

ADDENDUM DATED 29 NOVEMBER 2024

If you are in any doubt about any of the contents of this addendum, you should obtain independent professional advice.

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Addendum to the Base Listing Document dated 18 April 2024 relating to Non-collateralised Structured Products to be issued by



UBS AG

(incorporated with limited liability in Switzerland)

acting through its London Branch

Sponsor

UBS SECURITIES ASIA LIMITED

This addendum, for which we accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the purpose of giving further information with regard to us. You must read this addendum in conjunction with our base listing document dated 18 April 2024 (our “**Base Listing Document**”).

We, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this addendum is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this addendum misleading.

The Structured Products involve derivatives. Investors should not invest in the Structured Products unless they fully understand and are willing to assume the risks associated with them.

Investors are warned that the price of the Structured Products may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Structured Products and carefully study the risk factors set out in our Base Listing Document and the relevant launch announcement and supplemental listing document and, where necessary, seek professional advice, before they invest in the Structured Products.

The Structured Products are complex products. You should exercise caution in relation to them. The Structured Products constitute our general unsecured contractual obligations and of no other person and will rank equally among themselves and with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Structured Products, you are relying upon our creditworthiness, and have no rights under the Structured Products against (a) the company which has issued the underlying securities; (b) the fund which has issued the underlying securities, or its trustee (if applicable) or manager; or (c) the index compiler of any underlying index. If we become insolvent or default on our obligations under the Structured Products, you may not be able to recover all or even part of the amount due under the Structured Products (if any).

IMPORTANT INFORMATION

What is this addendum about?

This addendum contains supplemental general information on us, our unaudited third quarter 2024 financial information for the quarter period ended 30 September 2024 and the risk management and control applicable to UBS AG extracted from UBS AG's third quarter 2024 financial report. This addendum is a supplement to our Base Listing Document.

What documents should you read before investing in the Structured Products?

You must read this addendum together with our Base Listing Document (including any other addendum to our Base Listing Document to be issued by us from time to time) and the relevant launch announcement and supplemental listing document (including any addendum to such launch announcement and supplemental listing document to be issued by us from time to time) (together, the "Listing Documents") before investing in any Structured Product.

Where can you read the relevant documents?

Copies of this addendum, our Base Listing Document, the relevant launch announcement and supplemental listing document (which include our latest audited consolidated financial statements and any interim or quarterly financial statements) and the consent letter of our auditors are available on the website of the HKEX at www.hkexnews.hk and our website at <http://warrants.ubs.com/en>.

本增編、我們的基礎上市文件、相關發行公佈及補充上市文件(其中包括我們的最近期經審核合併財務報表及任何中期或季度財務報表)及我們核數師的同意書，可於香港交易所披露易網站(www.hkexnews.hk) 以及我們的網站 <http://warrants.ubs.com/ch> 瀏覽。

Are we subject to any litigation?

Save as disclosed in the Listing Documents, we and our subsidiaries are not aware of any litigation or claims of material importance pending or threatened against us or them.

Has our financial position changed since last financial year-end?

There has been no material adverse change in our financial or trading position since 31 December 2023.

What are our credit ratings?

Our long term debt ratings are:

| <i>Rating agency</i> | <i>Rating as of the date of this addendum</i> |
|-----------------------------------|---|
| Moody's Investors Service Ltd. | Aa2 (negative outlook) |
| S&P Global Ratings Europe Limited | A+ (stable outlook) |

Rating agencies usually receive a fee from the companies that they rate. When evaluating our creditworthiness, you should not solely rely on our credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the Structured Products;
- ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence;
- a high credit rating is not necessarily indicative of low risk. Our credit ratings as of the date of this addendum are for reference only. Any downgrading of our credit ratings could result in a reduction in the value of the Structured Products;
- a credit rating is not an indication of the liquidity or volatility of the Structured Products; and
- a credit rating may be downgraded if our credit quality declines.

The Structured Products are not rated.

Our credit ratings are subject to change or withdrawal at any time within each rating agency's sole discretion. You should conduct your own research using publicly available sources to obtain the latest information with respect to our ratings from time to time.

How can you get further information about us or the Structured Products?

You may visit <http://warrants.ubs.com/en> to obtain further information about us and/or the Structured Products.

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INFORMATION IN RELATION TO US

(1) Updated “Information in relation to us”

The following pages under this section shall replace the information in the section headed “Information in relation to us” on pages 16 to 19 of our Base Listing Document in its entirety.

1. Overview

UBS AG with its subsidiaries (together, “**UBS AG consolidated**”, or “**UBS AG Group**”; and UBS Group AG (which is the holding company of the Issuer) and its subsidiaries (including the Issuer and its subsidiaries) is referred to herein as “**UBS**”, the “**UBS Group**” or the “**Group**”) provides financial advice and solutions to private, institutional and corporate clients worldwide, as well as private clients in Switzerland. The UBS AG Group operates through five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank and Non-core and Legacy. Group functions are support and control functions that provide services to the UBS AG Group.

2. Information about the Issuer

2.1. Corporate Information

The legal and commercial name of the Issuer is UBS AG.

The Issuer was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. The Issuer in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CHE-101.329.561. On 31 May 2024, Credit Suisse AG merged with and into UBS AG.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an Aktiengesellschaft, a corporation limited by shares. UBS AG’s Legal Entity Identifier (LEI) code is BFM8T61CT2L1QCEMIK50.

According to article 2 of the articles of association of UBS AG dated as of 23 April 2024, the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG may establish branches and representative offices as well as banks, finance companies and other enterprises of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management. UBS AG is authorized to acquire, mortgage and sell real estate and building rights in Switzerland and abroad. UBS AG may borrow and invest money on the capital markets. UBS AG is part of the group of companies controlled by the group parent company UBS Group AG. It may promote the interests of the group parent company or other group companies. It may provide loans, guarantees and other kinds of financing and security for group companies.

The addresses and telephone numbers of UBS AG’s two registered offices and principal places of business are: Bahnhofstrasse 45, 8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, 4051 Basel, Switzerland, telephone +41 61 288 2020.

2.2. UBS’s borrowing and funding structure and financing of UBS’s activities

For information on UBS’s expected financing of its business activities, please refer to “*Liquidity and funding management*” in the “*Capital, liquidity and funding, and balance sheet*” section of the UBS AG Annual Report 2023 published on 28 March 2024 (“**Annual Report 2023**”) and in the “*Risk, capital, liquidity and funding, and balance sheet*” section of the UBS AG third quarter 2024 report published on 8 November 2024 (“**UBS AG Third Quarter 2024 Report**”).

3. Business Overview

3.1. Organisational Structure of UBS AG

UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100% owned by UBS Group AG, which is the holding company of the UBS Group. UBS AG operates as a group with five business divisions, and in addition, UBS AG has Group functions as support and control functions that provide services to UBS.

In 2014, UBS began adapting its legal entity structure in response to too-big-to-fail requirements and other regulatory initiatives. First, UBS Group AG was established as the ultimate parent holding company for the Group. In 2015, UBS AG transferred its personal & corporate banking and Swiss-booked wealth management businesses to the newly established UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. That same year, UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was established and acts as the Group service company. In 2016, UBS Americas Holding LLC became the intermediate holding company for UBS's subsidiaries in the United States ("US") and UBS's wealth management subsidiaries across Europe were merged into UBS Europe SE, UBS's German-headquartered European subsidiary. In 2019, UBS Limited, UBS's United Kingdom ("UK") headquartered subsidiary, was merged into UBS Europe SE.

On 12 June 2023, Credit Suisse Group AG merged with and into UBS Group AG (*Absorptionsfusion*), with UBS Group AG becoming the holding company of Credit Suisse AG. UBS merged UBS AG with Credit Suisse AG on 31 May 2024, transitioned to a single US intermediate holding company on 7 June 2024, and merged UBS Switzerland AG with Credit Suisse Schweiz AG on 1 July 2024.

UBS AG is the parent company of, and conducts a significant portion of its operations through, its subsidiaries. UBS AG has contributed a significant portion of its capital and provides substantial liquidity to subsidiaries. In addition, UBS Business Solutions AG provides substantial services to group companies including UBS AG and its subsidiaries. To this extent, UBS AG is dependent on certain of the entities of the UBS AG Group and of the UBS Group.

UBS AG's interests in subsidiaries and other entities as of 31 December 2023, including interests in significant subsidiaries, are discussed in "Note 28 Interests in subsidiaries and other entities" to UBS AG's consolidated financial statements included in the Annual Report 2023. As a result of the merger of UBS AG with Credit Suisse AG on 31 May 2024, the subsidiaries of Credit Suisse AG have become subsidiaries of UBS AG.

3.2. Recent Developments

3.2.1. Regulatory, legal and other developments

Refer to "Recent developments" in the UBS AG Third Quarter 2024 Report, as well as to "Our environment" and "Regulatory and legal developments" in the Annual Report 2023, for information on key regulatory, legal and other developments.

3.3. Trend Information

For information on trends, refer to the sections "Recent developments" and "Outlook" in the UBS AG Third Quarter 2024 Report as well as to "Our environment", to "Top and emerging risks" in the "Risk management and control" section and to "Regulatory and legal developments" of the Annual Report 2023. In addition, please refer to the section "Risk factors" included in the Annual Report 2023 for more information.

4. Board of Directors

The Board of Directors (“**BoD**”) consists of between 5 and 12 members. All the members of the BoD are elected individually by the shareholders at the Annual General Meeting (“**AGM**”) for a term of office of one year, which expires after the completion of the next AGM. Shareholders also elect the Chairman upon proposal of the BoD.

The BoD meets as often as business requires, and at least six times a year.

