UBS AG

First quarter 2024 report

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Terms used in this report, unless the context requires otherwise

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

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

Alternative performance measures

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

UBS AG consolidated key figures

UBS AG consolidated key figures

	As of or for the quarter ended		
USD m, except where indicated	31.3.24	31.12.23	31.3.23
Results			
Total revenues	9,108	8,014	8,844
Credit loss expense / (release)	52	62	38
Operating expenses	7,677	7,618	7,350
Operating profit / (loss) before tax	1,379	333	1,456
Net profit / (loss) attributable to shareholders	1,006	235	1,004
Profitability and growth[1]			
Return on equity (%)	7.3	1.7	7.0
Return on tangible equity (%)	8.2	2.0	7.8
Return on common equity tier 1 capital (%)	9.1	2.1	9.4
Return on leverage ratio denominator, gross (%)	3.3	3.0	3.5
Cost / income ratio (%)	84.3	95.1	83.1
Net profit growth (%)	0.2	(84.5)	(49.9)
Resources			
Total assets	1,116,806	1,156,016	1,056,758
Equity attributable to shareholders	55,046	55,234	58,386
Common equity tier 1 capital[2]	43,863	44,130	42,801
Risk-weighted assets[2]	328,732	333,979	321,224
Common equity tier 1 capital ratio (%)[2]	13.3	13.2	13.3
Going concern capital ratio (%)[2]	17.7	17.0	17.2
Total loss-absorbing capacity ratio (%)[2]	34.3	33.3	33.5
Leverage ratio denominator[2]	1,078,591	1,104,408	1,018,023
Common equity tier 1 leverage ratio (%)[2]	4.1	4.0	4.2
Liquidity coverage ratio (%)[3]	191.4	189.7	
Net stable funding ratio (%)	121.6	119.6	
Other			
Invested assets (USD bn)[1,4,5]	4,672	4,505	4,184
Personnel (full-time equivalents)	47,635	47,590	48,105

1 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 2 Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital management" section of this report for more information. 3 The disclosed ratios represent quarterly averages for the quarters presented and are calculated based on an average of 61 data points in the first quarter of 2024 and 63 data points in the fourth quarter of 2023. Refer to the "Liquidity and funding management" section of this report for more information. 4 Consists of invested assets for Global Wealth Management, Asset Management and Personal & Corporate Banking. Refer to "Note 31 Invested assets and net new money" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023, available under "Annual reporting" at ubs.com/investors, for more information. 5 Starting with the second quarter of 2023, invested assets include invested assets from associates in the Asset Management business division, to better reflect the business strategy. Comparative figures have been restated to reflect this change.

UBS AG

Management report

Recent developments

Integration of Credit Suisse

We expect to complete the merger of UBS AG and Credit Suisse AG on 31 May 2024, following operational testing and subject to remaining regulatory approvals. The transition to a single US intermediate holding company is also planned for the second quarter of 2024 and the merger of Credit Suisse (Schweiz) AG and UBS Switzerland AG continues to be planned for the third quarter of 2024. Completing the mergers of our significant legal entities is a critical step in enabling us to unlock the next phase of the cost, capital, funding and tax benefits we expect to realize in the second half of 2024 and by the end of 2025 and into 2026.

› **Refer to the "Recent developments" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information about the integration of Credit Suisse**

Regulatory and legal developments

Swiss Federal Council releases its report on systemically important banks

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

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

In the first half of 2025, the Swiss Federal Council is expected to present two packages to implement the proposed measures: one with changes at the ordinance level, which can be adopted by the Swiss Federal Council, and another, which will be submitted to the Parliament, with proposed legislative amendments. The Swiss Federal Council has stated that when drafting these two packages it will take into account the findings of the Parliamentary Investigation Committee concerning the role of the Swiss authorities in the rescue of the Credit Suisse Group. Due to the broad range of possible outcomes, the impact of the proposals on UBS can be fully assessed only when the implementation details become clearer.

FINMA publishes ordinances with implementing provisions for the revised Swiss Capital Adequacy Ordinance

In March 2024, the Swiss Financial Market Supervisory Authority (FINMA) published five new ordinances to implement the final Basel III standards in Switzerland, replacing various existing FINMA circulars, including ordinances on operational risks and market risks. The ordinances contain the implementing provisions for the Swiss Federal Council's revised Capital Adequacy Ordinance for banks (the CAO) and they will enter into force on 1 January 2025.

Shortening the securities settlement cycle to T+1

In the US, a shortened T+1 settlement cycle will apply to securities transactions beginning on 28 May 2024. In April 2024, the UK Accelerated Settlement Taskforce issued a report proposing a phased approach to the adoption of T+1 settlement and the establishing of a technical working group to review the operational and behavioral changes required for a T+1 settlement cycle. Recommendations for changes are planned to be made by the end of 2025 to enable the market to prepare, with the move to T+1 expected to take place before the end of 2027. The UK government has accepted the recommendations and confirmed it will work with the EU and Switzerland to see if similar timeframes will be pursued and, therefore, if alignment is possible.

New Retirement Security Rule adopted for US retirement and pension accounts

In April 2024, the US Department of Labor (the DOL) adopted a new Retirement Security Rule, related amendments to existing rules governing transactions between covered plans and parties in interest, and amendments to the "qualified professional asset manager" transaction exemption. The Retirement Security Rule expands the scope of transactions subject to requirements of the Employment Retirement Income Security Act by expanding the relationships and advice that create a fiduciary relationship between an investment professional and a plan or beneficiary, particularly in relation to individual retirement accounts (IRAs). The amendments to existing transaction exemptions generally limit or prohibit the use of those exemptions for transactions involving IRAs, with the intention of requiring transactions involving IRAs to rely upon an exemption (PTE 2020-2) imposing specific impartiality, conflict-of-interest and compliance requirements. Global Wealth Management US treats established IRA accounts as fiduciary relationships in accordance with PTE 2020-2. We are assessing the effect of the changes on our business with IRA accounts.

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

The Swiss National Bank will raise the minimum reserve requirement for banks

In April 2024, the Swiss National Bank (the SNB) announced that it will raise the minimum reserve requirement for domestic banks from 2.5% to 4%, and it will therefore amend the National Bank Ordinance as of 1 July 2024. The SNB further announced that liabilities arising from cancelable customer deposits (excluding tied pension provisions) will be included in full in the calculation of the minimum reserve requirement, as is the case with the other relevant liabilities. This revokes the previous exception under which only 20% of these liabilities counted toward the calculation. Based on preliminary internal assessments, UBS expects a negative impact of USD 70m to USD 80m per annum on net interest income to result from these changes.

Other developments

Credit Suisse's wealth management business in Japan

In April 2024, UBS AG and Sumitomo Mitsui Trust Holdings, Inc. (SuMi TRUST Holdings) announced that their wealth management entity, UBS SuMi TRUST Wealth Management Co., Ltd. (UBS SuMi), will acquire Credit Suisse's wealth management business in Japan, including all of Credit Suisse's client advisors and the assets they manage in Japan. Following completion, UBS AG and SuMi TRUST Holdings will rebalance their investments in UBS SuMi to maintain the current ownership structure (UBS AG 51% / SuMi TRUST Holdings 49%). UBS AG will continue to consolidate the entity. The transaction is expected to close in the fourth quarter of 2024 and it is not expected to have a material effect on the common equity tier 1 capital of UBS AG.

UBS AG consolidated performance

Income statement

	For the quarter ended			% change from	
USD m	31.3.24	31.12.23	31.3.23	4Q23	1Q23
Net interest income	806	888	1,388	(9)	(42)
Other net income from financial instruments measured at fair value through profit or loss	2,945	2,458	2,673	20	10
Net fee and commission income	5,148	4,726	4,628	9	11
Other income	209	(58)	155		34
Total revenues	9,108	8,014	8,844	14	3
Credit loss expense / (release)	52	62	38	(17)	35
Personnel expenses	4,161	3,958	3,898	5	7
General and administrative expenses	2,985	3,108	2,983	(4)	0
Depreciation, amortization and impairment of non-financial assets	531	553	469	(4)	13
Operating expenses	7,677	7,618	7,350	1	4
Operating profit / (loss) before tax	1,379	333	1,456	314	(5)
Tax expense / (benefit)	366	91	445	303	(18)
Net profit / (loss)	1,014	242	1,012	318	0
Net profit / (loss) attributable to non-controlling interests	8	7	8	9	0
Net profit / (loss) attributable to shareholders	1,006	235	1,004	328	0
Comprehensive income					
Total comprehensive income	(169)	2,375	1,804		
Total comprehensive income attributable to non-controlling interests	(4)	19	13		
Total comprehensive income attributable to shareholders	(166)	2,355	1,791		

Integration-related expenses by business division and Group Items

	For the quarter ended	
USD m	31.3.24	31.12.23
Global Wealth Management	228	266
Personal & Corporate Banking	84	66
Asset Management	35	29
Investment Bank	114	151
Non-core and Legacy	61	110
Group Items	1	1
Total integration-related expenses	523	624

Results: 1Q24 vs 1Q23

Operating profit before tax decreased by USD 77m, or 5%, to USD 1,379m, reflecting an increase in operating expenses, partly offset by an increase in total revenues. Operating expenses increased by USD 327m, or 4%, to USD 7,677m and included total integration-related expenses of USD 523m. Personnel expenses increased by USD 263m, or 7%, and depreciation, amortization and impairment of non-financial assets increased by USD 62m. Total revenues increased by USD 264m, or 3%, to USD 9,108m, reflecting a USD 520m increase in net fee and commission income, which was partly offset by a USD 310m decrease in combined net interest income and other net income from financial instruments measured at fair value through profit or loss. Other income increased by USD 54m, or 34%. Net credit loss expenses were USD 52m, compared with USD 38m in the prior-year quarter.

Integration-related expenses primarily included higher personnel expenses, which were mainly due to salaries and variable compensation, related to the integration of Credit Suisse, higher consulting fees in general and higher administrative expenses, as well as accelerated depreciation of properties and leasehold improvements in depreciation, amortization and impairment of non-financial assets.

Integration-related expenses are defined as expenses that are temporary, incremental and directly related to the integration of Credit Suisse into UBS, including costs of internal staff and contractors substantially dedicated to integration activities, retention awards, redundancy costs, incremental expenses from the shortening of useful lives of property, equipment and software, and impairment charges relating to these assets. Classification as integration-related expenses does not affect the timing of recognition and measurement of those expenses or the presentation thereof in the income statement.

Total revenues: 1Q24 vs 1Q23

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

Total combined net interest income and other net income from financial instruments measured at fair value through profit or loss decreased by USD 310m to USD 3,751m, mainly driven by decreases in Global Wealth Management and the Investment Bank, partly offset by an increase in Personal & Corporate Banking.

Global Wealth Management decreased by USD 241m to USD 1,558m, largely due to lower net interest income, mainly driven by lower deposit margins, including the effects of shifts to lower-margin products, partly offset by higher rates and deposit volumes.

The Investment Bank decreased by USD 115m to USD 1,557m. Derivatives & Solutions decreased by USD 169m, driven by Rates, due to lower levels of both volatility and client activity. This was partly offset by a USD 48m increase in Global Banking, mainly from higher revenues in Leveraged Capital Markets.

Personal & Corporate Banking increased by USD 71m to USD 904m, largely due to higher net interest income, mainly driven by higher deposit margins, resulting from higher interest rates, partly offset by shifts to lower-margin deposit products.

› **Refer to "Note 3 Net interest income" in the "Consolidated financial statements" section of this report for more information about net interest income**

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

	For the quarter ended			% change from	
USD m	31.3.24	31.12.23[1]	31.3.23[1]	4Q23	1Q23
Net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	188	347	962	(46)	(80)
Net interest income from financial instruments measured at fair value through profit or loss and other	618	541	426	14	45
Other net income from financial instruments measured at fair value through profit or loss	2,945	2,458	2,673	20	10
Total	3,751	3,346	4,061	12	(8)
Global Wealth Management	1,558	1,440	1,799	8	(13)
of which: net interest income	*1,204*	*1,153*	*1,488*	*4*	*(19)*
of which: transaction-based income from foreign exchange and other intermediary activity[2]	*354*	*287*	*312*	*23*	*14*
Personal & Corporate Banking	904	887	833	2	9
of which: net interest income	*772*	*761*	*704*	*1*	*10*
of which: transaction-based income from foreign exchange and other intermediary activity[2]	*132*	*126*	*129*	*5*	*3*
Asset Management	(12)	(6)	(5)	99	120
Investment Bank[3]	1,557	990	1,672	57	(7)
Global Banking	*123*	*109*	*75*	*13*	*65*
Global Markets	*1,434*	*879*	*1,597*	*63*	*(10)*
Non-core and Legacy	18	(32)	18		4
Group Items	(275)	67	(255)		8

1 Comparative-period information has been restated for changes in business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information. Comparatives may additionally differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Mainly includes spread-related income in connection with client-driven transactions, foreign-currency translation effects and income and expenses from precious metals, which are included in the income statement line Other net income from financial instruments measured at fair value through profit or loss. The amounts reported on this line are one component of Transaction-based income in the management discussion and analysis in the "Global Wealth Management" and "Personal & Corporate Banking" sections of this report. 3 Investment Bank information is provided at the business-line level rather than by financial statement reporting line, in order to reflect the underlying business activities, which is consistent with the structure of the management discussion and analysis in the "Investment Bank" section of this report.

Net fee and commission income

Net fee and commission income increased by USD 520m to USD 5,148m.

Portfolio management and related services and investment fund fees increased by USD 246m and USD 23m, respectively, driven by Global Wealth Management and Asset Management, respectively, mainly reflecting higher invested assets resulting from positive market performance.

Net brokerage fees increased by USD 124m to USD 956m, predominantly due to higher revenues in Global Wealth Management, reflecting higher levels of client activity, particularly in the Americas and Asia Pacific regions, as well as in Execution Services in the Investment Bank, due to increases in Cash Equities across all regions.

Underwriting fees increased by USD 75m to USD 224m, largely attributable to a USD 64m increase in debt underwriting fees in Global Banking in the Investment Bank.

M&A and corporate finance fees increased by USD 56m to USD 234m, mainly due to higher advisory fee revenues across Global Banking.

› **Refer to "Note 4 Net fee and commission income" in the "Consolidated financial statements" section of this report for more information**

Other income

Other income was USD 209m, compared with USD 155m in the prior-year quarter. The increase was largely due to a USD 51m increase in shared services costs charged to other subsidiaries of UBS Group AG, mainly related to secondments revenues received from Credit Suisse entities.

› **Refer to "Note 5 Other income" in the "Consolidated financial statements" section of this report for more information**

Credit loss expense / release: 1Q24 vs 1Q23

Total net credit loss expenses were USD 52m, compared with net credit loss expenses of USD 38m in the prior-year quarter, reflecting net credit loss expenses of USD 1m related to stage 1 and 2 positions and USD 51m related to stage 3 positions.

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

Credit loss expense / (release)

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
For the quarter ended 31.3.24							
Stages 1 and 2	2	(12)	0	10	0	1	1
Stage 3	7	22	0	22	0	0	51
Total credit loss expense / (release)	9	10	0	32	0	1	52
For the quarter ended 31.12.23							
Stages 1 and 2	(7)	(7)	0	1	0	0	(14)
Stage 3	3	31	0	41	1	0	76
Total credit loss expense / (release)	**(4)**	**24**	**0**	**42**	**1**	**0**	**62**
For the quarter ended 31.3.23							
Stages 1 and 2	15	15	0	(5)	0	0	26
Stage 3	0	0	0	12	0	0	12
Total credit loss expense / (release)	**15**	**16**	**0**	**7**	**0**	**0**	**38**

Operating expenses: 1Q24 vs 1Q23

Operating expenses

	For the quarter ended			% change from	
USD m	31.3.24	31.12.23	31.3.23	4Q23	1Q23
Personnel expenses	4,161	3,958	3,898	5	7
of which: salaries and variable compensation	*3,621*	*3,416*	*3,356*	*6*	*8*
of which: variable compensation – financial advisors [1]	*1,267*	*1,176*	*1,111*	*8*	*14*
General and administrative expenses	2,985	3,108	2,983	(4)	0
of which: net expenses for litigation, regulatory and similar matters	*8*	*32*	*721*	*(75)*	*(99)*
of which: other general and administrative expenses	*2,977*	*3,076*	*2,262*	*(3)*	*32*
Depreciation, amortization and impairment of non-financial assets	531	553	469	(4)	13
Total operating expenses	7,677	7,618	7,350	1	4

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

Personnel expenses

Personnel expenses increased by USD 263m to USD 4,161m and included integration-related expenses. Salaries and variable compensation increased by USD 265m to USD 3,621m, due to a USD 156m increase in financial advisor compensation (which reflected higher compensable revenues), as well as higher variable compensation, salary adjustments and foreign currency effects.

› **Refer to "Note 6 Personnel expenses" in the "Consolidated financial statements" section of this report for more information**

General and administrative expenses

General and administrative expenses increased by USD 2m to USD 2,985m, which included total integration-related expenses. Shared services costs charged by other subsidiaries of UBS Group AG increased by USD 548m, mainly reflecting USD 234m secondment costs for staff from Credit Suisse entities. Consulting, legal and audit fees increased by USD 92m, with such increase mainly related to an increase in integration-related expenses. These increases were largely offset due to the prior-year quarter including an expense for provisions of USD 665m related to the US RMBS litigation matter.

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

› **Refer to "Note 7 General and administrative expenses" in the "Consolidated financial statements" section of this report for more information**

› **Refer to "Note 15 Provisions and contingent liabilities" in the "Consolidated financial statements" section of this report for more information about litigation, regulatory and similar matters**

› **Refer to the "Regulatory and legal developments" and "Risk factors" sections of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about litigation, regulatory and similar matters on a UBS AG consolidated basis**

Depreciation, amortization and impairment of non-financial assets

Depreciation, amortization and impairment of non-financial assets increased by USD 62m to USD 531m which included total integration-related expenses, mainly attributable to accelerated depreciation of right-of-use assets associated with real estate leases. Depreciation of internally developed software also increased, reflecting a higher level of capitalized costs, partly offset by lower non-integration-related accelerated depreciation of right-of-use assets associated with real estate leases.

Tax: 1Q24 vs 1Q23

UBS AG had a net income tax expense of USD 366m in the first quarter of 2024, representing an effective tax rate of 26.5%, compared with USD 445m in the prior-year quarter, representing an effective tax rate of 30.5%.

The net current tax expense was USD 438m, compared with USD 481m, and primarily related to the taxable profits of UBS Switzerland AG and other entities.

There was a net deferred tax benefit of USD 72m, compared with USD 37m in the prior-year quarter. This included an increase in deferred tax asset recognition of USD 122m in respect of UBS AG's US branch, which was partly offset by a net expense of USD 50m that mainly related to the amortization of deferred tax assets (DTAs) previously recognized in relation to tax losses carried forward and deductible temporary differences.

UBS AG's effective tax rate for the remaining nine months of 2024 may be higher than its structural rate of 23% if, following its merger with Credit Suisse AG, its net profit includes operating losses of certain entities, reflecting integration-related expenses and restructuring costs, that do not result in any tax benefits because they cannot be offset with profits of other group entities and do not result in any DTA recognition. However, its effective tax rate is expected to decrease toward the structural rate in subsequent years, as such losses decrease, and the amount of that impact will depend on the amount of those losses.

Total comprehensive income attributable to shareholders

In the first quarter of 2024, total comprehensive income attributable to shareholders was negative USD 166m, reflecting net profit of USD 1,006m and other comprehensive income (OCI), net of tax, of negative USD 1,171m.

Foreign currency translation OCI was negative USD 744m, mainly resulting from a weakening of the Swiss franc and the euro against the US dollar.

OCI related to cash flow hedges was negative USD 467m, mainly reflecting net unrealized losses on US dollar hedging derivatives resulting from increases in the relevant US dollar long-term interest rates, partly offset by net losses on hedging instruments that were reclassified from OCI to the income statement.

Defined benefit plan OCI was USD 28m, reflecting net pre-tax OCI related to our non-Swiss plans of USD 46m, mainly driven by the UK pension plan, partly offset by negative pre-tax OCI in our Swiss pension plan of USD 11m.

› **Refer to "Statement of comprehensive income" in the "Consolidated financial statements" section of this report for more information**

› **Refer to "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" in the "Capital management" section of this report for more information about the effects of OCI on common equity tier 1 capital**

› **Refer to "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about own credit on financial liabilities designated at fair value**

› **Refer to "Note 26 Post-employment benefit plans" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about OCI related to defined benefit plans**

Sensitivity to interest rate movements

As of 31 March 2024, we estimated that a parallel shift in yield curves by +100 basis points could lead to a combined increase in annual net interest income from our banking book of approximately USD 1.0bn in the first year after such a shift. Of this increase, approximately USD 0.6bn, USD 0.2bn and USD 0.1bn would result from changes in Swiss franc, US dollar and euro interest rates, respectively. A parallel shift in yield curves by −100 basis points could lead to a combined decrease in annual net interest income of approximately USD 0.9bn in the first year after such a shift, showing similar currency contributions as for the aforementioned increase in rates.

These estimates are based on a hypothetical scenario of an immediate change in interest rates, equal across all currencies and relative to implied forward rates as of 31 March 2024 applied to our banking book. These estimates further assume no change to balance sheet size and product mix, stable foreign exchange rates, and no specific management action. These estimates do not represent a forecast of net interest income variability.

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

Key figures and personnel

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

Cost / income ratio: 1Q24 vs 1Q23

The cost / income ratio was 84.3%, compared with 83.1%, mainly reflecting an increase in operating expenses, partly offset by an increase in total revenues.

Personnel: 1Q24 vs 4Q23

The number of internal and external personnel employed was 54,326 (workforce count) as of 31 March 2024, a net increase of 401 compared with 31 December 2023. The number of internal personnel employed as of 31 March 2024 was 47,635 (full-time equivalents), a net increase of 45 compared with 31 December 2023. The number of core external staff was approximately 6,691 (workforce count) as of 31 March 2024, a net increase of approximately 356 compared with 31 December 2023.

Equity, CET1 capital and returns

	As of or for the quarter ended		
USD m, except where indicated	31.3.24	31.12.23	31.3.23
Net profit			
Net profit attributable to shareholders	1,006	235	1,004
Equity			
Equity attributable to shareholders	55,046	55,234	58,386
Less: goodwill and intangible assets	6,237	6,265	6,272
Tangible equity attributable to shareholders	48,809	48,969	52,113
Less: other CET1 adjustments	4,946	4,839	9,312
CET1 capital	43,863	44,130	42,801
Returns			
Return on equity (%)	7.3	1.7	7.0
Return on tangible equity (%)	8.2	2.0	7.8
Return on CET1 capital (%)	9.1	2.1	9.4

Common equity tier 1 capital: 1Q24 vs 4Q23

During the first quarter of 2024, CET1 capital decreased by USD 0.3bn to USD 43.9bn, primarily as the operating profit before tax of USD 1.4bn was more than offset by negative effects from foreign currency translation of USD 0.8bn, current tax expenses of USD 0.4bn and dividend accruals of USD 0.4bn.

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

The annualized return on CET1 capital was 9.1%, compared with 9.4%, driven by an increase in average CET1 capital, partly offset by higher net profit attributable to shareholders.

Risk-weighted assets: 1Q24 vs 4Q23

During the first quarter of 2024, RWA decreased by USD 5.2bn to USD 328.7bn, driven by decreases of USD 7.3bn resulting from asset size and other movements and USD 6.7bn resulting from currency effects, partly offset by an increase of USD 8.8bn from model updates and methodology changes.

Common equity tier 1 capital ratio: 1Q24 vs 4Q23

The CET1 capital ratio increased to 13.3% from 13.2%, reflecting the aforementioned decrease in RWA, partly offset by the aforementioned decrease in CET1 capital.

