

UBS Group

Fourth quarter 2024 report



Corporate calendar UBS Group

Publication of the Annual Report 2024:	Monday, 17 March 2025
Publication of the Sustainability Report 2024:	Monday, 17 March 2025
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Publication of the second quarter 2025 report:	Wednesday, 30 July 2025

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Terms used in this report, unless the context requires otherwise

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

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

Alternative performance measures

An alternative performance measure (an APM) is a financial measure of historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable recognized accounting standards or in other applicable regulations. We report a number of APMs in the discussion of the financial and operating performance of the Group, our business divisions and Group Items. We use APMs to provide a more complete picture of our operating performance and to reflect management's view of the fundamental drivers of our 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. Our APMs may qualify as non-GAAP measures as defined by US Securities and Exchange Commission (SEC) regulations. Our underlying results are APMs and are non-GAAP financial measures.

› **Refer to the "Group performance" section of this report and to "Alternative performance measures" in the appendix to this report for additional information about underlying results**

Comparability

Comparative information in this report is presented as follows.

Profit and loss information for all quarters covered by this report and for 2024 is based entirely on consolidated data following the acquisition of the Credit Suisse Group. Comparative information for 2023 includes seven months (June to December 2023) of post-acquisition consolidated data and five months of UBS Group data only (January to May 2023).

All balance sheet information presented in this report includes only post-acquisition consolidated information.

Our key figures

<i>USD m, except where indicated</i>	As of or for the quarter ended			As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ¹	31.12.24	31.12.23 ¹
Group results					
Total revenues	11,635	12,334	10,855	48,611	40,834
Negative goodwill					27,264
Credit loss expense / (release)	229	121	136	551	1,037
Operating expenses	10,359	10,283	11,470	41,239	38,806
Operating profit / (loss) before tax	1,047	1,929	(751)	6,821	28,255
Net profit / (loss) attributable to shareholders	770	1,425	(279)	5,085	27,366
Diluted earnings per share (USD) ²	0.23	0.43	(0.09)	1.52	8.30
Profitability and growth^{3,4}					
Return on equity (%)	3.6	6.7	(1.3)	6.0	36.9
Return on tangible equity (%)	3.9	7.3	(1.4)	6.5	40.8
Underlying return on tangible equity (%) ⁵	6.6	9.0	4.8	8.5	4.1
Return on common equity tier 1 capital (%)	4.2	7.6	(1.4)	6.7	41.8
Underlying return on common equity tier 1 capital (%) ⁵	7.2	9.4	4.8	8.7	4.2
Return on leverage ratio denominator, gross (%)	3.0	3.1	2.6	3.0	2.9
Cost / income ratio (%) ⁶	89.0	83.4	105.7	84.8	95.0
Underlying cost / income ratio (%) ^{5,6}	81.9	78.5	93.0	79.5	87.2
Effective tax rate (%)	25.6	26.0	n.m. ⁷	24.6	3.1
Net profit growth (%)	n.m.	n.m.	n.m.	(81.4)	258.7
Resources³					
Total assets	1,565,028	1,623,941	1,716,924	1,565,028	1,716,924
Equity attributable to shareholders	85,079	87,025	85,624	85,079	85,624
Common equity tier 1 capital ⁸	71,367	74,213	78,002	71,367	78,002
Risk-weighted assets ⁸	498,538	519,363	546,505	498,538	546,505
Common equity tier 1 capital ratio (%) ⁸	14.3	14.3	14.3	14.3	14.3
Going concern capital ratio (%) ⁸	17.6	17.5	16.8	17.6	16.8
Total loss-absorbing capacity ratio (%) ⁸	37.2	37.5	36.4	37.2	36.4
Leverage ratio denominator ⁸	1,519,477	1,608,341	1,695,403	1,519,477	1,695,403
Common equity tier 1 leverage ratio (%) ⁸	4.7	4.6	4.6	4.7	4.6
Liquidity coverage ratio (%) ⁹	188.4	199.2	215.7	188.4	215.7
Net stable funding ratio (%)	125.5	126.9	124.7	125.5	124.7
Other					
Invested assets (USD bn) ^{4,10}	6,087	6,199	5,714	6,087	5,714
Personnel (full-time equivalents)	108,648	109,396	112,842	108,648	112,842
Market capitalization ^{2,11}	105,719	106,528	107,355	105,719	107,355
Total book value per share (USD) ²	26.80	27.32	26.68	26.80	26.68
Tangible book value per share (USD) ²	24.63	25.10	24.34	24.63	24.34
Credit-impaired lending assets as a percentage of total lending assets, gross (%) ⁴	1.0	0.9	0.8	1.0	0.8
Cost of credit risk (bps) ⁴	15	8	8	9	19

¹ Comparative-period information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information. ² Refer to the "Share information and earnings per share" section of this report for more information. ³ Refer to the "Recent developments" section of this report for more information about targets and ambitions. ⁴ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. ⁵ Refer to the "Group performance" section of this report for more information about underlying results. ⁶ Negative goodwill is not used in the calculation as it is presented in a separate reporting line and is not part of total revenues. ⁷ The effective tax rate for the fourth quarter of 2023 is not a meaningful measure, due to the distortive effect of current unbenefited tax losses at the former Credit Suisse entities. ⁸ Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital management" section of this report for more information. ⁹ The disclosed ratios represent quarterly averages for the quarters presented and are calculated based on an average of 64 data points in the fourth quarter of 2024, 65 data points in the third quarter of 2024 and 63 data points in the fourth quarter of 2023. Refer to the "Liquidity and funding management" section of this report for more information. ¹⁰ Consists of invested assets for Global Wealth Management, Asset Management (including invested assets from associates) and Personal & Corporate Banking. Refer to "Note 32 Invested assets and net new money" in the "Consolidated financial statements" section of the UBS Group Annual Report 2023, available under "Annual reporting" at ubs.com/investors, for more information. ¹¹ The calculation of market capitalization reflects total shares issued multiplied by the share price at the end of the period.

UBS Group

Management report

Recent developments

Integration of Credit Suisse

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. Our current focus remains on client account migrations and infrastructure decommissioning.

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 Swiss business migrations to commence in the second quarter of 2025.

Our Non-core and Legacy business division has achieved a 52% reduction in risk-weighted assets (RWA) at 31 December 2024, well ahead of our original plan. As a result, we have updated our ambition and aim to reduce Non-core and Legacy RWA to around USD 29bn by the end of 2025 and around USD 22bn by the end of 2026. We also expect Non-core and Legacy to incur an underlying loss before tax of around USD 2.2bn in 2025 and less than USD 1bn by the end of 2026 (exit rate), both excluding litigation.

In the fourth quarter of 2024, we realized an additional USD 0.7bn in gross cost savings, for a total of USD 3.4bn in 2024. Cumulative gross cost savings at the end of 2024 amounted to USD 7.5bn compared with the 2022 combined cost base of UBS and Credit Suisse. This represents around 58% of our ambition of around USD 13bn in annualized exit rate gross cost savings by the end of 2026.

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 the fourth quarter of 2024, UBS recorded an expense of USD 41m in connection with the termination of the Swisscard joint venture.

Targets, ambitions and strategy update

We are maintaining our targets and ambitions for the Group and our businesses as announced in 2024.

We aim to deliver, by the end of 2026:

- an underlying return on common equity tier 1 capital (RoCET1) of around 15% (exit rate);
- an underlying cost / income ratio of less than 70% (exit rate); and
- exit rate gross cost savings of around USD 13bn by the end of 2026 compared with the 2022 combined cost base of UBS and Credit Suisse.

Our capital guidance remains unchanged, we aim to maintain:

- a common equity tier 1 (CET1) capital ratio of around 14%; and
- a CET1 leverage ratio of greater than 4.0%.

As we complete the execution of the integration, including cost and capital efficiency measures, we believe our scale and client franchises will position us to sustainably drive higher returns. We therefore aim to deliver a reported RoCET1 of around 18% in 2028. Our targets and ambitions are based on our Group target of around 14% CET1 capital ratio and the existing Swiss capital regime.

Our business division ambitions

- Global Wealth Management: surpass USD 5trn of invested assets by 2028, with around USD 100bn of net new assets in 2025, building to around USD 200bn annually by 2028, and an underlying cost / income ratio of less than 70% by the end of 2026 (exit rate).

- Personal & Corporate Banking: an underlying cost / income ratio of less than 50% by the end of 2026 (exit rate) and an underlying return on attributed equity of around 19% in the medium term.
- Asset Management: an underlying cost / income ratio of less than 70% by the end of 2026 (exit rate).
- The Investment Bank: an underlying return on attributed equity of around 15% through the cycle, while operating with no more than 25% of the Group's RWA.
- Non-core and Legacy: an underlying loss before tax of less than USD 1bn (exit rate), underlying operating expenses of around USD 0.8bn (exit rate), both excluding litigation, and around USD 22bn RWA all by the end of 2026.

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 with the aim to enhance our offering while working towards obtaining a National Charter. We are also increasing technology investments and transforming how we approach them by focusing on delivering new and advanced digital capabilities in a more dynamic and modular fashion. Finally, we remain disciplined on costs and have already taken actions to streamline our organizational structure to drive operating leverage.

Capital returns

For the 2024 financial year, the Board of Directors plans to propose a dividend to UBS Group AG shareholders of USD 0.90 per share. Subject to approval at the Annual General Meeting, scheduled for 10 April 2025, the dividend will be paid on 17 April 2025 to shareholders of record on 16 April 2025. The ex-dividend date will be 15 April 2025 on the SIX Swiss Exchange and 16 April 2025 on the New York Stock Exchange. We remain committed to progressive dividends and are accruing for an increase of around 10% in the ordinary dividend per share for the 2025 financial year.

In the fourth quarter of 2024, we completed our planned USD 1bn of share repurchases. We plan to repurchase USD 1bn of shares in the first half of 2025. We aim to repurchase up to an additional USD 2bn of shares in the second half of 2025 and are maintaining our ambition for share repurchases in 2026 to exceed full year 2022 levels. Our share repurchases will be consistent with maintaining our CET1 capital ratio target of around 14%, achieving our financial targets and the absence of material and immediate changes to the current capital regime in Switzerland.

Regulatory and legal developments

Developments related to the final Basel III implementation

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. The adoption of the final Basel III standards led to a USD 1bn increase in the UBS Group'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 adjustments-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. 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 the UBS Group.

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. The overall impact on UBS is limited.

In January 2025, the UK Prudential Regulatory Authority (the PRA) announced that it has 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, both the timing and content of a re-proposal of the July 2023 draft version of the final Basel III rules remain uncertain. The change in administration is likely to slow publication of a re-proposal of implementing regulation.

Swiss parliamentary investigation committee releases its report

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.

In the first half of 2025, the Swiss Federal Council is expected to present two packages to implement measures aiming to further develop and strengthen the Swiss too-big-to-fail regime, which will be followed by a public consultation period. The packages are expected to be based on the Swiss Federal Council's report on systemically important banks that was published in April 2024. Overall, the Swiss Federal Council agreed with the findings of the PUK, which will also be considered when drafting the aforementioned measures. 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.

FINMA publishes new circular on nature-related financial risks

In December 2024, the Swiss Financial Market Supervisory Authority (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.

Swiss Federal Council adopts the Climate Protection Ordinance

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.

Swiss Federal Council reviews the Ordinance on Climate Disclosures

In December 2024, the Swiss Federal Council launched a consultation on amending the Ordinance on Climate Disclosures, proposing to 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.

European Commission announces an intention to streamline and simplify sustainability regulations

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 Corporate Sustainability Due Diligence Directive. The impact on UBS can be assessed only when the details have become clearer.

UK regulators consult on changes to the remuneration rules

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.

EU revises the European Market Infrastructure Regulation

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.

Developments related to shortening the standard settlement cycle for securities transactions

In November 2024, the European Securities and Markets Authority published a report on shortening the settlement cycle for securities transactions from two business days (T+2) to one business day (T+1) in the EU. The transition is recommended to occur on 11 October 2027 across all relevant instruments. The transition is largely aligned with the UK Accelerated Settlement Taskforce's report from March 2024, which states that a respective transition to a T+1 settlement cycle should take place no later than 31 December 2027, in alignment with other European jurisdictions, including the EU and Switzerland. In January 2025, the Swiss Securities Post-Trade Council recommended that the transition to a T+1 settlement cycle for the domestic markets in Switzerland and Liechtenstein should occur in October 2027, in alignment with the EU. 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.

Early adoption of SAB 122, which rescinds SAB 121

In January 2025, the US Securities and Exchange Commission (the SEC) issued Staff Accounting Bulletin (SAB) 122, which rescinded SAB 121, *Accounting for obligations to safeguard crypto-assets an entity holds for platform users*. UBS has early adopted SAB 122 and has applied it retrospectively as the standard requires. Amounts that would have been recognized as liabilities, with corresponding assets, under SAB 121 were not material to UBS, and adoption of SAB 122 also has not had a material impact.

Group performance

Income statement

USD m	For the quarter ended			% change from		For the year ended	
	31.12.24	30.9.24	31.12.23	3Q24	4Q23	31.12.24	31.12.23 ¹
Net interest income	1,838	1,794	2,095	2	(12)	7,108	7,297
Other net income from financial instruments measured at fair value through profit or loss	3,144	3,681	3,158	(15)	0	14,690	11,583
Net fee and commission income	6,598	6,517	5,780	1	14	26,138	21,570
Other income	56	341	(179)	(84)		675	384
Total revenues	11,635	12,334	10,855	(6)	7	48,611	40,834
Negative goodwill							27,264
Credit loss expense / (release)	229	121	136	89	68	551	1,037
Personnel expenses	6,361	6,889	7,061	(8)	(10)	27,318	24,899
General and administrative expenses	3,004	2,389	2,999	26	0	10,124	10,156
Depreciation, amortization and impairment of non-financial assets	994	1,006	1,409	(1)	(29)	3,798	3,750
Operating expenses	10,359	10,283	11,470	1	(10)	41,239	38,806
Operating profit / (loss) before tax	1,047	1,929	(751)	(46)		6,821	28,255
Tax expense / (benefit)	268	502	(473)	(47)		1,675	873
Net profit / (loss)	779	1,428	(278)	(45)		5,146	27,382
Net profit / (loss) attributable to non-controlling interests	9	3	1	185		60	16
Net profit / (loss) attributable to shareholders	770	1,425	(279)	(46)		5,085	27,366

Comprehensive income

Total comprehensive income	(1,878)	3,910	2,695			3,401	28,374
Total comprehensive income attributable to non-controlling interests	(27)	27	18			13	22
Total comprehensive income attributable to shareholders	(1,851)	3,883	2,677			3,388	28,352

¹ Comparative-period information as previously reported in the 2023 Annual Report has been revised to reflect measurement period adjustments impacting negative goodwill. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant adjustments.

Selected financial information of the business divisions and Group Items

	For the quarter ended 31.12.24							
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total	
Total revenues as reported	6,121	2,245	766	2,749	(58)	(188)	11,635	
<i>of which: PPA effects and other integration items¹</i>	200	258		202		(4)	656	
<i>of which: loss related to an investment in an associate</i>	(21)	(59)					(80)	
Total revenues (underlying)	5,942	2,047	766	2,547	(58)	(184)	11,059	
Credit loss expense / (release)	(14)	175	0	63	6	0	229	
Operating expenses as reported	5,268	1,476	639	2,207	858	(88)	10,359	
<i>of which: integration-related expenses and PPA effects²</i>	460	209	96	174	317	(1)	1,255	
<i>of which: items related to the Swisscard transactions³</i>		41					41	
Operating expenses (underlying)	4,808	1,226	543	2,032	541	(88)	9,062	
Operating profit / (loss) before tax as reported	867	595	128	479	(923)	(100)	1,047	
Operating profit / (loss) before tax (underlying)	1,147	646	224	452	(606)	(96)	1,768	

	For the quarter ended 30.9.24							
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total	
Total revenues as reported	6,199	2,394	873	2,645	262	(39)	12,334	
<i>of which: PPA effects and other integration items¹</i>	224	278		185		(25)	662	
Total revenues (underlying)	5,975	2,116	873	2,461	262	(14)	11,672	
Credit loss expense / (release)	2	83	0	9	28	0	121	
Operating expenses as reported	5,112	1,465	722	2,231	837	(84)	10,283	
<i>of which: integration-related expenses and PPA effects²</i>	419	198	86	156	270	(11)	1,119	
Operating expenses (underlying)	4,693	1,267	636	2,076	567	(74)	9,165	
Operating profit / (loss) before tax as reported	1,085	846	151	405	(603)	45	1,929	
Operating profit / (loss) before tax (underlying)	1,280	766	237	377	(333)	60	2,386	

	For the quarter ended 31.12.23 ⁴							
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total	
Total revenues as reported	5,554	2,083	825	2,141	145	107	10,855	
<i>of which: PPA effects and other integration items¹</i>	349	306		277		12	944	
<i>of which: loss related to an investment in an associate</i>	(190)	(317)					(508)	
Total revenues (underlying)	5,395	2,094	825	1,864	145	95	10,419	
Credit loss expense / (release)	(8)	85	(1)	48	15	(2)	136	
Operating expenses as reported	5,282	1,398	704	2,283	1,787	16	11,470	
<i>of which: integration-related expenses and PPA effects²</i>	502	187	64	167	750	109	1,780	
<i>of which: acquisition-related costs</i>						(1)	(1)	
Operating expenses (underlying)	4,780	1,210	639	2,116	1,037	(92)	9,690	
Operating profit / (loss) before tax as reported	280	601	122	(190)	(1,657)	93	(751)	
Operating profit / (loss) before tax (underlying)	624	800	186	(300)	(907)	189	592	

¹ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ² Includes temporary, incremental operating expenses directly related to the integration, as well as amortization of newly recognized intangibles resulting from the acquisition of the Credit Suisse Group. ³ Represents the termination fee to American Express related to the expected sale in 2025 of our 50% holding in Swisscard. ⁴ Comparative-period information has been restated for changes in business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations, resulting in decreases in Operating profit / (loss) before tax of USD 101m for Global Wealth Management, USD 187m for Personal & Corporate Banking and USD 21m for the Investment Bank and increases in Operating profit / (loss) before tax of USD 233m for Group Items, USD 69m for Non-core and Legacy and USD 7m for Asset Management. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes.

Selected financial information of the business divisions and Group Items (continued)

	For the year ended 31.12.24							
USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items		Total
Total revenues as reported	24,516	9,334	3,182	10,948	1,605	(975)		48,611
<i>of which: PPA effects and other integration items¹</i>	891	1,038		989		(41)		2,877
<i>of which: loss related to an investment in an associate</i>	(21)	(59)						(80)
Total revenues (underlying)	23,646	8,355	3,182	9,958	1,605	(933)		45,814
Credit loss expense / (release)	(16)	404	(1)	97	69	(2)		551
Operating expenses as reported	20,608	5,741	2,663	8,934	3,512	(220)		41,239
<i>of which: integration-related expenses and PPA effects²</i>	1,807	749	351	717	1,154	(12)		4,766
<i>of which: items related to the Swisscard transactions³</i>		41						41
Operating expenses (underlying)	18,802	4,951	2,312	8,217	2,359	(208)		36,432
Operating profit / (loss) before tax as reported	3,924	3,189	520	1,917	(1,976)	(752)		6,821
Operating profit / (loss) before tax (underlying)	4,860	3,000	871	1,644	(822)	(723)		8,831

	For the year ended 31.12.23 ^{4,5}							
USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Negative goodwill	Total
Total revenues as reported	21,556	7,687	2,686	8,703	697	(495)		40,834
<i>of which: PPA effects and other integration items¹</i>	923	783		583		(9)		2,280
<i>of which: loss related to an investment in an associate</i>	(190)	(317)						(508)
Total revenues (underlying)	20,823	7,222	2,686	8,120	697	(486)		39,062
Negative goodwill							27,264	27,264
Credit loss expense / (release)	166	482	0	190	193	6		1,037
Operating expenses as reported	17,945	4,394	2,353	8,585	5,091	438		38,806
<i>of which: integration-related expenses and PPA effects²</i>	1,018	398	205	697	1,775	451		4,543
<i>of which: acquisition-related costs</i>						202		202
Operating expenses (underlying)	16,927	3,996	2,149	7,889	3,316	(215)		34,061
Operating profit / (loss) before tax as reported	3,445	2,811	332	(72)	(4,587)	(938)	27,264	28,255
Operating profit / (loss) before tax (underlying)	3,730	2,744	537	42	(2,812)	(277)		3,963

¹ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ² Includes temporary, incremental operating expenses directly related to the integration, as well as amortization of newly recognized intangibles resulting from the acquisition of the Credit Suisse Group. ³ Represents the termination fee to American Express related to the expected sale in 2025 of our 50% holding in Swisscard. ⁴ Comparative-period information has been restated for changes in business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations, resulting in decreases in Operating profit / (loss) before tax of USD 144m for Global Wealth Management, USD 337m for Personal & Corporate Banking and USD 28m for the Investment Bank and increases in Operating profit / (loss) before tax of USD 341m for Group Items, USD 154m for Non-core and Legacy and USD 14m for Asset Management. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. ⁵ Comparative-period information as previously reported in the 2023 Annual Report has been revised to reflect measurement period adjustments impacting negative goodwill. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant adjustments.