4.1. Members of the Board of Directors

The current members of the BoD are listed below.

| <u>Member</u> | <u>Title</u> | <u>Term of office</u> | <u>Current principal activities outside UBS AG</u> |
|-----------------|---------------|-----------------------|---|
| Colm Kelleher | Chairman | 2025 | Chairman of the Board of Directors of UBS Group AG; member of the Board of Norfolk Southern Corporation (Chair of the finance and risk management committee); member of the Board of Directors of the Bretton Woods Committee; member of the Board of the Swiss Finance Council; member of the Board of the International Monetary Conference; member of the Board of the Bank Policy Institute; member of the Board of Americans for Oxford; Visiting Professor of Banking and Finance, Loughborough Business School; member of the European Financial Services Round Table; member of the European Banking Group; member of the International Advisory Council of the China Securities Regulatory Commission; member of the Chief Executive’s Advisory Council (Hong Kong). |
| Lukas Gähwiler | Vice Chairman | 2025 | Vice Chairman of the Board of Directors of UBS Group AG; Vice Chairman of the Board of Directors of Pilatus Aircraft Ltd; member of the Board of Directors of Ringier AG; member of the Board and Board Committee of economiesuisse; Chairman of the Employers Association of Banks in Switzerland; member of the Board of Directors of the Swiss Employers Association; member of the Board of Directors and the Board of Directors Committee of the Swiss Bankers Association; member of the Board of the Swiss Finance Council; member of the Board of Trustees of Avenir Suisse. |
| Jeremy Anderson | Member | 2025 | Senior Independent Director of the Board of Directors of UBS Group AG; member of the Board of Prudential plc (Chair of the Risk Committee); Chairman of Lamb’s Passage Holding Ltd; member of the Board of Directors of Credit Suisse International; Trustee of the UK’s Productivity Leadership Group. |

| Member | Title | Term of office | Current principal activities outside UBS AG |
|---------------------|--------------|-----------------------|---|
| Claudia Böckstiegel | Member | 2025 | Member of the Board of Directors of UBS Group AG; General Counsel; member of the Enlarged Executive Committee of Roche Holding AG; Member of the Chairman's Committee of the Board of the Chamber of Commerce Germany-Switzerland. |
| William C. Dudley | Member | 2025 | Member of the Board of Directors of UBS Group AG; member of the Advisory Board of Suade Labs; Senior Advisor to the Griswold Center for Economic Policy Studies at Princeton University; member of the Group of Thirty; member of the Council on Foreign Relations; Chairman of the Bretton Woods Committee Board of Directors; member of the Board of the Council for Economic Education. |
| Patrick Firmenich | Member | 2025 | Member of the Board of Directors of UBS Group AG; Vice Chairman of the Board of dsm-firmenich (Chair of the Governance and Nomination Committee); member of the Board of INSEAD and INSEAD World Foundation; member of the Advisory Council of the Swiss Board Institute. |
| Fred Hu | Member | 2025 | Member of the Board of Directors of UBS Group AG; founder, Chairman and CEO of Primavera Capital Group; Non-Executive Chairman of the Board of Yum China Holdings (Chair of the Nomination and Governance Committee); Board Member of Industrial and Commercial Bank of China (ICBC), Chairman of the Nomination Committee; Chairman of Primavera Capital Ltd; Trustee of the China Medical Board; Co-Chairman of the Nature Conservancy Asia Pacific Council; member of the Board of Trustees of the Institute for Advanced Study; |
| Mark Hughes | Member | 2025 | Member of the Board of Directors of UBS Group AG; Chair of the Board of Directors of the Global Risk Institute; Senior Advisor to McKinsey & Company. |
| Gail Kelly | Member | 2025 | Member of the Board of Directors of UBS Group AG; member of the Board of Singtel Communications (Chairperson of the Executive Resource and Compensation); member of the Group of Thirty; member of the Board of Directors of the Bretton Woods Committee; member of the Board of Directors of the Australia Philanthropic Services; member of the Australian American Leadership Dialogue Advisory Board; senior advisor to McKinsey & Company. |

| <u>Member</u> | <u>Title</u> | <u>Term of office</u> | <u>Current principal activities outside UBS AG</u> |
|---------------------|--------------|-----------------------|--|
| Nathalie Rachou | Member | 2025 | Member of the Board of Directors of UBS Group AG; member of the Board of Euronext N.V. (Chair of the Remuneration Committee); member of the Board of the African Financial Institutions Investment Platform; member of the Board of Directors of Fondation Leopold Bellan. |
| Julie G. Richardson | Member | 2025 | Member of the Board of Directors of UBS Group AG; member of the Board of Yext (Chair of the Audit Committee); member of the Board of Datadog (Chair of the Audit Committee); member of the Board of Fivetran; member of the Board of Coalition, Inc. |
| Jeanette Wong | Member | 2025 | Member of the Board of Directors of UBS Group AG; member of the Board of Prudential plc; member of the Board of Singapore Airlines Limited; member of the Board of GIC Pte Ltd; member of the Board of PSA International; member of the board of Pavilion Capital Holdings Pte Ltd; Chairman of the CareShield Life Council; member of the Securities Industry Council; member of the Board of Trustees of the National University of Singapore. |

5. 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. 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. 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. 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.

Specific litigation, regulatory and other matters, including all such matters that management considers to be material and others that management believes to be of significance due to potential financial, reputational and other effects, are described in "*Note 16 Provisions and contingent liabilities*" to UBS AG's consolidated financial statements included in the UBS AG Third Quarter 2024 Report. 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.

5.1. Material Contracts

No material contracts have been entered into outside of the ordinary course of UBS AG's or UBS AG Group's business which could result in any member of the UBS AG Group being under an obligation or entitlement that is material to UBS AG's ability to meet its obligations to the investors in relation to the issued securities.

5.2. Significant Changes in the Financial Position and Performance; Material Adverse Change in Prospects

Except as otherwise disclosed in this document (including in the documents incorporated herein by reference), there has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2023.

**THE UNAUDITED FINANCIAL INFORMATION OF
UBS AG FOR THE QUARTERLY PERIOD ENDED 30 SEPTEMBER 2024 -
EXTRACTED FROM UBS AG'S THIRD QUARTER
2024 FINANCIAL REPORT**

The information set out below in this section has been extracted without adjustment from the unaudited third quarter 2024 financial report of UBS AG for the quarterly period ended 30 September 2024 released on 8 November 2024. The page numbers of the third quarter 2024 financial report appear on the bottom left or right hand side of the pages in this addendum.

The third quarter 2024 financial report is available on our website at
<https://www.ubs.com/global/en/investor-relations/financial-information/quarterly-reporting.html>.

UBS AG interim consolidated financial statements (unaudited)

Income statement

| USD m | Note | For the quarter ended | | | Year-to-date | |
|---|------|-----------------------|---------------|--------------|---------------|---------------|
| | | 30.9.24 | 30.6.24 | 30.9.23 | 30.9.24 | 30.9.23 |
| Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income | 4 | 8,335 | 6,892 | 5,974 | 21,467 | 16,272 |
| Interest expense from financial instruments measured at amortized cost | 4 | (8,820) | (7,080) | (5,357) | (21,952) | (13,818) |
| Net interest income from financial instruments measured at fair value through profit or loss and other | 4 | 2,045 | 910 | 368 | 3,573 | 1,224 |
| Net interest income | 4 | 1,560 | 722 | 984 | 3,088 | 3,678 |
| Other net income from financial instruments measured at fair value through profit or loss | | 3,592 | 3,271 | 2,467 | 9,809 | 7,476 |
| Fee and commission income | 5 | 6,986 | 6,190 | 5,097 | 18,783 | 15,180 |
| Fee and commission expense | 5 | (652) | (589) | (431) | (1,699) | (1,297) |
| Net fee and commission income | 5 | 6,334 | 5,601 | 4,666 | 17,084 | 13,883 |
| Other income | 6 | 510 | 306 | 231 | 1,025 | 624 |
| Total revenues | | 11,997 | 9,900 | 8,348 | 31,006 | 25,661 |
| Credit loss expense / (release) | 9 | 167 | 84 | 27 | 303 | 80 |
| Personnel expenses | 7 | 5,788 | 4,797 | 3,951 | 14,746 | 11,697 |
| General and administrative expenses | 8 | 4,014 | 4,584 | 2,585 | 11,584 | 8,011 |
| Depreciation, amortization and impairment of non-financial assets | | 838 | 631 | 510 | 2,000 | 1,686 |
| Operating expenses | | 10,640 | 10,012 | 7,047 | 28,329 | 21,393 |
| Operating profit / (loss) before tax | | 1,191 | (196) | 1,275 | 2,374 | 4,188 |
| Tax expense / (benefit) | | 194 | 28 | 339 | 587 | 1,115 |
| Net profit / (loss) | | 997 | (224) | 936 | 1,787 | 3,072 |
| Net profit / (loss) attributable to non-controlling interests | | 1 | 40 | 5 | 49 | 17 |
| Net profit / (loss) attributable to shareholders | | 996 | (264) | 932 | 1,738 | 3,055 |

