on our existing contractual agreements for this purpose. In 2022, we signed two landmark partnerships with Climeworks and neustark to provide us with carbon removal credits. Both companies are pioneers in innovative carbon removal technologies. We were also among the five companies that joined the NextGen CDR Facility (NextGen) as founding buyers to scale up carbon removal technologies and catalyze the market for high-quality carbon removal. These partnerships continued in 2024.

Furthermore, since 2007, we have been committed to purchasing biogenic carbon reduction and removal credits that correspond to 100% of our air travel emissions for the Group. In 2024, we retired 75,211 credits from biogenic sinks for our voluntary air travel commitment, with an average "A" rating from third-party carbon ratings agency BeZero Carbon at the time of retirement.

We only purchase credits from technological and biogenic sinks that are assessed against the Integrity Council for the Voluntary Carbon Market (ICVCM) Core Carbon Principles and verified against either the Gold Standard or Verra, among other international standards. Our carbon credit purchases are strictly aligned to our internal Carbon and Environmental Markets Guideline, which sets out minimum requirements for such market instruments.

We acknowledge that standards and methodologies for carbon credits are still evolving. We will continue to improve our portfolio through market partnerships and industry engagement toward a standardized quality benchmark for the future.

**Carbon credits canceled (UBS Group)**

| | For the year ended |
|---|---|
| | 31.12.24 |
| Carbon credits canceled in reporting year ($tCO_2e$) | 75,211 |

## Internal carbon pricing

We continue to apply a forward-looking shadow price of USD 400 per metric ton, covering all our scope 1 and net scope 2 emissions, to incentivize the use of low-emission technologies in real estate projects. Through this shadow price, we also aim to incentivize the replacement of fossil-fuel heating systems, real estate relocation and fuel transition in critical engineering power systems. The price applied reflects the blended mix of permanent carbon removals that are required to neutralize any residual emissions that cannot otherwise be abated as part of our existing long-term contracts to purchase high-quality credits from technological sinks, as described in the section above.

## Greenhouse gas emissions reporting

Our gross and market-based GHG emissions across scopes 1, 2 and 3, including a more detailed view of the GHG scope 3 categories, are provided in the tables further below and have been calculated considering the principles, requirements and guidance provided by the GHG Protocol Corporate Standard (version 2004) and the International Organization for Standardization (the ISO) in ISO 14064-1:2018.

### GHGs in scope and units used

All greenhouse gas (GHG) emission figures for scopes 1, 2 and 3, category 1 to 14, are in metric tons of carbon dioxide equivalents ($CO_2e$). For scopes 1, 2 and 3, category 3, 5 to 8 and 10 to 14 (where relevant), three of the seven GHGs covered by the Kyoto Protocol are included: carbon dioxide ($CO_2$), methane ($CH_4$) and nitrous oxide ($N_2O$). Hydrofluorocarbon (HFC) emissions have been included in our reporting where we had losses of refrigerant gases. We have no material sources of perfluorocarbon (PCF), sulphur hexafluoride ($SF_6$) or nitrogen trifluoride ($NF_3$) emissions under our operational control.

For scope 3, category 1, 2, 4 and 9, emission factors are used that include $CO_2$, $CH_4$, $N_2O$, HFCs, PCFs, $SF_6$ and nitrogen trifluoride ($NF_3$).

### Quantification of emissions

Scope 1 and 2, along with as scope 3, category 1 to 14, are calculated for UBS Group based on the operational control approach as detailed by the GHG Protocol Corporate Standard (version 2004).

When possible, the most recent Global Warming Potential (GWP) values published by the IPCC based on a 100-year time horizon were used to calculate the $CO_2e$ emissions of non-$CO_2$ gases.[1] Removals and carbon credits have not been included in the calculations.

We have used published national conversion factors and global warming potentials to calculate emissions from our own operations. In the absence of any such national data, the UK Department for Environment, Food & Rural Affairs (DEFRA)'s Greenhouse Gas Conversion Factors for Company Reporting and, in some cases, the U.S. Environmental Protection Agency (EPA), VfU, International Energy Agency (IEA) and WaterShed Comprehensive Environmental Data Archive (CEDA) emissions factor indicators have been used for the calculation of GHG emissions.

1 For data sourced from the EPA, IPCC AR4 100y GWP are used.

*Scope 1*

Scope 1 emissions include emissions from burning fossil fuels (e.g. heating oil, natural gas) in buildings, loss of refrigerants and fuels used in business-related travel in vehicles owned by the company. Emissions are calculated using measured activity data at building and country level for the following environmental accounts: natural gas, heating oil, diesel / heating oil for emergency power supply, biomass, wood pellets, wood chips, fuel consumption for own cars, fuel consumption for own jets and refrigerants. Measured activity data is converted into GHG emissions by means of specific related emission factors from DEFRA.

*Scope 2*

Scope 2 emissions include emissions from purchased electricity, including electricity related to IT usage at various types of data hosting facility not under UBS operational control, and cooling, district heating and other types of heating systems (e.g. steam) used in buildings. Measured and estimated activity data is converted into GHG emissions by means of specific related emission factors from DEFRA, EPA and the IEA. In addition, where specific provider-based information regarding the fuel sources for district heating could be obtained, a corresponding emission factor was used.

*Scope 3*

Scope 3 emissions are reported for each significant category and have been calculated considering the principles and provisions of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011). Our significant scope 3 categories were determined based on multiple inputs. Firstly, the amount and intensity of the estimated GHG emissions informed the importance of the category for UBS. Secondly, the availability of data was assessed to inform whether the category could be estimated as stand-alone emissions. Finally, a peer benchmark complemented the assessment, allowing comparison of which categories other banks deem important.

We conducted a screening of our total scope 3 GHG emissions based on the 14 scope 3 categories identified by the GHG Protocol Corporate Standard and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011) using appropriate estimates.

To calculate the **scope 3, category 1, 2, 4 and 9** emissions, we used a combination of applying a spend-based method and using supplier-specific actual emissions. The spend-based method is based on our annual spend with vendors and associated emission factors (supplier specific emissions intensity is taken from the CDP, where data is adequate and verified, and for others from the Comprehensive Environmental Data Archive (CEDA) by Watershed Factors multi-regional input / output emissions factor database per industry and country). For supplier-specific actual emissions, our primary cloud provider's emissions are taken directly from the emissions impact dashboard provided by them. Scope 3, category 1, 2, 4 and 9 emissions are reported together because they are based primarily on our spend with vendors, which is a mix of our capital and operating expenditure. Furthermore, they include spend related to transportation and the delivery of purchased goods and services and related to downstream transport.

**Scope 3, category 3**, is calculated based on all relevant energy and fuel indicators represented in scopes 1 and 2. **Scope 3, category 5**, is calculated based on the office waste data collected in our locations. Where activity data could not be collected, we estimated the kilograms of waste produced. **Scope 3, category 6**, includes emissions from our business travel by air, and by rail and road where information is available. This is the first time we have also included emissions from hotels in our calculations. **Scope 3, category 7**, employee commuting, as defined by the Greenhouse Gas Protocol, includes emissions from employee commuting and from employees working from home. For employee commuting, we estimate emissions based on the distance traveled, using governmental sources that provide average distances per mode of transport, as well as the percentage split of transport modes used by commuters. For emissions from employees working from home, we use the UNFCCC model.

**Scope 3, categories 10 to 12**, are not relevant to the UBS business model as we do not supply physical products. **Scope 3, categories 8 and 13**, are currently not reported separately and are partially included in the reporting of our scope 1 and 2 emissions. We are working to gain more clarity on this category. **Scope 3, category 14**, is not applicable to UBS as we do not have franchises.

## Overview of our environmental indicators (UBS Group)

### Environmental indicators[1]

| For the year ended | | 31.12.24[2] | | 31.12.23[1,2] | 31.12.22[2] |
|---|---|---|---|---|---|
| | GRI[3] | Absolute normalized[4] | Trend[5] | Absolute normalized[4] | Absolute normalized[4] |
| **Environment** | | | | | |
| **Total direct and intermediate energy consumption[6]** | **302-1-e** | 679 GWh | ↘ | 755 GWh | 866 GWh |
| **Total direct energy consumption[7]** | **302-1-e** | 79 GWh | ↘ | 92 GWh | 109 GWh |
| Natural gas | 302-1-a | 84.1% | ↑ | 67.8% | 70.6% |
| Heating oil | 302-1-a | 6.5% | ↓ | 18.7% | 15.3% |
| Fuels (petrol, diesel, gas, biomass)[8] | 302-1-a | 8.5% | ↓ | 12.9% | 13.5% |
| Renewable energy (solar power, etc.) | 302-1-b | 0.9% | ↑ | 0.6% | 0.6% |
| **Total intermediate energy purchased[9]** | **302-1-e** | 600 GWh | ↘ | 663 GWh | 757 GWh |
| Electricity | 302-1-c-i | 531 GWh | ↘ | 587 GWh | 668 GWh |
| Electricity from gas-fired power stations[10] | 302-1-c-i | 0.1% | ↓ | 2.2% | 2.8% |
| Electricity from oil-fired power stations[10] | 302-1-c-i | 0.1% | ↓ | 0.6% | 0.6% |
| Electricity from coal-fired power stations[10] | 302-1-c-i | 0.0% | ↓ | 1.4% | 3.2% |
| Electricity from nuclear power stations[10] | 302-1-c-i | 0.0% | ↓ | 0.2% | 2.3% |
| Electricity from hydroelectric power stations[10] | 302-1-c-i | 35.7% | ↘ | 39.5% | 29.5% |
| Electricity from other renewable resources[10] | 302-1 | 64.1% | ↗ | 56.1% | 61.6% |
| Heat (e.g. district heating)[11] | 302-1-c-ii, iii, iv | 70 GWh | ↘ | 76 GWh | 89 GWh |
| **Share of electricity from renewable sources[12]** | **302-1** | 99.8% | → | 95.6% | 91.1% |
| **Travel** | | | | | |
| **Total business travel[13]** | **305-3** | 358 m Pkm | ↑ | 310 m Pkm | 311 m Pkm |
| Rail travel[14] | 305-3 | 2.9% | ↓ | 3.6% | 3.1% |
| Road travel[14] | 305-3 | 4.9% | ↓ | 10.1% | 5.4% |
| Air travel | 305-3 | 92.2% | ↗ | 86.4% | 91.5% |
| **Number of flights (segments)** | **305-3** | 153,805 | ↑ | 130,836 | 137,218 |
| **Paper** | | | | | |
| **Total paper consumption** | **301-1-a** | 2,400 t | ↓ | 3,371 t | 3,401 t |
| Post-consumer recycled | 301-1-a-ii | 8.8% | ↑ | 5.3% | 6.0% |
| New fibers FSC[15] | 301-1-a-ii | 41.2% | ↓ | 66.2% | 46.7% |
| New fibers ECF + TCF[15] | 301-1-a-i | 50.1% | ↑ | 28.5% | 47.3% |
| New fibers chlorine-bleached[15] | 301-1-a-i | 0.00% | → | 0.00% | 0.01% |
| **Waste** | | | | | |
| **Total waste** | **306-3** | 6,996 t | ↓ | 8,485 t | 8,381 t |
| Valuable materials separated and recycled | 306-4 | 52.9% | ↘ | 57.4% | 52.2% |
| Incinerated | 306-5-c-ii | 22.3% | ↗ | 20.5% | 17.3% |
| Landfilled | 306-5-c-iii | 24.8% | ↗ | 22.2% | 30.5% |
| **Total water consumption[16]** | **303-5** | 1.23 m m3 | → | 1.21 m m3 | 1.04 m m3 |
| **Greenhouse gas (GHG)** | | | | | |
| **Direct GHG emissions (scope 1)[17]** | **305-1** | 18,168 t | ↘ | 20,796 t | 25,167 t |
| **Gross location-based energy indirect GHG emissions (scope 2)[16]** | **305-2** | 132,284 t | ↘ | 150,735 t | 164,717 t |
| GHG reductions from renewable electricity[18] | 305-5 | 120,178 t | → | 125,252 t | 128,257 t |
| **Market-based energy indirect GHG emissions (scope 2)[17]** | **305-2** | 12,107 t | ↓ | 25,482 t | 36,460 t |
| **Gross other indirect GHG emissions (gross scope 3)[17]** | **305-3** | 1,045,659 t | ↓ | 1,354,681 t | 107,517 t |
| **Total gross GHG emissions** | **305-1, 305-2, 305-3** | 1,196,111 t | ↓ | 1,526,212 t | 297,401 t |
| **Total net GHG emissions (GHG footprint)[19]** | **305** | 1,075,934 t | ↓ | 1,400,960 t | 169,144 t |

Legend: GWh = gigawatt hour; Pkm = passenger kilometer; t = metric ton; $m^3$ = cubic meter; m = million; $CO_2e$ = $CO_2$ equivalents

1 All figures are based on the level of knowledge as of January 2025. GHG emissions for 2023 were restated to account for data enhancements, inclusion of additional Scope 3 categories and enlarging the scope of Scope 3 Category 1 emissions. As a result of this restatement our previously reported 2023 emissions increased from 168,688 t $CO_2e$ scope 1, 2 (market-based) and 3 emissions to 1,400,960 t $CO_2e$. 2 Reporting period: 1 January to 31 December. 3 Reference to GRI Sustainability Reporting Standards (see also globalreporting.org). 4 Non-significant discrepancies from 100% are possible due to roundings. 5 Trend: the respective trend is stable (→) if the variance is less than 5%, low decreasing / increasing (↘,↗) if it is bigger than 5% and less than 15% and decreasing / increasing (↓,↑) if the variance is bigger than 15%. Trend arrows relate to the year-on-year change in the displayed number and not underlying figures. 6 Refers to energy consumed within the operational boundaries of UBS Group. 7 Refers to primary energy purchased that is consumed within the operational boundaries of UBS Group (oil, gas, fuels). 8 Includes non-material share of biomass. 9 Refers to energy purchased that is produced by converting primary energy and consumed within the operational boundaries of UBS Group (electricity and heating/cooling). 10 The percentages are approximates based on best available information. 11 Includes heating consumption, cooling consumption and steam consumption. 12 Non-significant deviations due to summing and rounding may occur. 13 These metrics are inputs into GRI 305-3 but not required. They are reported as contextual information. 14 Rail and road travel: where data available. 15 Paper produced from new fibers. FSC stands for Forest Stewardship Council, ECF for Elementary Chlorine Free and TCF for Totally Chlorine Free. UBS Group regards recycled paper as well as paper with FSC/PEFC certification as renewable and sustainable. We disclose their share as "Share of recycled and FSC paper". New Fiber Chlorine Bleached is considered non renewable material. 16 Water consumption includes utility water and excludes unpolluted withdrawn water. 17 Refers to ISO 14064 and the "GHG Protocol Corporate Standard" (ghgprotocol.org), the international standards for GHG reporting: GHG emissions reported in metric tons of CO2e; scope 1 accounts for direct GHG emissions by UBS Group; scope 2 accounts for gross indirect GHG emissions associated with the generation of imported / purchased electricity (location-based reflects grid average emission factor, market-based reflects emission factors from contractual instruments), heat or steam; gross scope 3 accounts for other indirect GHG emissions for categories 1, 2, 3, 4, 5, 6, 7, 9. Starting from 2023 additional scope 3 GHG categories are included and category 1 has a significantly enlarged scope. Scope 3 emissions for 2022 do not include these updates. See table 'Scope 3 subcategories'. Biogenic emissions are not reported separately as not material. 18 GHG savings from the purchase of renewable electricity. 19 GHG footprint equals total gross GHG emissions minus GHG reductions from renewable energy.

We continue the work on quantifying and providing transparency for our value chain emissions related to our own operations.

The table below shows a more detailed view of the GHG scope 3 categories for UBS Group.

**Overview of GHG emissions across our scope 3 subcategories (UBS Group)[1]**

| | | | For the year ended | |
|---|---|---|---|---|
| | | | 31.12.24 | 31.12.23 |
| Category number | Scope 3 subcategory | Status | GHG emissions ($tCO_2e$) | GHG emissions ($tCO_2e$) |
| Category 1 | Purchased goods and services | Reported | 810,469 | 1,125,611 |
| Category 2 | Capital goods | Not separated from cat. 1 | | |
| Category 3 | Fuel- and energy-related activities | Reported | 41,895 | 47,718 |
| Category 4 | Upstream transportation and distribution | Not separated from cat. 1 | | |
| Category 5 | Waste generated in operations | Reported | 1,068 | 1,405 |
| Category 6 | Business travel | Reported | 81,964 | 61,150 |
| Category 7 | Employee commuting | Reported | 110,262 | 118,798 |
| Category 8 | Upstream leased assets | Not reported | | |
| Category 9 | Downstream transportation and distribution | Not separated from cat. 1 | | |
| Category 10 | Processing of sold products | Not relevant | | |
| Category 11 | Use of sold products | Not relevant | | |
| Category 12 | End-of-life treatment of sold products | Not relevant | | |
| Category 13 | Downstream leased assets | Partially included in scope 1 and 2 | | |
| Category 14 | Franchises | No franchises | | |
| Category 15 | Investments | Refer to the "Supporting our clients' low-carbon transition" section of this report for further information | | |

1 All figures are based on the level of knowledge as of January 2025. GHG emissions for 2023 were restated to account for data enhancements, inclusion of additional Scope 3 categories and enlarging the scope of Scope 3 Category 1 emissions.

**GHG intensity per net revenue (UBS AG)**

| | For the year ended[1] |
|---|---|
| | 31.12.24 |
| Total GHG emissions (location-based) per net revenue ($tCO_2e$ / USD m) | 28.26 |
| Total GHG emissions (market-based) per net revenue ($tCO_2e$ / USD m) | 25.42 |

1 Credit Suisse entities were outside the scope of UBS AG consolidated financial reporting for financial year 2023. Consequently, no comparative data for GHG intensity based on net revenue is reported for UBS AG.

The total GHG emissions (location- and market-based) exclude scope 3, category 15. For the calculation of the intensity metrics for UBS AG, the total GHG emissions for UBS Group have been used.

Total revenues for the year end 2024, as disclosed in the UBS AG income statement have been used as equivalent to net revenues for the purpose of calculating the GHG intensity per net revenue.

# Managing the climate impact of our supply chain

## Our key climate-related actions

### Increased transparency and reporting of climate information by vendors

We are tracking the scope 1 and 2 emissions reporting of our GHG key vendors. Vendors that collectively account for more than 50% of our calculated scope 3, category 1, 2, 4 and 9 emissions are classified as "GHG key vendors." On this basis, we identified 95 GHG key vendors.[1]

*Overview of climate-related disclosures of our GHG key vendors (UBS Group)*

| | 2022[2] | 2023 | 2024 |
|---|---|---|---|
| GHG key vendors that disclosed emissions and declared in CDP a stated net-zero target[1] | 49% (41 / 83) | 65% (62 / 95) | 78% (74 / 95) |

1 Shows GHG key vendors that disclosed emissions and declared in CDP a stated net-zero target versus GHG key vendors that did not disclose emissions and / or did not declare in CDP a stated net-zero target. We do not independently verify our vendors' goals or progress toward them. 2 2022 numbers are based on 83 GHG key vendors identified at that time and did not include Credit Suisse vendors. We have since revised and updated the list of GHG key vendors from 83 to 95 in 2023 to include Credit Suisse vendors. Numbers have, therefore, been tracked against 95 vendors from 2023 onward.

In 2024, 70% (341 out of 487) completed voluntarily climate disclosures on the non-profit, third-party platform run by CDP. Though this is the same as the percentage achieved in 2023 (307 out of 440), the absolute number of vendors completing their disclosures increased 11% from 307 in 2023 to 341 in 2024.

### Raising awareness on environmental matters through the sustainable procurement guide

In 2024, we curated a sustainable procurement guide to support vendors. From environmental certification to waste management and sustainability reporting, this guide provides insights on how our vendors can take significant steps toward reducing their environmental footprint, promoting ethical and inclusive practices in their supply chain and contributing to the well-being of ecosystems.

› **Refer to our climate disclosure guideline for vendors and our sustainable procurement guide for vendors, available at *ubs.com/suppliers*, for more information**

### Reduce supply-chain-related carbon emissions

We reduced our scope 3, category 1, 2, 4 and 9 emissions by 28% to 0.81 million metric tons of $CO_2e$ in 2024 from 1.13 million metric tons of $CO_2e$ in 2023. This reduction was achieved through a combination of: (i) spend reduction; (ii) carbon reduction initiatives; (iii) closure of vendor facility offshore development centers (ODCs); (iv) updated emissions factors (including updated multi-regional input / output emission factors per industry, updated and higher number of supplier-specific emission factors used (where disclosed and verified) and, for cloud, activity-based emissions data used); and (v) improved data quality and refinement of calculation methodology. Our focus is to reduce our emissions further by identifying and implementing multi-year carbon reduction initiatives.

### Assess and improve high-ESG-impact vendors' practices

Through our Responsible Supply Chain Management (RSCM) policy, we identify, assess and monitor vendor practices in several areas, including climate and the environment.

We identify high-ESG-impact vendors - defined as vendors providing goods and services that could have a substantial environmental or social impact - when establishing new contracts or renewals. These vendors are required to provide disclosures about their management practices along with corresponding evidence, which is evaluated by a specialist team. Actual and potential negative impacts considered in the assessment of the vendor's environmental practices include, but are not limited to, the following:

- adverse environmental impacts due to inefficient use of resources (e.g. water and energy); and
- hazardous substances, emissions, pollutants and the limited recyclability of products that adversely affect people, nature and the environment.

Should our assessment reveal any non-compliance with our policy, we define and agree, together with the vendor, on vendor-specific improvement measures and we closely monitor the implementation progress of these remediation actions. Vendors are reassessed after 24 months to ensure that, even in long-term contracts, our expectations regarding environmental aspects are continuously being met and supervised.

In 2024, we carried out risk-based due diligence assessments on 445 vendors of newly sourced contracts, renewals and ongoing contracts (vs. 266 UBS vendors in 2023 and 15 Credit Suisse vendors). Of the vendors assessed, 33% were considered in need of improving their management practices (vs. 42% in 2023). Specific remediation actions were agreed upon and implementation progress is being closely monitored.

1 Unique vendors in line with UBS's vendor inventory. In 2023, we have revised and updated the list of GHG key vendors from 83 to 95 to include Credit Suisse vendors.

# Supporting our climate approach: key enabling actions

Beyond the individual actions related to supporting our clients' low-carbon transition and reducing the environmental impact of our own operations and supply chain as described in the above sections, we have identified five key enabling actions as listed below to support the implementation of our climate approach and "enable" the implementation of more specific targets and actions.

## Governance and accountabilities (1)

Our sustainability- and climate-related activities are overseen at the highest level of our organization, and we have a clearly defined Group-wide sustainability governance in place, including a dedicated climate program.

› **Refer to "Governance" in this section for more information about our sustainability governance**

## Industry, government and public sector engagement (2)

We actively participate in political discussions to share our expertise on proposed regulatory and supervisory changes and engage in trade associations' exchanges relating to sustainability and climate (e.g. via the International Institute of Finance, the Association for Financial Markets in Europe and the Swiss Bankers Association). In Switzerland, where we are headquartered, we participated in the consultation for a new Swiss Financial Market Supervisory Authority (FINMA) circular on nature-related financial risks in 2024, where we expressed our support for an approach that is aligned with the Basel Committee on Banking Supervision (BCBS) Principles for the effective management and supervision of climate-related financial risks. Furthermore, we launched the Swiss Climate Scores, as we believe they are a key instrument for further increasing transparency on the climate alignment of financial products. On a regional basis, we engage with policy makers in the EU, the UK, the Americas and key Asia Pacific jurisdictions. In particular, we have participated in several industry association efforts in the EU regarding consultations issued by prudential regulators (e.g. the European Banking Authority draft guidelines for the identification and management of ESG risks under the Capital Requirements Directive).

› **Refer to "Strategy" in this section for details about our partnerships and engagement activities**

## Training and culture (3)

Educating our workforce on sustainability and sustainable finance is an important part of ensuring we meet our sustainability and climate ambitions. In 2024, we continued to coordinate the delivery of sustainability training and awareness activities across UBS through a dedicated sustainability education workstream, with the number of headcount instances of specialized and awareness training totaling 430,405. For example, the Sustainability and climate risk unit trained relevant staff on sustainability and climate risks along with emerging risks such as greenwashing.

Elsewhere, in 2024, we provided a variety of climate-related trainings on a Group-wide basis. These included:

- a series of information sessions following the publication of our UBS Sustainability Report 2023 to raise awareness and understanding of our own progress in relation to our climate objectives; and
- climate-related training as part of our all-staff Global Learning Week initiative, including webinars focused on net-zero fundamentals, nature, greenwashing and impact accounting.

We expect sustainability training and education to become an increasing focus for regulators in the coming years. We keep abreast of this changing landscape through regular updates with our regulatory monitoring teams and continue developing climate- and net-zero-specific training for employees and the Board of Directors.

## Data and analytics (4)

We implemented various data and analytics solutions to better service our clients and operations.

As part of the efforts to integrate Credit Suisse, we needed to develop a foundational toolset for calculating, monitoring and reporting the combined firms' climate-related metrics covering financing corporate loans and facilitated emissions. In 2023, we successfully completed the related building activity and met all the quality assurance criteria set by our internal control functions.

In 2024, we worked on defining a more strategic and scalable toolset. Guided by our technology and ESG data strategy, we developed a fully Cloud-based toolset, which will be operational in 2025. The new toolset will enable us to enhance and more frequently calculate, monitor and report our climate-related metrics. This will allow our business divisions to make more informed decisions on their decarbonization pathways and transition financing activities, and facilitate tracking of progress against our lending sector decarbonization targets.

The new toolset will also enable us to more effectively implement changes related to new climate-related standards, methodologies and metrics.

## Company Transition Assessment Scorecard (5)

In 2024, we introduced the Company Transition Assessment Scorecard (CTAS) to evaluate how advanced a company is on its path to decarbonization. The CTAS was designed with multiple future purposes in mind, including managing climate transition risks, supporting clients' climate transition efforts through engagement and product development and business planning.

The CTAS categorizes companies into one of eight climate transition readiness categories using a rules-based approach. This approach is based on sector-agnostic criteria covering emissions disclosure, decarbonization commitments and targets, decarbonization plans, and the actual carbon performance of the company.

Initially, and in response to regulatory requirements, the CTAS is used as an input for our Climate Risk Rating Models (CRRM), in particular the transition risk rating model. This model assigns a climate transition risk rating at the counterparty level, which is then used across various processes across: (i) risk identification and measurement; (ii) monitoring and risk appetite setting; (iii) risk management and control; and (iv) risk reporting and disclosure. Although a company's CTAS score, when available, serves as an input into the CCRM and the credit selection process, it is not used as the sole criterion for credit application decisions.

Companies are categorized by utilizing publicly available data from external third-party sources, which means it is limited to public companies providing relevant disclosures. The CTAS will be annually reviewed and updated. The scope of the CTAS may be broadened in the future by incorporating additional databases or making enhancements that enable the inclusion of companies lacking public data.

### Overview

| Module | Factor | Unaware | Aware | Strategic 1 – Committed to aligning | Strategic 2 – Aligning toward net zero | Strategic 3 – Aligned targets and plans | Aligned to net zero | Achieving net zero | Climate solution |
|---|---|---|---|---|---|---|---|---|---|
| Emissions disclosure | Disclosure of GHG emissions | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Commitments and targets | Long-term net-zero commitment | | | ✓ | ✓ | ✓ | ✓ | ✓ | |
| | Medium- / short-term net-zero targets | | | | ✓ | ✓ | ✓ | ✓ | |
| | Net-zero commitment recognized by third party | | | | | ✓ | ✓ | ✓ | |
| | Interim targets validated by third party | | | | | ✓ | ✓ | ✓ | |
| Decarbonization plan | High-level plan | | | | ✓ | ✓ | ✓ | ✓ | |
| | Credible plan | | | | | ✓ | ✓ | ✓ | |
| Carbon performance | Carbon performance in line with pathway | | | | | | ✓ | ✓ | |
| | Carbon performance at (or close to) net zero | | | | | | | ✓ | |

Note that the categories from "Unaware" to "Achieving net zero" reflect a company's progress toward reducing its negative impact on the environment. On the other hand, the category "Climate solution" is an overarching category that goes beyond this and includes companies enabling the transition through their business model by generating green revenues and aligning their capital expenditures accordingly.

› **Refer to "Managing sustainability and climate risks" in this section for more information about how we manage financial and non-financial climate transition risk**

# Social information

## People and culture make the difference

### Strategy as it relates to people management

UBS AG's organization regulations provide principles, organizational structures and control over subsidiaries, including control over UBS AG, to be held at the Group level by UBS Group AG. Such "group steering" is intended to ensure a harmonized strategic direction for the Group in line with our corporate governance framework, which sets out the primary governing guidelines for UBS Group AG and its subsidiaries. Furthermore, the framework provides for clear lines of responsibility to foster a coherent and effective corporate and compliance culture for the Group. Specifically, the Head Group Human Resources and Corporate Services (GHRCS) is responsible for defining and executing an HR strategy aligned with the firm's objectives and for positioning the Group as an employer of choice.

Regarding workforce data in this chapter, we refer to consolidated UBS Group data unless otherwise specified. This includes employees from UBS AG consolidated and from UBS Business Solutions AG, as both entities ultimately align with UBS Group AG, which, as the listed parent company of the Group, directly or indirectly controls all subsidiaries, including UBS AG consolidated. The setup of UBS Business Solutions AG is specified by "too big to fail" regulatory requirements; however, all employees of UBS AG and UBS Business Solutions AG employed in the same jurisdiction are subject to the same employment conditions and employment requirements.

### Engagement with our employees

#### Employee engagement

Our employees want to be heard and to be involved in shaping their daily experience. As such, we offer opportunities throughout the year for employees to connect with management and provide feedback on topics such as strategic alignment, employee engagement, well-being, our work environment and line manager effectiveness. As an example, initiatives such as our regular "Ask the CEO" event give employees the chance to learn about (and ask questions about) topics such as strategy and direction.

Our multi-faceted employee listening strategy is adaptable and captures feedback in a timely way. We conduct employee lifecycle surveys, short "pulse" surveys to understand what is top of employees' minds and in-depth analyses, such as virtual focus group sessions. In 2024, those conversations allowed participants from every business division and function to share their perspectives and insights on the integration and provided employee sentiment data points to track progress. Group-wide surveys measure cultural indicators, such as line manager effectiveness and employee engagement.

The UBS European Employee Forum and the Credit Suisse European Works Council, both of which have formal agreements in place, together represent all countries in the European Union with a UBS Group presence. They consider topics related to our performance and operations. Local employee representative bodies discuss topics such as workplace conditions, benefits and reorganizations.

#### Employee concerns and whistleblowing

There are many ways to raise concerns at UBS. If an employee sees or suspects any wrongdoing, they are encouraged to speak up. Raising concerns with their line manager is the most common option; however, if the individual is not comfortable doing so, dedicated whistleblowing channels ensure they are able to raise concerns in a safe, confidential and, if preferred, anonymous way.

All concerns raised are taken seriously and investigated. Clear processes protect individuals from retaliation as a result of reporting a concern pursuant to the Whistleblowing Protection for Employees Policy.

All employees are required to complete mandatory "Speak Up" training every two years, with new joiners required to complete it upon onboarding. This training aligns with the Whistleblowing Protection for Employees Policy, raising awareness of available reporting channels. Throughout the year, there are activities such as communication from the Group Executive Board (the GEB), newsletters, whistleblowing campaigns and regular employee surveys, aimed at encouraging employees to speak up and raising awareness regarding the various whistleblower reporting channels that can be used to raise concerns.

› **Refer to "Business conduct and corporate culture" in the "Sustainability statement" section of this report for more information about the UBS whistleblowing process available to employees**

## Workforce metrics

### Characteristics of our workforce[1,2]

As of 31 December 2024, UBS Group had 108,648 employees as full-time equivalents (FTEs) (2023: 112,842) and UBS AG consolidated had 68,982 (2023: 47,590) FTEs. For the most accurate view of our global workforce, HR reporting considers one person (working full time or part time) as one headcount. As of the end of 2024, UBS Group had a total of 110,323 headcount (HC) (2023: 115,038 employees). UBS AG consolidated had 69,891 HC (2023: 48,320 employees).

In addition, UBS Group had a total of 20,335 contractors, consultants and outsourcers employed at the end of 2024 (2023: 25,619). For UBS AG consolidated, it was a total of 9,107 contractors, consultants and outsourcers (2023: 6,335).

1 Gender data is self-reported in HR systems and does not include those who have chosen not to disclose as a male or female employee.
2 Data changes from 2023 to 2024 reflect the integration of Credit Suisse into UBS AG consolidated.

### Employees: employment term and region

| | UBS Group | | | |
|---|---|---|---|---|
| | 31.12.24 | | 31.12.23 | |
| | Number | % | Number | % |
| **Americas** | | | | |
| Permanent | 25,650 | 100% | 26,905 | 100% |
| Limited term[1] | 0 | 0.0% | 0 | 0.0% |
| **Total** | 25,650 | 100% | 26,905 | 100% |
| **Asia Pacific** | | | | |
| Permanent | 26,389 | 99.8% | 27,957 | 99.8% |
| Limited term[1] | 42 | 0.2% | 49 | 0.2% |
| **Total** | 26,431 | 100% | 28,006 | 100% |
| **EMEA** | | | | |
| Permanent | 22,478 | 100% | 23,378 | 100% |
| Limited term[1] | 1 | 0.0% | 2 | 0.0% |
| **Total** | 22,479 | 100% | 23,380 | 100% |
| **Switzerland** | | | | |
| Permanent | 34,246 | 95.8% | 35,271 | 96.0% |
| Limited term[1] | 1,517 | 4.2% | 1,476 | 4.0% |
| **Total** | 35,763 | 100% | 36,747 | 100% |
| **Grand total** | 110,323 | | 115,038 | |

1 Limited term employment is an employment relationship defined by the employee's contract with UBS being limited in duration. Most of these individuals are apprentices in Switzerland.

### Employees: employment term and region

| | UBS AG | | | |
|---|---|---|---|---|
| | 31.12.24 | | 31.12.23 | |
| | Number | % | Number | % |
| **Americas** | | | | |
| Permanent | 25,643 | 100% | 21,802 | 100% |
| Limited term[1] | 0 | 0.0% | 0 | 0.0% |
| **Total** | 25,643 | 100% | 21,802 | 100% |
| **Asia Pacific** | | | | |
| Permanent | 11,223 | 99.6% | 8,241 | 99.4% |
| Limited term[1] | 41 | 0.4% | 49 | 0.6% |
| **Total** | 11,264 | 100% | 8,290 | 100% |
| **EMEA** | | | | |
| Permanent | 8,294 | 100% | 6,184 | 100% |
| Limited term[1] | 1 | 0.0% | 2 | 0.0% |
| **Total** | 8,295 | 100% | 6,186 | 100% |
| **Switzerland** | | | | |
| Permanent | 23,172 | 93.9% | 11,004 | 91.4% |
| Limited term[1] | 1,517 | 6.1% | 1,038 | 8.6% |
| **Total** | 24,689 | 100% | 12,042 | 100% |
| **Grand total** | 69,891 | | 48,320 | |

1 Limited term employment is an employment relationship defined by the employee's contract with UBS being limited in duration. Most of these individuals are apprentices in Switzerland.

### Employee representation

UBS respects and complies with all European Union, national and local labor laws. Our employee representation groups (UBS European Employee Forum and European Works Council, Credit Suisse Group AG) generally meet monthly, as well as on an ad-hoc basis, and collectively represent 52.0% (2023: 51.5%) of our global workforce for UBS Group as compared with 46.1% (2023: 36.8%) for UBS AG consolidated. In addition, we have local works councils to discuss topics such as benefits, workplace conditions and reorganizations. No country within the European Economic Area (EEA) where UBS is present meets the threshold of significant employment, defined as at least 50 employees by headcount, representing at least 10% of its total number of employees.

Where applicable, our operations are subject to collective bargaining agreements (CBAs). No country within the EEA where UBS is present meets the threshold of significant employment. We therefore disclose the global percentage of UBS AG consolidated employees covered by one or more CBAs: 4.6% (2023: 5.1%).

### Workforce inclusion

We are committed to being a diverse and inclusive workplace based on meritocracy, and aim to build a culture of belonging where all employees are recognized and valued, and where everyone can be successful and thrive. At UBS, we aim to hire and retain the best people for the right roles, to deliver for our clients, our businesses, our shareholders and the communities we serve. In order to achieve this, we have a diverse workforce with a variety of skills, experiences and backgrounds that reflect the diversity of our clients to serve them at our best. It is also critically important to us that we respect an environment where all our employees are treated fairly and able to reach their potential. In every location in which we operate, we continue to act in accordance with the current law and regulations and will monitor any changes to ensure we remain consistent.

Transparency is the foundation framework through which we enable leaders to deliver the strategy, and everyone is held responsible. We leverage various communications channels and line manager objectives to drive awareness, benchmarking, thought leadership and feedback to inform the strategy, and data monitoring with respective characteristics, including management dashboards and toolkits, to support our entire workforce.

Our workforce inclusion strategy is reinforced by our public commitments to support all employees, including, but not limited to, the UN Women's Empowerment Principles, the Valuable 500 and the Race at Work Charter (UK). Of particular note is our commitment to the Valuable 500, a global business collective of CEOs and their companies focused on advancing disability inclusion that we have partnered with since 2021. Disability-focused initiatives in 2024 included making improvements to our recruitment processes for candidates, sponsoring disability-focused employee networks, enhancing training and awareness efforts for all employees, and continuing to increase physical and digital accessibility for employees and clients alike.

For UBS Group, females represented 26.7% (2023: 37.5%) of members of the GEB and 33.8% (2023: 30.3%) of senior managers who reported directly to a member of the GEB. 41.7% (2023: 33.3%) of members of the BoD were female. For UBS AG consolidated, females represented 21.4% (2023: 35.7%) of members of the Executive Board (EB) and 32.0% (2023: 26.9%) of senior managers who reported directly to a member of the EB. 41.7% (2023: 33.3%) of members of the BoD were female.

For UBS Group, female employees at Director level and above represented 29.8% (2023: 29.5%) compared to 30.0% (2023: 28.4%) for UBS AG consolidated.

### Fair and equitable pay

Fair and consistent pay practices are designed to ensure that employees are appropriately rewarded for their contribution. We pay for performance, and we take pay equity seriously. We have embedded clear commitments in our compensation policies and practices and apply the same fair pay standards across all locations. We annually review our approach and policies, in line with established equal pay methodologies, to support our continuous improvement.

The pay differential measures pay equity, comparing pay for similar roles, management responsibility, performance and geography. We regularly conduct internal reviews of our HR practices. Our statistical analyses show a pay differential between male and female employees in similar roles across our major locations of less than 1%. If we find any gaps not explained by business or by appropriate employee factors such as role, responsibility, experience, performance or location, we look at the root causes and address them.

We also aim to ensure that all employees are paid at least a living wage. We regularly assess employees' salaries against local living wages, using benchmarks defined by the Fair Wage Network. Our analysis in 2024 showed that employees' salaries were at or above the respective benchmarks.

### Talent management and development

Our talent management approach includes structured talent and succession reviews to help us identify future leaders, ensure business continuity and proactively manage employee development. Group-wide talent programs that help employees build skills and understand key issues are supplemented by specific offerings in the business divisions, functions and regions, including ones aimed at increasing capabilities and career opportunities for a diverse audience ranging from senior leaders to emerging junior talent.

Internal training is delivered via our UBS University platform and is designed to ensure that our people have the necessary skills and information to appropriately perform their jobs, to reduce risk and to prevent incidents, manual errors, inappropriate behavior and other negative impacts. We also take care to balance the needs of our business with employees' needs, to mitigate any potential negative impacts on our people.

Our Employment of Staff within UBS Policy specifies that all employees are required to meet initial and ongoing training and competency requirements as appropriate for the activities they undertake on behalf of UBS. Furthermore, UBS may require employees to complete mandatory and business-required training, in line with our mandatory learning policy.

In 2024, permanent UBS Group employees completed an average of 24.8 training hours per employee, including mandatory training. Within that, female employees completed an average of 24.8 hours of training and male employees completed an average of 24.8 hours.

In 2024, permanent UBS AG consolidated employees completed an average of 25.9 training hours per employee, including mandatory training. Within that, female employees completed an average of 26.1 hours of training and male employees completed an average of 25.8 hours.

**Training by employee category**

| | UBS Group | UBS AG |
|---|---|---|
| | Average training hours | |
| | 31.12.24 | 31.12.24 |
| Director and above | 25.0 | 25.2 |
| Officer | 23.8 | 24.5 |
| Employee | 26.2 | 29.2 |
| Total average training hours | 24.8 | 25.9 |

## Performance management

Our performance management approach reflects our strategy and supports our high-performance culture. We consider both performance and behavior-related objectives because we value what an employee accomplishes and how our Behaviors (accountability with integrity, collaboration and innovation) are demonstrated.

## Employee support, including benefits

We are committed to being a responsible employer and to caring for our employees. That is one reason why we offer flexible working arrangements and promote employee health and well-being. Social, physical, mental and financial well-being elements are woven into our HR policies and practices. For example, our support for employee well-being includes a range of programs, benefits and workplace resources, along with a specialized eLearning curriculum to help employees better manage their health, foster well-being and strengthen their resilience. A dedicated well-being portal consolidates our global offering and promotes regional networks, initiatives and resources.

