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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934**

**Date: November 7, 2023**

**UBS Group AG**

(Registrant's Name)

Bahnhofstrasse 45, 8001 Zurich, Switzerland  
(Address of principal executive office)

**Commission File Number: 1-36764**

**UBS AG**

(Registrant's Name)

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Aeschenvorstadt 1, 4051 Basel, Switzerland  
(Address of principal executive offices)

**Commission File Number: 1-15060**

**Credit Suisse AG**

(Registrant's Name)

Paradeplatz 8, 8001 Zurich, Switzerland  
(Address of principal executive office)

**Commission File Number: 1-33434**

Indicate by check mark whether the registrants file or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F



Form 40-F



This Form 6-K consists of the Third Quarter 2023 Report of UBS Group AG, which appears immediately following this page.

# UBS Group

Third quarter 2023 report



**UBS**

## Corporate calendar UBS Group AG

Publication of the fourth quarter 2023 report:	Tuesday, 6 February 2024
Publication of the Annual Report 2023:	Thursday, 28 March 2024
Publication of the Sustainability Report 2023:	Thursday, 28 March 2024
Annual General Meeting 2024:	Wednesday, 24 April 2024
Publication of the first quarter 2024 report:	Tuesday, 7 May 2024

Publication dates of future quarterly and annual reports and results are made available as part of the corporate calendar of UBS Group AG at [ubs.com/investors](https://ubs.com/investors).

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## Terms used in this report, unless the context requires otherwise

"UBS," "UBS Group," "UBS Group AG consolidated," "Group," "the 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" and "Credit Suisse AG consolidated"	Credit Suisse AG and its consolidated subsidiaries
"Credit Suisse Group" and "Credit Suisse Group AG consolidated"	Pre-acquisition Credit Suisse Group
"Credit Suisse"	Credit Suisse AG and its consolidated subsidiaries, 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
"Credit Suisse Group AG" and "Credit Suisse Group AG standalone"	Credit Suisse Group AG on a standalone basis
"UBS AG standalone"	UBS AG on a standalone basis
"Credit Suisse AG standalone"	Credit Suisse 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 the third quarter of 2023 is presented on a consolidated basis, including Credit Suisse data for three months. The second quarter of 2023 comparative consolidated profit or loss information includes three months of data for UBS and one month (June 2023) for Credit Suisse. Information for the prior-year quarters includes legacy UBS data only. 2023 year-to-date information includes nine months of data for UBS and four months for Credit Suisse. Comparative year-to-date information for 2022 includes UBS only.

Balance sheet information as at 30 September 2023 and 30 June 2023 includes UBS and Credit Suisse consolidated information, prior balance sheet dates reflect legacy UBS information only.

# Our key figures

<i>USD m, except where indicated</i>	As of or for the quarter ended				As of or year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	31.12.22	30.9.22	30.9.23	30.9.22
<b>Group results</b>						
Total revenues	11,695	9,540	8,029	8,236	29,979	26,534
Negative goodwill		28,925			28,925	
Credit loss expense / (release)	306	623	7	(3)	967	22
Operating expenses	11,644	8,486	6,085	5,916	27,340	18,845
Operating profit / (loss) before tax	(255)	29,356	1,937	2,323	30,597	7,667
Net profit / (loss) attributable to shareholders	(785)	28,992	1,653	1,733	29,235	5,977
Diluted earnings per share (USD) <sup>2</sup>	(0.24)	9.02	0.50	0.52	8.95	1.74
<b>Profitability and growth<sup>3,4,5</sup></b>						
Return on equity (%)	(3.7)	161.2	11.7	12.3	54.5	13.7
Return on tangible equity (%)	(4.0)	178.4	13.2	13.9	60.3	15.4
Underlying return on tangible equity (%)	1.1	2.7	12.7	12.1	3.6	12.8
Return on common equity tier 1 capital (%)	(4.0)	185.8	14.7	15.5	62.6	17.8
Underlying return on common equity tier 1 capital (%)	1.1	2.9	14.1	13.5	3.8	14.8
Return on leverage ratio denominator, gross (%)	2.8	2.8	3.2	3.3	3.0	3.4
Cost / income ratio (%) <sup>6</sup>	99.6	88.9	75.8	71.8	91.2	71.0
Underlying cost / income ratio (%) <sup>6</sup>	89.3	83.5	76.4	74.4	85.1	73.9
Effective tax rate (%)	n.m. <sup>7</sup>	1.2	14.5	25.0	4.4	21.7
Net profit growth (%)	n.m.	n.m.	22.6	(24.0)	389.1	(2.2)
<b>Resources<sup>3</sup></b>						
Total assets	1,644,522	1,678,856	1,104,364	1,111,753	1,644,522	1,111,753
Equity attributable to shareholders	84,856	87,116	56,876	55,756	84,856	55,756
Common equity tier 1 capital <sup>8</sup>	78,587	80,258	45,457	44,664	78,587	44,664
Risk-weighted assets <sup>8</sup>	546,491	556,603	319,585	310,615	546,491	310,615
Common equity tier 1 capital ratio (%) <sup>8</sup>	14.4	14.4	14.2	14.4	14.4	14.4
Going concern capital ratio (%) <sup>8</sup>	16.8	16.8	18.2	19.1	16.8	19.1
Total loss-absorbing capacity ratio (%) <sup>8</sup>	35.7	35.2	33.0	33.7	35.7	33.7
Leverage ratio denominator <sup>8</sup>	1,615,817	1,677,877	1,028,461	989,787	1,615,817	989,787
Common equity tier 1 leverage ratio (%) <sup>8</sup>	4.9	4.8	4.4	4.5	4.9	4.5
Liquidity coverage ratio (%) <sup>9</sup>	196.5	175.2	163.7	162.7	196.5	162.7
Net stable funding ratio (%)	120.7	117.6	119.8	120.4	120.7	120.4
<b>Other</b>						
Invested assets (USD bn) <sup>8,10,11</sup>	5,373	5,530	3,981	3,731	5,373	3,731
Personnel (full-time equivalents)	115,981	119,100	72,597	72,009	115,981	72,009
Market capitalization <sup>2,12</sup>	85,768	69,932	65,608	51,694	85,768	51,694
Total book value per share (USD) <sup>2</sup>	26.24	26.99	18.30	17.52	26.24	17.52
Tangible book value per share (USD) <sup>2</sup>	23.94	24.64	16.28	15.57	23.94	15.57

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 this report for more information. 2 Refer to the "Share information and earnings per share" section of this report for more information. 3 Refer to the "Targets, aspirations and capital guidance" section of the Annual Report 2022 for more information about our performance targets. 4 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 5 Profit or loss information for the third quarter of 2023 includes three months of information for UBS and three months of information for Credit Suisse and, for the purpose of the calculation of return measures, has been annualized multiplying such by four. Profit or loss information for the second quarter of 2023 includes three months of information for UBS and one month (June 2023) of information for Credit Suisse and, for the purpose of the calculation of return measures, has been annualized multiplying such by four. Profit or loss information for the first nine months of 2023 includes nine months of information for UBS and four months (June–September 2023) of information for Credit Suisse and, for the purpose of the calculation of return measures, has been annualized by dividing such by three and then multiplying by four for the year-to-date measure. 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 third 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 63 data points in the third quarter of 2023, 64 data points in the second quarter of 2023, 63 data points in the fourth quarter of 2022 and 66 data points in the third quarter of 2022. 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 and Personal & Corporate Banking. Refer to "Note 31 Invested assets and net new money" in the "Consolidated financial statements" section of the Annual Report 2022 for more information. 11 Starting with the second quarter of 2023, invested assets include invested assets from associates in the Asset Management business division, to better reflect the business strategy. Comparative figures have been restated to reflect this change. 12 In the second quarter of 2023, the calculation of market capitalization was amended to reflect total shares issued multiplied by the share price at the end of the period. The calculation was previously based on total shares outstanding multiplied by the share price at the end of the period. Market capitalization has been increased by USD 7.8bn as of 31 December 2022 and by USD 5.0bn as of 30 September 2022 as a result.

# UBS Group

Management report

## Recent developments

### Integration of Credit Suisse

We are executing on our integration plans at pace and we made further progress regarding Non-core and Legacy risk reduction and cost savings.

We aim to substantially complete the integration for the Group by the end of 2026 and to achieve gross cost reductions of over USD 10bn by that time compared with the pre-acquisition 2022 combined cost base of UBS and Credit Suisse. We plan to merge UBS AG with Credit Suisse AG and Credit Suisse (Schweiz) AG with UBS Switzerland AG in 2024 and to transition to a single US intermediate holding company in the first half of 2024. The client migration to a combined platform for UBS Switzerland AG and Credit Suisse (Schweiz) AG is targeted for 2025.

Starting with the third quarter of 2023, we report five business divisions in line with International Financial Reporting Standards (IFRS), reflecting the way we are managing our businesses and engaging with clients: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. We separately report Group Items.

The Non-core and Legacy business division includes positions and businesses not aligned with our strategy and policies. Those consist of the assets and liabilities reported as part of the former Credit Suisse Capital Release Unit in the second quarter of 2023 and certain assets and liabilities of the former Credit Suisse Investment Bank, Wealth Management and Asset Management divisions, as well as of the former Credit Suisse Corporate Center. Also included are the remaining assets and liabilities of UBS's Non-core and Legacy Portfolio, previously reported in Group Functions, and smaller amounts of assets and liabilities of our UBS's business divisions that we have assessed as not strategic in light of the acquisition of the Credit Suisse Group.

Information for the business divisions and Group Items for the second quarter of 2023 has been restated to reflect the effect of the integration of the UBS and Credit Suisse divisions on an IFRS basis from June 2023 onward, as well as the establishment of the Non-core and Legacy business division, and a related reclassification of certain Non-Core and Legacy positions to a fair value accounting basis. Prior-year quarter information reflects the results of UBS Group operations prior to the acquisition of the Credit Suisse Group, presented in line with the new business division structure. As we execute our integration plans, it is expected that allocation methodologies for profit and loss and balance sheet to the business divisions and into Group Items will continue to be reviewed and refined.

As disclosed in the UBS Group second quarter 2023 report, UBS accounted for the acquisition as a business combination under IFRS 3, *Business Combinations*, applying the acquisition method of accounting. After establishing the initial purchase price allocation (PPA) published as in the UBS Group second quarter 2023 report, we are required for the subsequent 12-month period to monitor developments that may suggest that the fair value valuations established as of the acquisition balance sheet date (31 May 2023) could be different.

- › Refer to the “UBS business divisions and Group Items” section of this report for more information
- › Refer to “Note 2 Accounting for the acquisition of the Credit Suisse Group” in the “Consolidated financial statements” section of this report for more information

### Underlying results

In the context of the integration of Credit Suisse, we recognize the importance of describing the performance of our business divisions excluding items of profit or loss that management believes are not representative of the underlying performance. Therefore, in addition to reporting our results in accordance with IFRS, we have added underlying results to our reporting. Underlying results are non-GAAP financial measures as defined by US Securities and Exchange Commission (SEC) regulations and as alternative performance measures in Switzerland and the EU.

Items related to the integration of Credit Suisse that management believes are not representative of our underlying performance include accretion impacts resulting from PPA adjustments related to financial instruments measured at amortized cost, including off-balance sheet positions. They also include integration-related expenses and acquisition-related costs.

- › Refer to “Selected financial information of our business divisions and Group Items” in the “Group performance” section of this report for more information about underlying results
- › Refer to “Alternative performance measures” in the appendix to this report for more information

#### Update to the operational risk risk-weighted asset allocation methodology

In the third quarter of 2023, we updated the methodology that we use to allocate operational risk risk-weighted assets (RWA) to business divisions and Group Items. The revised allocation methodology takes into account the integration of Credit Suisse into the revised business division structure and the establishment and perimeter of Non-core and Legacy, as well as both current operational risk calculation methodologies and anticipated changes to the methodology under Basel III that are expected to become effective in 2025. As some of these drivers remain subject to uncertainty, the methodology and divisional operational risk RWA allocation may undergo further refinement in subsequent financial reporting periods.

- › Refer to “Risk-weighted assets” in the “Capital management” section of this report for more information about operational risk RWA

#### Material weaknesses in the Credit Suisse Group’s internal control over financial reporting as of 31 December 2022 and 31 December 2021

As registrants with the SEC, the UBS Group, UBS AG and Credit Suisse AG are subject to requirements under the Sarbanes–Oxley Act of 2002 with respect to financial reporting. This requires us to perform system and process evaluation and testing of internal controls over financial reporting to enable management to assess the effectiveness of our internal controls. A material weakness is a deficiency or a combination of deficiencies in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of a registrant’s financial statements will not be prevented or detected on a timely basis. Evaluation of the impacts of the material weaknesses identified in Credit Suisse’s internal control over financial reporting will form part of our annual assessment, which will be disclosed as part of our Annual Report 2023.

## Regulatory and legal developments

### Introduction of a public liquidity backstop in Switzerland

In September 2023, the Swiss Federal Council adopted a dispatch and draft legislation on the introduction of a public liquidity backstop (a PLB) for systemically important banks (SIBs). The proposed legislative changes aim to establish the PLB as part of ordinary law in order to enable the Swiss government and the Swiss National Bank (the SNB) to support an SIB domiciled in Switzerland with liquidity in the process of resolution, in line with other financial centers. The introduction of the PLB is intended to increase the confidence of market participants in the ability of SIBs to be successfully recapitalized and remain solvent in a crisis. Furthermore, the draft legislation provides that SIBs will pay the Swiss Confederation an annual fee to mitigate a potential impact on competition and to compensate the Swiss Confederation for its guarantee to the SNB of the PLB, if required.

In addition to the PLB, the proposed legislative changes would enact into ordinary law additional provisions contained in the emergency ordinance of March 2023, including mandated clawback of variable compensation in the event that government support is provided to an SIB.

In a next step, the Swiss Parliament will assess the proposed legislation, and if adopted, legislative changes are expected to come into force by January 2025, at the earliest.

### Findings of the group of experts on banking stability

In September 2023, a group of experts on banking stability, mandated by the Swiss Federal Department of Finance, published a report considering the role of banks and the legal and regulatory framework related to the stability of the Swiss financial center. The report concludes that the Swiss capital regulation is working as intended and that there is no need for a major revision. However, the report sees a need for reforms with regard to banking supervision and proposes that the relevant authorities be granted broader powers. Furthermore, the report suggests improvements regarding liquidity regulations, including a proposal to extend the supply of liquidity in the case of a crisis. The report also suggests that Swiss authorities should make improvements with regard to crisis preparation and management. The Swiss Federal Council will consider the findings of the group of experts in its too-big-to-fail (TBTF) review report to be presented by April 2024.



### Revisions to the Swiss Liquidity Ordinance

In the third quarter of 2023, the Swiss Financial Market Supervisory Authority (FINMA) communicated the liquidity requirements arising from the revisions to the Swiss Liquidity Ordinance, with the aim of strengthening the resilience of SIBs in Switzerland. The impacted legal entities of the UBS Group expect to be compliant with these requirements when they become effective on 1 January 2024.

### Swiss Federal Council consultation to strengthen the Swiss anti-money-laundering framework

In August 2023, the Swiss Federal Council launched a consultation on a bill to strengthen the Swiss anti-money-laundering framework, with the aim of reinforcing the integrity and competitiveness of Switzerland as a financial and business location. The measures aim to comply with the international standards of the Financial Action Task Force (the FATF). Among other matters, key elements of the proposal include the introduction of a non-public register managed by the Federal Department of Justice and Police containing information about the beneficial owners of companies and other legal entities in Switzerland, as well as due diligence requirements for activities with an increased risk of money laundering. The consultation ends in November 2023, and we expect to implement operational controls if the bill is implemented as proposed.

### US banking regulators' changes to the resolution framework and long-term debt requirements

In August 2023, the Federal Reserve Board and the Federal Deposit Insurance Corporation issued joint proposals on long-term debt requirements and resolution planning guidance for large banks. The long-term debt proposal would require certain large bank-holding companies, intermediate holding companies and insured depositories with USD 100bn or more in total assets to maintain a minimum amount of long-term debt, intended to enhance the resilience and resolvability of such organizations. Large banking organizations would also be prohibited from certain activities that could complicate the resolution or would lead to contagion risks. If the proposals are implemented, UBS Bank USA would be subject to the long-term debt requirement, which would be incremental to the requirements already imposed upon its parent organization, UBS Americas Holding LLC. The resolution planning guidance proposed by US banking regulators would cover our US-based entities and calls for certain enhancements in the requirements of the submitted resolution plans.

### Disclosures on cybersecurity incidents and cybersecurity risk management, strategy and governance

In September 2023, the new rules from the SEC to enhance and standardize disclosure requirements related to cybersecurity incidents and cybersecurity risk management, strategy and governance became effective. Among other changes, the rules require foreign private issuers, including UBS Group AG, UBS AG and Credit Suisse AG, to annually report material information regarding their cybersecurity risk management, strategy and governance on Form 20-F. The Form 20-F disclosures will become applicable with annual reports for fiscal years ending on or after 15 December 2023.

## Other developments

### Sale of UBS Hana Asset Management Co., Ltd. in the fourth quarter of 2023

In October 2023, we completed the sale of our 51% stake in UBS Hana Asset Management Co., Ltd. to Hana Securities. We expect to record a pre-tax gain on sale of approximately USD 20m (net of a foreign currency translation loss) in Asset Management in the fourth quarter of 2023.

# Group performance

## Income statement

USD m	For the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22	2Q23	3Q22	30.9.23	30.9.22
Net interest income	2,107	1,707	1,596	23	32	5,202	5,032
Other net income from financial instruments measured at fair value through profit or loss	3,212	2,517	1,796	28	79	8,410	5,641
Net fee and commission income	6,071	5,128	4,481	18	35	15,804	14,608
Other income	305	188	363	62	(16)	563	1,254
<b>Total revenues</b>	<b>11,695</b>	<b>9,540</b>	<b>8,236</b>	<b>23</b>	<b>42</b>	<b>29,979</b>	<b>26,534</b>
<b>Negative goodwill</b>		28,925				28,925	
<b>Credit loss expense / (release)</b>	<b>306</b>	623	(3)	(51)		967	22
Personnel expenses	7,571	5,651	4,216	34	80	17,842	13,559
General and administrative expenses	3,124	1,968	1,192	59	162	7,157	3,769
Depreciation, amortization and impairment of non-financial assets	950	866	508	10	87	2,341	1,517
<b>Operating expenses</b>	<b>11,644</b>	<b>8,486</b>	<b>5,916</b>	<b>37</b>	<b>97</b>	<b>27,340</b>	<b>18,845</b>
<b>Operating profit / (loss) before tax</b>	<b>(255)</b>	<b>29,356</b>	<b>2,323</b>			<b>30,597</b>	<b>7,667</b>
Tax expense / (benefit)	526	361	580	46	(9)	1,346	1,662
<b>Net profit / (loss)</b>	<b>(781)</b>	<b>28,995</b>	<b>1,742</b>			<b>29,251</b>	<b>6,005</b>
Net profit / (loss) attributable to non-controlling interests	4	3	9	23	(57)	15	28
<b>Net profit / (loss) attributable to shareholders</b>	<b>(785)</b>	<b>28,992</b>	<b>1,733</b>			<b>29,235</b>	<b>5,977</b>

## Comprehensive income

Total comprehensive income	(2,692)	28,128	(48)			27,269	960
Total comprehensive income attributable to non-controlling interests	(8)	(2)	(8)	382	(1)	4	1
<b>Total comprehensive income attributable to shareholders</b>	<b>(2,684)</b>	<b>28,130</b>	<b>(40)</b>			<b>27,266</b>	<b>959</b>

<sup>1</sup> 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 this report for more information.

## Selected financial information of our business divisions and Group Items

	For the quarter ended 30.9.23							
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>1</sup>	Group Items <sup>1</sup>		Total
Total revenues as reported	5,810	2,871	755	2,151	350	(242)		11,695
<i>of which: accretion of PPA adjustments on financial instruments and other effects</i>	318	446		251		(57)		958
Total revenues (underlying)	5,492	2,426	755	1,900	350	(186)		10,737
Credit loss expense / (release)	2	168	0	4	125	6		306
Operating expenses as reported	4,801	1,579	724	2,377	2,156	7		11,644
<i>of which: integration-related expenses</i>	431	166	125	365	918	(2)		2,003
<i>of which: acquisition-related costs</i>						26		26
<i>of which: amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group</i>		28						28
Operating expenses (underlying)	4,370	1,385	599	2,012	1,238	(17)		9,587
<b>Operating profit / (loss) before tax as reported</b>	<b>1,007</b>	<b>1,124</b>	<b>31</b>	<b>(230)</b>	<b>(1,932)</b>	<b>(255)</b>		<b>(255)</b>
<b>Operating profit / (loss) before tax (underlying)</b>	<b>1,119</b>	<b>872</b>	<b>156</b>	<b>(116)</b>	<b>(1,014)</b>	<b>(174)</b>		<b>844</b>

	For the quarter ended 30.6.23 restated <sup>2</sup>							
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>1</sup>	Group Items <sup>1</sup>	Negative goodwill	Total
Total revenues as reported	5,144	1,856	577	2,022	207	(265)		9,540
<i>of which: accretion of PPA adjustments on financial instruments and other effects</i>	117	153		55		53		378
Total revenues (underlying)	5,026	1,704	577	1,967	207	(318)		9,162
Negative goodwill							28,925	28,925
Credit loss expense / (release)	136	234	1	132	119	2		623
Operating expenses as reported	4,022	985	498	2,013	566	401		8,486
<i>of which: integration-related expenses</i>	67	30	14	161	105	348		724
<i>of which: acquisition-related costs</i>						106		106
<i>of which: amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group</i>		8						8
Operating expenses (underlying)	3,956	947	484	1,852	461	(52)		7,648
<b>Operating profit / (loss) before tax as reported</b>	<b>986</b>	<b>637</b>	<b>77</b>	<b>(123)</b>	<b>(478)</b>	<b>(668)</b>	<b>28,925</b>	<b>29,356</b>
<b>Operating profit / (loss) before tax (underlying)</b>	<b>935</b>	<b>523</b>	<b>91</b>	<b>(16)</b>	<b>(373)</b>	<b>(268)</b>		<b>891</b>

	For the quarter ended 30.9.22							
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>1</sup>	Group Items <sup>1</sup>		Total
Total revenues as reported	4,786	1,028	516	2,032	77	(203)		8,236
<i>of which: gains from sales of subsidiary and business</i>	219							219
<i>of which: litigation settlement</i>					62			62
Total revenues (underlying)	4,567	1,028	516	2,032	15	(203)		7,955
Credit loss expense / (release)	7	(15)	0	4	0	0		(3)
Operating expenses as reported	3,326	602	376	1,581	25	7		5,916
<b>Operating profit / (loss) before tax as reported</b>	<b>1,453</b>	<b>442</b>	<b>140</b>	<b>447</b>	<b>52</b>	<b>(210)</b>		<b>2,323</b>
<b>Operating profit / (loss) before tax (underlying)</b>	<b>1,234</b>	<b>442</b>	<b>140</b>	<b>447</b>	<b>(10)</b>	<b>(210)</b>		<b>2,042</b>

<sup>1</sup> Starting with the third quarter of 2023, Non-core and Legacy (previously reported within Group Functions) represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been restated to reflect these changes. <sup>2</sup> Comparative-period information has been restated. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information.

## Selected financial information of our business divisions and Group Items

USD m	Year-to-date 30.9.23							Total
	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>1</sup>	Group Items <sup>1</sup>	Negative goodwill	
Total revenues as reported	15,746	6,005	1,834	6,522	579	(707)		29,979
<i>of which: accretion of PPA adjustments on financial instruments and other effects</i>	436	598		306		(3)		1,336
Total revenues (underlying)	15,310	5,407	1,834	6,216	579	(704)		28,643
Negative goodwill							28,925	28,925
Credit loss expense / (release)	154	418	1	142	244	8		967
Operating expenses as reported	12,384	3,227	1,630	6,255	3,421	423		27,340
<i>of which: integration-related expenses</i>	498	195	139	526	1,023	346		2,727
<i>of which: acquisition-related costs</i>						202		202
<i>of which: amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group</i>		36						36
Operating expenses (underlying)	11,886	2,996	1,491	5,729	2,398	(126)		24,375
<b>Operating profit / (loss) before tax as reported</b>	<b>3,208</b>	<b>2,360</b>	<b>203</b>	<b>124</b>	<b>(3,085)</b>	<b>(1,138)</b>	<b>28,925</b>	<b>30,597</b>
<b>Operating profit / (loss) before tax (underlying)</b>	<b>3,270</b>	<b>1,994</b>	<b>342</b>	<b>345</b>	<b>(2,063)</b>	<b>(586)</b>		<b>3,301</b>

USD m	Year-to-date 30.9.22							Total
	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>1</sup>	Group Items <sup>1</sup>	Negative goodwill	
Total revenues as reported	14,367	3,172	2,466	7,034	184	(690)		26,534
<i>of which: net gain from disposal of a joint venture</i>			848					848
<i>of which: gains from sales of subsidiary and business</i>	219							219
<i>of which: losses in the first quarter of 2022 from transactions with Russian counterparties</i>					(93)			(93)
<i>of which: litigation settlement</i>					62			62
Total revenues (underlying)	14,148	3,172	1,619	7,127	122	(690)		25,499
Credit loss expense / (release)	(3)	42	0	(20)	2	0		22
Operating expenses as reported	10,450	1,847	1,193	5,269	84	2		18,845
<b>Operating profit / (loss) before tax as reported</b>	<b>3,919</b>	<b>1,283</b>	<b>1,273</b>	<b>1,785</b>	<b>98</b>	<b>(692)</b>		<b>7,667</b>
<b>Operating profit / (loss) before tax (underlying)</b>	<b>3,700</b>	<b>1,283</b>	<b>426</b>	<b>1,878</b>	<b>36</b>	<b>(692)</b>		<b>6,631</b>

<sup>1</sup> Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been restated to reflect these changes.

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

USD m	For the quarter ended		Year-to-date
	30.9.23	30.6.23	
Global Wealth Management	431	67	498
Personal & Corporate Banking	166	30	195
Asset Management	125	14	139
Investment Bank	365	161	526
Non-core and Legacy <sup>1</sup>	918	105	1,023
Group Items <sup>1</sup>	(2)	348	346
<b>Total net integration-related expenses</b>	<b>2,003</b>	<b>724</b>	<b>2,727</b>
<i>of which: personnel expenses</i>	<i>1,039</i>	<i>360</i>	<i>1,399</i>
<i>of which: general and administrative expenses</i>	<i>860</i>	<i>119</i>	<i>979</i>
<i>of which: depreciation, amortization and impairment of non-financial assets</i>	<i>104</i>	<i>244</i>	<i>349</i>

<sup>1</sup> Starting with the third quarter of 2023, Non-core and Legacy (previously reported within Group Functions) represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been restated to reflect these changes.

## Introduction to underlying results

In addition to reporting our results in accordance with International Financial Reporting Standards (IFRS), we report underlying results that exclude items of profit or loss that are not representative of the underlying performance.

These items include accretion impacts resulting from purchase price allocation (PPA) adjustments on financial instruments measured at amortized cost, including off-balance sheet positions, and other related effects, arising from the acquisition of Credit Suisse. Underlying revenues exclude these aforementioned impacts. Accretion impacts resulting from PPA adjustments on financial instruments include accelerated accretion when the related financial instrument is terminated before its contractual maturity.

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

Acquisition costs consist of costs directly attributable to the acquisition of Credit Suisse and mainly include consulting and legal fees.

## Results: 3Q23 vs 3Q22

Operating loss before tax was USD 255m, compared with an operating profit before tax of USD 2,323m, primarily reflecting higher operating expenses and net credit losses of USD 306m, compared with a net credit loss release of USD 3m in the third quarter of 2022, partly offset by an increase in total revenues. Operating expenses increased by USD 5,728m, or 97%, to USD 11,644m, largely due to the consolidation of Credit Suisse expenses of USD 4,861m. The third quarter of 2023 included total integration-related expenses of USD 2,003m. Personnel expenses increased by USD 3,355m, mainly reflecting higher expenses for salaries and variable compensation. General and administrative expenses increased by USD 1,932m, across most categories. Depreciation, amortization and impairment of non-financial assets increased by USD 442m, mainly driven by higher depreciation of internally developed software and leasehold improvements. Total revenues increased by USD 3,459m, or 42%, to USD 11,695m, largely due to the consolidation of Credit Suisse revenues of USD 3,468m, which included accretion impacts resulting from PPA adjustments on financial instruments and other effects of USD 958m. Total combined net interest income and other net income from financial instruments measured at fair value through profit or loss increased by USD 1,928m, mainly attributable to the consolidation of the Credit Suisse Group, which accounted for USD 1,861m of the increase. Net fee and commission income increased by USD 1,590m, mainly attributable to a larger invested assets base, following the acquisition of the Credit Suisse Group, which contributed USD 1,416m of this increase. This was partly offset by a USD 58m decrease in other income.

## Underlying results 3Q23 vs 3Q22

For the purpose of determining underlying results for the third quarter of 2023, we excluded accretion impacts resulting from PPA adjustments on financial instruments and other effects of USD 958m from total revenues, and integration-related expenses of USD 2,003m, amortization from newly recognized intangibles resulting from the acquisition of Credit Suisse of USD 28m and acquisition-related costs of USD 26m from operating expenses.

On an underlying basis, profit before tax decreased by USD 1,198m, or 59%, to USD 844m, reflecting a USD 3,672m increase in underlying operating expenses and net credit losses of USD 306m, compared with a net credit loss release of USD 3m in the third quarter of 2022, partly offset by a USD 2,782m increase in underlying total revenues.

## Total revenues: 3Q23 vs 3Q22

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

Total combined net interest income and other net income from financial instruments measured at fair value through profit or loss increased by USD 1,928m to USD 5,320m, mainly driven by the consolidation of USD 1,861m of Credit Suisse revenues, which included USD 655m of accretion impacts resulting from PPA adjustments on financial instruments and other effects. Excluding Credit Suisse, there were higher revenues in Personal & Corporate Banking, partly offset by the Investment Bank.

Excluding the contribution of Credit Suisse entities, Personal & Corporate Banking increased by USD 294m to USD 923m, largely due to higher net interest income, mainly driven by higher deposit margins, which resulted from rising interest rates, and higher loan revenues, partly offset by lower deposit fees. The prior-year quarter also included a benefit from the Swiss National Bank (SNB) deposit exemption.

Excluding the contribution of Credit Suisse entities, the Investment Bank decreased by USD 217m to USD 1,143m. Derivatives & Solutions decreased by USD 301m, driven by Foreign Exchange, Rates and Equity Derivatives, due to lower levels of both volatility and client activity. This was partly offset by an USD 82m increase in Global Banking, mainly reflecting an improvement in mark-to-market and from higher revenues in Public Capital Markets.

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

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

USD m	For the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22	2Q23	3Q22	30.9.23	30.9.22
Net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	1,046	1,176	1,319	(11)	(21)	3,185	3,992
Net interest income from financial instruments measured at fair value through profit or loss and other	1,061	530	277	100	283	2,017	1,040
Other net income from financial instruments measured at fair value through profit or loss	3,212	2,517	1,796	28	79	8,410	5,641
<b>Total</b>	<b>5,320</b>	<b>4,224</b>	<b>3,392</b>	<b>26</b>	<b>57</b>	<b>13,612</b>	<b>10,673</b>
Global Wealth Management	2,302	1,959	1,634	17	41	6,064	4,624
of which: net interest income	1,946	1,657	1,366	17	43	5,094	3,775
of which: transaction-based income from foreign exchange and other intermediary activity <sup>2</sup>	356	303	268	18	33	970	850
Personal & Corporate Banking	1,957	1,294	629	51	211	4,085	1,934
of which: net interest income	1,742	1,135	502	53	247	3,582	1,559
of which: transaction-based income from foreign exchange and other intermediary activity <sup>2</sup>	216	159	127	36	70	503	376
Asset Management	0	(7)	(3)	(98)	(94)	(13)	(14)
Investment Bank	1,109	1,272	1,360	(13)	(18)	4,041	4,734
Non-core and Legacy <sup>3</sup>	269	96	5	181		383	105
Group Items <sup>3</sup>	(318)	(389)	(234)	(18)	36	(947)	(711)

<sup>1</sup> 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 this report for more information.  
<sup>2</sup> 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. <sup>3</sup> Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been restated to reflect these changes.

#### Net fee and commission income

Net fee and commission income increased by USD 1,590m to USD 6,071m.

Fees for portfolio management and related services increased by USD 833m to USD 3,011m, largely attributable to the acquisition of the Credit Suisse Group, which contributed USD 689m of revenues and drove an increase in invested assets across the UBS Group, as well as gains reflecting positive market performance.

Other fee and commission income increased by USD 588m to USD 1,088m, largely due to the consolidation of Credit Suisse, mainly related to accretion impacts resulting from PPA adjustments on financial instruments and other effects of USD 303m.

Net brokerage fees increased by USD 192m to USD 925m, mainly related to the consolidation of USD 187m attributable to Credit Suisse revenues.

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

## Other income

Other income was USD 305m, compared with USD 363m in the prior-year quarter. The decrease was largely due to the prior-year quarter including gains in Global Wealth Management of USD 133m and USD 86m, respectively, on the sales of our domestic wealth management business in Spain and our wholly owned subsidiary UBS Swiss Financial Advisers AG, as well as a USD 70m gain related to a legacy litigation settlement. This was partly offset by other income from Credit Suisse for the third quarter of 2023 of USD 191m, which included USD 99m relating to income earned from mortgage-servicing rights. The third quarter of 2023 also included a USD 62m increase in income from associates and joint ventures, which included a gain that resulted from a change to the equity method measurement basis for a portion of our investment in SIX Group. UBS Group has a 36% economic equity interest in SIX Group and accounts for its proportionate share of SIX Group's profit or loss.

› Refer to the "Recent developments" section of the UBS Group third quarter 2022 report for more information about the sale of our domestic wealth management business in Spain and the sale of UBS Swiss Financial Advisers AG

## Credit loss expense / release: 3Q23 vs 3Q22

Total net credit loss expenses in the third quarter of 2023 were USD 306m, compared with net credit loss releases of USD 3m in the prior-year quarter.

› Refer to "Note 8 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information

### Credit loss expense / (release)

USD m	Performing positions		Credit-impaired positions		Total
	Stages 1 and 2	Stage 3	Purchased		
<b>For the quarter ended 30.9.23</b>					
Global Wealth Management	(18)	15	6		2
Personal & Corporate Banking	85	60	23		168
Asset Management	0	0	0		0
Investment Bank	(6)	10	0		4
Non-core and Legacy	71	20	34		125
Group Items <sup>1</sup>	5	0	0		6
<b>Total</b>	<b>137</b>	<b>105</b>	<b>63</b>		<b>306</b>
<b>For the quarter ended 30.6.23<sup>2</sup></b>					
Global Wealth Management	121	9	7		136
Personal & Corporate Banking	206	28	0		234
Asset Management	1	0	0		1
Investment Bank	134	(4)	1		132
Non-core and Legacy	74	44	0		119
Group Items <sup>1</sup>	2	0	0		2
<b>Total</b>	<b>537</b>	<b>77</b>	<b>8</b>		<b>623</b>
<b>For the quarter ended 30.9.22</b>					
Global Wealth Management	6	1			7
Personal & Corporate Banking	(6)	(9)			(15)
Asset Management	0	0			0
Investment Bank	4	1			4
Group Items <sup>1</sup>	0	0			0
<b>Total</b>	<b>4</b>	<b>(7)</b>			<b>(3)</b>

<sup>1</sup> Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been restated to reflect these changes.  
<sup>2</sup> Certain prior-period figures as of or for the quarter ended 30 June 2023 have been restated due to effects of measurement period adjustments in relation to the acquisition of the Credit Suisse Group. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" for more information.

## Operating expenses: 3Q23 vs 3Q22

### Operating expenses

USD m	For the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23	30.9.22	2Q23	3Q22	30.9.23	30.9.22
Personnel expenses	7,571	5,651	4,216	34	80	17,842	13,559
of which: salaries and variable compensation	6,428	4,804	3,566	34	80	15,118	11,520
of which: variable compensation – financial advisors <sup>1</sup>	1,150	1,110	1,093	4	5	3,372	3,436
General and administrative expenses	3,124	1,968	1,192	59	162	7,157	3,769
of which: net expenses for litigation, regulatory and similar matters	12	69	21	(83)	(44)	802	298
of which: other general and administrative expenses	3,112	1,899	1,171	64	166	6,355	3,471
Depreciation, amortization and impairment of non-financial assets	950	866	508	10	87	2,341	1,517
<b>Total operating expenses</b>	<b>11,644</b>	<b>8,486</b>	<b>5,916</b>	<b>37</b>	<b>97</b>	<b>27,340</b>	<b>18,845</b>

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

### Personnel expenses

Personnel expenses increased by USD 3,355m to USD 7,571m, mainly reflecting higher salaries and variable compensation, which increased overall by USD 2,862m. This increase was largely due to the consolidation of Credit Suisse expenses of USD 2,897m and included integration-related expenses of USD 1,039m relating to awards granted to employees to support retention and operational stability, severance expenses, and the alignment of Credit Suisse processes to the UBS variable compensation framework. Excluding the aforementioned effects, salaries and variable compensation increased due to salary adjustments, higher variable compensation, and foreign currency effects.

- › Refer to “Note 6 Personnel expenses” in the “Consolidated financial statements” section of this report for more information

### General and administrative expenses

General and administrative expenses increased by USD 1,932m to USD 3,124m, largely due to the consolidation of Credit Suisse expenses of USD 1,586m and higher technology costs. The third quarter of 2023 included total integration-related expenses of USD 860m, largely from higher real estate costs and higher consulting fees.

We believe that the industry continues to operate in an environment in which expenses associated with litigation, regulatory and similar matters will remain elevated for the foreseeable future, and we continue to be exposed to a number of significant claims and regulatory matters. The outcome of many of these matters, the timing of a resolution, and the potential effects of resolutions on our future business, financial results or financial condition are extremely difficult to predict.

- › Refer to “Note 7 General and administrative expenses” in the “Consolidated financial statements” section of this report for more information
- › Refer to “Note 15 Provisions and contingent liabilities” in the “Consolidated financial statements” section of this report for more information about litigation, regulatory and similar matters
- › Refer to “Regulatory and legal developments” in the Annual Report 2022 and “Risks relating to UBS” filed on Form 6-K together with the UBS Group second quarter 2023 report for more information

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

Depreciation, amortization and impairment of non-financial assets increased by USD 442m to USD 950m, largely due to the consolidation of Credit Suisse expenses of USD 378m, and included total integration-related expenses of USD 104m. Excluding Credit Suisse, depreciation increased, due to higher depreciation of internally developed software, reflecting a higher level of capitalized costs, as well as higher costs in respect of leasehold improvements.

### Tax: 3Q23 vs 3Q22

Income tax expenses were USD 526m for the third quarter of 2023, compared with USD 580m for the prior-year quarter. Current tax expenses were USD 643m, compared with USD 368m, and related to the taxable profits of UBS Switzerland AG and other entities. There was a net deferred tax benefit of USD 116m, compared with an expense of USD 213m in the prior-year quarter. This included a benefit of USD 133m that resulted from the recognition of deferred tax assets (DTAs) for tax credits carried forward in relation to US corporate alternative minimum tax and a benefit of USD 89m in respect of an increase in the expected value of future tax deductions for deferred compensation awards, due to an increase in the Group’s share price during the quarter. These benefits were partly offset by expenses of USD 106m that primarily relate to the amortization of DTAs previously recognized in relation to tax losses carried forward and deductible temporary differences of UBS Americas Inc.

Although the Group had a net pre-tax loss for the quarter, it has a tax expense because that loss included operating losses of certain entities, reflecting integration-related expenses and restructuring costs, that did not result in any tax benefits because they cannot be offset with profits of other entities in the Group, and they did not result in any DTA recognition. The Group’s tax expense for the fourth quarter of 2023 may be similarly impacted if further such operating losses are incurred, and it may also be affected by remeasurements of DTAs connected with business planning or that result from material changes to jurisdictional statutory tax rates.



## Total comprehensive income attributable to shareholders

In the third quarter of 2023, total comprehensive income attributable to shareholders was negative USD 2,684m, reflecting a net loss of USD 785m and other comprehensive income (OCI), net of tax, of negative USD 1,899m.

OCI related to own credit on financial liabilities designated at fair value was negative USD 686m, primarily due to a tightening of our own credit spreads.

Foreign currency translation OCI was negative USD 615m, mainly resulting from a weakening of the Swiss franc and the euro against the US dollar.

OCI related to cash flow hedges was negative USD 526m, mainly reflecting net unrealized losses on US dollar hedging derivatives resulting from increases in the relevant US dollar long-term interest rates.

- › Refer to “Statement of comprehensive income” in the “Consolidated financial statements” section of this report for more information
- › Refer to “Reconciliation of IFRS equity to Swiss SRB common equity tier 1 capital” in the “Capital management” section of this report for more information about the effects of OCI on common equity tier 1 capital
- › Refer to “Note 20 Fair value measurement” in the “Consolidated financial statements” section of the Annual Report 2022 for more information about own credit on financial liabilities designated at fair value

## Sensitivity to interest rate movements

As of 30 September 2023, 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 1.6bn in the first year after such a shift. Of this increase, approximately USD 0.8bn, USD 0.4bn and USD 0.1bn would result from changes in Swiss franc, US dollar and euro interest rates, respectively. A parallel shift in yield curves by –100 basis points could lead to a combined decrease in annual net interest income of approximately USD 1.5bn in the first year after such a shift, showing similar currency contributions as for the aforementioned increase in rates.

These estimates are based on a hypothetical scenario of an immediate change in interest rates, equal across all currencies and relative to implied forward rates as of 30 September 2023 applied to our banking book. These estimates further assume no change to balance sheet size and product mix, stable foreign exchange rates, and no specific management action. These estimates do not represent a forecast of net interest income variability.

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

## Key figures and personnel

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

### Cost / income ratio: 3Q23 vs 3Q22

The cost / income ratio was 99.6%, compared with 71.8%, mainly reflecting an increase in operating expenses, partly offset by an increase in total revenues. The operating loss incurred by Credit Suisse entities is reflected in the overall increase of the ratio for the UBS Group. On an underlying basis, the cost / income ratio was 89.3%, compared with 74.4%, mainly reflecting an increase in operating expenses on an underlying basis, partly offset by an increase in total revenues on an underlying basis.

### Personnel: 3Q23 vs 2Q23

The number of personnel employed as of 30 September 2023 was 115,981 (full-time equivalents), a net decrease of 3,119 compared with 30 June 2023.

## Equity, CET1 capital and returns

USD m, except where indicated	As of or for the quarter ended			Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22	30.9.23	30.9.22
<b>Net profit</b>					
Net profit / (loss) attributable to shareholders	(785)	28,992	1,733	29,235	5,977
<b>Equity</b>					
Equity attributable to shareholders	84,856	87,116	55,756	84,856	55,756
Less: goodwill and intangible assets	7,462	7,569	6,210	7,462	6,210
Tangible equity attributable to shareholders	77,394	79,547	49,546	77,394	49,546
Less: other CET1 deductions	(1,193)	(710)	4,882	(1,193)	4,882
CET1 capital	78,587	80,258	44,664	78,587	44,664
<b>Returns</b>					
Return on equity (%)	(3.7)	161.2	12.3	54.5	13.7
Return on tangible equity (%)	(4.0)	178.4	13.9	60.3	15.4
Underlying return on tangible equity (%)	1.1	2.7	12.1	3.6	12.8
Return on CET1 capital (%)	(4.0)	185.8	15.5	62.6	17.8
Underlying return on CET1 capital (%)	1.1	2.9	13.5	3.8	14.8

<sup>1</sup> Comparative-period information has been restated. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information.

### Common equity tier 1 capital: 3Q23 vs 2Q23

During the third quarter of 2023, our common equity tier 1 (CET1) capital decreased by USD 1.7bn to USD 78.6bn, mainly reflecting an operating loss before tax of USD 0.3bn, current tax expenses of USD 0.6bn, negative effects from foreign currency translation of USD 0.6bn, dividend accruals of USD 0.5bn and amortization of transitional CET1 PPA adjustments (interest rate and own credit) of USD 0.3bn (net of tax).

### Return on CET1 capital: 3Q23 vs 3Q22

The annualized return on CET1 capital was negative 4.0%, compared with positive 15.5%, driven by a loss attributable to shareholders compared with a profit in the prior-year quarter and the impacts of an increase in average CET1 capital. On an underlying basis, the return on CET1 capital was 1.1%.

### Risk-weighted assets: 3Q23 vs 2Q23

Risk-weighted assets (RWA) decreased by USD 10.1bn to USD 546.5bn, primarily driven by decreases of USD 5.5bn due to currency effects and USD 5.3bn due to asset size and other movements, partly offset by an increase of USD 0.6bn due to model updates.

### Common equity tier 1 capital ratio: 3Q23 vs 2Q23

Our CET1 capital ratio was broadly unchanged at 14.4%, reflecting the aforementioned decrease in CET1 capital, offset by the decrease in RWA.

### Leverage ratio denominator: 3Q23 vs 2Q23

During the third quarter of 2023, the leverage ratio denominator (the LRD) decreased by USD 62.1bn to USD 1,615.8bn, primarily driven by decreases from asset size and other movements of USD 37.1bn and currency effects of USD 24.9bn.

### Common equity tier 1 leverage ratio: 3Q23 vs 2Q23

Our CET1 leverage ratio increased to 4.9% from 4.8%, due to the aforementioned decrease in the LRD, partly offset by the decrease in CET1 capital.

### Going concern leverage ratio: 3Q23 vs 2Q23

Our going concern leverage ratio increased to 5.7% from 5.6%, reflecting the aforementioned decrease in the LRD, partly offset by the decrease in CET1 capital.

## Results 9M23 vs 9M22

Operating profit before tax increased by USD 22,930m to USD 30,597m, primarily reflecting negative goodwill of USD 28,925m, partly offset by an operating loss incurred by Credit Suisse entities of USD 2,765m, and lower operating profit earned excluding Credit Suisse.

Total revenues increased by USD 3,445m, or 13%, to USD 29,979m, including the consolidation of Credit Suisse revenues of USD 4,624m, partly offset by lower year-on-year revenues in non-Credit Suisse entities, across the respective reporting lines discussed below. Total revenues include accretion impacts resulting from PPA adjustments on financial instruments and other effects of USD 1,336m.

Total combined net interest income and other net income from financial instruments measured at fair value through profit or loss increased by USD 2,939m, mainly due to the consolidation of USD 2,410m of Credit Suisse revenues. Excluding Credit Suisse, there were increases of USD 764m in Personal & Corporate Banking and USD 493m in Global Wealth Management, partly offset by a USD 721m decrease in the Investment Bank. The increase in Personal & Corporate Banking primarily reflected the impacts of rising interest rates, and higher loan revenues, partly offset by lower deposit fees and the prior-year period including benefits from the SNB deposit exemption. In addition, revenues were higher in Global Wealth Management, reflecting an increase in deposit margins, driven by higher rates. The decrease in the Investment Bank was due to lower levels of both volatility and client activity, predominantly in Derivatives & Solutions. This decrease was partly offset by an increase in Financing, reflecting increases across all products.

Net fee and commission income increased by USD 1,196m, largely due to higher portfolio management and related services fees, due to the consolidation of USD 1,955m of Credit Suisse revenues, partly offset by the impact of negative market performance on Global Wealth Management and Asset Management revenues, which also had lower investment fund fees due to negative market performance.

Other income decreased by USD 691m and included higher gains recognized on repurchases of UBS's own debt instruments and a higher share of net profits from associates and joint ventures, mainly due to our share of the net profit from the equity ownership of SIX Group. These increases were more than offset by an USD 848m gain in Asset Management from the sale of a joint venture in the prior-year period. In addition, the prior-year period included gains in Global Wealth Management of USD 133m on the sale of our domestic wealth management business in Spain and USD 86m on the sale of UBS Swiss Financial Advisers AG.

Expected credit loss expenses were USD 967m, largely due to the consolidation of Credit Suisse expected credit loss expenses of USD 888m, compared with expenses of USD 22m in the prior-year period.

Operating expenses increased by USD 8,495m, or 45%, to USD 27,340m, largely due to the consolidation of Credit Suisse expenses of USD 6,501m. Included in the overall increase were integration-related expenses of USD 2,727m and acquisition-related costs of USD 202m.