Statement of comprehensive income

| USD m | For the quarter ended | | | Year-to-date | |
|--|-----------------------|------------|----------------|--------------|--------------|
| | 30.9.24 | 30.6.24 | 30.9.23 | 30.9.24 | 30.9.23 |
| Comprehensive income attributable to shareholders¹ | | | | | |
| Net profit / (loss) | 996 | (264) | 932 | 1,738 | 3,055 |
| 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 | 2,460 | (109) | (646) | 787 | (114) |
| Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax | (1,008) | 78 | 292 | (123) | 18 |
| Foreign currency translation differences on foreign operations reclassified to the income statement | 2 | 2 | 2 | 4 | (1) |
| Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement | 0 | 0 | 0 | 1 | (3) |
| Income tax relating to foreign currency translations, including the effect of net investment hedges | 8 | 2 | 4 | 22 | (1) |
| Subtotal foreign currency translation, net of tax | 1,461 | (27) | (348) | 690 | (102) |
| Financial assets measured at fair value through other comprehensive income | | | | | |
| Net unrealized gains / (losses), before tax | 2 | 0 | (1) | 1 | 0 |
| Net realized (gains) / losses reclassified to the income statement from equity | 0 | 0 | 0 | 0 | 1 |
| Income tax relating to net unrealized gains / (losses) | 0 | 0 | 0 | 0 | 0 |
| Subtotal financial assets measured at fair value through other comprehensive income, net of tax | 2 | 0 | (1) | 1 | 1 |
| Cash flow hedges of interest rate risk | | | | | |
| Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax | 1,579 | (335) | (940) | 169 | (1,635) |
| Net (gains) / losses reclassified to the income statement from equity | 388 | 626 | 479 | 1,506 | 1,241 |
| Income tax relating to cash flow hedges | (374) | 2 | 89 | (255) | 86 |
| Subtotal cash flow hedges, net of tax | 1,593 | 294 | (372) | 1,420 | (308) |
| Cost of hedging | | | | | |
| Cost of hedging, before tax | (8) | (20) | (1) | (34) | 5 |
| Income tax relating to cost of hedging | 0 | 0 | 0 | 0 | 0 |
| Subtotal cost of hedging, net of tax | (8) | (20) | (1) | (34) | 5 |
| Total other comprehensive income that may be reclassified to the income statement, net of tax | 3,048 | 247 | (722) | 2,077 | (405) |
| Other comprehensive income that will not be reclassified to the income statement | | | | | |
| Defined benefit plans | | | | | |
| Gains / (losses) on defined benefit plans, before tax | (127) | 42 | 6 | (50) | 26 |
| Income tax relating to defined benefit plans | 8 | 0 | (17) | 0 | (49) |
| Subtotal defined benefit plans, net of tax | (119) | 41 | (12) | (49) | (23) |
| Own credit on financial liabilities designated at fair value | | | | | |
| Gains / (losses) from own credit on financial liabilities designated at fair value, before tax | (317) | 228 | (312) | (70) | (455) |
| Income tax relating to own credit on financial liabilities designated at fair value | (6) | (2) | 27 | (8) | 71 |
| Subtotal own credit on financial liabilities designated at fair value, net of tax | (323) | 226 | (284) | (78) | (384) |
| Total other comprehensive income that will not be reclassified to the income statement, net of tax | (442) | 267 | (296) | (128) | (408) |
| Total other comprehensive income | 2,606 | 514 | (1,018) | 1,949 | (812) |
| Total comprehensive income attributable to shareholders | 3,602 | 251 | (86) | 3,687 | 2,243 |
| Comprehensive income attributable to non-controlling interests | | | | | |
| Net profit / (loss) | 1 | 40 | 5 | 49 | 17 |
| Total other comprehensive income that will not be reclassified to the income statement, net of tax | 20 | (20) | (11) | (11) | (9) |
| Total comprehensive income attributable to non-controlling interests | 21 | 20 | (6) | 37 | 8 |
| Total comprehensive income | | | | | |
| Net profit / (loss) | 997 | (224) | 936 | 1,787 | 3,072 |
| Other comprehensive income | 2,626 | 494 | (1,029) | 1,937 | (822) |
| <i>of which: other comprehensive income that may be reclassified to the income statement</i> | <i>3,048</i> | <i>247</i> | <i>(722)</i> | <i>2,077</i> | <i>(405)</i> |
| <i>of which: other comprehensive income that will not be reclassified to the income statement</i> | <i>(422)</i> | <i>247</i> | <i>(307)</i> | <i>(139)</i> | <i>(417)</i> |
| Total comprehensive income | 3,623 | 271 | (93) | 3,724 | 2,251 |

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

Balance sheet

| USD m | Note | 30.9.24 | 30.6.24 | 31.12.23 |
|---|--------|------------------|---------------|---------------|
| Assets | | | | |
| Cash and balances at central banks | | 243,261 | 248,335 | 171,806 |
| Amounts due from banks | | 20,162 | 20,457 | 28,206 |
| Receivables from securities financing transactions measured at amortized cost | | 92,104 | 82,028 | 74,128 |
| Cash collateral receivables on derivative instruments | 11 | 47,209 | 43,637 | 32,300 |
| Loans and advances to customers | 9 | 625,249 | 608,910 | 405,633 |
| Other financial assets measured at amortized cost | 12 | 61,566 | 60,826 | 54,334 |
| Total financial assets measured at amortized cost | | 1,089,553 | 1,064,192 | 766,407 |
| Financial assets at fair value held for trading | 10 | 172,190 | 162,358 | 135,098 |
| <i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i> | | <i>46,601</i> | <i>43,452</i> | <i>44,524</i> |
| Derivative financial instruments | 10, 11 | 159,720 | 140,415 | 131,728 |
| Brokerage receivables | 10 | 24,656 | 25,273 | 20,883 |
| Financial assets at fair value not held for trading | 10 | 129,141 | 123,020 | 63,754 |
| Total financial assets measured at fair value through profit or loss | | 485,706 | 451,065 | 351,463 |
| Financial assets measured at fair value through other comprehensive income | 10 | 2,179 | 2,167 | 2,233 |
| Investments in associates | | 2,483 | 2,233 | 983 |
| Property, equipment and software | | 12,848 | 12,990 | 11,044 |
| Goodwill and intangible assets | | 6,739 | 7,023 | 6,265 |
| Deferred tax assets | | 9,678 | 9,877 | 9,244 |
| Other non-financial assets | 12 | 17,707 | 15,117 | 8,377 |
| Total assets | | 1,626,893 | 1,564,664 | 1,156,016 |
| Liabilities | | | | |
| Amounts due to banks | | 28,058 | 26,750 | 16,720 |
| Payables from securities financing transactions measured at amortized cost | | 16,358 | 14,847 | 5,782 |
| Cash collateral payables on derivative instruments | 11 | 34,267 | 33,691 | 34,886 |
| Customer deposits | | 779,604 | 760,693 | 555,673 |
| Funding from UBS Group AG measured at amortized cost | 13 | 112,262 | 111,725 | 67,282 |
| Debt issued measured at amortized cost | 15 | 109,460 | 112,520 | 69,784 |
| Other financial liabilities measured at amortized cost | 12 | 21,923 | 22,125 | 12,713 |
| Total financial liabilities measured at amortized cost | | 1,101,933 | 1,082,350 | 762,840 |
| Financial liabilities at fair value held for trading | 10 | 36,441 | 33,493 | 31,712 |
| Derivative financial instruments | 10, 11 | 174,449 | 149,089 | 140,707 |
| Brokerage payables designated at fair value | 10 | 52,403 | 46,198 | 42,275 |
| Debt issued designated at fair value | 10, 14 | 106,527 | 108,405 | 86,341 |
| Other financial liabilities designated at fair value | 10, 12 | 41,055 | 36,834 | 27,366 |
| Total financial liabilities measured at fair value through profit or loss | | 410,875 | 374,019 | 328,401 |
| Provisions | 16 | 5,009 | 4,763 | 2,524 |
| Other non-financial liabilities | 12 | 11,253 | 9,285 | 6,682 |
| Total liabilities | | 1,529,071 | 1,470,417 | 1,100,448 |
| Equity | | | | |
| Share capital | | 386 | 386 | 386 |
| Share premium | | 84,776 | 84,825 | 24,638 |
| Retained earnings | | 8,019 | 7,417 | 28,235 |
| Other comprehensive income recognized directly in equity, net of tax | | 3,762 | 764 | 1,974 |
| Equity attributable to shareholders | | 96,943 | 93,392 | 55,234 |
| Equity attributable to non-controlling interests | | 879 | 855 | 335 |
| Total equity | | 97,822 | 94,247 | 55,569 |
| Total liabilities and equity | | 1,626,893 | 1,564,664 | 1,156,016 |

Statement of cash flows

| USD m | Year-to-date | |
|---|-----------------------------|-----------------|
| | 30.9.24 | 30.9.23 |
| Cash flow from / (used in) operating activities | | |
| Net profit / (loss) | 1,787 | 3,072 |
| Non-cash items included in net profit and other adjustments | | |
| Depreciation, amortization and impairment of non-financial assets | 2,000 | 1,686 |
| Credit loss expense / (release) | 303 | 80 |
| Share of net (profit) / loss of associates and joint ventures and impairment related to associates | (107) | (79) |
| Deferred tax expense / (benefit) | (477) | (208) |
| Net loss / (gain) from investing activities | (98) | 33 |
| Net loss / (gain) from financing activities | 5,574 | (423) |
| Other net adjustments ¹ | (5,705) | 1,333 |
| Net change in operating assets and liabilities^{1,2} | | |
| Amounts due from banks and amounts due to banks | 2,968 | (3,255) |
| Receivables from securities financing transactions measured at amortized cost | 10,729 | 5,747 |
| Payables from securities financing transactions measured at amortized cost | 1,189 | 2,061 |
| Cash collateral on derivative instruments | (11,320) | (5,375) |
| Loans and advances to customers | 14,141 | 3,255 |
| Customer deposits | (13,449) | (6,322) |
| Financial assets and liabilities at fair value held for trading and derivative financial instruments | (11,213) | (15,217) |
| Brokerage receivables and payables | 6,159 | (10,726) |
| Financial assets at fair value not held for trading and other financial assets and liabilities | (15,823) | 178 |
| Provisions and other non-financial assets and liabilities | 738 | 370 |
| Income taxes paid, net of refunds | (1,275) | (1,321) |
| Net cash flow from / (used in) operating activities | (13,879)³ | (25,111) |
| Cash flow from / (used in) investing activities | | |
| Cash and cash equivalents obtained due to the merger of UBS AG and Credit Suisse AG ⁴ | 121,258 | |
| Purchase of subsidiaries, associates and intangible assets | | (1) |
| Disposal of subsidiaries, associates and intangible assets | 166 | 35 |
| Purchase of property, equipment and software | (1,066) | (947) |
| Disposal of property, equipment and software | 9 | 33 |
| Net (purchase) / redemption of financial assets measured at fair value through other comprehensive income | 28 | 25 |
| Purchase of debt securities measured at amortized cost | (3,841) | (11,632) |
| Disposal and redemption of debt securities measured at amortized cost | 6,857 | 7,227 |
| Net cash flow from / (used in) investing activities | 123,412 | (5,260) |
| Cash flow from / (used in) financing activities | | |
| Repayment of Swiss National Bank funding | (10,304) | |
| Net issuance (repayment) of short-term debt measured at amortized cost | (3,882) | 6,658 |
| Distributions paid on UBS AG shares | (3,000) | (6,000) |
| Issuance of debt designated at fair value and long-term debt measured at amortized cost ⁵ | 82,921 | 84,278 |
| Repayment of debt designated at fair value and long-term debt measured at amortized cost ⁵ | (98,381) | (65,547) |
| Inflows from securities financing transactions measured at amortized cost ⁶ | 4,979 | |
| Outflows from securities financing transactions measured at amortized cost ⁶ | (1,113) | |
| Net cash flows from other financing activities | (457) | (369) |
| Net cash flow from / (used in) financing activities | (29,238) | 19,020 |
| 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 | 80,296 | (11,350) |
| Effects of exchange rate differences on cash and cash equivalents ¹ | 3,153 | (713) |
| Cash and cash equivalents at the end of the period⁷ | 273,918⁸ | 183,136 |
| <i>of which: cash and balances at central banks⁷</i> | <i>243,261</i> | <i>161,640</i> |
| <i>of which: amounts due from banks⁷</i> | <i>18,540</i> | <i>10,950</i> |
| <i>of which: money market paper^{7,9}</i> | <i>11,915</i> | <i>10,545</i> |