Integration-related expenses, by business division and Group Items

USD m	For the quarter ended			For the year ended	
	31.12.24	30.9.24	31.12.23 ¹	31.12.24	31.12.23 ¹
Global Wealth Management	458	420	500	1,845	1,013
Personal & Corporate Banking	183	172	161	654	338
Asset Management	96	86	64	351	205
Investment Bank	174	156	167	717	697
Non-core and Legacy	317	270	750	1,154	1,775
Group Items	6	21	109	36	451
Total integration-related expenses	1,233	1,124	1,751	4,757	4,478
<i>of which: total revenues</i>	<i>6</i>	<i>35</i>	<i>0</i>	<i>104</i>	<i>0</i>
<i>of which: operating expenses</i>	<i>1,227</i>	<i>1,090</i>	<i>1,751</i>	<i>4,653</i>	<i>4,478</i>
<i>of which: personnel expenses</i>	<i>599</i>	<i>561</i>	<i>794</i>	<i>2,541</i>	<i>2,192</i>
<i>of which: general and administrative expenses</i>	<i>484</i>	<i>415</i>	<i>455</i>	<i>1,681</i>	<i>1,436</i>
<i>of which: depreciation, amortization and impairment of non-financial assets</i>	<i>144</i>	<i>113</i>	<i>503</i>	<i>430</i>	<i>850</i>

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 the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes.

Underlying results

In addition to reporting our results in accordance with IFRS Accounting Standards, we report underlying results that exclude items of profit or loss that management believes are not representative of the underlying performance.

In the fourth quarter of 2024, underlying revenues exclude purchase price allocation (PPA) effects and other integration items, as well as a loss related to an investment in an associate. PPA effects mainly consist of PPA adjustments on financial instruments measured at amortized cost, including off-balance sheet positions, arising from the acquisition of the Credit Suisse Group. Accretion of PPA adjustments on financial instruments is accelerated when the related financial instrument is derecognized before its contractual maturity. No adjustment is made for accretion of PPA on financial instruments within Non-core and Legacy, due to the nature of its business model.

In the fourth quarter of 2024, underlying expenses exclude integration-related 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. Underlying operating expenses also exclude items related to the Swisscard transactions.

Results: 4Q24 vs 4Q23

Reported operating profit before tax was USD 1,047m, compared with an operating loss before tax of USD 751m, reflecting lower operating expenses and an increase in total revenues, partly offset by higher net credit loss expenses. Total revenues increased by USD 780m, or 7%, to USD 11,635m, and included a decrease of USD 288m in accretion impacts resulting from PPA adjustments on financial instruments and other PPA effects. The increase in total revenues was driven by a USD 818m increase in net fee and commission income and a USD 235m change in other income, partly offset by a USD 271m decrease in net interest income and other net income from financial instruments measured at fair value through profit or loss. Operating expenses decreased by USD 1,111m, or 10%, to USD 10,359m and included a USD 524m decrease in integration-related expenses. The decrease in operating expenses was mainly driven by a USD 700m decrease in personnel expenses and a USD 415m decrease in depreciation, amortization and impairment of non-financial assets, while general and administrative expenses were broadly unchanged. Net credit loss expenses were USD 229m, compared with USD 136m in the fourth quarter of 2023.

Underlying results 4Q24 vs 4Q23

Underlying revenues for the fourth quarter of 2024 excluded PPA effects and other integration items of USD 656m, as well as USD 80m of losses related to an investment in an associate. Underlying operating expenses excluded USD 1,255m of integration-related expenses and PPA effects, as well as a USD 41m expense related to the Swisscard transactions.

On an underlying basis, profit before tax increased by USD 1,176m to USD 1,768m, reflecting a USD 640m increase in total revenues and a USD 628m decrease in operating expenses, partly offset by a USD 93m increase in net credit loss expenses.

Total revenues: 4Q24 vs 4Q23

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 decreased by USD 271m to USD 4,982m and included a decrease of USD 151m in accretion impacts resulting from PPA adjustments on financial instruments and other PPA effects.

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

USD m	For the quarter ended			% change from		For the year ended	
	31.12.24	30.9.24	31.12.23 ¹	3Q24	4Q23	31.12.24	31.12.23 ¹
Net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	(55)	(256)	597	(79)		47	3,527
Net interest income from financial instruments measured at fair value through profit or loss and other	1,893	2,050	1,498	(8)	26	7,061	3,770
Other net income from financial instruments measured at fair value through profit or loss	3,144	3,681	3,158	(15)	0	14,690	11,583
Total	4,982	5,476	5,253	(9)	(5)	21,798	18,880
Global Wealth Management	2,217	2,232	2,268	(1)	(2)	9,031	8,484
of which: net interest income	1,849	1,811	1,871	2	(1)	7,358	7,082
of which: transaction-based income from foreign exchange and other intermediary activity ²	368	421	397	(13)	(7)	1,673	1,402
Personal & Corporate Banking	1,572	1,638	1,704	(4)	(8)	6,479	5,539
of which: net interest income	1,362	1,429	1,510	(5)	(10)	5,650	4,878
of which: transaction-based income from foreign exchange and other intermediary activity ²	209	210	194	0	8	829	661
Asset Management	(5)	21	10			16	(5)
Investment Bank	1,555	1,518	982	2	58	6,164	5,055
Non-core and Legacy	(153)	98	(25)		502	1,163	321
Group Items	(202)	(32)	315	525		(1,054)	(513)

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 the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, 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 in the "Global Wealth Management" and "Personal & Corporate Banking" sections of this report.

Global Wealth Management decreased by USD 51m to USD 2,217m, which included a USD 129m decrease in accretion of PPA adjustments on financial instruments and other PPA effects. Excluding the aforementioned effects, net interest income increased, largely driven by improved deposit margins from repricing actions, lower effects of liquidity and funding costs, and higher loan revenues, mainly as a result of higher loan margins. There was also an increase in transaction-based income, mainly driven by higher levels of client activity.

Personal & Corporate Banking decreased by USD 132m to USD 1,572m, which included a USD 32m decrease in accretion of PPA adjustments on financial instruments and other PPA effects. Excluding the aforementioned effects, net interest income decreased, mainly due to lower deposit margins resulting from both lower reinvestment rates and clients shifting to lower-margin deposit products.

The Investment Bank increased by USD 573m to USD 1,555m, including a USD 26m increase in accretion of PPA adjustments on financial instruments and other PPA effects. The overall increase was mainly due to higher revenues in Financing, with increases across all products, led by Equity Financing. In addition, there was an increase in Derivatives & Solutions revenues, reflecting increases across all products, mostly driven by Foreign Exchange and Equity Derivatives, as well as an increase in Global Banking, mainly from higher revenues across Public Capital Markets, primarily driven by Leveraged Capital Markets.

Non-core and Legacy was negative USD 153m compared with negative USD 25m in the fourth quarter of 2023, mainly due to lower net interest income as a result of portfolio reductions and also due to lower trading revenues, mainly reflecting lower gains on disposals compared with the fourth quarter of 2023. These decreases were partly offset by lower funding costs.

Group Items was negative USD 202m compared with positive USD 315m in the fourth quarter of 2023. This included the income from Group hedging and own debt, including hedge accounting ineffectiveness, within Group Treasury. Revenues in the fourth quarter of 2024 were driven by mark-to-market effects on own credit and portfolio-level economic hedges.

› Refer to the relevant business division commentary in the "UBS business divisions and Group Items" section of this report for more information about business-division-specific revenues

Net fee and commission income

Net fee and commission income increased by USD 818m to USD 6,598m and included a decrease of USD 137m in accretion of PPA adjustments on financial instruments and other PPA effects, predominantly in the Investment Bank.

Net brokerage fees increased by USD 478m to USD 1,081m, reflecting an increase across all regions in Cash Equities in Execution Services in the Investment Bank, as well as an increase in Global Wealth Management that was due to higher levels of client activity, particularly in the Asia Pacific and Americas regions.

Fees from portfolio management and related services increased by USD 119m to USD 3,085m, predominantly due to higher revenues in Global Wealth Management, mainly as a result of positive market performance.

Investment fund fees increased by USD 356m to USD 1,579m, largely due to higher revenues in Global Wealth Management, reflecting positive market performance, partly offset by lower revenues in Asset Management. The decrease in Asset Management was due to continued margin compression, the impact of exits from non-strategic businesses and negative foreign currency effects largely offset by positive market performance.

Other income

Other income was USD 56m, compared with negative USD 179m in the fourth quarter of 2023. The increase was mainly due to a loss of USD 80m related to an investment in an associate, compared with a loss of USD 508m related to an investment in an associate recognized in the fourth quarter of 2023. The fourth quarter of 2024 also included a loss of USD 40m relating to insurance and similar contracts, compared with gains of USD 41m in the fourth quarter of 2023. The insurance and similar contracts are hedged with derivative instruments, with offsetting gains and losses in the income statement within Other net income from financial instruments measured at fair value through profit or loss.

Credit loss expense / release: 4Q24 vs 4Q23

Total net credit loss expenses in the fourth quarter of 2024 were USD 229m, reflecting net releases of USD 21m related to performing positions and net expenses of USD 250m on credit-impaired positions. Credit loss expenses were USD 136m in the fourth quarter of 2023.

Credit loss expense / (release)

USD m	Performing positions		Credit-impaired positions		Total
	Stages 1 and 2	Stage 3	Purchased		
For the quarter ended 31.12.24					
Global Wealth Management	(26)	12	0		(14)
Personal & Corporate Banking	(24)	199	0		175
Asset Management	0	0	0		0
Investment Bank	32	31	0		63
Non-core and Legacy	(2)	5	3		6
Group Items	(1)	0	0		0
Total	(21)	247	3		229
For the quarter ended 30.9.24					
Global Wealth Management	(11)	12	1		2
Personal & Corporate Banking	(10)	94	0		83
Asset Management	0	0	0		0
Investment Bank	9	0	0		9
Non-core and Legacy	(2)	0	30		28
Group Items	0	0	0		0
Total	(15)	106	30		121
For the quarter ended 31.12.23¹					
Global Wealth Management	(12)	3	0		(8)
Personal & Corporate Banking	(14)	95	4		85
Asset Management	0	0	0		(1)
Investment Bank	(13)	60	1		48
Non-core and Legacy	(1)	25	(9)		15
Group Items	(2)	0	0		(2)
Total	(43)	183	(4)		136

¹ Comparative-period information has been restated for changes in business division perimeters. Refer to "Changes to segment reporting in 2024" in the "UBS business divisions and Group Items" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, and "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information.

Operating expenses: 4Q24 vs 4Q23

Operating expenses

USD m	For the quarter ended			% change from		For the year ended	
	31.12.24	30.9.24	31.12.23	3Q24	4Q23	31.12.24	31.12.23
Personnel expenses	6,361	6,889	7,061	(8)	(10)	27,318	24,899
<i>of which: salaries and variable compensation</i>	<i>5,321</i>	<i>5,805</i>	<i>5,728</i>	<i>(8)</i>	<i>(7)</i>	<i>23,047</i>	<i>20,842</i>
<i>of which: variable compensation – financial advisors¹</i>	<i>1,400</i>	<i>1,335</i>	<i>1,176</i>	<i>5</i>	<i>19</i>	<i>5,293</i>	<i>4,549</i>
General and administrative expenses	3,004	2,389	2,999	26	0	10,124	10,156
<i>of which: net expenses for litigation, regulatory and similar matters</i>	<i>99</i>	<i>(69)</i>	<i>8</i>			<i>(128)</i>	<i>809</i>
Depreciation, amortization and impairment of non-financial assets	994	1,006	1,409	(1)	(29)	3,798	3,750
Total operating expenses	10,359	10,283	11,470	1	(10)	41,239	38,806

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

Personnel expenses

Personnel expenses decreased by USD 700m to USD 6,361m. Salaries and variable compensation decreased by USD 407m, mainly as a result of a smaller workforce, lower accruals for performance awards and lower integration-related expenses, partly offset by a USD 224m increase in financial advisor compensation, which reflected higher compensable revenues. In addition, post-employment benefit plans decreased by USD 248m, largely due to the fourth quarter of 2023 including an increase in the pension plan obligation of the Swiss pension plan of Credit Suisse following the decision to align the scheme to that of UBS. Personnel expenses included a USD 195m decrease in integration-related expenses, which was mainly due to the aforementioned pension scheme alignment.

General and administrative expenses

General and administrative expenses increased by USD 5m to USD 3,004m, including a USD 28m increase in integration-related expenses, which was mainly attributable to higher outsourcing and marketing costs, partly offset by lower consulting, legal and audit fees, as well as lower real estate and logistics costs. In addition, there was a USD 41m expense related to the Swisscard transactions. Excluding integration-related expenses and the aforementioned expense related to the Swisscard transactions, underlying general and administrative expenses decreased, mainly due to a USD 65m decrease in outsourcing costs and also due to the fourth quarter of 2023 including a charge of USD 60m for the special assessment by the US Federal Deposit Insurance Corporation, partly offset by an increase of USD 92m in expenses for litigation, regulatory and similar matters.

- ▶ Refer to “Provisions and contingent liabilities” in the “Consolidated financial information” section of this report for more information about litigation, regulatory and similar matters
- ▶ Refer to the “Regulatory and legal developments” and “Risk factors” sections of the UBS Group Annual Report 2023, available under “Annual reporting” at ubs.com/investors, for more information about litigation, regulatory and similar matters

Depreciation, amortization and impairment of non-financial assets

Depreciation, amortization and impairment of non-financial assets decreased by USD 415m to USD 994m, primarily due to a USD 359m decrease in integration-related expenses. The decrease was largely as a result of the fourth quarter of 2023 including higher impairment and accelerated depreciation associated with real estate leases.

Tax: 4Q24 vs 4Q23

The Group had a net income tax expense of USD 268m in the fourth quarter of 2024, compared with a tax benefit of USD 473m in the prior-year quarter.

The current tax expense was USD 1,015m, which included USD 354m that primarily related to the taxable profits of UBS Switzerland AG and other entities and USD 661m that mainly related to US corporate alternative minimum tax, with an equivalent net deferred tax benefit for deferred tax assets (DTAs) recognized in respect of tax credits carried forward.

There was a net deferred tax benefit of USD 747m, which reflected the aforementioned net deferred tax benefit of USD 661m and a net benefit of USD 244m related to revaluations of DTAs for certain entities in connection with our business planning process, partly offset by a net deferred tax expense of USD 158m that primarily related to the amortization of DTAs previously recognized in relation to tax losses carried forward and deductible temporary differences.

The Group's effective tax rate for the quarter was 25.6%, although it would have been 48.9% without the aforementioned deferred tax benefit from DTA revaluations. This is higher than the Group's structural rate of 23%, mainly because the Group's net profit includes operating losses of certain entities, mostly reflecting integration-related expenses, including restructuring costs, that did not result in any tax benefits because they cannot be offset with profits of other entities in the Group and did not result in any DTA recognition. We expect that the 2025 full-year effective tax rate for the UBS Group will be materially less than the structural rate of 23%, due to projected tax planning benefits.

Total comprehensive income attributable to shareholders

In the fourth quarter of 2024, total comprehensive income attributable to shareholders was negative USD 1,851m, reflecting a net profit of USD 770m and other comprehensive income (OCI), net of tax, of negative USD 2,622m.

Foreign currency translation OCI was negative USD 1,835m, mainly resulting from the strengthening of the US dollar against the Swiss franc and the euro.

OCI related to cash flow hedges was negative USD 785m, mainly reflecting net unrealized losses on US dollar hedging derivatives resulting from increases in the relevant US dollar long-term interest rates.

OCI related to cost of hedging was negative USD 98m, mainly driven by a widening and steepening of the US dollar / euro cross-currency basis which resulted in mark-to-market losses on the cross-currency swaps.

OCI related to own credit on financial liabilities designated at fair value was USD 144m, primarily due to the impact of time decay on the portfolio.

- › Refer to "Statement of comprehensive income" in the "Consolidated financial information" section of this report for more information
- › Refer to "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" in the "Capital management" section of this report for more information about the effects of OCI on common equity tier 1 capital
- › Refer to "Note 21 Fair value measurement" in the "Consolidated financial statements" section of the UBS Group Annual Report 2023, available under "Annual reporting" at ubs.com/investors, for more information about own credit on financial liabilities designated at fair value

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 0.3bn 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.

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

Key figures and personnel

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

Cost / income ratio: 4Q24 vs 4Q23

The cost / income ratio was 89.0%, compared with 105.7%, and on an underlying basis the cost / income ratio was 81.9%, compared with 93.0%. Both of these decreases were a result of lower operating expenses and higher total revenues.

Personnel: 4Q24 vs 3Q24

The number of internal and external personnel employed was 128,983 (workforce count) as of 31 December 2024, a net decrease of 2,694 compared with 30 September 2024. The number of internal personnel employed as of 31 December 2024 was 108,648 (full-time equivalents), a net decrease of 748 compared with 30 September 2024. The number of external staff was approximately 20,335 (workforce count) as of 31 December 2024, a net decrease of approximately 1,946 compared with 30 September 2024.

Equity, CET1 capital and returns

USD m, except where indicated	As of or for the quarter ended			As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ¹	31.12.24	31.12.23 ¹
Net profit					
Net profit / (loss) attributable to shareholders	770	1,425	(279)	5,085	27,366
Equity					
Equity attributable to shareholders	85,079	87,025	85,624	85,079	85,624
less: goodwill and intangible assets	6,887	7,048	7,515	6,887	7,515
Tangible equity attributable to shareholders	78,192	79,976	78,109	78,192	78,109
less: other CET1 adjustments	6,825	5,763	107	6,825	107
CET1 capital	71,367	74,213	78,002	71,367	78,002
Returns					
Return on equity (%)	3.6	6.7	(1.3)	6.0	36.9
Return on tangible equity (%)	3.9	7.3	(1.4)	6.5	40.8
Underlying return on tangible equity (%)	6.6	9.0	4.8	8.5	4.1
Return on CET1 capital (%)	4.2	7.6	(1.4)	6.7	41.8
Underlying return on CET1 capital (%)	7.2	9.4	4.8	8.7	4.2

¹ Comparative-period information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information.

Common equity tier 1 capital: 4Q24 vs 3Q24

During the fourth quarter of 2024, our common equity tier 1 (CET1) capital decreased by USD 2.8bn to USD 71.4bn, mainly as operating profit before tax of USD 1.0bn was more than offset by foreign currency translation losses of USD 1.8bn, current tax expenses of USD 1.0bn, dividend accruals of USD 0.9bn and a USD 0.2bn decrease in eligible deferred tax assets on temporary differences. Share repurchases of USD 0.3bn carried out in the fourth quarter of 2024 under our 2024 share repurchase program did not affect our CET1 capital position, as there was an equal reduction in the capital reserve for potential share repurchases. The remaining capital reserve for potential share repurchases was fully utilized during the fourth quarter of 2024.

Return on common equity tier 1 capital: 4Q24 vs 4Q23

The annualized return on CET1 capital was 4.2%, compared with negative 1.4%, driven by net profit attributable to shareholders compared with a loss attributable to shareholders in the fourth quarter of 2023, as well as a decrease in average CET1 capital. On an underlying basis the return on CET1 capital was 7.2%, compared with 4.8%, driven by an increase in net profit attributable to shareholders, as well as a decrease in average CET1 capital.

Risk-weighted assets: 4Q24 vs 3Q24

During the fourth quarter of 2024, RWA decreased by USD 20.8bn to USD 498.5bn, driven by a USD 14.6bn decrease in currency effects, as well as a USD 6.6bn decrease resulting from asset size and other movements, partly offset by an increase of USD 0.4bn resulting from model updates and methodology changes.

Common equity tier 1 capital ratio: 4Q24 vs 3Q24

Our CET1 capital ratio was broadly unchanged at 14.3%, as a USD 2.8bn decrease in CET1 capital was offset by the aforementioned decrease in RWA.

Leverage ratio denominator: 4Q24 vs 3Q24

The leverage ratio denominator (the LRD) decreased by USD 88.9bn to USD 1,519.5bn, driven by currency effects of USD 68.9bn, as well as asset size and other movements of USD 20.0bn.

Common equity tier 1 leverage ratio: 4Q24 vs 3Q24

Our CET1 leverage ratio increased to 4.7% from 4.6%, reflecting the aforementioned decrease in the LRD, partly offset by a USD 2.8bn decrease in CET1 capital.

Outlook

Investor sentiment remained positive in the fourth quarter of 2024, driving strong institutional and private client activity supported by a constructive market backdrop that reflected an increase in investors' risk appetite following the results of the US presidential election.

