

# UBS Switzerland AG

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



**UBS**

# Table of contents

- 1 UBS Switzerland AG standalone financial statements (audited)**
- 29 UBS Switzerland AG standalone regulatory information**

# UBS Switzerland AG standalone financial statements (audited)

## Income statement

CHF m	Note	For the year ended	
		31.12.23	31.12.22
Interest and discount income <sup>1</sup>		6,873	3,874
Interest and dividend income from trading portfolio		2	0
Interest and dividend income from financial investments		261	92
Interest expense <sup>2</sup>		(2,691)	(439)
Gross interest income		4,445	3,526
Credit loss (expense) / release	9	(40)	(35)
Net interest income		4,404	3,491
Fee and commission income from securities and investment business		3,481	3,602
Credit-related fees and commissions		206	199
Other fee and commission income		861	830
Fee and commission expense		(409)	(442)
Net fee and commission income		4,139	4,189
Net trading income	3	900	930
Net income from disposal of financial investments		0	7
Dividend income from investments in subsidiaries and other participations		15	13
Sundry ordinary income		233	197
Sundry ordinary expenses		(36)	(67)
Other income from ordinary activities		212	150
Total operating income		9,655	8,760
Personnel expenses	4	2,019	2,033
General and administrative expenses	5	3,565	3,267
Subtotal operating expenses		5,584	5,300
Depreciation and impairment of property, equipment and software	15	224	166
Changes in provisions for litigation, regulatory and similar matters, and other provisions		8	(9)
Total operating expenses		5,816	5,458
Operating profit		3,839	3,302
Tax expense / (benefit)	6	706	595
<b>Net profit / (loss) for the period</b>		<b>3,133</b>	<b>2,707</b>

<sup>1</sup> Interest and discount income includes negative interest income on financial assets of CHF 5m and CHF 40m for the years ended 31 December 2023 and 31 December 2022, respectively. <sup>2</sup> Interest expense includes negative interest expense on financial liabilities of CHF 7m and CHF 275m for the years ended 31 December 2023 and 31 December 2022, respectively.

## Balance sheet

CHF m	Note	31.12.23	31.12.22
<b>Assets</b>			
Cash and balances at central banks		73,264	78,071
Due from banks	9	2,905	3,431
Receivables from securities financing transactions	7	53	835
Due from customers	8, 9	50,543	53,292
Mortgage loans	8, 9	168,682	164,136
Trading portfolio assets	10	1,507	1,744
Derivative financial instruments	11	1,666	1,404
Financial investments	12	13,553	9,728
Accrued income and prepaid expenses		565	436
Investments in subsidiaries and other participations	13, 14	107	106
Property, equipment and software	15	992	960
Other assets	16	392	1,516
<b>Total assets</b>		<b>314,231</b>	<b>315,657</b>
<i>of which: subordinated assets</i>		<i>1</i>	<i>1</i>
<b>Liabilities</b>			
Due to banks		37,136	34,522
<i>of which: total loss-absorbing capacity eligible</i>		<i>16,176</i>	<i>16,660</i>
Payables from securities financing transactions	7	283	229
Due to customers		246,756	252,638
Trading portfolio liabilities	10	209	170
Derivative financial instruments	11	1,537	1,752
Bonds issued and loans from central mortgage institutions	23	9,183	8,305
Accrued expenses and deferred income		1,338	943
Other liabilities	16	1,688	1,384
Provisions	9	175	221
<b>Total liabilities</b>		<b>298,305</b>	<b>300,164</b>
<b>Equity</b>			
Share capital	24	10	10
Statutory capital reserve		11,354	11,354
<i>of which: capital contribution reserve</i>		<i>11,354</i>	<i>11,354</i>
Voluntary earnings reserve		1,430	1,423
Net profit / (loss) for the period		3,133	2,707
<b>Total equity</b>		<b>15,926</b>	<b>15,493</b>
<b>Total liabilities and equity</b>		<b>314,231</b>	<b>315,657</b>
<i>of which: subordinated liabilities</i>		<i>16,212</i>	<i>16,689</i>
<i>of which: subject to mandatory conversion and / or debt waiver</i>		<i>16,212</i>	<i>16,689</i>

**Balance sheet (continued)**

<i>CHF m</i>	31.12.23	31.12.22
<b>Off-balance sheet items</b>		
<b>Contingent liabilities, gross</b>	<b>7,967</b>	9,510
Sub-participations	(686)	(657)
<b>Contingent liabilities, net</b>	<b>7,281</b>	8,852
<i>of which: guarantees to third parties related to subsidiaries</i>	<i>17</i>	<i>17</i>
<i>of which: credit guarantees and similar instruments</i>	<i>2,957</i>	<i>4,057</i>
<i>of which: performance guarantees and similar instruments</i>	<i>2,308</i>	<i>2,539</i>
<i>of which: documentary credits</i>	<i>1,999</i>	<i>2,239</i>
<b>Irrevocable commitments, gross</b>	<b>15,658</b>	16,625
Sub-participations	(7)	(3)
<b>Irrevocable commitments, net</b>	<b>15,651</b>	16,622
<i>of which: loan commitments</i>	<i>14,458</i>	<i>15,740</i>
<i>of which: payment commitment related to deposit insurance</i>	<i>1,193</i>	<i>883</i>
<b>Liabilities for calls on shares and other equity instruments</b>	<b>55</b>	55

**Off-balance sheet items**

UBS Switzerland 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.

**Swiss deposit insurance**

Swiss banking law and the deposit insurance system require Swiss banks and securities dealers to jointly guarantee privileged client deposits in the event that a Swiss bank or securities dealer becomes insolvent. With the revision of the Swiss Banking Act and the Banking Ordinance with regard to deposit protection as of 1 January 2023, the amount of payment obligations for all banks increased from the previous CHF 6bn to approximately CHF 8bn, which corresponds to the value specified in applicable law of 1.6% of all protected deposits in Switzerland. The share of UBS Switzerland AG increased to CHF 1,193m as of 31 December 2023, compared with CHF 883m as of 31 December 2022, which is reflected in the table above.

**Joint and several liability**

In June 2015, the Personal & Corporate Banking and Wealth Management businesses booked in Switzerland were transferred from UBS AG to UBS Switzerland AG through an asset transfer in accordance with the Swiss Merger Act.

As of 31 December 2023, the joint and several liability of UBS Switzerland AG for contractual obligations of UBS AG amounted to CHF 3bn, compared with CHF 4bn as of 31 December 2022. As of 31 December 2023, the probability of an outflow under this joint and several liability was assessed to be remote and, as a result, the table above does not include any exposures arising under this joint and several liability.

**Statement of changes in equity**

<i>CHF m</i>	Share capital	Statutory capital reserve	Voluntary earnings reserve	Net profit / (loss) for the period	Total equity
<b>Balance as of 1 January 2023</b>	<b>10</b>	<b>11,354</b>	<b>1,423</b>	<b>2,707</b>	<b>15,493</b>
Dividend distribution				(2,700)	(2,700)
Appropriation to voluntary earnings reserve			7	(7)	0
Net profit / (loss) for the period				3,133	3,133
<b>Balance as of 31 December 2023</b>	<b>10</b>	<b>11,354</b>	<b>1,430</b>	<b>3,133</b>	<b>15,926</b>

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

The Board of Directors proposes that the Annual General Meeting of Shareholders on 23 April 2024 approve the appropriation of total profit and an ordinary dividend distribution of CHF 3,184m out of the total profit (CHF 3,133m) and *Voluntary earnings reserve* (CHF 51m) as follows:

<i>CHF m</i>	For the year ended
Net profit for the period	31.12.23 3,133
Profit / (loss) carried forward	0
<b>Total profit available for appropriation</b>	<b>3,133</b>
<b>Appropriation of total profit</b>	
Dividend distribution	(3,133)
<b>Profit / (loss) carried forward</b>	<b>0</b>
<b>Proposed dividend out of voluntary earnings reserve</b>	
Total voluntary earnings reserve before distribution	1,430
Dividend distribution	(51)
<b>Total voluntary earnings reserve after distribution</b>	<b>1,378</b>

## Note 1 Name, legal form and registered office

---

UBS Switzerland AG is incorporated and domiciled in Switzerland and operates under Art. 620 et seq. of the Swiss Code of Obligations and Swiss banking law as an *Aktiengesellschaft*, a corporation limited by shares. Its registered office is at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland. UBS Switzerland AG is 100% owned by UBS AG.

## Note 2 Accounting Policies and Risk Management

---

### a) Significant accounting policies

---

The UBS Switzerland 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 standalone financial statements." The accounting policies are principally the same as for the consolidated financial statements of UBS Group AG outlined in Note 1 to the consolidated financial statements of UBS Group AG included in the UBS Group AG Annual Report 2023. Major differences between the Swiss GAAP requirements and IFRS Accounting Standards are described in Note 34 to the consolidated financial statements of UBS Group AG. The functional currency of UBS Switzerland AG is the Swiss franc. The significant accounting policies applied for the standalone financial statements of UBS Switzerland AG are discussed below.

› Refer to the UBS Group AG Annual Report 2023 for more information

#### Compensation policy

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

› Refer to the UBS Group AG Annual Report 2023 for more information

#### Deferred compensation

UBS Group AG is the grantor of the majority of UBS's deferred compensation plans. Expenses for awards granted under such plans to UBS Switzerland AG employees are charged by UBS Group AG to UBS Switzerland AG.

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

#### Foreign currency translation

Transactions denominated in foreign currency are translated into Swiss francs at the spot exchange rate on the date of the transaction. At the balance sheet date, all monetary assets and liabilities, as well as equity instruments recorded in *Trading portfolio assets* and *Financial investments*, denominated in foreign currency are translated into Swiss francs 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. All currency translation effects are recognized in the income statement.

The main currency translation rates used by UBS Switzerland AG are provided in Note 33 to the consolidated financial statements of UBS Group AG.

› Refer to the UBS Group AG Annual Report 2023 for more information

#### Group-internal funding

UBS Switzerland AG obtains funding from UBS AG in the form of loans that qualify as going concern additional tier 1 capital and as gone concern loss-absorbing capacity at the UBS Switzerland AG standalone level.

Where such Group-internal funding is eligible to meet the requirements for total loss-absorbing capacity (TLAC) at the level of UBS Switzerland AG, the aggregate amount of the respective obligations is separately disclosed on the balance sheet. For those TLAC instruments that are eligible to meet the going concern capital requirements (i.e., are subordinated and subject to mandatory conversion and / or debt waiver, as explained below), the aggregate corresponding amounts are disclosed on the balance sheet.

Obligations of UBS Switzerland AG arising from Group-internal funding it has received are presented as *Due to banks* and measured at amortized cost.

## Note 2 Accounting Policies and Risk Management (continued)

### 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 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.

### Services received from and provided to Group entities

UBS Switzerland AG receives services from UBS Business Solutions AG, the main Group service company, mainly relating to Group Technology, Group Operations and Group Corporate Services, as well as certain other services from other Group entities. UBS Switzerland AG provides services to Group entities, mainly relating to the distribution of security and investment products. Services received from and provided to Group entities are settled in cash as hard cost transfers or hard revenue transfers paid or received.

When the nature of the underlying transaction between UBS Switzerland AG and the Group entity contains a single, clearly identifiable service element, related income and expenses are presented in the respective income statement line item, e.g., *Fee and commission income from securities and investment business*, *Other fee and commission income*, *Fee and commission expense*, *Net trading income* or *General and administrative expenses*. To the extent the nature of the underlying transaction contains various service elements 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*.