Additional information

Net cash flow from / (used in) operating activities includes:

| | | |
|---|--------|--------|
| Interest received in cash | 34,522 | 23,579 |
| Interest paid in cash | 30,623 | 18,052 |
| Dividends on equity investments, investment funds and associates received in cash ¹⁰ | 2,234 | 1,812 |

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 Excludes non-cash items arising from the accounting for the merger of UBS AG and Credit Suisse AG. Refer to Note 2 for more information. ³ Includes cash receipts from the sale of loans and loan commitments of USD 2,980m within Non-core and Legacy for the nine-month period ended 30 September 2024. ⁴ Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. ⁵ 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 Debt issued designated at fair value and Other financial liabilities designated at fair value). ⁶ Reflects cash flows from securities financing transactions measured at amortized cost that use UBS debt instruments as the underlying. ⁷ Includes only balances with an original maturity of three months or less. ⁸ The balance includes USD 0.2bn related to cash held in Assets of disposal groups held for sale, recognized within Other non-financial assets. ⁹ Money market paper is included in the balance sheet under Financial assets at fair value not held for trading (30 September 2024: USD 11,130m; 30 September 2023: USD 10,158m), Other financial assets measured at amortized cost (30 September 2024: USD 455m; 30 September 2023: USD 187m) and Financial assets at fair value held for trading (30 September 2024: USD 331m; 30 September 2023: USD 199m). ¹⁰ 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 3. Note 2 sets out the accounting for the merger of UBS AG and Credit Suisse AG. 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, including the disclosures in "Integration of Credit Suisse" in the "Recent developments" section of this report. In the opinion of management, all necessary adjustments have been made for a fair presentation of 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 this Note and Note 2, as well as "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 or later 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; and
- enhanced guidance on aggregation and disaggregation of information on the face of financial statements and in the notes thereto.

Note 1 Basis of accounting (continued)

IFRS 18 is 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 it to be limited. 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.

Amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*

In May 2024, the IASB issued Amendments to the *Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7* (Amendments).

The Amendments relate to:

- derecognition of financial liabilities settled through electronic transfer systems;
- assessment of contractual cash flow characteristics in classifying financial assets, including those with environmental, social and corporate governance and similar features, non-recourse features, and contractually linked instruments; and
- disclosure of information about financial instruments with contingent features that can change the amount of contractual cash flows, as well as equity instruments designated at fair value through other comprehensive income.

The Amendments are effective from 1 January 2026, with early application permitted either for the entire set of amendments or for only those that relate to classification of financial instruments. UBS AG is currently assessing the impact of the new requirements on its financial statements.

Incremental accounting policies related to the transactions and activities associated with the merger of UBS AG and Credit Suisse AG

Business combinations under common control

UBS AG's material accounting policies in respect of business combinations are set out in "Note 1a Material accounting policies, item 1 Consolidation" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023. The merger of UBS AG and Credit Suisse AG on 31 May 2024 constitutes a business combination under common control as defined in IFRS 3, *Business Combinations*, i.e. a business combination in which the combining entities or businesses are ultimately controlled by the same entity both before and after the business combination and where that control is not transitory. Business combinations under common control are outside the scope of IFRS 3. In the absence of specific accounting requirements in IFRS Accounting Standards, UBS AG has adopted an accounting policy that provides relevant information for the economic decision-making needs of users and is reflective of the economic substance of the transaction.

UBS AG accounts for business combinations under common control using the historic carrying values of assets and liabilities of the transferred entity or business as of the date of the transfer, determined under IFRS Accounting Standards. The balances of each of the equity reserves of the transferred entity, accumulated after that entity becomes part of the UBS Group, are combined with the corresponding equity reserves (*Share premium, Retained earnings* and *Other comprehensive income recognized directly in equity, net of tax*) of UBS AG. The difference between the aggregate carrying value of the assets and liabilities and equity reserves is recognized as an adjustment to *Share premium*, net of any consideration that may be payable. Comparative periods prior to the dates of business combinations under common control are not restated, because such transactions are accounted for prospectively.

Allowances and provisions for expected credit losses

UBS AG's material accounting policies in respect of allowances and provisions for expected credit losses are set out in "Note 1a Material accounting policies, item 2g Allowances and provisions for expected credit losses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023. Financial instruments acquired through a business combination under common control that are not classified by UBS AG at fair value through profit or loss are subject to IFRS 9 expected credit loss requirements.

Note 1 Basis of accounting (continued)

Goodwill and other intangible assets

UBS AG's material accounting policies regarding goodwill are set out in "Note 1a Material accounting policies, item 9 Goodwill" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023. Goodwill recognized in the transferred entity prior to the date of the business combination under common control is recognized in these financial statements at the historic carrying value, subsequently allocated to respective cash-generating units and tested for impairment.

Business combinations under common control do not result in a recognition of incremental goodwill or other intangible assets, in addition to those already recognized by the transferred entity prior to the date of business combination under common control.

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 | | | Year-to-date | |
| | 30.9.24 | 30.6.24 | 31.12.23 | 30.9.23 | 30.9.24 | 30.6.24 | 30.9.23 | 30.9.24 | 30.9.23 |
| 1 CHF | 1.18 | 1.11 | 1.19 | 1.09 | 1.17 | 1.10 | 1.12 | 1.14 | 1.11 |
| 1 EUR | 1.11 | 1.07 | 1.10 | 1.06 | 1.10 | 1.07 | 1.08 | 1.09 | 1.08 |
| 1 GBP | 1.34 | 1.26 | 1.28 | 1.22 | 1.31 | 1.26 | 1.26 | 1.28 | 1.24 |
| 100 JPY | 0.69 | 0.62 | 0.71 | 0.67 | 0.69 | 0.63 | 0.69 | 0.66 | 0.72 |

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.

RISK MANAGEMENT AND CONTROL - EXTRACTED FROM UBS AG'S THIRD QUARTER 2024 FINANCIAL REPORT

The information set out below in this section has been extracted without adjustment from the unaudited third quarter 2024 financial report of UBS AG for the quarterly period ended 30 September 2024 released on 8 November 2024. The page numbers of the third quarter 2024 financial report appear on the bottom left or right hand side of the pages in this addendum.

The third quarter 2024 financial report is available on our website at <https://www.ubs.com/global/en/investor-relations/financial-information/quarterly-reporting.html>.

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, and the “Recent developments” section of this report for more information about the integration of Credit Suisse.

Following the merger of UBS AG and Credit Suisse AG in May 2024, the risk profile of UBS AG consolidated does not differ materially from that of UBS Group AG.

Credit risk

Overall banking products exposure

Overall banking products exposure increased by USD 11bn to USD 1,075bn as of 30 September 2024, primarily reflecting currency effects, partly offset by negative net new loans in Personal & Corporate Banking and Global Wealth Management and a decrease in balances at central banks.

Total net credit loss expenses in the third quarter of 2024 were USD 167m, reflecting net releases of USD 15m related to performing positions and net expenses of USD 182m on credit-impaired positions.

- › Refer to the “Balance sheet and off-balance sheet” section of this report for more information about balance sheet movements
- › Refer to the “UBS AG consolidated performance” section and “Note 9 Expected credit loss measurement” in the “Consolidated financial statements” section of this report for more information about credit loss expense / release

Loan underwriting

In the Investment Bank, mandated loan underwriting commitments on a notional basis increased by USD 1.5bn to USD 4.3bn as of 30 September 2024, driven by new mandates, partly offset by deal syndications and cancellations. As of 30 September 2024, USD 0.1bn of these commitments had not been distributed as originally planned. As of 30 September 2024, Non-core and Legacy had no loan underwriting commitments.

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

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

30.9.24

| <i>USD m</i> | Global Wealth Management | Personal & Corporate Banking | Asset Management | Investment Bank | Non-core and Legacy | Group Items | Total |
|---|--------------------------|------------------------------|------------------|-----------------|---------------------|-------------|-----------|
| Banking products^{1,2} | | | | | | | |
| Gross exposure | 473,574 | 453,535 | 1,676 | 88,252 | 34,389 | 23,098 | 1,074,524 |
| of which: loans and advances to customers (on-balance sheet) | 308,796 | 292,153 | 14 | 18,536 | 2,321 | 6,304 | 628,124 |
| of which: guarantees and loan commitments (off-balance sheet) | 19,348 | 47,158 | 10 | 34,539 | 2,922 | 17,977 | 121,955 |
| Traded products^{2,3} | | | | | | | |
| Gross exposure | 14,834 | 4,258 | 0 | | 40,420 | | 59,512 |
| of which: over-the-counter derivatives | 10,877 | 3,681 | 0 | | 9,585 | | 24,143 |
| of which: securities financing transactions | 205 | 0 | 0 | | 18,696 | | 18,901 |
| of which: exchange-traded derivatives | 3,752 | 577 | 0 | | 12,139 | | 16,468 |
| Other credit lines, gross⁴ | 73,445 | 76,634 | 0 | 3,018 | 4 | 1,512 | 154,613 |
| Total credit-impaired exposure, gross | 1,501 | 4,251 | 0 | 396 | 1,509 | 0 | 7,658 |
| Total allowances and provisions for expected credit losses | 362 | 1,877 | 0 | 332 | 1,069 | 7 | 3,646 |
| of which: stage 1 | 126 | 319 | 0 | 122 | 6 | 7 | 579 |
| of which: stage 2 | 69 | 265 | 0 | 99 | 189 | 0 | 623 |
| of which: stage 3 | 167 | 1,292 | 0 | 111 | 873 | 0 | 2,445 |