Constructive market conditions have continued into the first quarter of 2025 sustained by the greater optimism regarding growth prospects in the US. However, investor behavior may be affected by the clouded macroeconomic outlook outside the US, increased uncertainties around global trade, inflation and central bank policies, as well as geopolitics, including the upcoming elections in Germany. We see the markets as remaining particularly sensitive to new developments, positive or negative, leading to potential spikes in volatility across all asset classes.

In the first quarter, we expect a low-to-mid single digit percentage sequential decline in net interest income (NII) in Global Wealth Management and around a 10% sequential decline in Personal & Corporate Banking's NII, measured in Swiss francs. Higher asset levels are expected to support recurring fee income across our asset-gathering businesses. As we progress our integration plans integration-related expenses are expected to be around USD 1.1bn and accretion of PPA effects to contribute around USD 0.5bn to the Group's total revenues.

We remain focused on supporting clients with advice and solutions and continue to execute on our priorities, investing in people, products, and capabilities to drive sustainable long-term value for our stakeholders while maintaining a balance sheet for all seasons.

UBS business divisions and Group Items

Management report

Our businesses

We report five business divisions, each of which qualifies as an operating segment pursuant to IFRS Accounting Standards: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. Non-core and Legacy includes positions and businesses not aligned with our strategy and policies. Those consist of the assets and liabilities reported as part of the former Capital Release Unit (Credit Suisse) and certain assets and liabilities of the former Investment Bank (Credit Suisse), the former Corporate Center (Credit Suisse) and other former Credit Suisse business divisions. Non-core and Legacy also includes the remaining assets and liabilities of UBS's Non-core and Legacy Portfolio, previously reported in Group Functions (which has been renamed Group Items), and smaller amounts of assets and liabilities of UBS's business divisions that have been assessed as not strategic in light of the acquisition of the Credit Suisse Group.

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

Global Wealth Management

Global Wealth Management¹

USD m, except where indicated	As of or for the quarter ended			% change from		As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ²	3Q24	4Q23	31.12.24	31.12.23 ²
Results							
Net interest income	1,849	1,811	1,871	2	(1)	7,358	7,082
Recurring net fee income ³	3,262	3,235	2,900	1	12	12,625	10,988
Transaction-based income ³	1,041	1,144	955	(9)	9	4,503	3,623
Other income	(32)	10	(172)		(82)	31	(137)
Total revenues	6,121	6,199	5,554	(1)	10	24,516	21,556
Credit loss expense / (release)	(14)	2	(8)		73	(16)	166
Operating expenses	5,268	5,112	5,282	3	0	20,608	17,945
Business division operating profit / (loss) before tax	867	1,085	280	(20)	210	3,924	3,445

Underlying results

Total revenues as reported	6,121	6,199	5,554	(1)	10	24,516	21,556
<i>of which: PPA effects and other integration items⁴</i>	<i>200</i>	<i>224</i>	<i>349</i>	<i>(11)</i>	<i>(43)</i>	<i>891</i>	<i>923</i>
<i>of which: PPA effects recognized in net interest income</i>	<i>192</i>	<i>221</i>	<i>321</i>	<i>(13)</i>	<i>(40)</i>	<i>910</i>	<i>873</i>
<i>of which: PPA effects and other integration items recognized in transaction-based income</i>	<i>8</i>	<i>3</i>	<i>28</i>	<i>134</i>	<i>(72)</i>	<i>(19)</i>	<i>49</i>
<i>of which: loss related to an investment in an associate</i>	<i>(21)</i>		<i>(190)</i>		<i>(89)</i>	<i>(21)</i>	<i>(190)</i>
Total revenues (underlying)³	5,942	5,975	5,395	(1)	10	23,646	20,823
Credit loss expense / (release)	(14)	2	(8)		73	(16)	166
Operating expenses as reported	5,268	5,112	5,282	3	0	20,608	17,945
<i>of which: integration-related expenses and PPA effects^{3,5}</i>	<i>460</i>	<i>419</i>	<i>502</i>	<i>10</i>	<i>(8)</i>	<i>1,807</i>	<i>1,018</i>
Operating expenses (underlying)³	4,808	4,693	4,780	2	1	18,802	16,927
<i>of which: expenses for litigation, regulatory and similar matters</i>	<i>100</i>	<i>18</i>	<i>49</i>	<i>465</i>	<i>107</i>	<i>147</i>	<i>122</i>
Business division operating profit / (loss) before tax as reported	867	1,085	280	(20)	210	3,924	3,445
Business division operating profit / (loss) before tax (underlying)³	1,147	1,280	624	(10)	84	4,860	3,730

Performance measures and other information

Pre-tax profit growth (year-on-year, %) ³	209.8	17.2	(73.5)			13.9	(30.8)
Cost / income ratio (%) ³	86.1	82.5	95.1			84.1	83.2
Average attributed equity (USD bn) ⁶	33.6	33.5	33.3	0	1	33.3	29.3
Return on attributed equity (%) ^{3,6}	10.3	13.0	3.4			11.8	11.8
Financial advisor compensation ⁷	1,400	1,335	1,176	5	19	5,292	4,548
Net new fee-generating assets (USD bn) ³	13.3	14.6	(3.4)			61.7	
Fee-generating assets (USD bn) ³	1,816	1,858	1,661	(2)	9	1,816	1,661
Net new assets (USD bn) ³	17.7	24.7	20.1			96.7	128.3
Invested assets (USD bn) ³	4,182	4,259	3,922	(2)	7	4,182	3,922
Loans, gross (USD bn) ⁸	300.5	311.5	322.1	(4)	(7)	300.5	322.1
Customer deposits (USD bn) ⁸	470.1	481.9	485.0	(2)	(3)	470.1	485.0
Impaired loan portfolio as a percentage of total loan portfolio, gross (%) ^{3,9}	0.4	0.4	0.5			0.4	0.5
Advisors (full-time equivalents)	9,803	9,897	10,469	(1)	(6)	9,803	10,469

Underlying performance measures

Pre-tax profit growth (year-on-year, %) ³	84.0	29.9	(41.1)			30.3	(21.6)
Cost / income ratio (%) ³	80.9	78.5	88.6			79.5	81.3
Return on attributed equity (%) ^{3,6}	13.6	15.3	7.5			14.6	12.7

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 business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations, resulting in decreases in operating profit before tax of USD 101m for the quarter ended 31 December 2023 and USD 144m for the year ended 31 December 2023. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. Certain comparative figures have also been restated for changes in the equity attribution framework. Refer to "Changes to segment reporting in 2024" in the "UBS business divisions and Group Items" section and the "Equity attribution" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. ³ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. We started to report fee-generating assets and net new fee-generating assets on a consolidated basis, including Credit Suisse data, from the fourth quarter of 2023 onward. ⁴ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ⁵ Includes temporary, incremental operating expenses directly related to the integration, as well as amortization of newly recognized intangibles resulting from the acquisition of the Credit Suisse Group. ⁶ Refer to the "Equity attribution" section of this report for more information about the equity attribution framework. ⁷ Relates to licensed professionals with the ability to provide investment advice to clients in the Americas. Consists of cash and deferred compensation awards and is based on compensable revenues and firm tenure using a formulaic approach. Also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. Recruitment loans to financial advisors were USD 1,683m as of 31 December 2024. ⁸ Loans and Customer deposits in this table include customer brokerage receivables and payables, respectively, which are presented in separate reporting lines on the balance sheet. ⁹ Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures. Excludes loans to financial advisors.

Results: 4Q24 vs 4Q23

Profit before tax increased by USD 587m, or 210%, to USD 867m, mainly driven by higher total revenues. Underlying profit before tax was USD 1,147m, an increase of 84%, after excluding from operating expenses USD 460m of integration-related expenses and purchase price allocation (PPA) effects, and also excluding from total revenues USD 200m of PPA effects and a loss of USD 21m related to an investment in an associate.

Total revenues

Total revenues increased by USD 567m, or 10%, to USD 6,121m, largely driven by higher recurring net fee income, a decrease in negative other income and higher transaction-based income. Total revenues included a USD 149m decrease in PPA effects. It also included a loss of USD 21m related to an investment in an associate. Excluding PPA effects of USD 200m and the aforementioned loss, underlying total revenues were USD 5,942m, an increase of 10%.

Net interest income decreased by USD 22m, or 1%, to USD 1,849m and included a USD 129m decrease in accretion of PPA adjustments on financial instruments and other PPA effects. The remaining variance was largely driven by improved deposit margins from repricing actions, lower effects of liquidity and funding costs, and higher loan revenues, mainly as a result of higher loan margins. Excluding accretion and other effects, underlying net interest income was USD 1,657m, an increase of 7%.

Recurring net fee income increased by USD 362m, or 12%, to USD 3,262m, mainly driven by positive market performance.

Transaction-based income increased by USD 86m, or 9%, to USD 1,041m, mainly driven by higher levels of client activity, particularly in the Asia Pacific and Americas regions. Transaction-based income included a USD 20m decrease in accretion of PPA adjustments on financial instruments and other PPA effects. Excluding accretion and other effects, underlying transaction-based income was USD 1,034m, an increase of 12%.

Other income was negative USD 32m, compared with other income of negative USD 172m. Other income in the fourth quarter of 2024 included a loss of USD 21m related to an investment in an associate, compared with the loss of USD 190m recognized in the fourth quarter of 2023. Excluding the aforementioned loss, underlying other income in the fourth quarter of 2024 was negative USD 11m.

Credit loss expense / release

Net credit loss releases were USD 14m, compared with net credit loss releases of USD 8m in the fourth quarter of 2023.

Operating expenses

Operating expenses decreased by USD 14m to USD 5,268m, and included a USD 42m decrease in integration-related expenses. The remaining variance was mainly due to the fourth quarter of 2023 including a charge of USD 60m for the special assessment by the US Federal Deposit Insurance Corporation (the FDIC). These decreases were partly offset by higher underlying personnel expenses, which resulted from higher financial advisor compensation, reflecting increases in compensable revenues, and an increase in provisions for litigation, regulatory and similar matters. Excluding integration-related expenses and PPA effects of USD 460m, underlying operating expenses were USD 4,808m, broadly stable year over year.

Invested assets: 4Q24 vs 3Q24

Invested assets decreased by USD 77bn to USD 4,182bn, mainly driven by negative foreign currency effects of USD 76.0bn, negative market performance of USD 8.3bn and by reclassification of USD 8.3bn of certain Credit Suisse client assets from invested assets to custody-only assets, partly offset by net new asset inflows of USD 17.7bn.

Loans: 4Q24 vs 3Q24

Loans decreased by USD 11.0bn to USD 300.5bn, mainly driven by negative foreign currency effects and negative net new loans of USD 0.8bn.

Customer deposits: 4Q24 vs 3Q24

Customer deposits decreased by USD 11.8bn to USD 470.1bn, mainly driven by negative foreign currency effects, partly offset by net new deposits of USD 2.7bn.

Regional breakdown of performance measures

As of or for the quarter ended 31.12.24

USD bn, except where indicated

	Americas ¹	Switzerland	EMEA	Asia Pacific	Global ²	Global Wealth Management
Total revenues (USD m)	2,937	1,004	1,150	842	188	6,121
Operating profit / (loss) before tax (USD m)	214	375	296	271	(289)	867
Operating profit / (loss) before tax (underlying) (USD m) ³	214	375	296	271	(9)	1,147
Cost / income ratio (%) ³	92.4	64.0	75.2	67.5		86.1
Cost / income ratio (underlying) (%) ³	92.4	64.0	75.2	67.5		80.9
Loans, gross	97.6 ⁴	102.9	57.4	41.5	1.0	300.5
Net new loans	1.1	(1.0)	(0.5)	(0.2)	(0.1)	(0.8)
Net new fee-generating assets ³	18.1	(3.5)	(5.3)	4.1	(0.1)	13.3
Fee-generating assets ³	1,062	217	364	172	1	1,816
Net new assets ³	13.7	4.5	1.4	(1.2)	(0.7)	17.7
Net new assets growth rate (%) ³	2.6	2.3	0.8	(0.7)		1.7
Invested assets ³	2,109	749	655	665	5	4,182
Advisors (full-time equivalents)	5,968	1,311	1,520	924	79	9,803

¹ Including the following business units: United States and Canada; and Latin America. ² Includes minor functions, which are not included in the four regions individually presented in this table, and also includes impacts from accretion of PPA adjustments on financial instruments and other PPA effects and integration-related expenses. ³ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. ⁴ Loans include customer brokerage receivables, which are presented in a separate reporting line on the balance sheet.

Regional comments 4Q24 vs 4Q23, except where indicated

Americas

Profit before tax increased by USD 129m to USD 214m and included an increase in provisions for litigation, regulatory and similar matters. In addition, the fourth quarter of 2023 included the aforementioned charge of USD 60m for the special assessment by the FDIC. Total revenues increased by USD 362m, or 14%, to USD 2,937m, mainly driven by higher recurring net fee income and transaction-based income, partly offset by lower net interest income. The cost / income ratio decreased to 92.4% from 96.7%. Loans increased 1% compared with the third quarter of 2024, to USD 97.6bn, mainly reflecting positive net new loans of USD 1.1bn. Net new asset inflows were USD 13.7bn.

Switzerland

Profit before tax increased by USD 71m to USD 375m. Total revenues increased by USD 29m, or 3%, to USD 1,004m, mostly driven by higher transaction-based income, net interest income and recurring net fee income. The cost / income ratio decreased to 64.0% from 69.1%. Loans decreased 8% compared with the third quarter of 2024, to USD 102.9bn, mainly reflecting negative foreign currency effects and USD 1.0bn of negative net new loans. Net new asset inflows were USD 4.5bn.

EMEA

Profit before tax increased by USD 115m to USD 296m. Total revenues increased by USD 46m, or 4%, to USD 1,150m, mainly driven by higher net interest income and recurring net fee income. The cost / income ratio decreased to 75.2% from 83.8%. Loans decreased 4% compared with the third quarter of 2024, to USD 57.4bn, mainly driven by negative foreign currency effects and USD 0.5bn of negative net new loans. Net new asset inflows were USD 1.4bn.

Asia Pacific

Profit before tax increased by USD 211m to USD 271m. Total revenues increased by USD 107m, or 15%, to USD 842m, mainly driven by increases in transaction-based income, net interest income and recurring net fee income. The cost / income ratio decreased to 67.5% from 92.3%. Loans decreased 3% compared with the third quarter of 2024, to USD 41.5bn, mainly driven by negative foreign currency effects and USD 0.2bn of negative net new loans. Net new asset outflows were USD 1.2bn.

Global

Operating loss before tax was USD 289m, mainly including USD 460m of the aforementioned integration-related expenses and PPA effects in operating expenses, partly offset by the aforementioned USD 200m related to PPA effects and a loss of USD 21m related to an investment in an associate in total revenues.

Personal & Corporate Banking

Personal & Corporate Banking – in Swiss francs¹

CHF m, except where indicated	As of or for the quarter ended			% change from		As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ²	3Q24	4Q23	31.12.24	31.12.23 ²
Results							
Net interest income	1,204	1,227	1,320	(2)	(9)	4,987	4,350
Recurring net fee income ³	357	363	332	(1)	8	1,425	1,137
Transaction-based income ³	471	439	431	7	9	1,821	1,591
Other income	(49)	29	(251)		(81)	7	(198)
Total revenues	1,983	2,056	1,832	(4)	8	8,241	6,880
Credit loss expense / (release)	155	71	74	118	110	357	433
Operating expenses	1,305	1,258	1,222	4	7	5,070	3,919
Business division operating profit / (loss) before tax	524	728	537	(28)	(2)	2,814	2,528
Underlying results							
Total revenues as reported	1,983	2,056	1,832	(4)	8	8,241	6,880
<i>of which: PPA effects and other integration items⁴</i>	<i>227</i>	<i>239</i>	<i>267</i>	<i>(5)</i>	<i>(15)</i>	<i>915</i>	<i>692</i>
<i>of which: PPA effects recognized in net interest income</i>	<i>209</i>	<i>219</i>	<i>235</i>	<i>(4)</i>	<i>(11)</i>	<i>841</i>	<i>609</i>
<i>of which: PPA effects and other integration items recognized in transaction-based income</i>	<i>18</i>	<i>20</i>	<i>31</i>	<i>(11)</i>	<i>(42)</i>	<i>74</i>	<i>83</i>
<i>of which: loss related to an investment in an associate</i>	<i>(54)</i>		<i>(267)</i>		<i>(80)</i>	<i>(54)</i>	<i>(267)</i>
Total revenues (underlying)³	1,810	1,818	1,833	0	(1)	7,379	6,455
Credit loss expense / (release)	155	71	74	118	110	357	433
Operating expenses as reported	1,305	1,258	1,222	4	7	5,070	3,919
<i>of which: integration-related expenses and PPA effects^{3,5}</i>	<i>185</i>	<i>170</i>	<i>162</i>	<i>8</i>	<i>14</i>	<i>662</i>	<i>350</i>
<i>of which: items related to the Swisscard transactions⁶</i>	<i>37</i>					<i>37</i>	
Operating expenses (underlying)³	1,083	1,088	1,060	0	2	4,371	3,569
<i>of which: expenses for litigation, regulatory and similar matters</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>1</i>	<i>(8)</i>
Business division operating profit / (loss) before tax as reported	524	728	537	(28)	(2)	2,814	2,528
Business division operating profit / (loss) before tax (underlying)³	572	659	699	(13)	(18)	2,651	2,453
Performance measures and other information							
Pre-tax profit growth (year-on-year, %) ³	(2.4)	(14.3)	6.5			11.3	46.4
Cost / income ratio (%) ³	65.8	61.2	66.7			61.5	57.0
Average attributed equity (CHF bn) ⁷	18.6	18.9	19.3	(1)	(3)	19.0	15.1
Return on attributed equity (%) ^{3,7}	11.2	15.4	11.1			14.8	16.7
Net interest margin (bps) ³	198	199	209			201	204
Loans, gross (CHF bn)	242.3	244.2	251.8	(1)	(4)	242.3	251.8
Customer deposits (CHF bn)	254.1	252.3	257.8	1	(1)	254.1	257.8
Impaired loan portfolio as a percentage of total loan portfolio, gross (%) ^{3,8}	1.3	1.2	1.0			1.3	1.0
Underlying performance measures							
Pre-tax profit growth (year-on-year, %) ³	(18.2)	(6.8)	38.8			8.1	42.1
Cost / income ratio (%) ³	59.8	59.9	57.8			59.2	55.3
Return on attributed equity (%) ^{3,7}	12.3	13.9	14.5			13.9	16.3

Underlying performance measures

Pre-tax profit growth (year-on-year, %) ³	(18.2)	(6.8)	38.8			8.1	42.1
Cost / income ratio (%) ³	59.8	59.9	57.8			59.2	55.3
Return on attributed equity (%) ^{3,7}	12.3	13.9	14.5			13.9	16.3

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 business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations, resulting in decreases in operating profit before tax of CHF 164m for the quarter ended 31 December 2023 and CHF 296m for the year ended 31 December 2023. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. Certain comparative figures have also been restated for changes in the equity attribution framework. Refer to "Changes to segment reporting in 2024" in the "UBS business divisions and Group Items" section and the "Equity attribution" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. ³ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. ⁴ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ⁵ Includes temporary, incremental operating expenses directly related to the integration, as well as amortization of newly recognized intangibles resulting from the acquisition of the Credit Suisse Group. ⁶ Represents the termination fee to American Express related to the expected sale in 2025 of our 50% holding in Swisscard. ⁷ Refer to the "Equity attribution" section of this report for more information about the equity attribution framework. ⁸ Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures.

Results: 4Q24 vs 4Q23

Profit before tax decreased by CHF 13m, or 2%, to CHF 524m, reflecting higher operating expenses and net credit loss expenses, partly offset by higher total revenues. Underlying profit before tax was CHF 572m, a decrease of 18%, after excluding from total revenues CHF 227m of purchase price allocation (PPA) effects and a loss of CHF 54m related to an investment in an associate, and also excluding from operating expenses integration-related expenses and PPA effects of CHF 185m and a CHF 37m expense related to the Swisscard transactions.

Total revenues

Total revenues increased by CHF 151m, or 8%, to CHF 1,983m, largely reflecting a decrease in negative other income, partly offset by lower net interest income. The change in total revenues was also due to a CHF 40m decrease in PPA effects. Total revenues included a loss of CHF 54m related to an investment in an associate. Excluding PPA effects of CHF 227m and the aforementioned loss, underlying total revenues were CHF 1,810m, a decrease of 1%.

Net interest income decreased by CHF 116m, or 9%, to CHF 1,204m, and included a CHF 26m decrease in accretion of PPA adjustments on financial instruments and other PPA effects. The remaining decrease was mainly due to lower deposit margins, resulting from both lower reinvestment rates and clients shifting to lower-margin deposit products. Excluding accretion and other effects, underlying net interest income was CHF 994m, a decrease of 8%.