In 2024, employees across the firm participated in virtual fitness challenges, mental health initiatives, volunteering activities and financial education events, and everyone had access to a specialized mindfulness app. We also progressed with our #WorkingWithCancer commitment through a mentorship program, informational sessions and coffee corners.

All our employees have access to competitive benefits, such as healthcare, well-being and retirement benefits, insurance (such as life and disability insurance) and flexible leave policies, where applicable. All employees are also covered by policies to protect against employment injury or disability. Parental leave, including adoption leave, is available to all employees, as indicated in local HR policies, and all locations offer family-related leave. Benefits are set in the context of local market practice and are regularly reviewed for competitiveness. Employee assistance programs and internal teams help employees and their family members manage personal or work-related issues that may affect their well-being.

Should business or organizational circumstances arise that lead to employee redundancy, we offer redeployment and outplacement services with a focus on redeployment within UBS. We believe these measures help skilled employees affected by restructuring to favorably position themselves on the labor market. Employees considering retirement also have access to various resources to help prepare them for this transition.

# Respecting human rights

UBS is committed to respecting and promoting human rights, as set out in the UN Guiding Principles on Business and Human Rights. When assessing the firm's potential human rights impacts, we focus on three key stakeholder groups (employees, clients and vendors), as well as society at large.

- **Refer to "General information" in this section of the report for more information about our interactions with stakeholders, including civil society groups**

*Employees:* UBS is committed to respecting human rights standards through its human resources policies and practices, and to meeting the obligations that a responsible company is required to comply with. These are reviewed on a regular basis in an effort to make sure we continue to respect human and labor rights.

- **Refer to "Social information" in this section of the report for more information about UBS's human resources policies and practices**

*Clients:* UBS aims to provide its clients with innovative investment solutions on themes related to human rights, such as health, education, gender and / or equality. In addition, we take human rights risks into account in solutions that address a broader range of sustainability issues. We identify and manage actual and potential adverse impacts on human rights to which our clients' assets and our own assets are exposed, most notably through our sustainability (including human rights) and sustainability and climate risk policy framework. Our clients also have access to solutions that help them to realize their philanthropy goals, including those related to human rights.

- **Refer to "Strategy" in this section of the report for more information about our sustainability and impact strategy, key aspirations and progress**
- **Refer to the "Sustainability and climate risk policy framework", available at *ubs.com/sustainability-reporting*, for more information**

*Vendors:* UBS is committed to reducing the negative societal impacts of the goods and services it purchases. That is why, when we are establishing new contracts or renewals, we identify high-impact vendors based on whether they provide goods and services that either have a substantial social impact or are sourced in markets with potentially high social risks. Vendors that do not meet the minimum applicable standard, because they are associated with actual and potential human rights risks, have to agree to and comply with a remediation plan before signing a contract with us.

- **Refer to the "UBS Supplier Code of Conduct", available at *ubs.com/sustainability-reporting,* for more information**

UBS's human-rights-related commitments and actions are set out in the UBS Human Rights Statement. The statement shows the structures (governance and policies) and mechanisms (procedures and processes) UBS has in place to support its commitments. UBS also publishes a Modern Slavery and Human Trafficking Statement pursuant to the UK 2015 Modern Slavery Act and to the Australian 2018 Modern Slavery Act.

- **Refer to the "UBS Human Rights Statement" and the "UBS Modern Slavery and Human Trafficking Statement," available at *ubs.com/sustainability-reporting*, for more information**

# Cyber and information security

At UBS, the security of our clients' assets and data is one of our top priorities. As cyber threats to systems and data increase in volume and sophistication, we continually focus resources and investments on critical cyber and information security capabilities, with specialist teams working to safeguard our clients' assets and data.

Our principles and policies guide how we develop and deploy technological solutions. The cyber and information security (CIS) program is designed to identify, prevent, detect and respond to CIS events, with the goal of maintaining the integrity and availability of our technology infrastructure. Appropriate technical and organizational measures are implemented to ensure that data remains confidential and protected against accidental, unauthorized or unlawful destruction, and loss, alteration, disclosure or access.

Additionally, UBS has a Group-wide incident response process designed to detect, investigate, and respond to information security threats and incidents that have a potential impact on UBS systems and data. This process enables any UBS person to report incidents and data breaches, and it also includes processes such as notifying impacted clients about relevant incidents, in line with all applicable laws and regulations.

In 2024, we have enhanced the CIS awareness and education program for all UBS employees and external workforce, including an increase in staff testing, refreshed mandatory training, including for highly privileged users, and a firm-wide Cyber Awareness Month campaign.

## Helping clients stay cybersafe

UBS invests in critical cyber and information security capabilities to protect clients' assets and data and provides cybersafety tips through its website and mobile applications.

- **Refer to Cyber Security at UBS for more information, available at *ubs.com/global/en/our-firm/cybersafe.html* and to Cybersecurity, information security and data privacy at UBS, available at *ubs.com/global/en/sustainability-impact/sustainability-reporting.html***

# Managing sustainability and climate risks

## Introduction

Managing sustainability and climate risks is a key component of our corporate responsibility. We define sustainability and climate risk as the risk that we negatively impact on, or are impacted by, climate change, natural capital, human rights and other environmental and social matters. Sustainability and climate risks may manifest as credit, market, liquidity, business or non-financial risks for UBS, resulting in potential adverse financial, liability or reputational impacts.

Group Risk Control (GRC) is responsible for our firm-wide sustainability and climate risk framework and the management of exposure to sustainability and climate (financial) risks on an ongoing basis as a second line of defense. Group Compliance, Regulatory & Governance (GCRG) monitors the adequacy of our control environment for non-financial risks (NFR), applying independent control and oversight. We manage sustainability and climate risk within a dedicated risk management framework. In 2024, the UBS Group (including Credit Suisse) was managed under the same framework.

Our sustainability and climate risk framework continues to evolve through our multi-year initiative focused on meeting regulatory requirements and enhancing core processes, such as reporting and disclosures.

## Sustainability and climate risk management framework

Our firm-wide sustainability and climate risk management framework and related policies, standards and guidelines form the basis of our management practices and control principles. They enable us to identify and manage potential adverse impacts on the climate, the environment and human rights, as well as related risks affecting us and our clients, while supporting the transition to a low-carbon economy.

Overseen by senior management, the framework applies to the balance sheet, our own operations and our supply chain. It consists of four different phases: (i) risk identification and measurement; (ii) monitoring and risk appetite setting; (iii) risk management and control; and (iv) risk reporting and disclosure.

› **Refer to the "Sustainability and climate risk policy framework", available at *ubs.com/sustainability-reporting***

**Sustainability and climate risk management framework**

### 1 Risk identification and measurement

Sustainability and climate risks are identified and their materiality is measured

- Annual sustainability and climate risk materiality assessment
- Climate risk heatmaps and climate risk counterparty-level rating model
- Scenario-based climate analysis and stress-testing exercises, including the development of a stress-testing framework

### 2 Monitoring and risk appetite setting

Sustainability and climate risk exposures, emerging risks and regulations are monitored and metrics reported internally to facilitate risk appetite setting

- Monitoring of sustainability and climate risks (including regulatory monitoring)
- Sustainability and climate risk metrics
- Qualitative and quantitative sustainability and climate risk appetite

### 3 Risk management and control

Management and control processes ensure that material sustainability and climate risks are identified, measured, monitored and escalated in a timely manner

- Integrate sustainability and climate risk considerations into decision-making processes and related policies
- Develop in-house capacity to enhance risk management, including specialized training and further research and development of tools
- Centralize and execute ESG data strategy

### 4 Risk reporting and disclosure

Key sustainability and climate risk considerations are included in internal reporting and external disclosures

- Sustainability and climate risk content included in the UBS Group, divisional, regional and legal entity risk reports
- External disclosures of sustainability and climate risk in annual and sustainability reports

Related toolkit

The Group Chief Risk Officer is responsible for the development of the sustainability and climate risk framework and risk appetite, along with its integration into existing Group frameworks. The Chief Risk Officer for Sustainability supports the Group Executive Board by providing leadership on sustainability in collaboration with business divisions and Group functions and is supported by the sustainability and climate risk unit. In addition, the Risk Committee and the Corporate Culture and Responsibility Committee of the Board of Directors jointly monitor the progress of our efforts to address sustainability and climate risk.

Our multi-year sustainability and climate risk initiative (the SCR Initiative), launched in 2020 by the sustainability and climate risk unit, continues to build capacity through expertise, collaboration, technology and data. This initiative was created to integrate sustainability and climate risk considerations into our traditional financial and non-financial risk management frameworks, which address these traditional risks across our business divisions and legal entities, in an ever-changing regulatory environment.

In 2024, the SCR Initiative further advanced its efforts toward the goal of fully integrating qualitative and quantitative sustainability and climate risk considerations into the firm's traditional risk management and stress-testing frameworks. Developments in 2024 included introducing climate-driven risk analytics into the credit decision-making process for selected portfolios, introducing climate-driven quantitative risk appetite where mandated, developing climate risk-adjusted stress models and scenario analysis capabilities, expanding climate risk monitoring internally, and further refining processes, governance and methodologies to drive forward more comprehensive sustainability and climate risk reporting and disclosures. Furthermore, to monitor and control the utilization of the divisional contributions toward the 2030 corporate lending sector decarbonization targets, a decarbonization control framework has been established with defined thresholds per sector and business division and at a Group level. These thresholds are defined annually and the utilization against the agreed thresholds is monitored on a quarterly basis.

Sustainability and climate risk management activities conducted in 2024 are described below, across the four phases of the sustainability and climate risk framework.

# Risk identification and measurement

We assess the materiality of our sustainability- and climate-driven risks and impacts on an annual basis. This is underpinned by an assessment of how key risk drivers may impact us through financial and non-financial risks (e.g. credit losses or reputational incidences resulting in lost revenues) and by assessing the proximity of our activities to the potential negative impact on the environment (including climate) and human rights.

We aim to identify sustainability and climate risks at divisional and cross-divisional levels, both through the sustainability and climate risk materiality assessment mentioned above and, increasingly, by integrating them into the firm-wide traditional risk identification and measurement processes.

› **Refer to "Environmental information" in this section for details about our climate-related materiality assessment and the underlying methodology**

Our risk identification methodologies collectively define our focus areas and key risk drivers. The results of these efforts contribute to our sustainability and climate risk management strategy by:

- identifying concentrations of climate-sensitive exposure that may make us vulnerable to financial and non-financial risks, facilitating resource prioritization to enhance risk quantification and subsequent management actions; and
- supporting the implementation of a client-centric business strategy, in which we support clients with their sustainability transition and identify clients who can benefit from sustainability-focused UBS products and services.

The outputs of the above process supports senior management in taking informed decisions about sustainability- and climate-related risks and provides stakeholders with key information through our external disclosures.

## Transition risk

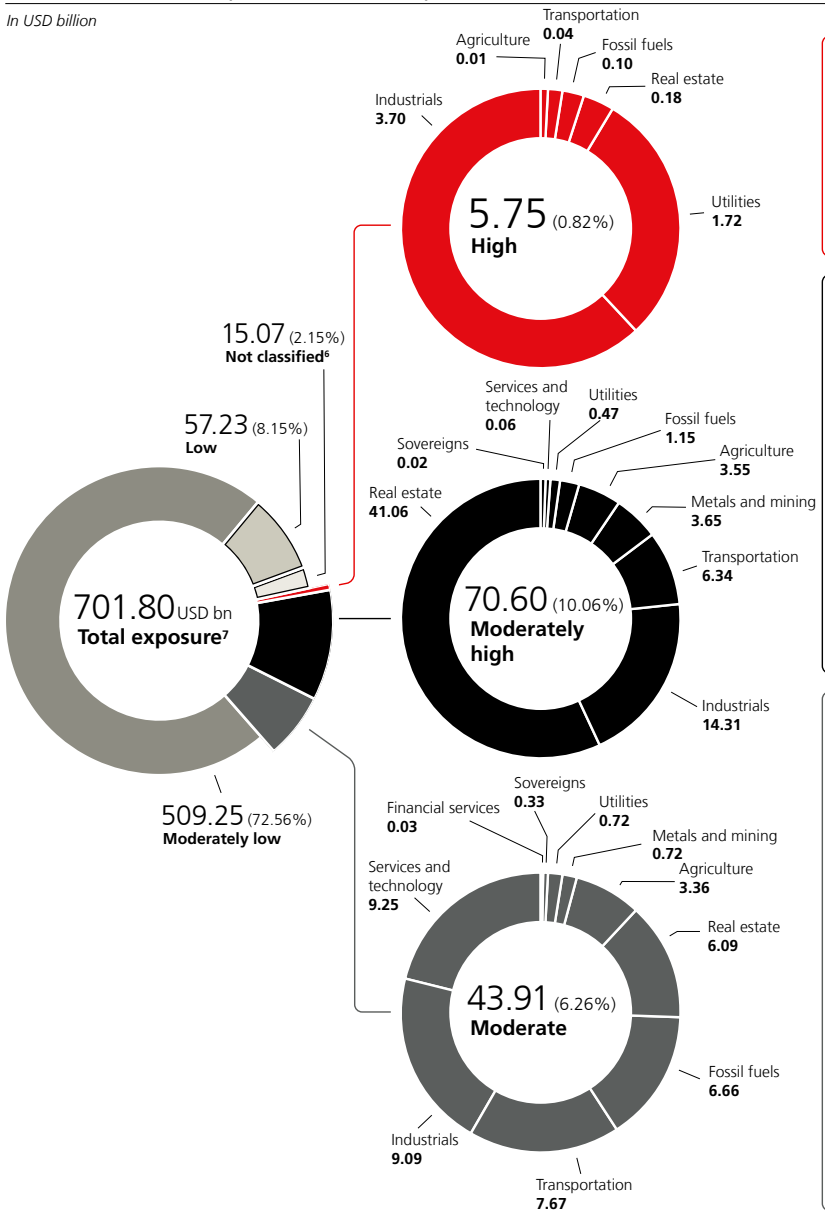
Climate-driven transition risks, which arise from the efforts to mitigate the effects of climate change, may contribute to a structural change across economies and consequently affect banks and the stability of the broader financial sector. These risks extend to the value of investments and may also affect the value of collateral (e.g. real estate).

In 2024, UBS developed a transition risk rating model (TR RM), aligned with the transition risk heatmap (TR H) and designed to provide a company-level rating of transition risk, where input data is available The TR RM mainly relies on two inputs: (i) the output of the transition risk heatmap (TR H) and (ii) the Company Transition Assessment Scorecard (CTAS), an internal UBS tool that systematically categorizes listed companies based on publicly available data from external third-party data sources into climate transition readiness categories. Whenever CTAS does not provide an assessment for a company, the model falls back to an existing transition risk heatmap (TR H).

The climate transition risk profile chart shows that, at the end of 2024, the exposure of the UBS Group to climate-sensitive sectors and related business activities has decreased due to accelerated winddown of Non-core and Legacy corporate exposures. Climate-driven transition-risk sensitive exposure accounted for 17.1% of the total gross lending exposure, down from 19.2% in 2023. Key sectors contributing to sensitive exposure continues to be same as 2023 (i.e. real estate, industrials and transportation). Compared to last year, our sensitive exposure to Services and Technology sector has increased, in line with a methodology change where certain business activities that were previously rated non-sensitive are now rated sensitive due to increased reliance on artificial intelligence (AI) and data center operations requiring higher use of power.

**Climate-driven transition risk profile chart for UBS Group AG[1,2,3,4,5,6]**

*In USD billion*




## High

*Industrials* **3.70**
- **3.46** Chemicals
- **0.24** Cement or concrete manufacture

*Utilities* **1.72**
- **1.70** Power production: regulated and high-carbon fuels
- **0.03** Waste water treatment

*Real estate* **0.18**
- **0.13** Development and management of real estate
- **0.05** Real estate financing

*Fossil fuels* **0.10**
- **0.07** Refining and marketing
- **0.03** Shale gas

*Transportation* **0.04**
- **0.04** Land-based shipping high-carbon (trucks)

*Agriculture* **0.01**
- **0.01** Livestock – beef extensive grazing

## Moderately high

*Real estate* **41.06**
- **33.79** Real estate financing
- **7.26** Development and management of real estate

*Industrials* **14.31**
- **6.62** Machinery and related parts manufacturing
- **3.64** Pharmaceuticals
- **2.01** Consumer durables manufacturing
- **1.67** Plastics and petrochemicals manufacture
- **0.34** Chemicals
- **0.03** Electronics manufacture

*Transportation* **6.34**
- **2.23** Airlines – cargo
- **1.57** Sea-based shipping (high-carbon fuels)
- **1.02** Transportation parts and equipment supply
- **0.98** Land-based shipping high-carbon (trucks)
- **0.45** Airlines – commercial
- **0.09** Automobile manufacture (high-carbon fuels)

*Metals and mining* **3.65**
- **2.83** Mining conglomerates (including trading)
- **0.60** Production of other mined metals and raw materials
- **0.21** Production of steel and iron

*Agriculture* **3.55**
- **3.55** Food and beverage production

*Fossil fuels* **1.15**
- **0.82** Wholesale and trading: crude oil and natural gas
- **0.21** Conventional oil (on- / off-shore)
- **0.13** Gas processing (including LNG)

*Utilities* **0.47**
- **0.35** Power production: regulated and high-carbon fuels
- **0.12** Waste water treatment

*Services and technology* **0.06**
- **0.06** Media, information technology

*Sovereigns* **0.02**
- **0.02** Sovereigns

## Moderate

*Services and technology* **9.25**
- **9.25** Media, information technology

*Industrials* **9.09**
- **4.44** Electronics manufacture
- **1.87** Other consumer goods manufacturing
- **1.29** Aerospace and defence activities
- **1.21** Clothing manufacture
- **0.14** Plastics and petrochemicals manufacture
- **0.11** Machinery and related parts manufacturing
- **0.02** Consumer durables manufacturing

*Transportation* **7.67**
- **5.93** Sea-based shipping (high-carbon fuels)
- **1.06** Passenger ships
- **0.30** Land-based shipping high-carbon (trucks)
- **0.16** Airlines – cargo
- **0.14** Automobile manufacture (high-carbon fuels)
- **0.08** Transportation parts and equipment supply

*Fossil fuels* **6.66**
- **5.88** Wholesale and trading: refined petroleum products
- **0.35** Downstream oil and gas distribution
- **0.32** Integrated oil and gas
- **0.10** Transportation and storage (gas)
- **0.02** Wholesale and trading: crude oil and natural gas

*Real estate* **6.09**
- **3.44** Construction – non-infrastructure
- **2.44** Real estate financing
- **0.18** Development and management of real estate
- **0.03** Construction of buildings and related activities

*Agriculture* **3.36**
- **2.67** Food and beverage wholesale / retail
- **0.31** Crops – high emissions intensity
- **0.28** Food and beverage production
- **0.07** Other agricultural services
- **0.02** Livestock – other

*Metals and mining* **0.72**
- **0.44** Metal ore mining not elsewhere classified
- **0.22** Metal iron ores
- **0.04** Production of other mined metals and raw materials
- **0.02** Production of steel and iron

*Utilities* **0.72**
- **0.53** Waste disposal and recycling
- **0.12** Wholesale and trading: electricity and power
- **0.08** Grid operation and transmission

*Sovereigns* **0.33**
- **0.26** Government agencies
- **0.07** Sovereigns

*Financial services* **0.03**
- **0.02** Asset managers and asset owners
- **0.01** Banks

1 Gross lending exposure consists of total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated IFRS numbers (inclusive of purchase price allocation adjustments recorded in the UBS Group as a result of the acquisition of Credit Suisse in compliance with IFRS 3, Business Combinations). 2 UBS continues to collaborate to resolve methodological and data challenges, and seeks to integrate both impacts to and dependency on a changing natural and climatic environment in how it evaluates risks and opportunities. 3 Climate risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high and high. The climate-sensitive exposure metrics are determined based upon the top three of the five rated categories i.e. moderate to high. 4 Methodologies for assessing climate-related risks are emerging and may change over time. As the methodologies, tools and data availability improve, we will further develop our risk identification and measurement approaches. The Lombard lending rating is assigned based on the average riskiness of collateral. 5 Over the last year, the UBS Group continued its efforts to integrate Credit Suisse systems and data. As a result, the metric calculation process benefits from data enhancement even when the methodology remains the same year-on-year. At the same time, integration work is ongoing and expected to bring in further data alignment in future which may require restatement of reported metrics. 6 As the transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of the model for identified use cases and associated enhancements. 7 Not classified represents the portion of UBS's business activities where methodologies and data are not yet able to provide a rating.

## Physical risk

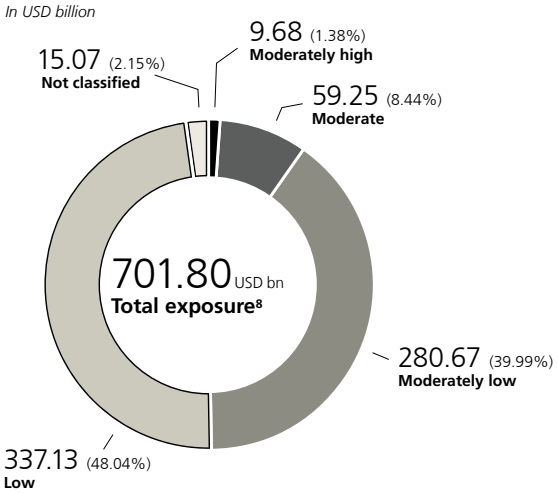
Climate-driven physical risks arise from acute hazards, which are increasing in severity and frequency, and chronic climate risks arise from an incrementally changing climate. Climate-driven physical risks may contribute to a structural change across economies and consequently affect banks and the stability of the broader financial sector. These risks extend to the value of investments and may also affect the value of collateral (e.g. real estate).

In 2024, UBS developed a physical risk rating model (PR RM), aligned with the physical risk heatmap model (PR HM). The PR RM is designed to provide a company-level indication of physical risk while both models are designed to provide the UBS Group exposure to climate-driven physical risks. The PR RM and PR HM measure how four acute physical risk hazards (wildfires, heatwave, floods and tropical cyclones) may drive physical risk of the companies.

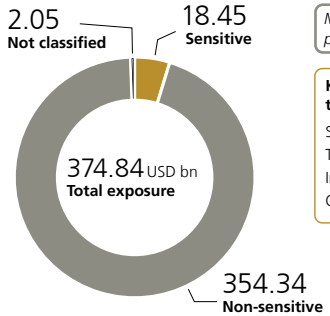
The climate physical risk profile chart shows that, at the end of 2024, the exposure of the UBS Group to climate-sensitive sectors and related business activities has decreased due to accelerated winddown of Non-core and Legacy corporate exposures. Climate-driven physical-risk sensitive exposure accounted for 9.8% of the total gross lending exposure, down from 11.7% in 2023. Geographically, the majority of the sensitive exposure is from the Americas region, followed by Switzerland and other geographical locations. Most of the year-on-year reduction in sensitive exposure is due to Non-core and Legacy exposure winddown in the Americas region. At Group level, most of the climate-sensitive physical risk exposure is located within countries that have a relatively high adaptive capacity to manage physical risk hazards resulting in a moderately low risk profile at regional level.

**Climate-driven physical risk profile chart for UBS Group AG[1,2,3,4,5,6,7]**

*In USD billion*



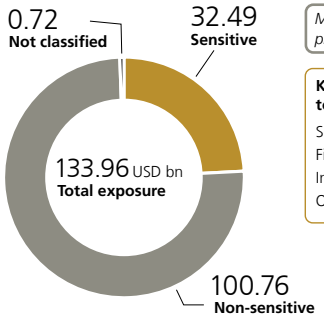
**Switzerland[9]**




*Moderately low weighted average physical risk rating*

| Key contributing sectors to sensitive exposure | Exposure |
|---|---|
| Services and technology | **7.51** |
| Transportation | **4.54** |
| Industrials | **1.99** |
| Others | **4.42** |

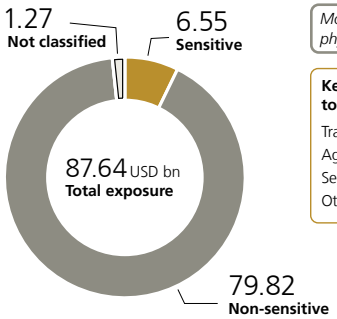
**Americas**




*Moderately low weighted average physical risk rating*

| Key contributing sectors to sensitive exposure | Exposure |
|---|---|
| Services and technology | **9.71** |
| Financial services | **9.68** |
| Industrials | **5.84** |
| Others | **7.26** |

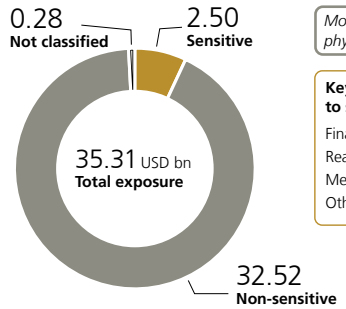
**EMEA**




*Moderately low weighted average physical risk rating*

| Key contributing sectors to sensitive exposure | Exposure |
|---|---|
| Transportation | **3.91** |
| Agriculture | **0.95** |
| Services and technology | **0.74** |
| Others | **0.95** |

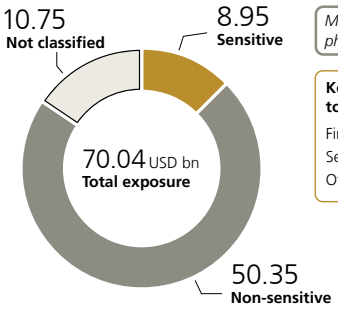
**Asia Pacific**




*Moderately low weighted average physical risk rating*

| Key contributing sectors to sensitive exposure | Exposure |
|---|---|
| Financial services | **0.79** |
| Real estate financing | **0.34** |
| Metals and mining | **0.33** |
| Others | **1.05** |

**Others[10]**




*Moderately low weighted average physical risk rating*

| Key contributing sectors to sensitive exposure | Exposure |
|---|---|
| Financial services | **8.36** |
| Services and technology | **0.58** |
| Others | **0.01** |

**1** Gross lending exposure consists of total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated IFRS numbers (inclusive of purchase price allocation adjustments recorded in the UBS Group as a result of the acquisition of Credit Suisse in compliance with IFRS 3, Business Combinations). **2** UBS continues to collaborate to resolve methodological and data challenges and seeks to integrate both impacts to and dependency on a changing natural and climatic environment, in how it evaluates risks and opportunities. **3** Climate risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high and high. The climate-sensitive exposure metrics are determined based upon the top three of the five rated categories i.e. moderate to high. **4** Methodologies for assessing climate-related risks are emerging and may change over time. As the methodologies, tools and data availability improve, we will further develop our risk identification and measurement approaches. The Lombard lending rating is assigned based on the average riskiness of collateral. **5** The world map is colour-coded to reflect the exposure-weighted average physical risk rating of a given region. Countries are grouped into regions according to the UBS Country and Region Data Standard. **6** Over the last year, the UBS Group continued its efforts to integrate Credit Suisse systems and data. As a result, the metric calculation process benefits from data enhancement even when the methodology remains the same year-on-year. At the same time, integration work is ongoing and expected to bring in further data alignment in future which may require restatement of reported metrics. **7** As the transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of the model for identified use cases and associated enhancements. **8** Not classified represents the portion of UBS's business activities where methodologies and data are not yet able to provide a rating. **9** The Switzerland region includes a trivial exposure (<1%) booked in Liechtenstein. **10** "Others" region includes exposure to countries not available, global funds and multilateral institutions.

## Climate scenario analysis

We use scenario-based approaches to assess our exposure to physical and transition risks stemming from climate change. We have introduced several in-house assessments facilitated by industry collaborations to tailor approaches for addressing methodological and data challenges. We have utilized dedicated risk models incorporating systematic and idiosyncratic effects to carry out stress testing exercises covering short-, medium- and long-term horizons.

The work performed includes regulatory scenario analysis and stress test exercises such as the Bank of England's (BoE) 2021 Climate Biennial Exploratory Scenario (CBES), the 2022 Climate Risk Stress Test (CST) of the European Central Bank (the ECB), which assesses banks' preparedness for dealing with financial and economic shocks stemming from climate risk; and the 2024 Swiss Financial Market Supervisory Authority (FINMA) / Swiss National Bank (SNB) climate scenario analysis exercise. These exercises enabled the identification of financial risks from climate change and made it possible for UBS to assess management actions in response to different scenario results and perform counterparty-level analysis. While these exercises showed mild losses and low exposure to climate risk for the entities within scope, given the limited impact to the macroeconomic financial environment, the analysis allowed UBS to enhance its climate risk scenario analysis and stress testing, further developing our capabilities for assessing risks and vulnerabilities from climate change.

In 2024, we also advanced our capabilities surrounding internal climate risk scenario analysis and stress testing for the UBS Group. We refined and expanded our internal climate risk scenarios with a focus on both transition and physical risk projections across a 30-year time frame. In addition, we developed additional climate risk methodologies to enhance and broaden portfolio coverage.

Over the last few years, we have also leveraged industry-wide initiatives, such as the Paris Agreement Capital Transition Assessment (PACTA) exercise launched by the Swiss Federal Office for the Environment (FOEN) in 2020, 2022 and 2024. Through this exercise, we assessed the climate alignment of our listed investments (including equities and bonds), mortgages and direct real estate portfolios. The assessment enabled us to compare our results with the aggregated performance of all participating banks' portfolios, showing the progress made over time and the efforts still needed.

# Monitoring and risk appetite setting

Our sustainability and climate risk policy framework defines the qualitative and quantitative risk appetite for sustainability and climate risk and is subject to periodic updates and enhancements.

As part of the sustainability and climate risk monitoring process, we have developed methodologies and metrics to assess our continued exposure to carbon-related assets and climate-related risk-sensitive sectors. When developing our metrics, we consider the inputs and guidance provided by standard-setting organizations, as well as new or enhanced regulatory requirements for climate disclosures. In 2024, we continued working on methodologies covering climate-driven transition and physical risks.

The table below includes climate-related risk metrics for the UBS Group AG, UBS AG on a standalone basis and UBS Switzerland AG and UBS Europe SE, both on a standalone basis. The trend analysis of exposure is available starting 2023 as UBS Group exposures were reported on a consolidated basis post Credit Suisse integration.

The proportion of the UBS Group's total gross lending exposure accounted for by carbon-related assets decreased to 10.9% in 2024 compared to 12.1% in 2023. The UBS Group metrics were reported on a consolidated basis including Credit Suisse exposures starting 2023.

Following the mergers of UBS AG and Credit Suisse AG in May 2024 and of UBS Switzerland AG and Credit Suisse (Schweiz) AG in July 2024, the total gross lending exposures of UBS AG standalone and UBS Switzerland AG have increased due to the inclusion of legacy Credit Suisse exposure. Consequently, the climate-driven transition risk, physical-risk-sensitive exposure and carbon-related assets have increased on an absolute basis, as expected.

**Risk management – Climate-related metrics**

| | For the year ended | | % change from |
|---|---|---|---|
| | 31.12.24 | 31.12.23 | 31.12.23 |
| **Climate-related metrics (USD bn)[1, 2, 3, 4]** | | | |
| Carbon-related assets: UBS Group AG consolidated[1, 2, 3, 4, 5, 6] | 76.5 | 93.9 | (18.5) |
| *Carbon-related assets proportion of total gross lending exposure, UBS Group AG consolidated (%)[1, 2, 3, 4, 5, 6]* | *10.9* | *12.1* | |
| *Carbon-related assets: UBS AG (standalone)[1, 2, 3, 4, 5, 6]* | *30.3* | *9.2* | *228.3* |
| *Carbon-related assets: UBS Switzerland AG (standalone)[1, 2, 3, 4, 5, 6]* | *46.6* | *27.4* | *69.8* |
| *Carbon-related assets: UBS Europe SE (standalone)[1, 2, 3, 4, 5, 6]* | *0.0* | *0.0* | *0.0* |
| Total exposure to climate-sensitive sectors, transition risk, UBS Group AG consolidated[1, 2, 3, 4, 6, 7, 8] | 120.3 | 149.0 | (19.3) |
| *Climate-sensitive sectors, transition risk, proportion of total gross lending exposure, UBS Group AG consolidated (%)[1, 2, 3, 4, 6, 7, 8]* | *17.1* | *19.2* | |
| *Total exposure to climate-sensitive sectors, transition risk, UBS AG (standalone)[1, 2, 3, 4, 6, 7, 8]* | *36.6* | *12.8* | *186.4* |
| *Total exposure to climate-sensitive sectors, transition risk, UBS Switzerland AG (standalone)[1, 2, 3, 4, 6, 7, 8]* | *83.0* | *49.8* | *66.6* |
| *Total exposure to climate-sensitive sectors, transition risk, UBS Europe SE (standalone)[1, 2, 3, 4, 6, 7, 8]* | *0.0* | *0.0* | *0.0* |
| Exposure to climate-sensitive sectors, transition risk, Traded products, UBS Group AG consolidated[1, 2, 3, 4, 7, 8, 9] | 2.1 | | |
| Exposure to climate-sensitive sectors, transition risk, Issuer risk, UBS Group AG consolidated[1, 2, 3, 4, 7, 8, 10] | 6.8 | | |
| Total exposure to climate-sensitive sectors, physical risk, UBS Group AG consolidated[1, 2, 3, 4, 6,7,8] | 68.9 | 90.7 | (24.0) |
| *Climate-sensitive sectors, physical risk, proportion of total gross lending exposure, UBS Group AG consolidated (%)[1, 2, 3, 4, 6, 7, 8]* | *9.8* | *11.7* | |
| *Total exposure to climate-sensitive sectors, physical risk, UBS AG (standalone)[1, 2, 3, 4, 6, 7, 8]* | *65.7* | *52.5* | *25.2* |
| *Total exposure to climate-sensitive sectors, physical risk, UBS Switzerland AG (standalone)[1, 2, 3, 4, 6, 7, 8]* | *22.6* | *15.1* | *50.0* |
| *Total exposure to climate-sensitive sectors, physical risk, UBS Europe SE (standalone)[1, 2, 3, 4, 6, 7, 8]* | *0.0* | *0.0* | *0.0* |
| Exposure to climate-sensitive sectors, physical risk, Traded products, UBS Group AG consolidated[1, 2, 3, 4, 7, 8, 9] | 3.3 | | |
| Exposure to climate-sensitive sectors, physical risk, Issuer risk, UBS Group AG consolidated[1, 2, 3, 4, 7, 8, 10] | 12.6 | | |

1 Methodologies for assessing climate-related risks are emerging and may change over time. As the methodologies, tools and data availability improve, we will further develop our risk identification and measurement approaches. Lombard lending rating is assigned based on the average riskiness of collateral. 2 Metrics for 2023 are recalculated and restated based on the 2024 methodology for comparison purpose. Percentage change is calculated based on the full underlying exposure, which may result in small deviations when calculated using reported figures that are rounded to one decimal. 3 Over the last year, the UBS Group continued its effort to integrate Credit Suisse systems and data. As a result, the metric calculation process benefits from data enhancement even when the methodology remains the same year on year. At the same time, integration work is ongoing and expected to bring in further data alignment in future, which may require restatement of reported metrics. 4 UBS continues to collaborate to resolve methodological and industry data challenges, and seeks to integrate both impacts to and dependencies on a changing natural and climatic environment, into how UBS evaluates its risks and opportunities. 5 As defined by the Task Force on Climate-related Financial Disclosures (the TCFD), in its expanded definition published in 2021, UBS defines carbon-related assets through industry-identifying attributes of the firm's banking book. UBS further includes the four non-financial sectors addressed by the TCFD, including, but not limited to, fossil fuel extraction, carbon-based power generation, transportation (air, sea, rail, and auto manufacture), metals production and mining, manufacturing industries, real estate development, chemicals, petrochemicals, and pharmaceuticals, building and construction materials and activities, forestry, agriculture, fishing, food and beverage production, including trading companies that may trade any of the above (e.g. oil trading or agricultural commodity trading companies). This metric is agnostic of risk rating, and therefore may include exposures of companies that may be already transitioning or adapting their business models to climate risks, unlike UBS climate-sensitive sectors methodology, which takes a risk-based approach to defining material exposure to climate impacts. 6 Gross lending exposure consists of total on balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated IFRS numbers (inclusive of purchase price allocation adjustments recorded in UBS Group as a result of the acquisition of Credit Suisse in compliance with IFRS 3, Business Combinations). 7 Climate-related risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high, and high. The climate-sensitive exposure metrics are determined based upon the top three of the five rated categories, i.e. moderate to high. 8 As the transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of the model for identified use cases and associated enhancements. As a consequence, restatement of reported metrics may be required. 9 For traded products, the metric is calculated using over-the-counter (OTC) derivatives, exchange-traded derivatives (ETDs) and securities financing transactions (SFTs), consisting of securities borrowing and lending, and repurchase and reverse repurchase agreements. 10 For issuer risk, the metric is calculated upon HQLA assets, debt securities, bonds, liquidity buffer securities. After the parent bank merger, the issuer risk in legacy Credit Suisse entities is less than 4% of overall UBS Group and considered non-material and excluded from reported metrics.

The table below presents a view of our risk profile and changes year on year (YoY), within sectors and across climate risks. It first shows our total exposure to each sector (and whether that has increased or decreased compared to 2023), followed by an exposure-weighted risk rating. The table also shows the YoY weighted average transition risk trend followed by sensitive exposure for each of climate transition risk and physical risk. Overall, the UBS Group continues to have an average rating of moderate for transition risk and moderately low for physical risk.

## Risk exposures by sector for UBS Group[1,2,3,4,5, 6, 7]

| | | Transition risk | | | | Physical risk | | |
|---|---|---|---|---|---|---|---|---|
| Sector / Subsector | 2024 exposure (USD bn) | YoY exposure trend[8] | Weighted average risk rating 2024[9] | YoY weighted average risk trend[8] | 2024 climate-sensitive exposure (USD bn)[5] | Weighted average risk rating 2024[9] | YoY weighted average risk trend[8] | 2024 climate-sensitive exposure (USD bn)[5] |
| **Agriculture** | | | | | | | | |
| Agriculture, fishing and forestry | 0.93 | ↓ | Moderate | → | 0.42 | Moderately low | → | 0.54 |
| Food and beverage | 6.51 | ↓ | Moderately high | → | 6.51 | Moderate | → | 3.93 |
| **Financial services** | | | | | | | | |
| Financial services | 82.75 | ↓ | Moderately low | → | 0.03 | Moderately low | → | 18.85 |
| **Fossil fuels** | | | | | | | | |
| Downstream refining, distribution | 0.54 | ↓ | Moderately high | ↓ | 0.54 | Moderately low | ↑ | 0.26 |
| Integrated oil and gas | 0.32 | → | Moderate | ↓ | 0.32 | Moderately low | → | 0.00 |
| Midstream transport, storage | 0.10 | ↓ | Moderate | → | 0.10 | Moderate | ↑ | 0.10 |
| Trading fossil fuels | 6.72 | → | Moderately high | → | 6.72 | Moderately low | → | 0.73 |
| Upstream extraction | 0.24 | ↓ | High | → | 0.24 | Moderately low | ↓ | 0.02 |
| **Industrials** | | | | | | | | |
| Cement or concrete manufacture | 0.24 | ↓ | High | → | 0.24 | Moderately low | → | 0.03 |
| Chemicals manufacture | 3.80 | ↓ | High | → | 3.80 | Moderately low | ↓ | 1.27 |
| Electronics manufacture | 5.29 | ↓ | Moderate | ↓ | 4.48 | Moderately low | ↓ | 1.47 |
| Goods and apparel manufacture | 5.13 | ↓ | Moderately high | → | 5.11 | Moderately low | → | 2.94 |
| Machinery manufacturing | 8.04 | ↓ | Moderately high | → | 8.02 | Moderately low | → | 1.21 |
| Pharmaceuticals manufacture | 3.64 | ↓ | Moderately high | → | 3.64 | Moderately low | ↓ | 1.06 |
| Plastics and petrochemicals manufacture | 1.81 | ↓ | Moderately high | → | 1.81 | Moderately low | ↓ | 0.69 |
| **Metals and mining** | | | | | | | | |
| Mining conglomerates (incl. trading) | 2.83 | ↓ | Moderately high | → | 2.83 | Moderately low | → | 0.07 |
| Mining and quarrying | 1.10 | ↓ | Moderate | ↑ | 0.66 | Moderately low | → | 0.59 |
| Production of metals | 0.87 | ↓ | Moderately high | → | 0.87 | Moderate | → | 0.39 |
| **Private clients** | | | | | | | | |
| Lombard | 151.50 | ↓ | Moderately low | → | 0.00 | Moderately low | → | 0.00 |
| **Real estate** | | | | | | | | |
| Development and management | 11.64 | ↑ | Moderately high | → | 11.04 | Moderately low | ↓ | 0.68 |
| Real estate financing[10] | 83.34 | ↓ | Moderate | → | 36.28 | Moderately low | → | 2.48 |
| Private clients with mortgages[10] | 250.59 | ↓ | Moderately low | → | 0.00 | Low | → | 0.00 |
| **Services and technology** | | | | | | | | |
| Services and technology | 35.93 | ↓ | Moderately low | → | 9.31 | Moderately low | → | 18.85 |
| **Sovereigns** | | | | | | | | |
| Sovereigns | 2.91 | ↓ | Moderate | ↓ | 0.34 | Moderately low | → | 0.04 |
| **Transportation** | | | | | | | | |
| Air transport | 2.98 | ↓ | Moderately high | → | 2.84 | Moderate | → | 2.50 |
| Automotive | 1.20 | ↓ | Moderate | ↓ | 0.23 | Moderate | → | 1.08 |
| Rail freight | 0.90 | ↑ | Low | → | 0.00 | Moderate | → | 0.77 |
| Road freight | 1.32 | ↑ | Moderately high | → | 1.32 | Moderately low | ↓ | 0.64 |
| Transit | 0.49 | ↓ | Moderately low | → | 0.00 | Moderately low | ↓ | 0.33 |
| Transportation parts and equipment supply | 1.10 | ↓ | Moderately high | → | 1.10 | Moderate | → | 0.64 |
| Water transport | 8.55 | → | Moderately high | → | 8.55 | Moderately low | → | 5.21 |
| **Utilities** | | | | | | | | |
| Power generation | 2.76 | ↓ | High | ↑ | 2.24 | Moderately low | ↓ | 1.42 |
| Waste treatment | 0.68 | ↓ | Moderately high | → | 0.68 | Moderately low | ↑ | 0.19 |
| **Not classified[11]** | 15.07 | ↓ | Not classified | → | 0.00 | Not classified | → | 0.00 |
| **Grand Total** | 701.80 | ↓ | Moderate | → | 120.25 | Moderately low | → | 68.94 |

1 Methodologies for assessing climate-related risks are emerging and may change over time. As the methodologies, tools, and data availability improve, we will further develop our risk identification and measurement approaches. Lombard lending rating is assigned based on the average riskiness of loans. 2 Metrics for 2023 are recalculated and restated based on the 2024 methodology for comparison purpose. 3 Gross lending exposure consists of total on balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated IFRS numbers (inclusive of purchase price allocation adjustments recorded in UBS Group as a result of the acquisition of Credit Suisse in compliance with IFRS 3, Business Combinations). 4 UBS continues to collaborate to resolve methodological and industry data challenges, and seeks to integrate both impacts to and dependencies on a changing natural and climatic environment, into how UBS evaluates its risks and opportunities. 5 Climate-related risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high, and high. The climate-sensitive exposure metrics are determined based upon the top three of the five rated categories i.e. moderate to high. 6 Over the last year, UBS Group continued its effort to integrate Credit Suisse systems and data. As a result, metric calculation process benefits from data enhancement even when methodology remains same year-on-year. At the same time, integration work is ongoing and expected to bring in further data alignment in future which may require restatement of reported metrics. 7 As transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of model for identified use cases and associated enhancements. As a consequence, restatement of reported metrics may be required. 8 A material change in the risk profile (discrete risk score, weighted average per sub-sector) is considered as >5% shift up, or down year on year. Similarly, for absolute exposure. 9 Displayed ratings represent exposure-weighted averages for a given sector scope. 10 The real estate segments have been aligned with the expected credit loss segments UBS applies under IFRS. Real estate financing includes rental or income-producing real estate financing to private and corporate clients secured by real estate. Private clients with mortgages include lending to private clients secured by owner-occupied real estate and personal account overdrafts of those clients. 11 Not classified represents the portion of UBS's business activities where methodologies and data are not yet able to provide a rating.