30.6.24

| <i>USD m</i> | Global Wealth Management | Personal & Corporate Banking | Asset Management | Investment Bank | Non-core and Legacy | Group Items | Total |
|---|--------------------------|------------------------------|------------------|-----------------|---------------------|-------------|-----------|
| Banking products^{1,2} | | | | | | | |
| Gross exposure | 471,272 | 439,621 | 1,436 | 100,219 | 32,673 | 18,174 | 1,063,396 |
| of which: loans and advances to customers (on-balance sheet) | 302,690 | 281,758 | 11 | 17,517 | 5,763 | 3,866 | 611,606 |
| of which: guarantees and loan commitments (off-balance sheet) | 19,663 | 48,474 | 10 | 34,702 | 3,020 | 16,789 | 122,657 |
| Traded products^{2,3} | | | | | | | |
| Gross exposure | 13,459 | 3,937 | 0 | | 42,155 | | 59,551 |
| of which: over-the-counter derivatives | 9,718 | 3,415 | 0 | | 10,897 | | 24,029 |
| of which: securities financing transactions | 343 | 0 | 0 | | 21,079 | | 21,422 |
| of which: exchange-traded derivatives | 3,398 | 522 | 0 | | 10,180 | | 14,099 |
| Other credit lines, gross⁴ | 69,061 | 77,501 | 0 | 2,294 | 3 | 1,591 | 150,450 |
| Total credit-impaired exposure, gross | 1,416 | 3,887 | 0 | 492 | 1,575 | 0 | 7,371 |
| Total allowances and provisions for expected credit losses | 370 | 1,762 | 0 | 338 | 1,000 | 7 | 3,478 |
| of which: stage 1 | 136 | 327 | 0 | 121 | 6 | 7 | 597 |
| of which: stage 2 | 68 | 235 | 0 | 96 | 207 | 0 | 606 |
| of which: stage 3 | 166 | 1,200 | 0 | 122 | 787 | 0 | 2,275 |

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.

Collateralization of Loans and advances to customers¹

| <i>USD m, except where indicated</i> | Global Wealth Management | Personal & Corporate Banking |
|---|--------------------------|------------------------------|
| | 30.9.24 | 30.6.24 |
| Secured by collateral | 302,941 | 294,290 |
| Residential real estate | 114,161 | 109,196 |
| Commercial / industrial real estate | 9,980 | 10,165 |
| Cash | 29,646 | 30,182 |
| Equity and debt instruments | 121,758 | 119,365 |
| Other collateral ² | 27,396 | 25,383 |
| Subject to guarantees | 663 | 724 |
| Uncollateralized and not subject to guarantees | 5,191 | 7,676 |
| Total loans and advances to customers, gross | 308,796 | 302,690 |
| Allowances | (278) | (290) |
| Total loans and advances to customers, net of allowances | 308,518 | 302,400 |
| Collateralized loans and advances to customers in % of total loans and advances to customers, gross (%) | 98.1 | 97.2 |

¹ Collateral arrangements generally incorporate a range of collateral, including cash, securities, real estate and other collateral. UBS applies a risk-based approach that generally prioritizes collateral according to its liquidity profile. In the case of loan facilities with funded and unfunded elements, the collateral is first allocated to the funded element. For legacy Credit Suisse exposure, a risk-based approach is applied that generally prioritizes real estate collateral and prioritizes other collateral according to its liquidity profile. In the case of loan facilities with funded and unfunded elements, the collateral is proportionately allocated. ² 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 excluding certain legacy Credit Suisse components continued to maintain generally low levels of management value-at-risk (VaR). Average management VaR (1-day, 95% confidence level) increased to USD 12m from USD 9m in the third quarter of 2024, mainly driven by the Investment Bank's Rates business. There were no new VaR negative backtesting exceptions in the third quarter of 2024. The number of negative backtesting exceptions within the most recent 250-business-day window remained at zero.

Average management VaR (1-day, 98% confidence level) of the legacy Credit Suisse components decreased to USD 11m from USD 15m in the third quarter of 2024, driven by continued strategic migration of positions to UBS from the former Investment Bank (Credit Suisse) and reductions in Non-core and Legacy. In the third quarter of 2024, the aforementioned legacy Credit Suisse components had three new negative backtesting exceptions driven by Non-core and Legacy. Two backtesting exceptions were caused by market moves and one backtesting exception was due to valuation adjustments related to additional exit cost reserves. The number of negative backtesting exceptions within the most recent 250-business-day window increased to four from one.

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

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

| USD m | Min. | Max. | Period end | Average | Equity | Average by risk type | | | |
|---------------------------------------|----------|-----------|------------|-----------|----------|----------------------|----------------|------------------|-------------|
| | | | | | | Interest rates | Credit spreads | Foreign exchange | Commodities |
| Global Wealth Management | 1 | 2 | 2 | 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 | 5 | 17 | 13 | 10 | 3 | 15 | 8 | 3 | 5 |
| Non-core and Legacy | 1 | 3 | 1 | 1 | 0 | 1 | 1 | 0 | 0 |
| Group Items | 4 | 6 | 6 | 5 | 1 | 4 | 3 | 1 | 0 |
| Diversification effect ^{3,4} | | | (6) | (6) | (1) | (5) | (4) | (1) | 0 |
| Total as of 30.9.24 | 7 | 19 | 15 | 12 | 3 | 16 | 10 | 4 | 5 |
| Total as of 30.6.24 | 6 | 15 | 8 | 9 | 4 | 13 | 9 | 4 | 3 |

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

| USD m | Min. | Max. | Period end | Average | Equity | Average by risk type | | | |
|---------------------------------------|----------|-----------|------------|-----------|----------|----------------------|----------------|------------------|-------------|
| | | | | | | Interest rates | Credit spreads | Foreign exchange | Commodities |
| Global Wealth Management | 1 | 2 | 1 | 2 | 1 | 0 | 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 | 2 | 3 | 2 | 2 | 1 | 1 | 1 | 0 | 0 |
| Non-core and Legacy | 8 | 11 | 8 | 9 | 3 | 3 | 8 | 1 | 0 |
| Group Items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Diversification effect ^{3,4} | | | (2) | (2) | (1) | 0 | (2) | (1) | 0 |
| Total as of 30.9.24 | 9 | 14 | 9 | 11 | 4 | 4 | 9 | 1 | 0 |
| Total as of 30.6.24 | 13 | 17 | 15 | 15 | 7 | 8 | 10 | 1 | 1 |

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

Economic value of equity and net interest income sensitivity

The economic value of equity (EVE) sensitivity in UBS AG's banking book to a parallel shift in yield curves of +1 basis point was negative USD 37.2m as of 30 September 2024, compared with negative USD 32.1m as of 30 June 2024. This excluded the sensitivity of USD 6.2m 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 third quarter of 2024, driven by net interest income stabilization initiatives.

The majority of UBS AG's interest rate risk in the banking book was a reflection of the net asset duration that it ran to offset its modeled sensitivity of net USD 28.0m (30 June 2024: USD 24.6m) assigned to its equity, goodwill and real estate, with the aim of generating a stable net interest income contribution. Of this, USD 17.2m and USD 9.0m were attributable to the US dollar and the Swiss franc portfolios, respectively, (30 June 2024: USD 16.1m and USD 7.5m, 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 6.8bn, or 6.7%, of UBS AG's tier 1 capital (30 June 2024: negative USD 6.0bn, or 6.1%), which is well below the 15% threshold set in the BCBS supervisory outlier test for high levels of interest rate risk in the banking book.

The immediate effect on UBS AG's tier 1 capital in the "Parallel up" scenario as of 30 September 2024 would have been a decrease of approximately USD 0.7bn, or 0.7%, (30 June 2024: USD 0.8bn, or 0.9%), reflecting the fact that the vast majority of UBS AG's banking book is accrual accounted or subject to hedge accounting. The "Parallel up" scenario would subsequently have a positive effect on net interest income, assuming a constant balance sheet.

As the overall interest rate risk sensitivity shows a greater impact from slower asset repricing compared with faster liabilities repricing, the "Parallel down" scenario was the most beneficial and would have resulted in a change in EVE of positive USD 7.3bn (30 June 2024: positive USD 6.2bn) and a small positive immediate effect on UBS AG's tier 1 capital.

UBS AG also applies granular internal interest rate shock scenarios to its banking book positions to monitor the book's specific risk profile.