Recurring net fee income increased by CHF 25m, or 8%, to CHF 357m, mainly due to higher investment product levels, reflecting positive market performance and net new inflows. Recurring net fee income in the fourth quarter of 2024 was impacted by a reclassification of recurring net fee income to transaction-based income as a result of aligning the Credit Suisse presentation to that of UBS.

Transaction-based income increased by CHF 40m, or 9%, to CHF 471m, mainly reflecting the aforementioned reclassification of recurring net fee income to transaction-based income, as well as higher client activity levels. Transaction-based income also included a CHF 13m decrease of accretion of PPA adjustments on financial instruments and other PPA effects. Excluding accretion and other effects, underlying transaction-based income was CHF 453m, an increase of 13%.

Other income was negative CHF 49m, compared with other income of negative CHF 251m in the fourth quarter of 2023. Other income in the fourth quarter of 2024 included a loss of CHF 54m related to an investment in an associate, compared with a loss of CHF 267m related to an investment in an associate recognized in the fourth quarter of 2023. Excluding the aforementioned loss, underlying other income in the fourth quarter of 2024 was CHF 5m.

Credit loss expense / release

Net credit loss expenses were CHF 155m, mainly reflecting net credit loss expenses of CHF 177m on credit-impaired positions primarily in the legacy Credit Suisse corporate loan book, partly offset by net credit loss releases of CHF 22m related to performing positions. These compared with net credit loss expenses of CHF 74m in the fourth quarter of 2023.

Operating expenses

Operating expenses increased by CHF 83m, or 7%, to CHF 1,305m and included a CHF 23m increase in integration-related expenses. Operating expenses in the fourth quarter of 2024 also included a CHF 37m expense related to the Swisscard transactions. Excluding integration-related expenses and PPA effects of CHF 185m, as well as the aforementioned expense of CHF 37m, underlying operating expenses were CHF 1,083m, broadly stable year over year.

Personal & Corporate Banking – in US dollars¹

<i>USD m, except where indicated</i>	As of or for the quarter ended			% change from		As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ²	3Q24	4Q23	31.12.24	31.12.23 ²
Results							
Net interest income	1,362	1,429	1,510	(5)	(10)	5,650	4,878
Recurring net fee income ³	404	422	379	(4)	7	1,614	1,272
Transaction-based income ³	532	510	492	4	8	2,061	1,779
Other income	(53)	33	(299)		(82)	10	(241)
Total revenues	2,245	2,394	2,083	(6)	8	9,334	7,687
Credit loss expense / (release)	175	83	85	111	107	404	482
Operating expenses	1,476	1,465	1,398	1	6	5,741	4,394
Business division operating profit / (loss) before tax	595	846	601	(30)	(1)	3,189	2,811
Underlying results							
Total revenues as reported	2,245	2,394	2,083	(6)	8	9,334	7,687
<i>of which: PPA effects and other integration items⁴</i>	<i>258</i>	<i>278</i>	<i>306</i>	<i>(7)</i>	<i>(16)</i>	<i>1,038</i>	<i>783</i>
<i>of which: PPA effects recognized in net interest income</i>	<i>237</i>	<i>255</i>	<i>270</i>	<i>(7)</i>	<i>(12)</i>	<i>954</i>	<i>688</i>
<i>of which: PPA effects and other integration items recognized in transaction-based income</i>	<i>20</i>	<i>23</i>	<i>36</i>	<i>(14)</i>	<i>(44)</i>	<i>84</i>	<i>94</i>
<i>of which: loss related to an investment in an associate</i>	<i>(59)</i>		<i>(317)</i>		<i>(81)</i>	<i>(59)</i>	<i>(317)</i>
Total revenues (underlying)³	2,047	2,116	2,094	(3)	(2)	8,355	7,222
Credit loss expense / (release)	175	83	85	111	107	404	482
Operating expenses as reported	1,476	1,465	1,398	1	6	5,741	4,394
<i>of which: integration-related expenses and PPA effects^{3,5}</i>	<i>209</i>	<i>198</i>	<i>187</i>	<i>6</i>	<i>12</i>	<i>749</i>	<i>398</i>
<i>of which: items related to the Swisscard transactions⁶</i>	<i>41</i>					<i>41</i>	
Operating expenses (underlying)³	1,226	1,267	1,210	(3)	1	4,951	3,996
<i>of which: expenses for litigation, regulatory and similar matters</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>1</i>	<i>(9)</i>
Business division operating profit / (loss) before tax as reported	595	846	601	(30)	(1)	3,189	2,811
Business division operating profit / (loss) before tax (underlying)³	646	766	800	(16)	(19)	3,000	2,744
Performance measures and other information							
Pre-tax profit growth (year-on-year, %) ³	(1.0)	(11.6)	13.7			13.4	55.2
Cost / income ratio (%) ³	65.7	61.2	67.1			61.5	57.2
Average attributed equity (USD bn) ⁷	21.3	21.8	21.8	(2)	(2)	21.6	16.8
Return on attributed equity (%) ^{3,7}	11.2	15.5	11.0			14.8	16.7
Net interest margin (bps) ³	196	202	209			200	206
Loans, gross (USD bn)	266.9	288.4	299.2	(7)	(11)	266.9	299.2
Customer deposits (USD bn)	279.9	297.9	306.2	(6)	(9)	279.9	306.2
Impaired loan portfolio as a percentage of total loan portfolio, gross (%) ^{3,8}	1.3	1.2	1.0			1.3	1.0
Underlying performance measures							
Pre-tax profit growth (year-on-year, %) ³	(19.2)	(4.1)	51.2			9.3	51.5
Cost / income ratio (%) ³	59.9	59.9	57.8			59.3	55.3
Return on attributed equity (%) ^{3,7}	12.1	14.1	14.7			13.9	16.3

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 business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations, resulting in decreases in operating profit before tax of USD 187m for the quarter ended 31 December 2023 and USD 337m for the year ended 31 December 2023. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. Certain comparative figures have also been restated for changes in the equity attribution framework. Refer to "Changes to segment reporting in 2024" in the "UBS business divisions and Group Items" section and the "Equity attribution" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. ³ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. ⁴ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ⁵ Includes temporary, incremental operating expenses directly related to the integration, as well as amortization of newly recognized intangibles resulting from the acquisition of the Credit Suisse Group. ⁶ Represents the termination fee to American Express related to the expected sale in 2025 of our 50% holding in Swisscard. ⁷ Refer to the "Equity attribution" section of this report for more information about the equity attribution framework. ⁸ Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures.

Asset Management

Asset Management¹

USD m, except where indicated	As of or for the quarter ended			% change from		As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ²	3Q24	4Q23	31.12.24	31.12.23 ²
Results							
Net management fees ³	709	755	745	(6)	(5)	2,921	2,554
Performance fees	44	46	52	(3)	(15)	149	104
Net gain from disposals	13	72	27	(82)	(53)	113	27
Total revenues	766	873	825	(12)	(7)	3,182	2,686
Credit loss expense / (release)	0	0	(1)			(1)	0
Operating expenses	639	722	704	(12)	(9)	2,663	2,353
Business division operating profit / (loss) before tax	128	151	122	(15)	5	520	332
Underlying results							
Total revenues as reported	766	873	825	(12)	(7)	3,182	2,686
Total revenues (underlying) ⁴	766	873	825	(12)	(7)	3,182	2,686
Credit loss expense / (release)	0	0	(1)			(1)	0
Operating expenses as reported	639	722	704	(12)	(9)	2,663	2,353
<i>of which: integration-related expenses⁴</i>	<i>96</i>	<i>86</i>	<i>64</i>	<i>11</i>	<i>49</i>	<i>351</i>	<i>205</i>
Operating expenses (underlying)⁴	543	636	639	(15)	(15)	2,312	2,149
<i>of which: expenses for litigation, regulatory and similar matters</i>	<i>1</i>	<i>6</i>	<i>6</i>			<i>7</i>	<i>8</i>
Business division operating profit / (loss) before tax as reported	128	151	122	(15)	5	520	332
Business division operating profit / (loss) before tax (underlying)⁴	224	237	186	(6)	20	871	537
Performance measures and other information							
Pre-tax profit growth (year-on-year, %) ⁴	5.2	309.1	(1.9)			56.3	(76.2)
Cost / income ratio (%) ⁴	83.3	82.7	85.3			83.7	87.6
Average attributed equity (USD bn) ⁵	2.8	2.7	2.6	5	10	2.7	2.3
Return on attributed equity (%) ^{4,5}	18.0	22.4	18.8			19.2	14.1
Gross margin on invested assets (bps) ⁴	17	20	21			18	19
Underlying performance measures							
Pre-tax profit growth (year-on-year, %) ⁴	20.3	45.5	50.2			62.2	(2.4)
Cost / income ratio (%) ⁴	70.8	72.8	77.5			72.7	80.0
Return on attributed equity (%) ^{4,5}	31.5	35.2	28.7			32.1	22.8
Information by business line / asset class							
Net new money (USD bn)⁴							
Equities	30.5	(4.9)	(6.4)			20.7	(4.0)
Fixed Income	4.1	5.3	(5.6)			18.0	17.8
<i>of which: money market</i>	<i>4.3</i>	<i>4.7</i>	<i>1.4</i>			<i>18.5</i>	<i>22.3</i>
Multi-asset & Solutions	(0.5)	(0.6)	0.9			(1.5)	2.2
Hedge Fund Businesses	(2.8)	(0.5)	(1.6)			(3.5)	(4.2)
Real Estate & Private Markets	(0.9)	0.7	0.3			0.1	2.7
Total net new money excluding associates	30.4	0.0	(12.4)			33.8	14.6
<i>of which: net new money excluding money market</i>	<i>26.2</i>	<i>(4.8)</i>	<i>(13.8)</i>			<i>15.4</i>	<i>(7.7)</i>
Associates ⁶	3.0	2.0	0.1			10.8	1.1
Total net new money	33.4	2.0	(12.2)			44.6	15.7
Invested assets (USD bn)⁴							
Equities	755	747	644	1	17	755	644
Fixed Income	464	471	445	(1)	4	464	445
<i>of which: money market</i>	<i>157</i>	<i>153</i>	<i>134</i>	<i>3</i>	<i>18</i>	<i>157</i>	<i>134</i>
Multi-asset & Solutions	268	285	274	(6)	(2)	268	274
Hedge Fund Businesses	58	60	57	(3)	3	58	57
Real Estate & Private Markets	143	152	156	(6)	(8)	143	156
Total invested assets excluding associates	1,689	1,714	1,577	(1)	7	1,689	1,577
<i>of which: passive strategies</i>	<i>807</i>	<i>806</i>	<i>715</i>	<i>0</i>	<i>13</i>	<i>807</i>	<i>715</i>
Associates ⁶	84	83	72	1	16	84	72
Total invested assets	1,773	1,797	1,649	(1)	7	1,773	1,649

Asset Management (continued)¹

USD m, except where indicated	As of or for the quarter ended			% change from		As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ²	3Q24	4Q23	31.12.24	31.12.23 ²
Information by region							
Invested assets (USD bn)⁴							
Americas	443	438	402	1	10	443	402
Asia Pacific ⁷	224	229	211	(2)	6	224	211
EMEA (excluding Switzerland)	435	403	354	8	23	435	354
Switzerland	670	728	682	(8)	(2)	670	682
Total invested assets	1,773	1,797	1,649	(1)	7	1,773	1,649
Information by channel							
Invested assets (USD bn)⁴							
Third-party institutional	1,008	1,010	939	0	7	1,008	939
Third-party wholesale	169	182	177	(7)	(4)	169	177
UBS's wealth management businesses	512	522	461	(2)	11	512	461
Associates ⁵	84	83	72	1	16	84	72
Total invested assets	1,773	1,797	1,649	(1)	7	1,773	1,649

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 business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations, resulting in increases in operating profit before tax of USD 7m for the quarter ended 31 December 2023 and USD 14m for the year ended 31 December 2023. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. Certain comparative figures have also been restated for changes in the equity attribution framework. Refer to "Changes to segment reporting in 2024" in the "UBS business divisions and Group Items" section and the "Equity attribution" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. 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 Refer to the "Equity attribution" section of this report for more information about the equity attribution framework. ⁶ The invested assets and net new money amounts reported for associates are prepared in accordance with their local regulatory requirements and practices. ⁷ Includes invested assets from associates.

Results: 4Q24 vs 4Q23

Profit before tax increased by USD 6m, or 5%, to USD 128m, reflecting lower operating expenses, partly offset by a decrease in total revenues. Profit before tax in the fourth quarter of 2024 included net gains of USD 13m on the sale of our shareholding in Credit Suisse Investment Partners, compared with net gains on sale of USD 27m in the fourth quarter of 2023, which predominantly related to the completion of the sale of a majority stake in UBS Hana Asset Management Co., Ltd. Underlying profit before tax was USD 224m, an increase of 20%, after excluding integration-related expenses of USD 96m.

Total revenues

Total revenues decreased by USD 59m, or 7%, to USD 766m, mostly due to lower net management fees and lower net gains on the aforementioned sales.

Net management fees decreased by USD 36m, or 5%, to USD 709m, with continued margin compression, the impact of exits from non-strategic businesses and negative foreign currency effects largely offset by positive market performance.

Performance fees decreased by USD 8m, or 15%, to USD 44m, mostly due to the fourth quarter of 2023 including the final distribution of fees from a legacy fund. The remaining variance was due to decreases in Fixed Income and Real Estate & Private Markets, partly offset by increases in Hedge Fund Businesses.

Operating expenses

Operating expenses decreased by USD 65m, or 9%, to USD 639m, mainly reflecting lower personnel expenses, and included a USD 32m increase in integration-related expenses. Excluding integration-related expenses of USD 96m, underlying operating expenses were USD 543m, a decrease of 15%.

Invested assets: 4Q24 vs 3Q24

Invested assets decreased by USD 24bn to USD 1,773bn, mainly reflecting negative foreign currency effects of USD 72bn, partly offset by net new money of USD 33bn and positive market performance of USD 16bn. Excluding money market flows and associates, net new money was USD 26bn, driven by a USD 39bn institutional inflow in passive equities.

Investment Bank

Investment Bank¹

USD m, except where indicated	As of or for the quarter ended			% change from		As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ²	3Q24	4Q23	31.12.24	31.12.23 ²
Results							
Advisory	260	220	191	18	36	907	751
Capital Markets	612	516	649	19	(6)	2,547	1,668
Global Banking	872	736	840	19	4	3,454	2,418
Execution Services ³	471	440	351	7	34	1,719	1,354
Derivatives & Solutions ³	683	964	507	(29)	35	3,478	2,951
Financing	723	506	442	43	64	2,297	1,980
Global Markets	1,877	1,910	1,301	(2)	44	7,494	6,285
of which: Equities	1,448	1,432	1,006	1	44	5,588	4,550
of which: Foreign Exchange, Rates and Credit	429	477	295	(10)	45	1,906	1,735
Total revenues	2,749	2,645	2,141	4	28	10,948	8,703
Credit loss expense / (release)	63	9	48	638	32	97	190
Operating expenses	2,207	2,231	2,283	(1)	(3)	8,934	8,585
Business division operating profit / (loss) before tax	479	405	(190)	18		1,917	(72)
Underlying results							
Total revenues as reported	2,749	2,645	2,141	4	28	10,948	8,703
of which: PPA effects ⁴	202	185	277	10	(27)	989	583
of which: PPA effects recognized in Global Banking revenue line	197	180	275	9	(28)	972	580
Total revenues (underlying)⁵	2,547	2,461	1,864	3	37	9,958	8,120
Credit loss expense / (release)	63	9	48	638	32	97	190
Operating expenses as reported	2,207	2,231	2,283	(1)	(3)	8,934	8,585
of which: integration-related expenses ⁵	174	156	167	12	4	717	697
Operating expenses (underlying)⁵	2,032	2,076	2,116	(2)	(4)	8,217	7,889
of which: expenses for litigation, regulatory and similar matters	12	(1)	13		(12)	9	78
Business division operating profit / (loss) before tax as reported	479	405	(190)	18		1,917	(72)
Business division operating profit / (loss) before tax (underlying)⁵	452	377	(300)	20		1,644	42
Performance measures and other information							
Pre-tax profit growth (year-on-year, %) ⁵	n.m.	n.m.	n.m.			n.m.	n.m.
Cost / income ratio (%) ⁵	80.3	84.4	106.6			81.6	98.6
Average attributed equity (USD bn) ⁶	17.3	17.0	16.8	1	3	17.1	15.9
Return on attributed equity (%) ^{5,6}	11.1	9.5	(4.5)			11.2	(0.5)
Underlying performance measures							
Pre-tax profit growth (year-on-year, %) ⁵	n.m.	n.m.	n.m.			n.m.	(97.9)
Cost / income ratio (%) ⁵	79.8	84.4	113.5			82.5	97.1
Return on attributed equity (%) ^{5,6}	10.5	8.8	(7.1)			9.6	0.3

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 business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations, resulting in increases in operating loss before tax of USD 21m for the quarter ended 31 December 2023 and USD 28m for the year ended 31 December 2023. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. Certain comparative figures have also been restated for changes in the equity attribution framework. Refer to "Changes to segment reporting in 2024" in the "UBS business divisions and Group Items" section and the "Equity attribution" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. ³ Comparative figures for the quarter ended 31 December 2023 and 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 Includes accretion of PPA adjustments on financial instruments and other PPA effects. ⁵ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. ⁶ Refer to the "Equity attribution" section of this report for more information about the equity attribution framework.

Results: 4Q24 vs 4Q23

Profit before tax was USD 479m, compared with a loss before tax of USD 190m in the fourth quarter of 2023, mainly due to higher total revenues and lower operating expenses. Underlying profit before tax was USD 452m, after excluding USD 202m of purchase price allocation (PPA) effects and USD 174m of integration-related expenses.

Total revenues

Total revenues increased by USD 608m, or 28%, to USD 2,749m, due to higher Global Markets and Global Banking revenues, and included a USD 75m decrease in PPA effects. Underlying total revenues, excluding PPA effects of USD 202m, were USD 2,547m, an increase of 37%.

Global Banking

Global Banking revenues increased by USD 32m, or 4%, to USD 872m, despite a USD 78m decrease in accretion of PPA adjustments on financial instruments and other PPA effects. Excluding such accretion and other effects, underlying Global Banking revenues increased by USD 109m, or 19%.

Advisory revenues increased by USD 69m, or 36%, to USD 260m, mainly due to higher merger and acquisition transaction revenues, which increased by USD 63m, or 41%.

Capital Markets revenues decreased by USD 37m to USD 612m, including a USD 78m decrease in accretion of PPA adjustments on financial instruments and other PPA effects. Excluding such accretion and other effects, underlying Capital Markets revenues increased by USD 40m, or 11%, primarily driven by Leveraged Capital Markets.

Global Markets

Global Markets revenues increased by USD 576m, or 44%, to USD 1,877m, driven by higher Financing, Derivatives & Solutions and Execution Services revenues.

Execution Services revenues increased by USD 120m, or 34%, to USD 471m, mainly due to increases in Cash Equities across all regions.

Derivatives & Solutions revenues increased by USD 176m, or 35%, to USD 683m, with increases across all products, mostly driven by Foreign Exchange and Equity Derivatives.

Financing revenues increased by USD 281m, or 64%, to USD 723m, with increases across all products, led by Equity Financing.

Equities

Global Markets Equities revenues increased by USD 442m, or 44%, to USD 1,448m, driven by increases in all products, led by Financing and Cash Equities.

Foreign Exchange, Rates and Credit

Global Markets Foreign Exchange, Rates and Credit revenues increased by USD 134m, or 45%, to USD 429m, driven by increases in all products, led by Foreign Exchange.

Credit loss expense / release

Net credit loss expenses increased by USD 15m to USD 63m.

Operating expenses

Operating expenses decreased by USD 76m, or 3%, to USD 2,207m, largely due to a decrease in personnel expenses. Operating expenses included a USD 7m increase in integration-related expenses. Excluding integration-related expenses of USD 174m, underlying operating expenses were USD 2,032m, a decrease of USD 84m, or 4%.