Personnel expenses increased by USD 4,283m, largely due to the consolidation of Credit Suisse expenses of USD 3,985m, and included USD 1,399m of integration-related expenses. On an underlying basis, salaries and variable compensation increased due to salary adjustments, partly offset by lower variable compensation.

General and administrative expenses increased by USD 3,388m, largely due to the consolidation of Credit Suisse expenses of USD 2,037m, and included USD 979m of integration-related expenses and USD 202m in acquisition-related costs. In addition, expenses for litigation, regulatory and similar matters increased, driven by the USD 665m increase in provisions recognized in the first quarter of 2023 related to the US residential mortgage-backed securities litigation matter.

Depreciation, amortization and impairment of non-financial assets increased by USD 824m, primarily due to the consolidation of Credit Suisse expenses of USD 480m, and included USD 349m of integration-related expenses, mainly reflected in an impairment of software projects in progress of USD 206m resulting from a reprioritization of software development activity in the context of the acquisition.

### **Underlying results 9M23 vs 9M22**

Underlying results for the nine-month period ended 30 September 2023 excluded negative goodwill of USD 28,925m, and accretion impacts resulting from PPA adjustments on financial instruments and other effects of USD 1,336m from total revenues. Integration-related expenses of USD 2,727m, acquisition-related costs of USD 202m and amortization from newly recognized intangibles resulting from the acquisition of Credit Suisse of USD 36m were excluded from operating expenses.

On an underlying basis, profit before tax decreased by USD 3,330m, or 50%, to USD 3,301m, reflecting a USD 5,530m increase in underlying operating expenses and net credit loss expenses of USD 967m, compared with USD 22m in the prior-year period, partly offset by a USD 3,145m increase in underlying total revenues.

- › Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information about the negative goodwill recognized

## Outlook

Central banks have paused interest rate increases, but uncertainties remain in terms of the appropriate level of interest rates that will allow inflation to converge to their targets. As a result, the outlook for economic growth, asset valuations and market volatility remains difficult to predict. In addition, the ongoing geopolitical tensions including the conflicts in the Middle East and Ukraine continue to cloud the macroeconomic outlook.

This, in addition to normal seasonality, may affect wealth management and institutional clients' transactional activity in the fourth quarter of 2023. We also expect clients to continue to shift cash holdings from deposits into higher-yielding products, resulting in similar sequential net interest income performance.

As we continue to execute on our strategy, growth and integration plans, our focus remains on offsetting some of these ongoing challenges by helping clients to manage the inherent risks and opportunities, gaining share of wallet and actively winding down our non-core assets and costs.

# UBS business divisions and Group Items

## Management report

Starting with the third quarter of 2023, we report five business divisions in line with International Financial Reporting Standard (IFRS): Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. Group Functions has been renamed Group Items and excludes UBS's former Non-core and Legacy Portfolio and includes certain of the assets and liabilities of the former Credit Suisse Corporate Center.

The Non-core and Legacy business division includes positions and businesses not aligned with our strategy and policies. Those consist of the assets and liabilities reported as part of the former Credit Suisse Capital Release Unit in the second quarter of 2023 and certain assets and liabilities of the former Credit Suisse Investment Bank, Wealth Management and Asset Management divisions, as well as of the former Credit Suisse Corporate Center. Also included are the remaining assets and liabilities of UBS's Non-core and Legacy Portfolio, previously reported in Group Functions, and smaller amounts of assets and liabilities of UBS's business divisions that we have assessed as not strategic in light of the acquisition of the Credit Suisse Group.

Information for the business divisions and Group Items for the second quarter of 2023 has been restated to reflect the effect of the integration of the UBS and Credit Suisse divisions on an IFRS basis from June 2023 onward, as well as the establishment of the Non-core and Legacy business division. The aforementioned transfer of a small amount of assets and liabilities from legacy UBS business divisions into Non-core and Legacy has been applied prospectively, starting with the third quarter of 2023. Information for the third quarter of 2022 represents the results of UBS Group operations prior to the acquisition of the Credit Suisse Group, but is presented in line with the new business division structure. As we execute our integration plans, it is expected that allocation methodologies for profit and loss and balance sheet to the business divisions and into Group Items will continue to be reviewed and refined.

# Global Wealth Management

## Global Wealth Management

USD m, except where indicated	As of or for the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22 <sup>2</sup>	2Q23	3Q22	30.9.23	30.9.22 <sup>2</sup>
<b>Results</b>							
Net interest income	1,946	1,657	1,366	17	43	5,094	3,775
Recurring net fee income <sup>3</sup>	2,886	2,635	2,464	10	17	7,975	7,883
Transaction-based income <sup>3</sup>	959	841	732	14	31	2,642	2,479
Other income	19	12	224	67	(91)	34	229
<b>Total revenues</b>	<b>5,810</b>	<b>5,144</b>	<b>4,786</b>	<b>13</b>	<b>21</b>	<b>15,746</b>	<b>14,367</b>
Credit loss expense / (release)	2	136	7	(98)	(67)	154	(3)
<b>Operating expenses</b>	<b>4,801</b>	<b>4,022</b>	<b>3,326</b>	<b>19</b>	<b>44</b>	<b>12,384</b>	<b>10,450</b>
<b>Business division operating profit / (loss) before tax</b>	<b>1,007</b>	<b>986</b>	<b>1,453</b>	<b>2</b>	<b>(31)</b>	<b>3,208</b>	<b>3,919</b>

### Underlying results

<b>Total revenues as reported</b>	<b>5,810</b>	<b>5,144</b>	<b>4,786</b>	<b>13</b>	<b>21</b>	<b>15,746</b>	<b>14,367</b>
<i>of which: gains from sales of subsidiary and business</i>			<i>219</i>				<i>219</i>
<i>of which: accretion of PPA adjustments on financial instruments</i>	<i>318</i>	<i>117</i>		<i>171</i>		<i>436</i>	
<b>Total revenues (underlying)<sup>3</sup></b>	<b>5,492</b>	<b>5,026</b>	<b>4,567</b>	<b>9</b>	<b>20</b>	<b>15,310</b>	<b>14,148</b>
Credit loss expense / (release)	2	136	7	(98)	(67)	154	(3)
<b>Operating expenses as reported</b>	<b>4,801</b>	<b>4,022</b>	<b>3,326</b>	<b>19</b>	<b>44</b>	<b>12,384</b>	<b>10,450</b>
<i>of which: integration-related expenses<sup>5</sup></i>	<i>431</i>	<i>67</i>		<i>548</i>		<i>498</i>	
<b>Operating expenses (underlying)<sup>3</sup></b>	<b>4,370</b>	<b>3,956</b>	<b>3,326</b>	<b>10</b>	<b>31</b>	<b>11,886</b>	<b>10,450</b>
<i>of which: expenses for litigation, regulatory and similar matters</i>	<i>22</i>	<i>41</i>	<i>18</i>	<i>(47)</i>	<i>22</i>	<i>73</i>	<i>192</i>
<b>Business division operating profit / (loss) before tax as reported</b>	<b>1,007</b>	<b>986</b>	<b>1,453</b>	<b>2</b>	<b>(31)</b>	<b>3,208</b>	<b>3,919</b>
<b>Business division operating profit / (loss) before tax (underlying)<sup>3</sup></b>	<b>1,119</b>	<b>935</b>	<b>1,234</b>	<b>20</b>	<b>(9)</b>	<b>3,270</b>	<b>3,700</b>

### Performance measures and other information

Pre-tax profit growth (year-on-year, %) <sup>3</sup>	(30.7)	(14.8)	(4.2)			(18.2)	(7.1)
Cost / income ratio (%) <sup>3</sup>	82.6	78.2	69.5			78.7	72.7
Average attributed equity (USD bn) <sup>4</sup>	25.0	20.9	20.0	20	25	22.1	19.9
Return on attributed equity (%) <sup>3,4</sup>	16.1	18.9	29.1			19.4	26.2
Financial advisor compensation <sup>5</sup>	1,150	1,110	1,093	4	5	3,372	3,436
Net new money (USD bn) <sup>3</sup>	21.5	13.6	12.8			62.8	31.2
Invested assets (USD bn) <sup>3</sup>	3,617	3,717	2,655	(3)	36	3,617	2,655
Loans, gross (USD bn) <sup>6</sup>	282.9	290.4	221.7	(3)	28	282.9	221.7
Customer deposits (USD bn) <sup>6</sup>	439.9	419.5	336.0	5	31	439.9	336.0
Impaired loan portfolio as a percentage of total loan portfolio, gross (%) <sup>3,7</sup>	0.5	0.4	0.2			0.5	0.2
Advisors (full-time equivalents)	10,278	10,538	9,230	(2)	11	10,278	9,230

### Underlying performance measures

Pre-tax profit growth (year-on-year, %) <sup>3</sup>	(9.2)	(19.2)	(12.9)			(11.6)	(10.2)
Cost / income ratio (%) <sup>3</sup>	79.6	78.7	72.8			77.6	73.9

<sup>1</sup> Information has been restated to reflect the effects of the integration of the Wealth Management (Credit Suisse) division on an IFRS basis. In addition, certain information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information. <sup>2</sup> Information reflects Global Wealth Management as reported in the third quarter of 2022 and the first nine months of 2022, respectively. <sup>3</sup> Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. <sup>4</sup> Refer to "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the Annual Report 2022 for more information about the equity attribution framework. <sup>5</sup> 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. It 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 1,764m as of 30 September 2023. <sup>6</sup> Loans and Customer deposits in this table include customer brokerage receivables and payables, respectively, which are presented in a separate reporting line on the balance sheet. <sup>7</sup> Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures. Excludes loans to financial advisors.

## Results: 3Q23 vs 3Q22

Profit before tax decreased by USD 446m, or 31%, to USD 1,007m, mainly driven by higher operating expenses and due to the third quarter of 2022 including a USD 133m gain from the sale of our domestic wealth management business in Spain and an USD 86m gain from the sale of UBS Swiss Financial Advisers AG. The decrease was also due to the acquisition of the Credit Suisse Group. Excluding USD 318m of accretion of purchase price allocation (PPA) adjustments on financial instruments and integration-related expenses of USD 431m, underlying profit before tax was USD 1,119m.

### Total revenues

Total revenues increased by USD 1,024m, or 21%, to USD 5,810m, mainly due to the consolidation of Credit Suisse revenues, which included USD 318m of accretion of PPA adjustments on financial instruments. The increase was partly offset by lower other income. Excluding accretion effects, underlying total revenues were USD 5,492m.

Net interest income increased by USD 580m, or 43%, to USD 1,946m, largely attributable to the consolidation of Credit Suisse net interest income, which included USD 298m of accretion of PPA adjustments on financial instruments, and the effects of higher deposit margins, resulting from rising interest rates, partly offset by shifts to lower-margin deposit products and lower loan revenues, reflecting lower average loan volumes and margins. Excluding accretion effects, underlying net interest income was USD 1,648m.

Recurring net fee income increased by USD 422m, or 17%, to USD 2,886m, attributable to the consolidation of Credit Suisse recurring net fee income, as well as reflecting positive market performance.

Transaction-based income increased by USD 227m, or 31%, to USD 959m, largely attributable to the consolidation of Credit Suisse transaction-based income, which included USD 20m of accretion of PPA adjustments on financial instruments, as well as higher levels of client activity, particularly in Asia Pacific, Switzerland and EMEA. Excluding accretion effects, underlying transaction-based income was USD 939m.

Other income decreased by USD 205m, or 91%, to USD 19m, largely due to the third quarter of 2022 including the aforementioned gains from the sales of our domestic wealth management business in Spain and UBS Swiss Financial Advisers AG.

#### Credit loss expense / release

Net credit loss expenses were USD 2m, compared with net expenses of USD 7m in the third quarter of 2022.

#### Operating expenses

Operating expenses increased by USD 1,475m, or 44%, to USD 4,801m, largely due to the consolidation of Credit Suisse expenses, integration-related expenses, unfavorable foreign currency effects, higher financial advisor variable compensation and an increase in technology expenses. Excluding integration-related expenses of USD 431m, underlying operating expenses were USD 4,370m.

#### Invested assets: 3Q23 vs 2Q23

Invested assets decreased by USD 100bn, or 3%, to USD 3,617bn, mainly driven by negative market performance of USD 53bn, a reclassification of USD 30bn related to non-strategic relationships, a transfer of USD 5bn to Non-core and Legacy, and unfavorable foreign currency effects of USD 30bn, partly offset by net new money inflows of USD 22bn.

#### Loans: 3Q23 vs 2Q23

Loans decreased by USD 7.5bn to USD 282.9bn, mainly driven by negative net new loans of USD 7.1bn and negative foreign currency effects.

#### Customer deposits: 3Q23 vs 2Q23

Customer deposits increased by USD 20.4bn to USD 439.9bn, mainly driven by net inflows into fixed-term and savings deposit products, partly offset by continued shifts into money market funds and US-government securities, as well as unfavorable foreign currency effects.

#### Results: 9M23 vs 9M22

Profit before tax decreased by USD 711m, or 18%, to USD 3,208m, mainly due to higher operating expenses and the first nine months of 2022 including a USD 133m gain from the sale of our domestic wealth management business in Spain and an USD 86m gain from the sale of UBS Swiss Financial Advisers AG. The decrease was also due to the acquisition of the Credit Suisse Group. Excluding USD 436m of accretion of PPA adjustments on financial instruments and integration-related expenses of USD 498m, underlying profit before tax was USD 3,270m.

Total revenues increased by USD 1,379m, or 10%, to USD 15,746m, largely driven by the consolidation of Credit Suisse revenues, which included the aforementioned USD 436m of accretion of PPA adjustments on financial instruments, and higher net interest income. The increase was partly offset by a decrease in lower recurring net fee, other and transaction-based income. Excluding the aforementioned accretion effects, underlying total revenues were USD 15,310m.

Net interest income increased by USD 1,319m, or 35%, to USD 5,094m, largely attributable to the consolidation of Credit Suisse net interest income, which included USD 412m of accretion of PPA adjustments on financial instruments, with the remaining increase mainly driven by higher deposit margins, resulting from rising interest rates, partly offset by the effects of shifts to lower-margin deposit products, lower average deposit volumes and lower loan revenues, reflecting lower average volumes and margins. Excluding accretion effects, underlying net interest income was USD 4,682m.

Recurring net fee income increased by USD 92m, or 1%, to USD 7,975m, mainly driven by the consolidation of Credit Suisse recurring net fee income, partly offset by negative market performance.

Transaction-based income increased by USD 163m, or 7%, to USD 2,642m, mainly driven by the consolidation of Credit Suisse transaction-based income, which included USD 24m of accretion of PPA adjustments on financial instruments, partly offset by lower levels of client activity, particularly in the Americas and Asia Pacific. Excluding accretion effects, underlying transaction-based income was USD 2,618m.

Other income decreased by USD 195m, or 85%, to USD 34m, largely due to the first nine months of 2022 including the aforementioned gains from the sales of our domestic wealth management business in Spain and of UBS Swiss Financial Advisers AG.

Net credit loss expenses were USD 154m, mainly driven by the consolidation of Credit Suisse net credit loss expenses, compared with net releases of USD 3m in the first nine months of 2022.

Operating expenses increased by USD 1,934m, or 19%, to USD 12,384m, largely due to the consolidation of Credit Suisse expenses, higher technology expenses, integration-related expenses, and unfavorable foreign currency effects. These were partly offset by lower provisions for litigation, regulatory and similar matters, as well as lower financial advisor variable compensation. Excluding integration-related expenses of USD 498m, underlying operating expenses were USD 11,886m.

### Regional breakdown of performance measures

As of or for the quarter ended 30.9.23  
USD bn, except where indicated

	Americas <sup>1</sup>	Switzerland <sup>2</sup>	EMEA <sup>2</sup>	Asia Pacific <sup>2</sup>	Global <sup>3</sup>	Global Wealth Management
Total revenues (USD m)	2,607	873	1,166	833	332	5,810
Operating profit / (loss) before tax (USD m)	307	374	272	160	(106)	1,007
Operating profit / (loss) before tax (underlying) (USD m) <sup>4</sup>	307	374	272	160	7	1,119
Cost / income ratio (%) <sup>4</sup>	88.8	55.6	76.1	81.2	–	82.6
Cost / income ratio (underlying) (%) <sup>4</sup>	88.8	55.6	76.1	81.2	–	79.6
Loans, gross	99.6 <sup>5</sup>	71.8	63.2	47.4	0.8	282.9
Net new loans	(1.7)	(1.0)	(1.8)	(2.6)	0.0	(7.1)
Net new money <sup>4</sup>	0.3	0.9	7.9	13.1	(0.6)	21.5
Net new money growth rate (%) <sup>4</sup>	0.1	0.7	4.1	8.2	–	2.3
Invested assets <sup>4</sup>	1,764	614	623	611	5	3,617
Advisors (full-time equivalents)	6,142	1,002	1,811	1,232	91	10,278

<sup>1</sup> Including the following business units: United States and Canada; and Latin America. <sup>2</sup> In the third quarter of 2023, the invested assets of Global Financial Intermediaries were transferred from EMEA and Asia Pacific to the Switzerland region, to better align it to the management structure. These changes were applied prospectively and had no impact on previous quarters. <sup>3</sup> Includes minor functions, which are not included in the four regions individually presented in this table, and also includes impacts from accretion of purchase price allocation adjustments on financial instruments and integration-related expenses. <sup>4</sup> Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. <sup>5</sup> Loans include customer brokerage receivables, which are presented in a separate reporting line on the balance sheet.



## Regional comments 3Q23 vs 3Q22, except where indicated

### Americas

Profit before tax decreased by USD 231m to USD 307m. Total revenues decreased by USD 53m, or 2%, to USD 2,607m, driven by lower net interest and transaction-based income, partly offset by higher recurring net fee income and the consolidation of Credit Suisse revenues in the third quarter of 2023. The cost / income ratio increased to 88.8% from 79.8%. Loans decreased 2% compared with the second quarter of 2023, to USD 99.6bn, mainly reflecting USD 1.7bn of negative net new loans. Net new money inflows were USD 0.3bn.

### Switzerland

Profit before tax increased by USD 195m to USD 374m. Total revenues increased by USD 445m, or 104%, to USD 873m, driven by the transfer of the Global Financial Intermediaries business to the Switzerland region, as well as the consolidation of Credit Suisse revenues in the third quarter of 2023. The cost / income ratio decreased to 55.6% from 56.6%. Loans increased 10% compared with the second quarter of 2023, to USD 71.8bn, as USD 1.0bn of negative net new loans were offset by the transfer of the Global Financial Intermediaries business to the Switzerland region. Net new money inflows were USD 0.9bn.

### EMEA

Profit before tax decreased by USD 226m to USD 272m. Total revenues increased by USD 94m, or 9%, to USD 1,166m, largely driven by the consolidation of Credit Suisse revenues, partly offset by the aforementioned gains from the sales in the third quarter of 2022 and by the transfer of the Global Financial Intermediaries business to the Switzerland region. The cost / income ratio increased to 76.1% from 53.2%. Loans decreased 13% compared with the second quarter of 2023, to USD 63.2bn, driven by the transfer of the Global Financial Intermediaries business to the Switzerland region, as well as USD 1.8bn of negative net new loans. Net new money inflows were USD 7.9bn.

### Asia Pacific

Profit before tax decreased by USD 77m to USD 160m. Total revenues increased by USD 213m, or 34%, to USD 833m, mainly driven by the consolidation of Credit Suisse revenues and increases in transaction-based income. The cost / income ratio increased to 81.2% from 62.0%. Loans decreased 7% compared with the second quarter of 2023, to USD 47.4bn, mostly reflecting USD 2.6bn of negative net new loans. Net new money inflows were USD 13.1bn.

### Global

Operating loss before tax was USD 106m, mainly including USD 431m of integration-related expenses, partly offset by USD 318m of accretion of PPA adjustments on financial instruments.

# Personal & Corporate Banking

## Personal & Corporate Banking – in Swiss francs

CHF m, except where indicated	As of or for the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22 <sup>2</sup>	2Q23	3Q22	30.9.23	30.9.22 <sup>2</sup>
<b>Results</b>							
Net interest income	1,550	1,020	489	52	217	3,222	1,484
Recurring net fee income <sup>3</sup>	431	287	206	51	109	928	618
Transaction-based income <sup>3</sup>	543	383	285	42	90	1,236	885
Other income	31	(21)	20		56	19	32
<b>Total revenues</b>	<b>2,556</b>	<b>1,669</b>	<b>1,000</b>	<b>53</b>	<b>156</b>	<b>5,404</b>	<b>3,020</b>
Credit loss expense / (release)	154	210	(15)	(27)		378	39
<b>Operating expenses</b>	<b>1,405</b>	<b>886</b>	<b>585</b>	<b>59</b>	<b>140</b>	<b>2,903</b>	<b>1,758</b>
<b>Business division operating profit / (loss) before tax</b>	<b>997</b>	<b>573</b>	<b>430</b>	<b>74</b>	<b>132</b>	<b>2,123</b>	<b>1,222</b>
<b>Underlying results</b>							
<b>Total revenues as reported</b>	<b>2,556</b>	<b>1,669</b>	<b>1,000</b>	<b>53</b>	<b>156</b>	<b>5,404</b>	<b>3,020</b>
<i>of which: accretion of PPA adjustments on financial instruments</i>	<i>397</i>	<i>137</i>		<i>191</i>		<i>534</i>	
<b>Total revenues (underlying)<sup>3</sup></b>	<b>2,159</b>	<b>1,532</b>	<b>1,000</b>	<b>41</b>	<b>116</b>	<b>4,871</b>	<b>3,020</b>
Credit loss expense / (release)	154	210	(15)	(27)		378	39
<b>Operating expenses as reported</b>	<b>1,405</b>	<b>886</b>	<b>585</b>	<b>59</b>	<b>140</b>	<b>2,903</b>	<b>1,758</b>
<i>of which: integration-related expenses<sup>3</sup></i>	<i>148</i>	<i>27</i>		<i>458</i>		<i>174</i>	
<i>of which: amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group</i>	<i>25</i>	<i>8</i>		<i>228</i>		<i>33</i>	
<b>Operating expenses (underlying)<sup>3</sup></b>	<b>1,232</b>	<b>852</b>	<b>585</b>	<b>45</b>	<b>111</b>	<b>2,696</b>	<b>1,758</b>
<i>of which: expenses for litigation, regulatory and similar matters</i>	<i>(9)</i>	<i>0</i>	<i>0</i>			<i>(8)</i>	<i>0</i>
<b>Business division operating profit / (loss) before tax as reported</b>	<b>997</b>	<b>573</b>	<b>430</b>	<b>74</b>	<b>132</b>	<b>2,123</b>	<b>1,222</b>
<b>Business division operating profit / (loss) before tax (underlying)<sup>3</sup></b>	<b>773</b>	<b>471</b>	<b>430</b>	<b>64</b>	<b>80</b>	<b>1,797</b>	<b>1,222</b>
<b>Performance measures and other information</b>							
Pre-tax profit growth (year-on-year, %) <sup>3</sup>	132.0	44.2	(2.0)			73.7	(2.4)
Cost / income ratio (%) <sup>3</sup>	55.0	53.1	58.5			53.7	58.2
Average attributed equity (CHF bn) <sup>4</sup>	18.0	10.8	8.9	67	103	12.6	8.8
Return on attributed equity (%) <sup>3,4</sup>	22.2	21.3	19.4			22.5	18.5
Loans, gross (CHF bn)	288.5	290.7	142.7	(1)	102	288.5	142.7
Customer deposits (CHF bn)	268.9	261.2	162.4	3	66	268.9	162.4
Impaired loan portfolio as a percentage of total loan portfolio, gross (%) <sup>3,5</sup>	0.7	0.6	0.8			0.7	0.8
<b>Underlying performance measures</b>							
Pre-tax profit growth (year-on-year, %) <sup>3</sup>	79.8	18.4	(2.0)			47.0	0.2
Cost / income ratio (%) <sup>3</sup>	57.1	55.6	58.5			55.4	58.2

<sup>1</sup> Information has been restated to reflect the effects of the integration of the Swiss Bank (Credit Suisse) division on an IFRS basis. In addition, certain information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information. <sup>2</sup> Information reflects Personal & Corporate Banking as reported in the third quarter of 2022 and the first nine months of 2022, respectively. <sup>3</sup> Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. <sup>4</sup> Refer to "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the Annual Report 2022 for more information about the equity attribution framework. <sup>5</sup> Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures.

## Results: 3Q23 vs 3Q22

Profit before tax increased by CHF 567m, or 132%, to CHF 997m, mainly due to the acquisition of the Credit Suisse Group. Excluding CHF 397m of accretion of purchase price allocation (PPA) adjustments on financial instruments, integration-related expenses of CHF 148m and CHF 25m of amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group, underlying profit before tax was CHF 773m.

### Total revenues

Total revenues increased by CHF 1,556m, or 156%, to CHF 2,556m, mainly due to the consolidation of Credit Suisse revenues, which included CHF 397m of accretion of PPA adjustments on financial instruments, with the remaining increase largely reflecting increases across all income lines, predominantly in net interest income. Excluding the aforementioned accretion effects, underlying total revenues were CHF 2,159m.

Net interest income increased by CHF 1,061m, or 217%, to CHF 1,550m, largely attributable to the consolidation of Credit Suisse net interest income, which included CHF 361m of accretion of PPA adjustments on financial instruments, with the remaining increase mainly driven by higher deposit margins, which resulted from rising interest rates, and higher loan revenues, partly offset by lower deposit fees. The third quarter of 2022 included a benefit from the Swiss National Bank deposit exemption. Excluding accretion effects, underlying net interest income was CHF 1,189m.

Recurring net fee income increased by CHF 225m, or 109%, to CHF 431m, mainly attributable to the consolidation of Credit Suisse recurring net fee income, with the remaining increase mostly driven by the higher revenues related to custody assets and mandates, reflecting higher average volumes of underlying assets.

Transaction-based income increased by CHF 258m, or 90%, to CHF 543m, largely attributable to the consolidation of Credit Suisse transaction-based income, which included CHF 36m of accretion of PPA adjustments on financial instruments, with the remaining increase mainly driven by higher income from Corporate & Institutional Clients. Excluding accretion effects, underlying transaction-based income was CHF 507m.

Other income increased by CHF 11m, or 56%, to CHF 31m, mostly reflecting a one-time effect of CHF 23m that resulted from a change to the equity method measurement basis for our investment in SIX Group. The increase was partly offset by a decrease attributable to the consolidation of Credit Suisse other income.

#### Credit loss expense / release

Net credit loss expenses were CHF 154m, primarily related to stage 3 positions, compared with net releases of CHF 15m in the third quarter of 2022.

#### Operating expenses

Operating expenses increased by CHF 820m, or 140%, to CHF 1,405m, largely due to the consolidation of Credit Suisse expenses, with the remaining increase mostly reflecting integration-related expenses. Excluding integration-related expenses of CHF 148m and CHF 25m of amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group, underlying operating expenses were CHF 1,232m.

#### Results: 9M23 vs 9M22

Profit before tax increased by CHF 901m, or 74%, to CHF 2,123m, mainly due to the acquisition of the Credit Suisse Group. Excluding CHF 534m of accretion of PPA adjustments on financial instruments, integration-related expenses of CHF 174m and CHF 33m of amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group, underlying profit before tax was CHF 1,797m.

Total revenues increased by CHF 2,384m, or 79%, to CHF 5,404m, mainly due to the consolidation of Credit Suisse revenues, which included CHF 534m of accretion of PPA adjustments on financial instruments, with the remaining increase reflecting increases across all income lines, predominantly in net interest income. Excluding the aforementioned accretion effects, underlying total revenues were CHF 4,871m.

Net interest income increased by CHF 1,738m, or 117%, to CHF 3,222m, largely attributable to the consolidation of Credit Suisse net interest income, which included CHF 484m of accretion of PPA adjustments on financial instruments, with the remaining increase mainly driven by higher deposit margins, which resulted from rising interest rates, and higher loan revenues, partly offset by lower deposit fees. The first nine months of 2022 included a benefit from the Swiss National Bank deposit exemption. Excluding accretion effects, underlying net interest income was CHF 2,738m.

Recurring net fee income increased by CHF 310m, or 50%, to CHF 928m, mainly attributable to the consolidation of Credit Suisse recurring net fee income, with the remaining increase mostly driven by higher revenues from account fees.

Transaction-based income increased by CHF 351m, or 40%, to CHF 1,236m, largely attributable to the consolidation of Credit Suisse transaction-based income, which included CHF 50m of accretion of PPA adjustments on financial instruments, with the remaining increase mainly driven by higher income from Corporate & Institutional Clients. Excluding accretion effects, underlying transaction-based income was CHF 1,186m.

Other income decreased by CHF 13m, or 41%, to CHF 19m, mainly due to a decrease attributable to the consolidation of Credit Suisse other income, partly offset by a one-time effect of CHF 23m that resulted from a change to the equity method measurement basis for our investment in SIX Group.

Net credit loss expenses were CHF 378m, primarily related to first-time adoption of IFRS 9 in Swiss Bank (Credit Suisse), compared with net expenses of CHF 39m in the first nine months of 2022.

Operating expenses increased by CHF 1,145m, or 65%, to CHF 2,903m, largely due to the consolidation of Credit Suisse expenses, with the remaining increase mostly reflecting integration-related expenses, technology expenses and accruals for variable compensation. Excluding integration-related expenses of CHF 174m and CHF 33m of amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group, underlying operating expenses were CHF 2,696m.

### Personal & Corporate Banking – in US dollars

<i>USD m, except where indicated</i>	As of or for the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22 <sup>2</sup>	2Q23	3Q22	30.9.23	30.9.22 <sup>2</sup>
<b>Results</b>							
Net interest income	1,742	1,135	502	53	247	3,582	1,559
Recurring net fee income <sup>3</sup>	485	319	212	52	129	1,030	649
Transaction-based income <sup>3</sup>	611	426	294	43	108	1,373	931
Other income	34	(24)	20		66	20	33
<b>Total revenues</b>	<b>2,871</b>	<b>1,856</b>	<b>1,028</b>	<b>55</b>	<b>179</b>	<b>6,005</b>	<b>3,172</b>
Credit loss expense / (release)	168	234	(15)	(28)		418	42
<b>Operating expenses</b>	<b>1,579</b>	<b>985</b>	<b>602</b>	<b>60</b>	<b>162</b>	<b>3,227</b>	<b>1,847</b>
<b>Business division operating profit / (loss) before tax</b>	<b>1,124</b>	<b>637</b>	<b>442</b>	<b>76</b>	<b>155</b>	<b>2,360</b>	<b>1,283</b>
<b>Underlying results</b>							
<b>Total revenues as reported</b>	<b>2,871</b>	<b>1,856</b>	<b>1,028</b>	<b>55</b>	<b>179</b>	<b>6,005</b>	<b>3,172</b>
<i>of which: accretion of PPA adjustments on financial instruments</i>	<i>446</i>	<i>153</i>		<i>192</i>		<i>598</i>	
<b>Total revenues (underlying)<sup>3</sup></b>	<b>2,426</b>	<b>1,704</b>	<b>1,028</b>	<b>42</b>	<b>136</b>	<b>5,407</b>	<b>3,172</b>
Credit loss expense / (release)	168	234	(15)	(28)		418	42
<b>Operating expenses as reported</b>	<b>1,579</b>	<b>985</b>	<b>602</b>	<b>60</b>	<b>162</b>	<b>3,227</b>	<b>1,847</b>
<i>of which: integration-related expenses<sup>3</sup></i>	<i>166</i>	<i>30</i>		<i>460</i>		<i>195</i>	
<i>of which: amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group</i>	<i>28</i>	<i>8</i>		<i>229</i>		<i>36</i>	
<b>Operating expenses (underlying)<sup>3</sup></b>	<b>1,385</b>	<b>947</b>	<b>602</b>	<b>46</b>	<b>130</b>	<b>2,996</b>	<b>1,847</b>
<i>of which: expenses for litigation, regulatory and similar matters</i>	<i>(9)</i>	<i>0</i>	<i>0</i>			<i>(9)</i>	<i>0</i>
<b>Business division operating profit / (loss) before tax as reported</b>	<b>1,124</b>	<b>637</b>	<b>442</b>	<b>76</b>	<b>155</b>	<b>2,360</b>	<b>1,283</b>
<b>Business division operating profit / (loss) before tax (underlying)<sup>3</sup></b>	<b>872</b>	<b>523</b>	<b>442</b>	<b>67</b>	<b>97</b>	<b>1,994</b>	<b>1,283</b>
<b>Performance measures and other information</b>							
Pre-tax profit growth (year-on-year, %) <sup>3</sup>	154.5	54.3	(7.6)			84.0	(6.1)
Cost / income ratio (%) <sup>3</sup>	55.0	53.1	58.5			53.7	58.2
Average attributed equity (USD bn) <sup>4</sup>	20.2	12.0	9.2	69	121	14.0	9.3
Return on attributed equity (%) <sup>3,4</sup>	22.2	21.3	19.3			22.5	18.4
Loans, gross (USD bn)	315.0	324.5	144.6	(3)	118	315.0	144.6
Customer deposits (USD bn)	293.6	291.6	164.6	1	78	293.6	164.6
Impaired loan portfolio as a percentage of total loan portfolio, gross (%) <sup>3,5</sup>	0.7	0.6	0.8			0.7	0.8
<b>Underlying performance measures</b>							
Pre-tax profit growth (year-on-year, %) <sup>3</sup>	97.5	26.5	(7.6)			55.4	(3.5)
Cost / income ratio (%) <sup>3</sup>	57.1	55.6	58.5			55.4	58.2

<sup>1</sup> Information has been restated to reflect the effects of the integration of the Swiss Bank (Credit Suisse) division on an IFRS basis. In addition, certain information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information. <sup>2</sup> Information reflects Personal & Corporate Banking as reported in the third quarter of 2022 and the first nine months of 2022, respectively. <sup>3</sup> Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. <sup>4</sup> Refer to "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the Annual Report 2022 for more information about the equity attribution framework. <sup>5</sup> Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures.

# Asset Management

## Asset Management

<i>USD m, except where indicated</i>	As of or for the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22 <sup>2</sup>	2Q23	3Q22	30.9.23	30.9.22 <sup>2</sup>
<b>Results</b>							
Net management fees <sup>3</sup>	737	566	502	30	47	1,782	1,579
Performance fees	18	11	14	65	29	52	40
Net gain from disposal of a joint venture							848
<b>Total revenues</b>	<b>755</b>	<b>577</b>	<b>516</b>	<b>31</b>	<b>46</b>	<b>1,834</b>	<b>2,466</b>
Credit loss expense / (release)	0	1	0			1	0
<b>Operating expenses</b>	<b>724</b>	<b>498</b>	<b>376</b>	<b>45</b>	<b>93</b>	<b>1,630</b>	<b>1,193</b>
<b>Business division operating profit / (loss) before tax</b>	<b>31</b>	<b>77</b>	<b>140</b>	<b>(60)</b>	<b>(78)</b>	<b>203</b>	<b>1,273</b>
<b>Underlying results</b>							
<b>Total revenues as reported</b>	<b>755</b>	<b>577</b>	<b>516</b>	<b>31</b>	<b>46</b>	<b>1,834</b>	<b>2,466</b>
<i>of which: net gain from disposal of a joint venture</i>							848
<b>Total revenues (underlying)<sup>4</sup></b>	<b>755</b>	<b>577</b>	<b>516</b>	<b>31</b>	<b>46</b>	<b>1,834</b>	<b>1,619</b>
Credit loss expense / (release)	0	1	0			1	0
<b>Operating expenses as reported</b>	<b>724</b>	<b>498</b>	<b>376</b>	<b>45</b>	<b>93</b>	<b>1,630</b>	<b>1,193</b>
<i>of which: integration-related expenses<sup>4</sup></i>	<i>125</i>	<i>14</i>		<i>793</i>		<i>139</i>	
<b>Operating expenses (underlying)<sup>4</sup></b>	<b>599</b>	<b>484</b>	<b>376</b>	<b>24</b>	<b>59</b>	<b>1,491</b>	<b>1,193</b>
<i>of which: expenses for litigation, regulatory and similar matters</i>	<i>1</i>	<i>1</i>				<i>2</i>	<i>0</i>
<b>Business division operating profit / (loss) before tax as reported</b>	<b>31</b>	<b>77</b>	<b>140</b>	<b>(60)</b>	<b>(78)</b>	<b>203</b>	<b>1,273</b>
<b>Business division operating profit / (loss) before tax (underlying)<sup>4</sup></b>	<b>156</b>	<b>91</b>	<b>140</b>	<b>71</b>	<b>11</b>	<b>342</b>	<b>426</b>
<b>Performance measures and other information</b>							
Pre-tax profit growth (year-on-year, %) <sup>4</sup>	(77.8)	(91.9)	(34.5)			(84.1)	82.9
Cost / income ratio (%) <sup>4</sup>	95.9	86.4	72.8			88.9	48.4
Average attributed equity (USD bn) <sup>5</sup>	2.3	1.8	1.7	27	37	2.0	1.7
Return on attributed equity (%) <sup>4,5</sup>	5.4	17.0	33.2			13.9	98.1
Gross margin on invested assets (bps) <sup>4,6</sup>	19	17	20			18	30
<b>Underlying performance measures</b>							
Pre-tax profit growth (year-on-year, %) <sup>4</sup>	11.2	(17.8)	(34.5)			(19.7)	(38.8)
Cost / income ratio (%) <sup>4</sup>	79.3	84.0	72.8			81.3	73.7
<b>Information by business line / asset class</b>							
<b>Net new money (USD bn)<sup>4</sup></b>							
Equities	(5.7)	12.1	(0.4)			2.4	(13.2)
Fixed Income	4.6	(0.3)	19.7			23.5	23.6
<i>of which: money market</i>	<i>5.7</i>	<i>(2.8)</i>	<i>16.0</i>			<i>20.9</i>	<i>10.0</i>
Multi-asset & Solutions	(0.5)	0.5	0.0			1.3	5.4
Hedge Fund Businesses	(1.7)	0.0	(1.4)			(2.6)	(1.4)
Real Estate & Private Markets	0.7	2.8	0.0			2.4	(0.4)
<b>Total net new money excluding associates</b>	<b>(2.6)</b>	<b>15.1</b>	<b>17.9</b>			<b>26.9</b>	<b>14.0</b>
<i>of which: net new money excluding money market</i>	<i>(8.3)</i>	<i>18.0</i>	<i>2.0</i>			<i>6.0</i>	<i>4.0</i>
Associates <sup>7</sup>	1.2	0.1	5.7			1.0	9.1
<b>Total net new money<sup>6</sup></b>	<b>(1.5)</b>	<b>15.2</b>	<b>23.6</b>			<b>27.9</b>	<b>23.1</b>
<b>Invested assets (USD bn)<sup>4</sup></b>							
Equities	588	620	411	(5)	43	588	411
Fixed Income	446	448	271	0	65	446	271
<i>of which: money market</i>	<i>146</i>	<i>139</i>	<i>99</i>	<i>5</i>	<i>47</i>	<i>146</i>	<i>99</i>
Multi-asset & Solutions	248	256	149	(3)	67	248	149
Hedge Fund Businesses	58	59	51	(1)	13	58	51
Real Estate & Private Markets	149	157	97	(5)	52	149	97
<b>Total invested assets excluding associates</b>	<b>1,489</b>	<b>1,539</b>	<b>979</b>	<b>(3)</b>	<b>52</b>	<b>1,489</b>	<b>979</b>
<i>of which: passive strategies</i>	<i>642</i>	<i>672</i>	<i>408</i>	<i>(4)</i>	<i>57</i>	<i>642</i>	<i>408</i>
Associates <sup>7</sup>	70	70	25	1	185	70	25
<b>Total invested assets<sup>6,8</sup></b>	<b>1,559</b>	<b>1,609</b>	<b>1,004</b>	<b>(3)</b>	<b>55</b>	<b>1,559</b>	<b>1,004</b>

## Asset Management (continued)

<i>USD m, except where indicated</i>	As of or for the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22 <sup>2</sup>	2Q23	3Q22	30.9.23	30.9.22 <sup>2</sup>
<b>Information by region</b>							
<b>Invested assets (USD bn)<sup>4</sup></b>							
Americas	387	382	271	1	43	387	271
Asia Pacific <sup>6</sup>	225	230	166	(2)	35	225	166
Europe, Middle East and Africa (excluding Switzerland)	328	343	239	(4)	37	328	239
Switzerland	619	654	328	(5)	89	619	328
<b>Total invested assets<sup>6,8</sup></b>	<b>1,559</b>	<b>1,609</b>	<b>1,004</b>	<b>(3)</b>	<b>55</b>	<b>1,559</b>	<b>1,004</b>

### Information by channel

<b>Invested assets (USD bn)<sup>4</sup></b>							
Third-party institutional	899	928	563	(3)	60	899	563
Third-party wholesale	162	174	108	(7)	51	162	108
UBS's wealth management businesses	427	437	309	(2)	38	427	309
Associates <sup>7</sup>	70	70	25	1	185	70	25
<b>Total invested assets<sup>6,8</sup></b>	<b>1,559</b>	<b>1,609</b>	<b>1,004</b>	<b>(3)</b>	<b>55</b>	<b>1,559</b>	<b>1,004</b>

1 Information has been restated to reflect the effects of the integration of the Asset Management (Credit Suisse) division on an IFRS basis. In addition, certain information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information. 2 Information reflects Asset Management as reported in the third quarter of 2022 and the first nine months of 2022, respectively. 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 "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the Annual Report 2022 for more information about the equity attribution framework. 6 Starting with the second quarter of 2023, net new money and invested assets include net new money and invested assets from associates, to better reflect the business strategy. Comparative figures have been restated to reflect this change. 7 The invested assets and net new money amounts reported for associates are prepared in accordance with their local regulatory requirements and practices. 8 Invested assets as of 30 June 2023 have not been restated for the cross-investments of Asset Management (Credit Suisse) and legacy UBS Asset Management.

## Results: 3Q23 vs 3Q22

Profit before tax decreased by USD 109m, or 78%, to USD 31m, mainly due to the acquisition of the Credit Suisse Group. Excluding integration-related expenses of USD 125m, underlying profit before tax was USD 156m.

### Total revenues

Total revenues increased by USD 239m, or 46%, to USD 755m, reflecting the consolidation of Credit Suisse revenues.

Net management fees increased by USD 235m, or 47%, to USD 737m, largely attributable to the consolidation of Credit Suisse net management fees and due to positive market performance and foreign currency effects, partly offset by continued margin compression.

Performance fees increased by USD 4m, or 29%, to USD 18m, mainly attributable to the consolidation of Credit Suisse performance fees and due to an increase in Hedge Fund Businesses, partly offset by a decrease in Real Estate & Private Markets.

### Operating expenses

Operating expenses increased by USD 348m, or 93%, to USD 724m, mainly reflecting the consolidation of Credit Suisse expenses. The increase was also due to integration-related expenses, adverse foreign currency effects, and increases in technology and personnel expenses. Excluding integration-related expenses of USD 125m, underlying operating expenses were USD 599m.

## Invested assets: 3Q23 vs 2Q23

Invested assets decreased by USD 50bn to USD 1,559bn, reflecting negative foreign currency effects of USD 23bn, negative market performance of USD 21bn, negative net new money of USD 1bn and a net-new-money-neutral reduction of USD 4bn due to the elimination of the cross-investments of Asset Management (Credit Suisse) and legacy UBS Asset Management, as UBS policy does not allow for double counting of assets within the same reporting segment.<sup>1</sup> Excluding money market flows and associates, net new money was negative USD 8bn.

## Results: 9M23 vs 9M22

Profit before tax decreased by USD 1,070m, or 84%, to USD 203m, primarily due to the first nine months of 2022 including a gain of USD 848m from the sale of our shareholding in the Mitsubishi Corp.-UBS Realty Inc. joint venture. Excluding that gain and integration-related expenses of USD 139m, underlying profit before tax was USD 342m.

Total revenues decreased by USD 632m, or 26%, to USD 1,834m, primarily due to the first nine months of 2022 including the aforementioned gain of USD 848m. The decrease was partly offset by higher revenues due to the consolidation of Credit Suisse revenues.

Net management fees increased by USD 203m, or 13%, to USD 1,782m, largely attributable to the consolidation of Credit Suisse net management fees, partly offset by negative market performance and continued margin compression.

Performance fees increased by USD 12m, or 30%, to USD 52m, mainly attributable to the consolidation of Credit Suisse performance fees and due to an increase in Real Estate & Private Markets, partly offset by decreases in Hedge Fund Businesses and Equities.

Operating expenses increased by USD 437m, or 37%, to USD 1,630m, mainly reflecting the consolidation of Credit Suisse expenses. The increase was also due to integration-related expenses, adverse foreign currency effects, and increases in technology expenses, general and administrative expenses, and control functions expenses, partly offset by lower personnel expenses. Excluding integration-related expenses of USD 139m, underlying operating expenses were USD 1,491m.

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<sup>1</sup> Invested assets as of 30 June 2023 have not been restated for the cross-investments of Asset Management (Credit Suisse) and legacy UBS Asset Management.

# Investment Bank

## Investment Bank

USD m, except where indicated	As of or for the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22 <sup>2</sup>	2Q23	3Q22	30.9.23	30.9.22 <sup>2</sup>
<b>Results</b>							
Advisory	191	193	136	(1)	40	556	561
Capital Markets	507	285	193	78	163	1,002	695
<b>Global Banking</b>	<b>698</b>	<b>478</b>	<b>329</b>	<b>46</b>	<b>112</b>	<b>1,558</b>	<b>1,256</b>
Execution Services	379	363	376	4	1	1,165	1,271
Derivatives & Solutions	605	648	866	(7)	(30)	2,261	3,124
Financing	468	533	460	(12)	2	1,538	1,384
<b>Global Markets</b>	<b>1,452</b>	<b>1,544</b>	<b>1,702</b>	<b>(6)</b>	<b>(15)</b>	<b>4,964</b>	<b>5,778</b>
<i>of which: Equities</i>	<i>1,080</i>	<i>1,153</i>	<i>1,108</i>	<i>(6)</i>	<i>(3)</i>	<i>3,541</i>	<i>4,087</i>
<i>of which: Foreign Exchange, Rates and Credit</i>	<i>373</i>	<i>391</i>	<i>595</i>	<i>(5)</i>	<i>(37)</i>	<i>1,423</i>	<i>1,692</i>
<b>Total revenues</b>	<b>2,151</b>	<b>2,022</b>	<b>2,032</b>	<b>6</b>	<b>6</b>	<b>6,522</b>	<b>7,034</b>
Credit loss expense / (release)	4	132	4	(97)	(12)	142	(20)
<b>Operating expenses</b>	<b>2,377</b>	<b>2,013</b>	<b>1,581</b>	<b>18</b>	<b>50</b>	<b>6,255</b>	<b>5,269</b>
<b>Business division operating profit / (loss) before tax</b>	<b>(230)</b>	<b>(123)</b>	<b>447</b>	<b>88</b>		<b>124</b>	<b>1,785</b>

## Underlying results

<b>Total revenues as reported</b>	<b>2,151</b>	<b>2,022</b>	<b>2,032</b>	<b>6</b>	<b>6</b>	<b>6,522</b>	<b>7,034</b>
<i>of which: accretion of PPA adjustments on financial instruments</i>	<i>251</i>	<i>55</i>		<i>356</i>		<i>306</i>	
<i>of which: losses in the first quarter of 2022 from transactions with Russian counterparties</i>							<i>(93)</i>
<b>Total revenues (underlying)<sup>3</sup></b>	<b>1,900</b>	<b>1,967</b>	<b>2,032</b>	<b>(3)</b>	<b>(6)</b>	<b>6,216</b>	<b>7,127</b>
Credit loss expense / (release)	4	132	4	(97)	(12)	142	(20)
<b>Operating expenses as reported</b>	<b>2,377</b>	<b>2,013</b>	<b>1,581</b>	<b>18</b>	<b>50</b>	<b>6,255</b>	<b>5,269</b>
<i>of which: integration-related expenses<sup>3</sup></i>	<i>365</i>	<i>161</i>		<i>127</i>		<i>526</i>	
<b>Operating expenses (underlying)<sup>3</sup></b>	<b>2,012</b>	<b>1,852</b>	<b>1,581</b>	<b>9</b>	<b>27</b>	<b>5,729</b>	<b>5,269</b>
<i>of which: expenses for litigation, regulatory and similar matters</i>	<i>0</i>	<i>20</i>	<i>3</i>	<i>(99)</i>	<i>(90)</i>	<i>65</i>	<i>101</i>
<b>Business division operating profit / (loss) before tax as reported</b>	<b>(230)</b>	<b>(123)</b>	<b>447</b>	<b>88</b>		<b>124</b>	<b>1,785</b>
<b>Business division operating profit / (loss) before tax (underlying)<sup>3</sup></b>	<b>(116)</b>	<b>(16)</b>	<b>447</b>	<b>602</b>		<b>345</b>	<b>1,878</b>

## Performance measures and other information

Pre-tax profit growth (year-on-year, %) <sup>3</sup>	(151.5)	(129.9)	(46.6)			(93.0)	(6.9)
Cost / income ratio (%) <sup>3</sup>	110.5	99.6	77.8			95.9	74.9
Average attributed equity (USD bn) <sup>4</sup>	14.7	13.2	12.8	12	15	13.6	13.1
Return on attributed equity (%) <sup>3,4</sup>	(6.2)	(3.7)	14.0			1.2	18.2

## Underlying performance measures

Pre-tax profit growth (year-on-year, %) <sup>3</sup>	(125.9)	(104.0)	(46.6)			(81.7)	(32.4)
Cost / income ratio (%) <sup>3</sup>	105.9	94.1	77.8			92.2	73.9

<sup>1</sup> Information has been restated to reflect the effects of the integration of the Investment Bank (Credit Suisse) division on an IFRS basis. In addition, certain information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information. <sup>2</sup> Information reflects the Investment Bank as reported in the third quarter of 2022 and the first nine months of 2022, respectively. <sup>3</sup> Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. <sup>4</sup> Refer to "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the Annual Report 2022 for more information about the equity attribution framework.