- › Refer to "Interest rate risk in the banking book" 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 about the management of interest rate risk in the banking book
- › Refer to "Sensitivity to interest rate movements" in the "UBS AG consolidated performance" section of this report for more information about the effects of increases in interest rates on the net interest income of UBS AG's banking book

Interest rate risk – banking book

| 30.9.24 | | | | | | | | | |
|------------------------------|------------------------------------|---------|--------|-----------|---------|-----------|---|--|-----------|
| USD m | Effect on EVE ¹ – FINMA | | | | | | Effect on EVE ¹ – BCBS | | |
| | CHF | EUR | GBP | USD | Other | Total | Additional tier 1 (AT1) capital instruments | | Total |
| Scenarios | | | | | | | | | |
| +1 bp | (8.8) | (1.3) | (0.3) | (26.4) | (0.4) | (37.2) | 6.2 | | (31.0) |
| Parallel up ² | (1,263.3) | (247.3) | (58.9) | (5,110.1) | (103.0) | (6,782.7) | 1,111.4 | | (5,671.3) |
| Parallel down ² | 1,383.9 | 257.2 | 81.8 | 5,434.1 | 95.0 | 7,252.0 | (1,307.1) | | 5,944.9 |
| Steepener ³ | (548.4) | (5.8) | (11.2) | (1,326.8) | (15.0) | (1,907.2) | 197.9 | | (1,709.4) |
| Flattener ⁴ | 303.0 | (35.0) | 0.1 | 156.5 | (8.1) | 416.6 | 55.9 | | 472.5 |
| Short-term up ⁵ | (189.7) | (107.3) | (22.6) | (1,967.6) | (44.3) | (2,331.4) | 528.1 | | (1,803.4) |
| Short-term down ⁶ | 187.6 | 105.7 | 22.5 | 2,081.0 | 45.3 | 2,442.1 | (549.7) | | 1,892.4 |

| 30.6.24 | | | | | | | | | |
|------------------------------|------------------------------------|--------|-------|-----------|--------|-----------|---|--|-----------|
| USD m | Effect on EVE ¹ – FINMA | | | | | | Effect on EVE ¹ – BCBS | | |
| | CHF | EUR | GBP | USD | Other | Total | Additional tier 1 (AT1) capital instruments | | Total |
| Scenarios | | | | | | | | | |
| +1 bp | (6.3) | (0.4) | 0.0 | (25.0) | (0.3) | (32.1) | 5.4 | | (26.7) |
| Parallel up ² | (901.1) | (88.6) | (4.1) | (4,870.1) | (89.1) | (5,953.1) | 979.7 | | (4,973.5) |
| Parallel down ² | 984.3 | 82.0 | (1.7) | 5,036.6 | 86.1 | 6,187.3 | (1,119.7) | | 5,067.5 |
| Steepener ³ | (402.3) | (38.4) | (3.7) | (1,145.1) | (23.8) | (1,613.2) | 170.4 | | (1,442.8) |
| Flattener ⁴ | 224.5 | 24.7 | 1.8 | 21.0 | 3.7 | 275.8 | 53.5 | | 329.3 |
| Short-term up ⁵ | (128.3) | (0.4) | 0.3 | (1,972.2) | (30.3) | (2,131.0) | 467.7 | | (1,663.3) |
| Short-term down ⁶ | 123.6 | 0.6 | (1.5) | 2,087.4 | 31.5 | 2,241.6 | (476.2) | | 1,765.3 |

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, the escalation of conflicts in the Middle East, and global trade relations. As of 30 September 2024, UBS AG’s direct exposure to Israel was less than USD 0.5bn and its direct exposure to Gulf Cooperation Council countries was less than USD 5bn, while direct exposure to Egypt and Jordan was limited, and there was no direct exposure to Iran, Iraq, Lebanon or Syria. UBS AG’s direct exposure to Russia as of 30 September 2024 was less than USD 0.5bn, and its direct exposure to Belarus and Ukraine remained immaterial. Potential second-order impacts, such as European energy security, continue to be monitored.

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

UBS AG continues to monitor potential trade policy disputes, as well as economic and political developments in addition to those mentioned above. It is closely watching elections and their aftermath in a number of key markets in 2024. As of 30 September 2024, UBS AG’s exposure to emerging market countries was less than 10% of its total country exposure and mainly to certain countries 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. Progress continues to be made regarding the legal entity mergers, client account migrations to UBS platforms, the integration of policies, systems and controls, and operational integration. These activities continue to be managed via the program run by our Group Integration Office.

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.

The integration of Credit Suisse requires data to be migrated to 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.

There is an increased risk of cyber-related operational disruption to business activities at our locations and 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. We continue to invest in improving our technology infrastructure and information security governance in order to improve our cyberattack defense, detection and response capabilities.

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 third 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. We maintain a program to advance our frameworks for managing third parties that support our important business services, and we are continuing with actions to enhance our cyber-risk assessments and controls over third-party vendors.

In addition, we are working to enhance our operational resilience to address these heightened risks and to meet regulatory deadlines through 2026. We have implemented a global framework designed to drive enhancements in operational resilience across all business divisions and relevant jurisdictions, and we are 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 are implemented and reviewed on a regular basis as these risks 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 regulations, such as those relating to environmental, social and governance matters and the upcoming EU Markets in Financial Instruments Directive III (MiFID III), as well as the EU Artificial Intelligence Act, are expected to have significant impacts on the financial sector and to require ongoing adjustments to policies, processes, controls and surveillance.

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 client accounts 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, which we continue to refine, across our activities, and which is designed to align our standards and conduct with these objectives and to retain momentum on fostering a strong culture.

PROVISIONS AND CONTINGENT LIABILITIES - EXTRACTED FROM UBS AG'S THIRD QUARTER 2024 FINANCIAL REPORT

The information set out below in this section has been extracted without adjustment from the unaudited third quarter 2024 financial report of UBS AG for the quarterly period ended 30 September 2024 released on 8 November 2024. The page numbers of the third quarter 2024 financial report appear on the bottom left or right hand side of the pages in this addendum.

The third quarter 2024 financial report is available on our website at
<https://www.ubs.com/global/en/investor-relations/financial-information/quarterly-reporting.html>.

Note 16 Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions.

| <i>USD m</i> | 30.9.24 | 30.6.24 | 31.12.23 |
|---|--------------|--------------|--------------|
| Provisions other than provisions for expected credit losses | 4,672 | 4,433 | 2,336 |
| Provisions for expected credit losses ¹ | 337 | 330 | 188 |
| Total provisions | 5,009 | 4,763 | 2,524 |

¹ Refer to Note 9c 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.

| <i>USD m</i> | 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 |
| Balance as of 30 June 2024 | 3,174 | 760 | 212 | 287 | 4,433 |
| Increase in provisions recognized in the income statement | 167 | 197 | 4 | 23 | 391 |
| Release of provisions recognized in the income statement | (37) | (30) | (2) | (12) | (81) |
| Reclassifications | 86 ⁵ | 0 | 0 | 0 | 86 |
| Provisions used in conformity with designated purpose | (70) | (186) | (3) | (12) | (271) |
| Foreign currency translation and other movements | 60 | 34 | 12 | 8 | 114 |
| Balance as of 30 September 2024 | 3,381 | 775 | 223 | 294 | 4,672 |

¹ Consists of provisions for losses resulting from legal, liability and compliance risks. ² Consists of USD 482m of provisions for onerous contracts related to real estate as of 30 September 2024 (30 June 2024: USD 461m; 31 December 2023: USD 146m), USD 272m of personnel-related restructuring provisions as of 30 September 2024 (30 June 2024: USD 299m; 31 December 2023: USD 64m) and onerous contracts related to technology. ³ Mainly includes provisions for reinstatement costs with respect to leased properties. ⁴ Mainly includes provisions related to employee benefits and operational risks. ⁵ Mainly includes a reclassification from derivative liabilities to IAS 37 provisions reflecting the funding obligation relating to investors who did not accept the redemption offer for the Credit Suisse supply chain finance funds.

Information about provisions and contingent liabilities in respect of litigation, regulatory and similar matters, as a class, is included in Note 16b. 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.

Note 16 Provisions and contingent liabilities (continued)

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

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

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in the "Provisions" table in Note 15a above. UBS provides below an estimate of the aggregate liability for our litigation, regulatory and similar matters as a class of contingent liabilities. Estimates of contingent liabilities are inherently imprecise and uncertain as these estimates require UBS to make speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, that have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Taking into account these uncertainties and the other factors described herein, UBS estimates the future losses that could arise from litigation, regulatory and similar matters disclosed below for which an estimate is possible, that are not covered by existing provisions are in the range of USD 0bn to USD 4.2bn.

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.

Provisions for litigation, regulatory and similar matters, by business division and in Group Items¹

| <i>USD m</i> | 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 |
| Balance as of 30 June 2024 | 1,199 | 152 | 2 | 280 | 1,406 | 135 | 3,174 |
| Increase in provisions recognized in the income statement | 21 | 0 | 6 | 1 | 139 | 0 | 167 |
| Release of provisions recognized in the income statement | (4) | 0 | 0 | (2) | (32) | 0 | (37) |
| Reclassifications ² | 0 | 0 | 0 | 0 | 86 | 0 | 86 |
| Provisions used in conformity with designated purpose | (14) | 0 | (6) | (3) | (46) | (1) | (70) |
| Foreign currency translation and other movements | 43 | 6 | 0 | 7 | 4 | 0 | 60 |
| Balance as of 30 September 2024 | 1,247 | 157 | 2 | 283 | 1,557 | 135 | 3,381 |

¹ Provisions, if any, for the matters described in items 2 and 10 of this Note are recorded in Global Wealth Management. Provisions, if any, for the matters described in items 5, 6, 7, 8, 9 and 11 of this Note are recorded in Non-core and Legacy. Provisions, if any, for the matters described in item 1 of this Note are allocated between Global Wealth Management, Personal & Corporate Banking and Non-core and Legacy. Provisions, if any, for the matters described in item 3 of this Note are allocated between the Investment Bank, Non-core and Legacy and Group Items. Provisions, if any, for the matters described in item 4 of this Note are allocated between Global Wealth Management and Personal & Corporate Banking. Provisions, if any, for the matters described in item 12 of this Note are allocated between the Investment Bank and Non-core and Legacy. ² Mainly includes a reclassification from derivative liabilities to IAS 37 provisions reflecting the funding obligation relating to investors who did not accept the redemption offer for the Credit Suisse supply chain finance funds.

Note 16 Provisions and contingent liabilities (continued)

1. Inquiries regarding cross-border wealth management businesses

Tax and regulatory authorities in a number of countries have made inquiries, served requests for information or examined employees located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. Credit Suisse offices in various locations, including the UK, the Netherlands, France and Belgium, have been contacted by regulatory and law enforcement authorities seeking records and information concerning investigations into Credit Suisse's historical private banking services on a cross-border basis and in part through its local branches and banks. The UK and French aspects of these issues have been closed. UBS is continuing to cooperate with the authorities.

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

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

In May 2014, Credit Suisse entered into settlement agreements with the SEC, Federal Reserve and New York Department of Financial Services and plead guilty to conspiring to aid and abet US taxpayers in filing false tax returns. Credit Suisse continued to report to and cooperate with US authorities in accordance with its obligations under the plea and agreements, including by conducting a review of cross-border services provided by Credit Suisse. In this connection, Credit Suisse provided information to US authorities regarding potentially undeclared US assets held by clients at Credit Suisse since the May 2014 plea. UBS continues to cooperate with the authorities in their ongoing reviews. In March 2023, the US Senate Finance Committee issued a report criticizing Credit Suisse AG's history regarding US tax compliance. The report called on the DOJ to investigate Credit Suisse AG's compliance with the 2014 plea.