Non-core and Legacy

Non-core and Legacy¹

USD m, except where indicated	As of or for the quarter ended			% change from		As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ²	3Q24	4Q23	31.12.24	31.12.23 ²
Results							
Total revenues	(58)	262	145			1,605	697
Credit loss expense / (release)	6	28	15	(77)	(57)	69	193
Operating expenses	858	837	1,787	3	(52)	3,512	5,091
Operating profit / (loss) before tax	(923)	(603)	(1,657)	53	(44)	(1,976)	(4,587)
Underlying results							
Total revenues as reported	(58)	262	145			1,605	697
Total revenues (underlying) ³	(58)	262	145			1,605	697
Credit loss expense / (release)	6	28	15	(77)	(57)	69	193
Operating expenses as reported	858	837	1,787	3	(52)	3,512	5,091
<i>of which: integration-related expenses³</i>	317	270	750	17	(58)	1,154	1,775
Operating expenses (underlying) ³	541	567	1,037	(5)	(48)	2,359	3,316
<i>of which: expenses for litigation, regulatory and similar matters</i>	(20)	(91)	(33)	(78)	(39)	(300)	637
Operating profit / (loss) before tax as reported	(923)	(603)	(1,657)	53	(44)	(1,976)	(4,587)
Operating profit / (loss) before tax (underlying) ³	(606)	(333)	(907)	82	(33)	(822)	(2,812)
Performance measures and other information							
Average attributed equity (USD bn) ⁴	8.7	8.5	9.5	2	(8)	9.5	6.0
Risk-weighted assets (USD bn)	41.4	44.8	74.0	(8)	(44)	41.4	74.0
Leverage ratio denominator (USD bn)	53.5	69.0	168.5	(22)	(68)	53.5	168.5

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 business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations, resulting in decreases in operating loss before tax of USD 69m for the quarter ended 31 December 2023 and USD 154m for the year ended 31 December 2023. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. Certain comparative figures have also been restated for changes in the equity attribution framework. Refer to "Changes to segment reporting in 2024" in the "UBS business divisions and Group Items" section and the "Equity attribution" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. ³ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. ⁴ Refer to the "Equity attribution" section of this report for more information about the equity attribution framework.

Composition of Non-core and Legacy

USD bn	RWA		Total assets		LRD	
	31.12.24	30.9.24	31.12.24	30.9.24	31.12.24	30.9.24
Exposure category						
Equities	0.9	1.0	2.6	4.5	2.0	4.2
Macro	4.4	4.7	26.3	33.6	10.2	14.4
Loans	2.8	4.4	3.2	4.3	4.0	6.0
Securitized products	5.2	6.4	7.4	7.8	8.8	10.4
Credit	0.3	0.4	0.2	0.2	0.2	0.7
High-quality liquid assets			27.2	31.7	27.2	31.7
Operational risk	27.1	27.1				
Other	0.7	0.8	1.4	3.0	1.1	1.6
Total	41.4	44.8	68.3	85.1	53.5	69.0

Results: 4Q24 vs 4Q23

Loss before tax was USD 923m, compared with a loss before tax of USD 1,657m in the fourth quarter of 2023. Underlying loss before tax was USD 606m, a decrease of 33%, after excluding integration-related expenses of USD 317m.

Total revenues

Total revenues were negative USD 58m, compared with total revenues of USD 145m in the fourth quarter of 2023, mainly due to lower net interest income as a result of portfolio reductions and also due to lower trading revenues, mainly reflecting lower gains on disposals compared with the fourth quarter of 2023. These decreases were partly offset by lower funding costs.

Credit loss expense / release

Net credit loss expenses decreased by USD 9m to USD 6m and mainly reflected net credit loss expenses on credit-impaired positions with a small number of corporate counterparties.

Operating expenses

Operating expenses decreased by USD 929m, or 52%, to USD 858m, mainly due to a USD 433m decrease in integration-related expenses, which included a decrease in real estate expenses, and also due to lower personnel expenses and technology expenses. Excluding integration-related expenses of USD 317m, underlying operating expenses in the fourth quarter of 2024 were USD 541m, a decrease of 48%.

Risk-weighted assets and leverage ratio denominator: 4Q24 vs 3Q24

Risk-weighted assets (RWA) decreased by USD 3.4bn to USD 41.4bn, and the leverage ratio denominator (the LRD) decreased by USD 15.5bn to USD 53.5bn. The active unwinding of Non-core and Legacy assets resulted in a decrease in RWA, mainly related to the loan and securitized product portfolios, and a decrease in the LRD, mainly driven by the changes in the high-quality liquid asset, macro, equity and loan portfolios.

Group Items

Group Items¹

USD m	As of or for the quarter ended			% change from		As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ²	3Q24	4Q23	31.12.24	31.12.23 ²
Results							
Total revenues	(188)	(39)	107	382		(975)	(495)
Credit loss expense / (release)	0	0	(2)			(2)	6
Operating expenses	(88)	(84)	16	5		(220)	438
Operating profit / (loss) before tax	(100)	45	93			(752)	(938)
Underlying results							
Total revenues as reported	(188)	(39)	107	382		(975)	(495)
<i>of which: PPA effects and other integration items³</i>	(4)	(25)	12	(82)		(41)	(9)
Total revenues (underlying) ⁴	(184)	(14)	95			(933)	(486)
Credit loss expense / (release)	0	0	(2)			(2)	6
Operating expenses as reported	(88)	(84)	16	5		(220)	438
<i>of which: integration-related expenses⁴</i>	(1)	(11)	109	(95)		(12)	451
<i>of which: acquisition-related costs</i>			(1)				202
Operating expenses (underlying) ⁴	(88)	(74)	(92)	19	(5)	(208)	(215)
<i>of which: expenses for litigation, regulatory and similar matters</i>	6	0	(28)			9	(27)
Operating profit / (loss) before tax as reported	(100)	45	93			(752)	(938)
Operating profit / (loss) before tax (underlying) ⁴	(96)	60	189			(723)	(277)

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 business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations, resulting in an increase in operating profit before tax of USD 233m for the quarter ended 31 December 2023 and a decrease in operating loss before tax of USD 341m for the year ended 31 December 2023. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. Certain comparative figures have also been restated for changes in the equity attribution framework. Refer to "Changes to segment reporting in 2024" in the "UBS business divisions and Group Items" section and the "Equity attribution" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant changes. ³ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ⁴ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method.

Results: 4Q24 vs 4Q23

Loss before tax was USD 100m, compared with a profit before tax of USD 93m. Underlying loss before tax was USD 96m, after excluding from total revenues negative USD 4m of purchase price allocation (PPA) effects and other integration items and also excluding from operating expenses negative USD 1m of integration-related expenses. This compared with an underlying profit before tax of USD 189m, after excluding from operating expenses USD 108m of integration-related expenses and acquisition-related costs and also excluding from total revenues USD 12m of PPA effects and other integration items.

Income from Group hedging and own debt, including hedge accounting ineffectiveness, decreased by USD 258m to net USD 10m, compared with net income of USD 268m. The net income in the fourth quarter of 2024 was driven by mark-to-market effects on own credit and portfolio-level economic hedges.

Risk, capital, liquidity and funding, and balance sheet

Management report

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Risk management and control

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

Credit risk

Overall banking products exposure

Overall banking products exposure decreased by USD 63bn to USD 1,002bn as of 31 December 2024, primarily reflecting currency effects and negative net new loans in Personal & Corporate Banking.

- › Refer to the “Balance sheet and off-balance sheet” section of this report for more information about balance sheet movements
- › Refer to the “Group performance” section of this report for more information about credit loss expense / release

Overall traded products exposure

Overall traded products exposure increased by USD 6bn to USD 66bn as of 31 December 2024, primarily driven by an increase in over-the-counter derivatives exposure in the Investment Bank due to new transactions and market movements.

Loan underwriting

In the Investment Bank, mandated loan underwriting commitments on a notional basis increased by USD 0.3bn to USD 4.6bn as of 31 December 2024, driven by new mandates, partly offset by deal syndications and cancellations. As of 31 December 2024, USD 0.2bn of these commitments had not been distributed as originally planned. As of 31 December 2024, Non-core and Legacy had no loan underwriting commitments.

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

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

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}	452,053	424,994	1,530	72,964	33,150	17,478	1,002,169
<i>of which: loans and advances to customers (on-balance sheet)</i>	295,856	266,869	9	17,497	1,163	551	581,944
<i>of which: guarantees and irrevocable loan commitments (off-balance sheet)</i>	18,978	46,986	5	34,516	2,211	17,164	119,859
Committed unconditionally revocable credit lines³	79,460	65,749	0	452	4	0	145,665
Traded products exposure, gross^{2,4}	14,900	5,034	0		46,076		66,009
<i>of which: over-the-counter derivatives</i>	11,705	4,594	0		17,371		33,670
<i>of which: securities financing transactions</i>	186	0	0		18,352		18,538
<i>of which: exchange-traded derivatives</i>	3,009	440	0		10,353		13,802
Total credit-impaired exposure, gross	1,397	3,714	0	595	930	0	6,637
<i>of which: stage 3</i>	1,324	3,358	0	549	69	0	5,300
<i>of which: PCI</i>	73	356	0	46	861	0	1,337
Total allowances and provisions for expected credit losses	292	1,512	0	379	318	6	2,507
<i>of which: stage 1</i>	97	269	0	110	4	6	487
<i>of which: stage 2</i>	68	247	0	142	2	0	459
<i>of which: stage 3</i>	121	960	0	124	48	0	1,253
<i>of which: PCI</i>	7	36	0	2	264	0	309

30.9.24

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}	471,513	449,650	1,671	88,207	33,493	20,529	1,065,063
<i>of which: loans and advances to customers (on-balance sheet)</i>	306,747	288,387	14	18,503	1,758	2,308	617,718
<i>of which: guarantees and irrevocable loan commitments (off-balance sheet)</i>	19,348	47,158	10	34,539	2,922	17,977	121,955
Committed unconditionally revocable credit lines³	73,443	76,620	0	3,018	4	0	153,085
Traded products exposure, gross^{2,4}	14,834	4,258	0		40,420		59,512
<i>of which: over-the-counter derivatives</i>	10,877	3,681	0		9,585		24,143
<i>of which: securities financing transactions</i>	205	0	0		18,696		18,901
<i>of which: exchange-traded derivatives</i>	3,752	577	0		12,139		16,468
Total credit-impaired exposure, gross	1,442	3,695	0	398	1,098	0	6,633
<i>of which: stage 3</i>	1,327	3,316	0	351	163	0	5,157
<i>of which: PCI</i>	115	379	0	47	935	0	1,475
Total allowances and provisions for expected credit losses	317	1,393	0	328	385	7	2,431
<i>of which: stage 1</i>	125	319	0	122	6	7	579
<i>of which: stage 2</i>	69	265	0	99	3	0	436
<i>of which: stage 3</i>	118	807	0	106	116	0	1,147
<i>of which: PCI</i>	5	2	0	2	261	0	269

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 at any time but expose UBS to credit risk if the client has the ability to draw the facility before UBS 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.

Market risk

The UBS Group excluding certain legacy Credit Suisse components continued to maintain generally low levels of management value-at-risk (VaR). Average management VaR (1-day, 95% confidence level) decreased marginally to USD 11m from USD 12m in the fourth quarter of 2024. There were no new negative backtesting exceptions in the fourth quarter of 2024. The number of negative backtesting exceptions within the most recent 250-business-day window remained at zero.

Average management VaR (1-day, 98% confidence level) of the legacy Credit Suisse components decreased to USD 6m from USD 11m in the fourth quarter of 2024, driven by continued strategic migration of positions to UBS and reductions in Non-core and Legacy. In the fourth quarter of 2024, the aforementioned legacy Credit Suisse components had one new negative backtesting exception, driven by Non-core and Legacy. Of the previously reported backtesting exceptions, one backtesting exception is no longer in the 250-business-day window, and one backtesting exception, related to exit cost reserves, no longer counts toward the total number of negative backtesting exceptions relevant for the capital multiplier. As a result, the number of negative backtesting exceptions within the most recent 250-business-day window decreased to three from four.

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

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

USD m	Min.	Max.	Period end	Average	Equity	Average by risk type			
						Interest rates	Credit spreads	Foreign exchange	Commodities
Global Wealth Management	1	2	1	2	0	2	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	15	10	10	2	14	8	4	6
Non-core and Legacy	1	1	1	1	0	1	1	0	0
Group Items	5	12	6	6	1	5	3	1	0
Diversification effect ^{3,4}			(8)	(7)	(1)	(5)	(4)	(1)	0
Total as of 31.12.24	5	17	11	11	2	17	10	4	6
Total as of 30.9.24	7	19	15	12	3	16	10	4	5

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

USD m	Min.	Max.	Period end	Average	Equity	Average by risk type			
						Interest rates	Credit spreads	Foreign exchange	Commodities
Global Wealth Management	1	1	1	1	1	0	0	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	3	1	2	1	0	1	0	0
Non-core and Legacy	4	8	4	6	1	2	5	0	0
Group Items	0	0	0	0	0	0	0	0	0
Diversification effect ^{3,4}			(1)	(1)	(1)	0	(1)	0	0
Total as of 31.12.24	5	9	5	6	2	3	5	1	0
Total as of 30.9.24	9	14	9	11	4	4	9	1	0

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

Economic value of equity and net interest income sensitivity

The economic value of equity (EVE) sensitivity in the UBS Group banking book to a +1-basis-point parallel shift in yield curves was negative USD 37.3m as of 31 December 2024, compared with negative USD 37.2m as of 30 September 2024. This excluded the sensitivity of USD 5.5m from additional tier 1 (AT1) capital instruments (as per specific FINMA requirements) in contrast to general Basel Committee on Banking Supervision (BCBS) guidance.

The majority of our interest rate risk in the banking book was a reflection of the net asset duration that we ran to offset our modeled sensitivity of net USD 29.4m (30 September 2024: USD 28.0m) assigned to our equity, goodwill and real estate, with the aim of generating a stable net interest income contribution. Of this, USD 17.1m and USD 10.6m were attributable to the US dollar and the Swiss franc portfolios, respectively, (30 September 2024: USD 17.2m and USD 9.0m, respectively).

In addition to the aforementioned sensitivity, we calculate 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 7.6%, of our tier 1 capital (30 September 2024: negative USD 6.8bn, or 7.5%), which is well below the 15% threshold set in the BCBS supervisory outlier test for high levels of interest rate risk in the banking book.

The immediate effect on our 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%, (30 September 2024: USD 0.7bn, or 0.8%), reflecting the fact that the vast majority of our banking book is accrual accounted or subject to hedge accounting. The "Parallel up" scenario would subsequently have a positive effect on net interest income, assuming a constant balance sheet.

As the overall interest rate risk sensitivity shows a greater impact from slower asset repricing compared with faster liabilities repricing, the "Parallel down" scenario was the most beneficial and would have resulted in a change in EVE of positive USD 7.2bn (30 September 2024: positive USD 7.3bn) and a small positive immediate effect on our tier 1 capital.

- › Refer to "Interest rate risk in the banking book" in the "Risk management and control" section of the UBS Group Annual Report 2023, available under "Annual reporting" at ubs.com/investors, for more information about the management of interest rate risk in the banking book
- › Refer to "Sensitivity to interest rate movements" in the "Group performance" section of this report for more information about the effects of increases in interest rates on the net interest income of our banking book

Interest rate risk – banking book

31.12.24								
USD m	Effect on EVE ¹ – FINMA						Effect on EVE ¹ – BCBS	
	CHF	EUR	GBP	USD	Other	Total	Additional tier 1 (AT1) capital instruments	Total
Scenarios								
+1 bp	(10.5)	(1.4)	(0.3)	(24.6)	(0.5)	(37.3)	5.5	(31.7)
Parallel up ²	(1,509.7)	(263.7)	(65.5)	(4,758.9)	(95.6)	(6,693.4)	1,000.4	(5,693.0)
Parallel down ²	1,643.9	295.9	76.2	5,068.6	101.1	7,185.8	(1,173.0)	6,012.8
Steepener ³	(749.1)	(10.4)	(12.7)	(1,255.4)	(9.7)	(2,037.3)	168.0	(1,869.3)
Flattener ⁴	464.0	(33.3)	(0.2)	161.0	(10.5)	581.0	61.0	642.1
Short-term up ⁵	(149.4)	(112.2)	(22.8)	(1,820.7)	(46.1)	(2,151.1)	484.4	(1,666.7)
Short-term down ⁶	132.6	112.2	23.3	1,931.8	46.6	2,246.5	(504.4)	1,742.2

30.9.24								
USD m	Effect on EVE ¹ – FINMA						Effect on EVE ¹ – BCBS	
	CHF	EUR	GBP	USD	Other	Total	Additional tier 1 (AT1) capital instruments	Total
Scenarios								
+1 bp	(8.8)	(1.3)	(0.2)	(26.4)	(0.4)	(37.2)	6.1	(31.1)
Parallel up ²	(1,262.3)	(258.0)	(43.1)	(5,123.1)	(102.4)	(6,788.9)	1,100.8	(5,688.1)
Parallel down ²	1,382.8	272.4	63.9	5,450.8	94.4	7,264.2	(1,295.4)	5,968.8
Steepener ³	(548.7)	(14.2)	(12.0)	(1,328.7)	(15.5)	(1,919.2)	198.2	(1,721.0)
Flattener ⁴	303.5	(28.3)	4.0	155.7	(7.4)	427.4	53.2	480.5
Short-term up ⁵	(188.9)	(104.4)	(13.8)	(1,974.3)	(43.5)	(2,325.0)	521.3	(1,803.7)
Short-term down ⁶	186.8	102.9	13.2	2,088.0	44.5	2,435.4	(542.6)	1,892.8

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

Country risk

We remain 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 we continue to monitor conflicts in the Middle East. As of 31 December 2024, our direct exposure to Israel was less than USD 0.5bn and our direct exposure to Gulf Cooperation Council countries was less than USD 5bn, while direct exposure to Egypt and Jordan was limited, and there was no direct exposure to Iran, Iraq, Lebanon or Syria. Our direct exposure to Russia as of 31 December 2024 was less than USD 0.5bn, and our direct exposure to Belarus and Ukraine remained immaterial. Potential second-order impacts, such as European energy security, continue to be monitored.

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

We continue to monitor potential trade policy disputes, as well as economic and political developments in addition to those mentioned above. As of 31 December 2024, our exposure to emerging-market countries was less than 10% of our total country exposure and mainly to certain countries in Asia.

› Refer to the “Risk management and control” section of the UBS Group Annual Report 2024, which will be available as of 17 March 2025 under “Annual reporting” at ubs.com/investors, for more information

Non-financial 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 UBS 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.

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 (AML), 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 prevent circumvention risks, while conflicts in the Middle East may further increase terrorist-financing risks.

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 the Group operating a more complex set of legal entities since the acquisition of Credit Suisse 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.

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.

We remain on heightened alert to respond to and mitigate elevated cyber- and information-security threats, and we 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.

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.

Capital management

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

UBS Group AG is a holding company and conducts substantially all of its operations through UBS AG and subsidiaries thereof. UBS Group AG and UBS AG contribute a significant portion of their respective capital to, and provide substantial liquidity to, such subsidiaries. Many of these subsidiaries are subject to regulations requiring compliance with minimum capital, liquidity and similar requirements.

- › Refer to the **31 December 2024 Pillar 3 Report, which will be available as of 17 March 2025 under "Pillar 3 disclosures" at ubs.com/investors, for more information about additional regulatory disclosures for UBS Group AG on a consolidated basis, as well as the significant regulated subsidiaries and sub-groups of UBS Group AG**
- › Refer to the **UBS AG Annual Report 2024, which will be available as of 17 March 2025 under "Annual reporting" at ubs.com/investors, for more information about capital and other regulatory information for UBS AG consolidated, in accordance with the Basel III framework, as applicable to Swiss SRBs**

We are subject to the going and gone concern requirements of the Swiss Capital Adequacy Ordinance, which include the too-big-to-fail (TBTf) provisions applicable to Swiss SRBs. The table below provides the risk-weighted asset (RWA)- and leverage ratio denominator (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	
<i>USD m, except where indicated</i>	in %		in %	
Required going concern capital				
Total going concern capital	14.82 ¹	73,898	5.00 ¹	75,974
Common equity tier 1 capital	10.52	52,461	3.50 ²	53,182
<i>of which: minimum capital</i>	4.50	22,434	1.50	22,792
<i>of which: buffer capital</i>	5.50	27,420	2.00	30,390
<i>of which: countercyclical buffer</i>	0.52	2,607		
Maximum additional tier 1 capital	4.30	21,437	1.50	22,792
<i>of which: additional tier 1 capital</i>	3.50	17,449	1.50	22,792
<i>of which: additional tier 1 buffer capital</i>	0.80	3,988		
Eligible going concern capital				
Total going concern capital	17.60	87,739	5.77	87,739
Common equity tier 1 capital	14.32	71,367	4.70	71,367
Total loss-absorbing additional tier 1 capital ³	3.28	16,372	1.08	16,372
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	3.03	15,126	1.00	15,126
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>	0.25	1,245	0.08	1,245
Required gone concern capital				
Total gone concern loss-absorbing capacity ^{4,5,6}	10.73 ⁷	53,468	3.75 ⁷	56,980
<i>of which: base requirement including add-ons for market share and LRD</i>	10.73	53,468	3.75	56,980
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	19.59	97,655	6.43	97,655
Total tier 2 capital	0.04	207	0.01	207
<i>of which: non-Basel III-compliant tier 2 capital</i>	0.04	207	0.01	207
TLAC-eligible senior unsecured debt	19.55	97,449	6.41	97,449
Total loss-absorbing capacity				
Required total loss-absorbing capacity	25.55	127,366	8.75	132,954
Eligible total loss-absorbing capacity	37.19	185,394	12.20	185,394
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		498,538		
Leverage ratio denominator				1,519,477

¹ Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.50% for leverage ratio denominator (LRD). ² Our minimum CET1 leverage ratio requirement of 3.50% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.25% LRD add-on requirement and a 0.25% market share add-on requirement based on our Swiss credit business. ³ Includes outstanding low-trigger loss-absorbing additional tier 1 capital instruments, which are available under the Swiss SRB framework to meet the going concern requirements until their first call date. As of their first call date, these instruments are eligible to meet the gone concern requirements. ⁴ A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital. ⁵ From 1 January 2023, the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs) has been replaced with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements). ⁶ As of July 2024, the Swiss Financial Market Supervisory Authority (FINMA) has the authority to impose a surcharge of up to 25% of the total going concern capital requirements should obstacles to an SIB's resolvability be identified in future resolvability assessments. ⁷ Includes applicable add-ons of 1.08% for RWA and 0.38% for LRD.