# Risk management and control

In 2024, we continued to develop solutions to integrate sustainability and climate risks into traditional risk categories, such as our credit, market, liquidity, non-financial and reputational risk frameworks. We progressively enhanced our four-stage approach (defined above in the sustainability and climate risk management framework) by leveraging research on how sustainability and climate risk drivers may be transmitted to our clients (and their assets) and ultimately to the firm in the form of financial and non-financial risks. Our approach supports the ongoing management of sustainability and climate risks as they manifest across traditional risk categories and has been built in line with principles outlined by the Basel Committee on Banking Supervision (the BCBS) and the Task Force on Climate-related Financial Disclosures (the TCFD, now organized under the ISSB). As Swiss financial regulator FINMA has mandated financial institutions to implement nature-related financial risks in their due diligence processes by 2028 (FINMA Circular 2026/1 on nature-related financial risk), UBS is building its capabilities to embed the management of these risks in its due diligence processes.

Our progress is summarized in the following table.

**Managing sustainability and climate risks within traditional risk categories**

| Traditional risk category | Sustainability and climate risk transmission channels. | Key developments |
|---|---|---|
| **Credit risk** | Our potential credit losses driven by risks from a changing physical climate, the transition to a low-carbon economy. Climate-related risk drivers can impact household, corporate or sovereign income and / or wealth. Physical and transition risk drivers increase our potential losses as soon as they have a negative effect on a borrower's ability to repay and / or fully recover the value of a loan in the event of default. | In 2024, we further embedded climate-related risks into our credit risk management framework. By collaborating across business divisions and between both the first and second lines of defense, we developed innovative solutions tailored to the risk profiles and material drivers of risk within our businesses:<br>Investment Bank: The current credit-granting process has been amended to identify and measure the potential for credit losses driven by climate-related risks for corporate lending and leveraged finance. At the transaction level, this is achieved by integrating tools such as sector-level climate-related risk heatmaps and company-level due diligence scorecards into the credit approval analysis and decision-making process. In addition, where mandated, concentration triggers have been set up and are monitored and reported on a quarterly basis for all relevant counterparties. Furthermore, at the divisional level, progress has been made to enhance and automate reporting of the full Investment Bank lending portfolio, on a quarterly basis.<br>Global Wealth Management: The current credit-granting process identifies and assess potential credit losses driven by climate-related risks for Lombard lending in Switzerland and international locations by integrating climate-related due diligence questions and leveraging the climate risk heatmaps in the credit assessment at a transaction level. The approach encompasses Lombard loans to operating companies and those backed by concentrated equity posted as collateral and we aim to further enhance the scope across regions and products in future. Furthermore, progress was made to enhance and automate reporting of the combined Global Wealth Management Lombard lending portfolio, on a quarterly basis.<br>Personal & Corporate Banking: The current credit-granting process identifies and assesses potential credit losses driven by climate-related risks by integrating climate-related due diligence questions and leveraging the climate risk heatmaps in the credit assessment at a transaction level. This approach was rolled out in 2023 to the P&C Multinationals business and expanded in 2024 to include a wider coverage of the corporate client portfolio as well as the commodity trade finance business. Furthermore, at the divisional level progress was made to enhance and automate reporting of the combined Personal and Corporate lending portfolio, on a quarterly basis. |
| **Market risk (traded and not traded)** | Potential financial impacts on the firm from price shifts and / or market volatility. A changing physical environment (including climate change) may affect the value of companies reliant on the natural environment and / or how the market perceives such companies. The transition to a low-carbon economy through climate policies, low-carbon technologies, demand shifts and / or market perception may also impact the value of our positions and / or lead to a breakdown in correlations between risk factors (e.g. prompting a change in market liquidity and / or challenging assumptions in our model). | In 2024, we assessed the risk from planned portfolios, in line with our multi-year sustainability and climate risk initiative, and established solutions for integrating climate-related risks into our market risk management framework. Progress on integrating climate-related risks into our market risk management was incrementally driven by enhancing analytical capacity, applying the climate risk rating model in our market-risk monitoring systems and developing stress testing capabilities. We have adapted our in-house long-term scenarios to the specifics of short-term market risk analytical requirements.<br>Enhancing analytical capacity: Leveraging existing sector-level heatmap methodologies and our in-house scenario development capacity, we sought to perform a loss-driven materiality assessment. By linking the risk ratings with adverse-scenario-driven shocks, we were able to further examine the correlations between risk factors and understand the short-term loss potentials for climate. In 2024, we were able to introduce a climate risk rating model for the first time.<br>Automation: Market risks systems facilitate for daily monitoring, reporting and control. By integrating these with our centralized climate sector-level heatmap together with climate risk rating model, we are able to understand and react to drivers of climate impacts on our portfolios through regular assessments and monitoring.<br>Quantitative risk appetite: For selected legal entities, climate risk concentration triggers were introduced in 2023 based on the sector-level climate risk heatmaps. The solution facilitates daily monitoring of positions that are considered inherently sensitive to climate risks, including an automated breach escalation process along with the market risk escalation path for concentration limits, providing an opportunity for remediation actions. The triggers cover credit delta and equity delta aggregated in accordance with the "sensitivity," as defined through our heatmapping methodology. |

| Managing sustainability and climate risks within traditional risk categories | | |
|---|---|---|
| **Liquidity risk** | The potential impact on liquidity adequacy is driven by risks from a changing physical climate, the transition to a low-carbon economy., Climate events have been proven to affect funding conditions, and therefore liquidity buffers across broader banks. Climate-related risks are considered an additional driver of liquidity risk. As such, they may impact our liquidity adequacy, directly or indirectly, through our ability to raise funds, liquidate assets and / or our customers' demand for liquidity. This could result in net cash outflows or depletion of our liquidity buffer. | In 2024, we further integrated climate risk into our liquidity framework for planned portfolios, in line with the multi-year sustainability and climate risk initiative. Climate risk stress testing and climate risk reporting were introduced for the first time in 2024, leveraging the heatmap and climate risk rating model. The identification of material climate-related risks and the integration of those potential risks into the internal liquidity risk management framework will be an iterative process as we continuously improve the methodology, along with improving the availability and quality of required data in the industry and enhanced analytics and insights over time. |
| **Non-financial risk** | This is the non-financial impact on UBS (compliance, operational risk and financial crime) from inadequate or failed internal processes, people and systems and / or externally due to physical climate events or stakeholder legal action. | Alignment with the BCBS Principles for the effective management and supervision of climate-related (non-financial) risks has been key in 2024 and is subject to on-going monitoring as of 2025.<br>We have completed work to embed ESG (environmental, social and governance)-related risks, including climate considerations as a standalone risk indicator to the Group non-financial risk identification model governance used as the basis for scenario coverage and non-financial risk regulatory / economic capital determination.<br>We will continue to evolve the framework in alignment with our commercial strategy and industry expectations, with work ongoing to assess the results of ESG risk integration more broadly into non-financial risk taxonomy risk appetite statements. |
| **Reputational risk** | This is the risk of an unfavorable perception, or a lessening of our reputation, from the point of view of clients, industries, shareholders, regulators, employees or the general public, which may lead to potential financial losses and / or loss of market share.<br>Reputational risk is considered across all business activities, transactions and decisions and includes sustainability-related reputational risks, such as greenwashing risk. | We continue to assess the design of our reputational risk framework as generally robust in terms of roles and responsibilities, escalation requirements, and review and approval authorities for sustainability-related risks. Relevant sustainability-related standards have been set, including for the appropriate consideration of high inherent reputational risks, by leveraging existing firm-wide risk identification and review and approval processes.<br>Our 2030 lending sector decarbonization targets for specified sectors at Group level come with agreed contributions by the individual business divisions (BDs) for the corporate lending sectors.<br>To monitor and control the utilization of the BDs' contributions toward the 2030 corporate lending sector decarbonization targets, a decarbonization control framework was operationalized in 2024, with defined thresholds per sector and business division and at Group level. These thresholds are defined annually and the utilization against the agreed thresholds is monitored on a quarterly basis.<br>Additionally, a material transaction, as defined in the credit approval process, within in-scope business activities is subject to the pre-deal assessment process. The first line of defense is responsible for identifying and referring an in-scope transaction to the second line of defense sustainability function for a detailed assessment. Based on the calculated utilization level, a transaction is subject to the defined approval path. |

We manage and escalate material climate-related risks, in accordance with our standard financial and non-financial risk processes and defining key responsibilities and tools, both at the Group level and across our business divisions. To facilitate the implementation of consistent risk management practices across the Group, we have conducted climate-risk-related training for employees across the business divisions and Group functions.

# Risk reporting and disclosure

Sustainability and climate risk considerations are an integral part of topics included in our quarterly risk reporting cycle. Information exchanged during this process includes the number of transactions referred to the sustainability and climate risk unit with outcomes and underlying reasons, and an associated breakdown by category. The report includes information on exposure to climate -sensitive sector activities (our climate-related risk heatmaps and climate risk rating models), leveraging a fully automated process. The heatmaps and climate rating models are also included in quarterly internal risk reports for key legal entities and business divisions.

For external climate-related risk reporting, we have prepared our annual disclosures across the key areas recommended by the Task Force on Climate-related Financial Disclosure.

The automated reporting capabilities for climate-related risk were enhanced to include combined (legacy- UBS and legacy-Credit Suisse) Group-wide climate risk views for internal and external reporting. In addition, the outputs of the CRRM have been implemented to generate year-end 2024 metrics for further granularity. Internal and external climate-related risk metrics will continue to evolve in the coming years, as a part of our sustainability and climate risks roadmap, to meet regulatory expectations and ensure leading practices in this area.

# Our investment management approach to sustainability and climate risks

## Assessing climate-related financial risks in client portfolios

As a global financial institution, we help our clients navigate the challenges of the transition to a low-carbon economy. We address this by establishing climate risk monitoring and management systems across our Asset Management and Global Wealth Management business divisions, offering innovative products and services in investment and financing, and providing transparent reporting and disclosures.

We strive to integrate climate-related financial risk considerations into our decision-making and processes pertaining to services, strategies or products offered or employed by third parties, including delegates. In doing so, we demonstrate our commitment to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (the TCFD). We perform climate risk assessments on discretionary portfolios managed in Singapore and in-scoped collective investment schemes managed in Hong Kong respectively, in line with the Monetary Authority of Singapore (MAS) Guidelines on Environmental Risk Management for Asset Managers and the Securities and Futures Commission of Hong Kong (SFC) Climate Risk regulations. We also disclose portfolio risk across climate scenarios in the UK, in line with TCFD recommendations.

We work across our industry and with our clients, ensuring they have access to best practice, robust science-based approaches, standardized methodologies and quality data for measuring and mitigating climate risks.

In the following sections, we outline the UBS approach to quantifying climate risk in clients' assets as well as how climate risk information is applied to Asset Management and Global Wealth Management.

## Quantifying climate risk: data and metrics

In order to evaluate climate risks at issuer level, we utilize physical and transition climate risk data from various data providers.

Physical climate risk arises from the impact of weather events and long-term or widespread environmental changes. Higher levels of physical risks imply higher probability of an issuer or direct assets being impaired in value. Our physical risk assessment considers the potential impact of extreme climate events on an issuer's assets or our direct assets, with each physical risk score representing a sensitivity-adjusted, weighted average of risk scores linked to all associated assets across different climate hazards, such as heat / cold waves, water stress, flooding, sea level rises, hurricanes, wildfires and drought.

Transition risk arises from the process of adjusting to an environmentally sustainable economy, including changes in public policies, disruptive technological developments and shifts in consumer and investor preferences. One of the ways we assess transition risk is by using a "carbon earnings at risk" approach, which analyzes the unpriced carbon cost to a company as a percentage of its earnings before interest, taxes, depreciation and amortization (EBITDA). We see carbon earnings at risk as one of the more directly quantifiable and comparable metrics across industries globally, which is more suitable for reflecting the reach and complexity of our investments.

For both physical and transition risks, the projections are typically built upon publicly reported company data, restricting coverage to corporate issuers, which form the bulk of our public markets portfolios. Consequently, exposures to sovereigns or structured products, for example, are not covered at this point.

Climate risk data remains an evolving area, and best practice standards or norms are still being developed. This results in acknowledged limitations in data coverage and quality, such as issuer type and the use of proxy or estimation techniques. Financial models also typically project up to three years into the future, with significant deterioration in visibility beyond one year. As such, long-term projections used to generate data, even for 2030, may have limited accuracy.

We work closely with our data providers to continuously enhance the scope and quality of data available to us. Climate risk data continued to improve over 2024, including, for example, improved financial integration and market-adjusted carbon price assumptions. As our data providers continue to improve on their data methodology and coverage, in line with industry best practice, these changes may be reflected in climate risk analytics on the client portfolios we manage.

## Application in Asset Management

Asset Management's ESG (environmental, social and governance) integration approach identifies climate-related risks and opportunities that can be applied in managing existing investment strategies and constructing new portfolios. Portfolio construction criteria are applied based on the intended objectives of the given strategy. Portfolios are classified based on their sustainability characteristics, including sustainability-related key performance indicators and minimum sustainability safeguards. Exclusion criteria address elevated sustainability risks and the scope of portfolios to which such exclusions are applied is described in the Asset Management exclusion policy. The investment policies in fund documentation describe the extent to which a strategy targets particular risk or opportunity outcomes. Asset Management discloses various climate-related metrics in line with the TCFD's Supplemental Guidance for Asset Managers. We publish aggregated figures for total emissions, carbon footprint and weighted average carbon intensity in the "Environmental information" section of this report. Asset Management includes disclosure of portfolio-level metrics for sustainable investment portfolios in its fund factsheets and in client reporting.

In Asset Management, our overall strategy for managing climate risks is to integrate risk data and insights into our investment management processes. In our public markets investments, this begins with assessing ESG issues based on our ESG material issues framework. This identifies the most relevant issues by sector, making the connection with key value drivers that may impact the investment thesis across sectors. Our ESG material issues framework reflects a sector-based view of exposures to physical and transition climate risks. Our climate risk assessment also uses issuer-level physical risk data for a range of climate hazards, and transition risk data assessing exposure to changes in carbon pricing. This assists with identifying issuers with higher levels of risk, which are then subjected to qualitative assessment, including the location and business segments at risk, and mitigation, including board oversight, company risk assessment, mitigation and adaptation actions, and engagement with suppliers, customers and local stakeholders. This climate risk assessment is an additional consideration in the overall assessment of the sustainability performance of the issuer, which informs investment decisions.

In our Global Real Assets business, we consider key transition risks using our proprietary, in-house ESG dashboard, which assesses the environmental performance of directly controlled real estate assets against pathways and targets. Assessment of transition risk using the International Energy Agency framework is applied for some of our direct infrastructure investments. On the physical risk side, for our direct investments in both real estate and infrastructure, we use a third-party location risk intelligence tool to analyze asset-level physical risk. We also use third-party data to inform our assessment of physical risk in our indirect real estate investments. These tools identify each asset's potential physical risks under a variety of climate change scenarios and timelines.

### Active ownership

The transition of investment portfolios will require real-economy emission reductions. We see our active ownership strategy as a powerful tool in influencing corporate and other stakeholder behavior to achieve real-economy outcomes.

Asset Management has had a dedicated climate engagement program in place for more than five years, addressing climate-related risks in companies, with measurable progress tracked. It covers high-emitting companies in our listed equity and corporate bond universe, taking into account a range of sectors and geographies. This includes companies from the oil and gas, electricity and other utilities, metals and mining, construction materials, chemicals sectors. The program is focused on driving ambitious and credible transition strategies across portfolio holdings. It covers climate governance, targets, transition plans and relevant business model objectives. Since the start of our engagement program, we have increased the range of our expectations to include more ambitious emissions reduction target setting, quantified disclosures on decarbonization actions, capital deployment in line with a net-zero pathway, and reporting of progress toward stated commitments.

In our Global Real Assets business we typically hold a majority in our direct real assets, and thus it is possible to positively influence outcomes through active ownership; this includes collaboration with tenants, third-party companies, employees, communities and other stakeholders (via, for example, green lease clauses, tenant satisfaction surveys and tenant reach-outs) to drive and achieve emission reductions and other climate risk mitigations. Where we do not have control, we actively engage with owners and stakeholders to address climate-related risks and monitor progress accordingly. This engagement includes physical risk exposure and mitigation, transition plans, disclosures and net-zero alignment.

## Application in Global Wealth Management

Our overall investment decision-making process is largely driven from the top. Although corporate-level data sourced from S&P Global has been chosen for Global Wealth Management portfolios, given its credibility, complexity and coverage, this bottom-up dataset cannot be directly integrated into Global Wealth Management's investment processes without the use of significant aggregation and proxies. Considering the above, at this point in time climate risk analyses are not used to inform investment decisions at either the asset allocation or the instrument selection levels within Global Wealth Management, due to investment scope, limitations of data availabilities, modeling uncertainties and implementation hurdles. We actively monitor industry best practice and data developments to ensure we are prepared to further integrate climate risks into core investment processes, should these bottlenecks be resolved. In the meantime, we continue to review implied climate risk in our portfolios and continue to make progress on capacity building and making climate risk assessment findings available across the investment value chain.

### Industry engagement

Most of our discretionary portfolios consist of investment funds from third-party fund managers, including UBS Asset Management, which runs independent processes. Generally, Global Wealth Management acts as an asset allocator and manager of these portfolios, but it does not control portfolio construction and management within the underlying fund investment solutions. Therefore, in addition to developing a climate risk assessment management framework for portfolios based on underlying investment holdings, we aim to understand the climate risk management practices established by the managers of the underlying funds.

To that end, we regularly ask investment fund partners of approved investment funds for information about their approach to climate risk issues, including the extent to which climate risk management processes have been developed and implemented within their businesses, with relevance to frameworks such as TCFD and the MAS Guidelines on Environmental Risk Management for Asset Managers, where required by relevant regulators. We are committed to continuing regular communication with our fund partners about the development of climate risk management processes, as relevant to their strategies.

# Other supplemental information

## Additional UBS Europe SE considerations for sustainability and climate risk management

UBS Europe SE is a significant Group entity of UBS Group. Therefore, UBS Group's management of sustainability and climate risks, and related risk assessments, implicitly cover UBS Europe SE's portfolios. In addition, UBS Europe SE carries out explicit management and assessment of sustainability and climate risk. This includes a tailored risk strategy and business strategy, review of the UBS decarbonization commitments at the level of UBS Europe SE, and dedicated materiality assessments, stress testing, a control framework and reporting with respect to sustainability and climate risks.

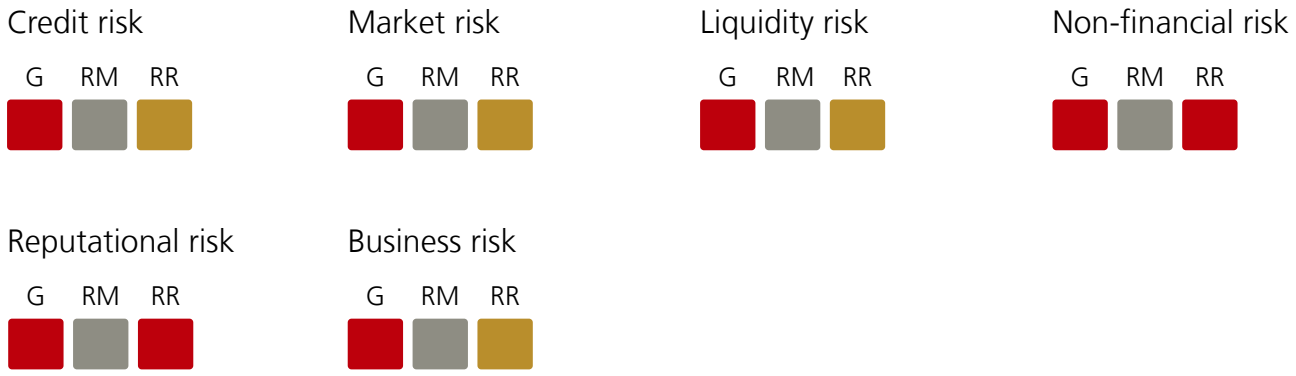
### Materiality assessment

UBS Europe SE considers sustainability and climate risks as part of the regular risk identification process that feeds into its risk strategy. This includes an evaluation of whether sustainability and climate risks have a material impact on other risk categories, such as credit risk, market risk, liquidity and funding risk, business risk, non-financial risks (including compliance and operational risks), litigation risk, and reputational risk (including greenwashing). It also considers distinct risk types (climate risk, both transition risk and physical risks, as well as environmental risk / nature-related risk).

The materiality assessment for sustainability and climate risks is performed leveraging different analyses and capabilities, ranging from sensitivity analyses based on a heatmap methodology as well as climate risk rating model to climate scenario analyses considering different severities and time horizons, as well as qualitative subject matter expert assessments. It also takes into consideration the relevant offering for UBS Europe SE across the different business divisions.

Based on these evaluations, and as reflected below, after considering risk-mitigating measures as of Q4 2024, sustainability and climate risk in UBS Europe SE as a whole is currently assessed as material, driven by non-financial risks and reputational risk. There is a defined and implemented framework and adherence to the established framework is guaranteed by implementing and executing clear established controls and having environmental-, social- and governance-related metrics in place.

The detailed analyses underpinning these materiality assessment results are documented further internally.




| G (Gross) | RM (Risk mitigants effectiveness) | RR (Residual risk) |
|---|---|---|
| Material | Effective | Material |
| Non-material | Partially effective | Non-material |
| | Ineffective | |

Note: Methodologies for assessing climate- and nature-related risks are emerging and may change over time. As the methodologies, tools, and data availability improve, UBS will further develop its risk identification and measurement approaches. UBS continues to collaborate to resolve methodological and data challenges.

## Business model

Pursuant to the German Banking Act in connection with the European Banking Authority guidelines on Internal Governance and the Minimum Requirements for Risk Management (MaRisk) published by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin), UBS Europe SE executes a robust and durable business strategy. The business strategy, risk strategy and risk profile of UBS Europe SE are core elements for the approach to, and assessment of, sustainability and climate risks. The risk profile, which considers all business activities as described in the business strategy, allows UBS Europe SE to understand the risks and impacts on the business environment and to inform the risk appetite as established in the risk strategy.

In line with UBS Group, sustainability is dealt with as a key strategic imperative in UBS Europe SE's business strategy, where applicable business activities related to sustainability and measures are established, monitored and annually reviewed at entity level. Assessing the different risks and opportunities that are linked to sustainability is crucial to developing a consistent sustainability business strategy. Hence, UBS Europe SE analyzes topics such as market trends, regulatory frameworks, climate risks and clients' needs across its business divisions from a sustainability perspective to ensure such aspects are fully embedded in its business strategy.

As one of Europe's largest managers of private and institutional wealth, UBS Europe SE has a role to play in tackling the challenges faced within sustainable finance. It has established targets and key performance indicators (KPIs) following the UBS Group sustainability and impact strategy across environmental, social and product-related areas, which are currently under development.

UBS Europe SE has determined the following topics as its sustainability priorities:
- continuing to address and progressing with its sustainability strategy and decarbonization commitments, through active monitoring and reporting to dedicated stakeholders and senior management;
- ongoing enhancement of the sustainability sections of the UBS Europe SE Business Strategy document, including further development and implementation of UBS Europe SE-applicable KPIs around environmental, social and product-related topics, enabling monitoring and reporting over time; and
- ensuring compliance with regulatory requests, expectations and upcoming legislation related to sustainability under which UBS Europe SE is in scope of.

UBS Europe SE is fully aligned with the UBS Group sustainability and impact strategy, including its ambitions and implementation timeline. Our sustainability and impact ambition is to be the bank for the next generation. To help us realize that vision, our sustainability and impact strategy is based on three overarching strategic pillars: Protect, Grow and Attract, representing a natural evolution in our strategic approach.

› **Refer to "Strategy" in this section for more information about our sustainability and impact strategy, which fully applies to UBS ESE**

Globally, UBS Group is a member of several associations and networks, supporting sustainable finance principles based on international standards, where the aforementioned topics are addressed and further considered, including for European entities. At the level of UBS Europe SE this includes: the Green and Sustainable Finance Cluster Germany; the Association of German Banks (Bundesverband deutscher Banken e.V.); the European Bank Federation (Sustainable Finance Team); and the Sustainable Finance teams of the Association for Financial Markets in Europe (AFME). In 2022, UBS Europe SE became a member and sponsor of the International Sustainability Standards Board (ISSB) to support the development of more consistent corporate reporting on sustainability matters, which can in turn support the integration of sustainability factors into financial markets and decision-making.

## Governance

The members of the UBS Europe SE Management Board are overall responsible for adequate risk management and for establishing an integrated and institution-wide risk culture. This includes determining the firm's risk principles, risk appetite, major portfolio limits and their allocation to the business divisions and treasury. The Management Board develops and implements the risk and control frameworks, oversees the entity's risk profile and approves key UBS Europe SE risk policies. The oversight and controls include all business conducted in the entity, including its branches and their associated risks, and further ensure compliance with local legal and regulatory requirements. Notwithstanding the joint responsibility of the Management Board, each member of the Management Board is responsible for establishing adequate controls and monitoring processes in their respective area of responsibility.

UBS Europe SE's Supervisory Board is responsible for supervising and advising the Management Board, which informs the Supervisory Board about risk-relevant topics, including risk strategy and risk appetite, on a regular basis. The Supervisory Board has established a Risk Committee, which monitors and supervises the firm's risk profile and the implementation of the risk framework as approved by the Management Board, as well as monitors the firm's key risk measurement methodologies, including sustainability and climate risk.

UBS Europe SE's risk management organization is based on the "three lines of defense" model, fulfilling the general risk management requirements according to "Mindestanforderungen an das Risikomanagement (MaRisk) AT°4.3.1" (Minimum Requirements for Risk Management). Furthermore, it is embedded into the broader risk governance framework of the UBS Group.

The UBS ESE Management Board ensures the effectiveness of the organization's risk management framework and relies on adequate line functions – including monitoring and assurance – by implementing the three lines of defense model.

According to the sustainability and climate risk policy framework, the business (as the first line of defense – 1st LoD) identifies sustainability and climate risks in in-scope products, services, activities, transactions, onboardings or periodic reviews, and refers them to the sustainability and climate risk (SCR) unit, as the second line of defense (2nd LoD) unit or business-aligned 2nd LoD (e.g. credit risk controllers), where applicable.

The SCR unit (2nd LoD) approves or declines the referred cases after assessing their compliance with the firm's Risk Appetite standards defined by the UBS Europe SE Management Board. SCR also measures, monitors and reports the exposure to sustainability and climate risks. Moreover, the SCR unit supports the Chief Risk Officer (CRO) in overseeing sustainability topics. It develops and implements UBS Europe SE´s risk framework, specifically risk appetite, for sustainability and climate risk topics, monitors emerging issues and reviews UBS Europe SE´s exposure to sustainability and climate risk. Furthermore, it ensures the SCR policy framework is embedded in UBS Europe SE´s culture, management practices and control principles across the firm and conducts sustainability and climate-risk-specific assessments of transactions and client and supplier onboarding.

The compliance framework applied by the Group Compliance, Regulatory & Governance (GCRG) function as part of the 2nd LoD includes (but is not limited to) standards set for the appropriate consideration of ESG-related risks in (i) the product service life cycle through the New Business Enablement Framework (NBE); (ii) the client life cycle framework (at onboarding and during the lifetime of the business relationships); (iii) transaction and proposal review; and (iv) the investment suitability framework (capturing of client sustainability preferences in the investors' profiles). These supplement the existing processes and controls in place to identify risks that arise through the firm´s business activities, including ESG-related risks, to ensure that these are appropriately evaluated.

GCRG undertakes monitoring of greenwashing risks focusing on performing a periodic, sample-based control in all jurisdictions where Sustainable Investment labelled products / services are distributed and mapping of materially-relevant ESG 1st and 2nd LoD controls by non-financial risk taxonomy to support a focused assessment of ESG as a risk driver.

From a third line of defense (3rd LoD) perspective, Internal Audit assures design and operating effectiveness of UBS Europe SE's internal risk and control framework and escalates / reports to relevant governance forums (e.g. Risk Control Committee) and UBS Europe SE Audit Committee.

In addition to the UBS Group structure for the identification, assessment and management of sustainability and climate risk, UBS Europe SE has established its own governance. Since 2021, UBS Europe SE has had in place a Sustainability and SCR Steering Forum. It meets monthly, with full Management Board representation including CEO, and oversees the strategy and the implementation of plans to address regulatory expectations concerning the impact of climate-related and environmental risks on the legal entity. Furthermore, to ensure sustainability is handled as a key priority and according to UBS Europe SE´s Schedule of Responsibilities, the responsibility for sustainability and climate risks at Management Board level is allocated to the CRO, while the Chief Financial Officer is responsible for sustainability. Both co-chair the Sustainability and SCR Steering Forum and they are supported by the roles of UBS Europe SE SCR Lead (2nd LoD), as Head of the SCR unit and part of Group Risk Control, and UBS Europe SE Sustainability Lead (1st LoD), part of the Group's Chief Sustainability Office.

In 2023, enhancements were made to the Sustainability and SCR Steering Forum and its formal reporting to the Management Board, providing quarterly and, when required, bespoke extraordinary updates and update of the forum Guiding Principles. This allows sustainability and SCR to be addressed and monitored at the highest level in the entity. Additionally, a semi-annual report to the Management and Supervisory Boards on progress against the decarbonization commitment is in place.

› **Refer to "Our sustainability governance" in the "Sustainability statement" section of this report for more information about UBS sustainability governance**

## Risk management

The UBS sustainability and climate risk policy framework included in the "Managing sustainability and climate risks" section of this report, is also embedded in the UBS Europe SE risk control framework.

The SCR initiative follows a multi-year roadmap across our firm's business divisions and legal entities, and hence also covers UBS Europe SE. It is designed to integrate sustainability and climate risk considerations into our firm's various traditional financial risk management frameworks, and related policies and processes. This is necessary to meet expectations regarding the management of sustainability and climate risks and to deliver on climate stress testing exercises. There will be continuous enhancement of the sustainability and climate risk management framework as additional capabilities and enhanced data become available.

› **Refer to "Managing sustainability and climate risks" in this section and the sustainability and climate risk policy framework, available at *ubs.com/sustainability-reporting*, for further details on the implementation plans to integrate sustainability and climate risk into other risk categories as well as progress to date**

Climate scenario analysis is part of UBS Europe SE's stress testing framework. Climate scenario analysis allows the assessment of transition and physical risks across different severities of climate change and time horizons. UBS Europe SE leverages corresponding risk models for major risk types including credit, market, liquidity, business and non-financial risks.

Generally, the material residual risk categories are capitalized within the internal capital adequacy assessment process (ICAAP). Therefore, the potential impact of sustainability and climate risk on non-financial risks and reputational risk is considered in both ICAAP perspectives.

- **Refer to "Managing sustainability and climate risks" in this section and in particular to the sections "Risk identification and measurement" and "Climate-related risk methodologies and scenarios" for further information on climate scenario analysis.**

## Metrics and targets

Regarding metrics, UBS Europe SE's exposure to carbon-related assets and climate risk (both physical and transition risk) as well as nature-related risk is disclosed below. Additional information on climate risk and also information on UBS AG and UBS Europe SE pursuant to Art. 8 of the EU Taxonomy Regulation is disclosed in the below referred sections.

- **Refer to "Managing sustainability and climate risks" in this section for the "Risk management – climate-related metrics" table**
- **Refer to the "Sustainability and climate risk policy framework", available at *ubs.com/sustainability-reporting*, for more information about the sustainability and climate risk assessments table**
- **Refer to "Information pursuant to Art. 8 of the EU Taxonomy Regulation" in the "Sustainability statement" section of this report**

In relation to the decarbonization commitment and associated aspirations and targets, UBS Europe SE, as part of the UBS Group, works with a long-term focus on providing appropriate returns to our stakeholders in a responsible manner. UBS is committed to providing transparent aspirations, goals and targets and reporting on the progress made against them.

- **Refer to "Environmental information" in this section for detailed information on financed emissions and targets**
- **Refer to "Environmental information" in this section for more information about financed emissions methodologies (with UBS Europe SE fully embedded in these)**

Regarding financed emissions, UBS Europe SE has low exposure to the specified sectors defined by the Group. For the reporting period, the exposure within the scope of UBS Europe SE to decarbonization targets is concentrated in two single positions related to the power generation sector, which are being tracked at the Group level. In relation to exposure to the residential real estate sector, the mortgages portfolio is very limited, and it is not an active business; its situation in relation to the decarbonization commitment is in line with the Group targets.

The following sections explain the methodologies used by UBS Europe SE to assess the impact that transition risk, physical risk and environmental / nature-related risk have on the risk profile and business model of the legal entity.

- **Refer to "Managing sustainability and climate risks" in this section, in particular the transition and physical risks sections and "Risk identification and measurement", as well as "Climate-related risk methodologies and scenarios" for more information**

The nature-related risk metric provides a snapshot of UBS's exposure to economic sectors rated as nature sensitive. This metric is defined as the maximum (worst-case) rating of either that sector's dependency on the environment or impacts to the environment. As a result, lending exposure data is categorized by risk ratings based on the current state of the world.

UBS Europe SE climate transition and physical risks exposures and nature-related risk exposures are shown below. In 2024, the exposure to carbon-related assets, transition risk and nature-related risk has increased due to addition of real estate exposure from the Credit Suisse integration. The increase in climate-driven transition risk, traded product and issuer risk is on account of a methodology change of services and technology sector, where certain business activities are rated as sensitive due to increased use of artificial intelligence (AI) and data center operations requiring higher use of energy.

## Risk management – Climate- and nature-related metrics

| | For the year ended | |
|---|---|---|
| | 31.12.24 | 31.12.23 |
| **Climate- and nature-related metrics for UBS Europe SE (standalone) (USD m)[1, 2]** | | |
| *Carbon-related assets[3, 4, 5, 6]* | *24.9* | *6.3* |
| *Total exposure to climate-sensitive sectors, transition risk[3, 5, 6, 7]* | *25.2* | *9.4* |
| *Exposure to climate-sensitive sectors, transition risk: Traded products[6, 7, 8]* | *92.9* | *1.3* |
| *Exposure to climate-sensitive sectors, transition risk: Issuer risk[6, 7, 9]* | *96.5* | *4.4* |
| *Total exposure to climate-sensitive sectors, physical risk[3, 5, 6, 7]* | *24.3* | *21.2* |
| *Exposure to climate-sensitive sectors, physical risk: Traded products[6, 7, 8]* | *237.3* | *436.6* |
| *Exposure to climate-sensitive sectors, physical risk: Issuer risk[6, 7, 9]* | *54.4* | *225.4* |
| *Total exposure to nature-related risks[3, 5, 7]* | *24.8* | *7.3* |
| *Exposure to nature-related risks: Traded products[7, 8]* | *11.0* | *30.4* |
| *Exposure to nature-related risks: Issuer risk[7, 9]* | *2.7* | *3.8* |

1 Methodologies for assessing climate- and nature-related risks are emerging and may change over time. As the methodologies, tools and data availability improve, we will further develop our risk identification and measurement approaches. Lombard lending rating is assigned based on the average riskiness of collateral. 2 UBS continues to collaborate to resolve methodological and industry data challenges, and seeks to integrate both impacts to and dependencies on a changing natural and climatic environment, in how UBS evaluates its risks and opportunities. 3 Banking Products metrics for 2023 are recalculated and restated based on the 2024 methodology for comparison purpose. 4 As defined by the Task Force on Climate-related Financial Disclosures (the TCFD), in its expanded definition published in 2021, UBS defines carbon-related assets through industry-identifying attributes of the firm's banking book. UBS further includes the four non-financial sectors addressed by the TCFD, including, but not limited to, fossil fuel extraction, carbon-based power generation, transportation (air, sea, rail, and auto manufacture), metals production and mining, manufacturing industries, real estate development, chemicals, petrochemicals, and pharmaceuticals, building and construction materials and activities, forestry, agriculture, fishing, food and beverage production, including trading companies that may trade any of the above (e.g. oil trading or agricultural commodity trading companies). This metric is agnostic of risk rating, and therefore may include exposures of companies that may be already transitioning or adapting their business models to climate risks, unlike UBS climate-sensitive sectors methodology, which takes a risk-based approach to defining material exposure to climate impacts. 5 Gross lending exposure consists of total on balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss). 6 As transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of model for identified use cases and associated enhancements. As a consequence, restatement of reported metrics may be required. 7 Climate- and nature-related risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high, and high. The climate- and nature-sensitive exposure metrics are determined based upon the top three of the five rated categories i.e. moderate to high. 8 For traded products, the metric is calculated using over-the-counter (OTC) derivatives, exchange-traded derivatives (ETDs) and securities financing transactions (SFTs), consisting of securities borrowing and lending, and repurchase and reverse repurchase agreements. 9 For issuer risk, the metric is calculated upon HQLA assets, debt securities, bonds, liquidity buffer securities.

The table below presents the risk exposures by sector across climate- and nature-related risks. It first shows total exposure to each sector, followed by share of sensitive risk exposure for each risk type.