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

Our balance sheet at 30 September 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.

Note 16 Provisions and contingent liabilities (continued)

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

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

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

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

Foreign exchange-related regulatory matters: Beginning in 2013, numerous authorities commenced investigations concerning possible manipulation of foreign exchange markets and precious metals prices. As a result of these investigations, UBS entered into resolutions with Swiss, US and 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. In December 2021, the European Commission issued a decision imposing a fine of EUR 83.3m on Credit Suisse entities based on findings of anticompetitive practices in the foreign exchange market. Credit Suisse has appealed the decision to the European General Court. UBS received leniency and accordingly no fine was assessed.

Foreign exchange-related civil litigation: Putative class actions have been filed since 2013 in US federal courts and in other jurisdictions against UBS, Credit Suisse and other banks on behalf of putative classes of persons who engaged in foreign currency transactions with any of the defendant banks. UBS and Credit Suisse have resolved US federal court class actions relating to foreign currency transactions with the defendant banks and persons who transacted in foreign exchange futures contracts and options on such futures. Certain class members have excluded themselves from that settlement and filed individual actions in US and English courts against UBS, Credit Suisse and other banks, alleging violations of US and European competition laws and unjust enrichment. UBS, Credit Suisse and the other banks have resolved those individual matters. Credit Suisse and UBS, together with other financial institutions, were named in a consolidated putative class action in Israel, which made allegations similar to those made in the actions pursued in other jurisdictions. In April 2022, Credit Suisse entered into an agreement to settle all claims in this action. In February 2024, UBS entered into an agreement to settle all claims in this action. Both settlements remain subject to court approval.

A putative class action was filed in federal court against UBS and numerous other banks on behalf of persons and businesses in the US who directly purchased foreign currency from the defendants and alleged co-conspirators for their own end use. In May 2024, the Second Circuit upheld the district court's dismissal of the case.

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

Note 16 Provisions and contingent liabilities (continued)

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

USD LIBOR class and individual actions in the US: Beginning in 2013, putative class actions were filed in US federal district courts (and subsequently consolidated in the SDNY) by plaintiffs who engaged in over-the-counter instruments, exchange traded Eurodollar futures and options, bonds or loans that referenced USD LIBOR. The complaints allege violations of antitrust law and the Commodities Exchange Act, as well breach of contract and unjust enrichment. Following various rulings by the district court and the Second Circuit dismissing certain of the causes of action and allowing others to proceed, one class action with respect to transactions in over-the-counter instruments and several actions brought by individual plaintiffs are proceeding in the district court. UBS and Credit Suisse have entered into settlement agreements in respect of the class actions relating to exchange traded instruments, bonds and loans. These settlements have received final court approval and the actions have been dismissed as to UBS and Credit Suisse. In addition, an individual action was filed in the Northern District of California against UBS, Credit Suisse and numerous other banks alleging that the defendants conspired to fix the interest rate used as the basis for loans to consumers by jointly setting the USD ICE LIBOR rate and monopolized the market for LIBOR-based consumer loans and credit cards. The court dismissed the initial complaint and subsequently dismissed an amended complaint with prejudice. In January 2024, plaintiffs appealed the dismissal to the Ninth Circuit Court of Appeals.

Other benchmark class actions in the US: The Yen LIBOR/Euroyen TIBOR, EURIBOR and GBP LIBOR actions have been dismissed. Plaintiffs have appealed the dismissals.

In November 2022, defendants have moved to dismiss the complaint in the CHF LIBOR action. In 2023, the court approved a settlement by Credit Suisse of the claims against it in this matter.

Government bonds: In 2021, the European Commission issued a decision finding that UBS and six other banks breached European Union antitrust rules between 2007 and 2011 relating to European government bonds. The European Commission fined UBS EUR 172m. UBS has appealed the amount of the fine. Also in 2021, the European Commission issued a decision finding that Credit Suisse and four other banks had breached European Union antitrust rules relating to supra-sovereign, sovereign and agency bonds denominated in USD. The European Commission fined Credit Suisse EUR 11.9m. Credit Suisse appealed the decision. On 6 November 2024, the EU General Court issued its decision denying Credit Suisse's appeal.

Credit Suisse, together with other financial institutions, was named in two Canadian putative class actions, which allege that defendants conspired to fix the prices of supranational, sub-sovereign and agency bonds sold to and purchased from investors in the secondary market. One action was dismissed against Credit Suisse in February 2020. In October 2022, Credit Suisse entered into an agreement to settle all claims in the second action. The settlement remains subject to court approval.

Note 16 Provisions and contingent liabilities (continued)

Credit default swap auction litigation – In June 2021, Credit Suisse, along with other banks and entities, was named in a putative class action complaint filed in the US District Court for the District of New Mexico alleging manipulation of credit default swap (CDS) final auction prices. Defendants filed a motion to enforce a previous CDS class action settlement in the SDNY. In January 2024, the SDNY ruled that, to the extent claims in the New Mexico action arise from conduct prior to 30 June 2014, those claims are barred by the SDNY settlement. The plaintiffs have appealed the SDNY decision.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, our balance sheet at 30 September 2024 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

4. Swiss retrocessions

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

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

Our balance sheet at 30 September 2024 reflected a provision with respect to matters described in this item 4 in an amount that UBS believes to be appropriate under the applicable accounting standard. The ultimate exposure will depend on client requests and the resolution thereof, factors that are difficult to predict and assess. Hence, as in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

5. Mortgage-related matters

Government and regulatory related matters: DOJ RMBS settlement – In January 2017, Credit Suisse Securities (USA) LLC (CSS LLC) and its current and former US subsidiaries and US affiliates reached a settlement with the US Department of Justice (DOJ) related to its legacy Residential Mortgage-Backed Securities (RMBS) business, a business conducted through 2007. The settlement resolved potential civil claims by the DOJ related to certain of those Credit Suisse entities' packaging, marketing, structuring, arrangement, underwriting, issuance and sale of RMBS. Pursuant to the terms of the settlement a civil monetary penalty was paid to the DOJ in January 2017. The settlement also required the Credit Suisse entities to provide certain levels of consumer relief measures, including affordable housing payments and loan forgiveness, and the DOJ and Credit Suisse agreed to the appointment of an independent monitor to oversee the completion of the consumer relief requirements of the settlement. UBS continues to evaluate its approach toward satisfying the remaining consumer relief obligations. The aggregate amount of the consumer relief obligation increased after 2021 by 5% per annum of the outstanding amount due until these obligations are settled. The monitor publishes reports periodically on these consumer relief matters.

Civil litigation: Repurchase litigations – Credit Suisse affiliates are defendants in various civil litigation matters related to their roles as issuer, sponsor, depositor, underwriter and/or servicer of RMBS transactions. These cases currently include repurchase actions by RMBS trusts and/or trustees, in which plaintiffs generally allege breached representations and warranties in respect of mortgage loans and failure to repurchase such mortgage loans as required under the applicable agreements. The amounts disclosed below do not reflect actual realized plaintiff losses to date. Unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions.

Note 16 Provisions and contingent liabilities (continued)

DLJ Mortgage Capital, Inc. (DLJ) is a defendant in New York state court in five actions: An action brought by Asset Backed Securities Corporation Home Equity Loan Trust, Series 2006-HE7 alleges damages of not less than USD 374m. In December 2023, the court granted in part DLJ's motion to dismiss, dismissing with prejudice all notice-based claims; the parties have appealed. An action by Home Equity Asset Trust, Series 2006-8, alleges damages of not less than USD 436m. An action by Home Equity Asset Trust 2007-1 alleges damages of not less than USD 420m. A non-jury trial in this action was held between January and February 2023, and a decision is pending. An action by Home Equity Asset Trust 2007-2 alleges damages of not less than USD 495m. An action by CSMC Asset-Backed Trust 2007-NC1 does not allege a damages amount.

6. ATA litigation

Since November 2014, a series of lawsuits have been filed against a number of banks, including Credit Suisse, in the US District Court for the Eastern District of New York (EDNY) and the SDNY alleging claims under the United States Anti-Terrorism Act (ATA) and the Justice Against Sponsors of Terrorism Act. The plaintiffs in each of these lawsuits are, or are relatives of, victims of various terrorist attacks in Iraq and allege a conspiracy and/or aiding and abetting based on allegations that various international financial institutions, including the defendants, agreed to alter, falsify or omit information from payment messages that involved Iranian parties for the express purpose of concealing the Iranian parties' financial activities and transactions from detection by US authorities. The lawsuits allege that this conduct has made it possible for Iran to transfer funds to Hezbollah and other terrorist organizations actively engaged in harming US military personnel and civilians. In January 2023, the United States Court of Appeals for the Second Circuit affirmed a September 2019 ruling by the EDNY granting defendants' motion to dismiss the first filed lawsuit. In October 2023, the United States Supreme Court denied plaintiffs' petition for a writ of certiorari. In February 2024, plaintiffs filed a motion to vacate the judgment in the first filed lawsuit. Of the other seven cases, four are stayed, including one that was dismissed as to Credit Suisse and most of the bank defendants prior to entry of the stay, and in three plaintiffs have filed amended complaints.

7. Customer account matters

Several clients have claimed that a former relationship manager in Switzerland had exceeded his investment authority in the management of their portfolios, resulting in excessive concentrations of certain exposures and investment losses. Credit Suisse AG has investigated the claims, as well as transactions among the clients. Credit Suisse AG filed a criminal complaint against the former relationship manager with the Geneva Prosecutor's Office upon which the prosecutor initiated a criminal investigation. Several clients of the former relationship manager also filed criminal complaints with the Geneva Prosecutor's Office. In February 2018, the former relationship manager was sentenced to five years in prison by the Geneva criminal court for fraud, forgery and criminal mismanagement and ordered to pay damages of approximately USD 130m. On appeal, the Criminal Court of Appeals of Geneva and, subsequently, the Swiss Federal Supreme Court upheld the main findings of the Geneva criminal court.