Additional capital requirements for UBS Group AG consolidated under current requirements

As a result of the acquisition of the Credit Suisse Group in 2023, the capital add-ons for market share and LRD for UBS Group AG consolidated will increase commensurate with the higher market share and LRD of the Group after the acquisition. We currently estimate that this will add around USD 10bn to the Group's tier 1 capital requirement, when fully phased in. The phase-in of the increased capital requirements will commence from the end of 2025 and will be completed by the beginning of 2030, at the latest.

Total loss-absorbing capacity

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

Swiss SRB going and gone concern information

<i>USD m, except where indicated</i>	31.12.24	30.9.24	31.12.23
Eligible going concern capital			
Total going concern capital	87,739	91,024	91,894
Total tier 1 capital	87,739	91,024	91,894
Common equity tier 1 capital	71,367	74,213	78,002
Total loss-absorbing additional tier 1 capital	16,372	16,810	13,892
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	15,126	15,572	12,678
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>	1,245	1,239	1,214
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	97,655	103,882	107,106
Total tier 2 capital	207	289	538
<i>of which: non-Basel III-compliant tier 2 capital</i>	207	289	538
TLAC-eligible senior unsecured debt	97,449	103,593	106,567
Total loss-absorbing capacity			
Total loss-absorbing capacity	185,394	194,906	199,000
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	498,538	519,363	546,505
Leverage ratio denominator	1,519,477	1,608,341	1,695,403
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	17.6	17.5	16.8
<i>of which: common equity tier 1 capital ratio</i>	14.3	14.3	14.3
Gone concern loss-absorbing capacity ratio	19.6	20.0	19.6
Total loss-absorbing capacity ratio	37.2	37.5	36.4
Leverage ratios (%)			
Going concern leverage ratio	5.8	5.7	5.4
<i>of which: common equity tier 1 leverage ratio</i>	4.7	4.6	4.6
Gone concern leverage ratio	6.4	6.5	6.3
Total loss-absorbing capacity leverage ratio	12.2	12.1	11.7

Total loss-absorbing capacity and movement

Our TLAC decreased by USD 9.5bn to USD 185.4bn in the fourth quarter of 2024.

Going concern capital and movement

Our going concern capital decreased by USD 3.3bn to USD 87.7bn. Our common equity tier 1 (CET1) capital decreased by USD 2.8bn to USD 71.4bn, mainly as operating profit before tax of USD 1.0bn was more than offset by foreign currency translation losses of USD 1.8bn, current tax expenses of USD 1.0bn, dividend accruals of USD 0.9bn and a USD 0.2bn decrease in eligible deferred tax assets on temporary differences. Share repurchases of USD 0.3bn carried out in the fourth quarter of 2024 under our 2024 share repurchase program did not affect our CET1 capital position, as there was an equal reduction in the capital reserve for potential share repurchases. The remaining capital reserve for potential share repurchases was fully utilized during the fourth quarter of 2024.

Our loss-absorbing additional tier 1 (AT1) capital decreased by USD 0.4bn to USD 16.4bn, primarily reflecting negative impacts from interest rate risk hedge, foreign currency translation and other effects.

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.

Gone concern loss-absorbing capacity and movement

Our total gone concern loss-absorbing capacity decreased by USD 6.2bn to USD 97.7bn and included USD 97.4bn of TLAC-eligible senior unsecured debt instruments. The decrease of USD 6.2bn mainly reflected a USD 1.6bn equivalent of TLAC-eligible senior unsecured debt instrument that ceased to be eligible as gone concern capital when we issued a notice of redemption of the instrument in the fourth quarter of 2024 and a USD 0.1bn tier 2 instrument ceasing to be eligible as gone concern capital as it entered the final year before maturity, as well as negative impacts from interest rate risk hedge, foreign currency translation and other effects. These effects were partly offset by new issuances of TLAC-eligible senior unsecured debt instruments totaling USD 0.2bn.

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

Loss-absorbing capacity and leverage ratios

Our CET1 capital ratio was broadly unchanged at 14.3%, as a USD 2.8bn decrease in CET1 capital was offset by a USD 20.8bn decrease in RWA.

Our CET1 leverage ratio increased to 4.7% from 4.6%, reflecting an USD 88.9bn decrease in the LRD, partly offset by a USD 2.8bn decrease in CET1 capital.

Our going concern capital ratio increased to 17.6% from 17.5%, reflecting the aforementioned decrease in RWA, partly offset by a decrease in going concern capital of USD 3.3bn.

Our going concern leverage ratio increased to 5.8% from 5.7%, reflecting the aforementioned decrease in the LRD, partly offset by a decrease in going concern capital of USD 3.3bn.

Our gone concern loss-absorbing capacity ratio decreased to 19.6% from 20.0%, due to a decrease in gone concern loss-absorbing capacity of USD 6.2bn, partly offset by the aforementioned decrease in RWA.

Our gone concern leverage ratio decreased to 6.4% from 6.5%, due to a decrease in gone concern loss-absorbing capacity of USD 6.2bn, partly offset by the aforementioned decrease in the LRD.

Swiss SRB total loss-absorbing capacity movement

USD m

	Swiss SRB
Going concern capital	
Common equity tier 1 capital as of 30.9.24	74,213
Operating profit / (loss) before tax	1,047
Current tax (expense) / benefit	(1,015)
Foreign currency translation effects, before tax	(1,837)
Share repurchase program	(300)
Capital reserve for potential share repurchases	301
Eligible deferred tax assets on temporary differences (incl. excess over threshold)	(187)
Other ¹	(856)
Common equity tier 1 capital as of 31.12.24	71,367
Loss-absorbing additional tier 1 capital as of 30.9.24	16,810
Interest rate risk hedge, foreign currency translation and other effects	(439)
Loss-absorbing additional tier 1 capital as of 31.12.24	16,372
Total going concern capital as of 30.9.24	91,024
Total going concern capital as of 31.12.24	87,739
Gone concern loss-absorbing capacity	
Tier 2 capital as of 30.9.24	289
Debt no longer eligible as gone concern loss-absorbing capacity due to residual tenor falling to below one year	(77)
Interest rate risk hedge, foreign currency translation and other effects	(6)
Tier 2 capital as of 31.12.24	207
TLAC-eligible unsecured debt as of 30.9.24	103,593
Issuance of TLAC-eligible senior unsecured debt	200
Call of TLAC-eligible senior unsecured debt	(1,552)
Interest rate risk hedge, foreign currency translation and other effects	(4,792)
TLAC-eligible unsecured debt as of 31.12.24	97,449
Total gone concern loss-absorbing capacity as of 30.9.24	103,882
Total gone concern loss-absorbing capacity as of 31.12.24	97,655
Total loss-absorbing capacity	
Total loss-absorbing capacity as of 30.9.24	194,906
Total loss-absorbing capacity as of 31.12.24	185,394

¹ Includes dividend accruals for 2024 (negative USD 0.9bn) and movements related to other items.

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

USD m	31.12.24	30.9.24	31.12.23
Total equity under IFRS Accounting Standards	85,574	87,589	86,156
Equity attributable to non-controlling interests	(494)	(564)	(531)
Defined benefit plans, net of tax	(833)	(883)	(965)
Deferred tax assets recognized for tax loss carry-forwards	(2,288)	(2,681)	(3,039)
Deferred tax assets for unused tax credits	(688)	(238)	(97)
Deferred tax assets on temporary differences, excess over threshold	(803)		
Goodwill, net of tax ¹	(5,702)	(5,752)	(5,750)
Intangible assets, net of tax	(702)	(788)	(894)
Compensation-related components (not recognized in net profit)	(2,800)	(2,432)	(2,186)
Expected losses on advanced internal ratings-based portfolio less provisions	(568)	(665)	(713)
Unrealized (gains) / losses from cash flow hedges, net of tax	2,585	1,830	3,109
Own credit related to (gains) / losses on financial liabilities measured at fair value that existed at the balance sheet date, net of tax	1,178	1,359	1,291
Own credit related to (gains) / losses on derivative financial instruments that existed at the balance sheet date	(62)	(72)	(89)
Prudential valuation adjustments	(167)	(217)	(368)
Accruals for dividends to shareholders for 2023			(2,240)
Capital reserve for potential share repurchases		(301)	
Transitional CET1 capital PPA adjustments, net of tax			4,316
Other	(2,860) ²	(1,970) ²	3
Total common equity tier 1 capital	71,367	74,213	78,002

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

Additional information

Sensitivity to currency movements

Risk-weighted assets

We estimate that a 10% depreciation of the US dollar against other currencies would have increased our RWA by USD 22bn and our CET1 capital by USD 2.4bn as of 31 December 2024 (30 September 2024: USD 24bn and USD 2.4bn, respectively) and decreased our CET1 capital ratio by 14 basis points (30 September 2024: 18 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our RWA by USD 20bn and our CET1 capital by USD 2.2bn (30 September 2024: USD 21bn and USD 2.2bn, respectively) and increased our CET1 capital ratio by 14 basis points (30 September 2024: 18 basis points).

Leverage ratio denominator

We estimate that a 10% depreciation of the US dollar against other currencies would have increased our LRD by USD 97bn as of 31 December 2024 (30 September 2024: USD 109bn) and decreased our CET1 leverage ratio by 13 basis points (30 September 2024: 15 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our LRD by USD 88bn (30 September 2024: USD 99bn) and increased our CET1 leverage ratio by 14 basis points (30 September 2024: 16 basis points).

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

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

Risk-weighted assets

During the fourth quarter of 2024, RWA decreased by USD 20.8bn to USD 498.5bn, driven by a USD 14.6bn decrease in currency effects, as well as a USD 6.6bn decrease resulting from asset size and other movements, partly offset by an increase of USD 0.4bn resulting from model updates and methodology changes.

Movement in risk-weighted assets, by key driver

<i>USD bn</i>	RWA as of 30.9.24	Currency effects	Model updates and methodology changes	Asset size and other ¹	RWA as of 31.12.24
Credit and counterparty credit risk ²	314.1	(13.6)	0.3	(8.6)	292.2
Non-counterparty-related risk ³	34.8	(1.0)		(0.1)	33.7
Market risk	25.0		0.1	2.1	27.2
Operational risk	145.4				145.4
Total	519.4	(14.6)	0.4	(6.6)	498.5

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, which will be available as of 17 March 2025 under “Pillar 3 disclosures” at ubs.com/investors. ² Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book, and securitization exposures in the banking book. ³ Non-counterparty-related risk includes deferred tax assets recognized for temporary differences, property, equipment, software and other items.

Credit and counterparty credit risk

Credit and counterparty credit risk RWA decreased by USD 21.9bn to USD 292.2bn as of 31 December 2024, reflecting a USD 13.6bn decrease in currency effects, as well as an USD 8.6bn decrease in asset size and other movements.

Asset size and other movements by business division and Group Items:

- Investment Bank RWA decreased by USD 4.0bn, mainly due to lower RWA from loans and loan commitments.
- Non-core and Legacy RWA decreased by USD 2.7bn, mainly driven by our actions to actively unwind the portfolio, in addition to the natural roll-off.
- Personal & Corporate Banking RWA decreased by USD 1.8bn, mainly driven by negative net new loans.
- Group Items RWA decreased by USD 0.2bn.
- Asset Management RWA increased by USD 0.2bn.
- Global Wealth Management RWA were unchanged.

Model updates and methodology changes resulted in an RWA increase of USD 0.3bn. Increases related to a USD 1.2bn regulatory add-on for derivatives and USD 0.8bn from the harmonization of models following the migration of Credit Suisse portfolios to UBS models, as well as various smaller model updates amounting to USD 0.6bn, were largely offset by USD 2.3bn resulting from the phase-out of certain multipliers following improvements to the models.

- › Refer to the **31 December 2024 Pillar 3 Report, which will be available as of 17 March 2025 under “Pillar 3 disclosures”** at ubs.com/investors, for more information
- › Refer to **“Credit risk”** in the **“Risk management and control”** section of this report for more information

Market risk

Market risk RWA increased by USD 2.2bn to USD 27.2bn in the fourth quarter of 2024, driven by an increase of USD 2.1bn from asset size and other movements in the Investment Bank’s Global Markets business, partially offset by updates from the monthly risks-not-in-VaR assessment and de-risking within Non-core and Legacy.

- › Refer to the **31 December 2024 Pillar 3 Report, which will be available as of 17 March 2025 under “Pillar 3 disclosures”** at ubs.com/investors, for more information
- › Refer to **“Market risk”** in the **“Risk management and control”** section of this report for more information

Operational risk

Operational risk RWA were unchanged at USD 145.4bn.

- › Refer to **“Non-financial risk”** in the **“Risk management and control”** section of the **UBS Group Annual Report 2023, available under “Annual reporting”** at ubs.com/investors, for information about the advanced measurement approach (AMA) which has been used to measure Group operational risk exposure and calculate operational risk regulatory capital
- › Refer to **“Provisions and contingent liabilities”** in the **“Consolidated financial information”** section of this report for more information about historical loss cases considered in the AMA

Outlook

The adoption of the final Basel III standards in January 2025 led to a USD 1bn increase in the UBS Group’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 adjustments-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. 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 the UBS Group.

In addition to the impact of the final Basel III standards, we expect that model updates will result in an RWA increase of around USD 3bn in 2025, primarily as a result of the migration of Credit Suisse portfolios to UBS models. The extent and timing of RWA changes may vary as model updates are completed and receive regulatory approval, along with changes in the composition of the relevant portfolios.

Furthermore, we expect exposures in Non-core and Legacy to reduce as a result of maturities and active unwinding of positions, mitigating the impact from the FRTB.

Risk-weighted assets, by business division and Group Items

<i>USD bn</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total RWA
							31.12.24
Credit and counterparty credit risk ¹	93.6	120.6	7.2	56.2	10.7	3.9	292.2
Non-counterparty-related risk ²	6.4	2.9	0.7	3.6	1.5	18.7	33.7
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	165.8	143.0	15.1	106.4	41.4	26.8	498.5
							30.9.24
Credit and counterparty credit risk ¹	95.0	129.5	7.2	63.8	13.6	5.2	314.1
Non-counterparty-related risk ²	6.8	3.1	0.7	3.8	1.7	18.8	34.8
Market risk	1.9	0.4	0.0	20.2	2.5	0.0	25.0
Operational risk	63.2	19.3	7.2	24.4	27.1	4.2	145.4
Total	166.8	152.3	15.1	112.2	44.8	28.1	519.4
							31.12.24 vs 30.9.24
Credit and counterparty credit risk ¹	(1.4)	(8.9)	0.0	(7.5)	(2.9)	(1.3)	(21.9)
Non-counterparty-related risk ²	(0.4)	(0.2)	0.0	(0.2)	(0.2)	(0.1)	(1.1)
Market risk	0.8	(0.2)	0.0	1.9	(0.3)	0.0	2.2
Operational risk							
Total	(1.0)	(9.3)	0.0	(5.7)	(3.4)	(1.4)	(20.8)

¹ Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book, and securitization exposures in the banking book. ² Non-counterparty-related risk includes deferred tax assets recognized for temporary differences (31 December 2024: USD 18.1bn; 30 September 2024: USD 18.0bn), as well as property, equipment, software and other items (31 December 2024: USD 15.7bn; 30 September 2024: USD 16.8bn).

Leverage ratio denominator

During the fourth quarter of 2024, the LRD decreased by USD 88.9bn to USD 1,519.5bn, driven by currency effects of USD 68.9bn, as well as asset size and other movements of USD 20.0bn.

Movement in leverage ratio denominator, by key driver

<i>USD bn</i>	LRD as of 30.9.24	Currency effects	Asset size and other	LRD as of 31.12.24
On-balance sheet exposures (excluding derivatives and securities financing transactions) ¹	1,241.6	(55.2)	(34.2)	1,152.2
Derivatives ¹	133.7	(5.3)	3.6	132.0
Securities financing transactions	171.7	(5.9)	11.3	177.1
Off-balance sheet items	72.4	(2.7)	0.1	69.8
Deduction items	(11.0)	0.1	(0.7)	(11.6)
Total	1,608.3	(68.9)	(20.0)	1,519.5

¹ Reports prior to this fourth quarter of 2024 report had included certain exposures related to derivative cash collateral in On-balance 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.

On-balance sheet exposures (excluding derivatives and securities financing transactions) decreased by USD 34.2bn, mainly due to decreases in cash and balances at central banks, as well as lending balances due to negative net new loans in Personal & Corporate Banking. There were also decreases in other financial assets measured at fair value, reflecting disposals of high-quality liquid asset portfolio securities and of trading assets due to decreases in the inventory held in the Investment Bank to hedge client positions, as well as Non-core and Legacy unwinding activities.

Derivative exposures increased by USD 3.6bn, mainly due to market-driven movements on foreign currency contracts in the Investment Bank, partly offset by lower trading volumes, mainly in Non-core and Legacy.

Securities financing transactions increased by USD 11.3bn, mainly reflecting higher cash reinvestment in Group Treasury.

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

Outlook

The adoption of the final Basel III standards in January 2025 led to a low single-digit percentage increase in the UBS Group's LRD, reducing the CET1 leverage ratio by around 10 basis points.

Leverage ratio denominator, by business division and Group Items

<i>USD bn</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
							31.12.24
On-balance sheet exposures ¹	480.0	398.4	5.4	211.8	40.3	16.2	1,152.2
Derivatives ¹	11.9	5.6	0.0	104.6	9.5	0.4	132.0
Securities financing transactions	71.6	44.8	0.1	59.2	2.3	(0.9)	177.1
Off-balance sheet items	18.4	30.9	0.1	18.2	1.8	0.2	69.8
Items deducted from Swiss SRB tier 1 capital	(5.3)	(0.9)	(1.2)	(0.4)	(0.4)	(3.4)	(11.6)
Total	576.6	478.9	4.5	393.5	53.5	12.5	1,519.5
							30.9.24
On-balance sheet exposures ¹	504.9	429.2	5.7	238.8	46.0	17.0	1,241.6
Derivatives ¹	10.8	3.3	0.0	106.0	13.4	0.1	133.7
Securities financing transactions	66.3	45.3	0.0	52.6	7.5	0.0	171.7
Off-balance sheet items	18.6	32.3	0.1	18.6	2.5	0.2	72.4
Items deducted from Swiss SRB tier 1 capital	(5.4)	(1.0)	(1.2)	(0.4)	(0.5)	(2.5)	(11.0)
Total	595.2	509.0	4.7	415.6	69.0	14.8	1,608.3
							31.12.24 vs 30.9.24
On-balance sheet exposures	(24.9)	(30.7)	(0.3)	(27.0)	(5.7)	(0.8)	(89.4)
Derivatives	1.0	2.4	0.0	(1.5)	(3.9)	0.3	(1.7)
Securities financing transactions	5.3	(0.5)	0.1	6.6	(5.2)	(0.9)	5.4
Off-balance sheet items	(0.2)	(1.4)	0.0	(0.3)	(0.7)	0.0	(2.6)
Items deducted from Swiss SRB tier 1 capital	0.1	0.1	0.0	0.0	0.1	(0.9)	(0.6)
Total	(18.7)	(30.1)	(0.2)	(22.2)	(15.5)	(2.3)	(88.9)

¹ Reports prior to this fourth quarter of 2024 report had included certain exposures related to derivative cash collateral in On-balance 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.

Equity attribution

Under our equity attribution framework, tangible equity is attributed based on equally weighted average RWA and average LRD, which both include resource allocations from our Group functions to the business divisions. Average RWA and LRD are converted to CET1 capital equivalents using target capital ratios. If the attributed tangible equity calculated under the weighted-driver approach is less than the CET1 capital equivalent of risk-based capital (RBC) for any business division, the CET1 capital equivalent of RBC is used as a floor for that business division.

In addition to tangible equity, we allocate equity to the business divisions to support goodwill and intangible assets. We also allocate to the business divisions attributed equity related to CET1 capital deduction items that are attributable to divisional activities, such as compensation-related components or expected losses on the advanced internal ratings-based portfolio less provisions. We attribute all remaining capital deduction items to Group Items. Those primarily include equity related to deferred tax assets, accruals for shareholder returns, and unrealized gains / losses from cash flow hedges.

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

Average attributed equity

<i>USD bn</i>	For the quarter ended			For the year ended	
	31.12.24	30.9.24	31.12.23 ¹	31.12.24	31.12.23 ¹
Global Wealth Management	33.6	33.5	33.3	33.3	29.3
Personal & Corporate Banking	21.3	21.8	21.8	21.6	16.8
Asset Management	2.8	2.7	2.6	2.7	2.3
Investment Bank	17.3	17.0	16.8	17.1	15.9
Non-core and Legacy	8.7	8.5	9.5	9.5	6.0
Group Items ²	2.3	1.8	0.5	1.1	3.8
Average equity attributed to business divisions and Group Items	86.1	85.4	84.4	85.2	74.2

¹ Comparative figures have been restated to reflect the changes to the equity attribution framework. Refer to the "Equity attribution" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information. ² Includes average attributed equity related to capital deduction items for deferred tax assets, accruals for shareholder returns and unrealized gains / losses from cash flow hedges.

Liquidity and funding management

Strategy, objectives and governance

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

Liquidity coverage ratio

The quarterly average liquidity coverage ratio (the LCR) of the UBS Group decreased 10.8 percentage points to 188.4%, 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 high-quality liquid assets (HQLA) of USD 29.1bn to USD 331.5bn, mainly reflecting lower cash available, driven by a decrease in customer deposits, lower debt issued measured at amortized cost and lower short-term borrowings, as well as funding of trading assets. The aforementioned decrease in HQLA was partly offset by a decrease in net cash outflows of USD 5.0bn to USD 176.0bn, reflecting lower net outflows from derivatives and debt issued measured at amortized cost, partly offset by higher outflows from customer deposits.

› Refer to the **31 December 2024 Pillar 3 Report, which will be available as of 17 March 2025 under "Pillar 3 disclosures"** at ubs.com/investors, for more information about the LCR

Liquidity coverage ratio

<i>USD bn, except where indicated</i>	Average 4Q24 ¹	Average 3Q24 ¹
High-quality liquid assets	331.5	360.6
Net cash outflows ²	176.0	181.1
Liquidity coverage ratio (%)³	188.4	199.2

¹ 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. 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.

Net stable funding ratio

As of 31 December 2024, the net stable funding ratio (the NSFR) of the UBS Group decreased 1.3 percentage points to 125.5%, remaining above the prudential requirement communicated by FINMA.

Available stable funding decreased by USD 47.5bn to USD 856.8bn, mainly driven by lower customer deposits, largely driven by currency effects, lower regulatory capital and lower debt issued.

Required stable funding decreased by USD 30.3bn to USD 682.5bn, mainly reflecting lower lending assets, which were also largely driven by currency effects.

› Refer to the **31 December 2024 Pillar 3 Report, which will be available as of 17 March 2025 under "Pillar 3 disclosures"** at ubs.com/investors, for more information about the NSFR

Net stable funding ratio

<i>USD bn, except where indicated</i>	31.12.24	30.9.24
Available stable funding	856.8	904.3
Required stable funding	682.5	712.8
Net stable funding ratio (%)	125.5	126.9

Balance sheet and off-balance sheet

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

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

Balance sheet assets (31 December 2024 vs 30 September 2024)

Total assets were USD 1,565.0bn as of 31 December 2024, a decrease of USD 58.9bn compared with 30 September 2024, largely reflecting currency effects as a result of the appreciation of the US dollar.

Lending assets decreased by USD 38.6bn, primarily reflecting currency effects of approximately USD 31.3bn and negative net new loans in Personal & Corporate Banking. Other financial assets measured at fair value decreased by USD 33.9bn, mainly reflecting disposals of high-quality liquid asset (HQLA) portfolio securities. Cash and balances at central banks decreased by USD 20.0bn, mainly due to net investment in securities financing transactions at amortized cost, currency effects and lower brokerage payables, partly offset by inflows from the disposal of HQLA portfolio securities. Trading assets decreased by USD 12.9bn, primarily driven by a decrease in inventory held in the Investment Bank to hedge client positions, as well as Non-core and Legacy unwinding activities.

These decreases were partly offset by a USD 26.2bn increase in securities financing transactions at amortized cost, mainly reflecting higher cash reinvestment in Group Treasury. Derivatives and cash collateral receivables on derivative instruments increased by USD 23.2bn, predominantly in Derivatives & Solutions in the Investment Bank, primarily reflecting market-driven increases in foreign currency contracts.

Assets

	As of		% change from
<i>USD bn</i>	31.12.24	30.9.24	30.9.24
Cash and balances at central banks	223.3	243.3	(8)
Lending ¹	598.9	637.5	(6)
Securities financing transactions at amortized cost	118.3	92.1	28
Trading assets	159.1	172.0	(8)
Derivatives and cash collateral receivables on derivative instruments	229.5	206.3	11
Brokerage receivables	25.9	24.7	5
Other financial assets measured at amortized cost	58.8	61.2	(4)
Other financial assets measured at fair value ²	97.7	131.6	(26)
Non-financial assets	53.6	55.4	(3)
Total assets	1,565.0	1,623.9	(4)

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

Balance sheet liabilities (31 December 2024 vs 30 September 2024)

Total liabilities were USD 1,479.5bn as of 31 December 2024, a decrease of USD 56.9bn compared with 30 September 2024, largely reflecting currency effects as a result of the appreciation of the US dollar.

Customer deposits decreased by USD 30.2bn, predominantly driven by currency effects. Debt issued designated at fair value and long-term debt issued measured at amortized cost decreased by USD 13.9bn, mainly driven by currency effects and net redemptions. Short-term borrowings decreased by USD 8.0bn, mainly driven by lower amounts due to banks as well as net maturities of commercial paper and certificates of deposit, mainly in Group Treasury. Other financial liabilities designated at fair value decreased by USD 6.6bn, mainly driven by a decrease in securities financing transactions.

These decreases were partly offset by an USD 8.0bn increase in Derivatives and cash collateral payables on derivative instruments, mainly reflecting the same drivers as on the asset side.

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

Liabilities and equity

USD bn	As of		% change from
	31.12.24	30.9.24	30.9.24
Short-term borrowings ^{1,2}	53.9	61.9	(13)
Securities financing transactions at amortized cost	14.8	16.4	(9)
Customer deposits	745.8	776.0	(4)
Debt issued designated at fair value and long-term debt issued measured at amortized cost ²	291.6	305.5	(5)
Trading liabilities	35.2	36.4	(3)
Derivatives and cash collateral payables on derivative instruments	216.1	208.1	4
Brokerage payables	49.0	52.4	(6)
Other financial liabilities measured at amortized cost	21.0	21.2	(1)
Other financial liabilities designated at fair value	28.7	35.3	(19)
Non-financial liabilities	23.2	23.2	0
Total liabilities	1,479.5	1,536.4	(4)
Share capital	0.3	0.3	0
Share premium	12.0	11.8	2
Treasury shares	(6.4)	(6.1)	6
Retained earnings	78.0	77.2	1
Other comprehensive income ³	1.1	3.8	(71)
Total equity attributable to shareholders	85.1	87.0	(2)
Equity attributable to non-controlling interests	0.5	0.6	(12)
Total equity	85.6	87.6	(2)
Total liabilities and equity	1,565.0	1,623.9	(4)

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

Equity (31 December 2024 vs 30 September 2024)

Equity attributable to shareholders decreased by USD 1,946m to USD 85,079m as of 31 December 2024.

The net decrease of USD 1,946m was mainly driven by negative total comprehensive income attributable to shareholders of USD 1,851m, reflecting a net profit of USD 770m and negative other comprehensive income (OCI) of USD 2,622m. OCI mainly included negative OCI related to foreign currency translation of USD 1,835m and negative cash flow hedge OCI of USD 785m. In addition, net treasury share activity reduced equity by USD 318m, predominantly due to the repurchasing of USD 300m of shares under our 2024 share repurchase program.

- › Refer to the “Group performance” and “Consolidated financial information” sections of this report for more information
- › Refer to “Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital” in the “Capital management” section of this report for more information about the effects of OCI on common equity tier 1 capital
- › Refer to the “Share information and earnings per share” section of this report for more information about our share repurchase programs

Off-balance sheet (31 December 2024 vs 30 September 2024)

Committed unconditionally revocable credit lines decreased by USD 7.4bn, driven by currency effects. Forward starting reverse repurchase and securities borrowing agreements increased by USD 8.8bn, reflecting an increase in levels of business division activity in short-dated securities financing transactions.

Off-balance sheet

USD bn	As of		% change from
	31.12.24	30.9.24	30.9.24
Guarantees ^{1,2}	38.4	39.6	(3)
Irrevocable loan commitments ¹	79.6	80.5	(1)
Committed unconditionally revocable credit lines	145.7	153.1	(5)
Forward starting reverse repurchase and securities borrowing agreements	24.9	16.1	55

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

Share information and earnings per share

UBS Group AG shares are listed on the SIX Swiss Exchange (SIX). They are also listed on the New York Stock Exchange (the NYSE) as global registered shares. Each share has a nominal value of USD 0.10. Shares issued were unchanged in the fourth quarter of 2024 compared with the third quarter of 2024.

We held 287m shares as of 31 December 2024, of which 153m shares had been acquired under our 2022 and 2024 share repurchase programs for cancellation purposes. The remaining 134m shares are primarily held to hedge our share delivery obligations related to employee share-based compensation and participation plans.

Treasury shares held increased by 11m shares in the fourth quarter of 2024. This mainly reflected 9.5m shares repurchased under our 2024 program.

Shares acquired under our 2024 program totaled 33m as of 31 December 2024 for a total acquisition cost of USD 1,000m (CHF 871m). We plan to repurchase USD 1bn of shares in the first half of 2025. We aim to repurchase up to an additional USD 2bn of shares in the second half of 2025 and are maintaining our ambition for share repurchases in 2026 to exceed full year 2022 levels. Our share repurchase levels will be subject to maintaining our CET1 capital ratio target of around 14%, achieving our financial targets and the absence of material and immediate changes to the current capital regime in Switzerland.

Shares acquired under our 2022 program totaled 121m as of 31 December 2024 for a total acquisition cost of USD 2,277m (CHF 2,138m). This program concluded on 28 March 2024, and the 121m shares repurchased under this program will be canceled by means of a capital reduction, subject to approval by the shareholders at a future Annual General Meeting.

› Refer to the “Equity, CET1 capital and returns” table in the “Group performance” section of this report for more information about equity attributable to shareholders and tangible equity attributable to shareholders

	As of or for the quarter ended			As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ¹	31.12.24	31.12.23 ¹
Basic and diluted earnings (USD m)					
Net profit / (loss) attributable to shareholders for basic EPS	770	1,425	(279)	5,085	27,366
less: (profit) / loss on own equity derivative contracts	0	0	0	0	0
Net profit / (loss) attributable to shareholders for diluted EPS	770	1,424	(279)	5,085	27,366
Weighted average shares outstanding					
Weighted average shares outstanding for basic EPS ²	3,179,446,604	3,196,573,895	3,225,500,133	3,198,481,827	3,152,579,449
Effect of dilutive potential shares resulting from notional employee shares, in-the-money options and warrants outstanding ³	156,592,019	147,480,584	123,601 ⁴	152,630,143	143,416,753
Weighted average shares outstanding for diluted EPS	3,336,038,623	3,344,054,479	3,225,623,734	3,351,111,970	3,295,996,202
Earnings per share (USD)					
Basic	0.24	0.45	(0.09)	1.59	8.68
Diluted	0.23	0.43	(0.09)	1.52	8.30
Shares outstanding and potentially dilutive instruments					
Shares issued	3,462,087,722	3,462,087,722	3,462,087,722	3,462,087,722	3,462,087,722
Treasury shares ⁵	287,262,471	276,381,209	253,233,437	287,262,471	253,233,437
of which: related to the 2022 share repurchase program	120,506,008	120,506,008	120,506,008	120,506,008	120,506,008
of which: related to the 2024 share repurchase program	32,962,298	23,479,400		32,962,298	
Shares outstanding	3,174,825,251	3,185,706,513	3,208,854,285	3,174,825,251	3,208,854,285
Potentially dilutive instruments ⁶	14,127,377	13,561,823	163,417,391 ⁴	14,124,877	5,638,817
Other key figures					
Total book value per share (USD)	26.80	27.32	26.68	26.80	26.68
Tangible book value per share (USD)	24.63	25.10	24.34	24.63	24.34
Share price (USD) ⁷	30.54	30.77	31.01	30.54	31.01
Market capitalization (USD m) ⁸	105,719	106,528	107,355	105,719	107,355

¹ Comparative-period information has been revised. Refer to “Note 2 Accounting for the acquisition of the Credit Suisse Group” in the “Consolidated financial statements” section of the UBS Group third quarter 2024 report, available under “Quarterly reporting” at ubs.com/investors, for more information. ² The weighted average shares outstanding for basic earnings per share (EPS) are calculated by taking the number of shares at the beginning of the period, adjusted by the number of shares acquired or issued during the period, multiplied by a time-weighted factor for the period outstanding. As a result, balances are affected by the timing of acquisitions and issuances during the period. ³ The weighted average number of shares for notional employee awards with performance conditions reflects all potentially dilutive shares that are expected to vest under the terms of the awards. ⁴ Due to the net loss in the fourth quarter of 2023, 155,065,831 weighted average potential shares from unvested notional share awards were not included in the calculation of diluted EPS as they were not dilutive for the quarter ended 31 December 2023. Such shares are only taken into account for the diluted EPS calculation when their conversion to ordinary shares would decrease earnings per share or increase the loss per share, in accordance with IAS 33, Earnings per Share. ⁵ Based on a settlement date view. ⁶ Reflects potential shares that could dilute basic EPS in the future but were not dilutive for any of the periods presented. Mainly includes equity-based awards subject to absolute and relative performance conditions and equity derivative contracts. For the quarter ended 31 December 2023, it also includes 155,065,831 weighted average potential shares from unvested notional share awards that were not included in the calculation of diluted EPS as they were not dilutive. ⁷ Represents the share price as listed on the SIX Swiss Exchange, translated to US dollars using the closing exchange rate as of the respective date. ⁸ The calculation of market capitalization reflects total shares issued multiplied by the share price at the end of the period.

Ticker symbols UBS Group AG

Trading exchange	SIX / NYSE	Bloomberg	Reuters
SIX Swiss Exchange	UBSG	UBSG SW	UBSG.S
New York Stock Exchange	UBS	UBS UN	UBS.N

Security identification codes

ISIN	CH0244767585
Valoren	24 476 758
CUSIP	CINS H42097 10 7

Consolidated financial information

Unaudited

Information in this section is presented for UBS Group AG and its subsidiaries (together, the Group) on a consolidated basis unless otherwise specified and is presented in US dollars. In preparing this financial information, the same accounting policies and methods of computation have been applied as in the UBS Group AG consolidated annual Financial Statements for the period ended 31 December 2023, except for the changes described in “Note 1 Basis of accounting” in the “Consolidated financial statements” section of the first, second and third quarter 2024 reports. The financial information presented is unaudited and does not constitute an interim financial report prepared in accordance with IAS 34, *Interim Financial Reporting*. The UBS Group AG Annual Report 2024, which will be published on 17 March 2025, will incorporate the full financial statements prepared in accordance with IFRS Accounting Standards for the 2024 financial year.

UBS Group AG interim consolidated financial information (unaudited)

Income statement

USD m	For the quarter ended			For the year ended	
	31.12.24	30.9.24	31.12.23	31.12.24	31.12.23 ¹
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	7,829	8,766	10,036	35,994	31,743
Interest expense from financial instruments measured at amortized cost	(7,884)	(9,022)	(9,440)	(35,947)	(28,216)
Net interest income from financial instruments measured at fair value through profit or loss and other	1,893	2,050	1,498	7,061	3,770
Net interest income	1,838	1,794	2,095	7,108	7,297
Other net income from financial instruments measured at fair value through profit or loss	3,144	3,681	3,158	14,690	11,583
Fee and commission income	7,269	7,170	6,409	28,730	23,766
Fee and commission expense	(671)	(653)	(629)	(2,592)	(2,195)
Net fee and commission income	6,598	6,517	5,780	26,138	21,570
Other income	56	341	(179)	675	384
Total revenues	11,635	12,334	10,855	48,611	40,834
Negative goodwill					27,264
Credit loss expense / (release)	229	121	136	551	1,037
Personnel expenses	6,361	6,889	7,061	27,318	24,899
General and administrative expenses	3,004	2,389	2,999	10,124	10,156
Depreciation, amortization and impairment of non-financial assets	994	1,006	1,409	3,798	3,750
Operating expenses	10,359	10,283	11,470	41,239	38,806
Operating profit / (loss) before tax	1,047	1,929	(751)	6,821	28,255
Tax expense / (benefit)	268	502	(473)	1,675	873
Net profit / (loss)	779	1,428	(278)	5,146	27,382
Net profit / (loss) attributable to non-controlling interests	9	3	1	60	16
Net profit / (loss) attributable to shareholders	770	1,425	(279)	5,085	27,366
Earnings per share (USD)					
Basic	0.24	0.45	(0.09)	1.59	8.68
Diluted	0.23	0.43	(0.09)	1.52	8.30

¹ Comparative-period information as previously reported in the 2023 Annual Report has been revised to reflect measurement period adjustments impacting negative goodwill. Refer to Note 2 in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant adjustments.

Statement of comprehensive income

USD m	For the quarter ended			For the year ended	
	31.12.24	30.9.24	31.12.23	31.12.24	31.12.23 ¹
Comprehensive income attributable to shareholders²					
Net profit / (loss)	770	1,425	(279)	5,085	27,366
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	(3,388)	2,404	4,197	(4,726)	3,762
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax	1,565	(1,081)	(2,620)	2,957	(2,320)
Foreign currency translation differences on foreign operations reclassified to the income statement	20	2	60	24	58
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement	(34)	0	(25)	(33)	(28)
Income tax relating to foreign currency translations, including the effect of net investment hedges	2	9	(15)	24	(17)
Subtotal foreign currency translation, net of tax	(1,835)	1,333	1,597	(1,754)	1,456
Financial assets measured at fair value through other comprehensive income					
Net unrealized gains / (losses), before tax	(1)	2	8	1	7
Net realized (gains) / losses reclassified to the income statement from equity	0	0	(4)	0	(3)
Income tax relating to net unrealized gains / (losses)	0	0	0	0	0
Subtotal financial assets measured at fair value through other comprehensive income, net of tax	(1)	2	3	1	4
Cash flow hedges of interest rate risk					
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax	(1,366)	1,579	1,803	(1,450)	(323)
Net (gains) / losses reclassified to the income statement from equity	400	388	566	2,000	1,905
Income tax relating to cash flow hedges	181	(374)	(399)	(69)	(308)
Subtotal cash flow hedges, net of tax	(785)	1,593	1,970	481	1,275
Cost of hedging					
Cost of hedging, before tax	(98)	(19)	(24)	(146)	(19)
Income tax relating to cost of hedging	0	0	0	0	0
Subtotal cost of hedging, net of tax	(98)	(19)	(24)	(146)	(19)
Total other comprehensive income that may be reclassified to the income statement, net of tax	(2,719)	2,910	3,546	(1,417)	2,715
Other comprehensive income that will not be reclassified to the income statement					
Defined benefit plans					
Gains / (losses) on defined benefit plans, before tax	(68)	(138)	164	(307)	110
Income tax relating to defined benefit plans	22	10	(33)	45	(70)
Subtotal defined benefit plans, net of tax	(46)	(128)	131	(261)	40
Own credit on financial liabilities designated at fair value					
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax	145	(317)	(731)	(10)	(1,850)
Income tax relating to own credit on financial liabilities designated at fair value	(2)	(6)	10	(9)	82
Subtotal own credit on financial liabilities designated at fair value, net of tax	144	(323)	(721)	(19)	(1,769)
Total other comprehensive income that will not be reclassified to the income statement, net of tax	98	(451)	(591)	(280)	(1,729)
Total other comprehensive income	(2,622)	2,459	2,956	(1,698)	986
Total comprehensive income attributable to shareholders	(1,851)	3,883	2,677	3,388	28,352
Comprehensive income attributable to non-controlling interests					
Net profit / (loss)	9	3	1	60	16
Total other comprehensive income that will not be reclassified to the income statement, net of tax	(35)	24	17	(47)	5
Total comprehensive income attributable to non-controlling interests	(27)	27	18	13	22
Total comprehensive income					
Net profit / (loss)	779	1,428	(278)	5,146	27,382
Other comprehensive income	(2,657)	2,482	2,973	(1,744)	991
<i>of which: other comprehensive income that may be reclassified to the income statement</i>	<i>(2,719)</i>	<i>2,910</i>	<i>3,546</i>	<i>(1,417)</i>	<i>2,715</i>
<i>of which: other comprehensive income that will not be reclassified to the income statement</i>	<i>62</i>	<i>(428)</i>	<i>(573)</i>	<i>(327)</i>	<i>(1,723)</i>
Total comprehensive income	(1,878)	3,910	2,695	3,401	28,374

¹ Comparative-period information as previously reported in the 2023 Annual Report has been revised to reflect measurement period adjustments impacting negative goodwill. Refer to Note 2 in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about the relevant adjustments. ² Refer to the "Group performance" section of this report for more information.

Balance sheet

USD m	31.12.24	30.9.24	31.12.23 ¹
Assets			
Cash and balances at central banks	223,329	243,261	314,060
Amounts due from banks	18,903	21,716	21,146
Receivables from securities financing transactions measured at amortized cost	118,301	92,104	99,039
Cash collateral receivables on derivative instruments	43,959	47,209	50,082
Loans and advances to customers	579,967	615,820	639,669
Other financial assets measured at amortized cost	58,835	61,169	65,455
Total financial assets measured at amortized cost	1,043,293	1,081,280	1,189,451
Financial assets at fair value held for trading	159,065	171,983	169,633
Derivative financial instruments	185,551	159,068	176,084
Brokerage receivables	25,858	24,656	21,037
Financial assets at fair value not held for trading	95,472	129,416	104,018
Total financial assets measured at fair value through profit or loss	465,947	485,124	470,773
Financial assets measured at fair value through other comprehensive income	2,195	2,179	2,233
Investments in associates	2,306	2,484	2,373
Property, equipment and software	15,498	16,571	17,849
Goodwill and intangible assets	6,887	7,048	7,515
Deferred tax assets	11,134	10,254	10,682
Other non-financial assets	17,766	19,002	16,049
Total assets	1,565,028	1,623,941	1,716,924
Liabilities			
Amounts due to banks	23,347	28,058	70,962
Payables from securities financing transactions measured at amortized cost	14,833	16,374	14,394
Cash collateral payables on derivative instruments	35,490	33,757	41,582
Customer deposits	745,777	775,994	792,029
Debt issued measured at amortized cost	214,219	227,168	237,817
Other financial liabilities measured at amortized cost	21,033	21,171	20,851
Total financial liabilities measured at amortized cost	1,054,698	1,102,523	1,177,633
Financial liabilities at fair value held for trading	35,247	36,437	34,159
Derivative financial instruments	180,636	174,296	192,181
Brokerage payables designated at fair value	49,023	52,403	42,522
Debt issued designated at fair value	107,909	112,218	128,289
Other financial liabilities designated at fair value	28,699	35,256	29,484
Total financial liabilities measured at fair value through profit or loss	401,514	410,610	426,635
Provisions and contingent liabilities	8,409	9,245	12,412
Other non-financial liabilities	14,834	13,974	14,089
Total liabilities	1,479,454	1,536,352	1,630,769
Equity			
Share capital	346	346	346
Share premium	12,012	11,755	13,216
Treasury shares	(6,402)	(6,051)	(4,796)
Retained earnings	78,035	77,197	74,397
Other comprehensive income recognized directly in equity, net of tax	1,088	3,777	2,462
Equity attributable to shareholders	85,079	87,025	85,624
Equity attributable to non-controlling interests	494	564	531
Total equity	85,574	87,589	86,156
Total liabilities and equity	1,565,028	1,623,941	1,716,924

¹ Comparative-period information has been revised. Refer to Note 2 in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information.

Provisions and contingent liabilities

a) Provisions and contingent liabilities

The table below presents an overview of total provisions and contingent liabilities.

USD m	31.12.24	30.9.24	31.12.23 ¹
Provisions related to expected credit losses (IFRS 9, <i>Financial Instruments</i>)	320	310	350
Provisions related to Credit Suisse loan commitments (IFRS 3, <i>Business Combinations</i>)	997	1,230	1,924
Provisions related to litigation, regulatory and similar matters (IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	3,602	3,842	4,020
Acquisition-related contingent liabilities related to litigation, regulatory and similar matters (IFRS 3, <i>Business Combinations</i>)	2,122	2,430	3,993
Restructuring, real-estate and other provisions (IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	1,368	1,433	2,123
Total provisions and contingent liabilities	8,409	9,245	12,412

¹ Comparative-period information has been revised. Refer to Note 2 in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information.

The table below presents additional information for provisions under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

USD m	Litigation, regulatory and similar matters ¹	Restructuring ²	Real estate ³	Other ⁴	Total
Balance as of 31 December 2023	4,020	741	259	1,123	6,144
Balance as of 30 September 2024	3,842	865	245	324	5,275
Increase in provisions recognized in the income statement	173	301	12	70	555
Release of provisions recognized in the income statement	(7)	(107)	(1)	(51)	(166)
Reclassifications	216 ⁵	0	0	0	216
Provisions used in conformity with designated purpose	(510)	(200)	(7)	(9)	(725)
Foreign currency translation and other movements	(112)	(46)	(9)	(18)	(185)
Balance as of 31 December 2024	3,602	813	240	315	4,969

¹ Consists of provisions for losses resulting from legal, liability and compliance risks. ² Includes USD 383m of provisions for onerous contracts related to real estate as of 31 December 2024 (30 September 2024: USD 482m; 31 December 2023: USD 448m), USD 334m of personnel-related restructuring provisions as of 31 December 2024 (30 September 2024: USD 322m; 31 December 2023: USD 294m) and onerous contracts related to technology. ³ Mainly includes provisions for reinstatement costs with respect to leased properties. ⁴ Mainly includes provisions related to employee benefits and operational risks. ⁵ Mainly includes reclassifications from IFRS 3 contingent liabilities to IAS 37 provisions.

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

b) Litigation, regulatory and similar matters

The Group 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 (which for purposes of this Note may refer to UBS Group AG and / or one or more of its subsidiaries, as applicable) is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations.

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 the Group 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 the Group 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. The Group 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 the Group 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 the Group, but are nevertheless expected to be, based on the Group'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.

Provisions and contingent liabilities (continued)

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 the Group 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 part a) 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 (including acquisition-related contingent liabilities established under IFRS 3 in connection with the acquisition of Credit Suisse), are in the range of USD 0bn to USD 1.9bn.

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.

The amounts shown in the table below reflect the provisions recorded under IFRS Accounting Standards. In connection with the acquisition of Credit Suisse, UBS Group AG additionally has reflected in its purchase accounting under IFRS 3 a valuation adjustment reflecting an estimate of outflows relating to contingent liabilities for all present obligations included in the scope of the acquisition at fair value upon closing, even if it is not probable that the contingent liability will result in an outflow of resources, significantly decreasing the recognition threshold for litigation liabilities beyond those that generally apply under IFRS Accounting Standards. The IFRS 3 acquisition-related contingent liabilities of USD 2.1bn at 31 December 2024 reflect a decrease of USD 0.3bn from 30 September 2024 as a result of reclassifications to provisions under IAS 37 and releases upon resolution of the relevant matter.

Provisions and contingent liabilities (continued)

Provisions for litigation, regulatory and similar matters, by business division and in Group Items ¹							
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS Group
Balance as of 31 December 2023	1,235	157	15	294	2,186	134	4,020
Balance as of 30 September 2024	1,247	157	2	283	2,018	135	3,842
Increase in provisions recognized in the income statement	103	0	1	12	49	8	173
Release of provisions recognized in the income statement	(3)	0	0	0	(2)	(2)	(7)
Reclassifications ²	17	0	0	0	199	0	216
Provisions used in conformity with designated purpose	(15)	0	(2)	(17)	(474)	(2)	(510)
Foreign currency translation and other movements	(78)	(11)	0	(12)	(11)	0	(112)
Balance as of 31 December 2024	1,271	147	1	266	1,779	139	3,602

¹ Provisions, if any, for the matters described in items 2 and 10 of this disclosure are recorded in Global Wealth Management. Provisions, if any, for the matters described in items 5, 6, 7, 8, 9, 11 and 13 of this disclosure are recorded in Non-core and Legacy. Provisions, if any, for the matter described in item 14 of this disclosure are recorded in Group Items. Provisions, if any, for the matters described in item 1 of this disclosure 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 disclosure are allocated between the Investment Bank, Non-core and Legacy and Group Items. Provisions, if any, for the matters described in item 4 of this disclosure are allocated between Global Wealth Management and Personal & Corporate Banking. Provisions, if any, for the matters described in item 12 of this disclosure are allocated between the Investment Bank and Non-core and Legacy. ² Mainly includes reclassifications from IFRS 3 contingent liabilities to IAS 37 provisions.

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.

Provisions and contingent liabilities (continued)

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.

Provisions and contingent liabilities (continued)

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

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

Provisions and contingent liabilities (continued)

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.

Provisions and contingent liabilities (continued)

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.

Provisions and contingent liabilities (continued)

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 March 2024, the court denied class certification for two of the three classes proposed by plaintiffs and certified the third proposed class.

Provisions and contingent liabilities (continued)

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.

Provisions and contingent liabilities (continued)

12. Archegos

Credit Suisse and UBS have received requests for documents and information in connection with inquiries, investigations and/or actions relating to their relationships with Archegos Capital Management (Archegos), including from FINMA (assisted by a third party appointed by FINMA), the DOJ, the SEC, the US Federal Reserve, the US Commodity Futures Trading Commission (CFTC), the US Senate Banking Committee, the Prudential Regulation Authority (PRA), the FCA, 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.

13. Credit Suisse financial disclosures

Credit Suisse Group AG and certain directors, officers and executives have been named in securities class action complaints pending in the SDNY. These complaints, filed on behalf of purchasers of Credit Suisse shares, additional tier 1 capital notes, and other securities in 2023, allege that defendants made misleading statements regarding: (i) customer outflows in late 2022; (ii) the adequacy of Credit Suisse's financial reporting controls; and (iii) the adequacy of Credit Suisse's risk management processes, and include allegations relating to Credit Suisse Group AG's merger with UBS Group AG. Many of the actions have been consolidated, and a motion to dismiss has been filed and remains pending. One additional action, filed in October 2023, has been stayed pending a determination on whether it should be consolidated with the earlier actions.

Credit Suisse has received requests for documents and information from regulatory and governmental agencies in connection with inquiries, investigations and/or actions relating to these matters, as well as for other statements regarding Credit Suisse's financial condition, including from the SEC, the DOJ and FINMA. UBS is cooperating with the authorities in these matters.

14. Merger-related litigation

Certain Credit Suisse Group AG affiliates and certain directors, officers and executives have been named in class action complaints pending in the SDNY. One complaint, brought on behalf of Credit Suisse shareholders, alleges breaches of fiduciary duty under Swiss law and civil RICO claims under US federal law. In February 2024, the court granted defendants' motions to dismiss the civil RICO claims and conditionally dismissed the Swiss law claims pending defendants' acceptance of jurisdiction in Switzerland. In March 2024, having received consents to Swiss jurisdiction from all defendants served with the complaint, the court dismissed the Swiss law claims against those defendants. Additional complaints, brought on behalf of holders of Credit Suisse additional tier 1 capital notes (AT1 noteholders) allege breaches of fiduciary duty under Swiss law, arising from a series of scandals and misconduct, which led to Credit Suisse Group AG's merger with UBS Group AG, causing losses to shareholders and AT1 noteholders. Motions to dismiss these complaints were granted in March 2024 and September 2024 on the basis that Switzerland is the most appropriate forum for litigation. Plaintiff in one of these cases has appealed the dismissal.

Currency translation rates

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

	Closing exchange rate			Average rate ¹				
	As of			For the quarter ended			Year-to-date	
	31.12.24	30.9.24	31.12.23	31.12.24	30.9.24	31.12.23	31.12.24	31.12.23
1 CHF	1.10	1.18	1.19	1.13	1.17	1.13	1.13	1.12
1 EUR	1.04	1.11	1.10	1.06	1.10	1.08	1.08	1.08
1 GBP	1.25	1.34	1.28	1.27	1.31	1.25	1.28	1.25
100 JPY	0.63	0.69	0.71	0.65	0.68	0.68	0.66	0.70

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

Appendix

Alternative performance measures

Alternative performance measures

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

APM label	Calculation	Information content
Cost / income ratio (%)	Calculated as operating expenses divided by total revenues.	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues.
Cost of credit risk (bps)	Calculated as total credit loss expense / (release) (annualized as applicable) 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 as applicable) divided by average invested assets.	This measure provides information about the total revenues of the business in relation to invested assets.
Impaired loan portfolio as a percentage of total loan portfolio, gross (%) – Global Wealth Management, Personal & Corporate Banking	Calculated as impaired loan portfolio divided by total gross loan portfolio.	This measure provides information about the proportion of impaired loan portfolio in the total gross loan portfolio.
Integration-related expenses (USD)	Generally include costs of internal staff and contractors substantially dedicated to integration activities, retention awards, redundancy costs, incremental expenses from the shortening of useful lives of property, equipment and software, and impairment charges relating to these assets. Classification as integration-related expenses does not affect the timing of recognition and measurement of those expenses or the presentation thereof in the income statement. Integration-related expenses incurred by Credit Suisse also included expenses associated with restructuring programs that existed prior to the acquisition.	This measure provides information about expenses that are temporary, incremental and directly related to the integration of Credit Suisse into UBS.

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

APM label	Calculation	Information content
Pre-tax profit growth (underlying) (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as the change in net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by net profit before tax attributable to shareholders from continuing operations of the comparison period. Net profit before tax attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about pre-tax profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.
Recurring net fee income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking	Calculated as the total of fees for services provided on an ongoing basis, such as portfolio management fees, asset-based investment fund fees and custody fees, which are generated on client assets, and administrative fees for accounts.	This measure provides information about the amount of recurring net fee income.
Return on attributed equity¹ (%)	Calculated as annualized business division operating profit before tax divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity.
Return on common equity tier 1 capital¹ (%)	Calculated as annualized net profit attributable to shareholders divided by average common equity tier 1 capital.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital.
Return on equity¹ (%)	Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders.	This measure provides information about the profitability of the business in relation to equity.
Return on leverage ratio denominator, gross¹ (%)	Calculated as annualized total revenues divided by average leverage ratio denominator.	This measure provides information about the revenues of the business in relation to the leverage ratio denominator.
Return on tangible equity¹ (%)	Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders less average goodwill and intangible assets.	This measure provides information about the profitability of the business in relation to tangible equity.
Tangible book value per share (USD)	Calculated as equity attributable to shareholders less goodwill and intangible assets divided by the number of shares outstanding.	This measure provides information about tangible net assets on a per-share basis.
Total book value per share (USD)	Calculated as equity attributable to shareholders divided by the number of shares outstanding.	This measure provides information about net assets on a per-share basis.
Total revenues (underlying) (USD)	Calculated by adjusting total revenues as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses. <ul style="list-style-type: none"> › Refer to the “Group performance” section of this report for more information 	This measure provides information about the amount of total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Transaction-based income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking	Calculated as the total of the non-recurring portion of net fee and commission income, mainly composed of brokerage and transaction-based investment fund fees, and credit card fees, as well as fees for payment and foreign-exchange transactions, together with other net income from financial instruments measured at fair value through profit or loss.	This measure provides information about the amount of the non-recurring portion of net fee and commission income, together with other net income from financial instruments measured at fair value through profit or loss.
Underlying cost / income ratio (%)	Calculated as underlying operating expenses (as defined above) divided by underlying total revenues (as defined above).	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying net profit growth (%)	Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period. Net profit attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.

APM label	Calculation	Information content
Underlying return on attributed equity¹ (%)	Calculated as annualized underlying business division operating profit before tax (as defined above) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying return on common equity tier 1 capital¹ (%)	Calculated as annualized net profit attributable to shareholders divided by average common equity tier 1 capital. Net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying return on tangible equity¹ (%)	Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders less average goodwill and intangible assets. Net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to tangible equity, while excluding items that management believes are not representative of the underlying performance of the businesses.

¹ Profit or loss information for each of the fourth quarter of 2024, the third quarter of 2024 and the fourth quarter of 2023 is based entirely on consolidated data following the acquisition of the Credit Suisse Group and for the purpose of the calculation of return measures has been annualized by multiplying such by four. Profit or loss information for 2024 is based entirely on consolidated data following the acquisition of the Credit Suisse Group. Profit or loss information for 2023 includes seven months (June to December 2023) of post-acquisition consolidated data and five months of UBS Group data only (January to May 2023).

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.

Information related to underlying return on common equity tier 1 (CET1) capital and underlying return on tangible equity (%)

<i>USD m, except where indicated</i>	As of or for the quarter ended			As of or for the year ended	
	31.12.24	30.9.24	31.12.23 ¹	31.12.24	31.12.23 ¹
Underlying operating profit / (loss) before tax	1,768	2,386	592	8,831	3,963
Underlying tax expense / (benefit)	456	619	(329)	2,162	1,194
Net profit / (loss) attributable to non-controlling interests	9	3	1	60	16
Underlying net profit / (loss) attributable to shareholders	1,303	1,763	920	6,609	2,753
Underlying net profit / (loss) attributable to shareholders, annualized	5,211	7,054	3,681	6,609	2,753
Tangible equity	78,192	79,976	78,109	78,192	78,109
Average tangible equity	79,084	78,173	76,956	77,973	67,133
CET1 capital	71,367	74,213	78,002	71,367	78,002
Average CET1 capital	72,790	75,158	77,464	75,666	65,461
Underlying return on tangible equity (%)	6.6	9.0	4.8	8.5	4.1
Underlying return on common equity tier 1 capital (%)	7.2	9.4	4.8	8.7	4.2

¹ Comparative-period information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group third quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information.

Abbreviations frequently used in our financial reports

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

Abbreviations frequently used in our financial reports (continued)

K		R		T	
KRT	Key Risk Taker	RBC	risk-based capital	TBTF	too big to fail
		RbM	risk-based monitoring	TCFD	Task Force on Climate-related Financial Disclosures
L		REIT	real estate investment trust	TIBOR	Tokyo Interbank Offered Rate
LAS	liquidity-adjusted stress	RMBS	residential mortgage-backed securities	TLAC	total loss-absorbing capacity
LCR	liquidity coverage ratio	RniV	risks not in VaR	TTC	through the cycle
LGD	loss given default	RoCET1	return on CET1 capital		
LIBOR	London Interbank Offered Rate	RoU	right-of-use	U	
LLC	limited liability company	rTSR	relative total shareholder return	USD	US dollar
LoD	lines of defense	RWA	risk-weighted assets	V	
LRD	leverage ratio denominator	S		VaR	value-at-risk
LTIP	Long-Term Incentive Plan	SA	standardized approach or société anonyme	VAT	value added tax
LTV	loan-to-value	SA-CCR	standardized approach for counterparty credit risk		
M		SAR	Special Administrative Region of the People's Republic of China		
M&A	mergers and acquisitions	SDG	Sustainable Development Goal		
MRT	Material Risk Taker	SEC	US Securities and Exchange Commission		
N		SFT	securities financing transaction		
NII	net interest income	SI	sustainable investing or sustainable investment		
NSFR	net stable funding ratio	SIBOR	Singapore Interbank Offered Rate		
NYSE	New York Stock Exchange	SICR	significant increase in credit risk		
O		SIX	SIX Swiss Exchange		
OCA	own credit adjustment	SME	small and medium-sized entities		
OCI	other comprehensive income	SMF	Senior Management Function		
OECD	Organisation for Economic Co-operation and Development	SNB	Swiss National Bank		
OTC	over-the-counter	SOR	Singapore Swap Offer Rate		
P		SPPI	solely payments of principal and interest		
PCI	purchased credit impaired	SRB	systemically relevant bank		
PD	probability of default	SRM	specific risk measure		
PIT	point in time	SVaR	stressed value-at-risk		
P&L	profit or loss				
PPA	purchase price allocation				
Q					
QCCP	qualifying central counterparty				

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 Group Annual Report: Published in English, this report provides descriptions of: the Group strategy and performance; the strategy and performance of the business divisions and Group Items; risk, treasury and capital management; corporate governance; the compensation framework, including information about compensation for the Board of Directors and the Group Executive Board members; and financial information, including the financial statements.

“Auszug aus dem Geschäftsbericht”: This publication provides a German translation of selected sections of the UBS Group Annual Report.

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 Group AG Annual Report. However, there is a small amount of additional information in Form 20-F that is not presented elsewhere and is particularly targeted at readers in the US. Readers are encouraged to refer to this additional disclosure. Any document that filed with the SEC is available on the SEC’s website: sec.gov. Refer to ubs.com/investors for more information.

Cautionary statement regarding forward-looking statements | This report contains statements that constitute “forward-looking statements”, including but not limited to management’s outlook for UBS’s financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS’s business and future development and goals or intentions to achieve climate, sustainability and other social objectives. While these forward-looking statements represent UBS’s judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS’s expectations. In particular, the global economy may be negatively affected by shifting political circumstances, including 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 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 2023. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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

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

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

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