Leverage ratio denominator: 1Q24 vs 4Q23

The leverage ratio denominator (the LRD) decreased by USD 25.8bn to USD 1,078.6bn, driven by currency effects of USD 33.2bn, partly offset by asset size and other movements of USD 7.4bn.

Common equity tier 1 leverage ratio: 1Q24 vs 4Q23

The CET1 leverage ratio increased to 4.1% from 4.0%, largely due to the aforementioned decrease in the LRD.

Business divisions and Group Items

Management report

Our businesses

We report five business divisions in line with IFRS Accounting Standards: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. Non-core and Legacy includes positions and businesses not aligned with our strategy and policies.

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

Changes to Group Treasury allocations

Starting with the first quarter of 2024, nearly all Group Treasury costs that historically were retained and reported in Group Items have been allocated to the business divisions. Costs continued to be retained in Group Items include costs related to hedging and own debt, and deferred tax asset funding costs.

Global Wealth Management

Global Wealth Management[1]

	As of or for the quarter ended			% change from	
USD m, except where indicated	31.3.24	31.12.23	31.3.23	4Q23	1Q23
Results					
Net interest income	1,204	1,153	1,488	4	(19)
Recurring net fee income[2]	2,693	2,553	2,454	5	10
Transaction-based income[2]	986	722	843	36	17
Other income	35	(57)	4		855
Total revenues	4,918	4,371	4,788	13	3
Credit loss expense / (release)	9	(4)	15		(45)
Operating expenses	3,975	4,028	3,578	(1)	11
Business division operating profit / (loss) before tax	935	347	1,195	169	(22)
Performance measures and other information					
Pre-tax profit growth (year-on-year, %)[2]	(21.8)	(66.9)	(6.8)		
Cost / income ratio (%)[2]	80.8	92.2	74.7		
Financial advisor compensation[3]	1,267	1,176	1,111	8	14
Invested assets (USD bn)[2]	3,302	3,187	2,962	4	12
Loans, gross (USD bn)[4]	210.6	218.3	223.8	(4)	(6)
Customer deposits (USD bn)[4]	351.2	355.3	330.3	(1)	6
Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[2,5]	0.3	0.3	0.3		
Advisors (full-time equivalents)	8,809	8,838	9,117	0	(3)

1 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information. Comparatives may additionally differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 3 Relates to licensed professionals with the ability to provide investment advice to clients in the Americas. Consists of cash and deferred compensation awards and is based on compensable revenues and firm tenure using a formulaic approach. Also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. Recruitment loans to financial advisors were USD 1,726m as of 31 March 2024. 4 Loans and Customer deposits in this table include customer brokerage receivables and payables, respectively, which are presented in a separate reporting line on the balance sheet. 5 Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures. Excludes loans to financial advisors.

Results: 1Q24 vs 1Q23

Profit before tax decreased by USD 260m, or 22%, to USD 935m, mainly driven by higher operating expenses, partly offset by higher total revenues.

Total revenues

Total revenues increased by USD 130m, or 3%, to USD 4,918m, with increases in recurring net fee income, transaction-based income and other income, partly offset by decreases in net interest income.

Net interest income decreased by USD 284m, or 19%, to USD 1,204m, mainly driven by lower deposit margins, including the effects of shifts to lower-margin products, partly offset by higher rates and deposit volumes.

Recurring net fee income increased by USD 239m, or 10%, to USD 2,693m, primarily driven by positive market performance.

Transaction-based income increased by USD 143m, or 17%, to USD 986m, mainly driven by higher levels of client activity, particularly in the Americas and Asia Pacific regions.

Other income increased by USD 31m to USD 35m, largely reflecting an increase in shared services costs charged to other subsidiaries of UBS Group AG, mainly related to secondments.

Credit loss expense / release

Net credit loss expenses were USD 9m, primarily related to stage 3 positions, compared with net expenses of USD 15m in the first quarter of 2023.

Operating expenses

Operating expenses increased by USD 397m, or 11%, to USD 3,975m, mostly driven by integration-related expenses associated with the acquisition of the Credit Suisse Group and higher financial advisor compensation.

Invested assets: 1Q24 vs 4Q23

Invested assets increased by USD 115bn, or 4%, to USD 3,302bn, mainly driven by positive market performance of USD 114.4bn and net new asset inflows, partly offset by negative foreign currency effects of USD 28.9bn.

Loans: 1Q24 vs 4Q23

Loans decreased by USD 7.7bn to USD 210.6bn, mainly driven by negative foreign currency effects and net new loan outflows of USD 3.1bn.

Customer deposits: 1Q24 vs 4Q23

Customer deposits decreased by USD 4.1bn to USD 351.2bn, mainly driven by negative foreign currency effects, partly offset by net new deposit inflows, mainly into fixed-term deposit products.

Personal & Corporate Banking

Personal & Corporate Banking – in Swiss francs[1]

	As of or for the quarter ended			% change from	
CHF m, except where indicated	31.3.24	31.12.23	31.3.23	4Q23	1Q23
Results					
Net interest income	681	666	651	2	5
Recurring net fee income[2]	221	213	210	4	6
Transaction-based income[2]	300	269	309	12	(3)
Other income	14	(147)	10		45
Total revenues	1,217	1,001	1,179	22	3
Credit loss expense / (release)	9	21	14	(56)	(35)
Operating expenses	715	674	614	6	16
Business division operating profit / (loss) before tax	493	306	550	61	(10)
Performance measures and other information					
Pre-tax profit growth (year-on-year, %)[2]	(10.5)	(38.8)	42.1		
Cost / income ratio (%)[2]	58.8	67.3	52.1		
Net interest margin (bps)[2]	185	181	181		
Fee and trading income for Corporate & Institutional Clients[2]	232	192	231	21	1
Investment products for Personal Banking (CHF bn)[2]	26.3	24.4	22.7	8	16
Net new investment products for Personal Banking (CHF bn)[2]	0.89	(0.09)	0.86		
Active Digital Banking clients in Personal Banking (%)[2,3]	79.6	78.9	77.2		
Active Mobile Banking clients in Personal Banking (%)[2]	68.1	66.9	63.1		
Active Digital Banking clients in Corporate & Institutional Clients (%)[2]	82.0	81.5	81.3		
Loans, gross (CHF bn)	148.5	146.8	144.4	1	3
Customer deposits (CHF bn)	169.6	169.6	166.7	0	2
Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[2,4]	0.9	0.9	0.8		

1 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information. Comparatives may additionally differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 3 In the first quarter of 2024, 89.1% of clients of Personal Banking were "activated users" of Digital Banking (i.e., clients who had logged into Digital Banking at least once in the course of their relationship with UBS). 4 Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures.

Results: 1Q24 vs 1Q23

Profit before tax decreased by CHF 57m, or 10%, to CHF 493m, mainly reflecting higher total operating expenses, partly offset by higher total revenues.

Total revenues

Total revenues increased by CHF 38m, or 3%, to CHF 1,217m, predominantly reflecting an increase in net interest income.

Net interest income increased by CHF 30m to CHF 681m, mainly driven by higher deposit margins, resulting from higher interest rates, partly offset by shifts to lower-margin deposit products.

Recurring net fee income increased by CHF 11m to CHF 221m, including higher revenues from custody and mandate-based fees.

Transaction-based income decreased by CHF 9m to CHF 300m, mainly driven by lower credit card fees from private clients.

Other income increased by CHF 4m to CHF 14m, mainly reflecting higher revenues related to our investment in SIX Group.

Credit loss expense / release

Net credit loss expenses were CHF 9m, primarily related to stage 3 positions, compared with net expenses of CHF 14m in the first quarter of 2023.

Operating expenses

Operating expenses increased by CHF 101m, or 16%, to CHF 715m, mainly driven by integration-related expenses associated with the acquisition of the Credit Suisse Group.

Personal & Corporate Banking – in US dollars[1]

	As of or for the quarter ended			% change from	
USD m, except where indicated	31.3.24	31.12.23	31.3.23	4Q23	1Q23
Results					
Net interest income	772	761	704	1	10
Recurring net fee income[2]	251	244	227	3	10
Transaction-based income[2]	340	307	335	11	1
Other income	16	(176)	11		52
Total revenues	1,378	1,136	1,277	21	8
Credit loss expense / (release)	10	24	16	(57)	(35)
Operating expenses	809	771	665	5	22
Business division operating profit / (loss) before tax	558	342	596	63	(6)
Performance measures and other information					
Pre-tax profit growth (year-on-year, %)[2]	(6.3)	(34.8)	41.9		
Cost / income ratio (%)[2]	58.7	67.8	52.1		
Net interest margin (bps)[2]	182	181	180		
Fee and trading income for Corporate & Institutional Clients[2]	263	219	250	20	5
Investment products for Personal Banking (USD bn)[2]	29.1	29.0	24.8	1	17
Net new investment products for Personal Banking (USD bn)[2]	1.01	(0.11)	0.94		
Active Digital Banking clients in Personal Banking (%)[2,3]	79.6	78.9	77.2		
Active Mobile Banking clients in Personal Banking (%)[2]	68.1	66.9	63.1		
Active Digital Banking clients in Corporate & Institutional Clients (%)[2]	82.0	81.5	81.3		
Loans, gross (USD bn)	164.5	174.4	157.7	(6)	4
Customer deposits (USD bn)	188.0	201.5	182.1	(7)	3
Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[2,4]	0.9	0.9	0.8		

1 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information. Comparatives may additionally differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 3 In the first quarter of 2024, 89.1% of clients of Personal Banking were "activated users" of Digital Banking (i.e., clients who had logged into Digital Banking at least once in the course of their relationship with UBS). 4 Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures.

Asset Management

Asset Management[1]

	As of or for the quarter ended			% change from	
USD m, except where indicated	31.3.24	31.12.23	31.3.23	4Q23	1Q23
Results					
Net management fees[2]	487	506	479	(4)	2
Performance fees	22	28	23	(21)	(5)
Net gain from disposals		23			
Total revenues	509	558	503	(9)	1
Credit loss expense / (release)	0	0	0		
Operating expenses	459	463	408	(1)	12
Business division operating profit / (loss) before tax	50	95	95	(47)	(47)
Performance measures and other information					
Pre-tax profit growth (year-on-year, %)[3]	(46.8)	(21.6)	(46.2)		
Cost / income ratio (%)[3]	90.1	83.0	81.2		
Gross margin on invested assets (bps)[3,4]	16	19	18		
Information by business line / asset class					
Invested assets (USD bn)[3]					
Equities	579	539	481	7	20
Fixed Income	337	323	320	4	5
of which: money market	*142*	*131*	*138*	*9*	*3*
Multi-asset & Solutions	185	180	161	3	15
Hedge Fund Businesses	55	54	55	3	0
Real Estate & Private Markets	97	102	100	(5)	(2)
Total invested assets excluding associates	1,253	1,199	1,117	5	12
of which: passive strategies	*575*	*540*	*468*	*6*	*23*
Associates[5]	23	24	24	(1)	(2)
Total invested assets[4]	1,276	1,222	1,140	4	12
Information by region					
Invested assets (USD bn)[3]					
Americas	376	350	321	7	17
Asia Pacific[4]	155	153	177	1	(12)
EMEA (excluding Switzerland)	334	314	274	6	22
Switzerland	412	405	369	2	12
Total invested assets[4]	1,276	1,222	1,140	4	12
Information by channel					
Invested assets (USD bn)[3]					
Third-party institutional	684	659	626	4	9
Third-party wholesale	129	126	123	2	4
UBS's wealth management businesses	440	414	368	6	20
Associates[5]	23	24	24	(1)	(2)
Total invested assets[4]	1,276	1,222	1,140	4	12

1 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information. Comparatives may additionally differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Net management fees include transaction fees, fund administration revenues (including net interest and trading income from lending activities and foreign-exchange hedging as part of the fund services offering), distribution fees, incremental fund-related expenses, gains or losses from seed money and co-investments, funding costs, the negative pass-through impact of third-party performance fees, and other items that are not Asset Management's performance fees. 3 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 4 Starting with the second quarter of 2023, invested assets include invested assets from associates, to better reflect the business strategy. Comparative figures have been restated to reflect this change. 5 The invested assets amounts reported for associates are prepared in accordance with their local regulatory requirements and practices.

Results: 1Q24 vs 1Q23

Profit before tax decreased by USD 45m, or 47%, to USD 50m, primarily due to higher operating expenses.

Total revenues

Total revenues increased by USD 6m, or 1%, to USD 509m, mainly reflecting higher net management fees.

Net management fees increased by USD 8m, or 2%, to USD 487m, as the first quarter of 2023 included negative pass-through fees, with the corresponding offset in performance fees, and also due to positive market performance and foreign currency effects, partly offset by continued margin compression.

Performance fees decreased by USD 1m, or 5%, to USD 22m, mainly due to the first quarter of 2023 including the effect of the aforementioned pass-through fees, almost entirely offset by increases in Hedge Fund Businesses, Fixed Income and Real Estate & Private Markets.

Operating expenses

Operating expenses increased by USD 51m, or 12%, to USD 459m, mainly reflecting integration-related expenses, adverse foreign currency effects, and increases in technology expenses and general and administrative expenses.

Invested assets: 1Q24 vs 4Q23

Invested assets increased by USD 54bn, or 4%, to USD 1,276bn, reflecting positive market performance of USD 56bn and positive net new money of USD 27bn, partly offset by adverse foreign currency effects of USD 30bn. Excluding money market flows and associates, net new money was USD 17bn.

Investment Bank

Investment Bank[1]

	As of or for the quarter ended			% change from	
USD m, except where indicated	31.3.24	31.12.23	31.3.23	4Q23	1Q23
Results					
Advisory	165	167	171	(1)	(3)
Capital Markets	349	321	213	9	63
Global Banking	514	488	384	5	34
Execution Services	458	404	419	13	9
Derivatives & Solutions	873	420	1,018	108	(14)
Financing	542	442	539	23	1
Global Markets	1,874	1,266	1,976	48	(5)
of which: Equities	*1,360*	*975*	*1,309*	*40*	*4*
of which: Foreign Exchange, Rates and Credit	*514*	*292*	*667*	*76*	*(23)*
Total revenues	2,388	1,754	2,361	36	1
Credit loss expense / (release)	32	42	7	(24)	357
Operating expenses	2,083	2,108	1,883	(1)	11
Business division operating profit / (loss) before tax	272	(396)	471		(42)
Performance measures and other information					
Pre-tax profit growth (year-on-year, %)[2]	(42.2)	(467.6)	(48.1)		
Cost / income ratio (%)[2]	87.3	120.2	79.8		
Average VaR (1-day, 95% confidence, 5 years of historical data)	17	16	12	8	45

1 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information. Comparatives may additionally differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method.

Results: 1Q24 vs 1Q23

Profit before tax decreased by USD 199m, or 42%, to USD 272m, mainly reflecting higher total operating expenses.

Total revenues

Total revenues increased by USD 27m, or 1%, to USD 2,388m, reflecting higher revenues in Global Banking, partly offset by lower revenues in Global Markets.

Global Banking

Global Banking revenues increased by USD 130m, or 34%, to USD 514m, as higher Capital Markets revenues were partly offset by lower Advisory revenues. The overall global fee pool[1,2] increased 18%.

Advisory revenues decreased by USD 6m, or 3%, to USD 165m, mostly due to lower merger and acquisition transaction revenues, which decreased by USD 8m, or 5%, compared with a 10% decrease in the relevant global fee pool.[2]

Capital Markets revenues increased by USD 136m, or 63%, to USD 349m, mainly due to higher Leveraged Capital Markets revenues, which increased by USD 97m, or 239%, Debt Capital Markets revenues, which increased by USD 37m, or 55%, and Equity Capital Markets revenues, which increased by USD 31m, or 57%. The relevant global fee pools[1,2] increased by 58%, 26% and 58%, respectively.

Global Markets

Global Markets revenues decreased by USD 102m, or 5%, to USD 1,874m, primarily driven by lower Derivatives & Solutions revenues, partly offset by higher Execution Services revenues.

Execution Services revenues increased by USD 39m, or 9%, to USD 458m, due to increases in Cash Equities across all regions.

Derivatives & Solutions revenues decreased by USD 145m, or 14%, to USD 873m, mostly driven by Rates, due to lower levels of both volatility and client activity.

Financing revenues increased by USD 3m, or 1%, to USD 542m.

Equities

Global Markets Equities revenues increased by USD 51m, or 4%, to USD 1,360m.

Foreign Exchange, Rates and Credit

Global Markets Foreign Exchange, Rates and Credit revenues decreased by USD 153m, or 23%, to USD 514m, primarily driven by lower Rates revenues.

Credit loss expense / release

Net credit loss expenses were USD 32m, compared with net expenses of USD 7m in the first quarter of 2023.

Operating expenses

Operating expenses increased by USD 200m, or 11%, to USD 2,083m, mainly driven by expenses relating to secondment of Credit Suisse employees and integration-related expenses associated with the acquisition of the Credit Suisse Group.

1 UBS fee-pool-comparable revenues consist of revenues from: merger-and-acquisition-related transactions; Equity Capital Markets, excluding derivatives; Leveraged Capital Markets, excluding the impact of mark-to-market movements on loan portfolios; and Debt Capital Markets, excluding revenues related to debt underwriting of UBS instruments.
2 Source: Dealogic, as of 29 March 2024.

Non-core and Legacy

Non-core and Legacy[1]

	As of or for the quarter ended			% change from	
USD m	31.3.24	31.12.23	31.3.23	4Q23	1Q23
Results					
Total revenues	21	(28)	23		(9)
Credit loss expense / (release)	0	1	0		
Operating expenses	138	149	699	(7)	(80)
Operating profit / (loss) before tax	(118)	(178)	(676)	(34)	(83)

1 Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment, which includes Non-core and Legacy Portfolio previously reported within Group Functions. Prior periods have been revised to reflect this presentational change. Additionally, a small amount of exposure of pre-integration UBS business divisions was included in Non-core and Legacy starting with the third quarter of 2023, as it was assessed as not strategic in light of the acquisition of the Credit Suisse Group.

Results: 1Q24 vs 1Q23

Loss before tax was USD 118m, compared with a loss before tax of USD 676m.

Total revenues

Total revenues decreased by USD 2m, or 9%, to USD 21m, mainly reflecting lower net interest income.

Operating expenses

Operating expenses decreased by USD 561m, or 80%, to USD 138m. The first quarter of 2023 included a USD 665m increase in provisions related to the US residential mortgage-backed securities litigation matter, which was settled in the third quarter of 2023. The first quarter of 2024 included integration-related expenses of USD 61m and an increase in personnel expenses of USD 46m, driven by performance-related expenses.

Group Items

Group Items[1,2]

	As of or for the quarter ended			% change from	
USD m	31.3.24	31.12.23	31.3.23	4Q23	1Q23
Results					
Total revenues	(106)	222	(107)		(1)
Credit loss expense / (release)	1	0	0		
Operating expenses	212	100	117	112	81
Operating profit / (loss) before tax	(319)	122	(225)		42

1 Starting with the third quarter of 2023, Group Functions has been renamed Group Items, and Non-core and Legacy Portfolio, which was previously reported within Group Functions, has been included in Non-core and Legacy, which represents a separate reportable segment. Prior periods have been revised to reflect these presentational changes. 2 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information. Comparatives may additionally differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period.

Results: 1Q24 vs 1Q23

Loss before tax was USD 319m, compared with a loss of USD 225m.

Income from Group hedging and own debt, including hedge accounting ineffectiveness, was net negative USD 150m, compared with net negative income of USD 96m. The results across the periods were driven by mark-to-market effects on portfolio-level economic hedges due to higher interest rates and cross-currency-basis widening.

In addition, the first quarter of 2024 included higher shared services costs charged by other subsidiaries of UBS Group AG and higher funding costs related to deferred tax assets.

Risk, capital, liquidity and funding, and balance sheet

Management report

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Risk management and control

This section provides information about key developments during the reporting period and should be read in conjunction with the "Risk management and control" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*.

Credit risk

Overall banking products exposure

Overall banking products exposure decreased by USD 40bn to USD 698bn as of 31 March 2024, mainly driven by a decrease in loans and advances to customers and in amounts due from banks, reflecting negative currency effects and a reduction in lending to Credit Suisse. Balances at central banks also decreased due to currency effects.

Total net credit loss expenses were USD 52m, reflecting USD 1m net credit loss expenses related to stage 1 and 2 positions and USD 51m net credit loss expenses related to stage 3 positions.

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

› **Refer to the "UBS AG consolidated performance" section and "Note 8 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information about credit loss expense / release**

Loan underwriting

In the Investment Bank, mandated loan underwriting commitments on a notional basis decreased by USD 0.1bn to USD 1.9bn as of 31 March 2024. USD 0.1bn of commitments had not yet been distributed as originally planned as of 31 March 2024.

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

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

	31.3.24						
USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
Banking products[1,2]							
Gross exposure	328,131	262,390	1,351	80,627	3,452	21,975	697,927
of which: loans and advances to customers (on-balance sheet)	*205,835*	*164,543*	*0*	*14,907*	*154*	*6,404*	*391,844*
of which: guarantees and loan commitments (off-balance sheet)	*11,945*	*27,876*	*0*	*17,684*	*1,600*	*17,326*	*76,432*
Traded products[2,3]							
Gross exposure	10,263	764	0		32,055		43,082
of which: over-the-counter derivatives	*7,746*	*747*	*0*		*9,200*		*17,692*
of which: securities financing transactions	*0*	*0*	*0*		*14,251*		*14,251*
of which: exchange-traded derivatives	*2,517*	*17*	*0*		*8,604*		*11,138*
Other credit lines, gross[4]	12,733	25,173	0	2,568	0	1,629	42,102
Total credit-impaired exposure, gross	842	1,669	0	466	12	0	2,989
Total allowances and provisions for expected credit losses	221	748	0	257	7	6	1,239
of which: stage 1	*72*	*163*	*0*	*61*	*0*	*6*	*303*
of which: stage 2	*52*	*140*	*0*	*60*	*0*	*0*	*253*
of which: stage 3	*96*	*445*	*0*	*135*	*6*	*0*	*683*

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

1 IFRS 9 gross exposure for banking products includes the following financial instruments in scope of expected credit loss requirements: balances at central banks, amounts due from banks, loans and advances to customers, other financial assets at amortized cost, guarantees and irrevocable loan commitments. 2 Internal management view of credit risk, which differs in certain respects from IFRS Accounting Standards. 3 As counterparty risk for traded products is managed at counterparty level, no further split between exposures in the Investment Bank, Non-core and Legacy, and Group Items is provided. 4 Unconditionally revocable committed credit lines. 5 Comparative figures in this table have been restated for changes in Group Treasury allocations. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information.

Collateralization of Loans and advances to customers[1]

	Global Wealth Management		Personal & Corporate Banking	
USD m, except where indicated	31.3.24	31.12.23	31.3.24	31.12.23
Secured by collateral	203,231	210,243	147,458	157,278
Residential real estate	*65,844*	*67,910*	*118,208*	*126,199*
Commercial / industrial real estate	*4,768*	*5,045*	*21,067*	*22,632*
Cash	*20,839*	*24,797*	*2,521*	*2,750*
Equity and debt instruments	*96,316*	*96,371*	*2,422*	*2,626*
Other collateral[2]	*15,464*	*16,121*	*3,240*	*3,071*
Subject to guarantees	95	92	2,537	2,706
Uncollateralized and not subject to guarantees	2,509	3,042	14,547	14,441
Total loans and advances to customers, gross	205,835	213,377	164,543	174,425
Allowances	(145)	(147)	(615)	(634)
Total loans and advances to customers, net of allowances	205,691	213,230	163,927	173,791
Collateralized loans and advances to customers in % of total loans and advances to customers, gross (%)	98.7	98.5	89.6	90.2

1 Collateral arrangements generally incorporate a range of collateral, including cash, securities, real estate and other collateral. UBS AG applies a risk-based approach that generally prioritizes collateral according to its liquidity profile. 2 Includes but is not limited to life insurance contracts, rights in respect of subscription or capital commitments from fund partners, inventory, gold and other commodities.

Market risk

UBS AG consolidated continued to maintain generally low levels of management value-at-risk (VaR). Average management VaR (1-day, 95% confidence level) increased marginally to USD 17m from USD 16m in the first quarter of 2024.

There were no new VaR negative backtesting exceptions in the first quarter of 2024. The number of negative backtesting exceptions within the most recent 250-business-day window remained at zero. The Swiss Financial Market Supervisory Authority (FINMA) VaR multiplier derived from backtesting exceptions for market risk risk-weighted assets was unchanged compared with the prior quarter, at 3.0.

Management value-at-risk (1-day, 95% confidence, 5 years of historical data) of our business divisions and Group Items, by general market risk type[1]

					Average by risk type				
USD m	Min.	Max.	Period end	Average	Equity	Interest rates	Credit spreads	Foreign exchange	Commodities
Global Wealth Management	1	2	1	1	0	1	2	0	0
Personal & Corporate Banking	0	0	0	0	0	0	0	0	0
Asset Management	0	0	0	0	0	0	0	0	0
Investment Bank	11	23	13	17	7	17	8	3	3
Non-core and Legacy	1	2	1	1	0	1	1	0	0
Group Items	3	4	4	4	1	3	3	1	0
Diversification effect[2,3]			(6)	(6)	(1)	(5)	(4)	(1)	0
Total as of 31.3.24	12	23	13	17	7	18	9	3	3
Total as of 31.12.23	11	24	19	16	9	16	7	2	3

1 Statistics at individual levels may not be summed to deduce the corresponding aggregate figures. The minima and maxima for each level may occur on different days, and, likewise, the value-at-risk (VaR) for each business line or risk type, being driven by the extreme loss tail of the corresponding distribution of simulated profits and losses for that business line or risk type, may well be driven by different days in the historical time series, rendering invalid the simple summation of figures to arrive at the aggregate total. 2 The difference between the sum of the standalone VaR for the business divisions and Group Items and the total VaR. 3 As the minima and maxima for different business divisions and Group Items occur on different days, it is not meaningful to calculate a portfolio diversification effect.

Economic value of equity and net interest income sensitivity

The economic value of equity (EVE) sensitivity in UBS AG's banking book to a parallel shift in yield curves of +1 basis point was negative USD 28.6m as of 31 March 2024, compared with negative USD 28.1m as of 31 December 2023. This excludes the sensitivity of USD 5.4m from additional tier 1 (AT1) capital instruments (as per specific FINMA requirements) in contrast to general Basel Committee on Banking Supervision (BCBS) guidance. Exposure in the banking book of UBS AG increased during the first quarter of 2024, due to interest rate risk hedges of recent AT1 issuances and a repositioning of the Swiss franc exposure in anticipation of the subsequent Swiss National Bank rate cut in March 2024.

The majority of UBS AG's interest rate risk in the banking book is a reflection of the net asset duration that it runs to offset its modeled sensitivity of net USD 21.7m (31 December 2023: USD 22.4m) assigned to its equity, goodwill and real estate, with the aim of generating a stable net interest income contribution. Of this, USD 15.0m and USD 5.7m are attributable to the US dollar and the Swiss franc portfolios, respectively (31 December 2023: USD 15.8m and USD 5.6m, respectively).

In addition to the aforementioned sensitivity, UBS AG calculates the six interest rate shock scenarios prescribed by FINMA. The "Parallel up" scenario, assuming all positions were fair valued, was the most severe and would have resulted in a change in EVE of negative USD 5.4bn, or 9.2%, of UBS AG's tier 1 capital (31 December 2023: negative USD 5.3bn, or 9.3%), which is well below the 15% threshold as per the BCBS supervisory outlier test for high levels of interest rate risk in the banking book.

The immediate effect on our tier 1 capital in the "Parallel up" scenario as of 31 March 2024 would have been a decrease of approximately USD 0.5bn, or 0.8%, (31 December 2023: USD 0.5bn, or 0.9%), reflecting the fact that the vast majority of our banking book is accrual accounted or subject to hedge accounting. The "Parallel up" scenario would subsequently have a positive effect on net interest income, assuming a constant balance sheet. UBS AG also applies granular internal interest rate shock scenarios to its banking book positions to monitor the book's specific risk profile.

Interest rate risk – banking book

	31.3.24							
USD m	Effect on EVE[1] – FINMA						Effect on EVE[1] – BCBS	
Scenarios	CHF	EUR	GBP	USD	Other	Total	Additional tier 1 (AT1) capital instruments	Total
+1 bp	(4.7)	(0.8)	0.0	(23.0)	(0.2)	(28.6)	5.4	(23.3)
Parallel up[2]	(672.8)	(155.5)	8.7	(4,491.8)	(50.5)	(5,361.9)	990.6	(4,371.3)
Parallel down[2]	749.2	161.5	(21.1)	4,569.8	57.5	5,516.9	(1,144.2)	4,372.7
Steepener[3]	(313.2)	(12.2)	(13.0)	(1,159.2)	(20.4)	(1,518.0)	181.6	(1,336.4)
Flattener[4]	181.7	(12.6)	13.2	95.7	8.8	286.7	41.7	328.4
Short-term up[5]	(84.5)	(57.7)	16.4	(1,732.1)	(13.6)	(1,871.4)	464.9	(1,406.5)
Short-term down[6]	87.8	58.5	(16.7)	1,833.2	13.2	1,976.1	(483.0)	1,493.1

	31.12.23							
USD m	Effect on EVE[1] – FINMA						Effect on EVE[1] – BCBS	
Scenarios	CHF	EUR	GBP	USD	Other	Total	Additional tier 1 (AT1) capital instruments	Total
+1 bp	(4.3)	(0.7)	0.0	(23.1)	0.1	(28.1)	4.8	(23.3)
Parallel up[2]	(608.9)	(142.9)	2.2	(4,522.3)	(15.0)	(5,287.0)	888.3	(4,398.7)
Parallel down[2]	686.1	150.0	(11.8)	4,593.2	17.1	5,434.5	(1,028.0)	4,406.6
Steepener[3]	(335.2)	(16.0)	(13.1)	(973.6)	(23.0)	(1,361.0)	95.9	(1,265.1)
Flattener[4]	214.1	(6.8)	12.3	(94.1)	17.5	142.9	104.7	247.6
Short-term up[5]	(38.5)	(48.4)	13.4	(1,909.8)	7.1	(1,976.3)	477.4	(1,498.9)
Short-term down[6]	42.9	49.8	(14.3)	2,036.8	(10.0)	2,105.3	(498.9)	1,606.4

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

Country risk

UBS AG remains watchful of a range of geopolitical developments and political changes in a number of countries, as well as international tensions arising from the Russia–Ukraine war, conflicts in the Middle East and US–China trade relations. UBS AG's direct exposure to Israel is USD 0.1bn and our direct exposure to Gulf Cooperation Council countries is USD 2.4bn, while direct exposure to Egypt and Jordan is limited, and there is no direct exposure to Lebanon, Iran, Iraq or Syria. UBS AG's direct exposure to Russia, Belarus and Ukraine is immaterial, and potential second-order impacts, such as European energy security, continue to be monitored.

Inflation has abated to some extent in major Western economies, though there are still concerns regarding future developments, and central banks' monetary policy is in the spotlight. The potential for "higher-for-longer" interest rates raises the prospect of a global recession. There are ongoing concerns regarding the property sector in China. This combination of factors translates into a more uncertain and volatile environment, which increases the risk of financial market disruption.

UBS AG continues to monitor potential trade policy disputes, as well as economic and political developments in addition to those mentioned above. We are closely watching elections in a number of key markets in 2024. UBS AG's exposure to emerging market countries is 4% of its total country exposure, mainly in Asia.

› **Refer to the "Risk management and control" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information**

Non-financial risk

We continue to actively manage the non-financial risks emerging from the acquisition of the Credit Suisse Group, including the current operation of dual corporate structures, and the scale, pace and complexity of the required integration activities. These activities continue to be managed via the program run by our Group Integration Office. The integration of Credit Suisse requires data to be migrated into the UBS environment and we aim to ensure that we have robust controls to preserve data integrity, quality and availability, to mitigate data migration risks and to meet regulatory expectations.

Through this period of change, we place an increased focus on maintaining and enhancing our control environment and continue to cooperate with regulators in relation to the submission and execution of implementation plans to meet regulatory requirements, including remediation requirements applicable to Credit Suisse AG. In addition, the Group is closely monitoring non-financial risk indicators, to detect any potential for adverse impacts on the control environment.

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

Cyberattacks on third-party vendors have affected our operations in the past and continue to be a source of residual risk to our business. No cyber events occurred in the first quarter of 2024 related to our own infrastructure, or the infrastructure of any third party, that had material financial or operational effects on us. We remain on heightened alert to respond to and mitigate elevated cybersecurity and information security threats. Following a post-incident review of the ION XTP ransomware attack, we are improving our frameworks for managing third parties that support our important business services and continue with actions to enhance our cyber-risk assessments and controls over third-party vendors. We continue to invest in improving our technology infrastructure and information security governance to improve our defense, detection and response capabilities against cyberattacks.

In addition, we are working to enhance our operational resilience to address these heightened risks and to meet regulatory deadlines through 2026. We are implementing a global framework designed to drive enhancements in operational resilience across all business divisions and relevant jurisdictions, as well as working with the third parties, including vendors, that are of critical importance to our operations, to assess their operational resilience against our standards.

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

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

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

Cross-border risk (including unintended permanent establishment) remains an area of regulatory attention for global financial institutions, including a focus on market access, such as third-country market access into the European Economic Area, and taxation of US persons. We maintain a series of controls designed to address these risks, and we are increasing the number of controls that are automated.

Financial crime, including money laundering, terrorist financing, sanctions violations, fraud, bribery and corruption, continues to present a major risk, as technological innovation and geopolitical developments increase the complexity of doing business and heightened regulatory attention continues. Money laundering and financial fraud techniques are becoming increasingly sophisticated, including growing use of AI, and geopolitical volatility makes the sanctions landscape more complex. The extensive and continuously evolving sanctions arising from the Russia–Ukraine war require constant attention to prevent circumvention risks, while the conflicts in the Middle East may increase terrorist financing risks. An effective financial crime prevention program therefore remains essential for us. We are focused on strategic enhancements to our global anti-money-laundering (AML), know-your-client (KYC) and sanctions programs to respond to new and existing regulatory requirements and to respond to developing threats, as well as alignment of standards and processes as Credit Suisse clients are migrated to UBS platforms.

In the US, UBS AG has been subject to a Consent Order with the Office of the Comptroller of the Currency (the OCC) since May 2018 relating to our US branch AML and KYC programs. In response, we have introduced significant improvements to our framework for the purpose of ensuring sustainable remediation of US-relevant Bank Secrecy Act / AML issues across relevant US legal entities.

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

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

Capital management

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

UBS AG has contributed a significant portion of capital to, and provides substantial liquidity to, its subsidiaries. Many of these subsidiaries are subject to regulations requiring compliance with minimum capital, liquidity and similar requirements.

› **Refer to the 31 March 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for more information about additional regulatory disclosures for UBS Group AG on a consolidated basis, as well as the significant regulated subsidiaries and sub-groups of UBS Group AG**

Swiss SRB going and gone concern requirements and information

As of 31.3.24	RWA		LRD	
USD m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	14.74[1]	48,464	5.00[1]	53,930
Common equity tier 1 capital	10.44	34,329	3.50[2]	37,751
of which: minimum capital	*4.50*	*14,793*	*1.50*	*16,179*
of which: buffer capital	*5.50*	*18,080*	*2.00*	*21,572*
of which: countercyclical buffer	*0.44*	*1,456*		
Maximum additional tier 1 capital	4.30	14,135	1.50	16,179
of which: additional tier 1 capital	*3.50*	*11,506*	*1.50*	*16,179*
of which: additional tier 1 buffer capital	*0.80*	*2,630*		
Eligible going concern capital				
Total going concern capital	17.66	58,067	5.38	58,067
Common equity tier 1 capital	13.34	43,863	4.07	43,863
Total loss-absorbing additional tier 1 capital	4.32	14,204	1.32	14,204
of which: high-trigger loss-absorbing additional tier 1 capital	*3.95*	*12,988*	*1.20*	*12,988*
of which: low-trigger loss-absorbing additional tier 1 capital[3]	*0.37*	*1,216*	*0.11*	*1,216*
Required gone concern capital				
Total gone concern loss-absorbing capacity[4,5,6]	10.73	35,257	3.75	40,447
of which: base requirement including add-ons for market share and LRD	*10.73*[7]	*35,257*	*3.75*[7]	*40,447*
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	16.66	54,773	5.08	54,773
Total tier 2 capital	0.16	537	0.05	537
of which: non-Basel III-compliant tier 2 capital	*0.16*	*537*	*0.05*	*537*
TLAC-eligible unsecured debt	16.50	54,236	5.03	54,236
Total loss-absorbing capacity				
Required total loss-absorbing capacity	25.47	83,721	8.75	94,377
Eligible total loss-absorbing capacity	34.33	112,840	10.46	112,840
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		328,732		
Leverage ratio denominator				1,078,591

1 Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.50% for leverage ratio denominator (LRD). 2 Our minimum CET1 leverage ratio requirement of 3.5% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.25% LRD add-on requirement and a 0.25% market share add-on requirement based on our Swiss credit business. 3 Existing outstanding low-trigger additional tier 1 capital instruments qualify as going concern capital at the UBS AG consolidated level, as agreed with FINMA, until their first call date. As of their first call date, these instruments are eligible to meet the gone concern requirements. 4 A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital. 5 From 1 January 2023, the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs) has been replaced with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements). 6 As of July 2024, FINMA will have the authority to impose a surcharge of up to 25% of the total going concern capital requirements should obstacles to an SIB's resolvability be identified in future resolvability assessments. 7 Includes applicable add-ons of 1.08% for RWA and 0.38% for LRD.

UBS AG, on a consolidated basis, is subject to the going and gone concern requirements of the Swiss Capital Adequacy Ordinance that include the too-big-to-fail (TBTF) provisions applicable to Swiss SRBs. The table above provides the risk-weighted asset (RWA)- and leverage ratio denominator (LRD)-based requirements and information as of 31 March 2024.

UBS AG and UBS Switzerland AG are subject to going and gone concern requirements on a standalone basis.

Additional capital requirements for UBS AG standalone under current requirements

Effective at the time of the merger with Credit Suisse AG, UBS AG standalone will continue to adhere to capital requirements on a fully applied basis, including risk-weights of 250% and 400% for Swiss and foreign participations, respectively, and after the removal of the regulatory filter that had been granted to Credit Suisse AG standalone prior to the merger. A transition to the UBS approach for the treatment of Credit Suisse AG standalone participations would have reduced CET1 capital by around USD 9bn, using Credit Suisse balances as of 31 March 2023.

Total loss-absorbing capacity

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

Swiss SRB going and gone concern information

USD m, except where indicated	31.3.24	31.12.23
Eligible going concern capital		
Total going concern capital	58,067	56,628
Total tier 1 capital	58,067	56,628
Common equity tier 1 capital	43,863	44,130
Total loss-absorbing additional tier 1 capital	14,204	12,498
of which: high-trigger loss-absorbing additional tier 1 capital	*12,988*	*11,286*
of which: low-trigger loss-absorbing additional tier 1 capital	*1,216*	*1,212*
Eligible gone concern capital		
Total gone concern loss-absorbing capacity	54,773	54,458
Total tier 2 capital	537	538
of which: non-Basel III-compliant tier 2 capital	*537*	*538*
TLAC-eligible unsecured debt	54,236	53,920
Total loss-absorbing capacity		
Total loss-absorbing capacity	112,840	111,086
Risk-weighted assets / leverage ratio denominator		
Risk-weighted assets	328,732	333,979
Leverage ratio denominator	1,078,591	1,104,408
Capital and loss-absorbing capacity ratios (%)		
Going concern capital ratio	17.7	17.0
of which: common equity tier 1 capital ratio	*13.3*	*13.2*
Gone concern loss-absorbing capacity ratio	16.7	16.3
Total loss-absorbing capacity ratio	34.3	33.3
Leverage ratios (%)		
Going concern leverage ratio	5.4	5.1
of which: common equity tier 1 leverage ratio	4.1	4.0
Gone concern leverage ratio	5.1	4.9
Total loss-absorbing capacity leverage ratio	10.5	10.1

Total loss-absorbing capacity and movement

Total loss-absorbing capacity (TLAC) increased by USD 1.8bn to USD 112.8bn in the first quarter of 2024.

Going concern capital and movement

Going concern capital increased by USD 1.4bn to USD 58.1bn. Common equity tier 1 (CET1) capital decreased by USD 0.3bn to USD 43.9bn, primarily as the operating profit before tax of USD 1.4bn was more than offset by negative effects from foreign currency translation of USD 0.8bn, current tax expenses of USD 0.4bn and dividend accruals of USD 0.4bn.

Loss-absorbing additional tier 1 (AT1) capital issued by the Group and on lent to UBS AG increased by USD 1.7bn to USD 14.2bn, mainly reflecting the issuance of two AT1 capital instruments equivalent to a total of USD 1.5bn.

Following the approval of a minimum amount of conversion capital by UBS Group AG's shareholders at the 2024 Annual General Meeting, AT1 capital instruments issued from the beginning of the fourth quarter of 2023 are now, upon the occurrence of a trigger event or a viability event, subject to conversion into UBS Group AG ordinary shares rather than a write-down.

Gone concern loss-absorbing capacity and movement

Total gone concern loss-absorbing capacity increased by USD 0.3bn to USD 54.8bn and included USD 54.2bn of TLAC-eligible unsecured debt instruments that were issued by the Group and on lent to UBS AG. The increase of USD 0.3bn mainly reflected new issuances totaling USD 5.4bn equivalent of TLAC-eligible unsecured debt instruments, largely offset by the call of USD 2.1bn equivalent of TLAC-eligible unsecured debt instruments, a USD 1.9bn equivalent of TLAC-eligible unsecured debt instrument that ceased to be eligible as gone concern capital when UBS Group AG issued a notice of redemption of the instrument in the first quarter of 2024, and negative impacts from interest rate risk hedge, foreign currency translation and other effects.

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

Loss-absorbing capacity and leverage ratios

The CET1 capital ratio increased to 13.3% from 13.2%, reflecting a USD 5.2bn decrease in RWA, partly offset by the aforementioned decrease in CET1 capital.

The CET1 leverage ratio increased to 4.1% from 4.0%, largely due to a USD 25.8bn decrease in the LRD.

The gone concern loss-absorbing capacity ratio increased to 16.7% from 16.3%, mainly due to the aforementioned decrease in RWA.

The gone concern leverage ratio increased to 5.1% from 4.9%, mainly reflecting the aforementioned decrease in the LRD.

Swiss SRB total loss-absorbing capacity movement

USD m

Going concern capital	Swiss SRB
Common equity tier 1 capital as of 31.12.23	44,130
Operating profit / (loss) before tax	1,379
Current tax (expense) / benefit	(438)
Foreign currency translation effects, before tax	(757)
Other[1]	(452)
Common equity tier 1 capital as of 31.3.24	43,863
Loss-absorbing additional tier 1 capital as of 31.12.23	12,498
Issuance of high-trigger loss-absorbing additional tier 1 capital	1,483
Interest rate risk hedge, foreign currency translation and other effects	223
Loss-absorbing additional tier 1 capital as of 31.3.24	14,204
Total going concern capital as of 31.12.23	56,628
Total going concern capital as of 31.3.24	58,067
Gone concern loss-absorbing capacity	
Tier 2 capital as of 31.12.23	538
Interest rate risk hedge, foreign currency translation and other effects	(1)
Tier 2 capital as of 31.3.24	537
TLAC-eligible unsecured debt as of 31.12.23	53,920
Issuance of TLAC-eligible unsecured debt	5,438
Call of TLAC-eligible unsecured debt	(3,970)
Interest rate risk hedge, foreign currency translation and other effects	(1,151)
TLAC-eligible unsecured debt as of 31.3.24	54,236
Total gone concern loss-absorbing capacity as of 31.12.23	54,458
Total gone concern loss-absorbing capacity as of 31.3.24	54,773
Total loss-absorbing capacity	
Total loss-absorbing capacity as of 31.12.23	111,086
Total loss-absorbing capacity as of 31.3.24	112,840

1 Includes dividend accruals for the current year and movements related to other items.

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

USD m	31.3.24	31.12.23
Total equity under IFRS Accounting Standards	55,363	55,569
Equity attributable to non-controlling interests	(317)	(335)
Defined benefit plans, net of tax	(367)	(336)
Deferred tax assets recognized for tax loss carry-forwards	(2,837)	(3,004)
Deferred tax assets for unused tax credits	(173)	(97)
Deferred tax assets on temporary differences, excess over threshold	(1,405)	(1,233)
Goodwill, net of tax[1]	(5,738)	(5,750)
Intangible assets, net of tax	(135)	(146)
Expected losses on advanced internal ratings-based portfolio less provisions	(499)	(532)
Unrealized (gains) / losses from cash flow hedges, net of tax	3,368	2,961
Own credit related to (gains) / losses on financial liabilities measured at fair value that existed at the balance sheet date, net of tax	289	313
Own credit related to (gains) / losses on derivative financial instruments that existed at the balance sheet date	(53)	(63)
Prudential valuation adjustments	(183)	(177)
Accruals for dividends to shareholders for 2023	(3,000)	(3,000)
Other[2]	(450)	(39)
Total common equity tier 1 capital	43,863	44,130

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

Additional information

Sensitivity to currency movements

Risk-weighted assets

We estimate that a 10% depreciation of the US dollar against other currencies would have increased our RWA by USD 14bn and our CET1 capital by USD 1.4bn as of 31 March 2024 (31 December 2023: USD 15bn and USD 1.5bn, respectively) and decreased our CET1 capital ratio by 15 basis points (31 December 2023: 12 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our RWA by USD 13bn and our CET1 capital by USD 1.2bn (31 December 2023: USD 13bn and USD 1.4bn, respectively) and increased our CET1 capital ratio by 14 basis points (31 December 2023: 12 basis points).

Leverage ratio denominator

We estimate that a 10% depreciation of the US dollar against other currencies would have increased our LRD by USD 65bn as of 31 March 2024 (31 December 2023: USD 69bn) and decreased our CET1 leverage ratio by 11 basis points (31 December 2023: 10 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our LRD by USD 59bn (31 December 2023: USD 62bn) and increased our CET1 leverage ratio by 11 basis points (31 December 2023: 11 basis points).

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

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

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

The estimated loss in capital that UBS AG could incur as a result of the risks associated with the matters is described in "Note 15 Provisions and contingent liabilities" in the "Consolidated financial statements" section of this report. UBS AG has employed for this purpose the advanced measurement approach (AMA) methodology that UBS uses when determining the capital requirements associated with operational risks, based on a 99.9% confidence level over a 12-month horizon. The methodology takes into consideration UBS and industry experience for the AMA operational risk categories to which those matters correspond, as well as the external environment affecting risks of these types, in isolation from other areas. On this basis, the maximum loss in capital that it could incur over a 12-month period as a result of the risks associated with these operational risk categories has been estimated at USD 4.2bn as of 31 March 2024. This estimate is not related to and does not take into account any provisions recognized for any of these matters and does not constitute a subjective assessment of the actual exposure in any of these matters.

› **Refer to "Non-financial risk" in the "Risk management and control" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information**

› **Refer to "Note 15 Provisions and contingent liabilities" in the "Consolidated financial statements" section of this report for more information**

Risk-weighted assets

During the first quarter of 2024, RWA decreased by USD 5.2bn to USD 328.7bn, driven by decreases of USD 7.3bn resulting from asset size and other movements and USD 6.7bn resulting from currency effects, partly offset by an increase of USD 8.8bn from model updates and methodology changes.

Movement in risk-weighted assets, by key driver

USD bn	RWA as of 31.12.23	Currency effects	Model updates and methodology changes	Asset size and other[1]	RWA as of 31.3.24
Credit and counterparty credit risk[2]	220.1	(6.4)	(0.6)	(6.9)	206.3
Non-counterparty-related risk[3]	22.7	(0.4)		(0.2)	22.1
Market risk	14.7		4.6	(0.2)	19.1
Operational risk	76.5		4.8		81.3
Total	**334.0**	**(6.7)**	**8.8**	**(7.3)**	**328.7**

1 Includes the Pillar 3 categories "Asset size," "Credit quality of counterparties," "Acquisitions and disposals" and "Other." For more information, refer to the 31 March 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors. 2 Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book, and securitization exposures in the banking book. 3 Non-counterparty-related risk includes deferred tax assets recognized for temporary differences, property, equipment, software and other items.

Credit and counterparty credit risk

Credit and counterparty credit risk RWA were USD 206.3bn as of 31 March 2024. The decrease of USD 13.8bn included a decrease related to currency effects of USD 6.4bn.

Asset size and other movements resulted in a USD 6.9bn decrease in RWA.

- Group Items RWA decreased by USD 4.2bn, mainly reflecting a decrease due to repayment of funding by Credit Suisse.
- Global Wealth Management RWA decreased by USD 2.0bn, mainly due to lower RWA from loans.
- Investment Bank RWA decreased by USD 1.0bn, mainly due to lower RWA from derivatives.
- Personal & Corporate Banking RWA increased by USD 0.4bn.
- Non-core and Legacy RWA decreased by USD 0.1bn.
- Asset Management RWA decreased by USD 0.1bn.

Model updates and methodology changes resulted in an RWA decrease of USD 0.6bn, mainly reflecting an RWA decrease of USD 1.5bn related to the recalibration of certain multipliers as a result of improvements to models, partly offset by RWA increases from model updates related to income-producing real estate, derivatives and securities financing transactions.

› **Refer to "Changes to segment reporting in 2024" in the "UBS business divisions and Group Items" section of the UBS Group first quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, and "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information about the realignment of the business divisions and the updates related to allocations from Group Treasury in the first quarter of 2024**

› **Refer to the 31 March 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for more information on a UBS Group AG consolidated basis**

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

Market risk

Market risk RWA increased by USD 4.4bn to USD 19.1bn in the first quarter of 2024, driven by an increase of USD 4.6bn that stems from the integration of time decay into regulatory VaR and stressed VaR for derivatives with optionality approved by the Swiss Financial Market Supervisory Authority (FINMA), which was partially offset by an improvement in the profit and loss representation of derivatives with multiple underlyings. This impact was partially offset by a decrease of USD 0.2bn from asset size and other movements in Global Markets in the Investment Bank. The FINMA-agreed temporary measure that was introduced in the fourth quarter of 2022, and scheduled to be lifted with the implementation of the aforementioned changes, has not yet been removed. The temporary time decay RWA buffer that was introduced in the third quarter of 2021 has dropped to an immaterial level.

› **Refer to the 31 March 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for more information on a UBS Group AG consolidated basis**

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

Operational risk

Operational risk RWA increased by USD 4.8bn to USD 81.3bn, driven by a recalibration of the advanced measurement approach (AMA) model used for the calculation of operational risk capital. Furthermore, in the first quarter of 2024, we updated the methodology that we use to allocate operational risk RWA to the business divisions and Group Items. The updated allocation reflects relative changes in financial metrics and operational losses as observed at year-end 2023.

› **Refer to "Non-financial risk" in the "Risk management and control" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for information about the AMA model**

Risk-weighted assets, by business division and Group Items[1]

USD bn	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total RWA
				31.3.24			
Credit and counterparty credit risk[2]	69.0	72.3	2.4	57.3	1.4	3.9	206.3
Non-counterparty-related risk[3]	5.5	1.7	0.5	3.7	0.0	10.7	22.1
Market risk	1.8	0.2		16.3	0.8	0.0	19.1
Operational risk	35.3	10.9	4.0	13.7	15.1	2.3	81.3
Total	111.6	85.0	6.9	90.9	17.4	16.9	328.7
				31.12.23			
Credit and counterparty credit risk[2]	72.0	75.4	2.5	60.3	1.5	8.4	220.1
Non-counterparty-related risk[3]	5.6	1.9	0.6	3.8	0.0	10.8	22.7
Market risk	1.6	0.1		11.5	1.6	0.0	14.7
Operational risk	30.2	10.3	3.8	13.1	15.8	3.3	76.5
Total	**109.5**	**87.6**	**6.9**	**88.7**	**18.8**	**22.4**	**334.0**
				31.3.24 vs 31.12.23			
Credit and counterparty credit risk[2]	(3.0)	(3.1)	(0.1)	(3.1)	(0.1)	(4.5)	(13.9)
Non-counterparty-related risk[3]	(0.1)	(0.2)	(0.1)	(0.1)	0.0	(0.1)	(0.6)
Market risk	0.2	0.1		4.8	(0.7)	0.0	4.4
Operational risk	5.0	0.6	0.2	0.5	(0.6)	(0.9)	4.8
Total	**2.1**	**(2.6)**	**0.1**	**2.2**	**(1.5)**	**(5.5)**	**(5.2)**

1 From the first quarter of 2024 onward, we have started to further push out risk-weighted assets from Group Items to the business divisions. Prior periods have been restated to reflect these changes. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information about the realignment of the business divisions. 2 Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book, and securitization exposures in the banking book. 3 Non-counterparty-related risk includes deferred tax assets recognized for temporary differences (31 March 2024: USD 11.3bn; 31 December 2023: USD 11.3bn), as well as property, equipment, software and other items (31 March 2024: USD 10.8bn; 31 December 2023: USD 11.4bn).

Leverage ratio denominator

During the first quarter of 2024, the LRD decreased by USD 25.8bn to USD 1,078.6bn, driven by currency effects of USD 33.2bn, partly offset by asset size and other movements of USD 7.4bn.

Movement in leverage ratio denominator, by key driver

USD bn	LRD as of 31.12.23	Currency effects	Asset size and other	LRD as of 31.3.24
On-balance sheet exposures (excluding derivatives and securities financing transactions)[1]	878.2	(28.4)	(6.5)	843.3
Derivatives	94.0	(1.8)	9.0	101.3
Securities financing transactions	106.1	(2.2)	4.3	108.3
Off-balance sheet items	37.2	(0.9)	0.6	36.9
Deduction items	(11.1)	0.0	(0.1)	(11.2)
Total	**1,104.4**	**(33.2)**	**7.4**	1,078.6

1 The exposures exclude derivative financial instruments, cash collateral receivables on derivative instruments, receivables from securities financing transactions, and margin loans, as well as prime brokerage receivables and financial assets at fair value not held for trading, both related to securities financing transactions. These exposures are presented separately under Derivatives and Securities financing transactions in this table.

The LRD movements described below exclude currency effects.

On-balance sheet exposures (excluding derivatives and securities financing transactions) decreased by USD 6.5bn, mainly due to lower lending balances, including a reduction due to repayment of funding by Credit Suisse, partly offset by higher trading portfolio assets, mainly in the Investment Bank, driven by higher inventory held to hedge client positions.

Derivative exposures increased by USD 9.0bn, mainly driven by higher exposures in the Investment Bank.

Securities financing transactions increased by USD 4.3bn, mainly due to client-driven increases in the Investment Bank, partly offset by roll-offs of excess cash re-investments in Group Treasury.

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

Leverage ratio denominator, by business division and Group Items[1]

USD bn	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
				31.3.24			
Total IFRS Accounting Standards assets	395.0	274.9	20.3	397.3	12.9	16.4	1,116.8
Difference in scope of consolidation	0.0	0.0	(16.6)	(0.1)	0.0	0.0	(16.7)
Less: derivatives and securities financing transactions	(41.9)	(26.1)	(0.1)	(178.2)	(9.0)	(1.5)	(256.8)
On-balance sheet exposures	353.2	248.8	3.6	218.9	3.9	15.0	843.3
Derivatives	7.4	3.2	0.0	88.7	1.1	0.9	101.3
Securities financing transactions	36.8	23.5	0.1	45.6	2.0	0.3	108.3
Off-balance sheet items	7.8	17.1	0.0	8.9	0.8	2.2	36.9
Items deducted from Swiss SRB tier 1 capital	(5.2)	(0.2)	(1.2)	(0.4)	0.0	(4.2)	(11.2)
Total	400.0	292.4	2.5	361.8	7.7	14.2	1,078.6
				31.12.23			
Total IFRS Accounting Standards assets	404.7	284.0	19.7	402.4	13.8	31.4	1,156.0
Difference in scope of consolidation	0.0	0.0	(16.0)	(0.2)	0.0	0.0	(16.1)
Less: derivatives and securities financing transactions	(39.4)	(24.1)	(0.1)	(186.1)	(9.9)	(2.3)	(261.8)
On-balance sheet exposures	**365.4**	**259.9**	**3.6**	**216.2**	**4.0**	**29.1**	**878.2**
Derivatives	6.1	1.9	0.0	84.1	1.4	0.5	94.0
Securities financing transactions	35.5	22.4	0.1	46.4	1.6	0.1	106.1
Off-balance sheet items	8.8	17.8	0.0	8.4	0.9	1.4	37.2
Items deducted from Swiss SRB tier 1 capital	(5.3)	(0.2)	(1.2)	(0.4)	0.0	(4.1)	(11.1)
Total	**410.5**	**301.8**	**2.5**	**354.7**	**7.9**	**27.1**	**1,104.4**
				31.3.24 vs 31.12.23			
Total IFRS Accounting Standards assets	(9.7)	(9.1)	0.6	(5.1)	(1.0)	(14.9)	(39.2)
Difference in scope of consolidation	0.0	0.0	(0.6)	0.0	0.0	0.0	(0.6)
Less: derivatives and securities financing transactions	(2.5)	(2.0)	0.0	7.9	0.9	0.7	5.0
On-balance sheet exposures	**(12.2)**	**(11.1)**	**0.0**	**2.7**	**(0.1)**	**(14.2)**	**(34.9)**
Derivatives	1.3	1.3	0.0	4.6	(0.3)	0.3	7.3
Securities financing transactions	1.3	1.1	0.0	(0.8)	0.3	0.2	2.1
Off-balance sheet items	(0.9)	(0.7)		0.6	(0.1)	0.8	(0.3)
Items deducted from Swiss SRB tier 1 capital	0.1	0.0	0.0	0.0	0.0	(0.1)	(0.1)
Total	**(10.5)**	**(9.4)**	**0.0**	**7.2**	**(0.1)**	**(12.9)**	**(25.8)**

1 From the first quarter of 2024 onward, we have started to further push out LRD from Group Items to the business divisions. Prior periods have been restated to reflect these changes. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of this report for more information about the realignment of the business divisions.

Liquidity and funding management

Strategy, objectives and governance

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

Liquidity coverage ratio

In the first quarter of 2024, the quarterly average liquidity coverage ratio (the LCR) of UBS AG consolidated increased 1.7 percentage points to 191.4%. The movement in the quarterly average LCR was driven by a decrease in net cash outflows, partly offset by a decrease in high-quality liquid assets (HQLA). Average net cash outflows decreased by USD 3.0bn to USD 131.3bn, reflecting higher net inflows from securities financing transactions and lower outflows from derivatives and loan commitments, partly offset by higher outflows from customer deposits. Average HQLA decreased by USD 3.5bn to USD 251.0bn, mainly driven by lower cash available due to higher investments in trading portfolio assets and a decrease in debt issued, as well as shifts into non-HQLA securities financing transactions. The decrease was partly offset by an increase in cash available resulting from customer deposits and loan repayments, as well as a reduction in lending to Credit Suisse.

› **Refer to the 31 March 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, and to "Liquidity and funding management" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2023 for more information about the LCR on a UBS AG consolidated basis**

Liquidity coverage ratio

USD bn, except where indicated	Average 1Q24[1]	Average 4Q23[1]
High-quality liquid assets	251.0	254.5
Net cash outflows[2]	131.3	134.3
Liquidity coverage ratio (%)[3]	191.4	189.7

1 Calculated based on an average of 61 data points in the first quarter of 2024 and 63 data points in the fourth quarter of 2023. 2 Represents the net cash outflows expected over a stress period of 30 calendar days. 3 Calculated after the application of haircuts and inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows.

Net stable funding ratio

As of 31 March 2024, the net stable funding ratio (the NSFR) of UBS AG consolidated increased 2 percentage points to 121.6%.

Required stable funding decreased by USD 19.1bn to USD 484.7bn, mainly driven by lower lending assets, primarily reflecting negative currency effects, and a reduction in lending to Credit Suisse. Available stable funding decreased by USD 13.3bn to USD 589.3bn, mainly driven by lower customer deposits, predominantly due to negative currency effects, and lower debt issued.

› **Refer to the 31 March 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, and to "Liquidity and funding management" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2023 for more information about the NSFR on a UBS AG consolidated basis**

Net stable funding ratio

USD bn, except where indicated	31.3.24	31.12.23
Available stable funding	589.3	602.6
Required stable funding	484.7	503.8
Net stable funding ratio (%)	121.6	119.6

Balance sheet and off-balance sheet

Strategy, objectives and governance

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

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

Balance sheet assets (31 March 2024 vs 31 December 2023)

Total assets were USD 1,116.8bn as of 31 March 2024, a decrease of USD 39.2bn compared with 31 December 2023.

Lending assets decreased by USD 28.7bn, mainly reflecting negative currency effects of approximately USD 16.6bn and a reduction in lending to Credit Suisse. Cash and balances at central banks decreased by USD 8.4bn, primarily due to currency effects. Derivatives and cash collateral receivables on derivative instruments decreased by USD 6.1bn, mainly in Derivatives & Solutions in the Investment Bank, primarily reflecting decreases in foreign currency contracts, where the contracts in place at the end of March 2024 had lower values compared with the contracts in place at the end of December 2023, partly offset by an increase in cash collateral receivables on derivative instruments in Financing in the Investment Bank, due to an increase in client-cleared transactions.

These decreases were partly offset by a USD 5.2bn increase in trading assets, primarily reflecting higher inventory levels held to hedge client positions, as well as purchases of government and corporate bonds in Derivatives & Solutions to facilitate client trading activity.

› **Refer to the "Consolidated financial statements" section of this report for more information**

Assets

	As of		% change from
USD bn	31.3.24	31.12.23	31.12.23
Cash and balances at central banks	163.4	171.8	(5)
Lending[1]	405.1	433.8	(7)
Securities financing transactions at amortized cost	73.4	74.1	(1)
Trading assets	140.3	135.1	4
Derivatives and cash collateral receivables on derivative instruments	157.9	164.0	(4)
Brokerage receivables	22.6	20.9	8
Other financial assets measured at amortized cost	52.6	54.3	(3)
Other financial assets measured at fair value[2]	65.6	66.0	(1)
Non-financial assets	36.0	35.9	0
Total assets	1,116.8	1,156.0	(3)

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

Balance sheet liabilities (31 March 2024 vs 31 December 2023)

Total liabilities were USD 1,061.4bn as of 31 March 2024, a decrease of USD 39.0bn compared with 31 December 2023.

Customer deposits decreased by USD 19.7bn, predominantly reflecting currency effects. Derivatives and cash collateral payables on derivative instruments decreased by USD 18.0bn, mainly in Derivatives & Solutions, primarily reflecting decreases in foreign currency contracts with the same drivers as on the asset side, and a decrease in cash collateral payables on derivative instruments driven by decreases in derivative financial assets. Debt issued designated at fair value and long-term debt issued measured at amortized cost decreased by USD 4.5bn, mainly driven by net redemption of debt issued designated at fair value in Derivatives & Solutions. These decreases were partly offset by a USD 3.9bn increase in Brokerage payables, mainly in Financing, driven by a decrease in netting effects.

The "Liabilities, by product and currency" table in this section provides more information about funding sources.

› **Refer to "Bondholder information" at *ubs.com/investors* for more information about capital and senior debt instruments**

› **Refer to the "Consolidated financial statements" section of this report for more information**

Liabilities and equity

	As of		% change from
USD bn	31.3.24	31.12.23	31.12.23
Short-term borrowings[1,2]	51.6	54.0	(4)
Securities financing transactions at amortized cost	6.8	5.8	18
Customer deposits	536.0	555.7	(4)
Funding from UBS Group AG measured at amortized cost	67.9	67.3	1
Debt issued designated at fair value and long-term debt issued measured at amortized cost[2]	114.3	118.8	(4)
Trading liabilities	33.0	31.7	4
Derivatives and cash collateral payables on derivative instruments	157.6	175.6	(10)
Brokerage payables	46.2	42.3	9
Other financial liabilities measured at amortized cost	13.7	12.7	8
Other financial liabilities designated at fair value	26.8	27.4	(2)
Non-financial liabilities	7.5	9.2	(18)
Total liabilities	1,061.4	1,100.4	(4)
Share capital	0.4	0.4	0
Share premium	24.6	24.6	0
Retained earnings	29.2	28.2	4
Other comprehensive income[3]	0.8	2.0	(59)
Total equity attributable to shareholders	55.0	55.2	0
Equity attributable to non-controlling interests	0.3	0.3	(5)
Total equity	55.4	55.6	0
Total liabilities and equity	1,116.8	1,156.0	(3)

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

Equity (31 March 2024 vs 31 December 2023)

Equity attributable to shareholders decreased by USD 188m to USD 55,046m as of 31 March 2024.

The decrease of USD 188m was mainly driven by negative total comprehensive income attributable to shareholders of USD 166m, reflecting net profit of USD 1,006m and negative other comprehensive income (OCI) of USD 1,171m. OCI mainly included negative OCI related to foreign currency translation of USD 744m and negative cash flow hedge OCI of USD 467m.

The 2023 dividend distribution to UBS Group AG reduced equity attributable to shareholders by USD 3,000m in the second quarter of 2024.

› **Refer to the "UBS AG consolidated performance" and "Consolidated financial statements" sections of this report for more information**

› **Refer to "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" in the "Capital management" section of this report for more information about the effects of OCI on common equity tier 1 capital**

Liabilities, by product and currency

	USD equivalent							
	All currencies		*of which: USD*		*of which: CHF*		*of which: EUR*	
USD bn	31.3.24	31.12.23	31.3.24	31.12.23	31.3.24	31.12.23	31.3.24	31.12.23
Short-term borrowings	51.6	54.0	31.3	35.6	4.5	4.3	6.1	5.9
of which: amounts due to banks	*19.2*	*16.7*	*9.0*	*8.1*	*4.1*	*3.9*	*1.2*	*0.7*
of which: short-term debt issued[1,2]	*32.4*	*37.3*	*22.3*	*27.6*	*0.4*	*0.3*	*4.9*	*5.2*
Securities financing transactions at amortized cost	6.8	5.8	6.1	5.1	0.0	0.0	0.3	0.3
Customer deposits	536.0	555.7	238.1	236.4	199.8	216.0	48.7	51.5
of which: demand deposits	*137.3*	*146.2*	*37.6*	*36.8*	*54.4*	*61.5*	*23.3*	*24.7*
of which: retail savings / deposits	*144.9*	*152.7*	*29.6*	*28.9*	*111.1*	*119.2*	*4.1*	*4.5*
of which: sweep deposits	*37.6*	*41.0*	*37.6*	*41.0*	*0.0*	*0.0*	*0.0*	*0.0*
of which: time deposits	*216.2*	*215.8*	*133.3*	*129.6*	*34.2*	*35.4*	*21.2*	*22.3*
Funding from UBS Group AG measured at amortized cost	67.9	67.3	46.8	44.6	1.6	2.0	17.4	18.9
Debt issued designated at fair value and long-term debt issued measured at amortized cost[2]	114.3	118.8	70.8	75.2	18.8	18.8	14.4	14.4
Trading liabilities	33.0	31.7	10.2	12.0	1.3	1.0	9.6	8.9
Derivatives and cash collateral payables on derivative instruments	157.6	175.6	129.8	146.7	3.8	4.1	14.2	15.2
Brokerage payables	46.2	42.3	35.4	31.4	0.5	0.7	2.8	2.4
Other financial liabilities measured at amortized cost	13.7	12.7	8.3	7.6	2.1	1.9	1.1	1.0
Other financial liabilities designated at fair value	26.8	27.4	3.6	5.7	0.1	0.1	4.5	4.1
Non-financial liabilities	7.5	9.2	3.0	2.4	1.4	2.0	2.1	2.5
Total liabilities	1,061.4	1,100.4	583.4	602.7	233.8	251.0	121.2	125.0

1 Short-term debt issued consists of certificates of deposit, commercial paper, acceptances and promissory notes, and other money market paper. 2 The classification of debt issued measured at amortized cost into short-term and long-term is based on original contractual maturity and therefore long-term debt also includes debt with a remaining time to maturity of less than one year. This classification does not consider any early redemption features.

Off-balance sheet (31 March 2024 vs 31 December 2023)

Guarantees decreased by USD 2.6bn, mainly driven by a decrease in sponsored repo clearing in Group Treasury. Irrevocable loan commitments increased by USD 1.8bn, mainly in the Investment Bank. Committed unconditionally revocable credit lines decreased by USD 5.3bn, mainly driven by a decrease in credit lines provided to clients in Global Banking in the Investment Bank, as well as currency effects. Forward starting reverse repurchase and securities borrowing agreements decreased by USD 1.6bn, in Group Treasury, reflecting fluctuations in levels of business division activity in short-dated securities financing transactions.

Off-balance sheet

	As of		% change from
USD bn	31.3.24	31.12.23	31.12.23
Guarantees[1,2]	28.9	31.5	(8)
Irrevocable loan commitments[1]	45.8	44.0	4
Committed unconditionally revocable credit lines	42.1	47.4	(11)
Forward starting reverse repurchase and securities borrowing agreements	8.8	10.4	(15)

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

Consolidated financial statements

Unaudited

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UBS AG interim consolidated financial statements (unaudited)

Income statement

		For the quarter ended		
USD m	Note	31.3.24	31.12.23	31.3.23
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	3	6,240	6,172	4,815
Interest expense from financial instruments measured at amortized cost	3	(6,052)	(5,825)	(3,853)
Net interest income from financial instruments measured at fair value through profit or loss and other	3	618	541	426
Net interest income	3	806	888	1,388
Other net income from financial instruments measured at fair value through profit or loss		2,945	2,458	2,673
Fee and commission income	4	5,607	5,219	5,076
Fee and commission expense	4	(458)	(493)	(447)
Net fee and commission income	4	5,148	4,726	4,628
Other income	5	209	(58)	155
Total revenues		9,108	8,014	8,844
Credit loss expense / (release)	8	52	62	38
Personnel expenses	6	4,161	3,958	3,898
General and administrative expenses	7	2,985	3,108	2,983
Depreciation, amortization and impairment of non-financial assets		531	553	469
Operating expenses		7,677	7,618	7,350
Operating profit / (loss) before tax		1,379	333	1,456
Tax expense / (benefit)		366	91	445
Net profit / (loss)		1,014	242	1,012
Net profit / (loss) attributable to non-controlling interests		8	7	8
Net profit / (loss) attributable to shareholders		1,006	235	1,004

Statement of comprehensive income

	For the quarter ended		
USD m	31.3.24	31.12.23	31.3.23
Comprehensive income attributable to shareholders[1]			
Net profit / (loss)	1,006	235	1,004
Other comprehensive income that may be reclassified to the income statement			
Foreign currency translation			
Foreign currency translation movements related to net assets of foreign operations, before tax	(1,565)	1,861	224
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax	807	(930)	(126)
Foreign currency translation differences on foreign operations reclassified to the income statement	0	60	(1)
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement	1	(25)	(1)
Income tax relating to foreign currency translations, including the effect of net investment hedges	13	(15)	(2)
Subtotal foreign currency translation, net of tax	(744)	951	95
Financial assets measured at fair value through other comprehensive income			
Net unrealized gains / (losses), before tax	(1)	4	2
Net realized (gains) / losses reclassified to the income statement from equity	0	0	0
Income tax relating to net unrealized gains / (losses)	0	0	0
Subtotal financial assets measured at fair value through other comprehensive income, net of tax	(1)	4	2
Cash flow hedges of interest rate risk			
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax	(1,076)	1,599	387
Net (gains) / losses reclassified to the income statement from equity	492	504	349
Income tax relating to cash flow hedges	117	(395)	(130)
Subtotal cash flow hedges, net of tax	(467)	1,708	606
Cost of hedging			
Cost of hedging, before tax	(6)	(24)	(5)
Income tax relating to cost of hedging	0	0	0
Subtotal cost of hedging, net of tax	(6)	(24)	(5)
Total other comprehensive income that may be reclassified to the income statement, net of tax	(1,219)	2,640	698
Other comprehensive income that will not be reclassified to the income statement			
Defined benefit plans			
Gains / (losses) on defined benefit plans, before tax	36	(129)	33
Income tax relating to defined benefit plans	(8)	16	4
Subtotal defined benefit plans, net of tax	28	(113)	38
Own credit on financial liabilities designated at fair value			
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax	19	(406)	69
Income tax relating to own credit on financial liabilities designated at fair value	0	0	(17)
Subtotal own credit on financial liabilities designated at fair value, net of tax	19	(406)	51
Total other comprehensive income that will not be reclassified to the income statement, net of tax	47	(519)	89
Total other comprehensive income	(1,171)	2,120	787
Total comprehensive income attributable to shareholders	(166)	2,355	1,791
Comprehensive income attributable to non-controlling interests			
Net profit / (loss)	8	7	8
Total other comprehensive income that will not be reclassified to the income statement, net of tax	(12)	12	5
Total comprehensive income attributable to non-controlling interests	(4)	19	13
Total comprehensive income			
Net profit / (loss)	1,014	242	1,012
Other comprehensive income	(1,183)	2,132	792
of which: other comprehensive income that may be reclassified to the income statement	*(1,219)*	*2,640*	*698*
of which: other comprehensive income that will not be reclassified to the income statement	*36*	*(507)*	*94*
Total comprehensive income	(169)	2,375	1,804

1 Refer to the "UBS AG consolidated performance" section of this report for more information.

Balance sheet

USD m	Note	31.3.24	31.12.23
Assets			
Cash and balances at central banks		163,378	171,806
Amounts due from banks		14,151	28,206
Receivables from securities financing transactions measured at amortized cost		73,403	74,128
Cash collateral receivables on derivative instruments	10	35,294	32,300
Loans and advances to customers	8	390,908	405,633
Other financial assets measured at amortized cost	11	52,551	54,334
Total financial assets measured at amortized cost		729,686	766,407
Financial assets at fair value held for trading	9	140,306	135,098
of which: assets pledged as collateral that may be sold or repledged by counterparties		*45,533*	*44,524*
Derivative financial instruments	9, 10	122,618	131,728
Brokerage receivables	9	22,650	20,883
Financial assets at fair value not held for trading	9	63,482	63,754
Total financial assets measured at fair value through profit or loss		349,055	351,463
Financial assets measured at fair value through other comprehensive income	9	2,078	2,233
Investments in associates		906	983
Property, equipment and software		10,510	11,044
Goodwill and intangible assets		6,237	6,265
Deferred tax assets		9,423	9,244
Other non-financial assets	11	8,911	8,377
Total assets		1,116,806	1,156,016
Liabilities			
Amounts due to banks		19,157	16,720
Payables from securities financing transactions measured at amortized cost		6,824	5,782
Cash collateral payables on derivative instruments	10	31,914	34,886
Customer deposits		536,000	555,673
Funding from UBS Group AG measured at amortized cost	12	67,857	67,282
Debt issued measured at amortized cost	14	63,788	69,784
Other financial liabilities measured at amortized cost	11	13,742	12,713
Total financial liabilities measured at amortized cost		739,282	762,840
Financial liabilities at fair value held for trading	9	33,015	31,712
Derivative financial instruments	9, 10	125,639	140,707
Brokerage payables designated at fair value	9	46,249	42,275
Debt issued designated at fair value	9, 13	82,951	86,341
Other financial liabilities designated at fair value	9, 11	26,794	27,366
Total financial liabilities measured at fair value through profit or loss		314,648	328,401
Provisions	15	2,448	2,524
Other non-financial liabilities	11	5,064	6,682
Total liabilities		1,061,443	1,100,448
Equity			
Share capital		386	386
Share premium		24,617	24,638
Retained earnings		29,228	28,235
Other comprehensive income recognized directly in equity, net of tax		815	1,974
Equity attributable to shareholders		55,046	55,234
Equity attributable to non-controlling interests		317	335
Total equity		55,363	55,569
Total liabilities and equity		1,116,806	1,156,016

Statement of changes in equity

USD m	Share capital and share premium	Retained earnings	OCI recognized directly in equity, net of tax[1]	*of which: foreign currency translation*	*of which: cash flow hedges*	Total equity attributable to shareholders
Balance as of 1 January 2024[2]	25,024	28,235	1,974	*4,947*	*(2,961)*	55,234
Premium on shares issued and warrants exercised	0					0
Tax (expense) / benefit	5					5
Translation effects recognized directly in retained earnings		(60)	60		*60*	0
Share of changes in retained earnings of associates and joint ventures		(1)				(1)
New consolidations / (deconsolidations) and other increases / (decreases)	(26)					(26)
Total comprehensive income for the period		1,053	(1,219)	*(744)*	*(467)*	(166)
of which: net profit / (loss)		*1,006*				*1,006*
of which: OCI, net of tax		*47*	*(1,219)*	*(744)*	*(467)*	*(1,171)*
Balance as of 31 March 2024[2]	25,003	29,228	815	*4,203*	*(3,368)*	55,046
Non-controlling interests as of 31 March 2024						317
Total equity as of 31 March 2024						55,363
Balance as of 1 January 2023[2]	24,985	31,746	(133)	*4,098*	*(4,234)*	56,598
Premium on shares issued and warrants exercised	(5)[3]					(5)
Tax (expense) / benefit	1					1
Translation effects recognized directly in retained earnings		24	(24)		*(24)*	0
Share of changes in retained earnings of associates and joint ventures		0				0
New consolidations / (deconsolidations) and other increases / (decreases)	0					0
Total comprehensive income for the period		1,093	698	*95*	*606*	1,791
of which: net profit / (loss)		*1,004*				*1,004*
of which: OCI, net of tax		*89*	*698*	*95*	*606*	*787*
Balance as of 31 March 2023[2]	24,982	32,863	541	*4,193*	*(3,652)*	58,386
Non-controlling interests as of 31 March 2023						352
Total equity as of 31 March 2023						58,738

1 Excludes other comprehensive income related to defined benefit plans and own credit that is recorded directly in Retained earnings. 2 Excludes non-controlling interests. 3 Includes decreases related to recharges by UBS Group AG for share-based compensation awards granted to employees of UBS AG or its subsidiaries.

Statement of cash flows

	Year-to-date	
USD m	31.3.24	31.3.23
Cash flow from / (used in) operating activities		
Net profit / (loss)	1,014	1,012
Non-cash items included in net profit and other adjustments:		
Depreciation, amortization and impairment of non-financial assets	531	469
Credit loss expense / (release)	52	38
Share of net (profit) / loss of associates and joint ventures and impairment related to associates	(15)	(10)
Deferred tax expense / (benefit)	(72)	(37)
Net loss / (gain) from investing activities	105	(87)
Net loss / (gain) from financing activities	(2,371)	3,440
Other net adjustments[1]	10,212	(806)
Net change in operating assets and liabilities:[1]		
Amounts due from banks and amounts due to banks	17,620 [2]	1,855
Receivables from securities financing transactions measured at amortized cost	(1,242)	7,827
Payables from securities financing transactions measured at amortized cost	74	5,666
Cash collateral on derivative instruments	(6,031)	(1,889)
Loans and advances to customers	(1,380)	(2,975)
Customer deposits	(3,041)	(22,064)
Financial assets and liabilities at fair value held for trading and derivative financial instruments	(12,477)	(6,183)
Brokerage receivables and payables	2,400	(4,618)
Financial assets at fair value not held for trading and other financial assets and liabilities	(534)	(7,663)
Provisions and other non-financial assets and liabilities	(1,728)	(1,251)
Income taxes paid, net of refunds	(479)	(523)
Net cash flow from / (used in) operating activities	2,638	(27,798)
Cash flow from / (used in) investing activities		
Purchase of property, equipment and software	(292)	(330)
Net (purchase) / redemption of financial assets measured at fair value through other comprehensive income	550	10
Purchase of debt securities measured at amortized cost	(850)	(4,255)
Disposal and redemption of debt securities measured at amortized cost	2,002	2,225
Net cash flow from / (used in) investing activities	1,409	(2,350)
Cash flow from / (used in) financing activities		
Net issuance (repayment) of short-term debt measured at amortized cost	(4,657)	(2,429)
Issuance of debt designated at fair value and long-term debt measured at amortized cost[3]	29,798	27,237
Repayment of debt designated at fair value and long-term debt measured at amortized cost[3]	(28,918)	(23,175)
Inflows from securities financing transactions measured at amortized cost[4]	1,000	
Net cash flows from other financing activities	(128)	(120)
Net cash flow from / (used in) financing activities	(2,905)	1,513
Total cash flow		
Cash and cash equivalents at the beginning of the period	190,469	195,200
Net cash flow from / (used in) operating, investing and financing activities	1,143	(28,635)
Effects of exchange rate differences on cash and cash equivalents[1]	(7,708)	746
Cash and cash equivalents at the end of the period[5]	183,903	167,311
of which: cash and balances at central banks[6]	*163,378*	*144,099*
of which: amounts due from banks[6]	*12,836*	*13,311*
of which: money market paper[6,7]	*7,689*	*9,901*
Additional information		
Net cash flow from / (used in) operating activities includes:		
Interest received in cash	9,596	7,064
Interest paid in cash	8,602	5,926
Dividends on equity investments, investment funds and associates received in cash[8]	582	525

1 Foreign currency translation and foreign exchange effects on operating assets and liabilities and on cash and cash equivalents are presented within the Other net adjustments line. Does not include foreign currency hedge effects related to foreign exchange swaps. 2 Mainly reflects a reduction in lending to Credit Suisse. 3 Includes funding from UBS Group AG measured at amortized cost (recognized on the balance sheet in Funding from UBS Group AG) and measured at fair value (recognized on the balance sheet in Other financial liabilities designated at fair value). 4 Reflects cash flows from securities financing transactions measured at amortized cost that use UBS debt instruments as the underlying. 5 USD 4,906m and USD 4,137m of Cash and cash equivalents (mainly reflected in Amounts due from banks) were restricted as of 31 March 2024 and 31 March 2023, respectively. The amount as of 31 March 2024 includes cash and cash equivalents pledged to the depositor protection system in Switzerland, following new requirements that became effective in the fourth quarter of 2023. Refer to "Note 22 Restricted and transferred financial assets" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023 for more information. 6 Includes only balances with an original maturity of three months or less. 7 Money market paper is included in the balance sheet under Financial assets at fair value not held for trading (31 March 2024: USD 6,854m; 31 March 2023: USD 9,644m), Other financial assets measured at amortized cost (31 March 2024: USD 170m; 31 March 2023: USD 218m), Financial assets measured at fair value through other comprehensive income (31 March 2024: USD 420m; 31 March 2023: USD 0m) and Financial assets at fair value held for trading (31 March 2024: USD 245m; 31 March 2023: USD 39m). 8 Includes dividends received from associates reported within Net cash flow from / (used in) investing activities.

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

Note 1 Basis of accounting

Basis of preparation

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

In preparing these interim financial statements, the same accounting policies and methods of computation have been applied as in the UBS AG consolidated annual financial statements for the period ended 31 December 2023, except for the changes described in this Note and changes in segment reporting as set out in Note 2. These interim financial statements are unaudited and should be read in conjunction with UBS AG's audited consolidated financial statements in the UBS AG Annual Report 2023 and the "Management report" sections of this report. In the opinion of management, all necessary adjustments have been made for a fair presentation of UBS AG's financial position, results of operations and cash flows.

Preparation of these interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities. These estimates and assumptions are based on the best available information. Actual results in the future could differ from such estimates and differences may be material to the financial statements. Revisions to estimates, based on regular reviews, are recognized in the period in which they occur. For more information about areas of estimation uncertainty that are considered to require critical judgment, refer to "Note 1a Material accounting policies" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023.

Amendments to IAS 12, *Income Taxes*

UBS AG has applied for the purposes of these financial statements the exception that was introduced by the amendments to IAS 12, *Income Taxes*, issued in May 2023 in relation to top-up taxes on income under Global Anti-Base Erosion Rules that have been imposed under legislation that has been enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The exception requires that deferred tax assets and deferred tax liabilities be neither recognized nor disclosed in respect of such top-up taxes.

Other amendments to IFRS Accounting Standards

A number of minor amendments to IFRS Accounting Standards became effective from 1 January 2024 and have had no material effect on UBS AG.

IFRS 18, *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued a new standard, IFRS 18, *Presentation and Disclosure in Financial Statements,* which replaces IAS 1, *Presentation of Financial Statements*. The main changes introduced by IFRS 18 relate to:

– the structure of income statements;
– new disclosure requirements for management performance measures (MPMs); and
– enhanced guidance on aggregation / disaggregation of information on the face of financial statements and in the notes thereto.

IFRS 18 will be effective from 1 January 2027 and will also apply to comparative information. UBS AG will first apply these new requirements in the Annual Report 2027 and, for interim reporting, in the first quarter 2027 interim report. UBS AG is assessing the impact of the new requirements on its reporting, but expects limited impact. UBS AG will take the opportunity to refine the grouping of items in the primary financial statements and in the notes thereto based on new principles of aggregation and disaggregation in IFRS 18.

Note 1 Basis of accounting (continued)

Currency translation rates

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

	Closing exchange rate			Average rate[1]		
	As of			For the quarter ended		
	31.3.24	31.12.23	31.3.23	31.3.24	31.12.23	31.3.23
1 CHF	1.11	1.19	1.09	1.13	1.14	1.08
1 EUR	1.08	1.10	1.08	1.08	1.09	1.08
1 GBP	1.26	1.28	1.23	1.26	1.26	1.22
100 JPY	0.66	0.71	0.75	0.67	0.68	0.75

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

Note 2 Segment reporting

As part of the continued refinement of UBS AG's reporting structure and organizational setup, in the first quarter of 2024 certain changes to Group Treasury allocations were made with an impact on segment reporting for UBS AG's business divisions and Group Items. Prior-period information has been adjusted for comparability.

UBS AG has allocated to the business divisions nearly all Group Treasury costs that historically were retained and reported in Group Items. Costs continued to be retained in Group Items include costs related to hedging and own debt, and deferred tax asset funding costs. In parallel with these changes, UBS AG has increased the allocation of balance sheet resources from Group Treasury to the business divisions.

Following the changes outlined above, prior-period information for the first quarter of 2023 has been restated, resulting in decreases in Operating profit / (loss) before tax of USD 4m for Global Wealth Management, USD 1m for Personal & Corporate Banking and USD 11m for Group Items, and increases in Operating profit / (loss) before tax of USD 1m for Asset Management and USD 16m for the Investment Bank, with no change to Non-core and Legacy.

Prior-period information as of 31 December 2023 has also been restated, resulting in increases of Total assets of USD 35.6bn in Global Wealth Management, USD 26.9bn in Personal & Corporate Banking and USD 21.4bn in the Investment Bank, with a corresponding decrease of assets of USD 83.9bn in Group Items.

These changes had no effect on the reported results or financial position of UBS AG.

› **Refer to the "Management report" sections of this report and the "Consolidated financial statements" section of the UBS AG Annual Report 2023 for more information about UBS AG's business divisions**

Note 2 Segment reporting (continued)

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS AG
For the quarter ended 31 March 2024							
Net interest income	1,204	772	(14)	(797)	14	(374)	806
Non-interest income	3,714	606	523	3,184	7	268	8,302
Total revenues	4,918	1,378	509	2,388	21	(106)	9,108
Credit loss expense / (release)	9	10	0	32	0	1	52
Operating expenses	3,975	809	459	2,083	138	212	7,677
Operating profit / (loss) before tax	**935**	**558**	**50**	**272**	**(118)**	**(319)**	**1,379**
Tax expense / (benefit)							366
Net profit / (loss)							**1,014**
As of 31 March 2024							
Total assets	**395,038**	**274,923**	**20,262**	**397,277**	**12,858**	**16,447**	**1,116,806**

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS AG
For the quarter ended 31 March 2023[1]							
Net interest income	1,488	704	(7)	(485)	14	(326)	1,388
Non-interest income	3,301	572	510	2,845	8	220	7,456
Total revenues	4,788	1,277	503	2,361	23	(107)	8,844
Credit loss expense / (release)	15	16	0	7	0	0	38
Operating expenses	3,578	665	408	1,883	699	117	7,350
Operating profit / (loss) before tax	**1,195**	**596**	**95**	**471**	**(676)**	**(225)**	**1,456**
Tax expense / (benefit)							445
Net profit / (loss)							**1,012**
As of 31 December 2023[1]							
Total assets	**404,747**	**283,980**	**19,662**	**402,415**	**13,845**	**31,368**	**1,156,016**

1 Comparative-period information has been restated for Group Treasury allocations.

Note 3 Net interest income

	For the quarter ended		
USD m	31.3.24	31.12.23	31.3.23
Interest income from loans and deposits[1]	5,438	5,409	4,145
Interest income from securities financing transactions measured at amortized cost[2]	988	957	766
Interest income from other financial instruments measured at amortized cost	323	326	259
Interest income from debt instruments measured at fair value through other comprehensive income	27	28	23
Interest income from derivative instruments designated as cash flow hedges	(537)	(548)	(376)
Total interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	6,240	6,172	4,815
Interest expense on loans and deposits[3]	4,836	4,526	2,909
Interest expense on securities financing transactions measured at amortized cost[4]	407	421	365
Interest expense on debt issued	787	855	555
Interest expense on lease liabilities	22	23	25
Total interest expense from financial instruments measured at amortized cost	6,052	5,825	3,853
Total net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	188	347	962
Net interest income from financial instruments measured at fair value through profit or loss and other	618	541	426
Total net interest income	806	888	1,388

1 Consists of interest income from cash and balances at central banks, amounts due from banks, and cash collateral receivables on derivative instruments, as well as negative interest on amounts due to banks, customer deposits, and cash collateral payables on derivative instruments. 2 Includes interest income on receivables from securities financing transactions and negative interest, including fees, on payables from securities financing transactions. 3 Consists of interest expense on amounts due to banks, cash collateral payables on derivative instruments, customer deposits, and funding from UBS Group AG, as well as negative interest on cash and balances at central banks, amounts due from banks, and cash collateral receivables on derivative instruments. 4 Includes interest expense on payables from securities financing transactions and negative interest, including fees, on receivables from securities financing transactions.

Note 4 Net fee and commission income

	For the quarter ended		
USD m	31.3.24	31.12.23	31.3.23
Underwriting fees	224	213	149
M&A and corporate finance fees	234	195	178
Brokerage fees	1,019	858	880
Investment fund fees	1,201	1,180	1,178
Portfolio management and related services	2,456	2,304	2,210
Other	472	468	480
Total fee and commission income[1]	5,607	5,219	5,076
of which: recurring	*3,668*	*3,525*	*3,413*
of which: transaction-based	*1,915*	*1,666*	*1,639*
of which: performance-based	*24*	*28*	*24*
Fee and commission expense	458	493	447
Net fee and commission income	5,148	4,726	4,628

1 Reflects third-party fee and commission income for the first quarter of 2024 of USD 3,506m for Global Wealth Management (fourth quarter of 2023: USD 3,197m; first quarter of 2023: USD 3,145m), USD 490m for Personal & Corporate Banking (fourth quarter of 2023: USD 459m; first quarter of 2023: USD 449m), USD 671m for Asset Management (fourth quarter of 2023: USD 684m; first quarter of 2023: USD 687m), USD 940m for the Investment Bank (fourth quarter of 2023: USD 876m; first quarter of 2023: USD 791m), negative USD 3m for Group Items (fourth quarter of 2023: USD 2m; first quarter of 2023: USD 3m) and USD 3m for Non-core and Legacy (fourth quarter of 2023: USD 2m; first quarter of 2023: USD 0m).

Note 5 Other income

	For the quarter ended		
USD m	31.3.24	31.12.23	31.3.23
Associates, joint ventures and subsidiaries			
Net gains / (losses) from acquisitions and disposals of subsidiaries[1]	(1)	20	2
Share of net profits of associates and joint ventures	15	(242)[2]	10
Total	15	(222)	12
Income from properties[3]	5	5	4
Income from shared services provided to UBS Group AG or its subsidiaries	169	140	118
Other	20	19	22
Total other income	209	(58)	155

1 Includes foreign exchange gains / (losses) reclassified from other comprehensive income related to the disposal or closure of foreign operations. 2 Includes a USD 255m share of proportionate impairment losses reflected in the SIX Group profit and loss, of which USD 191m reported in Personal and Corporate Banking and USD 64m reported in Global Wealth Management. 3 Includes rent received from third parties.

Note 6 Personnel expenses

	For the quarter ended		
USD m	31.3.24	31.12.23	31.3.23
Salaries and variable compensation[1]	3,621	3,416	3,356
of which: variable compensation – financial advisors[2]	*1,267*	*1,176*	*1,111*
Contractors	21	24	27
Social security	208	222	220
Post-employment benefit plans	186	133	174
Other personnel expenses	125	163	122
Total personnel expenses	4,161	3,958	3,898

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

Note 7 General and administrative expenses

	For the quarter ended		
USD m	31.3.24	31.12.23	31.3.23
Outsourcing costs	121	116	124
Technology costs	163	155	132
Consulting, legal and audit fees	202	220	108
Real estate and logistics costs	130	217	119
Market data services	106	103	99
Marketing and communication	66	86	34
Travel and entertainment	54	61	49
Litigation, regulatory and similar matters[1]	8	32	721
Other	2,137	2,118	1,596
of which: shared services costs charged by UBS Group AG or its subsidiaries	*1,933*	*1,795*	*1,385*
Total general and administrative expenses	2,985	3,108	2,983

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

Note 8 Expected credit loss measurement

a) Credit loss expense / release

Total net credit loss expenses in the first quarter of 2024 were USD 52m, reflecting USD 1m net credit loss expenses related to stage 1 and 2 positions and USD 51m net credit loss expenses related to stage 3 positions.

Stage 1 and 2 net expenses included scenario-related net releases of USD 8m and net expenses of USD 9m from book quality and size changes.

Stage 3 net credit loss expenses were USD 51m, driven by net expenses of USD 22m in the Investment Bank and USD 22m in Personal & Corporate Banking on various corporate lending positions.

Credit loss expense / (release)

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
For the quarter ended 31.3.24							
Stages 1 and 2	2	(12)	0	10	0	1	1
Stage 3	7	22	0	22	0	0	51
Total credit loss expense / (release)	9	10	0	32	0	1	52
For the quarter ended 31.12.23							
Stages 1 and 2	(7)	(7)	0	1	0	0	(14)
Stage 3	3	31	0	41	1	0	76
Total credit loss expense / (release)	**(4)**	**24**	**0**	**42**	**1**	**0**	**62**
For the quarter ended 31.3.23							
Stages 1 and 2	15	15	0	(5)	0	0	26
Stage 3	0	0	0	12	0	0	12
Total credit loss expense / (release)	**15**	**16**	**0**	**7**	**0**	**0**	**38**

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

Scenarios and weights

The expected credit loss (ECL) scenarios, along with their related macroeconomic factors and market data, were reviewed in light of the economic and political conditions prevailing in the first quarter of 2024 through a series of governance meetings, with input and feedback from UBS Risk and Finance experts across the business divisions and regions.

Note 8 Expected credit loss measurement (continued)

UBS kept scenarios and scenario weights in line with those applied for the 2023 annual reporting. The baseline scenario was updated with the latest macroeconomic forecasts as of 31 March 2024. The assumptions on a calendar-year basis are included in the table below and imply a more optimistic outlook for the US and Switzerland for 2024. The outlook for the US for 2025 is marginally less optimistic, while that for Switzerland is unchanged.

The mild debt crisis scenario and the stagflationary geopolitical crisis scenario were updated based on the latest market data, but the assumptions remained broadly unchanged. Refer to the table below.

Post-model adjustments

Total stage 1 and 2 allowances and provisions amounted to USD 556m as of 31 March 2024 and included post-model adjustments of USD 125m (31 December 2023: USD 133m). Post-model adjustments are intended to cover for uncertainty levels, including the geopolitical situation.

Comparison of shock factors

	Baseline		
Key parameters	2023	2024	2025
Real GDP growth (annual percentage change)			
US	2.5	2.3	1.4
Eurozone	0.5	0.6	1.2
Switzerland	0.8	1.3	1.5
Unemployment rate (%, annual average)			
US	3.6	3.9	4.1
Eurozone	6.5	6.7	6.8
Switzerland	2.0	2.3	2.3
Fixed income: 10-year government bonds (%, Q4)			
USD	3.9	4.1	4.1
EUR	2.0	2.2	2.2
CHF	0.7	0.7	0.7
Real estate (annual percentage change, Q4)			
US	5.2	2.5	2.0
Eurozone	(1.0)	0.9	2.6
Switzerland	0.1	1.0	2.5

Economic scenarios and weights applied

	Assigned weights in %		
ECL scenario	31.3.24	31.12.23	31.3.23
Baseline	60.0	60.0	60.0
Mild debt crisis	15.0	15.0	–
Stagflationary geopolitical crisis	25.0	25.0	25.0
Global crisis	–	–	15.0

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

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

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

USD m	31.3.24							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	163,378	163,361	17	0	(25)	0	(25)	0
Amounts due from banks[2]	14,151	14,088	63	0	(7)	(7)	0	0
Receivables from securities financing transactions measured at amortized cost	73,403	73,403	0	0	(2)	(2)	0	0
Cash collateral receivables on derivative instruments	35,294	35,294	0	0	0	0	0	0
Loans and advances to customers	390,908	370,978	17,908	2,022	(936)	(165)	(171)	(599)
of which: Private clients with mortgages	*165,559*	*155,129*	*9,617*	*813*	*(148)*	*(38)*	*(81)*	*(28)*
of which: Real estate financing	*50,512*	*46,668*	*3,830*	*13*	*(41)*	*(18)*	*(23)*	*(1)*
of which: Large corporate clients	*14,397*	*12,186*	*1,689*	*522*	*(269)*	*(34)*	*(34)*	*(201)*
of which: SME clients	*11,911*	*10,027*	*1,366*	*518*	*(255)*	*(33)*	*(19)*	*(203)*
of which: Lombard	*114,615*	*114,580*	*0*	*35*	*(19)*	*(5)*	*0*	*(14)*
of which: Credit cards	*1,840*	*1,402*	*399*	*38*	*(40)*	*(6)*	*(10)*	*(23)*
of which: Commodity trade finance	*3,202*	*3,180*	*11*	*11*	*(110)*	*(7)*	*0*	*(104)*
Other financial assets measured at amortized cost	52,551	52,114	299	138	(90)	(17)	(5)	(68)
of which: Loans to financial advisors	*2,615*	*2,430*	*70*	*115*	*(49)*	*(6)*	*(1)*	*(43)*
Total financial assets measured at amortized cost	729,686	709,239	18,287	2,160	(1,059)	(191)	(202)	(667)
Financial assets measured at fair value through other comprehensive income	2,078	2,078	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements	731,764	711,317	18,287	2,160	(1,059)	(191)	(202)	(667)

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	30,594	29,900	597	96	(33)	(12)	(7)	(14)
of which: Large corporate clients	*3,744*	*3,329*	*347*	*69*	*(7)*	*(3)*	*(2)*	*(3)*
of which: SME clients	*1,387*	*1,188*	*172*	*27*	*(4)*	*(1)*	*(1)*	*(2)*
of which: Financial intermediaries and hedge funds	*20,771*	*20,730*	*41*	*0*	*(11)*	*(8)*	*(3)*	*0*
of which: Lombard	*2,087*	*2,087*	*0*	*0*	*(4)*	*0*	*0*	*(4)*
of which: Commodity trade finance	*1,901*	*1,894*	*8*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	45,838	43,907	1,864	67	(98)	(59)	(37)	(2)
of which: Large corporate clients	*26,533*	*24,890*	*1,598*	*46*	*(83)*	*(50)*	*(30)*	*(2)*
Forward starting reverse repurchase and securities borrowing agreements	8,824	8,824	0	0	0	0	0	0
Unconditionally revocable loan commitments	42,102	40,465	1,573	64	(46)	(38)	(8)	0
of which: Real estate financing	*6,716*	*6,299*	*417*	*0*	*(4)*	*(5)*	*1*	*0*
of which: Large corporate clients	*5,212*	*5,056*	*150*	*7*	*(7)*	*(5)*	*(2)*	*0*
of which: SME clients	*4,863*	*4,672*	*166*	*25*	*(19)*	*(16)*	*(3)*	*0*
of which: Lombard	*7,972*	*7,972*	*0*	*1*	*0*	*0*	*0*	*0*
of which: Credit cards	*10,049*	*9,560*	*485*	*4*	*(9)*	*(8)*	*(2)*	*0*
of which: Commodity trade finance	*438*	*438*	*0*	*0*	*0*	*0*	*0*	*0*
Irrevocable committed prolongation of existing loans	3,522	3,512	7	3	(3)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines	130,879	126,609	4,041	230	(180)	(113)	(51)	(16)
Total allowances and provisions					(1,239)	(303)	(253)	(683)

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Includes USD 0bn against Credit Suisse AG.

Note 8 Expected credit loss measurement (continued)

USD m	31.12.23							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	171,806	171,788	18	0	(26)	0	(26)	0
Amounts due from banks[2]	28,206	28,191	14	0	(7)	(6)	(1)	0
Receivables from securities financing transactions measured at amortized cost	74,128	74,128	0	0	(2)	(2)	0	0
Cash collateral receivables on derivative instruments	32,300	32,300	0	0	0	0	0	0
Loans and advances to customers	405,633	385,493	18,131	2,009	(935)	(173)	(185)	(577)
of which: Private clients with mortgages	*174,400*	*163,617*	*9,955*	*828*	*(156)*	*(39)*	*(89)*	*(28)*
of which: Real estate financing	*54,305*	*50,252*	*4,038*	*15*	*(46)*	*(20)*	*(25)*	*(1)*
of which: Large corporate clients	*14,431*	*12,594*	*1,331*	*506*	*(241)*	*(34)*	*(32)*	*(174)*
of which: SME clients	*12,694*	*10,662*	*1,524*	*508*	*(262)*	*(34)*	*(24)*	*(204)*
of which: Lombard	*117,924*	*117,874*	*0*	*50*	*(22)*	*(5)*	*0*	*(17)*
of which: Credit cards	*2,041*	*1,564*	*438*	*39*	*(42)*	*(6)*	*(11)*	*(24)*
of which: Commodity trade finance	*2,889*	*2,873*	*12*	*4*	*(119)*	*(7)*	*0*	*(111)*
Other financial assets measured at amortized cost	54,334	53,882	312	141	(87)	(16)	(5)	(66)
of which: Loans to financial advisors	*2,615*	*2,422*	*79*	*114*	*(49)*	*(4)*	*(1)*	*(44)*
Total financial assets measured at amortized cost	**766,407**	**745,782**	**18,475**	**2,150**	**(1,057)**	**(197)**	**(217)**	**(643)**
Financial assets measured at fair value through other comprehensive income	**2,233**	**2,233**	**0**	**0**	**0**	**0**	**0**	**0**
Total on-balance sheet financial assets in scope of ECL requirements	**768,640**	**748,015**	**18,475**	**2,150**	**(1,057)**	**(197)**	**(217)**	**(643)**

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	33,211	32,332	761	118	(40)	(14)	(7)	(19)
of which: Large corporate clients	*3,624*	*3,051*	*486*	*87*	*(10)*	*(3)*	*(2)*	*(6)*
of which: SME clients	*1,506*	*1,299*	*177*	*31*	*(7)*	*(1)*	*(1)*	*(5)*
of which: Financial intermediaries and hedge funds	*22,549*	*22,504*	*46*	*0*	*(12)*	*(8)*	*(3)*	*0*
of which: Lombard	*3,009*	*3,009*	*0*	*0*	*(1)*	*0*	*0*	*(1)*
of which: Commodity trade finance	*1,811*	*1,803*	*8*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	44,018	42,085	1,878	56	(95)	(55)	(38)	(2)
of which: Large corporate clients	*26,096*	*24,444*	*1,622*	*30*	*(76)*	*(45)*	*(28)*	*(2)*
Forward starting reverse repurchase and securities borrowing agreements	10,373	10,373	0	0	0	0	0	0
Unconditionally revocable loan commitments	47,421	45,452	1,913	56	(49)	(39)	(10)	0
of which: Real estate financing	*9,439*	*8,854*	*585*	*0*	*(4)*	*(3)*	*(1)*	*0*
of which: Large corporate clients	*5,110*	*4,951*	*151*	*8*	*(6)*	*(4)*	*(3)*	*0*
of which: SME clients	*5,408*	*5,188*	*191*	*29*	*(21)*	*(17)*	*(3)*	*0*
of which: Lombard	*8,964*	*8,964*	*0*	*1*	*0*	*0*	*0*	*0*
of which: Credit cards	*10,458*	*9,932*	*522*	*4*	*(10)*	*(8)*	*(2)*	*0*
of which: Commodity trade finance	*537*	*537*	*0*	*0*	*0*	*0*	*0*	*0*
Irrevocable committed prolongation of existing loans	4,183	4,169	11	4	(4)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines	**139,206**	**134,410**	**4,562**	**234**	**(188)**	**(111)**	**(56)**	**(21)**
Total allowances and provisions					**(1,244)**	**(308)**	**(272)**	**(664)**

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Includes USD 14.8bn against Credit Suisse AG.

Note 8 Expected credit loss measurement (continued)

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

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

Coverage ratios for core loan portfolio — 31.3.24

	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	165,707	155,168	9,698	842	9	2	84	7	336
Real estate financing	50,552	46,686	3,852	14	8	4	59	8	482
Total real estate lending	216,260	201,854	13,550	856	9	3	77	7	338
Large corporate clients	14,667	12,221	1,723	723	184	28	197	49	2,778
SME clients	12,165	10,060	1,385	721	209	33	136	45	2,816
Total corporate lending	26,832	22,280	3,108	1,444	195	30	170	47	2,797
Lombard	114,634	114,585	0	49	2	0	0	0	2,836
Credit cards	1,879	1,408	410	61	211	41	256	89	3,802
Commodity trade finance	3,313	3,187	11	115	334	21	78	21	9,033
Other loans and advances to customers	28,926	27,830	1,001	96	19	9	39	10	2,630
Loans to financial advisors	2,664	2,435	71	157	186	23	160	27	2,716
Total other lending	151,416	149,445	1,493	478	18	3	105	4	4,369
Total[1]	394,508	373,579	18,151	2,778	25	5	95	9	2,310

	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	5,299	5,049	222	29	9	8	31	9	24
Real estate financing	8,015	7,573	442	0	5	7	0	5	0
Total real estate lending	13,315	12,622	664	29	6	7	0	6	23
Large corporate clients	35,528	33,312	2,095	121	27	17	163	26	399
SME clients	7,101	6,655	381	65	45	30	258	42	342
Total corporate lending	42,629	39,966	2,476	187	30	19	177	29	379
Lombard	11,941	11,940	0	1	4	1	0	1	0
Credit cards	10,049	9,560	485	4	9	8	34	9	0
Commodity trade finance	2,340	2,332	8	0	3	2	42	3	0
Financial intermediaries and hedge funds	24,192	23,934	258	0	5	4	134	5	0
Other off-balance sheet commitments	17,590	17,430	151	9	9	5	178	6	0
Total other lending	66,112	65,197	901	14	7	4	87	5	6,656
Total[2]	122,055	117,785	4,041	230	15	10	126	13	717
Total on- and off-balance sheet[3]	516,563	491,364	22,191	3,008	23	6	101	10	2,189

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

Note 8 Expected credit loss measurement (continued)

Coverage ratios for core loan portfolio — 31.12.23

	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	174,555	163,656	10,044	856	9	2	88	7	326
Real estate financing	54,351	50,272	4,063	16	9	4	61	8	594
Total real estate lending	228,906	213,928	14,107	872	9	3	81	8	331
Large corporate clients	14,671	12,628	1,363	680	164	27	237	48	2,558
SME clients	12,956	10,696	1,548	712	202	32	155	47	2,861
Total corporate lending	27,627	23,324	2,911	1,392	182	29	193	48	2,714
Lombard	117,946	117,879	0	67	2	0	0	0	2,487
Credit cards	2,083	1,571	449	63	200	40	253	87	3,801
Commodity trade finance	3,008	2,881	12	115	394	25	62	25	9,676
Other loans and advances to customers	26,997	26,083	837	77	18	10	44	11	2,379
Loans to financial advisors	2,665	2,426	80	159	185	17	122	20	2,793
Total other lending	152,699	150,840	1,378	481	18	3	117	4	4,462
Total[1]	**409,232**	**388,092**	**18,396**	**2,744**	**24**	**5**	**101**	**9**	**2,263**

	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	6,801	6,560	226	15	8	7	29	8	40
Real estate financing	10,662	10,064	599	0	6	5	22	6	0
Total real estate lending	17,463	16,624	824	15	6	6	24	6	40
Large corporate clients	34,829	32,446	2,259	125	27	16	147	25	628
SME clients	7,872	7,337	456	80	47	29	230	41	626
Total corporate lending	42,702	39,782	2,715	205	30	18	161	28	627
Lombard	13,609	13,609	0	1	1	1	0	1	0
Credit cards	10,458	9,932	522	4	10	8	35	10	0
Commodity trade finance	2,354	2,346	8	0	4	4	36	4	0
Financial intermediaries and hedge funds	25,378	25,148	230	0	5	4	157	5	0
Other off-balance sheet commitments	16,869	16,596	264	9	12	5	170	8	0
Total other lending	68,668	67,630	1,024	14	7	4	97	6	5,921
Total[2]	**128,833**	**124,037**	**4,562**	**234**	**15**	**9**	**122**	**13**	**908**
Total on- and off-balance sheet[3]	**538,065**	**512,129**	**22,958**	**2,978**	**22**	**6**	**105**	**10**	**2,157**

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

Note 9 Fair value measurement

a) Fair value hierarchy

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

During the first three months of 2024, assets and liabilities that were transferred from Level 2 to Level 1, or from Level 1 to Level 2, and were held for the entire reporting period were not material.

Determination of fair values from quoted market prices or valuation techniques[1]

	31.3.24				31.12.23			
USD m	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value on a recurring basis								
Financial assets at fair value held for trading	114,661	24,286	1,359	140,306	115,345	17,936	1,817	135,098
of which: Equity instruments	*102,112*	*341*	*178*	*102,631*	*99,510*	*721*	*140*	*100,372*
of which: Government bills / bonds	*5,814*	*2,581*	*1*	*8,395*	*6,843*	*2,195*	*14*	*9,052*
of which: Investment fund units	*5,679*	*1,290*	*36*	*7,005*	*8,008*	*1,082*	*9*	*9,098*
of which: Corporate and municipal bonds	*1,052*	*15,005*	*495*	*16,552*	*982*	*11,956*	*648*	*13,586*
of which: Loans	*0*	*4,931*	*551*	*5,483*	*0*	*1,870*	*904*	*2,775*
of which: Asset-backed securities	*4*	*139*	*97*	*240*	*3*	*111*	*101*	*215*
Derivative financial instruments	1,120	120,184	1,314	122,618	593	129,871	1,264	131,728
of which: Foreign exchange	*397*	*50,425*	*9*	*50,831*	*317*	*65,070*	*0*	*65,387*
of which: Interest rate	*0*	*34,660*	*274*	*34,934*	*0*	*35,028*	*284*	*35,311*
of which: Equity / index	*0*	*30,673*	*720*	*31,394*	*0*	*26,649*	*667*	*27,317*
of which: Credit	*0*	*1,678*	*308*	*1,985*	*0*	*1,452*	*301*	*1,752*
of which: Commodities	*0*	*2,676*	*1*	*2,677*	*0*	*1,627*	*12*	*1,639*
Brokerage receivables	0	22,650	0	22,650	0	20,883	0	20,883
Financial assets at fair value not held for trading	30,429	28,622	4,430	63,482	29,529	30,124	4,101	63,754
of which: Financial assets for unit-linked investment contracts	*16,395*	*18*	*0*	*16,413*	*15,814*	*0*	*0*	*15,814*
of which: Corporate and municipal bonds	*60*	*14,529*	*217*	*14,807*	*62*	*16,716*	*215*	*16,994*
of which: Government bills / bonds	*13,579*	*4,940*	*0*	*18,519*	*13,262*	*3,332*	*0*	*16,594*
of which: Loans	*0*	*3,581*	*1,317*	*4,898*	*0*	*4,172*	*1,254*	*5,426*
of which: Securities financing transactions	*0*	*5,256*	*53*	*5,310*	*0*	*5,541*	*4*	*5,545*
of which: Auction rate securities	*0*	*0*	*1,211*	*1,211*	*0*	*0*	*1,208*	*1,208*
of which: Investment fund units	*371*	*201*	*244*	*817*	*367*	*233*	*205*	*804*
of which: Equity instruments	*24*	*0*	*1,129*	*1,153*	*24*	*0*	*1,088*	*1,112*
Financial assets measured at fair value through other comprehensive income on a recurring basis								
Financial assets measured at fair value through other comprehensive income	67	2,011	0	2,078	68	2,165	0	2,233
of which: Commercial paper and certificates of deposit	*0*	*1,783*	*0*	*1,783*	*0*	*1,948*	*0*	*1,948*
of which: Corporate and municipal bonds	*67*	*179*	*0*	*246*	*68*	*207*	*0*	*276*
Non-financial assets measured at fair value on a recurring basis								
Precious metals and other physical commodities	4,729	0	0	4,729	4,426	0	0	4,426
Non-financial assets measured at fair value on a non-recurring basis								
Other non-financial assets[2]	0	0	16	16	0	0	17	17
Total assets measured at fair value	151,007	197,753	7,118	355,878	149,962	200,979	7,198	358,139

Note 9 Fair value measurement (continued)

Determination of fair values from quoted market prices or valuation techniques (continued)[1]

	31.3.24				31.12.23			
USD m	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value on a recurring basis								
Financial liabilities at fair value held for trading	25,042	7,781	192	33,015	25,451	6,110	151	31,712
of which: Equity instruments	*17,297*	*293*	*59*	*17,649*	*16,310*	*236*	*87*	*16,632*
of which: Corporate and municipal bonds	*34*	*6,175*	*128*	*6,337*	*28*	*4,893*	*58*	*4,979*
of which: Government bills / bonds	*6,538*	*1,035*	*0*	*7,574*	*8,320*	*806*	*0*	*9,126*
of which: Investment fund units	*1,172*	*216*	*3*	*1,391*	*794*	*117*	*4*	*915*
Derivative financial instruments	961	120,203	4,475	125,639	716	136,833	3,158	140,707
of which: Foreign exchange	*369*	*47,456*	*24*	*47,849*	*400*	*71,322*	*21*	*71,743*
of which: Interest rate	*0*	*31,766*	*195*	*31,961*	*0*	*32,656*	*107*	*32,763*
of which: Equity / index	*0*	*36,631*	*4,019*	*40,650*	*0*	*30,209*	*2,717*	*32,926*
of which: Credit	*0*	*1,912*	*206*	*2,118*	*0*	*1,341*	*273*	*1,614*
of which: Commodities	*0*	*2,368*	*20*	*2,387*	*0*	*1,271*	*20*	*1,291*
Financial liabilities designated at fair value on a recurring basis								
Brokerage payables designated at fair value	0	46,249	0	46,249	0	42,275	0	42,275
Debt issued designated at fair value	0	75,584	7,367	82,951	0	78,509	7,832	86,341
Other financial liabilities designated at fair value	0	24,717	2,076	26,794	0	25,069	2,297	27,366
of which: Financial liabilities related to unit-linked investment contracts	*0*	*16,543*	*0*	*16,543*	*0*	*15,922*	*0*	*15,922*
of which: Securities financing transactions	*0*	*4,897*	*0*	*4,897*	*0*	*6,927*	*0*	*6,927*
of which: Funding from UBS Group AG	*0*	*1,380*	*1,551*	*2,931*	*0*	*1,327*	*1,623*	*2,950*
of which: Over-the-counter debt instruments and others	*0*	*1,897*	*525*	*2,422*	*0*	*892*	*674*	*1,566*
Total liabilities measured at fair value	26,004	274,534	14,111	314,648	26,167	288,796	13,438	328,401

1 Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are not included in this table. The fair value of these derivatives was not material for the periods presented.
2 Other non-financial assets primarily consist of properties and other non-current assets held for sale, which are measured at the lower of their net carrying amount or fair value less costs to sell.

b) Valuation adjustments

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

Deferred day-1 profit or loss is generally released into *Other net income from financial instruments measured at fair value through profit or loss* when the pricing of equivalent products or the underlying parameters become observable or when the transaction is closed out.

Deferred day-1 profit or loss reserves

	For the quarter ended		
USD m	31.3.24	31.12.23	31.3.23
Reserve balance at the beginning of the period	397	389	422
Profit / (loss) deferred on new transactions	42	53	91
(Profit) / loss recognized in the income statement	(60)	(47)	(113)
Foreign currency translation	0	1	0
Reserve balance at the end of the period	379	397	399

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

Other valuation adjustment reserves on the balance sheet

	As of	
USD m	31.3.24	31.12.23
Own credit adjustments on financial liabilities designated at fair value	(288)	(312)
of which: debt issued designated at fair value	*(152)*	*(208)*
of which: other financial liabilities designated at fair value	*(136)*	*(105)*
Credit valuation adjustments[1]	(32)	(37)
Funding and debit valuation adjustments	(78)	(82)
Other valuation adjustments	(714)	(730)
of which: liquidity	*(297)*	*(308)*
of which: model uncertainty	*(417)*	*(423)*

1 Amount does not include reserves against defaulted counterparties.

c) Level 3 instruments: valuation techniques and inputs

The table below presents material Level 3 assets and liabilities, together with the valuation techniques used to measure fair value, as well as the inputs used in a given valuation technique that are considered significant as of 31 March 2024 and unobservable, and a range of values for those unobservable inputs.

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

The significant unobservable inputs disclosed in the table below are consistent with those included in "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023.

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

	Fair value						Range of inputs						
	Assets		Liabilities				31.3.24			31.12.23			
USD bn	31.3.24	31.12.23	31.3.24	31.12.23	Valuation technique(s)	Significant unobservable input(s)[1]	low	high	weighted average[2]	low	high	weighted average[2]	unit[1]
Financial assets and liabilities at fair value held for trading and Financial assets at fair value not held for trading													
Corporate and municipal bonds	*0.7*	*0.9*	*0.1*	*0.1*	Relative value to market comparable	Bond price equivalent	8	100	86	9	114	93	points
					Discounted expected cash flows	Discount margin	486	486		491	491		basis points
Traded loans, loans measured at fair value, loan commitments and guarantees	*2.1*	*2.3*	*0.0*	*0.0*	Relative value to market comparable	Loan price equivalent	5	100	98	6	101	98	points
					Discounted expected cash flows	Credit spread	275	275	275	200	275	252	basis points
					Market comparable and securitization model	Credit spread	122	1,803	310	162	1,849	318	basis points
Auction rate securities	*1.2*	*1.2*			Discounted expected cash flows	Credit spread	135	208	151	135	205	150	basis points
Investment fund units[3]	*0.3*	*0.2*	*0.0*	*0.0*	Relative value to market comparable	Net asset value							
Equity instruments[3]	*1.3*	*1.2*	*0.1*	*0.1*	Relative value to market comparable	Price							
Debt issued designated at fair value[4]			7.4	7.8									
Other financial liabilities designated at fair value			2.1	2.3	Discounted expected cash flows	Funding spread	106	201		51	201		basis points
Derivative financial instruments													
Interest rate	*0.3*	*0.3*	*0.2*	*0.1*	Option model	Volatility of interest rates	77	87		84	112		basis points
Credit	*0.3*	*0.3*	*0.2*	*0.3*	Discounted expected cash flows	Credit spreads	7	304		1	306		basis points
						Bond price equivalent	1	106		2	242		points
Equity / index	*0.7*	*0.7*	*4.0*	*2.7*	Option model	Equity dividend yields	0	14		0	14		%
						Volatility of equity stocks, equity and other indices	4	103		4	104		%
						Equity-to-FX correlation	(20)	70		(40)	70		%
						Equity-to-equity correlation	13	99		13	100		%

1 The ranges of significant unobservable inputs are represented in points, percentages and basis points. Points are a percentage of par (e.g., 100 points would be 100% of par). 2 Weighted averages are provided for most non-derivative financial instruments and were calculated by weighting inputs based on the fair values of the respective instruments. Weighted averages are not provided for inputs related to Other financial liabilities designated at fair value and Derivative financial instruments, as this would not be meaningful. 3 The range of inputs is not disclosed, as there is a dispersion of values given the diverse nature of the investments. 4 Debt issued designated at fair value primarily consists of UBS AG structured notes, which include variable maturity notes with various equity and foreign exchange underlying risks, as well as rates-linked and credit-linked notes, all of which have embedded derivative parameters that are considered to be unobservable. The equivalent derivative instrument parameters are presented in the respective derivative financial instruments lines in this table.

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

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

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

Sensitivity of fair value measurements to changes in unobservable input assumptions[1]

	31.3.24		31.12.23	
USD m	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Traded loans, loans measured at fair value, loan commitments and guarantees	23	(24)	22	(29)
Securities financing transactions	32	(26)	24	(24)
Auction rate securities	39	(25)	67	(21)
Asset-backed securities	16	(21)	25	(22)
Equity instruments	193	(182)	189	(178)
Interest rate derivatives, net	26	(21)	27	(18)
Credit derivatives, net	2	(8)	2	(5)
Foreign exchange derivatives, net	3	(3)	5	(4)
Equity / index derivatives, net	473	(413)	358	(285)
Other	59	(75)	62	(62)
Total	866	(797)	781	(648)

1 Sensitivity of issued and over-the-counter debt instruments is reported with the equivalent derivative or Other.

e) Level 3 instruments: movements during the period

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

Assets and liabilities transferred into or out of Level 3 are presented as if those assets or liabilities had been transferred on 1 January 2024.

Note 9 Fair value measurement (continued)

Movements of Level 3 instruments

USD bn	**Balance at the beginning of the period**	Net gains / losses included in comprehensive income[1]	*of which: related to instruments held at the end of the period*	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Foreign currency translation	Balance at the end of the period
For the three months ended 31 March 2024[2]											
Financial assets at fair value held for trading	1.8	(0.0)	*(0.0)*	0.2	(0.8)	0.4	(0.3)	0.1	(0.1)	(0.0)	1.4
of which: Equity instruments	*0.1*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.1*	*(0.0)*	*(0.0)*	*0.2*
of which: Corporate and municipal bonds	*0.6*	*(0.0)*	*(0.0)*	*0.2*	*(0.2)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.5*
of which: Loans	*0.9*	*0.0*	*0.0*	*0.0*	*(0.5)*	*0.4*	*(0.3)*	*0.1*	*(0.0)*	*(0.0)*	*0.6*
Derivative financial instruments – assets	1.3	(0.0)	*(0.1)*	0.0	0.0	0.4	(0.3)	0.1	(0.1)	(0.0)	1.3
of which: Interest rate	*0.3*	*0.1*	*0.1*	*0.0*	*0.0*	*0.0*	*(0.1)*	*0.0*	*(0.1)*	*0.0*	*0.3*
of which: Equity / index	*0.7*	*(0.1)*	*(0.1)*	*0.0*	*0.0*	*0.4*	*(0.2)*	*0.0*	*(0.0)*	*(0.0)*	*0.7*
of which: Credit	*0.3*	*(0.0)*	*(0.0)*	*0.0*	*0.0*	*0.0*	*(0.1)*	*0.1*	*(0.0)*	*(0.0)*	*0.3*
Financial assets at fair value not held for trading	4.1	0.0	*0.0*	0.0	(0.0)	0.4	(0.1)	0.0	(0.0)	(0.0)	4.4
of which: Loans	*1.3*	*0.0*	*0.0*	*0.0*	*0.0*	*0.2*	*(0.1)*	*0.0*	*(0.0)*	*(0.0)*	*1.3*
of which: Auction rate securities	*1.2*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*1.2*
of which: Equity instruments	*1.1*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*0.0*	*(0.0)*	*1.1*
Derivative financial instruments – liabilities	3.2	0.5	*0.4*	0.0	0.0	1.7	(1.0)	0.2	(0.1)	(0.0)	4.5
of which: Interest rate	*0.1*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*0.2*
of which: Equity / index	*2.7*	*0.5*	*0.4*	*0.0*	*0.0*	*1.7*	*(0.9)*	*0.2*	*(0.1)*	*(0.0)*	*4.0*
of which: Credit	*0.3*	*(0.0)*	*(0.0)*	*0.0*	*0.0*	*0.0*	*(0.1)*	*0.0*	*(0.0)*	*(0.0)*	*0.2*
Debt issued designated at fair value	7.8	0.2	*0.2*	0.0	0.0	1.6	(0.8)	0.3	(1.6)	(0.1)	7.4
Other financial liabilities designated at fair value	2.3	(0.1)	*(0.1)*	0.0	0.0	0.1	(0.2)	0.0	(0.0)	(0.0)	2.1
For the three months ended 31 March 2023											
Financial assets at fair value held for trading	1.5	0.1	*0.1*	0.1	(0.6)	0.1	0.0	0.1	(0.1)	0.0	1.1
of which: Investment fund units	*0.1*	*(0.0)*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*0.0*
of which: Corporate and municipal bonds	*0.5*	*0.0*	*0.0*	*0.1*	*(0.2)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*0.4*
of which: Loans	*0.6*	*0.0*	*0.0*	*0.0*	*(0.4)*	*0.1*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.3*
Derivative financial instruments – assets	1.5	(0.1)	*(0.1)*	0.0	0.0	0.2	(0.1)	0.0	(0.1)	0.0	1.3
of which: Interest rate	*0.5*	*(0.0)*	*(0.0)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*(0.1)*	*(0.0)*	*0.4*
of which: Equity / index	*0.7*	*(0.1)*	*(0.1)*	*0.0*	*0.0*	*0.1*	*(0.1)*	*0.0*	*(0.0)*	*0.0*	*0.6*
of which: Credit	*0.3*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*0.3*
Financial assets at fair value not held for trading	3.7	0.0	*0.0*	0.3	(0.2)	0.0	0.0	0.0	(0.0)	0.0	3.8
of which: Loans	*0.7*	*0.0*	*0.0*	*0.1*	*0.0*	*0.0*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.8*
of which: Auction rate securities	*1.3*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*1.3*
of which: Equity instruments	*0.8*	*0.0*	*0.0*	*0.1*	*(0.1)*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.9*
Derivative financial instruments – liabilities	1.7	0.1	*0.1*	0.0	0.0	0.4	(0.2)	0.0	0.1	0.0	2.1
of which: Interest rate	*0.1*	*(0.0)*	*(0.0)*	*0.0*	*0.0*	*0.1*	*(0.0)*	*0.0*	*0.2*	*(0.0)*	*0.4*
of which: Equity / index	*1.2*	*0.1*	*0.1*	*0.0*	*0.0*	*0.2*	*(0.1)*	*0.0*	*(0.0)*	*0.0*	*1.4*
of which: Credit	*0.3*	*(0.0)*	*(0.0)*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*0.3*
Debt issued designated at fair value	9.2	0.3	*0.3*	0.0	0.0	1.3	(1.3)	0.3	(0.7)	0.0	9.1
Other financial liabilities designated at fair value	2.0	0.1	*0.1*	0.0	0.0	0.1	(0.0)	0.0	(0.2)	(0.0)	1.9

1 Net gains / losses included in comprehensive income are recognized in Net interest income and Other net income from financial instruments measured at fair value through profit or loss in the Income statement, and also in Gains / (losses) from own credit on financial liabilities designated at fair value, before tax in the Statement of comprehensive income. 2 Total Level 3 assets as of 31 March 2024 were USD 7.1bn (31 December 2023: USD 7.2bn). Total Level 3 liabilities as of 31 March 2024 were USD 14.1bn (31 December 2023: USD 13.4bn).

f) Financial instruments not measured at fair value

The table below reflects the estimated fair values of financial instruments not measured at fair value. Valuation principles applied when determining fair value estimates for financial instruments not measured at fair value are consistent with those described in "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023.

Financial instruments not measured at fair value

	31.3.24		31.12.23	
USD bn	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and balances at central banks	163.4	163.4	171.8	171.8
Amounts due from banks	14.2	14.1	28.2	28.2
Receivables from securities financing transactions measured at amortized cost	73.4	73.4	74.1	74.1
Cash collateral receivables on derivative instruments	35.3	35.3	32.3	32.3
Loans and advances to customers	390.9	382.5	405.6	396.5
Other financial assets measured at amortized cost	52.6	50.5	54.3	54.1
Liabilities				
Amounts due to banks	19.2	19.2	16.7	16.7
Payables from securities financing transactions measured at amortized cost	6.8	6.8	5.8	5.8
Cash collateral payables on derivative instruments	31.9	31.9	34.9	34.9
Customer deposits	536.0	537.0	555.7	556.6
Funding from UBS Group AG measured at amortized cost	67.9	69.4	67.3	67.7
Debt issued measured at amortized cost	63.8	63.9	69.8	69.8
Other financial liabilities measured at amortized cost[1]	11.0	10.9	9.8	9.8

1 Excludes lease liabilities.

Note 10 Derivative instruments

a) Derivative instruments

As of 31.3.24, USD bn	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities[1]	Other notional values[2]
Derivative financial instruments				
Interest rate	34.9	32.0	2,552	15,769
Credit derivatives	2.0	2.1	111	
Foreign exchange	50.8	47.8	6,730	223
Equity / index	31.4	40.7	1,324	85
Commodities	2.7	2.4	144	18
Other[3]	0.8	0.7	152	
Total derivative financial instruments, based on netting under IFRS Accounting Standards[4]	122.6	125.6	11,014	16,096
Further netting potential not recognized on the balance sheet[5]	(109.6)	(114.3)		
of which: netting of recognized financial liabilities / assets	*(88.3)*	*(88.3)*		
of which: netting with collateral received / pledged	*(21.2)*	*(26.0)*		
Total derivative financial instruments, after consideration of further netting potential	13.1	11.3		

As of 31.12.23, USD bn	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities[1]	Other notional values[2]
Derivative financial instruments				
Interest rate	35.3	32.8	2,472	13,749
Credit derivatives	1.8	1.6	93	
Foreign exchange	65.4	71.7	6,367	180
Equity / index	27.3	32.9	1,191	84
Commodities	1.6	1.3	129	16
Other[3]	0.3	0.4	86	
Total derivative financial instruments, based on netting under IFRS Accounting Standards[4]	131.7	140.7	10,338	14,028
Further netting potential not recognized on the balance sheet[5]	(122.7)	(123.8)		
of which: netting of recognized financial liabilities / assets	*(99.3)*	*(99.3)*		
of which: netting with collateral received / pledged	*(23.4)*	*(24.5)*		
Total derivative financial instruments, after consideration of further netting potential	9.1	16.9		

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

b) Cash collateral on derivative instruments

USD bn	Receivables 31.3.24	Payables 31.3.24	Receivables 31.12.23	Payables 31.12.23
Cash collateral on derivative instruments, based on netting under IFRS Accounting Standards[1]	35.3	31.9	32.3	34.9
Further netting potential not recognized on the balance sheet[2]	(22.8)	(18.1)	(22.8)	(20.6)
of which: netting of recognized financial liabilities / assets	*(20.7)*	*(16.1)*	*(20.4)*	*(17.2)*
of which: netting with collateral received / pledged	*(2.1)*	*(2.0)*	*(2.5)*	*(3.4)*
Cash collateral on derivative instruments, after consideration of further netting potential	12.5	13.9	9.5	14.3

1 Financial assets and liabilities are presented net on the balance sheet if UBS AG has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS AG or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. 2 Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 21 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023 for more information.

Note 11 Other assets and liabilities

a) Other financial assets measured at amortized cost

USD m	31.3.24	31.12.23
Debt securities	41,264	43,245
Loans to financial advisors	2,615	2,615
Fee- and commission-related receivables	1,825	1,883
Finance lease receivables	1,361	1,427
Settlement and clearing accounts	307	311
Accrued interest income	1,860	2,004
Other[1]	3,319	2,849
Total other financial assets measured at amortized cost	52,551	54,334

1 Predominantly includes cash collateral provided to exchanges and clearing houses to secure securities trading activity through those counterparties.

b) Other non-financial assets

USD m	31.3.24	31.12.23
Precious metals and other physical commodities	4,729	4,426
Deposits and collateral provided in connection with litigation, regulatory and similar matters[1]	1,349	1,379
Prepaid expenses	1,062	1,062
VAT, withholding tax and other tax receivables	965	746
Properties and other non-current assets held for sale	99	105
Other	707	660
Total other non-financial assets	8,911	8,377

1 Refer to Note 15 for more information.

c) Other financial liabilities measured at amortized cost

USD m	31.3.24	31.12.23
Other accrued expenses	1,667	1,613
Accrued interest expenses	4,249	4,186
Settlement and clearing accounts	2,025	1,314
Lease liabilities	2,766	2,904
Other	3,035	2,695
Total other financial liabilities measured at amortized cost	13,742	12,713

d) Other financial liabilities designated at fair value

USD m	31.3.24	31.12.23
Financial liabilities related to unit-linked investment contracts	16,543	15,922
Securities financing transactions	4,897	6,927
Over-the-counter debt instruments and other	2,422	1,566
Funding from UBS Group AG[1]	2,931	2,950
Total other financial liabilities designated at fair value	26,794	27,366

1 The Funding from UBS Group AG consists of subordinated debt of UBS AG and its subsidiaries toward UBS Group AG. Subordinated debt consists of unsecured debt obligations that are contractually subordinated in right of payment to all other present and future non-subordinated obligations of the respective issuing entity.

e) Other non-financial liabilities

USD m	31.3.24	31.12.23
Compensation-related liabilities	2,834	4,526
of which: net defined benefit liability	*471*	*487*
Current tax liabilities	908	932
Deferred tax liabilities	174	162
VAT, withholding tax and other tax payables	606	712
Deferred income	313	276
Other	230	74
Total other non-financial liabilities	5,064	6,682

Note 12 Funding from UBS Group AG measured at amortized cost

USD m	31.3.24	31.12.23
Debt contributing to total loss-absorbing capacity (TLAC)	51,478	51,102
Debt eligible as high-trigger loss-absorbing additional tier 1 capital instruments	12,988	11,286
Debt eligible as low-trigger loss-absorbing additional tier 1 capital instruments	1,216	1,212
Other[1]	2,175	3,682
Total funding from UBS Group AG measured at amortized cost[2,3]	67,857	67,282

1 Includes debt not eligible as TLAC having a residual maturity of less than one year and high-trigger loss-absorbing additional tier 1 capital instruments that ceased to be eligible when UBS Group AG issued notice of redemption. 2 Consists of subordinated debt of UBS AG and its subsidiaries toward UBS Group AG. Subordinated debt consists of unsecured debt obligations that are contractually subordinated in right of payment to all other present and future non-subordinated obligations of the respective issuing entity. All instruments contributing to TLAC are subordinated since 1.1.2020. 3 UBS AG has also recognized funding from UBS Group AG that is designated at fair value. Refer to Note 11d for more information.

Note 13 Debt issued designated at fair value

USD m	31.3.24	31.12.23
Issued debt instruments		
Equity-linked[1]	44,929	46,269
Rates-linked	16,059	16,880
Credit-linked	3,796	4,506
Fixed-rate	13,952	14,295
Commodity-linked	3,514	3,704
Other	700	687
Total debt issued designated at fair value[2]	82,951	86,341

1 Includes investment fund unit-linked instruments issued. 2 As of 31 March 2024, 100% of Total debt issued designated at fair value was unsecured.

Note 14 Debt issued measured at amortized cost

USD m	31.3.24	31.12.23
Short-term debt[1]	32,435	37,285
Senior unsecured debt	16,078	18,450
Covered bonds	2,513	1,006
Subordinated debt	3,019	3,008
of which: eligible as non-Basel III-compliant tier 2 capital instruments	*537*	*538*
Debt issued through the Swiss central mortgage institutions	9,743	10,035
Long-term debt[2]	31,353	32,499
Total debt issued measured at amortized cost[3,4]	63,788	69,784

1 Debt with an original contractual maturity of less than one year, includes mainly certificates of deposit and commercial paper. 2 Debt with an original contractual maturity greater than or equal to one year. The classification of debt issued into short-term and long-term does not consider any early redemption features. 3 Net of bifurcated embedded derivatives, the fair value of which was not material for the periods presented. 4 Except for Covered bonds and Debt issued through the Swiss central mortgage institutions, 100% of the balance was unsecured as of 31 March 2024.

Note 15 Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions.

USD m	31.3.24	31.12.23
Provisions other than provisions for expected credit losses	2,268	2,336
Provisions for expected credit losses[1]	180	188
Total provisions	**2,448**	**2,524**

1 Refer to Note 8c for more information about ECL provisions recognized for off-balance sheet financial instruments and credit lines.

The table below presents additional information for provisions other than provisions for expected credit losses.

USD m	Litigation, regulatory and similar matters[1]	Restructuring[2]	Real estate[3]	Other[4]	Total
Balance as of 31 December 2023	1,810	209	135	181	2,336
Increase in provisions recognized in the income statement	9	44	1	13	67
Release of provisions recognized in the income statement	(1)	(17)	0	(3)	(21)
Provisions used in conformity with designated purpose	(28)	(38)	(4)	(4)	(75)
Foreign currency translation and other movements	(34)	(2)	(6)	3	(39)
Balance as of 31 March 2024	1,756	196	126	190	2,268

1 Consists of provisions for losses resulting from legal, liability and compliance risks. 2 Consists of USD 137m of provisions for onerous contracts related to real estate as of 31 March 2024 (31 December 2023: USD 146m) and USD 59m of personnel-related restructuring provisions as of 31 March 2024 (31 December 2023: USD 64m). 3 Mainly includes provisions for reinstatement costs with respect to leased properties. 4 Mainly includes provisions related to employee benefits and operational risks.

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

b) Litigation, regulatory and similar matters

UBS operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. "UBS," "we" and "our", for purposes of this Note, refer to UBS AG and / or one or more of its subsidiaries, as applicable.

Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. There are also situations where UBS may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which UBS believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. UBS makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that UBS has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Where these factors are otherwise satisfied, a provision may be established for claims that have not yet been asserted against UBS, but are nevertheless expected to be, based on UBS's experience with similar asserted claims. If any of those conditions is not met, such matters result in contingent liabilities. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to such matters could be significant. Developments relating to a matter that occur after the relevant reporting period, but prior to the issuance of financial statements, which affect management's assessment of the provision for such matter (because, for example, the developments provide evidence of conditions that existed at the end of the reporting period), are adjusting events after the reporting period under IAS 10 and must be recognized in the financial statements for the reporting period.

Specific litigation, regulatory and other matters are described below, including all such matters that management considers to be material and others that management believes to be of significance to UBS due to potential financial, reputational and other effects. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

In the case of certain matters below, we state that we have established a provision, and for the other matters, we make no such statement. When we make this statement and we expect disclosure of the amount of a provision to prejudice seriously our position with other parties in the matter because it would reveal what UBS believes to be the probable and reliably estimable outflow, we do not disclose that amount. In some cases we are subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which we do not state whether we have established a provision, either: (a) we have not established a provision, in which case the matter is treated as a contingent liability under the applicable accounting standard; or (b) we have established a provision but expect disclosure of that fact to prejudice seriously our position with other parties in the matter because it would reveal the fact that UBS believes an outflow of resources to be probable and reliably estimable.

With respect to certain litigation, regulatory and similar matters for which we have established provisions, we are able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which we are able to estimate expected timing is immaterial relative to our current and expected levels of liquidity over the relevant time periods.

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in the "Provisions" table in Note 15a above. It is not practicable to provide an aggregate estimate of liability for our litigation, regulatory and similar matters as a class of contingent liabilities. Doing so would require UBS to provide speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, that have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Although UBS therefore cannot provide a numerical estimate of the future losses that could arise from litigation, regulatory and similar matters, UBS believes that the aggregate amount of possible future losses from this class that are more than remote substantially exceeds the level of current provisions.

Note 15 Provisions and contingent liabilities (continued)

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. A guilty plea to, or conviction of, a crime could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations, and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

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

Provisions for litigation, regulatory and similar matters by business division and in Group Items[1]

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS AG
Balance as of 31 December 2023	1,220	156	12	286	4	132	1,810
Increase in provisions recognized in the income statement	9	0	0	0	0	0	9
Release of provisions recognized in the income statement	(1)	0	0	(1)	0	0	(1)
Provisions used in conformity with designated purpose	(16)	0	(12)	0	0	0	(28)
Foreign currency translation and other movements	(26)	(4)	0	(4)	0	0	(34)
Balance as of 31 March 2024	1,187	152	0	282	4	132	1,756

1 Provisions, if any, for the matters described in item 2 of this Note are recorded in Global Wealth Management, and provisions, if any, for the matters described in item 1 and 4 of this Note are allocated between Global Wealth Management and Personal & Corporate Banking. Provisions, if any, for the matters described in item 3 are allocated between the Investment Bank and Group Items.

1. Inquiries regarding cross-border wealth management businesses

Tax and regulatory authorities in a number of countries have made inquiries, served requests for information or examined employees located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions.

Since 2013, UBS (France) S.A., UBS AG and certain former employees have been under investigation in France in relation to UBS's cross-border business with French clients. In connection with this investigation, the investigating judges ordered UBS AG to provide bail ("*caution*") of EUR 1.1bn.

In 2019, the court of first instance returned a verdict finding UBS AG guilty of unlawful solicitation of clients on French territory and aggravated laundering of the proceeds of tax fraud, and UBS (France) S.A. guilty of aiding and abetting unlawful solicitation and of laundering the proceeds of tax fraud. The court imposed fines aggregating EUR 3.7bn on UBS AG and UBS (France) S.A. and awarded EUR 800m of civil damages to the French state. A trial in the Paris Court of Appeal took place in March 2021. In December 2021, the Court of Appeal found UBS AG guilty of unlawful solicitation and aggravated laundering of the proceeds of tax fraud. The court ordered a fine of EUR 3.75m, the confiscation of EUR 1bn, and awarded civil damages to the French state of EUR 800m. UBS appealed the decision to the French Supreme Court. The Supreme Court rendered its judgment on 15 November 2023. It upheld the Court of Appeal's decision regarding unlawful solicitation and aggravated laundering of the proceeds of tax fraud, but overturned the confiscation of EUR 1bn, the penalty of EUR 3.75m and the EUR 800m of civil damages awarded to the French state. The case has been remanded to the Court of Appeal for a retrial regarding these overturned elements. The French state has reimbursed the EUR 800m of civil damages to UBS AG.

Our balance sheet at 31 March 2024 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized

2. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC (BMIS) investment fraud, UBS AG, UBS (Luxembourg) S.A. (now UBS Europe SE, Luxembourg branch) and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including the Swiss Financial Market Supervisory Authority (FINMA) and the Luxembourg Commission de Surveillance du Secteur Financier. Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds faced severe losses, and the Luxembourg funds are in liquidation. The documentation establishing both funds identifies UBS entities in various roles, including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees serve as board members.

In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims against UBS entities, non-UBS entities and certain individuals, including current and former UBS employees, seeking amounts totaling approximately EUR 2.1bn, which includes amounts that the funds may be held liable to pay the trustee for the liquidation of BMIS (BMIS Trustee).

A large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff fraud. The majority of these cases have been filed in Luxembourg, where decisions that the claims in eight test cases were inadmissible have been affirmed by the Luxembourg Court of Appeal, and the Luxembourg Supreme Court has dismissed a further appeal in one of the test cases.

In the US, the BMIS Trustee filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2bn. In 2014, the US Supreme Court rejected the BMIS Trustee's motion for leave to appeal decisions dismissing all claims except those for the recovery of approximately USD 125m of payments alleged to be fraudulent conveyances and preference payments. In 2016, the bankruptcy court dismissed these claims against the UBS entities. In 2019, the Court of Appeals reversed the dismissal of the BMIS Trustee's remaining claims, and the US Supreme Court subsequently denied a petition seeking review of the Court of Appeals' decision. The case has been remanded to the Bankruptcy Court for further proceedings.

3. Foreign exchange, LIBOR and benchmark rates, and other trading practices

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

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

In 2015, a putative class action was filed in federal court against UBS and numerous other banks on behalf of persons and businesses in the US who directly purchased foreign currency from the defendants and alleged co-conspirators for their own end use. In 2022, the court denied plaintiffs' motion for class certification. In March 2023, the court granted defendants' summary judgment motion, dismissing the case. Plaintiffs have appealed.

Note 15 Provisions and contingent liabilities (continued)

LIBOR and other benchmark-related regulatory matters: Numerous government agencies conducted investigations regarding potential improper attempts by UBS, among others, to manipulate LIBOR and other benchmark rates at certain times. UBS reached settlements or otherwise concluded investigations relating to benchmark interest rates with the investigating authorities. UBS was granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ and the Swiss Competition Commission (WEKO), in connection with potential antitrust or competition law violations related to certain rates. However, UBS has not reached a final settlement with WEKO, as the Secretariat of WEKO has asserted that UBS does not qualify for full immunity.

LIBOR and other benchmark-related civil litigation: A number of putative class actions and other actions are pending in the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending in the US and in other jurisdictions are a number of other actions asserting losses related to various products whose interest rates were linked to LIBOR and other benchmarks, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. The complaints allege manipulation, through various means, of certain benchmark interest rates, including USD LIBOR, Euroyen TIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, GBP LIBOR and seek unspecified compensatory and other damages under varying legal theories.

USD LIBOR class and individual actions in the US: In 2013 and 2015, the district court in the USD LIBOR actions dismissed, in whole or in part, certain plaintiffs' antitrust claims, federal racketeering claims, Commodity Exchange Act claims, and state common law claims, and again dismissed the antitrust claims in 2016 following an appeal. In 2021, the Second Circuit affirmed the district court's dismissal in part and reversed in part and remanded to the district court for further proceedings. The Second Circuit, among other things, held that there was personal jurisdiction over UBS and other foreign defendants. Separately, in 2018, the Second Circuit reversed in part the district court's 2015 decision dismissing certain individual plaintiffs' claims and certain of these actions are now proceeding. In April 2024, UBS and the remaining defendants in one of the putative class actions, the USD Exchange action, reached a settlement in principle, subject to court approval. The USD Exchange action sought recovery on behalf of persons who transacted in Eurodollar futures and options on Eurodollar futures on exchanges between 2005 and May 2010. In 2020, an individual action was filed in the Northern District of California against UBS and numerous other banks alleging that the defendants conspired to fix the interest rate used as the basis for loans to consumers by jointly setting the USD LIBOR rate and monopolized the market for LIBOR-based consumer loans and credit cards. In September 2022, the court granted defendants' motion to dismiss the complaint in its entirety, while allowing plaintiffs the opportunity to file an amended complaint. Plaintiffs filed an amended complaint in October 2022, and defendants moved to dismiss the amended complaint. In October 2023, the court dismissed the amended complaint with prejudice. In January 2024, plaintiffs appealed the dismissal to the Ninth Circuit Court of Appeals. Defendants filed their response to the appeal in March 2024.

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

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

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

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

Note 15 Provisions and contingent liabilities (continued)

Government bonds: Putative class actions have been filed since 2015 in US federal courts against UBS and other banks on behalf of persons who participated in markets for US Treasury securities since 2007. A consolidated complaint was filed in 2017 in the US District Court for the Southern District of New York alleging that the banks colluded with respect to, and manipulated prices of, US Treasury securities sold at auction and in the secondary market and asserting claims under the antitrust laws and for unjust enrichment. Defendants' motions to dismiss the consolidated complaint were granted in 2021. Plaintiffs filed an amended complaint, which defendants moved to dismiss later in 2021. In March 2022, the court granted defendants' motion to dismiss that complaint, and in February 2024, the Second Circuit affirmed the district court's dismissal. Similar class actions have been filed concerning European government bonds and other government bonds.

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

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, our balance sheet at 31 March 2024 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

4. Swiss retrocessions

The Federal Supreme Court of Switzerland ruled in 2012, in a test case against UBS, that distribution fees paid to a firm for distributing third-party and intra-group investment funds and structured products must be disclosed and surrendered to clients who have entered into a discretionary mandate agreement with the firm, absent a valid waiver. FINMA issued a supervisory note to all Swiss banks in response to the Supreme Court decision. UBS has met the FINMA requirements and has notified all potentially affected clients.

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

Our balance sheet at 31 March 2024 reflected a provision with respect to matters described in this item 4 in an amount that UBS believes to be appropriate under the applicable accounting standard. The ultimate exposure will depend on client requests and the resolution thereof, factors that are difficult to predict and assess. Hence, as in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

Appendix

Alternative performance measures

Alternative performance measures

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

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

APM label	Calculation	Information content
Fee-generating assets (USD) – Global Wealth Management	Calculated as the sum of discretionary and nondiscretionary wealth management portfolios (mandate volume) and assets where generated revenues are predominantly of a recurring nature, i.e., mainly investment, mutual, hedge and private-market funds where we have a distribution agreement, including client commitments into closed-ended private-market funds from the date that recurring fees are charged. Assets related to our Global Financial Intermediaries business are excluded, as are assets of sanctioned clients.	This measure provides information about the volume of invested assets that create a revenue stream, whether as a result of the nature of the contractual relationship with clients or through the fee structure of the asset. An increase in the level of fee-generating assets results in an increase in the associated revenue stream. Assets of sanctioned clients are excluded from fee-generating assets.
Fee-pool-comparable revenues (USD) – the Investment Bank	Calculated as the total of revenues from: merger-and-acquisition-related transactions; Equity Capital Markets, excluding derivatives; Leveraged Capital Markets, excluding the impact of mark-to-market movements on loan portfolios; and Debt Capital Markets, excluding revenues related to debt underwriting of UBS instruments.	This measure provides information about the amount of revenues in the Investment Bank that are comparable with the relevant global fee pools.
Gross margin on invested assets (bps) – Asset Management	Calculated as total revenues (annualized as applicable) divided by average invested assets.	This measure provides information about the total revenues of the business in relation to invested assets.
Impaired loan portfolio as a percentage of total loan portfolio, gross (%) – Global Wealth Management, Personal & Corporate Banking	Calculated as impaired loan portfolio divided by total gross loan portfolio.	This measure provides information about the proportion of impaired loan portfolio in the total gross loan portfolio.
Integration-related expenses (USD)	Generally include costs of internal staff and contractors substantially dedicated to integration activities, retention awards, redundancy costs, incremental expenses from the shortening of useful lives of property, equipment and software, and impairment charges relating to these assets. Classification as integration-related expenses does not affect the timing of recognition and measurement of those expenses or the presentation thereof in the income statement. Integration-related expenses incurred by Credit Suisse also included expenses associated with restructuring programs that existed prior to the acquisition.	This measure provides information about expenses that are temporary, incremental and directly related to the integration of Credit Suisse into UBS.
Invested assets (USD and CHF) – Global Wealth Management, Personal & Corporate Banking, Asset Management	Calculated as the sum of managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts.	This measure provides information about the volume of client assets managed by or deposited with UBS for investment purposes.
Investment products for Personal Banking (USD and CHF) – Personal & Corporate Banking	Calculated as the sum of investment funds (including UBS Vitainvest third-pillar pension funds, as well as money market funds), mandates and third-party life insurance operated in Personal Banking.	This measure provides information about the volume of investment funds (including UBS Vitainvest third-pillar pension funds, as well as money market funds), mandates and third-party life insurance operated in Personal Banking.
Net interest margin (bps) – Personal & Corporate Banking	Calculated as net interest income (annualized as applicable) divided by average loans.	This measure provides information about the profitability of the business by calculating the difference between the price charged for lending and the cost of funding, relative to loan value.
Net new assets (USD) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period, plus interest and dividends. Excluded from the calculation are movements due to market performance, foreign exchange translation, fees, and the effects on invested assets of strategic decisions by UBS to exit markets or services.	This measure provides information about the development of invested assets during a specific period as a result of net new asset flows, plus the effect of interest and dividends.
Net new assets growth rate (%) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period (annualized as applicable), plus interest and dividends, divided by total invested assets at the beginning of the period.	This measure provides information about the growth of invested assets during a specific period as a result of net new asset flows.

APM label	Calculation	Information content
Net new fee-generating assets (USD) – Global Wealth Management	Calculated as the net amount of fee-generating asset inflows and outflows, including dividend and interest inflows into mandates and outflows from mandate fees paid by clients during a specific period. Excluded from the calculation are the effects on fee-generating assets of strategic decisions by UBS to exit markets or services.	This measure provides information about the development of fee-generating assets during a specific period as a result of net flows, excluding movements due to market performance and foreign exchange translation, as well as the effects on fee-generating assets of strategic decisions by UBS to exit markets or services.
Net new investment products for Personal Banking (USD and CHF) – Personal & Corporate Banking	Calculated as the net amount of inflows and outflows of investment products during a specific period.	This measure provides information about the development of investment products during a specific period as a result of net new investment product flows.
Net new money (USD) – Global Wealth Management, Asset Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period. Excluded from the calculation are movements due to market performance, foreign exchange translation, dividends, interest and fees, as well as the effects on invested assets of strategic decisions by UBS to exit markets or services. Net new money is not measured for Personal & Corporate Banking.	This measure provides information about the development of invested assets during a specific period as a result of net new money flows.
Net new money growth rate (%) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period (annualized as applicable) divided by total invested assets at the beginning of the period.	This measure provides information about the growth of invested assets during a specific period as a result of net new money flows.
Net profit growth (%)	Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period.	This measure provides information about profit growth since the comparison period.
Operating expenses (underlying) (USD)	Calculated by adjusting operating expenses as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses. › **Refer to the "Group performance" section of the UBS Group first quarter 2024 report for more information**	This measure provides information about the amount of operating expenses, while excluding items that management believes are not representative of the underlying performance of the businesses.
Operating profit / (loss) before tax (underlying) (USD)	Calculated by adjusting operating profit / (loss) before tax as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses. › **Refer to the "Group performance" section of the UBS Group first quarter 2024 report for more information**	This measure provides information about the amount of operating profit / (loss) before tax, while excluding items that management believes are not representative of the underlying performance of the businesses.
Pre-tax profit growth (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as the change in net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by net profit before tax attributable to shareholders from continuing operations of the comparison period.	This measure provides information about pre-tax profit growth since the comparison period.
Pre-tax profit growth (underlying) (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as the change in net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by net profit before tax attributable to shareholders from continuing operations of the comparison period. Net profit before tax attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about pre-tax profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.
Recurring net fee income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking	Calculated as the total of fees for services provided on an ongoing basis, such as portfolio management fees, asset-based investment fund fees and custody fees, which are generated on client assets, and administrative fees for accounts.	This measure provides information about the amount of recurring net fee income.
Return on attributed equity (%)	Calculated as annualized business division operating profit before tax divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity.

APM label	Calculation	Information content
Return on common equity tier 1 capital (%)	Calculated as annualized net profit attributable to shareholders divided by average common equity tier 1 capital.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital.
Return on equity (%)	Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders.	This measure provides information about the profitability of the business in relation to equity.
Return on leverage ratio denominator, gross (%)	Calculated as annualized total revenues divided by average leverage ratio denominator.	This measure provides information about the revenues of the business in relation to the leverage ratio denominator.
Return on tangible equity (%)	Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders less average goodwill and intangible assets.	This measure provides information about the profitability of the business in relation to tangible equity.
Tangible book value per share (USD)	Calculated as equity attributable to shareholders less goodwill and intangible assets divided by the number of shares outstanding.	This measure provides information about tangible net assets on a per-share basis.
Total book value per share (USD)	Calculated as equity attributable to shareholders divided by the number of shares outstanding.	This measure provides information about net assets on a per-share basis.
Total revenues (underlying) (USD)	Calculated by adjusting total revenues as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses. › **Refer to the "Group performance" section of the UBS Group first quarter 2024 report for more information**	This measure provides information about the amount of total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Transaction-based income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking	Calculated as the total of the non-recurring portion of net fee and commission income, mainly composed of brokerage and transaction-based investment fund fees, and credit card fees, as well as fees for payment and foreign-exchange transactions, together with other net income from financial instruments measured at fair value through profit or loss.	This measure provides information about the amount of the non-recurring portion of net fee and commission income, together with other net income from financial instruments measured at fair value through profit or loss.
Underlying cost / income ratio (%)	Calculated as underlying operating expenses (as defined above) divided by underlying total revenues (as defined above).	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying net profit growth (%)	Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period. Net profit attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying return on attributed equity (%)	Calculated as annualized underlying business division operating profit before tax (as defined above) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying return on common equity tier 1 capital (%)	Calculated as annualized net profit attributable to shareholders divided by average common equity tier 1 capital. Net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying return on tangible equity (%)	Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders less average goodwill and intangible assets. Net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to tangible equity, while excluding items that management believes are not representative of the underlying performance of the businesses.

This is a general list of the APMs used in our financial reporting. Not all of the APMs listed above may appear in this particular report.

Abbreviations frequently used in our financial reports

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

Abbreviations frequently used in our financial reports (continued)

K

KRT	Key Risk Taker

L

LAS	liquidity-adjusted stress
LCR	liquidity coverage ratio
LGD	loss given default
LIBOR	London Interbank Offered Rate
LLC	limited liability company
LoD	lines of defense
LRD	leverage ratio denominator
LTIP	Long-Term Incentive Plan
LTV	loan-to-value

M

M&A	mergers and acquisitions
MRT	Material Risk Taker

N

NII	net interest income
NSFR	net stable funding ratio
NYSE	New York Stock Exchange

O

OCA	own credit adjustment
OCI	other comprehensive income
OECD	Organisation for Economic Co-operation and Development
OTC	over-the-counter

P

PCI	purchased credit impaired
PD	probability of default
PIT	point in time
PPA	purchase price allocation
P&L	profit or loss

Q

QCCP	Qualifying central counterparty

R

RBC	risk-based capital
RbM	risk-based monitoring
REIT	real estate investment trust
RMBS	residential mortgage-backed securities
RniV	risks not in VaR
RoCET1	return on CET1 capital
RoU	right-of-use
rTSR	relative total shareholder return
RWA	risk-weighted assets

S

SA	standardized approach or société anonyme
SA-CCR	standardized approach for counterparty credit risk
SAR	Special Administrative Region of the People’s Republic of China
SDG	Sustainable Development Goal
SEC	US Securities and Exchange Commission
SFT	securities financing transaction
SI	sustainable investing or sustainable investment
SIBOR	Singapore Interbank Offered Rate
SICR	significant increase in credit risk
SIX	SIX Swiss Exchange
SME	small and medium-sized entities
SMF	Senior Management Function
SNB	Swiss National Bank
SOR	Singapore Swap Offer Rate
SPPI	solely payments of principal and interest
SRB	systemically relevant bank
SRM	specific risk measure
SVaR	stressed value-at-risk

T

TBTF	too big to fail
TCFD	Task Force on Climate-related Financial Disclosures
TIBOR	Tokyo Interbank Offered Rate
TLAC	total loss-absorbing capacity
TTC	through the cycle

U

USD	US dollar

V

VaR	value-at-risk
VAT	value added tax

This is a general list of the abbreviations frequently used in our financial reporting. Not all of the listed abbreviations may appear in this particular report.

Information sources

Reporting publications

Annual publications

UBS AG Annual Report: Published in English, this report provides descriptions of: the UBS AG (consolidated) performance; the strategy and performance of the business divisions and Group Items; risk, treasury and capital management; corporate governance; and financial information, including the financial statements.

Compensation Report: This report discusses the compensation framework and provides information about compensation for the Board of Directors and the Group Executive Board members. It is available in English and German ("*Vergütungsbericht*") and represents a component of the UBS Group Annual Report.

Sustainability Report: Published in English, the Sustainability Report provides disclosures on environmental, social and governance topics related to the UBS Group. It also provides certain disclosures related to diversity, equity and inclusion.

Quarterly publications

Quarterly financial report: This report provides an update on performance and strategy (where applicable) for the respective quarter. It is available in English.

The annual and quarterly publications are available in .pdf and online formats at *ubs.com/investors*, under "Financial information." Starting with the Annual Report 2022, printed copies, in any language, of the aforementioned annual publications are no longer provided.

Other information

Website

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

Results presentations

Quarterly results presentations are webcast live. Recordings of most presentations can be downloaded from *ubs.com/presentations*.

Messaging service

Email alerts to news about UBS can be subscribed for under "UBS News Alert" at *ubs.com/global/en/investor-relations/contact/investor-services.html*. Messages are sent in English, German, French or Italian, with an option to select theme preferences for such alerts.

Form 20-F and other submissions to the US Securities and Exchange Commission

UBS files periodic reports with and submits other information to the SEC. Principal among these filings is the annual report on Form 20-F, filed pursuant to the US Securities Exchange Act of 1934. The filing of Form 20-F is structured as a wraparound document. Most sections of the filing can be satisfied by referring to the UBS AG Annual Report. However, there is a small amount of additional information in Form 20-F that is not presented elsewhere and is particularly targeted at readers in the US. Readers are encouraged to refer to this additional disclosure. Any document that filed with the SEC is available on the SEC's website: *sec.gov*. Refer to *ubs.com/investors* for more information.

Cautionary statement regarding forward-looking statements | This report contains statements that constitute "forward-looking statements," including but not limited to management's outlook for UBS's financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development and goals or intentions to achieve climate, sustainability and other social objectives. While these forward-looking statements represent UBS's judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. In particular, terrorist activity and conflicts in the Middle East, as well as the continuing Russia–Ukraine war, may have significant impacts on global markets, exacerbate global inflationary pressures, and slow global growth. In addition, the ongoing conflicts may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to the armed conflicts, including, with respect to the Russia–Ukraine war, coordinated successive sets of sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the ongoing conflicts will widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. UBS's acquisition of the Credit Suisse Group has materially changed our outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to take between three and five years and presents significant risks, including the risks that UBS Group AG may be unable to achieve the cost reductions and other benefits contemplated by the transaction. This creates significantly greater uncertainty about forward-looking statements. Other factors that may affect our performance and ability to achieve our plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility and the size of the combined Group; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions, including as a result of the acquisition of the Credit Suisse Group; (iii) increased inflation and interest rate volatility in major markets; (iv) developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates, deterioration or slow recovery in residential and commercial real estate markets, the effects of economic conditions, including increasing inflationary pressures, market developments, increasing geopolitical tensions, and changes to national trade policies on the financial position or creditworthiness of UBS's clients and counterparties, as well as on client sentiment and levels of activity; (v) changes in the availability of capital and funding, including any adverse changes in UBS's credit spreads and credit ratings of UBS, Credit Suisse, sovereign issuers, structured credit products or credit-related exposures, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC), in particular in light of the acquisition of the Credit Suisse Group; (vi) changes in central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the EU and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS's business activities; (vii) UBS's ability to successfully implement resolvability and related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS in response to legal and regulatory requirements and any additional requirements due to its acquisition of the Credit Suisse Group, or other developments; (viii) UBS's ability to maintain and improve its systems and controls for complying with sanctions in a timely manner and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS's competitive position, including whether differences in regulatory capital and other requirements among the major financial centers adversely affect UBS's ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to our businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of our RWA, including as a result of its acquisition of the Credit Suisse Group, as well as the amount of capital available for return to shareholders; (xiii) the effects on UBS's business, in particular cross-border banking, of sanctions, tax or regulatory developments and of possible changes in UBS's policies and practices; (xiv) UBS's ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xvi) UBS's ability to implement new technologies and business methods, including digital services and technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvii) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xviii) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks, data leakage and systems failures, the risk of which is increased with cyberattack threats from both nation states and non-nation-state actors targeting financial institutions; (xix) restrictions on the ability of UBS Group AG and UBS AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS's operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xx) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS's ability to maintain its stated capital return objective; (xxi) uncertainty over the scope of actions that may be required by UBS, governments and others for UBS to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and the possibility of conflict between different governmental standards and regulatory regimes; (xxii) the ability of UBS to access capital markets; (xxiii) the ability of UBS to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, conflict (e.g., the Russia–Ukraine war), pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during long-term disruptions such as the COVID-19 (coronavirus) pandemic; (xxiv) the level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, and in the execution of the planned strategy regarding cost reduction and divestment of any non-core assets, the existing assets and liabilities of Credit Suisse, the level of resulting impairments and write-downs, the effect of the consummation of the integration on the operational results, share price and credit rating of UBS – delays, difficulties, or failure in closing the transaction may cause market disruption and challenges for UBS to maintain business, contractual and operational relationships; and (xxv) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on our reputation and the additional consequences that this may have on our business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. Our business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the US Securities and Exchange Commission (the SEC). More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including the UBS Group AG and UBS AG Annual Reports on Form 20- F for the year ended 31 December 2023. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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

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

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

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