Civil lawsuits have been initiated against Credit Suisse AG and/or certain affiliates in various jurisdictions, based on the findings established in the criminal proceedings against the former relationship manager.

In Singapore, in a civil lawsuit against Credit Suisse Trust Limited, the Singapore International Commercial Court issued a judgment finding for the plaintiffs and, in September 2023, the court awarded damages of USD 742.73m, excluding post-judgment interest. This figure does not exclude potential overlap with the Bermuda proceedings against Credit Suisse Life (Bermuda) Ltd., described below, and the court ordered the parties to ensure that there shall be no double recovery in relation to this award and the Bermuda proceedings. On appeal from this judgment, in July 2024, the court ordered some changes to the calculation of damages and directed the parties to agree adjustments to the award. The court ordered a revised award of USD 461m, including interest and costs, in October 2024.

Note 16 Provisions and contingent liabilities (continued)

In Bermuda, in the civil lawsuit brought against Credit Suisse Life (Bermuda) Ltd., the Supreme Court of Bermuda issued a judgment finding for the plaintiff and awarded damages of USD 607.35m to the plaintiff. Credit Suisse Life (Bermuda) Ltd. appealed the decision and in June 2023, the Bermuda Court of Appeal confirmed the award issued by the Supreme Court of Bermuda and the finding that Credit Suisse Life (Bermuda) Ltd. had breached its contractual and fiduciary duties, but overturning the finding that Credit Suisse Life (Bermuda) Ltd. had made fraudulent misrepresentations. In March 2024, the Bermuda Court of Appeal granted a motion by Credit Suisse Life (Bermuda) Ltd for leave to appeal the judgment to the Judicial Committee of the Privy Council and the notice of such appeal was filed. The Court of Appeal also ordered that the current stay continue pending determination of the appeal on the condition that the damages awarded remain within the escrow account plus interest calculated at the Bermuda statutory rate of 3.5%. In December 2023, USD 75m was released from the escrow account and paid to plaintiffs.

In Switzerland, civil lawsuits have been commenced against Credit Suisse AG in the Court of First Instance of Geneva, with statements of claim served in March 2023 and March 2024.

8. Mozambique matter

Credit Suisse was subject to investigations by regulatory and enforcement authorities, as well as civil litigation, regarding certain Credit Suisse entities' arrangement of loan financing to Mozambique state enterprises, Proindicus S.A. and Empresa Moçambicana de Atum S.A. (EMATUM), a distribution to private investors of loan participation notes (LPN) related to the EMATUM financing in September 2013, and certain Credit Suisse entities' subsequent role in arranging the exchange of those LPNs for Eurobonds issued by the Republic of Mozambique. In 2019, three former Credit Suisse employees pleaded guilty in the EDNY to accepting improper personal benefits in connection with financing transactions carried out with two Mozambique state enterprises.

In October 2021, Credit Suisse reached settlements with the DOJ, the US Securities and Exchange Commission (SEC), the UK Financial Conduct Authority (FCA) and FINMA to resolve inquiries by these agencies, including findings that Credit Suisse failed to appropriately organize and conduct its business with due skill and care, and manage risks. Credit Suisse Group AG entered into a three-year Deferred Prosecution Agreement (DPA) with the DOJ in connection with the criminal information charging Credit Suisse Group AG with conspiracy to commit wire fraud and CSSEL entered into a Plea Agreement and pleaded guilty to one count of conspiracy to violate the US federal wire fraud statute. Under the terms of the DPA, UBS Group AG (as successor to Credit Suisse Group AG) continued compliance enhancement and remediation efforts agreed by Credit Suisse, and undertake additional measures as outlined in the DPA. If the DPA's conditions are complied with, the charges will be dismissed within six months of the end of the DPA's three-year term.

9. ETN-related litigation

XIV litigation: Since March 2018, three class action complaints were filed in the SDNY on behalf of a putative class of purchasers of VelocityShares Daily Inverse VIX Short Term Exchange Traded Notes linked to the S&P 500 VIX Short-Term Futures Index (XIV ETNs). The complaints have been consolidated and asserts claims against Credit Suisse for violations of various anti-fraud and anti-manipulation provisions of US securities laws arising from a decline in the value of XIV ETNs in February 2018. On appeal from an order of the SDNY dismissing all claims, the Second Circuit issued an order that reinstated a portion of the claims. In decisions in March 2023 and March 2024, the court denied class certification for two of the three classes proposed by plaintiffs and certified the third proposed class.

Note 16 Provisions and contingent liabilities (continued)

10. Bulgarian former clients matter

In December 2020, the Swiss Office of the Attorney General brought charges against Credit Suisse AG and other parties concerning the diligence and controls applied to a historical relationship with Bulgarian former clients who are alleged to have laundered funds through Credit Suisse AG accounts. In June 2022, following a trial, Credit Suisse AG was convicted in the Swiss Federal Criminal Court of certain historical organizational inadequacies in its anti-money laundering framework and ordered to pay a fine of CHF 2m. In addition, the court seized certain client assets in the amount of approximately CHF 12m and ordered Credit Suisse AG to pay a compensatory claim in the amount of approximately CHF 19m. Credit Suisse AG appealed the decision to the Swiss Federal Court of Appeals. Following the merger of UBS AG and Credit Suisse AG, UBS AG confirmed the appeal. The trial before the Federal Court of Appeals occurred in October 2024.

11. Supply chain finance funds

Credit Suisse has received requests for documents and information in connection with inquiries, investigations, enforcement and other actions relating to the supply chain finance funds (SCFFs) matter by FINMA, the FCA and other regulatory and governmental agencies. The Luxembourg Commission de Surveillance du Secteur Financier is reviewing the matter and has commissioned a report from a third party. Credit Suisse is cooperating with these authorities.

In February 2023, FINMA announced the conclusion of its enforcement proceedings against Credit Suisse in connection with the SCFFs matter. In its order, FINMA reported that Credit Suisse had seriously breached applicable Swiss supervisory laws in this context with regard to risk management and appropriate operational structures. While FINMA recognized that Credit Suisse had already taken extensive organizational measures to strengthen its governance and control processes, FINMA ordered certain additional remedial measures. These include a requirement that Credit Suisse documents the responsibilities of approximately 600 of its highest-ranking managers. This measure has been made applicable to UBS Group. FINMA has also separately opened four enforcement proceedings against former managers of Credit Suisse.

In May 2023, FINMA opened an enforcement proceeding against Credit Suisse in order to confirm compliance with supervisory requirements in response to inquiries from FINMA's enforcement division in the SCFFs matter.

The Attorney General of the Canton of Zurich has initiated a criminal procedure in connection with the SCFFs matter and several fund investors have joined the procedure as interested parties. Certain former and active Credit Suisse employees, among others, have been named as accused persons, but Credit Suisse itself was not made a party to the proceeding.

Certain civil actions have been filed by fund investors and other parties against Credit Suisse and/or certain officers and directors in various jurisdictions, which make allegations including mis-selling and breaches of duties of care, diligence and other fiduciary duties. In June 2024, the Credit Suisse SCFFs made a voluntary offer to the SCFFs investors to redeem all outstanding fund units. The offer expired on 31 July 2024, and fund units representing around 92% of the SCFFs' net asset value were tendered in the offer and accepted. Fund units accepted in the offer were redeemed at 90% of the net asset value determined on 25 February 2021, net of any payments made by the relevant fund to the fund investors since that time. Investors whose units were redeemed released any claims they may have had against the SCFFs, Credit Suisse or UBS. The offer was funded by UBS through the purchase of units of feeder sub-funds.

Note 16 Provisions and contingent liabilities (continued)

12. Archegos

Credit Suisse and UBS have received requests for documents and information in connection with inquiries, investigations and/or actions relating to their relationships with Archegos Capital Management (Archegos), including from FINMA (assisted by a third party appointed by FINMA), the DOJ, the SEC, the US Federal Reserve, the US Commodity Futures Trading Commission (CFTC), the US Senate Banking Committee, the Prudential Regulation Authority (PRA), the FCA, COMCO, the Hong Kong Competition Commission and other regulatory and governmental agencies. UBS is cooperating with the authorities in these matters. In July 2023, CSI and CSSEL entered into a settlement agreement with the PRA providing for the resolution of the PRA's investigation. Also in July 2023, FINMA issued a decree ordering remedial measures and the Federal Reserve Board issued an Order to Cease and Desist. Under the terms of the order, Credit Suisse paid a civil money penalty and agreed to undertake certain remedial measures relating to counterparty credit risk management, liquidity risk management and non-financial risk management, as well as enhancements to board oversight and governance. UBS Group, as the legal successor to Credit Suisse Group AG, is a party to the FINMA decree and Federal Reserve Board Cease and Desist Order.

Civil actions relating to Credit Suisse's relationship with Archegos have been filed against Credit Suisse and/or certain officers and directors, including claims for breaches of fiduciary duties.

Note 17 Events after the reporting period

In October 2024, UBS entered into an agreement to sell to American Express Swiss Holdings GmbH (American Express) its 50% interest in Swisscard AECS GmbH (Swisscard), a joint venture between UBS and American Express in Switzerland. In addition, UBS and Swisscard entered into an agreement to transition the Credit Suisse-branded card portfolios to UBS. Both transactions are subject to certain closing conditions and are not expected to have a material impact for UBS.

PARTIES

HEAD OFFICE OF THE ISSUER

UBS AG

Bahnhofstrasse 45
CH-8001 Zurich
Switzerland
and
Aeschenvorstadt 1
CH-4051 Basel
Switzerland

OFFICE OF THE ISSUER

UBS AG, London Branch

5 Broadgate
London
EC2M 2QS
United Kingdom

PLACE OF BUSINESS OF THE ISSUER IN HONG KONG

52nd Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

SPONSOR

UBS Securities Asia Limited

52nd Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

LEGAL ADVISORS AS TO HONG KONG LAW

King & Wood Mallesons

13th Floor
Gloucester Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

AUDITORS

Ernst & Young Ltd

Aeschengraben 27
P.O. Box 2149 CH-4002 Basel
Switzerland

LIQUIDITY PROVIDER

UBS Securities Hong Kong Limited

52nd Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong