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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: March 28, 2024**

**UBS AG**

(Registrant's Name)

Bahnhofstrasse 45, 8001 Zurich, Switzerland

Aeschenvorstadt 1, 4051 Basel, Switzerland

(Address of principal executive offices)

**Commission File Number: 1-15060**

Indicate by check mark whether the registrant files 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 UBS AG audited standalone financial statements for the year ended 31 December 2023, as well as the consent of Ernst & Young Ltd. with respect thereto, which appear immediately following this page.

# UBS AG

Standalone financial statements and regulatory information for the year ended 31 December 2023



**UBS**

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# UBS AG standalone financial statements (audited)

## Income statement

|   | Note | USD m              |          | CHF m              |          |
|---|------|--------------------|----------|--------------------|----------|
|   |      | For the year ended | 31.12.22 | For the year ended | 31.12.22 |
| Interest and discount income <sup>1</sup>   |      | <b>18,473</b>      | 7,133    | <b>16,540</b>      | 6,821    |
| Interest and dividend income from trading portfolio <sup>1</sup>                                      |      | <b>2,664</b>       | 2,199    | <b>2,389</b>       | 2,097    |
| Interest and dividend income from financial investments   |      | <b>1,216</b>       | 359      | <b>1,089</b>       | 344      |
| Interest expense <sup>2</sup>   |      | <b>(24,683)</b>    | (9,197)  | <b>(22,104)</b>    | (8,799)  |
| Gross interest income   |      | <b>(2,330)</b>     | 495      | <b>(2,086)</b>     | 463      |
| Credit loss (expense) / release   | 12   | <b>(13)</b>        | 18       | <b>(13)</b>        | 17       |
| Net interest income   |      | <b>(2,343)</b>     | 513      | <b>(2,099)</b>     | 480      |
| Fee and commission income from securities and investment business and other fee and commission income |      | <b>2,435</b>       | 2,756    | <b>2,193</b>       | 2,618    |
| Credit-related fees and commissions   |      | <b>125</b>         | 99       | <b>111</b>         | 95       |
| Fee and commission expense  |      | <b>(705)</b>       | (684)    | <b>(632)</b>       | (651)    |
| Net fee and commission income   |      | <b>1,855</b>       | 2,171    | <b>1,672</b>       | 2,062    |
| Net trading income  | 3    | <b>7,253</b>       | 5,796    | <b>6,527</b>       | 5,512    |
| Net income from disposal of financial investments   |      | <b>43</b>          | (110)    | <b>38</b>          | (106)    |
| Dividend income from investments in subsidiaries and other participations                             | 4    | <b>5,430</b>       | 6,465    | <b>4,862</b>       | 6,183    |
| Income from real estate holdings  |      | <b>405</b>         | 394      | <b>363</b>         | 375      |
| Sundry ordinary income  | 5    | <b>1,596</b>       | 1,467    | <b>1,426</b>       | 1,397    |
| Sundry ordinary expenses  | 5    | <b>(407)</b>       | (937)    | <b>(366)</b>       | (888)    |
| Other income from ordinary activities   |      | <b>7,068</b>       | 7,279    | <b>6,323</b>       | 6,962    |
| Total operating income  |      | <b>13,832</b>      | 15,759   | <b>12,422</b>      | 15,015   |
| Personnel expenses  | 6    | <b>3,408</b>       | 3,109    | <b>3,063</b>       | 2,960    |
| General and administrative expenses   | 7    | <b>4,118</b>       | 3,543    | <b>3,684</b>       | 3,375    |
| Subtotal operating expenses   |      | <b>7,526</b>       | 6,653    | <b>6,747</b>       | 6,334    |
| Impairment of investments in subsidiaries and other participations                                    | 4    | <b>3,715</b>       | 1,056    | <b>3,343</b>       | 1,014    |
| Depreciation, amortization and impairment of property, equipment, software and intangible assets      |      | <b>765</b>         | 743      | <b>687</b>         | 708      |
| Changes in provisions for litigation, regulatory and similar matters, and other provisions            |      | <b>33</b>          | 54       | <b>29</b>          | 50       |
| Total operating expenses  |      | <b>12,040</b>      | 8,505    | <b>10,805</b>      | 8,106    |
| Operating profit  |      | <b>1,792</b>       | 7,253    | <b>1,617</b>       | 6,909    |
| Extraordinary income  | 8    | <b>34</b>          | 201      | <b>32</b>          | 191      |
| Extraordinary expenses  | 8    | <b>2</b>           | 2        | <b>2</b>           | 2        |
| Tax expense / (benefit)   | 9    | <b>310</b>         | 295      | <b>283</b>         | 281      |
| <b>Net profit / (loss)</b>  |      | <b>1,515</b>       | 7,157    | <b>1,364</b>       | 6,817    |

1 Interest income includes negative interest income, which was not material for the year ended 31 December 2023 (approximately USD 0.4bn (CHF 0.4bn) for the year ended 31 December 2022). 2 Includes negative interest expense on financial liabilities, which was not material for the year ended 31 December 2023 (approximately USD 0.4bn (CHF 0.4bn) for the year ended 31 December 2022).

## Balance sheet

|   | Note       | USD m          |                | CHF m          |                |
|---|------------|----------------|----------------|----------------|----------------|
|   |            | 31.12.23       | 31.12.22       | 31.12.23       | 31.12.22       |
| <b>Assets</b>   |            |                |                |                |                |
| Cash and balances at central banks  | 12         | 49,449         | 48,344         | 41,620         | 44,684         |
| Due from banks  | 12, 23     | 56,082         | 31,450         | 47,204         | 29,069         |
| Receivables from securities financing transactions  | 10, 12, 23 | 69,381         | 58,141         | 58,398         | 53,739         |
| Due from customers  | 11, 12, 23 | 107,463        | 105,552        | 90,451         | 97,561         |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity <sup>1</sup> | 11, 12, 23 | 29,380         | 27,678         | 24,729         | 25,582         |
| Mortgage loans  | 11, 12     | 5,116          | 5,039          | 4,306          | 4,657          |
| Trading portfolio assets  | 13         | 124,682        | 98,566         | 104,943        | 91,104         |
| Derivative financial instruments  | 14         | 10,056         | 14,701         | 8,464          | 13,588         |
| Financial investments   | 15         | 40,874         | 43,746         | 34,403         | 40,434         |
| Accrued income and prepaid expenses   | 12         | 3,000          | 1,872          | 2,525          | 1,730          |
| Investments in subsidiaries and other participations  | 4          | 48,090         | 51,029         | 40,477         | 47,165         |
| Property, equipment and software  |            | 5,049          | 5,134          | 4,250          | 4,745          |
| Other assets  | 11, 12, 16 | 9,905          | 13,516         | 8,336          | 12,491         |
| <b>Total assets</b>   |            | <b>558,527</b> | <b>504,767</b> | <b>470,106</b> | <b>466,550</b> |
| <i>of which: subordinated assets</i>  |            | <i>20,183</i>  | <i>18,748</i>  | <i>16,988</i>  | <i>17,329</i>  |
| <i>of which: subject to mandatory conversion and / or debt waiver</i>   |            | <i>19,250</i>  | <i>18,042</i>  | <i>16,202</i>  | <i>16,676</i>  |
| <b>Liabilities</b>  |            |                |                |                |                |
| Due to banks  | 23         | 62,428         | 47,329         | 52,545         | 43,745         |
| Payables from securities financing transactions   | 10, 23     | 23,774         | 23,497         | 20,011         | 21,718         |
| Due to customers  | 23         | 147,388        | 138,941        | 124,055        | 128,421        |
| Funding received from UBS Group AG measured at amortized cost   | 20, 23     | 70,620         | 61,202         | 59,440         | 56,568         |
| Trading portfolio liabilities   | 13         | 27,280         | 25,058         | 22,961         | 23,160         |
| Derivative financial instruments  | 14         | 16,921         | 17,429         | 14,242         | 16,109         |
| Financial liabilities designated at fair value  | 13, 19     | 80,859         | 70,603         | 68,058         | 65,258         |
| <i>of which: funding received from UBS Group AG</i>   | 19, 20, 23 | <i>2,711</i>   | <i>1,959</i>   | <i>2,282</i>   | <i>1,811</i>   |
| Bonds issued  | 20         | 67,144         | 56,148         | 56,514         | 51,897         |
| Accrued expenses and deferred income  |            | 5,474          | 3,592          | 4,608          | 3,320          |
| Other liabilities   | 16         | 1,755          | 1,582          | 1,475          | 1,462          |
| Provisions  | 12         | 2,008          | 2,026          | 1,690          | 1,872          |
| <b>Total liabilities</b>  |            | <b>505,650</b> | <b>447,406</b> | <b>425,600</b> | <b>413,532</b> |
| <b>Equity</b>   |            |                |                |                |                |
| Share capital   | 21         | 386            | 393            | 380            | 386            |
| Statutory capital reserve   |            | 36,334         | 36,326         | 35,655         | 35,649         |
| <i>of which: capital contribution reserve<sup>2</sup></i>   |            | <i>22,190</i>  | <i>36,326</i>  | <i>23,936</i>  | <i>35,649</i>  |
| <i>of which: other statutory capital reserve</i>  |            | <i>14,144</i>  |                | <i>11,719</i>  |                |
| Voluntary earnings reserve  |            | 14,642         | 13,485         | 7,107          | 10,167         |
| Net profit / (loss) for the period  |            | 1,515          | 7,157          | 1,364          | 6,817          |
| <b>Total equity</b>   |            | <b>52,877</b>  | <b>57,361</b>  | <b>44,506</b>  | <b>53,018</b>  |
| <b>Total liabilities and equity</b>   |            | <b>558,527</b> | <b>504,767</b> | <b>470,106</b> | <b>466,550</b> |
| <i>of which: subordinated liabilities</i>   |            | <i>77,573</i>  | <i>66,872</i>  | <i>65,293</i>  | <i>61,809</i>  |
| <i>of which: subject to mandatory conversion and / or debt waiver</i>   |            | <i>77,012</i>  | <i>66,314</i>  | <i>64,820</i>  | <i>61,293</i>  |

<sup>1</sup> Represents the Swiss GAAP carrying amount of instruments qualifying as total loss-absorbing capital at the level of the respective subsidiaries. <sup>2</sup> The capital contribution reserve balance of USD 22,190m as of 31 December 2023 can be distributed free of withholding tax to the shareholder. Refer to the Statement of changes in equity for more information.

**Balance sheet (continued)**

|  | USD m          |               | CHF m         |               |
|--|----------------|---------------|---------------|---------------|
|  | 31.12.23       | 31.12.22      | 31.12.23      | 31.12.22      |
| <b>Off-balance sheet items</b>                                       |                |               |               |               |
| <b>Contingent liabilities, gross</b>                                 | <b>31,360</b>  | 20,359        | <b>26,395</b> | 18,818        |
| Sub-participations   | (990)          | (1,069)       | (834)         | (988)         |
| <b>Contingent liabilities, net</b>                                   | <b>30,369</b>  | 19,290        | <b>25,562</b> | 17,830        |
| <i>of which: guarantees to third parties related to subsidiaries</i> | <i>6,362</i>   | <i>6,156</i>  | <i>5,355</i>  | <i>5,690</i>  |
| <b>Irrevocable loan commitments, gross</b>                           | <b>19,900</b>  | 16,272        | <b>16,749</b> | 15,041        |
| Sub-participations   | 8              | 0             | 7             | 0             |
| <b>Irrevocable loan commitments, net</b>                             | <b>19,892</b>  | 16,272        | <b>16,743</b> | 15,041        |
| <b>Forward starting transactions<sup>1</sup></b>                     | <b>102,122</b> | 54,321        | <b>85,955</b> | 50,208        |
| <i>of which: forward starting reverse repurchase agreements</i>      | <i>63,527</i>  | <i>27,343</i> | <i>53,470</i> | <i>25,273</i> |
| <i>of which: repurchase agreements</i>                               | <i>38,595</i>  | <i>26,978</i> | <i>32,485</i> | <i>24,936</i> |
| <b>Liabilities for calls on shares and other equity instruments</b>  | <b>5</b>       | 5             | <b>4</b>      | 4             |

<sup>1</sup> Cash to be paid in the future by either UBS AG or the counterparty.

**Off-balance sheet items**

Contingent liabilities include indemnities and guarantees issued by UBS AG for the benefit of subsidiaries and creditors of subsidiaries.

Where the indemnity amount issued by UBS AG is not specifically defined, the indemnity relates to the solvency or minimum capitalization of a subsidiary, and therefore no amount is included in the table above.

**Joint and several liability – value-added tax**

UBS AG is jointly and severally liable for the combined value-added tax (VAT) liability of UBS entities that belong to the VAT group of UBS in Switzerland. This contingent liability is not included in the table above.

**Guarantees – UBS Europe SE**

Following the combined UK business transfer and cross-border merger of UBS Limited into UBS Europe SE in March 2019, UBS AG issued a guarantee for the benefit of counterparties of UBS Europe SE's investment banking business, covering transactions subject to master netting agreements.

A similar guarantee that UBS AG issued in 2003 for the benefit of each counterparty of UBS Limited also continues to be effective. This guarantee covers transactions in accordance with and contemplated under any agreement entered into by UBS Limited prior to the merger into UBS Europe SE, to the extent that such an agreement has not been amended by UBS Europe SE thereafter.

Under both guarantees, UBS AG promises to pay to the beneficiary counterparties any unpaid liabilities covered under the terms of the guarantees on demand. These guarantees are included as contingent liabilities in the off-balance sheet items table above.

**Indemnities – UBS Europe SE**

In connection with the establishing of UBS Europe SE in 2016, UBS AG entered into agreements with UBS Europe SE under which UBS AG would provide UBS Europe SE with limited indemnification of payment obligations that may arise from certain litigation, regulatory and similar matters.

As of 31 December 2023, the amount of such potential payment obligations could not be reliably estimated and the likelihood of an outflow is not considered to be probable or the probability of an outflow was assessed to be remote; therefore, the table above does not include any amount related to this limited indemnification.

In addition, in accordance with the bylaws of the Deposit Protection Fund of the Association of German Banks, UBS AG issued an indemnity in favor of this fund on behalf of UBS Europe SE. The probability of an outflow was assessed to be remote, and as a result, the table above does not include any exposure arising under this indemnity.

## Statement of changes in equity

| USD m  | Share capital | Statutory capital reserve | of which:                    |   | Voluntary earnings reserve and profit / (loss) carried forward | Net profit / (loss) for the period | Total equity  |
|--|---------------|---------------------------|------------------------------|---|--|------------------------------------|---------------|
|  |               |                           | capital contribution reserve | of which: other statutory capital reserve |  |                                    |               |
| <b>Balance as of 1 January 2023</b>            | <b>393</b>    | <b>36,326</b>             | <b>36,326</b>                |   | <b>13,485</b>  | <b>7,157</b>                       | <b>57,361</b> |
| Net profit / (loss) appropriation              |               |                           |                              |   | 7,157  | (7,157)                            | 0             |
| Dividend distribution                          |               |                           |                              |   | (6,000)  |                                    | (6,000)       |
| Share capital currency conversion <sup>1</sup> | (7)           | 7                         | 2,236                        | (2,228)                                   |  |                                    | 0             |
| Reclassification <sup>2</sup>                  |               |                           | (16,372)                     | 16,372                                    |  |                                    | 0             |
| Net profit / (loss) for the period             |               |                           |                              |   |  | 1,515                              | 1,515         |
| <b>Balance as of 31 December 2023</b>          | <b>386</b>    | <b>36,334</b>             | <b>22,190</b>                | <b>14,144</b>                             | <b>14,642</b>  | <b>1,515</b>                       | <b>52,877</b> |

<sup>1</sup> Refer to Note 21a for more information. <sup>2</sup> In 2023, the Swiss Federal Court confirmed the practice of the Swiss Federal Tax Administration (SFTA) which limits the capital contribution reserve distributable to the shareholders free of withholding tax to an amount confirmed by the SFTA. In order to align the capital contribution reserve to the amount confirmed by the SFTA, USD 16,372m was reclassified from the capital contribution reserve to the other statutory capital reserve. This resulted in a capital contribution reserve balance of USD 22,190m as of 31 December 2023 which can be distributed free of withholding tax to the shareholder. The reclassification did not change total Statutory capital reserve and equity reported for UBS AG.

| CHF m  | Share capital | Statutory capital reserve | of which:                    |   | Voluntary earnings reserve and profit / (loss) carried forward | Net profit / (loss) for the period | Total equity  |
|--|---------------|---------------------------|------------------------------|---|--|------------------------------------|---------------|
|  |               |                           | capital contribution reserve | of which: other statutory capital reserve |  |                                    |               |
| <b>Balance as of 1 January 2023</b>            | <b>386</b>    | <b>35,649</b>             | <b>35,649</b>                |   | <b>10,167</b>  | <b>6,817</b>                       | <b>53,018</b> |
| Net profit / (loss) appropriation              |               |                           |                              |   | 6,817  | (6,817)                            | 0             |
| Dividend distribution                          |               |                           |                              |   | (5,361)  |                                    | (5,361)       |
| Share capital currency conversion <sup>1</sup> | (6)           | 6                         | 2,068                        | (2,062)                                   |  |                                    | 0             |
| Reclassification <sup>2</sup>                  |               |                           | (13,780)                     | 13,780                                    |  |                                    | 0             |
| Currency translation difference                |               |                           |                              |   | (4,516)  |                                    | (4,516)       |
| Net profit / (loss) for the period             |               |                           |                              |   |  | 1,364                              | 1,364         |
| <b>Balance as of 31 December 2023</b>          | <b>380</b>    | <b>35,655</b>             | <b>23,936</b>                | <b>11,719</b>                             | <b>7,107</b>   | <b>1,364</b>                       | <b>44,506</b> |

<sup>1</sup> Refer to Note 21a for more information. <sup>2</sup> In 2023, the Swiss Federal Court confirmed the practice of the Swiss Federal Tax Administration (SFTA) which limits the capital contribution reserve distributable to the shareholders free of withholding tax to an amount confirmed by the SFTA. In order to align the capital contribution reserve to the amount confirmed by the SFTA, CHF 13,780m was reclassified from the capital contribution reserve to the other statutory capital reserve. The reclassification did not change total Statutory capital reserve and equity reported for UBS AG.

## Statement of proposed appropriation of total profit and dividend distribution

The Board of Directors (the BoD) proposes that the Annual General Meeting of Shareholders (the AGM) on 23 April 2024 approve the appropriation of total profit and an ordinary dividend distribution of USD 3,000m out of the total profit (USD 1,515m) and out of the *Voluntary earnings reserve* (USD 1,485m) as follows.

### Appropriation of and distribution out of total profit

|  | USD m              | CHF m                       |
|--|--------------------|-----------------------------|
|  | For the year ended | For the year ended          |
|  | <b>31.12.23</b>    | <b>31.12.23<sup>1</sup></b> |
| Net profit for the period                                  | 1,515              | 1,364                       |
| Profit / (loss) carried forward                            | 0                  | 0                           |
| <b>Total profit available for appropriation</b>            | <b>1,515</b>       | <b>1,364</b>                |
| <b>Appropriation of total profit</b>                       |                    |                             |
| Dividend distribution                                      | (1,515)            | (1,364)                     |
| <b>Profit / (loss) carried forward</b>                     | <b>0</b>           | <b>0</b>                    |
| <b>Proposed dividend out of voluntary earnings reserve</b> |                    |                             |
| Total voluntary earnings reserve before distribution       | 14,642             | 7,107                       |
| Dividend distribution                                      | (1,485)            | (1,161)                     |
| <b>Total voluntary earnings reserve after distribution</b> | <b>13,157</b>      | <b>5,946</b>                |

<sup>1</sup> For illustrative purposes, the proposed dividend of USD 3,000m is converted to Swiss francs at the closing exchange rate as of 31 December 2023 (CHF / USD 1.19), which equals a Swiss franc dividend of CHF 2,525m and would result in a distribution of CHF 1,364m out of total profit and the remainder of CHF 1,161m out of the voluntary earnings reserve.



## Note 1 Name, legal form and registered office

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UBS AG is incorporated and domiciled in Switzerland. Its registered offices are at Bahnhofstrasse 45, CH-8001 Zurich and Aeschenvorstadt 1, CH-4051 Basel, Switzerland. UBS AG operates under Art. 620 et seq. of the Swiss Code of Obligations and Swiss banking law as an *Aktiengesellschaft*, a corporation limited by shares.

UBS AG is a regulated bank in Switzerland and is 100% owned by UBS Group AG, the ultimate parent of the UBS Group. UBS AG holds investments in and provides funding to subsidiaries, including the other banking subsidiaries of the UBS Group. In addition, UBS AG operates globally, including business activities from all five UBS business divisions and Group Items. In the ordinary course of business, the main contributors to the net profit / (loss) of UBS AG are Global Wealth Management, the Investment Bank, Group Treasury and Group Services. The balance sheet is mainly composed of financial assets and liabilities from the Investment Bank, Global Wealth Management businesses booked outside of Switzerland and Group Treasury, as well as investments in subsidiaries and other participations in Group Treasury and fixed assets of Group Services.

UBS AG employed 10,398 personnel on a full-time equivalent basis as of 31 December 2023, compared with 10,333 personnel as of 31 December 2022.

## Note 2 Accounting policies

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### a) Significant accounting policies

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UBS AG standalone financial statements are prepared in accordance with Swiss GAAP (the FINMA Accounting Ordinance, FINMA Circular 2020/1 "Accounting – banks" and the Banking Ordinance) and represent "reliable assessment statutory single-entity financial statements." The accounting policies are principally the same as those outlined in Note 1 to the consolidated financial statements of UBS AG included in the UBS AG Annual Report 2023. Major differences between the Swiss GAAP requirements and IFRS Accounting Standards are described in Note 33 to the consolidated financial statements of UBS AG. The significant accounting policies applied for the standalone financial statements of UBS AG are discussed below.

› Refer to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information

### Compensation policy

The compensation structure and processes of UBS AG conform to the compensation principles and framework of UBS Group AG. For detailed information, refer to the Compensation Report of UBS Group AG.

### Deferred compensation

Expenses for deferred compensation awards granted by UBS Group AG to employees of UBS AG in the form of UBS shares, notional investment funds and notional additional tier 1 (AT1) capital instruments are charged by UBS Group AG to UBS AG.

› Refer to Note 27 to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information

### Foreign currency translation

Non-US dollar-denominated transactions are translated into US dollars at the spot exchange rate on the date of the transaction. At the balance sheet date, all non-US dollar-denominated monetary assets and liabilities, as well as non-US dollar-denominated equity instruments recorded in *Trading portfolio assets* and *Financial investments*, are translated into US dollars using the closing exchange rate. Non-monetary items measured at historic cost are translated at the spot exchange rate on the date of the transaction. Assets and liabilities of branches with functional currencies other than the US dollar are translated into US dollars at the closing exchange rate. Income and expense items of such branches are translated at weighted-average exchange rates for the period. All currency translation effects are recognized in the income statement.

The main currency translation rates used by UBS AG are provided in Note 32 to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023.

› Refer to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information

## Note 2 Accounting policies (continued)

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### Presentation currencies

As the primary presentation currency of the financial statements of UBS AG is the US dollar, amounts in Swiss francs are additionally presented for each component of the financial statements. UBS AG applies the modified closing rate method for converting the US dollar presentation currency amounts into Swiss francs: assets and liabilities are converted at the closing rate, equity positions at historic rates, and income and expense items at the weighted-average rate for the period. The resulting currency translation effects are recognized separately in the *Voluntary earnings reserve*.

### Structured debt instruments

Structured debt instruments consist of debt instruments issued and transacted over the counter and include a host contract and one or more embedded derivatives that do not relate to UBS AG's own equity. By applying the fair value option, the vast majority of structured debt instruments are measured at fair value as a whole and recognized in *Financial liabilities designated at fair value*. The fair value option for structured debt instruments can be applied only if the following criteria are cumulatively met:

- the structured debt instrument is measured on a fair value basis and is subject to risk management that is equivalent to risk management for trading activities;
- the application of the fair value option eliminates or significantly reduces an accounting mismatch that would otherwise arise; and
- changes in fair value attributable to changes in unrealized own credit are not recognized.

Fair value changes related to *Financial liabilities designated at fair value*, excluding changes in unrealized own credit, are recognized in *Net trading income*. Interest expense on *Financial liabilities designated at fair value* is recognized in *Interest expense*.

Where the designation criteria for the fair value option are not met, the embedded derivatives are assessed for bifurcation for measurement purposes. Bifurcated embedded derivatives are measured at fair value through profit or loss and presented in the same balance sheet line as the host contract.

› Refer to Note 19 for more information

### Group-internal funding

UBS AG obtains funding from UBS Group AG in the form of loans that are subject to mandatory conversion and / or debt waiver, as explained below, and generally either qualify as loss-absorbing tier 1 capital or as gone concern loss-absorbing capacity, i.e., total funding eligible as total loss-absorbing capacity (TLAC), at the UBS AG consolidated and standalone levels. A portion of Group-internal funding obtained is further on lent by UBS AG to certain subsidiaries in the form of loans.

› Refer to Note 20 for information about funding eligible as total loss-absorbing capacity at the UBS AG level

UBS AG obligations arising from Group-internal funding it has received are presented as *Funding received from UBS Group AG measured at amortized cost* and *Funding received from UBS Group AG* within *Financial liabilities designated at fair value*. UBS AG claims arising from Group-internal funding it has provided are presented as *Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity* and are measured at amortized cost less any allowance for expected credit losses.

### Subordinated assets and liabilities

*Subordinated assets* are composed of claims that, based on an irrevocable written declaration, in the event of liquidation, bankruptcy or composition concerning the debtor, rank after the claims of all other creditors and may not be offset against amounts payable to the debtor nor be secured by its assets. *Subordinated liabilities* are composed of corresponding obligations.

Subordinated assets and liabilities that contain a point-of-non-viability clause in accordance with Swiss capital requirements pursuant to Art. 29 and 30 of the Capital Adequacy Ordinance are disclosed as being *Subject to mandatory conversion and / or debt waiver* and provide for the claim or the obligation to be written off or converted into equity in the event that the issuing bank reaches a point of non-viability.

## Note 2 Accounting policies (continued)

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### Investments in subsidiaries and other participations

*Investments in subsidiaries and other participations* are equity interests that are held to carry on the business of UBS AG or for other strategic purposes. They include all subsidiaries directly held by UBS AG through which UBS AG conducts its business on a global basis. The investments are measured individually and carried at cost less impairment. The carrying amount is tested for impairment annually and when indicators of a potential decrease in value exist, which include significant operating losses incurred or a severe depreciation of the currency in which the investment is denominated. If an investment in a subsidiary is impaired, its value is generally written down to the net asset value. Subsequent recoveries in value are recognized up to the original cost value based on either the increased net asset value or a value above the net asset value if, in the opinion of management, forecasts of future profitability provide sufficient evidence that a carrying amount above net asset value is supported. Management may exercise its discretion as to what extent and in which period a recovery in value is recognized.

Impairments of investments are presented as *Impairment of investments in subsidiaries and other participations* and reversals of impairments are presented as *Extraordinary income* in the income statement. Impairments and partial or full reversals of impairments for a subsidiary during the same annual period are determined on a net basis.

› Refer to Note 4 for more information

### Hedge accounting for Investments in subsidiaries and other participations

UBS AG applies hedge accounting for certain investments in subsidiaries and other participations denominated in currencies other than the US dollar, which are designated as hedged items. For this purpose, foreign exchange (FX) derivatives, mainly FX forwards and FX swaps, are used and designated as hedging instruments.

The hedged risk is determined as the change in the carrying amount of the hedged item arising solely from changes in spot FX rates. Consequently, UBS AG only designates the spot element of the FX derivatives as hedging instruments. Changes in the fair value of the hedging instruments attributable to changes in forward points are not part of a hedge accounting designation. These amounts, therefore, do not form part of the effectiveness assessment and are recognized in *Net trading income*.

The effective portion of gains and losses of these FX derivatives is deferred on the balance sheet as *Other assets* or *Other liabilities* to the extent no change is recognized in the carrying amount of the hedged item arising from changes in spot FX rates. Otherwise, the effective portion of gains and losses of these FX derivatives is matched with the corresponding valuation adjustments of the hedged item recorded in the income statement and recorded either as a reduction of *Impairment of investments in subsidiaries and other participations* or as *Extraordinary income*.

### Revenue and expense transfers with other Group entities

UBS AG pays to and receives amounts from other Group entities in connection with revenue sharing arrangements, primarily related to the Investment Bank. Revenues transferred to and received from Group entities are settled in cash as entity revenue transfers paid or received. When the nature of the underlying transaction between UBS AG and the Group entity contains a single, clearly identifiable service component, related income and expenses are presented in the respective income statement line item, e.g., *Fee and commission income from securities and investment business and other fee and commission income*, *Fee and commission expense* or *Net trading income*. To the extent the nature of the underlying transaction contains various service components and is not clearly attributable to a particular income statement line item, related income and expenses are presented in *Sundry ordinary income* and *Sundry ordinary expenses*.

UBS AG receives services from UBS Business Solutions AG, mainly relating to the Group Operations and Technology Office, as well as certain other services from other Group entities.

UBS AG provides services to Group entities, mainly relating to real estate and selected other Group Services functions.

Services received from and provided to Group entities are settled in cash as entity cost transfers paid or received. Entity cost transfers paid are presented within *General and administrative expenses* and entity cost transfers received are presented within *Sundry ordinary income* or *Income from real estate holdings*.

› Refer to Notes 5 and 7 for more information

## Note 2 Accounting policies (continued)

### Post-employment benefit plans

Swiss GAAP permit the use of IFRS Accounting Standards or Swiss accounting standards for post-employment benefit plans, with the election made on a plan-by-plan basis.

UBS AG has elected to apply Swiss GAAP (FER 16) for the Swiss pension plan in its standalone financial statements. The requirements of Swiss GAAP (FER 16) are better aligned with the specific nature of Swiss pension plans, which are hybrid in that they combine elements of defined contribution and defined benefit plans but are treated as defined benefit plans under IFRS Accounting Standards. Swiss GAAP (FER 16) require that the employer contributions to the pension fund are recognized as *Personnel expenses* in the income statement. The employer contributions to the Swiss pension fund are determined as a percentage of contributory compensation. Furthermore, Swiss GAAP (FER16) require an assessment as to whether, based on the financial statements of the pension fund prepared in accordance with Swiss accounting standards (FER 26), an economic benefit to, or obligation of, UBS AG arises from the pension fund that is recognized in the balance sheet when conditions are met. Conditions for recording a pension asset or liability would be met if, for example, an employer contribution reserve is available or UBS AG is required to contribute to the reduction of a pension deficit (on a FER 26 basis).

Key differences between Swiss GAAP (FER 16) and IFRS Accounting Standards include the treatment of dynamic elements, such as future salary increases and future interest credits on retirement savings, which are not considered under the static method used in accordance with Swiss GAAP (FER 16). Also, the discount rate used to determine the defined benefit obligation in accordance with IFRS Accounting Standards is based on the yield of high-quality corporate bonds of the market in the respective pension plan country. The discount rate used in accordance with Swiss GAAP (FER 16), i.e., the technical interest rate, is determined by the Pension Foundation Board, based on the expected returns of the Board's investment strategy.

› Refer to Note 22 for more information

UBS AG has elected to apply IFRS Accounting Standards (IAS 19) for its non-Swiss defined benefit plans. However, remeasurements of the defined benefit obligation and the plan assets are recognized in the income statement rather than directly in equity. For corresponding disclosures in accordance with IAS 19 requirements, refer to Note 26 to the consolidated financial statements of UBS AG.

› Refer to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information

### Deferred taxes

Deferred tax assets are not recognized in UBS AG's standalone financial statements. However, deferred tax liabilities may be recognized for taxable temporary differences. Changes in the deferred tax liability balance are recognized in the income statement.

### Allowances and provisions for expected credit losses

UBS AG is required to apply expected credit loss (ECL) approaches for credit-impaired and non-credit-impaired financial instruments in its standalone financial statements.

For the substantial majority of non-credit-impaired exposures within the scope of the Swiss GAAP ECL requirements, UBS AG has chosen to apply the IFRS Accounting Standards ECL approach that is also applied in its consolidated financial statements. These exposures include all financial assets that are measured at amortized cost under both frameworks, Swiss GAAP and IFRS Accounting Standards, fee and lease receivables, claims arising from Group-internal funding presented as *Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity*, guarantees, irrevocable loan commitments, revolving revocable credit lines and forward starting reverse repurchase and securities borrowing agreements. Further information about the ECL approach under IFRS Accounting Standards is provided in Note 1 to the consolidated financial statements of UBS AG.

› Refer to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information

For the small residual population of exposures within the scope of the Swiss GAAP ECL requirements, which are not subject to ECL under IFRS Accounting Standards due to classification differences, alternative approaches are applied.

- For exposures for which Pillar 1 internal ratings-based models are applied for measurement of credit risk RWA, ECL for such exposures is calculated as the regulatory expected loss (EL), with an add-on to scale up to the residual maturity of exposures maturing beyond the next 12 months. This approach is mainly applied for brokerage receivables presented within *Due from customers*, which generally mature within 12 months. For detailed information about regulatory EL, refer to the "Risk management and control" section of the UBS AG Annual Report 2023.
- For exposures for which the standardized approach is applied for the measurement of credit risk RWA, ECL is determined using a portfolio approach that derives a conservative probability of default (PD) and a conservative loss given default (LGD) for the entire portfolio. This approach is mainly applied for a small number of loans to large corporate clients presented within *Due from customers*.

## Note 2 Accounting policies (continued)

UBS applies a single definition of default for credit risk management purposes, regulatory reporting and ECL, with a counterparty classified as defaulted based on quantitative and qualitative criteria.

› Refer to “Credit policies for distressed assets” in the “Risk management and control” section of the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information

An allowance for credit losses is reported as a decrease in the carrying amount of a financial asset. For an off-balance sheet item, such as a commitment, a provision for credit losses is reported in *Provisions*. Changes to allowances and provisions for credit losses are recognized in *Credit loss (expense) / release*.

› Refer to Note 12 for more information

### Dispensations in the standalone financial statements

As UBS AG prepares consolidated financial statements in accordance with IFRS Accounting Standards, UBS AG is exempt from various disclosures in the standalone financial statements. The dispensations include the management report, the statement of cash flows and various note disclosures, as well as the publication of full interim financial statements.

### b) Changes in accounting policies

There were no significant changes in accounting policies during 2023.

### c) Change in organization

In December 2023, the Board of Directors of UBS Group AG approved the merger of UBS AG and Credit Suisse AG, and both entities entered into a definitive merger agreement. The completion of the merger is subject to regulatory approvals and is expected to occur by the end of the second quarter of 2024.

### d) Risk management

UBS AG is fully integrated into the Group-wide risk management process described in the audited part of the “Risk management and control” section of the UBS AG Annual Report 2023.

Further information about the use of derivative instruments and hedge accounting is provided on the following pages and in Notes 1, 10 and 25 to the consolidated financial statements of UBS AG.

› Refer to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information

## Note 3a Net trading income by business

|  | USD m              |          | CHF m              |          |
|--|--------------------|----------|--------------------|----------|
|  | For the year ended | 31.12.22 | For the year ended | 31.12.22 |
|  | <b>31.12.23</b>    |          | <b>31.12.23</b>    |          |
| Investment Bank                          | 6,575              | 5,271    | 5,922              | 5,016    |
| of which: Global Markets                 | 6,616              | 5,423    | 5,960              | 5,165    |
| of which: Global Banking                 | (42)               | (152)    | (38)               | (148)    |
| Other business divisions and Group Items | 678                | 525      | 605                | 496      |
| <b>Total net trading income</b>          | <b>7,253</b>       | 5,796    | <b>6,527</b>       | 5,512    |

## Note 3b Net trading income by underlying risk category

|   | USD m              |          | CHF m              |          |
|---|--------------------|----------|--------------------|----------|
|   | For the year ended | 31.12.22 | For the year ended | 31.12.22 |
|   | <b>31.12.23</b>    |          | <b>31.12.23</b>    |          |
| Equity instruments (including funds)  | 5,479              | 3,528    | 4,930              | 3,361    |
| Foreign exchange instruments  | 1,128              | 1,404    | 1,017              | 1,341    |
| Interest rate and credit instruments (including funds)  | 524                | 763      | 471                | 714      |
| Other   | 122                | 100      | 110                | 97       |
| <b>Total net trading income</b>   | <b>7,253</b>       | 5,796    | <b>6,527</b>       | 5,512    |
| of which: net gains / (losses) from financial liabilities designated at fair value <sup>1</sup> | (1,839)            | 12,687   | (1,471)            | 12,184   |

<sup>1</sup> Excludes fair value changes of hedges related to financial liabilities designated at fair value and foreign currency effects arising from translating foreign currency transactions into the respective functional currency, both of which are reported within Net trading income.

## Note 4 Investments in subsidiaries and other participations

The table below provides the carrying amount, the equity interest and the registered office information regarding the investments in subsidiaries and other participations.

|   | Registered office         | Equity interest accumulated in % | Carrying amount in USD m |               | Carrying amount in CHF m |               |
|---|---------------------------|----------------------------------|--------------------------|---------------|--------------------------|---------------|
|   |                           |                                  | 31.12.23                 | 31.12.22      | 31.12.23                 | 31.12.22      |
| UBS Americas Holding LLC  | Wilmington, Delaware, USA | 100                              | 31,484                   | 34,233        | 26,500                   | 31,642        |
| UBS Switzerland AG  | Zurich, Switzerland       | 100                              | 7,985                    | 7,984         | 6,721                    | 7,380         |
| UBS Europe SE   | Frankfurt, Germany        | 100                              | 3,914                    | 3,572         | 3,294                    | 3,301         |
| UBS Asset Management AG   | Zurich, Switzerland       | 100                              | 1,732                    | 1,728         | 1,457                    | 1,597         |
| Other   |                           |                                  | 2,976                    | 3,511         | 2,505                    | 3,246         |
| <b>Total investments in subsidiaries and other participations</b> |                           |                                  | <b>48,090</b>            | <b>51,029</b> | <b>40,477</b>            | <b>47,165</b> |

Dividend income from investments in subsidiaries and other participations of USD 5,430m (CHF 4,862m) in 2023 and USD 6,465m (CHF 6,183m) in 2022 was mainly attributable to UBS Switzerland AG, UBS Asset Management AG, UBS Americas Holding LLC and UBS Europe SE.

In 2023, UBS AG recognized *Impairments of investments in subsidiaries and other participations* of USD 3,715m (CHF 3,343m), mainly due to an impairment related to UBS Americas Holding LLC of USD 3,500m (CHF 3,135m), as the recoverable amount of this participation declined, mostly due to lower forecasted profits and dividend payouts. In 2022, UBS AG recognized *Impairments of investments in subsidiaries and other participations* of USD 1,056m (CHF 1,014m), mainly due to impairments related to UBS Europe SE of USD 628m (CHF 609m), which partly offset the dividends received from this subsidiary.

## Note 5 Sundry ordinary income and expenses

|  | USD m              |              | CHF m              |              |
|--|--------------------|--------------|--------------------|--------------|
|  | For the year ended | 31.12.22     | For the year ended | 31.12.22     |
|  | 31.12.23           | 31.12.22     | 31.12.23           | 31.12.22     |
| Income from services provided to UBS Group AG or its subsidiaries <sup>1</sup> | 1,511              | 1,398        | 1,354              | 1,332        |
| Net unrealized gains on financial investments <sup>2</sup>                     | 70                 | 0            | 59                 | 0            |
| Other  | 14                 | 69           | 14                 | 65           |
| <b>Total sundry ordinary income</b>  | <b>1,596</b>       | <b>1,467</b> | <b>1,426</b>       | <b>1,397</b> |
| Expenses from revenue transfers to UBS Group AG or its subsidiaries            | (394)              | (629)        | (355)              | (596)        |
| Net unrealized losses on financial investments <sup>2</sup>                    | 0                  | (288)        | 0                  | (274)        |
| Other  | (13)               | (20)         | (11)               | (19)         |
| <b>Total sundry ordinary expenses</b>  | <b>(407)</b>       | <b>(937)</b> | <b>(366)</b>       | <b>(888)</b> |

<sup>1</sup> Services provided by UBS AG primarily related to Group Items. <sup>2</sup> Mainly relates to debt instruments available for sale. Refer to Note 15a for more information.

## Note 6 Personnel expenses

|  | USD m              |              | CHF m              |              |
|--|--------------------|--------------|--------------------|--------------|
|  | For the year ended | 31.12.22     | For the year ended | 31.12.22     |
|  | 31.12.23           | 31.12.22     | 31.12.23           | 31.12.22     |
| Salaries   | 1,710              | 1,602        | 1,536              | 1,527        |
| Variable compensation – performance awards   | 1,115              | 1,141        | 1,003              | 1,084        |
| Variable compensation – other  | 83                 | 76           | 74                 | 72           |
| Contractors  | 27                 | 35           | 25                 | 33           |
| Social security  | 242                | 205          | 217                | 194          |
| Post-employment benefit plans  | 124                | (55)         | 115                | (51)         |
| <i>of which: value adjustments for economic benefits or obligations from non-Swiss pension funds<sup>1</sup></i> | <i>31</i>          | <i>(167)</i> | <i>31</i>          | <i>(157)</i> |
| Other personnel expenses   | 106                | 106          | 95                 | 101          |
| <b>Total personnel expenses</b>  | <b>3,408</b>       | <b>3,109</b> | <b>3,063</b>       | <b>2,960</b> |

<sup>1</sup> Reflects the remeasurement of the defined benefit obligation and return on plan assets excluding amounts included in interest income for the non-Swiss defined benefit plans, for which IAS 19 is applied.

## Note 7 General and administrative expenses

|  | USD m              |              | CHF m              |              |
|--|--------------------|--------------|--------------------|--------------|
|  | For the year ended |              | For the year ended |              |
|  | 31.12.23           | 31.12.22     | 31.12.23           | 31.12.22     |
| Real estate  | 451                | 415          | 404                | 395          |
| Market data services   | 129                | 108          | 115                | 103          |
| Technology costs   | 98                 | 92           | 88                 | 87           |
| Outsourcing costs  | 75                 | 77           | 67                 | 74           |
| Marketing and communication  | 35                 | 27           | 31                 | 26           |
| Travel and entertainment   | 65                 | 41           | 58                 | 39           |
| Fees to audit firms  | 12                 | 14           | 11                 | 13           |
| <i>of which: financial and regulatory audits</i>                                   | 9                  | 11           | 8                  | 10           |
| <i>of which: audit-related services</i>  | 2                  | 3            | 2                  | 3            |
| <i>of which: tax and other services</i>  | 0                  | 0            | 0                  | 0            |
| Other professional fees  | 173                | 96           | 153                | 92           |
| Other  | 3,081              | 2,674        | 2,757              | 2,546        |
| <i>of which: shared services costs charged by UBS Group AG or its subsidiaries</i> | 2,806              | 2,465        | 2,514              | 2,349        |
| <b>Total general and administrative expenses</b>                                   | <b>4,118</b>       | <b>3,543</b> | <b>3,684</b>       | <b>3,375</b> |

## Note 8 Extraordinary income and expenses

|  | USD m              |            | CHF m              |            |
|--|--------------------|------------|--------------------|------------|
|  | For the year ended |            | For the year ended |            |
|  | 31.12.23           | 31.12.22   | 31.12.23           | 31.12.22   |
| Reversal of impairments of and provisions for subsidiaries and other participations <sup>1</sup> | 9                  | 5          | 10                 | 4          |
| Net gains from disposals of properties   | 10                 | 80         | 9                  | 74         |
| Gains from disposals of subsidiaries and other participations                                    | 9                  | 116        | 8                  | 113        |
| Other extraordinary income   | 5                  | 1          | 5                  | 0          |
| <b>Total extraordinary income</b>  | <b>34</b>          | <b>201</b> | <b>32</b>          | <b>191</b> |
| <b>Total extraordinary expenses</b>  | <b>2</b>           | <b>2</b>   | <b>2</b>           | <b>2</b>   |

<sup>1</sup> Refer to Note 4 for more information.

*Net gains from disposals of properties* of USD 80m (CHF 74m) in 2022 mainly reflected gains on the sale of properties in Basel.

*Gains from disposals of subsidiaries and other participations* of USD 116m (CHF 113m) in 2022 mainly included a gain from the sale of UBS AG's wholly owned subsidiary UBS Swiss Financial Advisers AG to Vontobel.

## Note 9 Taxes

|                                      | USD m              |            | CHF m              |            |
|--------------------------------------|--------------------|------------|--------------------|------------|
|                                      | For the year ended |            | For the year ended |            |
|                                      | 31.12.23           | 31.12.22   | 31.12.23           | 31.12.22   |
| Income tax expense / (benefit)       | 279                | 271        | 255                | 258        |
| <i>of which: current</i>             | 277                | 250        | 254                | 237        |
| <i>of which: deferred</i>            | 2                  | 21         | 2                  | 21         |
| Capital tax                          | 31                 | 24         | 28                 | 23         |
| <b>Total tax expense / (benefit)</b> | <b>310</b>         | <b>295</b> | <b>283</b>         | <b>281</b> |

Income tax expense of USD 279m (CHF 255m) was recognized for UBS AG in 2023, compared with USD 271m (CHF 258m) for 2022. The income tax expense for 2023 was reduced by a benefit of USD 397m (CHF 356m) in respect of the utilization of tax losses carried forward, primarily in the US and in Jersey. The income tax expense for 2023 related to UBS AG's taxable profits that were primarily earned in other locations.

The income tax expense for 2022 was reduced by a benefit of USD 204m (CHF 195m) in respect of the utilization of tax losses carried forward, primarily in the US and the UK. The income tax expense for 2022 related to UBS AG's taxable profits that were primarily earned in other locations.

For 2023, the average tax rate, defined as income tax expense divided by the sum of operating profit and extraordinary income minus extraordinary expenses and capital tax, was 15.5% (2022: 3.6%).

## Note 10 Securities financing transactions

|  | USD bn   |          | CHF bn   |          |
|--|----------|----------|----------|----------|
|  | 31.12.23 | 31.12.22 | 31.12.23 | 31.12.22 |
| <b>On-balance sheet</b>  |          |          |          |          |
| Receivables from securities financing transactions, gross  | 157.0    | 131.3    | 132.1    | 121.4    |
| Netting of securities financing transactions   | (87.6)   | (73.2)   | (73.7)   | (67.7)   |
| Receivables from securities financing transactions, net  | 69.4     | 58.1     | 58.4     | 53.7     |
| Payables from securities financing transactions, gross   | 111.4    | 96.7     | 93.7     | 89.4     |
| Netting of securities financing transactions   | (87.6)   | (73.2)   | (73.7)   | (67.7)   |
| Payables from securities financing transactions, net   | 23.8     | 23.5     | 20.0     | 21.7     |
| Assets pledged as collateral in connection with securities financing transactions                | 75.7     | 54.0     | 63.7     | 49.9     |
| <i>of which: trading portfolio assets</i>  | 68.2     | 50.9     | 57.4     | 47.1     |
| <i>of which: assets that may be sold or repledged by counterparties</i>                          | 49.9     | 39.3     | 42.0     | 36.4     |
| <i>of which: financial investments</i>   | 7.5      | 3.1      | 6.3      | 2.8      |
| <i>of which: assets that may be sold or repledged by counterparties</i>                          | 7.4      | 2.8      | 6.2      | 2.6      |
| <b>Off-balance sheet</b>   |          |          |          |          |
| Fair value of assets received as collateral in connection with securities financing transactions | 372.6    | 312.8    | 313.6    | 289.1    |
| <i>of which: repledged</i>   | 246.5    | 225.6    | 207.5    | 208.5    |
| <i>of which: sold in connection with short sale transactions</i>                                 | 27.3     | 25.1     | 23.0     | 23.2     |



## Note 11a Collateral for loans and off-balance sheet transactions

| USD m  | 31.12.23              |                               |   |                     |                               | 31.12.22              |               |   |                     |                |
|--|-----------------------|-------------------------------|---|---------------------|-------------------------------|-----------------------|---------------|---|---------------------|----------------|
|  | Secured               |                               |   | Unsecured           | Total                         | Secured               |               |   | Unsecured           | Total          |
|  | Secured by collateral |                               | Secured by other credit enhancements <sup>2</sup> |                     |                               | Secured by collateral |               | Secured by other credit enhancements <sup>2</sup> |                     |                |
|  | Real estate           | Other collateral <sup>1</sup> |   | Real estate         | Other collateral <sup>1</sup> |                       |               |   |                     |                |
| <b>On-balance sheet</b>  |                       |                               |   |                     |                               |                       |               |   |                     |                |
| Due from customers, gross <sup>3</sup>   |                       | 65,884                        | 48  | 41,733 <sup>4</sup> | 107,665                       | 7                     | 64,475        | 176   | 41,069 <sup>4</sup> | 105,726        |
| Mortgage loans, gross  | 5,116                 |                               |   |                     | 5,116                         | 5,039                 |               |   |                     | 5,039          |
| of which: residential mortgages  | 2,854                 |                               |   |                     | 2,854                         | 3,205                 |               |   |                     | 3,205          |
| of which: other mortgages <sup>5</sup>   | 2,263                 |                               |   |                     | 2,263                         | 1,834                 |               |   |                     | 1,834          |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity |                       |                               |   | 29,403              | 29,403                        |                       |               |   | 27,704              | 27,704         |
| <b>Total on-balance sheet, gross</b>   | <b>5,116</b>          | <b>65,884</b>                 | <b>48</b>   | <b>71,136</b>       | <b>142,184</b>                | <b>5,045</b>          | <b>64,475</b> | <b>176</b>  | <b>68,772</b>       | <b>138,469</b> |
| Allowances   | (0)                   | (63)                          | 0   | (161)               | (225)                         | (0)                   | (54)          | 0   | (145)               | (200)          |
| <b>Total on-balance sheet, net</b>   | <b>5,116</b>          | <b>65,821</b>                 | <b>48</b>   | <b>70,974</b>       | <b>141,959</b>                | <b>5,045</b>          | <b>64,421</b> | <b>176</b>  | <b>68,627</b>       | <b>138,269</b> |

### Off-balance sheet

|   |            |               |              |               |                |            |               |              |               |               |
|---|------------|---------------|--------------|---------------|----------------|------------|---------------|--------------|---------------|---------------|
| Contingent liabilities, gross   |            | 21,245        | 990          | 9,125         | 31,360         |            | 10,437        | 1,069        | 8,853         | 20,359        |
| Irrevocable commitments, gross  | 550        | 9,365         | 154          | 9,831         | 19,900         | 237        | 7,467         | 129          | 8,440         | 16,272        |
| Forward starting reverse repurchase and securities borrowing transactions |            | 63,527        |              |               | 63,527         |            | 27,343        |              |               | 27,343        |
| Liabilities for calls on shares and other equities                        |            |               |              | 5             | 5              |            |               |              | 5             | 5             |
| <b>Total off-balance sheet</b>  | <b>550</b> | <b>94,136</b> | <b>1,144</b> | <b>18,961</b> | <b>114,791</b> | <b>237</b> | <b>45,246</b> | <b>1,198</b> | <b>17,298</b> | <b>63,979</b> |

1 Mainly includes cash and securities. 2 Includes guarantees. 3 Includes prime brokerage margin lending receivables and prime brokerage receivables relating to securities financing transactions. 4 Primarily consists of amounts due from subsidiaries and other Group entities. 5 Consists of office and business premises, industrial premises and other mortgages.

| CHF m  | 31.12.23              |                               |   |                     |                               | 31.12.22              |               |   |                     |                |
|--|-----------------------|-------------------------------|---|---------------------|-------------------------------|-----------------------|---------------|---|---------------------|----------------|
|  | Secured               |                               |   | Unsecured           | Total                         | Secured               |               |   | Unsecured           | Total          |
|  | Secured by collateral |                               | Secured by other credit enhancements <sup>2</sup> |                     |                               | Secured by collateral |               | Secured by other credit enhancements <sup>2</sup> |                     |                |
|  | Real estate           | Other collateral <sup>1</sup> |   | Real estate         | Other collateral <sup>1</sup> |                       |               |   |                     |                |
| <b>On-balance sheet</b>  |                       |                               |   |                     |                               |                       |               |   |                     |                |
| Due from customers, gross <sup>3</sup>   |                       | 55,454                        | 40  | 35,126 <sup>4</sup> | 90,621                        | 6                     | 59,594        | 163   | 37,959 <sup>4</sup> | 97,722         |
| Mortgage loans, gross  | 4,306                 |                               |   |                     | 4,306                         | 4,657                 |               |   |                     | 4,657          |
| of which: residential mortgages  | 2,402                 |                               |   |                     | 2,402                         | 2,962                 |               |   |                     | 2,962          |
| of which: other mortgages <sup>5</sup>   | 1,904                 |                               |   |                     | 1,904                         | 1,695                 |               |   |                     | 1,695          |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity |                       |                               |   | 24,748              | 24,748                        |                       |               |   | 25,606              | 25,606         |
| <b>Total on-balance sheet, gross</b>   | <b>4,306</b>          | <b>55,454</b>                 | <b>40</b>   | <b>59,874</b>       | <b>119,675</b>                | <b>4,663</b>          | <b>59,594</b> | <b>163</b>  | <b>63,565</b>       | <b>127,985</b> |
| Allowances   | (0)                   | (56)                          | 0   | (133)               | (189)                         | (0)                   | (50)          | 0   | (135)               | (185)          |
| <b>Total on-balance sheet, net</b>   | <b>4,306</b>          | <b>55,397</b>                 | <b>40</b>   | <b>59,742</b>       | <b>119,486</b>                | <b>4,663</b>          | <b>59,544</b> | <b>163</b>  | <b>63,430</b>       | <b>127,801</b> |

### Off-balance sheet

|   |            |               |            |               |               |            |               |              |               |               |
|---|------------|---------------|------------|---------------|---------------|------------|---------------|--------------|---------------|---------------|
| Contingent liabilities, gross   |            | 17,881        | 833        | 7,680         | 26,395        |            | 9,646         | 988          | 8,183         | 18,818        |
| Irrevocable commitments, gross  | 463        | 7,882         | 129        | 8,275         | 16,749        | 219        | 6,902         | 119          | 7,801         | 15,041        |
| Forward starting reverse repurchase and securities borrowing transactions |            | 53,470        |            | 0             | 53,470        |            | 25,273        |              |               | 25,273        |
| Liabilities for calls on shares and other equities                        |            |               |            | 4             | 4             |            |               |              | 4             | 4             |
| <b>Total off-balance sheet</b>  | <b>463</b> | <b>79,233</b> | <b>963</b> | <b>15,959</b> | <b>96,619</b> | <b>219</b> | <b>41,821</b> | <b>1,107</b> | <b>15,988</b> | <b>59,135</b> |

1 Mainly includes cash and securities. 2 Includes guarantees. 3 Includes prime brokerage margin lending receivables and prime brokerage receivables relating to securities financing transactions. 4 Primarily consists of amounts due from subsidiaries and other Group entities. 5 Consists of office and business premises, industrial premises and other mortgages.

## Note 11b Credit-impaired financial instruments

|  | 31.12.23                                    |                           |  |   | 31.12.22                                    |                           |  |   |
|--|---|---------------------------|--|---|---|---------------------------|--|---|
|  | Gross credit-impaired financial instruments | Allowances and provisions | Estimated liquidation proceeds of collateral | Net credit-impaired financial instruments | Gross credit-impaired financial instruments | Allowances and provisions | Estimated liquidation proceeds of collateral | Net credit-impaired financial instruments |
| <i>USD m</i>   |   |                           |  |   |   |                           |  |   |
| Amounts due from customers                                     | 384   | 114                       | 270  | 0   | 318   | 105                       | 213  | 0   |
| Mortgage loans   | 113   | 0                         | 113  | 0   | 185   | 0                         | 184  | 0   |
| Other assets   | 2   | 2                         | 0  | 0   | 2   | 2                         | 0  | 0   |
| Guarantees and loan commitments                                | 18  | 4                         | 8  | 7   | 73  | 0                         | 40   | 33  |
| <b>Total credit-impaired financial instruments<sup>1</sup></b> | <b>517</b>                                  | <b>120</b>                | <b>390</b>                                   | <b>7</b>                                  | <b>577</b>                                  | <b>107</b>                | <b>437</b>                                   | <b>33</b>                                 |

<sup>1</sup> Credit-impaired financial instruments are financial assets and off-balance sheet positions subject to incurred credit losses, also referred to as stage 3 positions.

|  | 31.12.23                                    |                           |  |   | 31.12.22                                    |                           |  |   |
|--|---|---------------------------|--|---|---|---------------------------|--|---|
|  | Gross credit-impaired financial instruments | Allowances and provisions | Estimated liquidation proceeds of collateral | Net credit-impaired financial instruments | Gross credit-impaired financial instruments | Allowances and provisions | Estimated liquidation proceeds of collateral | Net credit-impaired financial instruments |
| <i>CHF m</i>   |   |                           |  |   |   |                           |  |   |
| Amounts due from customers                                     | 323   | 96                        | 227  | 0   | 294   | 97                        | 197  | 0   |
| Mortgage loans   | 95  | 0                         | 95   | 0   | 171   | 0                         | 170  | 0   |
| Other assets   | 1   | 1                         | 0  | 0   | 2   | 2                         | 0  | 0   |
| Guarantees and loan commitments                                | 15  | 3                         | 6  | 6   | 67  | 0                         | 37   | 31  |
| <b>Total credit-impaired financial instruments<sup>1</sup></b> | <b>435</b>                                  | <b>101</b>                | <b>329</b>                                   | <b>6</b>                                  | <b>534</b>                                  | <b>99</b>                 | <b>404</b>                                   | <b>31</b>                                 |

<sup>1</sup> Credit-impaired financial instruments are financial assets and off-balance sheet positions subject to incurred credit losses, also referred to as stage 3 positions.

## Note 12 Allowances and provisions

Allowances and provisions of USD 2,249m (CHF 1,893m) as of 31 December 2023 included allowances and provisions for credit losses of USD 294m (CHF 247m). Allowances and provisions of USD 2,237m (CHF 2,068m) as of 31 December 2022 included allowances and provisions for credit losses of USD 287m (CHF 266m).

The 2023 increase in allowances and provisions for credit losses of USD 7m (a decrease of CHF 19m) included net credit loss expenses of USD 13m (CHF 13m), primarily related to credit-impaired positions, as well as USD 7m (CHF 33m) for write-offs and other movements that did not impact the income statement.

Net credit loss expenses in 2023 included a net expense of USD 54m (CHF 48m) on credit-impaired positions, in the Investment Bank, and a net release of USD 34m (CHF 29m) in Group Items on a single position.

### Note 12a Allowances for credit losses

|   | Balance as of 31.12.22 | Increase recognized in the income statement | Release recognized in the income statement | Write-offs | Recoveries and past due interest | Reclassifications / other | Foreign currency translation | Balance as of     |
|---|------------------------|---|--|------------|----------------------------------|---------------------------|------------------------------|-------------------|
|   |                        |   |  |            |                                  |                           |                              | 31.12.23          |
| <i>USD m</i>  |                        |   |  |            |                                  |                           |                              |                   |
| Default risk relating to on-balance sheet exposures | 211                    | 29  | 0  | (9)        | 0                                | 0                         | 3                            | <b>233</b>        |
| <i>of which: incurred credit losses</i>             | <i>107</i>             | <i>15</i>                                   | <i>0</i>                                   | <i>(9)</i> | <i>0</i>                         | <i>0</i>                  | <i>3</i>                     | <b><i>116</i></b> |
| <i>of which: expected credit losses</i>             | <i>104</i>             | <i>14</i>                                   | <i>0</i>                                   | <i>0</i>   | <i>0</i>                         | <i>0</i>                  | <i>0</i>                     | <b><i>117</i></b> |
| Other   | 0                      | 7   | 0  | 0          | 0                                | 0                         | 0                            | <b>7</b>          |
| <b>Total allowances</b>                             | <b>211</b>             | <b>36</b>                                   | <b>0</b>                                   | <b>(9)</b> | <b>0</b>                         | <b>0</b>                  | <b>3</b>                     | <b>241</b>        |

|   | Balance as of 31.12.22 | Increase recognized in the income statement | Release recognized in the income statement | Write-offs | Recoveries and past due interest | Reclassifications / other | Foreign currency translation | Balance as of    |
|---|------------------------|---|--|------------|----------------------------------|---------------------------|------------------------------|------------------|
|   |                        |   |  |            |                                  |                           |                              | 31.12.23         |
| <i>CHF m</i>  |                        |   |  |            |                                  |                           |                              |                  |
| Default risk relating to on-balance sheet exposures | 196                    | 27  | 0  | (7)        | 0                                | 0                         | (19)                         | <b>197</b>       |
| <i>of which: incurred credit losses</i>             | <i>99</i>              | <i>14</i>                                   | <i>0</i>                                   | <i>(7)</i> | <i>0</i>                         | <i>0</i>                  | <i>(9)</i>                   | <b><i>98</i></b> |
| <i>of which: expected credit losses</i>             | <i>97</i>              | <i>12</i>                                   | <i>0</i>                                   | <i>0</i>   | <i>0</i>                         | <i>0</i>                  | <i>(10)</i>                  | <b><i>99</i></b> |
| Other   | 0                      | 6   | 0  | 0          | 0                                | 0                         | 0                            | <b>6</b>         |
| <b>Total allowances</b>                             | <b>196</b>             | <b>33</b>                                   | <b>0</b>                                   | <b>(7)</b> | <b>0</b>                         | <b>0</b>                  | <b>(19)</b>                  | <b>203</b>       |

## Note 12b Provisions

|  | Balance<br>as of<br>31.12.22 | Increase<br>recognized<br>in the<br>income<br>statement | Release<br>recognized<br>in the<br>income<br>statement | Provisions<br>used in<br>conformity<br>with<br>designated<br>purpose | Recoveries | Reclassifications | Foreign<br>currency<br>translation /<br>other <sup>2</sup> | Balance<br>as of<br>31.12.23 |
|--|------------------------------|---|--|--|------------|-------------------|--|------------------------------|
| <i>USD m</i>   |                              |   |  |  |            |                   |  |                              |
| Default risk related to off-balance sheet items and credit lines | 76                           | 4   | (19)   | 0  | 0          | 0                 | 0  | 60                           |
| <i>of which: incurred credit losses</i>                          | 0                            | 4   | 0  | 0  | 0          | 0                 | 0  | 4                            |
| <i>of which: expected credit losses</i>                          | 76                           | 0   | (19)   | 0  | 0          | 0                 | 0  | 57                           |
| Litigation, regulatory and similar matters                       | 1,643                        | 58  | (30)   | (53)   | 0          | 1                 | 45   | 1,665                        |
| Restructuring  | 51                           | 31  | (5)  | (54)   | 0          | 0                 | 2  | 25                           |
| Real estate <sup>1</sup>   | 109                          | 17  | 0  | (27)   | 0          | 0                 | 13   | 113                          |
| Employee benefits  | 27                           | 4   | (4)  | 0  | 0          | 0                 | 1  | 27                           |
| Deferred taxes   | 92                           | 2   | 0  | 0  | 0          | 0                 | 0  | 94                           |
| Other  | 28                           | 4   | (5)  | (3)  | 0          | 0                 | 1  | 25                           |
| <b>Total provisions</b>  | <b>2,026</b>                 | <b>119</b>  | <b>(64)</b>  | <b>(136)</b>   | <b>0</b>   | <b>1</b>          | <b>62</b>  | <b>2,008</b>                 |

<sup>1</sup> Includes provisions for onerous contracts of USD 47m as of 31 December 2023 (31 December 2022: USD 51m) and reinstatement cost provisions for leasehold improvements of USD 66m as of 31 December 2023 (31 December 2022: USD 58m). <sup>2</sup> Other mainly includes reinstatement costs.

|  | Balance<br>as of<br>31.12.22 | Increase<br>recognized<br>in the<br>income<br>statement | Release<br>recognized<br>in the<br>income<br>statement | Provisions<br>used in<br>conformity<br>with<br>designated<br>purpose | Recoveries | Reclassifications | Foreign<br>currency<br>translation /<br>other <sup>2</sup> | Balance<br>as of<br>31.12.23 |
|--|------------------------------|---|--|--|------------|-------------------|--|------------------------------|
| <i>CHF m</i>   |                              |   |  |  |            |                   |  |                              |
| Default risk related to off-balance sheet items and credit lines | 70                           | 3   | (17)   | 0  | 0          | 0                 | (6)  | 51                           |
| <i>of which: incurred credit losses</i>                          | 0                            | 3   | 0  | 0  | 0          | 0                 | 0  | 3                            |
| <i>of which: expected credit losses</i>                          | 70                           | 0   | (17)   | 0  | 0          | 0                 | (6)  | 48                           |
| Litigation, regulatory and similar matters                       | 1,518                        | 51  | (26)   | (47)   | 0          | 1                 | (96)   | 1,401                        |
| Restructuring  | 47                           | 27  | (5)  | (48)   | 0          | 0                 | (1)  | 21                           |
| Real estate <sup>1</sup>   | 101                          | 16  | 0  | (24)   | 0          | 0                 | 2  | 95                           |
| Employee benefits  | 25                           | 3   | (4)  | 0  | 0          | 0                 | (2)  | 23                           |
| Deferred taxes   | 85                           | 1   | 0  | 0  | 0          | 0                 | (7)  | 79                           |
| Other  | 26                           | 3   | (4)  | (3)  | 0          | 0                 | (1)  | 21                           |
| <b>Total provisions</b>  | <b>1,872</b>                 | <b>105</b>  | <b>(57)</b>  | <b>(122)</b>   | <b>0</b>   | <b>1</b>          | <b>(110)</b>   | <b>1,690</b>                 |

<sup>1</sup> Includes provisions for onerous contracts of CHF 39m as of 31 December 2023 (31 December 2022: CHF 47m) and reinstatement cost provisions for leasehold improvements of CHF 55m as of 31 December 2023 (31 December 2022: CHF 54m). <sup>2</sup> Other mainly includes reinstatement costs.

## Note 12c Development of allowances and provisions for credit losses

| <i>USD m</i>   | Total        | Stage 1      | Stage 2     | Stage 3      |
|--|--------------|--------------|-------------|--------------|
| <b>Balance as of 31 December 2022</b>  | <b>(287)</b> | <b>(132)</b> | <b>(47)</b> | <b>(107)</b> |
| Net movement from new and derecognized transactions <sup>1</sup>                     | 8            | (1)          | 3           | 7            |
| <i>of which: Large corporate clients</i>   | 6            | (3)          | 2           | 7            |
| Remeasurements with stage transfers <sup>2</sup>                                     | (52)         | 0            | 0           | (53)         |
| <i>of which: Large corporate clients</i>   | (52)         | 1            | 0           | (53)         |
| Remeasurements without stage transfers <sup>3</sup>                                  | 46           | 9            | 10          | 26           |
| <i>of which: Large corporate clients</i>   | 13           | 13           | 10          | (11)         |
| Model changes <sup>4</sup>   | (16)         | (10)         | (6)         | 0            |
| <b>Total ECL allowance movements with profit or loss impact</b>                      | <b>(13)</b>  | <b>(2)</b>   | <b>7</b>    | <b>(19)</b>  |
| <b>Movements without profit or loss impact (write-off, FX and other)<sup>5</sup></b> | <b>7</b>     | <b>1</b>     | <b>(1)</b>  | <b>7</b>     |
| <b>Balance as of 31 December 2023</b>  | <b>(294)</b> | <b>(133)</b> | <b>(41)</b> | <b>(120)</b> |

1 Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. 2 Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. 3 Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. 4 Represents the change in the allowances and provisions related to changes in models and methodologies. 5 Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

| <i>CHF m</i>   | Total        | Stage 1      | Stage 2     | Stage 3      |
|--|--------------|--------------|-------------|--------------|
| <b>Balance as of 31 December 2022</b>  | <b>(266)</b> | <b>(123)</b> | <b>(44)</b> | <b>(99)</b>  |
| Net movement from new and derecognized transactions <sup>1</sup>                     | 8            | (1)          | 3           | 6            |
| <i>of which: Large corporate clients</i>   | 5            | (3)          | 2           | 6            |
| Remeasurements with stage transfers <sup>2</sup>                                     | (50)         | 0            | 0           | (51)         |
| <i>of which: Large corporate clients</i>   | (50)         | 1            | 0           | (50)         |
| Remeasurements without stage transfers <sup>3</sup>                                  | 43           | 9            | 9           | 25           |
| <i>of which: Large corporate clients</i>   | 11           | 12           | 9           | (10)         |
| Model changes <sup>4</sup>   | (15)         | (10)         | (5)         | 0            |
| <b>Total ECL allowance movements with profit or loss impact</b>                      | <b>(13)</b>  | <b>(2)</b>   | <b>7</b>    | <b>(19)</b>  |
| <b>Movements without profit or loss impact (write-off, FX and other)<sup>5</sup></b> | <b>33</b>    | <b>13</b>    | <b>3</b>    | <b>17</b>    |
| <b>Balance as of 31 December 2023</b>  | <b>(247)</b> | <b>(112)</b> | <b>(34)</b> | <b>(101)</b> |

1 Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. 2 Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. 3 Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. 4 Represents the change in the allowances and provisions related to changes in models and methodologies. 5 Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

## Note 12c Development of allowances and provisions for credit losses (continued)

| <i>USD m</i>   | Total | Stage 1 | Stage 2 | Stage 3 |
|--|-------|---------|---------|---------|
| Balance as of 31 December 2021   | (336) | (148)   | (35)    | (153)   |
| Net movement from new and derecognized transactions <sup>1</sup>               | 13    | 4       | 11      | (2)     |
| <i>of which: Large corporate clients</i>                                       | 11    | 2       | 11      | (2)     |
| Remeasurements with stage transfers <sup>2</sup>                               | (23)  | 13      | (20)    | (16)    |
| <i>of which: Large corporate clients</i>                                       | (30)  | 14      | (29)    | (15)    |
| Remeasurements without stage transfers <sup>3</sup>                            | 28    | (4)     | (3)     | 34      |
| <i>of which: Large corporate clients</i>                                       | 24    | (5)     | (2)     | 31      |
| Model changes <sup>4</sup>   | 0     | 1       | (1)     | 0       |
| Total ECL allowance movements with profit or loss impact                       | 17    | 14      | (13)    | 17      |
| Movements without profit or loss impact (write-off, FX and other) <sup>5</sup> | 31    | 1       | 0       | 30      |
| Balance as of 31 December 2022   | (287) | (132)   | (47)    | (107)   |

1 Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. 2 Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. 3 Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. 4 Represents the change in the allowances and provisions related to changes in models and methodologies. 5 Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

| <i>CHF m</i>   | Total | Stage 1 | Stage 2 | Stage 3 |
|--|-------|---------|---------|---------|
| Balance as of 31 December 2021   | (307) | (136)   | (32)    | (139)   |
| Net movement from new and derecognized transactions <sup>1</sup>               | 12    | 4       | 11      | (2)     |
| <i>of which: Large corporate clients</i>                                       | 10    | 2       | 11      | (2)     |
| Remeasurements with stage transfers <sup>2</sup>                               | (21)  | 13      | (19)    | (15)    |
| <i>of which: Large corporate clients</i>                                       | (28)  | 13      | (28)    | (14)    |
| Remeasurements without stage transfers <sup>3</sup>                            | 27    | (4)     | (3)     | 33      |
| <i>of which: Large corporate clients</i>                                       | 22    | (4)     | (2)     | 29      |
| Model changes <sup>4</sup>   | 0     | 0       | (1)     | 0       |
| Total ECL allowance movements with profit or loss impact                       | 17    | 13      | (12)    | 16      |
| Movements without profit or loss impact (write-off, FX and other) <sup>5</sup> | 24    | (1)     | 0       | 25      |
| Balance as of 31 December 2022   | (266) | (123)   | (44)    | (99)    |

1 Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. 2 Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. 3 Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. 4 Represents the change in the allowances and provisions related to changes in models and methodologies. 5 Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

## Note 12d Balance sheet and off-balance sheet positions subject to ECL

The tables below provide ECL exposure and allowance and provision information about financial instruments and certain non-financial instruments that are subject to ECL.

| USD m  | 31.12.23                     |                |              |            |                |             |             |              |
|--|------------------------------|----------------|--------------|------------|----------------|-------------|-------------|--------------|
|  | 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   | 49,449                       | 49,449         | 0            | 0          | 0              | 0           | 0           | 0            |
| Due from banks   | 56,082                       | 56,082         | 0            | 0          | (5)            | (5)         | 0           | 0            |
| Receivables from securities financing transactions   | 69,381                       | 69,381         | 0            | 0          | (2)            | (2)         | 0           | 0            |
| Due from customers   | 107,463                      | 105,919        | 1,275        | 270        | (202)          | (69)        | (19)        | (114)        |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 29,380                       | 29,380         | 0            | 0          | (22)           | (22)        | 0           | 0            |
| Mortgage loans   | 5,116                        | 4,997          | 6            | 113        | 0              | (0)         | 0           | 0            |
| Accrued income and prepaid expenses  | 3,000                        | 2,991          | 8            | (0)        | (0)            | 0           | 0           | (0)          |
| Other assets <sup>2</sup>  | 918                          | 918            | 0            | 0          | (2)            | (0)         | 0           | (2)          |
| <b>Total on-balance sheet financial assets within the scope of ECL</b>                           | <b>320,789</b>               | <b>319,117</b> | <b>1,289</b> | <b>383</b> | <b>(233)</b>   | <b>(99)</b> | <b>(19)</b> | <b>(116)</b> |

| Off-balance sheet (within the scope of ECL)   | Total exposure |               |              |           | ECL provisions |              |             |              |
|---|----------------|---------------|--------------|-----------|----------------|--------------|-------------|--------------|
|   | Total          | Stage 1       | Stage 2      | Stage 3   | Total          | Stage 1      | Stage 2     | Stage 3      |
| Contingent liabilities, gross   | 31,360         | 31,226        | 129          | 4         | (3)            | (2)          | (1)         | (1)          |
| Irrevocable commitments, gross  | 19,900         | 18,427        | 1,458        | 14        | (56)           | (33)         | (21)        | (2)          |
| Forward starting transactions (securities financing transactions) <sup>3</sup>                | 9,500          | 9,500         | 0            | 0         | 0              | 0            | 0           | 0            |
| Credit lines  | 9,777          | 9,446         | 331          | 0         | (1)            | (1)          | (0)         | 0            |
| Irrevocable committed prolongation of existing loans  | 1,907          | 1,907         | 0            | 0         | 0              | 0            | 0           | 0            |
| <b>Total off-balance sheet financial instruments and credit lines within the scope of ECL</b> | <b>72,444</b>  | <b>70,507</b> | <b>1,918</b> | <b>18</b> | <b>(60)</b>    | <b>(35)</b>  | <b>(22)</b> | <b>(4)</b>   |
| <b>Total allowances and provisions</b>  |                |               |              |           | <b>(294)</b>   | <b>(133)</b> | <b>(41)</b> | <b>(120)</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. <sup>2</sup> Includes components of other receivables due from UBS Group AG and subsidiaries in the UBS Group and other assets within the scope of ECL. Refer to Note 16a for more information. <sup>3</sup> Includes forward starting reverse repurchase agreements within the scope of ECL.

| CHF m  | 31.12.23                     |                |              |            |                |             |             |             |
|--|------------------------------|----------------|--------------|------------|----------------|-------------|-------------|-------------|
|  | 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   | 41,620                       | 41,620         | 0            | 0          | 0              | 0           | 0           | 0           |
| Due from banks   | 47,204                       | 47,204         | 0            | 0          | (4)            | (4)         | 0           | 0           |
| Receivables from securities financing transactions   | 58,398                       | 58,398         | 0            | 0          | (1)            | (1)         | 0           | 0           |
| Due from customers   | 90,451                       | 89,151         | 1,073        | 227        | (170)          | (58)        | (16)        | (96)        |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 24,729                       | 24,729         | 0            | 0          | (19)           | (19)        | 0           | 0           |
| Mortgage loans   | 4,306                        | 4,206          | 5            | 95         | 0              | (0)         | 0           | 0           |
| Accrued income and prepaid expenses  | 2,525                        | 2,518          | 7            | (0)        | 0              | 0           | 0           | (0)         |
| Other assets <sup>2</sup>  | 772                          | 772            | 0            | 0          | (2)            | (0)         | 0           | (1)         |
| <b>Total on-balance sheet financial assets within the scope of ECL</b>                           | <b>270,005</b>               | <b>268,598</b> | <b>1,085</b> | <b>322</b> | <b>(197)</b>   | <b>(83)</b> | <b>(16)</b> | <b>(98)</b> |

| Off-balance sheet (within the scope of ECL)   | Total exposure |               |              |           | ECL provisions |              |             |              |
|---|----------------|---------------|--------------|-----------|----------------|--------------|-------------|--------------|
|   | Total          | Stage 1       | Stage 2      | Stage 3   | Total          | Stage 1      | Stage 2     | Stage 3      |
| Contingent liabilities, gross   | 26,395         | 26,283        | 109          | 3         | (3)            | (1)          | (0)         | (1)          |
| Irrevocable commitments, gross  | 16,749         | 15,510        | 1,227        | 12        | (49)           | (29)         | (19)        | (2)          |
| Forward starting transactions (securities financing transactions) <sup>3</sup>                | 7,996          | 7,996         | 0            | 0         | 0              | 0            | 0           | 0            |
| Credit lines  | 8,229          | 7,951         | 278          | 0         | 0              | 0            | 0           | 0            |
| Irrevocable committed prolongation of existing loans  | 1,605          | 1,605         | 0            | 0         | 0              | 0            | 0           | 0            |
| <b>Total off-balance sheet financial instruments and credit lines within the scope of ECL</b> | <b>60,975</b>  | <b>59,345</b> | <b>1,615</b> | <b>15</b> | <b>(51)</b>    | <b>(30)</b>  | <b>(18)</b> | <b>(3)</b>   |
| <b>Total allowances and provisions</b>  |                |               |              |           | <b>(247)</b>   | <b>(112)</b> | <b>(34)</b> | <b>(101)</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. <sup>2</sup> Includes components of other receivables due from UBS Group AG and subsidiaries in the UBS Group and other assets within the scope of ECL. Refer to Note 16a for more information. <sup>3</sup> Includes forward starting reverse repurchase agreements within the scope of ECL.

## Note 12d Balance sheet and off-balance sheet positions subject to ECL (continued)

| <i>USD m</i>   | 31.12.22                     |                |              |            |                |              |             |              |  |
|--|------------------------------|----------------|--------------|------------|----------------|--------------|-------------|--------------|--|
|  | Carrying amount <sup>1</sup> |                |              |            | ECL allowances |              |             |              |  |
|  | Total                        | Stage 1        | Stage 2      | Stage 3    | Total          | Stage 1      | Stage 2     | Stage 3      |  |
| <b>Financial instruments measured at amortized cost</b>  |                              |                |              |            |                |              |             |              |  |
| Cash and balances at central banks   | 48,344                       | 48,344         | 0            | 0          | 0              | 0            | 0           | 0            |  |
| Due from banks   | 31,450                       | 31,450         | 0            | 0          | (5)            | (5)          | 0           | 0            |  |
| Receivables from securities financing transactions   | 58,141                       | 58,141         | 0            | 0          | (2)            | (2)          | 0           | 0            |  |
| Due from customers   | 105,552                      | 103,876        | 1,463        | 213        | (174)          | (59)         | (9)         | (105)        |  |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 27,678                       | 27,678         | 0            | 0          | (26)           | (26)         | 0           | 0            |  |
| Mortgage loans   | 5,039                        | 4,837          | 17           | 184        | (0)            | 0            | 0           | (0)          |  |
| Accrued income and prepaid expenses  | 1,872                        | 1,863          | 9            | 0          | 0              | 0            | 0           | 0            |  |
| Other assets <sup>2</sup>  | 939                          | 939            | (0)          | 0          | (3)            | (1)          | 0           | (2)          |  |
| <b>Total on-balance sheet financial assets within the scope of ECL</b>                           | <b>279,015</b>               | <b>277,128</b> | <b>1,490</b> | <b>397</b> | <b>(211)</b>   | <b>(94)</b>  | <b>(9)</b>  | <b>(107)</b> |  |
|  | Total exposure               |                |              |            | ECL provisions |              |             |              |  |
| Off-balance sheet (within the scope of ECL)  | Total                        | Stage 1        | Stage 2      | Stage 3    | Total          | Stage 1      | Stage 2     | Stage 3      |  |
| Contingent liabilities, gross  | 20,359                       | 19,260         | 1,091        | 8          | (3)            | (2)          | (1)         | 0            |  |
| Irrevocable commitments, gross   | 16,272                       | 14,474         | 1,734        | 64         | (72)           | (35)         | (37)        | 0            |  |
| Forward starting transactions (securities financing transactions) <sup>3</sup>                   | 2,810                        | 2,810          | 0            | 0          | (0)            | (0)          | 0           | 0            |  |
| Credit lines   | 11,592                       | 11,256         | 335          | 0          | (1)            | (0)          | (0)         | 0            |  |
| Irrevocable committed prolongation of existing loans   | 147                          | 147            | 0            | 0          | 0              | 0            | 0           | 0            |  |
| <b>Total off-balance sheet financial instruments and credit lines within the scope of ECL</b>    | <b>51,180</b>                | <b>47,947</b>  | <b>3,160</b> | <b>73</b>  | <b>(76)</b>    | <b>(38)</b>  | <b>(38)</b> | <b>0</b>     |  |
| <b>Total allowances and provisions</b>   |                              |                |              |            | <b>(287)</b>   | <b>(132)</b> | <b>(47)</b> | <b>(107)</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. <sup>2</sup> Includes components of other receivables due from UBS Group AG and subsidiaries in the UBS Group and other assets within the scope of ECL. Refer to Note 16a for more information. <sup>3</sup> Includes forward starting reverse repurchase agreements within the scope of ECL.

| <i>CHF m</i>   | 31.12.22                     |                |              |            |                |              |             |             |  |
|--|------------------------------|----------------|--------------|------------|----------------|--------------|-------------|-------------|--|
|  | Carrying amount <sup>1</sup> |                |              |            | ECL allowances |              |             |             |  |
|  | Total                        | Stage 1        | Stage 2      | Stage 3    | Total          | Stage 1      | Stage 2     | Stage 3     |  |
| <b>Financial instruments measured at amortized cost</b>  |                              |                |              |            |                |              |             |             |  |
| Cash and balances at central banks   | 44,684                       | 44,684         | 0            | 0          | 0              | 0            | 0           | 0           |  |
| Due from banks   | 29,069                       | 29,069         | 0            | 0          | (5)            | (5)          | 0           | 0           |  |
| Receivables from securities financing transactions   | 53,739                       | 53,739         | 0            | 0          | (2)            | (2)          | 0           | 0           |  |
| Due from customers   | 97,561                       | 96,011         | 1,353        | 197        | (161)          | (55)         | (9)         | (97)        |  |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 25,582                       | 25,582         | 0            | 0          | (24)           | (24)         | 0           | 0           |  |
| Mortgage loans   | 4,657                        | 4,471          | 16           | 170        | (0)            | 0            | 0           | 0           |  |
| Accrued income and prepaid expenses  | 1,730                        | 1,722          | 8            | 0          | 0              | 0            | 0           | 0           |  |
| Other assets <sup>2</sup>  | 867                          | 867            | (0)          | (0)        | (3)            | (1)          | 0           | (2)         |  |
| <b>Total on-balance sheet financial assets within the scope of ECL</b>                           | <b>257,890</b>               | <b>256,146</b> | <b>1,377</b> | <b>367</b> | <b>(196)</b>   | <b>(88)</b>  | <b>(9)</b>  | <b>(99)</b> |  |
|  | Total exposure               |                |              |            | ECL provisions |              |             |             |  |
| Off-balance sheet (within the scope of ECL)  | Total                        | Stage 1        | Stage 2      | Stage 3    | Total          | Stage 1      | Stage 2     | Stage 3     |  |
| Contingent liabilities, gross  | 18,818                       | 17,802         | 1,008        | 8          | (3)            | (2)          | (1)         | 0           |  |
| Irrevocable commitments, gross   | 15,041                       | 13,378         | 1,603        | 60         | (66)           | (32)         | (34)        | 0           |  |
| Forward starting transactions (securities financing transactions) <sup>3</sup>                   | 2,597                        | 2,597          | 0            | 0          | (0)            | (0)          | 0           | 0           |  |
| Credit lines   | 10,714                       | 10,404         | 310          | 0          | (1)            | (1)          | (0)         | 0           |  |
| Irrevocable committed prolongation of existing loans   | 135                          | 135            | 0            | 0          | 0              | 0            | 0           | 0           |  |
| <b>Total off-balance sheet financial instruments and credit lines within the scope of ECL</b>    | <b>47,305</b>                | <b>44,317</b>  | <b>2,921</b> | <b>67</b>  | <b>(70)</b>    | <b>(35)</b>  | <b>(35)</b> | <b>0</b>    |  |
| <b>Total allowances and provisions</b>   |                              |                |              |            | <b>(266)</b>   | <b>(123)</b> | <b>(44)</b> | <b>(99)</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. <sup>2</sup> Includes components of other receivables due from UBS Group AG and subsidiaries in the UBS Group and other assets within the scope of ECL. Refer to Note 16a for more information. <sup>3</sup> Includes forward starting reverse repurchase agreements within the scope of ECL.

## Note 12e Financial assets subject to credit risk by rating category

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification.

### Financial assets subject to credit risk by rating category

|  |                          | 31.12.23      |                |               |               |              |                             |                             |                | Net carrying amount (maximum exposure to credit risk) |
|--|--------------------------|---------------|----------------|---------------|---------------|--------------|-----------------------------|-----------------------------|----------------|---|
| Rating category  |                          | 0-1           | 2-3            | 4-5           | 6-8           | 9-13         | Credit-impaired (defaulted) | Total gross carrying amount | ECL allowances |   |
| <i>USD m</i>   |                          |               |                |               |               |              |                             |                             |                |   |
| Financial instruments measured at amortized cost   |                          |               |                |               |               |              |                             |                             |                |   |
| Cash and balances at central banks   |                          |               |                |               |               |              |                             |                             |                |   |
|  |                          | 49,186        | 262            | 0             | 0             | 0            | 0                           | 49,449                      | 0              | 49,449  |
|  | <i>of which: stage 1</i> | 49,186        | 262            | 0             | 0             | 0            | 0                           | 49,449                      | 0              | 49,449  |
| Due from banks   |                          |               |                |               |               |              |                             |                             |                |   |
|  |                          | 1,128         | 53,671         | 823           | 452           | 13           | 0                           | 56,087                      | (5)            | 56,082  |
|  | <i>of which: stage 1</i> | 1,128         | 53,671         | 823           | 452           | 13           | 0                           | 56,087                      | (5)            | 56,082  |
| Receivables from securities financing transactions   |                          |               |                |               |               |              |                             |                             |                |   |
|  |                          | 23,453        | 24,046         | 5,286         | 15,507        | 1,091        | 0                           | 69,383                      | (2)            | 69,381  |
|  | <i>of which: stage 1</i> | 23,453        | 24,046         | 5,286         | 15,507        | 1,091        | 0                           | 69,383                      | (2)            | 69,381  |
| Due from customers   |                          |               |                |               |               |              |                             |                             |                |   |
|  |                          | 1,551         | 43,921         | 10,578        | 48,624        | 2,607        | 384                         | 107,665                     | (202)          | 107,463   |
|  | <i>of which: stage 1</i> | 1,551         | 43,783         | 10,332        | 48,182        | 2,139        | 0                           | 105,987                     | (69)           | 105,919   |
|  | <i>of which: stage 2</i> | 0             | 138            | 246           | 442           | 468          | 0                           | 1,294                       | (19)           | 1,275   |
|  | <i>of which: stage 3</i> | 0             | 0              | 0             | 0             | 0            | 384                         | 384                         | (114)          | 270   |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity |                          |               |                |               |               |              |                             |                             |                |   |
|  |                          | 0             | 29,403         | 0             | 0             | 0            | 0                           | 29,403                      | (22)           | 29,380  |
|  | <i>of which: stage 1</i> | 0             | 29,403         | 0             | 0             | 0            | 0                           | 29,403                      | (22)           | 29,380  |
| Mortgage loans   |                          |               |                |               |               |              |                             |                             |                |   |
|  |                          | 0             | 1              | 668           | 3,295         | 1,039        | 113                         | 5,116                       | 0              | 5,116   |
|  | <i>of which: stage 1</i> | 0             | 1              | 668           | 3,290         | 1,039        | 0                           | 4,997                       | 0              | 4,997   |
|  | <i>of which: stage 2</i> | 0             | 0              | 0             | 6             | 0            | 0                           | 6                           | 0              | 6   |
|  | <i>of which: stage 3</i> | 0             | 0              | 0             | 0             | 0            | 113                         | 113                         | 0              | 113   |
| Accrued income and prepaid expenses  |                          |               |                |               |               |              |                             |                             |                |   |
|  |                          | 156           | 1,491          | 447           | 852           | 54           | 0                           | 3,000                       | 0              | 3,000   |
|  | <i>of which: stage 1</i> | 156           | 1,491          | 443           | 851           | 51           | 0                           | 2,991                       | 0              | 2,991   |
|  | <i>of which: stage 2</i> | 0             | 0              | 4             | 2             | 3            | 0                           | 8                           | 0              | 8   |
| Other assets   |                          |               |                |               |               |              |                             |                             |                |   |
|  |                          | 21            | 179            | 14            | 696           | 8            | 2                           | 920                         | (2)            | 918   |
|  | <i>of which: stage 1</i> | 21            | 179            | 14            | 696           | 8            | 0                           | 918                         | 0              | 918   |
|  | <i>of which: stage 3</i> | 0             | 0              | 0             | 0             | 0            | 2                           | 2                           | (2)            | 0   |
| <b>Total in scope of ECL assets / ECL amounts by stages</b>                                      |                          | <b>75,496</b> | <b>152,973</b> | <b>17,816</b> | <b>69,427</b> | <b>4,811</b> | <b>499</b>                  | <b>321,022</b>              | <b>(233)</b>   | <b>320,789</b>  |

### Off-balance sheet positions and credit lines subject to expected credit loss by rating category

|   |                          | 31.12.23      |               |              |              |              |                             |  |                |  |
|---|--------------------------|---------------|---------------|--------------|--------------|--------------|-----------------------------|--|----------------|--|
| Rating category   |                          | 0-1           | 2-3           | 4-5          | 6-8          | 9-13         | Credit-impaired (defaulted) | Total off-balance sheet exposure (maximum exposure to credit risk) | ECL provisions |  |
| <i>USD m</i>  |                          |               |               |              |              |              |                             |  |                |  |
| Off-balance sheet (within the scope of ECL)                           |                          |               |               |              |              |              |                             |  |                |  |
| Contingent liabilities, gross   |                          |               |               |              |              |              |                             |  |                |  |
|   |                          | 17,689        | 9,145         | 2,230        | 1,977        | 314          | 4                           | 31,360   | (3)            |  |
|   | <i>of which: stage 1</i> | 17,689        | 9,116         | 2,212        | 1,967        | 243          | 0                           | 31,226   | (2)            |  |
|   | <i>of which: stage 2</i> | 0             | 30            | 19           | 10           | 71           | 0                           | 129  | (1)            |  |
|   | <i>of which: stage 3</i> | 0             | 0             | 0            | 0            | 0            | 4                           | 4  | (1)            |  |
| Irrevocable commitments, gross  |                          |               |               |              |              |              |                             |  |                |  |
|   |                          | 1,177         | 5,489         | 4,727        | 2,515        | 5,978        | 14                          | 19,900   | (56)           |  |
|   | <i>of which: stage 1</i> | 1,177         | 5,489         | 4,715        | 2,407        | 4,639        | 0                           | 18,427   | (33)           |  |
|   | <i>of which: stage 2</i> | 0             | 0             | 12           | 108          | 1,339        | 0                           | 1,458  | (21)           |  |
|   | <i>of which: stage 3</i> | 0             | 0             | 0            | 0            | 0            | 14                          | 14   | (2)            |  |
| Forward starting transactions (securities financing transactions)     |                          |               |               |              |              |              |                             |  |                |  |
|   |                          | 9,062         | 219           | 84           | 135          | 0            | 0                           | 9,500  | 0              |  |
|   | <i>of which: stage 1</i> | 9,062         | 219           | 84           | 135          | 0            | 0                           | 9,500  | 0              |  |
| Credit lines  |                          |               |               |              |              |              |                             |  |                |  |
|   |                          | 0             | 3,662         | 196          | 4,495        | 1,424        | 0                           | 9,777  | (1)            |  |
|   | <i>of which: stage 1</i> | 0             | 3,628         | 148          | 4,493        | 1,178        | 0                           | 9,446  | (1)            |  |
|   | <i>of which: stage 2</i> | 0             | 34            | 49           | 3            | 246          | 0                           | 331  | (0)            |  |
| Irrevocable committed prolongation of existing loans                  |                          |               |               |              |              |              |                             |  |                |  |
|   |                          | 0             | 1,907         | 0            | 0            | 0            | 0                           | 1,907  | 0              |  |
|   | <i>of which: stage 1</i> | 0             | 1,907         | 0            | 0            | 0            | 0                           | 1,907  | 0              |  |
| <b>Total off-balance sheet financial instruments and credit lines</b> |                          | <b>27,928</b> | <b>20,423</b> | <b>7,237</b> | <b>9,122</b> | <b>7,715</b> | <b>18</b>                   | <b>72,444</b>  | <b>(60)</b>    |  |



## Note 12e Financial assets subject to credit risk by rating category (continued)

| Financial assets subject to credit risk by rating category                                       |               |                |               |               |              |                             |                             |                |   |
|--|---------------|----------------|---------------|---------------|--------------|-----------------------------|-----------------------------|----------------|---|
| CHF m  |               |                |               |               |              |                             |                             |                |   |
|  | 31.12.23      |                |               |               |              |                             |                             |                |   |
| Rating category  | 0-1           | 2-3            | 4-5           | 6-8           | 9-13         | Credit-impaired (defaulted) | Total gross carrying amount | ECL allowances | Net carrying amount (maximum exposure to credit risk) |
| <b>Financial instruments measured at amortized cost</b>  |               |                |               |               |              |                             |                             |                |   |
| Cash and balances at central banks   | 41,400        | 221            | 0             | 0             | 0            | 0                           | 41,621                      | 0              | 41,620  |
| of which: stage 1  | 41,400        | 221            | 0             | 0             | 0            | 0                           | 41,621                      | 0              | 41,620  |
| Due from banks   | 950           | 45,175         | 693           | 381           | 11           | 0                           | 47,209                      | (4)            | 47,204  |
| of which: stage 1  | 950           | 45,175         | 693           | 381           | 11           | 0                           | 47,209                      | (4)            | 47,204  |
| Receivables from securities financing transactions   | 19,741        | 20,239         | 4,449         | 13,052        | 918          | 0                           | 58,399                      | (1)            | 58,398  |
| of which: stage 1  | 19,741        | 20,239         | 4,449         | 13,052        | 918          | 0                           | 58,399                      | (1)            | 58,398  |
| Due from customers   | 1,306         | 36,968         | 8,903         | 40,926        | 2,194        | 323                         | 90,621                      | (170)          | 90,451  |
| of which: stage 1  | 1,306         | 36,852         | 8,696         | 40,554        | 1,801        | 0                           | 89,209                      | (58)           | 89,151  |
| of which: stage 2  | 0             | 116            | 207           | 372           | 394          | 0                           | 1,089                       | (16)           | 1,073   |
| of which: stage 3  | 0             | 0              | 0             | 0             | 0            | 323                         | 323                         | (96)           | 227   |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 0             | 24,748         | 0             | 0             | 0            | 0                           | 24,748                      | (19)           | 24,729  |
| of which: stage 1  | 0             | 24,748         | 0             | 0             | 0            | 0                           | 24,748                      | (19)           | 24,729  |
| Mortgage loans   | 0             | 1              | 562           | 2,774         | 874          | 95                          | 4,306                       | 0              | 4,306   |
| of which: stage 1  | 0             | 1              | 562           | 2,769         | 874          | 0                           | 4,206                       | 0              | 4,206   |
| of which: stage 2  | 0             | 0              | 0             | 5             | 0            | 0                           | 5                           | 0              | 5   |
| of which: stage 3  | 0             | 0              | 0             | 0             | 0            | 95                          | 95                          | 0              | 95  |
| Accrued income and prepaid expenses  | 131           | 1,255          | 376           | 718           | 45           | 0                           | 2,525                       | 0              | 2,525   |
| of which: stage 1  | 131           | 1,255          | 373           | 716           | 43           | 0                           | 2,518                       | 0              | 2,518   |
| of which: stage 2  | 0             | 0              | 4             | 1             | 2            | 0                           | 7                           | 0              | 7   |
| Other assets   | 17            | 151            | 12            | 586           | 7            | 1                           | 774                         | (2)            | 772   |
| of which: stage 1  | 17            | 151            | 12            | 586           | 7            | 0                           | 773                         | 0              | 772   |
| of which: stage 3  | 0             | 0              | 0             | 0             | 0            | 1                           | 1                           | (1)            | 0   |
| <b>Total in scope of ECL assets / ECL amounts by stages</b>                                      | <b>63,544</b> | <b>128,757</b> | <b>14,995</b> | <b>58,436</b> | <b>4,050</b> | <b>420</b>                  | <b>270,202</b>              | <b>(197)</b>   | <b>270,005</b>  |

## Off-balance sheet positions and credit lines subject to expected credit loss by rating category

| CHF m   |               |               |              |              |              |                             |  |                |  |
|---|---------------|---------------|--------------|--------------|--------------|-----------------------------|--|----------------|--|
|   | 31.12.23      |               |              |              |              |                             |  |                |  |
| Rating category   | 0-1           | 2-3           | 4-5          | 6-8          | 9-13         | Credit-impaired (defaulted) | Total off-balance sheet exposure (maximum exposure to credit risk) | ECL provisions |  |
| <b>Off-balance sheet (within the scope of ECL)</b>                    |               |               |              |              |              |                             |  |                |  |
| Contingent liabilities, gross   | 14,889        | 7,698         | 1,877        | 1,664        | 264          | 3                           | 26,395   | (3)            |  |
| of which: stage 1   | 14,889        | 7,673         | 1,862        | 1,655        | 204          | 0                           | 26,283   | (1)            |  |
| of which: stage 2   | 0             | 25            | 16           | 9            | 60           | 0                           | 109  | 0              |  |
| of which: stage 3   | 0             | 0             | 0            | 0            | 0            | 3                           | 3  | (1)            |  |
| Irrevocable commitments, gross  | 990           | 4,620         | 3,978        | 2,117        | 5,032        | 12                          | 16,749   | (49)           |  |
| of which: stage 1   | 990           | 4,620         | 3,968        | 2,026        | 3,905        | 0                           | 15,510   | (29)           |  |
| of which: stage 2   | 0             | 0             | 10           | 91           | 1,127        | 0                           | 1,227  | (19)           |  |
| of which: stage 3   | 0             | 0             | 0            | 0            | 0            | 12                          | 12   | (2)            |  |
| Forward starting transactions (securities financing transactions)     | 7,627         | 185           | 70           | 114          | 0            | 0                           | 7,996  | 0              |  |
| of which: stage 1   | 7,627         | 185           | 70           | 114          | 0            | 0                           | 7,996  | 0              |  |
| Credit lines  | 0             | 3,082         | 165          | 3,784        | 1,198        | 0                           | 8,229  | 0              |  |
| of which: stage 1   | 0             | 3,054         | 124          | 3,781        | 991          | 0                           | 7,951  | 0              |  |
| of which: stage 2   | 0             | 28            | 41           | 2            | 207          | 0                           | 278  | 0              |  |
| Irrevocable committed prolongation of existing loans                  | 0             | 1,605         | 0            | 0            | 0            | 0                           | 1,605  | 0              |  |
| of which: stage 1   | 0             | 1,605         | 0            | 0            | 0            | 0                           | 1,605  | 0              |  |
| <b>Total off-balance sheet financial instruments and credit lines</b> | <b>23,507</b> | <b>17,190</b> | <b>6,091</b> | <b>7,678</b> | <b>6,494</b> | <b>15</b>                   | <b>60,975</b>  | <b>(51)</b>    |  |

› Refer to Note 9 and Note 19 to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information about ECL in accordance with IFRS Accounting Standards

## Note 12e Financial assets subject to credit risk by rating category (continued)

| Financial assets subject to credit risk by rating category                                       |               |                |               |               |              |                             |                             |                |   |
|--|---------------|----------------|---------------|---------------|--------------|-----------------------------|-----------------------------|----------------|---|
| USD m  |               |                |               |               |              |                             |                             |                |   |
| 31.12.22   |               |                |               |               |              |                             |                             |                |   |
| Rating category  | 0-1           | 2-3            | 4-5           | 6-8           | 9-13         | Credit-impaired (defaulted) | Total gross carrying amount | ECL allowances | Net carrying amount (maximum exposure to credit risk) |
| <b>Financial instruments measured at amortized cost</b>  |               |                |               |               |              |                             |                             |                |   |
| Cash and balances at central banks   | 48,227        | 117            | 0             | 0             | 0            | 0                           | 48,344                      | 0              | 48,344  |
| of which: stage 1  | 48,227        | 117            | 0             | 0             | 0            | 0                           | 48,344                      | 0              | 48,344  |
| Due from banks   | 867           | 29,915         | 640           | 0             | 33           | 0                           | 31,455                      | (5)            | 31,450  |
| of which: stage 1  | 867           | 29,915         | 640           | 0             | 33           | 0                           | 31,455                      | (5)            | 31,450  |
| Receivables from securities financing transactions   | 14,930        | 8,597          | 7,564         | 26,332        | 721          | 0                           | 58,143                      | (2)            | 58,141  |
| of which: stage 1  | 14,930        | 8,597          | 7,564         | 26,332        | 721          | 0                           | 58,143                      | (2)            | 58,141  |
| Due from customers   | 4,619         | 38,780         | 8,602         | 50,987        | 2,420        | 318                         | 105,726                     | (174)          | 105,552   |
| of which: stage 1  | 4,619         | 38,780         | 8,295         | 50,433        | 1,809        | 0                           | 103,936                     | (59)           | 103,876   |
| of which: stage 2  | 0             | 0              | 307           | 555           | 611          | 0                           | 1,473                       | (9)            | 1,463   |
| of which: stage 3  | 0             | 0              | 0             | 0             | 0            | 318                         | 318                         | (105)          | 213   |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 0             | 27,704         | 0             | 0             | 0            | 0                           | 27,704                      | (26)           | 27,678  |
| of which: stage 1  | 0             | 27,704         | 0             | 0             | 0            | 0                           | 27,704                      | (26)           | 27,678  |
| Mortgage loans   | 0             | 1              | 302           | 4,063         | 488          | 185                         | 5,039                       | 0              | 5,039   |
| of which: stage 1  | 0             | 1              | 302           | 4,045         | 488          | 0                           | 4,837                       | 0              | 4,837   |
| of which: stage 2  | 0             | 0              | 0             | 17            | 0            | 0                           | 17                          | 0              | 17  |
| of which: stage 3  | 0             | 0              | 0             | 0             | 0            | 185                         | 185                         | 0              | 184   |
| Accrued income and prepaid expenses  | 130           | 671            | 352           | 687           | 33           | 0                           | 1,872                       | 0              | 1,872   |
| of which: stage 1  | 130           | 671            | 351           | 681           | 31           | 0                           | 1,863                       | 0              | 1,863   |
| of which: stage 2  | 0             | 0              | 0             | 6             | 2            | 0                           | 9                           | 0              | 9   |
| Other assets   | 0             | 155            | 4             | 776           | 5            | 2                           | 942                         | (3)            | 939   |
| of which: stage 1  | 0             | 155            | 4             | 776           | 5            | 0                           | 940                         | (1)            | 939   |
| of which: stage 3  | 0             | 0              | 0             | 0             | 0            | 2                           | 2                           | (2)            | 0   |
| <b>Total in scope of ECL assets / ECL amounts by stages</b>                                      | <b>68,772</b> | <b>105,939</b> | <b>17,464</b> | <b>82,845</b> | <b>3,701</b> | <b>504</b>                  | <b>279,225</b>              | <b>(211)</b>   | <b>279,015</b>  |

## Off-balance sheet positions and credit lines subject to expected credit loss by rating category

| USD m   |               |               |              |               |              |                             |  |                |  |
|---|---------------|---------------|--------------|---------------|--------------|-----------------------------|--|----------------|--|
| 31.12.22  |               |               |              |               |              |                             |  |                |  |
| Rating category   | 0-1           | 2-3           | 4-5          | 6-8           | 9-13         | Credit-impaired (defaulted) | Total off-balance sheet exposure (maximum exposure to credit risk) | ECL provisions |  |
| <b>Off-balance sheet (in scope of ECL)</b>                            |               |               |              |               |              |                             |  |                |  |
| Contingent liabilities, gross   | 7,157         | 9,102         | 2,464        | 1,273         | 356          | 8                           | 20,359   | (3)            |  |
| of which: stage 1   | 7,157         | 9,072         | 1,555        | 1,247         | 229          | 0                           | 19,260   | (2)            |  |
| of which: stage 2   | 0             | 30            | 909          | 25            | 127          | 0                           | 1,091  | (1)            |  |
| of which: stage 3   | 0             | 0             | 0            | 0             | 0            | 8                           | 8  | 0              |  |
| Irrevocable commitments, gross  | 1,239         | 5,068         | 3,146        | 1,895         | 4,860        | 64                          | 16,272   | (72)           |  |
| of which: stage 1   | 1,239         | 4,948         | 3,030        | 1,771         | 3,485        | 0                           | 14,474   | (35)           |  |
| of which: stage 2   | 0             | 120           | 115          | 124           | 1,375        | 0                           | 1,734  | (37)           |  |
| of which: stage 3   | 0             | 0             | 0            | 0             | 0            | 64                          | 64   | 0              |  |
| Forward starting transactions (securities financing transactions)     | 1,790         | 2             | 11           | 1,007         | 0            | 0                           | 2,810  | 0              |  |
| of which: stage 1   | 1,790         | 2             | 11           | 1,007         | 0            | 0                           | 2,810  | 0              |  |
| Credit lines  | 0             | 3,868         | 687          | 5,851         | 1,186        | 0                           | 11,592   | (1)            |  |
| of which: stage 1   | 0             | 3,825         | 616          | 5,700         | 1,115        | 0                           | 11,256   | 0              |  |
| of which: stage 2   | 0             | 43            | 71           | 150           | 71           | 0                           | 335  | 0              |  |
| Irrevocable committed prolongation of existing loans                  | 0             | 147           | 0            | 0             | 0            | 0                           | 147  | 0              |  |
| of which: stage 1   | 0             | 147           | 0            | 0             | 0            | 0                           | 147  | 0              |  |
| <b>Total off-balance sheet financial instruments and credit lines</b> | <b>10,186</b> | <b>18,186</b> | <b>6,307</b> | <b>10,026</b> | <b>6,402</b> | <b>73</b>                   | <b>51,180</b>  | <b>(76)</b>    |  |

## Note 12e Financial assets subject to credit risk by rating category (continued)

| Financial assets subject to credit risk by rating category                                       |               |               |               |               |              |                             |                             |                |   |
|--|---------------|---------------|---------------|---------------|--------------|-----------------------------|-----------------------------|----------------|---|
| CHF m  |               |               |               |               |              |                             |                             |                |   |
| 31.12.22   |               |               |               |               |              |                             |                             |                |   |
| Rating category  | 0-1           | 2-3           | 4-5           | 6-8           | 9-13         | Credit-impaired (defaulted) | Total gross carrying amount | ECL allowances | Net carrying amount (maximum exposure to credit risk) |
| <b>Financial instruments measured at amortized cost</b>  |               |               |               |               |              |                             |                             |                |   |
| Cash and balances at central banks   | 44,576        | 108           | 0             | 0             | 0            | 0                           | 44,684                      | 0              | 44,684  |
| of which: stage 1  | 44,576        | 108           | 0             | 0             | 0            | 0                           | 44,684                      | 0              | 44,684  |
| Due from banks   | 801           | 27,650        | 591           | 0             | 30           | 0                           | 29,073                      | (5)            | 29,069  |
| of which: stage 1  | 801           | 27,650        | 591           | 0             | 30           | 0                           | 29,073                      | (5)            | 29,069  |
| Receivables from securities financing transactions   | 13,799        | 7,946         | 6,991         | 24,338        | 667          | 0                           | 53,741                      | (2)            | 53,739  |
| of which: stage 1  | 13,799        | 7,946         | 6,991         | 24,338        | 667          | 0                           | 53,741                      | (2)            | 53,739  |
| Due from customers   | 4,269         | 35,844        | 7,950         | 47,127        | 2,237        | 294                         | 97,722                      | (161)          | 97,561  |
| of which: stage 1  | 4,269         | 35,844        | 7,667         | 46,614        | 1,672        | 0                           | 96,067                      | (55)           | 96,011  |
| of which: stage 2  | 0             | 0             | 283           | 513           | 565          | 0                           | 1,361                       | (9)            | 1,353   |
| of which: stage 3  | 0             | 0             | 0             | 0             | 0            | 294                         | 294                         | (97)           | 197   |
| Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity | 0             | 25,607        | 0             | 0             | 0            | 0                           | 25,607                      | (24)           | 25,582  |
| of which: stage 1  | 0             | 25,607        | 0             | 0             | 0            | 0                           | 25,607                      | (24)           | 25,582  |
| Mortgage loans   | 0             | 1             | 279           | 3,755         | 451          | 171                         | 4,657                       | 0              | 4,657   |
| of which: stage 1  | 0             | 1             | 279           | 3,739         | 451          | 0                           | 4,471                       | 0              | 4,471   |
| of which: stage 2  | 0             | 0             | 0             | 16            | 0            | 0                           | 16                          | 0              | 16  |
| of which: stage 3  | 0             | 0             | 0             | 0             | 0            | 171                         | 171                         | 0              | 170   |
| Accrued income and prepaid expenses  | 120           | 620           | 325           | 635           | 31           | 0                           | 1,730                       | 0              | 1,730   |
| of which: stage 1  | 120           | 620           | 325           | 629           | 29           | 0                           | 1,722                       | 0              | 1,722   |
| of which: stage 2  | 0             | 0             | 0             | 6             | 2            | 0                           | 8                           | 0              | 8   |
| Other assets   | 0             | 143           | 4             | 717           | 4            | 1                           | 870                         | (3)            | 867   |
| of which: stage 1  | 0             | 143           | 4             | 717           | 4            | 0                           | 869                         | (1)            | 867   |
| of which: stage 3  | 0             | 0             | 0             | 0             | 0            | 1                           | 2                           | (2)            | 0   |
| <b>Total in scope of ECL assets / ECL amounts by stages</b>                                      | <b>63,565</b> | <b>97,918</b> | <b>16,141</b> | <b>76,573</b> | <b>3,421</b> | <b>466</b>                  | <b>258,085</b>              | <b>(196)</b>   | <b>257,890</b>  |

## Off-balance sheet positions and credit lines subject to expected credit loss by rating category

| CHF m   |              |               |              |              |              |                             |  |                |  |
|---|--------------|---------------|--------------|--------------|--------------|-----------------------------|--|----------------|--|
| 31.12.22  |              |               |              |              |              |                             |  |                |  |
| Rating category   | 0-1          | 2-3           | 4-5          | 6-8          | 9-13         | Credit-impaired (defaulted) | Total off-balance sheet exposure (maximum exposure to credit risk) | ECL provisions |  |
| <b>Off-balance sheet (in scope of ECL)</b>                            |              |               |              |              |              |                             |  |                |  |
| Contingent liabilities, gross   | 6,615        | 8,413         | 2,277        | 1,176        | 329          | 8                           | 18,818   | (3)            |  |
| of which: stage 1   | 6,615        | 8,385         | 1,438        | 1,153        | 211          | 0                           | 17,802   | (2)            |  |
| of which: stage 2   | 0            | 27            | 840          | 23           | 118          | 0                           | 1,008  | (1)            |  |
| of which: stage 3   | 0            | 0             | 0            | 0            | 0            | 8                           | 8  | 0              |  |
| Irrevocable commitments, gross  | 1,145        | 4,684         | 2,907        | 1,752        | 4,492        | 60                          | 15,041   | (66)           |  |
| of which: stage 1   | 1,145        | 4,574         | 2,801        | 1,637        | 3,221        | 0                           | 13,378   | (32)           |  |
| of which: stage 2   | 0            | 111           | 107          | 115          | 1,271        | 0                           | 1,603  | (34)           |  |
| of which: stage 3   | 0            | 0             | 0            | 0            | 0            | 60                          | 60   | 0              |  |
| Forward starting transactions (securities financing transactions)     | 1,655        | 2             | 10           | 931          | 0            | 0                           | 2,597  | 0              |  |
| of which: stage 1   | 1,655        | 2             | 10           | 931          | 0            | 0                           | 2,597  | 0              |  |
| Credit lines  | 0            | 3,575         | 635          | 5,408        | 1,096        | 0                           | 10,714   | (1)            |  |
| of which: stage 1   | 0            | 3,536         | 569          | 5,269        | 1,030        | 0                           | 10,404   | (1)            |  |
| of which: stage 2   | 0            | 40            | 66           | 139          | 66           | 0                           | 310  | 0              |  |
| Irrevocable committed prolongation of existing loans                  | 0            | 135           | 0            | 0            | 0            | 0                           | 135  | 0              |  |
| of which: stage 1   | 0            | 135           | 0            | 0            | 0            | 0                           | 135  | 0              |  |
| <b>Total off-balance sheet financial instruments and credit lines</b> | <b>9,415</b> | <b>16,810</b> | <b>5,829</b> | <b>9,267</b> | <b>5,917</b> | <b>67</b>                   | <b>47,305</b>  | <b>(70)</b>    |  |

## Note 13 Trading portfolio and other financial instruments measured at fair value

|   | USD m          |               | CHF m          |               |
|---|----------------|---------------|----------------|---------------|
|   | 31.12.23       | 31.12.22      | 31.12.23       | 31.12.22      |
| <b>Assets</b>   |                |               |                |               |
| Trading portfolio assets  | 124,682        | 98,566        | 104,943        | 91,104        |
| <i>of which: debt instruments<sup>1</sup></i>   | 21,300         | 12,088        | 17,928         | 11,173        |
| <i>of which: listed</i>   | 17,653         | 9,618         | 14,858         | 8,890         |
| <i>of which: equity instruments</i>   | 100,646        | 83,720        | 84,713         | 77,382        |
| <i>of which: precious metals and other physical commodities</i>   | 2,735          | 2,757         | 2,302          | 2,549         |
| <b>Total assets measured at fair value</b>  | <b>124,682</b> | <b>98,566</b> | <b>104,943</b> | <b>91,104</b> |
| <i>of which: fair value derived using a valuation model</i>   | 17,340         | 9,635         | 14,595         | 8,906         |
| <i>of which: securities eligible for repurchase transactions in accordance with liquidity regulations<sup>2</sup></i> | 12,167         | 5,635         | 10,241         | 5,208         |
| <b>Liabilities</b>  |                |               |                |               |
| Trading portfolio liabilities   | 27,280         | 25,058        | 22,961         | 23,160        |
| <i>of which: debt instruments<sup>1</sup></i>   | 11,191         | 8,234         | 9,419          | 7,610         |
| <i>of which: listed</i>   | 10,908         | 7,738         | 9,181          | 7,153         |
| <i>of which: equity instruments</i>   | 16,089         | 16,824        | 13,542         | 15,550        |
| Financial liabilities designated at fair value <sup>3</sup>   | 80,859         | 70,603        | 68,058         | 65,258        |
| <b>Total liabilities measured at fair value</b>   | <b>108,139</b> | <b>95,661</b> | <b>91,019</b>  | <b>88,418</b> |
| <i>of which: fair value derived using a valuation model</i>   | 85,898         | 75,024        | 72,300         | 69,344        |

<sup>1</sup> Includes money market paper. <sup>2</sup> Consists of high-quality liquid debt securities that are eligible for repurchase transactions at the Swiss National Bank or other central banks. <sup>3</sup> Refer to Note 19 for more information.

## Note 14 Derivative instruments<sup>1</sup>

| USD bn  | 31.12.23                    |                                  |                                    | 31.12.22                    |                                  |                                    |
|---|-----------------------------|----------------------------------|------------------------------------|-----------------------------|----------------------------------|------------------------------------|
|   | Derivative financial assets | Derivative financial liabilities | Total notional values <sup>2</sup> | Derivative financial assets | Derivative financial liabilities | Total notional values <sup>2</sup> |
| <b>Interest rate contracts</b>  |                             |                                  |                                    |                             |                                  |                                    |
| Forwards <sup>3</sup>   | 0.1                         | 0.2                              | 1,076                              | 0.3                         | 0.2                              | 821                                |
| Swaps   | 25.7                        | 21.0                             | 12,667                             | 28.8                        | 22.9                             | 10,336                             |
| <i>of which: designated in hedge accounting relationships</i>             | 0.0                         | 0.0                              | 123                                | 0.0                         | 0.0                              | 112                                |
| Futures   | 0.0                         | 0.0                              | 704                                | 0.0                         | 0.0                              | 603                                |
| Over-the-counter (OTC) options  | 12.1                        | 14.4                             | 1,571                              | 14.2                        | 17.5                             | 1,393                              |
| Exchange-traded options   | 0.1                         | 0.1                              | 96                                 | 0.2                         | 0.2                              | 136                                |
| <b>Total</b>  | <b>38.1</b>                 | <b>35.7</b>                      | <b>16,114<sup>4</sup></b>          | <b>43.6</b>                 | <b>40.8</b>                      | <b>13,289</b>                      |
| <b>Foreign exchange contracts</b>   |                             |                                  |                                    |                             |                                  |                                    |
| Forwards  | 15.6                        | 18.9                             | 1,892                              | 26.5                        | 28.6                             | 1,765                              |
| <i>of which: designated in hedge accounting relationships</i>             | 0.0                         | 0.0                              | 0                                  | 0.0                         | 0.0                              | 0                                  |
| Swaps   | 44.5                        | 47.1                             | 3,823                              | 50.2                        | 51.0                             | 3,351                              |
| <i>of which: designated in hedge accounting relationships</i>             | 0.5                         | 0.7                              | 46                                 | 0.8                         | 0.5                              | 33                                 |
| Futures   | 0.0                         | 0.0                              | 1                                  | 0.0                         | 0.0                              | 2                                  |
| Over-the-counter (OTC) options  | 6.3                         | 6.1                              | 894                                | 9.3                         | 9.3                              | 1,074                              |
| Exchange-traded options   | 0.1                         | 0.1                              | 5                                  | 0.1                         | 0.2                              | 10                                 |
| <b>Total</b>  | <b>66.4</b>                 | <b>72.2</b>                      | <b>6,615</b>                       | <b>86.1</b>                 | <b>89.1</b>                      | <b>6,201</b>                       |
| <b>Equity contracts</b>   |                             |                                  |                                    |                             |                                  |                                    |
| Forwards  | 0.2                         | 0.4                              | 33                                 | 0.2                         | 0.3                              | 33                                 |
| Swaps   | 6.5                         | 9.3                              | 269                                | 5.7                         | 6.9                              | 223                                |
| Futures   | 0.0                         | 0.0                              | 73                                 | 0.0                         | 0.0                              | 50                                 |
| Over-the-counter (OTC) options  | 2.9                         | 6.0                              | 199                                | 2.8                         | 4.6                              | 144                                |
| Exchange-traded options   | 9.5                         | 9.0                              | 726                                | 8.7                         | 9.6                              | 525                                |
| <b>Total</b>  | <b>19.1</b>                 | <b>24.6</b>                      | <b>1,299</b>                       | <b>17.4</b>                 | <b>21.4</b>                      | <b>975</b>                         |
| <b>Credit derivative contracts</b>  |                             |                                  |                                    |                             |                                  |                                    |
| Credit default swaps  | 1.5                         | 1.3                              | 95                                 | 0.9                         | 1.0                              | 76                                 |
| Total return swaps  | 0.0                         | 0.1                              | 1                                  | 0.1                         | 0.2                              | 1                                  |
| Other   | 0.1                         | 0.0                              | 1                                  | 0.0                         | 0.0                              | 2                                  |
| <b>Total</b>  | <b>1.7</b>                  | <b>1.5</b>                       | <b>97</b>                          | <b>1.0</b>                  | <b>1.2</b>                       | <b>79</b>                          |
| <b>Commodity, precious metals and other contracts</b>                     |                             |                                  |                                    |                             |                                  |                                    |
| Forwards <sup>5</sup>   | 0.1                         | 0.2                              | 49                                 | 0.1                         | 0.1                              | 64                                 |
| Swaps   | 0.7                         | 0.5                              | 45                                 | 0.5                         | 0.7                              | 39                                 |
| Futures   | 0.0                         | 0.0                              | 13                                 | 0.0                         | 0.0                              | 16                                 |
| Over-the-counter (OTC) options  | 0.6                         | 0.3                              | 38                                 | 0.4                         | 0.3                              | 29                                 |
| Exchange-traded options   | 0.3                         | 0.3                              | 4                                  | 0.3                         | 0.3                              | 6                                  |
| <b>Total</b>  | <b>1.6</b>                  | <b>1.3</b>                       | <b>150</b>                         | <b>1.3</b>                  | <b>1.4</b>                       | <b>154</b>                         |
| <b>Total before netting</b>   | <b>126.9</b>                | <b>135.3</b>                     | <b>24,275</b>                      | <b>149.5</b>                | <b>153.8</b>                     | <b>20,698</b>                      |
| <i>of which: trading derivatives</i>                                      | <i>126.4</i>                | <i>134.5</i>                     |                                    | <i>148.6</i>                | <i>153.3</i>                     |                                    |
| <i>of which: fair value derived using a valuation model</i>               | <i>125.8</i>                | <i>133.8</i>                     |                                    | <i>147.8</i>                | <i>152.4</i>                     |                                    |
| <i>of which: derivatives designated in hedge accounting relationships</i> | <i>0.5</i>                  | <i>0.7</i>                       |                                    | <i>0.8</i>                  | <i>0.5</i>                       |                                    |
| <i>of which: fair value derived using a valuation model</i>               | <i>0.5</i>                  | <i>0.7</i>                       |                                    | <i>0.8</i>                  | <i>0.5</i>                       |                                    |
| Netting with cash collateral payables / receivables                       | (17.9)                      | (19.4)                           |                                    | (20.9)                      | (22.5)                           |                                    |
| Replacement value netting   | (98.9)                      | (98.9)                           |                                    | (113.8)                     | (113.8)                          |                                    |
| <b>Total after netting</b>  | <b>10.1</b>                 | <b>16.9</b>                      |                                    | <b>14.7</b>                 | <b>17.4</b>                      |                                    |
| <i>of which: with central clearing counterparties</i>                     | <i>0.5</i>                  | <i>0.2</i>                       |                                    | <i>0.9</i>                  | <i>0.2</i>                       |                                    |
| <i>of which: with bank and broker-dealer counterparties</i>               | <i>2.1</i>                  | <i>2.1</i>                       |                                    | <i>4.3</i>                  | <i>2.8</i>                       |                                    |
| <i>of which: other client counterparties</i>                              | <i>7.5</i>                  | <i>14.6</i>                      |                                    | <i>9.6</i>                  | <i>14.5</i>                      |                                    |

<sup>1</sup> Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are excluded from this table. The replacement values and related notional values of these derivatives were not material for the periods presented. <sup>2</sup> Total notional values include USD 13.8trn (31 December 2022: USD 11.2trn) relating to derivatives that are cleared through either a central counterparty or an exchange. The fair value of these derivatives net of the corresponding cash margin was not material for any of the periods presented. <sup>3</sup> Includes forward rate agreements. <sup>4</sup> Notional amounts related to interest rate contracts increased by USD 2.8trn compared with 31 December 2022, mainly reflecting lower compression activity and higher business volumes driven by elevated interest rate volatility and inflation. <sup>5</sup> Includes derivative loan commitments with notional values of USD 6bn as of 31 December 2023 (31 December 2022: USD 5bn) and negative replacement values of USD 21m (31 December 2022: USD 43m).

## Note 14 Derivative instruments (continued)<sup>1</sup>

| CHF bn  | 31.12.23                    |                                  |                                    | 31.12.22                    |                                  |                                    |
|---|-----------------------------|----------------------------------|------------------------------------|-----------------------------|----------------------------------|------------------------------------|
|   | Derivative financial assets | Derivative financial liabilities | Total notional values <sup>2</sup> | Derivative financial assets | Derivative financial liabilities | Total notional values <sup>2</sup> |
| <b>Interest rate contracts</b>  |                             |                                  |                                    |                             |                                  |                                    |
| Forwards <sup>3</sup>   | 0.1                         | 0.1                              | 905                                | 0.3                         | 0.1                              | 759                                |
| Swaps   | 21.7                        | 17.6                             | 10,662                             | 26.7                        | 21.1                             | 9,553                              |
| <i>of which: designated in hedge accounting relationships</i>             | 0.0                         | 0.0                              | 104                                | 0.0                         | 0.0                              | 104                                |
| Futures   | 0.0                         | 0.0                              | 593                                | 0.0                         | 0.0                              | 558                                |
| Over-the-counter (OTC) options  | 10.2                        | 12.1                             | 1,322                              | 13.1                        | 16.2                             | 1,288                              |
| Exchange-traded options   | 0.1                         | 0.1                              | 81                                 | 0.2                         | 0.2                              | 126                                |
| <b>Total</b>  | <b>32.0</b>                 | <b>30.0</b>                      | <b>13,563<sup>4</sup></b>          | <b>40.3</b>                 | <b>37.7</b>                      | <b>12,283</b>                      |
| <b>Foreign exchange contracts</b>   |                             |                                  |                                    |                             |                                  |                                    |
| Forwards  | 13.1                        | 15.9                             | 1,593                              | 24.5                        | 26.5                             | 1,631                              |
| <i>of which: designated in hedge accounting relationships</i>             | 0.0                         | 0.0                              | 0                                  | 0.0                         | 0.0                              | 0                                  |
| Swaps   | 37.5                        | 39.6                             | 3,218                              | 46.4                        | 47.1                             | 3,097                              |
| <i>of which: designated in hedge accounting relationships</i>             | 0.4                         | 0.6                              | 39                                 | 0.8                         | 0.5                              | 31                                 |
| Futures   | 0.0                         | 0.0                              | 1                                  | 0.0                         | 0.0                              | 2                                  |
| Over-the-counter (OTC) options  | 5.3                         | 5.2                              | 752                                | 8.6                         | 8.6                              | 993                                |
| Exchange-traded options   | 0.0                         | 0.0                              | 5                                  | 0.1                         | 0.2                              | 9                                  |
| <b>Total</b>  | <b>55.9</b>                 | <b>60.7</b>                      | <b>5,568</b>                       | <b>79.6</b>                 | <b>82.3</b>                      | <b>5,732</b>                       |
| <b>Equity contracts</b>   |                             |                                  |                                    |                             |                                  |                                    |
| Forwards  | 0.2                         | 0.3                              | 27                                 | 0.2                         | 0.3                              | 31                                 |
| Swaps   | 5.4                         | 7.8                              | 226                                | 5.2                         | 6.3                              | 206                                |
| Futures   | 0.0                         | 0.0                              | 61                                 | 0.0                         | 0.0                              | 46                                 |
| Over-the-counter (OTC) options  | 2.5                         | 5.0                              | 168                                | 2.6                         | 4.2                              | 133                                |
| Exchange-traded options   | 8.0                         | 7.6                              | 611                                | 8.1                         | 8.9                              | 486                                |
| <b>Total</b>  | <b>16.1</b>                 | <b>20.7</b>                      | <b>1,094</b>                       | <b>16.1</b>                 | <b>19.8</b>                      | <b>901</b>                         |
| <b>Credit derivative contracts</b>  |                             |                                  |                                    |                             |                                  |                                    |
| Credit default swaps  | 1.2                         | 1.1                              | 80                                 | 0.8                         | 0.9                              | 70                                 |
| Total return swaps  | 0.0                         | 0.1                              | 1                                  | 0.1                         | 0.2                              | 1                                  |
| Other   | 0.1                         | 0.0                              | 1                                  | 0.0                         | 0.0                              | 2                                  |
| <b>Total</b>  | <b>1.4</b>                  | <b>1.2</b>                       | <b>81</b>                          | <b>1.0</b>                  | <b>1.1</b>                       | <b>73</b>                          |
| <b>Commodity, precious metals and other contracts</b>                     |                             |                                  |                                    |                             |                                  |                                    |
| Forwards <sup>5</sup>   | 0.1                         | 0.1                              | 41                                 | 0.1                         | 0.1                              | 59                                 |
| Swaps   | 0.6                         | 0.5                              | 38                                 | 0.5                         | 0.6                              | 36                                 |
| Futures   | 0.0                         | 0.0                              | 11                                 | 0.0                         | 0.0                              | 15                                 |
| Over-the-counter (OTC) options  | 0.5                         | 0.2                              | 32                                 | 0.4                         | 0.3                              | 27                                 |
| Exchange-traded options   | 0.2                         | 0.3                              | 4                                  | 0.3                         | 0.3                              | 5                                  |
| <b>Total</b>  | <b>1.4</b>                  | <b>1.1</b>                       | <b>126</b>                         | <b>1.2</b>                  | <b>1.3</b>                       | <b>142</b>                         |
| <b>Total before netting</b>   | <b>106.8</b>                | <b>113.9</b>                     | <b>20,432</b>                      | <b>138.1</b>                | <b>142.1</b>                     | <b>19,131</b>                      |
| <i>of which: trading derivatives</i>                                      | <i>106.4</i>                | <i>113.2</i>                     |                                    | <i>137.4</i>                | <i>141.7</i>                     |                                    |
| <i>of which: fair value derived using a valuation model</i>               | <i>105.9</i>                | <i>112.6</i>                     |                                    | <i>136.6</i>                | <i>140.8</i>                     |                                    |
| <i>of which: derivatives designated in hedge accounting relationships</i> | <i>0.4</i>                  | <i>0.6</i>                       |                                    | <i>0.8</i>                  | <i>0.5</i>                       |                                    |
| <i>of which: fair value derived using a valuation model</i>               | <i>0.4</i>                  | <i>0.6</i>                       |                                    | <i>0.8</i>                  | <i>0.5</i>                       |                                    |
| Netting with cash collateral payables / receivables                       | (15.1)                      | (16.4)                           |                                    | (19.3)                      | (20.8)                           |                                    |
| Replacement value netting   | (83.2)                      | (83.2)                           |                                    | (105.2)                     | (105.2)                          |                                    |
| <b>Total after netting</b>  | <b>8.5</b>                  | <b>14.2</b>                      |                                    | <b>13.6</b>                 | <b>16.1</b>                      |                                    |
| <i>of which: with central clearing counterparties</i>                     | <i>0.4</i>                  | <i>0.2</i>                       |                                    | <i>0.8</i>                  | <i>0.2</i>                       |                                    |
| <i>of which: with bank and broker-dealer counterparties</i>               | <i>1.7</i>                  | <i>1.7</i>                       |                                    | <i>4.0</i>                  | <i>2.6</i>                       |                                    |
| <i>of which: other client counterparties</i>                              | <i>6.3</i>                  | <i>12.3</i>                      |                                    | <i>8.8</i>                  | <i>13.4</i>                      |                                    |

<sup>1</sup> Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are excluded from this table. The replacement values and related notional values of these derivatives were not material for the periods presented. <sup>2</sup> Total notional values include CHF 11.6trn (31 December 2022: CHF 10.4trn) relating to derivatives that are cleared through either a central counterparty or an exchange. The fair value of these derivatives net of the corresponding cash margin was not material for any of the periods presented. <sup>3</sup> Includes forward rate agreements. <sup>4</sup> Notional amounts related to interest rate contracts increased by CHF 1.3trn compared with 31 December 2022, mainly reflecting lower compression activity and higher business volumes driven by elevated interest rate volatility and inflation. <sup>5</sup> Includes derivative loan commitments with notional values of CHF 5bn as of 31 December 2023 (31 December 2022: CHF 4bn) and negative replacement values of CHF 17m (31 December 2022: CHF 40m).

## Note 15a Financial investments by instrument type

| USD m   | 31.12.23        |               | 31.12.22        |               |
|---|-----------------|---------------|-----------------|---------------|
|   | Carrying amount | Fair value    | Carrying amount | Fair value    |
| Debt instruments  | 40,857          | 40,864        | 43,725          | 43,496        |
| <i>of which: held to maturity</i>   | 20,760          | 20,474        | 21,657          | 21,202        |
| <i>of which: available for sale</i>   | 20,097          | 20,390        | 22,068          | 22,293        |
| Equity instruments  | 16              | 19            | 20              | 22            |
| <i>of which: qualified participations<sup>1</sup></i>   | 2               | 2             | 4               | 4             |
| Other   | 1               | 1             | 1               | 1             |
| <b>Total financial investments</b>  | <b>40,874</b>   | <b>40,884</b> | <b>43,746</b>   | <b>43,518</b> |
| <i>of which: securities eligible for repurchase transactions in accordance with liquidity regulations<sup>2</sup></i> | <i>36,255</i>   | <i>36,065</i> | <i>38,452</i>   | <i>38,020</i> |

<sup>1</sup> Qualified participations are investments in which UBS AG holds 10% or more of the total capital or has at least 10% of total voting rights. <sup>2</sup> Consists of high-quality liquid debt securities that are eligible for repurchase transactions at the Swiss National Bank or other central banks.

| CHF m   | 31.12.23        |               | 31.12.22        |               |
|---|-----------------|---------------|-----------------|---------------|
|   | Carrying amount | Fair value    | Carrying amount | Fair value    |
| Debt instruments  | 34,388          | 34,395        | 40,414          | 40,203        |
| <i>of which: held to maturity</i>   | 17,473          | 17,233        | 20,018          | 19,597        |
| <i>of which: available for sale</i>   | 16,915          | 17,162        | 20,397          | 20,606        |
| Equity instruments  | 14              | 16            | 18              | 20            |
| <i>of which: qualified participations<sup>1</sup></i>   | 1               | 1             | 4               | 4             |
| Other   | 1               | 1             | 1               | 1             |
| <b>Total financial investments</b>  | <b>34,403</b>   | <b>34,412</b> | <b>40,434</b>   | <b>40,224</b> |
| <i>of which: securities eligible for repurchase transactions in accordance with liquidity regulations<sup>2</sup></i> | <i>30,515</i>   | <i>30,355</i> | <i>35,541</i>   | <i>35,142</i> |

<sup>1</sup> Qualified participations are investments in which UBS AG holds 10% or more of the total capital or has at least 10% of total voting rights. <sup>2</sup> Consists of high-quality liquid debt securities that are eligible for repurchase transactions at the Swiss National Bank or other central banks.

## Note 15b Financial investments by counterparty rating – debt instruments

|  | USD m         |               | CHF m         |               |
|--|---------------|---------------|---------------|---------------|
|  | 31.12.23      | 31.12.22      | 31.12.23      | 31.12.22      |
| <b>Internal UBS rating<sup>1</sup></b> |               |               |               |               |
| 0–1                                    | 31,902        | 36,214        | 26,852        | 33,472        |
| 2–3                                    | 8,929         | 7,193         | 7,515         | 6,649         |
| 4–5                                    | 24            | 237           | 20            | 219           |
| 6–8                                    | 0             | 0             | 0             | 0             |
| 9–13                                   | 0             | 0             | 0             | 0             |
| Non-rated                              | 1             | 81            | 1             | 75            |
| <b>Total financial investments</b>     | <b>40,857</b> | <b>43,725</b> | <b>34,388</b> | <b>40,414</b> |

<sup>1</sup> Refer to Note 18 for more information.

## Note 16a Other assets

|   | USD m        |               | CHF m        |               |
|---|--------------|---------------|--------------|---------------|
|   | 31.12.23     | 31.12.22      | 31.12.23     | 31.12.22      |
| Deferral position for hedging instruments   | 6,824        | 9,029         | 5,743        | 8,346         |
| Deposits and collateral provided in connection with litigation, regulatory and similar matters <sup>1</sup> | 1,372        | 2,197         | 1,155        | 2,030         |
| Fee- and commission-related receivables   | 242          | 121           | 203          | 112           |
| Net assets for defined benefit plans  | 344          | 322           | 290          | 298           |
| VAT, withholding tax and other tax receivables  | 425          | 1,038         | 357          | 959           |
| Other   | 699          | 809           | 587          | 746           |
| <i>of which: other receivables due from UBS Group AG and subsidiaries in the UBS Group</i>                  | <i>483</i>   | <i>519</i>    | <i>407</i>   | <i>480</i>    |
| <b>Total other assets<sup>2</sup></b>   | <b>9,905</b> | <b>13,516</b> | <b>8,336</b> | <b>12,491</b> |

<sup>1</sup> Refer to item 1 in Note 17b to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information. <sup>2</sup> Includes components of other receivables due from UBS Group AG and subsidiaries in the UBS Group and other assets totaling USD 918m (CHF 772m) as of 31 December 2023 (USD 939m (CHF 867m) as of 31 December 2022), which are within the scope of expected credit loss accounting. Refer to Note 12d for more information.

## Note 16b Other liabilities

|   | USD m        |              | CHF m        |              |
|---|--------------|--------------|--------------|--------------|
|   | 31.12.23     | 31.12.22     | 31.12.23     | 31.12.22     |
| Settlement and clearing accounts  | 115          | 102          | 97           | 95           |
| Net defined benefit liabilities   | 66           | 65           | 56           | 60           |
| VAT, withholding tax and other tax payables <sup>1</sup>                              | 82           | 70           | 69           | 65           |
| Other   | 1,491        | 1,345        | 1,254        | 1,243        |
| <i>of which: other payables due to UBS Group AG and subsidiaries in the UBS Group</i> | <i>900</i>   | <i>814</i>   | <i>758</i>   | <i>753</i>   |
| <b>Total other liabilities</b>  | <b>1,755</b> | <b>1,582</b> | <b>1,475</b> | <b>1,462</b> |

<sup>1</sup> Excludes capital tax payables.

## Note 17 Pledged assets

The table below provides information about pledged assets, other than assets placed with central banks related to undrawn credit lines and for payment, clearing and settlement purposes (31 December 2023: USD 3.5bn (CHF 2.9bn), 31 December 2022: USD 5.2bn (CHF 4.8bn)) and those pledged in connection with securities financing transactions (refer to Note 10 for more information).

|                             | 31.12.23                          | 31.12.22                          |
|-----------------------------|-----------------------------------|-----------------------------------|
|                             | Carrying amount of pledged assets | Carrying amount of pledged assets |
| <i>USD m</i>                |                                   |                                   |
| Securities <sup>1</sup>     | 8,011                             | 4,733                             |
| Property <sup>2</sup>       | 2,187                             | 2,052                             |
| <b>Total pledged assets</b> | <b>10,198</b>                     | <b>6,785</b>                      |

<sup>1</sup> Includes securities pledged for derivative transactions, where the replacement values are managed on a portfolio basis across counterparties and product types, and therefore there is no direct relationship between the specific collateral pledged and the associated liability. <sup>2</sup> These pledged properties serve as collateral for an existing mortgage loan from UBS Switzerland AG, the carrying amount of which was USD 2,804m as of 31 December 2023 (USD 2,651m as of 31 December 2022).

|                             | 31.12.23                          | 31.12.22                          |
|-----------------------------|-----------------------------------|-----------------------------------|
|                             | Carrying amount of pledged assets | Carrying amount of pledged assets |
| <i>CHF m</i>                |                                   |                                   |
| Securities <sup>1</sup>     | 6,743                             | 4,374                             |
| Property <sup>2</sup>       | 1,841                             | 1,897                             |
| <b>Total pledged assets</b> | <b>8,584</b>                      | <b>6,271</b>                      |

<sup>1</sup> Includes securities pledged for derivative transactions, where the replacement values are managed on a portfolio basis across counterparties and product types, and therefore there is no direct relationship between the specific collateral pledged and the associated liability. <sup>2</sup> These pledged properties serve as collateral for an existing mortgage loan from UBS Switzerland AG, the carrying amount of which was CHF 2,360m as of 31 December 2023 (CHF 2,450m as of 31 December 2022).



## Note 18 Country risk of total assets

The table below provides a breakdown of total non-Swiss assets by credit rating, after netting of assets and liabilities as recognized on the balance sheet, but before other risk mitigants. The credit ratings reflect the sovereign credit rating of the country to which the ultimate risk of the underlying asset is related. The ultimate country of risk for unsecured loan positions is the domicile of the immediate borrower or, in the case of a legal entity, the domicile of the ultimate parent entity. For collateralized or guaranteed positions, the ultimate country of risk is the domicile of the provider of the collateral or guarantor or, if applicable, the domicile of the ultimate parent entity of the provider of the collateral or guarantor. For mortgage loans, the ultimate country of risk is the country where the real estate is located. Similarly, the ultimate country of risk for property and equipment is the country where the property and equipment are located. Assets for which Switzerland is the ultimate country of risk are provided separately at the bottom of the table in order to provide a reconciliation to total balance sheet assets.

► Refer to the "Risk management and control" section of the UBS AG Annual Report 2023 for more information

|                     |                                  |                      |                           |             |             | 31.12.23       | 31.12.22   |                |            |
|---------------------|----------------------------------|----------------------|---------------------------|-------------|-------------|----------------|------------|----------------|------------|
| Classification      | Internal UBS rating <sup>1</sup> | Description          | Moody's Investors Service | S&P         | Fitch       | USD m          | %          | USD m          | %          |
| Low risk            | 0 and 1                          | Investment grade     | Aaa                       | AAA         | AAA         | 251,204        | 45         | 230,979        | 46         |
|                     | 2                                |                      | Aa1 to Aa3                | AA+ to AA-  | AA+ to AA-  | 90,612         | 16         | 96,069         | 19         |
|                     | 3                                |                      | A1 to A3                  | A+ to A-    | A+ to A-    | 71,893         | 13         | 71,856         | 14         |
| Medium risk         | 4                                | Sub-investment grade | Baa1 to Baa2              | BBB+ to BBB | BBB+ to BBB | 10,340         | 2          | 8,013          | 2          |
|                     | 5                                |                      | Baa3                      | BBB-        | BBB-        | 5,328          | 1          | 6,156          | 1          |
|                     | 6                                |                      | Ba1                       | BB+         | BB+         | 127            | 0          | 287            | 0          |
| High risk           | 7                                |                      | Ba2                       | BB          | BB          | 774            | 0          | 566            | 0          |
|                     | 8                                |                      | Ba3                       | BB-         | BB-         | 1,940          | 0          | 1,958          | 0          |
|                     | 9                                |                      | B1                        | B+          | B+          | 750            | 0          | 868            | 0          |
| Very high risk      | 10                               |                      | B2                        | B           | B           | 503            | 0          | 524            | 0          |
|                     | 11                               |                      | B3                        | B-          | B-          | 121            | 0          | 20             | 0          |
|                     | 12                               |                      | Caa1 to Caa2              | CCC+ to CCC | CCC+ to CCC | 261            | 0          | 203            | 0          |
|                     | 13                               |                      | Caa3 to C                 | CCC- to C   | CCC- to C   | 134            | 0          | 140            | 0          |
| Distressed          | Default                          | Defaulted            |                           |             |             |                |            |                |            |
|                     |                                  |                      | D                         | D           | 29          | 0              | 9          | 0              |            |
| <b>Subtotal</b>     |                                  |                      |                           |             |             | <b>434,016</b> | <b>78</b>  | <b>417,648</b> | <b>83</b>  |
| Switzerland         |                                  |                      |                           |             |             | 124,511        | 22         | 87,119         | 17         |
| <b>Total assets</b> |                                  |                      |                           |             |             | <b>558,527</b> | <b>100</b> | <b>504,767</b> | <b>100</b> |

<sup>1</sup> Internal ratings are mapped to the external ratings in line with the table published in the "Risk management and control" section of the UBS AG Annual Report 2023.

|                     |                                  |                      |                           |             |             | 31.12.23       | 31.12.22   |                |            |
|---------------------|----------------------------------|----------------------|---------------------------|-------------|-------------|----------------|------------|----------------|------------|
| Classification      | Internal UBS rating <sup>1</sup> | Description          | Moody's Investors Service | S&P         | Fitch       | CHF m          | %          | CHF m          | %          |
| Low risk            | 0 and 1                          | Investment grade     | Aaa                       | AAA         | AAA         | 211,428        | 45         | 213,488        | 46         |
|                     | 2                                |                      | Aa1 to Aa3                | AA+ to AA-  | AA+ to AA-  | 76,271         | 16         | 88,797         | 19         |
|                     | 3                                |                      | A1 to A3                  | A+ to A-    | A+ to A-    | 60,511         | 13         | 66,416         | 14         |
| Medium risk         | 4                                | Sub-investment grade | Baa1 to Baa2              | BBB+ to BBB | BBB+ to BBB | 8,703          | 2          | 7,407          | 2          |
|                     | 5                                |                      | Baa3                      | BBB-        | BBB-        | 4,485          | 1          | 5,690          | 1          |
|                     | 6                                |                      | Ba1                       | BB+         | BB+         | 107            | 0          | 265            | 0          |
| High risk           | 7                                |                      | Ba2                       | BB          | BB          | 651            | 0          | 523            | 0          |
|                     | 8                                |                      | Ba3                       | BB-         | BB-         | 1,633          | 0          | 1,810          | 0          |
|                     | 9                                |                      | B1                        | B+          | B+          | 631            | 0          | 802            | 0          |
| Very high risk      | 10                               |                      | B2                        | B           | B           | 423            | 0          | 485            | 0          |
|                     | 11                               |                      | B3                        | B-          | B-          | 102            | 0          | 19             | 0          |
|                     | 12                               |                      | Caa1 to Caa2              | CCC+ to CCC | CCC+ to CCC | 220            | 0          | 187            | 0          |
|                     | 13                               |                      | Caa3 to C                 | CCC- to C   | CCC- to C   | 113            | 0          | 129            | 0          |
| Distressed          | Default                          | Defaulted            |                           |             |             |                |            |                |            |
|                     |                                  |                      | D                         | D           | 24          | 0              | 8          | 0              |            |
| <b>Subtotal</b>     |                                  |                      |                           |             |             | <b>365,302</b> | <b>78</b>  | <b>386,026</b> | <b>83</b>  |
| Switzerland         |                                  |                      |                           |             |             | 104,803        | 22         | 80,524         | 17         |
| <b>Total assets</b> |                                  |                      |                           |             |             | <b>470,106</b> | <b>100</b> | <b>466,550</b> | <b>100</b> |

<sup>1</sup> Internal ratings are mapped to the external ratings in line with the table published in the "Risk management and control" section of the UBS AG Annual Report 2023.

## Note 19 Structured debt instruments

The table below provides a breakdown of financial liabilities designated at fair value that are considered structured debt instruments.

|  | USD m         |               | CHF m         |               |
|--|---------------|---------------|---------------|---------------|
|  | 31.12.23      | 31.12.22      | 31.12.23      | 31.12.22      |
| Fixed-rate bonds with structured features                                | 5,679         | 2,293         | 4,780         | 2,120         |
| Structured debt instruments issued:                                      |               |               |               |               |
| Equity-linked  | 46,220        | 41,926        | 38,903        | 38,752        |
| Rates-linked   | 16,681        | 15,925        | 14,040        | 14,719        |
| Credit-linked  | 4,287         | 2,281         | 3,608         | 2,108         |
| Commodity-linked <sup>1</sup>  | 3,704         | 4,304         | 3,118         | 3,978         |
| FX-linked  | 699           | 578           | 589           | 535           |
| Funding received from UBS Group AG designated at fair value <sup>2</sup> | 2,711         | 1,959         | 2,282         | 1,811         |
| Structured over-the-counter (OTC) debt instruments                       | 877           | 1,336         | 738           | 1,235         |
| <b>Total financial liabilities designated at fair value</b>              | <b>80,859</b> | <b>70,603</b> | <b>68,058</b> | <b>65,258</b> |

<sup>1</sup> Includes precious metals-linked debt instruments issued. <sup>2</sup> Refer to Note 20 for more information.

In addition to *Financial liabilities designated at fair value*, certain structured debt instruments were reported within the balance sheet lines *Due to banks*, *Due to customers* and *Bonds issued*. These instruments were bifurcated for measurement purposes. As of 31 December 2023, the total carrying amount of the host instruments was USD 7,555m (CHF 6,359m) (31 December 2022: USD 5,379m (CHF 4,972m)) and the total carrying amount of the bifurcated embedded derivatives was positive USD 58m (CHF 49m) (31 December 2022: positive USD 59m (CHF 54m)).

## Note 20 Funding eligible as total loss-absorbing capacity at the UBS AG level

|  | USD m         |               | CHF m         |               |
|--|---------------|---------------|---------------|---------------|
|  | 31.12.23      | 31.12.22      | 31.12.23      | 31.12.22      |
| Funding eligible as total loss-absorbing capacity at the UBS AG level included in:             |               |               |               |               |
| Funding received from UBS Group AG measured at amortized cost                                  | 67,292        | 59,202        | 56,639        | 54,720        |
| Funding received from UBS Group AG designated at fair value                                    | 2,711         | 1,959         | 2,282         | 1,811         |
| Bonds issued   | 546           | 3,041         | 460           | 2,811         |
| <b>Total funding eligible as total loss-absorbing capacity at the UBS AG level<sup>1</sup></b> | <b>70,549</b> | <b>64,202</b> | <b>59,381</b> | <b>59,342</b> |

<sup>1</sup> Represents the Swiss GAAP carrying amount of instruments qualifying as total loss-absorbing capital. In accordance with the Basel III framework, as applicable to Swiss systemically relevant banks (SRB), total funding eligible as total loss-absorbing capacity at the UBS AG level was USD 66,951m (CHF 56,352m) as of 31 December 2023 (31 December 2022: USD 58,823m (CHF 54,370m)). Refer to the "UBS AG standalone regulatory information" section of this report for more information about Swiss SRB going and gone concern capital.

## Note 21a Share capital

### UBS AG shares

The 2023 Annual General Meeting of UBS AG approved a change of the share capital currency from the Swiss franc to the US dollar, resulting in a slight reduction to the nominal value per share to USD 0.10 (from CHF 0.10 previously), with the amount of the reduction allocated to the *Capital contribution reserve*. As a consequence of the change in the share capital currency, the capital contribution reserve was also converted from Swiss francs to US dollars, resulting in an increase, with the offset recorded in the *Other statutory capital reserve*. Total equity reported for UBS AG standalone was not affected by these changes.

As of 31 December 2023, UBS AG's share capital of USD 386m (CHF 386m as of 31 December 2022) consisted of fully paid-up registered issued shares with a nominal value each of USD 0.10 (CHF 0.10 as of 31 December 2022), which each entitle the holder to one vote at the meeting of the shareholders of UBS AG, if entered into the share register as having the right to vote, as well as a proportionate share of distributed dividends. UBS AG's shares are not subject to any restrictions or limitations on their transferability.

As of 31 December 2023, shares issued by UBS AG totaled 3,858,408,466 shares (unchanged from 31 December 2022). The shares were all dividend bearing and held by UBS Group AG.

Additionally, as of 31 December 2023, 380,000,000 registered shares with a nominal value of USD 0.10 each (CHF 0.10 as of 31 December 2022) were available to be issued out of conditional capital through the voluntary or mandatory exercise of conversion rights and / or warrants granted in connection with the issuance of bonds or similar financial instruments on national or international capital markets.

### Non-distributable reserves

Non-distributable reserves consist of 50% of the share capital of UBS AG, amounting to USD 193m (CHF 190m) as of 31 December 2023 (USD 197m (CHF 193m) as of 31 December 2022).

## Note 21b Significant shareholders

The sole direct shareholder of UBS AG is UBS Group AG, which holds 100% of UBS AG shares. These shares are entitled to voting rights. Indirect shareholders of UBS AG included in the table below are the direct shareholders of UBS Group AG (acting in their own name or in their capacity as nominees for other investors or beneficial owners) that were registered in the UBS Group AG share register with 3% or more of the share capital of UBS Group AG as of 31 December 2023 or as of 31 December 2022. The shares and share capital of UBS AG held by indirect shareholders, as shown in the table below, represent their relative holding of UBS Group AG shares. They do not have voting rights in UBS AG.

| <i>USD m, except where indicated</i>               | 31.12.23           |                 | 31.12.22           |                 |
|--|--------------------|-----------------|--------------------|-----------------|
|  | Share capital held | Shares held (%) | Share capital held | Shares held (%) |
| <b>Significant direct shareholder of UBS AG</b>    |                    |                 |                    |                 |
| UBS Group AG                                       | 386                | 100             | 393                | 100             |
| <b>Significant indirect shareholders of UBS AG</b> |                    |                 |                    |                 |
| DTC (Cede & Co.), New York <sup>1</sup>            | 29                 | 7               | 28                 | 7               |
| Nortrust Nominees Ltd., London                     | 15                 | 4               | 17                 | 4               |
| Chase Nominees Ltd., London                        |                    |                 | 34                 | 9               |

<sup>1</sup> DTC (Cede & Co.), New York, "The Depository Trust Company," is a US securities clearing organization.

| <i>CHF m, except where indicated</i>               | 31.12.23           |                 | 31.12.22           |                 |
|--|--------------------|-----------------|--------------------|-----------------|
|  | Share capital held | Shares held (%) | Share capital held | Shares held (%) |
| <b>Significant direct shareholder of UBS AG</b>    |                    |                 |                    |                 |
| UBS Group AG                                       | 380                | 100             | 386                | 100             |
| <b>Significant indirect shareholders of UBS AG</b> |                    |                 |                    |                 |
| DTC (Cede & Co.), New York <sup>1</sup>            | 28                 | 7               | 27                 | 7               |
| Nortrust Nominees Ltd., London                     | 15                 | 4               | 17                 | 4               |
| Chase Nominees Ltd., London                        |                    |                 | 33                 | 9               |

<sup>1</sup> DTC (Cede & Co.), New York, "The Depository Trust Company," is a US securities clearing organization.

## Note 22 Swiss and non-Swiss post-employment benefit plans

| a) Assets related to non-Swiss defined benefit plans        | USD m      |            | CHF m      |            |
|---|------------|------------|------------|------------|
|   | 31.12.23   | 31.12.22   | 31.12.23   | 31.12.22   |
| Net assets for non-Swiss defined benefit plans <sup>1</sup> | 344        | 322        | 290        | 298        |
| <b>Total assets for non-Swiss defined benefit plans</b>     | <b>344</b> | <b>322</b> | <b>290</b> | <b>298</b> |

<sup>1</sup> As of 31 December 2023, USD 341m (CHF 287m) related to the UK defined benefit pension plan and USD 3m (CHF 2m) related to the US defined benefit pension plan. As of 31 December 2022, USD 321m (CHF 297m) related to the UK defined benefit pension plan and USD 1m (CHF 1m) related to the US defined benefit pension plan.

| b) Liabilities related to Swiss pension plan and non-Swiss defined benefit plans                               | USD m      |           | CHF m     |           |
|--|------------|-----------|-----------|-----------|
|  | 31.12.23   | 31.12.22  | 31.12.23  | 31.12.22  |
| Provision for Swiss pension plan   | 0          | 0         | 0         | 0         |
| Net defined benefit liabilities for non-Swiss defined benefit plans <sup>1</sup>                               | 66         | 65        | 56        | 60        |
| Total provision for Swiss pension plan and net defined benefit liabilities for non-Swiss defined benefit plans | 66         | 65        | 56        | 60        |
| Bank accounts at UBS and UBS debt instruments held by Swiss pension fund                                       | 11         | 24        | 10        | 22        |
| UBS derivative financial instruments held by Swiss pension fund  | 34         | 7         | 29        | 6         |
| <b>Total liabilities related to Swiss pension plan and non-Swiss defined benefit plans</b>                     | <b>112</b> | <b>95</b> | <b>94</b> | <b>88</b> |

<sup>1</sup> As of 31 December 2023, USD 37m (CHF 31m) related to the US plans and USD 14m (CHF 12m) related to the UK plan. As of 31 December 2022, USD 37m (CHF 34m) related to the US plans and USD 14m (CHF 13m) related to the UK plan.

| c) Swiss pension plan   | USD m                       |           | CHF m     |           |
|---|-----------------------------|-----------|-----------|-----------|
|   | As of or for the year ended |           |           |           |
|   | 31.12.23                    | 31.12.22  | 31.12.23  | 31.12.22  |
| Pension plan surplus <sup>1</sup>   | 343                         | 297       | 288       | 275       |
| Economic benefit / (obligation) of UBS AG   | 0                           | 0         | 0         | 0         |
| Change in economic benefit / (obligation) recognized in the income statement              | 0                           | 0         | 0         | 0         |
| Employer contributions in the period recognized in the income statement                   | 28                          | 41        | 25        | 39        |
| Performance awards-related employer contributions accrued                                 | 3                           | 4         | 3         | 4         |
| <b>Total pension expense recognized in the income statement within Personnel expenses</b> | <b>31</b>                   | <b>45</b> | <b>28</b> | <b>42</b> |

<sup>1</sup> The pension plan surplus is determined in accordance with FER 26 and consists of the reserve for the fluctuation in asset value. The surplus did not represent an economic benefit for UBS AG in accordance with FER 16 both as of 31 December 2023 and 31 December 2022.

UBS AG has elected to apply FER 16 for its Swiss pension plan and IFRS Accounting Standards (IAS 19) for its non-Swiss defined benefit plans. However, remeasurements of the defined benefit obligations for non-Swiss defined benefit plans are recognized in the income statement rather than directly in equity.

In 2023, an expense of USD 124m (CHF 115m) was recognized in the income statement, driven by expenses of USD 76m (CHF 68m) related to defined contribution plans and USD 49m (CHF 47m) related to defined benefit plans.

In 2022, a gain of USD 55m (CHF 51m) was recognized in the income statement, driven by a net gain related to the UK defined benefit plan that reflected an increase in the applicable discount rate, partly offset by a loss due to a negative return on plan assets and an increase in the applicable inflation rate. This net gain was partly offset by expenses related to the Swiss plan and other non-Swiss defined benefit plans.

The Swiss pension plan had no employer contribution reserve as of both 31 December 2023 and 31 December 2022.

- › Refer to Note 2 for more information
- › Refer to Note 26 to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information about non-Swiss defined benefit plans in accordance with IFRS Accounting Standards

## Note 23 Related parties

Transactions with related parties are conducted at internally agreed transfer prices or at arm's-length terms and neither involve more than the normal risk of collectability nor contain any other unfavorable features for the firm. Loans, fixed advances and mortgages granted to non-independent members of the governing bodies in the ordinary course of business are also on substantially the same terms and conditions that are available to other employees, including interest rates and collateral. Independent members of the governing bodies are granted loans and mortgages in the ordinary course of business at general market conditions.

| USD m   | 31.12.23         |                | 31.12.22         |                |
|---|------------------|----------------|------------------|----------------|
|   | Amounts due from | Amounts due to | Amounts due from | Amounts due to |
| Qualified shareholders <sup>1</sup>   | 4,344            | 77,258         | 2,609            | 65,310         |
| <i>of which: due from / to customers</i>  | 3,804            | 2,535          | 2,526            | 1,061          |
| <i>of which: funding received from UBS Group AG measured at amortized cost</i>                                    |                  | 70,620         |                  | 61,202         |
| <i>of which: funding received from UBS Group AG designated at fair value</i>                                      |                  | 2,711          |                  | 1,959          |
| Subsidiaries  | 116,967          | 68,654         | 100,990          | 51,093         |
| <i>of which: due from / to banks</i>  | 35,235           | 51,206         | 26,500           | 39,168         |
| <i>of which: due from / to customers</i>  | 35,319           | 1,267          | 32,075           | 2,801          |
| <i>of which: receivables / payables from securities financing transactions</i>                                    | 15,979           | 15,121         | 13,003           | 7,775          |
| <i>of which: funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity</i> | 29,380           |                | 27,678           |                |
| Affiliated entities <sup>2</sup>  | 16,644           | 2,004          | 332              | 420            |
| <i>of which: due from / to banks</i>  | 14,821           | 1,194          |                  |                |
| <i>of which: due from / to customers</i>  | 904              | 232            | 219              | 208            |
| External auditors   |                  | 4              |                  | 4              |
| Other related parties <sup>3</sup>  |                  | 2              | 6                | 2              |

<sup>1</sup> The qualified shareholder of UBS AG is UBS Group AG. <sup>2</sup> Affiliated entities of UBS AG are all direct subsidiaries of UBS Group AG, including Credit Suisse AG. <sup>3</sup> Includes amounts due to / from other participations.

| CHF m   | 31.12.23         |                | 31.12.22         |                |
|---|------------------|----------------|------------------|----------------|
|   | Amounts due from | Amounts due to | Amounts due from | Amounts due to |
| Qualified shareholders <sup>1</sup>   | 3,656            | 65,027         | 2,412            | 60,366         |
| <i>of which: due from / to customers</i>  | 3,201            | 2,134          | 2,335            | 981            |
| <i>of which: funding received from UBS Group AG measured at amortized cost</i>                                    |                  | 59,440         |                  | 56,568         |
| <i>of which: funding received from UBS Group AG designated at fair value</i>                                      |                  | 2,282          |                  | 1,811          |
| Subsidiaries  | 98,450           | 57,785         | 93,344           | 47,225         |
| <i>of which: due from / to banks</i>  | 29,657           | 43,099         | 24,494           | 36,202         |
| <i>of which: due from / to customers</i>  | 29,728           | 1,067          | 29,647           | 2,589          |
| <i>of which: receivables / payables from securities financing transactions</i>                                    | 13,450           | 12,727         | 12,018           | 7,187          |
| <i>of which: funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity</i> | 24,729           |                | 25,582           |                |
| Affiliated entities <sup>2</sup>  | 14,009           | 1,687          | 307              | 388            |
| <i>of which: due from / to banks</i>  | 12,475           | 1,005          |                  |                |
| <i>of which: due from / to customers</i>  | 761              | 195            | 202              | 193            |
| External auditors   |                  | 3              |                  | 4              |
| Other related parties <sup>3</sup>  |                  | 2              | 5                | 2              |

<sup>1</sup> The qualified shareholder of UBS AG is UBS Group AG. <sup>2</sup> Affiliated entities of UBS AG are all direct subsidiaries of UBS Group AG, including Credit Suisse AG. <sup>3</sup> Includes amounts due to / from other participations.

As of 31 December 2023, off-balance sheet positions related to subsidiaries amounted to USD 8.6bn (CHF 7.2bn) (31 December 2022: USD 8.0bn (CHF 7.4bn)), of which USD 6.4bn (CHF 5.4bn) was guarantees to third parties (31 December 2022: USD 6.2bn (CHF 5.7bn)) and USD 0.5bn (CHF 0.4bn) was loan commitments (31 December 2022: USD 0.5bn (CHF 0.5bn)).

As of 31 December 2023, off-balance sheet positions related to affiliates amounted to USD 1.0bn (CHF 0.8bn) (31 December 2022: USD 0.0bn (CHF 0.0bn)).

Loans to and deposits from members of governing bodies were immaterial for all periods presented.

## Note 24 Fiduciary transactions

|   | USD m     |           | CHF m     |           |
|---|-----------|-----------|-----------|-----------|
|   | 31.12.23  | 31.12.22  | 31.12.23  | 31.12.22  |
| Fiduciary deposits  | 39        | 84        | 33        | 78        |
| <i>of which: placed with third-party banks</i>                    | 39        | 84        | 33        | 78        |
| <i>of which: placed with subsidiaries and affiliated entities</i> | 0         | 0         | 0         | 0         |
| <b>Total fiduciary transactions</b>                               | <b>39</b> | <b>84</b> | <b>33</b> | <b>78</b> |

Fiduciary transactions encompass transactions entered into by UBS AG that result in holding or placing assets on behalf of individuals, trusts, defined benefit plans and other institutions. Unless the recognition criteria for the assets are satisfied, these assets and the related income are excluded from UBS AG's balance sheet and income statement but are disclosed in this Note as off-balance sheet fiduciary transactions. Client deposits that are initially placed as fiduciary transactions with UBS AG may be recognized on UBS AG's balance sheet in situations in which the deposit is subsequently placed within UBS AG. In such cases, these deposits are not reported in the table above.

## Note 25a Invested assets and net new money

|  | USD bn                      |                             | CHF bn                      |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | As of or for the year ended | As of or for the year ended | As of or for the year ended | As of or for the year ended |
|  | 31.12.23                    | 31.12.22                    | 31.12.23                    | 31.12.22                    |
| Discretionary assets                     | 60                          | 53                          | 51                          | 48                          |
| Other invested assets                    | 434                         | 415                         | 365                         | 384                         |
| <b>Total invested assets<sup>1</sup></b> | <b>494</b>                  | <b>468</b>                  | <b>416</b>                  | <b>432</b>                  |
| <b>Net new money</b>                     | <b>23</b>                   | <b>(1)</b>                  | <b>21</b>                   | <b>(2)</b>                  |

<sup>1</sup> Includes no double counts.

## Note 25b Development of invested assets

|   | USD bn     |            | CHF bn     |            |
|---|------------|------------|------------|------------|
|   | 31.12.23   | 31.12.22   | 31.12.23   | 31.12.22   |
| Total invested assets at the beginning of the year <sup>1</sup> | 468        | 560        | 432        | 510        |
| Net new money   | 23         | (1)        | 21         | (2)        |
| Market movements <sup>2</sup>                                   | 3          | (81)       | 1          | (75)       |
| Foreign currency translation                                    | 2          | (10)       | (37)       | (2)        |
| Other effects   | (1)        | 1          | (1)        | 1          |
| <b>Total invested assets at the end of the year<sup>1</sup></b> | <b>494</b> | <b>468</b> | <b>416</b> | <b>432</b> |

<sup>1</sup> Includes no double counts. <sup>2</sup> Includes interest and dividend income.

› Refer to Note 31 to the UBS AG consolidated financial statements in the UBS AG Annual Report 2023 for more information

To the General Meeting of  
UBS AG, Zurich and Basel,

Basel, 27 March 2024

## Report of the statutory auditor

### Report on the audit of the financial statements



#### Opinion

We have audited the financial statements of UBS AG (the Company), which comprise the balance sheet as at 31 December 2023 and the income statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.



#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

### **Valuation of investments in subsidiaries and other participations**

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**Area of Focus** As of 31 December 2023, the carrying amount of UBS AG's investments in subsidiaries and other participations is USD 48 billion. Investments in subsidiaries and other participations are equity interests that are held to carry on the business of UBS AG or for other strategic purposes. They include all subsidiaries directly held by UBS AG through which UBS AG conducts its business on a global basis. The investments are measured individually and carried at cost less impairment. The carrying amount is tested for impairment annually, with the recoverable amount being determined using a discounted dividend model.

Due to the inherent uncertainties in valuing investments in subsidiaries, including forecasting and management's judgments, and considering the significance of the account we identified this area as a key audit matter.

**Our audit response** Our audit procedures included the review of management's process over the valuation of investments in subsidiaries and other participations, including the impairment test.

We obtained an understanding and evaluated the relevant controls addressing the identified risks and tested the design and operating effectiveness of these controls. Our focus was on controls over the review of the various valuation models and the estimation of future cashflows, as well as governance and oversight over management's valuation process.

We assessed the appropriateness of the valuation methodology, taking into account the nature of the investment and the underlying business. With the support of valuation specialists we assessed the assumptions and methodologies used by management, to determine the recoverable amount of the investment in subsidiaries.

We also assessed the relevant disclosures regarding investments in subsidiaries and other participations (within note 4 to the financial statements).

### **Valuation of complex or illiquid instruments at fair value**

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**Area of Focus** At 31 December 2023, UBS AG held financial assets and liabilities measured at fair value, including financial instruments that did not trade in active markets. These instruments are reported within the following accounts: financial assets and liabilities at fair value held for trading, derivative financial instruments, financial assets at fair value not held for trading, debt issued designated at fair value, brokerage payables designated at fair value, and other financial liabilities designated at fair value. In determining the fair value of these financial instruments, valuation techniques, modelling assumptions, and estimates of unobservable market inputs which required significant management judgment, were used.



Auditing management's judgments and assumptions used in the estimation of the fair value of these instruments was complex due to the highly judgmental nature of valuation techniques, key modelling assumptions and significant unobservable inputs. Auditing the valuation of complex or illiquid instruments at fair value included consideration of any incremental risks arising from the impact of current macroeconomic influences on valuation techniques and inputs, such as geopolitics and inflation. The valuation techniques that required especially complex judgement were comprised of discounted cash flow and earnings-based valuation techniques. Highly judgmental modelling assumptions result from a range of different models or model calibrations used by market participants. Valuation inputs which were particularly complex and subjective included those with a limited degree of observability and the associated extrapolation, interpolation or calibration of curves using limited and proxy data points. Examples of such inputs included unobservable credit spreads and bond prices, and volatility.

**Our audit response**

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over management's financial instrument valuation processes, including controls over market data inputs, model and methodology governance, and valuation adjustments.

We tested the valuation techniques, models and methodologies, and the inputs used in those models, as outlined above, by performing an independent revaluation of certain complex or illiquid financial assets and liabilities with the support of specialists. We used independent models and inputs and compared inputs to available market data among other procedures. We also independently challenged key judgments in relation to a sample of fair value adjustments.

We also assessed the relevant disclosures regarding fair value measurement disclosure (within note 14 and 15 to the financial statements).

**Expected credit losses**

**Area of Focus** UBS AG applies in its standalone financial statements the ECL approach which is used in its consolidated financial statements under the IFRS Accounting Standards.

ECL is recognized for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, fee and lease receivables, financial guarantees, and loan commitments not measured at fair value. ECL is also recognized on the undrawn portion of committed unconditionally revocable credit lines, which include the credit card limits and master credit facilities. The allowances and provisions for ECL consists of exposures that are in default which are individually evaluated for impairment (stage 3), as well as losses inherent in the loan portfolio that are not specifically identified (stage 1 and stage 2). Management's ECL estimates represent the

difference between contractual cash flows and those expected to receive, discounted at the effective interest rate. The method used to calculate ECL is based on a combination of the following principal factors: probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD").

Auditing management's estimate of the allowances and provisions for ECL was complex due to the highly judgmental nature of forward-looking economic scenarios that form the basis of the ECL calculation, their probability weightings, related post-model adjustments, and the credit risk models used to estimate stage 1 and stage 2 ECL. The macroeconomic developments during 2023, including persisting geopolitical tensions and inflation, contributed to further uncertainty and complexity in estimating ECL. As a result, the ECL estimation required higher management judgement, specifically within the following two areas: (i) scenario selection, including assumptions about the scenario severity, underlying macroeconomic variables, and the number of scenarios necessary to sufficiently cover the bandwidth of potential outcomes, as well as related scenario weights and post-model adjustments; and (ii) credit risk models, since the output from historic data based models may not be indicative of current or future conditions.

Additionally, auditing the measurement of individual ECL for stage 3 was complex due to the high degree of judgment involved in management's process for estimating ECL based on assumptions. These assumptions take into account expected future cash flows from collateral and other credit enhancements or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims.

**Our audit response**

We obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the ECL estimate, including management's choice of forward-looking economic scenarios used to measure ECL and the probability weighting assigned to such scenarios. We evaluated management's methodologies and governance controls for developing and monitoring the economic scenarios used and the probability weightings assigned to them, and related post-model adjustments. Supported by specialists, we assessed the key macroeconomic variables used in the forward-looking scenarios, such as real gross domestic product growth, unemployment rate, interest rates and house price indices, and evaluated the modelled correlation and translation of those macroeconomic factors to the ECL estimate. We further assessed the appropriateness of the post-model adjustments by considering management's governance process, assumptions used and sensitivity analysis.

We also obtained an understanding, evaluated the design and tested the operating effectiveness of controls over credit risk models used in the ECL estimate, including controls over the completeness and accuracy of model input data, calculation logic, and output data used in the overall

ECL calculation. With the support of specialists, on a sample basis, we performed an evaluation of management's models and tested the model outcomes by inspecting model documentation, reperforming model calculations, and comparing data used as inputs to management's forecast to external sources, among other procedures.

For the measurement of stage 3, we obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's process, including an evaluation of the assumptions used by management regarding the future cash flows from debtors' continuing operations and/or the liquidation of collateral. Supported by specialists in certain areas, we additionally tested collateral valuation, cash flow assumptions and exit strategies by performing inquiries of management, inspecting underlying documents, such as loan contracts, financial statements, covenants, budgets and business plans, and by reperforming discounted cash flow calculations among other procedures, on a sample basis.

We also assessed the relevant disclosures regarding financial assets at amortized cost and other positions in scope of expected credit loss measurement (within notes 12a to 12e to the financial statements).

#### **Legal Provisions & contingent liability**

**Area of Focus** UBS AG operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcomes may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the legal provisions which have been established.

Auditing management's assessment of legal provisions was complex and judgmental due to the significant subjectivity involved in management's estimate of the amount and probability that an outflow of resources will be required for existing legal matters, including inquiries regarding cross-border wealth management businesses. The legal provisions for these matters are based on management's estimation of the amount and likelihood of the occurrence of certain scenarios.

**Our audit response** We obtained an understanding, evaluated the design and tested the operational effectiveness of management's controls over the legal provision process. Our procedures included testing management's review of the accuracy of the inputs to the estimation of the amount and likelihood of the occurrence of certain scenarios.

Where appropriate, we assessed the methodologies on which the provision amounts were based with the involvement of specialists, recalculated the provisions and tested the underlying information. We inspected internal and external legal analyses of the matters supporting the judgmental aspects impacted by legal interpretations. We obtained correspondence directly from external legal counsel to assess the

information provided by management and performed inquiries with external counsel as necessary.

We also assessed the relevant disclosures regarding legal provisions (within note 12b to the financial statements).



#### **Other information**

The Board of Directors is responsible for the other information in the annual report. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### **Board of Directors' responsibilities for the financial statements**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework for banks, the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTSuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

## Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Maurice McCormick  
Licensed audit expert  
(Auditor in charge)



Spiros Kavvadias  
Licensed audit expert

# UBS AG standalone regulatory information

## UBS AG standalone regulatory information

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### Key metrics of the fourth quarter of 2023

**Quarterly** | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules and IFRS Accounting Standards.

During the fourth quarter of 2023, tier 1 capital increased by USD 0.3bn to USD 65.1bn. Common equity tier 1 (CET1) capital decreased by USD 0.6bn to USD 52.6bn, mainly reflecting additional accruals for capital returns to UBS Group AG. Additional tier 1 (AT1) capital issued by the Group and on-lent to UBS AG increased by USD 0.8bn to USD 12.5bn, mainly reflecting two issuances of AT1 capital instruments of USD 3.5bn and positive impacts from interest rate risk hedge, foreign currency translation and other effects. These increases were partly offset by a USD 2.5bn AT1 capital instrument that ceased to be eligible as going concern capital when we issued a notice of redemption of this instrument in the fourth quarter of 2023. In addition, two high-trigger loss-absorbing AT1 capital instruments of an equivalent of USD 0.6bn previously on-lent from the Group to UBS AG were transferred to Credit Suisse AG on 20 October 2023.

Phase-in risk-weighted assets (RWA) increased by USD 6.6bn to USD 354.1bn during the fourth quarter of 2023, primarily driven by increases in credit and counterparty credit risk RWA and participation RWA, partly offset by decreases in operational risk RWA and market risk RWA.

The leverage ratio denominator (the LRD) increased by USD 35.0bn to USD 643.9bn, driven by a USD 19.2bn increase in asset size and other movements and a USD 15.9bn increase in currency effects. The increase in asset size and other movements was mainly driven by higher on-balance sheet assets, mainly due to higher trading portfolio assets and lending balances, and securities financing transactions, partly offset by lower derivative exposures.

Correspondingly, the CET1 capital ratio of UBS AG standalone decreased to 14.8% from 15.3%, reflecting the increase in RWA and the decrease in CET1 capital. The firm's Basel III leverage ratio decreased to 10.1% from 10.6%, reflecting the increase in the LRD, partly offset by the aforementioned increase in tier 1 capital.

The quarterly average liquidity coverage ratio (LCR) of UBS AG standalone increased 34.2 percentage points to 260.2%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the quarterly average LCR was driven by an increase in average high-quality liquid assets (HQLA) of USD 20.7bn to USD 130.0bn, mainly driven by an increase in customer deposits. The effect of the increase in average HQLA was slightly offset by an increase in average net cash outflows of USD 1.6bn to USD 50.4bn, mainly driven by lower net inflows from securities financing transactions.

As of 31 December 2023, the net stable funding ratio decreased 2.7 percentage points to 91.7%, remaining above the prudential requirement communicated by FINMA. Available stable funding increased by USD 16.0bn to USD 279.8bn, mainly driven by higher customer deposits, debt issued and regulatory capital. Required stable funding increased by USD 25.8bn to USD 304.9bn, mainly driven by higher trading and lending assets.

**KM1: Key metrics**

USD m, except where indicated

|  | 31.12.23 | 30.9.23 | 30.6.23 | 31.3.23 | 31.12.22 |
|--|----------|---------|---------|---------|----------|
| <b>Available capital (amounts)</b>   |          |         |         |         |          |
| 1 Common Equity Tier 1 (CET1) <sup>1</sup>   | 52,553   | 53,107  | 53,904  | 53,476  | 53,995   |
| 2 Tier 1 <sup>1</sup>  | 65,051   | 64,767  | 65,622  | 65,791  | 65,836   |
| 3 Total capital <sup>1</sup>   | 65,052   | 64,767  | 65,622  | 66,279  | 66,321   |
| <b>Risk-weighted assets (amounts)<sup>2</sup></b>  |          |         |         |         |          |
| 4 Total risk-weighted assets (RWA)   | 354,083  | 347,514 | 343,374 | 348,235 | 332,864  |
| 4a Minimum capital requirement <sup>3</sup>  | 28,327   | 27,801  | 27,470  | 27,859  | 26,629   |
| <b>Risk-based capital ratios as a percentage of RWA<sup>2</sup></b>                      |          |         |         |         |          |
| 5 CET1 ratio (%) <sup>1</sup>  | 14.84    | 15.28   | 15.70   | 15.36   | 16.22    |
| 6 Tier 1 ratio (%) <sup>1</sup>  | 18.37    | 18.64   | 19.11   | 18.89   | 19.78    |
| 7 Total capital ratio (%) <sup>1</sup>   | 18.37    | 18.64   | 19.11   | 19.03   | 19.92    |
| <b>Additional CET1 buffer requirements as a percentage of RWA</b>                        |          |         |         |         |          |
| 8 Capital conservation buffer requirement (%)  | 2.50     | 2.50    | 2.50    | 2.50    | 2.50     |
| 9 Countercyclical buffer requirement (%)   | 0.12     | 0.11    | 0.09    | 0.08    | 0.06     |
| 9a Additional countercyclical buffer for Swiss mortgage loans (%)                        | 0.00     | 0.00    | 0.00    | 0.00    | 0.00     |
| 10 Bank G-SIB and / or D-SIB additional requirements (%) <sup>4</sup>                    |          |         |         |         |          |
| 11 Total of bank CET1 specific buffer requirements (%) <sup>5</sup>                      | 2.62     | 2.61    | 2.59    | 2.58    | 2.56     |
| 12 CET1 available after meeting the bank's minimum capital requirements (%) <sup>6</sup> | 10.34    | 10.64   | 11.11   | 10.86   | 11.72    |
| <b>Basel III leverage ratio</b>  |          |         |         |         |          |
| 13 Total Basel III leverage ratio exposure measure                                       | 643,939  | 608,933 | 606,158 | 589,317 | 575,461  |
| 14 Basel III leverage ratio (%) <sup>1</sup>   | 10.10    | 10.64   | 10.83   | 11.16   | 11.44    |
| <b>Liquidity coverage ratio (LCR)<sup>7</sup></b>  |          |         |         |         |          |
| 15 Total high-quality liquid assets (HQLA)   | 129,961  | 109,248 | 97,726  | 98,761  | 101,609  |
| 16 Total net cash outflow  | 50,376   | 48,781  | 47,083  | 52,382  | 53,616   |
| 16a of which: cash outflows  | 163,836  | 160,990 | 160,163 | 163,526 | 156,764  |
| 16b of which: cash inflows   | 113,460  | 112,210 | 113,080 | 111,144 | 103,148  |
| 17 LCR (%)   | 260.16   | 225.93  | 207.98  | 189.11  | 191.19   |
| <b>Net stable funding ratio (NSFR)<sup>8</sup></b>                                       |          |         |         |         |          |
| 18 Total available stable funding  | 279,758  | 263,737 | 253,927 | 254,983 | 254,433  |
| 19 Total required stable funding   | 304,938  | 279,160 | 283,937 | 288,991 | 280,166  |
| 20 NSFR (%)  | 91.74    | 94.48   | 89.43   | 88.23   | 90.82    |

1 As of 1 July 2022, capital amounts exclude the transitional relief of recognizing ECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks". 2 Based on phase-in rules for RWA. Refer to "Swiss SRB going and gone concern requirements and information" below for more information. 3 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 4 Swiss SRB going and gone concern requirements and information for UBS AG standalone are provided below in this section. 5 Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 6 Represents the CET1 ratio that is available to meet buffer requirements. Calculated as the CET1 ratio minus the BCBS CET1 capital requirement and, where applicable, minus the BCBS tier 2 capital requirement met with CET1 capital. 7 Calculated after the application of haircuts and inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 63 data points in the fourth quarter of 2023 and 63 data points in the third quarter of 2023. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at [ubs.com/investors](https://ubs.com/investors), for more information. 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.

## Swiss systemically relevant bank going and gone concern requirements and information

UBS AG standalone is considered a systemically relevant bank (an SRB) under Swiss banking law and is subject to capital regulations on a standalone basis.

The capital requirements based on RWA include a minimum CET1 capital requirement of 10.12%, including a countercyclical buffer of 0.12%, and a total going concern capital requirement of 14.42%, including a countercyclical buffer of 0.12%. The capital requirements based on the LRD include a minimum CET1 capital requirement of 3.5% and a total going concern leverage ratio requirement of 5.0%.

CET1 capital and high-trigger AT1 capital instruments are eligible as going concern capital. As of 31 December 2023, one remaining outstanding low-trigger AT1 capital instrument, amounting to USD 1.2bn, that was on-lent from UBS Group AG to UBS AG qualified as going concern capital, as agreed with FINMA.

Following the amendments to the Banking Act and the Banking Ordinance that entered into force as of 1 January 2023, UBS AG standalone is subject to a gone concern capital requirement based on the sum of: (i) the nominal value of the gone concern instruments issued by UBS entities and held by the parent firm; (ii) 75% of the capital requirements resulting from third-party exposure on a standalone basis; and (iii) a buffer requirement equal to 30% of the Group's gone concern capital requirement on UBS AG's consolidated exposure. A transitional period until 2024 has been granted for the buffer requirement. The gone concern capital coverage ratio reflects how much gone concern capital is available to meet the gone concern requirement. Outstanding high- and low-trigger loss-absorbing tier 2 capital instruments, non-Basel III-compliant tier 2 capital instruments and total loss-absorbing capacity-eligible unsecured debt instruments are eligible to meet gone concern requirements until one year before maturity.

For direct and indirect investments, including the holding of regulatory capital instruments of UBS AG by subsidiaries that are active in banking and finance, a FINMA decree introduced a risk-weighting approach, with a phase-in period until 1 January 2028. Starting from 1 July 2017, these investments were risk-weighted at 200%. From 1 January 2019 onward, the risk weights are being gradually raised by 5 percentage points per year for Switzerland-domiciled investments and by 20 percentage points per year for foreign-domiciled investments until the fully applied risk weights are 250% and 400%, respectively. As of 31 December 2023, the applicable phase-in risk weights were 225% for Switzerland-domiciled investments and 300% for foreign-domiciled investments.

- › Refer to **“Capital and capital ratios of our significant regulated subsidiaries”** in the **“Capital, liquidity and funding, and balance sheet”** section of the **UBS Group Annual Report 2023**, available under **“Annual reporting”** at [ubs.com/investors](https://ubs.com/investors), for more information about the joint liability of UBS AG and UBS Switzerland AG



**Quarterly** | The tables below provide details of the Swiss SRB RWA- and LRD-based going and gone concern requirements and information as required by FINMA; details regarding eligible gone concern instruments are provided below.

### Swiss SRB going and gone concern requirements and information

| As of 31.12.23   | RWA, phase-in               |         | RWA, fully applied as of 1.1.28 |         | LRD               |         |
|--|-----------------------------|---------|---------------------------------|---------|-------------------|---------|
| <i>USD m, except where indicated</i>                                   | in %                        |         | in %                            |         | in %              |         |
| <b>Required going concern capital</b>                                  |                             |         |                                 |         |                   |         |
| <b>Total going concern capital</b>                                     | 14.42 <sup>1</sup>          | 51,048  | 14.42 <sup>1</sup>              | 57,577  | 5.00 <sup>1</sup> | 32,197  |
| <b>Common equity tier 1 capital</b>                                    | 10.12                       | 35,822  | 10.12                           | 40,404  | 3.50              | 22,538  |
| <i>of which: minimum capital</i>                                       | 4.50                        | 15,934  | 4.50                            | 17,972  | 1.50              | 9,659   |
| <i>of which: buffer capital</i>  | 5.50                        | 19,475  | 5.50                            | 21,965  | 2.00              | 12,879  |
| <i>of which: countercyclical buffer</i>                                | 0.12                        | 414     | 0.12                            | 467     |                   |         |
| <b>Maximum additional tier 1 capital</b>                               | 4.30                        | 15,226  | 4.30                            | 17,173  | 1.50              | 9,659   |
| <i>of which: additional tier 1 capital</i>                             | 3.50                        | 12,393  | 3.50                            | 13,978  | 1.50              | 9,659   |
| <i>of which: additional tier 1 buffer capital</i>                      | 0.80                        | 2,833   | 0.80                            | 3,195   |                   |         |
| <b>Eligible going concern capital</b>                                  |                             |         |                                 |         |                   |         |
| <b>Total going concern capital</b>                                     | 18.37                       | 65,051  | 16.29                           | 65,051  | 10.10             | 65,051  |
| Common equity tier 1 capital   | 14.84                       | 52,553  | 13.16                           | 52,553  | 8.16              | 52,553  |
| <b>Total loss-absorbing additional tier 1 capital</b>                  | 3.53                        | 12,498  | 3.13                            | 12,498  | 1.94              | 12,498  |
| <i>of which: high-trigger loss-absorbing additional tier 1 capital</i> | 3.19                        | 11,286  | 2.83                            | 11,286  | 1.75              | 11,286  |
| <i>of which: low-trigger loss-absorbing additional tier 1 capital</i>  | 0.34                        | 1,212   | 0.30                            | 1,212   | 0.19              | 1,212   |
| <b>Risk-weighted assets / leverage ratio denominator</b>               |                             |         |                                 |         |                   |         |
| Risk-weighted assets   |                             | 354,083 |                                 | 399,369 |                   |         |
| Leverage ratio denominator   |                             |         |                                 |         |                   | 643,939 |
| <b>Required gone concern capital<sup>2</sup></b>                       |                             |         |                                 |         |                   |         |
| <b>Total gone concern loss-absorbing capacity</b>                      | Higher of RWA- or LRD-based |         |                                 |         |                   |         |
|  | 48,406                      |         |                                 |         |                   |         |
| <b>Eligible gone concern capital</b>                                   |                             |         |                                 |         |                   |         |
| <b>Total gone concern loss-absorbing capacity</b>                      | 54,452                      |         |                                 |         |                   |         |
| <b>Gone concern capital coverage ratio</b>                             | 112.49                      |         |                                 |         |                   |         |

<sup>1</sup> Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.50% for leverage ratio denominator (LRD). <sup>2</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.

## Swiss SRB going and gone concern information

USD m, except where indicated

|  | 31.12.23 | 30.9.23 | 31.12.22 |
|--|----------|---------|----------|
| <b>Eligible going concern capital</b>                                    |          |         |          |
| Total going concern capital  | 65,051   | 64,767  | 65,836   |
| Total tier 1 capital   | 65,051   | 64,767  | 65,836   |
| Common equity tier 1 capital   | 52,553   | 53,107  | 53,995   |
| Total loss-absorbing additional tier 1 capital                           | 12,498   | 11,660  | 11,841   |
| of which: high-trigger loss-absorbing additional tier 1 capital          | 11,286   | 10,466  | 10,654   |
| of which: low-trigger loss-absorbing additional tier 1 capital           | 1,212    | 1,194   | 1,187    |
| <b>Eligible gone concern capital</b>                                     |          |         |          |
| Total gone concern loss-absorbing capacity                               | 54,452   | 53,343  | 46,982   |
| Total tier 2 capital   | 533      | 530     | 2,949    |
| of which: low-trigger loss-absorbing tier 2 capital                      | 0        | 0       | 2,421    |
| of which: non-Basel III-compliant tier 2 capital                         | 533      | 530     | 528      |
| TLAC-eligible unsecured debt   | 53,920   | 52,814  | 44,033   |
| <b>Total loss-absorbing capacity</b>                                     |          |         |          |
| Total loss-absorbing capacity  | 119,504  | 118,110 | 112,818  |
| <b>Denominators for going and gone concern ratios</b>                    |          |         |          |
| Risk-weighted assets, phase-in   | 354,083  | 347,514 | 332,864  |
| of which: investments in Switzerland-domiciled subsidiaries <sup>1</sup> | 43,448   | 41,355  | 39,589   |
| of which: investments in foreign-domiciled subsidiaries <sup>1</sup>     | 121,374  | 120,263 | 121,021  |
| Risk-weighted assets, fully applied as of 1.1.28                         | 399,369  | 392,197 | 390,128  |
| of which: investments in Switzerland-domiciled subsidiaries <sup>1</sup> | 48,276   | 45,950  | 44,988   |
| of which: investments in foreign-domiciled subsidiaries <sup>1</sup>     | 161,832  | 160,350 | 172,887  |
| Leverage ratio denominator   | 643,939  | 608,933 | 575,461  |
| <b>Capital and loss-absorbing capacity ratios (%)</b>                    |          |         |          |
| Going concern capital ratio, phase-in                                    | 18.4     | 18.6    | 19.8     |
| of which: common equity tier 1 capital ratio, phase-in                   | 14.8     | 15.3    | 16.2     |
| Going concern capital ratio, fully applied as of 1.1.28                  | 16.3     | 16.5    | 16.9     |
| of which: common equity tier 1 capital ratio, fully applied as of 1.1.28 | 13.2     | 13.5    | 13.8     |
| <b>Leverage ratios (%)</b>   |          |         |          |
| Going concern leverage ratio   | 10.1     | 10.6    | 11.4     |
| of which: common equity tier 1 leverage ratio                            | 8.2      | 8.7     | 9.4      |
| <b>Capital coverage ratio (%)</b>  |          |         |          |
| Gone concern capital coverage ratio                                      | 112.5    | 115.6   | 117.1    |

<sup>1</sup> Net exposures for direct and indirect investments including holding of regulatory capital instruments in Switzerland-domiciled subsidiaries and for direct and indirect investments including holding of regulatory capital instruments in foreign-domiciled subsidiaries are risk-weighted at 225% and 300%, respectively, for the current year. Risk weights will gradually increase by 5 percentage points per year for Switzerland-domiciled investments and 20 percentage points per year for foreign-domiciled investments until the fully applied risk weights of 250% and 400%, respectively, are applied.



## Climate risk

**Annual I** Our climate strategy and governance are determined and overseen at the UBS Group level. Similarly, we identify and manage climate risks, including climate-related financial risks, in our own operations, balance sheet, client assets and supply chain at the UBS Group level.

Climate-related metrics for the UBS AG legal entity are presented in the UBS Group AG Annual Report 2023.

- › Refer to **“Our focus on sustainability and climate”** in the **“How we create value for our stakeholders”** section and to **“Sustainability and climate risk”** in the **“Risk management and control”** section of the **UBS Group AG Annual Report 2023** for more information
- › Refer to **“Our sustainability and impact strategy”** in the **“Strategy”** section of the **UBS Group AG Sustainability Report 2023**, available from 28 March 2024 under **“Annual reporting”** at [ubs.com/investors](https://ubs.com/investors), for more information

## Non-financial report

UBS Group AG and UBS AG have issued a separate non-financial group report. This report provides disclosures on environmental, social and governance (ESG) matters for UBS as a group. For UBS AG and its consolidated subsidiaries, this report also provides the disclosures on non-financial information required by the German law implementing EU Directive 2014/95 (*CSR-Richtlinie-Umsetzungsgesetz / CSR-RUG*), in accordance with Art. 114 of the Securities Trading Act (*Wertpapierhandelsgesetz / WpHG*), and for UBS AG on a standalone basis, it provides disclosure under Art. 8 of the EU Taxonomy Regulation. The report is available under **“Annual reporting”** at [ubs.com/investors](https://ubs.com/investors).

- › Refer to the **UBS Group Sustainability Report 2023** available at [ubs.com/investors](https://ubs.com/investors), for more information

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**Cautionary Statement** | This report and the information contained herein are provided solely for information purposes, and are not to be construed as solicitation of an offer to buy or sell any securities or other financial instruments in Switzerland, the United States or any other jurisdiction. No investment decision relating to securities of or relating to UBS Group AG, UBS AG or their affiliates should be made on the basis of this report. Refer to UBS's most recent Annual Report on Form 20-F, quarterly reports and other information furnished to or filed with the US Securities and Exchange Commission (the SEC) on Form 6-K, available at [ubs.com/investors](https://ubs.com/investors), for additional information.

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

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

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

UBS Group AG  
P.O. Box  
CH-8098 Zurich

[ubs.com](https://ubs.com)



Zurich, 28 March 2024

### **Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in each of the following registration statements of UBS AG:

- (1) on Form F-3 (Registration Number 333-263376), and each related prospectus currently outstanding under such registration statement,
- (2) the base prospectus of Corporate Asset Backed Corporation (CABCO) dated 23 June 2004 (Registration Number 333-111572),
- (3) the Form 8-K of CABCO dated 23 June 2004 (SEC File Number 001-13444), and
- (4) the Prospectus Supplements relating to the CABCO Series 2004-101 Trust dated 10 May 2004 (Registration Number 033-91744) and 17 May 2004 (Registration Number 033-91744-05),

of our report dated 27 March 2024, with respect to the standalone financial statements of UBS AG for the year ended 31 December 2023 included in this Report of Foreign Private Issuer (Form 6-K) dated 28 March 2024, filed with the Securities and Exchange Commission.

/s/ Ernst & Young Ltd

This Form 6-K is hereby incorporated by reference into (1) the registration statement of UBS AG on Form F-3 (Registration Number 333-263376), and into each prospectus outstanding under the foregoing registration statement, (2) any outstanding offering circular or similar document issued or authorized by UBS AG that incorporates by reference any Forms 6-K of UBS AG 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 registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UBS AG

By: /s/ Steffen Henrich

Name: Steffen Henrich

Title: Controller

By: /s/ David Kelly

Name: David Kelly

Title: Managing Director

Date: March 28, 2024