## Results: 3Q23 vs 3Q22

Loss before tax was USD 230m, compared with profit before tax of USD 447m, mainly due to higher operating expenses associated with the acquisition of the Credit Suisse Group, which included integration-related expenses, and due to lower underlying revenues. Excluding USD 251m of accretion of purchase price allocation (PPA) adjustments on financial instruments and integration-related expenses of USD 365m, underlying loss before tax was USD 116m.

### Total revenues

Total revenues increased by USD 119m, or 6%, to USD 2,151m, mainly due to the consolidation of Credit Suisse revenues, which included USD 251m of accretion of PPA adjustments on financial instruments. Underlying total revenues decreased, largely driven by lower Global Markets revenues, partly offset by higher Global Banking revenues. Excluding the aforementioned accretion effects, underlying total revenues were USD 1,900m.

### Global Banking

Global Banking revenues increased by USD 369m, or 112%, to USD 698m, largely attributable to the consolidation of Credit Suisse revenues, which included USD 251m of accretion of PPA adjustments on financial instruments. Excluding accretion effects, underlying Global Banking revenues increased by USD 118m, or 36%. The relevant market fee pool<sup>1,2</sup> decreased 19%.

Advisory revenues increased by USD 55m, or 40%, to USD 191m, mainly due to higher merger and acquisition transaction revenues, which increased by USD 50m, or 41%. The relevant global fee pool<sup>2</sup> decreased 33%.

Capital Markets revenues increased by USD 314m, or 163%, to USD 507m, largely attributable to the consolidation of Credit Suisse revenues, which included USD 251m of accretion of PPA adjustments on financial instruments. Excluding accretion effects, underlying Capital Markets revenues increased by USD 63m, or 33%, mainly due to higher Leveraged Capital Markets revenues, with a USD 45m, or 95%, increase in fees, and prior-year mark-to-market losses of USD 28m, which did not recur. The Leveraged Capital Markets global fee pool<sup>2</sup> increased 17%.

### Global Markets

Global Markets revenues decreased by USD 250m, or 15%, to USD 1,452m, primarily driven by lower Derivatives & Solutions revenues.

Execution Services revenues increased by USD 3m, or 1%, to USD 379m.

Derivatives & Solutions revenues decreased by USD 261m, or 30%, to USD 605m, mostly driven by Foreign Exchange, Rates and Equity Derivatives, due to lower levels of both volatility and client activity.

Financing revenues increased by USD 8m, or 2%, to USD 468m, supported by increased client balances.

### Equities

Global Markets Equities revenues decreased by USD 28m, or 3%, to USD 1,080m, mainly driven by lower Equity Derivatives revenues.

### Foreign Exchange, Rates and Credit

Global Markets Foreign Exchange, Rates and Credit revenues decreased by USD 222m, or 37%, to USD 373m, primarily driven by lower Foreign Exchange and Rates revenues.

### Credit loss expense / release

Net credit loss expenses were largely unchanged.

### Operating expenses

Operating expenses increased by USD 796m, or 50%, to USD 2,377m, largely due to integration-related expenses, the consolidation of Credit Suisse expenses, and higher technology expenses. Excluding integration-related expenses of USD 365m, underlying operating expenses were USD 2,012m.

## Results: 9M23 vs 9M22

Profit before tax decreased by USD 1,661m, or 93%, to USD 124m, mainly due to higher operating expenses associated with the acquisition of the Credit Suisse Group, which included integration-related expenses, and due to lower total revenues. Excluding USD 306m of accretion of PPA adjustments on financial instruments and integration-related expenses of USD 526m, underlying profit before tax was USD 345m.

### Total revenues

Total revenues decreased by USD 512m, or 7%, to USD 6,522m, mainly due to lower Global Markets revenues, partly offset by the consolidation of Credit Suisse revenues, which included USD 306m of accretion of PPA adjustments on financial instruments. Excluding the aforementioned accretion effects, underlying total revenues were USD 6,216m.

### Global Banking

Global Banking revenues increased by USD 302m, or 24%, to USD 1,558m, largely attributable to USD 306m of accretion of PPA adjustments on financial instruments. Excluding accretion effects, underlying revenues were stable.

Advisory revenues decreased by USD 5m, or 1%, to USD 556m.

Capital Markets revenues increased by USD 307m, or 44%, to USD 1,002m, including USD 306m of accretion of PPA adjustments on financial instruments. Underlying revenues were stable.

### Global Markets

Global Markets revenues decreased by USD 814m, or 14%, to USD 4,964m, primarily driven by lower Derivatives & Solutions revenues.

Execution Services revenues decreased by USD 106m, or 8%, to USD 1,165m.

Derivatives & Solutions revenues decreased by USD 863m, or 28%, to USD 2,261m, mostly driven by Equity Derivatives, Foreign Exchange and Rates, due to lower levels of both volatility and client activity.

Financing revenues increased by USD 154m, or 11%, to USD 1,538m, with increases across all products.

### Equities

Global Markets Equities revenues decreased by USD 546m, or 13%, to USD 3,541m, mainly driven by lower Equity Derivatives revenues.

### Foreign Exchange, Rates and Credit

Global Markets Foreign Exchange, Rates and Credit revenues decreased by USD 269m, or 16%, to USD 1,423m, primarily driven by lower Foreign Exchange and Rates revenues.

### Credit loss expense / release

Net credit loss expenses were USD 142m, compared with net releases of USD 20m in the first nine months of 2022.

### Operating expenses

Operating expenses increased by USD 986m, or 19%, to USD 6,255m, largely due to integration-related expenses, the consolidation of Credit Suisse expenses and higher technology expenses. Excluding integration-related expenses of USD 526m, underlying operating expenses were USD 5,729m.

<sup>1</sup> UBS fee-pool-comparable revenues consist of revenues from: merger-and-acquisition-related transactions; Equity Capital Markets, excluding derivatives; Leveraged Capital Markets, excluding the impact of mark-to-market movements on loan portfolios; and Debt Capital Markets, excluding revenues related to debt underwriting of UBS instruments.

<sup>2</sup> Source: Dealogic, as of 29 September 2023.

# Non-core and Legacy

## Non-core and Legacy<sup>1</sup>

USD m	As of or for the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23 <sup>2</sup>	30.9.22 <sup>3</sup>	2Q23	3Q22	30.9.23	30.9.22 <sup>3</sup>
<b>Results</b>							
Total revenues	350	207	77	69	357	579	184
Credit loss expense / (release)	125	119	0			244	2
Operating expenses	2,156	566	25	281		3,421	84
Operating profit / (loss) before tax	(1,932)	(478)	52	304		(3,085)	98

### Underlying results

Total revenues as reported	350	207	77	69	357	579	184
of which: litigation settlement			62				62
Total revenues (underlying) <sup>4</sup>	350	207	15	69		579	122
Credit loss expense / (release)	125	119	0			244	2
Operating expenses as reported	2,156	566	25	281		3,421	84
of which: integration-related expenses <sup>4</sup>	918	105				1,023	
Operating expenses (underlying) <sup>4</sup>	1,238	461	25	169		2,398	84
of which: litigation expenses	(2)	7				670	(1)
Operating profit / (loss) before tax as reported	(1,932)	(478)	52	304		(3,085)	98
Operating profit / (loss) before tax (underlying) <sup>4</sup>	(1,014)	(373)	(10)	172		(2,063)	36

### Performance measures and other information

Average attributed equity <sup>5</sup>	9.0	2.6	1.1	243	749	4.2	1.1
Risk-weighted assets (USD bn)	77.5	83.8	13.1	(8)	490	77.5	13.1
Leverage ratio denominator (USD bn)	156.4	208.7	7.0	(25)		156.4	7.0

<sup>1</sup> Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and includes positions and businesses not aligned with our strategy and policies. Refer to the "Recent developments" section of this report for more information about the composition of the Non-core and Legacy division. <sup>2</sup> Information has been restated to reflect the establishing of the Non-core and Legacy business division. In addition, certain information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information. <sup>3</sup> Information reflects Non-core and Legacy Portfolio as reported in Group Functions in the third quarter of 2022 and the first nine months of 2022, respectively. <sup>4</sup> Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. <sup>5</sup> Refer to "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the Annual Report 2022 for more information about the equity attribution framework.

## Composition of Non-core and Legacy

USD bn	RWA		Total assets		LRD	
	30.9.23	30.6.23	30.9.23	30.6.23	30.9.23	30.6.23
<b>Exposure category</b>						
Equities	4.1	6.0	28.9	32.6	17.9	22.4
Macro	7.9	9.8	64.6	67.8	29.8	36.4
Loans	14.5	16.7	14.0	15.9	17.2	30.0
Securitized products	14.3	14.6	28.2	35.0	29.2	38.1
Credit	3.4	5.4	2.8	5.5	3.9	8.0
High-quality liquid assets			55.3	71.8	53.2	70.8
Operational risk	30.0	30.0				
Other	3.3	1.4	3.2	4.7	5.2	3.0
<b>Total</b>	<b>77.5</b>	<b>83.8</b>	<b>196.9</b>	<b>233.3</b>	<b>156.4</b>	<b>208.7</b>

## Results: 3Q23 vs 3Q22

Loss before tax was USD 1,932m, compared with profit before tax of USD 52m. Excluding integration-related expenses of USD 918m, underlying loss before tax was USD 1,014m.

### Total revenues

Total revenues increased by USD 273m to USD 350m, mainly due to the transfer of assets and liabilities into Non-core and Legacy following the acquisition of the Credit Suisse Group, and included USD 242m releases of markdowns on exited commitments and loans, and mark-to-market gains. In addition, positive carry in our securitized products and credit portfolios was reduced by higher funding costs.

### Credit loss expense / release

Net credit loss expenses were USD 125m, mainly related to incremental provisions that reflected a deterioration in credit risk across the lending book of Non-core and Legacy, compared with net expenses of USD 0m in the third quarter of 2022.

### Operating expenses

Operating expenses were USD 2,156m, compared with USD 25m, mainly due to the acquisition of the Credit Suisse Group, and included integration-related expenses of USD 918m, of which a one-time fee of USD 289m related to an onerous contract provision, and also included real estate impairments and personnel costs. Excluding integration-related expenses, underlying operating expenses were USD 1,238m.

### Risk-weighted assets and leverage ratio denominator: 3Q23 vs 2Q23

Risk-weighted assets decreased by USD 6.4bn, or 8%, to USD 77.5bn, mainly driven by an accelerated roll-off caused by our actions to actively unwind the portfolio, in addition to the natural roll-off. The leverage ratio denominator decreased by USD 52.2bn, or 25%, to USD 156.4bn, driven by business reductions across all asset classes, lower high-quality liquid assets and USD 12bn of reductions due to an accounting update that was implemented prospectively for the leverage ratio denominator.

### Results: 9M23 vs 9M22

Loss before tax was USD 3,085m, compared with profit before tax of USD 98m. Excluding integration-related expenses of USD 1,023m, underlying loss before tax was USD 2,063m.

### Total revenues

Total revenues increased by USD 395m to USD 579m, mainly due to the transfer of assets and liabilities into Non-core and Legacy following the acquisition of the Credit Suisse Group, and included USD 248m releases of markdowns on exited commitments and loans, and mark-to-market gains. In addition, positive carry in our securitized products and credit portfolios was reduced by higher funding costs.

### Credit loss expense / release

Net credit loss expenses were USD 244m, mainly related to incremental provisions that reflect a deterioration in credit risk across the lending book of Non-core and Legacy, compared with net expenses of USD 2m in the first nine months of 2022.

### Operating expenses

Operating expenses were USD 3,421m, compared with USD 84m, and included integration-related expenses of USD 1,023m, of which a one-time fee of USD 289m related to an onerous contract provision, and also included real estate impairments and personnel costs. Excluding integration-related expenses, underlying operating expenses were USD 2,398m.

# Group Items

## Group Items<sup>1</sup>

USD m	As of or for the quarter ended			% change from		Year-to-date	
	30.9.23	30.6.23 <sup>2</sup>	30.9.22 <sup>3</sup>	2Q23	3Q22	30.9.23	30.9.22 <sup>3</sup>
<b>Results</b>							
Total revenues	(242)	(265)	(203)	(9)	19	(707)	(690)
Credit loss expense / (release)	6	2	0			8	0
Operating expenses	7	401	7	(98)	4	423	2
Operating profit / (loss) before tax	(255)	(668)	(210)	(62)	21	(1,138)	(692)
<b>Underlying results</b>							
Total revenues as reported	(242)	(265)	(203)	(9)	19	(707)	(690)
<i>of which: accretion of PPA adjustments on financial instruments</i>	(57)	53				(3)	
Total revenues (underlying) <sup>4</sup>	(186)	(318)	(203)	(42)	(9)	(704)	(690)
Credit loss expense / (release)	6	2	0			8	0
Operating expenses as reported	7	401	7	(98)	4	423	2
<i>of which: integration-related expenses<sup>4</sup></i>	(2)	348				346	
<i>of which: acquisition-related costs</i>	26	106				202	
Operating expenses (underlying) <sup>4</sup>	(17)	(52)	7	(68)		(126)	2
<i>of which: expenses for litigation, regulatory and similar matters</i>	0	0	0			1	5
Operating profit / (loss) before tax as reported	(255)	(668)	(210)	(62)	21	(1,138)	(692)
Operating profit / (loss) before tax (underlying) <sup>4</sup>	(174)	(268)	(210)	(35)	(17)	(586)	(692)

<sup>1</sup> Starting with the third quarter of 2023, Group Items reflects the integration of Group Functions and the Corporate Center (Credit Suisse), and excludes UBS's Non-core and Legacy Portfolio, which was previously reported within Group Functions. <sup>2</sup> Information has been restated to reflect the effects of the integration of the Corporate Center (Credit Suisse) on an IFRS basis and the exclusion of UBS's Non-core and Legacy Portfolio. In addition, certain information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information. <sup>3</sup> Information reflects Group Functions as reported in the third quarter of 2022 and the first nine months of 2022, respectively, excluding Non-core and Legacy Portfolio. <sup>4</sup> Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method.

## Results: 3Q23 vs 3Q22

Loss before tax was USD 255m, compared with a loss of USD 210m, mainly due to the acquisition of the Credit Suisse Group. Excluding USD 57m of accretion of purchase price allocation (PPA) adjustments on financial instruments and acquisition-related costs of USD 26m, underlying loss before tax was USD 174m.

Income from accounting asymmetries, including hedge accounting ineffectiveness, was net positive USD 132m, resulting from the acquisition of the Credit Suisse Group, compared with net negative income of USD 153m. The impacts in the prior-year quarter were driven by mark-to-market effects on portfolio-level economic hedges due to rising interest rates and cross-currency-basis widening.

Income related to centralized Group Treasury risk management was negative USD 107m, compared with positive USD 29m, driven by a combination of increased funding costs of negative USD 82m and a negative impact of USD 53m from the acquisition of the Credit Suisse Group.

In addition, the third quarter of 2023 included a USD 61m increase in funding costs related to deferred tax assets (DTAs).

## Results: 9M23 vs 9M22

Loss before tax was USD 1,138m, compared with a loss of USD 692m, mainly due to the acquisition of the Credit Suisse Group. Excluding USD 3m of accretion of PPA adjustments on financial instruments, integration-related expenses of USD 346m and acquisition-related costs of USD 202m, underlying loss before tax was USD 586m.

This included income from accounting asymmetries, including hedge accounting ineffectiveness, of net positive USD 65m, compared with net negative income of USD 504m. The impacts in the prior-year period were driven by mark-to-market effects on portfolio-level economic hedges due to rising interest rates and cross-currency-basis widening. Income related to centralized Group Treasury risk management was negative USD 204m, compared with negative USD 7m in the first nine months of 2022.

Furthermore, the first nine months of 2023 also included a USD 240m increase in funding costs related to DTAs, partly offset by remeasurement losses in the first nine months of 2022 of USD 46m on properties held for sale.

# 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 Annual Report 2022 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 25bn to USD 1,107bn as of 30 September 2023, driven by a USD 21bn decrease in loans and advances to customers.

Total net credit loss expenses in the third quarter of 2023 were USD 306m, reflecting USD 137m net credit loss expenses related to performing positions and USD 168m related to credit-impaired positions.

- › Refer to the “Balance sheet and off-balance sheet” section of this report for more information about balance sheet movements
- › Refer to the “Group performance” section and “Note 8 Expected credit loss measurement” in the “Consolidated financial statements” section of this report for more information about credit loss expense / release

### Loan underwriting

In the Investment Bank, mandated loan underwriting commitments on a notional basis increased by USD 0.9bn to USD 2.8bn as of 30 September 2023, driven by new deals. In Non-core and Legacy, exposure decreased by USD 2.5bn to USD 1.4bn, mainly due to de-risking via commitment reductions and syndication of remaining legacy positions. As of 30 September 2023, USD 0.1bn and USD 0.9bn of commitments had not yet been distributed as originally planned in the Investment Bank and in Non-core and Legacy, respectively.

Loan underwriting exposures 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 our business divisions and Group Items

30.9.23

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>1</sup>	Group Items <sup>1</sup>	Total
<b>Banking products<sup>2,3</sup></b>							
Gross exposure	386,936	427,406	1,929	93,024	30,363	167,405	1,107,062
of which: loans and advances to customers (on-balance sheet)	277,710	314,973	(1)	16,244	16,792	676	626,394
of which: guarantees and loan commitments (off-balance sheet)	20,382	56,321	57	37,914	6,491	11,792	132,956
<b>Traded products<sup>4,5,6</sup></b>							
Gross exposure	13,364	5,749	0		52,529		71,642
of which: over-the-counter derivatives	9,653	5,185	0		15,631		30,469
of which: securities financing transactions	370	17	0		24,469		24,856
of which: exchange-traded derivatives	3,341	549	0		12,429		16,319
<b>Other credit lines, gross<sup>7</sup></b>	69,094	85,140	0	4,634	5	111	158,986
Total credit-impaired exposure, gross	1,550	2,288	0	357	1,270	118	5,582
of which: stage 3	914	1,848	0	348	278	1	3,387
of which: PCI	636	440	0	9	992	117	2,194
Total allowances and provisions for expected credit losses	409	1,090	1	305	221	18	2,043
of which: stage 1	167	362	1	151	94	15	790
of which: stage 2	97	241	0	73	16	0	427
of which: stage 3	101	476	0	76	71	0	723
of which: PCI	44	11	0	5	40	3	102

30.6.23<sup>8</sup>

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>1</sup>	Group Items <sup>1</sup>	Total
<b>Banking products<sup>3</sup></b>							
Gross exposure	404,697	440,618	1,901	91,534	36,261	156,915	1,131,927
of which: loans and advances to customers (on-balance sheet)	284,898	324,537	(1)	17,306	19,912	425	647,077
of which: guarantees and loan commitments (off-balance sheet)	23,785	57,650	212	36,555	6,698	10,069	134,969
<b>Traded products<sup>4,5,6</sup></b>							
Gross exposure	12,231	4,995	0		49,062		66,287
of which: over-the-counter derivatives	8,749	4,427	0		12,981		26,157
of which: securities financing transactions	361	22	0		25,416		25,799
of which: exchange-traded derivatives	3,120	546	0		10,665		14,331
<b>Other credit lines, gross<sup>7</sup></b>	74,863	88,219	0	5,357	2	115	168,556
Total credit-impaired exposure, gross	1,334	2,088	0	326	1,798	84	5,631
of which: stage 3	785	1,629	0	324	77	1	2,817
of which: PCI	549	459	0	2	1,721	83	2,814
Total allowances and provisions for expected credit losses	363	954	1	303	123	6	1,750
of which: stage 1	211	379	1	184	67	6	848
of which: stage 2	51	145	0	48	0	0	244
of which: stage 3	87	433	0	69	48	0	637
of which: PCI	14	(3)	0	2	8	0	21

1 Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been revised to reflect these changes.  
2 In the third quarter of 2023, a small amount of exposure of pre-integration UBS business divisions was included in Non-core and Legacy, as it was assessed as not strategic in light of the acquisition of the Credit Suisse Group.  
3 IFRS 9 gross exposure including other financial assets at amortized cost, but excluding cash, receivables from securities financing transactions, cash collateral receivables on derivative instruments, financial assets at fair value through other comprehensive income, irrevocable committed prolongation of existing loans and unconditionally revocable committed credit lines, and forward starting reverse repurchase and securities borrowing agreements.  
4 Internal management view of credit risk, which differs in certain respects from IFRS.  
5 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.  
6 Credit Suisse traded products are presented before reflection of the impact of the purchase price allocation performed under IFRS 3, Business Combinations, following the acquisition of the Credit Suisse Group by UBS. The acquisition date adjustment is less than USD 1bn and, if applied, would lead to a reduction in our reported traded products exposure.  
7 Unconditionally revocable committed credit lines.  
8 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 this report for more information.

## Collateralization of Loans and advances to customers<sup>1</sup>

USD m, except where indicated	Global Wealth Management	Personal & Corporate Banking	Global Wealth Management	Personal & Corporate Banking
	30.9.23	30.6.23 <sup>2</sup>	30.9.23	30.6.23 <sup>2</sup>
<b>Secured by collateral</b>	269,969	276,765	274,016	281,446
Residential real estate	75,722	75,848	217,921	223,972
Commercial / industrial real estate	8,302	8,319	41,847	43,228
Cash	35,252	36,612	4,136	4,359
Equity and debt instruments	122,711	129,285	4,759	4,883
Other collateral	27,982	26,700	5,353	5,003
Subject to guarantees	2,211	2,183	7,250	7,594
Uncollateralized and not subject to guarantees	5,531	5,950	33,708	35,497
<b>Total loans and advances to customers, gross</b>	277,710	284,898	314,973	324,538
<b>Allowances</b>	(226)	(284)	(864)	(719)
<b>Total loans and advances to customers, net of allowances</b>	277,485	284,613	314,109	323,819
Collateralized loans and advances to customers in % of total loans and advances to customers, gross (%)	97.2	97.1	87.0	86.7

1 Collateral arrangements generally incorporate a range of collateral, including cash, securities, real estate and other collateral. UBS applies a risk-based approach that generally prioritizes collateral according to its liquidity profile. In the case of loan facilities with funded and unfunded elements, the collateral is first allocated to the funded element. Credit Suisse applies a risk-based approach that generally prioritizes real estate collateral and prioritizes other collateral according to its liquidity profile. In the case of loan facilities with funded and unfunded elements, the collateral is proportionately allocated.  
2 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 this report for more information.



## Market risk

The UBS Group excluding Credit Suisse continued to maintain generally low levels of management value-at-risk (VaR). Average management VaR (1-day, 95% confidence level) increased from USD 13m to USD 17m at the end of the third quarter of 2023, mainly driven by Global Markets in the Investment Bank. There were no new VaR negative backtesting exceptions in the third quarter of 2023. The number of negative backtesting exceptions within the most recent 250-business-day window decreased from one to zero.

Credit Suisse's average management VaR (1-day, 98% confidence level) decreased from USD 32m to USD 27m at the end of the third quarter of 2023 due to continued de-risking and an improved equity risk profile. In the third quarter of 2023, Credit Suisse had one backtesting exception, driven by fair value adjustments to certain positions in the trading inventory as a result of the acquisition by UBS, reflecting purchase price allocation, which does not count against the total exceptions relevant for the capital multiplier.

The FINMA VaR multiplier derived from backtesting exceptions for market risk risk-weighted assets was unchanged compared with the prior quarter, at 3.0, for both the UBS Group excluding Credit Suisse and Credit Suisse.

### Management value-at-risk (1-day, 95% confidence, 5 years of historical data) of UBS Group business divisions and Group Items excluding Credit Suisse components by general market risk type<sup>1</sup>

USD m	Min.	Max.	Period end	Average	Average by risk type				
					Equity	Interest rates	Credit spreads	Foreign exchange	Commodities
Global Wealth Management	1	2	1	1	0	1	2	0	0
Personal & Corporate Banking	0	0	0	0	0	0	0	0	0
Asset Management	0	0	0	0	0	0	0	0	0
Investment Bank	8	23	14	16	12	10	5	2	3
Non-core and Legacy	1	2	1	1	0	1	1	0	0
Group Items	4	6	4	5	1	3	4	1	0
Diversification effect <sup>2,3</sup>			(5)	(5)	(1)	(4)	(4)	(1)	0
<b>Total as of 30.9.23</b>	<b>10</b>	<b>25</b>	<b>15</b>	<b>17</b>	<b>12</b>	<b>11</b>	<b>7</b>	<b>2</b>	<b>3</b>
Total as of 30.6.23	7	20	18	13	8	11	6	2	3

### Management value-at-risk (1-day, 98% confidence, 2 years of historical data) of the Credit Suisse components of the UBS Group business divisions and Group Items by general market risk type<sup>1,4</sup>

USD m	Min.	Max.	Period end	Average	Average by risk type				
					Equity	Interest rates	Credit spreads	Foreign exchange	Commodities
Global Wealth Management	6	12	6	11	1	0	11	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	0	0	0	0	0	0	0	0	0
Non-core and Legacy <sup>5</sup>	18	22	20	20	13	10	14	2	1
Group Items	0	3	0	2	0	2	2	0	0
Diversification effect <sup>2,3</sup>			(4)	(7)	(1)	2	(9)	0	0
<b>Total as of 30.9.23</b>	<b>23</b>	<b>29</b>	<b>23</b>	<b>27</b>	<b>14</b>	<b>14</b>	<b>18</b>	<b>2</b>	<b>1</b>
Total as of 30.6.23	28	37	29	32	14	20	21	2	2

<sup>1</sup> 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 value-at-risk (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. <sup>2</sup> The difference between the sum of the standalone VaR for the business divisions and Group Items and the total VaR. <sup>3</sup> 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. <sup>4</sup> In the second quarter of 2023, Credit Suisse AG consolidated introduced an enhanced approach to measure management value-at-risk for individual risk types. The enhanced approach is applied to each risk type using a collection of risk factors included within the respective risk type only, ignoring the cross-risk effects. This change in the measurement approach for individual risk types particularly affected standalone management VaR for equity risk and foreign exchange risk, with no impact on the total management VaR. <sup>5</sup> Non-core and Legacy management VaR consists of exposures of the previously reported Capital Release Unit (Credit Suisse) and Investment Bank (Credit Suisse).

## Economic value of equity and net interest income sensitivity

The economic value of equity (EVE) sensitivity in the UBS Group banking book to a parallel shift in yield curves of +1 basis point was negative USD 27.8m as of 30 September 2023, compared with negative USD 28.7m as of 30 June 2023. This excludes the sensitivity of USD 2.5m from additional tier 1 (AT1) capital instruments (as per specific FINMA requirements) in contrast to general Basel Committee on Banking Supervision (BCBS) guidance. The exposure in the banking book of the UBS Group decreased during the third quarter of 2023, due to lower demand for long-term loans and mortgages, partially offset by a longer modeled duration assigned to own equity.

The majority of our interest rate risk in the banking book is a reflection of the net asset duration that we run to offset our modeled sensitivity of net USD 23.4m (30 June 2023: USD 23m) assigned to our equity, goodwill and real estate, with the aim of generating a stable net interest income contribution. Of this, USD 17.5m and USD 4.9m are attributable to the US dollar and the Swiss franc portfolios, respectively, (30 June 2023: USD 17m and USD 5.1m, respectively).

In addition to the sensitivity mentioned above, we calculate the six interest rate shock scenarios prescribed by FINMA. The “Parallel up” scenario, assuming all positions were fair valued, was the most severe and would have resulted in a change in EVE of negative USD 5.2bn, or 5.6%, of our tier 1 capital (30 June 2023: negative USD 5.4bn, or 5.8%), which is well below the 15% threshold as per 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 30 September 2023 would have been a decrease of approximately USD 0.9bn, or 0.9% (30 June 2023: USD 0.6bn, or 0.7%), 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.

- › Refer to “Interest rate risk in the banking book” in the “Risk management and control” section of the Annual Report 2022 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

30.9.23								
USD m	Effect on EVE <sup>1</sup> – FINMA						Effect on EVE <sup>1</sup> – BCBS	
	CHF	EUR	GBP	USD	Other	Total	Additional tier 1 (AT1) capital instruments	Total
Scenarios								
+1 bp	(3.1)	(0.6)	0.1	(24.4)	0.2	(27.8)	2.5	(25.2)
Parallel up <sup>2</sup>	(458.9)	(113.1)	12.6	(4,685.4)	18.5	(5,226.3)	475.6	(4,750.7)
Parallel down <sup>2</sup>	463.5	131.4	(19.6)	4,989.0	(16.9)	5,547.5	(525.0)	5,022.4
Steeper <sup>3</sup>	(221.0)	(31.3)	(10.1)	(959.0)	(33.6)	(1,254.9)	(55.4)	(1,310.3)
Flattener <sup>4</sup>	126.5	14.1	12.1	(108.5)	34.9	79.1	161.4	240.5
Short-term up <sup>5</sup>	(51.1)	(21.3)	15.4	(2,047.8)	34.6	(2,070.1)	342.8	(1,727.3)
Short-term down <sup>6</sup>	45.3	23.7	(16.3)	2,172.8	(36.2)	2,189.2	(357.7)	1,831.6

  

30.6.23								
USD m	Effect on EVE <sup>1</sup> – FINMA						Effect on EVE <sup>1</sup> – BCBS	
	CHF	EUR	GBP	USD	Other	Total	Additional tier 1 (AT1) capital instruments	Total
Scenarios								
+1 bp	(4.3)	(0.9)	(0.1)	(23.5)	0.1	(28.7)	2.8	(25.9)
Parallel up <sup>2</sup>	(639.8)	(165.0)	(32.5)	(4,549.6)	2.5	(5,384.4)	535.1	(4,849.2)
Parallel down <sup>2</sup>	646.6	204.1	24.7	4,687.9	(1.1)	5,562.2	(574.6)	4,987.6
Steeper <sup>3</sup>	(125.4)	(24.7)	15.8	(905.9)	(31.7)	(1,071.9)	(55.5)	(1,127.3)
Flattener <sup>4</sup>	3.8	(2.2)	(22.0)	(148.9)	30.2	(139.0)	173.3	34.3
Short-term up <sup>5</sup>	(213.7)	(54.4)	(30.1)	(2,006.1)	25.8	(2,278.6)	376.5	(1,902.1)
Short-term down <sup>6</sup>	209.8	57.5	29.2	2,139.0	(24.8)	2,410.9	(390.4)	2,020.5

<sup>1</sup> Economic value of equity. <sup>2</sup> Rates across all tenors move by ±150 bps for Swiss franc, ±200 bps for euro and US dollar, and ±250 bps for pound sterling. <sup>3</sup> Short-term rates decrease and long-term rates increase. <sup>4</sup> Short-term rates increase and long-term rates decrease. <sup>5</sup> Short-term rates increase more than long-term rates. <sup>6</sup> 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, the escalating conflict in the Middle East and US–China trade relations. Our direct exposure to Israel is less than USD 0.5bn and our direct exposure to Gulf Cooperation Council countries is less than USD 5bn. We have limited direct exposure to Egypt, Jordan and Lebanon, and we have no direct exposure to Iran, Iraq or Syria. Our direct exposure to Russia, Belarus and Ukraine is immaterial, and potential second-order impacts, such as European energy security, continue to be monitored. We have significant country risk exposure to major European economies, including France, Germany and the UK.

Inflation has abated to some extent in major Western economies, though there are still concerns regarding future developments, and central banks’ monetary policy is in the spotlight. The potential for “higher-for-longer” interest rates raises the prospect of a global recession, particularly as the growth of China’s economy has been muted. This combination of factors translates into a more uncertain and volatile environment, which increases the risk of financial market disruptions.

We continue to monitor potential trade policy disputes, as well as economic and political developments in addition to those mentioned above. In 2023, several emerging markets have faced economic, political and market pressures, particularly in light of interest rate hikes and a stronger US dollar. Our exposure to emerging market countries is less than 10% of our total country exposure, mainly in Asia.

› Refer to the “Risk management and control” section of the Annual Report 2022 for more information

## Non-financial risk

UBS is actively managing the non-financial risks emerging from the acquisition of the Credit Suisse Group, including the current operation of dual corporate structures, and the scale, pace and complexity of the required integration activities. These activities continue to be managed by our program run by the Group Integration Office. We place an increased focus on maintaining and enhancing our control environment and continue to cooperate with regulators to submit and execute implementation plans to meet regulatory requirements, including regulatory remediation requirements applicable to Credit Suisse AG. In addition, the Group is closely monitoring operational risk indicators, including attrition, to detect any potential for adverse impacts on the control environment.

There is an increased risk of cyber-related operational disruption to business activities at our locations and / or those of third parties due to operating an enlarged group of entities. This is combined with the increasingly dynamic threat environment, which is intensified by current geopolitical factors and evidenced by the increased volumes and sophistication of cyberattacks against financial institutions globally.

UBS was not affected by significant cyber events in the third quarter of 2023 but, due to the high threat level observed, remains on heightened alert to respond to and mitigate new threats. Given this backdrop, we are continuing to invest in improving our technology infrastructure to enhance our information security and data protection and improve our defense, detection and response capabilities against cyberattacks, including addressing regulatory expectations and advancing overall organizational development. In addition, the Group faces multiple related regulatory deadlines to enhance operational resilience between 2023 and 2026. To that end, a global framework designed to drive enhancements in operational resilience continues to be implemented across all business divisions and jurisdictions, as well as being provided to third parties, including third-party vendors, that are of critical importance to us.

Following a post-incident review of the ION XTP ransomware attack, we are proceeding with improvements to our frameworks for managing third parties that support our important business services and continue with actions to enhance our cyber-risk assessments and controls over third-party vendors.

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

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

Sustainable investing, and major legislation, such as the Consumer Duty Regulation in the United Kingdom, the Swiss Financial Services Act (FIDLEG) in Switzerland, Regulation Best Interest (Reg BI) in the US and the Markets in Financial Instruments Directive II (MiFID II) in the EU, all significantly affect the industry and have required adjustments to control processes.

Cross-border risk remains an area of regulatory attention for global financial institutions, including a focus on market access, such as third-country market access into the European Economic Area, and taxation of US persons. Unintended permanent establishment remains an area of ongoing attention and the risk that tax authorities may, on the basis of new interpretations of existing law, seek to impose taxation. We maintain a series of controls designed to address these risks, and we are increasing the number of controls that are automated.

Financial crime, including money laundering, terrorist financing, sanctions violations, fraud, bribery and corruption, continues to present a major risk, as technological innovation and geopolitical developments increase the complexity of doing business and heightened regulatory attention continues. An effective financial crime prevention program therefore remains essential for UBS. Money laundering and financial fraud techniques are becoming increasingly sophisticated, and geopolitical volatility makes the sanctions landscape more complex, such as the extensive and continuously evolving sanctions arising from the Russia–Ukraine war, which also requires constant attention to prevent circumvention risks.

In the US, the Office of the Comptroller of the Currency (the OCC) issued a Cease and Desist Order against us in May 2018 relating to our US branch anti-money-laundering (AML) and know-your-client (KYC) programs. In response, we initiated an extensive program for the purpose of ensuring sustainable remediation of US-relevant Bank Secrecy Act / AML issues across all our US legal entities. We have introduced significant improvements to the framework and continue to evolve it in response to new and emerging risks.

We continue to focus on strategic enhancements to our global AML, KYC and sanctions programs.

In September 2022, the Securities and Exchange Commission (the SEC) and the Commodity Futures Trading Commission (the CFTC) issued settlement orders relating to communications recordkeeping requirements in our US broker-dealers and our registered swap dealers. In response, we continue to focus on a program to remediate identified shortcomings.

# 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 Annual Report 2022, 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 Credit Suisse AG, and subsidiaries thereof. UBS Group AG, UBS AG and Credit Suisse AG have contributed 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 30 September 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at [ubs.com/investors](https://ubs.com/investors), for more information relating to additional regulatory disclosures for UBS Group AG on a consolidated basis, as well as our significant regulated subsidiaries and sub-groups
- › Refer to the UBS AG third quarter 2023 report, available under "Quarterly reporting" at [ubs.com/investors](https://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

## Swiss SRB going and gone concern requirements and information

As of 30.9.23

USD m, except where indicated

	RWA		LRD	
	in %		in %	
<b>Required going concern capital</b>				
<b>Total going concern capital</b>	14.90 <sup>1</sup>	81,427	5.05 <sup>1</sup>	81,591
<b>Common equity tier 1 capital</b>	10.60	57,928	3.55 <sup>2</sup>	57,354
of which: minimum capital	4.50	24,592	1.50	24,237
of which: buffer capital	5.50	30,057	2.00	32,316
of which: countercyclical buffer	0.45	2,479		
<b>Maximum additional tier 1 capital</b>	4.30	23,499	1.50	24,237
of which: additional tier 1 capital	3.50	19,127	1.50	24,237
of which: additional tier 1 buffer capital	0.80	4,372		
<b>Eligible going concern capital</b>				
<b>Total going concern capital</b>	16.75	91,546	5.67	91,546
<b>Common equity tier 1 capital</b>	14.38	78,587	4.86	78,587
<b>Total loss-absorbing additional tier 1 capital<sup>3</sup></b>	2.37	12,960	0.80	12,960
of which: high-trigger loss-absorbing additional tier 1 capital	2.15	11,764	0.73	11,764
of which: low-trigger loss-absorbing additional tier 1 capital	0.22	1,195	0.07	1,195
<b>Required gone concern capital</b>				
<b>Total gone concern loss-absorbing capacity<sup>4,5,6</sup></b>	10.73	58,611	3.75	60,593
of which: base requirement including add-ons for market share and LRD	10.73 <sup>7</sup>	58,611	3.75 <sup>7</sup>	60,593
<b>Eligible gone concern capital</b>				
<b>Total gone concern loss-absorbing capacity</b>	18.91	103,353	6.40	103,353
<b>Total tier 2 capital</b>	0.10	536	0.03	536
of which: non-Basel III-compliant tier 2 capital	0.10	536	0.03	536
<b>TLAC-eligible senior unsecured debt</b>	18.81	102,817	6.36	102,817
<b>Total loss-absorbing capacity</b>				
<b>Required total loss-absorbing capacity</b>	25.63	140,038	8.80	142,184
<b>Eligible total loss-absorbing capacity</b>	35.66	194,899	12.06	194,899
<b>Risk-weighted assets / leverage ratio denominator</b>				
Risk-weighted assets		546,491		
Leverage ratio denominator				1,615,817

<sup>1</sup> Includes applicable add-ons of 1.59% for risk-weighted assets (RWA) and 0.55% for leverage ratio denominator (LRD), of which 15 basis points for RWA and 5 basis points for LRD reflect the FINMA Pillar 2 capital add-on of USD 800m related to the supply chain finance funds matter at Credit Suisse. <sup>2</sup> Our minimum CET1 leverage ratio requirement of 3.55% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.25% LRD add-on requirement, a 0.25% market share add-on requirement based on our Swiss credit business and a 0.05% Pillar 2 capital add-on related to the supply chain finance funds matter at Credit Suisse. <sup>3</sup> Includes outstanding low-trigger loss-absorbing additional tier 1 capital instruments, which are available under the Swiss systemically relevant bank 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. <sup>4</sup> 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. <sup>5</sup> From 1 January 2023, the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs) has been replaced with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements and the Pillar 2 add-on). <sup>6</sup> As of July 2024, the Swiss Financial Market Supervisory Authority (FINMA) will have 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. <sup>7</sup> Includes applicable add-ons of 1.08% for RWA and 0.38% for LRD.

We are subject to the going and gone concern requirements of the Swiss Capital Adequacy Ordinance that include the too-big-to-fail (TBTF) provisions applicable to Swiss SRBs. The table above provides the risk-weighted asset (RWA)- and leverage ratio denominator (LRD)-based requirements and information as of 30 September 2023.

In November 2022, the Swiss Federal Council adopted amendments to the Banking Act and the Banking Ordinance, which entered into force as of 1 January 2023. The amendments replaced the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs), including UBS, with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements and the Pillar 2 add-on). In addition, as of July 2024, the Swiss Financial Market Supervisory Authority (FINMA) will have the authority to impose a surcharge of up to 25% of the total going concern requirements based on obstacles to an SIB's resolvability identified in future resolvability assessments. Our total gone concern requirements remained substantially unchanged in the third quarter of 2023 as a result of these changes.

### **Transitional purchase price allocation adjustments for regulatory capital**

As part of the acquisition of the Credit Suisse Group, the assets acquired and liabilities assumed, including contingent liabilities, were recognized at fair value as of the acquisition date in accordance with IFRS 3, *Business Combinations*. The purchase price allocation (PPA) fair value adjustments required under IFRS 3 are recognized as part of negative goodwill and include effects on financial instruments measured at amortized cost, such as fair value impacts from interest rates and own credit, that are expected to accrete back to par through the income statement as the instruments are held to maturity. Similar own-credit-related effects have also been recognized as part of the PPA adjustments on financial liabilities measured at fair value. As agreed with FINMA, a transitional common equity tier 1 (CET1) capital treatment has been applied for certain of these fair value adjustments, given the substantially temporary nature of the IFRS-3-accounting-driven effects. As such, IFRS equity reductions of USD 5.9bn (before tax) and USD 5.0bn (net of tax) as of the acquisition date have been neutralized for CET1 capital calculation purposes, of which USD 1.0bn (net of tax) relates to own-credit-related fair value adjustments. The transitional treatment is subject to linear amortization and will reduce to nil by 30 June 2027. In the third quarter of 2023, the amortization of transitional CET1 PPA adjustments (interest rate and own credit) was USD 0.3bn (net of tax).

### **IFRS 3 measurement period adjustments in the third quarter of 2023 for the acquisition of the Credit Suisse Group**

UBS has reclassified certain loans and off-balance sheet loan commitments held by the newly established Non-core and Legacy business division to "measured at fair value through profit or loss". Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for details on the accounting treatment, and respective adjustments to the comparative second quarter 2023 information. We have applied the amended classification and measurement for LRD and RWA calculation purposes prospectively from the third quarter of 2023.

### **Updates to the segment reporting for RWA and LRD**

Starting with the third quarter of 2023, we report five business divisions in line with International Financial Reporting Standards (IFRS), reflecting the way we are managing our businesses and engaging with clients: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. We separately report Group Items. As UBS executes its integration plans, it is expected that allocation methodologies for RWA and LRD to the business divisions and into Group Items will continue to be reviewed and refined.

- › Refer to the "Management report" sections of this report, including the disclosures under "Integration of Credit Suisse" in the "Recent developments" section

## 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 Annual Report 2022. Changes to the Swiss SRB framework and requirements after the publication of the Annual Report 2022 are described above.

### Swiss SRB going and gone concern information

<i>USD m, except where indicated</i>	30.9.23	30.6.23	31.12.22
<b>Eligible going concern capital</b>			
<b>Total going concern capital</b>	<b>91,546</b>	93,287	58,321
<b>Total tier 1 capital</b>	<b>91,546</b>	93,287	58,321
Common equity tier 1 capital	<b>78,587</b>	80,258	45,457
<b>Total loss-absorbing additional tier 1 capital</b>	<b>12,960</b>	13,030	12,864
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	<i>11,764</i>	<i>11,839</i>	<i>11,675</i>
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>	<i>1,195</i>	<i>1,190</i>	<i>1,189</i>
<b>Eligible gone concern capital</b>			
<b>Total gone concern loss-absorbing capacity</b>	<b>103,353</b>	102,753	46,991
<b>Total tier 2 capital</b>	<b>536</b>	539	2,958
<i>of which: low-trigger loss-absorbing tier 2 capital</i>	<i>0</i>	<i>0</i>	<i>2,422</i>
<i>of which: non-Basel III-compliant tier 2 capital</i>	<i>536</i>	<i>539</i>	<i>536</i>
<b>TLAC-eligible senior unsecured debt</b>	<b>102,817</b>	102,214	44,033
<b>Total loss-absorbing capacity</b>	<b>194,899</b>	196,040	105,312
<b>Risk-weighted assets / leverage ratio denominator</b>			
Risk-weighted assets	<b>546,491</b>	556,603	319,585
Leverage ratio denominator	<b>1,615,817</b>	1,677,877	1,028,461
<b>Capital and loss-absorbing capacity ratios (%)</b>			
Going concern capital ratio	<b>16.8</b>	16.8	18.2
<i>of which: common equity tier 1 capital ratio</i>	<i>14.4</i>	<i>14.4</i>	<i>14.2</i>
Gone concern loss-absorbing capacity ratio	<b>18.9</b>	18.5	14.7
<b>Total loss-absorbing capacity ratio</b>	<b>35.7</b>	35.2	33.0
<b>Leverage ratios (%)</b>			
Going concern leverage ratio	<b>5.7</b>	5.6	5.7
<i>of which: common equity tier 1 leverage ratio</i>	<i>4.9</i>	<i>4.8</i>	<i>4.4</i>
Gone concern leverage ratio	<b>6.4</b>	6.1	4.6
<b>Total loss-absorbing capacity leverage ratio</b>	<b>12.1</b>	11.7	10.2

### Total loss-absorbing capacity and movement

Our total loss-absorbing capacity (TLAC) decreased by USD 1.1bn to USD 194.9bn in the third quarter of 2023.

#### Going concern capital and movement

Our going concern capital decreased by USD 1.7bn to USD 91.5bn. Our CET1 capital decreased by USD 1.7bn to USD 78.6bn, mainly reflecting an operating loss before tax of USD 0.3bn, current tax expenses of USD 0.6bn, negative effects from foreign currency translation of USD 0.6bn, dividend accruals of USD 0.5bn and amortization of transitional CET1 PPA adjustments (interest rate and own credit) of USD 0.3bn (net of tax). These effects were partly offset by a USD 0.2bn decrease in the shortfall in expected credit loss allowances and provisions over Basel III expected losses and a USD 0.1bn increase in eligible deferred tax assets on temporary differences.

Our additional tier 1 (AT1) capital decreased by USD 0.1bn to USD 13.0bn, reflecting interest rate risk hedge, foreign currency translation and other effects. On 20 October 2023, we announced that we would redeem an AT1 capital instrument on 28 November 2023 (ISIN CH0447353704 with a nominal amount of SGD 700bn, issued on 28 November 2018). This instrument remained eligible as AT1 capital as of 30 September 2023.

## Gone concern loss-absorbing capacity and movement

Our total gone concern loss-absorbing capacity increased by USD 0.6bn to USD 103.4bn, mainly due to three new issuances of TLAC-eligible senior unsecured debt denominated in US dollars of USD 4.5bn, largely offset by a call of one TLAC-eligible unsecured debt instrument denominated in US dollars of USD 1.3bn, and interest rate risk hedge, foreign currency translation and other effects. On 18 October 2023, we announced that we would redeem TLAC-eligible senior unsecured debt on 8 November 2023 (ISIN CH0445624981 with a nominal amount of JPY 130bn, issued on 9 November 2018). This instrument remained eligible as gone concern capital as of 30 September 2023.

› Refer to “Bondholder information” at [ubs.com/investors](https://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 14.4%, reflecting a decrease in CET1 capital of USD 1.7bn, offset by a USD 10.1bn decrease in RWA.

Our CET1 leverage ratio increased to 4.9% from 4.8%, reflecting a USD 62.1bn decrease in the LRD, partly offset by a decrease in CET1 capital of USD 1.7bn.

Our gone concern loss-absorbing capacity ratio increased to 18.9% from 18.5%, due to the aforementioned decrease in RWA and an increase in gone concern loss-absorbing capacity of USD 0.6bn.

Our gone concern leverage ratio increased to 6.4% from 6.1%, due to the aforementioned decrease in the LRD and an increase in gone concern loss-absorbing capacity of USD 0.6bn.

## Swiss SRB total loss-absorbing capacity movement

USD m

	Swiss SRB
<b>Going concern capital</b>	
<b>Common equity tier 1 capital as of 30.6.23</b>	<b>80,258</b>
Operating profit before tax	(255)
Current tax (expense) / benefit	(643)
Foreign currency translation effects, before tax	(618)
Amortization of transitional CET1 purchase price allocation adjustments, net of tax	(297)
Other <sup>1</sup>	142
<b>Common equity tier 1 capital as of 30.9.23</b>	<b>78,587</b>
<b>Loss-absorbing additional tier 1 capital as of 30.6.23</b>	<b>13,030</b>
Interest rate risk hedge, foreign currency translation and other effects	(70)
<b>Loss-absorbing additional tier 1 capital as of 30.9.23</b>	<b>12,960</b>
<b>Total going concern capital as of 30.6.23</b>	<b>93,287</b>
<b>Total going concern capital as of 30.9.23</b>	<b>91,546</b>
<b>Gone concern loss-absorbing capacity</b>	
<b>Tier 2 capital as of 30.6.23</b>	<b>539</b>
Interest rate risk hedge, foreign currency translation and other effects	(4)
<b>Tier 2 capital as of 30.9.23</b>	<b>536</b>
<b>TLAC-eligible senior unsecured debt as of 30.6.23</b>	<b>102,214</b>
Issuance of TLAC-eligible senior unsecured debt	4,500
Call of TLAC-eligible senior unsecured debt	(1,300)
Interest rate risk hedge, foreign currency translation and other effects	(2,596)
<b>TLAC-eligible senior unsecured debt as of 30.9.23</b>	<b>102,817</b>
<b>Total gone concern loss-absorbing capacity as of 30.6.23</b>	<b>102,753</b>
<b>Total gone concern loss-absorbing capacity as of 30.9.23</b>	<b>103,353</b>
<b>Total loss-absorbing capacity</b>	
<b>Total loss-absorbing capacity as of 30.6.23</b>	<b>196,040</b>
<b>Total loss-absorbing capacity as of 30.9.23</b>	<b>194,899</b>

<sup>1</sup> Includes dividend accruals for the current year (negative USD 0.5bn) and movements related to other items.



## Reconciliation of IFRS equity to Swiss SRB common equity tier 1 capital

USD m	30.9.23	30.6.23 <sup>1</sup>	31.12.22
<b>Total IFRS equity</b>	<b>85,398</b>	<b>87,752</b>	<b>57,218</b>
Equity attributable to non-controlling interests	(542)	(636)	(342)
Defined benefit plans, net of tax	(929)	(987)	(311)
Deferred tax assets recognized for tax loss carry-forwards	(3,760)	(3,917)	(4,077)
Deferred tax assets for unused tax credits	(245)	(117)	
Deferred tax assets on temporary differences, excess over threshold			(64)
Goodwill, net of tax <sup>2</sup>	(5,736)	(5,761)	(5,754)
Intangible assets, net of tax	(844)	(894)	(150)
Compensation-related components (not recognized in net profit)	(2,296)	(2,013)	(2,287)
Expected losses on advanced internal ratings-based portfolio less provisions	(553)	(749)	(471)
Unrealized (gains) / losses from cash flow hedges, net of tax	4,947	4,451	4,234
Own credit related to (gains) / losses on financial liabilities measured at fair value that existed at the balance sheet date, net of tax	571	(130)	(523)
Own credit related to (gains) / losses on derivative financial instruments that existed at the balance sheet date	(123)	(142)	(105)
Prudential valuation adjustments	(407)	(488)	(201)
Accruals for dividends to shareholders for 2022			(1,683)
Transitional CET1 purchase price allocation adjustments	4,600	4,897	
Other <sup>3</sup>	(1,495)	(1,008)	(29)
<b>Total common equity tier 1 capital</b>	<b>78,587</b>	<b>80,258</b>	<b>45,457</b>

<sup>1</sup> 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 this report for more information.  
<sup>2</sup> Includes goodwill related to significant investments in financial institutions of USD 19m as of 30 September 2023 (USD 19m as of 30 June 2023; USD 20m as of 31 December 2022) presented on the balance sheet line Investments in associates. <sup>3</sup> Includes dividend accruals for the current year and other items.

## Additional information

### Sensitivity to currency movements

#### Risk-weighted assets

We estimate that a 10% depreciation of the US dollar against other currencies would have increased our RWA by USD 23bn and our CET1 capital by USD 2.6bn as of 30 September 2023 (30 June 2023: USD 23bn and USD 3.0bn, respectively) and decreased our CET1 capital ratio by 11 basis points (30 June 2023: 6 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our RWA by USD 21bn and our CET1 capital by USD 2.4bn (30 June 2023: USD 21bn and USD 2.7bn, respectively) and increased our CET1 capital ratio by 11 basis points (30 June 2023: 6 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 103bn as of 30 September 2023 (30 June 2023: USD 109bn) and decreased our CET1 leverage ratio by 14 basis points (30 June 2023: 12 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our LRD by USD 94bn (30 June 2023: USD 99bn) and increased our CET1 leverage ratio by 14 basis points (30 June 2023: 13 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 currency movements" under "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the Annual Report 2022 for more information

## Estimated effect on capital from litigation, regulatory and similar matters subject to provisions and contingent liabilities

We have estimated the loss in capital that we could incur as a result of the risks associated with the matters related to UBS AG and subsidiaries described in “Note 15 Provisions and contingent liabilities” in the “Consolidated financial statements” section of this report. We have employed for this purpose the advanced measurement approach (AMA) methodology that we use when determining the capital requirements associated with operational risks, based on a 99.9% confidence level over a 12-month horizon. The methodology takes into consideration UBS and industry experience for the AMA operational risk categories to which those matters correspond, as well as the external environment affecting risks of these types, in isolation from other areas. On this basis, with respect to the litigation, regulatory and similar matters related to UBS AG and subsidiaries, we estimate the maximum loss in capital that we could incur over a 12-month period as a result of our risks associated with these operational risk categories at USD 4.0bn as of 30 September 2023. This estimate is not related to and does not take into account any provisions recognized for any of these matters and does not constitute a subjective assessment of our actual exposure in any of these matters.

- › Refer to “Non-financial risk” in the “Risk management and control” section of the Annual Report 2022 for more information
- › Refer to “Note 15 Provisions and contingent liabilities” in the “Consolidated financial statements” section of this report for more information

## Risk-weighted assets

During the third quarter of 2023, RWA decreased by USD 10.1bn to USD 546.5bn, primarily driven by decreases of USD 5.5bn due to currency effects and USD 5.3bn due to asset size and other movements, partly offset by an increase of USD 0.6bn due to model updates.

### Movement in risk-weighted assets by key driver

<i>USD bn</i>	RWA as of 30.6.23	Currency effects	Methodology and policy changes	Model updates / changes	Regulatory add-ons	Asset size and other <sup>1</sup>	RWA as of 30.9.23
Credit and counterparty credit risk <sup>2</sup>	356.4	(5.2)		0.6		(5.5)	346.3
Non-counterparty-related risk <sup>3</sup>	31.1	(0.3)				(0.1)	30.7
Market risk	23.6			0.1		0.3	24.1
Operational risk	145.4						145.4
<b>Total</b>	<b>556.6</b>	<b>(5.5)</b>		<b>0.6</b>		<b>(5.3)</b>	<b>546.5</b>

<sup>1</sup> Includes the Pillar 3 categories “Asset size,” “Credit quality of counterparties,” “Acquisitions and disposals” and “Other.” For more information, refer to our 30 September 2023 Pillar 3 report, available under “Pillar 3 disclosures” at [ubs.com/investors](https://ubs.com/investors). <sup>2</sup> Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book, and securitization exposures in the banking book. <sup>3</sup> 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 were USD 346.3bn as of 30 September 2023. The decrease of USD 10.1bn included currency effects of USD 5.2bn.

Asset size and other movements resulted in a USD 5.5bn decrease in RWA.

- Non-core and Legacy decreased by USD 6.0bn, mainly due to lower RWA from loans as a result of strategic de-risking.
- Personal & Corporate Banking RWA decreased by USD 0.3bn, primarily driven by lower RWA from loans.
- Investment Bank RWA decreased by USD 0.2bn, mainly due to lower RWA from securities financing transactions.
- Global Wealth Management RWA decreased by USD 0.1bn, with lower RWA from derivatives, securitization exposures, and equity positions almost entirely offset by higher RWA from loans.
- Group Items RWA increased by USD 1.0bn, mainly driven by higher RWA from nostro accounts.
- Asset Management RWA increased by USD 0.1bn.

Model updates resulted in an RWA increase of USD 0.6bn. RWA increases of USD 1.0bn related to the phase-in of model updates for hedge funds, USD 0.5bn related to updates to the Lombard model, USD 0.3bn related to a model update for income-producing real estate and USD 0.3bn related to the Swiss corporate model were partly offset by an RWA decrease of USD 1.5bn related to the recalibration of certain multipliers as a result of improvements to models.

- › Refer to the “Recent developments” section of this report for more information about the realignment of business divisions
- › Refer to the 30 September 2023 Pillar 3 report, available under “Pillar 3 disclosures” at [ubs.com/investors](https://ubs.com/investors), for more information
- › Refer to “Credit risk models” in the “Risk management and control” section of the Annual Report 2022 for more information

## Outlook

We expect that regulatory-driven updates to credit and counterparty credit risk models will result in an RWA increase of around USD 2bn in the fourth quarter of 2023. 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.

- › Refer to the “Recent developments” section of this report for more information about the integration of Credit Suisse

## Market risk

Market risk RWA increased by USD 0.5bn to USD 24.1bn in the third quarter of 2023, primarily driven by an increase of USD 0.3bn from asset size and other movements and an increase of USD 0.1bn related to ongoing parameter updates of the value-at-risk (VaR) models. UBS is in discussions with FINMA regarding the integration of time decay into the regulatory VaR, which would replace the current add-on.

- › Refer to the 30 September 2023 Pillar 3 report, available under “Pillar 3 disclosures” at [ubs.com/investors](https://ubs.com/investors), for more information
- › Refer to “Market risk” in the “Risk management and control” section of the Annual Report 2022 for more information

## Operational risk

Operational risk RWA were unchanged at USD 145.4bn. In the third quarter of 2023, we updated our methodology that we use to allocate operational risk RWA to the business divisions and Group Items. The updated methodology was retrospectively applied for the second quarter of 2023.

- › Refer to the “Recent developments” section and “Note 15 Provisions and contingent liabilities” in the “Consolidated financial statements” section of this report for more information
- › Refer to “Non-financial risk” in the “Risk management and control” section of the Annual Report 2022 for information about the advanced measurement approach model

## 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 <sup>1</sup>	Group Items <sup>1</sup>	Total RWA
	30.9.23						
Credit and counterparty credit risk <sup>2</sup>	92.8	132.0	7.6	64.4	38.8	10.7	346.3
Non-counterparty-related risk <sup>3</sup>	6.8	3.5	0.8	3.7	2.7	13.2	30.7
Market risk	1.6	0.1	0.0	13.9	5.9	2.4	24.1
Operational risk	57.5	19.5	7.2	25.0	30.0	6.2	145.4
<b>Total</b>	<b>158.8</b>	<b>155.1</b>	<b>15.6</b>	<b>107.0</b>	<b>77.5</b>	<b>32.5</b>	<b>546.5</b>
	30.6.23						
Credit and counterparty credit risk <sup>2</sup>	93.1	134.6	7.5	66.0	45.2	9.9	356.4
Non-counterparty-related risk <sup>3</sup>	7.1	3.8	0.8	3.8	2.6	13.0	31.1
Market risk	1.9	0.2	0.0	12.5	6.0	3.1	23.6
Operational risk	57.5	19.5	7.2	25.0	30.0	6.2	145.4
<b>Total</b>	<b>159.6</b>	<b>158.0</b>	<b>15.6</b>	<b>107.3</b>	<b>83.8</b>	<b>32.2</b>	<b>556.6</b>
	30.9.23 vs 30.6.23						
Credit and counterparty credit risk <sup>2</sup>	(0.3)	(2.6)	0.1	(1.6)	(6.4)	0.8	(10.1)
Non-counterparty-related risk <sup>3</sup>	(0.3)	(0.3)	0.0	(0.1)	0.1	0.1	(0.4)
Market risk	(0.3)	0.0	0.0	1.5	(0.1)	(0.7)	0.4
Operational risk							
<b>Total</b>	<b>(0.9)</b>	<b>(3.0)</b>	<b>0.0</b>	<b>(0.2)</b>	<b>(6.4)</b>	<b>0.3</b>	<b>(10.1)</b>

<sup>1</sup> Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been revised to reflect these changes.  
<sup>2</sup> Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book and securitization exposures in the banking book. <sup>3</sup> Non-counterparty-related risk includes deferred tax assets recognized for temporary differences (30 September 2023: USD 12.6bn; 30 June 2023: USD 12.4bn), as well as property, equipment, software and other items (30 September 2023: USD 18.1bn; 30 June 2023: USD 18.7bn).

## Leverage ratio denominator

During the third quarter of 2023, the LRD decreased by USD 62.1bn to USD 1,615.8bn, primarily driven by decreases from asset size and other movements of USD 37.1bn and currency effects of USD 24.9bn.

### Movement in leverage ratio denominator by key driver

<i>USD bn</i>	LRD as of 30.6.23	Currency effects	Asset size and other	LRD as of 30.9.23
On-balance sheet exposures (excluding derivatives and securities financing transactions)	1,283.1	(19.9)	(20.9)	1,242.4
Derivatives	141.4	(2.2)	4.2	143.5
Securities financing transactions	161.8	(1.6)	(3.1)	157.1
Off-balance sheet items	98.9	(1.3)	(17.2)	80.4
Deduction items	(7.4)	0.0	(0.2)	(7.6)
<b>Total</b>	<b>1,677.9</b>	<b>(24.9)</b>	<b>(37.1)</b>	<b>1,615.8</b>

The LRD movements described below exclude currency effects.

On-balance sheet exposures (excluding derivatives and securities financing transactions) decreased by USD 20.9bn, mainly reflecting lower lending balances and trading assets.

Derivative exposures increased by USD 4.2bn, mainly due to market-driven movements on foreign currency contracts and higher trading volumes in equity contracts in the Investment Bank.

Securities financing transactions decreased by USD 3.1bn, mainly due to reduced volumes in Non-core and Legacy, partly offset by client-driven increases in brokerage receivables in the Investment Bank.

Off-balance sheet items decreased by USD 17.2bn, mainly due to a decrease in loan commitments in Non-core and Legacy, following the accounting reclassification of loan commitments from accrual to fair value, implemented prospectively in the LRD framework during the third quarter of 2023.

The application of measurement period adjustments to the accounting for the acquisition of the Credit Suisse Group included the reclassification of loan commitments not measured at fair value in Non-core and Legacy to derivative loan commitments measured at fair value through profit or loss. This resulted in a USD 14bn decrease in LRD from off-balance sheet items and a USD 2bn increase in LRD from derivative exposures in the third quarter of 2023.

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

#### Leverage ratio denominator by business division and Group Items

<i>USD bn</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>1</sup>	Group Items <sup>1</sup>	Total
							30.9.23
<b>On-balance sheet exposures</b>	<b>427.3</b>	<b>424.0</b>	<b>5.9</b>	<b>199.9</b>	<b>115.9</b>	<b>69.4</b>	<b>1,242.4</b>
Derivatives	8.0	4.8	0.0	96.2	32.3	2.1	143.5
Securities financing transactions	23.1	12.5	0.1	41.3	5.0	75.1	157.1
Off-balance sheet items	18.2	37.6	0.2	19.2	3.8	1.5	80.4
Items deducted from Swiss SRB tier 1 capital	(4.6)	4.7	(1.2)	(0.4)	(0.6)	(5.4)	(7.6)
<b>Total</b>	<b>472.0</b>	<b>483.7</b>	<b>5.0</b>	<b>356.0</b>	<b>156.4</b>	<b>142.7</b>	<b>1,615.8</b>
							30.6.23
<b>On-balance sheet exposures</b>	<b>439.8</b>	<b>436.3</b>	<b>5.6</b>	<b>200.8</b>	<b>144.9</b>	<b>55.7</b>	<b>1,283.1</b>
Derivatives	8.3	2.5	0.0	91.7	34.4	4.4	141.4
Securities financing transactions	25.4	13.4	0.1	42.6	11.0	69.4	161.8
Off-balance sheet items	21.1	38.9	0.2	19.1	18.7	1.0	98.9
Items deducted from Swiss SRB tier 1 capital	(4.6)	5.1	(1.2)	(0.8)	(0.3)	(5.6)	(7.4)
<b>Total</b>	<b>490.0</b>	<b>496.2</b>	<b>4.7</b>	<b>353.4</b>	<b>208.7</b>	<b>124.9</b>	<b>1,677.9</b>
							30.9.23 vs 30.6.23
<b>On-balance sheet exposures</b>	<b>(12.5)</b>	<b>(12.2)</b>	<b>0.3</b>	<b>(0.9)</b>	<b>(29.0)</b>	<b>13.7</b>	<b>(40.7)</b>
Derivatives	(0.3)	2.3	0.0	4.5	(2.1)	(2.3)	2.0
Securities financing transactions	(2.3)	(0.9)	0.0	(1.4)	(5.9)	5.7	(4.7)
Off-balance sheet items	(2.9)	(1.4)	0.0	0.1	(14.9)	0.6	(18.5)
Items deducted from Swiss SRB tier 1 capital	0.0	(0.4)	0.0	0.4	(0.3)	0.1	(0.2)
<b>Total</b>	<b>(18.1)</b>	<b>(12.6)</b>	<b>0.3</b>	<b>2.7</b>	<b>(52.2)</b>	<b>17.8</b>	<b>(62.1)</b>

<sup>1</sup> Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been revised to reflect these changes.

## 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 Annual Report 2022, 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 increased 21.3 percentage points to 196.5%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA).

The movement in the average LCR was primarily driven by an increase in high-quality liquidity assets (HQLA) of USD 110.4bn to USD 367.5bn. This increase was substantially attributable to the effect of the acquisition of the Credit Suisse Group on 12 June 2023, with only 15 days of post-acquisition effect included in the average LCR for the second quarter of 2023. Comparing the average for the 15 business days in the second quarter of 2023 following the acquisition of the Credit Suisse Group with the average for the full third quarter, the HQLA for the UBS Group decreased from USD 372.1bn to USD 367.5bn. The effect of higher customer deposit balances was offset by the repayment of an Emergency Liquidity Assistance Plus loan drawn by Credit Suisse.

The increase in HQLA was partly offset by a USD 42.3bn increase in net cash outflows to USD 187.3bn, substantially attributable to the effect of the acquisition of the Credit Suisse Group on 12 June 2023, as only 15 days of post-acquisition effect were included in the average LCR for the second quarter of 2023. Comparing the average for the 15 business days in the second quarter of 2023 with the average for the full third quarter, net cash outflows of the UBS Group were largely unchanged, at USD 187.3bn.

- › Refer to “Liquidity coverage ratio” in the “Liquidity and funding management” section of our second quarter 2023 report, available under “Quarterly reporting” at [ubs.com/investors](https://ubs.com/investors), for more information about the basis of calculation for the average LCR for the second quarter of 2023
- › Refer to the 30 September 2023 Pillar 3 report, available under “Pillar 3 disclosures” at [ubs.com/investors](https://ubs.com/investors), for more information about the LCR

### Liquidity coverage ratio

<i>USD bn, except where indicated</i>	Average 3Q23 <sup>1</sup>	Average 2Q23 <sup>1</sup>
High-quality liquid assets	367.5	257.1
Net cash outflows <sup>2</sup>	187.3	145.0
<b>Liquidity coverage ratio (%)<sup>3</sup></b>	<b>196.5</b>	<b>175.2</b>

<sup>1</sup> Calculated based on an average of 63 data points in the third quarter of 2023 and 64 data points in the second quarter of 2023. <sup>2</sup> Represents the net cash outflows expected over a stress period of 30 calendar days. <sup>3</sup> 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 30 September 2023, the net stable funding ratio (the NSFR) of the UBS Group increased 3.1 percentage points to 120.7%, remaining above the prudential requirement communicated by FINMA.

Available stable funding decreased slightly by USD 0.4bn to USD 872.7bn, reflecting higher customer deposits, substantially offset by a decrease in debt issued, lower payables from securities financing transactions, and lower capital. Required stable funding decreased by USD 19.2bn to USD 722.9bn, predominantly reflecting lower lending assets and, to a lesser extent, lower trading assets, partly offset by higher derivative balances.

- › Refer to the 30 September 2023 Pillar 3 report, available under “Pillar 3 disclosures” at [ubs.com/investors](https://ubs.com/investors), for more information about the NSFR

### Net stable funding ratio

<i>USD bn, except where indicated</i>	30.9.23	30.6.23
Available stable funding	872.7	873.1
Required stable funding	722.9	742.1
<b>Net stable funding ratio (%)</b>	<b>120.7</b>	<b>117.6</b>

# 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 Annual Report 2022, which provides more information about the balance sheet and off-balance sheet positions. For more information about the balance sheet effects of the acquisition of the Credit Suisse Group, refer to “Note 2 Accounting for the acquisition of the Credit Suisse Group” in the “Consolidated financial statements” section.

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

## Balance sheet assets (30 September 2023 vs 30 June 2023)

Total assets were USD 1,644.5bn as of 30 September 2023. The decrease of USD 34.4bn included currency effects of approximately USD 21.1bn.

Lending assets decreased by USD 24.0bn, mainly reflecting negative net new loans, mainly in Global Wealth Management, and negative currency effects of approximately USD 10.9bn. Trading assets decreased by USD 14.3bn, mainly driven by a decrease in positions held in the Investment Bank to hedge client positions. Other financial assets measured at fair value decreased by USD 6.3bn, mainly reflecting a decrease in securities financing transactions measured at fair value in the Investment Bank.

These decreases were partly offset by an increase in Derivatives and cash collateral receivables on derivative instruments of USD 10.0bn, mainly in Derivatives & Solutions in the Investment Bank, primarily reflecting market-driven movements on foreign-currency contracts amid volatility in exchange rates.

### Assets

	As of		% change from
USD bn	30.9.23	30.6.23 <sup>1</sup>	30.6.23
Cash and balances at central banks	262.4	261.6	0
Lending <sup>2</sup>	646.2	670.2	(4)
Securities financing transactions at amortized cost	84.9	86.5	(2)
Trading assets	142.9	157.2	(9)
Derivatives and cash collateral receivables on derivative instruments	250.3	240.3	4
Brokerage receivables	24.6	21.5	14
Other financial assets measured at amortized cost	64.2	64.9	(1)
Other financial assets measured at fair value <sup>3</sup>	114.5	120.8	(5)
Non-financial assets	54.7	55.8	(2)
<b>Total assets</b>	<b>1,644.5</b>	<b>1,678.9</b>	<b>(2)</b>
<i>of which: Credit Suisse<sup>4</sup></i>	<i>559.4</i>	<i>598.4</i>	<i>(7)</i>

<sup>1</sup> 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 this report for more information. <sup>2</sup> Consists of Loans and advances to customers and Amounts due from banks. <sup>3</sup> Consists of Financial assets at fair value not held for trading and Financial assets measured at fair value through other comprehensive income. <sup>4</sup> Refer to “Note 2 Accounting for the acquisition of the Credit Suisse Group” in the “Consolidated financial statements” section of this report for more information.

## Balance sheet liabilities (30 September 2023 vs 30 June 2023)

Total liabilities were USD 1,559.0bn as of 30 September 2023. The decrease of USD 32.1bn included currency effects of USD 18.6bn.

Short-term borrowings decreased by USD 33.2bn, mainly related to the reduction of funding from the Swiss National Bank. Securities financing transactions at amortized cost decreased by USD 7.3bn, predominantly reflecting roll-offs. Trading liabilities decreased by USD 5.4bn, mainly due to a decrease in positions held in the Investment Bank to hedge client positions.

These decreases were partly offset by an increase in Customer deposits of USD 20.6bn, including negative currency effects of USD 10.4bn, mainly in Global Wealth Management and primarily driven by net inflows into time deposits, partly offset by continued shifts into money market funds and US-government securities.

The “Liabilities by product and currency” table in this section provides more information about our funding sources.

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

## Liabilities and equity

	As of		% change from
USD bn	30.9.23	30.6.23 <sup>1</sup>	30.6.23
Short-term borrowings <sup>2,3</sup>	106.5	139.7	(24)
Securities financing transactions at amortized cost	15.0	22.3	(33)
Customer deposits	733.1	712.5	3
Debt issued designated at fair value and long-term debt issued measured at amortized cost <sup>3</sup>	312.1	315.4	(1)
Trading liabilities	35.0	40.4	(13)
Derivatives and cash collateral payables on derivative instruments	239.6	236.6	1
Brokerage payables	41.3	43.9	(6)
Other financial liabilities measured at amortized cost	19.2	19.4	(1)
Other financial liabilities designated at fair value	33.3	36.1	(8)
Non-financial liabilities	24.1	24.8	(3)
<b>Total liabilities</b>	<b>1,559.1</b>	<b>1,591.1</b>	<b>(2)</b>
<i>of which: Credit Suisse<sup>4</sup></i>	<i>462.5</i>	<i>502.7</i>	<i>(8)</i>
Share capital	0.3	0.3	0
Share premium	12.9	12.5	3
Treasury shares	(4.1)	(4.2)	(2)
Retained earnings	76.7	78.3	(2)
Other comprehensive income <sup>5</sup>	(1.0)	0.2	
<b>Total equity attributable to shareholders</b>	<b>84.9</b>	<b>87.1</b>	<b>(3)</b>
Equity attributable to non-controlling interests	0.5	0.6	(15)
<b>Total equity</b>	<b>85.4</b>	<b>87.8</b>	<b>(3)</b>
<b>Total liabilities and equity</b>	<b>1,644.5</b>	<b>1,678.9</b>	<b>(2)</b>

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 this report for more information. 2 Consists of short-term debt issued measured at amortized cost and amounts due to banks, which includes amounts due to central banks. 3 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. 4 Excludes USD 55.7bn (30 June 2023: USD 52.9bn) of debt instruments previously issued by Credit Suisse Group AG and transferred to UBS Group AG as part of the acquisition. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information. 5 Excludes other comprehensive income related to defined benefit plans and own credit, which is recorded directly in Retained earnings.

## Equity (30 September 2023 vs 30 June 2023)

Equity attributable to shareholders decreased by USD 2,260m to USD 84,856m as of 30 September 2023.

The decrease of USD 2,260m was mainly driven by negative total comprehensive income attributable to shareholders of USD 2,684m, reflecting a net loss of USD 785m and negative other comprehensive income (OCI) of USD 1,899m, partly offset by deferred share-based compensation awards expensed in the income statement of USD 346m. OCI mainly included negative OCI related to own credit on financial liabilities designated at fair value of USD 686m, negative OCI related to foreign currency translation of USD 615m and negative cash flow hedge OCI of USD 526m.

- › Refer to the "Group performance" and "Consolidated financial statements" sections of this report for more information
- › Refer to "Reconciliation of IFRS equity to Swiss SRB common equity tier 1 capital" in the "Capital management" section of this report for more information about the effects of OCI on common equity tier 1 capital



## Liabilities by product and currency

USD bn	USD equivalent							
	All currencies		of which: USD		of which: CHF		of which: EUR	
	30.9.23	30.6.23 <sup>1</sup>	30.9.23	30.6.23 <sup>1</sup>	30.9.23	30.6.23	30.9.23	30.6.23
Short-term borrowings	106.5	139.7	49.6	49.7	39.2	69.6	7.8	9.3
of which: amounts due to banks	68.5	99.2	20.7	20.3	39.0	69.5	3.2	3.8
of which: short-term debt issued <sup>2,3</sup>	38.0	40.5	28.9	29.4	0.1	0.1	4.6	5.5
Securities financing transactions at amortized cost	15.0	22.3	8.2	15.4	2.2	2.2	3.0	2.8
Customer deposits	733.1	712.5	299.7	280.9	293.0	296.0	73.2	72.3
of which: demand deposits	233.8	250.1	61.9	66.2	103.6	109.2	38.2	42.7
of which: retail savings / deposits	180.1	189.0	31.2	31.0	144.4	153.0	4.4	4.9
of which: sweep deposits	40.2	45.5	40.2	45.5	0.0	0.0	0.0	0.0
of which: time deposits	279.0	227.9	166.3	138.2	45.0	33.8	30.6	24.7
Debt issued designated at fair value and long-term debt issued measured at amortized cost <sup>3</sup>	312.1	315.4	177.1	176.3	40.1	40.1	67.1	70.1
Trading liabilities	35.0	40.4	12.0	13.3	1.3	1.6	9.3	13.0
Derivatives and cash collateral payables on derivative instruments	239.6	236.6	189.9	184.1	6.8	5.5	26.3	27.8
Brokerage payables	41.3	43.9	30.9	32.7	0.6	0.7	2.2	2.6
Other financial liabilities measured at amortized cost	19.2	19.4	9.4	7.7	5.6	4.9	0.8	2.3
Other financial liabilities designated at fair value	33.3	36.1	9.3	9.5	0.0	0.1	4.3	4.8
Non-financial liabilities	24.1	24.8	13.3	14.5	3.2	3.0	3.1	3.3
<b>Total liabilities</b>	<b>1,559.1</b>	<b>1,591.1</b>	<b>799.5</b>	<b>784.0</b>	<b>391.9</b>	<b>423.8</b>	<b>197.2</b>	<b>208.2</b>
of which: Credit Suisse <sup>4</sup>	462.5	502.7	190.8	197.8	163.3	189.8	61.4	67.3

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 this report for more information.  
2 Short-term debt issued consists of certificates of deposit, commercial paper, acceptances and promissory notes, and other money market paper. 3 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. 4 Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information.

## Off-balance sheet (30 September 2023 vs 30 June 2023)

Committed unconditionally revocable credit lines decreased by USD 9.6bn, mainly driven by a decrease in facilities provided to corporate and institutional clients. Forward starting reverse repurchase agreements increased by USD 5.4bn, mainly in Group Treasury, reflecting fluctuations in levels of business division activity in short-dated securities financing transactions.

### Off-balance sheet

USD bn	As of	% change from	
	30.9.23	30.6.23 <sup>1</sup>	
Guarantees <sup>2,3</sup>	35.1	36.5	(4)
Loan commitments <sup>2</sup>	91.5	92.8	(1)
Committed unconditionally revocable credit lines	159.0	168.6	(6)
Forward starting reverse repurchase agreements	10.4	5.0	110

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 this report for more information.  
2 Guarantees and loan commitments are shown net of sub-participations. 3 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 following a change of the share capital currency of UBS Group AG from the Swiss franc to the US dollar in the second quarter of 2023. Shares issued were unchanged in the third quarter of 2023 compared with the second quarter of 2023.

We held 229m shares as of 30 September 2023, of which 121m shares had been acquired under our 2022 share repurchase program for cancellation purposes. The remaining 108m shares are primarily held to hedge our share delivery obligations related to employee share-based compensation and participation plans.

Treasury shares held decreased by 5m shares in the third quarter of 2023. This mainly reflected the delivery of treasury shares under our share-based compensation plans.

Shares acquired under our 2022 program totaled 121m as of 30 September 2023 for a total acquisition cost of USD 2,277m (CHF 2,138m). A new, two-year share repurchase program of up to USD 6bn was approved by shareholders at the 2023 AGM. However, we have temporarily suspended repurchases under the share repurchase programs due to the acquisition of the Credit Suisse Group.

- › Refer to the “Recent developments” section of this report for more information about the integration of Credit Suisse
- › 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 year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22	30.9.23	30.9.22
<b>Basic and diluted earnings (USD m)</b>					
Net profit / (loss) attributable to shareholders for basic EPS	(785)	28,992	1,733	29,235	5,977
Less: (profit) / loss on own equity derivative contracts	(1)	(4)	(1)	(2)	(4)
Net profit / (loss) attributable to shareholders for diluted EPS	(786)	28,987	1,732	29,233	5,973
<b>Weighted average shares outstanding</b>					
Weighted average shares outstanding for basic EPS <sup>2</sup>	3,229,878,446	3,082,139,901	3,217,212,461	3,128,272,554	3,300,688,319
Effect of dilutive potential shares resulting from notional employee shares, in-the-money options and warrants outstanding <sup>3</sup>	380,852 <sup>4</sup>	130,190,947	132,630,871	139,759,974	136,632,556
Weighted average shares outstanding for diluted EPS	3,230,259,298	3,212,330,848	3,349,843,332	3,268,032,528	3,437,320,875
<b>Earnings per share (USD)</b>					
Basic	(0.24)	9.41	0.54	9.35	1.81
Diluted	(0.24)	9.02	0.52	8.95	1.74
<b>Shares outstanding and potentially dilutive instruments</b>					
Shares issued	3,462,087,722	3,462,087,722	3,524,635,722	3,462,087,722	3,524,635,722
Treasury shares <sup>5</sup>	228,822,625	234,314,998	342,282,123	228,822,625	342,282,123
of which: related to the 2021 share repurchase program			62,548,000		62,548,000
of which: related to the 2022 share repurchase program	120,506,008	120,506,008	157,608,950	120,506,008	157,608,950
Shares outstanding	3,233,265,097	3,227,772,724	3,182,353,599	3,233,265,097	3,182,353,599
Potentially dilutive instruments <sup>6</sup>	160,925,793 <sup>4</sup>	7,790,755	7,284,942	8,518,394	6,281,940
<b>Other key figures</b>					
Total book value per share (USD)	26.24	26.99	17.52	26.24	17.52
Tangible book value per share (USD)	23.94	24.64	15.57	23.94	15.57
Share price (USD) <sup>7</sup>	24.77	20.20	14.67	24.77	14.67
Market capitalization (USD m) <sup>8</sup>	85,768	69,932	51,694	85,768	51,694

<sup>1</sup> 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 this report for more information.

<sup>2</sup> 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. <sup>3</sup> 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. <sup>4</sup> Due to the net loss in the third quarter of 2023, 148,423,317 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 30 September 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. <sup>5</sup> Based on a settlement date view. <sup>6</sup> Reflects potential shares that could dilute basic EPS in the future, but were not dilutive for any of the periods presented. It mainly includes equity-based awards subject to absolute and relative performance conditions and equity derivative contracts. For the quarter ended 30 September 2023 it also includes 148,423,317 weighted average potential shares from unvested notional share awards that were not included in the calculation of diluted EPS as they were not dilutive. <sup>7</sup> 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. <sup>8</sup> The calculation of market capitalization has been amended in the second quarter of 2023 to reflect total shares issued multiplied by the share price at the end of the period. The calculation was previously based on total shares outstanding multiplied by the share price at the end of the period. Market capitalization has been increased by USD 5.0bn as of 30 September 2022 as a result.

## 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 statements

Unaudited

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# UBS Group AG interim consolidated financial statements (unaudited)

## Income statement

USD m	Note	For the quarter ended			Year-to-date	
		30.9.23	30.6.23 <sup>1</sup>	30.9.22	30.9.23	30.9.22
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	4	10,128	7,057	3,078	21,962	7,602
Interest expense from financial instruments measured at amortized cost	4	(9,082)	(5,880)	(1,758)	(18,777)	(3,610)
Net interest income from financial instruments measured at fair value through profit or loss and other	4	1,061	530	277	2,017	1,040
Net interest income	4	2,107	1,707	1,596	5,202	5,032
Other net income from financial instruments measured at fair value through profit or loss		3,212	2,517	1,796	8,410	5,641
Fee and commission income	5	6,683	5,635	4,957	17,371	16,018
Fee and commission expense	5	(613)	(507)	(476)	(1,566)	(1,410)
Net fee and commission income	5	6,071	5,128	4,481	15,804	14,608
Other income		305	188	363	563	1,254
<b>Total revenues</b>		<b>11,695</b>	9,540	8,236	29,979	26,534
<b>Negative goodwill</b>	2		28,925	0	28,925	0
<b>Credit loss expense / (release)</b>	8	<b>306</b>	623	(3)	967	22
Personnel expenses	6	7,571	5,651	4,216	17,842	13,559
General and administrative expenses	7	3,124	1,968	1,192	7,157	3,769
Depreciation, amortization and impairment of non-financial assets		950	866	508	2,341	1,517
<b>Operating expenses</b>		<b>11,644</b>	8,486	5,916	27,340	18,845
<b>Operating profit / (loss) before tax</b>		<b>(255)</b>	29,356	2,323	30,597	7,667
Tax expense / (benefit)		526	361	580	1,346	1,662
<b>Net profit / (loss)</b>		<b>(781)</b>	28,995	1,742	29,251	6,005
Net profit / (loss) attributable to non-controlling interests		4	3	9	15	28
<b>Net profit / (loss) attributable to shareholders</b>		<b>(785)</b>	28,992	1,733	29,235	5,977
<b>Earnings per share (USD)</b>						
Basic		(0.24)	9.41	0.54	9.35	1.81
Diluted		(0.24)	9.02	0.52	8.95	1.74

<sup>1</sup> Comparative-period information has been revised. Refer to Note 2 for more information.

## Statement of comprehensive income

USD m	For the quarter ended			Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22	30.9.23	30.9.22
<b>Comprehensive income attributable to shareholders<sup>2</sup></b>					
Net profit / (loss)	(785)	28,992	1,733	29,235	5,977
<b>Other comprehensive income that may be reclassified to the income statement</b>					
<b>Foreign currency translation</b>					
Foreign currency translation movements related to net assets of foreign operations, before tax	(1,425)	754	(1,135)	(435)	(2,647)
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax	806	(379)	475	300	1,135
Foreign currency translation differences on foreign operations reclassified to the income statement	2	(3)	24	(1)	32
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement	0	(1)	(3)	(3)	(7)
Income tax relating to foreign currency translations, including the effect of net investment hedges	4	(4)	6	(2)	14
Subtotal foreign currency translation, net of tax	(615)	368	(633)	(141)	(1,473)
<b>Financial assets measured at fair value through other comprehensive income</b>					
Net unrealized gains / (losses), before tax	(2)	0	(3)	0	(445)
Net realized (gains) / losses reclassified to the income statement from equity	0	0	0	1	0
Reclassification of financial assets to Other financial assets measured at amortized cost <sup>3</sup>					449
Income tax relating to net unrealized gains / (losses)	0	0	0	0	(3)
Subtotal financial assets measured at fair value through other comprehensive income, net of tax	(2)	0	(3)	0	0
<b>Cash flow hedges of interest rate risk</b>					
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax	(1,198)	(1,314)	(2,053)	(2,126)	(5,816)
Net (gains) / losses reclassified to the income statement from equity	580	410	16	1,339	(370)
Income tax relating to cash flow hedges	92	130	373	91	1,168
Subtotal cash flow hedges, net of tax	(526)	(775)	(1,664)	(695)	(5,018)
<b>Cost of hedging</b>					
Cost of hedging, before tax	(1)	11	17	5	114
Income tax relating to cost of hedging	0	0	(3)	0	(3)
Subtotal cost of hedging, net of tax	(1)	11	14	5	111
<b>Total other comprehensive income that may be reclassified to the income statement, net of tax</b>	<b>(1,144)</b>	<b>(397)</b>	<b>(2,286)</b>	<b>(832)</b>	<b>(6,380)</b>
<b>Other comprehensive income that will not be reclassified to the income statement</b>					
<b>Defined benefit plans</b>					
Gains / (losses) on defined benefit plans, before tax	(62)	(17)	136	(54)	299
Income tax relating to defined benefit plans	(7)	(35)	42	(36)	33
Subtotal defined benefit plans, net of tax	(69)	(53)	177	(91)	332
<b>Own credit on financial liabilities designated at fair value</b>					
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax	(715)	(473)	452	(1,119)	1,171
Income tax relating to own credit on financial liabilities designated at fair value	29	60	(116)	72	(142)
Subtotal own credit on financial liabilities designated at fair value, net of tax	(686)	(413)	335	(1,047)	1,029
<b>Total other comprehensive income that will not be reclassified to the income statement, net of tax</b>	<b>(755)</b>	<b>(466)</b>	<b>513</b>	<b>(1,138)</b>	<b>1,361</b>
<b>Total other comprehensive income</b>	<b>(1,899)</b>	<b>(862)</b>	<b>(1,773)</b>	<b>(1,970)</b>	<b>(5,018)</b>
<b>Total comprehensive income attributable to shareholders</b>	<b>(2,684)</b>	<b>28,130</b>	<b>(40)</b>	<b>27,266</b>	<b>959</b>
<b>Comprehensive income attributable to non-controlling interests</b>					
Net profit / (loss)	4	3	9	15	28
<b>Total other comprehensive income that will not be reclassified to the income statement, net of tax</b>	<b>(12)</b>	<b>(5)</b>	<b>(17)</b>	<b>(12)</b>	<b>(27)</b>
<b>Total comprehensive income attributable to non-controlling interests</b>	<b>(8)</b>	<b>(2)</b>	<b>(8)</b>	<b>4</b>	<b>1</b>
<b>Total comprehensive income</b>					
Net profit / (loss)	(781)	28,995	1,742	29,251	6,005
Other comprehensive income	(1,911)	(867)	(1,791)	(1,981)	(5,045)
<i>of which: other comprehensive income that may be reclassified to the income statement</i>	<i>(1,144)</i>	<i>(397)</i>	<i>(2,286)</i>	<i>(832)</i>	<i>(6,380)</i>
<i>of which: other comprehensive income that will not be reclassified to the income statement</i>	<i>(767)</i>	<i>(470)</i>	<i>496</i>	<i>(1,150)</i>	<i>1,334</i>
<b>Total comprehensive income</b>	<b>(2,692)</b>	<b>28,128</b>	<b>(48)</b>	<b>27,269</b>	<b>960</b>

<sup>1</sup> Comparative-period information has been revised. Refer to Note 2 for more information. <sup>2</sup> Refer to the "Group performance" section of this report for more information. <sup>3</sup> Effective 1 April 2022, a portfolio of assets previously classified as Financial assets measured at fair value through other comprehensive income was reclassified to Other financial assets measured at amortized cost. As a result, the related cumulative fair value losses of USD 449m before tax and USD 333m after tax, previously recognized in Other comprehensive income, have been removed from equity and adjusted against the value of the assets at the reclassification date.

## Balance sheet

USD m	Note	30.9.23	30.6.23 <sup>1</sup>	31.12.22
<b>Assets</b>				
Cash and balances at central banks		262,383	261,587	169,445
Amounts due from banks		21,334	24,392	14,792
Receivables from securities financing transactions measured at amortized cost		84,872	86,538	67,814
Cash collateral receivables on derivative instruments	10	55,606	54,314	35,032
Loans and advances to customers	8	624,885	645,785	387,220
Other financial assets measured at amortized cost	11	64,158	64,916	53,264
<b>Total financial assets measured at amortized cost</b>		<b>1,113,238</b>	<b>1,137,531</b>	<b>727,568</b>
Financial assets at fair value held for trading	9	142,888	157,171	107,866
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>		<i>48,770</i>	<i>54,165</i>	<i>36,742</i>
Derivative financial instruments	9, 10	194,661	185,949	150,108
Brokerage receivables	9	24,611	21,537	17,576
Financial assets at fair value not held for trading	9	112,256	118,605	59,796
<b>Total financial assets measured at fair value through profit or loss</b>		<b>474,415</b>	<b>483,261</b>	<b>335,347</b>
<b>Financial assets measured at fair value through other comprehensive income</b>	9	<b>2,213</b>	<b>2,217</b>	<b>2,239</b>
Investments in associates		2,715	2,691	1,101
Property, equipment and software		17,919	18,325	12,288
Goodwill and intangible assets		7,462	7,569	6,267
Deferred tax assets		10,469	10,342	9,389
Other non-financial assets	11	16,091	16,919	10,166
<b>Total assets</b>		<b>1,644,522</b>	<b>1,678,856</b>	<b>1,104,364</b>
<i>of which: Credit Suisse</i>	2	<i>559,424</i>	<i>598,379</i>	
<b>Liabilities</b>				
Amounts due to banks		68,461	99,167	11,596
Payables from securities financing transactions measured at amortized cost		14,954	22,297	4,202
Cash collateral payables on derivative instruments	10	41,546	41,416	36,436
Customer deposits		733,071	712,546	525,051
Debt issued measured at amortized cost	13	224,025	230,857	114,621
Other financial liabilities measured at amortized cost	11	19,211	19,403	9,575
<b>Total financial liabilities measured at amortized cost</b>		<b>1,101,268</b>	<b>1,125,687</b>	<b>701,481</b>
Financial liabilities at fair value held for trading	9	34,989	40,364	29,515
Derivative financial instruments	9, 10	198,019	195,182	154,906
Brokerage payables designated at fair value	9	41,313	43,852	45,085
Debt issued designated at fair value	9, 12	126,135	125,050	73,638
Other financial liabilities designated at fair value	9, 11	33,284	36,122	30,237
<b>Total financial liabilities measured at fair value through profit or loss</b>		<b>433,739</b>	<b>440,569</b>	<b>333,381</b>
Provisions and contingent liabilities	15	11,515	12,951	3,243
Other non-financial liabilities	11	12,603	11,896	9,040
<b>Total liabilities</b>		<b>1,559,125</b>	<b>1,591,104</b>	<b>1,047,146</b>
<i>of which: Credit Suisse<sup>2</sup></i>	2	<i>462,491</i>	<i>502,702</i>	
<b>Equity</b>				
Share capital		346	346	304
Share premium		12,858	12,521	13,546
Treasury shares		(4,122)	(4,208)	(6,874)
Retained earnings		76,726	78,297	50,004
Other comprehensive income recognized directly in equity, net of tax		(953)	161	(103)
<b>Equity attributable to shareholders</b>		<b>84,856</b>	<b>87,116</b>	<b>56,876</b>
Equity attributable to non-controlling interests		542	636	342
<b>Total equity</b>		<b>85,398</b>	<b>87,752</b>	<b>57,218</b>
<b>Total liabilities and equity</b>		<b>1,644,522</b>	<b>1,678,856</b>	<b>1,104,364</b>

<sup>1</sup> Comparative-period information has been revised. Refer to Note 2 for more information. <sup>2</sup> Excludes USD 55.7bn (30 June 2023: USD 52.9bn) of debt instruments previously issued by Credit Suisse Group AG and transferred to UBS Group AG as part of the acquisition of the Credit Suisse Group.

## Statement of changes in equity

<i>USD m</i>	Share capital and share premium	Treasury shares	Retained earnings	OCI recognized directly in equity, net of tax <sup>1</sup>	<i>of which: foreign currency translation</i>	<i>of which: cash flow hedges</i>	Total equity attributable to shareholders
<b>Balance as of 1 January 2023<sup>2</sup></b>	<b>13,850</b>	<b>(6,874)</b>	<b>50,004</b>	<b>(103)</b>	<b>4,128</b>	<b>(4,234)</b>	<b>56,876</b>
Purchase price consideration, before consideration of share-based compensation awards <sup>3</sup>	619	2,928					3,547
Impact of share-based compensation awards <sup>3</sup>	162						162
Impact of the settlement of pre-existing relationships <sup>3</sup>			(61)				(61)
Acquisition of treasury shares		(2,353) <sup>4</sup>					(2,353)
Delivery of treasury shares under share-based compensation plans	(856)	946					91
Other disposal of treasury shares	6	177 <sup>4</sup>					182
Cancellation of treasury shares related to the 2021 share repurchase program <sup>5</sup>	(561)	1,115	(554)				0
Share-based compensation expensed in the income statement	791						791
Tax (expense) / benefit	7						7
Dividends	(839) <sup>6</sup>		(839) <sup>6</sup>				(1,679)
Equity classified as obligation to purchase own shares	21						21
Translation effects recognized directly in retained earnings			18	(18)		(18)	0
Share of changes in retained earnings of associates and joint ventures			(1)				(1)
New consolidations / (deconsolidations) and other increases / (decreases)	2		1				3
Total comprehensive income for the period			28,097	(832)	(141)	(695)	27,266
<i>of which: net profit / (loss)</i>			29,235				29,235
<i>of which: OCI, net of tax</i>			(1,138)	(832)	(141)	(695)	(1,970)
<b>Balance as of 30 September 2023<sup>2</sup></b>	<b>13,204</b>	<b>(4,122)</b>	<b>76,726</b>	<b>(953)</b>	<b>3,987</b>	<b>(4,947)</b>	<b>84,856</b>
Non-controlling interests as of 30 September 2023							542 <sup>7</sup>
<b>Total equity as of 30 September 2023</b>							<b>85,398</b>
<b>Balance as of 1 January 2022<sup>2</sup></b>	<b>16,250</b>	<b>(4,675)</b>	<b>43,851</b>	<b>5,236</b>	<b>4,653</b>	<b>628</b>	<b>60,662</b>
Acquisition of treasury shares		(4,944) <sup>4</sup>					(4,944)
Delivery of treasury shares under share-based compensation plans	(761)	857					96
Other disposal of treasury shares	(2)	124 <sup>4</sup>					123
Cancellation of treasury shares related to the 2021 share repurchase program	(1,520)	3,022	(1,502)				0
Share-based compensation expensed in the income statement	544						544
Tax (expense) / benefit	12						12
Dividends	(834) <sup>6</sup>		(834) <sup>6</sup>				(1,668)
Equity classified as obligation to purchase own shares	(31)						(31)
Translation effects recognized directly in retained earnings			(44)	44		44	0
Share of changes in retained earnings of associates and joint ventures			0				0
New consolidations / (deconsolidations) and other increases / (decreases)	4		3	(3)			4
Total comprehensive income for the period			7,338	(6,380)	(1,473)	(5,018)	959
<i>of which: net profit / (loss)</i>			5,977				5,977
<i>of which: OCI, net of tax</i>			1,361	(6,380)	(1,473)	(5,018)	(5,018)
<b>Balance as of 30 September 2022<sup>2</sup></b>	<b>13,663</b>	<b>(5,617)</b>	<b>48,813</b>	<b>(1,103)</b>	<b>3,180</b>	<b>(4,346)</b>	<b>55,756</b>
Non-controlling interests as of 30 September 2022							330
<b>Total equity as of 30 September 2022</b>							<b>56,087</b>

1 Excludes other comprehensive income related to defined benefit plans and own credit that is recorded directly in Retained earnings. 2 Excludes non-controlling interests. 3 Refer to Note 2 for more information. 4 Includes treasury shares acquired and disposed of by the Investment Bank in its capacity as a market maker with regard to UBS shares and related derivatives, and to hedge certain issued structured debt instruments. These acquisitions and disposals are reported based on the sum of the net monthly movements. 5 Reflects the cancellation of 62,548,000 shares purchased under UBS's 2021 share repurchase program as approved by shareholders at the 2023 Annual General Meeting. Swiss tax law requires Switzerland-domiciled companies with shares listed on a Swiss stock exchange to reduce capital contribution reserves by at least 50% of the total capital reduction amount exceeding the nominal value upon cancellation of the shares. 6 Reflects the payment of an ordinary cash dividend of USD 0.55 per dividend-bearing share in April 2023 (2022: USD 0.50 per dividend-bearing share paid in April 2022). Swiss tax law requires Switzerland-domiciled companies with shares listed on a Swiss stock exchange to pay no more than 50% of dividends from capital contribution reserves, with the remainder required to be paid from retained earnings. 7 Includes an increase of USD 285m in the second quarter of 2023 due to the acquisition of the Credit Suisse Group.

## Statement of cash flows

	Year-to-date	
USD m	30.9.23	30.9.22
<b>Cash flow from / (used in) operating activities</b>		
Net profit / (loss)	29,251	6,005
<b>Non-cash items included in net profit and other adjustments:</b>		
Depreciation, amortization and impairment of non-financial assets	2,341	1,517
Credit loss expense / (release)	967	22
Share of net (profit) / loss of associates and joint ventures and impairment related to associates	(118)	(31)
Deferred tax expense / (benefit)	(152)	563
Net loss / (gain) from investing activities	26	(889)
Net loss / (gain) from financing activities	(1,921)	(22,611)
Negative goodwill <sup>1</sup>	(28,925)	
Other net adjustments	3,496	14,766
<b>Net change in operating assets and liabilities:<sup>2</sup></b>		
Amounts due from banks and amounts due to banks	4,813	1,808
Securities financing transactions measured at amortized cost	6,307	5,347
Cash collateral on derivative instruments	(5,826)	(5,313)
Loans and advances to customers and customer deposits	43,632	(15,899)
Financial assets and liabilities at fair value held for trading and derivative financial instruments	(8,521)	22,996
Brokerage receivables and payables	(10,517)	3,243
Financial assets at fair value not held for trading and other financial assets and liabilities	13,185	4,448
Provisions and other non-financial assets and liabilities	1,637	313
Income taxes paid, net of refunds	(1,544)	(1,284)
<b>Net cash flow from / (used in) operating activities</b>	<b>48,131</b>	<b>15,000</b>
<b>Cash flow from / (used in) investing activities</b>		
Cash and cash equivalents acquired on acquisition of Credit Suisse <sup>1</sup>	108,510	
Purchase of subsidiaries, associates and intangible assets	(1)	0
Disposal of subsidiaries, associates and intangible assets	47	1,682
Purchase of property, equipment and software	(1,227)	(1,181)
Disposal of property, equipment and software	63	9
Net (purchase) / redemption of financial assets measured at fair value through other comprehensive income	25	(724)
Purchase of debt securities measured at amortized cost	(11,632)	(16,881)
Disposal and redemption of debt securities measured at amortized cost	7,227	8,653
<b>Net cash flow from / (used in) investing activities</b>	<b>103,013</b>	<b>(8,443)</b>
<b>Cash flow from / (used in) financing activities</b>		
Repayment of Swiss National Bank funding	(56,516)	
Net issuance (repayment) of short-term debt measured at amortized cost	3,084	(16,249)
Net movements in treasury shares and own equity derivative activity	(2,100)	(4,745)
Distributions paid on UBS shares	(1,679)	(1,668)
Issuance of debt designated at fair value and long-term debt measured at amortized cost	88,028	68,389
Repayment of debt designated at fair value and long-term debt measured at amortized cost	(82,904)	(54,184)
Net cash flows from other financing activities	(481)	(481)
<b>Net cash flow from / (used in) financing activities</b>	<b>(52,568)</b>	<b>(8,939)</b>
<b>Total cash flow</b>		
<b>Cash and cash equivalents at the beginning of the period</b>	<b>195,321</b>	<b>207,875</b>
Net cash flow from / (used in) operating, investing and financing activities	98,576	(2,382)
Effects of exchange rate differences on cash and cash equivalents	(1,497)	(15,788)
<b>Cash and cash equivalents at the end of the period<sup>3</sup></b>	<b>292,400</b>	<b>189,707</b>
<i>of which: cash and balances at central banks<sup>4</sup></i>	<i>262,304</i>	<i>166,306</i>
<i>of which: amounts due from banks<sup>4</sup></i>	<i>18,961</i>	<i>13,469</i>
<i>of which: money market paper<sup>5</sup></i>	<i>11,135</i>	<i>9,932</i>
<b>Additional information</b>		
<b>Net cash flow from / (used in) operating activities includes:</b>		
Interest received in cash	30,680	10,189
Interest paid in cash	23,541	5,028
Dividends on equity investments, investment funds and associates received in cash <sup>6</sup>	1,867	1,556

<sup>1</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group. <sup>2</sup> Movements in this section exclude foreign currency translation and foreign exchange effects, which are presented within the Other net adjustments line. <sup>3</sup> USD 6,194m and USD 3,855m of cash and cash equivalents (mainly reflected in Amounts due from banks) were restricted as of 30 September 2023 and 30 September 2022, respectively. Refer to "Note 22 Restricted and transferred financial assets" in the "Consolidated financial statements" section of the Annual Report 2022 for more information. Cash and cash equivalents as of 30 September 2023 includes USD 109,098m related to Credit Suisse. <sup>4</sup> Includes only balances with an original maturity of three months or less. <sup>5</sup> Money market paper is included on the balance sheet under Financial assets at fair value not held for trading (30 September 2023: USD 10,158m; 30 September 2022: USD 3,898m), Other financial assets measured at amortized cost (30 September 2023: USD 393m; 30 September 2022: USD 5,943m), and Financial assets at fair value held for trading (30 September 2023: USD 583m; 30 September 2022: USD 91m). <sup>6</sup> Includes dividends received from associates reported within Net cash flow from / (used in) investing activities.



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

## Note 1 Basis of accounting

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### Basis of preparation

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

In preparing these interim financial statements, the same accounting policies and methods of computation have been applied as in the UBS Group AG consolidated annual financial statements for the period ended 31 December 2022, except for the changes described in this Note and Note 2, which set out the accounting for the acquisition of the Credit Suisse Group. These interim financial statements are unaudited and should be read in conjunction with UBS Group AG's audited consolidated financial statements in the Annual Report 2022 and the "Management report" sections of this report, including the disclosures in under "Integration of Credit Suisse" in the "Recent developments" section of this report. In the opinion of management, all necessary adjustments have been made for a fair presentation of the Group's financial position, results of operations and cash flows.

Preparation of these interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities. These estimates and assumptions are based on the best available information. Actual results in the future could differ from such estimates and differences may be material to the financial statements. Revisions to estimates, based on regular reviews, are recognized in the period in which they occur. For more information about areas of estimation uncertainty that are considered to require critical judgment, refer to this Note and Note 2 in this report, as well as "Note 1a Material accounting policies" in the "Consolidated financial statements" section of the Annual Report 2022.

### IFRS 17, *Insurance Contracts*

Effective from 1 January 2023, UBS has adopted IFRS 17, *Insurance Contracts*, which sets out the accounting requirements for contractual rights and obligations that arise from insurance contracts issued and reinsurance contracts held. The adoption has had no material effect on the Group's financial statements.

### Amendments to IAS 12, *Income Taxes*

In May 2023, the IASB issued amendments to IAS 12, *Income Taxes*, whereby, under an exception, deferred tax assets (DTAs) and deferred tax liabilities (DTLs) will not be recognized in respect of top-up tax on income under Global Anti-Base Erosion Rules that is imposed under tax law that is enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. This exception applies immediately upon the issuance of the amendments and it is, therefore, potentially relevant to these financial statements and subsequent financial statements. Although countries are starting to implement the rules, the Group did not have any DTAs or DTLs on 30 September 2023 that had not been recognized as a result of the application of this exception. The exception is expected to be removed by the IASB in due course, although the timing of that has not been specified. The amendments also introduced new disclosure requirements in relation to top-up tax, which will first apply to the Group's financial statements for the year ended 31 December 2023.

### Other amendments to IFRS

Effective from 1 January 2023, UBS has adopted a number of minor amendments to IFRS, which have had no significant effect on the Group.

## Note 1 Basis of accounting (continued)

### Incremental accounting policies related to the transactions and activities associated with the acquisition of the Credit Suisse Group

#### Business combinations

UBS has determined that the acquisition of the Credit Suisse Group constitutes a business combination under IFRS. As per "Note 1a Material accounting policies, item 1 Consolidation" in the "Consolidated financial statements" section of the Annual Report 2022, business combinations are accounted for using the acquisition method. Under this method, any excess of the acquisition-date amounts of the identifiable net assets acquired over the fair value of the consideration transferred results in a negative goodwill that is recognized in the income statement on the date of the acquisition, with transaction costs expensed as incurred. As required by IFRS 3, *Business Combinations*, provisional amounts of identifiable assets acquired, liabilities assumed and purchase consideration determined as of the acquisition date may be subject to adjustments within a maximum of one year from the acquisition date (referred to in this report as measurement period adjustments).

#### Allowances and provisions for expected credit losses

The Group's material accounting policies in respect of allowances and provisions for expected credit losses are set out in "Note 1a Material accounting policies, item 2g Allowances and provisions for expected credit losses" in the "Consolidated financial statements" section of the Annual Report 2022. Financial instruments acquired through a business combination that are not classified by the Group at fair value through profit or loss are subject to the IFRS 9 expected credit loss (ECL) requirements. At the date of acquisition, financial instruments within the scope of the ECL requirements that are determined to be credit impaired are treated as purchased credit-impaired financial instruments, with all other financial instruments that are not credit impaired treated as stage 1 financial instruments on the basis that there has not been a significant increase in credit risk (an SICR) since their initial recognition. Consistent with the requirements of IFRS 3 and IFRS 9, immediately after the application of the acquisition method to the business combination, financial instruments that are not credit impaired are classified as stage 1 financial instruments and a maximum 12-month ECL is recognized, resulting in a carrying amount below their acquisition-date fair value.

#### Significant increase in credit risk

For the purpose of the 30-days-past-due backstop applied for the determination of an SICR for loans that were not 30 days past due on the date of acquisition, days past due are determined by counting the number of days for which the contractual payments have not been received since the acquisition date.

Financial instruments with counterparties on a watch list as of the date of a business combination are treated as stage 1, on the basis that there has not been an SICR since their initial recognition. However, remaining on a watch list for more than 90 days since the first reporting period following the date of a business combination is treated as an indication of a prolonged deterioration of credit quality and therefore considered to be an SICR trigger.

#### Default and credit impairment

For the purpose of the 90-days-past-due backstop applied for the determination of whether default has occurred, days past due are determined by counting the number of days since the earliest elapsed due date in respect of which material payments of interest, principal or fees have not been received, even if that date was prior to the acquisition date.

#### Goodwill and other separately identifiable intangible assets

The Group's material accounting policies in respect of the accounting of goodwill are set out in "Note 1a Material accounting policies, item 8 Goodwill" in the "Consolidated financial statements" section of the Annual Report 2022.

Separately from goodwill, UBS recognizes identifiable intangible assets acquired in a business combination that were not previously recognized in the financial statements of the acquiree. Amortization of these intangible assets is recognized on a straight-line basis over their estimated useful life. These assets are tested for impairment at the appropriate cash-generating unit level.

Negative goodwill, generally determined based on the difference between the provisional fair values for the identifiable assets acquired and liabilities assumed and consideration transferred, is recognized in the income statement on the acquisition date.

› Refer to Note 2 for more information

## Note 1 Basis of accounting (continued)

### Contingent liabilities recognized in a business combination

Contingent liabilities recognized in a business combination are initially measured at fair value. Subsequently, they are measured at the amount that would be recognized in accordance with the requirements for provisions as set out in IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, floored at the amount attributed on initial recognition, until the contingency is resolved.

### Currency translation rates

The table below 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 <sup>1</sup>				
	As of				For the quarter ended			Year-to-date	
	30.9.23	30.6.23	31.12.22	30.9.22	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
1 CHF	1.09	1.12	1.08	1.01	1.12	1.11	1.03	1.11	1.05
1 EUR	1.06	1.09	1.07	0.98	1.08	1.09	0.99	1.08	1.05
1 GBP	1.22	1.27	1.21	1.12	1.26	1.27	1.16	1.25	1.24
100 JPY	0.67	0.69	0.76	0.69	0.69	0.71	0.72	0.71	0.78

<sup>1</sup> Monthly income statement items of operations with a functional currency other than the US dollar are translated into US dollars using month-end rates. Disclosed average rates for a quarter represent an average of three month-end rates, weighted according to the income and expense volumes of all operations of the Group with the same functional currency for each month. Accordingly, the weighted average rates for the second and third quarter of 2023 and first nine months of 2023 consider income and expenses from Credit Suisse's operations generated since its acquisition by UBS. Weighted average rates for individual business divisions may deviate from the weighted average rates for the Group.

## Note 2 Accounting for the acquisition of the Credit Suisse Group

### The transaction

On 12 June 2023, UBS Group AG acquired Credit Suisse Group AG, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse Group AG, and became the direct or indirect shareholder of all of the former direct and indirect subsidiaries of Credit Suisse Group AG (the Transaction).

The acquisition followed a request from the Swiss Federal Department of Finance, the Swiss National Bank and the Swiss Financial Market Supervisory Authority (FINMA) to both firms to duly consider the Transaction in order to restore necessary confidence in the stability of the Swiss economy and banking system and to serve the best interests of the shareholders and stakeholders of UBS and Credit Suisse. The firms subsequently entered into a merger agreement on 19 March 2023.

Upon the completion of the Transaction, each outstanding, registered Credit Suisse Group AG share converted to the right to receive, subject to the payment of certain fees to the Credit Suisse Depository in the case of Credit Suisse American depository shares (ADS), a merger consideration consisting of 1/22.48 UBS Group AG shares. In aggregate, Credit Suisse Group AG shareholders received 5.1% of the outstanding UBS Group AG shares on the acquisition date, with a purchase price of USD 3.7bn.

For further information about the acquisition of the Credit Suisse Group, refer to the "Management report" sections of this report, including the disclosures in under "Integration of Credit Suisse" in the "Recent developments" section.

### The accounting principles – conversion from US GAAP to IFRS of Credit Suisse Group and IFRS 3 purchase price allocation

As set out in Note 1, the acquisition of the Credit Suisse Group constitutes a business combination under IFRS 3, *Business Combinations*, and is required to be accounted for by applying the acquisition method of accounting.

As part of the acquisition method of accounting, the assets and liabilities of the Credit Suisse Group have been converted from US generally accepted accounting principles (GAAP) to IFRS. The most material conversion impact arose from the different derivative netting rules, resulting in an increase in *Total assets* of USD 70bn, with no impact on *Equity*. Other conversion adjustments arose from the removal of the Swiss pension surplus and the different methods used to calculate expected credit losses.

- › Refer to Note 8 for more information about the expected credit losses recognized as an additional measurement adjustment following the acquisition date

## Note 2 Accounting for the acquisition of the Credit Suisse Group (continued)

### Remeasurement of assets, liabilities and off-balance sheet arrangements at acquisition date as part of the IFRS 3 purchase price allocation

#### Financial instruments

In addition, the financial assets and liabilities of the Credit Suisse Group have been remeasured to fair value as of the acquisition date, resulting in the provisional fair values disclosed below, with negative fair value adjustments of USD 14.7bn, including USD 4.3bn (USD 2.3bn provisionally reported in the second quarter of 2023) recognized on financial instruments that are classified at fair value through profit or loss and fair value adjustments of USD 10.4bn (USD 12.4bn provisionally reported in the second quarter of 2023) recognized on financial instruments at amortized cost and off-balance sheet commitments and guarantees.

In particular, material fair value adjustments have been made regarding the Credit Suisse Group lending portfolio, including mortgages and corporate lending, to bring the financial instruments from amortized cost to fair value. Fair value adjustments applied to amortized-cost financial instruments and lending arrangements that are fair valued through profit or loss will generally accrete to par over their expected lives through *Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income*, *Fee and commission income* and *Other net income from financial instruments measured at fair value through profit or loss* in the income statement if the instruments continue to be held.

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

Adjustments have also been made to other asset and liability categories, with new intangible assets of USD 0.9bn and additional litigation provisions and contingent liabilities of USD 4.5bn recognized as detailed below. Furthermore, Credit Suisse Group goodwill has been derecognized, the fair value of internally generated software has been marked down considering how other market participants would value acquired software, and real estate held and leased has been revalued.

With the acquisition date of 12 June 2023, for convenience the Credit Suisse Group was consolidated from 31 May 2023, as the impact of transactions and activities in the period from 31 May 2023 to 12 June 2023 on the consolidated financial statements was not material.

#### Intangible assets

Included in *Intangible assets* is a fair value of USD 0.9bn for core deposits and customer relationship intangibles, which were recognized as part of the acquisition of the Credit Suisse Group. These assets were not previously recognized in the financial statements of the Credit Suisse Group. The fair value of the core deposits intangible asset was determined using the after-tax cost savings method under the income approach. After-tax cost savings were estimated by comparing the cost of the existing deposits (including the cost of maintaining them) to the cost of obtaining alternative funds from a mix of diversified funding sources available to market participants. The core deposits intangible asset represents the present value of the after-tax cost savings expected to be realized over the remaining useful life of the deposits. The fair value of the customer relationship intangible asset was determined using the multi-period excess earnings method (an income-based valuation methodology), by discounting estimated after-tax excess earnings attributable to existing customer relationships over their remaining useful lives. Both intangible asset valuations include assumptions consistent with how a market participant would estimate fair values, such as growth and attrition rates and projected fee and interest income, as well as related costs to service the relationships and deposits, and discount rates.

Also included in *Intangible assets* are mortgage-servicing rights (MSRs) of USD 0.4bn, which represent the right to perform specified mortgage-servicing activities on behalf of third parties, generating income through servicing fees. The MSRs were valued using a discounted cash flow model.

## Note 2 Accounting for the acquisition of the Credit Suisse Group (continued)

### Additional provisions and contingent liabilities

Included in *Provisions and contingent liabilities* is USD 4.5bn for additional litigation provisions and contingent liabilities, which includes USD 1.5bn for litigation provisions, in addition to the existing USD 1.3bn provision previously recorded by the Credit Suisse Group, and USD 3bn contingent liabilities for certain obligations in respect of litigation, regulatory and similar matters identified in the purchase price allocation. The timing and actual amount of outflows associated with litigation matters are uncertain. UBS continues to assess the development of these obligations and the amount and timing of potential outflows. In addition, UBS has also recognized USD 4.5bn for fair value adjustments on acquired loan commitments and guarantees recognized under IFRS as a consequence of the acquisition, of which USD 2.3bn (USD 4.3bn provisionally reported in the second quarter of 2023) is included in *Provisions and contingent liabilities* and USD 2.2bn (USD 0.2bn provisionally reported in the second quarter of 2023) is included as fair value loan commitments within *Derivative financial instruments* liabilities.

- › Refer to “IFRS 3 measurement period adjustments for the acquisition of the Credit Suisse Group” in this Note
- › Refer to Note 15 for more information

### Determination of the purchase price consideration

	<b>Measure</b>	
Credit Suisse Group ordinary shares outstanding, 12 June 2023	Number of shares (m)	<b>3,949</b>
Exchange ratio (1 to 22.48)	Ratio	<b>0.04</b>
UBS ordinary shares	Number of shares (m)	<b>176</b>
UBS ordinary share price	CHF	<b>18.35</b>
Purchase price consideration, before consideration of share-based compensation awards	CHF m	<b>3,223</b>
<b>Purchase price consideration, before consideration of share-based compensation awards using exchange rate of 1.10<sup>1</sup></b>	<b>USD m</b>	<b>3,547</b>
Impact of share-based compensation awards <sup>2</sup>	USD m	<b>162</b>
<b>Purchase price consideration, after consideration of share-based compensation awards</b>	<b>USD m</b>	<b>3,710</b>
Settlement of pre-existing relationships	USD m	<b>135</b>
<b>Provisional purchase price consideration, after consideration of pre-existing relationships</b>	<b>USD m</b>	<b>3,845</b>
Net cash and cash equivalents acquired with the Credit Suisse Group (included in cash flows from investing activities)	USD m	<b>108,510</b>
<i>of which: cash and balances at central banks</i>	<i>USD m</i>	<b>93,012</b>
<i>of which: amounts due from banks</i>	<i>USD m</i>	<b>12,601</b>
<i>of which: money market paper</i>	<i>USD m</i>	<b>2,897</b>

<sup>1</sup> The purchase price consideration is reflected as a reduction to treasury shares of the Group at their weighted average cost, with the difference between the fair value of UBS shares on the closing date and the weighted average cost of treasury shares in the UBS Group balance sheet on closing date taken as an adjustment to share premium. As of 12 June 2023, this resulted in a total purchase price of approximately USD 3.7bn, based on the UBS Group AG share price on 12 June 2023 and before considering the effect of pre-existing relationships. <sup>2</sup> Represents the value of share-based compensation awards outstanding to Credit Suisse employees attributable to the service period completed on the date of acquisition.

### Determination of negative goodwill

The acquisition of the Credit Suisse Group on 12 June 2023 resulted in provisional negative goodwill of USD 28.9bn. The negative goodwill represents the difference between the fair values for the identifiable assets acquired and liabilities assumed, except for amounts related to leases and employee benefits, which have been determined by applying the requirements in IFRS 16 and IAS 19, respectively, and consideration transferred. The negative goodwill has been recognized as of the acquisition date in the income statement on a separate line, Negative goodwill, following the requirements in IFRS 3. The pre-tax gain arising from negative goodwill on the acquisition of the Credit Suisse Group did not result in any tax expense.

## Note 2 Accounting for the acquisition of the Credit Suisse Group (continued)

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### IFRS 3 measurement period adjustments in the third quarter of 2023 for the acquisition of the Credit Suisse Group

The acquisition of Credit Suisse AG was made without the ordinary due diligence procedures and outside the conventional time frame for an acquisition of this scale and nature. As such, complete information about all relevant facts and circumstances of the acquisition date were not practically available to UBS at the time when the initial acquisition accounting was applied for the purpose of the UBS Group second quarter 2023 report, with the amounts that form part of the business combination accounting therefore considered provisional and subject to further measurement period adjustments if new information about facts and circumstances existing on the date of the acquisition is obtained within one year from the acquisition date.

### IFRS 9 reclassification of certain loans and off-balance sheet loan commitments held by the newly established Non-core and Legacy business division to measured at fair value through profit or loss

In the third quarter of 2023, the management of UBS determined that it intended to sell certain loans and off-balance sheet loan commitments held by the newly created Non-core and Legacy business division. Decisions about whether to hold loans to collect contractual cash flows or to sell them affect the business model for managing certain financial assets and, consequently, their classification and measurement in accordance with IFRS 9. These measurement period adjustments reflect facts and circumstances as of the acquisition date that have been determined subsequently, considering the time needed to assess the risks, valuations and ability to sell certain financial assets. As a consequence, the classification and measurement adjustments are accounted for under IFRS 3, with previously reported financial information revised as of the acquisition date.

The application of measurement period adjustments to the accounting for the acquisition of the Credit Suisse Group resulted in USD 6bn of loans and advances to customers previously reported in the UBS Group second quarter 2023 report as accounted for on an amortized-cost basis to be reclassified to financial assets measured at fair value held for trading, and loan commitments with a notional value of USD 27.5bn and a corresponding fair value of USD 2bn, not measured at fair value, to be reclassified to derivative loan commitments measured at fair value through profit or loss. As a consequence of the classification and measurement adjustments, USD 117m stage 1 and 2 expected credit losses have been reversed from the income statement and, accordingly, a USD 117m increase in net profit has been recognized in the second quarter of 2023. The measurement period adjustments had no further effect on the net assets as of the acquisition date and no impact on provisional negative goodwill.

### Effect of measurement period adjustments on the acquisition date balance sheet made in the third quarter of 2023

The table below sets out the identifiable net assets attributable to the acquisition of the Credit Suisse Group as of the acquisition date and includes the effects of measurement period adjustments on the acquisition date balance sheet, made in the third quarter 2023, detailed above.

## Note 2 Accounting for the acquisition of the Credit Suisse Group (continued)

USD m

Purchase price consideration, after consideration of share-based compensation awards	3,710
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### Credit Suisse Group net identifiable assets on the acquisition date

<b>Assets</b>	As previously reported	Measurement period adjustment	Revised
Cash and balances at central banks	93,012		93,012
Amounts due from banks	13,590		13,590
Receivables from securities financing transactions measured at amortized cost	26,194		26,194
Cash collateral receivables on derivative instruments	20,878		20,878
Loans and advances to customers	261,839	(6,292)	255,547
Other financial assets measured at amortized cost	13,440	(12)	13,428
<b>Total financial assets measured at amortized cost<sup>1</sup></b>	<b>428,954</b>	<b>(6,304)</b>	<b>422,650</b>
Financial assets at fair value held for trading	35,046	6,304	41,350
Derivative financial instruments	62,162		62,162
Brokerage receivables	366		366
Financial assets at fair value not held for trading	61,305		61,305
<b>Total financial assets measured at fair value through profit or loss</b>	<b>158,879</b>	<b>6,304</b>	<b>165,183</b>
<b>Financial assets measured at fair value through other comprehensive income<sup>1</sup></b>	<b>0</b>		<b>0</b>
Investments in associates	1,657		1,657
Property, equipment and software	6,055		6,055
Intangible assets	1,287		1,287
Deferred tax assets	942		942
Other non-financial assets	6,892		6,892
<b>Total assets</b>	<b>604,667</b>		<b>604,667</b>
<b>Liabilities</b>			
Amounts due to banks	107,617		107,617
Payables from securities financing transactions measured at amortized cost	11,911		11,911
Cash collateral payables on derivative instruments	10,939		10,939
Customer deposits	183,119		183,119
Debt issued measured at amortized cost	110,491		110,491
Other financial liabilities measured at amortized cost	7,992		7,992
<b>Total financial liabilities measured at amortized cost</b>	<b>432,070</b>		<b>432,070</b>
Financial liabilities at fair value held for trading	5,711		5,711
Derivative financial instruments	66,091	2,038	68,129
Brokerage payables designated at fair value	316		316
Debt issued designated at fair value	44,909		44,909
Other financial liabilities designated at fair value	7,574		7,574
<b>Total financial liabilities measured at fair value through profit or loss</b>	<b>124,601</b>	<b>2,038</b>	<b>126,639</b>
Provisions and contingent liabilities	11,052	(1,982)	9,070
Other non-financial liabilities	3,888	(56)	3,832
<b>Total liabilities</b>	<b>571,611</b>		<b>571,611</b>
Non-controlling interests	(285)		(285)
<b>Fair value of net assets acquired</b>	<b>32,771</b>		<b>32,771</b>
<b>Settlement of pre-existing relationships</b>	<b>135</b>		<b>135</b>
<b>Provisional negative goodwill resulting from the acquisition</b>	<b>28,925</b>		<b>28,925</b>

<sup>1</sup> Refer to Note 8 for information about credit quality of financial assets, including purchased credit-impaired positions.

The tables below set out the consequential impact of the measurement period adjustments detailed above on the previously reported income statement for the quarter ended 30 June 2023, the balance sheet as of 30 June 2023 and the statement of cash flows for the six months ended 30 June 2023, as well as the off-balance sheet effects as of 30 June 2023.

## Note 2 Accounting for the acquisition of the Credit Suisse Group (continued)

### Effect of the measurement period adjustments on the income statement for the quarter ended 30 June 2023

USD m	For the quarter ended 30 June 2023		
	As previously reported	Measurement period adjustment	Revised
Net interest income	1,713	(7)	1,707
Other net income from financial instruments measured at fair value through profit or loss	2,463	55	2,517
Net fee and commission income	5,175	(48)	5,128
Other income	188		188
<b>Total revenues</b>	<b>9,540</b>		<b>9,540</b>
<b>Negative goodwill</b>	<b>28,925</b>		<b>28,925</b>
Credit loss expense / (release)	740	(117)	623
<b>Operating expenses</b>	<b>8,486</b>		<b>8,486</b>
<b>Operating profit / (loss) before tax</b>	<b>29,239</b>	<b>117</b>	<b>29,356</b>
Tax expense / (benefit)	361		361
<b>Net profit / (loss)</b>	<b>28,878</b>	<b>117</b>	<b>28,995</b>
Net profit / (loss) attributable to non-controlling interests	3		3
<b>Net profit / (loss) attributable to shareholders</b>	<b>28,875</b>	<b>117</b>	<b>28,992</b>

### Effect of the measurement period adjustments on the balance sheet as of 30 June 2023

USD m	As of 30 June 2023		
	As previously reported	Measurement period adjustment	Revised
<b>Assets</b>			
<b>Total financial assets measured at amortized cost</b>	<b>1,143,528</b>	<b>(5,997)</b>	<b>1,137,531</b>
<i>of which: Loans and advances to customers</i>	<i>651,770</i>	<i>(5,985)</i>	<i>645,785</i>
<i>of which: Other financial assets measured at amortized cost</i>	<i>64,928</i>	<i>(12)</i>	<i>64,916</i>
<b>Total financial assets measured at fair value through profit or loss</b>	<b>477,188</b>	<b>6,073</b>	<b>483,261</b>
<i>of which: Financial assets at fair value held for trading</i>	<i>151,098</i>	<i>6,073</i>	<i>157,171</i>
Financial assets measured at fair value through other comprehensive income	2,217		2,217
Non-financial assets	55,846		55,846
<b>Total assets</b>	<b>1,678,780</b>	<b>76</b>	<b>1,678,856</b>
<b>Liabilities</b>			
<b>Total financial liabilities measured at amortized cost</b>	<b>1,125,687</b>		<b>1,125,687</b>
<b>Total financial liabilities measured at fair value through profit or loss</b>	<b>438,534</b>	<b>2,035</b>	<b>440,569</b>
<i>of which: Derivative financial instruments</i>	<i>193,147</i>	<i>2,035<sup>1</sup></i>	<i>195,182</i>
Provisions and contingent liabilities	14,929	(1,978)	12,951
Other non-financial liabilities	11,994	(98)	11,896
<b>Total liabilities</b>	<b>1,591,145</b>	<b>(41)</b>	<b>1,591,104</b>
<b>Equity</b>			
<b>Equity attributable to shareholders</b>	<b>86,999</b>	<b>117</b>	<b>87,116</b>
<i>of which: Retained earnings</i>	<i>78,180</i>	<i>117</i>	<i>78,297</i>
<b>Total equity</b>	<b>87,635</b>	<b>117</b>	<b>87,752</b>
<b>Total liabilities and equity</b>	<b>1,678,780</b>	<b>76</b>	<b>1,678,856</b>

<sup>1</sup> Represents the fair value of loan commitments with a notional amount of USD 27.5bn reclassified from loan commitments not measured at fair value to derivative loan commitments.

### Off-balance sheet effect of the measurement period adjustments as of 30 June 2023

USD bn	As of 30 June 2023		
	As previously reported	Measurement period adjustment	Revised
Guarantees	36.7	(0.2)	36.5
Loan commitments	120.3	(27.5) <sup>1</sup>	92.8
Committed unconditionally revocable credit lines	168.6		168.6
Forward starting reverse repurchase agreements	5.0		5.0

<sup>1</sup> Represents the notional amount of loan commitments reclassified from loan commitments not measured at fair value to derivative loan commitments, with a fair value as of 30 June 2023 of USD 2.0bn.



## Note 2 Accounting for the acquisition of the Credit Suisse Group (continued)

USD m	For the six months ended 30 June 2023		
	As previously reported	Measurement period adjustment	Revised
<b>Cash flow from / (used in) operating activities</b>			
Net profit / (loss)	29,915	117	<b>30,032</b>
<b>Non-cash items included in net profit and other adjustments:</b>			
<i>of which: Credit loss expense / (release)</i>	778	(117)	<b>661</b>
<b>Net cash flow from / (used in) operating activities</b>	17,665		<b>17,665</b>
<i>of which: Loans and advances to customers and customer deposits</i>	1,772	(230)	<b>1,542</b>
<i>of which: Financial assets and liabilities at fair value held for trading and derivative financial instruments</i>	(7,278)	228	<b>(7,050)</b>
<i>of which: Provisions and other non-financial assets and liabilities</i>	898	3	<b>901</b>
<b>Net cash flow from / (used in) investing activities</b>	104,869		<b>104,869</b>
<b>Net cash flow from / (used in) financing activities</b>	(25,056)		<b>(25,056)</b>
<b>Total cash flow</b>			
<b>Cash and cash equivalents at the beginning of the period</b>	195,321		<b>195,321</b>
Net cash flow from / (used in) operating, investing and financing activities	97,478		<b>97,478</b>
Effects of exchange rate differences on cash and cash equivalents	2,960		<b>2,960</b>
<b>Cash and cash equivalents at the end of the period</b>	295,759		<b>295,759</b>

### Acquisition-related costs to effect the acquisition

UBS incurred certain acquisition-related costs to effect the acquisition. These consisted primarily of advisory, legal and consulting fees. These costs were expensed as incurred. In the first nine months of 2023, a total of USD 0.2bn (first six months of 2023: USD 0.2bn) has been included in *General and administrative expenses* in the income statement.

### Early termination of loans and loan commitments

During the third quarter of 2023, the Group recognized gains on early termination of loans and loan commitments of USD 0.1bn and USD 0.3bn, respectively, mainly driven by natural roll-off, accelerated by actions to actively unwind the portfolio in the Non-core and Legacy business division.

### Pro forma financial information

From the date of acquisition until 30 September 2023, the Credit Suisse Group contributed USD 4.6bn (until 30 June 2023: USD 1.2bn) of net revenues and an overall net loss of USD 2.9bn (until 30 June 2023: USD 1.1bn<sup>1</sup>) to the net profit of the UBS Group. For illustration purposes, the pro forma net revenues and net loss for the UBS Group in the first nine months of 2023 if the business combination had taken place on 1 January 2023 are estimated as USD 35.7bn and USD 1.6bn, respectively; for the comparative six months ended 30 June 2023, the respective amounts were estimated at USD 24.0bn and USD 0.8bn.<sup>2</sup>

This pro forma information is based on the actual nine-month and six-month results of the consolidated UBS Group, as reported (including the Credit Suisse US GAAP results for the first five months of 2023, adjusted for the estimated effect of conversion to IFRS and effects from purchase price allocation adjustments under IFRS 3, *Business Combinations*, plus the Credit Suisse IFRS results for the four months and one month since the acquisition).

The pro forma net revenues and net loss exclude the impact from negative goodwill recognized from the acquisition of the Credit Suisse Group of USD 28.9bn, and certain items recognized by the Credit Suisse Group in 2023 prior to the acquisition date, including a gain from the write-down of additional tier 1 (AT1) capital notes of USD 16.4bn, a goodwill impairment charge, mostly related to Wealth Management (Credit Suisse), of USD 1.4bn and a gain from the reversal of contingent compensation award accruals of USD 0.4bn. These items are considered non-recurring and therefore not representative of the normal course of business.

The pro forma net revenues and net loss do not purport to represent what UBS's actual results of operations would have been had the transaction occurred on the date indicated, nor are they necessarily indicative of future results of operations. The pro forma net revenues and net loss also do not consider any potential impacts of current market conditions on revenues, assets or liabilities. Nor do they reflect expense efficiencies, asset dispositions or business reorganizations that are or may be contemplated, or any cost or revenue synergies, including further potential restructuring actions, associated with the acquisition of the Credit Suisse Group.

## Note 2 Accounting for the acquisition of the Credit Suisse Group (continued)

### Segment reporting – Integration of UBS’s and Credit Suisse’s businesses in the third quarter of 2023 and establishment of Non-core and Legacy

Prior to the third quarter of 2023, UBS’s businesses were organized globally into four business divisions (Global Wealth Management, Personal & Corporate Banking, Asset Management and the Investment Bank), each qualifying as a reportable segment, and Group Functions. Credit Suisse’s businesses were organized globally into five reportable segments (Wealth Management (Credit Suisse), Swiss Bank (Credit Suisse), Asset Management (Credit Suisse), the Investment Bank (Credit Suisse) and the Capital Release Unit (Credit Suisse)), and the Corporate Center (Credit Suisse).

As the integration of the UBS and Credit Suisse businesses continues, beginning with the third quarter of 2023, the Group reports five business divisions, which each qualify as a reportable segment: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy.

The Non-core and Legacy business division 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), Wealth Management (Credit Suisse), and Asset Management (Credit Suisse) divisions, as well as of the former Corporate Center (Credit Suisse). Also included are the remaining assets and liabilities of UBS’s Non-core and Legacy Portfolio, previously reported in Group Functions, 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.

Group Functions has been renamed Group Items and excludes UBS’s former Non-core and Legacy Portfolio and includes certain of the assets and liabilities of the former Corporate Center (Credit Suisse).

The above reflects how financial information is presented effective from the third quarter of 2023 in the internal management reports to the Group Executive Board, which is considered the “chief operating decision-maker” pursuant to IFRS 8, *Operating Segments*.

Information for the second quarter of 2023 for the reportable segments and Group Items has been restated to reflect the effect of the integration of the UBS and Credit Suisse business divisions on an IFRS basis, as well as the establishment of the Non-core and Legacy reportable segment. Third quarter 2022 information has been revised and presents the Non-core and Legacy business division separately from Group Items.

As UBS executes its integration plans, it is expected that allocation methodologies for profit and loss and balance sheet to the business divisions and into Group Items will continue to be reviewed and refined.

› **Refer to Note 3 for more information**

› **Refer to the “Management report” sections of this report, including the disclosures in the “Integration of Credit Suisse” section, for more information about the Non-core and Legacy business division and other changes in the composition of reportable segments in the third quarter of 2023**

## Note 2 Accounting for the acquisition of the Credit Suisse Group (continued)

### Pre-existing relationships

As of 12 June 2023, UBS had the following pre-existing relationships with the Credit Suisse Group.

<i>USD m</i>	
Cash collateral receivables on derivative instruments	7
Derivative financial instruments	1,476
Debt instruments issued by the Credit Suisse Group and held by UBS	98
<b>Total assets</b>	<b>1,581</b>
Cash collateral payables on derivative instruments	572
Derivative financial instruments	813
<b>Total liabilities</b>	<b>1,385</b>
Treasury shares	(61)
<b>Total equity</b>	<b>(61)</b>
<b>Total net pre-existing relationships</b>	<b>135</b>

Such balances are eliminated in the consolidated financial statements.

Retention awards of approximately USD 0.5bn were offered to selected employees of the Credit Suisse Group prior to the acquisition date to support the completion of the transaction and the early phase of integration. These awards were contingent on the completion of the acquisition and are delivered 50% in cash (in general vesting 60 days from the completion of the acquisition) and 50% in shares (in general vesting on the first anniversary of the completion of the acquisition). Vesting periods are longer for certain regulated employees. Expenses associated with these awards are recognized between the date of acquisition and the applicable vesting dates and were USD 219m in the third quarter of 2023 (second quarter of 2023: USD 84m).

<sup>1</sup> USD 1.2bn as provisionally reported in the second quarter of 2023.

<sup>2</sup> USD 0.9bn as provisionally reported in the second quarter of 2023.

## Note 3 Segment reporting

Beginning with the third quarter of 2023, the Group reports five business divisions, which each qualify as a reportable segment: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. Group Items is presented separately.

Profit and loss information for the business divisions and Group Items for the nine-month period ended 30 September 2023 reflects the effect of the integration of the UBS and Credit Suisse divisions on an IFRS basis from June 2023 onward, as well as the establishment of the Non-core and Legacy business division. Profit and loss information for the nine-month period ended 30 September 2022 reflects the results of UBS Group operations prior to the acquisition of the Credit Suisse Group, presented in line with the new business division structure. Balance sheet information as of 30 September 2023 includes UBS and Credit Suisse consolidated information and balance sheet information as of 31 December 2022 reflects UBS Group positions prior to the acquisition of the Credit Suisse Group.

As UBS executes its integration plans, it is expected that allocation methodologies for profit and loss and balance sheet to the business divisions and into Group Items will continue to be reviewed and refined.

- › Refer to the “Management report” sections of this report, including the disclosures under “Integration of Credit Suisse” in the “Recent developments” section, and the “Consolidated financial statements” section of the Annual Report 2022 for more information about the Group’s business divisions

## Note 3 Segment reporting (continued)

<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>1</sup>	Group Items <sup>1</sup>	Negative goodwill <sup>2</sup>	UBS
<b>For the nine months ended 30 September 2023<sup>3</sup></b>								
Total revenues	15,746	6,005	1,834	6,522	579	(707)		29,979
Negative goodwill							28,925	28,925
Credit loss expense / (release)	154	418	1	142	244	8		967
Operating expenses	12,384	3,227	1,630	6,255	3,421	423		27,340
<b>Operating profit / (loss) before tax</b>	<b>3,208</b>	<b>2,360</b>	<b>203</b>	<b>124</b>	<b>(3,085)</b>	<b>(1,138)</b>	<b>28,925</b>	<b>30,597</b>
Tax expense / (benefit)								1,346
<b>Net profit / (loss)</b>								<b>29,251</b>
<b>As of 30 September 2023<sup>3</sup></b>								
<b>Total assets</b>	<b>454,293</b>	<b>437,296</b>	<b>20,091</b>	<b>393,549</b>	<b>196,917</b>	<b>142,376</b>		<b>1,644,522</b>

<sup>1</sup> Starting with the third quarter of 2023, Non-core and Legacy (previously reported within Group Functions) represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been revised to reflect these changes. <sup>2</sup> Negative goodwill arising from the acquisition of the Credit Suisse Group is not allocated to the business divisions, as it relates to the Group. For further details, refer to Note 2. <sup>3</sup> Refer to Note 2 for more information about the Group's reporting segments.

<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>1</sup>	Group Items <sup>1</sup>	UBS
<b>For the nine months ended 30 September 2022<sup>2</sup></b>							
Total revenues	14,367	3,172	2,466	7,034	184	(690)	26,534
Credit loss expense / (release)	(3)	42	0	(20)	2	0	22
Operating expenses	10,450	1,847	1,193	5,269	84	2	18,845
<b>Operating profit / (loss) before tax</b>	<b>3,919</b>	<b>1,283</b>	<b>1,273</b>	<b>1,785</b>	<b>98</b>	<b>(692)</b>	<b>7,667</b>
Tax expense / (benefit)							1,662
<b>Net profit / (loss)</b>							<b>6,005</b>
<b>As of 31 December 2022<sup>2</sup></b>							
<b>Total assets</b>	<b>388,530</b>	<b>235,226</b>	<b>17,348</b>	<b>391,320</b>	<b>13,367</b>	<b>58,574</b>	<b>1,104,364</b>

<sup>1</sup> Starting with the third quarter of 2023, Non-core and Legacy (previously reported within Group Functions) represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been restated to reflect these changes. <sup>2</sup> Refer to Note 2 for more information about the Group's reporting segments.

## Note 4 Net interest income

<i>USD m</i>	For the quarter ended			Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22	30.9.23	30.9.22
Interest income from loans and deposits <sup>2</sup>	9,314	6,202	2,520	19,622	6,066
Interest income from securities financing transactions measured at amortized cost <sup>3</sup>	1,094	1,004	415	2,863	742
Interest income from other financial instruments measured at amortized cost	307	282	148	847	338
Interest income from debt instruments measured at fair value through other comprehensive income	27	26	12	75	60
Interest income from derivative instruments designated as cash flow hedges	(613)	(457)	(17)	(1,446)	396
<b>Total interest income from financial instruments measured at amortized cost and fair value through other comprehensive income</b>	<b>10,128</b>	<b>7,057</b>	<b>3,078</b>	<b>21,962</b>	<b>7,602</b>
Interest expense on loans and deposits <sup>4</sup>	4,780	3,024	698	9,798	1,099
Interest expense on securities financing transactions measured at amortized cost <sup>5</sup>	575	616	282	1,555	794
Interest expense on debt issued	3,676	2,205	756	7,311	1,649
Interest expense on lease liabilities	52	35	22	113	67
<b>Total interest expense from financial instruments measured at amortized cost</b>	<b>9,082</b>	<b>5,880</b>	<b>1,758</b>	<b>18,777</b>	<b>3,610</b>
<b>Total net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income</b>	<b>1,046</b>	<b>1,176</b>	<b>1,319</b>	<b>3,185</b>	<b>3,992</b>
<b>Net interest income from financial instruments measured at fair value through profit or loss and other</b>	<b>1,061</b>	<b>530</b>	<b>277</b>	<b>2,017</b>	<b>1,040</b>
<b>Total net interest income</b>	<b>2,107</b>	<b>1,707</b>	<b>1,596</b>	<b>5,202</b>	<b>5,032</b>

<sup>1</sup> Comparative-period information has been revised. Refer to Note 2 for more information. <sup>2</sup> Consists of interest income from cash and balances at central banks, loans and advances to banks and customers, and cash collateral receivables on derivative instruments, as well as negative interest on amounts due to banks, customer deposits, and cash collateral payables on derivative instruments. <sup>3</sup> Includes interest income on receivables from securities financing transactions and negative interest, including fees, on payables from securities financing transactions. <sup>4</sup> Consists of interest expense on amounts due to banks, cash collateral payables on derivative instruments, and customer deposits, as well as negative interest on cash and balances at central banks, loans and advances to banks, and cash collateral receivables on derivative instruments. <sup>5</sup> Includes interest expense on payables from securities financing transactions and negative interest, including fees, on receivables from securities financing transactions.