› Refer to Note 5 for more information

### Post-employment benefit plans

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

UBS Switzerland AG has elected to apply Swiss GAAP (FER 16) for its pension plan. The requirements of Swiss GAAP are better aligned with the specific nature of Swiss pension plans, which are hybrid in that they combine elements of defined contribution and defined benefit plans but are treated as defined benefit plans under IFRS Accounting Standards. 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 (FER 16) 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 Switzerland AG arises from the pension fund and 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 Switzerland AG is required to contribute to the reduction of a pension deficit (on an FER 26 basis).

› Refer to Note 25 for more information

### Deferred taxes

Deferred tax assets are not recognized in UBS Switzerland 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 Switzerland AG is required to apply an expected credit loss (ECL) approach for non-impaired financial instruments in its standalone financial statements in addition to the approach for impaired financial instruments.

For non-impaired exposures within the scope of the Swiss GAAP ECL requirements, UBS Switzerland AG has generally chosen to apply the IFRS Accounting Standards ECL approach that is applied in the UBS Group AG consolidated financial statements for its standalone financial statements. These exposures include all financial assets measured at amortized cost under both Swiss GAAP and IFRS Accounting Standards, fee and lease receivables, 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 Group AG.



## Note 2 Accounting Policies and Risk Management (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 Group 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 9 for more information

### Dispensations in the standalone financial statements

As UBS Switzerland AG has no listed shares outstanding and is within the scope of the UBS Group AG consolidated financial statements prepared in accordance with IFRS Accounting Standards, UBS Switzerland AG is exempt from various disclosures in the standalone financial statements. The dispensations include the management report and the statement of cash flows. As the UBS Group AG consolidated financial statements are presented in US dollars, UBS Switzerland AG provides certain Notes disclosures that would otherwise be covered by the disclosure dispensation, i.e., Notes 13, 14, 15, 18, 19, 20, 22 and 23.

### Covered bonds issued

UBS Switzerland AG issues bonds collateralized with pledged mortgage loans. These covered bonds are presented as Bonds issued and loans from central mortgage institutions and are measured at amortized cost.

- › Refer to “Note 23 Bonds issued and loans from central mortgage institutions” for more information

### b) Changes in accounting policies

---

There were no significant changes in accounting policies during 2023.

### c) Events after the reporting period

---

The Board of Directors of UBS Group AG has approved the merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG. Following approvals from their respective boards, both entities entered into a definitive merger agreement on 9 February 2024. The completion of the merger is, inter alia, subject to regulatory approvals and the completion of the merger between Credit Suisse AG and UBS AG. The merger is expected to be completed in the third quarter of 2024.

### d) Risk management

---

UBS Switzerland 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 Group AG Annual Report 2023.

Further information about the use of derivative instruments and hedge accounting is provided in Notes 1 and 11 to the consolidated financial statements of UBS Group AG.

- › Refer to the UBS Group AG Annual Report 2023 for more information

### Note 3a Net trading income by business

CHF m	For the year ended	
	31.12.23	31.12.22
Global Wealth Management	433	453
Personal & Corporate Banking	456	469
Other business divisions and Group Items	11	8
<b>Total net trading income</b>	<b>900</b>	<b>930</b>

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

CHF m	For the year ended	
	31.12.23	31.12.22
Interest rate instruments (including funds)	60	44
Foreign exchange instruments	815	857
Equity instruments (including funds)	(1)	(1)
Credit instruments	0	1
Precious metals / commodities	26	28
<b>Total net trading income</b>	<b>900</b>	<b>930</b>

### Note 4 Personnel expenses

CHF m	For the year ended	
	31.12.23	31.12.22
Salaries	1,202	1,176
Variable compensation – performance awards	427	381
Variable compensation – other	15	28
Contractors	2	2
Social security	114	104
Post-employment benefit plans	211	299
Other personnel expenses	47	43
<b>Total personnel expenses</b>	<b>2,019</b>	<b>2,033</b>

As of 31 December 2023, UBS Switzerland AG employed 8,895 personnel (31 December 2022: 8,838) on a full-time equivalent basis.

### Note 5 General and administrative expenses

CHF m	For the year ended	
	31.12.23	31.12.22
Real estate	3	2
Technology costs	4	4
Market data services	33	33
Marketing and communication	85	78
Travel and entertainment	36	27
Fees to audit firms	7	8
<i>of which: financial and regulatory audits</i>	<i>7</i>	<i>7</i>
<i>of which: audit-related services</i>	<i>0</i>	<i>1</i>
Other professional fees	171	44
Outsourcing costs	159	152
Other general and administrative expenses	3,066	2,919
<i>of which: shared services costs charged by UBS Group AG and subsidiaries in the UBS Group</i>	<i>2,926</i>	<i>2,781</i>
<b>Total general and administrative expenses</b>	<b>3,565</b>	<b>3,267</b>

## Note 6 Taxes

CHF m	For the year ended	
	31.12.23	31.12.22
Income tax expense / (benefit)	691	590
of which: current	691	590
Capital tax	16	5
<b>Total tax expense / (benefit)</b>	<b>706</b>	<b>595</b>

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 18.1% (2022: 17.9%).

## Note 7 Securities financing transactions

CHF bn	31.12.23	31.12.22
<b>On-balance sheet</b>		
Receivables from securities financing transactions, gross	2.4	2.9
Netting of securities financing transactions	(2.4)	(2.0)
Receivables from securities financing transactions, net	0.1	0.8
Payables from securities financing transactions, gross	2.7	2.2
Netting of securities financing transactions	(2.4)	(2.0)
Payables from securities financing transactions, net	0.3	0.2
Assets pledged as collateral in connection with securities financing transactions	7.2	6.9
of which: financial investments	7.2	6.9
of which: assets that may be sold or repledged by counterparties	2.3	1.9
<b>Off-balance sheet</b>		
Fair value of assets received as collateral in connection with securities financing transactions	64.3	69.2
of which: repledged	62.1	66.8
of which: sold in connection with short sale transactions	0.2	0.2

## Note 8a Collateral for loans and off-balance sheet transactions

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	2,021	32,524	2,265	14,248	51,058	1,515	36,446	2,462	13,346	53,768
Mortgage loans, gross	168,804			168,804	168,804	164,263				164,263
of which: residential mortgages	145,779			145,779	145,779	141,733				141,733
of which: office and business premises mortgages	9,559			9,559	9,559	9,652				9,652
of which: industrial premises mortgages	2,825			2,825	2,825	2,758				2,758
of which: other mortgages	10,641			10,641	10,641	10,120				10,120
<b>Total on-balance sheet, gross</b>	<b>170,825</b>	<b>32,524</b>	<b>2,265</b>	<b>14,248</b>	<b>219,861</b>	<b>165,778</b>	<b>36,446</b>	<b>2,462</b>	<b>13,346</b>	<b>218,031</b>
Allowances	(122)	(25)	0	(488)	(636)	(128)	(20)	0	(456)	(603)
<b>Total on-balance sheet, net</b>	<b>170,702</b>	<b>32,499</b>	<b>2,265</b>	<b>13,760</b>	<b>219,226</b>	<b>165,650</b>	<b>36,426</b>	<b>2,462</b>	<b>12,890</b>	<b>217,428</b>
<b>Off-balance sheet</b>										
Contingent liabilities, gross	156	2,118	934	4,760	7,967	140	2,635	830	5,905	9,510
Irrevocable commitments, gross	802	512	743	13,600	15,658	852	482	838	14,453	16,625
Liabilities for calls on shares and other equities				55	55				55	55
<b>Total off-balance sheet</b>	<b>958</b>	<b>2,630</b>	<b>1,677</b>	<b>18,415</b>	<b>23,680</b>	<b>992</b>	<b>3,116</b>	<b>1,668</b>	<b>20,414</b>	<b>26,190</b>

<sup>1</sup> Includes but is not limited to deposits, securities, life insurance contracts, inventory, accounts receivable, patents and copyrights. <sup>2</sup> Includes credit default swaps and guarantees.

## Note 8b Impaired financial instruments

	31.12.23				31.12.22			
	Gross impaired financial instruments	Allowances and provisions	Estimated liquidation proceeds of collateral	Net impaired financial instruments	Gross impaired financial instruments	Allowances and provisions	Estimated liquidation proceeds of collateral	Net impaired financial instruments
<i>CHF m</i>								
Amounts due from customers	1,079	406	397	276	819	380	300	139
Mortgage loans	603	0	603	0	497	0	497	0
Guarantees and loan commitments	177	14	82	81	178	23	66	89
<b>Total impaired financial instruments</b>	<b>1,859</b>	<b>420</b>	<b>1,082</b>	<b>358</b>	<b>1,495</b>	<b>403</b>	<b>863</b>	<b>228</b>

## Note 9a Allowances

<i>CHF m</i>	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	Foreign currency translation	Balance as of
								31.12.23
Default risk relating to on-balance sheet exposures	609	151	(109)	(33)	30	10	(14)	<b>643</b>
<i>of which: incurred credit losses</i>	<i>380</i>	<i>141</i>	<i>(109)</i>	<i>(33)</i>	<i>30</i>	<i>10</i>	<i>(13)</i>	<b>406</b>
<i>of which: expected credit losses</i>	<i>229</i>	<i>10</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(1)</i>	<b>237</b>
Other	0	10	0	0	0	0	0	<b>10</b>
<b>Total allowances</b>	<b>609</b>	<b>161</b>	<b>(109)</b>	<b>(33)</b>	<b>30</b>	<b>10</b>	<b>(15)</b>	<b>653</b>

## Note 9b Provisions

<i>CHF m</i>	Balance as of 31.12.22	Increase recognized in the income statement	Release recognized in the income statement	Provisions used in conformity with designated purpose	Reclassifications	Foreign currency translation	Balance as of
							31.12.23
Default risk related to off-balance sheet items and credit lines	113	2	(4)	0	(10)	(1)	<b>101</b>
<i>of which: incurred credit losses</i>	<i>23</i>	<i>2</i>	<i>(2)</i>	<i>0</i>	<i>(10)</i>	<i>0</i>	<b>14</b>
<i>of which: expected credit losses</i>	<i>89</i>	<i>0</i>	<i>(2)</i>	<i>0</i>	<i>0</i>	<i>(1)</i>	<b>87</b>
Operational risks	4	1	0	0	0	0	<b>4</b>
Litigation, regulatory and similar matters <sup>1</sup>	40	6	(10)	(9)	0	0	<b>27</b>
Restructuring	28	10	(2)	(31)	0	0	<b>4</b>
Employee benefits	17	1	0	0	0	0	<b>18</b>
Other	20	2	(1)	0	0	0	<b>21</b>
<b>Total provisions</b>	<b>221</b>	<b>23</b>	<b>(18)</b>	<b>(40)</b>	<b>(10)</b>	<b>(2)</b>	<b>175</b>

<sup>1</sup> Includes provisions for litigation resulting from security risks.

## Note 9c Development of allowances and provisions for credit losses

CHF m	Total	Stage 1	Stage 2	Stage 3
<b>Balance as of 31 December 2022</b>	<b>(722)</b>	<b>(142)</b>	<b>(176)</b>	<b>(403)</b>
<b>Net movement from new and derecognized transactions<sup>1</sup></b>	<b>(9)</b>	<b>(15)</b>	<b>6</b>	<b>0</b>
of which: Private clients with mortgages	(3)	(5)	2	0
of which: Real estate financing	(1)	(4)	3	0
of which: Large corporate clients	(1)	(2)	1	0
of which: SME clients	(2)	(3)	0	0
of which: Financial intermediaries and hedge funds	0	0	0	0
of which: Other	(2)	(2)	(1)	0
<b>Remeasurements with stage transfers<sup>2</sup></b>	<b>(83)</b>	<b>6</b>	<b>(9)</b>	<b>(80)</b>
of which: Private clients with mortgages	(1)	2	(3)	0
of which: Real estate financing	(1)	2	(2)	0
of which: Large corporate clients	(21)	3	(3)	(21)
of which: SME clients	(50)	0	(1)	(49)
of which: Financial intermediaries and hedge funds	0	0	0	0
of which: Other	(11)	0	0	(10)
<b>Remeasurements without stage transfers<sup>3</sup></b>	<b>63</b>	<b>(2)</b>	<b>17</b>	<b>48</b>
of which: Private clients with mortgages	8	(3)	11	0
of which: Real estate financing	4	1	3	0
of which: Large corporate clients	3	0	0	3
of which: SME clients	40	(1)	1	41
of which: Financial intermediaries and hedge funds	2	1	1	0
of which: Other	5	1	1	4
<b>Model changes<sup>4</sup></b>	<b>(11)</b>	<b>(7)</b>	<b>(4)</b>	<b>0</b>
<b>Movements with profit or loss impact<sup>5</sup></b>	<b>(40)</b>	<b>(18)</b>	<b>10</b>	<b>(32)</b>
<b>Movements without profit or loss impact (write-off, FX and other)<sup>6</sup></b>	<b>18</b>	<b>1</b>	<b>1</b>	<b>16</b>
<b>Balance as of 31 December 2023</b>	<b>(744)</b>	<b>(159)</b>	<b>(165)</b>	<b>(420)</b>

<sup>1</sup> 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. <sup>2</sup> Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. <sup>3</sup> 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. <sup>4</sup> Represents the change in the allowances and provisions related to changes in models and methodologies. <sup>5</sup> Includes ECL movements from new and derecognized transactions, remeasurement changes, model and methodology changes. <sup>6</sup> Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

CHF m	Total	Stage 1	Stage 2	Stage 3
<b>Balance as of 31 December 2021</b>	<b>(715)</b>	<b>(127)</b>	<b>(154)</b>	<b>(434)</b>
<b>Net movement from new and derecognized transactions<sup>1</sup></b>	<b>(10)</b>	<b>(15)</b>	<b>5</b>	<b>0</b>
of which: Private clients with mortgages	(1)	(1)	0	0
of which: Real estate financing	(1)	(3)	2	0
of which: Large corporate clients	(4)	(4)	0	0
of which: SME clients	(2)	(2)	0	0
of which: Financial intermediaries and hedge funds	0	(2)	2	0
of which: Other	(3)	(3)	0	0
<b>Remeasurements with stage transfers<sup>2</sup></b>	<b>(24)</b>	<b>5</b>	<b>(1)</b>	<b>(28)</b>
of which: Private clients with mortgages	(2)	3	(5)	0
of which: Real estate financing	7	(1)	8	0
of which: Large corporate clients	(7)	2	(2)	(6)
of which: SME clients	(22)	2	(2)	(21)
of which: Financial intermediaries and hedge funds	0	0	0	0
of which: Other	0	0	0	0
<b>Remeasurements without stage transfers<sup>3</sup></b>	<b>(11)</b>	<b>(15)</b>	<b>(25)</b>	<b>29</b>
of which: Private clients with mortgages	(26)	(1)	(25)	0
of which: Real estate financing	12	2	9	0
of which: Large corporate clients	3	(6)	1	8
of which: SME clients	(2)	(10)	(8)	16
of which: Financial intermediaries and hedge funds	(2)	(2)	0	0
of which: Other	4	1	(2)	5
<b>Model changes<sup>4</sup></b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>
<b>Movements with profit or loss impact<sup>5</sup></b>	<b>(35)</b>	<b>15</b>	<b>(22)</b>	<b>1</b>
<b>Movements without profit or loss impact (write-off, FX and other)<sup>6</sup></b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>29</b>
<b>Balance as of 31 December 2022</b>	<b>(722)</b>	<b>(142)</b>	<b>(176)</b>	<b>(403)</b>

<sup>1</sup> 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. <sup>2</sup> Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. <sup>3</sup> 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. <sup>4</sup> Represents the change in the allowances and provisions related to changes in models and methodologies. <sup>5</sup> Includes ECL movements from new and derecognized transactions, remeasurement changes, model and methodology changes. <sup>6</sup> 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 9d Balance sheet and off-balance sheet positions subject to 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	73,264	73,264	0	0	0	0	0	0
Due from banks	2,905	2,893	12	0	(5)	(4)	(1)	0
Receivables from securities financing transactions	53	53	0	0	0	0	0	0
Due from customers	50,543	47,218	2,653	673	(515)	(63)	(46)	(406)
Mortgage loans	168,682	156,990	11,089	603	(121)	(31)	(90)	0
Accrued income and prepaid expenses	565	558	4	3	0	0	0	0
Other assets <sup>2</sup>	252	252	0	0	(2)	(2)	0	0
<b>Total on-balance sheet financial assets within the scope of ECL</b>	<b>296,266</b>	<b>281,229</b>	<b>13,758</b>	<b>1,279</b>	<b>(643)</b>	<b>(100)</b>	<b>(137)</b>	<b>(406)</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	7,967	7,339	532	96	(30)	(10)	(5)	(14)
Irrevocable commitments, gross	15,658	15,278	345	35	(31)	(17)	(14)	0
Forward starting transactions (SFT)	0	0	0	0	0	0	0	0
Other Credit Lines	24,581	23,296	1,242	43	(36)	(28)	(8)	0
Irrevocable committed prolongation of existing loans	3,520	3,508	9	3	(3)	(3)	0	0
<b>Total off-balance sheet financial instruments and other credit lines within the scope of ECL</b>	<b>51,726</b>	<b>49,421</b>	<b>2,128</b>	<b>177</b>	<b>(101)</b>	<b>(59)</b>	<b>(28)</b>	<b>(14)</b>
<b>Total allowances and provisions</b>					<b>(744)</b>	<b>(159)</b>	<b>(165)</b>	<b>(420)</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 Settlement and clearing accounts and Other. Refer to Note 16a for more information.

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	78,071	78,071	0	0	0	0	0	0
Due from banks	3,431	3,430	0	0	(5)	(4)	0	0
Receivables from securities financing transactions	835	835	0	0	0	0	0	0
Due from customers	53,292	50,493	2,360	439	(476)	(57)	(39)	(380)
Mortgage loans	164,136	153,693	9,946	497	(127)	(19)	(109)	0
Accrued income and prepaid expenses	436	433	1	2	0	0	0	0
Other assets <sup>2</sup>	953	953	0	0	(1)	(1)	0	0
<b>Total on-balance sheet financial assets within the scope of ECL</b>	<b>301,153</b>	<b>287,907</b>	<b>12,308</b>	<b>938</b>	<b>(609)</b>	<b>(81)</b>	<b>(148)</b>	<b>(380)</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	9,510	8,342	1,075	92	(41)	(11)	(7)	(23)
Irrevocable commitments, gross	16,625	16,012	557	55	(35)	(21)	(14)	0
Forward starting transactions (SFT)	0	0	0	0	0	0	0	0
Other Credit Lines	22,891	21,595	1,267	29	(34)	(27)	(7)	0
Irrevocable committed prolongation of existing loans	4,341	4,252	87	2	(2)	(2)	0	0
<b>Total off-balance sheet financial instruments and other credit lines within the scope of ECL</b>	<b>53,367</b>	<b>50,202</b>	<b>2,986</b>	<b>178</b>	<b>(113)</b>	<b>(61)</b>	<b>(28)</b>	<b>(23)</b>
<b>Total allowances and provisions</b>					<b>(722)</b>	<b>(142)</b>	<b>(176)</b>	<b>(403)</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 Settlement and clearing accounts and Other. Refer to Note 16a for more information.

## Note 9e Financial assets subject to credit risk by rating category

### 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>									
<b>Cash and balances at central banks</b>	<b>73,264</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>73,264</b>	<b>0</b>	<b>73,264</b>
<i>of which: stage 1</i>	73,264	0	0	0	0	0	73,264	0	73,264
<b>Due from banks</b>	<b>1</b>	<b>1,548</b>	<b>608</b>	<b>357</b>	<b>397</b>	<b>0</b>	<b>2,910</b>	<b>(5)</b>	<b>2,905</b>
<i>of which: stage 1</i>	1	1,548	604	356	390	0	2,898	(4)	2,893
<i>of which: stage 2</i>	0	0	4	1	7	0	13	(1)	12
<i>of which: stage 3</i>	0	0	0	0	0	0	0	0	0
<b>Receivables from securities financing transactions</b>	<b>47</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53</b>	<b>0</b>	<b>53</b>
<i>of which: stage 1</i>	47	7	0	0	0	0	53	0	53
<b>Due from customers</b>	<b>453</b>	<b>27,245</b>	<b>8,552</b>	<b>8,524</b>	<b>5,206</b>	<b>1,079</b>	<b>51,058</b>	<b>(515)</b>	<b>50,543</b>
<i>of which: stage 1</i>	453	26,954	8,271	7,660	3,942	0	47,281	(63)	47,218
<i>of which: stage 2</i>	0	290	281	864	1,263	0	2,699	(46)	2,653
<i>of which: stage 3</i>	0	0	0	0	0	1,079	1,079	(406)	673
<b>Mortgage loans</b>	<b>942</b>	<b>65,528</b>	<b>43,650</b>	<b>42,683</b>	<b>15,397</b>	<b>603</b>	<b>168,804</b>	<b>(121)</b>	<b>168,682</b>
<i>of which: stage 1</i>	942	64,981	42,245	38,116	10,737	0	157,021	(31)	156,990
<i>of which: stage 2</i>	0	547	1,405	4,567	4,661	0	11,180	(90)	11,089
<i>of which: stage 3</i>	0	0	0	0	0	603	603	0	603
<b>Accrued income and prepaid expenses</b>	<b>136</b>	<b>62</b>	<b>22</b>	<b>303</b>	<b>40</b>	<b>3</b>	<b>565</b>	<b>0</b>	<b>565</b>
<i>of which: stage 1</i>	136	62	21	302	37	0	558	0	558
<i>of which: stage 2</i>	0	0	0	1	3	0	4	0	4
<i>of which: stage 3</i>	0	0	0	0	0	3	3	0	3
<b>Other assets</b>	<b>5</b>	<b>167</b>	<b>18</b>	<b>62</b>	<b>4</b>	<b>0</b>	<b>254</b>	<b>(2)</b>	<b>252</b>
<i>of which: stage 1</i>	5	167	18	62	4	0	254	(2)	252
<i>of which: stage 2</i>	0	0	0	0	0	0	0	0	0
<i>of which: stage 3</i>	0	0	0	0	0	0	0	0	0
<b>Total in scope of ECL assets / ECL amounts by stages</b>	<b>74,847</b>	<b>94,556</b>	<b>52,849</b>	<b>51,928</b>	<b>21,043</b>	<b>1,685</b>	<b>296,909</b>	<b>(643)</b>	<b>296,266</b>

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

CHF m		31.12.23							
Rating category	0-1	2-3	4-5	6-8	9-13	Credit-impaired (defaulted)	Total carrying amount (maximum exposure to credit risk)	ECL provision	
<b>Off-balance sheet (in scope of ECL)</b>									
<b>Contingent liabilities, gross</b>	<b>69</b>	<b>2,164</b>	<b>2,563</b>	<b>2,463</b>	<b>611</b>	<b>96</b>	<b>7,967</b>	<b>(30)</b>	
<i>of which: stage 1</i>	69	2,156	2,538	2,051	525	0	7,339	(10)	
<i>of which: stage 2</i>	0	8	25	412	87	0	532	(5)	
<i>of which: stage 3</i>	0	0	0	0	0	96	96	(14)	
<b>Irrevocable commitments, gross</b>	<b>346</b>	<b>6,029</b>	<b>4,221</b>	<b>3,894</b>	<b>1,132</b>	<b>35</b>	<b>15,658</b>	<b>(31)</b>	
<i>of which: stage 1</i>	346	6,029	4,187	3,736	980	0	15,278	(17)	
<i>of which: stage 2</i>	0	0	35	158	153	0	345	(14)	
<i>of which: stage 3</i>	0	0	0	0	0	35	35	0	
<b>Forward starting transactions (securities financing transactions)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<i>of which: stage 1</i>	0	0	0	0	0	0	0	0	
<b>Credit lines</b>	<b>2,147</b>	<b>6,653</b>	<b>7,924</b>	<b>6,420</b>	<b>1,395</b>	<b>43</b>	<b>24,581</b>	<b>(36)</b>	
<i>of which: stage 1</i>	2,147	6,348	7,688	6,013	1,101	0	23,296	(28)	
<i>of which: stage 2</i>	0	305	236	407	294	0	1,242	(8)	
<i>of which: stage 3</i>	0	0	0	0	0	43	43	0	
<b>Irrevocable committed prolongation of existing loans</b>	<b>4</b>	<b>1,517</b>	<b>880</b>	<b>694</b>	<b>422</b>	<b>3</b>	<b>3,520</b>	<b>(3)</b>	
<i>of which: stage 1</i>	4	1,517	880	692	415	0	3,508	(3)	
<i>of which: stage 2</i>	0	0	0	2	7	0	9	0	
<i>of which: stage 3</i>	0	0	0	0	0	3	3	0	
<b>Total off-balance sheet financial instruments and credit lines</b>	<b>2,566</b>	<b>16,363</b>	<b>15,588</b>	<b>13,471</b>	<b>3,561</b>	<b>177</b>	<b>51,726</b>	<b>(101)</b>	

› Refer to "Note 10 Financial assets at amortized cost and other positions in scope of expected credit loss measurement" in the "Consolidated financial statements" section of the UBS Group AG Annual Report 2023 for more information about ECL in accordance with IFRS Accounting Standards

## Note 9e 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>									
<b>Cash and balances at central banks</b>	<b>78,071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78,071</b>	<b>0</b>	<b>78,071</b>
<i>of which: stage 1</i>	<i>78,071</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>78,071</i>	<i>0</i>	<i>78,071</i>
<b>Due from banks</b>	<b>5</b>	<b>1,986</b>	<b>376</b>	<b>724</b>	<b>344</b>	<b>0</b>	<b>3,436</b>	<b>(5)</b>	<b>3,431</b>
<i>of which: stage 1</i>	<i>5</i>	<i>1,986</i>	<i>376</i>	<i>724</i>	<i>344</i>	<i>0</i>	<i>3,435</i>	<i>(4)</i>	<i>3,430</i>
<i>of which: stage 2</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>
<i>of which: stage 3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Receivables from securities financing transactions</b>	<b>218</b>	<b>238</b>	<b>368</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>835</b>	<b>0</b>	<b>835</b>
<i>of which: stage 1</i>	<i>218</i>	<i>238</i>	<i>368</i>	<i>11</i>	<i>0</i>	<i>0</i>	<i>835</i>	<i>0</i>	<i>835</i>
<b>Due from customers</b>	<b>607</b>	<b>35,789</b>	<b>7,111</b>	<b>5,610</b>	<b>3,832</b>	<b>819</b>	<b>53,768</b>	<b>(476)</b>	<b>53,292</b>
<i>of which: stage 1</i>	<i>607</i>	<i>35,458</i>	<i>6,807</i>	<i>4,635</i>	<i>3,044</i>	<i>0</i>	<i>50,550</i>	<i>(57)</i>	<i>50,493</i>
<i>of which: stage 2</i>	<i>0</i>	<i>331</i>	<i>304</i>	<i>975</i>	<i>788</i>	<i>0</i>	<i>2,399</i>	<i>(39)</i>	<i>2,360</i>
<i>of which: stage 3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>819</i>	<i>819</i>	<i>(380)</i>	<i>439</i>
<b>Mortgage loans</b>	<b>1,290</b>	<b>65,849</b>	<b>43,703</b>	<b>40,302</b>	<b>12,622</b>	<b>497</b>	<b>164,263</b>	<b>(127)</b>	<b>164,136</b>
<i>of which: stage 1</i>	<i>1,290</i>	<i>65,272</i>	<i>42,424</i>	<i>35,677</i>	<i>9,048</i>	<i>0</i>	<i>153,711</i>	<i>(19)</i>	<i>153,693</i>
<i>of which: stage 2</i>	<i>0</i>	<i>577</i>	<i>1,279</i>	<i>4,625</i>	<i>3,574</i>	<i>0</i>	<i>10,055</i>	<i>(109)</i>	<i>9,946</i>
<i>of which: stage 3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>497</i>	<i>497</i>	<i>0</i>	<i>497</i>
<b>Accrued income and prepaid expenses</b>	<b>80</b>	<b>20</b>	<b>11</b>	<b>240</b>	<b>84</b>	<b>2</b>	<b>436</b>	<b>0</b>	<b>436</b>
<i>of which: stage 1</i>	<i>80</i>	<i>19</i>	<i>10</i>	<i>239</i>	<i>83</i>	<i>0</i>	<i>433</i>	<i>0</i>	<i>433</i>
<i>of which: stage 2</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>1</i>
<i>of which: stage 3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>2</i>	<i>0</i>	<i>2</i>
<b>Other assets</b>	<b>450</b>	<b>108</b>	<b>8</b>	<b>387</b>	<b>2</b>	<b>0</b>	<b>954</b>	<b>(1)</b>	<b>953</b>
<i>of which: stage 1</i>	<i>450</i>	<i>108</i>	<i>8</i>	<i>387</i>	<i>2</i>	<i>0</i>	<i>954</i>	<i>(1)</i>	<i>953</i>
<i>of which: stage 2</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>of which: stage 3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Total in scope of ECL assets / ECL amounts by stages</b>	<b>80,721</b>	<b>103,990</b>	<b>51,576</b>	<b>47,274</b>	<b>16,884</b>	<b>1,318</b>	<b>301,762</b>	<b>(609)</b>	<b>301,153</b>

## Off-balance sheet positions and other 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 (within the scope of ECL)</b>									
<b>Contingent liabilities, gross</b>	<b>109</b>	<b>2,656</b>	<b>3,323</b>	<b>2,564</b>	<b>765</b>	<b>92</b>	<b>9,510</b>	<b>(41)</b>	
<i>of which: stage 1</i>	<i>109</i>	<i>2,643</i>	<i>3,275</i>	<i>1,829</i>	<i>487</i>	<i>0</i>	<i>8,342</i>	<i>(11)</i>	
<i>of which: stage 2</i>	<i>0</i>	<i>14</i>	<i>48</i>	<i>735</i>	<i>279</i>	<i>0</i>	<i>1,075</i>	<i>(7)</i>	
<i>of which: stage 3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>92</i>	<i>92</i>	<i>(23)</i>	
<b>Irrevocable commitments, gross</b>	<b>378</b>	<b>7,400</b>	<b>3,717</b>	<b>3,943</b>	<b>1,132</b>	<b>55</b>	<b>16,625</b>	<b>(35)</b>	
<i>of which: stage 1</i>	<i>378</i>	<i>7,397</i>	<i>3,669</i>	<i>3,624</i>	<i>945</i>	<i>0</i>	<i>16,012</i>	<i>(21)</i>	
<i>of which: stage 2</i>	<i>0</i>	<i>2</i>	<i>49</i>	<i>319</i>	<i>187</i>	<i>0</i>	<i>557</i>	<i>(14)</i>	
<i>of which: stage 3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>55</i>	<i>55</i>	<i>0</i>	
<b>Forward starting transactions (securities financing transactions)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<i>of which: stage 1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<b>Credit lines</b>	<b>2,165</b>	<b>7,076</b>	<b>7,182</b>	<b>5,855</b>	<b>584</b>	<b>29</b>	<b>22,891</b>	<b>(34)</b>	
<i>of which: stage 1</i>	<i>2,165</i>	<i>6,452</i>	<i>6,982</i>	<i>5,517</i>	<i>480</i>	<i>0</i>	<i>21,595</i>	<i>(27)</i>	
<i>of which: stage 2</i>	<i>0</i>	<i>625</i>	<i>201</i>	<i>338</i>	<i>104</i>	<i>0</i>	<i>1,267</i>	<i>(7)</i>	
<i>of which: stage 3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>29</i>	<i>29</i>	<i>0</i>	
<b>Irrevocable committed prolongation of existing loans</b>	<b>7</b>	<b>1,796</b>	<b>1,376</b>	<b>798</b>	<b>362</b>	<b>2</b>	<b>4,341</b>	<b>(2)</b>	
<i>of which: stage 1</i>	<i>7</i>	<i>1,795</i>	<i>1,304</i>	<i>795</i>	<i>352</i>	<i>0</i>	<i>4,252</i>	<i>(2)</i>	
<i>of which: stage 2</i>	<i>0</i>	<i>1</i>	<i>72</i>	<i>4</i>	<i>10</i>	<i>0</i>	<i>87</i>	<i>0</i>	
<i>of which: stage 3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>2</i>	<i>0</i>	
<b>Total off-balance sheet financial instruments and credit lines</b>	<b>2,659</b>	<b>18,927</b>	<b>15,599</b>	<b>13,159</b>	<b>2,843</b>	<b>178</b>	<b>53,367</b>	<b>(113)</b>	



## Note 10 Trading portfolio and other financial instruments measured at fair value

CHF m	31.12.23	31.12.22
<b>Assets</b>		
Trading portfolio assets	1,507	1,744
of which: debt instruments <sup>1</sup>	36	82
of which: listed	24	50
of which: equity instruments	48	78
of which: precious metals and other physical commodities	1,423	1,584
<b>Total assets measured at fair value</b>	<b>1,507</b>	<b>1,744</b>
of which: fair value derived using a valuation model	63	103
of which: securities eligible for repurchase transactions in accordance with liquidity regulations <sup>2</sup>	16	17
<b>Liabilities</b>		
Trading portfolio liabilities	209	170
of which: debt instruments <sup>1</sup>	75	80
of which: listed	65	69
of which: equity instruments	133	90
<b>Total liabilities measured at fair value</b>	<b>209</b>	<b>170</b>
of which: fair value derived using a valuation model	134	146

<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.

## Note 11 Derivative instruments

CHF m, except where indicated	31.12.23			31.12.22		
	Derivative financial assets	Derivative financial liabilities	Total notional values (CHF bn)	Derivative financial assets	Derivative financial liabilities	Total notional values (CHF bn)
<b>Interest rate contracts</b>						
Forwards <sup>1</sup>	25	23	9	35	35	8
Swaps	1,897	1,761	131	2,314	2,484	129
of which: designated in hedge accounting relationships	1,015	1,086	42	1,141	1,564	32
Over-the-counter (OTC) options	66	66	5	96	82	5
<b>Total</b>	<b>1,989</b>	<b>1,849</b>	<b>144</b>	<b>2,445</b>	<b>2,601</b>	<b>142</b>
<b>Foreign exchange contracts</b>						
Forwards	492	470	43	525	506	40
Interest and currency swaps	1,497	1,964	105	1,531	1,616	136
Over-the-counter (OTC) options	307	306	28	268	267	30
<b>Total</b>	<b>2,295</b>	<b>2,740</b>	<b>175</b>	<b>2,324</b>	<b>2,389</b>	<b>205</b>
<b>Equity / index contracts</b>						
Forwards	37	46	6	24	36	3
Swaps	19	19	1	14	14	1
Over-the-counter (OTC) options	20	20	1	70	70	2
Exchange-traded options	348	348	0	451	451	0
<b>Total</b>	<b>425</b>	<b>434</b>	<b>8</b>	<b>560</b>	<b>572</b>	<b>5</b>
<b>Credit derivative contracts</b>						
Credit default swaps	12	16	1	16	17	2
<b>Total</b>	<b>12</b>	<b>16</b>	<b>1</b>	<b>16</b>	<b>17</b>	<b>2</b>
<b>Commodity, precious metals and other contracts</b>						
Forwards	5	5	0	6	6	1
Swaps	59	59	3	15	14	1
Over-the-counter (OTC) options	135	135	8	111	111	8
<b>Total</b>	<b>200</b>	<b>199</b>	<b>12</b>	<b>131</b>	<b>131</b>	<b>9</b>
<b>Total before netting</b>	<b>4,920</b>	<b>5,238</b>	<b>339</b>	<b>5,477</b>	<b>5,709</b>	<b>364</b>
of which: trading derivatives	3,905	4,152		4,336	4,146	
of which: fair value derived using a valuation model	3,851	4,087		4,294	4,093	
of which: derivatives designated in hedge accounting relationships	1,015	1,086		1,141	1,564	
of which: fair value derived using a valuation model	1,015	1,086		1,141	1,564	
Netting with cash collateral payables / receivables	(1)	(447)		(276)	(161)	
Replacement value netting	(3,253)	(3,253)		(3,797)	(3,797)	
<b>Total after netting</b>	<b>1,666</b>	<b>1,537</b>		<b>1,404</b>	<b>1,752</b>	
of which: with central clearing counterparties	1	4		3	3	
of which: with bank and broker-dealer counterparties	52	458		134	323	
of which: other client counterparties	1,613	1,075		1,267	1,426	

<sup>1</sup> Includes forward rate agreements.

## Note 12a Financial investments by instrument type

CHF m	31.12.23		31.12.22	
	Carrying amount	Fair value	Carrying amount	Fair value
Debt instruments	13,536	13,457	9,709	9,431
<i>of which: held to maturity</i>	5,762	5,656	6,312	6,033
<i>of which: available for sale</i>	7,774	7,800	3,397	3,397
Equity instruments	4	13	4	12
Property	13	13	14	14
<b>Total financial investments</b>	<b>13,553</b>	<b>13,483</b>	<b>9,728</b>	<b>9,457</b>
<i>of which: securities eligible for repurchase transactions in accordance with liquidity regulations<sup>1</sup></i>	<i>11,302</i>	<i>11,392</i>	<i>9,037</i>	<i>8,898</i>

<sup>1</sup> Consists of high-quality liquid debt securities that are eligible for repurchase transactions at the Swiss National Bank (SNB) or other central banks.

## Note 12b Financial investments by counterparty rating – debt instruments

CHF m	31.12.23	31.12.22
<b>Internal UBS rating<sup>1</sup></b>		
0–1	11,206	8,331
2–3	2,330	1,378
4–5	0	0
6–8	0	0
9–13	0	0
Non-rated	0	0
<b>Total financial investments</b>	<b>13,536</b>	<b>9,709</b>

<sup>1</sup> Refer to Note 21 for more information.

## Note 13 Investments in subsidiaries and other participations

CHF m	31.12.23	31.12.22
<b>Historical cost</b>		
Balance at the beginning of the year	115	105
Additions	1	15
Reductions	0	(5)
Balance at the end of the year	116	115
<b>Accumulated value adjustments and changes in book value</b>		
Balance at the beginning of the year	(9)	(9)
Balance at the end of the year	(9)	(9)
<b>Net book value</b>		
Book value at the beginning of the year	106	96
<b>Book value at the end of the year</b>	<b>107</b>	<b>106</b>
<i>of which: without market value</i>	<i>107</i>	<i>106</i>
<i>of which: other participations</i>	<i>88</i>	<i>87</i>
<i>of which: Pfandbriefbank</i>	<i>74</i>	<i>74</i>
<i>of which: TWINT AG</i>	<i>8</i>	<i>8</i>
<i>of which: Houzy AG</i>	<i>6</i>	<i>5</i>
<i>of which: subsidiaries</i>	<i>18</i>	<i>18</i>

## Note 14 Companies in which the bank holds a permanent direct or indirect significant participation

Company name	Domicile	Primary business division	Share capital, in thousands	31.12.23		Held directly, in thousands	Held indirectly
				Share of capital (in %)	Share of votes (in %)		
UBS Card Center AG	Switzerland	Personal & Corporate Banking	CHF 100	100	100	100	–
UBS Hypotheken AG	Switzerland	Personal & Corporate Banking	CHF 100	98	98	98	–
UBS Hypotheken Schweiz AG	Switzerland	Personal & Corporate Banking	CHF 100	98	98	98	–
TopCard Service AG	Switzerland	Personal & Corporate Banking	CHF 150	100	100	150	–
TWINT AG	Switzerland	Personal & Corporate Banking	CHF 12,750	11	11	1,462	–
Houzy AG	Switzerland	Personal & Corporate Banking	CHF 598	43	43	254	–
Pfandbriefbank schweizerischer Hypothekarinstitute AG	Switzerland	Personal & Corporate Banking	CHF 1,100,000	9	9	98,267	–

## Note 15 Property, equipment and software

### At historical cost less accumulated depreciation

<i>CHF m</i>	IT hardware and communication	Internally generated software	Other machines and equipment	Projects in progress <sup>1</sup>	<b>31.12.23</b>	31.12.22
<b>Historical cost</b>						
Balance at the beginning of the year	9	1,181	113	88	<b>1,392</b>	968
Additions	2	0	2	253	<b>257</b>	427
Disposals / write-offs <sup>2</sup>	(1)	(28)	(28)	0	<b>(58)</b>	(3)
Reclassifications	0	299	0	(299)	<b>0</b>	0
Balance at the end of the year	10	1,452	87	42	<b>1,591</b>	1,392
<b>Accumulated depreciation</b>						
Balance at the beginning of the year	8	322	102		<b>432</b>	269
Depreciation	2	218	4		<b>224</b>	166
Disposals / write-offs <sup>2</sup>	(1)	(28)	(28)		<b>(58)</b>	(3)
Balance at the end of the year	9	511	79		<b>598</b>	432
<b>Net book value</b>						
Net book value at the beginning of the year	1	860	11	88	<b>960</b>	699
Net book value at the end of the year	1	941	9	42	<b>992</b>	960

<sup>1</sup> Entirely related to Internally generated software. <sup>2</sup> Includes write-offs of fully depreciated assets.

### Operating lease commitments

<i>CHF m</i>	<b>31.12.23</b>
<b>Expenses for operating leases to be recognized in:</b>	
2024	<b>145</b>
2025	<b>134</b>
2026	<b>123</b>
2027	<b>50</b>
2028	<b>26</b>
2029 and thereafter	<b>75</b>
<b>Total commitments for minimum payments under operating leases</b>	<b>554</b>

Property, equipment and software are depreciated on a straight-line basis over their useful life, which is between 3 and 10 years.

## Note 16a Other assets

<i>CHF m</i>	<b>31.12.23</b>	31.12.22
Deferral position for hedging instruments	<b>113</b>	531
Settlement and clearing accounts	<b>168</b>	886
VAT and other indirect tax receivables	<b>13</b>	12
Other	<b>98</b>	88
<i>of which: other receivables due from UBS Group AG and subsidiaries in the UBS Group</i>	<b>62</b>	67
<b>Total other assets<sup>1</sup></b>	<b>392</b>	1,516

<sup>1</sup> Includes components of Settlement and clearing accounts and Other of CHF 252m within the scope of ECL as of 31 December 2023 (CHF 953m as of 31 December 2022). Refer to Note 9d for more information.

## Note 16b Other liabilities

<i>CHF m</i>	<b>31.12.23</b>	31.12.22
Settlement and clearing accounts	<b>720</b>	526
VAT and other indirect tax payables	<b>319</b>	155
Other	<b>649</b>	704
<i>of which: other payables due to UBS Group AG and subsidiaries in the UBS Group</i>	<b>387</b>	325
<b>Total other liabilities</b>	<b>1,688</b>	1,384

## Note 17 Pledged assets<sup>1</sup>

CHF m	31.12.23		31.12.22	
	Carrying amount of pledged assets	Effective commitment	Carrying amount of pledged assets	Effective commitment
Cash and balances at central banks <sup>2</sup>	596	1,193	0	0
Due from customers <sup>3</sup>	708	660	1,109	1,125
Mortgage loans <sup>4</sup>	17,392	9,182	12,035	8,388
<b>Total pledged assets</b>	<b>18,697</b>	<b>11,034</b>	<b>13,144</b>	<b>9,513</b>

<sup>1</sup> Excluding securities financing transactions. Refer to Note 7 for more information on securities financing transactions. <sup>2</sup> Related to the collateral account with the Swiss National Bank pledged in favor of Esisuisse, to cover the required 50% of the payment commitment related to deposit insurance. Refer to the "Off-balance sheet items" section for further information on Swiss deposit insurance. <sup>3</sup> Related to COVID-19 loans granted under the program established by the Swiss Federal Council pledged to the Swiss National Bank. <sup>4</sup> These pledged mortgage loans serve as collateral for existing liabilities against Swiss central mortgage institutions and for existing covered bond issuances. Of these pledged mortgage loans, approximately CHF 6.4bn as of 31 December 2023 (approximately CHF 2.0bn as of 31 December 2022) could be withdrawn or used for future liabilities or covered bond issuances without breaching existing collateral requirements.

## Note 18 Maturity structure of financial instruments

CHF m	At sight	Cancellable	Due within 1 month	Due between 1 and 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Perpetual / Not applicable	Total
<b>Assets</b>									
Cash and balances at central banks <sup>1</sup>	72,668	596	0	0	0	0	0	0	73,264
Due from banks	1,830	0	214	278	508	10	65	0	2,905
Receivables from securities financing transactions	0	53	0	0	0	0	0	0	53
Due from customers	46	12,247	14,969	5,319	6,808	9,435	1,720	0	50,543
Mortgage loans	0	73,762	3,064	2,675	9,723	45,639	33,819	0	168,682
Trading portfolio assets	1,507	0	0	0	0	0	0	0	1,507
Derivative financial instruments	1,666	0	0	0	0	0	0	0	1,666
Financial investments	4	0	564	737	2,029	8,887	1,319	13	13,553
<b>Total assets / financial instruments as of 31.12.23</b>	<b>77,721</b>	<b>86,658</b>	<b>18,812</b>	<b>9,009</b>	<b>19,068</b>	<b>63,971</b>	<b>36,923</b>	<b>13</b>	<b>312,175</b>
<b>Total assets / financial instruments as of 31.12.22</b>	<b>83,273</b>	<b>74,162</b>	<b>20,299</b>	<b>13,151</b>	<b>20,361</b>	<b>60,302</b>	<b>41,077</b>	<b>14</b>	<b>312,640</b>
<b>Liabilities</b>									
Due to banks <sup>2</sup>	6,022	694	6,043	3,609	2,092	9,650	4,026	5,000	37,136
Payables from securities financing transactions	0	283	0	0	0	0	0	0	283
Due to customers	146,044	59,597	14,320	11,797	7,356	7,639	3	0	246,756
Trading portfolio liabilities	209	0	0	0	0	0	0	0	209
Derivative financial instruments	1,537	0	0	0	0	0	0	0	1,537
Bonds issued and loans from central mortgage institutions	0	0	107	223	645	4,218	3,991	0	9,183
<b>Total liabilities / financial instruments as of 31.12.23</b>	<b>153,812</b>	<b>60,573</b>	<b>20,470</b>	<b>15,629</b>	<b>10,093</b>	<b>21,507</b>	<b>8,020</b>	<b>5,000</b>	<b>295,104</b>
<b>Total liabilities / financial instruments as of 31.12.22</b>	<b>193,919</b>	<b>60,266</b>	<b>2,908</b>	<b>13,349</b>	<b>3,090</b>	<b>8,997</b>	<b>9,693</b>	<b>5,393</b>	<b>297,615</b>

<sup>1</sup> Cash and balances at central banks cancellable relates to the collateral account with the Swiss National Bank pledged in favor of Esisuisse to cover the required 50% of the payment commitment related to deposit insurance. <sup>2</sup> Due to banks with maturity above one year and Perpetual mainly relates to loss-absorbing capacity-eligible positions.

## Note 19 Assets and liabilities by domestic and foreign origin in accordance with the domicile principle

CHF m	31.12.23		31.12.22	
	Domestic	Foreign	Domestic	Foreign
<b>Assets</b>				
Cash and balances at central banks	73,264	0	78,071	0
Due from banks	592	2,313	549	2,882
Receivables from securities financing transactions	0	53	200	635
Due from customers	25,275	25,268	25,215	28,077
Mortgage loans	168,681	1	164,135	1
Trading portfolio assets	1,436	72	1,641	102
Derivative financial instruments	1,109	557	820	584
Financial investments	2,645	10,909	1,428	8,300
Accrued income and prepaid expenses	295	270	263	173
Investments in subsidiaries and other participations	107	0	106	0
Property, equipment and software	992	0	960	0
Other assets	257	135	956	560
<b>Total assets</b>	<b>274,652</b>	<b>39,578</b>	<b>274,343</b>	<b>41,314</b>
<b>Liabilities</b>				
Due to banks	33,331	3,805	30,610	3,912
Payables from securities financing transactions	20	263	12	217
Due to customers	202,770	43,986	202,375	50,262
Trading portfolio liabilities	29	180	39	130
Derivative financial instruments	1,095	443	1,061	691
Bonds issued and loans from central mortgage institutions	9,183	0	8,305	0
Accrued expenses and deferred income	1,129	209	916	27
Other liabilities	1,601	87	1,310	74
Provisions	166	9	201	20
<b>Total liabilities</b>	<b>249,325</b>	<b>48,980</b>	<b>244,829</b>	<b>55,334</b>
<b>Equity</b>				
Share capital	10	0	10	0
Statutory capital reserve	11,354	0	11,354	0
Voluntary earnings reserve	1,430	0	1,423	0
Net profit / (loss) for the period	3,133	0	2,707	0
<b>Total equity</b>	<b>15,926</b>	<b>0</b>	<b>15,493</b>	<b>0</b>
<b>Total liabilities and equity</b>	<b>265,251</b>	<b>48,980</b>	<b>260,323</b>	<b>55,334</b>

## Note 20 Total assets by geographical location

	31.12.23		31.12.22	
	CHF m	%	CHF m	%
<b>Assets</b>				
Switzerland	274,652	87	274,343	87
Europe, Middle East and Africa	25,878	8	27,406	9
<i>of which: Qatar</i>	<i>3,933</i>	<i>1</i>	<i>4,082</i>	<i>1</i>
<i>of which: France</i>	<i>2,408</i>	<i>1</i>	<i>2,147</i>	<i>1</i>
<i>of which: Luxembourg</i>	<i>2,266</i>	<i>1</i>	<i>2,159</i>	<i>1</i>
<i>of which: Germany</i>	<i>2,134</i>	<i>1</i>	<i>1,871</i>	<i>1</i>
<i>of which: United Kingdom</i>	<i>1,878</i>	<i>1</i>	<i>1,920</i>	<i>1</i>
Americas	10,753	3	11,096	4
<i>of which: United States</i>	<i>3,564</i>	<i>1</i>	<i>3,916</i>	<i>1</i>
<i>of which: British Virgin Islands</i>	<i>2,147</i>	<i>1</i>	<i>2,402</i>	<i>1</i>
<i>of which: Cayman Islands</i>	<i>1,235</i>	<i>0</i>	<i>955</i>	<i>0</i>
Asia Pacific	2,947	1	2,812	1
<i>of which: Singapore</i>	<i>739</i>	<i>0</i>	<i>959</i>	<i>0</i>
<i>of which: Australia</i>	<i>442</i>	<i>0</i>	<i>225</i>	<i>0</i>
<i>of which: China</i>	<i>356</i>	<i>0</i>	<i>411</i>	<i>0</i>
<b>Total assets</b>	<b>314,231</b>	<b>100</b>	<b>315,657</b>	<b>100</b>

## Note 21 Country risk of total assets

The table below provides a breakdown of total non-Swiss assets by credit rating. These 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, in order to reconcile them to total balance sheet assets.

› Refer to the “Risk management and control” section of the UBS Group AG Annual Report 2023 for more information

						31.12.23		31.12.22	
Classification	Internal UBS rating	Description	Moody's Investors Service	S&P	Fitch	CHF m	%	CHF m	%
Low risk	0 and 1	Investment grade	Aaa	AAA	AAA	19,282	6	21,078	7
	2		Aa1 to Aa3	AA+ to AA-	AA+ to AA-	7,491	2	6,203	2
	3		A1 to A3	A+ to A-	A+ to A-	7,604	2	8,287	3
Medium risk	4		Baa1 to Baa2	BBB+ to BBB	BBB+ to BBB	1,357	0	814	0
	5		Baa3	BBB-	BBB-	964	0	813	0
	6	Sub-investment grade	Ba1	BB+	BB+	279	0	210	0
High risk	7		Ba2	BB	BB	82	0	78	0
	8		Ba3	BB-	BB-	332	0	286	0
	9		B1	B+	B+	324	0	282	0
Very high risk	10		B2	B	B	262	0	457	0
	11		B3	B-	B-	90	0	170	0
	12		Caa1 to Caa2	CCC+ to CCC	CCC+ to CCC	16	0	21	0
	13		Caa3 to C	CCC- to C	CCC- to C	206	0	75	0
Distressed	Default	Defaulted		D	D	11	0	8	0
<b>Subtotal</b>						<b>38,298</b>	<b>12</b>	<b>38,782</b>	<b>12</b>
Switzerland						<b>275,933</b>	<b>88</b>	<b>276,875</b>	<b>88</b>
<b>Total assets</b>						<b>314,231</b>	<b>100</b>	<b>315,657</b>	<b>100</b>

## Note 22 Assets and liabilities by the most significant currencies for the bank

CHF m	31.12.23					Total
	CHF	USD	EUR	GBP	Other	
<b>Assets</b>						
Cash and balances at central banks	73,092	8	158	3	3	73,264
Due from banks	290	1,804	393	11	408	2,905
Receivables from securities financing transactions	0	3	48	2	0	53
Due from customers	20,254	15,057	13,456	649	1,127	50,543
Mortgage loans	165,897	2,751	33	0	1	168,682
Trading portfolio assets	11	46	23	2	1,425	1,507
Derivative financial instruments	1,666	0	0	0	0	1,666
Financial investments	3,547	4,858	4,390	752	6	13,553
Accrued income and prepaid expenses	255	181	113	11	5	565
Investments in subsidiaries and other participations	107	0	0	0	0	107
Property, equipment and software	992	0	0	0	0	992
Other assets	237	119	31	2	3	392
<b>Total assets shown on the balance sheet</b>	<b>266,349</b>	<b>24,827</b>	<b>18,644</b>	<b>1,432</b>	<b>2,978</b>	<b>314,231</b>
Delivery entitlements from spot exchange, forward forex and forex options transactions	19,025	27,498	12,208	2,916	8,909	70,557
<b>Total assets</b>	<b>285,375</b>	<b>52,325</b>	<b>30,852</b>	<b>4,348</b>	<b>11,888</b>	<b>384,787</b>
<b>Liabilities</b>						
Due to banks	33,503	1,769	351	160	1,354	37,136
Payables from securities financing transactions	0	250	33	0	0	283
Due to customers	179,126	35,697	23,163	2,770	5,999	246,756
Trading portfolio liabilities	29	123	46	8	3	209
Derivative financial instruments	1,537	0	0	0	0	1,537
Bonds issued and loans from central mortgage institutions	9,182	1	1	0	0	9,183
Accrued expenses and deferred income	1,034	270	28	4	1	1,338
Other liabilities	1,142	364	165	12	4	1,688
Provisions	147	16	12	0	0	175
<b>Total liabilities shown on the balance sheet</b>	<b>225,701</b>	<b>38,491</b>	<b>23,798</b>	<b>2,954</b>	<b>7,361</b>	<b>298,305</b>
<b>Equity</b>						
Share capital	10	0	0	0	0	10
Statutory capital reserve	11,354	0	0	0	0	11,354
Voluntary earning reserve	1,430	0	0	0	0	1,430
Net profit / (loss) for the period	3,133	0	0	0	0	3,133
<b>Total equity shown on the balance sheet</b>	<b>15,926</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,926</b>
<b>Total liabilities and equity shown on the balance sheet</b>	<b>241,627</b>	<b>38,491</b>	<b>23,798</b>	<b>2,954</b>	<b>7,361</b>	<b>314,231</b>
Delivery obligations from spot exchange, forward forex and forex options transactions	19,077	27,562	12,122	2,886	8,910	70,557
<b>Total equity and liabilities</b>	<b>260,704</b>	<b>66,053</b>	<b>35,920</b>	<b>5,840</b>	<b>16,271</b>	<b>384,787</b>
<b>Net position per currency as of 31.12.23</b>	<b>24,671</b>	<b>(13,728)</b>	<b>(5,068)</b>	<b>(1,493)</b>	<b>(4,383)</b>	<b>0</b>
<b>Net position per currency as of 31.12.22</b>	<b>24,852</b>	<b>(6,777)</b>	<b>(10,982)</b>	<b>(3,427)</b>	<b>(3,666)</b>	<b>0</b>

## Note 23 Bonds issued and loans from central mortgage institutions

### Contractual maturity of carrying amount

CHF m	Due within	Due	Due	Due	Due	Total 31.12.23	Total 31.12.22
	1 year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years		
<b>Loans from central mortgage institutions<sup>1</sup></b>							
Fixed-rate	975	1,067	951	966	884	3,521	8,305
Interest rates (range in %)	0.1–6.1	0.2–1.8	0.3–2.8	0.1–2.6	0.1–2.2	0–2.7	
<b>Covered bonds issued<sup>1,2</sup></b>							
Fixed-rate	0	0	350	0	0	470	0
Interest rates (in %)			1.82			2.035	
<b>Total</b>	975	1,067	1,301	966	884	3,991	8,305

<sup>1</sup> Non-subordinated debt. <sup>2</sup> Issued in 2023, all denominated in Swiss francs.

## Note 24a Share capital

	31.12.23			31.12.22		
	Nominal value in CHF	Number of shares	of which: dividend bearing	Nominal value in CHF	Number of shares	of which: dividend bearing
Share capital <sup>1</sup>	10,000,000	100,000,000	100,000,000	10,000,000	100,000,000	100,000,000
of which: shares outstanding	10,000,000	100,000,000	100,000,000	10,000,000	100,000,000	100,000,000

<sup>1</sup> Registered shares issued.

UBS Switzerland AG's share capital is fully paid up. Each share has a nominal value of CHF 0.10 and entitles the holder to one vote at the meeting of the shareholders of UBS Switzerland AG, if entered into the share register as having the right to vote, as well as a proportionate share of distributed dividends. UBS Switzerland AG does not apply any restrictions or limitations on the transferability of shares.

### Non-distributable reserves

Non-distributable reserves were CHF 5m as of 31 December 2023 (CHF 5m as of 31 December 2022), equivalent to 50% of the share capital of UBS Switzerland AG.

## Note 24b Significant shareholders

The sole direct shareholder of UBS Switzerland AG is UBS AG, which holds 100% of UBS Switzerland AG shares. These shares are entitled to voting rights. Indirect shareholders of UBS Switzerland AG, who do not have voting rights, include UBS Group AG, which holds 100% of UBS AG shares. Included in the table below are also 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 Switzerland AG held by indirect shareholders shown in the table below represent their relative holding of UBS Group AG shares. They do not have voting rights in UBS Switzerland AG.

CHF m, except where indicated	31.12.23		31.12.22	
	Share capital held	Shares held (%)	Share capital held	Shares held (%)
<b>Significant direct shareholder of UBS Switzerland AG</b>				
UBS AG	10	100	10	100
<b>Significant indirect shareholders of UBS Switzerland AG</b>				
UBS Group AG	10	100	10	100
Chase Nominees Ltd., London	0	0	1	9
DTC (Cede & Co.), New York <sup>1</sup>	1	7	1	7
Nortrust Nominees Ltd., London	0	4	0	4

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



## Note 25 Swiss pension plan

### a) Liabilities related to the Swiss pension plan

CHF m	31.12.23	31.12.22
Provision for the Swiss pension plan	0	0
Bank accounts at UBS and UBS debt instruments held by the Swiss pension fund	72	166
UBS derivative financial instruments held by the Swiss pension fund	215	48
<b>Total liabilities related to the Swiss pension plan</b>	<b>287</b>	<b>215</b>

### b) Swiss pension plan

CHF m	As of or for the year ended	
	31.12.23	31.12.22
Pension plan surplus <sup>1</sup>	2,159	2,064
Economic benefit / (obligation) of UBS Switzerland AG	0	0
Change in economic benefit / (obligation) recognized in the income statement	0	0
Employer contributions in the period recognized in the income statement	183	275
Performance awards-related employer contributions accrued	27	24
<b>Total pension expense recognized in the income statement within Personnel expenses</b>	<b>211</b>	<b>299</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 Switzerland AG in accordance with FER 16 both as of 31 December 2023 and 31 December 2022. Refer to Note 2 for more information.

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

## Note 26 Related parties

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

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>	3,257	33,493	3,237	30,434
<i>of which: due from / to banks</i>	3,049	32,470	3,057	29,437
<i>of which: receivables / payables from securities financing transactions</i>	0	13	0	0
<i>of which: due from / to customers</i>	174	373	53	564
Subsidiaries <sup>2</sup>	183	55	183	63
<i>of which: due from / to customers</i>	182	54	182	63
Affiliated entities <sup>3</sup>	174	805	388	698
<i>of which: due from / to banks</i>	120	187	321	165
<i>of which: receivables / payables from securities financing transactions</i>	0	11	0	0
<i>of which: due from / to customers</i>	4	354	9	310
Members of governing bodies <sup>4</sup>	58	22	45	–
External auditors	0	0	0	1
Other related parties	154	82	195	81

<sup>1</sup> Qualified shareholders of UBS Switzerland AG are UBS Group AG and UBS AG. <sup>2</sup> Subsidiaries of UBS Switzerland AG are UBS Card Center AG, TopCard Service AG, UBS Hypotheken Schweiz AG and UBS Hypotheken AG. <sup>3</sup> Affiliated entities of UBS Switzerland AG are all direct and indirect subsidiaries of UBS Group AG. <sup>4</sup> Members of governing bodies consist of the members of the Board of Directors and Group Executive Board of UBS Group AG and the members of the Board of Directors and Executive Board of UBS Switzerland AG and UBS AG.

## Note 27 Fiduciary transactions

<i>CHF m</i>	31.12.23	31.12.22
Fiduciary deposits	59,247	45,599
<i>of which: placed with third-party banks</i>	24,387	21,824
<i>of which: placed with subsidiaries and affiliated entities</i>	34,860	23,774
Fiduciary loans	809	356
<b>Total fiduciary transactions</b>	<b>60,056</b>	<b>45,954</b>

Fiduciary transactions encompass customer deposits and loans transactions entered into or granted by UBS Switzerland AG that result in holding or placing assets and liabilities on behalf of individuals, trusts, defined benefit plans and other institutions. Unless the recognition criteria for the assets and liabilities are satisfied, these assets and liabilities and the related income and expense are excluded from UBS Switzerland 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 Switzerland AG may be recognized on UBS Switzerland AG's balance sheet in situations in which the deposit is subsequently placed within UBS Switzerland AG. In such cases, these deposits are not reported in the table above.

## Note 28a Invested assets and net new money

<i>CHF bn</i>	As of or for the year ended	
	31.12.23	31.12.22
Discretionary assets	111	109
Other invested assets	590	535
<b>Total invested assets (double counts included)</b>	<b>701</b>	<b>644</b>
<i>of which: double counts</i>	0	0
<b>Net new money (double counts included)</b>	<b>51</b>	<b>33</b>

## Note 28b Development of invested assets

<i>CHF bn</i>	31.12.23	31.12.22
Total invested assets (including double counts) at the beginning of the year	644	715
Net new money inflows / (outflows)	51	33
Market movements (including dividends and interests)	41	(84)
Currency effects	(30)	(6)
Other effects	(5)	(14)
<i>of which: acquisitions / (divestments)</i>	0	0
<b>Total invested assets (including double counts) at the end of the year</b>	<b>701</b>	<b>644</b>

- › Refer to "Note 32 Invested assets and net new money" in the "Consolidated financial statements" section of the UBS Group AG Annual Report 2023 for more information



Ernst & Young Ltd  
Aeschengraben 27  
P.O. Box  
CH-4002 Basel

Phone: +41 58 286 86 86  
www.ey.com/ch

To the General Meeting of  
**UBS Switzerland AG, Zurich**

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 Switzerland AG (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of income and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 1 to 3 and pages 5 to 24) 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 the 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 matter below, provide the basis for our audit opinion on the financial statements.

### **Determination and valuation of allowances and provisions for expected credit losses**

**Area of focus** On 31 December 2023, UBS Switzerland AG's allowances and provisions for expected credit losses ("ECL") were CHF 744 million. The allowances and provisions for ECL are recognized on various financial statements line items and consist of exposures that are in default which are individually evaluated for impairment (stage 3), as well as losses inherent in the loan portfolio that are not specifically identified (stage 1 and stage 2). Management's ECL estimates represent the difference between contractual cash flows and those the Group expects to receive, discounted at the effective interest rate. The method used to calculate ECL is based on a combination of the 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 is complex due to the highly judgmental nature of forward-looking economic scenarios that form the basis of the ECL calculation, their probability weightings, the related uncertainty overlays, and the credit risk models used to estimate stage 1 and stage 2 ECL. As a result, the ECL estimation requires higher management judgement, specifically within the following two areas: (i) scenario selection, including assumptions about the scenario severity, the underlying macroeconomic variables, and the number of scenarios necessary to sufficiently cover the bandwidth of potential outcomes, as well as related scenario weights and uncertainty overlays; 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 is 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.

The significant accounting principles relevant to the determination and valuation of allowances and provisions for expected credit losses are explained in Notes 2 and 9 to the financial statements.

**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 as well as the probability weightings assigned to them and related uncertainty overlays. 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 uncertainty overlays by considering management's governance process and 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 ECL, we obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's process, including an evaluation of the assumptions used by management regarding the future cash flows from debtors' continuing operations and/or the liquidation of collateral. Supported by specialists in certain areas, we additionally tested collateral valuation, cash flow assumptions and exit strategies by performing inquiries of management, inspecting underlying documents, such as loan contracts, financial statements, covenants, budgets and business plans, and by re-performing discounted cash flow calculations, among other procedures, on a sample basis.

We also assessed management's disclosures regarding financial assets at amortized cost and other positions in scope of expected credit loss measurement (in Notes 2 and 9 to the financial statements).

#### **Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **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**

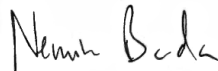
In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of total profit and dividend distribution 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



Francesco de Gara  
Licensed audit expert  
(Auditor in charge)



Nermina Banda  
US CPA

# UBS Switzerland AG standalone regulatory information

## UBS Switzerland AG standalone regulatory information

---

### 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, common equity tier 1 capital increased by CHF 0.1bn to CHF 12.5bn, mainly driven by operating profit, largely offset by additional dividend accruals.

Total risk-weighted assets (RWA) decreased by CHF 0.9bn to CHF 107.1bn, mainly driven by lower RWA from credit and counterparty credit risk.

The leverage ratio denominator (the LRD) decreased by CHF 2.3bn to CHF 330.5bn, mainly due to a decrease in lending balances.

The quarterly average liquidity coverage ratio of UBS Switzerland AG remained stable at 142.5%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). Average high-quality liquid assets (HQLA) increased by CHF 1.2bn to CHF 76.3bn, mainly reflecting proceeds received from debt issuances. The effect of higher average HQLA was partly offset by a CHF 0.7bn increase in average net cash outflows, attributable to higher outflows from intercompany payables including currency effects, slightly offset by lower outflows from demand deposits.

As of 31 December 2023, the net stable funding ratio remained stable at 134.1%, remaining above the prudential requirement communicated by FINMA. Required stable funding increased by CHF 0.6bn to CHF 166.1bn, mainly reflecting an increase in weighted required stable funding amounts from mortgage loans, partly offset by lower weighted required stable funding amounts from other lending assets. Available stable funding increased by CHF 0.8bn to CHF 222.7bn, as the effect of higher deposits and higher debt issued was almost entirely offset by currency effects.

## KM1: Key metrics

CHF 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>	12,515	12,449	12,354	12,356	12,586
2 Tier 1 <sup>1</sup>	17,515	17,838	17,735	17,745	17,978
3 Total capital <sup>1</sup>	17,515	17,838	17,735	17,745	17,978
<b>Risk-weighted assets (amounts)</b>					
4 Total risk-weighted assets (RWA)	107,097	108,009	107,203	108,077	107,208
4a Minimum capital requirement <sup>2</sup>	8,568	8,641	8,576	8,646	8,577
4b Total risk-weighted assets (pre-floor)	99,936	100,646	98,566	98,250	97,662
<b>Risk-based capital ratios as a percentage of RWA</b>					
5 CET1 ratio (%) <sup>1</sup>	11.69	11.53	11.52	11.43	11.74
6 Tier 1 ratio (%) <sup>1</sup>	16.35	16.52	16.54	16.42	16.77
7 Total capital ratio (%) <sup>1</sup>	16.35	16.52	16.54	16.42	16.77
<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 (%)	0.04	0.05	0.04	0.03	0.02
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.84	0.82	0.79	0.74	0.75
10 Bank G-SIB and / or D-SIB additional requirements (%) <sup>3</sup>					
11 Total of bank CET1 specific buffer requirements (%) <sup>4</sup>	2.54	2.55	2.54	2.53	2.52
12 CET1 available after meeting the bank's minimum capital requirements (%) <sup>5</sup>	7.19	7.03	7.02	6.93	7.24
<b>Basel III leverage ratio</b>					
13 Total Basel III leverage ratio exposure measure	330,515	332,850	330,318	330,362	332,280
14 Basel III leverage ratio (%) <sup>1</sup>	5.30	5.36	5.37	5.37	5.41
<b>Liquidity coverage ratio (LCR)<sup>6</sup></b>					
15 Total high-quality liquid assets (HQLA)	76,288	75,125	77,594	85,286	88,889
16 Total net cash outflow	53,564	52,825	54,497	60,151	62,437
16a of which: cash outflows	73,049	71,989	74,687	80,906	84,826
16b of which: cash inflows	19,485	19,164	20,190	20,755	22,389
17 LCR (%)	142.46	142.23	142.41	141.87	142.41
<b>Net stable funding ratio (NSFR)<sup>7</sup></b>					
18 Total available stable funding	222,709	221,883	219,728	220,838	221,689
19 Total required stable funding	166,100	165,543	163,021	165,152	162,306
20 NSFR (%)	134.08	134.03	134.79	133.72	136.59

<sup>1</sup> 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". <sup>2</sup> Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. <sup>3</sup> Swiss SRB going and gone concern requirements and information for UBS Switzerland AG are provided below. <sup>4</sup> Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. <sup>5</sup> 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. <sup>6</sup> Calculated after the application of haircuts and inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. 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. <sup>7</sup> UBS Switzerland AG is required to maintain a minimum NSFR of at least 100% on an ongoing basis, as defined by Art. 17h para. 1 of the Liquidity Ordinance. A portion of the excess funding is used to fulfill the NSFR requirement of UBS AG standalone.





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

**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.

UBS Switzerland AG is considered a systemically relevant bank (an SRB) under Swiss banking law and is subject to capital regulations on a standalone basis. As of 31 December 2023, the going concern capital and leverage ratio requirements for UBS Switzerland AG standalone were 15.18% (including a countercyclical buffer of 0.88%) and 5.00%, respectively.

The Swiss SRB framework and going concern requirements applicable to UBS Switzerland AG standalone are the same as those applicable to UBS Group AG consolidated, excluding the Pillar 2 add-on. The gone concern requirement corresponds to 62% of the Group's going concern requirements, excluding the Pillar 2 add-on and countercyclical buffer requirements.

The gone concern requirements were 8.87% for the RWA-based requirement and 3.10% for the LRD-based requirement.

- › 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

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

As of 31.12.23	RWA		LRD	
CHF m, except where indicated	in %		in %	
<b>Required going concern capital</b>				
Total going concern capital	15.18 <sup>1</sup>	16,261	5.00 <sup>1</sup>	16,526
Common equity tier 1 capital	10.88	11,656	3.50	11,568
of which: minimum capital	4.50	4,819	1.50	4,958
of which: buffer capital	5.50	5,890	2.00	6,610
of which: countercyclical buffer	0.88	946		
Maximum additional tier 1 capital	4.30	4,605	1.50	4,958
of which: additional tier 1 capital	3.50	3,748	1.50	4,958
of which: additional tier 1 buffer capital	0.80	857		
<b>Eligible going concern capital</b>				
Total going concern capital	16.35	17,515	5.30	17,515
Common equity tier 1 capital	11.69	12,515	3.79	12,515
Total loss-absorbing additional tier 1 capital	4.67	5,000	1.51	5,000
of which: high-trigger loss-absorbing additional tier 1 capital	4.67	5,000	1.51	5,000
<b>Required gone concern capital<sup>2</sup></b>				
Total gone concern loss-absorbing capacity	8.87	9,495	3.10	10,246
of which: base requirement including add-ons for market share and LRD	8.87 <sup>3</sup>	9,495	3.10 <sup>3</sup>	10,246
<b>Eligible gone concern capital</b>				
Total gone concern loss-absorbing capacity	10.44	11,176	3.38	11,176
TLAC-eligible unsecured debt	10.44	11,176	3.38	11,176
<b>Total loss-absorbing capacity</b>				
Required total loss-absorbing capacity	24.05	25,756	8.10	26,772
Eligible total loss-absorbing capacity	26.79	28,691	8.68	28,691
<b>Risk-weighted assets / leverage ratio denominator</b>				
Risk-weighted assets		107,097		
Leverage ratio denominator				330,515

<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. <sup>3</sup> Includes applicable add-ons of 0.89% for RWA and 0.31% for LRD.

## Swiss SRB going and gone concern information

<i>CHF m, except where indicated</i>	31.12.23	30.9.23	31.12.22
<b>Eligible going concern capital</b>			
Total going concern capital	17,515	17,838	17,978
Total tier 1 capital	17,515	17,838	17,978
Common equity tier 1 capital	12,515	12,449	12,586
Total loss-absorbing additional tier 1 capital	5,000	5,389	5,393
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	5,000	5,389	5,393
<b>Eligible gone concern capital</b>			
Total gone concern loss-absorbing capacity	11,176	11,257	11,267
TLAC-eligible unsecured debt	11,176	11,257	11,267
<b>Total loss-absorbing capacity</b>			
Total loss-absorbing capacity	28,691	29,095	29,245
<b>Risk-weighted assets / leverage ratio denominator</b>			
Risk-weighted assets	107,097	108,009	107,208
Leverage ratio denominator	330,515	332,850	332,280
<b>Capital and loss-absorbing capacity ratios (%)</b>			
Going concern capital ratio	16.4	16.5	16.8
<i>of which: common equity tier 1 capital ratio</i>	11.7	11.5	11.7
Gone concern loss-absorbing capacity ratio	10.4	10.4	10.5
Total loss-absorbing capacity ratio	26.8	26.9	27.3
<b>Leverage ratios (%)</b>			
Going concern leverage ratio	5.3	5.4	5.4
<i>of which: common equity tier 1 leverage ratio</i>	3.8	3.7	3.8
Gone concern leverage ratio	3.4	3.4	3.4
Total loss-absorbing capacity leverage ratio	8.7	8.7	8.8



## Capital instruments

Quarterly I

### Capital instruments of UBS Switzerland AG – key features

Presented according to issuance date.

		Share capital	Additional tier 1 capital						
1	Issuer	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	–							
3	Governing law(s) of the instrument	Swiss				Swiss			
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	n/a				n/a			
<b>Regulatory treatment</b>									
4	Transitional Basel III rules <sup>1</sup>	CET1 – going concern capital					Additional tier 1 capital		
5	Post-transitional Basel III rules <sup>2</sup>	CET1 – going concern capital					Additional tier 1 capital		
6	Eligible at solo / group / group and solo	UBS Switzerland AG consolidated and standalone					UBS Switzerland AG consolidated and standalone		
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares					Loan <sup>3</sup>		
8	Amount recognized in regulatory capital (currency in million, as of most recent reporting date) <sup>1</sup>	CHF 10.0	CHF 1,000	CHF 825	CHF 475	CHF 500	CHF 700	CHF 675	CHF 825
9	Par value of instrument (currency in million)	CHF 10.0	CHF 1,000	CHF 825	CHF 475	CHF 500	CHF 700	CHF 675	CHF 825
10	Accounting classification <sup>4</sup>	Equity attributable to UBS Switzerland AG shareholders					Due to banks held at amortized cost		
11	Original date of issuance	–	18 December 2017	12 December 2018	11 December 2019	29 October 2020	11 March 2021	2 June 2021	2 June 2021
12	Perpetual or dated	–					Perpetual		
13	Original maturity date	–					–		
14	Issuer call subject to prior supervisory approval	–					Yes		

## Capital instruments of UBS Switzerland AG – key features (continued)

Presented according to issuance date.

	Share capital	Additional tier 1 capital							
15	Optional call date, contingent call dates and redemption amount	–	First optional repayment date: 18 December 2022 <sup>5</sup>	First optional repayment date: 12 December 2023 <sup>5</sup>	First optional repayment date: 11 December 2024	First optional repayment date: 29 October 2025	First optional repayment date: 11 March 2026	First optional repayment date: 2 June 2026	First optional repayment date: 2 June 2028
			Repayable at any time after the first optional repayment date. Repayment subject to FINMA approval. Optional repayment amount: principal amount, together with any accrued and unpaid interest thereon.				Repayable on the first optional repayment date or on any of every second interest payment date thereafter. Repayment subject to FINMA approval. Optional repayment amount: principal amount, together with any accrued and unpaid interest thereon.	Repayable on the first optional repayment date or on any interest payment date thereafter. Repayment subject to FINMA approval. Optional repayment amount: principal amount, together with any accrued and unpaid interest thereon.	
16	Subsequent call dates, if applicable	–	Early repayment possible due to a tax or regulatory event. Repayment due to a tax event subject to FINMA approval. Repayment amount: principal amount, together with accrued and unpaid interest.						

## Capital instruments of UBS Switzerland AG – key features (continued)

Presented according to issuance date.

	Share capital	Additional tier 1 capital							
<b>Coupons</b>									
17	Fixed or floating dividend / coupon	–	Floating						
18	Coupon rate and any related index	–	3-month SARON Compound + 250 bps per annum quarterly	3-month SARON Compound + 489 bps per annum quarterly	3-month SARON Compound + 433 bps per annum quarterly	3-month SARON Compound + 397 bps per annum quarterly	3-month SARON Compound + 337 bps per annum quarterly	3-month SARON Compound + 307 bps per annum quarterly	3-month SARON Compound + 308 bps per annum quarterly
19	Existence of a dividend stopper	–	No						
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary						
21	Existence of step-up or other incentive to redeem	–	No						
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative						
23	Convertible or non-convertible	–	Non-convertible						
24	If convertible, conversion trigger(s)	–	–						
25	If convertible, fully or partially	–	–						
26	If convertible, conversion rate	–	–						
27	If convertible, mandatory or optional conversion	–	–						
28	If convertible, specify instrument type convertible into	–	–						
29	If convertible, specify issuer of instrument it converts into	–	–						
30	Write-down feature	–	Yes						
31	If write-down, write-down trigger(s)	–	Trigger: CET1 ratio is less than 7% FINMA determines a write-down necessary to ensure UBS Switzerland AG's viability; or UBS Switzerland AG receives a commitment of governmental support that FINMA determines necessary to ensure UBS Switzerland AG's viability. Subject to applicable conditions.						
32	If write-down, fully or partially	–	Fully						
33	If write-down, permanent or temporary	–	Permanent						
34	If temporary write-down, description of write-up mechanism	–	–						
34a	Type of subordination	Statutory	Contractual						
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Unless otherwise stated in the articles of association, once debts are paid back, the assets of the liquidated company are divided between the shareholders pro rata based on their contributions and considering the preferences attached to certain categories of shares (Art. 745, Swiss Code of Obligations)	Subject to any obligations that are mandatorily preferred by law, each obligation of UBS Switzerland AG that is unsubordinated or is subordinated and not ranked junior (such as all classes of share capital) or at par (such as tier 1 instruments)						
36	Non-compliant transitioned features	–	–						
37	If yes, specify non-compliant features	–	–						

<sup>1</sup> Based on Swiss SRB (including transitional arrangement) requirements. <sup>2</sup> Based on Swiss SRB requirements applicable as of 1 January 2020. <sup>3</sup> Loans granted by UBS AG, Zurich Branch. <sup>4</sup> As applied in UBS Switzerland AG's financial statements under Swiss GAAP. <sup>5</sup> The entity decided not to trigger the call option. There is no expected date for the repayment.



### 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 Switzerland 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

---

**Notice to investors** | 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 Annual Report 2023, 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)