### Climate- and nature-related risk exposures by sector for UBS Europe SE (standalone)[1, 2, 3, 4, 5, 6]

| | | Transition risk | Physical risk | Nature-related risk[7] |
|---|---|---|---|---|
| Sector / Subsector | 2024 exposure (USD m) | 2024 transition risk climate-sensitive exposure (USD m)[3] | 2024 physical risk climate-sensitive exposure (USD m)[3] | 2024 nature-related risk exposure (USD m) |
| **Agriculture** | | | | |
| Agriculture, fishing and forestry | 1.32 | 0.00 | 1.31 | 1.26 |
| Food and beverage | 1.54 | 1.54 | 0.79 | 0.01 |
| **Financial services** | | | | |
| Financial services | 247.59 | 0.00 | 0.01 | 0.00 |
| **Industrials** | | | | |
| Electronics manufacture | 0.05 | 0.05 | 0.00 | 0.00 |
| Goods and apparel manufacture | 1.15 | 1.15 | 0.00 | 1.15 |
| Machinery manufacturing | 0.83 | 0.83 | 0.00 | 0.83 |
| **Private lending** | | | | |
| Lombard | 8,041.92 | 0.00 | 0.00 | 0.00 |
| **Real estate** | | | | |
| Development and management | 20.41 | 20.41 | 0.00 | 20.41 |
| Private clients with mortgages[8] | 315.24 | 0.00 | 0.00 | 0.00 |
| **Services and technology** | | | | |
| Services and technology | 85.63 | 0.13 | 22.17 | 0.00 |
| **Utilities** | | | | |
| Power generation | 1.13 | 1.13 | 0.00 | 1.13 |
| **Not classified[9]** | 185.82 | 0.00 | 0.00 | 0.00 |
| **Grand Total** | 8,902.62 | 25.25 | 24.29 | 24.78 |

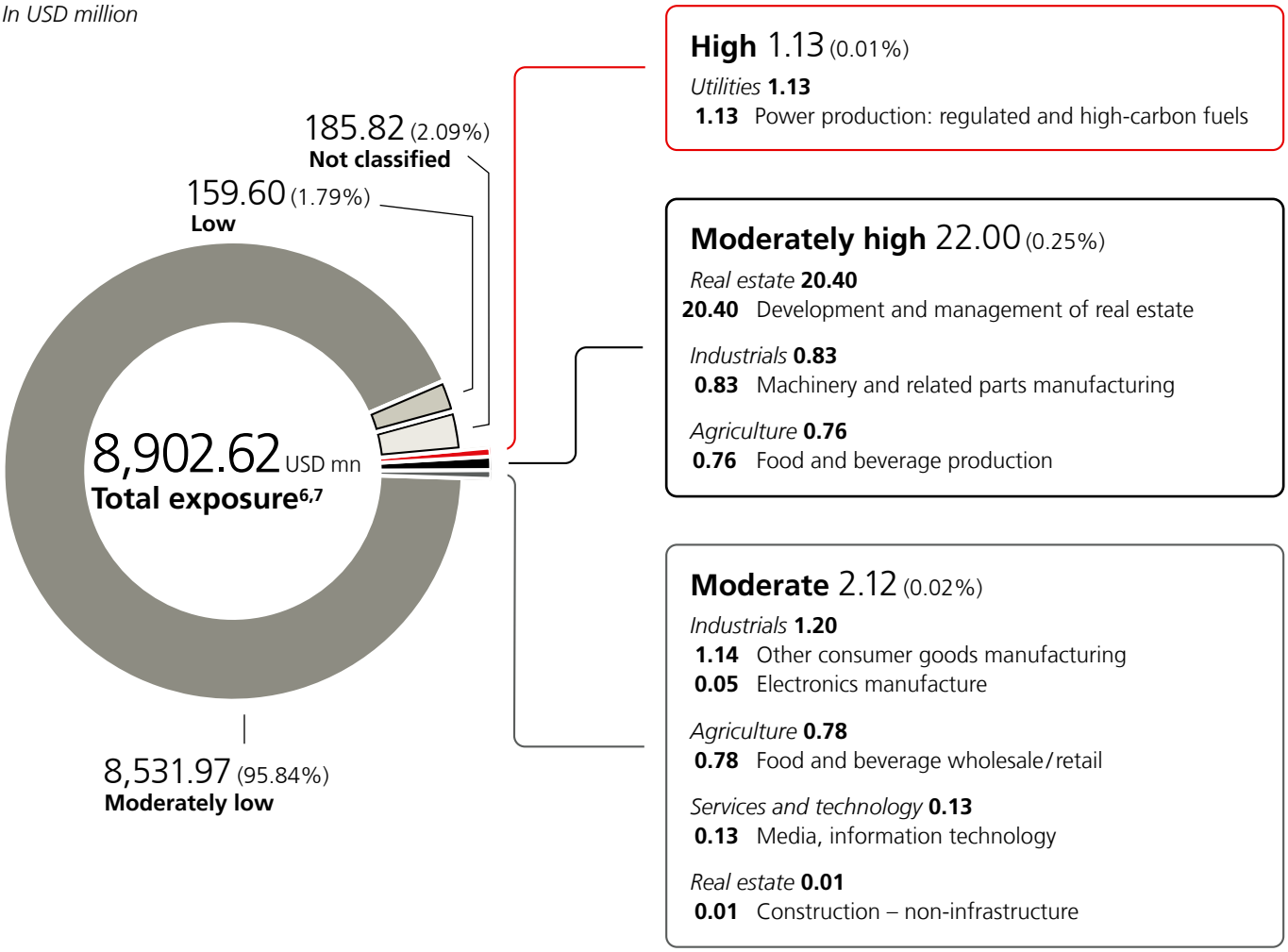
1 Methodologies for assessing climate- and nature-related risks are emerging and may change over time. As the methodologies, tools and data availability improve, we will further develop our risk identification and measurement approaches. Lombard lending rating is assigned based on the average riskiness of loans. 2 Gross lending exposure consists of total on balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on standalone IFRS numbers. 3 UBS continues to collaborate to resolve methodological and industry data challenges, and seeks to integrate both impacts to and dependencies on a changing natural and climatic environment, into how UBS evaluates its risks and opportunities. 4 Climate- and nature-related risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high, and high. The climate- or nature-sensitive exposure metrics are determined based upon the top three of the five rated categories i.e. moderate to high. 5 Over the last year, the UBS Group continued its effort to integrate Credit Suisse systems and data. As a result, metric calculation process benefits from data enhancement even when methodology remains same year on year. At the same time, integration work is ongoing and expected to bring in further data alignment in future, which may require restatement of reported metrics. 6 As transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of model for identified use cases and associated enhancements. As a consequence, restatement of reported metric may be required. 7 Nature-related risk metric methodology has been further strategically enhanced, with updates carried out internally by UBS. 8 The real estate segments have been aligned with the expected credit loss segments UBS applies under IFRS. Real estate financing includes rental or income-producing real estate financing to private and corporate clients secured by real estate. Private clients with mortgages include lending to private clients secured by owner-occupied real estate and personal account overdrafts of those clients. 9 Not classified represents the portion of UBS's business activities where methodologies and data are not yet able to provide a rating.

## Transition risk

The transition risk heatmap below shows that at year-end 2024, the majority of UBS Europe SE exposure is rated as moderately low (95.84%), whereas the climate-sensitive exposure of total gross lending exposure is immaterial (0.28%). The majority of the climate-sensitive exposure is concentrated mainly in the real estate sector.

**Climate-driven transition risk profile chart for UBS Europe SE[1,2,3,4,5]**

*In USD million*



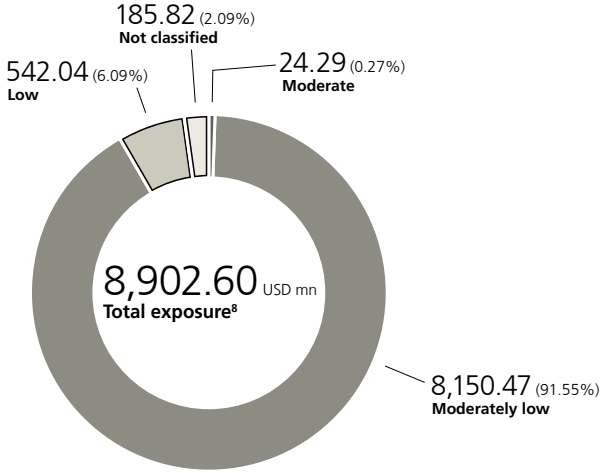

1 Gross lending exposure consists of total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on standalone IFRS numbers. 2 UBS continues to collaborate to resolve methodological and data challenges, and seeks to integrate both impacts to and dependency on a changing natural and climatic environment into how it evaluates risks and opportunities. 3 Climate- and nature-related risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high and high. The climate- or nature-sensitive exposure metrics are determined based on the top three of the five rated categories i.e. moderate to high 4 Methodologies for assessing climate- and nature-related risks are emerging and may change over time. As the methodologies, tools and data availability improve, we will further develop our risk identification and measurement approaches. The Lombard lending rating is assigned based on the average riskiness of collateral. 5 As the transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of the model for identified use cases and associated enhancements. 6 The real estate segments have been aligned with the expected credit loss segments UBS applies under IFRS. Real estate financing includes rental or income-producing real estate financing to private and corporate clients secured by real estate. Private clients with mortgages include lending to private clients secured by owner-occupied real estate and personal account overdrafts of those clients. 7 Not classified represents the portion of UBS's business activities where methodologies and data are not yet able to provide a rating.

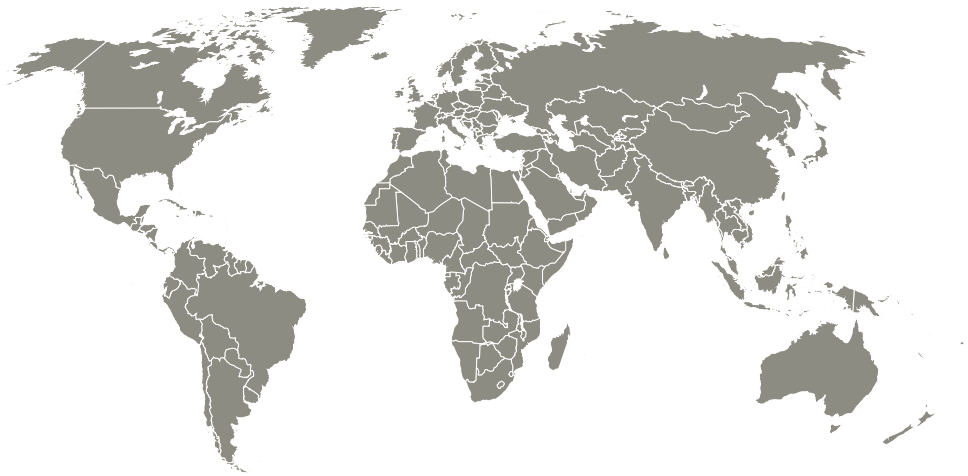
## Physical risk

The physical risk heatmap below shows that at year-end 2024, the majority of UBS Europe SE exposure is rated at moderately low (91.55%) , whereas the climate-sensitive exposure of total gross lending exposure is immaterial (0.27%).

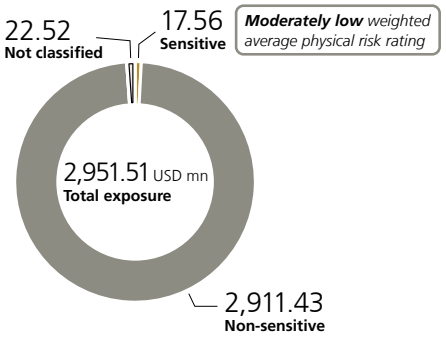
**Climate-driven physical risk profile chart for UBS Europe SE[1,2,3,4,5,6,7]**

*In USD million*

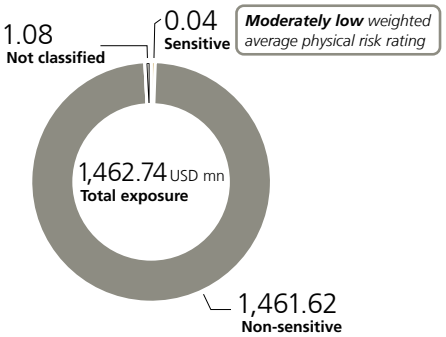


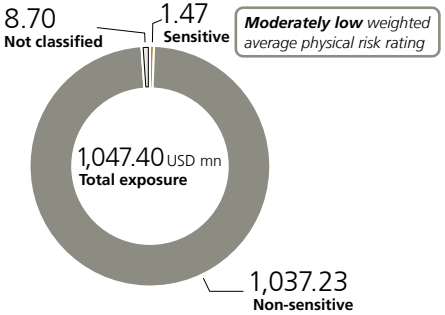
**France**



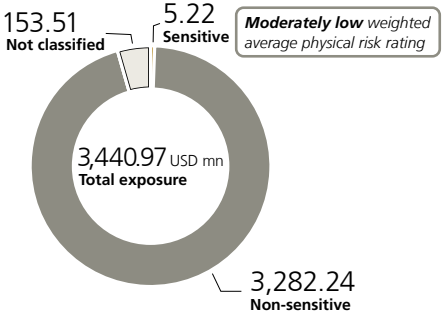

**Germany**




**Italy**




**Others**




**Regional exposure breakdown**

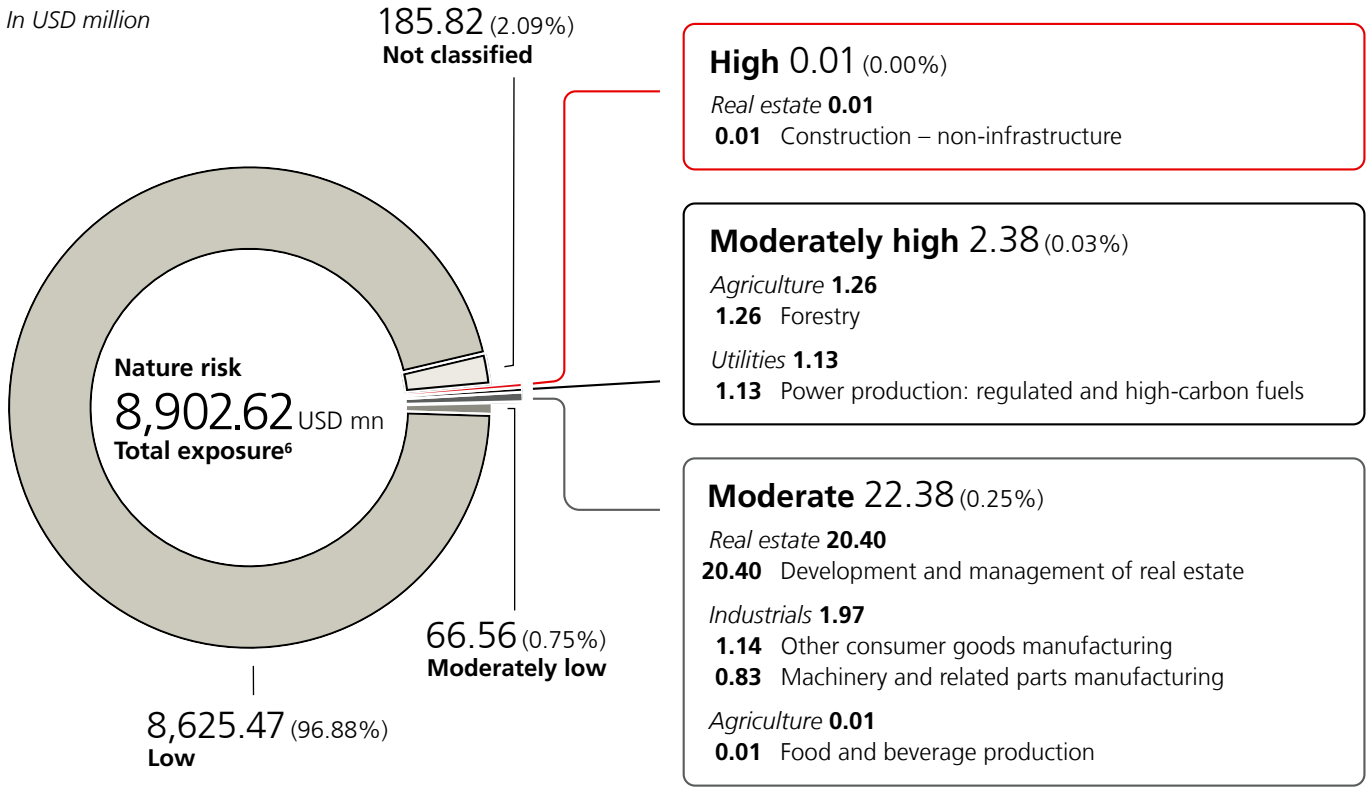
| | Americas | Asia Pacific | EMEA | Switzerland[9] | Others[10] |
|---|---|---|---|---|---|
| **Sensitive** | 3.07 | — | 21.22 | — | — |
| **Non-sensitive** | 931.19 | 8.36 | 7,377.31 | 222.12 | 153.55 |
| **Not classified** | 2.89 | 0.32 | 54.33 | 18.32 | 109.95 |

1 Gross lending exposure consists of total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on standalone IFRS numbers. 2 UBS continues to collaborate to resolve methodological and data challenges, and seeks to integrate both impacts to and dependency on a changing natural and climatic environment into how it evaluates risks and opportunities. 3 Climate- and nature-related risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high and high. The climate- or nature-sensitive exposure metrics are determined based on the top three of the five rated categories i.e. moderate to high. 4 Methodologies for assessing climate- and nature-related risks are emerging and may change over time. As the methodologies, tools and data availability improve, we will further develop our risk identification and measurement approaches. The Lombard lending rating is assigned based on the average riskiness of collateral. 5 The world map is colour-coded to reflect the exposure-weighted average physical risk rating of a given region. 6 Countries are grouped into regions according to the UBS Country and Region Data Standard. Key contributing countries to UBS Europe SE exposure are illustrated in country-specific donut charts. 7 As the transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of model for the identified use cases and associated enhancements. 8 Not classified represents the portion of UBS's business activities where methodologies and data are not yet able to provide a rating. 9 The Switzerland region includes a trivial exposure (<1%) booked in Liechtenstein. 10 "Others" region includes exposure to countries not available, global funds and multilateral institutions.

## Nature-related risk

The nature-related risk heatmap below shows that at year-end 2024, the majority of UBS Europe SE exposure is rated as low (96.88%), whereas the nature-sensitive sectors exposure is immaterial (0.28%).

**Nature-related risk profile chart for UBS Europe SE[1,2,3,4,5]**




1 Gross lending exposure consists of total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on standalone IFRS numbers. 2 UBS continues to collaborate to resolve methodological and data challenges, and seeks to integrate both impacts to and dependency on a changing natural and climatic environment into how it evaluates risks and opportunities. 3 Climate- and nature-related risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high and high. The climate- or nature-sensitive exposure metrics are determined based on the top three of the five rated categories i.e. moderate to high. 4 The nature-related risk metric methodology has been further strategically enhanced, with updates carried out internally by UBS. 5 Methodologies for assessing climate- and nature-related risks are emerging and may change over time. As the methodologies, tools and data availability improve, we will further develop our risk identification and measurement approaches. The Lombard lending rating is assigned based on the average riskiness of collateral. 6 Not classified represents the portion of UBS's business activities where methodologies and data are not yet able to provide a rating.

## Basis of preparation – UBS Europe SE climate- and nature-related metrics

The basis of preparation provides information on the definition, scope, methodology and assumptions used to calculate and report 2024 metrics that UBS discloses. Each metric is prepared in accordance with an internal procedure that specifies processes, reporting systems, data sourcing, roles and responsibilities, methodologies and controls. The design of these metrics considers prevailing reporting frameworks and industry best practices. UBS regularly reviews the metrics that are disclosed and may make updates or changes in line with its business priorities, regulatory requirements, industry standards and market practices.

| **Theme** | **Sustainability and climate risk** |
|---|---|
| **Metric(s)** | Carbon-related assets (USD m) |
| **Legal entity** | UBS Europe SE (standalone) |
| **Definition and method** | Carbon-related assets are defined as concentrations of credit exposure to assets tied to the four non-financial groups as defined by the Task Force on Climate-related Financial Disclosures (TCFD) (using Global Industry Classification Standard, GICS). These four groups are: (i) energy; (ii) transportation; (iii) materials and buildings; and (iv) agriculture, food and forest products. Recognizing that the term carbon-related assets is currently not well defined, the TCFD encourages banks to use a consistent definition to support comparability.<br>The metric is calculated for UBS Europe SE (standalone) on the total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on standalone IFRS numbers.<br>The carbon-related assets metric is the total exposure of assets in the four non-financial groups as defined by the TCFD in its expanded definition published in 2021. UBS defines carbon-related assets through industry-identifying attributes of the firm's banking book. It also includes the four non-financial sectors addressed by the TCFD, including but not limited to, fossil fuel extraction, carbon-based power generation, transportation (air, sea, rail and auto manufacture), metals production and mining, manufacturing industries, real estate development, chemicals, petrochemicals, and pharmaceuticals, building and construction materials and activities, forestry, agriculture, fishing and food and beverage production, also including trading companies that may trade any of the above (e.g. oil trading or agricultural commodity trading companies). This metric is agnostic of risk rating, and therefore may include exposures of companies that may be already transitioning or adapting their business models to climate risks, unlike UBS climate-sensitive sectors methodology, which takes a risk-based approach to defining material exposure to climate impacts. Economic sectors are classified according to the Group Industry Code 2.0 (GIC2.0) which comprises a hierarchical structure, and further dissected using the heatmap segmentation. Internal UBS GIC2.0 sectors / subsectors are utilized. |

| **Theme** | **Sustainability and climate risk** |
|---|---|
| **Metric(s)** | Total exposure to climate-sensitive sectors, transition risk (USD m) |
| **Legal entity** | UBS Europe SE (standalone) |
| **Definition and method** | Sustainability and climate risks may manifest as credit, market, liquidity and / or non-financial risks for UBS, resulting in potential adverse financial, liability and / or reputational impacts. These risks extend to the value of investments and may also affect the value of collateral (e.g. real estate).<br>Climate risks can arise from efforts to mitigate climate change (transition risks). Transition risks from efforts to address a changing climate may contribute to a structural change across economies and can consequently affect banks and the stability of the broader financial sector through financial and non-financial impacts.<br>The metric is calculated for UBS Europe SE (standalone) for banking products, traded products and issuer risk.<br>For banking products, the metric is calculated on total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on standalone IFRS numbers.<br>For traded products, the metric is calculated on over-the-counter (OTC) derivatives, exchange-traded derivatives (ETDs) and securities financing transactions (SFTs), consisting of securities borrowing and lending, and repurchase and reverse repurchase agreements.<br>Issuer risk, also known as tradable single name exposures, refers to the price and other risks resulting from changes in the financial condition of a specific issuer that cannot be attributed to general market risk. For issuer risk, the metric is calculated on HQLA assets, debt securities, bonds and liquidity buffer securities.<br>In 2024, UBS launched a transition risk rating model (TR RM), designed to provide a company-level rating of transition risk, where input data is available. The model methodology mainly relies on two inputs: the output of the transition risk heatmap (TR HM), which is based on the counterparty's sectoral classification and country group, and the Company Transition Assessment Scorecard (CTAS). CTAS is an internal UBS tool that provides sector-agnostic assessment of companies, categorizes large, listed companies based on the data collected from external providers and summarizes them into a category that is indicative of each firm's stance towards net-zero alignment. In the TR RM, the counterparty's TR HM rating is adjusted based on the distance between the net-zero stance of a company and that of its group's median via the CTAS. Whenever CTAS does not provide an assessment for a company, the model relies exclusively on the TR HM. The coverage of TR RM depends on CTAS, which in turn, depends on the data collected from external providers. Once data is available for a wider set of companies, the coverage of TR RM is expected to improve.<br>The TR HM methodology is based upon a risk segmentation process, first dividing financing types and then rating economic sectors and sub-industry segments that share similar climate-risk vulnerability characteristics. Climate transition risk scores and ratings are assigned to sectors and segments according to their vulnerability to (i) climate policy, (ii) low-carbon technology risks, and (iii) revenue or demand shifts under an immediate, ambitious, and disorderly approach to meeting the well-below-2°C Paris Agreement goal. The risk ratings can be used to support the identification of potential climate-sensitive concentrations and further analysis. The ratings in the heatmap reflect the levels of risk that would likely occur under an ambitious transition (in the short term, 0–3 years) and disorderly with respect to diversification of policy stringency across developing and industrialized countries. The countries are classified as either industrialized countries ("IC") or emerging markets countries ("EM"), as per UBS country risk policy.<br>UBS derived the methodological approach for the transition risk assessment from an active collaboration with the United Nations Environment Programme Finance Initiative (UNEP-FI) and Oliver Wyman. Assessments are derived as part of the 2018–2022 collaboration with the UNEP-FI based on Integrated Assessment Modelling Consortium (the IAMC) scenario information along with academic research supporting risk rating analysis. The collaboration included development of the initial TR HM methodology. Since the original version, UBS has further established the ratings and risk segmentation process in-house, reflecting changes in risk profile on the ground, evolving in-house views on climate risk materiality, and UBS's own business footprint. |

| | |
|---|---|
| | The TR HM provides transition risk ratings based on both the country of risk domicile and internal UBS industry classification Group Industry Code 2.0 (GIC2.0), while the TR RM provides company-level ratings. Both the TR HM and the TR RM rely on a five -point |

| | |
|---|---|
| | rating scale: low, moderately low, moderate, moderately high, high and moderately high. Climate sensitive sectors and subsectors are defined as those business activities that are rated as having high, moderately high, or moderate vulnerability to transition risks.<br>UBS lending exposure is then mapped to the counterparty-level rating (TR RM), or else, when counterparty-specific input data is missing or data quality is not sufficient, the transition risk ratings from TR HM are used as fallback based on the counterparty's country of risk domicile and sector classification (GIC2.0). The exposures that are not mapped due to the absence of counterparty-level ratings and sector / country-based risk ratings are treated as "not classified".<br>Additionally, to increase the granularity of risk ratings and coverage for key financial institutions and corporate clients booked in specific legal entities, a bespoke company-level assessment is carried out. The assessment is done outside of TR RM; however, the rating is combined with the TR RM output in a final unified output table.<br>Lombard lending is assigned an overall rating based on the average riskiness of the collaterals that are posted backing the loans, applying the heatmap methodology to the issuer of the collaterals, and on an internal adverse scenario analysis (yielding an overall moderately low-risk rating).<br>For real estate financing and private clients with mortgages, an expert-based overall rating is assigned based on internal analyses of UBS real estate portfolios. Additionally, real estate financing to corporate clients is assigned the worst of the portfolio rating and the client rating as per TR HM. |

| **Theme** | **Sustainability and climate risk** |
|---|---|
| **Metric(s)** | Total exposure to climate-sensitive sectors, physical risk (USD m) |
| **Legal entity** | UBS Europe SE (standalone) |
| **Definition and method** | Sustainability and climate risks may manifest as credit, market, liquidity and / or non-financial risks for UBS, resulting in potential adverse financial, liability and / or reputational impacts. These risks extend to the value of investments and may also affect the value of collateral (e.g. real estate). Climate risks can arise from changing climate conditions (physical risks). Physical risks from a changing climate may contribute to a structural change across economies and can consequently affect banks and the stability of the broader financial sector through financial and non-financial impacts.<br>The metric is calculated for UBS Europe SE (standalone) for banking products, traded products, and issuer risk.<br>For banking products, the metric is calculated on total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on standalone IFRS numbers.<br>For traded products, the metric is calculated on over-the-counter (OTC) derivatives, exchange-traded derivatives (ETDs) and securities financing transactions (SFTs), consisting of securities borrowing and lending, and repurchase and reverse repurchase agreements.<br>Issuer risk, also known as Tradable Single Name Exposures, refers to the price and other risks resulting from changes in the financial condition of a specific issuer that cannot be attributed to general market risk. For issuer risk, the metric is calculated on HQLA assets, debt securities, bonds and liquidity buffer securities.<br>In 2024, UBS developed a physical risk rating model (PR RM) that is aligned with the physical risk heatmap model (PR HM) and provides the rating at a company-level when its asset-level data is available. Both the PR RM and the PR HM consider company type, and neither the existence or the type of collateral, nor the type of relationship the bank has with the company are factored in. The PR HM has a broader scope of application compared to the PR RM. The PR HM applies an aggregation logic to generate ratings for all companies in relevant sector-country combinations, providing average estimates, while the PR RM provides a company-level rating when its asset-level data has information on the associated climate physical risk. The developed physical risk heatmap methodology will be validated for the corporate entities in real estate financing and in Global Wealth Management for non-Lombard loans and unsecured lending in due course.<br>The PR RM and PR HM measure how four acute physical risk hazards (wildfires, heatwave, floods, and tropical cyclones) may drive current physical risk of UBS counterparties.<br>The physical risk is measured by a score calculated by combining a physical risk exposure metric derived from asset-level data, sourced from ESG data vendors. The PR HM isolates assets falling under the same sector and location (country of risk domicile) to calculate a sector-country level physical risk score for each of the four hazards. Due to data limitations from our vendor feed, for some sector-country combinations such representative population is not large enough to infer reliable metrics. In these cases, increasingly wider geographies are considered until reliability is minimally ensured. To account for data concentrations, a penalization factor is applied to sector-country exposure scores. The hazard specific physical exposure scores are further amplified / mitigated by considering the level to which each sector is vulnerable / resilient to a particular hazard. At this step, multiple risk transmission channels are taken into account. Specific to the PR RM, sufficient geographic diversification of a counterparty's assets acts as a mitigant of the physical risk exposure scores.<br>At the final stage, exposure scores are aggregated across transmission channels and hazards to derive a single physical rating score. The score is mapped to a five-point rating scale: low, moderately low, moderate, moderately high, high. Climate-sensitive sectors are defined as those business activities that are rated as having high, moderately high or moderate vulnerability to physical risk.<br>UBS lending exposure is then mapped to the counterparty-level rating (PR RM), or else, when counterparty-specific asset data is missing or data quality is not sufficient in our vendor feed, the physical risk ratings from PR HM are used as fallback based on the counterparty's country of risk domicile and sector classification. The exposures that are not mapped due to absence of counterparty-level rating and sector / country-based risk rating are treated as "not classified". To drive the top-down classification of risk, the internal UBS Group Industry Code 2.0 (GIC2.0) is used to classify economic sectors in a hierarchical structure.<br>For real estate financing and private clients with mortgages, an expert-based overall rating is assigned based on internal analyses of UBS real estate portfolios, with a focus on flooding risk in Switzerland. Additionally, real estate financing to corporate clients is assigned the worst of the portfolio rating and the client rating as per PR HM.<br>Lombard lending is assigned an overall rating based on the average riskiness of the collaterals that are posted backing the loans, applying the heatmap methodology to the issuer of the collaterals, and on an internal adverse scenario analysis (yielding an overall moderately low-risk rating). |

| Theme | Sustainability and climate risk |
|---|---|
| Metric(s) | Total exposure to nature-related risks (USD m) |
| Legal entity | UBS Europe SE (standalone) |
| Definition and method | Sustainability and climate risks may manifest as credit, market, liquidity and / or non-financial risks for UBS, resulting in potential adverse financial, liability and / or reputational impacts. These risks extend to the value of investments and may also affect the value of collateral (e.g. real estate). Nature-related risks can arise from economic and human dependency upon ever-changing environmental conditions and / or how human activities (and economies) may adversely impact those very conditions, which we rely upon. A degrading environment, and its ecosystem services (like biodiversity, clean air, fresh water, and more) may contribute to a structural change across economies and consequently can affect banks and the stability of the broader financial sector through financial and non-financial impacts.<br>The metric is calculated for UBS Europe SE (standalone) for banking products, traded products, and issuers (issuer risk).<br>For banking products, the metric is calculated on total on-balance sheet loans and advances to customers and guarantees along with off-balance sheet irrevocable loan commitments (within the scope of expected credit loss) and is based on standalone IFRS numbers<br>For traded products, the metric is calculated using over the counter (OTC) derivatives, exchange-traded derivatives (ETDs) and securities financing transactions (SFTs), consisting of securities borrowing and lending, and repurchase and reverse repurchase agreements.<br>Issuer risk, also known as Tradable Single Name Exposures, refers to the price and other risks resulting from changes in the financial condition of a specific issuer that cannot be attributed to general market risk. For issuer risk, the metric is calculated based on HQLA assets, debt securities, bonds, liquidity buffer securities.<br>The nature-related risk metric provides a snapshot of UBS's exposure to economic sectors rated as nature sensitive. This metric is defined as the maximum (worst-case) rating of either that sector's dependency on the environment or impacts to the environment. As with climate-related risks, sensitive is defined as the top three ratings (high, moderately high, or moderately rated) on a five-point rating scale. Moderately low and low ratings are defined as non-sensitive.<br>The driving methodology is derived from the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) methodology (2018-2023).<br>ENCORE (2018-2023) is based on a four-tier system:<br>– Natural capital assets: defined as the most basic unit of the environment (e.g. geology, soil, air, water).<br>– Ecosystem services: assets combine to form services (i.e. air and trees combine to purify carbon dioxide and provide oxygen).<br>– Economic production processes: they are grouped into more classical economic sub-sectors.<br>– The scientifically informed ratings given by ENCORE on how production processes may impact and / or depend on ecosystem services.<br><br>UBS internal primary industry codes (Group Industry Code, GIC 2.0) are mapped to the ENCORE database through the link to Global Industry Classification Standard (GICS) codes provided by ENCORE. UBS maintains official bank-wide mapping of the external GICS to the internal GIC 2.0 database. This is one of the improvements to the nature-related risk heatmap in 2024 improving the quality of the mapping process.<br>The ratings for nature-related risk dependencies of a sector consider the potential (i) loss of functionality of a production process and (ii) financial loss, if for example the ecosystem service is disrupted. The ratings for nature-related impact consider how severe, quick and frequent a production process can disrupt ecosystem services or deplete natural capital stocks. Ratings (ranging from low to high) are based on integral scores (ranging from 0 to 5 for dependencies, 0 to 4 for impacts). For each production process, dependency values are summed across ecosystem services and impact values are summed across impact drivers, which gives two aggregated values per production process. These values are then normalized to 0-1 scores by setting the largest observed value (across production processes) to the maximum relative risk and the smallest observed value to the minimum relative risk and treating all others linearly. If more than one production process is associated with the sub-industry, the worst (highest risk, highest value) dependency score and the worst impact score are mapped to the sub-industry. The use of normalized scores for each production process is one of the key methodology updates in 2024. For each UBS GIC2.0 code, an overall nature-related risk rating is determined by taking the maximum score across dependency and impact. UBS lending exposure is then mapped to the nature-related risk heatmap based on the counterparty's GIC2.0. Exposures that are not mapped are treated as "not classified".<br>For real estate financing and private clients with mortgages, an expert-based rating is assigned based on internal analyses of UBS real estate portfolios. Additionally, real estate financing to corporate clients is assigned the worst of the portfolio rating and the client rating.<br>Lombard lending is assigned an overall rating based on the average riskiness of the collaterals that are posted backing the loans, applying the heatmap methodology to the issuer of the collaterals, and on an internal adverse scenario analysis (yielding an overall low-risk rating). |

# Climate-related risk methodologies and scenarios

This section provides an overview of our target approach to integrating climate-related risks into other risk categories, along with an overview of our scenario analysis and of the methodological approaches taken in developing our sustainability and climate risk analytics.

## UBS's target approach to integrating climate risk into risk management framework across risk categories

| Integration of climate risk: target approach | | | | | |
|---|---|---|---|---|---|
| Process | Credit risk | Market risk (traded and non-traded) | Non-financial risk (NFR) | Reputational risk | Liquidity risk |
| **Systematic integration of climate risk into the firm's risk identification processes and stress testing framework** | | | | | |
| **Risk identification and measurement** | UBS identifies and measures material concentrations of exposure to climate-related risk across sensitive geographies, sectors and counterparties.<br>Climate risk scenario analysis and stress testing enable UBS to assess risks along different climate-related pathways and time horizons up to 30 years, for an assessment of capital and risk-weighted asset (RWA). | UBS identifies new transmission channels of market risk impacts by assessing market-based responses to climate-related risk drivers.<br>This process involves monitoring potential impacts on the value of UBS's positions that may be materially affected by climate-related-risk-driven price and / or volatility shifts.<br>UBS deploys custom climate-related stress modeling to quantify potential losses from changes in market variables, such as interest rates, foreign exchange rates, credit spreads, equity and commodity prices, as well as correlations and volatility, etc. | NFR implications are assessed across compliance, financial crime and operational risk taxonomies, including business continuity risk, to enable UBS to identify potential deficiencies in internal processes or vulnerabilities to external events. | Clients, new transactions, products and services go through standard review and decision processes prior to UBS conducting business. These processes support the identification, assessment and escalation of potential reputational risk.<br>The design and operating effectiveness of the framework rely on including the sustainability and climate-related risk management processes. Examples include:<br>– client onboarding (financial crime prevention / anti-money laundering / know your customer);<br>– sustainability and climate risks;<br>– suitability and appropriateness review;<br>– new business and complex transaction approval processes; and<br>– third-party risk management and outsourcing and offshoring processes. | As part of the sustainability and climate risk initiative, we will continue to build out the climate-related risk identification process for liquidity risk.<br>We plan to assimilate insights gained from our efforts to quantify and integrate climate - related credit and market risks, to collectively determine how liquidity risks may be more accurately captured. We see the integration of climate risk into liquidity risk management (as with other climate risks) as an iterative process, improving the quality of data, analytics and insights over time. |
| **Execution of BoD- and GEB-defined risk appetite for sustainability and climate risks, based on identified material risks** | | | | | |
| **Monitoring and risk appetite setting** | Integration of (quantitative) climate-related risks into the firm's risk appetite framework, including, but not limited to, climate-related portfolio concentration limits (considering materiality thresholds). The process includes ongoing monitoring of potential emerging sources of credit risk related to climate-related risk. | Integration into market risk-monitoring processes, reflecting insights from risk identification and ongoing assessment of exposure to industry sectors, sovereign debt, commodity prices, foreign exchanges rates and interest rates.<br>This includes an assessment of potential material climate-sensitive exposure (to sectoral, geographic and / or asset type). | Monitoring and risk appetite setting based on BCBS principle alignment into existing NFR assessment and monitoring processes to explicitly contemplate sustainability and climate risks and support control mapping considerations to trigger standard NFR materiality determinations for related risk exposures when conducting taxonomy risk appetite statement assessments. | Our risk appetite framework ensures that risk-taking at every level of the firm is in line with our strategic priorities and capital and liquidity plans, and with our pillars, principles and behaviors.<br>The framework takes a comprehensive approach, integrating all material risks from across the firm.<br>Ongoing monitoring and surveillance activities and escalation processes are in place to protect UBS's franchise and reputation. | We aim to integrate material climate-related risks into the liquidity risk monitoring processes based on insights from risk identification and ongoing assessments of additional liquidity impacts from a climate-related risk perspective. |

| Integration of climate risk: target approach | | | | | |
|---|---|---|---|---|---|
| Process | Credit risk | Market risk (traded and non-traded) | Non-financial risk (NFR) | Reputational risk | Liquidity risk |
| Quantitative and qualitative integration of sustainability and climate risk principles into risk management frameworks and processes | | | | | |
| Risk management and control | Integrating climate-related risk considerations into the credit lifecycle, including onboarding, deal review, collateral valuation and periodic credit processes, enables UBS to mitigate the potential for climate-related credit losses.<br>Driven by proprietary methodologies (e.g. heatmaps, counterparty-level / issuer-level rating models) and qualitative or quantitative integration into risk metrics (e.g. probability of default) and decision-making.<br>Management and controls measures may include the setting of limits, portfolio management (e.g. hedges) and / or business acceptance criteria. | Climate-related considerations are integrated into market risk processes, which may result in enhancements to management systems and processes and challenges to existing risk control measures. | Embedding of ESG (environmental, social and governance) factors into NFR assessment and control frameworks, including enhancements to new business initiatives, client onboarding, oversight of marketing materials related to sustainability, business continuity planning adaptations and / or minimum product standards of sustainability characteristics. | Ongoing review of framework design and the operating effectiveness and ESG controls embedded in key processes, such as new business controls and suitability and appropriateness reviews, enables UBS to continuously evolve its reputational risk management capacity. | We aim to integrate identified material risks into our internal liquidity risk management framework. We recognize climate-related risk drivers may transmit to liquidity adequacy through our ability to raise funds and liquidate assets, or indirectly through our customers' demands for liquidity (e.g. given a market or physical climate shock). |
| Internal reporting and external disclosures on climate-related risk | | | | | |
| Timely reporting of material changes in climate-driven risk identification, quantification and monitoring, and in utilization of risk appetite and / or key risk management and control decisions. This includes integration of climate-related credit and market risk metrics (e.g. climate-driven delta risk or expected credit loss from climate-sensitive loans) in standard internal risk reports at the level of the Group, significant Group entities and / or business divisions.<br>A Group-consolidated view of all high-inherent-risk cases that have been raised through the reputational risk review process is integrated quarterly into the Group Risk Report.<br>Enhance automation of risk metrics into external disclosure processes, accompanied by materially relevant information on climate risk identification, monitoring (e.g. new transmission channels), exposure trends and mitigating actions. | | | | | |

Note: As climate risk analysis is a novel area of research, with methodologies, tools and data availability still evolving, we will continue to develop our risk identification and measurement approaches.

## Climate-related risk methodologies

We have developed climate-related risk methodologies, which rate cross-sectoral exposures to climate-related risk sensitivity on a scale from high to low. Following a risk segmentation approach, these methodologies define "climate-sensitive" exposures by aggregating the riskier three of five risk ratings (absolute, in USD) over the total lending exposure to customers (on- and off-balance sheet, percent). In general, our climate-related sector-level heatmaps and company-level climate risk rating models provide three key benefits in UBS risk management strategy, by helping with:

- risk identification and measurement: by identifying sectors and segments that are potentially vulnerable to the transmission channels of climate-driven financial and non-financial risks, which, in turn, enables resource prioritization for detailed bottom-up risk analysis;
- monitoring and risk appetite setting: by helping to monitor sustainability and climate risk exposures and to facilitate risk appetite setting for material risks;
- risk management and control: by helping to understand and monitor UBS's exposure to climate-related risks and which transmission channels may increase or augment the risk profile supporting a risk mitigating strategy; and
- risk reporting and disclosure: by providing decision-relevant information in internal reports to executive and board leadership and external disclosure to stakeholders.

| | Transition risk | Physical risk |
|---|---|---|
| Methodology (heatmap) | Originally developed in collaboration with UNEP-FI and Oliver Wyman, our expert-based transition risk ratings have been further refined in-house by UBS. These ratings and risk segmentation processes now reflect changes in risk profiles, evolving views on climate risk materiality, and UBS's business footprint. Sectors are assigned climate transition risk scores (0-1) and ratings (low to high). Geographic information and counterparties is captured by distinguishing between emerging and industrialized countries. As a result, lending exposure data is categorized by risk ratings, through their sectoral and country designation. | A score is calculated at sector / country level based on a geographically and economically representative physical asset population collected from vendor data. A hazard-specific exposure score is determined as an average, with a penalty applied for the variance of the population, which is augmented by channels that amplify / mitigate the risk at sector level. A final score is then obtained by aggregating across hazards. This score is ranged within a rating (low / moderately low / moderate / moderately high / high). As a result, lending exposure data is categorized by risk ratings, through their sectoral and country designation. |
| Methodology (rating models) | The model produces a counterparty-level assessment (on the same scale as described above) by adjusting the heatmap rating using data on a company's alignment to net-zero targets, captured via CTAS, where available. | The model generates firm-level physical risk scores by aggregating physical hazards and transmission channels, and applying suitable mitigants, when data on a representative number of assets is available for a company. This approach aligns with the physical risk heatmap methodology and provides a company-level rating based on asset-level data. |
| Timelines | Short-term (0–3 years) | Short-term (0–3 years) |
| Scenario | Ambitious and disorderly approach to meeting <2°C goals of the Paris Agreement | Current state of world |
| Interpretation | Reflect levels of risk and likelihood of financial impact and exposure based on the defined scenario. | Reflect level of risk and likelihood of financial impact and exposure based on a current state of world |
| Examples | At sector / country level:<br>High for most fossil fuel sectors; moderate for most transportation and industrial sectors. | At sector / country level:<br>Moderately high for some manufacturers in Southeast Asia (due to typhoons); moderately low for the same manufacturers in Switzerland (due to fluvial dynamics). |

Below table provides climate-driven transition and physical risk sensitive exposure for UBS AG (standalone), UBS Switzerland AG (standalone) and UBS Europe SE (standalone).

### Risk management – Climate-related metrics

| | For the year ended | |
|---|---|---|
| | 31.12.24 | 31.12.23 |
| **Climate-related metrics (USD bn)**[1, 2, 3, 4, 5] | | |
| *Exposure to climate-sensitive sectors, transition risk: Traded products, UBS AG (standalone)*[6] | *0.70* | *0.23* |
| *Exposure to climate-sensitive sectors, transition risk: Traded products, UBS Switzerland AG (standalone)*[6] | *1.27* | *0.66* |
| *Exposure to climate-sensitive sectors, transition risk: Traded products, UBS Europe SE (standalone)*[6] | *0.09* | *0.00* |
| *Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS AG (standalone)*[7] | *6.05* | *4.29* |
| *Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS Switzerland AG (standalone)*[7] | *0.25* | *0.00* |
| *Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS Europe SE (standalone)*[7] | *0.10* | *0.00* |
| *Exposure to climate-sensitive sectors, physical risk: Traded products, UBS AG (standalone)*[6] | *1.23* | *4.51* |
| *Exposure to climate-sensitive sectors, physical risk: Traded products, UBS Switzerland AG (standalone)*[6] | *0.21* | *1.08* |
| *Exposure to climate-sensitive sectors, physical risk: Traded products, UBS Europe SE (standalone)*[6] | *0.24* | *0.44* |
| *Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS AG (standalone)*[7] | *7.76* | *8.52* |
| *Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS Switzerland AG (standalone)*[7] | *0.40* | *0.84* |
| *Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS Europe SE (standalone)*[7] | *0.05* | *0.23* |

1 Methodologies for assessing climate-related risks are emerging and may change over time. As the methodologies, tools, and data availability improve, we will further develop our risk identification and measurement approaches. Lombard lending rating is assigned based on the average riskiness of collateral. 2 Over the last year, the UBS Group continued its effort to integrate Credit Suisse systems and data. As a result, the metric calculation process benefits from data enhancement even when methodology remains same year on year. At the same time, integration work is ongoing and expected to bring in further data alignment in future which may require restatement of reported metrics. 3 UBS continues to collaborate to resolve methodological and industry data challenges, and seeks to integrate both impacts to and dependencies on a changing natural and climatic environment, into how UBS evaluates its risks and opportunities. 4 Climate-related risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high, and high. The climate-sensitive exposure metrics are determined based upon the top three of the five rated categories i.e. moderate to high. 5 As the transition and physical risk rating models and physical risk heatmap are embedded further into the risk management framework, we may identify new use cases that could trigger validation of model for identified use cases and associated enhancements. As a consequence, restatement of reported metrics may be required. 6 For traded products, the metric is calculated using over-the-counter (OTC) derivatives, exchange-traded derivatives (ETDs) and securities financing transactions (SFTs), consisting of securities borrowing and lending, and repurchase and reverse repurchase agreements. 7 For issuer risk, the metric is calculated upon HQLA assets, debt securities, bonds, liquidity buffer securities.

## Scenario analysis

We have been using scenario-based approaches to assess our exposure to physical and transition risks stemming from climate change since 2014. The table below summarizes the scenarios used by UBS.

| Scenario name | Developed by | Temperature alignment | Type[3] | Carbon dioxide removal (CDR)[4] | Description (as provided by the developing organization) |
|---|---|---|---|---|---|
| Net Zero 2050 (2023) | NGFS | +1.5°C | Orderly | Moderate reliance | Net Zero 2050 is an ambitious scenario that limits global warming to 1.5°C, with stringent climate policies and innovation, reaching net-zero $CO_2$ emissions around 2050. Some jurisdictions, such as the US, the EU and Japan, reach net zero for all greenhouse gases by this point. This scenario assumes that ambitious climate policies are introduced immediately. CDR is used to accelerate decarbonization but is kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net $CO_2$ emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century, with no or low overshoot (< 0.1°C) of 1.5°C in earlier years. Physical risks are relatively low, but transition risks are high. |
| Delayed Transition (2023) | NGFS | +1.8°C | Disorderly | Low reliance | Delayed Transition assumes that global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. Negative emissions are limited. This scenario assumes that new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies, leading to a "fossil recovery" out of the economic crisis brought about by COVID-19. The availability of CDR technologies is assumed to be low, pushing carbon prices higher than in Net Zero 2050. As a result, emissions exceed the carbon budget temporarily and decline more rapidly than in well-below 2°C after 2030, to ensure a 67% chance of limiting global warming to below 2°C. This leads to both higher transition and physical risks than Net Zero 2050 and below 2°C scenarios. |
| Below 2°C (2023) | NGFS | +1.8°C | Orderly | Moderate reliance | Below 2°C gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C. This scenario assumes that climate policies are introduced immediately and become gradually more stringent, though not as high as in Net Zero 2050. CDR deployment is relatively low. Net-zero $CO_2$ emissions are achieved after 2070. Physical and transition risks are both relatively low. |
| Fragmented World (2023) | NGFS | +2.3 °C | Too little too late | Low–medium reliance | Fragmented World assumes a delayed and divergent climate policy response among countries globally, leading to high physical and transition risks. Countries with net-zero targets achieve them only partially (80% of the target), while the other countries follow current policies. |
| Current Policies (2023) | NGFS | +3.0°C | Hothouse world | Low reliance | Current Policies assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions increase until 2080, leading to about 3°C of warming and severe physical risks. This includes irreversible changes, such as higher sea levels. This scenario can help central banks and supervisors consider the long-term physical risks to the economy and financial system if we continue on our current path to a "hothouse world". |
| Nationally Determined Contributions (2023) | NGFS | ~2.5°C | Hothouse world | Low reliance | Nationally Determined Contributions (NDCs) includes all pledged policies, even if not yet implemented. This scenario assumes that the moderate and heterogeneous climate ambition reflected in the NDCs at the beginning of 2021 continues over the course of the 21st century (low transition risks). Emissions decline but lead nonetheless to about 2.5°C of warming associated with moderate to severe physical risks. Transition risks are relatively low. |
| Low Demand (2023) | NGFS | +1.5°C | Orderly | Moderate reliance | Low Demand assumes that significant behavioral changes – reducing energy demand – in addition to (shadow) carbon price and technology induced efforts, would mitigate pressure on the economic system to reach global net zero $CO_2$ emissions around 2050. |

# Information on non-financial disclosures

## Risk evaluation

Pursuant to the requirements of the German law implementing EU directive 2014/95 on non-financial disclosures (CSR-Richtlinie-Umsetzungsgesetz, or CSR-RUG), this section includes an evaluation of the risks that have a high probability of potential negative impacts upon the "aspects" covered by said law.

Developments in sustainability, climate, environmental and social standards and regulations may affect our business and impact our ability to fully realize our goals. We are subject to separate, and sometimes conflicting, ESG (environmental, social and governance) regulations and regulator expectations in the various jurisdictions in which UBS AG operates. For example, in certain jurisdictions, we are required to set diversity targets or other ESG-related goals that are considered illegal or contrary to regulatory expectations in other jurisdictions. In addition, with respect to decarbonization mandates, there is substantial uncertainty as to the scope of actions that may be required of us, governments and others to achieve the goals we have set, and many of our goals and objectives are only achievable with a combination of government and private action. National and international standards and expectations, industry and scientific practices, regulatory taxonomies, and disclosure obligations addressing these matters are relatively immature and are rapidly evolving. In addition, there are significant limitations in the data available to measure our climate and other goals. Although we have defined and disclosed our goals based on the standards existing at the time of disclosure, there can be no assurance (i) that the various ESG regulatory and disclosure regimes under which we operate will not come into conflict with one another, (ii) that the current standards will not be interpreted differently than our understanding or change in a manner that substantially increases the cost or effort for us to achieve such goals or (iii) that additional data or methods, whether voluntary or required by regulation, may substantially change our calculation of our goals and ambitions. It is possible that such goals may prove to be considerably more difficult or even impossible to achieve. The evolving standards may also require us to substantially change the stated goals and ambitions. If we are not able to achieve the goals we have set, or can only do so at significant expense to our business, we may fail to meet regulatory expectations, incur damage to our reputation or be exposed to an increased risk of litigation or other adverse action.

While ESG regulatory regimes and international standards are being developed, including to require consideration of ESG risks in investment decisions, some jurisdictions, notably in the US, have developed rules restricting the consideration of ESG factors in investment and business decisions. Under these anti-ESG rules, companies that are perceived as boycotting or discriminating against certain industries may be restricted from doing business with certain governmental entities. Our businesses may be adversely affected if we are considered as discriminating against companies based on ESG considerations, or if further anti-ESG rules are developed or broadened.

A major focus of US and other countries' governmental policies relating to financial institutions in recent years has been on fighting money laundering and terrorist financing. We are required to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of our clients under the laws of many of the countries in which we operate. We are also subject to laws and regulations related to corrupt and illegal payments to government officials by others, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. We have implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. Notwithstanding this, regulators have found deficiencies in the design and operation of anti-money-laundering programs in our US operations. We have undertaken a significant program to address these regulatory findings with the objective of fully meeting regulatory expectations for our programs. Failure to maintain and implement adequate programs to combat money laundering, terrorist financing or corruption, or any failure of our programs in these areas, could have serious consequences both from legal enforcement action and from damage to our reputation. Frequent changes in sanctions imposed and increasingly complex sanctions imposed on countries, entities and individuals, as exemplified by the breadth and scope of the sanctions imposed in relation to the war in Ukraine, increase our cost of monitoring and complying with sanctions requirements and increase the risk that we will not identify in a timely manner client activity that is subject to a sanction.

The financial services industry is characterized by intense competition, continuous innovation, restrictive, detailed and sometimes fragmented regulation and ongoing consolidation. We face competition at the level of local markets and individual business lines and from global financial institutions that are comparable to us in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. We expect these trends to continue and competition to increase. Our competitive strength and market position could be eroded if we are unable to identify market trends and developments, do not respond to such trends and developments by devising and implementing adequate business strategies, do not adequately develop or update our technology, including our digital channels and tools, or are unable to attract or retain the qualified people needed.

The amount and structure of our employee compensation is affected not only by our business results but also by competitive factors and regulatory considerations.

In response to the demands of various stakeholders, including regulatory authorities and shareholders, and in order to better align the interests of our staff with other stakeholders, we have increased average deferral periods for stock awards, expanded forfeiture provisions and, to a more limited extent, introduced clawback provisions for certain awards linked to business performance. We have also introduced individual caps on the proportion of fixed to variable pay for the members of the Group Executive Board (the GEB), as well as certain other employees. UBS will also be required to maintain and enforce provisions requiring UBS to recover from GEB members and certain other executives a portion of performance-based incentive compensation in the event that the UBS Group or another entity with securities listed on a US national securities exchange, is required to restate its financial statements as a result of a material error.

› **Refer to the "Risk factors" and "Risk management and control" sections of this report for more information**

# Key terms and definitions

### Sustainability
Commonly defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (United Nations (UN) Brundtland Commission, 1987). In this way, we sometimes refer to sustainability to imply a broader scope of resources that may be exhausted beyond those that impact climate change. Our ambition is to conduct business and operations without negatively impacting the environment, society or the economy as a whole and, through our sustainability disclosure, to be transparent about how we are pursuing this.

### ESG (Environmental, Social, Governance)
A framework to help stakeholders understand how an organization is managing risks and opportunities related to ESG criteria or factors. It is often used in the context of investing, but – beyond the investment community – clients, suppliers, and employees are also increasingly interested in how sustainable an organization's operations are.

### Sustainable finance
Sustainability focus: Strategies that have explicit sustainable intentions or objectives that drive the strategy. Underlying investments may contribute to positive sustainability outcomes through products / services / use of proceeds.

Impact investing: Investment strategies that have an explicit intention to generate measurable, verifiable, positive sustainability outcomes. Impact generated is attributable to investor action and / or contribution.

Green, social and sustainability loans and bonds are instruments made available exclusively to finance or re-finance, in whole or in part, new and / or existing eligible green and / or social projects that form part of a credible program from the borrower / issuer to improve their environmental and / or social footprint.

Sustainability-linked loans and bonds are any types of instruments that incentivize the borrower / issuer's achievement of ambitious, predetermined Sustainable Performance Targets (SPTs) that are measured using predefined sustainability KPIs.

### Low-carbon economy
Refers to a type of decarbonized economy that is based on low energy consumption and low levels of greenhouse gas (GHG) emissions:

Scope 1: accounts for GHG emissions by UBS.

Scope 2: accounts for indirect GHG emissions associated with the generation of imported / purchased electricity (grid average emission factor), heat or steam.

Scope 3: accounts for GHG emissions resulting from activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.

Net zero: refers to cutting GHG emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere.

GHG key vendor: a top GHG scope 3 emitter relative to UBS's overall scope 3 supply chain emissions and with which UBS has a long-term ongoing relationship.

### Sustainability disclosure
Task Force on Climate-related Financial Disclosures (TCFD): Provider of climate-related financial disclosure recommendations designed to help companies provide better information to support informed capital allocation.

### Materiality assessment
The TCFD requires companies to conduct a double materiality assessment that looks at both the inside-out impact the company has on the environment and the outside-in impact climate-related activities may have on the company performance.

# Information on UBS AG standalone and UBS Europe SE consolidated pursuant to Art. 8 of the EU Taxonomy Regulation

The European Commission has set out the EU taxonomy classification system through the adoption of the EU Taxonomy Regulation (the Regulation).[1] Article 8 of that Regulation requires entities that are subject to an obligation to publish non-financial information pursuant to Art. 19a or Art. 29a of Accounting Directive, as transposed, to provide information to investors about the environmental performance of economic activities associated with certain of their balance sheet and off-balance sheet exposures against the following environmental objectives:
– climate change mitigation;
– climate change adaptation;
– the sustainable use and protection of water and marine resources;
– the transition to a circular economy;
– pollution prevention and control; and
– the protection and restoration of biodiversity and ecosystems.

Under the Regulation, UBS AG and UBS Europe SE are required to provide information on the proportion of taxonomy-eligible exposures, and starting from 2023, on the proportion of taxonomy-aligned exposures for Climate change mitigation and Climate change *adaptation*, alongside other qualitative information. The EU taxonomy reporting is based on the prudential scope of consolidation, which for UBS AG is on a standalone basis (by virtue of the prudential scope of consolidation not being applicable to it) and for UBS Europe SE is on a consolidated basis. These disclosures have been prepared based on the requirements applicable to credit institutions, which reflects the principal business activity of both UBS AG at a standalone level and UBS Europe SE at a consolidated level, whereby neither meet the definition of a financial conglomerate as set out in Directive 2002/87/EC. Under the Regulation, credit institutions are required to report EU taxonomy key performance indicators (KPIs), to demonstrate the extent to which their in-scope exposures relate to environmentally sustainable economic activities, as defined by the Regulation.

Taxonomy-eligible activities are activities identified as being in scope for technical screening under the Regulation. Taxonomy-aligned activities represent the proportion of taxonomy-eligible activities that satisfy the requirements set out in the Regulation, meaning that they contribute substantially to defined environmental objectives, do not significantly harm any other environmental objectives and are carried out in compliance with certain minimum safeguards, to the extent these apply to credit institutions.

The green asset ratio (the GAR) is a KPI calculated as a proportion of EU taxonomy-aligned assets of total covered assets, whereby:
– the numerator is determined based on loans and advances, debt securities, equity instruments and repossessed collateral, and EU taxonomy KPIs reported by respective counterparties or issuers, or based on the information on the use of proceeds, if available; and
– the denominator is represented by total covered assets, which include total assets irrespective of whether the associated counterparty or issuer is subject to EU taxonomy reporting, excluding expected credit loss allowance reported under IFRS Accounting Standards – the denominator excludes financial assets held for trading and exposures to central banks, central governments and supranational issuers.

Credit institutions are required to calculate and disclose KPIs based on the turnover KPIs and, separately, the capital expenditure (CapEx) KPIs reported by counterparties and investees. Credit institutions are also required to calculate and disclose turnover-based and CapEx-based KPIs for off-balance sheet exposures, including financial guarantees issued, but excluding loan commitments, and assets under management (AuM). Consequently, all pre-defined templates, as set out on the following pages, are presented twice, leveraging information published by counterparties and investees on the proportion of their activities associated with environmentally sustainable economic activities, based on their turnover and CapEx.

*GAR KPI stock* is calculated on period-end exposures, and *GAR KPI flow* is calculated for new exposures during the reported period. Under the Regulation there is no requirement to report comparative information when reporting EU taxonomy KPIs, except for the "Assets for the calculation of the GAR" and "GAR KPI Stock" tables presented on following pages. *KPI Trading book portfolio* and *KPI on fees and commission income from services other than lending and asset management* are not required to be reported for the year ended 31 December 2024.

Because credit institutions are required to prepare their EU taxonomy disclosures based on the information obtained from counterparties, there is implicit dependency on quality of that information and the interpretations applied therein. With the ongoing implementation of the Regulation and the development of market practices, the availability and quality of relevant information is expected to improve. This may affect the basis of preparation and result in disclosures in future periods being refined.

### Limitations in implementation of the third Commission Notice[2]

In November 2024, the European Commission issued the finalized third Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation (the third Commission Notice), which contains guidance on a number of aspects of the Regulation. These disclosures have been prepared on a best-efforts basis after taking into consideration, to the extent practicable, the guidance provided in the third Commission Notice. Consequently, comparative information has not been restated to reflect the impact of revisions as a result of the implementation of the third Commission notice, except for the reclassification of derivatives classified as held for trading under IFRS Accounting Standards consistent with the third Commission Notice from the *Derivatives* line into the *Trading book* line in the "Assets for the calculation of the GAR" tables presented on the following pages, to enhance the understandability of the presented comparative information.

### Basis of preparation for EU taxonomy disclosures

In compliance with the Regulation, the classification and total gross carrying amounts of the assets of UBS AG standalone and UBS Europe SE consolidated presented in the tables below have been determined based on IFRS Accounting Standards and attributed to the taxonomy-eligible and taxonomy-aligned activities of relevant investees and counterparties.

Taxonomy-eligibility and taxonomy-alignment KPIs are required to be determined by financial institutions based on the actual information reported by counterparties and investees. More specifically, when the use of proceeds is not known, the taxonomy-eligibility and taxonomy-alignment KPIs presented below are determined based on the turnover and CapEx-based KPIs of non-financial counterparties and investees, and any applicable KPIs of financial counterparties and investees. Where the KPI of the counterparty or the investee is not available, the KPI of the closest reporting parent, where available, was used to assess the respective exposures as clarified by the third Commission Notice.

Entities are required to provide disclosures on the proportion of taxonomy-eligible economic activities pursuant to the non-climate-related environmental objectives *Water and marine resources*, *Circular economy, Pollution*, and *Biodiversity and ecosystems* from 1 January 2024, which for UBS AG and UBS Europe SE would be the reporting for the year ended 31 December 2023. As financial institutions report their EU taxonomy eligibility and alignment based on the KPIs reported by their counterparties, the effective date of 1 January 2024 for all reporting entities implies that generally no reported EU taxonomy-eligibility-related information was available to financial institutions to carry out the EU taxonomy eligibility assessment on the four non-climate-related environmental objectives in respect of non-financial counterparties in their first reporting period and in respect of the financial counterparties in their first and second reporting periods. EU taxonomy alignment reporting on the non-climate-related environmental objectives is required for non-financial undertakings from 1 January 2025 and for financial undertakings from 1 January 2026, which for UBS AG and UBS Europe SE would be for the year ended 31 December 2025. In the disclosures presented below, taxonomy alignment in respect of the four non-climate-related objectives is reported when the respective counterparties have early adopted the requirements in the Regulation.

The information required for EU taxonomy reporting is sourced from the independent data provider. To address data gaps, manual searches are carried out to the extent this is practicable.

Exposures to mortgages to households collateralized by residential immovable property are considered to be taxonomy eligible irrespective of whether or not the real estate is located in the EU or the borrower is a national of an EU Member State. As regards the taxonomy alignment of these exposures, given current data limitations to complete the assessment thereof against technical screening criteria, all residential mortgages to households have been considered as not taxonomy aligned.

In the absence of specific guidance in the Regulation, and with reporting practice still evolving, these disclosures have been prepared based on the following interpretations.

- Assets under management (AuM): for the purposes of AuM related KPIs consist of client assets that are managed by or deposited with UBS AG or UBS Europe SE for investment purposes, including managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, and wealth management securities or brokerage accounts.
- Calculations for AuM-related KPIs are determined on the basis of Non-financial Reporting Directive[3] (NFRD) counterparties, as required by the standardized template. For fund units that form part of the AuM, a look-through approach is applied, where practicable, in which both the numerator and denominator are determined by reference to investments made by the fund that are attributable to NFRD issuers.
- For transactions transacted through central clearing houses, the counterparty subject to taxonomy assessment is considered to be the central clearing house.

Due to limitations in data availability, the methodology for determining taxonomy eligibility and taxonomy alignment as set out in the tables below has been developed on the basis of the following.

- Where in the most recent reporting period counterparties reported no disaggregation for taxonomy eligibility and / or taxonomy alignment per environmental objective, no information has been reported in the tables below in respect of these counterparties, on taxonomy eligibility and / or taxonomy alignment for each environmental objective, with the entire amount related to taxonomy eligibility and / or taxonomy alignment attributed to the "Total" column. As a result, the sum of the amounts presented under each environmental objective may differ from the "Total" column.
- In the absence of actual more detailed information about the use of proceeds, including in respect of environmentally sustainable bonds, the assessment of taxonomy eligibility and taxonomy alignment has been performed at the issuer level, except for residential mortgages to households, where in the absence of the information to assess taxonomy alignment, exposures were considered to be not aligned.
- For the purposes of flow KPIs, the AuM flows are determined on the basis of actual outflows incurred to acquire respective positions, while for the balance sheet positions and financial guarantee contracts the difference between the highest balance outstanding toward a counterparty or investee during the reporting period and the opening balance has been considered to be the most reasonable approximation of new exposures incurred during the reporting period that was practicable to determine.
- When the look-through approach is applied to investments in funds for the purposes of AuM-related KPIs, in the absence of the information to assess whether the issuer of the investment held by the fund is subject to NFRD disclosure obligations, that issuer was considered to be a non-NFRD counterparty, both for the purposes of the numerator and the denominator.

The "Summary of Key Performance Indicators (KPIs)" table for UBS AG standalone and UBS Europe SE consolidated summarizes UBS AG and UBS Europe SE KPIs for the year ended 31 December 2024, with further details disclosed in the tables below.

UBS AG standalone – Summary of Key Performance Indicators (KPIs)

| | | 31.12.24 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Total environmentally sustainable assets – turnover based (USD m) | Total environmentally sustainable assets – capex based (USD m) | Turnover KPI (%) | CapEx KPI (%) | Coverage over total assets (%)[1] | Assets excluded from the numerator of the GAR (%)[2] | Assets excluded from the denominator of the GAR (%)[3] |
| Main KPI | GAR stock | 79 | 90 | 0.0 | 0.0 | 54.6 | 49.6 | 45.4 |
| | | Total environmentally sustainable assets – turnover based (USD m) | Total environmentally sustainable assets – capex based (USD m) | Turnover KPI (%) | CapEx KPI (%) | Coverage over total assets (%)[4] | Assets excluded from the numerator of the GAR (%)[4] | Assets excluded from the denominator of the GAR (%)[4] |
| Additional KPIs | GAR flow | 230 | 231 | 0.5 | 0.5 | | | |
| | Financial guarantees | 6 | 8 | 0.1 | 0.2 | | | |
| | Assets under management | 2,513 | 4,291 | 3.1 | 5.2 | | | |

| | | 31.12.23 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Total environmentally sustainable assets – turnover based (USD m) | Total environmentally sustainable assets – capex based (USD m) | Turnover KPI (%) | CapEx KPI (%) | Coverage over total assets (%)[1] | Assets excluded from the numerator of the GAR (%)[2] | Assets excluded from the denominator of the GAR (%)[3] |
| Main KPI | GAR stock | 0[5] | 0[5] | 0.0 | 0.0 | 51.8[6] | 47.4[6] | 48.2[6] |
| | | Total environmentally sustainable assets – turnover based (USD m) | Total environmentally sustainable assets – capex based (USD m) | Turnover KPI (%) | CapEx KPI (%) | Coverage over total assets (%)[4] | Assets excluded from the numerator of the GAR (%)[4] | Assets excluded from the denominator of the GAR (%)[4] |
| Additional KPIs | GAR flow | 1[5] | 1[5] | 0.0 | 0.0 | | | |
| | Financial guarantees | 0 | 0 | 0.0 | 0.0 | | | |
| | Assets under management | 203 | 464 | 1.5 | 3.4 | | | |

1 Proportion calculated as a percentage of the gross carrying amount of eligible assets, relative to the total asset. 2 Article 7(2) and (3) and Section 1.1.2. of Annex V of the Disclosures Delegated Act. 3 Article 7(1) and Section 1.2.4 of Annex V of the Disclosures Delegated Act. 4 Left blank, as calculation implies determination of flows for amounts that are not otherwise explicitly included by regulation in the flow KPI calculations. 5 Comparatives revised in line with developments in methodology used for the assessment against technical screening criteria. 6 Comparative information was restated, refer to the tables Assets for the calculation of the GAR.

UBS Europe SE consolidated – Summary of Key Performance Indicators (KPIs)

| | | 31.12.24 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Total environmentally sustainable assets – turnover based (USD m) | Total environmentally sustainable assets – capex based (USD m) | Turnover KPI (%) | CapEx KPI (%) | Coverage over total assets (%)[1] | Assets excluded from the numerator of the GAR (%)[2] | Assets excluded from the denominator of the GAR (%)[3] |
| Main KPI | GAR stock | 24 | 27 | 0.1 | 0.1 | 44.2 | 25.9 | 55.8 |
| | | Total environmentally sustainable assets – turnover based (USD m) | Total environmentally sustainable assets – capex based (USD m) | Turnover KPI (%) | CapEx KPI (%) | Coverage over total assets (%)[4] | Assets excluded from the numerator of the GAR (%)[4] | Assets excluded from the denominator of the GAR (%)[4] |
| Additional KPIs | GAR flow | 50 | 56 | 0.3 | 0.4 | | | |
| | Financial guarantees | 0 | 0 | 0.0 | 0.0 | | | |
| | Assets under management | 2,511 | 5,101 | 4.1 | 8.2 | | | |

| | | 31.12.23 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Total environmentally sustainable assets – turnover based (USD m) | Total environmentally sustainable assets – capex based (USD m) | Turnover KPI (%) | CapEx KPI (%) | Coverage over total assets (%)[1] | Assets excluded from the numerator of the GAR (%)[2] | Assets excluded from the denominator of the GAR (%)[3] |
| Main KPI | GAR stock | 0 | 0 | 0.0 | 0.0 | 38.5[5] | 26.1[5] | 61.5[5] |
| | | Total environmentally sustainable assets – turnover based (USD m) | Total environmentally sustainable assets – capex based (USD m) | Turnover KPI (%) | CapEx KPI (%) | Coverage over total assets (%)[4] | Assets excluded from the numerator of the GAR (%)[4] | Assets excluded from the denominator of the GAR (%)[4] |
| Additional KPIs | GAR flow | 0 | 0 | 0.0 | 0.0 | | | |
| | Financial guarantees | 0 | 0 | 0.0 | 0.0 | | | |
| | Assets under management | 723 | 1,786 | 2.1 | 5.2 | | | |

1 Proportion calculated as a percentage of the gross carrying amount of eligible assets, relative to the total asset. 2 Article 7(2) and (3) and Section 1.1.2. of Annex V of the Disclosures Delegated Act. 3 Article 7(1) and Section 1.2.4 of Annex V of the Disclosures Delegated Act. 4 Left blank, as calculation implies determination of flows for amounts that are not otherwise explicitly included by regulation in the flow KPI calculations. 5 Comparative information was restated, refer to the tables *Assets for the calculation of the GAR*.

The main KPIs have remained largely consistent with those of the previous year.

UBS AG standalone and UBS Europe SE consolidated contribute 45.5% to the total assets of the UBS Group AG consolidated scope under IFRS Accounting Standards. UBS AG standalone and UBS Europe SE consolidated have low KPIs for balance sheet stock and flow, and off-balance sheet, because:

- a significant proportion of the business, and, correspondingly, the total assets of both entities, is outside the scope of EU taxonomy reporting, i.e. it is transacted with counterparties and investees that are not subject to EU taxonomy reporting requirements, for example because they are not domiciled in the EU or due to the nature of their underlying business activity, such as Global Wealth Management Lombard lending to private individuals;
- UBS AG standalone and UBS Europe SE consolidated include a significant amount of activity in Group Treasury and the Investment Bank in their scopes – most assets in these activities are within categories that are excluded from taxonomy eligibility and taxonomy alignment assessments (e.g. derivatives, trading assets, etc.); and
- the increase in total assets and AuM of UBS AG and UBS Europe SE following the 2024 merger of Credit Suisse AG into UBS AG and Credit Suisse (Luxembourg) S.A. into UBS Europe SE did not significantly impact their EU Taxonomy KPIs.

Economic activities in the fossil gas and nuclear energy sectors are required to be reported in separate templates as per the Complementary Climate Delegated Act. As of 31 December 2024, the direct balance sheet exposures to non-financial counterparties in the fossil gas and nuclear energy sectors were immaterial for UBS AG and UBS Europe SE. The balance sheet exposures towards financial institutions indirectly involved in the fossil gas and nuclear energy sectors through the provision of financial services as of 31 December 2024 were of USD 3.1bn for UBS AG and USD 1.7bn for UBS Europe SE.

## Business strategy

As EU taxonomy reporting evolves, and the data quality improves, UBS AG and UBS Europe SE look to establish an understanding of how taxonomy-aligned activities affect their business strategy, product design and engagement with clients in order to incorporate such into UBS's climate strategy.

UBS's approach to the climate transition is guided by its climate ambition and key objectives. UBS aims to support its clients in the transition to a low-carbon world by embedding climate considerations into its financing, investment and capital markets offerings. One of the most significant contributions UBS can make is mobilizing capital towards an orderly transition to a low-carbon economy. UBS has set climate-related targets, including reducing its scope 1 and 2 emissions to achieve net zero by 2035 and aligning its in-scope lending and investment portfolios to the objectives of the Paris Agreement. The climate transition plan is included in the annual objective-setting process and is overseen by the Corporate Culture and Responsibility Committee of the Board of Directors of the UBS Group. UBS recognizes that its climate transition plan does not cover all of its business activities.

1 EU Taxonomy Regulation 2020/852, including Delegated Acts**;** Commission Delegated Regulation (EU) 2021/2178 (the "Disclosure Delegated Act") supplementing Taxonomy Regulation; Commission Delegated Regulation (EU) 2023/2486 (the "Environmental Delegated Act") supplementing Taxonomy Regulation and amending Disclosures Delegated Act; Commission Delegated Regulation (EU) 2021/2139 (the "Climate Delegated Act") supplementing Taxonomy Regulation; and the Commission Delegated Regulation (EU) 2022/1214 (the "Complementary Climate Delegated Act"); Commission Delegated Regulation (EU) 2023/2485 amending Climate Delegated Act;.

2 Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets.

3 Directive 2014/95/EU, the Non-financial Reporting Directive.

# UBS AG standalone[1]

# Assets for the calculation of the GAR

## Assets for the calculation of the GAR (Turnover)

| USD m | Total gross carrying amount | 31.12.24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
| | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | of which environmentally sustainable (Taxonomy-aligned) | | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **48,994** | **4,719** | **79** | | **3** | **2** | **16** | **0** | | **0** |
| **Financial undertakings** | **15,036** | **757** | **74** | | **3** | **1** | **16** | **0** | | **0** |
| Credit institutions | 14,696 | 646 | 60 | | 2 | 1 | 15 | 0 | | 0 |
| Loans and advances | 8,527 | 178 | 9 | | 0 | 0 | 0 | 0 | | 0 |
| Debt securities, including UoP | 1,994 | 428 | 51 | | 2 | 1 | 15 | 0 | | 0 |
| Equity instruments | 4,175 | 40 | 0 | | | 0 | | | | |
| Other financial corporations | 340 | 111 | 14 | | 0 | 0 | 0 | 0 | | |
| *of which investment firms* | *0* | *0* | *0* | | *0* | *0* | *0* | *0* | | |
| Loans and advances | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which management companies* | *15* | *0* | *0* | | | | | | | |
| Loans and advances | 15 | 0 | 0 | | | | | | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which insurance undertakings* | *0* | *0* | *0* | | *0* | *0* | *0* | *0* | | |
| Loans and advances | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| **Non-financial undertakings** | **44** | **0** | **0** | | **0** | **0** | **0** | | | |
| Loans and advances | 44 | 0 | 0 | | 0 | 0 | 0 | | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | 0 | 0 | 0 | | 0 | 0 | | | | |
| **Households[2]** | **28,931** | **3,799** | | | | | | | | |
| *of which loans collateralised by residential immovable property* | *3,799* | *3,799* | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | |
| **Local governments financing** | 4,983 | 162 | 5 | | 0 | 1 | 0 | | | |
| Housing financing | | | | | | | | | | |
| Other local government financing | 4,983 | 162 | 5 | | 0 | 1 | 0 | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **0** | | | | | | | | | |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **480,156** | | | | | | | | | |
| **Financial and Non-financial undertakings[3]** | **407,322** | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 25,963 | | | | | | | | | |
| Loans and advances | 22,053 | | | | | | | | | |
| *of which loans collateralised by commercial immovable property* | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| Debt securities | 2,214 | | | | | | | | | |
| Equity instruments | 1,696 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 381,358 | | | | | | | | | |
| Loans and advances | 296,736 | | | | | | | | | |
| Debt securities | 13,354 | | | | | | | | | |
| Equity instruments | 71,269 | | | | | | | | | |
| **Derivatives[4]** | **43,215** | | | | | | | | | |
| **On demand interbank loans** | **11,058** | | | | | | | | | |
| **Cash and cash-related assets** | **350** | | | | | | | | | |
| **Other categories of assets (e.g. Goodwill, commodities etc.)** | **18,210** | | | | | | | | | |
| **Total GAR assets** | **529,150** | **4,719** | **79** | | **3** | **2** | **16** | **0** | | **0** |
| **Assets not covered for GAR calculation** | **439,284** | | | | | | | | | |
| **Central governments and Supranational issuers** | **22,605** | | | | | | | | | |
| **Central banks exposure** | **107,343** | | | | | | | | | |
| **Trading book[4]** | **309,336** | | | | | | | | | |
| **Total assets** | **968,434** | **4,719** | **79** | | **3** | **2** | **16** | **0** | | **0** |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations[5]** | | | | | | | | | | |
| Financial guarantees | 5,153 | 107 | 5 | | 0 | 1 | 133 | 2 | | |
| Assets under management | 82,336 | 7,475 | 1,529 | | 201 | 791 | 413 | 166 | | 8 |
| *of which debt securities* | *23,171* | *3,225* | *657* | | *135* | *263* | *97* | *6* | | *4* |
| *of which equity instruments* | *32,578* | *2,933* | *790* | | *56* | *501* | *256* | *158* | | *4* |

1 Within tables in this section, blank fields indicate non-applicability, non-availability of required information, actual zero or that presentation of any content would not be meaningful. Zero values generally indicate that the respective figure is zero on a rounded basis. 2 Includes loans collateralized by commercial immovable property. 3 Includes USD 3bn (2023: USD 1.7bn) exposures to multi-development bank, which in comparative period was presented under Central governments and Supranational issuers. 4 Comparatives revised to reclassify derivatives classified as held for trading under IFRS Accounting Standards from Derivatives line to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024. 5 As required by the standardized template, the total gross carrying amount was calculated on the basis of off-balance sheet exposures to undertakings subject to NFRD.

| Water and marine resources (WTR) | | | | Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| **2** | | | | **168** | | | | **1** | | | | | | | | **4,934** | **79** | | **3** | **2** |
| **0** | | | | **22** | | | | **0** | | | | | | | | **971** | **74** | | **3** | **1** |
| | | | | | | | | | | | | | | | | 860 | 60 | | 3 | 1 |
| | | | | | | | | | | | | | | | | 307 | 9 | | 0 | 0 |
| | | | | | | | | | | | | | | | | 444 | 51 | | 2 | 1 |
| | | | | | | | | | | | | | | | | 108 | 0 | | | 0 |
| 0 | | | | 22 | | | | 0 | | | | | | | | 112 | 14 | | 0 | 0 |
| | | | | | | | | | | | | | | | | *0* | *0* | | *0* | *0* |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | *0* | *0* | | | |
| | | | | | | | | | | | | | | | | 0 | 0 | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | *0* | *0* | | *0* | *0* |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | **0** | | | | **0** | | | | | | | | **0** | **0** | | **0** | **0** |
| | | | | 0 | | | | 0 | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | **3,799** | | | | |
| | | | | | | | | | | | | | | | | *3,799* | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | 146 | | | | 1 | | | | | | | | 163 | 5 | | 0 | 1 |
| | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | 146 | | | | 1 | | | | | | | | 163 | 5 | | 0 | 1 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | 168 | | | | 1 | | | | | | | | 4,934 | 79 | | 3 | 2 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | 168 | | | | 1 | | | | | | | | 4,934 | 79 | | 3 | 2 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 317 | 6 | | 0 | 1 |
| 3 | 0 | | 0 | 314 | 13 | | 6 | 566 | 3 | | 2 | 87 | | | | 16,399 | 2,513 | | 195 | 808 |
| *0* | *0* | | *0* | *30* | *4* | | *0* | *58* | *1* | | *0* | *0* | | | | *7,578* | *1,297* | | *133* | *266* |
| *3* | *0* | | *0* | *281* | *8* | | *6* | *503* | *2* | | *2* | *87* | | | | *6,677* | *991* | | *52* | *513* |

| USD m | Total gross carrying amount | 31.12.23 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
| | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | of which environmentally sustainable (Taxonomy-aligned) | | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **30,629** | **2,074** | **0** | | **0** | **0** | | | | |
| **Financial undertakings** | **12,385** | | **0** | | | **0** | | | | |
| Credit institutions[1] | 11,912 | | 0 | | | 0 | | | | |
| Loans and advances[1] | 6,216 | | 0 | | | 0 | | | | |
| Debt securities | 1,755 | | | | | | | | | |
| Equity instruments[2] | 3,942 | | | | | | | | | |
| Other financial corporations | 473 | | | | | | | | | |
| *of which investment firms* | *0* | | | | | | | | | |
| Loans and advances | 0 | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which management companies* | | | | | | | | | | |
| Loans and advances | | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which insurance undertakings* | | | | | | | | | | |
| Loans and advances | | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| **Non-financial undertakings** | **30** | | **0** | | **0** | **0** | | | | |
| Loans and advances | 30 | | 0 | | 0 | 0 | | | | |
| Debt securities | 0 | | | | | | | | | |
| Equity instruments | 0 | | | | | | | | | |
| **Households** | **18,212** | **2,074** | | | | | | | | |
| *of which loans collateralized by residential immovable property[3]* | *2,074* | *2,074* | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | |
| **Local governments financing** | | | | | | | | | | |
| Housing financing | | | | | | | | | | |
| Other local government financing | | | | | | | | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **1** | | | | | | | | | |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **330,962** | | | | | | | | | |
| **Financial and Non-financial undertakings** | **274,070** | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 11,028 | | | | | | | | | |
| Loans and advances[1] | 8,519 | | | | | | | | | |
| *of which loans collateralised by commercial immovable property* | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| Debt securities[1] | 2,508 | | | | | | | | | |
| Equity instruments[2] | 2 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 263,042 | | | | | | | | | |
| Loans and advances[1] | 206,916 | | | | | | | | | |
| Debt securities[1] | 9,001 | | | | | | | | | |
| Equity instruments | 47,126 | | | | | | | | | |
| **Derivatives[4]** | **35,056** | | | | | | | | | |
| **On demand interbank loans** | **8,928** | | | | | | | | | |
| **Cash and cash-related assets** | **1** | | | | | | | | | |
| **Other categories of assets** | **12,907** | | | | | | | | | |
| **Total GAR assets** | **361,591** | **2,074** | **0** | | **0** | **0** | | | | |
| **Assets not covered for GAR calculation** | **336,778** | | | | | | | | | |
| **Central governments and supranational issuers[5]** | **19,829** | | | | | | | | | |
| **Central banks exposure** | **74,890** | | | | | | | | | |
| **Trading book[4]** | **242,060** | | | | | | | | | |
| **Total assets** | **698,369** | **2,074** | **0** | | **0** | **0** | | | | |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations[6]** | | | | | | | | | | |
| Financial guarantees[7] | 4,364 | | | | | | | | | |
| Assets under management | 13,488 | | 195 | | 1 | 96 | | 8 | | |
| *of which debt securities* | *4,770* | | *91* | | *0* | *23* | | *0* | | |
| *of which equity instruments* | *4,913* | | *104* | | *1* | *72* | | *7* | | |

1 Comparatives restated to reclassify exposures from the Loans and advances lines to the Debt securities lines with no impact on total GAR ratio (Credit institutions: USD 0.1bn; SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations: USD 0.2bn; Non-EU country counterparties not subject to NFRD disclosure obligations: USD 1.1bn). 2 Comparatives restated to reclassify exposures of USD 3.3bn from section Assets excluded from the numerator for GAR calculation (covered in the denominator) to section GAR - Covered assets in both numerator and denominator. 3 Comparatives revised in line with developments in methodology used for the assessment against technical screening criteria. 4 Revised to reclassify derivatives of USD 126.3bn classified as held for trading under IFRS Accounting Standards from Derivatives line (as presented in 2023 disclosures) to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024. 5 Includes local governments financing when the use of proceeds is not known. 6 As required by the standardized template, the total gross carrying amount was calculated on the basis of off-balance sheet exposures to undertakings subject to NFRD. 7 Comparatives restated to include exposures of USD 4.4bn which were previously not deemed to be subject to NFRD disclosure obligations.

| Water and marine resources (WTR) | | | | Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | **3,256** | **0** | | **0** | **0** |
| | | | | | | | | | | | | | | | | **1,182** | **0** | | | **0** |
| | | | | | | | | | | | | | | | | 1,072 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | 480 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | 582 | | | | |
| | | | | | | | | | | | | | | | | 10 | | | | |
| | | | | | | | | | | | | | | | | 110 | | | | |
| | | | | | | | | | | | | | | | | *0* | | | | |
| | | | | | | | | | | | | | | | | 0 | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | *0* | | | | |
| | | | | | | | | | | | | | | | | 0 | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | **0** | **0** | | **0** | **0** |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | 0 | | | | |
| | | | | | | | | | | | | | | | | 0 | | | | |
| | | | | | | | | | | | | | | | | **2,074** | | | | |
| | | | | | | | | | | | | | | | | *2,074* | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 3,256 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 3,256 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 44 | | | | |
| | | | | | | | | | | | | | | | | 2,978 | 203 | | 1 | 96 |
| | | | | | | | | | | | | | | | | *1,392* | *92* | | *0* | *23* |
| | | | | | | | | | | | | | | | | *968* | *112* | | *1* | *72* |

## Assets for the calculation of the GAR (CapEx)

| USD m | Total gross carrying amount | 31.12.24[1] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
| | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | of which environmentally sustainable (Taxonomy-aligned) | | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling |
| GAR - Covered assets in both numerator and denominator | | | | | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 48,994 | 4,767 | 89 | | 3 | 3 | 18 | 0 | | 0 |
| Financial undertakings | 15,036 | 761 | 77 | | 3 | 2 | 18 | 0 | | 0 |
| Credit institutions | 14,696 | 649 | 63 | | 3 | 2 | 15 | 0 | | 0 |
| Loans and advances | 8,527 | 178 | 9 | | 0 | 0 | 0 | 0 | | 0 |
| Debt securities, including UoP | 1,994 | 431 | 54 | | 3 | 1 | 15 | 0 | | |
| Equity instruments | 4,175 | 40 | 0 | | | 0 | | | | |
| Other financial corporations | 340 | 112 | 14 | | 0 | 0 | 2 | 0 | | 0 |
| *of which investment firms* | *0* | *0* | *0* | | *0* | *0* | *0* | *0* | | |
| Loans and advances | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which management companies* | *15* | *0* | *0* | | | | | | | |
| Loans and advances | 15 | 0 | 0 | | | | | | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which insurance undertakings* | *0* | *0* | *0* | | *0* | *0* | *0* | *0* | | |
| Loans and advances | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| Non-financial undertakings | 44 | 41 | 6 | | 0 | 0 | | 0 | | 0 |
| Loans and advances | 44 | 41 | 6 | | 0 | 0 | | 0 | | 0 |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | 0 | 0 | 0 | | 0 | 0 | | | | |
| Households[2] | 28,931 | 3,799 | | | | | | | | |
| *of which loans collateralised by residential immovable property* | *3,799* | *3,799* | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | |
| Local governments financing | 4,983 | 165 | 6 | | 0 | 1 | 1 | 0 | | 0 |
| Housing financing | | | | | | | | | | |
| Other local government financing | 4,983 | 165 | 6 | | 0 | 1 | 1 | 0 | | 0 |
| Collateral obtained by taking possession: residential and commercial immovable properties | 0 | | | | | | | | | |
| Assets excluded from the numerator for GAR calculation (covered in the denominator) | 480,156 | | | | | | | | | |
| Financial and Non-financial undertakings[3] | 407,322 | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 25,963 | | | | | | | | | |
| Loans and advances | 22,053 | | | | | | | | | |
| *of which loans collateralised by commercial immovable property* | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| Debt securities | 2,214 | | | | | | | | | |
| Equity instruments | 1,696 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 381,358 | | | | | | | | | |
| Loans and advances | 296,736 | | | | | | | | | |
| Debt securities | 13,354 | | | | | | | | | |
| Equity instruments | 71,269 | | | | | | | | | |
| Derivatives[4] | 43,215 | | | | | | | | | |
| On demand interbank loans | 11,058 | | | | | | | | | |
| Cash and cash-related assets | 350 | | | | | | | | | |
| Other categories of assets (e.g. Goodwill, commodities etc.) | 18,210 | | | | | | | | | |
| Total GAR assets | 529,150 | 4,767 | 89 | | 3 | 3 | 18 | 0 | | 0 |
| Assets not covered for GAR calculation | 439,284 | | | | | | | | | |
| Central governments and Supranational issuers | 22,605 | | | | | | | | | |
| Central banks exposure | 107,343 | | | | | | | | | |
| Trading book[4] | 309,336 | | | | | | | | | |
| Total assets | 968,434 | 4,767 | 89 | | 3 | 3 | 18 | 0 | | 0 |
| Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations[5] | | | | | | | | | | |
| Financial guarantees | 5,153 | 100 | 6 | | 0 | 1 | 134 | 2 | | |
| Assets under management | 82,336 | 9,100 | 2,794 | | 280 | 1,306 | 444 | 219 | | 34 |
| *of which debt securities* | *23,171* | *3,535* | *1,070* | | *151* | *504* | *91* | *20* | | *16* |
| *of which equity instruments* | *32,578* | *4,239* | *1,608* | | *109* | *761* | *321* | *190* | | *18* |

1 Within tables in this section, blank fields indicate non-applicability or that presentation of any content would not be meaningful. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. 2 Includes loans collateralized by commercial immovable property. 3 Includes USD 3bn (2023: USD 1.7bn) exposures to multi-development bank, which in comparative period was presented under Central governments and Supranational issuers. 4 Comparatives revised to reclassify derivatives classified as held for trading under IFRS Accounting Standards from Derivatives line to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024. 5 As required by the standardized template, the total gross carrying amount was calculated on the basis of off-balance sheet exposures to undertakings subject to NFRD.

| Water and marine resources (WTR) | | | | Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| **2** | | | | **168** | | | | **1** | | | | | | | | **4,888** | **90** | | **4** | **4** |
| **0** | | | | **22** | | | | **0** | | | | | | | | **882** | **77** | | **3** | **2** |
| | | | | | | | | | | | | | | | | 768 | 64 | | 3 | 2 |
| | | | | | | | | | | | | | | | | 246 | 9 | | 0 | 0 |
| | | | | | | | | | | | | | | | | 447 | 54 | | 3 | 1 |
| | | | | | | | | | | | | | | | | 75 | 0 | | 0 | 0 |
| 0 | | | | 22 | | | | 0 | | | | | | | | 114 | 14 | | 0 | 0 |
| | | | | | | | | | | | | | | | | *0* | *0* | | *0* | *0* |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | *0* | *0* | | | |
| | | | | | | | | | | | | | | | | 0 | 0 | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | *0* | *0* | | *0* | *0* |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | **0** | | | | **0** | | | | | | | | **41** | **6** | | **0** | **0** |
| | | | | 0 | | | | 0 | | | | | | | | 41 | 6 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | **3,799** | | | | |
| | | | | | | | | | | | | | | | | *3,799* | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | 146 | | | | 1 | | | | | | | | 165 | 7 | | 0 | 1 |
| | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | 146 | | | | 1 | | | | | | | | 165 | 7 | | 0 | 1 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | 168 | | | | 1 | | | | | | | | 4,888 | 90 | | 4 | 4 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | 168 | | | | 1 | | | | | | | | 4,888 | 90 | | 4 | 4 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 274 | 8 | | 0 | 1 |
| 5 | 0 | | 0 | 224 | 6 | | 2 | 337 | 2 | | 2 | 44 | 1 | | | 20,079 | 4,291 | | 280 | 1,325 |
| *1* | *0* | | *0* | *26* | *4* | | *0* | *25* | *0* | | *0* | *1* | *0* | | | *9,563* | *2,127* | | *151* | *508* |
| *4* | *0* | | *0* | *195* | *2* | | *2* | *310* | *1* | | *1* | *44* | *1* | | | *7,992* | *1,809* | | *109* | *775* |

| USD m | Total gross carrying amount | 31.12.23 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
| | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | of which environmentally sustainable (Taxonomy-aligned) | | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **30,629** | **2,074** | **0** | | **0** | **0** | | **0** | | |
| **Financial undertakings** | **12,385** | | **0** | | | **0** | | | | |
| Credit institutions | 11,912 | | 0 | | | 0 | | | | |
| Loans and advances[1] | 6,216 | | 0 | | | 0 | | | | |
| Debt securities[1] | 1,755 | | | | | | | | | |
| Equity instruments[2] | 3,942 | | | | | | | | | |
| Other financial corporations | 473 | | 0 | | | 0 | | | | |
| *of which investment firms* | *0* | | | | | | | | | |
| Loans and advances | 0 | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which management companies* | | | | | | | | | | |
| Loans and advances | | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which insurance undertakings* | | | | | | | | | | |
| Loans and advances | | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| **Non-financial undertakings** | **30** | | **0** | | **0** | **0** | | **0** | | |
| Loans and advances | 30 | | 0 | | 0 | 0 | | 0 | | |
| Debt securities | 0 | | 0 | | | 0 | | | | |
| Equity instruments | 0 | | | | | | | 0 | | |
| **Households** | **18,212** | **2,074** | | | | | | | | |
| *of which loans collateralized by residential immovable property[3]* | *2,074* | *2,074* | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | |
| **Local governments financing** | | | | | | | | | | |
| Housing financing | | | | | | | | | | |
| Other local government financing | | | | | | | | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **1** | | | | | | | | | |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **330,962** | | | | | | | | | |
| **Financial and Non-financial undertakings** | **274,070** | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 11,028 | | | | | | | | | |
| Loans and advances[1] | 8,519 | | | | | | | | | |
| *of which loans collateralised by commercial immovable property* | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| Debt securities[1] | 2,508 | | | | | | | | | |
| Equity instruments[2] | 2 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 263,042 | | | | | | | | | |
| Loans and advances[1] | 206,916 | | | | | | | | | |
| Debt securities[1] | 9,001 | | | | | | | | | |
| Equity instruments | 47,126 | | | | | | | | | |
| **Derivatives[4]** | **35,056** | | | | | | | | | |
| **On demand interbank loans** | **8,928** | | | | | | | | | |
| **Cash and cash-related assets** | **1** | | | | | | | | | |
| **Other categories of assets** | **12,907** | | | | | | | | | |
| **Total GAR assets** | **361,591** | **2,074** | **0** | | **0** | **0** | | **0** | | |
| **Assets not covered for GAR calculation** | **336,778** | | | | | | | | | |
| **Central governments and supranational issuers[5]** | **19,829** | | | | | | | | | |
| **Central banks exposure** | **74,890** | | | | | | | | | |
| **Trading book[4]** | **242,060** | | | | | | | | | |
| **Total assets** | **698,369** | **2,074** | **0** | | **0** | **0** | | **0** | | |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations[6]** | | | | | | | | | | |
| Financial guarantees[7] | 4,364 | | | | | | | | | |
| Assets under management | 13,488 | | 462 | | 22 | 209 | | 2 | | |
| *of which debt securities* | *4,770* | | *189* | | *2* | *65* | | *2* | | |
| *of which equity instruments* | *4,913* | | *273* | | *21* | *144* | | *0* | | |

1 Comparatives restated to reclassify exposures from the Loans and advances lines to the Debt securities lines with no impact on total GAR ratio (Credit institutions: USD 0.1bn; SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations: USD 0.2bn; Non-EU country counterparties not subject to NFRD disclosure obligations: USD 1.1bn). 2 Comparatives restated to reclassify exposures of USD 3.3bn from section Assets excluded from the numerator for GAR calculation (covered in the denominator) to section GAR - Covered assets in both numerator and denominator. 3 Comparatives revised in line with developments in methodology used for the assessment against technical screening criteria. 4 Revised to reclassify derivatives of USD 126.3bn classified as held for trading under IFRS Accounting Standards from Derivatives line (as presented in 2023 disclosures) to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024. 5 Includes local governments financing when the use of proceeds is not known. 6 As required by the standardized template, the total gross carrying amount was calculated on the basis of off-balance sheet exposures to undertakings subject to NFRD. 7 Comparatives restated to include exposures of USD 4.4bn which were previously not deemed to be subject to NFRD disclosure obligations.

| Water and marine resources (WTR) | | | | Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | **2,448** | **0** | | **0** | **0** |
| | | | | | | | | | | | | | | | | **373** | **0** | | | **0** |
| | | | | | | | | | | | | | | | | 332 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | 185 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | 147 | | | | |
| | | | | | | | | | | | | | | | | 0 | | | | |
| | | | | | | | | | | | | | | | | 42 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | **1** | **0** | | **0** | **0** |
| | | | | | | | | | | | | | | | | 1 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | 0 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | 0 | 0 | | | |
| | | | | | | | | | | | | | | | | **2,074** | | | | |
| | | | | | | | | | | | | | | | | *2,074* | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 2,448 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 2,448 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 2,733 | 464 | | 22 | 209 |
| | | | | | | | | | | | | | | | | *840* | *191* | | *2* | *65* |
| | | | | | | | | | | | | | | | | *1,522* | *273* | | *21* | *144* |

# GAR sector information

## GAR sector information (Turnover)

| *Breakdown by sector - NACE 4 digits level (code and label)*[1] | Climate Change Mitigation (CCM) | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | |
| *USD thousand* | USD thousands | of which environmentally sustainable (CCM) | USD thousands | of which environmentally sustainable (CCM) | USD thousands | of which environmentally sustainable (CCA) | | of which environmentally sustainable (CCA) | USD thousands | of which environmentally sustainable (WTR) | USD thousands | of which environmentally sustainable (WTR) |
| 0600 - Extraction of crude petroleum and natural gas | 0 | 0 | | | | | | | | | | |
| 2000 - Manufacture of chemicals and chemical products | 1 | 0 | | | | | | | | | | |
| 2410 - Manufacture of basic iron and steel and of ferro-alloys | | 0 | | | | | | | | | | |
| 2700 - Manufacture of electrical equipment | | 3 | | | | | | | | | | |
| 2732 - Manufacture of other electronic and electric wires and cables | 3 | | | | | | | | | | | |
| 6800 - Real estate activities | 1 | 0 | | | | | | | | | | |
| 3500 - Electricity, gas, steam and air conditioning supply | 10 | 9 | | | | | | | | | | |
| 3511 - Production of electricity | | 64 | | | | | | | | | | |
| 6000 - Programming and broadcasting activities | 11 | 1 | | | 0 | | | | | | | |
| 6100 - Telecommunications | 2 | 0 | | | | | | | | | | |
| 8622 - Specialist medical practice activities | | | | | | | | | | | | |
| 2013 - Manufacture of other inorganic basic chemicals | | | | | | | | | | | | |
| 8299 - Other business support service activities n.e.c. | 0 | 0 | | | | | | | | | | |
| 3011 - Building of ships and floating structures | 0 | 0 | | | | | | | | | | |
| 8899 - Other social work activities without accommodation n.e.c. | 0 | 0 | | | | | | | | | | |
| 9600 - Other personal service activities | 0 | | | | | | | | | | | |
| 4110 - Development of building projects | 0 | 0 | | | | | | | | | | |

1 The information included in this table represents taxonomy-eligible and taxonomy-aligned amounts as reported in table Assets for the calculation of the GAR (Turnover), irrespective of whether the NACE code for principal activity is associated with taxonomy-eligible or taxonomy-aligned economic activities.

## GAR sector information (CapEx)

| *Breakdown by sector - NACE 4 digits level (code and label)*[1] | Climate Change Mitigation (CCM) | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | |
| *USD thousand* | USD thousands | of which environmentally sustainable (CCM) | USD thousands | of which environmentally sustainable (CCM) | USD thousands | of which environmentally sustainable (CCA) | | of which environmentally sustainable (CCA) | USD thousands | of which environmentally sustainable (WTR) | USD thousands | of which environmentally sustainable (WTR) |
| 0600 - Extraction of crude petroleum and natural gas | 1 | 1 | | | | | | | | | | |
| 2000 - Manufacture of chemicals and chemical products | 3 | 1 | | | | | | | | | | |
| 2410 - Manufacture of basic iron and steel and of ferro-alloys | | 0 | | | | | | | | | | |
| 2700 - Manufacture of electrical equipment | | 2 | | | | | | | | | | |
| 2732 - Manufacture of other electronic and electric wires and cables | 3 | | | | | | | | | | | |
| 6800 - Real estate activities | 2 | 0 | | | | | | | | | | |
| 8600 - Human health activities | 40,866 | 5,634 | | | | | | | | | | |
| 3500 - Electricity, gas, steam and air conditioning supply | 24 | 23 | | | | | | | | | | |
| 3511 - Production of electricity | | 60 | | | | 11 | | | | | | |
| 6000 - Programming and broadcasting activities | 11 | 1 | | | | | | | | | | |
| 6020 - Television programming and broadcasting activities | | | | | | | | | | | | |
| 6100 - Telecommunications | 1 | | | | | | | | | | | |
| 8622 - Specialist medical practice activities | | | | | | | | | | | | |
| 2013 - Manufacture of other inorganic basic chemicals | | | | | | | | | | | | |
| 6110 - Wired telecommunications activities | 0 | 0 | | | | | | | | | | |
| 7490 - Other professional, scientific and technical activities n.e.c. | 2 | 0 | | | | | | | | | | |
| 8299 - Other business support service activities n.e.c. | 0 | 0 | | | | | | | | | | |
| 3011 - Building of ships and floating structures | 0 | 0 | | | | | | | | | | |
| 8899 - Other social work activities without accommodation n.e.c. | 0 | 0 | | | | | | | | | | |
| 9600 - Other personal service activities | 0 | | | | | | | | | | | |
| 1106 - Manufacture of malt | 1 | | | | | | | | | | | |
| 1107 - Manufacture of soft drinks; production of mineral waters and other bottled waters | 0 | | | | | | | | | | | |
| 5821 - Publishing of computer games | | | | | | | | | | | | |

1 The information included in this table represents taxonomy-eligible and taxonomy-aligned amounts as reported in table Assets for the calculation of the GAR (CapEx), irrespective of whether the NACE code for principal activity is associated with taxonomy-eligible or taxonomy-aligned economic activities.

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | |
| USD thousands | of which environmentally sustainable (CE) | USD thousands | of which environmentally sustainable (CE) | USD thousands | of which environmentally sustainable (PPC) | USD thousands | of which environmentally sustainable (PPC) | USD thousands | of which environmentally sustainable (BIO) | USD thousands | of which environmentally sustainable (BIO) | USD thousands | of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO) | USD thousands | of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO) |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | 3 | | | | | | | | 4 | 0 | | |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 3 | 3 | | |
| 1 | | | | | | | | | | | | 3 | | | |
| | | | | | | | | | | | | 1 | 0 | | |
| | | | | | | | | | | | | 10 | 9 | | |
| | | | | | | | | | | | | 67 | 64 | | |
| | | | | | | | | | | | | 11 | 1 | | |
| 1 | | | | | | | | | | | | 2 | 0 | | |
| | | | | | | | | | | | | 12 | | | |
| | | | | | | | | | | | | 0 | | | |
| | | | | | | | | | | | | 1 | 0 | | |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 0 | | | |
| | | | | | | | | | | | | 0 | 0 | | |

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | |
| USD thousands | of which environmentally sustainable (CE) | USD thousands | of which environmentally sustainable (CE) | USD thousands | of which environmentally sustainable (PPC) | USD thousands | of which environmentally sustainable (PPC) | USD thousands | of which environmentally sustainable (BIO) | USD thousands | of which environmentally sustainable (BIO) | USD thousands | of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO) | USD thousands | of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO) |
| | | | | | | | | | | | | 1 | 1 | | |
| | | | | 1 | | | | | | | | 4 | 1 | | |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 5 | 2 | | |
| 0 | | | | | | | | | | | | 3 | | | |
| 0 | | | | | | | | | | | | 2 | 0 | | |
| | | | | | | | | | | | | 40,866 | 5,634 | | |
| | | | | | | | | | | | | 24 | 23 | | |
| | | | | | | | | | | | | 76 | 71 | | |
| | | | | | | | | | | | | 11 | 1 | | |
| | | | | | | | | | | | | 0 | | | |
| 1 | | | | | | | | | | | | 2 | | | |
| | | | | | | | | | | | | 21 | | | |
| | | | | | | | | | | | | 1 | | | |
| 0 | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 2 | 0 | | |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 0 | | | |
| | | | | | | | | | | | | 1 | | | |
| | | | | | | | | | | | | 0 | | | |
| | | | | | | | | | | | | 0 | | | |

# GAR KPI stock

## GAR KPI stock (Turnover)

| | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| *% (compared to total covered assets in the denominator)*[1] | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **9.6** | **0.2** | | **0.0** | **0.0** | **0.0** | **0.0** | | **0.0** | **0.0** | | | |
| **Financial undertakings** | **5.0** | **0.5** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |
| Credit institutions | 4.4 | 0.4 | | 0.0 | 0.0 | 0.1 | 0.0 | | 0.0 | | | | |
| Loans and advances | 2.1 | 0.1 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | | | | |
| Debt securities, including UoP | 21.5 | 2.6 | | 0.1 | 0.0 | 0.8 | 0.0 | | 0.0 | | | | |
| Equity instruments | 1.0 | 0.0 | | | 0.0 | | | | | | | | |
| Other financial corporations | 32.8 | 4.0 | | 0.0 | 0.1 | 0.1 | 0.0 | | | 0.1 | | | |
| *of which investment firms* | 21.3 | 0.8 | | 0.4 | 0.3 | 0.6 | 0.1 | | | | | | |
| Loans and advances | 21.3 | 0.8 | | 0.4 | 0.3 | 0.6 | 0.1 | | | | | | |
| Debt securities, including UoP | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | 0.9 | 0.0 | | | | | | | | | | | |
| Loans and advances | 0.9 | 0.0 | | | | | | | | | | | |
| Debt securities, including UoP | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which insurance undertakings* | 11.7 | 0.9 | | 0.0 | 0.1 | 24.1 | 0.3 | | | | | | |
| Loans and advances | 11.7 | 0.9 | | 0.0 | 0.1 | 24.1 | 0.3 | | | | | | |
| Debt securities, including UoP | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | **0.1** | **0.2** | | **0.0** | **0.2** | **0.0** | | | | | | | |
| Loans and advances | 0.1 | 0.2 | | 0.0 | 0.2 | 0.0 | | | | | | | |
| Debt securities, including UoP | | | | | | | | | | | | | |
| Equity instruments | 3.7 | 0.1 | | 0.1 | 0.0 | | | | | | | | |
| **Households** | **13.1** | | | | | | | | | | | | |
| *of which loans collateralised by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | **3.3** | **0.1** | | **0.0** | **0.0** | **0.0** | | | | **0.0** | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | 3.3 | 0.1 | | 0.0 | 0.0 | 0.0 | | | | 0.0 | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| Total GAR assets | 0.9 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |

1 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table Assets for the calculation of the GAR (Turnover) 2 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table Assets for the calculation of the GAR (Turnover) relative to Total Assets as reported in the same table

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total assets covered[2] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.3** | | | | **0.0** | | | | | | | | **10.1** | **0.2** | | **0.0** | **0.0** | **5.1** |
| **0.1** | | | | **0.0** | | | | | | | | **6.5** | **0.5** | | **0.0** | **0.0** | **1.6** |
| | | | | | | | | | | | | 5.8 | 0.4 | | 0.0 | 0.0 | **1.5** |
| | | | | | | | | | | | | 3.6 | 0.1 | | 0.0 | 0.0 | **0.9** |
| | | | | | | | | | | | | 22.3 | 2.6 | | 0.1 | 0.0 | **0.2** |
| | | | | | | | | | | | | 2.6 | 0.0 | | | 0.0 | **0.4** |
| 6.6 | | | | 0.0 | | | | | | | | 32.9 | 4.0 | | 0.0 | 0.1 | **0.0** |
| | | | | | | | | | | | | 21.9 | 0.9 | | 0.4 | 0.3 | **0.0** |
| | | | | | | | | | | | | 21.9 | 0.9 | | 0.4 | 0.3 | **0.0** |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 2.5 | 0.0 | | | | 0.0 |
| | | | | | | | | | | | | 2.5 | 0.0 | | | | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 36.4 | 1.2 | | 0.0 | 0.1 | 0.0 |
| | | | | | | | | | | | | 36.4 | 1.2 | | 0.0 | 0.1 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | | | | **0.0** | | | | | | | | **0.3** | **0.2** | | **0.0** | **0.2** | **0.0** |
| 0.0 | | | | 0.0 | | | | | | | | 0.3 | 0.2 | | 0.0 | 0.2 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 3.7 | 0.1 | | 0.1 | 0.0 | 0.0 |
| | | | | | | | | | | | | **13.1** | | | | | **3.0** |
| | | | | | | | | | | | | *100.0* | | | | | *0.4* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **2.9** | | | | **0.0** | | | | | | | | **3.3** | **0.1** | | **0.0** | **0.0** | **0.5** |
| | | | | | | | | | | | | | | | | | |
| 2.9 | | | | 0.0 | | | | | | | | 3.3 | 0.1 | | 0.0 | 0.0 | 0.5 |
| | | | | | | | | | | | | | | | | | **0.0** |
| **0.0** | | | | **0.0** | | | | | | | | **0.9** | **0.0** | | **0.0** | **0.0** | **54.6** |

| % (compared to total covered assets in the denominator)[3] | 31.12.23[1, 2] | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **6.8** | **0.0** | | **0.0** | **0.0** | | | | | | | | |
| **Financial undertakings** | | **0.0** | | | **0.0** | | | | | | | | |
| Credit institutions | | 0.0 | | | 0.0 | | | | | | | | |
| Loans and advances | | 0.0 | | | 0.0 | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| Other financial corporations | | | | | | | | | | | | | |
| *of which investment firms* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which insurance undertakings* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | | **0.0** | | **0.0** | **0.0** | | | | | | | | |
| Loans and advances | | 0.0 | | 0.0 | 0.0 | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Households** | **11.4** | | | | | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | | | | | | | | | | | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | | | | | | | | | | | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| Total GAR assets[5] | 0.6 | 0.0 | | 0.0 | 0.0 | | | | | | | | |

1 Comparatives restated as exposures of USD 3.3bn were reclassified from the denominator to the numerator under Credit institutions/Equity instruments. 2 Comparatives restated to reclassify exposures from the Loans and advances lines to the Debt securities lines with no impact on total GAR ratio, refer to table *Assets for the calculation of the GAR (Turnover).* 3 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in the table *Assets for the calculation of the GAR (Turnover).* 4 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table *Assets for the calculation of the GAR (Turnover)* relative to Total Assets as reported in the same table. 5 Taxonomy-eligibility revised from 0.7% as reported in 2023 EU Taxonomy disclosures to 0.9% due to reclassification of derivatives classified as held for trading under IFRS Accounting Standards from Derivatives line (as presented in EU Taxonomy 2023 disclosures) to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024.

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total assets covered[4] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 10.6 | 0.0 | | 0.0 | 0.0 | 4.4 |
| | | | | | | | | | | | | 9.5 | 0.0 | | | 0.0 | 1.8 |
| | | | | | | | | | | | | 9.0 | 0.0 | | | 0.0 | 1.7 |
| | | | | | | | | | | | | 7.7 | 0.0 | | | 0.0 | 0.9 |
| | | | | | | | | | | | | 33.1 | | | | | 0.3 |
| | | | | | | | | | | | | 0.3 | | | | | 0.6 |
| | | | | | | | | | | | | 23.3 | | | | | 0.1 |
| | | | | | | | | | | | | 1.0 | | | | | 0.0 |
| | | | | | | | | | | | | 1.0 | | | | | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 0.7 | 0.0 | | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | 0.5 | 0.0 | | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | 98.7 | | | | | 0.0 |
| | | | | | | | | | | | | 12.8 | | | | | 0.0 |
| | | | | | | | | | | | | 11.4 | | | | | 2.6 |
| | | | | | | | | | | | | *100.0* | | | | | *0.3* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | 0.9 | 0.0 | | 0.0 | 0.0 | 51.8 |

## GAR KPI stock (CapEx)

| % (compared to total covered assets in the denominator)[1] | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **9.7** | **0.2** | | **0.0** | **0.0** | **0.0** | **0.0** | | **0.0** | **0.0** | | | |
| **Financial undertakings** | **5.1** | **0.5** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |
| Credit institutions | 4.4 | 0.4 | | 0.0 | 0.0 | 0.1 | 0.0 | | 0.0 | | | | |
| Loans and advances | 2.1 | 0.1 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | | | | |
| Debt securities, including UoP | 21.6 | 2.7 | | 0.2 | 0.1 | 0.8 | 0.0 | | | | | | |
| Equity instruments | 1.0 | 0.0 | | 0.0 | 0.0 | | | | | | | | |
| Other financial corporations | 32.9 | 4.1 | | 0.0 | 0.1 | 0.7 | 0.0 | | 0.0 | 0.1 | | | |
| *of which investment firms* | 22.3 | 1.6 | | 0.7 | 0.4 | 0.6 | 0.1 | | | | | | |
| Loans and advances | 22.3 | 1.6 | | 0.7 | 0.4 | 0.6 | 0.1 | | | | | | |
| Debt securities, including UoP | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | 0.9 | 0.0 | | | | | | | | | | | |
| Loans and advances | 0.9 | 0.0 | | | | | | | | | | | |
| Debt securities, including UoP | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which insurance undertakings* | 10.4 | 1.2 | | 0.0 | 0.2 | 24.3 | 0.3 | | | | | | |
| Loans and advances | 10.4 | 1.2 | | 0.0 | 0.2 | 24.3 | 0.3 | | | | | | |
| Debt securities, including UoP | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | **93.5** | **13.1** | | **0.0** | **0.2** | | **0.0** | | **0.0** | | | | |
| Loans and advances | 93.5 | 13.1 | | 0.0 | 0.2 | | 0.0 | | 0.0 | | | | |
| Debt securities, including UoP | | | | | | | | | | | | | |
| Equity instruments | 45.5 | 1.8 | | 0.6 | 1.8 | | | | | | | | |
| **Households** | **13.1** | | | | | | | | | | | | |
| *of which loans collateralised by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | **3.3** | **0.1** | | **0.0** | **0.0** | **0.0** | **0.0** | | **0.0** | **0.0** | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | 3.3 | 0.1 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| Total GAR assets | 0.9 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |

1 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in Assets for the calculation of the GAR (CapEx) 2 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table Assets for the calculation of the GAR (CapEx) relative to Total Assets as reported in the same table.

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total assets covered[2] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.3** | | | | **0.0** | | | | | | | | **10.0** | **0.2** | | **0.0** | **0.0** | **5.1** |
| **0.1** | | | | **0.0** | | | | | | | | **5.9** | **0.5** | | **0.0** | **0.0** | **1.6** |
| | | | | | | | | | | | | 5.2 | 0.4 | | 0.0 | 0.0 | **1.5** |
| | | | | | | | | | | | | 2.9 | 0.1 | | 0.0 | 0.0 | **0.9** |
| | | | | | | | | | | | | 22.4 | 2.7 | | 0.2 | 0.1 | **0.2** |
| | | | | | | | | | | | | 1.8 | 0.0 | | 0.0 | 0.0 | **0.4** |
| 6.6 | | | | 0.0 | | | | | | | | 33.6 | 4.1 | | 0.0 | 0.1 | **0.0** |
| | | | | | | | | | | | | 22.9 | 1.7 | | 0.7 | 0.4 | **0.0** |
| | | | | | | | | | | | | 22.9 | 1.7 | | 0.7 | 0.4 | **0.0** |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 1.7 | 0.0 | | | | 0.0 |
| | | | | | | | | | | | | 1.7 | 0.0 | | | | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 35.1 | 1.5 | | 0.0 | 0.2 | 0.0 |
| | | | | | | | | | | | | 35.1 | 1.5 | | 0.0 | 0.2 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | | | | **0.0** | | | | | | | | **93.7** | **13.1** | | **0.0** | **0.2** | **0.0** |
| 0.0 | | | | 0.0 | | | | | | | | 93.7 | 13.1 | | 0.0 | 0.2 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 46.0 | 1.8 | | 0.6 | 1.8 | 0.0 |
| | | | | | | | | | | | | **13.1** | | | | | **3.0** |
| | | | | | | | | | | | | *100.0* | | | | | *0.4* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **2.9** | | | | **0.0** | | | | | | | | **3.3** | **0.1** | | **0.0** | **0.0** | **0.5** |
| | | | | | | | | | | | | | | | | | |
| 2.9 | | | | 0.0 | | | | | | | | 3.3 | 0.1 | | 0.0 | 0.0 | 0.5 |
| | | | | | | | | | | | | | | | | | **0.0** |
| **0.0** | | | | **0.0** | | | | | | | | **0.9** | **0.0** | | **0.0** | **0.0** | **54.6** |

| % (compared to total covered assets in the denominator)[3] | 31.12.23[1, 2] | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **6.8** | **0.0** | | **0.0** | **0.0** | | **0.0** | | | | | | |
| **Financial undertakings** | | **0.0** | | | **0.0** | | | | | | | | |
| Credit institutions | | 0.0 | | | 0.0 | | | | | | | | |
| Loans and advances | | 0.0 | | | 0.0 | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| Other financial corporations | | 0.0 | | | 0.0 | | | | | | | | |
| *of which investment firms* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which insurance undertakings* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | | **0.1** | | **0.0** | **0.0** | | **0.0** | | | | | | |
| Loans and advances | | 0.1 | | 0.0 | 0.0 | | 0.0 | | | | | | |
| Debt securities | | 1.2 | | | 1.2 | | | | | | | | |
| Equity instruments | | | | | | | 0.5 | | | | | | |
| **Households** | **11.4** | | | | | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | | | | | | | | | | | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | | | | | | | | | | | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| Total GAR assets[5] | 0.6 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | | | | |

1 Comparatives restated as exposures of USD 3.3bn were reclassified from the denominator to the numerator under Credit institutions/Equity instruments. 2 Comparatives restated to reclassify exposures from the Loans and advances lines to the Debt securities lines with no impact on total GAR ratio, refer to table *Assets for the calculation of the GAR (CapEx)*. 3 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in the table *Assets for the calculation of the GAR (CapEx)*. 4 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table *Assets for the calculation of the GAR (CapEx)* relative to Total Assets as reported in the same table. 5 Taxonomy-eligibility revised from 0.5% as reported in 2023 EU Taxonomy disclosures to 0.7% due to reclassification of derivatives classified as held for trading under IFRS Accounting Standards from Derivatives line (as presented in EU Taxonomy 2023 disclosures) to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024 .

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total assets covered[4] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 8.0 | 0.0 | | 0.0 | 0.0 | 4.4 |
| | | | | | | | | | | | | 3.0 | 0.0 | | | 0.0 | 1.8 |
| | | | | | | | | | | | | 2.8 | 0.0 | | | 0.0 | 1.7 |
| | | | | | | | | | | | | 3.0 | 0.0 | | | 0.0 | 0.9 |
| | | | | | | | | | | | | 8.4 | | | | | 0.3 |
| | | | | | | | | | | | | 0.0 | | | | | 0.6 |
| | | | | | | | | | | | | 8.9 | 0.0 | | | 0.0 | 0.1 |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 2.4 | 0.1 | | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | 2.3 | 0.1 | | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | 90.0 | 1.2 | | | 1.2 | 0.0 |
| | | | | | | | | | | | | 45.9 | 0.5 | | | | 0.0 |
| | | | | | | | | | | | | 11.4 | | | | | 2.6 |
| | | | | | | | | | | | | *100.0* | | | | | *0.3* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | 0.7 | 0.0 | | 0.0 | 0.0 | 51.8 |

# GAR KPI flow

## GAR KPI flow (Turnover)

| % (compared to flow of total eligible assets) | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **10.9** | **0.5** | | **0.0** | **0.0** | **0.0** | **0.0** | | **0.0** | **0.0** | | | |
| **Financial undertakings** | **11.7** | **1.3** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |
| Credit institutions | 10.0 | 1.1 | | 0.0 | 0.0 | 0.1 | 0.0 | | 0.0 | | | | |
| Loans and advances | 7.4 | 0.9 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | | | | |
| Debt securities | 21.4 | 2.3 | | 0.1 | 0.0 | 0.6 | 0.0 | | 0.0 | | | | |
| Equity instruments | 0.9 | | | | | | | | | | | | |
| Other financial corporations | 43.0 | 4.4 | | 0.1 | 0.1 | 0.0 | 0.0 | | 0.0 | 0.1 | | | |
| *of which investment firms* | *12.1* | *1.0* | | *0.0* | *0.5* | *3.1* | *0.5* | | | | | | |
| Loans and advances | 12.1 | 1.0 | | 0.0 | 0.5 | 3.1 | 0.5 | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | *1.1* | *0.1* | | | | | | | | | | | |
| Loans and advances | 1.1 | 0.1 | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which insurance undertakings* | *15.9* | *1.3* | | *0.0* | *0.2* | *34.0* | *0.5* | | *0.0* | | | | |
| Loans and advances | 15.9 | 1.3 | | 0.0 | 0.2 | 34.0 | 0.5 | | 0.0 | | | | |
| Debt securities | 38.1 | 1.8 | | 0.0 | 1.1 | 3.9 | 3.4 | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | **0.6** | **0.1** | | **0.0** | **0.1** | **0.0** | **0.0** | | | | | | |
| Loans and advances | 0.6 | 0.1 | | 0.0 | 0.1 | 0.0 | 0.0 | | | | | | |
| Debt securities | 0.6 | 0.0 | | | | | | | | | | | |
| Equity instruments | 0.6 | 0.0 | | | | | | | | | | | |
| **Households** | **14.0** | **0.0** | | | | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | **3.4** | **0.1** | | **0.0** | **0.0** | **0.0** | | | | **0.0** | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | 3.4 | 0.1 | | 0.0 | 0.0 | 0.0 | | | | 0.0 | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| **Total GAR assets[1]** | **10.9** | **0.5** | | **0.0** | **0.0** | **0.0** | **0.0** | | **0.0** | **0.0** | | | |

1 Proportion calculated as a percentage of the total flow in relation to exposures to counterparties and issuers reporting under the EU Taxonomy. 2 Proportion calculated as a percentage of the flow of total assets for each individual line, relative to the overall flow of total GAR assets.

| 31.12.24 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
| of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total new assets covered[2] |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| **0.7** | | | | **0.0** | | | | **0.0** | | | | **11.3** | **0.5** | | **0.0** | **0.0** | **100.0** |
| **0.3** | | | | **0.0** | | | | | | | | **12.8** | **1.3** | | **0.0** | **0.0** | **36.0** |
| | | | | | | | | | | | | 11.2 | 1.1 | | 0.0 | 0.0 | 34.2 |
| | | | | | | | | | | | | 8.7 | 0.9 | | 0.0 | 0.0 | 26.0 |
| | | | | | | | | | | | | 22.2 | 2.3 | | 0.1 | 0.0 | 6.9 |
| | | | | | | | | | | | | 2.5 | | | | | 1.3 |
| 5.8 | | | | 0.0 | | | | | | | | 43.0 | 4.4 | | 0.1 | 0.1 | 1.8 |
| | | | | | | | | | | | | *15.1* | *1.5* | | *0.0* | *0.5* | *0.0* |
| | | | | | | | | | | | | 15.1 | 1.5 | | 0.0 | 0.5 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | *2.7* | *0.1* | | | | *0.0* |
| | | | | | | | | | | | | 2.7 | 0.1 | | | | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 1.6 | | | | | 0.0 |
| | | | | | | | | | | | | *50.0* | *1.8* | | *0.0* | *0.2* | *0.0* |
| | | | | | | | | | | | | 50.1 | 1.8 | | 0.0 | 0.2 | 0.0 |
| | | | | | | | | | | | | 42.0 | 5.2 | | 0.0 | 1.1 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| **0.0** | | | | **0.0** | | | | **0.0** | | | | **1.2** | **0.1** | | **0.0** | **0.1** | **0.7** |
| 0.0 | | | | 0.0 | | | | 0.0 | | | | 1.2 | 0.1 | | 0.0 | 0.1 | **0.7** |
| | | | | | | | | | | | | 0.9 | 0.0 | | | | **0.0** |
| | | | | | | | | | | | | 0.9 | 0.0 | | | | **0.0** |
| | | | | | | | | | | | | **14.0** | **0.0** | | | | **42.8** |
| | | | | | | | | | | | | *100.0* | | | | | *6.0* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **3.1** | | | | **0.0** | | | | | | | | **3.4** | **0.1** | | **0.0** | **0.0** | **20.5** |
| | | | | | | | | | | | | | | | | | |
| 3.1 | | | | 0.0 | | | | | | | | 3.4 | 0.1 | | 0.0 | 0.0 | **20.5** |
| | | | | | | | | | | | | | | | | | |
| **0.7** | | | | **0.0** | | | | **0.0** | | | | **11.3** | **0.5** | | **0.0** | **0.0** | **100.0** |

## GAR KPI flow (CapEx)

| % (compared to flow of total eligible assets) | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **10.7** | **0.5** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |
| **Financial undertakings** | **10.9** | **1.3** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |
| Credit institutions | 10.0 | 1.2 | | 0.0 | 0.0 | 0.1 | 0.0 | | 0.0 | 0.0 | | | |
| Loans and advances | 7.5 | 0.9 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |
| Debt securities | 21.5 | 2.4 | | 0.1 | 0.1 | 0.6 | 0.0 | | | | | | |
| Equity instruments | 0.9 | | | | | | | | | | | | |
| Other financial corporations | 26.6 | 3.2 | | 0.1 | 0.1 | 0.5 | 0.0 | | 0.0 | 0.0 | | | |
| *of which investment firms* | *12.1* | *1.4* | | *0.0* | *0.5* | *3.1* | *0.5* | | | | | | |
| Loans and advances | 12.1 | 1.4 | | 0.0 | 0.5 | 3.1 | 0.5 | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | *1.1* | *0.1* | | | | | | | | | | | |
| Loans and advances | 1.1 | 0.1 | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which insurance undertakings* | *14.1* | *1.7* | | *0.1* | *0.3* | *34.4* | *0.5* | | *0.0* | *0.0* | | | |
| Loans and advances | 14.1 | 1.7 | | 0.1 | 0.3 | 34.4 | 0.5 | | 0.0 | 0.0 | | | |
| Debt securities | 38.8 | 2.2 | | 0.0 | 0.1 | 3.9 | 3.4 | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | **7.7** | **1.1** | | **0.0** | **0.1** | **0.0** | **0.0** | | **0.0** | **0.0** | | | |
| Loans and advances | 7.7 | 1.1 | | 0.0 | 0.1 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |
| Debt securities | 0.6 | 0.0 | | | | | | | | | | | |
| Equity instruments | 0.6 | 0.0 | | | | | | | | | | | |
| **Households** | **14.0** | **0.0** | | | | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | **3.5** | **0.1** | | **0.0** | **0.0** | **0.0** | **0.0** | | **0.0** | **0.0** | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | 3.5 | 0.1 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| **Total GAR assets[1]** | **10.7** | **0.5** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |

1 Proportion calculated as a percentage of the total flow in relation to exposures to counterparties and issuers reporting under the EU Taxonomy. 2 Proportion calculated as a percentage of the flow of total assets for each individual line, relative to the overall flow of total GAR assets.

| 31.12.24 | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
| of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total new assets covered[2] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.7** | **0.0** | | | **0.0** | | | | | | | | **10.9** | **0.5** | | **0.0** | **0.0** | **100.0** |
| **0.3** | | | | **0.0** | | | | | | | | **11.5** | **1.3** | | **0.0** | **0.0** | **36.0** |
| | | | | | | | | | | | | 10.7 | 1.2 | | 0.0 | 0.0 | 34.2 |
| | | | | | | | | | | | | 8.1 | 0.9 | | 0.0 | 0.0 | 26.0 |
| | | | | | | | | | | | | 22.3 | 2.4 | | 0.1 | 0.1 | 6.9 |
| | | | | | | | | | | | | 1.8 | | | | | 1.3 |
| 5.7 | | | | 0.0 | | | | | | | | 27.0 | 3.2 | | 0.1 | 0.1 | 1.8 |
| | | | | | | | | | | | | *15.2* | *1.9* | | *0.0* | *0.5* | *0.0* |
| | | | | | | | | | | | | 15.2 | 1.9 | | 0.0 | 0.5 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | *2.0* | *0.1* | | | | *0.0* |
| | | | | | | | | | | | | 2.0 | 0.1 | | | | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 0.8 | | | | | 0.0 |
| | | | | | | | | | | | | *48.6* | *2.2* | | *0.1* | *0.3* | *0.0* |
| | | | | | | | | | | | | 48.6 | 2.2 | | 0.1 | 0.3 | 0.0 |
| | | | | | | | | | | | | 42.7 | 5.6 | | 0.0 | 0.1 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| **0.0** | **0.0** | | | **0.0** | | | | | | | | **8.0** | **1.1** | | **0.0** | **0.1** | **0.7** |
| 0.0 | 0.0 | | | 0.0 | | | | | | | | 8.0 | 1.1 | | 0.0 | 0.1 | 0.7 |
| | | | | | | | | | | | | 0.7 | 0.0 | | | | 0.0 |
| | | | | | | | | | | | | 0.7 | 0.0 | | | | 0.0 |
| | | | | | | | | | | | | **14.0** | **0.0** | | | | **42.8** |
| | | | | | | | | | | | | *100.0* | | | | | *6.0* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **3.1** | | | | **0.0** | | | | | | | | **3.5** | **0.1** | | **0.0** | **0.0** | **20.5** |
| | | | | | | | | | | | | | | | | | |
| 3.1 | | | | 0.0 | | | | | | | | 3.5 | 0.1 | | 0.0 | 0.0 | 20.5 |
| | | | | | | | | | | | | | | | | | |
| **0.7** | **0.0** | | | **0.0** | | | | | | | | **10.9** | **0.5** | | **0.0** | **0.0** | **100.0** |

# KPI off-balance sheet exposures and flow

## KPI off-balance sheet exposures (Turnover)

| | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| % (compared to total eligible off-balance sheet assets) | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| Financial guarantees (FinGuar KPI) | 2.1 | 0.1 | | 0.0 | 0.0 | 2.6 | 0.0 | | | | | | |
| Assets under management (AuM KPI) | 9.1 | 1.9 | | 0.2 | 1.0 | 0.5 | 0.2 | | 0.0 | 0.0 | 0.0 | | 0.0 |

## KPI off-balance sheet exposures (CapEx)

| | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| *% (compared to total eligible off-balance sheet assets)* | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| Financial guarantees (FinGuar KPI) | 1.9 | 0.1 | | 0.0 | 0.0 | 2.6 | 0.0 | | | | | | |
| Assets under management (AuM KPI) | 11.1 | 3.4 | | 0.3 | 1.6 | 0.5 | 0.3 | | 0.0 | 0.0 | 0.0 | | 0.0 |

## GAR KPI flow – off-balance sheet exposures (Turnover)

| | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| *% (compared to flow of total eligible off-balance sheet assets)* | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| Financial guarantees (FinGuar KPI) | 4.2 | 0.3 | | 0.0 | 0.0 | 7.4 | 0.1 | | | | | | |
| Assets under management (AuM KPI) | 7.9 | 2.5 | | 0.4 | 1.4 | 0.7 | 0.3 | | 0.0 | 0.0 | 0.0 | | 0.0 |

## GAR KPI flow – off-balance sheet exposures (CapEx)

| | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| *% (compared to flow of total eligible off-balance sheet assets)* | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| Financial guarantees (FinGuar KPI) | 3.8 | 0.4 | | 0.0 | 0.1 | 7.4 | 0.1 | | | | | | |
| Assets under management (AuM KPI) | 11.9 | 5.1 | | 0.5 | 2.8 | 0.9 | 0.4 | | 0.1 | 0.1 | 0.0 | | 0.0 |

| 31.12.24 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | 6.1 | 0.1 | | 0.0 | 0.0 |
| 0.4 | 0.0 | | 0.0 | 0.7 | 0.0 | | 0.0 | 0.1 | | | | 19.9 | 3.1 | | 0.2 | 1.0 |

| 31.12.24 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | 5.3 | 0.2 | | 0.0 | 0.0 |
| 0.3 | 0.0 | | 0.0 | 0.4 | 0.0 | | 0.0 | 0.1 | 0.0 | | | 24.4 | 5.2 | | 0.3 | 1.6 |

| 31.12.24 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
| of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | 12.9 | 0.4 | | 0.0 | 0.0 |
| 0.4 | 0.0 | | 0.0 | 0.7 | 0.0 | | 0.0 | 0.0 | | | | 23.7 | 4.3 | | 0.4 | 1.4 |

| 31.12.24 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
| of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | 11.9 | 0.5 | | 0.0 | 0.1 |
| 0.4 | 0.0 | | 0.0 | 0.5 | 0.0 | | 0.0 | 0.0 | 0.0 | | | 31.5 | 7.9 | | 0.5 | 2.8 |

# Nuclear and fossil gas related activities

## Nuclear and fossil gas related activities – GAR Assets

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | Yes |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | Yes |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | Yes |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | Yes |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | Yes |

## Taxonomy-aligned economic activities (denominator) – GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 75 | 0.0 | 75 | 0.0 | 0 | 0.0 |
| 8 | Total of the applicable KPI | 79 | 0.0 | 79 | 0.0 | 0 | 0.0 |

## Taxonomy-aligned economic activities (denominator) – GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 85 | 0.0 | 85 | 0.0 | 0 | |
| 8 | Total of the applicable KPI | 89 | 0.0 | 89 | 0.0 | 0 | |

## Taxonomy-aligned economic activities (numerator) – GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.3 | 0 | 0.3 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.4 | 0 | 0.4 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 2.3 | 2 | 2.3 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | | | | | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 2.2 | 2 | 2.2 | 0 | 0.1 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 75 | 94.8 | 75 | 94.8 | 0 | 0.0 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 79 | 100.0 | 79 | 99.9 | 0 | 0.1 |

## Taxonomy-aligned economic activities (numerator) – GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 1 | 1.4 | 1 | 1.4 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.5 | 0 | 0.5 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 2.7 | 2 | 2.7 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 85 | 95.3 | 85 | 95.2 | 0 | 0.1 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 89 | 100.0 | 89 | 99.9 | 0 | 0.1 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 27 | 0.0 | 27 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 5 | 0.0 | 5 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 22 | 0.0 | 22 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 4,596 | 0.9 | 4,580 | 0.9 | 16 | 0.0 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 4,656 | 0.9 | 4,639 | 0.9 | 16 | 0.0 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 11 | 0.0 | 11 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 46 | 0.0 | 46 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 4,635 | 0.9 | 4,617 | 0.9 | 18 | 0.0 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 4,696 | 0.9 | 4,677 | 0.9 | 18 | 0.0 |

## Taxonomy non-eligible economic activities – GAR Assets (Turnover)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | | |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 28 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 524,185 | 99.1 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 524,216 | 99.1 |

## Taxonomy non-eligible economic activities – GAR Assets (CapEx)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | | |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 28 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | | |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 524,233 | 99.1 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 524,262 | 99.1 |

## Nuclear and fossil gas related activities – Financial Guarantees

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |

## Nuclear and fossil gas related activities – AuM

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | Yes |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | Yes |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | Yes |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | Yes |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | Yes |

## Taxonomy-aligned economic activities (denominator) – AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 64 | 0.1 | 64 | 0.1 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 1,626 | 2.0 | 1,460 | 1.8 | 166 | 0.2 |
| 8 | Total of the applicable KPI | 1,695 | 2.1 | 1,529 | 1.9 | 166 | 0.2 |

## Taxonomy-aligned economic activities (denominator) – AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 21 | 0.0 | 21 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 60 | 0.1 | 60 | 0.1 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 5 | 0.0 | 5 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 2,924 | 3.6 | 2,705 | 3.3 | 219 | 0.3 |
| 8 | Total of the applicable KPI | 3,012 | 3.7 | 2,794 | 3.4 | 219 | 0.3 |

## Taxonomy-aligned economic activities (numerator) – AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 1 | 0.1 | 1 | 0.1 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 64 | 3.8 | 64 | 3.8 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 3 | 0.2 | 3 | 0.2 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 1,626 | 95.9 | 1,460 | 86.1 | 166 | 9.8 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 1,695 | 100.0 | 1,529 | 90.2 | 166 | 9.8 |

## Taxonomy-aligned economic activities (numerator) – AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 21 | 0.7 | 21 | 0.7 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 60 | 2.0 | 60 | 2.0 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 0.1 | 2 | 0.1 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 5 | 0.2 | 5 | 0.2 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 2,924 | 97.1 | 2,705 | 89.8 | 219 | 7.3 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 3,012 | 100.0 | 2,794 | 92.7 | 219 | 7.3 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 25 | 0.0 | 25 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 6 | 0.0 | 6 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 18 | 0.0 | 18 | 0.0 | 0 | 0.0 |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 43 | 0.1 | 43 | 0.1 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 6,098 | 7.4 | 5,851 | 7.1 | 247 | 0.3 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 6,193 | 7.5 | 5,946 | 7.2 | 247 | 0.3 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 7 | 0.0 | 7 | 0.0 | 0 | 0.0 |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 51 | 0.1 | 51 | 0.1 | | |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 6,471 | 7.9 | 6,245 | 7.6 | 226 | 0.3 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 6,532 | 7.9 | 6,306 | 7.7 | 226 | 0.3 |

## Taxonomy non-eligible economic activities – AuM (Turnover)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 4 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 14 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 21 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 4 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 65,892 | 80.0 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 65,937 | 80.1 |

## Taxonomy non-eligible economic activities – AuM (CapEx)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 33 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 4 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 21 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 62,198 | 75.5 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 62,257 | 75.6 |

## Nuclear and fossil gas related activities – Flow GAR Assets

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | Yes |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | Yes |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | Yes |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | Yes |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | Yes |

## Taxonomy-aligned economic activities (denominator) – Flow GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 6 | 0.0 | 6 | 0.0 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 222 | 0.5 | 222 | 0.5 | 0 | 0.0 |
| 8 | Total of the applicable KPI | 230 | 0.5 | 230 | 0.5 | 0 | 0.0 |

## Taxonomy-aligned economic activities (denominator) – Flow GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 222 | 0.5 | 222 | 0.5 | 0 | 0.0 |
| 8 | Total of the applicable KPI | 230 | 0.5 | 230 | 0.5 | 0 | 0.0 |

## Taxonomy-aligned economic activities (numerator) – Flow GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.1 | 0 | 0.1 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.2 | 0 | 0.2 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 6 | 2.5 | 6 | 2.5 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 0.8 | 2 | 0.7 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 222 | 96.4 | 222 | 96.4 | 0 | 0.0 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 230 | 100.0 | 230 | 100.0 | 0 | 0.0 |

## Taxonomy-aligned economic activities (numerator) – Flow GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 3 | 1.4 | 3 | 1.4 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 0.9 | 2 | 0.9 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 1.0 | 2 | 1.0 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 222 | 96.6 | 222 | 96.5 | 0 | 0.1 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 230 | 100.0 | 230 | 99.9 | 0 | 0.1 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – Flow GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 4 | 0.0 | 4 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 50 | 0.1 | 50 | 0.1 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 9 | 0.0 | 9 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 14 | 0.0 | 14 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 52 | 0.1 | 52 | 0.1 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 4,691 | 10.2 | 4,669 | 10.1 | 22 | 0.0 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 4,823 | 10.4 | 4,801 | 10.4 | 22 | 0.0 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – Flow GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 21 | 0.0 | 21 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 81 | 0.2 | 81 | 0.2 | | |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 5 | 0.0 | 5 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 4,612 | 10.0 | 4,587 | 9.9 | 25 | 0.1 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 4,720 | 10.2 | 4,695 | 10.2 | 25 | 0.1 |

## Taxonomy non-eligible economic activities – Flow GAR Assets (Turnover)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 2 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 28 | 0.1 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 2 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 40,898 | 88.6 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 40,932 | 88.7 |

## Taxonomy non-eligible economic activities – Flow GAR Assets (CapEx)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | | |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 28 | 0.1 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 41,089 | 89.0 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 41,118 | 89.1 |

## Nuclear and fossil gas related activities – Flow financial guarantees

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |

## Nuclear and fossil gas related activities – Flow AuM

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | Yes |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | Yes |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | Yes |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | Yes |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | Yes |

## Taxonomy-aligned economic activities (denominator) – Flow AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 48 | 0.1 | 48 | 0.1 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 4 | 0.0 | 3 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 1,764 | 2.7 | 1,567 | 2.4 | 197 | 0.3 |
| 8 | Total of the applicable KPI | 1,817 | 2.8 | 1,620 | 2.5 | 197 | 0.3 |

## Taxonomy-aligned economic activities (denominator) – Flow AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 9 | 0.0 | 9 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 46 | 0.1 | 46 | 0.1 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 5 | 0.0 | 5 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 3,557 | 5.5 | 3,272 | 5.0 | 285 | 0.4 |
| 8 | Total of the applicable KPI | 3,617 | 5.5 | 3,332 | 5.1 | 285 | 0.4 |

## Taxonomy-aligned economic activities (numerator) – Flow AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 1 | 0.1 | 1 | 0.1 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 48 | 2.6 | 48 | 2.6 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 4 | 0.2 | 3 | 0.2 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 1,764 | 97.1 | 1,567 | 86.3 | 197 | 10.8 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 1,817 | 100.0 | 1,620 | 89.2 | 197 | 10.8 |

## Taxonomy-aligned economic activities (numerator) – Flow AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 9 | 0.3 | 9 | 0.3 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 46 | 1.3 | 46 | 1.3 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 5 | 0.1 | 5 | 0.1 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 3,557 | 98.3 | 3,272 | 90.5 | 285 | 7.9 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 3,617 | 100.0 | 3,332 | 92.1 | 285 | 7.9 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – Flow AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 4 | 0.0 | 4 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 19 | 0.0 | 19 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 51 | 0.1 | 51 | 0.1 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 3,690 | 5.7 | 3,438 | 5.3 | 252 | 0.4 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 3,770 | 5.8 | 3,518 | 5.4 | 252 | 0.4 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – Flow AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | 0 | 0.0 |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 55 | 0.1 | 55 | 0.1 | | |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 4,682 | 7.2 | 4,383 | 6.7 | 299 | 0.5 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 4,742 | 7.3 | 4,443 | 6.8 | 299 | 0.5 |

## Taxonomy non-eligible economic activities – Flow AuM (Turnover)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 2 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 11 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 58 | 0.1 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 3 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 49,689 | 76.2 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 49,763 | 76.3 |

## Taxonomy non-eligible economic activities – Flow AuM (CapEx)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 25 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 3 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 58 | 0.1 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 44,570 | 68.4 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 44,656 | 68.5 |

# UBS Europe SE consolidated[1]

# Assets for the calculation of the GAR

## Assets for the calculation of the GAR (Turnover)

| USD m | Total gross carrying amount | 31.12.24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
| | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | of which environmentally sustainable (Taxonomy-aligned) | | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **10,520** | **422** | **24** | | **1** | **1** | **9** | **0** | | **0** |
| **Financial undertakings** | **6,308** | **285** | **24** | | **1** | **1** | **9** | **0** | | **0** |
| Credit institutions | 6,299 | 283 | 24 | | 1 | 1 | 9 | 0 | | 0 |
| Loans and advances | 5,071 | 74 | 6 | | 0 | 0 | 0 | 0 | | 0 |
| Debt securities, including UoP | 1,229 | 208 | 18 | | 1 | 1 | 9 | | | |
| Equity instruments | 0 | 0 | 0 | | | | | | | |
| Other financial corporations | 9 | 2 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| *of which investment firms* | *8* | *2* | *0* | | *0* | *0* | *0* | *0* | | |
| Loans and advances | 8 | 2 | 0 | | 0 | 0 | 0 | 0 | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which management companies* | *0* | *0* | *0* | | *0* | *0* | | | | |
| Loans and advances | 0 | 0 | 0 | | 0 | 0 | | | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which insurance undertakings* | *0* | *0* | *0* | | *0* | *0* | *0* | *0* | | *0* |
| Loans and advances | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| **Non-financial undertakings** | **225** | **0** | **0** | | **0** | | | **0** | | |
| Loans and advances | 225 | 0 | 0 | | 0 | | | 0 | | |
| Debt securities, including UoP | 0 | | | | | | | | | |
| Equity instruments | 0 | | | | | | | | | |
| **Households[2]** | **2,890** | **137** | | | | | | | | |
| *of which loans collateralised by residential immovable property* | *137* | *137* | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | |
| **Local governments financing** | 1,096 | 0 | 0 | | 0 | 0 | 0 | 0 | | |
| Housing financing | | | | | | | | | | |
| Other local government financing | 1,096 | 0 | 0 | | 0 | 0 | 0 | 0 | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **0** | | | | | | | | | |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **14,888** | | | | | | | | | |
| **Financial and Non-financial undertakings[3]** | **7,321** | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 4,773 | | | | | | | | | |
| Loans and advances | 3,863 | | | | | | | | | |
| *of which loans collateralised by commercial immovable property* | 0 | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| Debt securities | 909 | | | | | | | | | |
| Equity instruments | 1 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 2,548 | | | | | | | | | |
| Loans and advances | 1,626 | | | | | | | | | |
| Debt securities | 914 | | | | | | | | | |
| Equity instruments | 7 | | | | | | | | | |
| **Derivatives[4]** | **4,601** | | | | | | | | | |
| **On demand interbank loans** | **1,925** | | | | | | | | | |
| **Cash and cash-related assets** | **0** | | | | | | | | | |
| **Other categories of assets (e.g. Goodwill, commodities etc.)** | **1,041** | | | | | | | | | |
| **Total GAR assets** | **25,408** | **422** | **24** | | **1** | **1** | **9** | **0** | | **0** |
| **Assets not covered for GAR calculation** | **32,118** | | | | | | | | | |
| **Central governments and Supranational issuers** | **1,343** | | | | | | | | | |
| **Central banks exposure** | **12,362** | | | | | | | | | |
| **Trading book[4]** | **18,413** | | | | | | | | | |
| **Total assets** | **57,526** | **422** | **24** | | **1** | **1** | **9** | **0** | | **0** |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations[5]** | | | | | | | | | | |
| Financial guarantees | | | | | | | | | | |
| Assets under management | 61,962 | 5,779 | 1,696 | | 155 | 966 | 673 | 59 | | 17 |
| *of which debt securities* | *20,127* | *3,053* | *821* | | *83* | *433* | *231* | *20* | | *8* |
| *of which equity instruments* | *35,985* | *2,296* | *834* | | *69* | *524* | *412* | *36* | | *9* |

1 Within tables in this section, blank fields indicate non-applicability, non-availability of required information, actual zero or that presentation of any content would not be meaningful. Zero values generally indicate that the respective figure is zero on a rounded basis. 2 Includes loans collateralized by commercial immovable property. 3 Includes USD 342.7m (2023: USD 228.2m) exposures to multi-development bank, which in comparative period was presented under Central governments and Supranational issuers. 4 Comparatives revised to reclassify derivatives classified as held for trading under IFRS Accounting Standards from Derivatives line to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024. 5 As required by the standardized template, the total gross carrying amount was calculated on the basis of off-balance sheet exposures to undertakings subject to NFRD.

| Water and marine resources (WTR) | | | | Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| **0** | | | | **0** | **0** | | | **0** | | | | **0** | | | | **480** | **24** | | **1** | **1** |
| | | | | **0** | | | | | | | | | | | | **342** | **24** | | **1** | **1** |
| | | | | 0 | | | | | | | | | | | | 340 | 24 | | 1 | 1 |
| | | | | 0 | | | | | | | | | | | | 91 | 6 | | 0 | 0 |
| | | | | | | | | | | | | | | | | 249 | 18 | | 1 | 1 |
| | | | | | | | | | | | | | | | | 0 | 0 | | | |
| | | | | | | | | | | | | | | | | 2 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | *2* | *0* | | *0* | *0* |
| | | | | | | | | | | | | | | | | 2 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | *0* | *0* | | *0* | *0* |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | *0* | *0* | | *0* | *0* |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | **0** | **0** | | | **0** |
| | | | | | | | | | | | | | | | | 0 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | **137** | | | | |
| | | | | | | | | | | | | | | | | *137* | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | 0 | 0 | | | 0 | | | | 0 | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | 0 | 0 | | | 0 | | | | 0 | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | 0 | 0 | | | 0 | | | | 0 | | | | 480 | 24 | | 1 | 1 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | 0 | 0 | | | 0 | | | | 0 | | | | 480 | 24 | | 1 | 1 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 6 | 3 | | 0 | 354 | 22 | | 11 | 820 | 8 | | 4 | 25 | | | | 21,363 | 2,511 | | 145 | 996 |
| *2* | *1* | | *0* | *108* | *4* | | *2* | *137* | *5* | | *4* | *11* | | | | *7,149* | *1,478* | | *77* | *449* |
| *4* | *2* | | *0* | *246* | *19* | | *9* | *683* | *3* | | *0* | *14* | | | | *13,212* | *913* | | *65* | *539* |

| USD m | Total gross carrying amount | 31.12.23 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
| | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | of which environmentally sustainable (Taxonomy-aligned) | | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **6,424** | **186** | **0** | | | **0** | | | | |
| **Financial undertakings** | **3,615** | | **0** | | | | | | | |
| Credit institutions | 3,574 | | | | | | | | | |
| Loans and advances | 2,974 | | | | | | | | | |
| Debt securities | 600 | | | | | | | | | |
| Equity instruments | 0 | | | | | | | | | |
| Other financial corporations | 42 | | 0 | | | | | | | |
| *of which investment firms* | *42* | | | | | | | | | |
| Loans and advances | 42 | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which management companies* | *0* | | | | | | | | | |
| Loans and advances | 0 | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which insurance undertakings* | *0* | | *0* | | | | | | | |
| Loans and advances | 0 | | 0 | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| **Non-financial undertakings** | **0** | | **0** | | | **0** | | | | |
| Loans and advances | 0 | | 0 | | | 0 | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| **Households** | **2,808** | **186** | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *186* | *186* | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | |
| **Local governments financing** | | | | | | | | | | |
| Housing financing | | | | | | | | | | |
| Other local government financing | | | | | | | | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **0** | | | | | | | | | |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **13,554** | | | | | | | | | |
| **Financial and Non-financial undertakings** | **6,538** | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 4,059 | | | | | | | | | |
| Loans and advances | 3,033 | | | | | | | | | |
| *of which loans collateralised by commercial immovable property* | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| Debt securities | 1,025 | | | | | | | | | |
| Equity instruments | 1 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 2,479 | | | | | | | | | |
| Loans and advances | 1,508 | | | | | | | | | |
| Debt securities | 968 | | | | | | | | | |
| Equity instruments | 3 | | | | | | | | | |
| **Derivatives[1]** | **3,945** | | | | | | | | | |
| **On demand interbank loans** | **1,995** | | | | | | | | | |
| **Cash and cash-related assets** | **0** | | | | | | | | | |
| **Other categories of assets** | **1,076** | | | | | | | | | |
| Total GAR assets | 19,978 | 186 | 0 | | | 0 | | | | |
| **Assets not covered for GAR calculation** | **31,894** | | | | | | | | | |
| **Central governments and supranational issuers[2]** | **2,246** | | | | | | | | | |
| **Central banks exposure** | **11,922** | | | | | | | | | |
| **Trading book[1]** | **17,725** | | | | | | | | | |
| Total assets | 51,872 | 186 | 0 | | | 0 | | | | |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations[3]** | | | | | | | | | | |
| Financial guarantees | | | | | | | | | | |
| Assets under management | 34,560 | | 715 | | 19 | 440 | | 8 | | |
| *of which debt securities* | *7,014* | | *264* | | *7* | *130* | | *5* | | |
| *of which equity instruments* | *25,372* | | *451* | | *13* | *310* | | *3* | | |

1 Revised to reclassify derivatives of USD 13.8bn classified as held for trading under IFRS Accounting Standards from Derivatives line (as presented in 2023 disclosures) to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024. 2 Includes local governments financing when the use of proceeds is not known. 3 As required by the standardized template, the total gross carrying amount was calculated on the basis of off-balance sheet exposures to undertakings subject to NFRD.

| Water and marine resources (WTR) | | | | Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 505 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | 319 | 0 | | | |
| | | | | | | | | | | | | | | | | 319 | | | | |
| | | | | | | | | | | | | | | | | 173 | | | | |
| | | | | | | | | | | | | | | | | 146 | | | | |
| | | | | | | | | | | | | | | | | 0 | | | | |
| | | | | | | | | | | | | | | | | 0 | 0 | | | |
| | | | | | | | | | | | | | | | | *0* | | | | |
| | | | | | | | | | | | | | | | | 0 | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | *0* | | | | |
| | | | | | | | | | | | | | | | | 0 | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | *0* | | | |
| | | | | | | | | | | | | | | | | | 0 | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 0 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | 0 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 186 | | | | |
| | | | | | | | | | | | | | | | | *186* | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 505 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 505 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 9,219 | 723 | | 19 | 440 |
| | | | | | | | | | | | | | | | | *2,258* | *269* | | *7* | *130* |
| | | | | | | | | | | | | | | | | *6,623* | *454* | | *13* | *310* |

## Assets for the calculation of the GAR (CapEx)

| USD m | Total gross carrying amount | 31.12.24[1] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
| | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | of which environmentally sustainable (Taxonomy-aligned) | | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling |
| GAR - Covered assets in both numerator and denominator | | | | | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 10,520 | 420 | 27 | | 2 | 2 | 9 | 0 | | 0 |
| Financial undertakings | 6,308 | 282 | 27 | | 2 | 2 | 9 | 0 | | 0 |
| Credit institutions[2] | 6,299 | 280 | 26 | | 2 | 2 | 9 | 0 | | 0 |
| Loans and advances | 5,071 | 74 | 6 | | 1 | 1 | 0 | 0 | | 0 |
| Debt securities, including UoP | 1,229 | 206 | 20 | | 1 | 1 | 9 | 0 | | |
| Equity instruments | 0 | 0 | 0 | | | | | | | |
| Other financial corporations | 9 | 2 | 0 | | 0 | 0 | 0 | 0 | | |
| *of which investment firms* | *8* | *2* | *0* | | *0* | *0* | *0* | *0* | | |
| Loans and advances | 8 | 2 | 0 | | 0 | 0 | 0 | 0 | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which management companies* | *0* | *0* | *0* | | *0* | *0* | | | | |
| Loans and advances | 0 | 0 | 0 | | 0 | 0 | | | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which insurance undertakings* | *0* | *0* | *0* | | *0* | *0* | *0* | *0* | | |
| Loans and advances | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | |
| Debt securities, including UoP | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| Non-financial undertakings | 225 | 0 | 0 | | 0 | 0 | | 0 | | 0 |
| Loans and advances | 225 | 0 | 0 | | 0 | 0 | | 0 | | 0 |
| Debt securities, including UoP | 0 | 0 | 0 | | | 0 | | | | |
| Equity instruments | 0 | 0 | 0 | | | 0 | | | | |
| Households[2] | 2,890 | 137 | | | | | | | | |
| *of which loans collateralised by residential immovable property* | *137* | *137* | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | |
| Local governments financing | 1,096 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Housing financing | | | | | | | | | | |
| Other local government financing | 1,096 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Collateral obtained by taking possession: residential and commercial immovable properties | 0 | | | | | | | | | |
| Assets excluded from the numerator for GAR calculation (covered in the denominator) | 14,888 | | | | | | | | | |
| Financial and Non-financial undertakings[3] | 7,321 | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 4,773 | | | | | | | | | |
| Loans and advances | 3,863 | | | | | | | | | |
| *of which loans collateralised by commercial immovable property* | 0 | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| Debt securities | 909 | | | | | | | | | |
| Equity instruments | 1 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 2,548 | | | | | | | | | |
| Loans and advances | 1,626 | | | | | | | | | |
| Debt securities | 914 | | | | | | | | | |
| Equity instruments | 7 | | | | | | | | | |
| Derivatives[4] | 4,601 | | | | | | | | | |
| On demand interbank loans | 1,925 | | | | | | | | | |
| Cash and cash-related assets | 0 | | | | | | | | | |
| Other categories of assets (e.g. Goodwill, commodities etc.) | 1,041 | | | | | | | | | |
| Total GAR assets | 25,408 | 420 | 27 | | 2 | 2 | 9 | 0 | | 0 |
| Assets not covered for GAR calculation | 32,118 | | | | | | | | | |
| Central governments and Supranational issuers | 1,343 | | | | | | | | | |
| Central banks exposure | 12,362 | | | | | | | | | |
| Trading book[4] | 18,413 | | | | | | | | | |
| Total assets | 57,526 | 420 | 27 | | 2 | 2 | 9 | 0 | | 0 |
| Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations[5] | | | | | | | | | | |
| Financial guarantees | | | | | | | | | | |
| Assets under management | 61,962 | 8,005 | 3,850 | | 339 | 2,234 | 626 | 126 | | 65 |
| *of which debt securities* | *20,127* | *3,590* | *1,481* | | *112* | *758* | *162* | *50* | | *31* |
| *of which equity instruments* | *35,985* | *3,978* | *2,325* | | *221* | *1,465* | *435* | *73* | | *35* |

1 Within tables in this section, blank fields indicate non-applicability or that presentation of any content would not be meaningful. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. 2 Includes loans collateralized by commercial immovable property. 3 Includes USD 342.7m (2023: USD 228.2m) exposures to multi-development bank, which in comparative period was presented under Central governments and Supranational issuers. 4 Comparatives revised to reclassify derivatives classified as held for trading under IFRS Accounting Standards from Derivatives line to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024. 5 As required by the standardized template, the total gross carrying amount was calculated on the basis of off-balance sheet exposures to undertakings subject to NFRD.

| Water and marine resources (WTR) | | | | Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| **0** | | | | **0** | | | | **0** | | | | **0** | | | | **468** | **27** | | **2** | **3** |
| | | | | **0** | | | | | | | | | | | | **330** | **27** | | **2** | **2** |
| | | | | 0 | | | | | | | | | | | | 328 | 27 | | 2 | 2 |
| | | | | 0 | | | | | | | | | | | | 80 | 7 | | 1 | 1 |
| | | | | | | | | | | | | | | | | 248 | 20 | | 1 | 1 |
| | | | | | | | | | | | | | | | | 0 | 0 | | | |
| | | | | | | | | | | | | | | | | 2 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | *2* | *0* | | *0* | *0* |
| | | | | | | | | | | | | | | | | 2 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | *0* | *0* | | *0* | *0* |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | *0* | *0* | | *0* | *0* |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | **0** | **0** | | **0** | **0** |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | 0 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | 0 | 0 | | | 0 |
| | | | | | | | | | | | | | | | | **137** | | | | |
| | | | | | | | | | | | | | | | | *137* | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | 0 | | | | 0 | | | | 0 | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | 0 | | | | 0 | | | | 0 | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | 0 | | | | 0 | | | | 0 | | | | 468 | 27 | | 2 | 3 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | 0 | | | | 0 | | | | 0 | | | | 468 | 27 | | 2 | 3 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 10 | 5 | | 0 | 354 | 22 | | 11 | 820 | 8 | | 4 | 25 | | | | 21,957 | 5,101 | | 339 | 2,270 |
| *3* | *2* | | *0* | *108* | *4* | | *2* | *137* | *5* | | *4* | *11* | | | | *9,408* | *2,517* | | *112* | *784* |
| *6* | *3* | | *0* | *246* | *19* | | *9* | *683* | *3* | | *0* | *14* | | | | *11,317* | *2,413* | | *221* | *1,476* |

| USD m | Total gross carrying amount | 31.12.23 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
| | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | of which environmentally sustainable (Taxonomy-aligned) | | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **6,424** | **186** | **0** | | **0** | **0** | | | | |
| **Financial undertakings** | **3,615** | | | | | | | | | |
| Credit institutions | 3,574 | | | | | | | | | |
| Loans and advances | 2,974 | | | | | | | | | |
| Debt securities | 600 | | | | | | | | | |
| Equity instruments | 0 | | | | | | | | | |
| Other financial corporations | 42 | | | | | | | | | |
| *of which investment firms* | *42* | | | | | | | | | |
| Loans and advances | 42 | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which management companies* | *0* | | | | | | | | | |
| Loans and advances | 0 | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| *of which insurance undertakings* | *0* | | | | | | | | | |
| Loans and advances | 0 | | | | | | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| **Non-financial undertakings** | **0** | | **0** | | **0** | **0** | | | | |
| Loans and advances | 0 | | 0 | | 0 | 0 | | | | |
| Debt securities | | | | | | | | | | |
| Equity instruments | | | | | | | | | | |
| **Households** | **2,808** | **186** | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *186* | *186* | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | |
| **Local governments financing** | | | | | | | | | | |
| Housing financing | | | | | | | | | | |
| Other local government financing | | | | | | | | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **0** | | | | | | | | | |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **13,554** | | | | | | | | | |
| **Financial and Non-financial undertakings** | **6,538** | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 4,059 | | | | | | | | | |
| Loans and advances | 3,033 | | | | | | | | | |
| *of which loans collateralised by commercial immovable property* | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | |
| Debt securities | 1,025 | | | | | | | | | |
| Equity instruments | 1 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 2,479 | | | | | | | | | |
| Loans and advances | 1,508 | | | | | | | | | |
| Debt securities | 968 | | | | | | | | | |
| Equity instruments | 3 | | | | | | | | | |
| **Derivatives[1]** | **3,945** | | | | | | | | | |
| **On demand interbank loans** | **1,995** | | | | | | | | | |
| **Cash and cash-related assets** | **0** | | | | | | | | | |
| **Other categories of assets** | **1,076** | | | | | | | | | |
| Total GAR assets | 19,978 | 186 | 0 | | 0 | 0 | | | | |
| **Assets not covered for GAR calculation** | **31,894** | | | | | | | | | |
| **Central governments and supranational issuers[2]** | **2,246** | | | | | | | | | |
| **Central banks exposure** | **11,922** | | | | | | | | | |
| **Trading book[1]** | **17,725** | | | | | | | | | |
| Total assets | 51,872 | 186 | 0 | | 0 | 0 | | | | |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations[3]** | | | | | | | | | | |
| Financial guarantees | | | | | | | | | | |
| Assets under management | 34,560 | | 1,762 | | 165 | 870 | | 24 | | |
| *of which debt securities* | *7,014* | | *660* | | *24* | *325* | | *16* | | |
| *of which equity instruments* | *25,372* | | *1,102* | | *141* | *545* | | *8* | | |

1 Revised to reclassify derivatives of USD 13.8bn classified as held for trading under IFRS Accounting Standards from Derivatives line (as presented in 2023 disclosures) to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024. 2 Includes local governments financing when the use of proceeds is not known. 3 As required by the standardized template, the total gross carrying amount was calculated on the basis of off-balance sheet exposures to undertakings subject to NFRD.

| Water and marine resources (WTR) | | | | Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | **351** | **0** | | **0** | **0** |
| | | | | | | | | | | | | | | | | **166** | | | | |
| | | | | | | | | | | | | | | | | 166 | | | | |
| | | | | | | | | | | | | | | | | 124 | | | | |
| | | | | | | | | | | | | | | | | 42 | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | **0** | **0** | | **0** | **0** |
| | | | | | | | | | | | | | | | | 0 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | **186** | | | | |
| | | | | | | | | | | | | | | | | *186* | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 351 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 351 | 0 | | 0 | 0 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | 8,508 | 1,786 | | 165 | 870 |
| | | | | | | | | | | | | | | | | *2,101* | *676* | | *24* | *325* |
| | | | | | | | | | | | | | | | | *6,243* | *1,111* | | *141* | *545* |

# GAR sector information

## GAR sector information (Turnover)

| Breakdown by sector - NACE 4 digits level (code and label)[1] | Climate Change Mitigation (CCM) | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | |
| *USD thousand* | USD thousands | of which environmentally sustainable (CCM) | USD thousands | of which environmentally sustainable (CCM) | USD thousands | of which environmentally sustainable (CCA) | | of which environmentally sustainable (CCA) | USD thousands | of which environmentally sustainable (WTR) | USD thousands | of which environmentally sustainable (WTR) |
| 3521 - Manufacture of gas | | 0 | | | | 0 | | | | | | |
| 8299 - Other business support services activities n.e.c. | 0 | 0 | | | | | | | | | | |

1 The information included in this table represents taxonomy-eligible and taxonomy-aligned amounts as reported in table Assets for the calculation of the GAR (Turnover), irrespective of whether the NACE code for principal activity is associated with taxonomy-eligible or taxonomy-aligned economic activities.

## GAR sector information (CapEx)

| Breakdown by sector - NACE 4 digits level (code and label)[1] | Climate Change Mitigation (CCM) | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | |
| *USD thousand* | USD thousands | of which environmentally sustainable (CCM) | USD thousands | of which environmentally sustainable (CCM) | USD thousands | of which environmentally sustainable (CCA) | | of which environmentally sustainable (CCA) | USD thousands | of which environmentally sustainable (WTR) | USD thousands | of which environmentally sustainable (WTR) |
| 3521 - Manufacture of gas | | 0 | | | | 0 | | | | | | |
| 8299 - Other business support services activities n.e.c. | 0 | 0 | | | | | | | | | | |
| 6419 - Other monetary intermediation | 293 | 90 | | | | | | | | | | |

1 The information included in this table represents taxonomy-eligible and taxonomy-aligned amounts as reported in table Assets for the calculation of the GAR (CapEx), irrespective of whether the NACE code for principal activity is associated with taxonomy-eligible or taxonomy-aligned economic activities.

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | |
| USD thousands | of which environmentally sustainable (CE) | USD thousands | of which environmentally sustainable (CE) | USD thousands | of which environmentally sustainable (PPC) | USD thousands | of which environmentally sustainable (PPC) | USD thousands | of which environmentally sustainable (BIO) | USD thousands | of which environmentally sustainable (BIO) | USD thousands | of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO) | USD thousands | of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO) |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 0 | 0 | | |

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | |
| USD thousands | of which environmentally sustainable (CE) | USD thousands | of which environmentally sustainable (CE) | USD thousands | of which environmentally sustainable (PPC) | USD thousands | of which environmentally sustainable (PPC) | USD thousands | of which environmentally sustainable (BIO) | USD thousands | of which environmentally sustainable (BIO) | USD thousands | of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO) | USD thousands | of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO) |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 0 | 0 | | |
| | | | | | | | | | | | | 293 | 90 | | |

# GAR KPI stock

## GAR KPI stock (Turnover)

| | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| *% (compared to total covered assets in the denominator)*[1] | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **4.0** | **0.2** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |
| **Financial undertakings** | **4.5** | **0.4** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | | | | |
| Credit institutions | 4.5 | 0.4 | | 0.0 | 0.0 | 0.1 | 0.0 | | 0.0 | | | | |
| Loans and advances | 1.5 | 0.1 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | | | | |
| Debt securities | 17.0 | 1.5 | | 0.1 | 0.0 | 0.7 | | | | | | | |
| Equity instruments | 0.6 | 0.0 | | | | | | | | | | | |
| Other financial corporations | 22.0 | 0.8 | | 0.5 | 0.2 | 0.0 | 0.0 | | 0.0 | | | | |
| *of which investment firms* | 23.2 | 0.8 | | 0.5 | 0.2 | 0.0 | 0.0 | | | | | | |
| Loans and advances | 23.2 | 0.8 | | 0.5 | 0.2 | 0.0 | 0.0 | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | 0.6 | 0.0 | | 0.0 | 0.0 | | | | | | | | |
| Loans and advances | 0.6 | 0.0 | | 0.0 | 0.0 | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which insurance undertakings* | 11.3 | 4.0 | | 0.2 | 1.0 | 0.0 | 0.0 | | 0.0 | | | | |
| Loans and advances | 11.3 | 4.0 | | 0.2 | 1.0 | 0.0 | 0.0 | | 0.0 | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | **0.0** | **0.0** | | **0.0** | | | **0.0** | | | | | | |
| Loans and advances | 0.0 | 0.0 | | 0.0 | | | 0.0 | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Households** | **4.7** | | | | | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | **0.0** | **0.0** | | **0.0** | **0.0** | **0.0** | **0.0** | | | **0.0** | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | 0.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | | | 0.0 | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| Total GAR assets | 1.7 | 0.1 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |

1 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table Assets for the calculation of the GAR (Turnover) 2 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table Assets for the calculation of the GAR (Turnover) relative to Total Assets as reported in the same table.

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total assets covered[2] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | **0.0** | | | **0.0** | | | | **0.0** | | | | **4.6** | **0.2** | | **0.0** | **0.0** | **18.3** |
| **0.0** | | | | | | | | | | | | **5.4** | **0.4** | | **0.0** | **0.0** | **11.0** |
| 0.0 | | | | | | | | | | | | 5.4 | 0.4 | | 0.0 | 0.0 | **11.0** |
| 0.0 | | | | | | | | | | | | 1.8 | 0.1 | | 0.0 | 0.0 | **8.8** |
| | | | | | | | | | | | | 20.3 | 1.5 | | 0.1 | 0.0 | **2.1** |
| | | | | | | | | | | | | 0.9 | 0.0 | | | | **0.0** |
| | | | | | | | | | | | | 22.1 | 0.8 | | 0.5 | 0.2 | **0.0** |
| | | | | | | | | | | | | 23.3 | 0.8 | | 0.5 | 0.2 | **0.0** |
| | | | | | | | | | | | | 23.3 | 0.8 | | 0.5 | 0.2 | **0.0** |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 0.9 | 0.0 | | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | 0.9 | 0.0 | | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 11.4 | 4.0 | | 0.2 | 1.0 | 0.0 |
| | | | | | | | | | | | | 11.4 | 4.0 | | 0.2 | 1.0 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | **0.0** | **0.0** | | | **0.0** | **0.4** |
| | | | | | | | | | | | | 0.0 | 0.0 | | | 0.0 | 0.4 |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | **4.7** | | | | | **5.0** |
| | | | | | | | | | | | | *100.0* | | | | | *0.2* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | **0.0** | | | **0.0** | | | | **0.0** | | | | **0.0** | **0.0** | | **0.0** | **0.0** | **1.9** |
| | | | | | | | | | | | | | | | | | |
| 0.0 | 0.0 | | | 0.0 | | | | 0.0 | | | | 0.0 | 0.0 | | 0.0 | 0.0 | 1.9 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | **0.0** |
| **0.0** | **0.0** | | | **0.0** | | | | **0.0** | | | | **1.9** | **0.1** | | **0.0** | **0.0** | **44.2** |

| % (compared to total covered assets in the denominator)[1] | 31.12.23 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **2.9** | **0.0** | | | **0.0** | | | | | | | | |
| **Financial undertakings** | | **0.0** | | | | | | | | | | | |
| Credit institutions | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| Other financial corporations | | 0.0 | | | | | | | | | | | |
| *of which investment firms* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which insurance undertakings* | | 27.9 | | | | | | | | | | | |
| Loans and advances | | 27.9 | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | | **1.3** | | | **1.0** | | | | | | | | |
| Loans and advances | | 1.3 | | | 1.0 | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Households** | **6.6** | | | | | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | | | | | | | | | | | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | | | | | | | | | | | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| Total GAR assets[3] | 0.9 | 0.0 | | | 0.0 | | | | | | | | |

1 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in the table *Assets for the calculation of the GAR (Turnover)*. 2 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table *Assets for the calculation of the GAR (Turnover)* relative to Total Assets as reported in the same table. 3 Taxonomy-eligibility revised from 1.5% as reported in 2023 EU Taxonomy disclosures to 2.5% due to reclassification of derivatives classified as held for trading under IFRS Accounting Standards from Derivatives line (as presented in EU Taxonomy 2023 disclosures) to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024.

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total assets covered[2] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 7.9 | 0.0 | | | 0.0 | 12.4 |
| | | | | | | | | | | | | 8.8 | 0.0 | | | | 7.0 |
| | | | | | | | | | | | | 8.9 | | | | | 6.9 |
| | | | | | | | | | | | | 5.8 | | | | | 5.7 |
| | | | | | | | | | | | | 24.3 | | | | | 1.2 |
| | | | | | | | | | | | | 1.0 | | | | | 0.0 |
| | | | | | | | | | | | | 1.0 | 0.0 | | | | 0.1 |
| | | | | | | | | | | | | 1.0 | | | | | 0.1 |
| | | | | | | | | | | | | 1.0 | | | | | 0.1 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 59.7 | | | | | 0.0 |
| | | | | | | | | | | | | 59.7 | | | | | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | 27.9 | | | | 0.0 |
| | | | | | | | | | | | | | 27.9 | | | | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 7.5 | 1.3 | | | 1.0 | 0.0 |
| | | | | | | | | | | | | 7.5 | 1.3 | | | 1.0 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 6.6 | | | | | 5.4 |
| | | | | | | | | | | | | *100.0* | | | | | *0.4* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | 2.5 | 0.0 | | | 0.0 | 38.5 |

## GAR KPI stock (CapEx)

| % (compared to total covered assets in the denominator)[1] | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **4.0** | **0.3** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | | | | |
| **Financial undertakings** | **4.5** | **0.4** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | | | | |
| Credit institutions | 4.4 | 0.4 | | 0.0 | 0.0 | 0.1 | 0.0 | | 0.0 | | | | |
| Loans and advances | 1.5 | 0.1 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | | | | |
| Debt securities | 16.7 | 1.6 | | 0.1 | 0.1 | 0.7 | 0.0 | | | | | | |
| Equity instruments | 0.6 | 0.0 | | | | | | | | | | | |
| Other financial corporations | 23.2 | 1.6 | | 0.8 | 0.4 | 0.1 | 0.0 | | | | | | |
| *of which investment firms* | 24.4 | 1.6 | | 0.8 | 0.4 | 0.1 | 0.0 | | | | | | |
| Loans and advances | 24.4 | 1.6 | | 0.8 | 0.4 | 0.1 | 0.0 | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | 0.6 | 0.0 | | 0.0 | 0.0 | | | | | | | | |
| Loans and advances | 0.6 | 0.0 | | 0.0 | 0.0 | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which insurance undertakings* | 11.2 | 2.7 | | 0.1 | 0.7 | 0.0 | 0.0 | | | | | | |
| Loans and advances | 11.2 | 2.7 | | 0.1 | 0.7 | 0.0 | 0.0 | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | **0.1** | **0.0** | | **0.0** | **0.0** | | **0.0** | | **0.0** | | | | |
| Loans and advances | 0.1 | 0.0 | | 0.0 | 0.0 | | 0.0 | | 0.0 | | | | |
| Debt securities | 0.1 | 0.0 | | | 0.0 | | | | | | | | |
| Equity instruments | 0.1 | 0.0 | | | 0.0 | | | | | | | | |
| **Households** | **4.7** | | | | | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | **0.0** | **0.0** | | **0.0** | **0.0** | **0.0** | **0.0** | | **0.0** | **0.0** | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | 0.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| Total GAR assets | 1.7 | 0.1 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |

1 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table Assets for the calculation of the GAR (CapEx). 2 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table Assets for the calculation of the GAR (CapEx) relative to Total Assets as reported in the same table.

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total assets covered[2] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| 0.0 | | | | 0.0 | | | | 0.0 | | | | 4.4 | 0.3 | | 0.0 | 0.0 | 18.3 |
| 0.0 | | | | | | | | | | | | 5.2 | 0.4 | | 0.0 | 0.0 | 11.0 |
| 0.0 | | | | | | | | | | | | 5.2 | 0.4 | | 0.0 | 0.0 | 11.0 |
| 0.0 | | | | | | | | | | | | 1.6 | 0.1 | | 0.0 | 0.0 | 8.8 |
| | | | | | | | | | | | | 20.2 | 1.6 | | 0.1 | 0.1 | 2.1 |
| | | | | | | | | | | | | 0.7 | 0.0 | | | | 0.0 |
| | | | | | | | | | | | | 23.3 | 1.6 | | 0.8 | 0.4 | 0.0 |
| | | | | | | | | | | | | 24.5 | 1.7 | | 0.8 | 0.4 | 0.0 |
| | | | | | | | | | | | | 24.5 | 1.7 | | 0.8 | 0.4 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 0.7 | 0.0 | | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | 0.7 | 0.0 | | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 11.3 | 2.7 | | 0.1 | 0.7 | 0.0 |
| | | | | | | | | | | | | 11.3 | 2.7 | | 0.1 | 0.7 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 0.1 | 0.0 | | 0.0 | 0.0 | 0.4 |
| | | | | | | | | | | | | 0.1 | 0.0 | | 0.0 | 0.0 | 0.4 |
| | | | | | | | | | | | | 0.1 | 0.0 | | | 0.0 | 0.0 |
| | | | | | | | | | | | | 0.1 | 0.0 | | | 0.0 | 0.0 |
| | | | | | | | | | | | | 4.7 | | | | | 5.0 |
| | | | | | | | | | | | | *100.0* | | | | | *0.2* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| 0.0 | | | | 0.0 | | | | 0.0 | | | | 0.0 | 0.0 | | 0.0 | 0.0 | 1.9 |
| | | | | | | | | | | | | | | | | | |
| 0.0 | | | | 0.0 | | | | 0.0 | | | | 0.0 | 0.0 | | 0.0 | 0.0 | 1.9 |
| | | | | | | | | | | | | | | | | | 0.0 |
| 0.0 | | | | 0.0 | | | | 0.0 | | | | 1.8 | 0.1 | | 0.0 | 0.0 | 44.2 |

| % (compared to total covered assets in the denominator)[1] | 31.12.23 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **2.9** | **0.0** | | **0.0** | **0.0** | | | | | | | | |
| **Financial undertakings** | | | | | | | | | | | | | |
| Credit institutions | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| Other financial corporations | | | | | | | | | | | | | |
| *of which investment firms* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which insurance undertakings* | | | | | | | | | | | | | |
| Loans and advances | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | | **14.5** | | **0.3** | **2.4** | | | | | | | | |
| Loans and advances | | 14.5 | | 0.3 | 2.4 | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Households** | **6.6** | | | | | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | | | | | | | | | | | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | | | | | | | | | | | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| Total GAR assets[3] | 0.9 | 0.0 | | 0.0 | 0.0 | | | | | | | | |

1 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in the table *Assets for the calculation of the GAR (CapEx)*. 2 Proportions calculated as a percentage of Total Gross Carrying Amount of each individual line as reported in table *Assets for the calculation of the GAR (CapEx)* relative to Total Assets as reported in the same table. 3 Taxonomy-eligibility revised from 1.0% as reported in 2023 EU Taxonomy disclosures to 1.8% due to reclassification of derivatives classified as held for trading under IFRS Accounting Standards from Derivatives line (as presented in EU Taxonomy 2023 disclosures) to Trading book line consistent with clarifications contained in the third Commission notice issued in November 2024.

| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | Of which Use of Proceeds | Of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total assets covered[2] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 5.5 | 0.0 | | 0.0 | 0.0 | 12.4 |
| | | | | | | | | | | | | 4.6 | | | | | 7.0 |
| | | | | | | | | | | | | 4.6 | | | | | 6.9 |
| | | | | | | | | | | | | 4.2 | | | | | 5.7 |
| | | | | | | | | | | | | 7.0 | | | | | 1.2 |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | | | 0.1 |
| | | | | | | | | | | | | | | | | | 0.1 |
| | | | | | | | | | | | | | | | | | 0.1 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 17.4 | 14.5 | | 0.3 | 2.4 | 0.0 |
| | | | | | | | | | | | | 17.4 | 14.5 | | 0.3 | 2.4 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 6.6 | | | | | 5.4 |
| | | | | | | | | | | | | *100.0* | | | | | *0.4* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | 1.8 | 0.0 | | 0.0 | 0.0 | 38.5 |

# GAR KPI flow

## GAR KPI flow (Turnover)

| % (compared to flow of total eligible assets) | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **4.3** | **0.3** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |
| **Financial undertakings** | **5.8** | **0.4** | | **0.0** | **0.0** | **0.2** | **0.0** | | **0.0** | | | | |
| Credit institutions | 5.6 | 0.4 | | 0.0 | 0.0 | 0.2 | 0.0 | | | | | | |
| Loans and advances | 3.5 | 0.2 | | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | |
| Debt securities | 17.3 | 1.6 | | 0.1 | 0.0 | 1.0 | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| Other financial corporations | 20.7 | 0.7 | | 0.4 | 0.2 | 0.0 | 0.0 | | 0.0 | | | | |
| *of which investment firms* | *23.2* | *0.8* | | *0.5* | *0.2* | *0.0* | *0.0* | | | | | | |
| Loans and advances | 23.2 | 0.8 | | 0.5 | 0.2 | 0.0 | 0.0 | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | *0.9* | *0.0* | | *0.0* | *0.0* | | | | | | | | |
| Loans and advances | 1.3 | 0.0 | | 0.0 | 0.0 | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | 0.9 | | | | | | | | | | | | |
| *of which insurance undertakings* | *11.3* | *4.0* | | *0.2* | *1.0* | *0.0* | *0.0* | | *0.0* | | | | |
| Loans and advances | 11.3 | 4.0 | | 0.2 | 1.0 | 0.0 | 0.0 | | 0.0 | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | **0.4** | **0.0** | | **0.0** | **0.0** | | **0.0** | | | | | | |
| Loans and advances | 0.4 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | | | | |
| Debt securities | 0.9 | | | | | | | | | | | | |
| Equity instruments | 0.9 | | | | | | | | | | | | |
| **Households** | **0.8** | | | | | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | **0.0** | **0.0** | | **0.0** | **0.0** | **0.0** | **0.0** | | | **0.0** | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | 0.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | | | 0.0 | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| **Total GAR assets[1]** | **4.3** | **0.3** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |

1 Proportion calculated as a percentage of the total flow in relation to exposures to counterparties and issuers reporting under the EU Taxonomy. 2 Proportion calculated as a percentage of the flow of total assets for each individual line, relative to the overall flow of total GAR assets.

| 31.12.24 | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
| of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total new assets covered[2] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | **0.0** | | | **0.0** | | | | **0.0** | | | | **4.8** | **0.3** | | **0.0** | **0.0** | **100.0** |
| **0.0** | | | | | | | | | | | | **6.5** | **0.4** | | **0.0** | **0.0** | **71.6** |
| 0.0 | | | | | | | | | | | | 6.4 | 0.4 | | 0.0 | 0.0 | 70.8 |
| 0.0 | | | | | | | | | | | | 3.8 | 0.2 | | 0.0 | 0.0 | 59.8 |
| | | | | | | | | | | | | 20.3 | 1.6 | | 0.1 | 0.0 | 11.0 |
| | | | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | 20.9 | 0.7 | | 0.4 | 0.2 | 0.9 |
| | | | | | | | | | | | | *23.3* | *0.8* | | *0.5* | *0.2* | *0.8* |
| | | | | | | | | | | | | 23.3 | 0.8 | | 0.5 | 0.2 | 0.8 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | *2.5* | *0.0* | | *0.0* | *0.0* | *0.1* |
| | | | | | | | | | | | | 2.3 | 0.0 | | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 2.5 | | | | | 0.1 |
| | | | | | | | | | | | | *11.4* | *4.0* | | *0.2* | *1.0* | *0.0* |
| | | | | | | | | | | | | 11.4 | 4.0 | | 0.2 | 1.0 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | | | | | | | | | | | | **0.5** | **0.0** | | | **0.0** | **1.7** |
| 0.0 | | | | | | | | | | | | 0.4 | 0.0 | | | 0.0 | **1.6** |
| | | | | | | | | | | | | 2.5 | | | | | **0.0** |
| | | | | | | | | | | | | 2.5 | | | | | **0.0** |
| | | | | | | | | | | | | **0.8** | | | | | **13.9** |
| | | | | | | | | | | | | *100.0* | | | | | *0.1* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | **0.0** | | | **0.0** | | | | **0.0** | | | | **0.0** | **0.0** | | **0.0** | **0.0** | **12.8** |
| | | | | | | | | | | | | | | | | | |
| 0.0 | 0.0 | | | 0.0 | | | | 0.0 | | | | 0.0 | 0.0 | | 0.0 | 0.0 | **12.8** |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | **0.0** | | | **0.0** | | | | **0.0** | | | | **4.8** | **0.3** | | **0.0** | **0.0** | **100.0** |

## GAR KPI flow (CapEx)

| % (compared to flow of total eligible assets) | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | |
| **Loans and advances, debt securities and equity instruments not held-for-trading eligible for GAR calculation** | **4.2** | **0.4** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |
| **Financial undertakings** | **5.7** | **0.5** | | **0.1** | **0.0** | **0.2** | **0.0** | | **0.0** | **0.0** | | | |
| Credit institutions | 5.5 | 0.5 | | 0.0 | 0.0 | 0.2 | 0.0 | | 0.0 | 0.0 | | | |
| Loans and advances | 3.4 | 0.3 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |
| Debt securities | 17.1 | 1.7 | | 0.1 | 0.1 | 1.0 | 0.0 | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| Other financial corporations | 21.8 | 1.5 | | 0.8 | 0.3 | 0.1 | 0.0 | | | | | | |
| *of which investment firms* | *24.4* | *1.6* | | *0.8* | *0.4* | *0.1* | *0.0* | | | | | | |
| Loans and advances | 24.4 | 1.6 | | 0.8 | 0.4 | 0.1 | 0.0 | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| *of which management companies* | *0.9* | *0.0* | | *0.0* | *0.0* | | | | | | | | |
| Loans and advances | 1.6 | 0.1 | | 0.0 | 0.0 | | | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | 0.9 | | | | | | | | | | | | |
| *of which insurance undertakings* | *11.2* | *2.7* | | *0.1* | *0.7* | *0.0* | *0.0* | | | | | | |
| Loans and advances | 11.2 | 2.7 | | 0.1 | 0.7 | 0.0 | 0.0 | | | | | | |
| Debt securities | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| **Non-financial undertakings** | **0.6** | **0.1** | | **0.0** | **0.0** | | **0.0** | | **0.0** | **0.0** | | | |
| Loans and advances | 0.6 | 0.1 | | 0.0 | 0.0 | | 0.0 | | 0.0 | 0.0 | | | |
| Debt securities | 0.9 | 0.0 | | | 0.0 | | | | | | | | |
| Equity instruments | 0.9 | 0.0 | | | 0.0 | | | | | | | | |
| **Households** | **0.8** | | | | | | | | | | | | |
| *of which loans collateralized by residential immovable property* | *100.0* | | | | | | | | | | | | |
| *of which building renovation loans* | | | | | | | | | | | | | |
| *of which motor vehicle loans* | | | | | | | | | | | | | |
| **Local governments financing** | **0.0** | **0.0** | | **0.0** | **0.0** | **0.0** | **0.0** | | **0.0** | **0.0** | | | |
| Housing financing | | | | | | | | | | | | | |
| Other local government financing | 0.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | | | |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | |
| **Total GAR assets[1]** | **4.2** | **0.4** | | **0.0** | **0.0** | **0.1** | **0.0** | | **0.0** | **0.0** | | | |

1 Proportion calculated as a percentage of the total flow in relation to exposures to counterparties and issuers reporting under the EU Taxonomy. 2 Proportion calculated as a percentage of the flow of total assets for each individual line, relative to the overall flow of total GAR assets.

| 31.12.24 | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | | |
| of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling | Proportion of total new assets covered[2] |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | | | | **0.0** | | | | **0.0** | | | | **4.7** | **0.4** | | **0.0** | **0.0** | **100.0** |
| **0.0** | | | | | | | | | | | | **6.4** | **0.5** | | **0.1** | **0.1** | **71.6** |
| 0.0 | | | | | | | | | | | | 6.2 | 0.5 | | 0.1 | 0.1 | 70.8 |
| 0.0 | | | | | | | | | | | | 3.6 | 0.3 | | 0.0 | 0.1 | 59.8 |
| | | | | | | | | | | | | 20.2 | 1.7 | | 0.1 | 0.1 | 11.0 |
| | | | | | | | | | | | | 1.6 | | | | | 0.0 |
| | | | | | | | | | | | | 22.0 | 1.5 | | 0.8 | 0.3 | 0.9 |
| | | | | | | | | | | | | *24.5* | *1.7* | | *0.8* | *0.4* | *0.8* |
| | | | | | | | | | | | | 24.5 | 1.7 | | 0.8 | 0.4 | 0.8 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | *1.8* | *0.0* | | *0.0* | *0.0* | *0.1* |
| | | | | | | | | | | | | 2.1 | 0.1 | | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 1.8 | | | | | 0.1 |
| | | | | | | | | | | | | *11.3* | *2.7* | | *0.1* | *0.7* | *0.0* |
| | | | | | | | | | | | | 11.3 | 2.7 | | 0.1 | 0.7 | 0.0 |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | | | | | | | | | | | | **0.6** | **0.1** | | **0.0** | **0.0** | **1.7** |
| 0.0 | | | | | | | | | | | | 0.6 | 0.1 | | 0.0 | 0.0 | 1.6 |
| | | | | | | | | | | | | 1.7 | 0.0 | | | 0.0 | 0.0 |
| | | | | | | | | | | | | 1.8 | 0.0 | | | 0.0 | 0.0 |
| | | | | | | | | | | | | **0.8** | | | | | **13.9** |
| | | | | | | | | | | | | *100.0* | | | | | *0.1* |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| **0.0** | | | | **0.0** | | | | **0.0** | | | | **0.0** | **0.0** | | **0.0** | **0.0** | **12.8** |
| | | | | | | | | | | | | | | | | | |
| 0.0 | | | | 0.0 | | | | 0.0 | | | | 0.0 | 0.0 | | 0.0 | 0.0 | 12.8 |
| | | | | | | | | | | | | | | | | | |
| **0.0** | | | | **0.0** | | | | **0.0** | | | | **4.7** | **0.4** | | **0.0** | **0.0** | **100.0** |

# KPI off-balance sheet exposures and flow

## KPI off-balance sheet exposures (Turnover)

| | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| % (compared to total eligible off-balance sheet assets) | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| Financial guarantees (FinGuar KPI) | | | | | | | | | | | | | |
| Assets under management (AuM KPI) | 9.3 | 2.7 | | 0.3 | 1.6 | 1.1 | 0.1 | | 0.0 | 0.0 | 0.0 | | 0.0 |

## KPI off-balance sheet exposures (CapEx)

| | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| *% (compared to total eligible off-balance sheet assets)* | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| Financial guarantees (FinGuar KPI) | | | | | | | | | | | | | |
| Assets under management (AuM KPI) | 12.9 | 6.2 | | 0.5 | 3.6 | 1.0 | 0.2 | | 0.1 | 0.0 | 0.0 | | 0.0 |

## GAR KPI flow – Off-balance sheet exposures (Turnover)

| | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| *% (compared to flow of total eligible off-balance sheet assets)* | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| Financial guarantees (FinGuar KPI) | | | | | | | | | | | | | |
| Assets under management (AuM KPI) | 18.2 | 4.7 | | 0.5 | 2.8 | 1.4 | 0.1 | | 0.0 | 0.0 | 0.0 | | 0.0 |

## GAR KPI flow – Off-balance sheet exposures (CapEx)

| | 31.12.24 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water and marine resources (WTR) | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | |
| *% (compared to flow of total eligible off-balance sheet assets)* | | | of which use of proceeds | of which transitional | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling |
| Financial guarantees (FinGuar KPI) | | | | | | | | | | | | | |
| Assets under management (AuM KPI) | 22.7 | 8.4 | | 0.8 | 4.5 | 1.2 | 0.2 | | 0.1 | 0.1 | 0.0 | | 0.0 |

| 31.12.24 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | |
| 0.6 | 0.0 | | 0.0 | 1.3 | 0.0 | | 0.0 | 0.0 | | | | 34.5 | 4.1 | | 0.2 | 1.6 |

| 31.12.24 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | |
| 0.6 | 0.0 | | 0.0 | 1.3 | 0.0 | | 0.0 | 0.0 | | | | 35.4 | 8.2 | | 0.5 | 3.7 |

| 31.12.24 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
| of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | |
| 0.7 | 0.0 | | | 1.3 | 0.0 | | 0.0 | 0.2 | | | | 32.7 | 6.3 | | 0.5 | 2.8 |

| 31.12.24 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Circular economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) | | | | |
| of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | of which environmentally sustainable (Taxonomy-aligned) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which enabling | | | of which use of proceeds | of which transitional | of which enabling |
| | | | | | | | | | | | | | | | | |
| 0.9 | 0.0 | | 0.0 | 1.8 | 0.0 | | 0.0 | 0.0 | 0.0 | | | 42.6 | 10.8 | | 0.8 | 4.7 |

# Nuclear and fossil gas related activities

## Nuclear and fossil gas related activities – GAR Assets

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | Yes |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | Yes |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | Yes |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | Yes |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | Yes |

## Taxonomy-aligned economic activities (denominator) – GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 22 | 0.1 | 22 | 0.1 | 0 | |
| 8 | Total of the applicable KPI | 24 | 0.1 | 24 | 0.1 | 0 | |

## Taxonomy-aligned economic activities (denominator) – GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 25 | 0.1 | 24 | 0.1 | 0 | |
| 8 | Total of the applicable KPI | 27 | 0.1 | 27 | 0.1 | 0 | |

## Taxonomy-aligned economic activities (numerator) – GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.3 | 0 | 0.3 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 8.6 | 2 | 8.6 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 22 | 91.1 | 22 | 91.1 | 0 | 0.0 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 24 | 100.0 | 24 | 100.0 | 0 | 0.0 |

## Taxonomy-aligned economic activities (numerator) – GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 6.4 | 2 | 6.4 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 1 | 1.9 | 1 | 1.9 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 25 | 91.6 | 24 | 91.3 | 0 | 0.3 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 27 | 100.0 | 27 | 99.7 | 0 | 0.3 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 35 | 0.1 | 35 | 0.1 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 6 | 0.0 | 6 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 359 | 1.4 | 351 | 1.4 | 9 | 0.0 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 407 | 1.6 | 398 | 1.6 | 9 | 0.0 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 15 | 0.1 | 15 | 0.1 | 0 | 0.0 |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 29 | 0.1 | 29 | 0.1 | | |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 355 | 1.4 | 346 | 1.4 | 9 | 0.0 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 402 | 1.6 | 393 | 1.5 | 9 | 0.0 |

## Taxonomy non-eligible economic activities – GAR Assets (Turnover)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | | |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | | |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 24,928 | 98.1 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 24,928 | 98.1 |

## Taxonomy non-eligible economic activities – GAR Assets (CapEx)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | | |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 24,940 | 98.2 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 24,940 | 98.2 |

## Nuclear and fossil gas related activities – Financial Guarantees

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |

## Nuclear and fossil gas related activities – AuM

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | Yes |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | Yes |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | Yes |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | Yes |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | Yes |

## Taxonomy-aligned economic activities (denominator) – AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 28 | 0.0 | 28 | 0.0 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 1,724 | 2.8 | 1,665 | 2.7 | 59 | 0.1 |
| 8 | Total of the applicable KPI | 1,755 | 2.8 | 1,696 | 2.7 | 59 | 0.1 |

## Taxonomy-aligned economic activities (denominator) – AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 10 | 0.0 | 10 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 24 | 0.0 | 24 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 4 | 0.0 | 4 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 3,933 | 6.3 | 3,808 | 6.1 | 126 | 0.2 |
| 8 | Total of the applicable KPI | 3,975 | 6.4 | 3,850 | 6.2 | 126 | 0.2 |

## Taxonomy-aligned economic activities (numerator) – AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | 0 | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 0.1 | 2 | 0.1 | 0 | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 28 | 1.6 | 28 | 1.6 | 0 | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | 0 | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 1 | 0.1 | 1 | 0.1 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | 0 | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 1,724 | 98.3 | 1,665 | 94.9 | 59 | 3.4 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 1,755 | 100.0 | 1,696 | 96.6 | 59 | 3.4 |

## Taxonomy-aligned economic activities (numerator) – AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 10 | 0.3 | 10 | 0.3 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 24 | 0.6 | 24 | 0.6 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 4 | 0.1 | 4 | 0.1 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 0.1 | 2 | 0.1 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 3,933 | 98.9 | 3,808 | 95.8 | 126 | 3.2 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 3,975 | 100.0 | 3,850 | 96.8 | 126 | 3.2 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | 0 | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 23 | 0.0 | 23 | 0.0 | 0 | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 6 | 0.0 | 6 | 0.0 | 0 | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 46 | 0.1 | 46 | 0.1 | 0 | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 49 | 0.1 | 49 | 0.1 | 0 | |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | 0 | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 4,569 | 7.4 | 3,955 | 6.4 | 614 | 1.0 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 4,696 | 7.6 | 4,083 | 6.6 | 614 | 1.0 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 11 | 0.0 | 11 | 0.0 | 0 | 0.0 |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 44 | 0.1 | 44 | 0.1 | | |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 4,597 | 7.4 | 4,096 | 6.6 | 501 | 0.8 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 4,656 | 7.5 | 4,155 | 6.7 | 501 | 0.8 |

## Taxonomy non-eligible economic activities – AuM (Turnover)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 2 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 3 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 12 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 9 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 2 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 40,570 | 65.5 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 40,598 | 65.5 |

## Taxonomy non-eligible economic activities – AuM (CapEx)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 12 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 3 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 8 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 39,981 | 64.5 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 40,004 | 64.6 |

## Nuclear and fossil gas related activities – Flow GAR Assets

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | Yes |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | Yes |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | Yes |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | Yes |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | Yes |

## Taxonomy-aligned economic activities (denominator) - Flow GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 47 | 0.3 | 47 | 0.3 | 0 | 0.0 |
| 8 | Total of the applicable KPI | 50 | 0.3 | 50 | 0.3 | 0 | 0.0 |

## Taxonomy-aligned economic activities (denominator) - Flow GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.0 | 2 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 53 | 0.3 | 52 | 0.3 | 0 | 0.0 |
| 8 | Total of the applicable KPI | 56 | 0.4 | 56 | 0.4 | 0 | 0.0 |

## Taxonomy-aligned economic activities (numerator) - GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | | | | | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.2 | 0 | 0.2 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 3 | 6.2 | 3 | 6.2 | 0 | 0.0 |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 47 | 93.6 | 47 | 93.1 | 0 | 0.6 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 50 | 100.0 | 50 | 99.4 | 0 | 0.6 |

## Taxonomy-aligned economic activities (numerator) - GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 4.4 | 2 | 4.4 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 1 | 1.4 | 1 | 1.4 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | | | | | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | | | | | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 53 | 94.2 | 52 | 93.6 | 0 | 0.7 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 56 | 100.0 | 56 | 99.3 | 0 | 0.7 |

## Taxonomy-eligible but not taxonomy-aligned economic activities - Flow GAR Assets (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 48 | 0.3 | 48 | 0.3 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 8 | 0.1 | 8 | 0.1 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 4 | 0.0 | 4 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 5 | 0.0 | 5 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.0 | 3 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 563 | 3.6 | 545 | 3.5 | 19 | 0.1 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 633 | 4.1 | 615 | 3.9 | 19 | 0.1 |

## Taxonomy-eligible but not taxonomy-aligned economic activities - Flow GAR Assets (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 21 | 0.1 | 21 | 0.1 | 0 | 0.0 |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 41 | 0.3 | 41 | 0.3 | | |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 4 | 0.0 | 4 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 557 | 3.6 | 539 | 3.4 | 19 | 0.1 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 624 | 4.0 | 605 | 3.9 | 19 | 0.1 |

## Taxonomy non-eligible economic activities - Flow GAR Assets (Turnover)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | | |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 14,862 | 95.2 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 14,862 | 95.2 |

## Taxonomy non-eligible economic activities - Flow GAR Assets (CapEx)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | | |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 14,883 | 95.3 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 14,883 | 95.3 |

## Nuclear and fossil gas related activities – Flow financial guarantees

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |

## Nuclear and fossil gas related activities – Flow AuM

| Row | Nuclear energy related activities | 31.12.24 |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | Yes |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | Yes |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | Yes |
| **Row** | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | Yes |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | Yes |

## Taxonomy-aligned economic activities (denominator) – Flow AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.1 | 3 | 0.1 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | 0 | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | | | | | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 125 | 4.6 | 123 | 4.6 | 2 | 0.1 |
| 8 | Total of the applicable KPI | 129 | 4.8 | 127 | 4.7 | 2 | 0.1 |

## Taxonomy-aligned economic activities (denominator) – Flow AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 2 | 0.1 | 2 | 0.1 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.1 | 3 | 0.1 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 229 | 8.5 | 223 | 8.3 | 6 | 0.2 |
| 8 | Total of the applicable KPI | 234 | 8.7 | 228 | 8.4 | 6 | 0.2 |

## Taxonomy-aligned economic activities (numerator) – Flow AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 1 | 0.7 | 1 | 0.7 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 3 | 2.6 | 3 | 2.6 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | | | | | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 125 | 96.6 | 123 | 95.0 | 2 | 1.6 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 129 | 100.0 | 127 | 98.4 | 2 | 1.6 |

## Taxonomy-aligned economic activities (numerator) – Flow AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 2 | 0.8 | 2 | 0.8 | | |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 3 | 1.3 | 3 | 1.3 | | |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI | 229 | 97.8 | 223 | 95.2 | 6 | 2.6 |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI | 234 | 100.0 | 228 | 97.4 | 6 | 2.6 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – Flow AuM (Turnover)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 3 | 0.1 | 3 | 0.1 | | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 1 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 394 | 14.6 | 359 | 13.3 | 35 | 1.3 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 398 | 14.8 | 363 | 13.4 | 35 | 1.3 |

## Taxonomy-eligible but not taxonomy-aligned economic activities – Flow AuM (CapEx)

| Line | Economic activities | CCM + CCA | | Climate change mitigation | | Climate change adaptation | |
|---|---|---|---|---|---|---|---|
| | | USD m | % | USD m | % | USD m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | | |
| 7 | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 409 | 15.2 | 383 | 14.2 | 26 | 1.0 |
| 8 | Total amount and proportion of taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI | 410 | 15.2 | 384 | 14.2 | 26 | 1.0 |

## Taxonomy non-eligible economic activities – Flow AuM (Turnover)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 1,815 | 67.2 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 1,817 | 67.3 |

## Taxonomy non-eligible economic activities – Flow AuM (CapEx)

| Line | Economic activities | USD m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.1 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 1 | 0.0 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 of the applicable KPI | 0 | 0.0 |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 1,548 | 57.4 |
| 8 | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 1,550 | 57.4 |

# Appendix

## 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. |
| **Cost of credit risk (bps)** | Calculated as total credit loss expense / (release) (annualized for reporting periods shorter than 12 months) divided by the average balance of lending assets for the reporting period, expressed in basis points. Lending assets include the gross amounts of Amounts due from banks and Loans and advances to customers. | This measure provides information about the total credit loss expense / (release) incurred in relation to the average balance of gross lending assets for the period. |
| **Credit-impaired lending assets as a percentage of total lending assets, gross (%)** | Calculated as credit-impaired lending assets divided by total lending assets. Lending assets includes the gross amounts of Amounts due from banks and Loans and advances to customers. Credit-impaired lending assets refers to the sum of stage 3 and purchased credit-impaired positions. | This measure provides information about the proportion of credit-impaired lending assets in the overall portfolio of gross lending assets. |
| **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. |
| **Gross margin on invested assets (bps) – Asset Management** | Calculated as total revenues (annualized for reporting periods shorter than 12 months) 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. |

| APM label | Calculation | Information content |
|---|---|---|
| **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. |
| **Net interest margin (bps) – Personal & Corporate Banking** | Calculated as net interest income (annualized for reporting periods shorter than 12 months) 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 for reporting periods shorter than 12 months), 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 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.<br>› **Refer to the "Group performance" section of the UBS Group Annual Report 2024 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.<br>› **Refer to the "Group performance" section of the UBS Group Annual Report 2024 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 business division operating profit before tax (annualized for reporting periods shorter than 12 months) 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 net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) 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 net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to | This measure provides information about the profitability of the business in relation to equity. |
| **Return on leverage ratio denominator, gross (%)** | Calculated as total revenues (annualized for reporting periods shorter than 12 months) 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 net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) 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.<br>› **Refer to the "Group performance" section of the UBS Group Annual Report 2024 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 underlying business division operating profit before tax (annualized for reporting periods shorter than 12 months) (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 net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) 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 net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) 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 2024 includes seven months (June to December 2024) of post-merger consolidated data and five months of pre-merger UBS AG data only (January to May 2024). Profit or loss information for 2023 includes pre-merger UBS AG data only.

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 |
| 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 |
| 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 |
| CRO | Chief Risk Officer |
| 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 |
| 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 |
| 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**

| | |
|---|---|
| FCA | UK Financial Conduct Authority |
| FDIC | Federal Deposit Insurance Corporation |
| FINMA | Swiss Financial Market Supervisory Authority |
| FMIA | Swiss Financial Market Infrastructure Act |
| FRTB | Fundamental Review of the Trading Book |
| 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 and 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**

| | |
|---|---|
| IA | Internal Audit |
| 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 |
| 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 |
| 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 |
| 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 functions; 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". 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 dividend and share repurchase program information, and for bondholders, including rating agencies reports; 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 I** 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 increased tension between world powers, 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 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 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 continue through 2026 and presents significant operational and execution risk, including the risks that UBS may be unable to achieve the cost reductions and business benefits contemplated by the transaction, that it may incur higher costs to execute the integration of Credit Suisse and that the acquired business may have greater risks or liabilities than expected. Following the failure of Credit Suisse, Switzerland is considering significant changes to its capital, resolution and regulatory regime, which, if proposed and adopted, may significantly increase our capital requirements or impose other costs on UBS. These factors create 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; (iii) 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, residential and commercial real estate markets, general economic conditions, 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, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (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 the 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; (xiii) 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; (xiv) 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; (xv) UBS's ability to implement new technologies and business methods, including digital services, artificial intelligence and other 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; (xvi) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xvii) 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 persistently high levels of cyberattack threats; (xviii) restrictions on the ability of UBS Group AG, UBS AG and regulated subsidiaries of 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; (xix) 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; (xx) 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; (xxi) the ability of UBS to access capital markets; (xxii) 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, pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event; and (xxiii) 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 2024. 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 I** 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 I** 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 I** 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.

UBS AG
P.O. Box, CH-8098 Zurich
P.O. Box, CH-4002 Basel

ubs.com

UBS