## Note 5 Net fee and commission income

USD m	For the quarter ended			Year-to-date	
	30.9.23	30.6.23 <sup>1</sup>	30.9.22	30.9.23	30.9.22
Underwriting fees	99	153	175	379	458
M&A and corporate finance fees	239	199	152	616	608
Brokerage fees	1,008	930	779	2,817	2,726
Investment fund fees	1,239	1,196	1,173	3,613	3,794
Portfolio management and related services	3,011	2,485	2,178	7,707	6,938
Other	1,088	672	500	2,239	1,494
<b>Total fee and commission income<sup>2</sup></b>	<b>6,683</b>	<b>5,635</b>	<b>4,957</b>	<b>17,371</b>	<b>16,018</b>
<i>of which: recurring</i>	<i>4,391</i>	<i>3,759</i>	<i>3,453</i>	<i>11,593</i>	<i>10,905</i>
<i>of which: transaction-based</i>	<i>2,275</i>	<i>1,869</i>	<i>1,490</i>	<i>5,727</i>	<i>5,069</i>
<i>of which: performance-based</i>	<i>17</i>	<i>7</i>	<i>14</i>	<i>51</i>	<i>43</i>
<b>Fee and commission expense</b>	<b>613</b>	<b>507</b>	<b>476</b>	<b>1,566</b>	<b>1,410</b>
<b>Net fee and commission income</b>	<b>6,071</b>	<b>5,128</b>	<b>4,481</b>	<b>15,804</b>	<b>14,608</b>

1 Comparative-period information has been revised. Refer to Note 2 for more information. 2 Includes third-party fee and commission income for the third quarter of 2023 of USD 3,669m for Global Wealth Management (second quarter of 2023: USD 3,322m; third quarter of 2022: USD 3,106m), USD 931m for Personal & Corporate Banking (second quarter of 2023: USD 615m; third quarter of 2022: USD 398m), USD 943m for Asset Management (second quarter of 2023: USD 756m; third quarter of 2022: USD 682m), USD 1,135m for the Investment Bank (second quarter of 2023: USD 796m; third quarter of 2022: USD 769m), negative USD 22m for Group Items (second quarter of 2023: USD 45m; third quarter of 2022: USD 2m) and USD 27m for Non-core and Legacy (second quarter of 2023: USD 101m; third quarter of 2022: USD 0m).

## Note 6 Personnel expenses

USD m	For the quarter ended			Year-to-date	
	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
Salaries and variable compensation <sup>1</sup>	6,428	4,804	3,566	15,118	11,520
<i>of which: variable compensation – financial advisors<sup>2</sup></i>	<i>1,150</i>	<i>1,110</i>	<i>1,093</i>	<i>3,372</i>	<i>3,436</i>
Contractors	96	77	80	243	243
Social security	470	294	230	1,042	734
Post-employment benefit plans	320	261	177	817	625
Other personnel expenses	256	215	163	622	437
<b>Total personnel expenses</b>	<b>7,571</b>	<b>5,651</b>	<b>4,216</b>	<b>17,842</b>	<b>13,559</b>

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

## Note 7 General and administrative expenses

USD m	For the quarter ended			Year-to-date	
	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
Outsourcing costs	455	311	217	1,014	671
Technology costs	552	414	277	1,287	853
Consulting, legal and audit fees	521	351	141	1,053	413
Real estate and logistics costs	593	207	141	942	439
Market data services	208	151	104	472	311
Marketing and communication	108	89	64	249	165
Travel and entertainment	61	73	44	188	110
Litigation, regulatory and similar matters <sup>1</sup>	12	69	21	802	298
Other	614	304	185	1,151	510
<b>Total general and administrative expenses</b>	<b>3,124</b>	<b>1,968</b>	<b>1,192</b>	<b>7,157</b>	<b>3,769</b>

1 Reflects the net increase in provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to Note 15b for more information.

## Note 8 Expected credit loss measurement

### a) Credit loss expense / release

Total net credit loss expenses in the third quarter of 2023 were USD 306m, reflecting USD 137m net expenses related to performing positions and USD 168m on credit-impaired positions.

Personal & Corporate Banking credit loss expenses of USD 168m included USD 85m net expenses on performing loans with USD 69m from performing Credit Suisse loans following a number of corporate loan credit reviews and transfers to stage 2. In addition, USD 83m of provisions were recognized in the third quarter of 2023 for credit-impaired loans, mainly for a number of Credit Suisse corporate loans, including newly defaulted positions, and, to a lesser extent, previously defaulted positions.

Non-core and Legacy credit loss expenses for the third quarter of 2023 were USD 125m, including expenses of USD 71m on performing loans, mainly for securitizations and for stage 2 transfers following credit reviews, as well as net expenses for credit-impaired positions of USD 54m, including stage 3 net expenses of USD 20m and net expenses on purchased credit-impaired positions of USD 34m.

➤ Refer to Note 2 for more information about accounting under IFRS 3, *Business Combinations*

➤ Refer to Note 2 for more information about the acquisition of the Credit Suisse Group and measurement period adjustments

#### Credit loss expense / (release)

USD m	Performing positions		Credit-impaired positions		Total
	Stages 1 and 2	Stage 3	Purchased		
<b>For the quarter ended 30.9.23</b>					
Global Wealth Management	(18)	15	6		2
Personal & Corporate Banking	85	60	23		168
Asset Management	0	0	0		0
Investment Bank	(6)	10	0		4
Non-core and Legacy	71	20	34		125
Group Items <sup>1</sup>	5	0	0		6
<b>Total</b>	<b>137</b>	<b>105</b>	<b>63</b>		<b>306</b>
<b>For the quarter ended 30.6.23<sup>2</sup></b>					
Global Wealth Management	121	9	7		136
Personal & Corporate Banking	206	28	0		234
Asset Management	1	0	0		1
Investment Bank	134	(4)	1		132
Non-core and Legacy	74	44	0		119
Group Items <sup>1</sup>	2	0	0		2
<b>Total</b>	<b>537</b>	<b>77</b>	<b>8</b>		<b>623</b>
<b>For the quarter ended 30.9.22</b>					
Global Wealth Management	6	1			7
Personal & Corporate Banking	(6)	(9)			(15)
Asset Management	0	0			0
Investment Bank	4	1			4
Group Items <sup>1</sup>	0	0			0
<b>Total</b>	<b>4</b>	<b>(7)</b>			<b>(3)</b>

<sup>1</sup> Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been restated to reflect these changes.

<sup>2</sup> Certain prior-period figures as of or for the quarter ended 30 June 2023 have been restated due to effects of measurement period adjustments in relation to the acquisition of the Credit Suisse Group. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" for more information.

## Note 8 Expected credit loss measurement (continued)

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

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#### Scenarios and scenario weights

The expected credit loss (ECL) scenarios, along with their related macroeconomic factors and market data, were reviewed in light of the economic and political conditions prevailing in the third quarter of 2023 through a series of governance meetings, with input and feedback from UBS Risk and Finance experts across the business divisions and regions. ECLs for Credit Suisse AG positions were calculated based on Credit Suisse AG's models, including the same scenarios and scenario weight inputs as for UBS's existing business activity.

The baseline scenario was updated with the latest macroeconomic forecasts as of 30 September 2023. The assumptions on a calendar-year basis are included in the table below and imply a more optimistic outlook for the US for the remainder of 2023 and 2024, while projections have become slightly more pessimistic for the Eurozone and Switzerland.

The mild debt crisis scenario, the stagflationary geopolitical crisis scenario and the asset price inflation scenario were updated based on the latest market data, but the assumptions remain broadly unchanged. UBS kept scenarios and scenario weights in line with those applied in the second quarter of 2023. Refer to the table below.

At the beginning of the second quarter of 2023, UBS replaced the global crisis scenario applied at year-end 2022 and at the end of the first quarter of 2023 with the mild debt crisis scenario.

#### Post-model adjustments

Total stage 1 and 2 allowances and provisions were USD 1,216m as of 30 September 2023 and included post-model adjustments of USD 439m (30 June 2023: USD 233m). Overlays are to cover for uncertainty levels, including the geopolitical situation, for Credit Suisse models which may not comprehensively reflect market events, and to align model outputs for Credit Suisse with those of UBS for dedicated segments.

## Note 8 Expected credit loss measurement (continued)

### Comparison of shock factors

Key parameters	Baseline		
	2022	2023	2024
<b>Real GDP growth (annual percentage change)</b>			
US	1.9	2.1	0.5
Eurozone	3.4	0.5	0.7
Switzerland	2.7	0.7	0.9
<b>Unemployment rate (% annual average)</b>			
US	3.6	3.6	4.9
Eurozone	6.7	6.6	6.9
Switzerland	2.2	2.0	2.3
<b>Fixed income: 10-year government bonds (% Q4)</b>			
USD	3.9	4.6	4.5
EUR	2.6	2.8	2.8
CHF	1.6	1.1	1.1
<b>Real estate (annual percentage change, Q4)</b>			
US	7.5	1.2	0.5
Eurozone	2.9	(3.2)	1.7
Switzerland	3.9	0.5	(1.0)

### Economic scenarios and weights applied

ECL scenario	Assigned weights in %		
	30.9.23	30.6.23	30.9.22
Asset price inflation	0.0	0.0	0.0
Baseline	60.0	60.0	55.0
Severe Russia–Ukraine conflict scenario	–	–	25.0
Mild debt crisis	15.0	15.0	–
Stagflationary geopolitical crisis	25.0	25.0	–
Global crisis	–	–	20.0

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

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

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



## Note 8 Expected credit loss measurement (continued)

USD m	30.9.23					ECL allowances				
	Carrying amount <sup>1</sup>					Total	Stage 1	Stage 2	Stage 3	PCI
<b>Financial instruments measured at amortized cost</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>PCI</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>PCI</b>
Cash and balances at central banks	262,383	262,285	17	0	81	(57)	0	(24)	0	(33)
Loans and advances to banks	21,334	21,238	63	0	32	(9)	(7)	0	0	(1)
Receivables from securities financing transactions measured at amortized cost	84,872	84,872	0	0	0	(1)	(1)	0	0	0
Cash collateral receivables on derivative instruments	55,606	55,606	0	0	0	0	0	0	0	0
Loans and advances to customers	624,885	597,443	23,292	2,340	1,810	(1,508)	(511)	(304)	(631)	(62)
<i>of which: Private clients with mortgages</i>	248,847	237,880	9,893	836	238	(177)	(58)	(95)	(24)	(1)
<i>of which: Real estate financing</i>	90,771	86,119	4,528	23	100	(83)	(41)	(27)	(2)	(12)
<i>of which: Large corporate clients</i>	21,645	17,918	2,311	702	714	(377)	(102)	(59)	(189)	(26)
<i>of which: SME clients</i>	34,240	30,315	3,159	561	205	(389)	(91)	(67)	(222)	0
<i>of which: Lombard</i>	159,496	158,788	590	40	79	(41)	(12)	(11)	(16)	(2)
<i>of which: Credit cards</i>	1,905	1,462	408	35	0	(38)	(6)	(10)	(21)	0
<i>of which: Commodity trade finance</i>	5,938	5,832	57	30	18	(120)	(16)	(1)	(103)	0
<i>of which: Ship / aircraft financing</i>	9,497	9,174	267	5	51	(55)	(52)	(3)	0	0
<i>of which: Consumer financing</i>	2,878	2,735	58	13	72	(51)	(24)	(12)	(15)	0
Other financial assets measured at amortized cost	64,158	63,293	656	151	59	(130)	(39)	(15)	(69)	(6)
<i>of which: Loans to financial advisors</i>	2,582	2,332	134	116	0	(54)	(4)	(2)	(48)	0
<b>Total financial assets measured at amortized cost</b>	<b>1,113,238</b>	<b>1,084,737</b>	<b>24,028</b>	<b>2,491</b>	<b>1,982</b>	<b>(1,706)</b>	<b>(559)</b>	<b>(343)</b>	<b>(700)</b>	<b>(103)</b>
<b>Financial assets measured at fair value through other comprehensive income</b>	<b>2,213</b>	<b>2,213</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total on-balance sheet financial assets in scope of ECL requirements</b>	<b>1,115,451</b>	<b>1,086,950</b>	<b>24,028</b>	<b>2,491</b>	<b>1,982</b>	<b>(1,706)</b>	<b>(559)</b>	<b>(343)</b>	<b>(700)</b>	<b>(103)</b>
<i>of which: Credit Suisse<sup>2</sup></i>	<i>405,774</i>	<i>397,376</i>	<i>5,894</i>	<i>522</i>	<i>1,982</i>	<i>(741)</i>	<i>(366)</i>	<i>(132)</i>	<i>(140)</i>	<i>(103)</i>

USD m	30.9.23					ECL provisions				
	Total exposure					Total	Stage 1	Stage 2	Stage 3	PCI
<b>Off-balance sheet (in scope of ECL)</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>PCI</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>PCI</b>
Guarantees	37,298	35,703	1,412	126	58	(73)	(33)	(18)	(21)	(1)
<i>of which: Large corporate clients</i>	4,667	3,902	660	91	15	(10)	(8)	(2)	0	0
<i>of which: SME clients</i>	6,302	5,592	643	33	35	(36)	(12)	(12)	(12)	(1)
<i>of which: Financial intermediaries and hedge funds</i>	14,916	14,868	48	0	0	(11)	(8)	(3)	0	0
<i>of which: Lombard</i>	3,462	3,462	0	0	0	(1)	0	0	(1)	0
<i>of which: Commodity trade finance</i>	1,868	1,860	8	0	0	(1)	(1)	0	0	0
Irrevocable loan commitments	95,658	92,785	2,751	71	51	(186)	(133)	(53)	(2)	1
<i>of which: Large corporate clients</i>	47,287	45,061	2,132	47	47	(131)	(89)	(41)	(2)	0
Forward starting reverse repurchase and securities borrowing agreements	10,431	10,431	0	0	0	0	0	0	0	0
Unconditionally revocable loan commitments	158,986	156,709	2,225	51	0	(75)	(63)	(13)	0	0
<i>of which: Real estate financing</i>	15,891	15,278	613	0	0	(13)	(12)	(1)	0	0
<i>of which: Large corporate clients</i>	4,681	4,489	185	7	0	(5)	(3)	(2)	0	0
<i>of which: SME clients</i>	22,941	22,447	466	28	0	(42)	(35)	(7)	0	0
<i>of which: Lombard</i>	76,136	76,135	0	1	0	0	0	0	0	0
<i>of which: Credit cards</i>	9,654	9,183	467	4	0	(6)	(4)	(2)	0	0
Irrevocable committed prolongation of existing loans	3,769	3,749	17	3	0	(3)	(3)	0	0	0
<b>Total off-balance sheet financial instruments and other credit lines</b>	<b>306,142</b>	<b>299,377</b>	<b>6,405</b>	<b>251</b>	<b>109</b>	<b>(337)</b>	<b>(231)</b>	<b>(84)</b>	<b>(23)</b>	<b>0</b>
<b>Total allowances and provisions</b>						<b>(2,043)</b>	<b>(790)</b>	<b>(427)</b>	<b>(723)</b>	<b>(102)</b>
<i>of which: Credit Suisse<sup>2</sup></i>	<i>184,784</i>	<i>182,814</i>	<i>1,859</i>	<i>3</i>	<i>109</i>	<i>(902)</i>	<i>(494)</i>	<i>(163)</i>	<i>(142)</i>	<i>(102)</i>

<sup>1</sup> The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. <sup>2</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

Loans and advances to customers of USD 624,885m included USD 241,773m from Credit Suisse AG.

### Breakout: Loans and advances to customers of Credit Suisse AG

USD m	30.9.23					ECL allowances				
	Carrying amount <sup>1</sup>					Total	Stage 1	Stage 2	Stage 3	PCI
<b>Loans and advances to customers</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>PCI</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>PCI</b>
Loans and advances to customers	241,773	233,845	5,607	511	1,810	(660)	(340)	(123)	(135)	(62)
<i>of which: Private clients with mortgages</i>	86,802	86,044	468	53	238	(22)	(16)	(5)	0	(1)
<i>of which: Real estate financing</i>	40,468	39,779	581	7	100	(38)	(20)	(4)	(2)	(12)
<i>of which: Large corporate clients</i>	8,526	6,728	893	191	714	(186)	(70)	(29)	(61)	(26)
<i>of which: SME clients</i>	22,152	20,152	1,628	166	205	(159)	(58)	(44)	(47)	(9)
<i>of which: Lombard</i>	40,837	40,167	590	1	79	(19)	(6)	(11)	0	(2)
<i>of which: Commodity trade finance</i>	3,076	2,994	46	18	18	(11)	(10)	(1)	0	0
<i>of which: Ship / aircraft financing</i>	8,019	7,834	134	0	51	(50)	(48)	(1)	0	0
<i>of which: Consumer financing</i>	2,878	2,735	58	13	72	(51)	(24)	(12)	(15)	0

<sup>1</sup> The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances.



## Note 8 Expected credit loss measurement (continued)

USD m	31.12.22							
	Carrying amount <sup>1</sup>				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	169,445	169,402	44	0	(12)	0	(12)	0
Loans and advances to banks	14,792	14,792	1	0	(6)	(5)	(1)	0
Receivables from securities financing transactions	67,814	67,814	0	0	(2)	(2)	0	0
Cash collateral receivables on derivative instruments	35,032	35,032	0	0	0	0	0	0
Loans and advances to customers	387,220	370,095	15,587	1,538	(783)	(129)	(180)	(474)
<i>of which: Private clients with mortgages</i>	156,930	147,651	8,579	699	(161)	(27)	(107)	(28)
<i>of which: Real estate financing</i>	46,470	43,112	3,349	9	(41)	(17)	(23)	0
<i>of which: Large corporate clients</i>	12,226	10,733	1,189	303	(130)	(24)	(14)	(92)
<i>of which: SME clients</i>	13,903	12,211	1,342	351	(251)	(26)	(22)	(203)
<i>of which: Lombard</i>	132,287	132,196	0	91	(26)	(9)	0	(17)
<i>of which: Credit cards</i>	1,834	1,420	382	31	(36)	(7)	(10)	(19)
<i>of which: Commodity trade finance</i>	3,272	3,261	0	11	(96)	(6)	0	(90)
Other financial assets measured at amortized cost	53,264	52,704	413	147	(86)	(17)	(6)	(63)
<i>of which: Loans to financial advisors</i>	2,611	2,357	128	126	(59)	(7)	(2)	(51)
<b>Total financial assets measured at amortized cost</b>	<b>727,568</b>	<b>709,839</b>	<b>16,044</b>	<b>1,685</b>	<b>(889)</b>	<b>(154)</b>	<b>(199)</b>	<b>(537)</b>
Financial assets measured at fair value through other comprehensive income	2,239	2,239	0	0	0	0	0	0
<b>Total on-balance sheet financial assets in scope of ECL requirements</b>	<b>729,807</b>	<b>712,078</b>	<b>16,044</b>	<b>1,685</b>	<b>(889)</b>	<b>(154)</b>	<b>(199)</b>	<b>(537)</b>
		Total exposure			ECL provisions			
<b>Off-balance sheet (in scope of ECL)</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
Guarantees	22,167	19,805	2,254	108	(48)	(13)	(9)	(26)
<i>of which: Large corporate clients</i>	3,663	2,883	721	58	(26)	(2)	(3)	(21)
<i>of which: SME clients</i>	1,337	1,124	164	49	(5)	(1)	(1)	(3)
<i>of which: Financial intermediaries and hedge funds</i>	11,833	10,513	1,320	0	(12)	(8)	(4)	0
<i>of which: Lombard</i>	2,376	2,376	0	1	(1)	0	0	(1)
<i>of which: Commodity trade finance</i>	2,121	2,121	0	0	(1)	(1)	0	0
Irrevocable loan commitments	39,996	37,531	2,341	124	(111)	(59)	(52)	0
<i>of which: Large corporate clients</i>	23,611	21,488	2,024	99	(93)	(49)	(45)	0
Forward starting reverse repurchase and securities borrowing agreements	3,801	3,801	0	0	0	0	0	0
Unconditionally revocable loan commitments	41,390	39,521	1,833	36	(40)	(32)	(8)	0
<i>of which: Real estate financing</i>	8,711	8,528	183	0	(6)	(6)	0	0
<i>of which: Large corporate clients</i>	4,578	4,304	268	5	(4)	(1)	(2)	0
<i>of which: SME clients</i>	4,723	4,442	256	26	(19)	(16)	(3)	0
<i>of which: Lombard</i>	7,855	7,854	0	1	0	0	0	0
<i>of which: Credit cards</i>	9,390	8,900	487	3	(7)	(5)	(2)	0
<i>of which: Commodity trade finance</i>	327	327	0	0	0	0	0	0
Irrevocable committed prolongation of existing loans	4,696	4,600	94	2	(2)	(2)	0	0
<b>Total off-balance sheet financial instruments and other credit lines</b>	<b>112,050</b>	<b>105,258</b>	<b>6,522</b>	<b>270</b>	<b>(201)</b>	<b>(106)</b>	<b>(69)</b>	<b>(26)</b>
<b>Total allowances and provisions</b>					<b>(1,091)</b>	<b>(259)</b>	<b>(267)</b>	<b>(564)</b>

<sup>1</sup> The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances.

## Note 8 Expected credit loss measurement (continued)

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

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

Coverage ratios for core loan portfolio						30.9.23						
On-balance sheet	Gross carrying amount (USD m)					ECL coverage (bps)						
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 1&2	Stage 3	PCI	
Private clients with mortgages	249,024	237,938	9,988	859	239	7	2	95	6	277	236	
Real estate financing	90,854	86,160	4,556	26	112	9	5	60	8	875	1,059	
Total real estate lending	339,878	324,098	14,543	885	351	8	3	84	7	294	360	
Large corporate clients	22,022	18,020	2,370	891	741	171	57	248	79	2,125	358	
SME clients	34,629	30,406	3,226	783	215	112	30	209	47	2,838	429	
Total corporate lending	56,651	48,426	5,596	1,674	955	135	40	225	59	2,459	374	
Lombard	159,538	158,799	601	56	81	3	1	187	1	2,910	281	
Credit cards	1,942	1,468	418	56	0	195	41	251	87	3,808	0	
Commodity trade finance	6,058	5,848	58	133	18	199	28	237	30	7,723	0	
Ship / aircraft financing	8,069	7,882	136	0	52	61	61	90	61	0	77	
Consumer financing	2,929	2,759	69	28	73	175	88	1,667	127	5,337	41	
Other loans and advances to customers	51,329	48,674	2,174	137	343	35	23	96	26	2,703	319	
Loans to financial advisors	2,636	2,336	136	164	0	206	19	142	25	2,925	0	
Total other lending	232,501	227,767	3,592	576	566	23	10	163	12	4,187	241	
<b>Total<sup>1</sup></b>	<b>629,030</b>	<b>600,291</b>	<b>23,731</b>	<b>3,135</b>	<b>1,872</b>	<b>25</b>	<b>9</b>	<b>129</b>	<b>13</b>	<b>2,165</b>	<b>331</b>	
Off-balance sheet	Gross exposure (USD m)					ECL coverage (bps)						
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 1&2	Stage 3	PCI	
Private clients with mortgages	8,583	8,289	280	14	0	7	5	38	6	26	0	
Real estate financing	17,786	17,147	634	0	6	8	9	0	8	0	0	
Total real estate lending	26,369	25,436	913	14	6	8	8	12	8	26	0	
Large corporate clients	56,713	53,529	2,978	145	62	26	19	153	26	120	0	
SME clients	36,528	35,035	1,379	75	39	29	18	212	26	1,571	139	
Total corporate lending	93,242	88,564	4,356	220	101	27	18	172	26	617	122	
Lombard	83,433	83,433	0	1	0	0	0	0	0	14,136	0	
Credit cards	9,654	9,183	467	4	0	6	5	36	6	0	0	
Commodity trade finance	5,187	5,174	13	0	0	7	7	81	7	0	0	
Ship / aircraft financing	901	901	0	0	0	42	42	0	42	0	0	
Consumer financing	262	262	0	0	0	0	0	0	0	0	0	
Financial intermediaries and hedge funds	37,723	37,491	232	0	0	5	4	148	5	0	0	
Other off-balance sheet commitments	38,910	38,472	424	12	2	8	5	66	6	6,714	0	
Total other lending	176,070	174,915	1,135	17	2	4	3	71	3	5,446	0	
<b>Total<sup>2</sup></b>	<b>295,681</b>	<b>288,916</b>	<b>6,405</b>	<b>251</b>	<b>109</b>	<b>11</b>	<b>8</b>	<b>131</b>	<b>11</b>	<b>915</b>	<b>(1)</b>	
<b>Total on- and off-balance sheet<sup>3</sup></b>	<b>924,711</b>	<b>889,206</b>	<b>30,136</b>	<b>3,387</b>	<b>1,981</b>	<b>21</b>	<b>8</b>	<b>130</b>	<b>12</b>	<b>2,072</b>	<b>313</b>	

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

## Note 8 Expected credit loss measurement (continued)

Coverage ratios for core loan portfolio						30.6.23 <sup>1</sup>					
On-balance sheet	Gross carrying amount (USD m)					ECL coverage (bps)					
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 1&2	Stage 3	PCI
Private clients with mortgages	255,495	244,955	9,445	806	289	7	2	92	6	291	53
Real estate financing	92,953	88,710	4,111	11	122	7	5	55	7	71	0
Total real estate lending	348,448	333,665	13,556	817	410	7	3	80	6	288	36
Large corporate clients	29,478	26,137	1,320	544	1,477	120	57	217	65	2,894	115
SME clients	29,909	27,740	1,313	639	217	105	33	157	38	3,180	0
Total corporate lending	59,387	53,877	2,634	1,183	1,693	112	45	187	51	3,049	96
Lombard	168,745	168,611	0	59	75	2	1	0	1	2,872	24
Credit cards	1,978	1,510	413	55	0	199	53	255	97	3,821	0
Commodity trade finance	5,074	4,937	0	118	19	244	41	351	41	8,769	5
Ship / aircraft financing	8,097	8,041	0	0	56	78	79	0	81	0	1
Consumer financing	3,170	3,086	0	0	84	96	98	0	98	222	32
Other loans and advances to customers	52,179	51,144	773	174	88	19	13	47	14	1,740	0
Loans to financial advisors	2,643	2,293	177	173	0	208	24	140	33	2,707	0
Total other lending	241,886	239,622	1,363	579	321	18	9	136	10	3,777	0
<b>Total<sup>2</sup></b>	<b>649,721</b>	<b>627,164</b>	<b>17,553</b>	<b>2,579</b>	<b>2,425</b>	<b>21</b>	<b>9</b>	<b>100</b>	<b>11</b>	<b>2,338</b>	<b>70</b>
Off-balance sheet											
	Gross exposure (USD m)					ECL coverage (bps)					
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 1&2	Stage 3	PCI
Private clients with mortgages	9,284	8,950	324	11	0	4	3	22	4	60	0
Real estate financing	18,031	17,751	280	0	0	7	7	0	7	0	0
Total real estate lending	27,315	26,701	603	11	0	6	6	0	6	60	0
Large corporate clients	71,104	68,188	2,580	138	199	26	21	141	26	132	10
SME clients	32,494	31,955	400	95	43	23	18	257	21	994	0
Total corporate lending	103,598	100,143	2,980	233	242	25	20	156	24	482	(3)
Lombard	91,235	91,234	0	1	0	0	0	0	0	6,718	0
Credit cards	9,763	9,274	484	4	0	7	6	37	8	0	0
Commodity trade finance	5,833	5,833	0	0	0	6	6	0	6	0	0
Ship / aircraft financing	1,731	1,731	0	0	0	4	3	0	4	0	0
Consumer financing	301	301	0	0	0	34	34	0	34	0	0
Financial intermediaries and hedge funds	43,077	42,697	380	0	0	3	2	90	3	0	0
Other off-balance sheet commitments	25,110	24,799	296	11	4	10	5	95	6	6,404	7,980
Total other lending	177,049	175,868	1,160	17	4	3	2	71	2	4,772	7,913
<b>Total<sup>3</sup></b>	<b>307,962</b>	<b>302,712</b>	<b>4,743</b>	<b>261</b>	<b>245</b>	<b>11</b>	<b>8</b>	<b>114</b>	<b>10</b>	<b>737</b>	<b>37</b>
<b>Total on- and off-balance sheet<sup>4</sup></b>	<b>957,683</b>	<b>929,876</b>	<b>22,296</b>	<b>2,840</b>	<b>2,670</b>	<b>17</b>	<b>9</b>	<b>104</b>	<b>11</b>	<b>2,191</b>	<b>67</b>

1 Certain prior period figures as of 30 June 2023 have been revised due to effects of measurement period adjustments in relation to the acquisition of the Credit Suisse Group. Refer to Note 2 for more information.  
2 Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other financial assets measured at amortized cost. 3 Excludes Forward starting reverse repurchase and securities borrowing agreements. 4 Includes on-balance-sheet exposure, gross and off-balance-sheet exposure (notional) and the related ECL coverage ratio (bps).

Coverage ratios for core loan portfolio						31.12.22				
On-balance sheet	Gross carrying amount (USD m)					ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	157,091	147,678	8,686	727	10	2	123	9	381	
Real estate financing	46,511	43,129	3,372	9	9	4	70	9	232	
Total real estate lending	203,602	190,807	12,059	736	10	2	108	9	379	
Large corporate clients	12,356	10,757	1,204	395	105	22	120	32	2,325	
SME clients	14,154	12,237	1,364	553	177	22	161	36	3,664	
Total corporate lending	26,510	22,994	2,567	949	144	22	142	34	3,106	
Lombard	132,313	132,205	0	108	2	1	0	1	1,580	
Credit cards	1,869	1,427	393	50	190	46	256	91	3,779	
Commodity trade finance	3,367	3,266	0	101	285	18	0	18	8,901	
Other loans and advances to customers	20,342	19,525	748	68	21	7	38	8	3,769	
Loans to financial advisors	2,670	2,364	130	176	221	28	124	33	2,870	
Total other lending	160,561	158,787	1,270	503	16	3	114	4	4,016	
<b>Total<sup>1</sup></b>	<b>390,672</b>	<b>372,588</b>	<b>15,896</b>	<b>2,188</b>	<b>22</b>	<b>4</b>	<b>114</b>	<b>8</b>	<b>2,398</b>	
Off-balance sheet										
	Gross exposure (USD m)					ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	6,535	6,296	236	3	5	4	18	4	1,183	
Real estate financing	10,054	9,779	275	0	6	7	0	6	0	
Total real estate lending	16,589	16,075	511	3	6	6	2	6	1,288	
Large corporate clients	32,126	28,950	3,013	163	38	18	165	32	1,263	
SME clients	7,122	6,525	499	98	47	30	214	43	304	
Total corporate lending	39,247	35,475	3,513	260	40	20	172	34	903	
Lombard	12,919	12,918	0	1	2	1	0	1	0	
Credit cards	9,390	8,900	487	3	7	5	36	7	0	
Commodity trade finance	2,459	2,459	0	0	3	3	0	3	0	
Financial intermediaries and hedge funds	15,841	14,177	1,664	0	9	7	25	9	0	
Other off-balance sheet commitments	11,803	11,454	346	3	11	8	68	9	0	
Total other lending	52,412	49,907	2,498	7	7	5	33	6	0	
<b>Total<sup>2</sup></b>	<b>108,249</b>	<b>101,457</b>	<b>6,522</b>	<b>270</b>	<b>19</b>	<b>10</b>	<b>106</b>	<b>16</b>	<b>980</b>	
<b>Total on- and off-balance sheet<sup>3</sup></b>	<b>498,921</b>	<b>474,045</b>	<b>22,418</b>	<b>2,458</b>	<b>21</b>	<b>5</b>	<b>112</b>	<b>10</b>	<b>2,242</b>	

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

## Note 9 Fair value measurement

### a) Fair value hierarchy

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

During the first nine months of 2023, and for Credit Suisse for the period between the acquisition date and 30 September 2023 on a revised basis, assets and liabilities that were transferred from Level 2 to Level 1, or from Level 1 to Level 2, and were held for the entire reporting period were not material.

#### Determination of fair values from quoted market prices or valuation techniques<sup>1</sup>

USD m	30.9.23				30.6.23 <sup>2</sup>				31.12.22			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value on a recurring basis</b>												
Financial assets at fair value held for trading	106,872	27,578	8,437	142,888	117,863	30,710	8,598	157,171	96,241	10,138	1,488	107,866
of which: Equity instruments	90,129	777	343	91,250	96,546	1,330	454	98,329	83,074	789	126	83,988
of which: Government bills / bonds	9,474	11,511	66	21,051	13,586	11,865	67	25,518	5,496	950	18	6,464
of which: Investment fund units	6,242	847	146	7,236	6,123	773	146	7,043	6,673	596	61	7,330
of which: Corporate and municipal bonds	1,023	11,057	1,157	13,237	1,592	11,310	995	13,897	976	6,363	541	7,880
of which: Loans	0	3,279	6,519	9,797	0	3,442	6,530	9,972	0	1,179	628	1,807
of which: Asset-backed securities	4	101	205	310	15	1,970	406	2,391	22	261	114	397
Derivative financial instruments	1,140	190,457	3,064	194,661	1,072	181,900	2,978	185,949	769	147,875	1,464	150,108
of which: Foreign exchange	727	84,134	282	85,143	576	73,686	425	74,686	575	84,881	2	85,458
of which: Interest rate	13	64,690	802	65,506	0	62,950	761	63,711	0	39,345	460	39,805
of which: Equity / index	1	36,158	1,265	37,425	1	38,544	1,108	39,652	1	21,542	653	22,195
of which: Credit	0	3,348	617	3,965	0	4,802	580	5,382	0	719	318	1,038
of which: Commodities	3	1,854	23	1,880	7	1,686	28	1,720	0	1,334	30	1,365
Brokerage receivables	0	24,611	0	24,611	0	21,537	0	21,537	0	17,576	0	17,576
Financial assets at fair value not held for trading	31,514	65,287	15,455	112,256	31,358	71,889	15,358	118,605	26,572	29,498	3,725	59,796
of which: Financial assets for unit-linked investment contracts	14,027	7	0	14,034	14,802	171	0	14,973	13,071	1	0	13,072
of which: Corporate and municipal bonds	60	13,002	222	13,284	61	12,673	359	13,093	35	14,101	230	14,366
of which: Government bills / bonds	17,082	3,324	0	20,406	16,144	3,976	0	20,120	13,103	3,638	0	16,741
of which: Loans	0	8,089	8,178	16,267	0	10,395	7,861	18,256	0	3,602	736	4,337
of which: Securities financing transactions	0	38,690	108	38,798	0	43,798	109	43,907	0	7,590	114	7,704
of which: Auction rate securities	0	0	1,212	1,212	0	0	1,321	1,321	0	0	1,326	1,326
of which: Investment fund units	320	541	674	1,535	321	516	683	1,519	307	566	190	1,063
of which: Equity instruments	25	26	3,043	3,094	29	227	3,092	3,348	57	0	792	849
<b>Financial assets measured at fair value through other comprehensive income on a recurring basis</b>												
Financial assets measured at fair value through other comprehensive income	64	2,149	0	2,213	65	2,152	0	2,217	57	2,182	0	2,239
of which: Commercial paper and certificates of deposit	0	1,927	0	1,927	0	1,926	0	1,926	0	1,878	0	1,878
of which: Corporate and municipal bonds	64	193	0	257	65	217	0	282	57	278	0	335
<b>Non-financial assets measured at fair value on a recurring basis</b>												
Precious metals and other physical commodities	5,759	0	0	5,759	5,794	0	0	5,794	4,471	0	0	4,471
<b>Non-financial assets measured at fair value on a non-recurring basis</b>												
Other non-financial assets <sup>3</sup>	0	0	14	14	0	1	89	90	0	0	110	110
<b>Total assets measured at fair value</b>	<b>145,350</b>	<b>310,082</b>	<b>26,971</b>	<b>482,402</b>	<b>156,152</b>	<b>308,188</b>	<b>27,023</b>	<b>491,364</b>	<b>128,110</b>	<b>207,269</b>	<b>6,788</b>	<b>342,166</b>
of which: Credit Suisse <sup>4</sup>	9,280	110,130	19,543	138,953	15,168	121,951	20,254	157,374				

## Note 9 Fair value measurement (continued)

### Determination of fair values from quoted market prices or valuation techniques (continued)<sup>1</sup>

USD m	30.9.23				30.6.23 <sup>2</sup>				31.12.22			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value on a recurring basis</b>												
Financial liabilities at fair value held for trading	28,819	6,047	123	34,989	33,231	6,983	150	40,364	23,578	5,823	114	29,515
of which: Equity instruments	19,491	256	94	19,841	22,984	311	83	23,378	16,521	352	78	16,951
of which: Corporate and municipal bonds	37	4,906	24	4,966	32	5,639	61	5,731	36	4,643	27	4,707
of which: Government bills / bonds	8,124	767	0	8,891	9,159	957	0	10,115	5,880	706	1	6,587
of which: Investment fund units	1,168	73	3	1,244	1,057	46	3	1,106	1,141	84	3	1,229
Derivative financial instruments	1,249	191,182	5,589	198,019	1,007	187,375	6,800	195,182	640	152,582	1,684	154,906
of which: Foreign exchange	825	82,002	22	82,849	591	75,856	132	76,580	587	87,897	24	88,508
of which: Interest rate	1	63,744	252	63,997	0	61,690	355	62,045	0	37,429	116	37,545
of which: Equity / index	0	39,065	2,901	41,966	0	41,569	3,714	45,284	0	24,963	1,184	26,148
of which: Credit	31	3,997	618	4,646	2	5,629	605	6,235	0	920	279	1,199
of which: Commodities	7	1,670	21	1,697	6	1,685	37	1,728	0	1,309	52	1,361
of which: Loan commitments measured at FVTPL	0	499	1,220	1,718	0	595	1,468	2,063	0	19	24	43
<b>Financial liabilities designated at fair value on a recurring basis</b>												
Brokerage payables designated at fair value	0	41,313	0	41,313	0	43,852	0	43,852	0	45,085	0	45,085
Debt issued designated at fair value	0	108,621	17,514	126,135	0	105,951	19,099	125,050	0	63,111	10,527	73,638
Other financial liabilities designated at fair value	0	30,479	2,805	33,284	0	33,097	3,025	36,122	0	29,547	691	30,237
of which: Financial liabilities related to unit-linked investment contracts	0	14,177	0	14,177	0	15,124	0	15,124	0	13,221	0	13,221
of which: Securities financing transactions	0	12,258	1	12,259	0	13,295	0	13,295	0	15,333	0	15,333
of which: Over-the-counter debt instruments and others	0	4,044	2,804	6,848	0	4,678	3,025	7,703	0	993	691	1,684
<b>Total liabilities measured at fair value</b>	<b>30,068</b>	<b>377,642</b>	<b>26,030</b>	<b>433,739</b>	<b>34,238</b>	<b>377,258</b>	<b>29,073</b>	<b>440,569</b>	<b>24,219</b>	<b>296,148</b>	<b>13,015</b>	<b>333,381</b>
of which: Credit Suisse <sup>4</sup>	2,912	98,797	12,280	113,989	4,442	104,499	14,741	123,681				

<sup>1</sup> Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are not included in this table. The fair value of these derivatives was not material for the periods presented.

<sup>2</sup> Comparative-period information has been revised. Refer to Note 2 for more information. <sup>3</sup> Other non-financial assets primarily consist of properties and other non-current assets held for sale, which are measured at the lower of their net carrying amount or fair value less costs to sell. <sup>4</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

## Note 9 Fair value measurement (continued)

### b) Valuation adjustments

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

Deferred day-1 profit or loss is generally released into *Other net income from financial instruments measured at fair value through profit or loss* when the pricing of equivalent products or the underlying parameters become observable or when the transaction is closed out. In accordance with IFRS, no day-1 profit or loss reserves were recognized on positions acquired with the Credit Suisse Group and no significant new positions were originated between the acquisition date and 30 September 2023.

Deferred day-1 profit or loss reserves	For the quarter ended			Year-to-date	
	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
<i>USD m</i>					
Reserve balance at the beginning of the period	402	399	451	422	418
Profit / (loss) deferred on new transactions	37	78	84	196	245
(Profit) / loss recognized in the income statement	(42)	(75)	(108)	(228)	(235)
Foreign currency translation	(1)	(1)	(1)	(1)	(2)
Reserve balance at the end of the period	396	402	426	389	426

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

Other valuation adjustment reserves on the balance sheet	As of		
	30.9.23	30.6.23	31.12.22
<i>USD m</i>			
Own credit adjustments on financial liabilities designated at fair value <sup>1</sup>	(565)	142	556
of which: debt issued designated at fair value	(616)	46	453
of which: other financial liabilities designated at fair value	51	96	103
Credit valuation adjustments <sup>2</sup>	(134)	(151)	(33)
Funding and debit valuation adjustments	(118)	(172)	(46)
Other valuation adjustments	(2,792)	(2,911)	(839)
of which: liquidity	(1,824)	(1,905)	(311)
of which: model uncertainty	(969)	(1,005)	(529)

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

*Own credit adjustments on financial liabilities designated at fair value* includes a life-to-date loss of USD 658m attributable to Credit Suisse. *Credit valuation adjustments* includes USD 104m from the Credit Suisse Group and *Funding and debit valuation adjustments* includes USD 44m from the Credit Suisse Group. Liquidity and model uncertainty adjustments in Credit Suisse amount to USD 1,549m and USD 527m, respectively.

### c) Level 3 instruments: valuation techniques and inputs

The table below presents material Level 3 assets and liabilities, together with the valuation techniques used to measure fair value, as well as the inputs used in a given valuation technique that are considered significant as of 30 September 2023 and unobservable, and a range of values for those unobservable inputs.

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

The significant unobservable inputs disclosed in the table below are consistent with those included in "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the Annual Report 2022.



## Note 9 Fair value measurement (continued)

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

USD bn	Fair value				Valuation technique(s)	Significant unobservable input(s) <sup>1</sup>	Range of inputs						unit <sup>1</sup>
	Assets		Liabilities				30.9.23			31.12.22			
	30.9.23	31.12.22	30.9.23	31.12.22			low	high	weighted average <sup>2</sup>	low	high	weighted average <sup>2</sup>	
<b>Financial assets and liabilities at fair value held for trading and Financial assets at fair value not held for trading</b>													
<i>Corporate and municipal bonds</i>	1.4	0.8	0.0	0.0	Relative value to market comparable	Bond price equivalent	4	126	96	14	112	85	points
					Discounted expected cash flows	Discount margin	215	374	368	412	412		points
<i>Traded loans, loans measured at fair value, loan commitments and guarantees</i>	14.9	1.7	0.0	0.0	Relative value to market comparable	Loan price equivalent	1	140	91	30	100	97	points
					Discounted expected cash flows	Credit spread	20	1,197	317	200	200	200	basis points
					Market comparable and securitization model	Credit spread	152	1,763	326	145	1,350	322	basis points
					Option model	Gap risk <sup>5</sup>	0	4	0				%
<i>Auction rate securities</i>	1.2	1.3			Discounted expected cash flows	Credit spread	135	208	150	115	196	144	basis points
<i>Investment fund units<sup>3</sup></i>	0.8	0.3	0.0	0.0	Relative value to market comparable	Net asset value							
<i>Equity instruments<sup>3</sup></i>	3.4	0.9	0.1	0.1	Relative value to market comparable	Price							
<b>Debt issued designated at fair value<sup>4</sup></b>			17.5	10.5									
<b>Other financial liabilities designated at fair value</b>			2.8	0.7	Discounted expected cash flows	Funding spread	25	175		23	175		basis points
<b>Derivative financial instruments</b>													
<i>Interest rate</i>	0.8	0.5	0.3	0.1	Option model	Volatility of interest rates	63	154		75	143		basis points
						Volatility of inflation	0	6					%
						IR-to-IR correlation	0	100					%
<i>Credit</i>	0.6	0.3	0.6	0.3	Discounted expected cash flows	Credit spreads	3	2,738		9	565		basis points
						Bond price equivalent	3	223		3	277		points
						Recovery rates <sup>6</sup>	0	100					%
					Option model	Credit spreads	27	1,218					basis points
<i>Equity / index</i>	1.3	0.7	2.9	1.2	Option model	Equity dividend yields	0	16		0	20		%
						Volatility of equity stocks, equity and other indices	4	194		4	120		%
						Equity-to-FX correlation	(40)	77		(29)	84		%
						Equity-to-equity correlation	(50)	100		(25)	100		%
<i>Loan commitments measured at FVTPL</i>			1.2		Relative value to market comparable	Loan price equivalent	31	100					points

1 The ranges of significant unobservable inputs are represented in points, percentages and basis points. Points are a percentage of par (e.g., 100 points would be 100% of par). 2 Weighted averages are provided for most non-derivative financial instruments and were calculated by weighting inputs based on the fair values of the respective instruments. Weighted averages are not provided for inputs related to Other financial liabilities designated at fair value and Derivative financial instruments, as this would not be meaningful. 3 The range of inputs is not disclosed, as there is a dispersion of values given the diverse nature of the investments. 4 Debt issued designated at fair value primarily consists of UBS structured notes, which include variable maturity notes with various equity and foreign exchange underlying risks, as well as rates-linked and credit-linked notes, all of which have embedded derivative parameters that are considered to be unobservable. The equivalent derivative instrument parameters for debt issued or embedded derivatives for over-the-counter debt instruments are presented in the respective derivative financial instruments lines in this table. 5 Gap risk is risk of unexpected large declines in the underlying values occurring between collateral settlement dates. 6 Recovery rates reflect the estimated recovery that will be realized given expected defaults, they may vary significantly depending upon the specific assets and terms of each transaction.

## Note 9 Fair value measurement (continued)

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

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

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

#### Sensitivity of fair value measurements to changes in unobservable input assumptions<sup>1</sup>

USD m	30.9.23		30.6.23 <sup>2</sup>		31.12.22	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Traded loans, loans measured at fair value and guarantees	426	(350)	468	(393)	19	(12)
Securities financing transactions	32	(35)	37	(37)	33	(37)
Auction rate securities	66	(22)	44	(44)	46	(46)
Asset-backed securities	56	(55)	48	(47)	27	(27)
Equity instruments	469	(413)	483	(397)	183	(161)
Investment fund units	134	(136)	127	(129)	19	(21)
Loan commitments measured at FVTPL	418	(399)	436	(393)	0	0
Interest rate derivatives, net	234	(109)	221	(111)	18	(12)
Credit derivatives, net	61	(57)	75	(67)	3	(4)
Foreign exchange derivatives, net	5	(4)	6	(6)	10	(5)
Equity / index derivatives, net	503	(453)	646	(614)	361	(330)
Other	302	(295)	296	(292)	20	(41)
<b>Total</b>	<b>2,706</b>	<b>(2,327)</b>	<b>2,887</b>	<b>(2,530)</b>	<b>738</b>	<b>(696)</b>
<i>of which: Credit Suisse<sup>3</sup></i>	<i>2,036</i>	<i>(1,760)</i>	<i>2,157</i>	<i>(1,864)</i>		

<sup>1</sup> Sensitivity of issued and over-the-counter debt instruments is reported with the equivalent derivative or Other. <sup>2</sup> Comparative-period information has been revised. Refer to Note 2 for more information. <sup>3</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

### e) Level 3 instruments: movements during the period

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

Assets and liabilities transferred into or out of Level 3 are presented as if those assets or liabilities had been transferred at the beginning of the year.

## Note 9 Fair value measurement (continued)

USD bn	Balance at the beginning of the period	Credit Suisse Level 3 assets and liabilities acquired <sup>1</sup>	Net gains / losses included in comprehensive income <sup>2</sup>	of which: related to instruments held at the end of the period								Balance at the end of the period
					Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Foreign currency translation	
<b>Movements of Level 3 instruments</b>												
<b>For the nine months ended 30 September 2023<sup>3</sup></b>												
<b>Financial assets at fair value held for trading</b>	<b>1.5</b>	<b>7.9</b>	<b>(0.6)</b>	<b>(0.3)</b>	<b>0.8</b>	<b>(3.3)</b>	<b>2.2</b>	<b>(0.0)</b>	<b>0.3</b>	<b>(0.4)</b>	<b>(0.0)</b>	<b>8.4</b>
of which: Investment fund units	0.1	0.1	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	0.1
of which: Corporate and municipal bonds	0.5	1.1	(0.3)	(0.0)	0.6	(0.8)	0.0	0.0	0.1	(0.1)	(0.0)	1.2
of which: Loans	0.6	5.9	(0.2)	(0.2)	0.0	(2.0)	2.2	(0.0)	0.1	(0.2)	(0.0)	6.5
<b>Derivative financial instruments – assets</b>	<b>1.5</b>	<b>1.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.7</b>	<b>(0.4)</b>	<b>0.2</b>	<b>(0.5)</b>	<b>0.0</b>	<b>3.1</b>
of which: Interest rate	0.5	0.2	0.2	0.2	0.0	0.0	0.1	(0.1)	0.0	(0.1)	(0.0)	0.8
of which: Equity / index	0.7	0.5	0.1	0.1	0.0	(0.0)	0.4	(0.2)	0.1	(0.3)	(0.0)	1.3
of which: Credit	0.3	0.2	(0.0)	(0.1)	0.0	(0.0)	0.1	(0.0)	0.1	(0.0)	0.0	0.6
<b>Financial assets at fair value not held for trading</b>	<b>3.7</b>	<b>11.6</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>2.1</b>	<b>(2.8)</b>	<b>0.0</b>	<b>(0.1)</b>	<b>1.3</b>	<b>(0.3)</b>	<b>0.0</b>	<b>15.5</b>
of which: Loans	0.7	7.1	0.1	0.1	1.2	(1.8)	(0.0)	(0.0)	1.1	(0.3)	(0.0)	8.2
of which: Auction rate securities	1.3	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	1.2
of which: Equity instruments	0.8	2.1	(0.0)	(0.0)	0.5	(0.3)	0.0	(0.1)	0.1	0.0	(0.0)	3.0
<b>Derivative financial instruments – liabilities</b>	<b>1.7</b>	<b>4.3</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>1.3</b>	<b>(1.0)</b>	<b>0.2</b>	<b>(0.8)</b>	<b>(0.0)</b>	<b>5.6</b>
of which: Interest rate	0.1	0.2	(0.0)	0.0	0.0	0.0	0.1	(0.1)	0.0	(0.1)	(0.0)	0.3
of which: Equity / index	1.2	1.7	(0.2)	(0.0)	0.0	(0.0)	0.8	(0.4)	0.1	(0.2)	(0.0)	2.9
of which: Credit	0.3	0.3	0.0	0.1	0.0	(0.0)	0.4	(0.1)	0.0	(0.4)	(0.0)	0.6
of which: Loan commitments measured at FVTPL	0.0	1.5	0.0	0.0	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0	1.2
<b>Debt issued designated at fair value</b>	<b>10.5</b>	<b>8.5</b>	<b>0.0</b>	<b>(0.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>4.7</b>	<b>(4.0)</b>	<b>1.0</b>	<b>(3.1)</b>	<b>(0.1)</b>	<b>17.5</b>
<b>Other financial liabilities designated at fair value</b>	<b>0.7</b>	<b>2.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.1</b>	<b>(0.1)</b>	<b>0.0</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>2.8</b>
<b>For the nine months ended 30 September 2022</b>												
<b>Financial assets at fair value held for trading</b>	<b>2.3</b>		<b>(0.2)</b>	<b>(0.2)</b>	<b>0.3</b>	<b>(1.4)</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>1.3</b>
of which: Investment fund units	0.0		0.0	0.0	0.0	(0.0)	0.0	0.0	0.1	(0.0)	(0.0)	0.1
of which: Corporate and municipal bonds	0.6		(0.0)	(0.0)	0.2	(0.2)	0.0	0.0	0.0	(0.0)	(0.0)	0.5
of which: Loans	1.4		(0.1)	(0.1)	0.0	(1.1)	0.3	0.0	0.0	(0.2)	(0.0)	0.5
<b>Derivative financial instruments – assets</b>	<b>1.1</b>		<b>0.8</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.6</b>	<b>(0.7)</b>	<b>0.1</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>1.7</b>
of which: Interest rate	0.5		0.2	0.2	0.0	0.0	0.0	(0.1)	0.1	(0.1)	(0.1)	0.5
of which: Equity / index	0.4		0.4	0.3	0.0	0.0	0.2	(0.3)	0.0	(0.0)	(0.0)	0.7
of which: Credit	0.2		0.1	(0.1)	0.0	0.0	0.2	(0.2)	0.0	0.0	0.0	0.4
<b>Financial assets at fair value not held for trading</b>	<b>4.2</b>		<b>0.1</b>	<b>0.1</b>	<b>0.6</b>	<b>(0.8)</b>	<b>0.1</b>	<b>(0.0)</b>	<b>0.1</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>3.9</b>
of which: Loans	0.9		(0.0)	(0.1)	0.4	(0.4)	0.1	0.0	0.0	(0.3)	(0.0)	0.7
of which: Auction rate securities	1.6		0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7
of which: Equity instruments	0.7		0.0	0.0	0.1	(0.1)	0.0	0.0	0.1	0.0	(0.0)	0.8
<b>Derivative financial instruments – liabilities</b>	<b>2.2</b>		<b>(0.8)</b>	<b>(0.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>1.3</b>	<b>(0.8)</b>	<b>0.1</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>1.7</b>
of which: Interest rate	0.3		(0.2)	(0.1)	0.0	0.0	0.1	(0.0)	0.0	0.0	(0.1)	0.1
of which: Equity / index	1.5		(0.5)	(0.5)	0.0	0.0	1.0	(0.7)	0.0	(0.2)	(0.1)	1.2
of which: Credit	0.3		(0.1)	(0.1)	0.0	0.0	0.1	(0.0)	0.1	(0.0)	(0.0)	0.3
<b>Debt issued designated at fair value</b>	<b>14.2</b>		<b>(2.7)</b>	<b>(2.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>4.4</b>	<b>(3.0)</b>	<b>0.5</b>	<b>(3.0)</b>	<b>(0.5)</b>	<b>9.9</b>
<b>Other financial liabilities designated at fair value</b>	<b>0.8</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>(0.3)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>0.7</b>

<sup>1</sup> Information has been revised. Refer to Note 2 for more information. <sup>2</sup> Net gains / losses included in comprehensive income are recognized in Net interest income and Other net income from financial instruments measured at fair value through profit or loss in the Income statement, and also in Gains / (losses) from own credit on financial liabilities designated at fair value, before tax in the Statement of comprehensive income. <sup>3</sup> Total Level 3 assets as of 30 September 2023 were USD 27.0bn (31 December 2022: USD 6.8bn). Total Level 3 liabilities as of 30 September 2023 were USD 26.0bn (31 December 2022: USD 13.0bn).

## Note 9 Fair value measurement (continued)

### f) Financial instruments not measured at fair value

The table below reflects the estimated fair values of financial instruments not measured at fair value. Valuation principles applied when determining fair value estimates for financial instruments not measured at fair value are consistent with those described in "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the Annual Report 2022.

#### Financial instruments not measured at fair value

USD bn	30.9.23		30.6.23 <sup>1</sup>		31.12.22	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets</b>						
Cash and balances at central banks	262.4	262.4	261.6	261.6	169.4	169.4
Amounts due from banks	21.3	21.2	24.4	24.3	14.8	14.8
Receivables from securities financing transactions measured at amortized cost	84.9	84.9	86.5	86.6	67.8	67.8
Cash collateral receivables on derivative instruments	55.6	55.6	54.3	54.3	35.0	35.0
Loans and advances to customers	624.9	613.4	645.8	633.5	387.2	374.9
Other financial assets measured at amortized cost	64.2	61.2	64.9	62.5	53.3	50.8
<b>Liabilities</b>						
Amounts due to banks	68.5	68.5	99.2	99.2	11.6	11.6
Payables from securities financing transactions measured at amortized cost	15.0	14.9	22.3	22.3	4.2	4.2
Cash collateral payables on derivative instruments	41.5	41.5	41.4	41.4	36.4	36.4
Customer deposits	733.1	734.5	712.5	712.3	525.1	524.8
Debt issued measured at amortized cost	224.0	224.3	230.9	229.9	114.6	113.5
Other financial liabilities measured at amortized cost <sup>2</sup>	13.7	13.7	13.6	13.7	6.2	6.2

<sup>1</sup> Comparative-period information has been revised. Refer to Note 2 for more information. <sup>2</sup> Excludes lease liabilities.

## Note 10 Derivative instruments

### a) Derivative instruments

	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities <sup>1</sup>	Other notional values <sup>2</sup>
<i>As of 30.9.23, USD bn</i>				
<b>Derivative financial instruments</b>				
Interest rate	65.5	64.0	3,808 <sup>3</sup>	21,893
Credit derivatives	4.0	4.6	329	
Foreign exchange	85.1	82.8	7,092	108
Equity / index	37.4	42.0	1,219	429
Commodities	1.9	1.7	154	21
Other <sup>4</sup>	0.7	2.9	154	
<b>Total derivative financial instruments, based on IFRS netting<sup>5</sup></b>	<b>194.7</b>	<b>198.0</b>	<b>12,756</b>	<b>22,451</b>
<i>of which: Credit Suisse<sup>6</sup></i>	<i>61.5</i>	<i>66.1</i>	<i>2,586</i>	<i>7,930</i>
Further netting potential not recognized on the balance sheet <sup>7</sup>	(175.6)	(180.7)		
<i>of which: netting of recognized financial liabilities / assets</i>	<i>(144.2)</i>	<i>(144.2)</i>		
<i>of which: netting with collateral received / pledged</i>	<i>(31.4)</i>	<i>(36.5)</i>		
<b>Total derivative financial instruments, after consideration of further netting potential</b>	<b>19.1</b>	<b>17.3</b>		

<i>As of 30.6.23, USD bn<sup>8</sup></i>				
<b>Derivative financial instruments</b>				
Interest rate	63.7	62.0	3,788 <sup>3</sup>	25,438
Credit derivatives	5.4	6.2	379	
Foreign exchange	74.7	76.6	7,350	82
Equity / index	39.7	45.3	1,192	497
Commodities	1.7	1.7	159	23
Other <sup>4</sup>	0.8	3.3	168	
<b>Total derivative financial instruments, based on IFRS netting<sup>5</sup></b>	<b>185.9</b>	<b>195.2</b>	<b>13,037</b>	<b>26,040</b>
<i>of which: Credit Suisse<sup>6</sup></i>	<i>63.2</i>	<i>68.7</i>	<i>2,832</i>	<i>10,689</i>
Further netting potential not recognized on the balance sheet <sup>7</sup>	(170.0)	(174.9)		
<i>of which: netting of recognized financial liabilities / assets</i>	<i>(140.0)</i>	<i>(140.0)</i>		
<i>of which: netting with collateral received / pledged</i>	<i>(30.0)</i>	<i>(34.9)</i>		
<b>Total derivative financial instruments, after consideration of further netting potential</b>	<b>15.9</b>	<b>20.2</b>		

<i>As of 31.12.22, USD bn</i>				
<b>Derivative financial instruments</b>				
Interest rate	39.8	37.5	2,080	11,255
Credit derivatives	1.0	1.2	74	
Foreign exchange	85.5	88.5	6,080	40
Equity / index	22.2	26.1	886	63
Commodities	1.4	1.4	132	18
Other <sup>4</sup>	0.2	0.1	50	
<b>Total derivative financial instruments, based on IFRS netting<sup>5</sup></b>	<b>150.1</b>	<b>154.9</b>	<b>9,302</b>	<b>11,376</b>
Further netting potential not recognized on the balance sheet <sup>7</sup>	(139.4)	(137.1)		
<i>of which: netting of recognized financial liabilities / assets</i>	<i>(110.9)</i>	<i>(110.9)</i>		
<i>of which: netting with collateral received / pledged</i>	<i>(28.5)</i>	<i>(26.2)</i>		
<b>Total derivative financial instruments, after consideration of further netting potential</b>	<b>10.7</b>	<b>17.8</b>		

<sup>1</sup> In cases where derivative financial instruments are presented on a net basis on the balance sheet, the respective notional values of the netted derivative financial instruments are still presented on a gross basis. Notional amounts of client-cleared ETD and OTC transactions through central clearing counterparties are not disclosed, as they have a significantly different risk profile. <sup>2</sup> Other notional values relate to derivatives that are cleared through either a central counterparty or an exchange and settled on a daily basis (except for OTC derivatives settled through collateralized-to-market arrangements, which are presented under Derivative financial assets and Derivative financial liabilities). The fair value of these derivatives is presented on the balance sheet net of the corresponding cash margin under Cash collateral receivables on derivative instruments and Cash collateral payables on derivative instruments and was not material for all periods presented. <sup>3</sup> Includes USD 246bn (30 June 2023: USD 225bn) related to OTC derivatives settled through collateralized-to-market arrangements. <sup>4</sup> Includes mainly Loan commitments measured at FVTPL, as well as unsettled purchases and sales of non-derivative financial instruments for which the changes in the fair value between trade date and settlement date are recognized as derivative financial instruments. <sup>5</sup> Financial assets and liabilities are presented net on the balance sheet if UBS has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. <sup>6</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group. <sup>7</sup> Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 21 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the Annual Report 2022 for more information. <sup>8</sup> Comparative-period information has been revised. Refer to Note 2 for more information.

## Note 10 Derivative instruments (continued)

### b) Cash collateral on derivative instruments

<i>USD bn</i>	Receivables 30.9.23	Payables 30.9.23	Receivables 30.6.23	Payables 30.6.23	Receivables 31.12.22	Payables 31.12.22
Cash collateral on derivative instruments, based on IFRS netting <sup>1</sup>	55.6	41.5	54.3	41.4	35.0	36.4
<i>of which: Credit Suisse<sup>2</sup></i>	19.6	9.8	19.3	10.0		
Further netting potential not recognized on the balance sheet <sup>3</sup>	(35.0)	(27.2)	(34.1)	(26.7)	(22.9)	(21.9)
<i>of which: netting of recognized financial liabilities / assets</i>	(31.6)	(23.8)	(30.4)	(22.9)	(20.9)	(20.0)
<i>of which: netting with collateral received / pledged</i>	(3.4)	(3.4)	(3.8)	(3.8)	(1.9)	(1.9)
<b>Cash collateral on derivative instruments, after consideration of further netting potential</b>	<b>20.6</b>	<b>14.4</b>	<b>20.2</b>	<b>14.7</b>	<b>12.1</b>	<b>14.5</b>

<sup>1</sup> Financial assets and liabilities are presented net on the balance sheet if UBS has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. <sup>2</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group. <sup>3</sup> Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 21 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the Annual Report 2022 for more information.

## Note 11 Other assets and liabilities

### a) Other financial assets measured at amortized cost

<i>USD m</i>	30.9.23	30.6.23 <sup>1</sup>	31.12.22
Debt securities	44,391	43,664	44,594
Loans to financial advisors	2,582	2,588	2,611
Fee- and commission-related receivables	2,509	2,762	1,812
Finance lease receivables	5,829	5,868	1,315
Settlement and clearing accounts	410	811	1,175
Accrued interest income	2,846	2,746	1,259
Other	5,592	6,477	499
<b>Total other financial assets measured at amortized cost</b>	<b>64,158</b>	<b>64,916</b>	<b>53,264</b>
<i>of which: Credit Suisse<sup>2</sup></i>	<i>11,460</i>	<i>12,829</i>	

<sup>1</sup> Comparative-period information has been revised. Refer to Note 2 for more information. <sup>2</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

### b) Other non-financial assets

<i>USD m</i>	30.9.23	30.6.23	31.12.22
Precious metals and other physical commodities	5,759	5,794	4,471
Deposits and collateral provided in connection with litigation, regulatory and similar matters <sup>1</sup>	2,938	3,006	2,205
Prepaid expenses	2,735	3,138	1,076
Current tax assets	1,262	1,331	182
VAT, withholding tax and other tax receivables	1,262	1,279	1,286
Properties and other non-current assets held for sale	146	485	369
Other	1,988	1,885	578
<b>Total other non-financial assets</b>	<b>16,091</b>	<b>16,919</b>	<b>10,166</b>
<i>of which: Credit Suisse<sup>2</sup></i>	<i>6,553</i>	<i>6,971</i>	

<sup>1</sup> Refer to Note 15 for more information. <sup>2</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

### c) Other financial liabilities measured at amortized cost

<i>USD m</i>	30.9.23	30.6.23	31.12.22
Other accrued expenses	3,221	3,653	1,760
Accrued interest expenses	5,098	4,639	1,949
Settlement and clearing accounts	1,639	1,931	1,075
Lease liabilities	5,543	5,810	3,334
Other	3,710	3,370	1,457
<b>Total other financial liabilities measured at amortized cost</b>	<b>19,211</b>	<b>19,403</b>	<b>9,575</b>
<i>of which: Credit Suisse<sup>1</sup></i>	<i>8,061</i>	<i>7,415</i>	

<sup>1</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

### d) Other financial liabilities designated at fair value

<i>USD m</i>	30.9.23	30.6.23	31.12.22
Financial liabilities related to unit-linked investment contracts	14,177	15,124	13,221
Securities financing transactions	12,259	13,295	15,333
Over-the-counter debt instruments and other	6,848	7,703	1,684
<b>Total other financial liabilities designated at fair value</b>	<b>33,284</b>	<b>36,122</b>	<b>30,237</b>
<i>of which: Credit Suisse<sup>1</sup></i>	<i>5,563</i>	<i>6,996</i>	

<sup>1</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

## Note 11 Other assets and liabilities (continued)

### e) Other non-financial liabilities

USD m	30.9.23	30.6.23 <sup>1</sup>	31.12.22
Compensation-related liabilities	8,399	7,310	6,822
<i>of which: net defined benefit liability</i>	748	777	469
Current tax liabilities	1,562	1,630	1,071
Deferred tax liabilities	353	434	236
VAT, withholding tax and other tax payables	804	822	592
Deferred income	652	730	235
Other	832	970	84
<b>Total other non-financial liabilities</b>	<b>12,603</b>	<b>11,896</b>	<b>9,040</b>
<i>of which: Credit Suisse<sup>2</sup></i>	<i>4,416</i>	<i>4,285</i>	

<sup>1</sup> Comparative-period information has been revised. Refer to Note 2 for more information. <sup>2</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

## Note 12 Debt issued designated at fair value

USD m	30.9.23	30.6.23	31.12.22
<b>Issued debt instruments</b>			
Equity-linked <sup>1</sup>	61,483	64,446	41,901
Rates-linked and fixed-rate	47,229	42,676	22,814
Credit-linked	7,766	7,655	2,170
Commodity-linked	4,141	4,234	4,294
Other	5,515	6,039	2,459
<i>of which: debt that contributes to total loss-absorbing capacity</i>	<i>3,766</i>	<i>4,287</i>	<i>1,959</i>
<b>Total debt issued designated at fair value</b>	<b>126,135</b>	<b>125,050</b>	<b>73,638</b>
<i>of which: Credit Suisse<sup>2</sup></i>	<i>38,864</i>	<i>42,396</i>	

<sup>1</sup> Includes investment fund unit-linked instruments issued. <sup>2</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

## Note 13 Debt issued measured at amortized cost

USD m	30.9.23	30.6.23	31.12.22
<b>Short-term debt<sup>1</sup></b>	<b>38,043</b>	<b>40,522</b>	<b>29,676</b>
<i>of which: Credit Suisse</i>	<i>1,691</i>	<i>4,932</i>	
Senior unsecured debt that contributes to total loss-absorbing capacity (TLAC)	99,052	97,927	42,073
Senior unsecured debt other than TLAC	42,689	43,508	17,892
Covered bonds	3,813	3,934	
Subordinated debt	14,248	16,832	16,017
<i>of which: eligible as high-trigger loss-absorbing additional tier 1 capital instruments</i>	<i>9,871</i>	<i>9,928</i>	<i>9,882</i>
<i>of which: eligible as low-trigger loss-absorbing additional tier 1 capital instruments</i>	<i>1,195</i>	<i>1,190</i>	<i>1,189</i>
<i>of which: eligible as low-trigger loss-absorbing tier 2 capital instruments</i>	<i>0</i>	<i>0</i>	<i>2,422</i>
<i>of which: eligible as non-Basel III-compliant tier 2 capital instruments</i>	<i>536</i>	<i>539</i>	<i>536</i>
Debt issued through the Swiss central mortgage institutions	24,807	24,862	8,962
Other long-term debt	1,372	3,273	
<b>Long-term debt<sup>2</sup></b>	<b>185,982</b>	<b>190,336</b>	<b>84,945</b>
<i>of which: Credit Suisse<sup>3</sup></i>	<i>41,147</i>	<i>52,406</i>	
<b>Total debt issued measured at amortized cost<sup>4</sup></b>	<b>224,025</b>	<b>230,857</b>	<b>114,621</b>

<sup>1</sup> Debt with an original contractual maturity of less than one year, includes mainly certificates of deposit and commercial paper. <sup>2</sup> Debt with an original contractual maturity greater than or equal to one year. The classification of debt issued into short-term and long-term does not consider any early redemption features. <sup>3</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group. <sup>4</sup> Net of bifurcated embedded derivatives, the fair value of which was not material for the periods presented.

## Note 14 Interest rate benchmark reform

During 2023, the Group has largely completed the transition of the remaining USD London Interbank Offered Rate (LIBOR) contracts, with corporate loans of approximately USD 1bn (predominantly attributable to positions acquired through the acquisition of the Credit Suisse Group) as of 30 September 2023 relying on synthetic LIBOR rates.

The Group has approximately USD 6bn equivalent of yen-, pounds sterling- and US dollar-denominated publicly issued benchmark bonds (including approximately USD 3bn of benchmark notes assumed by UBS Group AG as a result of the acquisition of the Credit Suisse Group) that, per current contractual terms, if not called on their respective call dates, would reset based directly on JPY LIBOR, GBP LIBOR and USD LIBOR, respectively. In October 2023, it was announced that approximately USD 1bn of these instruments would be redeemed in November 2023 (on their first call date). In addition, certain benchmark bonds publicly issued by the Group reference rates indirectly derived from IBORs, if they are not called on their respective call dates. These bonds have robust fallback language and the confirmation of interest rate calculation mechanics will be communicated in advance of any rate resets.

## Note 15 Provisions and contingent liabilities

### a) Provisions and contingent liabilities

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

USD m	30.9.23	30.6.23 <sup>1</sup>	31.12.22
Provisions related to expected credit losses (IFRS 9, <i>Financial Instruments</i> ) <sup>2</sup>	337	327	201
Provisions related to Credit Suisse loan commitments (IFRS 3, <i>Business Combinations</i> ) <sup>3</sup>	2,246	2,462	
Provisions related to litigation, regulatory and similar matters (IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i> )	4,017	6,126	2,586
Acquisition-related contingent liabilities (IFRS 3, <i>Business Combinations</i> ) <sup>3</sup>	2,973	2,992	
Other provisions	1,942	1,044	456
<b>Total provisions and contingent liabilities</b>	<b>11,515</b>	<b>12,951</b>	<b>3,243</b>
<i>of which: Credit Suisse<sup>3</sup></i>	<i>9,164</i>	<i>9,092</i>	

1 Comparative-period information has been revised. Refer to Note 2 for more information. 2 Refer to Note 8c for more information. 3 Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

The table below presents additional information for provisions related to litigation, regulatory and similar matters and other provisions.

USD m	Litigation, regulatory and similar matters <sup>1</sup>	Other <sup>2</sup>	Total
<b>Balance as of 31 December 2022</b>	2,586	456	<b>3,042</b>
<b>Balance as of 30 June 2023</b>	6,126	1,044	<b>7,170</b>
Increase in provisions recognized in the income statement	26	999	1,024
Release of provisions recognized in the income statement	(14)	(9)	(23)
Provisions used in conformity with designated purpose	(2,108)	(84)	(2,192)
Foreign currency translation and other movements	(12)	(8)	(20)
<b>Balance as of 30 September 2023</b>	<b>4,017</b>	<b>1,942</b>	<b>5,959</b>
<i>of which: Credit Suisse<sup>3</sup></i>	<i>2,283</i>	<i>1,501</i>	<i>3,784</i>

1 Consists of provisions for losses resulting from legal, liability and compliance risks. 2 Mainly includes provisions in connection with the ongoing integration activities and related to onerous contracts, real estate and employee benefits. 3 Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

Information about provisions and contingent liabilities in respect of litigation, regulatory and similar matters, as a class, is included in Note 15b. There are no material contingent liabilities associated with the other classes of provisions.



## Note 15 Provisions and contingent liabilities (continued)

### 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.

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 Note 15a above. It is not practicable to provide an aggregate estimate of liability for our litigation, regulatory and similar matters as a class of contingent liabilities beyond what has been identified as a consequence of the acquisition of Credit Suisse as set out below. Doing so would require UBS to provide 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. Although UBS therefore cannot provide a numerical estimate of the future losses that could arise from litigation, regulatory and similar matters, UBS believes that the aggregate amount of possible future losses from this class that are more than remote substantially exceeds the level of current provisions.

## Note 15 Provisions and contingent liabilities (continued)

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 risk of loss associated with litigation, regulatory and similar matters is a component of operational risk for purposes of determining capital requirements. Information concerning our capital requirements and the calculation of operational risk for this purpose is included in the "Capital management" section of this report.

Matters related to Credit Suisse entities are separately described herein. The amounts shown in the table below reflect the provisions recorded under IFRS accounting principles. In connection with the acquisition of Credit Suisse, UBS Group AG additionally has reflected in its purchase accounting under IFRS 3 a further valuation adjustment of USD 3bn 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 they will result in an outflow of resources, significantly increasing the recognition threshold for litigation liabilities beyond those that generally apply under IFRS and US GAAP.

### Provisions for litigation, regulatory and similar matters by business division and in Group Items<sup>1</sup>

<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy <sup>2</sup>	Group Items <sup>2</sup>	Total
<b>Balance as of 31 December 2022</b>	1,182	159	8	308	770	158	2,586
<b>Balance as of 30 June 2023</b>	1,289	163	8	329	4,174	163	6,126
Increase in provisions recognized in the income statement	24	0	1	0	0	0	26
Release of provisions recognized in the income statement	(2)	(9)	0	0	(2)	0	(14)
Provisions used in conformity with designated purpose	(123)	0	0	(57)	(1,928)	0	(2,108)
Foreign currency translation and other movements	(27)	(5)	0	0	21	0	(12)
<b>Balance as of 30 September 2023</b>	<b>1,160</b>	<b>149</b>	<b>9</b>	<b>272</b>	<b>2,264</b>	<b>163</b>	<b>4,017</b>
<i>of which: Credit Suisse<sup>3</sup></i>	<i>11</i>	<i>0</i>	<i>0</i>	<i>7</i>	<i>2,260</i>	<i>3</i>	<i>2,283</i>

<sup>1</sup> Provisions, if any, for the matters described in items A3, B8 and B10 of this Note are recorded in Global Wealth Management; provisions, if any, for the matters described in items A2, B1, B2, B3, B4, B5, B6, B7, B9, B11 and B12 of this Note are recorded in Non-core and Legacy; provisions, if any, for the matters described in items B13 and B14 of this Note are recorded in Group Items. Provisions, if any, for the matters described in items A1 and A5 of this Note are allocated between Global Wealth Management and Personal & Corporate Banking; and provisions, if any, for the matters described in item A4 are allocated between the Investment Bank and Group Items. <sup>2</sup> Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been revised to reflect these changes. <sup>3</sup> Refer to Note 2 for more information about the acquisition of the Credit Suisse Group.

## A. Litigation, regulatory and similar matters involving UBS AG and subsidiaries

### 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.

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 French 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. On 27 September 2023, the Supreme Court held a hearing on UBS's appeal. At the conclusion of the hearing the court stated that it will communicate its decision on 15 November 2023. The fine and confiscation imposed by the Court of Appeal are suspended during the appeal. The civil damages award has been paid to the French state (EUR 99m of which was deducted from the bail), subject to the result of UBS's appeal.

## Note 15 Provisions and contingent liabilities (continued)

Our balance sheet at 30 September 2023 reflected provisions with respect to this matter in an amount of EUR 1.1bn (USD 1.2bn). The wide range of possible outcomes in this case contributes to a high degree of estimation uncertainty and the provision reflects our best estimate of possible financial implications, although actual penalties and civil damages could exceed (or may be less than) the provision amount.

### 2. Claims related to sales of residential mortgage-backed securities and mortgages

From 2002 through 2007, prior to the crisis in the US residential loan market, UBS was a substantial issuer and underwriter of US residential mortgage-backed securities (RMBS) and was a purchaser and seller of US residential mortgages.

In 2018, the DOJ filed a civil complaint in the District Court for the Eastern District of New York. The complaint seeks unspecified civil monetary penalties under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 related to UBS's issuance, underwriting and sale of 40 RMBS transactions in 2006 and 2007. UBS moved to dismiss the civil complaint in 2019. Later in 2019, the district court denied UBS's motion to dismiss. In August 2023, UBS reached a settlement with the DOJ, under which UBS paid USD 1.435bn to resolve all civil claims by the DOJ.

### 3. 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 except those for the recovery of approximately USD 125m of payments alleged to be fraudulent conveyances and preference payments. In 2016, the bankruptcy court dismissed these claims against the UBS entities. In 2019, the Court of Appeals reversed the dismissal of the BMIS Trustee's remaining claims, and the US Supreme Court subsequently denied a petition seeking review of the Court of Appeals' decision. The case has been remanded to the Bankruptcy Court for further proceedings.

### 4. Foreign exchange, LIBOR and benchmark rates, and other trading practices

*Foreign exchange-related regulatory matters:* Beginning in 2013, numerous authorities commenced investigations concerning possible manipulation of foreign exchange markets and precious metals prices. As a result of these investigations, UBS entered into resolutions with Swiss, US and United Kingdom regulators and the European Commission. UBS was granted conditional immunity by the Antitrust Division of the DOJ and by authorities in other jurisdictions in connection with potential competition law violations relating to foreign exchange and precious metals businesses.

## Note 15 Provisions and contingent liabilities (continued)

*Foreign exchange-related civil litigation:* Putative class actions have been filed since 2013 in US federal courts and in other jurisdictions against UBS and other banks on behalf of putative classes of persons who engaged in foreign currency transactions with any of the defendant banks. UBS has 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 under a settlement agreement that provides for UBS to pay an aggregate of USD 141m and provide cooperation to the settlement classes. Certain class members have excluded themselves from that settlement and have filed individual actions in US and English courts against UBS and other banks, alleging violations of US and European competition laws and unjust enrichment. UBS and the other banks have resolved those individual matters.

In 2015, 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 2022, the court denied plaintiffs' motion for class certification. In March 2023, the court granted defendants' summary judgment motion, dismissing the case. Plaintiffs have appealed.

*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 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, Euroyen TIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, GBP LIBOR and seek unspecified compensatory and other damages under varying legal theories.

*USD LIBOR class and individual actions in the US:* In 2013 and 2015, the district court in the USD LIBOR actions dismissed, in whole or in part, certain plaintiffs' antitrust claims, federal racketeering claims, Commodity Exchange Act claims, and state common law claims, and again dismissed the antitrust claims in 2016 following an appeal. In 2021, the Second Circuit affirmed the district court's dismissal in part and reversed in part and remanded to the district court for further proceedings. The Second Circuit, among other things, held that there was personal jurisdiction over UBS and other foreign defendants. Separately, in 2018, the Second Circuit reversed in part the district court's 2015 decision dismissing certain individual plaintiffs' claims and certain of these actions are now proceeding. In 2018, the district court denied plaintiffs' motions for class certification in the USD class actions for claims pending against UBS, and plaintiffs sought permission to appeal that ruling to the Second Circuit. The Second Circuit denied the petition to appeal. In 2020, an individual action was filed in the Northern District of California against UBS 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 LIBOR rate and monopolized the market for LIBOR-based consumer loans and credit cards. In September 2022, the court granted defendants' motion to dismiss the complaint in its entirety, while allowing plaintiffs the opportunity to file an amended complaint. Plaintiffs filed an amended complaint in October 2022, and defendants have moved to dismiss the amended complaint. In October 2023, the court dismissed the amended complaint with prejudice.

*Other benchmark class actions in the US:*

*Yen LIBOR / Euroyen TIBOR* – In 2017, the court dismissed one Yen LIBOR / Euroyen TIBOR action in its entirety on standing grounds. In 2020, the appeals court reversed the dismissal and, subsequently, plaintiffs in that action filed an amended complaint focused on Yen LIBOR. In 2022, the court granted UBS's motion for reconsideration and dismissed the case against UBS. The dismissal of the case against UBS could be appealed following the disposition of the case against the remaining defendant in the district court.

## Note 15 Provisions and contingent liabilities (continued)

*CHF LIBOR* – In 2017, the court dismissed the CHF LIBOR action on standing grounds and failure to state a claim. Plaintiffs filed an amended complaint, and the court granted a renewed motion to dismiss in 2019. Plaintiffs appealed. In 2021, the Second Circuit granted the parties' joint motion to vacate the dismissal and remand the case for further proceedings. Plaintiffs filed a third amended complaint in November 2022 and defendants moved to dismiss the amended complaint in January 2023.

*EURIBOR* – In 2017, the court in the EURIBOR lawsuit dismissed the case as to UBS and certain other foreign defendants for lack of personal jurisdiction. Plaintiffs have appealed.

*GBP LIBOR* – The court dismissed the GBP LIBOR action in 2019. Plaintiffs have appealed.

*Government bonds:* Putative class actions have been filed since 2015 in US federal courts against UBS and other banks on behalf of persons who participated in markets for US Treasury securities since 2007. A consolidated complaint was filed in 2017 in the US District Court for the Southern District of New York alleging that the banks colluded with respect to, and manipulated prices of, US Treasury securities sold at auction and in the secondary market and asserting claims under the antitrust laws and for unjust enrichment. Defendants' motions to dismiss the consolidated complaint were granted in 2021. Plaintiffs filed an amended complaint, which defendants moved to dismiss later in 2021. In March 2022, the court granted defendants' motion to dismiss that complaint. Plaintiffs have appealed the dismissal. Similar class actions have been filed concerning European government bonds and other government bonds.

In 2021, the European Commission issued a decision finding that UBS and six other banks breached European Union antitrust rules in 2007–2011 relating to European government bonds. The European Commission fined UBS EUR 172m. UBS is appealing the amount of the fine.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, our balance sheet at 30 September 2023 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.

### 5. 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 for UBS to disclose and potentially surrender retrocessions. Client requests are assessed on a case-by-case basis. Considerations taken into account when assessing these cases include, among other things, the existence of a discretionary mandate and whether or not the client documentation contained a valid waiver with respect to distribution fees.

Our balance sheet at 30 September 2023 reflected a provision with respect to matters described in this item 5 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.

### B. Litigation regulatory and similar matters involving Credit Suisse entities

#### 1. 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. Credit Suisse continues to evaluate its approach toward satisfying its remaining consumer relief obligations, and Credit Suisse currently anticipates that it will take much longer than the five-year period provided in the settlement to satisfy in full its obligations in respect of these consumer relief measures, subject to risk appetite and market conditions. Credit Suisse expects to incur costs in relation to satisfying those obligations. The amount of consumer relief Credit Suisse must provide also increases after 2021 pursuant to the original settlement 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* – CSS LLC and/or certain of its affiliates have also been named as 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 or anticipated future litigation exposure. Unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions and do not include any reduction in principal amounts since issuance.

DLJ Mortgage Capital, Inc. (DLJ) is a defendant in New York state court in: (i) one action brought by Asset Backed Securities Corporation Home Equity Loan Trust, Series 2006-HE7, in which plaintiff alleges damages of not less than USD 374m in an amended complaint filed in August 2019; in January 2020, DLJ filed a motion to dismiss; (ii) one action brought by Home Equity Asset Trust, Series 2006-8, in which plaintiff alleges damages of not less than USD 436m; (iii) one action brought by Home Equity Asset Trust 2007-1, in which plaintiff alleges damages of not less than USD 420m; in December 2018, the court denied DLJ's motion for partial summary judgment in this action, which was affirmed on appeal; in March 2022, the New York State Court of Appeals reversed the decision and ordered that DLJ's motion for partial summary judgment be granted; a non-jury trial in the action was held between January and February 2023, and a decision is pending; (iv) one action brought by Home Equity Asset Trust 2007-2, in which plaintiff alleges damages of not less than USD 495m; and (v) one action brought by CSMC Asset-Backed Trust 2007-NC1, in which no damages amount is alleged. These actions are at various procedural stages.

DLJ is also a defendant in one action brought by Home Equity Asset Trust Series 2007-3, in which plaintiff alleges damages of not less than USD 206m. In March 2022, DLJ and the plaintiffs executed an agreement to settle this action. The settlement remains subject to approval through a trust instruction proceeding brought in Minnesota state court by the trustee of the plaintiff trust.

DLJ and its affiliate, Select Portfolio Servicing, Inc. (SPS), were defendants in two consolidated actions in New York state court: one action brought by Home Equity Mortgage Trust Series 2006-1, Home Equity Mortgage Trust Series 2006-3 and Home Equity Mortgage Trust Series 2006-4, in which plaintiffs allege damages of not less than USD 730m; and one action brought by Home Equity Mortgage Trust Series 2006-5, in which plaintiff alleges damages of not less than USD 500m. In April 2021, DLJ, SPS and the plaintiffs executed an agreement to settle both actions for the aggregate amount of USD 500m, for which Credit Suisse was fully reserved. In May 2023, the Minnesota state court approved the settlement through a trust instruction proceeding brought by the trustee of the plaintiff trusts. The New York state court dismissed the underlying actions with prejudice in July 2023.

## Note 15 Provisions and contingent liabilities (continued)

### 2. Tax and securities law matters

In May 2014, Credit Suisse AG entered into settlement agreements with several US regulators regarding its US cross-border matters. As part of the agreements, Credit Suisse AG, among other things, engaged an independent corporate monitor that reports to the New York State Department of Financial Services. As of July 2018, the monitor concluded both his review and his assignment. Credit Suisse AG continues to report to and cooperate with US authorities in accordance with Credit Suisse AG's obligations under the agreements, including by conducting a review of cross-border services provided by Credit Suisse's Switzerland-based Israel Desk. Most recently, Credit Suisse AG has provided information to US authorities regarding potentially undeclared US assets held by clients at Credit Suisse AG since the May 2014 plea. Credit Suisse AG continues to cooperate with the authorities. In March 2023, the US Senate Finance Committee issued a report criticizing Credit Suisse AG's history regarding US tax compliance. The report called on the DOJ to investigate Credit Suisse AG's compliance with the 2014 plea.

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

### 3. Rates-related matters

*Regulatory matters:* Regulatory authorities in a number of jurisdictions, including the US, UK, EU and Switzerland, have for an extended period of time been conducting investigations into the setting of LIBOR and other reference rates with respect to a number of currencies, as well as the pricing of certain related derivatives. These ongoing investigations have included information requests from regulators regarding LIBOR-setting practices and reviews of the activities of various financial institutions, including Credit Suisse Group AG, which was a member of three LIBOR rate-setting panels (US Dollar LIBOR, Swiss Franc LIBOR and Euro LIBOR). Credit Suisse is cooperating fully with these investigations.

Regulatory authorities in a number of jurisdictions, including WEKO, the European Commission (Commission), the South African Competition Commission and the Brazilian Competition Authority have been conducting investigations into the trading activities, information sharing and the setting of benchmark rates in the foreign exchange (including electronic trading) markets. Credit Suisse continues to cooperate with ongoing investigations.

Credit Suisse Group AG, Credit Suisse AG and Credit Suisse Securities (Europe) Limited (CSSEL) received a Statement of Objections and a Supplemental Statement of Objections from the Commission in July 2018 and March 2021, respectively, alleging that Credit Suisse entities engaged in anticompetitive practices in connection with their foreign exchange trading business. In December 2021, the Commission issued a formal decision imposing a fine of EUR 83.3m. In February 2022, Credit Suisse appealed this decision to the EU General Court.

The reference rates investigations have also included information requests from regulators concerning supranational, sub-sovereign and agency (SSA) bonds and commodities markets. Credit Suisse Group AG and CSSEL received a Statement of Objections from the Commission in December 2018, alleging that Credit Suisse entities engaged in anticompetitive practices in connection with their SSA bonds trading business. In April 2021, the Commission issued a formal decision imposing a fine of EUR 11.9m. In July 2021, Credit Suisse appealed this decision to the EU General Court.

#### *Civil litigation:*

*USD LIBOR litigation* – Beginning in 2011, certain Credit Suisse entities were named in various putative class and individual lawsuits filed in the US, alleging banks on the US dollar LIBOR panel manipulated US dollar LIBOR to benefit their reputation and increase profits. All remaining matters have been consolidated for pre-trial purposes into a multi-district litigation in the US District Court for the Southern District of New York (SDNY).

In a series of rulings between 2013 and 2019 on motions to dismiss, the SDNY (i) narrowed the claims against the Credit Suisse entities and the other defendants (dismissing antitrust, Racketeer Influenced and Corrupt Organizations Act (RICO), Commodity Exchange Act, and state law claims), (ii) narrowed the set of plaintiffs who may bring claims, and (iii) narrowed the set of defendants in the LIBOR actions (including the dismissal of several Credit Suisse entities from various cases on personal jurisdiction and statute of limitation grounds). After a number of putative class and individual plaintiffs appealed the dismissal of their antitrust claims to the United States Court of Appeals for the Second Circuit (Second Circuit), in December 2021, the Second Circuit affirmed in part and reversed in part the district court's decision and remanded the case to the SDNY.

## Note 15 Provisions and contingent liabilities (continued)

Separately, in May 2017, the plaintiffs in three putative class actions moved for class certification. In February 2018, the SDNY denied certification in two of the actions and granted certification over a single antitrust claim in an action brought by over-the-counter purchasers of LIBOR-linked derivatives.

*USD ICE LIBOR litigation* – In August 2020, members of the ICE LIBOR panel, including Credit Suisse Group AG and certain of its affiliates, were named in a civil action in the US District Court for the Northern District of California, alleging that panel banks manipulated ICE LIBOR to profit from variable interest loans and credit cards. In December 2021, the court denied plaintiffs' motion for preliminary and permanent injunctions to enjoin panel banks from continuing to set LIBOR or automatically setting the benchmark to zero each day, and in September 2022, the court granted defendants' motions to dismiss. In October 2022, plaintiffs filed an amended complaint. In November 2022, defendants filed a motion to dismiss the amended complaint. In October 2023, the court dismissed the amended complaint with prejudice.

*CHF LIBOR litigation* – In February 2015, various banks that served on the Swiss franc LIBOR panel, including Credit Suisse Group AG, were named in a civil putative class action lawsuit filed in the SDNY, alleging manipulation of Swiss franc LIBOR to benefit defendants' trading positions. After defendants' motion to dismiss for lack of subject matter jurisdiction was granted and plaintiffs successfully appealed, in July 2022, Credit Suisse entered into an agreement to settle all claims. In February and September 2023, respectively, the court entered orders granting preliminary and final approval to the agreement to settle all claims.

*Foreign exchange litigation* – Credit Suisse Group AG and affiliates as well as other financial institutions have been named in civil lawsuits relating to the alleged manipulation of foreign exchange rates.

Credit Suisse AG, together with other financial institutions, was named in a consolidated putative class action in Israel, which made allegations similar to the consolidated class action. In April 2022, Credit Suisse entered into an agreement to settle all claims. The settlement remains subject to court approval.

*Treasury markets litigation* – CSS LLC, along with over 20 other primary dealers of US treasury securities, was named in a number of putative civil class action complaints in the US relating to the US treasury markets. These complaints generally alleged that the defendants colluded to manipulate US treasury auctions, as well as the pricing of US treasury securities in the when-issued market, with impacts upon related futures and options, and that certain of the defendants participated in a group boycott to prevent the emergence of anonymous all-to-all trading in the secondary market for treasury securities. In March 2022, the SDNY granted defendants' motion to dismiss and dismissed with prejudice all claims against the defendants. Plaintiffs have appealed.

*SSA bonds litigation* – Credit Suisse Group AG and certain of its affiliates, together with other financial institutions, were named in two Canadian putative class actions, which allege that defendants conspired to fix the prices of SSA bonds sold to and purchased from investors in the secondary market. One putative class action was dismissed against Credit Suisse in February 2020. In October 2022, in the second action, Credit Suisse entered into an agreement to settle all claims. The settlement remains subject to court approval.

*Credit default swap auction litigation* – In June 2021, Credit Suisse Group AG and affiliates, along with other banks and entities, were 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. In April 2022, defendants filed a motion to dismiss. In June 2023, the court granted in part and denied in part defendants' motion to dismiss.

### 4. OTC trading cases

*Interest rate swaps litigation*: Credit Suisse Group AG and affiliates, along with other financial institutions, have been named in a consolidated putative civil class action complaint and complaints filed by individual plaintiffs relating to interest rate swaps, alleging that dealer defendants conspired with trading platforms to prevent the development of interest rate swap exchanges. The individual lawsuits were brought by TeraExchange LLC, a swap execution facility, and affiliates; Javelin Capital Markets LLC, a swap execution facility, and an affiliate; and trueEX LLC, a swap execution facility, which claim to have suffered lost profits as a result of defendants' alleged conspiracy. All interest rate swap actions have been consolidated in a multi-district litigation in the SDNY.

Defendants moved to dismiss the putative class and individual actions, and the SDNY granted in part and denied in part these motions.



## Note 15 Provisions and contingent liabilities (continued)

In February 2019, class plaintiffs in the consolidated multi-district litigation filed a motion for class certification. In March 2019, class plaintiffs filed a fourth amended consolidated class action complaint. In January 2022, Credit Suisse entered into an agreement to settle all class action claims. The settlement remains subject to court approval. The individual lawsuits are stayed pending a decision on plaintiffs' motion for class certification.

*Credit default swaps litigation:* In June 2017, Credit Suisse Group AG and affiliates, along with other financial institutions, were named in a civil action filed in the SDNY by Tera Group, Inc. and related entities (Tera), alleging violations of antitrust law in connection with the allegation that CDS dealers conspired to block Tera's electronic CDS trading platform from successfully entering the market. In July 2019, the SDNY granted in part and denied in part defendants' motion to dismiss. In January 2020, plaintiffs filed an amended complaint. In April 2020, defendants filed a motion to dismiss. In August 2023, the court granted the motion, dismissing all claims with prejudice.

*Stock loan litigation:* Credit Suisse Group AG and certain of its affiliates, as well as other financial institutions, were originally named in a number of civil lawsuits in the SDNY, certain of which are brought by class action plaintiffs alleging that the defendants conspired to keep stock-loan trading in an over-the-counter market and collectively boycotted certain trading platforms that sought to enter the market, and certain of which are brought by trading platforms that sought to enter the market alleging that the defendants collectively boycotted the platforms. In January 2022, Credit Suisse entered into an agreement to settle all class action claims. In February 2022, the court entered an order granting preliminary approval to the agreement to settle all class action claims. The settlement remains subject to final court approval.

In October 2021, in a consolidated civil litigation brought in the SDNY by entities that developed a trading platform for stock loans that sought to enter the market, alleging that the defendants collectively boycotted the platform, the court granted defendants' motion to dismiss. In October 2021, plaintiffs filed a notice of appeal. In March 2023, the Second Circuit affirmed the decision granting defendants' motion to dismiss.

*Odd-lot corporate bond litigation:* In April 2020, CSS LLC and other financial institutions were named in a putative class action complaint filed in the SDNY, alleging a conspiracy among the financial institutions to boycott electronic trading platforms and fix prices in the secondary market for odd-lot corporate bonds. In October 2021, the SDNY granted defendants' motion to dismiss. Plaintiffs have appealed.

### 5. ATA litigation

Since November 2014, a series of lawsuits have been filed against a number of banks, including Credit Suisse AG and, in two instances, Credit Suisse AG, New York Branch, 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. 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 the court has set a schedule for plaintiffs to file amended complaints, including two that were dismissed prior to the court setting a schedule for plaintiffs to replead.

## Note 15 Provisions and contingent liabilities (continued)

### 6. 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 is investigating 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. Several parties appealed the judgment. In June 2019, the Criminal Court of Appeals of Geneva ruled in the appeal of the judgment against the former relationship manager, upholding the main findings of the Geneva criminal court. Several parties appealed the decision to the Swiss Federal Supreme Court. In February 2020, the Swiss Federal Supreme Court rendered its judgment on the appeals, substantially confirming the findings of the Criminal Court of Appeals of Geneva.

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 the civil lawsuit brought against Credit Suisse Trust Limited, a Credit Suisse AG affiliate, in May 2023, the Singapore International Commercial Court issued a first instance judgment finding for the plaintiffs and directing the parties' experts to agree on the amount of the damages award according to the calculation method and parameters adopted by the court. As the parties' experts were unable to agree on the amount of the damages, following court directions, the parties filed their proposed draft orders with supporting documents in August 2023. In September 2023, the court ruled that the damages under its May 2023 judgment are USD 742.73m, excluding post-judgment interest. This figure does not exclude potential overlap with the Bermuda proceedings against Credit Suisse Life (Bermuda) Ltd., which are currently being appealed. The court ordered the parties to ensure that there shall be no double recovery in relation to this award and any sum recovered in the Bermuda proceedings. Credit Suisse Trust Limited has appealed the judgment and has applied for a stay of execution pending that appeal. On 2 November 2023, the court granted a stay of execution of its May 2023 judgment pending appeal on the condition that damages awarded are paid into court deposit within 21 days.

In Bermuda, in the civil lawsuit brought against Credit Suisse Life (Bermuda) Ltd., a Credit Suisse AG affiliate, trial took place in the Supreme Court of Bermuda in November and December 2021. The Supreme Court of Bermuda issued a first instance judgment in March 2022, finding for the plaintiff. In May 2022, the Supreme Court of Bermuda issued an order awarding damages of USD 607.35m to the plaintiff. In May 2022, Credit Suisse Life (Bermuda) Ltd. appealed the decision to the Bermuda Court of Appeal. In July 2022, the Supreme Court of Bermuda granted a stay of execution of its judgment pending appeal on the condition that damages awarded were paid into an escrow account within 42 days, which condition was satisfied. In June 2023, the Bermuda Court of Appeal issued its judgment confirming the award issued by the Supreme Court of Bermuda and upholding the Supreme Court of Bermuda's finding that Credit Suisse Life (Bermuda) Ltd. had breached its contractual and fiduciary duties, but overturning the Supreme Court of Bermuda's finding that Credit Suisse Life (Bermuda) Ltd. had made fraudulent misrepresentations. In July 2023, Credit Suisse Life (Bermuda) Ltd. filed its notice of motion for leave to appeal to the Judicial Committee of the Privy Council. In July 2023 Credit Suisse Life (Bermuda) Ltd. applied for a stay of execution of the Bermuda Court of Appeal's judgment pending the outcome of the appeal to the Judicial Committee of the Privy Council on the condition that the damages awarded remain within the escrow account and that interest be added to the escrow account calculated at the Bermuda statutory rate of 3.5%.

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

### 7. Mozambique matter

Credit Suisse has been 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 Mocambicana 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.

## Note 15 Provisions and contingent liabilities (continued)

In October 2021, Credit Suisse reached settlements with the DOJ, the US Securities Exchange Commission (SEC), the UK Financial Conduct Authority (FCA) and FINMA to resolve inquiries by these agencies. 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 consented to the entry of a Cease and Desist Order by the SEC. Under the terms of the DPA, Credit Suisse Group AG will continue its compliance enhancement and remediation efforts, report to the DOJ on those efforts for three years and undertake additional measures as outlined in the DPA. If Credit Suisse Group AG adheres to the DPA's conditions, the charges will be dismissed at the end of the DPA's three-year term. In addition, CSSEL entered into a Plea Agreement and pleaded guilty to one count of conspiracy to violate the US federal wire fraud statute. CSSEL is bound by the same compliance, remediation and reporting obligations as Credit Suisse Group AG under the DPA. Under the terms of the SEC Cease and Desist Order, Credit Suisse paid a civil penalty, disgorgement and pre-judgment interest in connection with violations of antifraud and other provisions of the US Securities Exchange Act of 1934 and the US Securities Act of 1933. The total monetary sanctions paid to the DOJ and SEC, taking into account various credits and offsets, was approximately USD 275m. Under the terms of the resolution with the DOJ, Credit Suisse was required to pay restitution to any eligible investors in the 2016 Eurobonds issued by the Republic of Mozambique. At a July 2022 hearing, the EDNY approved the joint restitution proposal of the DOJ and Credit Suisse, under which Credit Suisse paid USD 22.6m in restitution to eligible investors.

In the resolution with the FCA, CSSEL, Credit Suisse International (CSI) and Credit Suisse AG, London Branch agreed that, in respect of these transactions with Mozambique, its UK operations had failed to conduct business with due skill, care and diligence and to take reasonable care to organize and control its affairs responsibly and effectively, with adequate risk management systems. Credit Suisse paid a penalty of approximately USD 200m and has also agreed with the FCA to forgive USD 200m of debt owed to Credit Suisse by Mozambique.

FINMA also entered a decree announcing the conclusion of its enforcement proceeding, finding that Credit Suisse AG and Credit Suisse (Schweiz) AG violated the duty to file a suspicious activity report in Switzerland, and Credit Suisse Group AG did not adequately manage and address the risks arising from specific sovereign lending and related securities transactions, and ordering the bank to remediate certain deficiencies. FINMA also arranged for certain existing transactions to be reviewed by the same independent third party on the basis of specific risk criteria, and required enhanced disclosure of certain sovereign transactions until all remedial measures have been satisfactorily implemented. Credit Suisse has completed implementation of the measures required under the FINMA decree. An independent third party appointed by FINMA is reviewing the implementation and effectiveness of these measures.

In February 2019, certain Credit Suisse entities, three former employees, and several other unrelated entities were sued in the English High Court by the Republic of Mozambique. In January 2020, the Credit Suisse entities filed their defense and subsequently filed cross claims against several entities controlled by Privinvest Holding SAL (Privinvest) that acted as the project contractor, Iskander Safa, the owner of Privinvest, and several Mozambique officials. The Republic of Mozambique seeks (i) a declaration that the sovereign guarantee issued in connection with the ProIndicus loan syndication arranged and funded, in part, by a Credit Suisse subsidiary is void and (ii) damages alleged to have arisen in connection with the transactions involving ProIndicus and EMATUM, and a transaction in which Credit Suisse had no involvement with Mozambique Asset Management S.A.

In addition, several of the banks that participated in the ProIndicus loan syndicate have brought claims against Credit Suisse entities seeking a declaration that Credit Suisse is liable to compensate them for alleged losses suffered as a result of any invalidity of the sovereign guarantee or damages stemming from the alleged loss suffered due to their reliance on representations made by Credit Suisse to the syndicate lenders.

In January 2021, Privinvest entities filed a cross claim against the Credit Suisse entities (as well as the three former Credit Suisse employees and various Mozambican officials) seeking an indemnity and/or contribution in the event that the contractor is found liable to the Republic of Mozambique.

## Note 15 Provisions and contingent liabilities (continued)

In February 2022, Prinvest and Iskandar Safa brought a defamation claim in a Lebanese court against CSSEL and Credit Suisse Group AG. The lawsuit alleges damage to the claimants' professional reputation in Lebanon due to statements that were allegedly made by Credit Suisse in documents relating to the October 2021 settlements with global regulators. In November 2022, a Prinvest employee who was the lead negotiator on behalf of Prinvest entities in relation to the Mozambique transactions, also brought a defamation claim in a Lebanese court against Credit Suisse Group AG and CSSEL.

In September 2023, Credit Suisse, the Republic of Mozambique, and certain of the lenders in the ProIndicus syndicate entered into a settlement agreement. In November 2023, Credit Suisse, Prinvest and Iskander Safa entered into an agreement to settle all claims among them in the English High Court and in Lebanon.

### 8. Cross-border private banking matters

Credit Suisse offices in various locations, including the UK, the Netherlands, France and Belgium, have been contacted by regulatory and law enforcement authorities that are 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. Credit Suisse has conducted a review of these issues, the UK and French aspects of which have been closed, and is continuing to cooperate with the authorities.

### 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 due December 4, 2030 (XIV ETNs). In August 2018, plaintiffs filed a consolidated amended class action complaint, naming Credit Suisse Group AG and certain affiliates and executives, which asserts claims for violations of Sections 9(a)(4), 9(f), 10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder and Sections 11 and 15 of the US Securities Act of 1933 and alleges that the defendants are responsible for losses to investors following a decline in the value of XIV ETNs in February 2018. Defendants moved to dismiss the amended complaint in November 2018. In September 2019, the SDNY granted defendants' motion to dismiss and dismissed with prejudice all claims against the defendants. In October 2019, plaintiffs filed a notice of appeal. In April 2021, the Second Circuit issued an order affirming in part and vacating in part the SDNY's September 2019 decision granting defendants' motion to dismiss with prejudice. In July 2022, plaintiffs filed a motion for class certification. In March 2023, the court denied plaintiffs' motion to certify two of their three alleged classes and granted plaintiffs' motion to certify their third alleged class. On 30 March 2023, defendants moved for reconsideration and filed a petition for permission to appeal the court's class certification decision to the Second Circuit. In April 2023, plaintiffs filed a motion seeking leave to amend their complaint. In May 2023, plaintiffs filed a renewed motion for class certification.

*DGAZ litigation:* In January 2022, Credit Suisse AG was named in a class action complaint filed in the SDNY brought on behalf of a putative class of short sellers of VelocityShares 3x Inverse Natural Gas Exchange Traded Notes linked to the S&P GSCI Natural Gas Index ER due February 9, 2032 (DGAZ ETNs). The complaint asserts claims for violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and alleges that Credit Suisse is responsible for losses suffered by short sellers following a June 2020 announcement that Credit Suisse would delist and suspend further issuances of the DGAZ ETNs. In July 2022, Credit Suisse AG filed a motion to dismiss. In March 2023, the court granted Credit Suisse AG's motion to dismiss. In May 2023, the court entered an order dismissing the case with prejudice. In June 2023, plaintiff filed a notice of appeal.

## Note 15 Provisions and contingent liabilities (continued)

### 10. Bulgarian former clients matter

Credit Suisse AG has been responding to an investigation by the Swiss Office of the Attorney General (SOAG) 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 December 2020, the SOAG brought charges against Credit Suisse AG and other parties. Credit Suisse AG believes its diligence and controls complied with applicable legal requirements and intends to defend itself vigorously. The trial in the Swiss Federal Criminal Court took place in the first quarter of 2022. In June 2022, 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. In July 2022, Credit Suisse AG appealed the decision to the Swiss Federal Court of Appeals.

### 11. SCFF

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 (SCFF) matter by FINMA, the FCA and other regulatory and governmental agencies. The Luxembourg Commission de Surveillance du Secteur Financier is reviewing the matter through a third party. Credit Suisse is cooperating with these authorities.

In February 2023, FINMA announced the conclusion of its enforcement proceedings against Credit Suisse in connection with the SCFF 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 has already taken extensive organizational measures based on its own investigation into the SCFF matter, particularly to strengthen its governance and control processes, and FINMA is supportive of these measures, the regulator has ordered certain additional remedial measures. These include a requirement that the most important (approximately 500) business relationships must be reviewed periodically and holistically at the Executive Board level, in particular for counterparty risks, and that Credit Suisse must set up a document defining the responsibilities of approximately 600 of its highest-ranking managers. FINMA will appoint an audit officer to assess compliance with these supervisory measures. Separate from the enforcement proceeding regarding Credit Suisse, FINMA has 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 SCFF matter.

The Attorney General of the Canton of Zürich has initiated a criminal procedure in connection with the SCFF matter. In such procedure, while certain former and active Credit Suisse employees, among others, have been named as accused persons, Credit Suisse itself is not a party to the procedure.

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. Certain investors and other private parties have also filed criminal complaints against Credit Suisse and other parties in connection with this matter.

### 12. Archegos

Credit Suisse has received requests for documents and information in connection with inquiries, investigations and/or actions relating to Credit Suisse's relationship with Archegos Capital Management (Archegos), including from FINMA (assisted by a third party appointed by FINMA), the DOJ, the SEC, the US Federal Reserve, the US Commodity Futures Trading Commission (CFTC), the US Senate Banking Committee, the Prudential Regulation Authority (PRA), the FCA, COMCO, the Hong Kong Competition Commission and other regulatory and governmental agencies. Credit Suisse is cooperating with the authorities in these matters.

In July 2023, the US Federal Reserve and the PRA announced resolutions of their investigations of Credit Suisse's relationship with Archegos.

UBS Group AG, Credit Suisse AG, Credit Suisse Holdings (USA) Inc., and Credit Suisse AG, New York Branch entered into an Order to Cease and Desist with the Board of Governors of the Federal Reserve System. Under the terms of the order, Credit Suisse paid a civil money penalty of USD 269m 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.

## Note 15 Provisions and contingent liabilities (continued)

CSI and CSSEL entered into a settlement agreement with the PRA providing for the resolution of the PRA's investigation, following which the PRA published a Final Notice imposing a financial penalty of GBP 87m on CSI and CSSEL for breaches of various of the PRA's Fundamental Rules.

FINMA also entered a decree dated 14 July 2023 announcing the conclusion of its enforcement proceeding, finding that Credit Suisse had seriously violated financial market law in connection with its business relationship with Archegos and ordering remedial measures directed at Credit Suisse AG and UBS Group AG, as the legal successor to Credit Suisse Group AG. These include a requirement that UBS Group AG apply its restrictions on its own positions relating to individual clients throughout the financial group, as well as adjustments to the compensation system of the entire financial group to provide for bonus allocation criteria that take into account risk appetite. FINMA also announced it has opened enforcement proceedings against a former Credit Suisse manager in connection with this matter.

In April 2021, Credit Suisse Group AG and certain current and former executives were named in a putative class action complaint filed in the SDNY by a holder of Credit Suisse American Depositary Receipts, asserting claims for violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder, alleging that defendants violated US securities laws by making material misrepresentations and omissions regarding Credit Suisse's risk management practices, including with respect to the Archegos matter. In September 2022, the parties reached an agreement to settle all claims. In December 2022 and May 2023, respectively, the court entered an order granting preliminary and final approval to the parties' agreement to settle all claims.

Additional 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

Three putative securities class action complaints were filed in the US District Court for the District of New Jersey (DNJ) against Credit Suisse Group AG and current and former directors, officers, and executives. In July 2023, the DNJ transferred the cases to the SDNY, and a consolidated amended complaint was filed in September 2023. The amended complaint alleges 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 includes allegations relating to Credit Suisse Group AG's merger with UBS Group AG. In October 2023, an additional securities class action complaint was filed in the SDNY against Credit Suisse Group AG and certain individuals who served as Credit Suisse Group directors, officers, and executives, making similar allegations, on behalf of United States purchasers of Credit Suisse additional tier 1 bonds between 18 February 2021 and 20 March 2023.

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. Credit Suisse is cooperating with the authorities in these matters.

### 14. Merger-related litigation

In May and June 2023, certain Credit Suisse AG affiliates, as well as current and former directors, officers, and executives were named in two putative class action complaints in the SDNY alleging that a series of scandals and misconduct led to a loss of shareholder value and, eventually, Credit Suisse Group AG's merger with UBS Group AG. KPMG and KPMG employees are also named as defendants. The cases have been consolidated, and an amended complaint was filed in September 2023. The complaints allege breaches of fiduciary duty under Swiss law, and civil RICO claims under United States federal law.

In June 2023, a putative class action complaint was filed in the EDNY against various former Credit Suisse directors, officers, and executives on behalf of a purported class of those who held Credit Suisse additional tier 1 capital notes between 12 January 2023 and 19 March 2023. In August 2023, the case was transferred to the SDNY, and an amended complaint was filed later in the month. The complaint asserts direct claims under Swiss law.

# Significant regulated subsidiary and sub-group information

Unaudited

Financial and regulatory key figures for our significant regulated subsidiaries and sub-groups

	UBS AG (consolidated)		UBS AG (standalone)		UBS Switzerland AG (standalone)		UBS Europe SE (consolidated)		UBS Americas Holding LLC (consolidated)	
<i>All values in million, except where indicated</i>	USD		USD		CHF		EUR		USD	
	IFRS		Swiss GAAP		Swiss GAAP		IFRS		US GAAP	
Financial and regulatory requirements	Swiss SRB rules		Swiss SRB rules (phase-in)		Swiss SRB rules		EU regulatory rules		US Basel III rules	
As of or for the quarter ended	30.9.23	30.6.23	30.9.23	30.6.23	30.9.23	30.6.23	30.9.23	30.6.23	30.9.23	30.6.23
<b>Financial information<sup>1</sup></b>										
<b>Income statement</b>										
Total operating income <sup>2</sup>	8,322	8,453	1,898	7,118	2,419	2,524	323	264	3,298	3,136
Total operating expenses	7,047	6,997	2,299	5,664	1,481	1,434	217	189	3,138	3,287
Operating profit / (loss) before tax	1,275	1,456	(400)	1,454	938	1,090	106	75	160	(151)
Net profit / (loss)	936	1,124	(500)	1,270	763	891	77	58	50	(174)
<b>Balance sheet</b>										
Total assets	1,097,536	1,096,318	534,100	530,893	316,715	313,565	49,893	49,389	196,497	195,827
Total liabilities	1,044,355	1,043,044	481,243	477,536	301,375	298,987	45,844	45,892	172,158	171,539
Total equity	53,181	53,274	52,857	53,357	15,340	14,578	4,049	3,497	24,339	24,288
<b>Capital<sup>3</sup></b>										
Common equity tier 1 capital	43,378	43,300	53,107	53,904	12,449	12,354	2,651	2,438	10,348	10,275
Additional tier 1 capital	11,660	11,718	11,660	11,718	5,389	5,381	600	600	5,085	5,085
Total going concern capital / Tier 1 capital	55,037	55,017	64,767	65,622	17,838	17,735	3,251	3,038	15,433	15,361
Tier 2 capital	536	539	530	533					214	220
Total capital							3,251	3,038	15,647	15,581
Total gone concern loss-absorbing capacity	53,349	51,572	53,343	51,566	11,257	11,235	2,534 <sup>4</sup>	2,525 <sup>4</sup>	7,400 <sup>5</sup>	7,400 <sup>5</sup>
Total loss-absorbing capacity	108,387	106,589	118,110	117,187	29,095	28,971	5,785	5,563	22,833 <sup>5</sup>	22,761 <sup>5</sup>
<b>Risk-weighted assets and leverage ratio denominator<sup>3</sup></b>										
Risk-weighted assets	321,134	323,406	347,514	343,374	108,009	107,203	12,374	11,118	72,002	70,135
Leverage ratio denominator	1,042,106	1,048,313	608,933	606,158	332,850	330,318	47,330	49,351	185,049	186,340
Supplementary leverage ratio denominator									206,753	207,357
<b>Capital and leverage ratios (%)<sup>3</sup></b>										
Common equity tier 1 capital ratio	13.5	13.4	15.3	15.7	11.5	11.5	21.4	21.9	14.4	14.7
Going concern capital ratio / Tier 1 capital ratio	17.1	17.0	18.6	19.1	16.5	16.5	26.3	27.3	21.4	21.9
Total capital ratio							26.3	27.3	21.7	22.2
Total loss-absorbing capacity ratio	33.8	33.0			26.9	27.0	46.8	50.0	31.7	32.5
Tier 1 leverage ratio							6.9	6.2	8.3	8.2
Supplementary tier 1 leverage ratio									7.5	7.4
Going concern leverage ratio	5.3	5.2	10.6	10.8	5.4	5.4				
Total loss-absorbing capacity leverage ratio	10.4	10.2			8.7	8.8	12.2	11.3	12.3	12.2
Gone concern capital coverage ratio			115.6	111.7						
<b>Liquidity coverage ratio<sup>3</sup></b>										
High-quality liquid assets (bn)	230.9	224.8	109.2	97.7	75.1	77.6	19.4	20.0	28.8	29.2
Net cash outflows (bn)	131.0	131.5	48.8	47.1	52.8	54.5	13.1	13.2	18.5	19.5
Liquidity coverage ratio (%)	176.6	170.9	225.9 <sup>6</sup>	208.0	142.2 <sup>7</sup>	142.4	148.1	152.4	155.8	150.0
<b>Net stable funding ratio<sup>3</sup></b>										
Total available stable funding (bn)	568.5	564.5	263.7	253.9	221.9	219.7	14.4	13.1	101.8	100.7
Total required stable funding (bn)	467.1	477.6	279.2	283.9	165.5	163.0	10.9	9.1	78.8	79.6
Net stable funding ratio (%)	121.7	118.2	94.5 <sup>8</sup>	89.4	134.0 <sup>8</sup>	134.8	132.3	144.9	129.1	126.5
<b>Other</b>										
Joint and several liability between UBS AG and UBS Switzerland AG (bn) <sup>9</sup>					3	3				

1 The financial information disclosed does not represent financial statements under the respective GAAP / IFRS. 2 The total operating income includes credit loss expense or release. 3 Refer to the 30 September 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at [ubs.com/investors](https://ubs.com/investors), for more information. 4 Consists of positions that meet the conditions laid down in Art. 72a–b of the Capital Requirements Regulation (CRR) II with regard to contractual, structural or legal subordination. 5 Consists of eligible long-term debt that meets the conditions specified in 12 CFR 252.162 of the final TLAC rules. Total loss-absorbing capacity is the sum of tier 1 capital and eligible long-term debt. 6 In the third quarter of 2023, the liquidity coverage ratio (the LCR) of UBS AG was 225.9%, remaining above the prudential requirements communicated by FINMA. 7 In the third quarter of 2023, the LCR of UBS Switzerland AG, which is a Swiss SRB, was 142.2%, remaining above the prudential requirement communicated by FINMA in connection with the Swiss Emergency Plan. 8 In accordance with Art. 17h para. 3 and 4 of the Liquidity Ordinance, UBS AG standalone is required to maintain a minimum NSFR of at least 80% without taking into account excess funding of UBS Switzerland AG and 100% after taking into account such excess funding. 9 Refer to the "Capital, liquidity and funding, and balance sheet" section of our Annual Report 2022 for more information about the joint and several liability. Under certain circumstances, the Swiss Banking Act and FINMA's Banking Insolvency Ordinance authorize FINMA to modify, extinguish or convert to common equity liabilities of a bank in connection with a resolution or insolvency of such bank.

	Credit Suisse AG (consolidated)		Credit Suisse AG (standalone)		Credit Suisse (Schweiz) AG (consolidated)		Credit Suisse (Schweiz) AG (standalone)		Credit Suisse International (standalone)		Credit Suisse Holdings (USA), Inc. (consolidated)	
<i>All values in million, except where indicated</i>	CHF		CHF		CHF		CHF		USD		USD	
	US GAAP Swiss SRB rules		Swiss GAAP Swiss SRB rules (phase-in) <sup>1</sup>		US GAAP Swiss SRB rules		Swiss GAAP Swiss SRB rules <sup>1</sup>		IFRS UK regulatory rules		US GAAP US Basel III rules	
Financial and regulatory requirements As of or for the quarter ended	<b>30.9.23</b>	30.6.23	<b>30.9.23</b>	30.6.23	<b>30.9.23</b>	30.6.23	<b>30.9.23</b>	30.6.23	<b>30.9.23</b>	30.6.23	<b>30.9.23</b>	30.6.23 <sup>2</sup>
<b>Financial information<sup>3</sup></b>												
Income statement												
Total operating income <sup>4</sup>	<b>708</b>	(663)	<b>538</b>	88								
Total operating expenses	<b>4,171</b>	8,211	<b>1,418</b>	1,459								
Operating profit / (loss) before tax	<b>(3,463)</b>	(8,874)	<b>3,019</b>	(3,833)								
Net profit / (loss) <sup>5</sup>	<b>(3,539)</b>	(9,329)	<b>2,717</b>	(3,948)								
Balance sheet												
Total assets	<b>460,623</b>	483,735	<b>279,791</b>	315,509								
Total liabilities	<b>417,948</b>	437,602	<b>255,752</b>	294,186								
Total equity	<b>42,674</b>	46,133	<b>24,040</b>	21,322								
<b>Capital<sup>6</sup></b>												
Common equity tier 1 capital	<b>42,793</b>	45,542	<b>30,935</b>	28,394	<b>13,015</b>	12,958	<b>11,918</b>	11,884	<b>13,244</b>	14,589	<b>9,756</b>	10,758
Additional tier 1 capital	<b>469</b>	463	<b>469</b>	463	<b>3,100</b>	3,100	<b>3,100</b>	3,100	<b>1,200</b>	1,200	<b>523</b>	523
Total going concern capital / Tier 1 capital	<b>43,263</b>	46,004	<b>31,405</b>	28,856	<b>16,115</b>	16,058	<b>15,018</b>	14,984	<b>14,444</b>	15,789	<b>10,279</b>	11,281
Tier 2 capital									<b>3</b>	3	<b>67</b>	67
Total capital	<b>43,263</b>	46,004	<b>31,405</b>	28,856	<b>16,115</b>	16,058	<b>15,018</b>	14,984	<b>14,447</b>	15,792	<b>10,346</b>	11,348
Total gone concern loss-absorbing capacity	<b>39,230</b>	39,375	<b>39,177</b>	39,325	<b>9,025</b>	9,300	<b>9,025</b>	9,300	<b>4,586</b>	4,586	<b>3,000</b>	3,000
Total loss-absorbing capacity	<b>82,492</b>	85,379	<b>70,581</b>	68,182	<b>25,140</b>	25,358	<b>24,043</b>	24,284	<b>19,033</b>	20,378	<b>13,279</b>	14,281
<b>Risk-weighted assets and leverage ratio denominator<sup>6</sup></b>												
Risk-weighted assets	<b>205,052</b>	217,102	<b>198,944</b>	199,504	<b>87,838</b>	88,130	<b>86,893</b>	87,414	<b>42,012</b>	48,633	<b>16,841</b>	20,480
Leverage ratio denominator	<b>555,398</b>	585,681	<b>317,772</b>	362,074	<b>257,419</b>	256,015	<b>255,147</b>	253,987	<b>89,344</b>	98,366	<b>33,906</b>	42,802
Supplementary leverage ratio denominator											<b>40,848</b>	51,433
<b>Capital and leverage ratios (%)<sup>6</sup></b>												
Common equity tier 1 capital ratio	<b>20.9</b>	21.0	<b>15.6</b>	14.2	<b>14.8</b>	14.7	<b>13.7</b>	13.6	<b>31.5</b>	30.0	<b>57.9</b>	52.5
Going concern capital ratio / Tier 1 capital ratio	<b>21.1</b>	21.2	<b>15.8</b>	14.5	<b>18.3</b>	18.2	<b>17.3</b>	17.1	<b>34.4</b>	32.5	<b>61.0</b>	55.1
Total capital ratio	<b>21.1</b>	21.2	<b>15.8</b>	14.5	<b>18.3</b>	18.2	<b>17.3</b>	17.1	<b>34.4</b>	32.5	<b>61.4</b>	55.4
Total loss-absorbing capacity ratio	<b>40.2</b>	39.3			<b>28.6</b>	28.8	<b>27.7</b>	27.8	<b>45.3</b>	41.9	<b>78.8</b>	69.7
Tier 1 leverage ratio	<b>7.7</b>	7.8	<b>9.7</b>	7.8	<b>5.1</b>	5.1	<b>4.7</b>	4.7	<b>16.2</b>	16.1	<b>30.3</b>	26.4
Supplementary tier 1 leverage ratio									<b>16.2</b>	16.1	<b>25.2</b>	21.9
Going concern leverage ratio	<b>7.8</b>	7.9	<b>9.9</b>	8.0	<b>6.3</b>	6.3	<b>5.9</b>	5.9	<b>16.2</b>	16.1		
Total loss-absorbing capacity leverage ratio	<b>14.9</b>	14.6			<b>9.8</b>	9.9	<b>9.4</b>	9.6	<b>21.3</b>	20.7	<b>39.0</b>	33.4
Gone concern capital coverage ratio	<b>187.8</b>	178.1	<b>141.7</b>	134.5	<b>122.0</b>	125.3	<b>123.4</b>	126.4	<b>566.3</b>	523.8		
<b>Liquidity coverage ratio<sup>6</sup></b>												
High-quality liquid assets (bn)	<b>122.3</b>	131.7	<b>50.7</b>	63.2	<b>49.9</b>	42.9	<b>49.9</b>	42.9	<b>15.4</b>	20.1	<b>16.4</b>	17.0
Net cash outflows (bn)	<b>53.8</b>	51.3	<b>14.4</b>	16.2	<b>35.8</b>	30.6	<b>36.2</b>	31.0	<b>8.1</b>	11.5	<b>5.0</b>	6.3
Liquidity coverage ratio (%)	<b>227.2<sup>7</sup></b>	256.7	<b>352.5<sup>8</sup></b>	390.9	<b>139.2<sup>9</sup></b>	140.2	<b>137.6<sup>10</sup></b>	138.2	<b>221.0</b>	197.0	<b>331.3</b>	293.0
<b>Net stable funding ratio<sup>6</sup></b>												
Total available stable funding (bn)	<b>292.5</b>	295.7	<b>171.1</b>	168.3	<b>133.3</b>	135.1	<b>131.4</b>	133.5	<b>34.6</b>	39.8	<b>20.8</b>	25.0
Total required stable funding (bn)	<b>235.7</b>	246.2	<b>154.5</b>	168.1	<b>122.3</b>	123.9	<b>120.1</b>	121.7	<b>27.4</b>	31.1	<b>9.0</b>	11.4
Net stable funding ratio (%)	<b>124.1</b>	120.1	<b>110.8<sup>11</sup></b>	100.1 <sup>11</sup>	<b>109.0</b>	109.0	<b>109.4<sup>11</sup></b>	109.7 <sup>11</sup>	<b>126.1</b>	128.1	<b>232.2</b>	219.6
<b>Other</b>												
Joint and several liability between Credit Suisse AG standalone and Credit Suisse (Schweiz) AG standalone (bn)							<b>0.6</b>	0.6				

<sup>1</sup> Swiss GAAP statutory accounting rules for banks allow the use of certain US GAAP accounting rules, such as current expected credit loss (the CECL) requirements. <sup>2</sup> Comparative information has been aligned with Credit Suisse Holdings (USA), Inc. standalone's final second quarter of 2023 financial statements. <sup>3</sup> The financial information disclosed does not represent financial statements under the respective GAAP / IFRS. <sup>4</sup> The total operating income includes credit loss expense or release. <sup>5</sup> The net profit / (loss) excludes net income / (loss) attributable to non-controlling interests. <sup>6</sup> Refer to the 30 September 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at [ubs.com/investors](https://ubs.com/investors), for more information. <sup>7</sup> In the third quarter of 2023, the liquidity coverage ratio (the LCR) of Credit Suisse AG consolidated was 227.2%, remaining above the prudential requirements communicated by FINMA. <sup>8</sup> In the third quarter of 2023, the LCR of Credit Suisse AG standalone was 352.5%, remaining above the prudential requirements communicated by FINMA. <sup>9</sup> In the third quarter of 2023, the LCR of Credit Suisse (Schweiz) AG consolidated was 139.2%, remaining above the prudential requirements communicated by FINMA. <sup>10</sup> In the third quarter of 2023, the LCR of Credit Suisse (Schweiz) AG standalone was 137.6%, remaining above the prudential requirements communicated by FINMA. <sup>11</sup> Based on the Liquidity Ordinance, Credit Suisse AG standalone is allowed to fulfill the minimum NSFR of 100% by taking into consideration any excess funding of Credit Suisse (Schweiz) AG standalone, and Credit Suisse AG standalone has an NSFR requirement of at least 80% without taking into consideration any such excess funding. Credit Suisse (Schweiz) AG must always fulfill the NSFR of at least 100% on a standalone basis.



UBS Group AG is a holding company and conducts substantially all of its operations through UBS AG, Credit Suisse AG and subsidiaries thereof. UBS Group AG, UBS AG and Credit Suisse AG have contributed 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. The tables in this section summarize the regulatory capital components and capital ratios of our significant regulated subsidiaries and sub-groups determined under the regulatory framework of each subsidiary's or sub-group's home jurisdiction.

Supervisory authorities generally have discretion to impose higher requirements or to otherwise limit the activities of subsidiaries. Supervisory authorities also may require entities to measure capital and leverage ratios on a stressed basis and may limit the ability of an entity to engage in new activities or take capital actions based on the results of those tests.

In June 2023, the Federal Reserve Board released the results of its 2023 Dodd–Frank Act Stress Test (DFAST). UBS's US intermediate holding company, UBS Americas Holding LLC, and Credit Suisse's intermediate holding, Credit Suisse Holdings (USA), Inc., exceeded the minimum capital requirements under the severely adverse scenario. Following the completion of the annual DFAST and the Comprehensive Capital Analysis and Review (CCAR), UBS Americas Holding LLC was assigned a stress capital buffer (an SCB) of 9.1% (previously 4.8%) under the SCB rule as of 1 October 2023, resulting in a total common equity tier 1 (CET1) capital requirement of 13.6%. Credit Suisse Holdings (USA), Inc. was assigned an SCB of 7.2% (previously 9.0%), resulting in a total CET1 capital requirement of 11.7%.

Additional information on the above entities is provided in the 30 September 2023 Pillar 3 report, which is available under "Pillar 3 disclosures" at [ubs.com/investors](https://ubs.com/investors).

# 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
<b>Active Digital Banking clients in Corporate &amp; Institutional Clients (%)</b> – Personal & Corporate Banking	Calculated as the average number of active clients for each month in the relevant period divided by the average number of total clients. "Clients" refers to the number of unique business relationships or legal entities operated by Corporate & Institutional Clients, excluding clients that do not have an account, mono-product clients and clients that have defaulted on loans or credit facilities. At the end of each month, any client that has logged on at least once in that month is determined to be "active" (a log-in time stamp is allocated to all business relationship numbers or per legal entity in a digital banking contract).	This measure provides information about the proportion of active Digital Banking clients in the total number of UBS clients (within the aforementioned meaning) which are serviced by Corporate & Institutional Clients.
<b>Active Digital Banking clients in Personal Banking (%)</b> – Personal & Corporate Banking	Calculated as the average number of active clients for each month in the relevant period divided by the average number of total clients. "Clients" refers to the number of unique business relationships operated by Personal Banking, excluding persons under the age of 15, clients who do not have a private account, clients domiciled outside Switzerland and clients who have defaulted on loans or credit facilities. At the end of each month, any client that has logged on at least once in that month is determined to be "active" (a log-in time stamp is allocated to all business relationship numbers in a digital banking contract).	This measure provides information about the proportion of active Digital Banking clients in the total number of UBS clients (within the aforementioned meaning) who are serviced by Personal Banking.
<b>Active Mobile Banking clients in Personal Banking (%)</b> – Personal & Corporate Banking	Calculated as the average number of active clients for each month in the relevant period divided by the average number of total clients. "Clients" refers to the number of unique business relationships operated by Personal Banking, excluding persons under the age of 15, clients who do not have a private account, clients domiciled outside Switzerland and clients who have defaulted on loans or credit facilities. At the end of each month, any client that has logged on via the mobile app at least once in that month is determined to be "active" (a log-in time stamp is allocated to all business relationship numbers in a digital banking contract).	This measure provides information about the proportion of active Mobile Banking clients in the total number of UBS clients (within the aforementioned meaning) who are serviced by Personal Banking.
<b>Cost / income ratio (%)</b>	Calculated as operating expenses divided by total revenues.	This measure provides information about the efficiency of the business by comparing operating expenses with gross income.
<b>Fee and trading income for Corporate &amp; Institutional Clients (USD and CHF)</b> – Personal & Corporate Banking	Calculated as the total of recurring net fee and transaction-based income for Corporate & Institutional Clients.	This measure provides information about the amount of fee and trading income for Corporate & Institutional Clients.

APM label	Calculation	Information content
<b>Fee-pool-comparable revenues (USD) – the Investment Bank</b>	Calculated as the total of revenues from: merger-and-acquisition-related transactions; Equity Capital Markets, excluding derivatives; Leveraged Capital Markets, excluding the impact of mark-to-market movements on loan portfolios; and Debt Capital Markets, excluding revenues related to debt underwriting of UBS instruments.	This measure provides information about the amount of revenues in the Investment Bank that are comparable with the relevant global fee pools.
<b>Gross margin on invested assets (bps) – Asset Management</b>	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.
<b>Impaired loan portfolio as a percentage of total loan portfolio, gross (%) – Global Wealth Management, Personal &amp; Corporate Banking</b>	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.
<b>Integration-related expenses (USD)</b>	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.
<b>Invested assets (USD and CHF) – Global Wealth Management, Personal &amp; Corporate Banking, Asset Management</b>	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.
<b>Investment products for Personal Banking (USD and CHF) – Personal &amp; Corporate Banking</b>	Calculated as the sum of investment funds (including UBS Vitainvest third-pillar pension funds, as well as money market funds), mandates and third-party life insurance operated in Personal Banking.	This measure provides information about the volume of investment funds (including UBS Vitainvest third-pillar pension funds, as well as money market funds), mandates and third-party life insurance operated in Personal Banking.
<b>Net interest margin (bps) – Personal &amp; Corporate Banking</b>	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.
<b>Net new investment products for Personal Banking (USD and CHF) – Personal &amp; Corporate Banking</b>	Calculated as the net amount of inflows and outflows of investment products during a specific period.	This measure provides information about the development of investment products during a specific period as a result of net new investment product flows.
<b>Net new money (USD) – Global Wealth Management, Asset Management</b>	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.
<b>Net new money growth rate (%) – Global Wealth Management</b>	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period (annualized as applicable) divided by total invested assets at the beginning of the period.	This measure provides information about the growth of invested assets during a specific period as a result of net new money flows.
<b>Net profit growth (%)</b>	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.
<b>Operating expenses (underlying) (USD)</b>	Calculated by adjusting operating expenses as reported in accordance with International Financial Reporting Standards (IFRS) for items that management believes are not representative of the underlying performance of the businesses. <b>› Refer to the “Group performance” section of this report for more information</b>	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.

APM label	Calculation	Information content
<b>Operating profit / (loss) before tax (underlying) (USD)</b>	Calculated by adjusting operating profit / (loss) before tax as reported in accordance with International Financial Reporting Standards (IFRS) for items that management believes are not representative of the underlying performance of the businesses. <ul style="list-style-type: none"> <li>› Refer to the "Group performance" section of this report for more information</li> </ul>	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.
<b>Pre-tax profit growth (%) – Global Wealth Management, Personal &amp; Corporate Banking, Asset Management, the Investment Bank</b>	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.
<b>Pre-tax profit growth (underlying)(%) – Global Wealth Management, Personal &amp; Corporate Banking, Asset Management, the Investment Bank</b>	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.
<b>Recurring net fee income (USD and CHF) – Global Wealth Management, Personal &amp; Corporate Banking</b>	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.
<b>Return on attributed equity<sup>1</sup> (%)</b>	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.
<b>Return on common equity tier 1 capital<sup>1</sup> (%)</b>	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.
<b>Return on equity<sup>1</sup> (%)</b>	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.
<b>Return on leverage ratio denominator, gross<sup>1</sup> (%)</b>	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.
<b>Return on tangible equity<sup>1</sup> (%)</b>	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.
<b>Tangible book value per share (USD)</b>	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.
<b>Total book value per share (USD)</b>	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.
<b>Total revenues (underlying) (USD)</b>	Calculated by adjusting total revenues as reported in accordance with International Financial Reporting Standards (IFRS) for items that management believes are not representative of the underlying performance of the businesses. <ul style="list-style-type: none"> <li>› Refer to the "Group performance" section of this report for more information</li> </ul>	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.
<b>Transaction-based income (USD and CHF) – Global Wealth Management, Personal &amp; Corporate Banking</b>	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.
<b>Underlying cost / income ratio (%)</b>	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.

APM label	Calculation	Information content
<b>Underlying net profit growth (%)</b>	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.
<b>Underlying return on common equity tier 1 capital<sup>1</sup> (%)</b>	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.
<b>Underlying return on tangible equity<sup>1</sup> (%)</b>	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.

<sup>1</sup> Profit or loss information for the third quarter of 2023 includes three months of information for UBS and three months of information for Credit Suisse and, for the purpose of the calculation of return measures, has been annualized multiplying such by four. Profit or loss information for the second quarter of 2023 includes three months of information for UBS and one month (June 2023) of information for Credit Suisse and, for the purpose of the calculation of return measures, has been annualized multiplying such by four. Profit or loss information for the first nine months of 2023 includes nine months of information for UBS and four months (June–September 2023) of information for Credit Suisse and, for the purpose of the calculation of return measures, has been annualized by dividing such by three and then multiplying by four for the year-to-date measure.

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</i>	As of or for the quarter ended				As of or year-to-date	
	30.9.23	30.6.23	31.12.22	30.9.22	30.9.23	30.9.22
<b>Underlying operating profit / (loss) before tax</b>	<b>844</b>	891	1,869	2,042	3,301	6,631
Underlying tax expense / (benefit)	623	441	280	524	1,523	1,629
NCI	4	3	4	9	15	28
<b>Underlying net profit / (loss)</b>	<b>216</b>	447	1,585	1,508	1,762	4,974
<b>Underlying net profit / (loss), annualized</b>	<b>866</b>	1,786	6,339	6,033	2,349	6,633
Tangible equity	77,394	79,547	50,609	49,546	77,394	49,546
Average tangible equity	78,471	65,014	50,078	50,040	64,677	51,640
CET1 capital	78,587	80,258	45,457	44,664	78,587	44,664
Average CET1 capital	79,422	62,424	45,061	44,731	62,290	44,788
<b>Underlying return on tangible equity (%)</b>	<b>1.1</b>	2.7	12.7	12.1	3.6	12.8
<b>Underlying return on common equity tier 1 capital</b>	<b>1.1</b>	2.9	14.1	13.5	3.8	14.8

## Abbreviations frequently used in our financial reports

<b>A</b>		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
A-IRB	advanced internal ratings-based	CUSIP	Committee on Uniform Security Identification Procedures	FVOCI	fair value through other comprehensive income
AIV	alternative investment vehicle	CVA	credit valuation adjustment	FVTPL	fair value through profit or loss
ALCO	Asset and Liability Committee	<b>D</b>		FX	foreign exchange
AMA	advanced measurement approach	DBO	defined benefit obligation	<b>G</b>	
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	<b>E</b>		GRI	Global Reporting Initiative
<b>B</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	<b>H</b>	
BoD	Board of Directors	ECB	European Central Bank	HQLA	high-quality liquid assets
<b>C</b>		ECL	expected credit loss	<b>I</b>	
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	International Financial Reporting Standards
CCRC	Corporate Culture and Responsibility Committee	EPS	earnings per share	IRB	internal ratings-based
CDS	credit default swap	ESG	environmental, social and governance	IRRBB	interest rate risk in the banking book
CEA	Commodity Exchange Act	ESR	environmental and social risk	ISDA	International Swaps and Derivatives Association
CEO	Chief Executive Officer	ETD	exchange-traded derivatives	ISIN	International Securities Identification Number
CET1	common equity tier 1	ETF	exchange-traded fund		
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		
		<b>F</b>			
		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)

<b>K</b>		<b>R</b>		<b>T</b>	
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
<b>L</b>		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	<b>U</b>	
LLC	limited liability company	rTSR	relative total shareholder return	USD	US dollar
LoD	lines of defense	RWA	risk-weighted assets	<b>V</b>	
LRD	leverage ratio denominator	<b>S</b>		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		
<b>M</b>		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		
<b>N</b>		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		
<b>O</b>		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		
<b>P</b>		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		
PPA	purchase price allocation				
P&L	profit or loss				
<b>Q</b>					
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

*Annual Report*: Published in English, this single-volume 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, corporate responsibility and 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 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 Annual Report.

*Sustainability Report*: Published in English, the Sustainability Report provides disclosures on environmental, social and governance topics related to the UBS Group.

*Diversity, Equity and Inclusion Report*: This report details UBS’s diversity, equity and inclusion priority areas of focus, strategic goals and approach to achieving them.

### 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](https://ubs.com/investors), under “Financial information.” Starting with the Annual Report 2022, printed copies, in any language, of the aforementioned annual publications are no longer provided.

## Other information

### Website

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

### Results presentations

Quarterly results presentations are webcast live. Recordings of most presentations can be downloaded from [ubs.com/presentations](https://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](https://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 combined UBS Group AG and UBS AG Annual Report. However, there is a small amount of additional information in Form 20-F that is not presented elsewhere and is particularly targeted at readers in the US. Readers are encouraged to refer to this additional disclosure. Any document that filed with the SEC is available on the SEC’s website: [sec.gov](https://sec.gov). Refer to [ubs.com/investors](https://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, recent terrorist activity and escalating armed conflict in the middle east, as well as the continuing Russia–Ukraine war, may have significant impacts on global markets, exacerbate global inflationary pressures, and slow global growth. In addition, the ongoing conflicts may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to the armed conflicts, including, with respect to the Russia–Ukraine war, coordinated successive sets of sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the ongoing conflicts will widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. UBS’s acquisition of Credit Suisse has materially changed our outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to take between three and five years and presents significant risks, including the risks that UBS Group AG may be unable to achieve the cost reductions and other benefits contemplated by the transaction. This creates significantly greater uncertainty about forward-looking statements. Other factors that may affect our performance and ability to achieve our 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 bank; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions, including as a result of the acquisition of Credit Suisse; (iii) increased inflation and interest rate volatility in major markets; (iv) developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates, deterioration or slow recovery in residential and commercial real estate markets, the effects of economic conditions, including increasing inflationary pressures, market developments, increasing geopolitical tensions, and changes to national trade policies on the financial position or creditworthiness of UBS’s clients and counterparties, as well as on client sentiment and levels of activity, including the COVID-19 pandemic and the measures taken to manage it, which have had and may also continue to have a significant adverse effect on global and regional economic activity, including disruptions to global supply chains and labor market displacements; (v) changes in the availability of capital and funding, including any adverse changes in UBS’s credit spreads and credit ratings of UBS, Credit Suisse, sovereign issuers, structured credit products or credit-related exposures, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC), in particular in light of the acquisition of Credit Suisse; (vi) changes in central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the European Union 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 Credit Suisse, or other developments; (viii) UBS’s ability to maintain and improve its systems and controls for complying with sanctions in a timely manner and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers adversely affect UBS’s ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to our 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 our RWA, including as a result of its acquisition of Credit Suisse, as well as the amount of capital available for return to shareholders; (xiii) the effects on UBS’s business, in particular cross-border banking, of sanctions, tax or regulatory developments and of possible changes in UBS’s policies and practices; (xiv) UBS’s ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xvi) UBS’s ability to implement new technologies and business methods, including digital services and technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvii) limitations on the effectiveness of UBS’s internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xviii) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks, data leakage and systems failures, the risk of which is increased with cyberattack threats from both nation states and non-nation-state actors targeting financial institutions; (xix) restrictions on the ability of UBS Group AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS’s operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xx) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS’s ability to maintain its stated capital return objective; (xxi) uncertainty over the scope of actions that may be required by UBS, governments and others for UBS to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and the possibility of conflict between different governmental standards and regulatory regimes; (xxii) the ability of UBS to access capital markets; (xxiii) the ability of UBS to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, conflict (e.g., the Russia–Ukraine war), pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during long-term disruptions such as the COVID-19 (coronavirus) pandemic; (xxiv) the level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, and in the execution of the planned strategy regarding cost reduction and divestment of any non-core assets, the existing assets and liabilities currently existing in the Credit Suisse Group, the level of resulting impairments and write-downs, the effect of the consummation of the integration on the operational results, share price and credit rating of UBS – delays, difficulties, or failure in closing the transaction may cause market disruption and challenges for UBS to maintain business, contractual and operational relationships; and (xxv) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on our reputation and the additional consequences that this may have on our 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. Our business and financial performance could be affected by other factors identified in our 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 Annual Report on Form 20-F for the year ended 31 December 2022. 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.

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This Form 6-K is hereby incorporated by reference into (1) each of the registration statements on Form F-3 (Registration Numbers 333-263376, 333-272539 and 333-272452), and on Form S-8 (Registration Numbers 333-200634; 333-200635; 333-200641; 333-200665; 333-215254; 333-215255; 333-228653; 333-230312; 333-249143 and 333-272975), and into each prospectus outstanding under any of the foregoing registration statements, (2) any outstanding offering circular or similar document issued or authorized by UBS AG and Credit Suisse AG that incorporates by reference any Forms 6-K of UBS AG and Credit Suisse AG (respectively) that are incorporated into its registration statements filed with the SEC, and (3) the base prospectus of Corporate Asset Backed Corporation (“CABCO”) dated June 23, 2004 (Registration Number 333-111572), the Form 8-K of CABCO filed and dated June 23, 2004 (SEC File Number 001-13444), and the Prospectus Supplements relating to the CABCO Series 2004-101 Trust dated May 10, 2004 and May 17, 2004 (Registration Number 033-91744 and 033-91744-05).

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

UBS Group AG

By: /s/ Sergio Ermotti

Name: Sergio Ermotti

Title: Group Chief Executive Officer

By: /s/ Todd Tuckner

Name: Todd Tuckner

Title: Group Chief Financial Officer

By: /s/ Steffen Henrich

Name: Steffen Henrich

Title: Group Controller

UBS AG

By: /s/ Sergio Ermotti

Name: Sergio Ermotti

Title: President of the Executive Board

By: /s/ Todd Tuckner

Name: Todd Tuckner

Title: Chief Financial Officer

By: /s/ Steffen Henrich

Name: Steffen Henrich

Title: Controller

Credit Suisse AG

By: /s/ Ulrich Körner

Name: Ulrich Körner

Title: Chief Executive Officer

By: /s/ Simon Grimwood

Name: Simon Grimwood

Title: Chief Financial Officer

Date: November 7, 2023