Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of UBS AG, acting through its London branch, the Certificates, or the Company (as defined below).

8,000,000 European Style Cash Settled Long Certificates relating to

the ordinary shares of BYD Electronic (International) Company Limited

with a Daily Leverage of 5x

UBS AG

(Incorporated with limited liability in Switzerland)

acting through its London Branch

Issue Price: S$0.70 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the "**Certificates**") to be issued by UBS AG (the "**Issuer**") acting through its London branch, and is supplemental to and should be read in conjunction with a base listing document dated 28 June 2025 (the "**Base Listing Document**"), including its supplements and addenda as executed from time to time, for the purpose of giving information with regard to the Issuer and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer. Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in the United States, the United Kingdom, the European Economic Area, Singapore and Hong Kong (see "Placing and Sale" contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the

Issuer and/or any of its affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer and/or any of its affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

For the purpose of section 309B(1) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that the Certificates are classified as capital markets products other than prescribed capital markets products[1] and Specified Investment Products (SIPs)[2], and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

Prospective purchasers should therefore ensure that they understand the nature of the Certificates and carefully study the risk factors set out in the Base Listing Document and pages 5 to 10 of this document before they invest in the Certificates.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 22 October 2025.

As at the date hereof, the Issuer's long term credit rating by S&P Global Ratings Europe Limited is A+, by Moody's Investors Service Ltd. is Aa2 and by Fitch Ratings Ireland Limited is A+.

The Issuer is regulated by, among others, the Swiss Federal Banking Commission. In the United Kingdom, it is authorised by the Prudential Regulatory Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulatory Authority.

21 October 2025

[1] As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.
[2] As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer accepts full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to itself and the Certificates. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which it accepts responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer accepts responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer.

No persons have been authorised to give any information or to make any representation save as contained in this document or otherwise authorised by the Issuer in connection with the Certificates and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer or its subsidiaries and associates since the date hereof.

This document does not constitute an offer or solicitation by or on behalf of the Issuer to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer requires persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer and/or any of its affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer and/or any of its affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following risk factors are relevant to the Certificates:-

(a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer will be unable to satisfy its obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;

(b) the Certificates constitute direct, general and unsecured contractual obligations of the Issuer and if you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against any other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against the Company which has issued the Underlying Stock (as defined below). The Issuer has substantially no obligation to a Certificate Holder (as defined in the Conditions) other than to pay amounts in accordance with the terms thereof as set forth herein and in the Base Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Certificate. Any profit or loss realised by a Certificate Holder in respect of a Certificate upon exercise or otherwise due to changes in the value of such Certificate or the Underlying Stock is solely for the account of such Certificate Holder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in connection with any Certificate or the Underlying Stock. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Certificates;

(c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has fallen sharply;

(d) in the event that the Company is subject to any sanction by governmental authorities, (i) such sanction may impact general investor interest in the Underlying Stock, which may in turn affect the liquidity and market price of the Underlying Stock, and (ii) investors should consult their own legal advisers to check whether and to what extent investing in the Certificates will be in violation of applicable laws and regulations;

(e) in the event that the Company is controlled through weighted voting rights, certain individuals who own shares of a class which is being given more votes per share may have the ability to determine the outcome of most matters, and depending on the action taken by the Company, the market price of the Certificates could be adversely affected;

(f) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry and the creditworthiness of the Issuer;

(g) fluctuations in the price of the Underlying Stock will affect the price of the Certificates but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase Certificates to hedge their market risk associated with investing in the Underlying Stock which may be specified herein, should recognise the complexities of utilising the Certificates in this manner;

(h) a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

(i) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;

(j) investors should note that the Issuer's obligations to pay amounts in accordance with the terms thereof as set forth herein shall be discharged by delivery of the aggregate Cash Settlement Amount (if positive) to all Certificate Holders in accordance with the agreement with the Warrant Agent;

(k) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;

(l) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions;

(m) the Certificates are only exercisable on the expiry date and may not be exercised by Certificate Holders prior to such expiry date. Accordingly, if on such expiry date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

(n) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);

(o) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy (as described below) including the Funding Cost (as defined below) and the Rebalancing Cost (as defined below);

(p) investors should note that there may be an exchange rate risk where the Cash Settlement Amount may be converted from a foreign currency into Singapore dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Certificates. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies;

(q) investors should note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

(r) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous trading day. This process, referred to as compounding, may lead to a performance difference from 5 times the performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(s) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);

(t) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

(u) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight fall in the Underlying Stock, where there is a 20% or greater gap between the previous trading day closing price and the opening price of the Underlying Stock the following trading day, as the Air Bag Mechanism will only be triggered when the market (in respect of which the Underlying Stock is listed) opens the following trading day (including pre-opening session or opening auction, as the case may be) or (ii) a sharp intraday fall in the Underlying Stock of 20% or greater during the observation period compared to the reference price, being: (a) if air bag event has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (b) if one or more air bag events have been previously triggered on the same day, the latest new observed price. Investors may refer to pages 41 to 42 of this document for more information;

(v) certain events may, pursuant to the terms and conditions of the Certificates, trigger (A) the implementation of methods of adjustment or (B) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (A) general market conditions and (B) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to Condition 13 on pages 28 to 29 of this document for more information;

(w) investors should note that it is not possible to predict the price at which the Certificates will trade in the secondary market or whether such market will be liquid or illiquid. To the extent Certificates of a particular issue are exercised, the number of Certificates of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Certificates of such issue. A decrease in the liquidity of an issue of Certificates may cause, in turn, an increase in the volatility associated with the price of such issue of Certificates. The Issuer may, but is not obligated to, at any time, purchase Certificates at any price in the open market or by tender or private agreement. Any Certificates so purchased may be held or resold or surrendered for cancellation. To the extent that an issue of Certificates becomes illiquid, an investor may have to exercise such Certificates to realise value;

(x) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;

(y) investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors should refer to the Taxation Section in the Base Listing Document;

(z) investors should note that the Issuer may enter into discount, commission or fee arrangements with brokers and/or any of its subsidiaries or affiliates with respect to the primary or secondary market in the Certificates. The arrangements may result in the benefit to investors in Certificates buying and selling Certificates through nominated brokers by reducing or eliminating the commission payable by such Certificate Holders. In the event that the commission payable by Certificate Holders is eliminated, fee arrangements between the Issuer and brokers and/or any of its subsidiaries or affiliates will continue to apply. Investors in the Certificates should note that any brokers with whom the Issuer has a commission arrangement does not, and cannot be expected to, deal exclusively in the Certificates, therefore any broker and/or any of its subsidiaries or affiliates may from time to time engage in transactions involving the Underlying Stock and/or structured products of other issuers over the Underlying Stock as the Certificates for their proprietary accounts and/or accounts of their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Certificates and present certain conflicts of interests;

(aa) various potential and actual conflicts of interest may arise from the overall activities of the Issuer and any of its subsidiaries and affiliates.

The Issuer and any of its subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer and any of its subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer and any of its subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer and any of its subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

(bb) in the ordinary course of their business, including without limitation in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer and any of its respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock and/or related derivatives. In addition, in connection with the offering of any Certificates, the Issuer and any of its respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock and/or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its respective subsidiaries and its affiliates, the Issuer and any of its respective subsidiaries and affiliates may enter into transactions in the Underlying Stock and/or related derivatives which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

(cc) the value of the Certificates depends on the Leverage Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Strategy last closing level and a calculation tool available to the investors on a website;

(dd) certain risks relating to the Issuer's operating environment and strategy, including those as set out in Appendix 2 of the Base Listing Document, may impact the Issuer's ability to execute its strategy and directly affect its business activities, financial condition, results of operations and prospects. As a broad-based international financial services firm, the Issuer is inherently exposed to risks that become apparent only with the benefit of hindsight, risks of which it is not presently aware or which it currently does not consider to be material could also materially affect its business activities, financial condition, results of operations and prospects. The sequence in which the risk factors are set out in Appendix 2 of the Base Listing Document is not indicative of their likehood of occurrence or the potential magnitude of their financial consequences;

(ee) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):-

(i) investors should note that no definitive certificate will be issued in relation to the Certificates;

(ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;

(iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and

(iv) notices to such Certificate Holders will be published on the website of the SGX-ST. Investors will need to check the website of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

(ff) investing in the Certificates may involve risks related to the discontinuance, changes or adjustments to benchmarks generally.

Discontinuance of, or changes to, benchmarks may require adjustments to the Issuer's agreements, systems and processes. The interbank offered rate(s) and other interest rate, equity, commodity, foreign exchange and other types of indices which are deemed to be "benchmarks", are the subject of national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be or may be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Certificates referencing such a benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks or any of the international or national reforms in making any investment decision with respect to any Certificates referencing a benchmark; and

(gg) specifically, the reform of HIBOR may adversely affect the value of the Certificates

The Hong Kong Inter-bank Offered Rate ("**HIBOR**") benchmark is referenced in the Leverage Strategy.

It is not possible to predict with certainty whether, and to what extent, HIBOR will continue to be supported going forwards. This may cause HIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Certificates.

In addition, the occurrence of a modification or cessation of HIBOR may cause adjustment of the Certificates which may include selecting one or more successor benchmarks and making related adjustments to the Certificates, including if applicable to reflect increased costs.

The Calculation Agent may make adjustments as it may determine appropriate if any of the following circumstances occurs or may occur: (1) HIBOR is materially changed or cancelled or (2)(i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms in making any investment decision with respect to any Certificate.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	8,000,000 European Style Cash Settled Long Certificates relating to the ordinary shares of BYD Electronic (International) Company Limited traded in HKD (the "**Underlying Stock**" or the "**Underlying**")
ISIN:	CH1465034101
Company:	BYD Electronic (International) Company Limited (RIC: 0285.HK)
Underlying Price[3] and Source:	HK$40.22 (Bloomberg)
Calculation Agent:	UBS AG acting through its London Branch
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 0.70
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	18.75%, is a hedging cost against extreme market movements overnight.
Funding Cost[6]:	The annualised costs of funding, referencing a publically published interbank offered rate plus spread.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	13 October 2025
Closing Date:	21 October 2025

[3] These figures are calculated as at, and based on information available to the Issuer on or about 21 October 2025. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 21 October 2025.
[4] Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to "Fees and Charges" below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.
[5] Please note that the Gap Premium is calculated on a 360-day basis.
[6] These costs are embedded within the Leverage Strategy.

Expected Listing Date:	22 October 2025
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 24 August 2027
Expiry Date:	31 August 2027 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	30 August 2027 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section on pages 33 to 47 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from Expected Listing Date to Valuation Date) of (1 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)), where: "**t**" refers to "**Observation Date**" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and

including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

An "**Underlying Stock Business Day**" is a day on which The Stock Exchange of Hong Kong Limited (the "**HKEX**") is open for dealings in Hong Kong during its normal trading hours and banks are open for business in Hong Kong.

Please refer to the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section on pages 33 to 47 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: $\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$
Initial Reference Level:	1,000
Final Reference Level:	The closing level of the Leverage Strategy (as described below) on the Valuation Date The calculation of the closing level of the Leverage Strategy is set out in the "Specific Definitions relating to the Leverage Strategy" section on pages 15 to 19 below.
Initial Exchange Rate[3]:	0.1669283738
Final Exchange Rate:	The rate for the conversion of HKD to SGD as at 5:00pm (Singapore Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time.
Air Bag Mechanism:	The "**Air Bag Mechanism**" refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more ("**Air Bag Trigger Price**") during the trading day (which represents approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Trading of Certificates is suspended for at least 30 minutes of continuous trading after the Air Bag is triggered. The resumption of

	trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour. The Leverage Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the "Air Bag Mechanism" section on page 19 below and the "Description of Air Bag Mechanism" section on pages 39 to 40 of this document for further information of the Air Bag Mechanism.
Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Hong Kong Dollar ("**HKD**")
Settlement Currency:	Singapore Dollar ("**SGD**")
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited ("**SGX-ST**")
Relevant Stock Exchange for the Underlying Stock:	HKEX
Business Day, Settlement Business Day and Exchange Business Day:	A **"Business Day"** or a "**Settlement Business Day**" is a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore. An "**Exchange Business Day**" is a day on which the SGX-ST and the HKEX are open for dealings in Singapore and Hong Kong respectively during its normal trading hours and banks are open for business in Singapore and Hong Kong.
Warrant Agent:	The Central Depository (Pte) Limited ("**CDP**")
Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to

their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy including the Funding Cost and the Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.

Further Information: Please refer to the website at http://dlc.ubs.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Strategy

Description of the Leverage Strategy

The Leverage Strategy is designed to track a 5 times daily leveraged exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Strategy to the Underlying Stock is reset within the Leverage Strategy in order to retain a daily leverage of 5 times the performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Strategy Formula

$\mathbf{LSL_t}$ means, the Leverage Strategy Level as at the Leverage Reset Time (t), calculated in accordance with the following formulae:

On Leverage Reset Time (1):

$\mathrm{LSL_1} = 1000$

On each subsequent Leverage Reset Time (t):

$$\mathrm{LSL_t} = \mathrm{Max}\left[\mathrm{LSL_{r(t)}} \times \left(1 + \mathrm{LR_{r(t),t}} - \mathrm{FC_{r(t),t}} - \mathrm{RC_{r(t),t}}\right), 0\right]$$

Leverage Reset Time (t)	means 1) the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date; and 2) end of any Intraday Restrike Event Observation Period. Leverage Reset Time (1) is the scheduled close for the Relevant Stock Exchange for the Underlying Stock on Issue Date.
Leverage Reset Time r(t)	means the Leverage Reset Time immediately preceding the Leverage Reset Time (t).
$\mathbf{LR_{r(t),t}}$	means the Leveraged Return of the Underlying Stock between Leverage Reset Time r(t) and Leverage Reset Time (t), calculated as follows: $\mathrm{LR_{r(t),t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{r(t)}} \times Rfactor_t} - 1 \right)$
$\mathbf{FC_{r(t),t}}$	means, the Funding Cost between the Leverage Reset Time r(t) (included) and the Leverage Reset Time (t) (excluded) calculated as follows: If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date, $\mathrm{FC_{r(t),t}} = (\mathrm{Leverage} - 1) \times \frac{\mathrm{Rate_{r(t)}} \times \mathrm{ACT(r(t), t)}}{\mathrm{DayCountBasisRate}}$ Otherwise, $\mathrm{FC_{r(t),t}} = 0$
$\mathbf{RC_{r(t),t}}$	means the Rebalancing Cost of the Leverage Strategy as at Leverage Reset Time (t), calculated as follows: $\mathrm{RC_{r(t),t}} = \mathrm{Leverage} \times (\mathrm{Leverage} - 1) \times \left(\left| \frac{\mathrm{S_t}}{\mathrm{S_{r(t)}} \times \mathrm{Rfactor_t}} - 1 \right| \right) \times \mathrm{TC}$
TC	means the Transaction Costs applicable as determined by the Calculation Agent (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to: 0.11% “Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.
Leverage	5

$\mathbf{S_t}$ means the Underlying Stock Price as of Leverage Reset Time (t) computed as follows, subject to the adjustments and provisions of the Conditions:

If the Leverage Reset Time (t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

S_t is the Closing Price of the Underlying Stock as of such Observation Date.

Otherwise,

S_t is the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period.

$\mathbf{Rfactor_t}$ means an amount determined by the Calculation Agent, according to the following formula, subject to the adjustments and provisions of the Conditions:

If in respect of the Leverage Reset Time (t), the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

$$\mathrm{Rfactor}_t = 1 - \frac{\mathrm{Div}_t}{S_{r(t)}}$$

Otherwise,

$$\mathrm{Rfactor}_t = 1$$

Where

Div_t is the dividend to be paid out in respect of the Underlying Stock on the Observation Date of the Leverage Reset Time (t) if such Observation Date is an ex-dividend date, otherwise is zero. The dividend shall be considered net of any applicable withholding taxes.

$\mathbf{Rate_t}$ means, in respect of the Observation Date of Leverage Reset Time (t), a rate calculated as of such day in accordance with the following formula:

$$\mathrm{Rate}_t = \mathrm{CashRate}_t + \%\mathrm{SpreadLevel}_t$$

$\mathbf{CashRate_t}$ means, in respect of the Observation Date of the Leverage Reset Time (t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND= or any successor page, being the rate as of day (t), provided that if any of such rate is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Benchmark Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

$\%\mathbf{SpreadLevel_t}$ means, in respect of the Observation Date of the Leverage Reset Time (t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the 12-month HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKD1YD= and (2) Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND=or any successor page, each being the rate as of day (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Benchmark Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

Provided that if such difference is negative, $\%\mathbf{SpreadLevel_t}$ should be 0%.

Benchmark Event means:

(a) the relevant reference rate has ceased to be published on the relevant screen page as a result of such benchmark ceasing to be calculated or administered; or

(b) a public statement by the administrator of the relevant reference rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such reference rate) it has ceased publishing such reference rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

(c) a public statement by the supervisor of the administrator of the relevant reference rate that such reference rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the relevant reference rate as a consequence of which Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used, or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Certificates; or

(e) a public statement by the supervisor of the administrator of the relevant reference rate that, in the view of such supervisor, such reference rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market or the methodology to calculate such reference rate has materially changed; or

(f) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any holder of the Certificates using the relevant reference rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (b), (c), (d) or (e) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

ACT(r(t),t) ACT(r(t),t) means the number of calendar days between the Observation Date of the Leverage Reset Time r(t) (included) and the Observation Date of the Leverage Reset Time (t) (excluded).

DayCountBasisRate 365

Air Bag Mechanism

Intraday Restrike Event means in respect of an Observation Date, the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the amount of $S_{r(t)} \times Rfactor_t$ where r(t) means the immediately preceding Leverage Reset Time prior to such Calculation Time.

Calculation Time means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Strategy Level.

TimeReferenceOpening means the scheduled opening time (including pre-opening session or opening auction, as the case may be) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

TimeReferenceClosing means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

Intraday Restrike Event Observation Period means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes of continuous trading after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.

Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.

Intraday Restrike Event Time means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF

THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status, Transfer and Title

(a) *Form*. The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 28 June 2025, made by UBS AG (the "**Issuer**") acting through its London Branch; and

(ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time on or before the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Certificate Holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

(b) *Status*. The Certificates constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise and, in particular, the Certificates will not be secured by any underlying assets. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

(c) *Transfer*. The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

2. Certificate Rights and Exercise Expenses

(a) *Certificate Rights*. Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{Final\ Reference\ Level\ \times Final\ Exchange\ Rate}{Initial\ Reference\ Level\ \times Initial\ Exchange\ Rate} - Strike\ Level\right) \times Hedging\ Fee\ Factor$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

(i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and

(ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event provided that the Issuer, if applicable, may, but shall not be obliged to, determine such Final Reference Level or the relevant closing level by having regard to the manner in which futures contracts relating to the Underlying Stock are calculated.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange, if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

(b) *Exercise Expenses*. Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

(c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

(a) *Exercise*. Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).

(b) *Automatic Exercise*. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

(c) *Settlement*. In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the Warrant Agent who will then pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be dispatched by the Warrant Agent as soon as practicable and no later than five Settlement Business Days (as defined in the relevant Supplemental Listing Document) following the Expiry Date (subject to extension upon the occurrence of a Market Disruption Event (as defined above) by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

The Issuer's obligations to pay the Cash Settlement Amount shall be discharged by payment to the Warrant Agent in accordance with the Master Warrant Agent Agreement or Warrant Agent Agreement.

(d) *CDP not liable*. CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a "**Business Day**" shall be a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

(a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

(b) *Definitions. "Potential Adjustment Event" means any of the following:*

(i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

(iii) an extraordinary dividend;

(iv) a call by the Company in respect of the Underlying Stock that is not fully paid;

(v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a "poison pill" being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

(vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.

(c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;

(ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or

(iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the "**Option Reference Source**") make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

(d) *Definitions.* "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. "**Merger Event**" means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. "**Nationalisation**" means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

(e) *Subdivision or Consolidation of the Certificates*. The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

(f) *Other Adjustments*. Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events (including the events as contemplated in Conditions 6(a) to 6(e)) occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) and irrespective of, in substitution for, or in addition to the provisions contemplated in Conditions 6(a) to 6(e) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or as the case may be, amendment provided that such adjustment or as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

(g) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given notice as soon as practicable of any adjustment and of the date from which such adjustment is effective in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer or its related corporations may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

(a) *Meetings of Certificate Holders*. The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

(a) *Documents*. All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

(b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the website of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the website of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates.

12. Delisting

(a) *Delisting*. If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).

(b) *Issuer's Determination*. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

(a) *Early Termination for Illegality etc.* The Issuer shall have the right to terminate the Certificates if it shall have determined in its absolute discretion that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power ("**Applicable Law**").

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or any of its affiliates involved in the issue of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"**Change in Law**" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

(b) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(c) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction).

(c) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by the Applicable Law, pay to each Certificate Holder in respect of each Certificate held by such Certificate Holder an amount calculated by it as the fair market value of the Certificate immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Certificate Holder in such manner as shall be notified to the Certificate Holder in accordance with Condition 9.

14. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act 2001 of Singapore

Unless otherwise expressly provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	UBS AG acting through its London Branch
Company:	BYD Electronic (International) Company Limited
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	8,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 28 June 2025 (the "**Master Instrument**") and executed by the Issuer and a master warrant agent agreement dated 27 February 2008 (the "**Master Warrant Agent Agreement**") and made between the Issuer and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 22 October 2025.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 4 Shenton Way #02-01 SGX Centre 2 Singapore 068807
Further Issues:	Further issues which will form a single series with the Certificates will be permitted.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO

THE EUROPEAN STYLE CASH SETTLED LONG CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Long Certificates on Single Equities?

European style cash settled long certificates on single equities (the "**Certificates**") are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will increase and are seeking short-term leveraged exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

(i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and

(ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Strategy including the Funding Cost and the Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees

Daily Fees	=	**Daily Management Fee Adjustment**
		1 – Management Fee x ACT (t-1;t) / 360
		x
		Daily Gap Premium Adjustment
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

		t[7]=0		t=1		t=2		t=i
Value of Certificates	=	Notional Amount	x	Leverage Strategy daily performance[8] x Daily Fees	x	Leverage Strategy daily performance x Daily Fees	x …	Leverage Strategy Daily performance x Daily Fees

Value of Certificates	=	t=0	x	**Product of the daily Leverage Strategy Performance**	x	**Product of the Daily Fees (Hedging Fee Factor)**
		Notional Amount		Leverage Strategy daily performance x Leverage Strategy daily performance		Daily Fees x Daily Fees

Final Value of Certificates	=	t=0 Notional Amount	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

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[7] "t" refers to "**Observation Date**" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date.
[8] Leverage Strategy daily performance is computed as the Leverage Strategy Level on Business Day (t) divided by the Leverage Strategy Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	**Ordinary shares of BYD Electronic (International) Company Limited traded in HKD**
Expected Listing Date:	**01/02/2021**
Expiry Date:	**16/02/2021**
Initial Reference Level:	**1,000**
Initial Exchange Rate:	**1**
Final Reference Level:	**1,200**
Final Exchange Rate:	**1**
Issue Price:	**0.70 SGD**
Notional Amount per Certificate:	**0.70 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**18.75%**
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Underlying Stock Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

HFF(0) = 100%

On Next Calendar Day (assuming it is an Underlying Stock Business Day):

$$\mathrm{HFF}\ (1) = \mathrm{HFF}\ (0) \times \left(1 - \text{Management Fee} \times \frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

$$\mathrm{HFF}\ (1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 18.75\% \times \frac{1}{360}\right)$$

$$\mathrm{HFF}\ (1) = 100\% \times 99.9989\% \times 99.9479\% \approx 99.9468\%$$

Assuming 2nd Underlying Stock Business Day falls 3 Calendar Days after 1st Underlying Stock Business Day:

$$\mathrm{HFF}\ (2) = \mathrm{HFF}\ (1) \times \left(1 - \text{Management Fee} \times \frac{\mathrm{ACT}\ (t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\mathrm{ACT}\ (t-1; t)}{360}\right)$$

$$\mathrm{HFF}\ (2) = 99.9468\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 18.75\% \times \frac{3}{360}\right)$$

$$\mathrm{HFF}\ (2) = 99.9468\% \times 99.9967\% \times 99.8438\% \approx 99.7873\%$$

The same principle applies to the following Underlying Stock Business Days:

$$\mathrm{HFF}\ (n) = \mathrm{HFF}\ (n-1) \times \left(1 - \text{Management Fee} \times \frac{\mathrm{ACT}\ (t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\mathrm{ACT}\ (t-1; t)}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.2049% as illustrated below:

Date	HFF
2/1/2021	100.0000%
2/2/2021	99.9468%
2/3/2021	99.8936%
2/4/2021	99.8405%
2/5/2021	99.7874%
2/8/2021	99.6282%
2/9/2021	99.5752%
2/10/2021	99.5222%
2/11/2021	99.4693%
2/12/2021	99.4163%
2/15/2021	99.2577%
2/16/2021	99.2049%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

= [(1200 x 1) / (1000 x 1) – 0] x 99.2049%

= 119.05%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

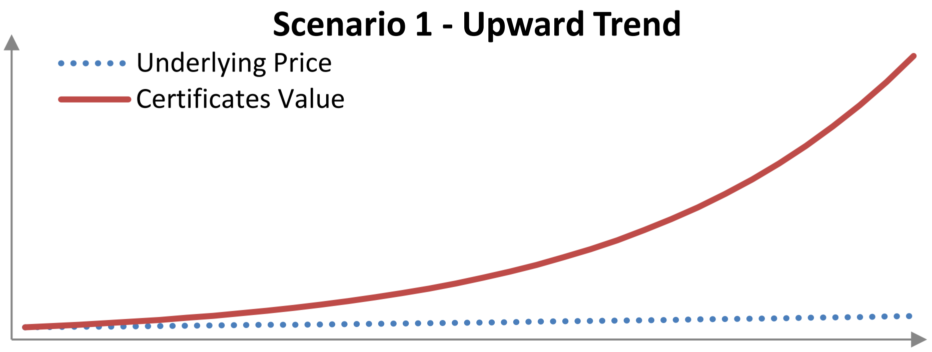
= 119.05%x 0.70 SGD

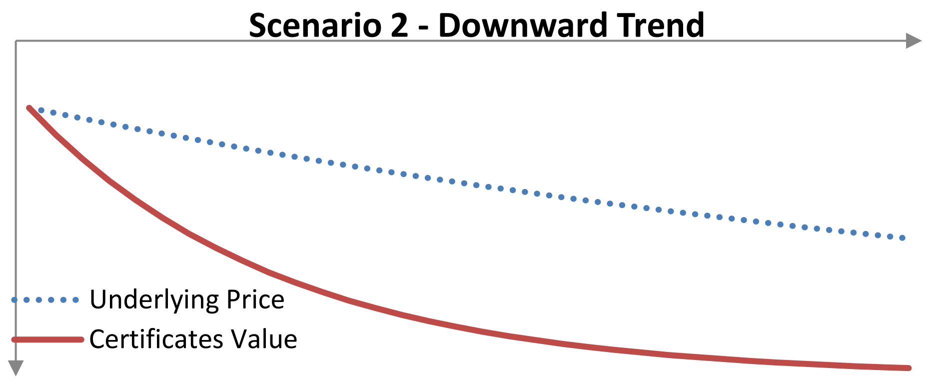
= 0.833 SGD

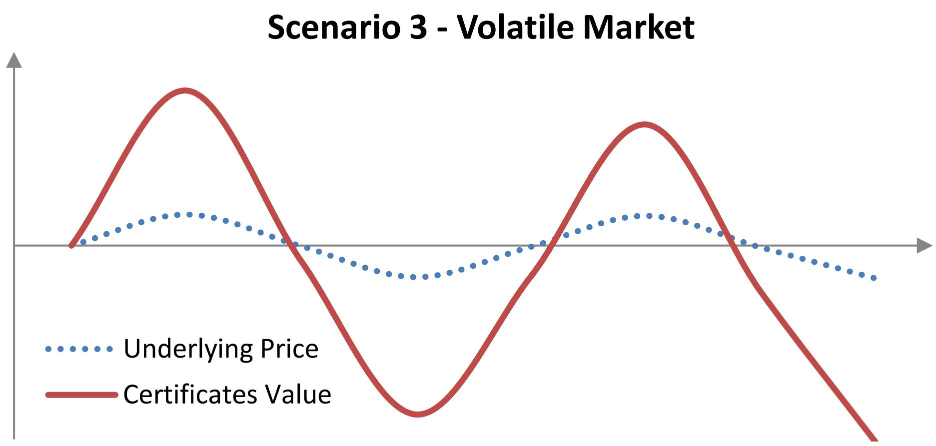
Illustration on how returns and losses can occur under different scenarios

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples







2. Numerical Examples

Scenario 1 – Upward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	2.00%	2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	10,404.00	10,612.08	10,824.32	11,040.81
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		10.00%	10.00%	10.00%	10.00%	10.00%
Price at end of day	0.70	0.77	0.85	0.93	1.02	1.13
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 2 – Downward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Value at end of day	10,000.00	9,800.00	9,604.00	9,411.92	9,223.68	9,039.21
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Price at end of day	0.70	0.63	0.57	0.51	0.46	0.41
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 3 – Volatile Market

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	-2.00%	-2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	9,996.00	9,796.08	9,992.00	10,191.84
Accumulated Return		2.00%	-0.04%	-2.04%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		10.00%	-10.00%	-10.00%	10.00%	10.00%
Price at end of day	0.70	0.77	0.69	0.62	0.69	0.75
Accumulated Return		10.00%	-1.00%	-10.90%	-1.99%	7.81%

Description of Air Bag Mechanism

The Certificates integrate an "Air Bag Mechanism" which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

In accordance with the Air Bag Mechanism timeline below, when the Air Bag triggers, the following typically occurs:

- Observation Period: the price of the Underlying Stock is observed and its minimum price is recorded (i) during 15 minutes of continuous trading after the Air Bag is triggered, or (ii) until Market Close if there is 15 minutes (or less) of continuous trading until Market Close when the Air Bag is triggered; and
- Reset Period: thereafter, the Leverage Strategy is reset using the minimum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Strategy.

During the Observation Period and Reset Period, trading of Certificates is suspended for a period of **at least** 30 minutes of continuous trading after the Air Bag is triggered, and such suspension will be based on instructions provided by the Issuer to the SGX-ST for suspension of trading. Investors cannot sell or purchase any Certificates during this period.

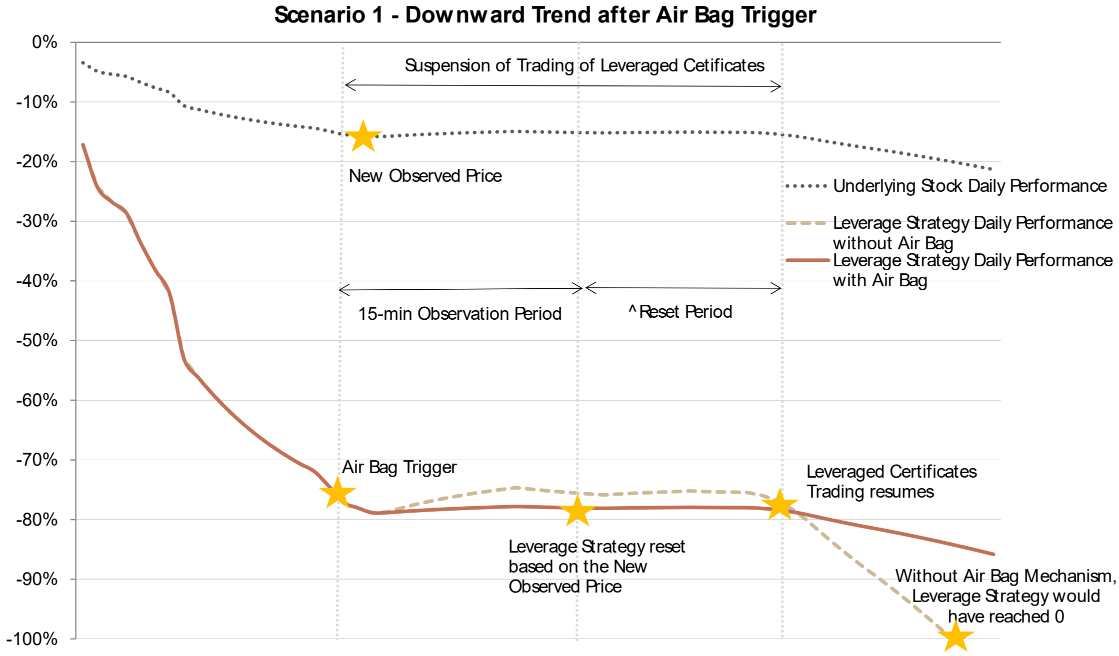
For the avoidance of doubt, if the Air Bag Mechanism was triggered with more than 60 minutes of continuous trading before Market Close, trading of Certificates will resume the same trading day after the Reset Period has elapsed, subject to the SGX-ST's approval to resume trading. If the Air Bag Mechanism was triggered between 45 minutes and 60 minutes of continuous trading before Market Close, trading of Certificates may or may not resume the same trading day after the Reset Period has elapsed. If the Air Bag Mechanism was triggered with only 45 minutes (or less) of continuous trading before Market Close, trading of Certificates resumes on the next trading day.

The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour. The Issuer will provide at least 15 minutes' notice of the resumption of trading by making an SGXNET announcement.

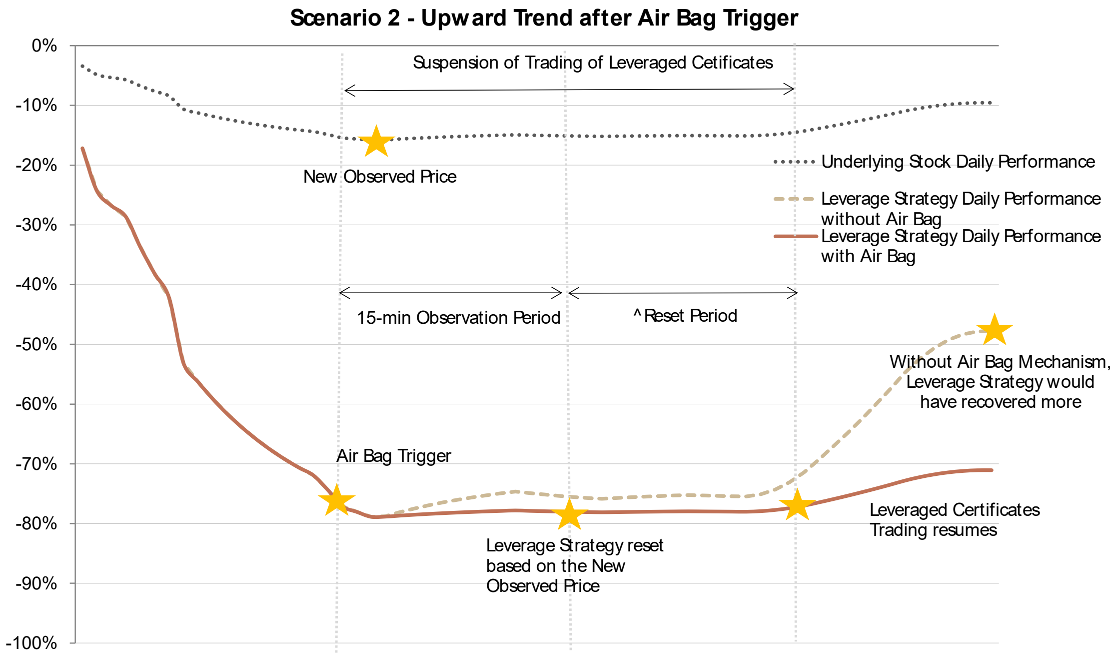
With **Market Close** defined as:

- the Underlying Stock closing time, including the closing auction session, with respect to the Observation Period; and
- the sooner of (i) the Underlying Stock closing time for continuous trading and (ii) the SGX-ST closing time, with respect to the Resumption of Trading

<u>Illustrative examples of the Air Bag Mechanism</u>[9]



^ The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.



^ The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.

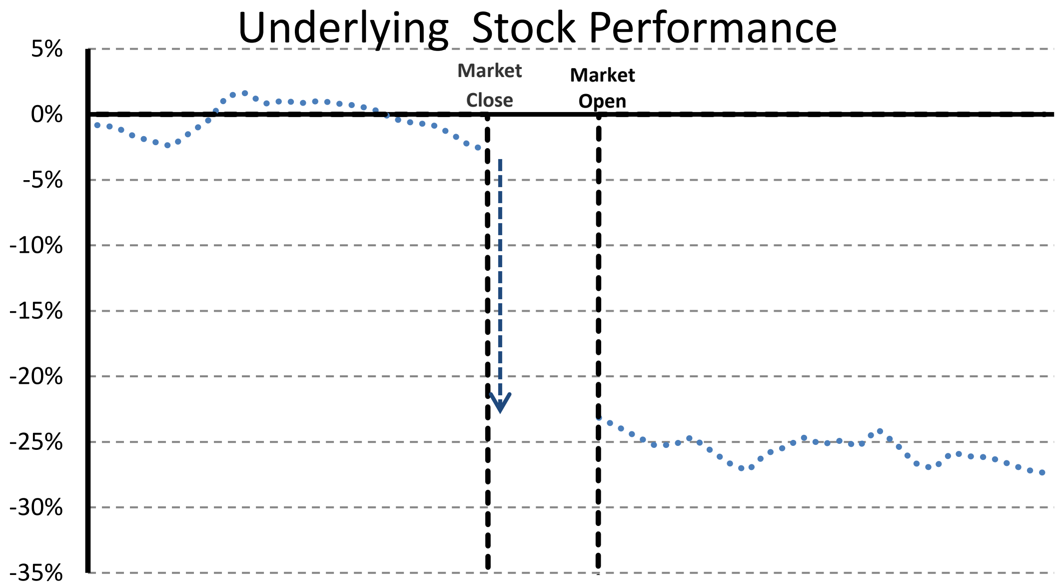
[9] The illustrative examples are not exhaustive.

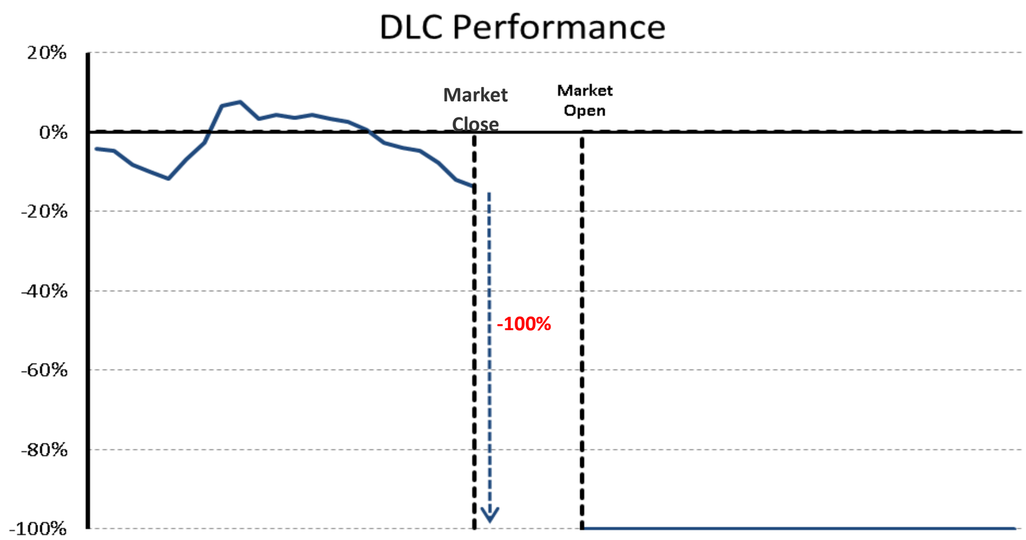
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

Scenario 1 – Overnight fall of the Underlying Stock

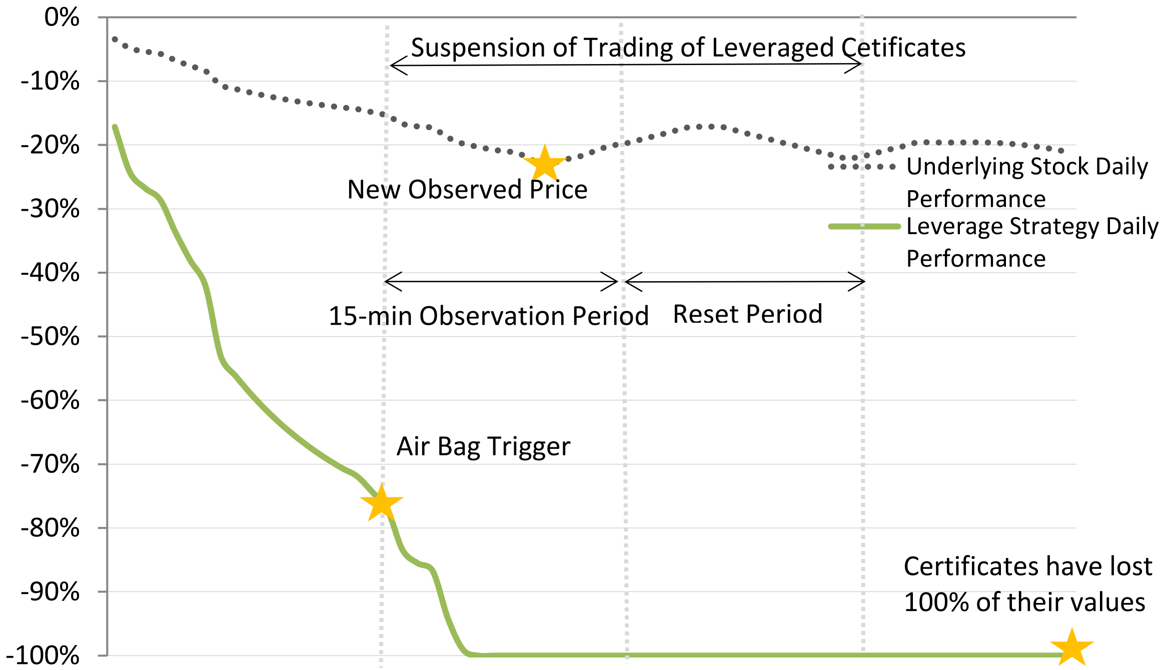
On any Underlying Stock Business Day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous trading day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is 20% or more below the previous trading day closing price, the Air Bag Mechanism would only be triggered when the market (in respect of which the Underlying Stock is listed) opens the following trading day (including pre-opening session or opening auction, as the case may be), and the Certificates would lose their entire value in such event.





Scenario 2 – Sharp intraday fall of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock falls by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag event has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag events have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event the Observation Date of the Leverage Reset Time (t) is an ex-date with respect to a corporate action related to the Underlying Stock, and the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto), the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Leverage Reset Time (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{\mathrm{S}_{\mathrm{r(t)}}}\right] \times \frac{1}{1+M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price falls by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$\mathrm{DivExc}_{\mathrm{t}}$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. <u>Stock split</u>

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$\mathrm{S}_{\mathrm{r(t)}}$ = $100

S_{t} = $51

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0)}{100}\right] \times \frac{1}{1+1} = 50\%$$

As a consequence:

$\mathrm{LR_{r(t),t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{r(t)}} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{51}{100 \times 50\%} - 1\right) = 10\%$

$\mathrm{S_{r(t)}}$	$\mathrm{S_{r(t)}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.70	0.77	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $42.5, which is 15% below $50, the Underlying Stock Reference Price.

2. <u>Share Consolidation</u>

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$\mathrm{S_{r(t)}}$ = $100

$\mathrm{S_t}$ = $202

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0)}{100}\right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$\mathrm{LR}_{\mathrm{r(t),t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{r(t)}} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{202}{100 \times 200\%} - 1\right) = 5\%$$

$\mathrm{S_{r(t)}}$	$\mathrm{S_{r(t)}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.70	0.735	5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $170, which is 15% below $200, the Underlying Stock Reference Price.

3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of $40.

$\mathrm{S_{r(t)}}$ = $100

$\mathrm{S_t}$ = $84

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

R = $40 (i.e. subscription price of $40)

M = 0.5 (i.e. 1 new share for every 2 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100}\right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$\mathrm{LR}_{\mathrm{r(t),t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{r(t)}} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = 25\%$$

$\mathrm{S_{r(t)}}$	$\mathrm{S_{r(t)}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.70	0.875	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $68, which is 15% below $80, the Underlying Stock Reference Price.

4. <u>Bonus Issues</u>

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$\mathrm{S}_{\mathrm{r(t)}}$ = $100

S_{t} = $85

$\mathrm{Div}_{\mathrm{t}} = \$0$

$\mathrm{DivExc}_{\mathrm{t}} = \$0$

R = $0

M = 0.2 (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100}\right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$\mathrm{LR}_{\mathrm{r(t),t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{r(t)}} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{85}{100 \times 83.33\%} - 1\right) = 10\%$$

$\mathrm{S}_{\mathrm{r(t)}}$	$\mathrm{S}_{\mathrm{t(t)}} \times Rfactor_t$	S_{t}	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.70	0.77	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $70.83, which is 15% below $83.33, the Underlying Stock Reference Price.

5. <u>Extraordinary Dividend</u>

Assuming there is an extraordinary dividend of $20 (net of taxes) paid in respect of each stock.

$\mathrm{S}_{\mathrm{r(t)}}$ = $100

S_t = \$84

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$20$

R = \$0

M = 0

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100}\right] \times \frac{1}{1+0} = 80\%$$

As a consequence:

$$\mathrm{LR}_{\mathrm{r(t),t}} = \mathrm{Leverage}\ \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{r(t)}}\ \times\ Rfactor_t} - 1\right) = \ 5\ \times \left(\frac{84}{100\ \times\ 80\%} - 1\right) = \ 25\%$$

$\mathrm{S_{r(t)}}$	$\mathrm{S_{r(t)-}}\ \times\ Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.70	0.875	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

*All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of Hong Kong Exchanges and Clearing Limited (the "**HKExCL**") at http://www.hkex.com.hk and/or the Company's web-site at https://www.byd-electronics.com/en/home. The Issuer has not independently verified any of such information.*

BYD Electronic (International) Company Limited (the "**Company**") is an investment holding company primarily engaged in the provision of high-tech products. The Company's main business is engaged in the manufacture, assembly and sale of mobile handset components, modules and other products. The Company provides customers with one-stop service that comprises new materials development, product design and development, manufacturing, supply chain management, logistics and after-sales service. The Company is engaged in the businesses covering smart phones, tablet personal computers (PCs), new energy vehicles, residential energy storage, smart home, game hardware, unmanned aerial vehicles, artificial intelligence (AI) servers, three dimensions (3D) printers, Internet of Things, robots, communication equipment, health devices to other market areas. The Company conducts its business in the domestic and overseas markets.

The information set out in Appendix I of this document relates to the unaudited results of the Company and its subsidiaries for the six months period ended 30 June 2025 and has been extracted and reproduced from an announcement by the Company dated 29 August 2025 in relation to the same. Further information relating to the Company may be located on the web-site of the HKExCL at http://www.hkex.com.hk.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

UBS AG, acting through its London Branch, has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

(a)	Maximum bid and offer spread	:	(i) when the best bid price of the Certificate is S$10 and below: 10 ticks or S$0.20 whichever is greater; and (ii) when the best bid price of the Certificate is above S$10: 5% of the best bid price of the Certificate.
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Certificates
(c)	Last Trading Day for Market Making	:	The date falling 5 Exchange Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) before the Relevant Stock Exchange for the Underlying Stock has opened and after the Relevant Stock Exchange for the Underlying Stock has closed on any trading day;

(iv) when trading in the Underlying Stock is suspended or limited in a material way for any reason, for the avoidance of doubt, the DMM is not obliged to provide quotations for the Certificates at any time when the Underlying Stock is not negotiated/traded for any reason;

(v) where the Certificates are suspended from trading for any reason;

(vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;

(vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;

(viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;

(ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide bid quotations. The DMM may provide intermittent offer quotations when it has inventory of the Certificates;

(x) if the stock market experiences exceptional price movement and volatility;

(xi) when it is a public holiday in Singapore and/or Hong Kong and the SGX-ST and/or the HKEX is not open for dealings; and

(xii) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Exchange Business Day immediately preceding the Expiry Date.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

United Kingdom

In relation to each tranche of Certificates, the Issuer has represented, warranted and agreed that:

(a) No deposit-taking: in relation to any Certificates having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Certificates other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Certificates would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(b) Financial Promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not or would not, if the Issuer was not an authorised person, apply to the Issuer; and

(c) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available such Certificates to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in the United Kingdom except that it may make an offer of such Certificates to the public in the United Kingdom:

a) if the Supplemental Listing Document in relation to the Certificates specifies an offer of those Certificates may be made other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Certificates which either (i) has been approved by the UK Financial Conduct Authority ("**FCA**"), or (ii) is to be treated as if it had been approved by the FCA in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or

d) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Certificates to the public referred to in (a) to (c) above shall require the publication of a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Certificates to the public" in relation to any products in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United States of America

The Certificates have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. The Certificates will not be offered, sold or delivered within the United States or to U.S. persons. As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means (i) any citizen or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, (ii) any estate or trust the income of which is subject to United States income taxation regardless of its source, (iii) "U.S. person" as such term is defined in (a) Regulation S under the Securities Act or (b) the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the U.S. Commodity Futures Trading Commission ("**CFTC**") pursuant to the U.S. Commodity Exchange Act of 1936, as amended, or (iv) a person other than a "Non-United States Person" as defined in CFTC Rule 4.7, in each case, as such definition is amended, modified or supplemented from time to time.

Prohibition of Sales to European Economic Area

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

(ii) a customer within the meaning of Directive 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS REGULATION

If the Supplemental Listing Document specifies "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", in relation to each member state of the European

Economic Area (each, a "**Relevant State**"), the Issuer has represented, warranted and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in that Relevant State except that it may make an offer of such Certificates to the public in that Relevant State:

(a) Approved listing document: if the Supplemental Listing Document in relation to the Certificates specifies that an offer of those Certificates may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a listing document in relation to such Certificates which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such listing document has subsequently been completed by the Supplemental Listing Document contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such listing document or Supplemental Listing Document, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) Fewer than 150 offered: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Issuer for any such offer; or

(d) Other exempt offers: at any time in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a listing document pursuant to Article 3 of the Prospectus Regulation or supplement a listing document pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Certificates to the public**" in relation to any Certificates in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

Hong Kong

No person, other than a person permitted to do so under the securities laws of Hong Kong, has issued, or had in its possession for the purposes of issue, or will issue, or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Certificates, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and any rules made thereunder.

SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER

The information set out in Appendix II of this document relates to the risk factors relating to operating environment and strategy of the Issuer.

The information set out in Appendix III of this document relates to the recent developments in the Issuer's business.

The information set out in Appendix IV of this document is an extract of the unaudited consolidated financial statements of UBS AG and its subsidiaries for the second quarter ended 30 June 2025.

For more information on the Issuer, please see http://www.ubs.com/.

Queries regarding the Certificates may be directed to +852 2971 6668 or OL-HKWarrants@ubs.com.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 269 of the Base Listing Document.

1. Save as disclosed in the Base Listing Document and herein, there is no litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates to which the Issuer is a party nor, to the best of its knowledge and belief, is there any threatened litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates which would in either case jeopardise its ability to discharge its obligations in respect of the Certificates.

2. UBS AG, Singapore Branch at 9 Penang Road, Singapore 238459, has been authorised to accept, on behalf of the Issuer, service of process and any other notices required to be served on the Issuer. Any notices required to be served on the Issuer should be sent to UBS AG, Singapore Branch at the above address for the attention of Jeffrey Tan Teck Khim, Legal & Compliance.

3. Settlement of trades done on a normal "ready basis" on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in board lots of 100 Certificates in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed "Summary of the Issue" above.

4. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.

5. There has been no adverse change, material in the context of the issue of the Certificates, in the financial position of the Issuer since 30 June 2025.

6. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and may be material to the issue of the Certificates:

   (a) the Master Instrument; and

   (b) the Master Warrant Agent Agreement.

   None of the directors of the Issuer has any direct or indirect interest in any of the above contracts.

7. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.

8. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the office of Allen & Gledhill LLP at One Marina Boulevard #28-00, Singapore 018989, during the period of 14 days from the date of this document:

(a) the articles of association of the Issuer;

(b) the latest financial reports (including the notes thereto) of the Issuer;

(c) the Base Listing Document; and

(d) this document.

APPENDIX I

REPRODUCTION OF THE UNAUDITED RESULTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025 OF
BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED AND ITS SUBSIDIARIES

比亞迪電子(國際)有限公司
BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)
(Stock code: 285)

2025 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of BYD Electronic (International) Company Limited (the "**Company**") is pleased to announce the unaudited results of the Company and its subsidiaries for the six months period ended 30 June 2025. This announcement, containing the full text of the 2025 Interim Report of the Company, is prepared with reference to the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results. The Company's 2025 Interim Report is available for viewing on the HKExnews website of the Hong Kong Stock Exchange at www.hkexnews.hk and website of the Company at http://electronics.byd.com. Printed version of the interim report will be available to shareholders on request by following the instructions as set out in the notification letter published by the Company on the aforementioned websites on 1 August 2025.

By Order of the Board of
BYD Electronic (International) Company Limited
WANG Nian-qiang
Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Board consists of Mr. WANG Nian-qiang and Mr. JIANG Xiang-rong being the executive directors, Mr. WANG Chuan-fu and Mr. WANG Bo being the non-executive directors and Mr. CHUNG Kwok Mo John, Mr. QIAN Jing-jie and Ms. WANG Ying being the independent non-executive directors.

BYD Electronic (International) Company Limited ("BYD Electronic" or the "Company"; together with its subsidiaries known as the "Group"; stock code: 0285) was spun off from BYD Company Limited ("BYD", stock code on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"): 01211 (HKD counter); 81211 (RMB counter); stock code on the Shenzhen Stock Exchange: 002594) and listed on the Main Board of The Stock Exchange of Hong Kong Limited on 20 December 2007. The Group is a global leading provider of high-tech and innovative products, providing customers around the world with one-stop product solutions relying on its core advantages in electronic information, AI, 5G and Internet of Things, thermal management, new materials, precision molds and digital manufacturing technologies. The Group engages in a wide variety of businesses ranging from smart phones, tablet PCs, new energy vehicles, AI data center, smart home, game hardware, unmanned aerial vehicles, 3D printers, Internet of Things, robots, communication equipment to other diversified market areas.

比亞迪電子(國際)有限公司(「比亞迪電子」或「本公司」，連同其附屬公司統稱「本集團」；股份代號：**0285**)於二零零七年十二月二十日由比亞迪股份有限公司(「比亞迪」；香港聯合交易所有限公司(「聯交所」)上市股份代號：**01211**(港幣櫃台)；**81211**(人民幣櫃台)；深圳證券交易所上市股份代號：**002594**)分拆於聯交所主板獨立上市。本集團是全球領先的高科技創新產品提供商，依託電子信息技術、人工智能技術、**5G**和物聯網技術、熱管理技術、新材料技術、精密模具技術和數字化製造技術等核心優勢，為全球客戶提供一站式產品解決方案。本集團業務廣泛，涉及智能手機、平板電腦、新能源汽車、**AI**數據中心、智能家居、遊戲硬件、無人機、**3D**打印機、物聯網、機器人、通信設備等多元化的市場領域。

目錄 CONTENTS

CORPORATE INFORMATION
公司資料

EXECUTIVE DIRECTORS
Wang Nian-qiang
Jiang Xiang-rong

執行董事
王念強
江向榮

NON-EXECUTIVE DIRECTORS
Wang Chuan-fu
Wang Bo

非執行董事
王傳福
王渤

INDEPENDENT NON-EXECUTIVE DIRECTORS
Chung Kwok Mo John
Qian Jing-jie
Wang Ying

獨立非執行董事
鍾國武
錢靖捷
王瑛

COMPANY SECRETARY
Li Qian
Cheung Hon-wan

公司秘書
李黔
張漢雲

AUDIT COMMITTEE
Wang Chuan-fu
Wang Bo
Chung Kwok Mo John (Chairman)
Qian Jing-jie
Wang Ying

審核委員會
王傳福
王渤
鍾國武(主席)
錢靖捷
王瑛

REMUNERATION COMMITTEE
Wang Nian-qiang
Wang Chuan-fu
Chung Kwok Mo John
Qian Jing-jie (Chairman)
Wang Ying

薪酬委員會
王念強
王傳福
鍾國武
錢靖捷(主席)
王瑛

NOMINATION COMMITTEE
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Wang Chuan-fu (Chairman)
Chung Kwok Mo John
Qian Jing-jie
Wang Ying

提名委員會
江向榮
王傳福(主席)
鍾國武
錢靖捷
王瑛

AUTHORISED REPRESENTATIVES
Wang Nian-qiang
Li Qian

授權代表
王念強
李黔

CORPORATE INFORMATION
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INVESTOR AND MEDIA RELATIONS CONSULTANT

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STOCK CODE

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http://electronics.byd.com

股份編號

0285

FINANCIAL HIGHLIGHTS
財務摘要

Interim results for the six months ended 30 June 2025 截至二零二五年六月三十日止六個月中期業績				
Revenue	營業額	2.58%	to RMB80,606 million	至人民幣80,606百萬元
Gross profit	毛利	3.05%	to RMB5,543 million	至人民幣5,543百萬元
Profit attributable to owners of the parent company	母公司擁有人應佔溢利	13.97%	to RMB1,730 million	至人民幣1,730百萬元
Earnings per share	每股盈利	13.97%	to RMB0.77	至人民幣0.77元

HIGHLIGHTS

- The Group's consumer electronics business maintained steady growth, with improved operation efficiency and enhanced profitability.
- Benefiting from the accelerated advancement of intelligent technologies in the vehicle industry, the Group's new energy vehicles business segment sustained robust growth.
- The Group's AI data center business achieved a leap in development, with a sharp increase in server shipments, while multiple liquid-cooling and power products obtained certification from customers.

摘要

- 集團的消費電子業務發展穩健，運營效率提升，盈利能力改善。
- 受益於汽車行業智能化趨勢加速發展，集團的新能源汽車業務板塊保持高速增長。
- 集團的AI數據中心業務實現跨越式成長，服務器出貨量快速增長，多款液冷和電源產品通過客戶認證。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

BUSINESS REVIEW

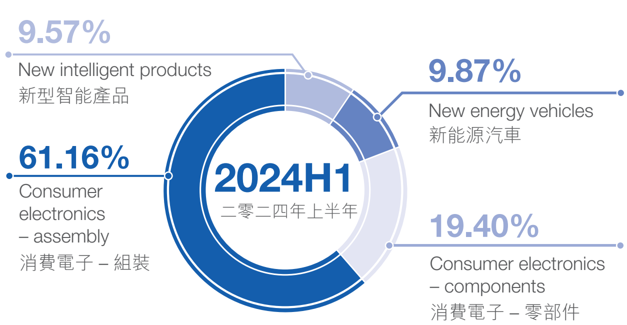
The Group is a global leading provider of high-tech and innovative products, providing customers around the world with one-stop product solutions relying on its core advantages in electronic information, AI, 5G and Internet of Things, thermal management, new materials, precision molds and digital manufacturing technologies. The Group engages in diversified market segments, such as smart phones, tablet computers, new energy vehicles, AI data center, smart home, game hardware, unmanned aerial vehicles, 3D printers, Internet of Things, robots and communication equipment. With the industry-leading R&D and manufacturing strength, comprehensive product portfolio and extensive customer network, the Group is poised to unlock its next phase of growth momentum.

In the first half of 2025, the escalated trade conflicts and policy unpredictability undermined the momentum of global economic growth. China's economy, however, demonstrated strong resilience and vitality under the government's proactive and targeted macroeconomic policies in the first half of 2025, sustaining steady but progressive development and posting year-on-year GDP growth of 5.3%. In spite of the complexity and volatility in international political and economic situation, the Group has proven its remarkable resilience and strength, showing continuous market share expansion and sustainable business development. While driving the steady growth of its existing businesses, the Group further fortified its core competitiveness and accelerated its deployment in new business segments with growth potential. In the six months ended 30 June 2025 (the "Period"), the Group concentrated efforts on consolidating its leading position in the supply chain of high-end products in the challenging macroeconomic environment that tarnished consumer confidence, and concurrently expanded collaborations with major overseas customers, boosting robust development of the consumer electronics business segment. The exceptional shipment growth of AI servers incubated in a forward-looking manner unlocked new growth opportunities for the new intelligent products business. The new energy vehicle business segment continued to keep a strong growth momentum, driving the Group's overall business scale to a new record high. In the first half of 2025, the Group recorded sales of approximately RMB80,606 million, representing a year-on-year increase of approximately 2.58%, and the profit attributable to shareholders increased by approximately 13.97% to approximately RMB1,730 million on a year-on-year basis.

業務回顧

本集團是全球領先的高科技創新產品提供商，依託電子信息技術、人工智能技術、5G和物聯網技術、熱管理技術、新材料技術、精密模具技術和數字化製造技術等核心優勢，為全球客戶提供一站式產品解決方案。本集團業務涵蓋智能手機、平板電腦、新能源汽車、AI數據中心、智能家居、遊戲硬件、無人機、3D打印機、物聯網、機器人、通信設備等多元化的市場領域。憑藉行業領先的研發和製造優勢、全面的產品佈局及強大的客戶資源，本集團正邁入第二成長曲線。

二零二五年上半年，貿易緊張局勢加劇和政策不確定性增加，削弱全球經濟增長動能。二零二五年上半年，國家實施更加積極有為的宏觀政策發力顯效，國民經濟運行延續穩中向好發展態勢，展現出強大韌性和活力，國內生產總值同比增長5.3%。面對複雜多變的國際政經局勢，本集團依然展現出卓越的韌性及綜合實力，不斷開拓市場份額，推動業務持續發展。在穩步推動現有業務成長的同時，本集團全力強化核心競爭力，加速佈局具備成長潛力的新興領域。截至二零二五年六月三十日止六個月內(「期內」)，宏觀經濟挑戰影響消費者信心，本集團聚焦鞏固在高端產品供應鏈的領導地位，同時持續拓展與海外大客戶的合作，推動消費電子業務板塊穩健發展；超前培育的AI服務器出貨量快速增長，為新型智能產品業務開啟新的成長空間；新能源汽車業務板塊延續強勁增長動能，推動本集團整體業務規模再創新高。二零二五年上半年，本集團錄得銷售額約人民幣806.06億元，同比上升約2.58%，股東應佔溢利同比上升約13.97%至約人民幣17.30億元。



MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

In terms of the consumer electronics business, the overall consumer electronics market faced subdued demand amid global economic uncertainty and weakened consumer confidence. Global smartphone shipments rose just 0.1% to 586 million units in the first half of 2025, according to statistics of the market researcher Canalys. In the first half of 2025, China's smartphone market size increased by 0.4% year-on-year to 139 million units, yet in the second quarter, market growth rate slowed down by a 4% decline year-on-year. Canalys data indicated that global tablet shipments reached approximately 76 million units in the first half of 2025, a year-on-year increase of 8.9%. Premiumization and technological innovation emerged as the twin engines of continuous industry growth; with differentiation as a cutting edge, leading manufacturers launched new models enabled by innovative technologies and highlighted by brand values. Integration of generative AI significantly expanded application boundaries of smartphones, and gradual incorporation of new technologies, such as satellite communication, into core functionalities fueled the comprehensive upgrade of end-user experience. Foldable-screen smartphones, with original designs, better interactive performance and premium pricing strategies, rapidly emerged as a nova in the high-end market. Motivated by the increasing penetration of foldable devices, smartphone brands were racing to introduce new offerings with next-generation specifications and advanced technological configurations to secure greater share in the high-end market. IDC data showed that China's foldable-screen smartphone market recorded shipments of approximately 4.984 million units in the first half of 2025, representing a year-on-year increase of 12.6%. The continuous innovation and iteration of high-end series, covering multiple aspects including technological advancements, product architecture and functionality, not only enlarged the use value and the scenario boundary of terminal products, but also unlocked growth opportunities for the entire industry chain, while, on the other hand, setting higher requirements for manufacturing technologies and processes. The Group remained focused on the high value-added product segment, and maintained the position of key supplier for multiple flagship models by its topnotch technological superiority and exceptional delivery capabilities, building a core product matrix of titanium-clad smartphones, other premium metal-body devices and foldable-screen smartphones. Synergizing the dual advantages of technological innovation and manufacturing integration, the Group was

消費電子業務方面，受全球經濟不明朗及消費信心疲弱影響，消費電子市場整體需求呈現下行壓力。根據市場研究機構Canalys的統計，二零二五年上半年，全球智能手機出貨量僅上升0.1%至5.86億部。中國智能手機市場在二零二五年上半年同比上漲0.4%至1.39億部，其中第二季度同比下跌4%。Canalys的數據顯示，二零二五年上半年，全球平板電腦出貨量約0.76億部，同比上升8.9%。高端化與技術創新構成行業持續成長的雙引擎，頭部廠商以產品差異化為突破口，不斷推出具備創新科技與品牌價值的新型機款。生成式AI的導入讓手機應用邊界大幅拓展，衛星通信等新技術也逐漸融入核心功能，帶動終端體驗全面升級。折疊屏手機因其外形創新、交互優化及定價策略具高端特性，快速成為高端市場的新風口。在折疊屏滲透率上升的背景下，手機品牌亦加速導入全新規格與技術形態，以擴大其在高端市場的佔有率。根據IDC的數據，二零二五年上半年中國折疊屏手機市場出貨量約498.4萬台，同比上升12.6%。高端產品系列在技術、產品形態、功能等方面的持續創新升級，不僅拓展了終端產品的使用價值與場景邊界，也為整個產業鏈創造出新的成長空間，同時對製造技術與工藝能力提出更高要求。本集團持續聚焦高附加值產品領域，憑藉領先的技術優勢和卓越的交付能力，在多個旗艦型號中保持主要供應商地位，涵蓋鈦金屬手機、其他金屬手機、折疊手機等核心產品線。同時，本集團積極發揮技術創新與製造整合的雙重優勢，深度參與客戶新產品的開發，助力其提升產品競爭力與市場表現。期內，集團持續強化技術壁壘，在客戶高端產品系列持續保持領先的市場份額，進一步強化其於全系客戶供應鏈中的戰略地位，產品結構穩中向好。海外大客戶業務方面，本集團的整

deeply engaged in customers' new product development process, and contributed to the enhancement of their competitiveness and market performance. During the Period, the Group still secured great market share in supporting customers' high-end series and further consolidated the position of strategic partner to customers' supply chain as it continuously fortified the technological barriers, therefore maintaining a stable and profitable product matrix. With respect to the business with major overseas customers, the assembly business sustained continuous improvement in market share, driving year-on-year growth in both shipments and revenue. Additionally, the Group further optimized the acquired precision components business and improved its operation efficiency with adoption of automation technologies, which in turn has enhanced profitability. In the Android business segment, the Group remained focused on high-end products and provided customers with integrated and premium services. During the Period, the Group recorded a revenue of RMB60,947 million in its consumer electronics business. In particular, revenue from components and parts was approximately RMB13,752 million, and revenue from assembly was approximately RMB47,195 million.

機組裝業務份額持續提升，帶動出貨量和收入同比增長。此外，本集團持續優化收購的精密零部件業務，通過自動化提升運營效率，盈利能力得到改善。安卓業務方面，集團持續聚焦高端產品，為客戶提供高品質的全方位服務。期內，本集團在消費電子業務領域錄得人民幣609.47億元之收入，其中零部件收入約人民幣137.52億元，組裝收入約人民幣471.95億元。

In terms of the new intelligent products business, the technological landscape is being fundamentally reshaped by the integration of AI, 5G communications, Internet of Things and other emerging technologies. This synergistic development is rapidly expanding application scenarios for next-generation smart devices, and evolving user demands are persistently propelling growth of the new intelligent product market. However, consumers have become increasingly cautious in spending in the context of higher global macroeconomic uncertainty; geopolitical tensions and trade barriers have also contributed to sluggish demand and supply chain pressure, presenting challenges to the new intelligent product market. Serving as the pillar of digital transformation and the computational cornerstone of the intelligent era, AI data centers deliver massive computing power for large-scale AI model training and inference. Hyper-scale data center operators and cloud service providers are making unprecedented capital investments to promote next-generation AI advancement, and the explosive demands for AI infrastructure across the world are driving rapid market expansion for AI data center equipment, including AI servers, thermal management and power management systems.

新型智能產品業務方面，AI、5G通信和物聯網等新興性技術的融合，正從根本重塑科技格局。這種協同發展正迅速拓寬下一代智能產品的應用場景，不斷升級的用戶需求持續驅動新型智能產品市場發展。然而，在全球宏觀經濟不確定性加劇的背景下，消費者支出日趨審慎，地緣政治衝突及貿易壁壘亦導致需求放緩及供應鏈承壓，為新型智能產品市場帶來挑戰。作為數字化轉型的核心與智能時代的算力基石，AI數據中心為大規模AI模型訓練和推理提供強大算力。超大規模數據中心和雲服務供應商正以前所未有的規模投入巨資，以支撐下一代AI發展，全球AI基礎設施的爆炸性需求帶動AI服務器、熱管理、電源管理等AI數據中心設備的市場迅速擴張。

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As stated by IDC, the overall server market growth has been fueled by the rapid application of servers with embedded GPU by hyper-scale data center operators and cloud service providers. IDC forecasts that servers with embedded GPU will achieve 46.7% year-on-year growth in 2025, accounting for nearly 50% of the total value of global server market. MarketsandMarkets projects that the value of global AI data center market will reach US$236.44 billion in 2025, indicating a year-on-year growth of 40.9%. Driven by global computing power upgrades and surging AI demands, the liquid cooling server market is experiencing accelerated growth. With the advantages of thermal efficiency and low energy consumption, liquid cooling technology is progressively replacing air cooling system to become the mainstream solution for green data centers. The Group actively seized the opportunities presented by AI development, invested decisively in new product research and development and expanded its customer base, while accelerating its strategic deployment in emerging fields such as AI data centers and AI robotics. During the Period, the Group's AI data center business recorded stride in growth. In particular, the substantial shipment of AI servers drove robust business growth, and liquid cooling and power supply products for data centers obtained certification from industry leaders, injecting new dynamics into the Group's business growth. The smart logistics robots developed independently by the Group have been deployed in the manufacturing scenarios within the Group at large scale, contributing to improvement of warehousing and distribution efficiency. During the Period, the Group's new intelligent products business recorded a revenue of approximately RMB7,209 million.

IDC指出，由於超大規模數據中心與雲端服務供應商快速採用具備嵌入式GPU的服務器，推動了整體服務器市場的成長。IDC預計，二零二五年具備嵌入式GPU的服務器將按年增長46.7%，將佔據接近50%的全球服務器市場總價值。MarketsandMarkets預測，二零二五年全球AI數據中心市場規模達2,364.4億美元，同比增長40.9%。在全球算力升級和AI需求激增的推動下，液冷服務器市場加速增長。液冷技術具備高效散熱與低能耗優勢，正逐步取代風冷，成為綠色數據中心的主流冷卻方案。集團積極擁抱AI發展機遇、積極投入新產品研發和新客戶拓展，加速佈局AI數據中心、AI機器人等新賽道。期內，集團的AI數據中心業務實現跨越式成長。其中，AI服務器大量出貨，業務實現強勁增長，而數據中心液冷和電源產品已通過行業領軍企業認證，為本集團業務增長注入新動能。本集團開發的智能物流機器人，已大規模應用於本集團內製造場景，助力提升倉儲和配送效率。期內，本集團新型智能產品業務錄得收入約為人民幣72.09億元。

In terms of the new energy vehicles business, China continued to lead the global new energy vehicle market, with the international influence of Chinese new energy vehicle brands expanding steadily. Through high-quality supply, China's independent brands have effectively stimulated market demand. New energy vehicle have sustained a rapid growth trend, driving the ongoing transformation and upgrade of the industry, and achieving a leap from an era dominated by traditional fuel vehicles to one led by new energy vehicles. Supported by multiple favourable policies and continuous breakthroughs in core technologies, the domestic automobile market presented a clear pattern of rising sales volumes and optimised industrial structure.

在新能源汽車業務方面，中國持續領跑全球新能源汽車市場，中國新能源汽車品牌的全球影響力持續拓展，中國自主品牌以優質供給有效激活了市場需求。新能源汽車延續快速增長態勢，持續拉動產業轉型升級，實現了從傳統燃油車主導到新能源汽車引領的跨越。在多項利好政策刺激、核心技術持續突破等因素驅動下，國內車市呈現出銷量提升、產業結構優化的鮮明特徵。

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In the first half of 2025, new energy vehicles accounted for 44.3% of total sales volume in the industry. According to the China Association of Automobile Manufacturers, the production volume and sales volume of new energy vehicles in the first half of 2025 was 6.968 million units and 6.937 million units, respectively, representing a year-on-year increase of 41.4% and 40.3%, respectively, with a market share of 45.8% for new energy vehicles in June. The exports of new energy vehicle also grew rapidly, which recorded an export volume of 1.06 million units in the first half of 2025, representing a year-on-year increase of 75.2%. According to the China Passenger Car Association, the retail penetration rate of new energy passenger cars reached as high as 53.3% in June, with penetration rate of new energy vehicles among independent brands at 75.4%. China's new energy vehicle industry is accelerating its transformation towards connectivity and intelligence, becoming an important driving force for advancing new industrialisation and developing new quality productivity. The country has continued to roll out supportive policies to promote the vigorous development of intelligent networked new energy vehicles, accelerate the integration of vehicle-road-cloud infrastructure, and unleash innovation vitality in the digital economy. Intelligent driving technologies are rapidly gaining adoption and 2025 is regarded as the first year of the "intelligent driving for all" era, which iterated technological innovation in the automotive sector and generated new demand across the industry, while also reshaping the competitive landscape of the automotive market. The Group has obvious advantages in first mover technology in intelligent cockpit systems, intelligent driving assistance systems, intelligent suspension systems, thermal management, controllers, sensors and other areas. A number of products have been delivered in mass production, and the shipment volume has been continuously rising sharply. The Group's intelligent cockpit system product line covers the central control system, instrumentation and display systems, HUD, acoustic systems, in-vehicle power charging systems, T-BOX and switch and control panel systems, which provide users with a multi-dimensional interactive experience. The Group's products of intelligent driving assistance systems span low, medium and high computing power platforms, with shipment volumes consistently leading the domestic market. The core components of the thermal management system products of the Group are independently designed and manufactured, building a more comfortable driving environment for the consumers through efficient heat energy conversion and utilization. The Group has taken a forward-looking approach in developing a full range of intelligent suspension system products, undertaking full-stack in-house R&D of core components and system assemblies, with industry-leading product performance delivering a qualitative leap in ride comfort. During the Period, as China's global leadership in new energy vehicles was reinforced and benefiting from China's rising market share of leading brands of new energy vehicles worldwide, the Group's smart cockpit product shipments have continued to grow, market share in intelligent driving assistance and thermal management products further increased, and mass supply of its new intelligent suspension systems to mainstream models commenced, with significant growth in shipments recorded. The new energy vehicle business segment has maintained strong growth momentum. During the Period, the Group's revenue from the new energy vehicle business segment amounted to approximately RMB12,450 million, representing a year-on-year increase of approximately 60.50%, accounting for 15.45% of the total revenue.

二零二五年上半年，新能源汽車佔行業總銷量的比例已提升至44.3%。據中國汽車工業協會資料顯示，二零二五年上半年新能源汽車產量及銷量分別為696.8萬輛及693.7萬輛，同比分別增長41.4%及40.3%，其中六月新能源汽車市佔率為45.8%。新能源汽車出口增長迅速，二零二五年上半年新能源汽車出口106萬輛，同比增長75.2%。中國汽車流通協會乘聯分會的數據顯示，六月新能源乘用車零售滲透率高達53.3%，自主品牌中的新能源車滲透率75.4%。中國新能源汽車產業加速網聯化、智能化轉型，已成為推進新型工業化、發展新質生產力的重要力量。國家持續落實多項利好政策，支持行業大力發展智能網聯新能源汽車，推進車路雲一體化建設提速，激發數字經濟創新活力。智能駕駛技術正在加速普及，二零二五年被視為智駕平權時代的元年，這不僅帶來了汽車技術的革新及拉升整個行業的新需求，同時重塑汽車產業競爭格局。本集團在智能座艙系統、智能駕駛輔助系統、智能懸架系統、熱管理、控制器和傳感器等領域具備明顯的先發技術優勢，已實現多產品量產交付，且出貨量持續大幅增長。集團的智能座艙產品線覆蓋中控系統、儀錶和屏顯系統、HUD、聲學系統、車載充電系統、T-BOX、開關面板系統等，為用戶帶來豐富的多維度交互體驗。集團的智能駕駛輔助系統產品覆蓋低算力、中算力、高算力全系平台，出貨量持續領跑國內市場。集團的熱管理系統產品核心零部件均為自主設計與製造，通過高效的熱能轉換和利用，為消費者打造更舒適的駕駛環境。集團前瞻佈局全系智能懸架系統產品，全棧自研核心零件和系統總成，產品性能行業領先，帶來乘坐體驗質的飛躍。期內，中國新能源汽車全球領先地位的日益鞏固，受益於中國領先新能源汽車品牌在全球市場份額的不斷擴大，本集團的智能座艙產品出貨量持續攀升，智能駕駛輔助和熱管理產品的市場份額進一步提升，新品類智能懸架系統開始批量配套主流車型，其出貨量錄得顯著增長，新能源汽車業務板塊保持強勁增長。期內，本集團新能源汽車業務板塊的收入約人民幣124.50億元，同比上升約60.50%，佔總體收入15.45%。

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R&D AND INNOVATION

Leveraging years of expertise in innovative materials, precision molds and equipment, hardware and software product development, as well as large-scale manufacturing of components, system and complete machine, the Group has built a comprehensive technology chain covering fundamental research, product development and system-level delivery, thereby establishing a unique and irreplicable competitive advantage. The robust technology platform continues to drive the Group's R&D and innovation capabilities, and facilitate breakthroughs in cross-sector products, ensuring the sustainable development of its businesses.

As at 30 June 2025, the Group has applied for a total of 11,580 patents, with 8,119 patents granted, steadily strengthening its intellectual property portfolio. In the first half of 2025, the Group's R&D investment amounted to approximately RMB2,231 million, underscoring the Group's long-term commitment to innovation-driven growth.

Currently, the Group's focus on R&D has been shifted from traditional consumer electronics businesses to new business areas related to new energy vehicles and AI. Meanwhile, the Group is deepening its intelligent transformation, advancing the application of AI technologies, thereby continuously enhancing its overall competitiveness.

In the vehicle product segment, the Group has developed a comprehensive patent portfolio covering multiple product lines, including intelligent cockpits, intelligent driving assistance systems, intelligent suspension systems, thermal management systems, connectors and sensors. This has established solid patent and technology barriers, supporting the long-term development of the vehicles business. In particular, for products such as thermal management systems and intelligent suspension systems, the Group has completed a comprehensive patent layout for high-barrier core components and systems, positioning its product competitiveness at an industry-leading level.

研發與創新

憑藉在創新材料、精密模具與精密裝備、產品軟硬件開發、零部件及系統整機大規模製造方面的多年深耕，本集團已構建出橫跨機理研究、產品開發及系統級交付的完整技術鏈，形成獨特且難以複製的競爭優勢。強大的技術平台持續驅動本集團研發與創新能力的提升，促進跨界產品的突破，為業務可持續發展保駕續航。

截至二零二五年六月三十日，本集團累計申請專利11,580項，授權專利達8,119項，穩步強化知識產權佈局。二零二五年上半年，本集團研發投入約人民幣22.31億元，充分展現本集團對創新驅動成長的長期堅持。

目前，本集團的研發重心已由傳統消費電子業務轉向新能源汽車和AI相關的新業務領域。同時，集團深化智能化轉型，推進AI技術的應用，持續提升集團的綜合競爭力。

在汽車產品領域，本集團已形成覆蓋智能座艙、智能駕駛輔助系統、智能懸架系統、熱管理系統、接插件、傳感器等多個產品線的專利佈局，打造了堅實的專利與技術壁壘，助力汽車業務長足發展。在熱管理系統、智能懸架系統等產品上，集團已完成高壁壘核心零部件和系統的全面專利佈局，產品競爭力行業領先。

In the AI data centre segment, the Group has established a comprehensive patent portfolio covering liquid cooling systems, power systems and AI server system design, laying a solid foundation for the rapid growth of this new business.

在AI數據中心領域，集團圍繞液冷系統、電源系統、AI服務器系統設計等方面，已建立豐富的專利儲備，為新業務的快速成長打下良好的基礎。

In addition, the Group has commenced large-scale deployment of AMR intelligent logistics robots and is actively developing AI robots and core components to continuously improve production efficiency, yield rates and manufacturing agility, thereby further strengthening its competitive edge in manufacturing.

此外，本集團已開始大規模應用AMR智能物流機器人，積極開發AI機器人及核心零部件，以持續提升生產效率、良率及製造敏捷性，進一步強化製造端競爭力。

With its leading technological capabilities and intelligent manufacturing strengths, the Group continues to establish benchmarks in the industry. In the first half of 2025, the Group received high praise from customers and secured multiple pivotal collaborations, with its market recognition ascending to new heights, thereby further cementing its leading position in the industry.

本集團憑藉領先的技術實力與智能製造能力，持續在行業中樹立高標準，並於二零二五年上半年獲得客戶高度評價及多項重點合作，市場認可度再度攀升，進一步鞏固其在行業內的領導地位。

Embracing the philosophy of sustainable development, the Group proactively discharges its comprehensive responsibilities towards the economy, environment and society. It fully aligns with the national "carbon peaking and carbon neutrality" policy, perpetually refines green technologies and solutions, drives product upgrading and process innovation, and is dedicated to facilitating the green and low-carbon transformation of the industry. At the same time, the Group actively engages in philanthropic endeavours, continuing to donate supplies and provide support to disadvantaged groups, thereby giving back to society through concrete actions and demonstrating a strong sense of responsibility and warmth as a corporate citizen.

本集團秉持可持續發展理念，積極履行對經濟、環境與社會的綜合責任，全力響應國家「雙碳」政策，不斷優化綠色技術及解決方案，推動產品升級與工藝革新，致力於促進行業綠色低碳轉型。同時，本集團積極投身公益慈善事業，持續向有需要群體捐贈物資與提供支援，以實際行動回饋社會，展現企業公民的高度責任感與溫度。

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FUTURE STRATEGY

Looking ahead to the second half of 2025, despite significant uncertainties in the international environment, China's economy will maintain its remarkable resilience, with solid long-term fundamentals and internal support. It is expected that China will continue to step up the intensity of its macroeconomic policies to safeguard stable economic performance while actively expanding domestic demand, optimizing the consumption environment, and cultivating new drivers of consumption growth, aiming to accelerate high-quality economic development. Technological innovation has become the core engine of China's economic transformation and upgrading. Under the guidance of new quality productive forces, new growth drivers are emerging rapidly. The central government will continue to provide strong policy support, focusing on new energy vehicles and electronic intelligent manufacturing represented by AI and high-end chips, aiming to accelerate technological breakthroughs and fully unlock consumption potential. On 23 June 2025, the Ministry of Commerce issued the Notice on Organizing the 2025 New Energy Consumption Season across Thousands of Counties and Towns (關於組織展開二零二五年千縣萬鎮新能源消費季活動的通知), demanding the organization of a consumption season for new energy vehicles from July to December 2025, proposing that the local authorities should advance pilot reforms in automobile circulation and consumption based on local conditions, while relentlessly implementing the "trade-in" policy for automobiles with adherence to the dual drivers, i.e. "policies and events", accelerating supply-demand matching and launching of new energy vehicles, improving the environment for purchase and use of new energy vehicles in the rural areas, so as to support the rollout of new energy vehicles to the countryside. As a global leading provider of high-tech and innovative products, the Group will continue to strengthen core technology R&D and innovation in high-end manufacturing, further expand our advantages in vertical integration, and deepen strategic cooperation with key customers to seize future market opportunities. While our industry leadership in the consumer electronics sector is being reinforced, our new energy vehicle business segment will continue to experience robust growth, and emerging businesses such as servers, AI data center and AI robots will grow rapidly, which will together drive the Group's sustainable development.

未來策略

展望二零二五年下半年，儘管國際環境仍存在巨大不確定性，中國經濟韌性十足，長期向好的基本面和內在支撐條件依然穩固，預期國家將繼續加大宏觀政策的力度，為經濟穩定運行保駕護航，並積極擴大國內需求，不斷優化消費環境及培育消費新增長點，加快推進經濟高質量發展。科技創新已成為中國經濟轉型升級的核心引擎，在新質生產力引領下，新增長點加速湧現。國家將持續深化政策支持，聚焦新能源汽車及以AI、高端芯片為代表的電子智能製造，旨在加速技術突破並全面釋放消費潛力。二零二五年六月二十三日，國家商務部發佈《關於組織展開二零二五年千縣萬鎮新能源消費季活動的通知》，於二零二五年七月至十二月期間開展新能源汽車消費季活動，並提出各地要因地制宜推進汽車流通消費改革試點工作，切實落實汽車以舊換新政策，堅持「政策+活動」雙輪驅動，加強新能源汽車供需對接、新品發佈，推動完善縣鄉地區新能源汽車購買使用環境，助力新能源汽車下鄉。作為全球領先的高科技創新產品提供商，本集團將持續深耕核心技術研發及提升高端製造創新能力，進一步強化垂直整合壁壘，全方位深化大客戶戰略合作，搶佔未來市場制高點。在不斷鞏固消費電子行業領導地位的同時，新能源汽車業務板塊將保持高速增長態勢，而服務器、AI數據中心、AI機器人等新興業務的加速成長，將共同推動本集團實現可持續發展。

In terms of consumer electronics business, as AI application scenarios continue to expand and technological costs steadily decline, edge-side AI is emerging as a core driving force of structural upgrades across the industry. The rapid development of edge-side AI technologies is injecting innovative momentum into the consumer electronics sector and is expected to spur a new wave of device replacement. However, persistent global economic uncertainty, weak consumer confidence, elevated interest rates, and geopolitical risks continue to weigh on overall market demand. Edge-side AI deployment across multiple endpoints and ongoing upgrades will spur further growth in the consumer electronics industry. Canalys forecasts that AI smartphones will reach a 34% penetration rate in 2025. The streamlining of edge-side models and upgrades in chip computing power will further popularize AI smartphones into the mid-end sector, and therefore, it is believed that AI smartphones will continue to penetrate rapidly in 2025 and 2026. In addition, national policies to boost consumption will continue to intensify, with stimulus subsidy measures rolling out in the second half of 2025, among which, trade-in subsidy policy for consumer electronics such as smartphones and tablets will run through 31 December 2025, which will effectively boost the consumption growth. Nevertheless, against the backdrop of global economic headwinds, market researchers remain cautious about the smartphone market outlook. Counterpoint expects that China's smartphone shipments in 2025 will grow by less than 1%. As tri-fold and other innovative foldable smartphones are rolled out, hardware-level innovation will concurrently drive improvements in the software ecosystem, and unlock more application scenarios. Together, these exciting features will deliver better user experience and propel the comprehensive development of the foldable smartphone market. TrendForce forecasts that foldable smartphone shipments will reach 19.8 million units in 2025, with market penetration remaining at around 1.6% and year-over-year growth slowing down. It is expected that, the entry of leading U.S. smartphone brands into the foldable phone market is likely to become a turning point for foldable phones to enter the mainstream market and will inject new impetus into the smartphone industry. Meanwhile, AI PCs are rapidly emerging as the core driver of transformation in the global PC industry. Large AI models have broad application prospects in commercial and enterprise productivity scenarios, with the penetration of AI PCs continuing to increase. However, due to the uncertainty around U.S. tariff policies, Counterpoint expects that global PC shipment growth may slow down year on year in the second half of 2025. Demand for AI PCs will become a major growth driver in 2026, when more than half of the laptops around the world are expected to feature AI capabilities. As the complexity

消費電子業務方面，隨著AI應用場景持續擴展及技術成本逐步下降，端側AI正成為驅動行業結構性升級的核心力量，端側AI技術的快速發展為消費電子行業注入創新動能，並有望激發新一輪換機需求，而持續的全球經濟不確定性，消費信心疲弱、利率高企及地緣政治風險，仍對整體市場需求構成壓力。端側AI多終端落地及升級將引領消費電子行業成長。Canalys預測，二零二五年AI手機滲透率將達到34%，端側模型的精簡以及芯片算力的升級將進一步助推AI手機向中端價位段滲透，並認為二零二五至二零二六年AI手機將保持高速滲透的趨勢。此外，國家促消費政策將持續加大力度，二零二五年下半年刺激消費補貼政策將陸續出台，其中針對手機、平板等消費電子產品的購新補貼政策將持續至二零二五年十二月三十一日，支撐消費發展。儘管如此，在全球經濟逆風的背景下，市場分析機構對智能手機市場前景持謹慎態度。Counterpoint預期，二零二五年中國智能手機出貨量全年增幅將不足1%。隨著三折疊及更多創新形態折疊屏手機的陸續推出，其在硬件層面的革新將同步推動軟件生態的完善，並解鎖更豐富的應用場景。這將共同為用戶帶來更優質的體驗，驅動折疊屏手機市場的全面發展。TrendForce預測，二零二五年折疊屏手機出貨量將達到1,980萬台，市場滲透率維持在約1.6%，同比增速放緩，預計隨著美國頭部手機品牌入局折疊手機，有望成為推動折疊屏手機進入主流市場的轉折點，並為智能手機行業注入新動力。AI PC正迅速崛起，成為全球PC行業變革的核心驅動。AI大模型在商用及企業生產力場景的應用前景廣闊，AI PC滲透率持續提升。不過，受美國關稅政策不確定性影響，Counterpoint預計二零二五年下半年全球PC出貨量同比增速可能放緩，AI PC的需求將於二零二六年成為重要成長動力，預期屆時超過半數筆電將具備AI功能。隨著AI終端複雜度的不斷提升及折疊屏手機市場持續壯大，將

of AI devices continues to increase and the foldable smartphone market keeps expanding, demand for high-strength, lightweight components and efficient thermal solutions will rise significantly, creating new high-value-added opportunities across the related industry chain. As a global leading provider of high-tech and innovative products, the Group will continue to expand its technological leadership in precision manufacturing, focusing on high-value-added premium products while actively capitalizing on market trends and new development opportunities enabled by AI. For key overseas customers, the Group will further explore their core business potential, proactively increase the market share of its products, broaden its product portfolio and continuously expand its business scale. Regarding the Android business, the Group has been deepening its strategic cooperation with customers on high-end products, closely aligning with their business development needs and making relentless efforts to support the iteration and upgrading of their products. In the second half of 2025 and 2026, benifitting from innovation and upgrades in high-end products, coupled with major opportunities arising from the new product cycles of key customers, the Group will further solidify its leadership in the industry. Going forward, the Group will continue to expand its presence in domestic and overseas markets, optimize its global strategic layout, and drive the sustained development of its consumer electronics business.

顯著拉動對高強度輕量化零部件和高效散熱器件的需求，為相關產業鏈帶來高附加值的新發展機遇。作為全球領先的高科技創新產品提供商，本集團將持續擴大在精密製造領域的技術領先優勢，聚焦高附加值的高端產品，積極把握市場趨勢及AI賦能所帶來的新發展機遇。海外大客戶方面，本集團將持續深挖海外大客戶的核心業務潛力，積極提升產品份額，擴充產品品類，持續擴大業務規模。安卓業務方面，本集團不斷深化與客戶在高端產品的戰略合作，緊密配合客戶的業務發展需求，全面支持客戶產品的迭代和升級。二零二五年下半年及二零二六年，集團將受益於高端產品的創新升級和大客戶新形態產品週期帶來的重要發展機遇，持續加強行業龍頭地位。未來，本集團將繼續拓展海內外市場，優化全球戰略佈局，推動消費電子業務的持續發展。

In terms of new intelligent product business, the convergence and development of emerging technologies such as AI and 5G are empowering the realization of entirely new and diverse application scenarios, thereby giving rise to immense market demand. Leveraging its strategic layout in such fields as AI data center, AI robotics, smart homes, gaming hardware, and drones, the Group is well positioned and will reap benefits from this wave of technology transformation. In particular, the vigorous development of AI and large language model technologies is propelling the rapid expansion of the market for AI data center and AI servers, providing strong growth momentum for the Group's future development. MarketsandMarkets forecasts that the global AI data center sector will grow up to USD236.44 billion by 2030, with a compound annual growth rate (CAGR) of 31.6% from 2025 to 2030. Driven by surging demand for AI applications, the evolution of cloud and edge computing, and the widespread adoption of big data analytics, the AI server market is experiencing robust growth. Precedence forecasts that the global AI server market will grow 27.6% year on year to USD39.23 billion in 2025 and reach USD132.81 billion by 2030.

新型智能產品業務方面，AI與5G等新興科技加速融合發展，賦能多元化應用及催生龐大市場需求。本集團憑藉在AI數據中心、AI機器人、智能家居、遊戲硬件、無人機等領域的深厚戰略佈局，已佔據有利位置，並將充分受益於這科技變革浪潮。尤其是AI及大模型技術加速演進，帶動AI數據中心及AI服務器市場迎來爆發式增長，為本集團的未來發展注入強勁的增長動能。MarketsandMarkets預計，到二零三零年全球AI數據中心市場規模達2,364.4億美元，二零二五至二零三零年的年均複合增長率為31.6%。在AI應用需求激增、雲計算和邊緣計算的演進以及大數據分析廣泛應用的共同驅動下，AI服務器市場蓬勃發展。Precedence預測，二零二五年全球AI服務器市場規模同比增長27.6%至392.3億美元，到二零三零年市場規模將達1,328.1億美元。

Driven by surging demand for AI computing power, stronger green regulations and sustainability initiatives, and rising data-related energy consumption, infrastructure upgrade and optimization has become a rigid necessity, and green data centers with high energy efficiency and low carbon emissions are rapidly emerging. Fortune Business Insights projects that the global green data center market will grow up to USD307.52 billion by 2032, with a CAGR of 18.0% during the forecast period. To address the high energy consumption challenges that accompany the rapid growth in AI computing power, efficient, low-energy-consumption liquid cooling technology has become an inevitable trend for achieving green, low-carbon computing power, demonstrating that AI computing power has entered the liquid-cooling era. Research Nester forecasts that the size of global data centre liquid cooling market will reach USD89.77 billion by 2037, representing a CAGR of 40.3% from 2025 to 2037. Liquid-cooled servers are rapidly penetrating the market and are gradually becoming the standard configuration for intelligent computing centres. Furthermore, AI technology is comprehensively reshaping the ecosystem of industrial production, with edge-side AI being particularly crucial, which has catalyzed the emergence of new industrial business models and industrial collaboration frameworks. From quality control to robotic collaboration, the application of AI in industrial scenarios is becoming the core of smart manufacturing. As enterprises seek to enhance efficiency, productivity and competitiveness, the adoption of advanced robotic solutions is accelerating. Fortune Business Insights forecasts that the size of global industrial robotics market will grow from USD21.94 billion in 2025 to USD55.55 billion in 2032, representing a CAGR of 14.2% over the forecast period. The Group continues to increase its R&D investment in the area of data centres, and has established a comprehensive product portfolio of high-barrier products covering AI servers, liquid cooling systems, power management and high-speed communication solutions, creating broad growth opportunities for the Group. In the second half of 2025, the continuous growth in demand for computing power will become the main driver for the rapid growth of the Group's AI server business. At the same time, as the data centre market accelerates into the liquid cooling era, market demand for liquid cooling products will increase significantly. The Group will actively promote cooperation with domestic and overseas customers, accelerate the continuous deployment of new products related to AI data centres, and foster new engines for business growth. Leveraging years of deep industry expertise, the Group has accumulated profound technological capabilities in system-level product integration, sensor fusion and software algorithms for intelligent driving. The Group fully capitalizes on the technological synergies between AI robots and intelligent vehicles, establishing a comprehensive presence in a number of core components, including sensors, actuators and controllers, and system and complete machine for AI robots. In the future, the extensive application of AI robots will further enhance the competitiveness of the Group and is expected to bring new business growth points for the Group. Underpinned by world-class R&D strength, global layout and vertical integration advantages, the Group will continue to explore new categories and markets with high growth potential, promoting the long-term sustainable development of its business.

AI算力需求激增、綠色法規與可持續倡議強化、數據能耗增長等多重因素推動下，基礎設施的優化升級成為剛性需求，高能效、低碳排的綠色數據中心正快速崛起。Fortune Business Insights預計，到二零三二年全球綠色數據中心市場規模將達3,075.2億美元，預測期內的年均複合增長率為18.0%。為應對AI算力高速增長所伴隨的高能耗挑戰，高效、低耗能的液冷技術已成為實現綠色低碳算力的必然趨勢，AI算力已邁入液冷時代。Research Nester預計，到二零三七年全球數據中心液冷市場規模將達897.7億美元，二零二五至二零三七年的年均複合增長率為40.3%。液冷服務器正加速滲透市場，逐漸成為智算中心的標準配置。此外，AI技術正全面革新工業生產生態，端側AI尤為關鍵，催生了新型工業業務與產業協作模式。從質控到機器人協作，AI在工業場景的應用正成為智能製造的核心。為提升效率、生產力及競爭力，企業正加速部署先進機器人方案。Fortune Business Insights預計，全球工業機器人的市場規模將從二零二五年的219.4億美元增長至二零三二年的555.5億美元，年均複合增長率為14.2%。本集團在數據中心領域持續加大研發投入，已構建涵蓋AI服務器、液冷系統、電源管理和高速通訊等高壁壘產品的完整佈局，為集團開拓了廣闊的增長空間。二零二五年下半年，算力需求的持續增長將成為集團AI服務器業務高速發展的主要驅動力。與此同時，數據中心市場正加速邁入液冷時代，液冷產品的市場需求將大幅提升。本集團將積極推進與國內外客戶的合作，加速AI數據中心相關新產品的落地，培育新的業務增長引擎。憑藉多年深耕行業的經驗，本集團在系統級產品集成、智能駕駛的傳感器融合及軟件算法等領域積累了深厚的技術實力。集團充分發揮AI機器人與智能汽車技術同源的優勢，全面佈局AI機器人的傳感器、執行器、控制器等多個核心零部件及系統整機。未來，AI機器人的廣泛應用將進一步增強本集團的市場競爭力，並為本集團開闢新的業務增長空間。依託世界一流的研發能力、全球化佈局和垂直整合優勢，本集團將持續開拓高增長潛力的新品類與新市場，推動業務實現長期可持續發展。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

In respect of the new energy vehicle business, China's new energy vehicle sector has overtaken others on curves to lead the development of the global automobile industry, and is realizing a leap from scale leadership to technological leadership, entering a new stage of intelligent and high-quality development driven by value rather than price competition. Leveraging technological innovation, advantages in the industrial chain and the enhancement of brand strength, China's independent brands are accelerating the expansion of their overseas footprint, with their global influence continuously increasing. Under policy guidance, consumption potential is further unleashed, and intelligent connected functions such as advanced driver assistance and personalized human-vehicle interaction have become the focus of competition among carmakers, driving the expansion of a trillion-dollar market. The China Association of Automobile Manufacturers pointed out that in the second half of 2025, the "Two New" policies (promoting large-scale equipment upgrading and the replacement of consumer goods with new ones) aimed at expanding effective investment and promoting consumption upgrade will continue to be implemented in an orderly manner, which, combined with the continuous enrichment of enterprises' new product offerings, will help drive growth in automobile consumption. The China Association of Automobile Manufacturers forecasts that in 2025, the sales volume of new energy vehicles in China will reach 16 million units, with the penetration rate of electrification expected to exceed 50%. BloombergNEF estimates that in 2025, global new energy vehicle sales will increase by approximately 25% year-on-year to 22 million units, with about two-thirds of such global sales expected to be made in China, and the global sales of new energy vehicles will account for one quarter of total automobile sales. AI is further empowering the intelligent upgrade of automobiles, and since 2025, carmakers have proposed the concept of "making intelligent driving accessible to all". As intelligent driving extends to mid to low-end models, intelligent driving is gradually entering a popularization stage, and the automobile industry has entered an advanced stage of intelligence. Mordor Intelligence projects that the global ADAS market size will increase from USD38.54 billion in 2025 to USD68.68 billion in 2030, representing a CAGR of 12.3%, with the Asia-Pacific region being the fastest-growing market, expected to record a CAGR of 14.6% from 2025 to 2030. MarketsandMarkets forecasts that the global L3-level automatic driving passenger car market size will increase from 291,000 units in 2025 to 8.7 million units in 2035, representing a CAGR of 40.5%, while the market size of L3-level automatic driving passenger cars in the Asia-Pacific region will reach 2.6 million units in 2035, with a CAGR as high as 50.4% from 2025

新能源汽車業務方面，中國新能源汽車彎道超車引領全球汽車行業發展，中國新能源汽車產業正實現從規模領先向技術引領的跨越，並邁入從價格競爭轉向價值驅動的智能化、高質量發展的新階段。依託科技創新、產業鏈優勢及品牌力提升，中國自主品牌加速拓展海外版圖，全球影響力不斷提升。在政策引導下，消費潛力進一步釋放，高階輔助駕駛、個性化人車交互等智能網聯功能成為車企競爭焦點，帶動萬億元級市場規模擴張。中國汽車工業協會指出，二零二五年下半年擴大有效投資和促進消費升級的「兩新」政策（推動大規模設備更新和消費品以舊換新）將繼續有序實施，疊加企業新品供給持續豐富，有助於拉動汽車消費增長。中國汽車工業協會預測，二零二五年中國新能源汽車銷量將達到1,600萬輛，電動化滲透率有望超過50%。BloombergNEF預計，二零二五年全球新能源汽車銷量將同比增長約25%至2,200萬輛，預期全球約三分之二的新能源汽車銷量將來自中國，而全球新能源汽車銷量佔整體汽車總銷量的四分之一。AI進一步賦能汽車在智能化上的升級，二零二五年以來車企提出「智駕平權」，隨著智駕下沉至到中低端車型，智能駕駛漸入普及期，汽車產業已邁入智能化的高級階段。Mordor Intelligence預計，全球ADAS市場規模將從二零二五年的385.4億美元增長至二零三零年的686.8億美元，年均複合增長率為12.3%。亞太地區是增長最快的市場，預計二零二五年至二零三零年的年均複合增長率將達14.6%。MarketsandMarkets預測，全球L3級別自動駕駛乘用車市場規模將從二零二五年29.1萬輛增長至二零三五年的870萬輛，年均複合增長率為40.5%，而亞太區L3級別自動駕駛乘用車市場規模於二零三五年將達260萬輛，二零二五至二零三五年的年均複合增長率高達50.4%，呈現爆發式增長態勢。隨著消

to 2035, showing an explosive growth trend. As consumers' demands for automobile comfortability and handling performance increase, intelligent suspension, particularly air suspension, is gradually penetrating from high-end models into mid-to-low-end models. Global Info Research forecasts that the global intelligent suspension market size will reach USD3.6 billion in 2031, representing a CAGR of 6.6% from 2025 to 2031. As new energy vehicles evolve towards "enhanced configuration, high configuration and intelligence", the market penetration of key lightweight components such as carbon-ceramic brake discs is also expected to increase. The Group is seizing the development opportunities brought by the accelerated intelligence of the new energy vehicle industry, and fully leveraging its technological accumulation in the consumer electronics sector to support the rapid growth of its automobile business. With solid technological reserves and strong research and development capabilities, the Group has built a diversified product portfolio in the fields of vehicle electrification and intelligence, focusing on intelligent driving assistance systems, intelligent suspension, carbon-ceramic brake discs and other high-end products. In the second half of 2025, the Group is expected to continue to benefit from the transformation of the automobile industry and the continued increase in the penetration rate of intelligent driving. The shipment volumes of the Group's products such as intelligent cockpits, thermal management and intelligent driving assistance are expected to maintain growth, while intelligent suspension products will be fitted to more models, driving the continuous rapid expansion of the Group's new energy vehicle business segment. As new products gradually enter mass production and their penetration rates continue to increase, the Group's value per vehicle will steadily increase, and the new energy vehicle business will maintain a high growth momentum. The Group will continue to strengthen its research and development investment, broaden its product portfolio, deepen its cooperation with global automobile manufacturers, and is committed to becoming a global leading provider in intelligent and premium solutions for new energy vehicles.

費者對汽車舒適性、操控性要求的提高，智能懸架，特別是空氣懸架，逐漸從高端車型向中低端車型滲透。Global Info Research預測，二零三一年全球智能懸架市場規模將達3,600百萬美元，二零二五至二零三一年的年均複合增長率為6.6%。隨著新能源汽車向「增配、高配、智能化」方向演進，碳陶剎車盤等輕量化關鍵部件的市場滲透率也有望提升。本集團緊抓新能源汽車行加速智能化的發展契機，充分利用在消費電子領域的技術積累，助力汽車業務快速成長。憑藉深厚的技術儲備與研發實力，本集團已在汽車電動化與智能化領域構建起多元化產品，圍繞智能駕駛輔助系統、智能懸架、碳陶剎車盤及其他高端產品發力。預期二零二五年下半年，本集團將持續受益於汽車行業變革及智能駕駛滲透率持續提升。本集團的智能座艙、熱管理、智能駕駛輔助等產品的出貨量將保持增長，智能懸架產品將配套至更多車型中，推動本集團的新能源汽車業務板塊持續快速擴張。隨著新產品逐步量產及滲透率不斷提高，本集團單車價值量將穩步提升，新能源汽車業務將延續高速增長態勢。集團將繼續強化研發投入，拓寬產品佈局，深化與全球車企客戶的合作，致力成為全球領先的新能源汽車智能化和高端化解決方案提供商。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

As an industry innovation benchmark, the Group, through years of strategic cultivation and continuous investment in R&D, has established top-tier R&D teams covering key areas including innovative materials and processes, precision molds, product design and development, automation, and informationisation, thereby forming a technological advantage that is difficult for other companies to surpass. Leveraging its world-class technological and R&D capabilities, the Group precisely seizes market opportunities and has established deep strategic partnerships with leading global customers, continuously expanding its business boundaries. The Group's consumer electronics business has expanded to cover the full customer spectrum and has extended from consumer electronics into a diversified layout encompassing new energy vehicles and emerging intelligent products, achieving a transformation from a manufacturing-driven growth model to an R&D and innovation-driven growth model. The Group's new energy vehicle business has emerged as its second growth engine and is expected to grow further underpinned by the shift towards electrification and smartification within the global automotive industry. Facing the global wave of technological transformation for artificial intelligence, the Group has adopted forward-thinking arrangements for emerging businesses such as AI data centres and AI robots, cultivating new engines for growth. Looking forward, the Group will continue to uphold independent innovation, continuously strengthen its R&D capabilities, seize market opportunities, promote the upgrading of intelligent manufacturing, and focus on achieving high-quality sustainable development, thereby creating greater value for its customers and shareholders.

本集團作為行業創新標桿，通過多年戰略深耕和持續研發投入，建立了覆蓋創新材料與工藝、精密模具、產品設計開發、自動化及信息化等關鍵領域的頂尖研發團隊，形成了其他企業難以超越的技術護城河。本集團擁有世界級的技術研發實力，精準把握市場機遇，與全球頂尖客戶建立了深度戰略合作關係，不斷開拓新的業務領域。本集團的消費電子業務已拓展至全系客戶群，並從消費電子業務延伸至覆蓋新能源汽車、新型智能產品等多元化佈局，實現從製造驅動增長向創新驅動增長的戰略轉型。集團的新能源汽車業務已成為第二增長極，將受益於全球汽車行業電動化智能化趨勢持續增長。面對全球人工智能技術變革，本集團超前佈局AI數據中心、AI機器人等新興業務，打造新的增長引擎。展望未來，本集團將堅持自主創新，不斷強化研發能力，搶抓市場機遇，推進智能製造升級，同時專注於實現高質量可持續發展，為客戶和股東創造更大價值。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

FINANCIAL REVIEW

During the Period under review, revenue increased by 2.58% as compared to the same period of the previous year, and profit attributable to owners of the parent company increased by 13.97% as compared to the same period of the previous year, mainly due to the growth of the Group's new energy vehicles segment and the decline in expenses.

財務回顧

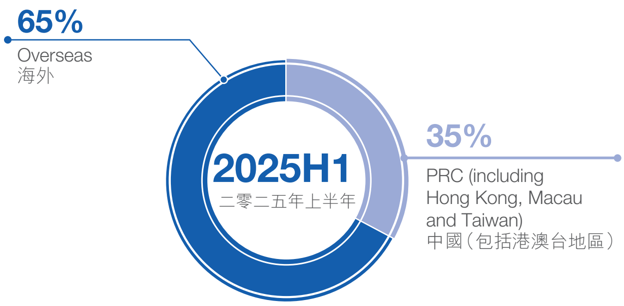
回顧期內，營業額較去年同期上升2.58%，母公司擁有人應佔溢利較去年同期上升13.97%，主要是受益於集團的新能源汽車業務板塊增長和費用下降影響。

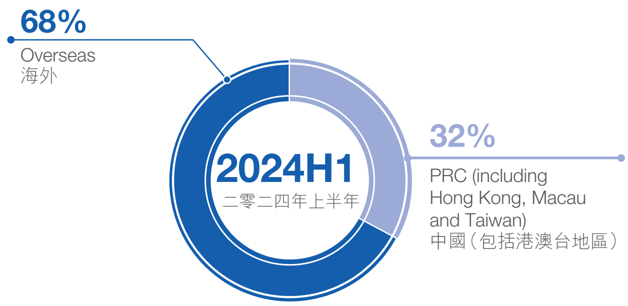
SEGMENT INFORMATION

The following charts set out comparisons of geographical segments by locations of customers of the Group for the Period and the six months ended 30 June 2024:

分部資料

以下為本集團於期內及截至二零二四年六月三十日止六個月按客戶所在地分析的地區分部比較：





GROSS PROFIT AND MARGIN

The Group's gross profit for the Period increased by approximately 3.05% to RMB5,543 million and gross profit margin increased from approximately 6.85% in the first half of 2024 to approximately 6.88% during the Period, which remained largely flat.

毛利及邊際利潤

本集團期內的毛利上升約3.05%至人民幣5,543百萬元，毛利率由二零二四年上半年約6.85%上升至期內約6.88%，基本持平。

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Group recorded operating cash inflow of approximately RMB10,002 million, compared with cash inflow of approximately RMB183 million in the first half of 2024 . The increase in cash inflow of the Group during the Period was mainly due to the increase in cash received for sales of goods and rendering services. As of 30 June 2025, the Group had interest-bearing bank and other borrowings of approximately RMB9,652 million (31 December 2024: RMB10,807 million). The maturity profile of the interest-bearing bank and other borrowings thereof spreads over a period of one year.

The Group maintained sufficient liquidity to meet daily liquidity management and capital expenditure requirements, and control internal operating cash flows. The Group's requirements for borrowings are unaffected by seasonality. For the Period, turnover days of trade receivables and receivables financing were approximately 56 days, which showed no significant change as compared to approximately 54 days for the six months ended 30 June 2024. Inventory turnover days decreased from approximately 49 days for the six months ended 30 June 2024 to approximately 47 days for the Period, which showed no significant change.

流動資金及財務資源

期內，本集團錄得經營現金流入約人民幣10,002百萬元，而二零二四年上半年則錄得現金流入約人民幣183百萬元，本集團期內現金流入增加主要是銷售商品，提供勞務收到的現金增加所致。截至二零二五年六月三十日，本集團計息銀行及其他借款約人民幣9,652百萬元(二零二四年十二月三十一日：人民幣10,807百萬元)。計息銀行及其他借款在一年內到期。

本集團擁有足夠的流動性以滿足日常流動資金管理及資本開支需求，並控制內部經營現金流量。本集團借款需求不受季節性影響。期內，應收貿易賬款及應收款項融資的週轉天數約為56日，而截至二零二四年六月三十日止六個月，則約為54日，無明顯變化。存貨週轉天數由截至二零二四年六月三十日止六個月約49日下降至期內約47日，無明顯變化。

CAPITAL STRUCTURE

The Group's financial division is responsible for the Group's financial risk management which operates according to policies implemented and approved by senior management. As at 30 June 2025, the Group had interest-bearing bank and other borrowings of approximately RMB9,652 million (31 December 2024: RMB10,807 million), which were settled in RMB and US dollars and arranged on a fixed-rate basis, and the Group's cash and cash equivalents were primarily held in RMB and US dollars. The Group's current bank deposits and cash balances as well as the Group's credit facilities and net cash generated from operating activities will be sufficient to satisfy the Group's material commitments and the expected working capital requirements, capital expenditure, business expansion, investments and debt repayment for at least the next twelve months.

The Group monitors capital using a gearing ratio, which is net liabilities divided by equity. Net liabilities include interest-bearing liabilities less cash and bank balances. Equity represents equity attributable to owners of the parent. The Group's policy is to maintain the gearing ratio as low as possible. As at 30 June 2025, the gearing ratio of the Group was -5.27% (31 December 2024: 18.01%).

資本架構

本集團財務處的職責是負責本集團的財務風險管理工作，並根據高級管理層實行批核的政策運作。於截至二零二五年六月三十日，本集團計息銀行及其他借款約人民幣9,652百萬元(二零二四年十二月三十一日：人民幣10,807百萬元)，以人民幣及美元結算，按固定利率計息，而本集團的現金及現金等價物主要以人民幣及美元持有。本集團目前的銀行存款和現金結存，以及本集團信貸額度和經營活動提供的淨現金將足以滿足本集團的重大承諾和預期營運資金需求、資本開支、業務擴展、投資和至少未來十二個月的債務償還。

本集團使用資本負債比率(即淨負債除以權益)監察其資本。淨負債包括有息負債，並扣除現金及銀行結餘。權益為母公司擁有人應佔權益。本集團的政策為將資本負債比率盡可能保持最低。截至二零二五年六月三十日，本集團的資本負債比率為-5.27%(二零二四年十二月三十一日：18.01%)。

SIGNIFICANT INVESTMENT HELD

The Group did not have any significant investments during the Period.

所持重大投資

期內本集團概無任何重大投資。

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the Period under review, there was no material acquisition and disposal of subsidiaries, associates and joint ventures. There was no plan authorised by the board (the "Board") of directors (the "Directors") of the Company for other material investments or additions of capital assets as at the date of this interim report.

重大收購及出售附屬公司、聯營公司及合營企業以及重大資本資產或投資

於回顧期內，概無其他重大收購及出售附屬公司、聯營公司及合營企業。於本中期報告日期，本公司董事(「董事」)會(「董事會」)概無授權任何重大投資或添置資本資產的計劃。

EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's income and expenditure are settled in RMB and US dollars. During the Period, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group will have sufficient foreign exchange to meet its own foreign exchange needs.

外匯風險

本集團大部分收入及開支以人民幣及美元結算。期內，本集團並無因貨幣匯率的波動而令其營運或流動資金出現任何重大困難或影響。董事相信，本集團將有充足外匯應付其外匯需要。

CHARGE ON ASSETS

As at 30 June 2025, the Group had no bank deposit pledged (bank deposit pledged for letter of credit margin as at 31 December 2024: RMB50,000).

資產抵押

於二零二五年六月三十日，本集團無抵押的銀行存款(二零二四年十二月三十一日就信用證保證金而抵押的銀行存款：人民幣50,000元)。

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 30 June 2025, the Group had approximately 156,000 employees. During the Period, total staff cost accounted for approximately 12.81% of the Group's revenue. Employees' remuneration was determined on the basis of the employees' performance, qualification and prevailing industry practices, with compensation policies being reviewed on a regular basis. Bonuses and rewards may also be awarded to employees based on their annual performance evaluation. Incentives were offered to encourage personal motivation.

Since 2021, the Group has standardized a three-tier training framework for new staff members and has concretely carried out training. The subjects, hours and assessment methods of the three-tier training framework are clearly stated, and safety training materials and examination questions are drafted according to the job nature of employees. New employees are required to attend the training and pass the examination before taking on the job.

僱用、培訓及發展

於二零二五年六月三十日，本集團僱用約15.6萬名僱員。期內，員工成本總額佔本集團營業額約12.81%。本集團按僱員的表現、資歷及當時的行業慣例釐定給予僱員的報酬，而酬金政策會定期檢討。根據年度工作表現評核，僱員或會獲發花紅及獎金。獎勵的發放乃作為個人推動力的鼓勵。

自二零二一年起，本集團為新員工規範三級培訓框架，並開展具體培訓。三級培訓框架的科目、時間和考核方法已明確規定，並根據員工工作性質起草安全培訓材料和考核問題。新員工在履新前必須參加培訓並通過考核。

SHARE CAPITAL

As at 30 June 2025, the share capital of the Company was as follows:

Number of issued ordinary shares: 2,253,204,500.

股本

於二零二五年六月三十日，本公司的股本如下：

已發行普通股份數目：2,253,204,500。

CAPITAL COMMITMENT

As at 30 June 2025, the Group had capital commitments of approximately RMB620 million (31 December 2024: approximately RMB807 million).

資本承擔

於二零二五年六月三十日，本集團的資本承擔達約人民幣620百萬元(二零二四年十二月三十一日：約人民幣807百萬元)。

CONTINGENT LIABILITIES

Please refer to note 13 to the interim condensed consolidated financial statements for details of contingent liabilities.

或然負債

有關或然負債的詳情請參閱中期簡明合併財務報表附註13。

EVENTS AFTER THE REPORTING PERIOD

No other subsequent events occurred that materially affected the Group's financial condition or operation after 30 June 2025 and up to the date of this interim report.

報告期後事項

於二零二五年六月三十日後及直至本中期報日期，並無發生對本集團財務狀況或營運產生重大影響的其他期後事項。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2025, the interests or short positions of the Directors and chief executive of the Company in the ordinary shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chap. 571 of the Laws of Hong Kong) (the "SFO"), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange were as follows:

董事及最高行政人員於股份中的權益及淡倉

於二零二五年六月三十日，本公司董事及最高行政人員於本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的普通股份及相關股份中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的有關權益或淡倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉)，或根據證券及期貨條例第352條須記錄於該條文所指的登記冊內，或根據聯交所證券上市規則(「上市規則」)附錄C3所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的有關權益或淡倉如下：

Name of Director 董事姓名	Name of company 公司名稱	Capacity 身份	Number of issued shares held 持有已發行股份數目	Approximate percentage of total issued shares of that company 佔該公司已發行股份總數的概約百分比
Mr. Wang Nian-qiang 王念強先生	The Company 本公司	Beneficial owner and beneficiary 實益擁有人及受益人	17,102,000[1] (long position) (好倉)	0.76%
	BYD 比亞迪	Beneficial owner 實益擁有人	18,299,740[2] (long position) (好倉)	0.60%
Mr. Jiang Xiang-rong 江向榮先生	The Company 本公司	Interest of spouse 配偶權益	169,000 (long position) (好倉)	(<0.01%)
Mr. Wang Bo 王渤先生	The Company 本公司	Beneficiary 受益人	2,805,000[3] (long position) (好倉)	0.12%
Mr. Wang Chuan-fu 王傳福先生	BYD 比亞迪	Beneficial owner 實益擁有人	518,351,550[4] (long position) (好倉)	17.06%
Mr. Qian Jing-jie 錢靖捷先生	The Company 本公司	Beneficial owner 實益擁有人	5,000 (long position) (好倉)	(<0.01%)

Notes:

1. Of which 8,500,000 shares are held by Mr. Wang Nian-qiang and 8,602,000 shares are held by Gold Dragonfly Limited ("Gold Dragonfly"), a company incorporated in the British Virgin Islands and wholly owned by BF Gold Dragon Fly (PTC) Limited ("BF Trustee") as the trustee of BF Trust, the beneficiaries of which include Mr. Wang Nian-qiang.

2. These are the A shares of BYD held by Mr. Wang Nian-qiang. The total share capital of BYD as at 30 June 2025 was RMB3,039,065,855, comprising 1,811,265,855 A shares and 1,227,800,000 H shares, all of which have a par value of RMB1 each. The A shares of BYD held by Mr. Wang Nian-qiang represented approximately 1.01% of the total issued A shares of BYD as at 30 June 2025.

3. These shares are held by Gold Dragonfly, a company wholly owned by BF Trustee as the trustee of BF Trust, one of the beneficiaries of which include Mr. Wang Bo.

4. These are the 513,623,850 A shares held by Mr. Wang Chuan-fu, 3,727,700 A shares held in No.1 Assets Management Plan through E Fund BYD and 1,000,000 H shares of BYD held by Mr. Wang Chuan-fu, which represented approximately 28.56% and approximately 0.08% of the total issued A shares and H shares of BYD as at 30 June 2025, respectively.

附註：

1. 其中有8,500,000股股份由王念強先生持有及8,602,000股股份由Gold Dragonfly Limited(「Gold Dragonfly」)持有，後者為一家於英屬處女群島註冊成立的公司，由BF Gold Dragon Fly(PTC) Limited(「BF Trustee」)作為BF Trust(王念強先生為該信託的其中一位受益人)的受託人全資擁有。

2. 該等股份為王念強先生持有的比亞迪A股。於二零二五年六月三十日，比亞迪的總股本為人民幣3,039,065,855元，包含1,811,265,855股A股及1,227,800,000股H股，彼等股份面值均為人民幣1元。而王念強先生持有比亞迪之A股，相當於二零二五年六月三十日比亞迪已發行A股總數約1.01%。

3. 該等股份由Gold Dragonfly持有，而Gold Dragonfly為一家由BF Trustee作為BF Trust(王渤先生為該信託的其中一位受益人)的受託人全資擁有的公司。

4. 該等股份為王傳福先生持有的比亞迪513,623,850股A股，通過易方達資產比亞迪增持1號資產管理計劃持有的3,727,700股A股及1,000,000股H股，分別相當於二零二五年六月三十日比亞迪已發行A股總數約28.56%及H股總數約0.08%。

Save as disclosed above, none of the Directors or chief executive had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2025.

除上文所披露者外，於二零二五年六月三十日，董事或最高行政人員概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、相關股份或債券證中擁有或視為擁有任何權益或淡倉。

SHARE SCHEME

On 17 March 2025, the Company adopted a share award scheme (the "Share Award Scheme"). The total number of persons who participate in the Share Award Scheme is intended to be not more than 3,000, and the participants include (i) executive directors and senior management of the Company; and (ii) mid-level management and core backbone employees of the Group. The employees who meet the above criteria in the Share Award Scheme may participate on the basis of the Company's independent discretion, voluntary participation by employees and self-assumed risk, with no instances of compulsory involvement through methods such as apportionment or forced allocation for employees. BYD Electronic will narrow down the final list of participants therefrom.

股份計劃

於二零二五年三月十七日，本公司採納股份獎勵計劃(「本股份獎勵計劃」)。本股份獎勵計劃的參與人數擬不超過3,000人，參與對象範圍包括(i)本公司的執行董事、管理人員；(ii)本集團的中層管理人員、核心骨幹員工。符合上述標準的員工參與本股份獎勵計劃遵循公司自主決定，員工自願參與、風險自擔的原則，不存在以攤派、強制分配等方式強制員工參與的情形。

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

The total amount involved in the Share Award Scheme shall not exceed RMB250 million. The Board of the Company or its authorised person(s) may purchase the shares of the Company through the secondary market with the aforesaid funds at the prevailing market price at such time as it thinks fit in accordance with the relevant provisions of the Share Award Scheme, which will be the source of the Underlying Shares under the Share Award Scheme.

On 9 July 2025, the purchase of underlying shares for the Share Award Scheme on the secondary market was completed. A total of 7,096,000 shares of the Company, representing approximately 0.31% of the total number of Shares in issue as at 9 July 2025, had been purchased by the under the scheme. The total consideration for the underlying shares (excluding the transaction costs) was approximately HK$227,481,425. As at the date of this report, the Group's grantees (including an executive director, Mr. Jiang Xiang-rong) have been granted share awards, vesting of which are subject to the unlocking schedule and performance appraisal indicators as set out in the announcement of the Company dated 17 March 2025 and 9 July 2025.

For further details of the Share Award Scheme, please refer to the Company's announcements dated 17 March 2025 and 9 July 2025.

As at 30 June 2025, the Company does not have other subsisting share scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the heading "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES" above, at no time during the Period was the Company, its holding company or any of its fellow subsidiaries and subsidiaries, a party to any arrangements to enable the Directors or the chief executive of the Company or their associates to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

本股份獎勵計劃所涉及的資金總額不超過人民幣25,000萬元。本公司董事會或其授權人士將可按本股份獎勵計劃的相關規定於其認為合適的時間用上述資金按當時的市價通過二級市場購買本公司股票，該股票為本股份獎勵計劃的標的股票來源。

於二零二五年七月九日，本股份獎勵計劃下標的股票已於二級市場完成購買。根據計劃，本公司已購買合共7,096,000股股份，佔於二零二五年七月九日已發行股份總數的約0.31%。標的股票的總代價（不包括交易成本）約為227,481,425港元。於本報告日期，本集团授出對象（包括執行董事江向榮先生）已獲授股份獎勵，其歸屬須遵守本公司日期為二零二五年三月十七日及二零二五年七月九日的公告所載的解鎖時間表及業績考核指標。

有關本股份獎勵計劃的進一步詳情，請參閱本公司日期為二零二五年三月十七日及二零二五年七月九日的公告。

於二零二五年六月三十日，本公司並無其他存續的股份計劃。

董事認購股份的權利

除上文「董事及最高行政人員於股份中的權益及淡倉」所披露者外，於期內的任何時間，本公司、其控股公司或其同系附屬公司及附屬公司概無訂立任何安排，令本公司董事或最高行政人員或其聯繫人可透過購入本公司或任何其他法團的股份而獲益。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, so far as being known to the Directors, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the ordinary shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東

於二零二五年六月三十日，就董事所知，以下人士(不包括本公司董事及最高行政人員)於本公司普通股及相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部的規定須向本公司及聯交所披露或須記錄於本公司根據證券及期貨條例第336條須存置登記冊內的權益或淡倉：

Name of shareholders 股東名稱	Nature of interest 權益性質	Number of ordinary shares in which the interested party has or is deemed to have interests or short positions 權益持有人持有或視為持有權益或淡倉的普通股數目	Approximate percentage of total issued shares 佔已發行股份總數的概約百分比
Golden Link Worldwide Limited ("Golden Link") Golden Link Worldwide Limited (「Golden Link」)	Beneficial interest(note) 實益權益(附註)	1,481,700,000 (long position) (好倉)	65.76%
BYD (H.K.) Co., Limited ("BYD HK") BYD (H.K.) Co., Limited(「BYD HK」)	Interest of controlled corporation(note) 受控制法團權益(附註)	1,481,700,000 (long position) (好倉)	65.76%
BYD Company Limited ("BYD") 比亞迪股份有限公司(「比亞迪」)	Interest of controlled corporation(note) 受控制法團權益(附註)	1,481,700,000 (long position) (好倉)	65.76%

Note:

BYD is the sole shareholder of BYD HK, which in turn is the sole shareholder of Golden Link. As such, both BYD HK and BYD were deemed to be interested in the shares of the Company held by Golden Link.

附註：

比亞迪為BYD HK的唯一股東，而BYD HK則為Golden Link的唯一股東。因此，BYD HK及比亞迪均被視為於Golden Link持有的本公司股份中擁有權益。

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the ordinary shares or underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上文所披露者外，於二零二五年六月三十日，本公司並不知悉任何人士(本公司董事或最高行政人員除外)於本公司普通股或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的規定須向本公司及聯交所披露或記錄於本公司根據證券及期貨條例第336條須存置登記冊內的權益或淡倉。

CORPORATE GOVERNANCE

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE "CODE")

The Board is committed to maintaining and ensuring high standards of corporate governance practices.

The Board puts emphasis on maintaining a quality Board with the balance of skill set of Directors, high transparency and effective accountability system in order to enhance shareholders' value. In the opinion of the Board, the Company had complied with the applicable provisions of the Code as set out in Part 2 of Appendix C1 to the Listing Rules during the Period.

企業管治

遵守企業管治守則(「守則」)

董事會致力維持並確保企業管治常規處於高水平。

董事會強調維持董事會的質素，各董事須具備不同的專長，透明度高而問責制度有效，務求提升股東價值。董事會認為，本公司於期內符合上市規則附錄C1第二部分所載的適用守則條文。

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding securities transactions by its Directors. Specific enquiry has been made to all Directors, who have confirmed that they had complied with the required standard set out in the Model Code during the Period.

Specified employees who are likely to be in possession of inside information of the Group are also subject to compliance with terms of the Model Code. No incident of non-compliance was noted by the Company during the Period.

遵守上市發行人董事進行證券交易的標準守則

本公司已採用上市規則附錄C3所載標準守則作為本公司董事進行證券交易的操守守則。經向全體董事作出特定查詢後，各董事確認在期內已遵守標準守則的規定標準。

可能擁有本集團內幕消息的指定人士亦須遵守標準守則條款。於期內，本公司並無發現違規事件。

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Mr. Chung Kwok Mo John has ceased to be an independent non-executive Director of Tokyo Chuo Auction Holdings Limited (a company listed on the Stock Exchange, Stock Code: 1939) with effect from 20 June 2025.

Mr. Jiang Xiang-rong has been appointed as the Vice President of BYD with effect from 21 June 2025.

Ms. Wang Ying has been appointed as an independent director of Huanlejia Food Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange (Stock Code: 300997)) with effect from 23 June 2025.

Save for the aforesaid changes, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Period.

根據上市規則第13.51B(1)條進行的披露

鍾國武先生自二零二五年六月二十日起不再擔任東京中央拍賣控股有限公司(一間於聯交所上市的公司，股票代碼：1939)的獨立非執行董事。

江向榮先生自二零二五年六月二十一日起獲委任為比亞迪副總裁。

王瑛女士自二零二五年六月二十三日起獲委任為歡樂家食品集團股份有限公司(一間於深圳證券交易所上市的公司(股份代碼：300997))的獨立董事。

除上述變動外，於本報告期內，概無資料須根據上市規則第13.51B(1)條予以披露。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company.

買賣或贖回本公司上市證券

於期內，本公司或其任何附屬公司均概無買賣或贖回本公司任何上市證券(包括出售庫存股份)。

THE BOARD DIVERSITY POLICY

The Board adopted a Board Diversity Policy in compliance with Paragraph J of Part 1 of the Code.

The Company recognises the importance of board diversity to corporate governance and an effective Board. The Board Diversity Policy aims to set out the approach to achieve Board diversity, so as to ensure that the Board members possess appropriate skills, experience and diverse views necessary for the business of the Company. To realise Board diversity, all appointments of the Board members will be made based on merit, and measurable objectives will be discussed and negotiated on an annual basis. Such measurable objectives shall include, but are not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and/or terms of service, etc. The ultimate decision will be based on merits and contributions that the selected candidates will bring to the Board. The Company has confirmed and implemented the arrangement of skilled and experienced senior management, as they will facilitate a more comprehensive and diversified development. Having considered the business needs of the Company, the Nomination Committee considers that the current Board is sufficiently diversified in terms of its skills, experience, knowledge and independence. Moreover, the skills they are equipped with will prepare them prior to participating in senior management and commencing their roles as Directors.

In terms of gender diversity, after consideration and approval by the Nomination Committee and the Board on 26 March 2024, Ms. WANG Ying was appointed as an independent non-executive director upon consideration and approval by shareholders of the Company at the annual general meeting of the Company held on 6 June 2024. As at 30 June 2025, one of the members of the current session of the Board was female, which shows an improvement in gender diversity in the Board. Recognising the importance and benefits of gender diversity, it becomes one of the measurable objectives of the Board to include at least one female director on the Board. The Board will continue to take proactive measures to ensure the gender diversity of Board members, and will emphasize on including gender as one of the factors to be taken into consideration by the Company for achieving Board diversity.

董事會多元化政策

董事會遵照守則第一部分J段採納董事會成員多元化政策。

本公司認同董事會成員多元化對企業管治及董事會行之有效的重要性，董事會成員多元化政策旨在列載為達致董事會成員多元化而採取的方針，以確保董事會根據本公司業務所需具備適當的技能、經驗及多元化觀點。董事會所有委任均以用人唯才為原則，將按年討論及協議可計量目標，以落實董事會多元化。這些可計量目標應包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及／或服務年期等，最終決定將基於人選的長處及可為董事會帶來的貢獻。本公司已確認及執行將協助發展更全面及更多樣化的熟練和經驗豐富的高級管理人員的安排，經考慮本公司業務需求，提名委員會認為現任董事會在技能、經驗、知識及獨立性方面充分表現多樣化格局。且屆時彼等之技能將為其加入高級管理層及董事職位做好準備。

在性別多元化方面，本公司董事會於二零二四年三月二十六日經提名委員會及董事會審核通過，並提交公司股東於二零二四年六月六日的週年股東大會上審議通過並予以委任王瑛女士為獨立非執行董事。於二零二五年六月三十日，本屆董事會其中一名董事為女性，董事會性別多元化有所增進。認識到性別多元化的重要性及益處後，董事會的可計量目標之一乃於董事會中包含至少一名女性董事。董事會將繼續採取積極措施，確保董事會成員保持性別多元化，並著重將性別納入本公司實現董事會多元化的考量因素之一。

The Company is committed to promoting gender diversity not only within the Board but among its workforce generally. As at the date of this report, the number of domestic female employees of the Group accounted for approximately 33.30% of the total workforce (there were no specific statistics on the number of overseas female employees due to legal restrictions in different countries and regions). The Board is of the view that the Group has achieved gender diversity among employees.

本公司致力於促進董事會乃至整個員工隊伍的性別多元化。於本報告日期，本集團境內女性員工的數量約佔全體員工總人數的33.30%(受限於不同國家及地區之法律限制，境外女員工人數無法統計)。董事會認為本集團員工隊伍目前已實現員工性別多元化。

The Group's recruitment strategy is underpinned by the appointment of the right employee for the right position, in order to achieve employee diversity for all employees (including the senior management) in terms of gender, age, cultural and educational background, expertise, skills and know-how.

本集團的招聘策略為合適的崗位聘用合適的員工，從員工的性別、年齡、文化、及教育背景、專業經驗、技能及知識等方面實現全體員工(包括高級管理人員)的多元化。

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors and two non-executive Directors. A meeting was convened by the Audit Committee on 29 August 2025 to review the accounting policies and practices adopted by the Group and to discuss auditing, internal control, risk management and financial reporting matters (including reviewing the financial statements for the Period) before recommending them to the Board for approval.

The Audit Committee has reviewed the unaudited results of the Group for the Period.

審核委員會

審核委員會包括三名獨立非執行董事以及兩名非執行董事。審核委員會於二零二五年八月二十九日召開會議，審閱本集團採用的會計政策及常規，並討論核數、內部監控、風險管理及財務申報事項(包括審閱期內的財務報表)，以向董事會建議批准有關事宜。

審核委員會已審閱本集團期內的未經審核業績。

INTERIM DIVIDEND

The Board does not recommend the distribution of interim dividend for the Period (for six months ended 30 June 2024: Nil).

中期股息

董事會不建議派付期內之中期股息(截至二零二四年六月三十日止六個月：無)。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
中期簡明合併損益表

FOR THE SIX MONTHS ENDED 30 JUNE 2025 截至二零二五年六月三十日止六個月

	Notes 附註	For the six months ended 截至下列日期止六個月 **30 June 2025 二零二五年六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元**	30 June 2024 二零二四年六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元
REVENUE 收入	4	**80,605,678**	78,580,818
Cost of sales 銷售成本		**(75,062,713)**	(73,201,786)
Gross profit 毛利		**5,542,965**	5,379,032
Other income and gains 其他收入及收益		**690,850**	697,231
Government grants and subsidies 政府補助及補貼		**53,809**	117,448
Research and development expenses 研究及開發費用		**(2,230,952)**	(2,472,846)
Selling and distribution expenses 銷售及分銷開支		**(1,042,891)**	(902,902)
Administrative expenses 行政開支		**(887,497)**	(795,484)
Impairment losses on financial assets, net 金融資產減值虧損淨值		**43,613**	(4,310)
Loss on derecognition of financial assets measured at amortised cost 以攤餘成本計量的金融資產終止確認損失		**(13,838)**	–
Other expenses 其他開支		**(84,656)**	(73,048)
Finance costs 融資成本		**(174,933)**	(309,341)
PROFIT BEFORE TAX 除稅前溢利	5	**1,896,470**	1,635,780
Income tax expense 所得稅開支	6	**(166,693)**	(117,980)
PROFIT FOR THE PERIOD 期內溢利		**1,729,777**	1,517,800
Attributable to owners of the parent 母公司擁有人應佔		**1,729,777**	1,517,800
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT – Basic and diluted for the period 母公司普通股權益持有人應佔的每股盈利－期內基本及攤薄	8	**RMB人民幣0.77元**	RMB人民幣0.67元

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
中期簡明合併綜合收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2025 截至二零二五年六月三十日止六個月

	For the six months ended 截至下列日期止六個月	
	30 June 2025 二零二五年六月三十日 (Unaudited) （未經審核） RMB'000 人民幣千元	30 June 2024 二零二四年六月三十日 (Unaudited) （未經審核） RMB'000 人民幣千元
PROFIT FOR THE PERIOD 期內溢利	**1,729,777**	1,517,800
OTHER COMPREHENSIVE INCOME 其他綜合收益		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods: 其後期間可重新分類至損益的其他綜合收益：		
Receivables financing: 應收款項融資：		
Changes in fair value 公允價值變動	**671**	298
Impairment losses 減值虧損	**–**	–
Exchange differences on translation of foreign operations 換算境外業務的匯兌差額	**15,110**	8,703
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods 其後期間可重新分類至損益的其他綜合收益淨值	**15,781**	9,001
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX 期內其他綜合收益，扣除稅項	**15,781**	9,001
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD 期內綜合收益總額	**1,745,558**	1,526,801
Attributable to owners of the parent 母公司擁有人應佔	**1,745,558**	1,526,801

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
中期簡明合併財務狀況表

AS AT 30 JUNE 2025 於二零二五年六月三十日

	Notes 附註	**30 June 2025 於二零二五年六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元**	31 December 2024 於二零二四年十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
NON-CURRENT ASSETS 非流動資產			
Property, plant and equipment 物業、廠房及設備	9	**17,062,419**	17,113,075
Right-of-use assets 使用權資產		**2,125,046**	2,027,029
Prepayments, other receivables and other assets 預付款項、其他應收賬款及其他資產		**1,439,762**	1,498,986
Goodwill 商譽		**4,361,657**	4,361,657
Other intangible assets 其他無形資產		**3,242,134**	3,706,376
Deferred tax assets 遞延税項資產		**806,430**	803,248
Other non-current financial assets 其他非流動金融資產		**443,783**	421,322
Total non-current assets 非流動資產總值		**29,481,231**	29,931,693
CURRENT ASSETS 流動資產			
Inventories 存貨		**19,738,762**	18,088,651
Trade receivables 應收貿易款項	10	**17,208,452**	32,306,016
Receivables financing 應收款項融資		**227,948**	471,346
Prepayments, other receivables and other assets 預付款項、其他應收賬款及其他資產		**2,683,027**	2,497,424
Pledged deposits 已抵押存款		**–**	50
Restricted bank deposits 受限制銀行存款		**170,075**	–
Cash and cash equivalents 現金及現金等價物		**13,080,158**	7,052,024
Total current assets 流動資產總值		**53,108,422**	60,415,511
Total assets 資產總值		**82,589,653**	90,347,204

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
中期簡明合併財務狀況表

AS AT 30 JUNE 2025 於二零二五年六月三十日

	Notes 附註	**30 June 2025 於二零二五年六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元**	31 December 2024 於二零二四年十二月三十一日 (Audited) (經審核) RMB'000 人民幣千元
CURRENT LIABILITIES 流動負債			
Trade and bills payables 應付貿易賬款及應付票據	11	**27,100,653**	35,331,180
Other payables, other liabilities and accruals 其他應付賬款、其他負債及應計費用		**7,792,735**	7,684,380
Lease liabilities 租賃負債		**594,121**	359,955
Derivative financial instruments 衍生金融工具		**17,037**	–
Tax payable 應付税項		**826,025**	942,850
Interest-bearing loans 計息貸款		**9,651,536**	6,504,965
Dividend payable 應付股息		**1,279,820**	–
Total current liabilities 流動負債總額		**47,261,927**	50,823,330
NET CURRENT ASSETS 流動資產淨值		**5,846,495**	9,592,181
TOTAL ASSETS LESS CURRENT LIABILITIES 資產總值減流動負債		**35,327,726**	39,523,874
NON-CURRENT LIABILITIES 非流動負債			
Interest-bearing loans 計息貸款		**–**	4,302,368
Deferred tax liabilities 遞延税項負債		**738,632**	922,958
Lease liabilities 租賃負債		**1,103,058**	1,292,217
Deferred income 遞延收入		**198,262**	239,839
Provision 預計負債		**444,225**	364,828
Total non-current liabilities 非流動負債總額		**2,484,177**	7,122,210
Net assets 資產淨值		**32,843,549**	32,401,664
EQUITY 權益			
Share capital 股本	12	**4,052,228**	4,052,228
Other reserves 其他儲備		**28,791,321**	28,349,436
Total equity 權益總額		**32,843,549**	32,401,664

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
中期簡明合併權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2025 截至二零二五年六月三十日止六個月

	Share capital 股本 (unaudited) (未經審核) RMB'000 人民幣千元 (note 12) (附註12)	Fair value reserve of financial assets at fair value through other comprehensive income 以公允價值計量並計入其他綜合收益的金融資產的公允價值儲備 (unaudited) (未經審核) RMB'000 人民幣千元	Contributed surplus reserve 實繳盈餘儲備 (unaudited) (未經審核) RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘儲備 (unaudited) (未經審核) RMB'000 人民幣千元	Exchange fluctuation reserve 外匯波動儲備 (unaudited) (未經審核) RMB'000 人民幣千元	Retained profits 留存溢利 (unaudited) (未經審核) RMB'000 人民幣千元	Total equity 權益總額 (unaudited) (未經審核) RMB'000 人民幣千元
At 1 January 2024 於二零二四年一月一日	4,052,228	(1,181)*	(46,323)*	1,000,893*	(177,387)*	24,502,159*	29,330,389
Profit for the period 期內溢利	–	–	–	–	–	1,517,800	1,517,800
Changes in fair value of receivables financing 應收款項融資的公允價值變動	–	298	–	–	–	–	298
Exchange differences on translation of foreign operations 換算境外業務的匯兑差額	–	–	–	–	8,703	–	8,703
Total comprehensive income for the period 期內綜合收益總額	–	298	–	–	8,703	1,517,800	1,526,801
2023 Final dividend declared 已宣派二零二三年末期股息	–	–	–	–	–	(1,212,224)	(1,212,224)
At 30 June 2024 於二零二四年六月三十日	4,052,228	(883)*	(46,323)*	1,000,893*	(168,684)*	24,807,735*	29,644,966

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
中期簡明合併權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2025 截至二零二五年六月三十日止六個月

	Share capital 股本 (Unaudited) (未經審核) RMB'000 人民幣千元 (note 12) (附註12)	Fair value reserve of financial assets at fair value through other comprehensive income 以公允價值計量並計入其他綜合收益的金融資產的公允價值儲備 (Unaudited) (未經審核) RMB'000 人民幣千元	Contributed surplus reserve 實繳盈餘儲備 (Unaudited) (未經審核) RMB'000 人民幣千元	Treasury shares 庫存股份 (Unaudited) (未經審核) RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘儲備 (Unaudited) (未經審核) RMB'000 人民幣千元	Exchange fluctuation reserve 外匯波動儲備 (Unaudited) (未經審核) RMB'000 人民幣千元	Retained profits 留存溢利 (Unaudited) (未經審核) RMB'000 人民幣千元	Total equity 權益總額 (Unaudited) (未經審核) RMB'000 人民幣千元
At 1 January 2025 於二零二五年一月一日	4,052,228	(1,383)*	(46,323)*	-	1,000,893*	(159,324)*	27,555,573*	32,401,664
Profit for the period 期內溢利							1,729,777	1,729,777
Changes in fair value of receivables financing 應收款項融資的公允價值變動	-	671	-	-	-	-	-	671
Exchange differences on translation of foreign operations 換算境外業務的匯兌差額	-	-	-	-	-	15,110	-	15,110
Total comprehensive income for the period 期內綜合收益總額	-	671	-	-	-	15,110	1,729,777	1,745,558
Repurchase of ordinary shares 回購普通股	-	-	-	(38,071)	-	-	-	(38,071)
Share-based payment recognized in shareholders' equity 股份支付計入股東權益的金額	-	-	14,218	-	-	-	-	14,218
2024 Final dividend declared 已宣派二零二四年末期股息	-	-	-	-	-	-	(1,279,820)	(1,279,820)
At 30 June 2025 於二零二五年六月三十日	4,052,228	(712)*	(32,105)*	(38,071)*	1,000,893*	(144,214)*	28,005,530*	32,843,549

* These reserve accounts comprise the consolidated reserves of RMB28,791,321,000 (31 December 2024: RMB28,349,436,000) in the interim condensed consolidated statement of financial position as at 30 June 2025.

* 該等儲備賬包括於二零二五年六月三十日的中期簡明合併財務狀況表內的合併儲備人民幣28,791,321,000元(二零二四年十二月三十一日：人民幣28,349,436,000元)。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
中期簡明合併現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2025 截至二零二五年六月三十日止六個月

	Notes 附註	For the six months ended 截至下列日期止六個月	
		30 June 2025 二零二五年六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	30 June 2024 二零二四年六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES 經營活動產生的現金流量			
Profit before tax 除稅前溢利	5	**1,896,470**	1,635,780
Adjustments for: 調整：			
Finance costs 融資成本		**174,933**	309,341
Interest income 利息收入		**(173,034)**	(159,800)
Government grants and subsidies 政府補助及補貼		**(30,221)**	(36,859)
Losses on disposal of items of property, plant and equipment 出售物業、廠房及設備項目的虧損	5	**6,352**	16,849
Gain on disposal of right-of-use assets 出售使用權資產的收益		**(117,379)**	–
Depreciation of property, plant and equipment 物業、廠房及設備折舊	5	**2,261,345**	2,318,456
Amortisation of other intangible assets 其他無形資產攤銷	5	**465,599**	466,623
Depreciation of right-of-use assets 使用權資產折舊	5	**282,278**	295,167
Impairment of trade receivables, net 應收貿易款項減值淨值	5	**(43,632)**	4,267
Impairment of other receivables, net 其他應收賬款減值淨值		**19**	43
Write-down of inventories to net realisable value 存貨撇減至可變現淨值	5	**200,219**	192,403
Fair value gains, net: 公允價值收益，淨值：			
Derivative instruments 衍生工具		**17,037**	(22,662)
Other non-current financial assets 其他非流動金融資產		**(22,461)**	(31,499)
Equity-settled share option expense 以權益結算的購股權開支		**14,218**	–
		4,931,743	4,988,109

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
中期簡明合併現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2025 截至二零二五年六月三十日止六個月

	Notes 附註	For the six months ended 截至下列日期止六個月 30 June 2025 二零二五年六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	30 June 2024 二零二四年六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元
Increase in inventories 存貨增加		**(1,850,330)**	(2,259,267)
Decrease/(increase) in trade receivables 應收貿易款項減少／(增加)		**15,141,196**	(323,168)
Decrease in receivables financing 應收款項融資減少		**244,070**	31,601
(Increase)/decrease in prepayments, other receivables and other assets 預付款項、其他應收賬款及其他資產(增加)／減少		**(185,622)**	538,692
Decrease in trade and bills payables 應付貿易賬款及應付票據減少		**(8,174,595)**	(1,238,029)
Increase/(decrease) in other payables, other liabilities and accruals 其他應付賬款、其他負債及應計費用增加／(減少)		**84,287**	(1,228,739)
(Decrease)/increase in deferred income 遞延收入(減少)／增加		**(11,356)**	146
Increase in provision for warranties 預計負債增加		**120,780**	12,191
Cash generated from operations 經營產生的現金		**10,300,173**	521,536
Interest received 已收利息		**173,034**	159,800
Tax paid 已付税項		**(471,059)**	(498,346)
Net cash flows from operating activities 經營活動產生的現金流量淨值		**10,002,148**	182,990
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動產生的現金流量			
Purchases of items of property, plant and equipment 購買物業、廠房及設備項目		**(2,134,624)**	(1,599,800)
Purchases of items of leasehold land included in right-of-use assets 購買計入使用權資產的租賃土地項目		**(4,493)**	(2,068)
Purchases of other intangible assets 購買其他無形資產		**(1,356)**	(2,525)
Acquisition of subsidiary 收購附屬公司		**(389,284)**	–
Proceeds from disposal of items of property, plant and equipment 出售物業、廠房及設備項目的所得款項		**287,329**	49,469
Net cash flows used in investing activities 投資活動所用的現金流量淨值		**(2,242,428)**	(1,554,924)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
中期簡明合併現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2025 截至二零二五年六月三十日止六個月

	Notes 附註	For the six months ended 截至下列日期止六個月 30 June 2025 二零二五年 六月三十日 (Unaudited) （未經審核） RMB'000 人民幣千元	 30 June 2024 二零二四年 六月三十日 (Unaudited) （未經審核） RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES 融資活動產生的現金流量			
New loans 新增貸款		**5,300,000**	9,500,000
Repayment of loans 償還貸款		**(6,497,631)**	(10,310,023)
Interest paid 已付利息		**(94,116)**	(71,999)
Lease payments 支付租賃款項		**(249,724)**	(181,055)
Acquisition of non-controlling interests 收購非控股權益		**(38,071)**	–
Increase in restricted bank deposits and pledged deposits 受限制銀行存款及已抵押存款增加		**(170,025)**	(4,169)
Net cash flows used in financing activities 融資活動所用的現金流量淨值		**(1,749,567)**	(1,067,246)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS 現金及現金等價物增加／(減少)淨值		**6,010,153**	(2,439,180)
Cash and cash equivalents at beginning of period 期初現金及現金等價物		**7,052,024**	10,537,361
Effect of foreign exchange rate changes, net 匯率變動的影響，淨值		**17,981**	31,969
CASH AND CASH EQUIVALENTS AT END OF PERIOD 期末現金及現金等價物		**13,080,158**	8,130,150

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in Hong Kong with limited liability on 14 June 2007.

The Company's shares have been listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 20 December 2007.

The registered office of the Company is located at Unit 505-510, 5/F, Core Building 1E, 1 Science Park E Avenue, Science Park, Pak Shek Kok, Tai Po, Hong Kong.

The Group is a global leading provider of high-tech and innovative products, providing customers around the world with one-stop product solutions relying on its core advantages in electronic information, AI, 5G and Internet of Things, thermal management, new materials, precision molds and digital manufacturing technologies. The Group engages in diversified market segments, such as smart phones, tablet computers, new energy vehicles, AI data center, smart home, game hardware, unmanned aerial vehicles, 3D printers, Internet of Things, robots and communication equipment.

In the opinion of the directors, the immediate holding company of the Company is Golden Link Worldwide Limited, an enterprise incorporated in the British Virgin Islands, and the ultimate holding company of the Company is BYD Company Limited, a company established in the PRC whose H shares are listed on the Stock Exchange and A shares are listed on the Main Board of Shenzhen Stock Exchange.

1. 公司及集團資料

本公司於二零零七年六月十四日在香港註冊成立為有限公司。

本公司股份已於二零零七年十二月二十日在香港聯合交易所有限公司(「聯交所」)上市。

本公司註冊辦事處位於香港新界大埔白石角科學園東路1號核心大廈1E號5樓505–510室。

本集團是全球領先的高科技創新產品提供商，依託電子信息技術、人工智能技術、5G和物聯網技術、熱管理技術、新材料技術、精密模具技術和數字化製造技術等核心優勢，為全球客戶提供一站式產品解決方案。本集團業務涵蓋智能手機、平板電腦、新能源汽車、AI數據中心、智能家居、遊戲硬件、無人機、3D打印機、物聯網、機器人、通信設備等多元化的市場領域。

董事認為，本公司的直接控股公司為Golden Link Worldwide Limited(一間於英屬處女群島註冊成立的企業)，本公司的最終控股公司為比亞迪股份有限公司(一間於中國成立的公司，其H股於聯交所上市，其A股於深圳證券交易所主板上市)。

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

2. 會計政策

2.1 編製基準

截至二零二五年六月三十日止六個月的中期簡明合併財務資料乃按照《香港會計準則》第34號*中期財務報告*而編製。中期簡明合併財務資料並未包括年度財務報表所要求的所有信息及披露資料，因而應與本集團截至二零二四年十二月三十一日止年度的年度合併財務報表一併閱讀。

2. ACCOUNTING POLICIES (Continued)

2.1 BASIS OF PREPARATION (Continued)

The financial information relating to the year ended 31 December 2024 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditors have reported on the financial statements for the year ended 31 December 2024. The auditor's report was unqualified; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKFRS 21 *Lack of Exchangeability*

2. 會計政策(續)

2.1 編製基準(續)

截至二零二四年十二月三十一日止年度的財務資料作為比較資料載入中期簡明合併財務狀況表，雖然源於本公司於該年度的財務報表，但不構成本公司於該年度的法定年度合併財務報表。《香港公司條例》第436條要求披露有關該等法定財務報表的進一步資料如下：

按照《香港公司條例》第662(3)條及附表6第3部的要求，本公司已向公司註冊處處長遞交截至二零二四年十二月三十一日止年度的財務報表。本公司核數師已就截至二零二四年十二月三十一日止年度的財務報表作出報告。該核數師報告並無保留意見，亦無載有根據《香港公司條例》第406(2)、407(2)或407(3)條作出的陳述。

2.2 會計政策及披露的變動

編製中期簡明合併財務資料所採用的會計政策與編製本集團截至二零二四年十二月三十一日止年度的年度合併財務報表所應用者一致，惟下列於本期間財務資料首次採用的經修訂《香港財務報告準則會計準則》除外。

《香港財務報告準則》第21號的修訂 *缺乏可兑換性*

2. ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and impact of the amended HKFRS Accounting Standard are described below:

(a) Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

2. 會計政策(續)

2.2 會計政策及披露的變動(續)

經修訂《香港財務報告準則會計準則》的性質及影響如下所述：

(a) 《香港會計準則》第21號的修訂訂明一間實體如何評估貨幣是否可兑換為另一種貨幣及於缺乏可兑換性的情況下，其於計量日期如何估計即期匯率。該等修訂要求披露資料，使財務報表使用者了解貨幣不可兑換性的影響。由於本集團用作交易的貨幣及集團實體用作換算本集團的呈列貨幣之功能貨幣為可兑換，故該等修訂對中期簡明合併財務資料並無任何影響。

3. OPERATING SEGMENT INFORMATION

The Group's primary business is the manufacture, assembly and sale of mobile handset components, modules and other products. For management purposes, the Group is organized into one operating segment based on industry practice and management's vertical integration strategy. Management monitors the results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. No further analysis thereof is presented. Segment performance is evaluated based on the revenue and profit before tax which is consistent with the Group's revenue and profit before tax.

3. 經營分部資料

本集團的主要業務為製造、組裝及銷售手機部件、模組及其他產品。為進行管理，本集團按行業慣例及管理垂直整合策略劃分為一個經營分部。管理層監察本集團的整體業績以就資源分配及表現評估作出決策。概無進一步就此呈報分析。分部表現根據收入及除税前溢利(與本集團的收入及除税前溢利一致)評估。

4. REVENUE

Disaggregated revenue information for revenue from contracts with customers

4. 收入

客戶合同收入之分類收入資料

Segments 分部	For the six months ended 30 June 截至六月三十日止六個月	
	2025 二零二五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2024 二零二四年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Types of goods or services 貨品或服務類別		
Sale of mobile handset components, modules and other products 手機部件、模組及其他產品銷售	80,014,514	77,964,893
Rendering of services 服務提供	591,164	615,925
Total revenue from contracts with customers 客戶合同收入總額	80,605,678	78,580,818
Geographical markets 地理市場		
The PRC (including Hong Kong, Macau, and Taiwan) 中國(包括香港、澳門及台灣)	28,606,080	25,105,612
Overseas 海外	51,999,598	53,475,206
Total revenue from contracts with customers 客戶合同收入總額	80,605,678	78,580,818
Timing of revenue recognition 收入確認時間		
Goods transferred at a point in time 按時間點轉讓之貨品	80,299,796	78,221,936
Services transferred over time 於一段時間轉移之服務	305,882	358,882
Total revenue from contracts with customers 客戶合同收入總額	80,605,678	78,580,818

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

5. 除稅前溢利

本集團除稅前溢利已扣除下列各項：

	Note 附註	For the six months ended 30 June 截至六月三十日止六個月	
		2025 **二零二五年** **RMB'000** **人民幣千元** **(Unaudited)** **（未經審核）**	2024 二零二四年 RMB'000 人民幣千元 (Unaudited) （未經審核）
Cost of inventories sold# 銷售存貨的成本#		**74,302,273**	72,439,220
Cost of services provided# 提供服務的成本#		**560,221**	570,163
Depreciation of property, plant and equipment 物業、廠房及設備折舊		**2,261,345**	2,318,456
Depreciation of right-of-use assets 使用權資產折舊		**282,278**	295,167
Amortisation of intangible assets 無形資產攤銷		**465,599**	466,623
Impairment of trade receivables, net 應收貿易款項減值淨值		**(43,632)**	4,267
Write-down of inventories to net realisable value# 存貨撇減至可變現淨值#		**200,219**	192,403
Loss on disposal of items of property, plant and equipment 出售物業、廠房及設備項目的虧損	9	**6,352**	16,849

Cost of inventories sold, Cost of services provided and Write-down of inventories to net realisable value are included in "Cost of sales" in the consolidated statement of profit or loss.

銷售存貨的成本、提供服務的成本及存貨撇減至可變現淨值包含在合併損益表中「銷售成本」內。

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Under the relevant income tax law, the PRC subsidiaries are subject to corporate income tax ("CIT") at a statutory rate of 25% on their respective taxable income during the year.

BYD Precision renewed its status of a high and new technology enterprise in 2024, and was entitled to a reduced enterprise income tax rate of 15% from 2024 to 2026.

Huizhou Electronic renewed its status of a high and new technology enterprise in 2024, and was entitled to a reduced enterprise income tax rate of 15% from 2024 to 2026.

Xi'an Electronic which operates in Mainland China was entitled to a reduced enterprise income tax rate of 15% of the estimated assessable profits for the year pursuant to the Western Development Policy.

Chengdu Electronic which operates in Mainland China was entitled to a reduced enterprise income tax rate of 15% of the estimated assessable profits for the year pursuant to the Western Development Policy.

Shantou Electronic renewed its status of a high and new technology enterprise in 2023, and was entitled to a reduced enterprise income tax rate of 15% from 2023 to 2025.

6. 所得稅

本集團須就本集團成員公司所處及經營所在的司法權區所產生或賺取的溢利，按實體基準繳納所得稅。

根據相關所得稅法，中國附屬公司須就其年內各自的應課稅收入按法定稅率25%繳納企業所得稅(「企業所得稅」)。

比亞迪精密於二零二四年重續為高新技術企業，並自二零二四年至二零二六年期間有權享受15%的優惠企業所得稅稅率。

惠州電子於二零二四年重續為高新技術企業，並自二零二四年至二零二六年期間有權享受15%的優惠企業所得稅稅率。

西安電子於中國內地經營業務，有權根據西部大開發政策按年內估計應課稅溢利享受15%的優惠企業所得稅稅率。

成都電子於中國內地經營業務，有權根據西部大開發政策按年內估計應課稅溢利享受15%的優惠企業所得稅稅率。

汕頭電子於二零二三年重續為高新技術企業，自二零二三年至二零二五年期間有權享受15%的優惠企業所得稅稅率。

6. INCOME TAX (Continued)

Taxes on taxable profits overseas have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The major components of the income tax expense for the year are as follows:

6. 所得稅（續）

海外應課稅溢利的稅項乃根據本集團經營所在地國家有關稅項方面的現有法律、詮釋及慣例，按現行稅率計算。

年內所得稅開支的主要組成部分載列如下：

	For the six months ended 30 June 截至六月三十日止六個月	
	2025 二零二五年 RMB'000 人民幣千元 (Unaudited) （未經審核）	2024 二零二四年 RMB'000 人民幣千元 (Unaudited) （未經審核）
Current – China 即期－中國		
Charge for the period 期內支出	**330,236**	505,726
Current – Elsewhere 即期－其他地區		
Charge for the period 期內支出	**23,965**	13,651
Deferred 遞延	**(187,508)**	(401,397)
Total tax charge for the period 期內稅項支出總額	**166,693**	117,980

6. INCOME TAX (Continued)

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted and in effect as at 30 June 2025 in certain jurisdiction in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current period. As such, it may not be entirely representative of future circumstances. Based on the assessment, the enactment or substantial enactment of Pillar Two legislation in additional jurisdictions in which the Group operates does not have a material impact to the Group's overall exposure to Pillar Two income taxes.

6. 所得税(續)

本集團屬於支柱二立法模版範圍。本集團於確認及披露支柱二所得税產生的遞延税項資產及負債的資料時應用強制性例外規定，並於產生時將支柱二所得税作為即期税入賬。截至二零二五年六月三十日，支柱二立法已於本集團運營所在若干司法權區頒佈及生效。

本集團已根據有關本集團本期間財務表現的可得資料評估其潛在風險。因此，其可能不完全代表未來情況。根據評估，本集團經營所在的其他司法權區頒佈或實質頒佈支柱二立法對本集團的支柱二所得税總體風險並無重大影響。

7. DIVIDENDS

7. 股息

	For the six months ended 30 June 截至六月三十日止六個月	
	2025 **二零二五年** **RMB'000** **人民幣千元** **(Unaudited)** **(未經審核)**	2024 二零二四年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Final declared – RMB0.568 (2024: RMB0.538) per ordinary share 末期宣派－每股普通股人民幣0.568元(二零二四年：人民幣0.538元)	**1,279,820**	1,212,224

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount for the period is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,253,204,500 (2024: 2,253,204,500) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

The calculation of basic earnings per share is based on:

8. 母公司普通股權益持有人應佔每股盈利

期內每股基本盈利乃按期內母公司普通股權益持有人應佔溢利及期內已發行普通股加權平均數2,253,204,500股(二零二四年：2,253,204,500股)計算。

截至二零二五年及二零二四年六月三十日止六個月，就攤薄而言概無調整呈列之每股基本盈利，乃因本集團於該等期間並無任何具潛在攤薄影響的已發行普通股。

每股基本盈利按以下基準計算：

	For the six months ended 30 June 截至六月三十日止六個月	
	2025 二零二五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2024 二零二四年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings 盈利		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation 用於計算每股基本盈利的母公司普通股權益持有人應佔溢利	**1,729,777**	1,517,800

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

8. 母公司普通股權益持有人應佔每股盈利(續)

	Number of shares 股份數目	
	30 June 2025 二零二五年六月三十日	30 June 2024 二零二四年六月三十日
Shares 股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation 用於計算每股基本盈利的期內已發行普通股加權平均數	**2,253,204,500**	2,253,204,500

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets at a cost of RMB2,508,509,000 (30 June 2024: RMB1,922,675,000).

Assets with a net book value of RMB293,681,000 were disposed of by the Group during the six months ended 30 June 2025 (30 June 2024: RMB67,726,000), resulting in a net loss on disposal of RMB6,352,000 (30 June 2024: loss of RMB16,849,000).

9. 物業、廠房及設備

截至二零二五年六月三十日止六個月，本集團以人民幣2,508,509,000元(二零二四年六月三十日：人民幣1,922,675,000元)的成本添置資產。

截至二零二五年六月三十日止六個月，本集團處置賬面淨值為人民幣293,681,000元(二零二四年六月三十日：人民幣67,726,000元)的資產，產生處置虧損淨值人民幣6,352,000元(二零二四年六月三十日：虧損人民幣16,849,000元)。

10. TRADE RECEIVABLES 10. 應收貿易款項

	30 June 2025 二零二五年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2024 二零二四年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables 應收貿易款項	17,259,020	32,399,262
Impairment 減值	(50,568)	(93,246)
Net carrying amount 賬面淨值	17,208,452	32,306,016

An aging analysis of the trade receivables as at the end of the reporting period, based on the time of revenue recognition and net of loss allowance, is as follows:

於報告期末，應收貿易款項按收入確認時間及扣除虧損撥備後的賬齡分析如下：

	30 June 2025 二零二五年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2024 二零二四年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 90 days 90日內	16,856,646	31,715,854
91 to 180 days 91日至180日	223,656	578,315
181 to 360 days 181日至360日	128,150	11,847
Total 總計	17,208,452	32,306,016

10. TRADE RECEIVABLES (Continued)

The net carrying amount of due from the holding companies and fellow subsidiaries included in the above are as follows:

10. 應收貿易款項(續)

上文所載應收控股公司及同系附屬公司之賬面淨值如下：

	30 June 2025 二零二五年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2024 二零二四年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Due from the ultimate holding company 應收最終控股公司款項	**156,284**	157,134
Due from the intermediate holding company 應收中介控股公司款項	**144,284**	143,763
Due from fellow subsidiaries 應收同系附屬公司款項	**5,103,760**	7,872,492
Due from other related parties 應收其他關聯方款項	**1,582**	364
Total 總計	**5,405,910**	8,173,753

The balances are unsecured, non-interest-bearing and on credit terms similar to those offered to the major customers of the Group.

該等結餘乃無抵押、免息且其信貸條款與向本集團主要客戶提供者相若。

11. TRADE AND BILLS PAYABLES

An aging analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

11. 應付貿易賬款及應付票據

於報告期末，應付貿易賬款及應付票據按發票日期的賬齡分析如下：

	30 June 2025 二零二五年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2024 二零二四年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 90 days 90日內	**23,894,220**	33,978,257
91 to 180 days 91日至180日	**2,708,424**	1,088,433
181 to 360 days 181日至360日	**436,115**	227,180
1 to 2 years 1至2年	**52,792**	29,492
Over 2 years 2年以上	**9,102**	7,818
Total 總計	**27,100,653**	35,331,180

The trade payables are non-interest-bearing and normally settled within terms of 30 to 180 days.

應付貿易賬款乃免息，一般按30日至180日限期支付。

11. TRADE AND BILLS PAYABLES (Continued)

The aging of trade payables is based on the time of recognizing the purchase of materials and goods or accepting services.

The balances due to the holding companies, fellow subsidiaries and other related companies included in the above are as follows:

11. 應付貿易賬款及應付票據(續)

應付貿易賬款的賬齡是以購買材料、商品或接受勞務等確認的時間為基準。

上文所載應付控股公司、同系附屬公司及其他關聯公司結餘如下：

	30 June 2025 二零二五年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2024 二零二四年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Due to the ultimate holding company 應付最終控股公司款項	**202,364**	233,081
Due to the intermediate holding company 應付中介控股公司款項	**6,796,984**	10,485,778
Due to fellow subsidiaries 應付同系附屬公司款項	**5,108,080**	12,516,371
Total 總計	**12,107,428**	23,235,230

The balances are unsecured, non-interest-bearing and repayable on demand.

該等結餘乃無抵押、免息且須按要求償還。

12. SHARE CAPITAL

Shares

12. 股本

股份

	30 June 2025 二零二五年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2024 二零二四年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Issued and fully paid 已發行及繳足		
2,253,204,500 (2024: 2,253,204,500) ordinary shares 2,253,204,500股(二零二四年：2,253,204,500股)普通股	**4,052,228**	4,052,228

13. CONTINGENT LIABILITIES

Action against Foxconn

On 11 June 2007, a Hong Kong High Court action (the "June 2007 Action") was commenced by a subsidiary and an affiliate of Foxconn International Holdings Limited (the "Plaintiffs") against the Company and certain subsidiaries of the Group (the "Defendants") for using confidential information alleged to have been obtained improperly from the Plaintiffs. The Plaintiffs discontinued the June 2007 Action on 5 October 2007 with the effect that the June 2007 Action has been wholly discontinued against all the Defendants named in the action and this finally disposed of the June 2007 Action without any liability to the Defendants. On the same day, the Plaintiffs initiated a new set of legal proceedings in the Court (the "October 2007 Action"). The Defendants named in the October 2007 Action are the same as the Defendants in the June 2007 Action, and the claims made by the Plaintiffs in the October 2007 Action are based on the same facts and grounds in the June 2007 Action. The remedies sought by the Plaintiffs in the October 2007 Action include an injunction restraining the Defendants from using the alleged confidential information, an order for the disgorgement of profit made by the Defendants through the use of the confidential information, damages based on the loss suffered by the Plaintiffs and exemplary damages. The total damages sought by the Plaintiffs in the October 2007 Action have not been quantified.

On 2 October 2009, the Defendants instituted a counter-action against Foxconn International Holdings Limited and certain of its affiliates for their intervention, by means of illegal measures, in the operations involving the Company and certain of its subsidiaries, collusions, written and verbal defamation, and the economic loss as a result of the said activities.

As at the reporting date, the case remains in the process of legal proceedings. After consulting the Company's legal counsel representing the Company for the case, the Board is of the view that the estimate of ultimate outcome and amount of any settlement payments (if applicable) of the litigation cannot be made reliably up to date.

13. 或然負債

富士康訴訟案件

於二零零七年六月十一日，富士康國際控股有限公司旗下一間附屬公司及一間聯屬公司(「原告」)向香港高等法院展開訴訟(「二零零七年六月訴訟」)，指控本公司及本集團若干附屬公司(「被告」)使用指稱自原告處非法獲得的機密資料。隨著針對被告的二零零七年六月訴訟被全面撤銷以及該訴訟未判令被告承擔任何責任，原告已於二零零七年十月五日停止二零零七年六月訴訟。同日，原告向法院提起新一輪的法律程序(「二零零七年十月訴訟」)。二零零七年十月訴訟的被告與二零零七年六月訴訟的被告相同，且原告在二零零七年十月訴訟中提出的申索均基於二零零七年六月訴訟中的相同事實及理由。原告在二零零七年十月訴訟中提出的補救方法包括強令禁止被告使用有關機密資料、強令被告交出因使用機密資料所獲得的利潤以及賠償原告遭受的損失及支付懲罰性賠償金。原告在二零零七年十月訴訟中主張的全部賠償金數額尚未確定。

於二零零九年十月二日，被告對富士康國際控股有限公司及其若干聯屬公司利用不合法手段干涉本公司及其若干附屬公司的經營、共謀行為、書面及口頭誹謗，導致經濟損失的行為提起反訴。

於報告日期，該訴訟案仍處於法律訴訟階段。經諮詢於案件中代表本公司的本公司法律顧問，董事會認為直至目前為止尚難以可靠估計該訴訟的最終結果及了結訴訟須支付的有關款項金額(如適用)。

14. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

14. 承擔

本集團於報告期末擁有下列資本承擔：

	30 June 2025 二零二五年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2024 二零二四年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Contracted, but not provided for: 已訂約，但未計提撥備：		
Plant and machinery 廠房及機器	**584,547**	767,040
Buildings 樓宇	**35,833**	39,866
Total 總計	**620,380**	806,906

15. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

15. 關聯方交易

(a) 除該等財務報表其他部分詳述的交易外，本集團與關聯方於期內進行以下重大交易：

Nature of transactions 交易性質	Notes 附註	Related parties 關聯方	For the six months ended 30 June 截至六月三十日止六個月 2025 二零二五年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2024 二零二四年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Sales of plant and machinery 出售廠房及機器	(i)	Ultimate holding company 最終控股公司	**1,635**	898
		Fellow subsidiaries 同系附屬公司	**7,337**	10,228
Purchases of plant and machinery 購買廠房及機器	(i)	Ultimate holding company 最終控股公司	**251**	1,659
		Fellow subsidiaries 同系附屬公司	**5,195**	6,712
Purchases of inventories 採購存貨	(ii)	Ultimate holding company 最終控股公司	**114,154**	131,986
		Fellow subsidiaries 同系附屬公司	**1,261,099**	872,133

15. RELATED PARTY TRANSACTIONS (Continued) 15. 關聯方交易（續）

(a) (Continued): (a) （續）

Nature of transactions 交易性質	Notes 附註	Related parties 關聯方	For the six months ended 30 June 截至六月三十日止六個月	
			2025 二零二五年 RMB'000 人民幣千元 (Unaudited) （未經審核）	2024 二零二四年 RMB'000 人民幣千元 (Unaudited) （未經審核）
Sales of inventories 出售存貨	(ii)	Ultimate holding company 最終控股公司	**24,402**	16,731
		Fellow subsidiaries 同系附屬公司	**12,137,745**	6,239,875
Lease and ancillary services payments 租賃及配套服務付款	(iii)	Ultimate holding company 最終控股公司	**73,850**	77,400
		Fellow subsidiaries 同系附屬公司	**410,439**	347,021
Exclusive processing services received 獲提供獨家加工服務	(iv)	Ultimate holding company 最終控股公司	**37,830**	59,601
		Fellow subsidiaries 同系附屬公司	**325,132**	484,498
Exclusive processing services provided 提供獨家加工服務	(iv)	Ultimate holding company 最終控股公司	**1,095**	1,987
		Fellow subsidiaries 同系附屬公司	**529,327**	362,573
Agent fee for procurement service 採購服務的代理費	(v)	Intermediate holding company 中介控股公司	**35,689**	28,891
		Fellow subsidiaries 同系附屬公司	**3,236**	11,943
Electricity fee received 收取電費	(vi)	Ultimate holding company 最終控股公司	**1,260**	1,132
		Fellow subsidiaries 同系附屬公司	**54,286**	49,110
Exclusive construction services received 獲提供獨家建築服務	(vii)	Fellow subsidiaries 同系附屬公司	**–**	383

15. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued):

Notes:

(i) The sales and purchases of plant and machinery were made at net book values.

(ii) The sales and purchases of inventories were conducted in accordance with prices and terms mutually agreed between the parties.

(iii) The payments were charged on an actually incurred basis or in accordance with terms mutually agreed between the parties.

(iv) The processing service fees and revenue were charged and received for the depreciation of the relevant machinery and equipment during the year ended 30 June 2025.

(v) The agent fee for the procurement service was charged on a certain percentage of the total amount of procurement provided by the fellow subsidiaries and intermediate holding company on behalf of the Group.

(vi) The sales of power supply services were conducted in accordance with prices and terms mutually agreed between the parties.

(vii) The construction services were conducted in accordance with prices and terms mutually agreed between the parties.

In the opinion of the directors, all the transactions were conducted in the ordinary and usual course of business.

15. 關聯方交易（續）

(a) （續）

附註：

(i) 出售及購買廠房及機器按賬面淨值進行。

(ii) 出售及購買存貨乃按各方共同協定的價格及條款進行。

(iii) 付款按實際產生金額或按各方共同協定的條款支付。

(iv) 於截至二零二五年六月三十日止年度內就有關機器及設備的折舊而支付及收取的加工服務費及收入。

(v) 採購服務代理費乃按同系附屬公司及中介控股公司代表本集團提供的採購總金額之若干百分比收取。

(vi) 銷售能源供應服務乃按各方共同協定的價格及條款進行。

(vii) 建築服務乃根據各方共同協定的價格及條款進行。

董事認為，全部交易均屬日常業務過程中進行的交易。

15. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties:

Lead wealth, a wholly-owned subsidiary of the Company, obtained a loan of RMB9,600,000,000 from BYD HK Co., Ltd ("BYD HK"), the intermediate holding company of the Company. The loan was bearing a fixed interest rate of 3.18%-3.77%.

Details of the Group's trade balances with the holding shareholder, fellow subsidiaries and other related companies as at the end of the reporting period are disclosed in notes 10 and 11 to the financial statements.

As at 30 June 2025, the Group had total lease liabilities with these related companies under non-cancellable leases falling due as follows:

15. 關聯方交易(續)

(b) 與關聯方的結餘：

本公司全資附屬公司領裕自本公司中介控股公司BYD HK Co., Ltd.(「BYD HK」)獲取貸款人民幣9,600,000,000元。該貸款按固定利率為3.18%–3.77%計息。

本集團於報告期末與控股股東、同系附屬公司及其他關聯公司的貿易結餘之詳情披露於財務報表附註10及附註11。

於二零二五年六月三十日，本集團根據不可撤銷租賃與該等關聯公司的到期應付租賃負債總額如下：

	30 June 2025 二零二五年六月三十日 RMB'000 人民幣千元	31 December 2024 二零二四年十二月三十一日 RMB'000 人民幣千元
Lease liabilities – current 租賃負債 – 流動		
Ultimate holding company 最終控股公司	**133,130**	78,884
Fellow subsidiaries 同系附屬公司	**258,858**	92,910
Lease liabilities – non-current 租賃負債 – 非流動		
Ultimate holding company 最終控股公司	**123,966**	31,129
Fellow subsidiaries 同系附屬公司	**101,848**	25,769
Total 總額	**617,802**	228,692

As at 30 June 2025, the net carrying amount of right-of use assets relating to such rental contracts amounted to RMB499,413,000 (31 December 2024: RMB132,815,000).

於二零二五年六月三十日，有關該等租金合同的使用權資產賬面淨值為人民幣499,413,000元(二零二四年十二月三十一日：人民幣132,815,000元)。

15. RELATED PARTY TRANSACTIONS (Continued)

(c) Compensation of key management personnel of the Group:

15. 關聯方交易（續）

(c) 本集團主要管理人員的報酬：

	For the six months ended 30 June 截至六月三十日止六個月	
	2025 二零二五年 RMB'000 人民幣千元 (Unaudited) （未經審核）	2024 二零二四年 RMB'000 人民幣千元 (Unaudited) （未經審核）
Short-term employee benefits 短期僱員福利	**9,102**	7,680
Pension scheme contributions 退休金計劃供款	**29**	41
Total 總額	**9,131**	7,721

The share-based payment expense recognised from January to June 2025 for the 2025 Employee Share Ownership Plan granted to key management personnel of the Company was RMB271,000. The above compensation does not include this amount.

The related party transactions in respect of items set out in (a) and (b) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Company has complied with all applicable requirements under Chapter 14A of the Listing Rules in respect of such transactions.

本公司關鍵管理人員獲授的二零二五年員工持股計劃於二零二五年一至六月確認的股份支付費用為人民幣271,000元。上述薪酬未包含該項金額。

與上文(a)及(b)所載項目有關的關聯方交易亦構成上市規則第14A章所界定的關連交易或持續關連交易。本公司已就有關交易遵守上市規則第14A章的所有適用的規定。

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

There are no significant differences between the carrying amounts and the fair values of the Group's financial instruments.

Management has assessed that the fair values of short-term deposits, cash and cash equivalents, pledged deposits, trade receivables, receivables financing, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables, amounts due from/to subsidiaries, amounts due from/to the ultimate holding company and the immediate holding company approximate to their carrying amounts largely due to the short term maturities of these instruments.

16. 金融工具的公允價值及公允價值層級

本集團金融工具賬面價值及公允價值之間並無重大差額。

管理層已評估短期存款、現金及現金等價物、已抵押存款、應收貿易款項、應收款項融資、應付貿易賬款及應付票據、計入預付款項、按金及其他應收賬款的金融資產、計入其他應付賬款的金融負債、應收／應付附屬公司款項、應收／應付最終控股公司及直接控股公司款項公允價值與其賬面價值相若，此乃主要由於該等工具屬於短期性質。

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the unlisted equity investments have been valued based on a market-based valuation technique. This valuation requires the Group to determine the comparable listed companies, select the price multiple, and make estimates about the discount for lack of liquidity, and hence they are subject to uncertainty.

The fair values of the interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2025 were assessed to be insignificant.

The Group enters into derivative financial instruments and receivables financing with various counterparties. The carrying amounts of these derivative financial instruments and receivables financing are the same as their fair values. The derivative financial instruments and receivables financing are measured using valuation techniques similar to forward pricing, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties and foreign exchange spot and forward rates. The carrying amounts of derivative financial instruments and receivables financing are the same as their fair values.

16. 金融工具的公允價值及公允價值層級(續)

財務經理領導的本集團公司財務團隊負責制定金融工具公允價值計量的政策及程序。公司財務團隊直接向財務總監報告。於各報告日期,公司財務團隊分析金融工具價值的變動,並確定在估值中應用的主要輸入值。估值由財務總監審核及批准。

金融資產及負債的公允價值以該工具於自願交易方(而非強迫或清盤銷售)當前交易下的可交易金額入賬。下述方法及假設用於評估公允價值:

非上市股權投資的公允價值按市場法進行估值。該估值要求本集團釐定可資比較上市公司、選擇價格倍數並對缺乏流動性折價進行估計,因此具有不確定性。

計息銀行及其他借款的公允價值是通過使用具有類似條款、信貸風險和剩餘到期日的工具的當前可得利率折現預期未來現金流量來計算。於二零二五年六月三十日,由於本集團對計息銀行及其他借款的非履約風險而導致的公允價值變動評估為並不重大。

本集團與多個對手方訂立衍生金融工具及應收款項融資。該等衍生金融工具及應收款項融資的賬面價值與彼等的公允價值相同。衍生金融工具及應收款項融資以現值計算並按遠期價格相似之估值技巧計量。此等模式計入不同市場可觀察輸入數據,包括對手方信貸質素,以及外匯即期及遠期匯率。該等衍生金融工具及應收款項融資的賬面價值與其公允價值相同。

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025

16. 金融工具的公允價值及公允價值層級（續）

公允價值層級

下表說明本集團金融工具的公允價值計量層級：

以公允價值計量的資產：

於二零二五年六月三十日

	Fair value measurement using 公允價值計量使用的輸入值			
	Quoted prices in active markets 活躍市場的報價 (Level 1) （第一級） RMB'000 人民幣千元 (Unaudited) （未經審核）	Significant observable inputs 重大可觀察的輸入值 (Level 2) （第二級） RMB'000 人民幣千元 (Unaudited) （未經審核）	Significant unobservable inputs 重大不可觀察的輸入值 (Level 3) （第三級） RMB'000 人民幣千元 (Unaudited) （未經審核）	Total 總計 RMB'000 人民幣千元 (Unaudited) （未經審核）
Receivables financing 應收款項融資	–	227,948	–	227,948
Other non-current financial assets 其他非流動金融資產	–	–	443,783	443,783
Total 總計	–	227,948	443,783	671,731

As at 31 December 2024

於二零二四年十二月三十一日

	Fair value measurement using 公允價值計量使用的輸入值			
	Quoted prices in active markets 活躍市場的報價 (Level 1) （第一級） RMB'000 人民幣千元 (Unaudited) （未經審核）	Significant observable inputs 重大可觀察的輸入值 (Level 2) （第二級） RMB'000 人民幣千元 (Unaudited) （未經審核）	Significant unobservable inputs 重大不可觀察的輸入值 (Level 3) （第三級） RMB'000 人民幣千元 (Unaudited) （未經審核）	Total 總計 RMB'000 人民幣千元 (Unaudited) （未經審核）
Receivables financing 應收款項融資	–	471,346	–	471,346
Other non-current financial assets 其他非流動金融資產	–	–	421,322	421,322
Total 總計	–	471,346	421,322	892,668

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

16. 金融工具的公允價值及公允價值層級(續)

FAIR VALUE HIERARCHY (Continued)

公允價值層級(續)

Liabilities measured at fair value:

以公允價值計量的負債：

As at 30 June 2025

於二零二五年六月三十日

	Fair value measurement using 公允價值計量使用的輸入值			
	Quoted prices in active markets 活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察的輸入值 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察的輸入值 (Level 3) (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Derivative financial instruments 衍生金融工具	–	17,037	–	17,037

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

期內，第一級與第二級之間並無公允價值計量轉撥，亦無自第三級轉入或轉出(二零二四年：無)。

Liabilities for which fair values are disclosed:

已披露公允價值的負債：

As at 30 June 2025

於二零二五年六月三十日

	Fair value measurement using 公允價值計量使用的輸入值			
	Quoted prices in active markets 活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元 (Unaudited) (未經審核)	Significant observable inputs 重大可觀察的輸入值 (Level 2) (第二級) RMB'000 人民幣千元 (Unaudited) (未經審核)	Significant unobservable inputs 重大不可觀察的輸入值 (Level 3) (第三級) RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Loan from the intermediate holding company 自中介控股公司貸款	–	9,651,536	–	9,651,536
Total 總計	–	9,651,536	–	9,651,536

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

FAIR VALUE HIERARCHY (Continued)

Liabilities for which fair values are disclosed: (Continued)

As at 31 December 2024

16. 金融工具的公允價值及公允價值層級（續）

公允價值層級（續）

已披露公允價值的負債：（續）

於二零二四年十二月三十一日

	Fair value measurement using 公允價值計量使用的輸入值			
	Quoted prices in active markets 活躍市場的報價 (Level 1) （第一級） RMB'000 人民幣千元 (Audited) （經審核）	Significant observable inputs 重大可觀察的輸入值 (Level 2) （第二級） RMB'000 人民幣千元 (Audited) （經審核）	Significant unobservable inputs 重大不可觀察的輸入值 (Level 3) （第三級） RMB'000 人民幣千元 (Audited) （經審核）	Total 總計 RMB'000 人民幣千元 (Audited) （經審核）
Loan from the ultimate holding company 自最終控股公司貸款	–	6,504,965	–	6,504,965
Loan from the intermediate holding company 自中介控股公司貸款	–	4,302,368	–	4,302,368
Total 總計	–	10,807,333	–	10,807,333

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 August 2025.

17. 審批財務報表

財務報表已由董事會於二零二五年八月二十九日審批並授權刊發。

APPENDIX II

RISK FACTORS RELATING TO

THE OPERATING ENVIRONMENT AND STRATEGY OF UBS AG

This section supersedes in its entirety Appendix 2 of the Base Listing Document.

Risks relating to UBS AG

Certain risks, including those described below, may affect the ability of UBS AG to execute its strategy or its business activities, financial condition, results of operations and prospects. It is inherently exposed to multiple risks, many of which may become apparent only with the benefit of hindsight. As a result, risks that UBS AG does not consider to be material, or of which it is not currently aware, could also adversely affect it. Within each category, the risks that UBS AG considers to be most material are presented first.

Strategy, management and operational risks

UBS's acquisition of Credit Suisse Group AG exposes the UBS AG Group to heightened litigation risk and regulatory scrutiny and entails significant additional costs, liabilities and business integration risks

UBS Group AG acquired Credit Suisse Group AG under exceptional circumstances and the continued outflows and deteriorating overall financial position of Credit Suisse, in order to avert a failure of Credit Suisse and thus damage to the Swiss financial centre and to global financial stability. The acquisition was effected through a merger of Credit Suisse Group AG with and into UBS Group AG, with UBS Group AG succeeding to all assets and all liabilities of Credit Suisse Group AG, becoming the direct or indirect shareholder of the former Credit Suisse Group AG's direct and indirect subsidiaries. Therefore, on a consolidated basis, all assets, risks and liabilities of the Credit Suisse Group became a part of UBS. This includes all ongoing and future litigation, regulatory and similar matters arising out of the business of the Credit Suisse Group, thereby materially increasing UBS's exposure to litigation and investigation risks.

The UBS AG Group has incurred and will continue to incur, substantial integration and restructuring costs as it combines the operations of UBS and Credit Suisse. In addition, the UBS AG Group may not realize all of the expected cost reductions and other benefits of the transaction. The UBS AG Group may not be able to successfully execute its strategic plans or to achieve the expected benefits of the acquisition of the Credit Suisse Group. The success of the transaction, including anticipated benefits and cost savings, will depend, in part, on the ability to successfully complete the integration of the operations of both firms rapidly and effectively, while maintaining stability of operations and high levels of service to customers of the combined franchise.

The ability of the UBS AG Group to complete the integration of Credit Suisse will depend on a number of factors, some of which are outside of its control, including its ability to:

- combine the operations of the two firms in a manner that preserves client service, simplifies infrastructure and results in operating cost savings, including the successful transfer of clients from legacy Credit Suisse platforms to UBS platforms in Switzerland, its largest booking centre;
- maintain deposits and client invested assets in its Global Wealth Management division and in Switzerland, and to attract additional deposits and invested assets to the combined firm;
- achieve cost reductions at the levels and in the timeframe it plans;
- enhance, integrate and, where necessary, remediate risk management and financial control and other systems and frameworks, including to remediate the material weakness in Credit Suisse's internal controls over financial reporting;
- complete the simplification of the legal structure of the combined firm in an expedited manner, including obtaining regulatory approvals and licenses required to implement the changes;
- retain staff and reverse attrition of staff in certain of Credit Suisse's business areas;
- successfully execute the wind-down of the assets and liabilities in its Non-core and Legacy division and release capital and resources for other purposes;
- decommission the information technology and other legacy Credit Suisse operational infrastructure to simplify its infrastructure, reduce operational complexity and lower its operating expenses; and
- resolve outstanding litigation, regulatory and similar matters, including matters relating to Credit Suisse, on terms that are not significantly adverse to the UBS AG Group, as well as to successfully remediate outstanding regulatory and supervisory matters and meet other regulatory commitments.

The level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, particularly in the area of the Swiss domestic bank, as well as the domestic and international wealth management businesses, the execution of the planned strategy regarding cost reductions and divestment of any non-core assets, and the level of resulting impairments and write-downs, may impact the operational results, share price and the credit rating of UBS entities. The combined Group will be required to devote significant management attention and resources to integrating its business practices and support functions. The diversion of management's attention and any delays or difficulties encountered in connection with the transaction and the coordination of the two companies' operations could have an adverse effect on the business, financial results, financial condition or the share price of the combined Group following the transaction. The coordination process may also result in additional and unforeseen expenses.

Substantial changes in regulation may adversely affect the UBS AG Group's businesses and UBS AG's ability to execute its strategic plans

Since the financial crisis of 2008, the UBS AG Group has been subject to significant regulatory requirements, including recovery and resolution planning, changes in capital and prudential standards, changes in taxation regimes as a result of changes in governmental administrations, new and revised market standards and fiduciary duties, as well as new and developing environmental, social and governance ("**ESG**") standards and requirements. Notwithstanding attempts by regulators to align their efforts, the measures adopted or proposed for banking regulation differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution. Regulatory reviews of the events leading to the failures of US banks and the acquisition of Credit Suisse by UBS Group in 2023, as well as regulatory measures to complete the implementation of the Basel 3 standards, may increase capital, liquidity and other requirements applicable to banks, including UBS AG. Swiss regulatory changes with regard to such matters as capital and liquidity have often proceeded more quickly than those in other major jurisdictions, and Switzerland's requirements for major international banks are among the strictest of the major financial centres. Switzerland has implemented the final Basel 3 requirements effective 1 January 2025, at least a year ahead of the EU and the UK and likely several years ahead of the United States.

In June 2025, the Swiss Federal Council published for public comment proposed amendments to the Swiss Capital Adequacy Ordinance, to implement certain of the recommendations. As currently proposed, such amendments would become effective in January 2027. At the same time, the Swiss Federal Council announced that it will publish proposed amendments to law to implement other of the recommendations, and that such amendments relating to capital requirements are intended to become effective in 2028, with the remaining amendments intended to become effective in 2029. The capital measures proposed by the Swiss Federal Council, if adopted as proposed, would require significant additional capital at UBS AG. Increased capital or liquidity requirements would put UBS AG at a disadvantage when competing with peer financial institutions subject to lower capital or liquidity requirements or more lenient regulation and increase its competitive disadvantage in some areas with unregulated non-bank competitors.

The UBS AG Group's implementation of additional regulatory requirements and changes in supervisory standards, as well as its compliance with existing laws and regulations, continue to receive heightened scrutiny from supervisors. If the UBS AG Group does not meet supervisory expectations in relation to these or other matters, or if additional supervisory or regulatory issues arise, it would likely be subject to further regulatory scrutiny, as well as measures that may further constrain its strategic flexibility.

Resolvability and resolution and recovery planning: The UBS AG Group has moved significant operations into subsidiaries to improve resolvability and meet other regulatory requirements, and this has resulted in substantial implementation costs, increased its capital and funding costs and reduced operational flexibility. For example, the UBS AG Group has transferred all of its US subsidiaries under a US intermediate holding company to meet US regulatory requirements and has transferred substantially all the operations of Personal & Corporate Banking and Global Wealth Management booked in Switzerland to UBS Switzerland AG to improve resolvability.

These changes create operational, capital, liquidity, funding and tax inefficiencies. The operations of the UBS AG Group in subsidiaries are subject to local capital, liquidity, stable funding, capital planning and stress testing requirements. These requirements have resulted in increased capital and liquidity requirements in affected subsidiaries, which limit the operational flexibility of UBS AG and negatively affect its ability to benefit from synergies between business units and to distribute earnings to the Group.

Under the Swiss too-big-to-fail ("**TBTF**") framework, the UBS AG Group is required to put in place viable emergency plans to preserve the operation of systemically important functions in the event of a failure. Moreover, under this framework and similar regulations in the US, the UK, the EU and other jurisdictions in which it operates, UBS AG is required to prepare credible recovery and resolution plans detailing the measures that would be taken to recover in a significant adverse event or in the event of winding down the Group, UBS AG or the operations in a host country through resolution or insolvency proceedings. If a recovery or resolution plan that UBS AG produces is determined by the relevant authority to be inadequate or not credible, relevant regulation may permit the authority to place limitations on the scope or size of its business in that jurisdiction, or oblige it to hold higher amounts of capital or liquidity or to change its legal structure or business in order to remove the relevant impediments to resolution.

The authorities in Switzerland and internationally have published lessons learned from the Credit Suisse and the US regional bank failures, which are expected to result in additional requirements regarding resolution planning and early intervention tools for authorities. In connection with these reviews, FINMA has announced that it would not provide an assessment of the UBS resolution plans in 2024 as it expects to make adjustments to its resolution plan requirements based on lessons learned reviews as well as potential changes in its recovery and resolution authority under amendments that are expected to be proposed to Swiss law. UBS AG expects to make adjustments to its resolution plans to reflect additional guidance from FINMA and may be required to make further adjustment to reflect any changes to law that are enacted.

Capital and prudential standards: As an internationally active Swiss systemically relevant bank, the UBS AG Group is subject to capital and total loss-absorbing capacity ("**TLAC**") requirements that are among the most stringent in the world. Moreover, many of its subsidiaries must comply with minimum capital, liquidity and similar requirements and, as a result, UBS Group AG and UBS AG have contributed a significant portion of their capital and provide substantial liquidity to these subsidiaries. These funds are available to meet funding and collateral needs in the relevant entities, but are generally not readily available for use by the Group as a whole.

The UBS AG Group's risk-weighted assets ("**RWA**") and leverage ratio denominator ("**LRD**") are affected as Switzerland has implemented the final standards promulgated by the Basel Committee on Banking Supervision ("**the BCBS**") and may be further affected as provisions of the standards are phased in. Although these final Basel 3 standards have now been implemented in Switzerland, other major banking centres have delayed implementation or have not yet enacted the final standards into regulation. Extended delay in implementation by other jurisdictions may lead to higher capital requirements for the UBS AG Group relative to peers.

In connection with the acquisition of the Credit Suisse Group, FINMA has permitted Credit Suisse entities to continue to apply certain prior interpretations and has provided supervisory rulings on the treatment of certain items for RWA or capital purposes. In general, these interpretations require that UBS phase out the treatment over the next several years. In addition, FINMA has agreed that the additional capital requirement applicable to Swiss systemically relevant banks, which is based on market share in Switzerland and LRD, will not increase as a result of the acquisition of the Credit Suisse Group before the end of 2025. The phase-out or end of these periods will likely increase the UBS AG Group's overall capital requirements.

Increases in capital and changes in liquidity requirements may, in the aggregate require the UBS AG Group to maintain significantly higher levels of capital. Higher capital or liquidity requirements applied to UBS Group or UBS AG relative to competitors in Switzerland or abroad may affect the UBS AG Group's ability to compete with firms subject to less stringent capital requirements and increase UBS AG Group's costs to serve customers.

Market regulation and fiduciary standards: The UBS AG Group's wealth and asset management businesses operate in an environment of increasing regulatory scrutiny and changing standards with respect to fiduciary and other standards of care and the focus on mitigating or eliminating conflicts of interest between a manager or advisor and the client, which require effective implementation across the global systems and processes of investment managers and other industry participants. For example, the UBS AG Group has made material changes to its business processes, policies and the terms on which it interacts with these clients in order to comply with US Securities and Exchange Commission ("**SEC**") Regulation Best Interest, which is intended to enhance and clarify the duties of brokers and investment advisers to retail customers, and the Volcker Rule, which limits its ability to engage in proprietary trading, as well as changes in European and Swiss market conduct regulation. Future changes in the regulation of the UBS AG Group's duties to customers may require it to make further changes to its businesses, which would result in additional expense and may adversely affect its business. The UBS AG Group may also become subject to other similar regulations substantively limiting the types of activities in which it may engage or the way it conducts its operations.

In many instances, the UBS AG Group provides services on a cross-border basis, and it is therefore sensitive to barriers restricting market access for third-country firms. In particular, efforts in the EU to harmonize the regime for third-country firms to access the European market may have the effect of creating new barriers that adversely affect the UBS AG Group's ability to conduct business in these jurisdictions from Switzerland. In addition, a number of jurisdictions are increasingly regulating cross-border activities based on determinations of equivalence of home country regulation, substituted compliance or similar principles of comity. A negative determination with respect to Swiss equivalence could limit the UBS AG Group's access to the market in those jurisdictions and may negatively influence its ability to act as a global firm. For example, the EU declined to extend its equivalence determination for Swiss exchanges, which lapsed as of 30 June 2019.

The UBS AG Group has experienced cross-border outflows over a number of years as a result of heightened focus by fiscal authorities on cross-border investment and fiscal amnesty programs, in anticipation of the implementation in Switzerland of the global automatic exchange of tax information, and as a result of the measures the UBS AG Group has implemented in response to these changes. Further changes in local tax laws or regulations and their enforcement, additional cross-border tax information exchange regimes, national tax amnesty or enforcement programs or similar actions may affect its clients' ability or willingness to do business with the UBS AG Group and could result in additional cross-border outflows.

The reputation of the UBS AG Group is critical to its success

The reputation of the UBS AG Group is critical to the success of its strategic plans, business and prospects. Reputational damage is difficult to reverse, and improvements tend to be slow and difficult to measure. In the past, the reputation of the UBS AG Group has been adversely affected by its losses during the 2008 financial crisis, investigations into its cross-border private banking services, criminal resolutions of London Interbank Offered Rates (LIBOR)-related and foreign exchange matters, as well as other matters. UBS AG believes that reputational damage as a result of these events was an important factor in its loss of clients and client assets across its asset-gathering businesses. The Credit Suisse Group was more recently subject to significant litigation and regulatory matters and to financial losses that adversely affected its reputation and the confidence of clients, which played a significant role in the events leading to the acquisition of the Credit Suisse Group in March 2023. These events, or new events that cause reputational damage, could have a material adverse effect on the UBS AG Group's results of operation and financial condition, as well as its ability to achieve its strategic goals and financial targets.

Operational risks affect the businesses of the UBS AG Group

The businesses of the UBS AG Group depend on its ability to process a large number of transactions, many of which are complex, across multiple and diverse markets in different currencies, to comply with requirements of many different legal and regulatory regimes to which it is subject and to prevent, or promptly detect and stop, unauthorized, fictitious or fraudulent transactions. The UBS AG Group also relies on access to, and on the functioning of, systems maintained by third parties, including clearing systems, exchanges, information processors and central counterparties. Any failure of its or third-party systems could have an adverse effect on the UBS AG Group. These risks may be greater as the UBS AG Group deploys newer technologies, such as blockchain, or processes, platforms or products that rely on these technologies. UBS AG Group's operational risk management and control systems and processes are designed to help ensure that the risks associated with its activities – including those arising from process error, failed execution, misconduct, unauthorized trading, fraud, system failures, financial crime, cyberattacks, breaches of information security, inadequate or ineffective access controls and failure of security and physical protection – are appropriately controlled. If its internal controls fail or prove ineffective in identifying and remedying these risks, The UBS AG Group could suffer operational failures that might result in material losses. The acquisition of the Credit Suisse Group may elevate these risks, particularly during the first phases of integration, as the firms have historically operated under different procedures, IT systems, risk policies and structures of governance.

As a meaningful proportion of its staff have been and will continue working from outside the office, UBS AG Group has faced, and will continue to face, new challenges and operational risks, including maintenance of supervisory and surveillance controls, as well as increased fraud and data security risks. While the UBS AG Group has taken measures to manage these risks, these measures could prove not to be effective.

The UBS AG Group uses automation as part of its efforts to improve efficiency, reduce the risk of error and improve its client experience. The UBS AG Group intends to expand the use of robotic processing, machine learning and artificial intelligence (AI) to further these goals. Use of these tools presents their own risks, including the need for effective design and testing; the quality of the data used for development and operation of machine learning and AI tools may adversely affect their functioning and result in errors and other operational risks.

Financial services firms have increasingly been subject to breaches of security and to cyber- and other forms of attack, some of which are sophisticated and targeted attacks intended to gain access to confidential information or systems, disrupt service or steal or destroy data, which may result in business disruption or the corruption or loss of data at the UBS AG Group's locations or those of third parties. Cyberattacks by hackers, terrorists, criminal organizations, nation states and extremists have also increased in frequency and sophistication. Current geopolitical tensions have also led to increased risk of cyberattack from foreign state actors. In particular, the Russia–Ukraine war and the imposition of significant sanctions on Russia by Switzerland, the US, the EU, the UK and others has resulted and may continue to result in an increase in the risk of cyberattacks. Such attacks may occur on the UBS AG Group's own systems or on the systems that are operated by external service providers, may be attempted through the introduction of ransomware, viruses or malware, phishing and other forms of social engineering, distributed denial of service attacks and other means. These attempts may occur directly or using equipment or security passwords of the UBS AG Group's employees, third-party service providers or other users. Cybersecurity risks also have increased due to the widespread use of digital technologies, cloud computing and mobile devices to conduct financial business and transactions, as well as due to generative AI, which increases the capabilities of adversaries to mount sophisticated phishing attacks, for example, through the use of deepfake technologies, and presents new challenges to the protection of the UBS AG Group's systems and networks and the confidentiality and integrity of its data. During the first quarter of 2023, a third-party vendor, ION XTP, suffered a ransomware attack, which resulted in some disruption to the UBS AG Group's exchange-traded derivatives clearing activities, although it restored its services within 36 hours, using an available alternative solution. In addition to external attacks, the UBS AG Group has experienced loss of client data from failure by employees and others to follow internal policies and procedures and from misappropriation of its data by employees and others.

The UBS AG Group may not be able to anticipate, detect or recognize threats to its systems or data and its preventative measures may not be effective to prevent an attack or a security breach. In the event of a security breach, notwithstanding its preventative measures, the UBS AG Group may not immediately detect a particular breach or attack. The acquisition of the Credit Suisse Group may elevate and intensify these risks, as would-be attackers have a larger potential target in the combined bank and differences in systems, policies, and platforms could make threat detection more difficult. In addition, the implementation of the large-scale technological change program that is necessary to integrate the combined bank's systems at pace may also result in increased risks. Once a particular attack is detected, time may be required to investigate and assess the nature and extent of the attack, and to restore and test systems and data. If a successful attack occurs at a service provider, as the UBS AG Group has recently experienced, the UBS AG Group may be dependent on the service provider's ability to detect the attack, investigate and assess the attack and successfully restore the relevant systems and data. A successful breach or circumvention of security of the UBS AG Group's or a service provider's systems or data could have significant negative consequences for the UBS AG Group, including disruption of its operations, misappropriation of confidential information concerning it or its clients, damage to its systems, financial losses for the UBS AG Group's or its clients, violations of data privacy and similar laws, litigation exposure, and damage to its reputation. The UBS AG Group may be subject to enforcement actions as regulatory focus on cybersecurity increases and regulators have announced new rules, guidance and initiatives on ransomware and other cybersecurity-related issues.

The UBS AG Group is subject to complex and frequently changing laws and regulations governing the protection of client and personal data, such as the EU General Data Protection Regulation. Ensuring that the UBS AG Group complies with applicable laws and regulations when it collects, uses and transfers personal information requires substantial resources and may affect the ways in which the UBS AG Group conducts its business. In the event that the UBS AG Group fails to comply with applicable laws, it may be exposed to regulatory fines and penalties and other sanctions. The UBS AG Group may also incur such penalties if its vendors or other service providers or clients or counterparties fail to comply with these laws or to maintain appropriate controls over protected data. In addition, any loss or exposure of client or other data may adversely damage the UBS AG Group's reputation and adversely affect its business.

A major focus of US and other countries' governmental policies relating to financial institutions in recent years has been on fighting money laundering and terrorist financing. The UBS AG Group is required to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of its clients under the laws of many of the countries in which it operates. The UBS AG Group is also subject to laws and regulations related to corrupt and illegal payments to government officials by others, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. The UBS AG Group has implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. Notwithstanding this, regulators have found deficiencies in the design and operation of anti-money-laundering programs in the UBS AG Group's US operations. The UBS AG Group has undertaken a significant program to address these regulatory findings with the objective of fully meeting regulatory expectations for its programs. Failure to maintain and implement adequate programs to combat money laundering, terrorist financing or corruption, or any failure of the UBS AG Group's programs in these areas, could have serious consequences both from legal enforcement action and from damage to its reputation. Frequent changes in sanctions imposed and increasingly complex sanctions imposed on countries, entities and individuals, as exemplified by the breadth and scope of the sanctions imposed in relation to the war in Ukraine, increase the cost of the UBS AG Group monitoring and complying with sanctions requirements and increase the risk that it will not identify in a timely manner client activity that is subject to a sanction.

As a result of new and changed regulatory requirements and the changes the UBS AG Group has made in its legal structure, the volume, frequency and complexity of its regulatory and other reporting has remained elevated. Regulators have also significantly increased expectations regarding the UBS AG Group's internal reporting and data aggregation, as well as management reporting. The UBS AG Group has incurred, and continues to incur, significant costs to implement infrastructure to meet these requirements. Failure to meet external reporting requirements accurately and in a timely manner or failure to meet regulatory expectations of internal reporting, data aggregation and management reporting could result in enforcement action or other adverse consequences for the UBS AG Group.

In addition, despite the contingency plans that the UBS AG Group has in place, its ability to conduct business may be adversely affected by a disruption in the infrastructure that supports its businesses and the communities in which it operates. This may include a disruption due to natural disasters, pandemics, civil unrest, war or terrorism and involve electrical, communications, transportation or other services that the UBS AG Group uses or that are used by third parties with whom it conducts business.

The UBS AG Group depends on its risk management and control processes to avoid or limit potential losses in its businesses

Controlled risk-taking is a major part of the business of a financial services firm. Some losses from risk-taking activities are inevitable, but, to be successful over time, the UBS AG Group must balance the risks it takes against the returns generated. Therefore, it must diligently identify, assess, manage and control its risks, not only in normal market conditions but also as they might develop under more extreme, stressed conditions, when concentrations of exposures can lead to severe losses.

The UBS AG Group has not always been able to prevent serious losses arising from risk management failures and extreme or sudden market events. It recorded substantial losses on fixed-income trading positions in the 2008 financial crisis, in the unauthorized trading incident in 2011 and, more recently, positions resulting from the default of a US prime brokerage client. Credit Suisse has suffered very significant losses from the default of the US prime brokerage client and losses in supply chain finance funds managed by it, as well as other matters. As a result of these, Credit Suisse is subject to significant regulatory remediation obligations to address deficiencies in its risk management and control systems, that continue following the merger.

The UBS AG Group regularly revises and strengthens its risk management and control frameworks to seek to address identified shortcomings. Nonetheless, it could suffer further losses in the future if, for example:

- it does not fully identify the risks in its portfolio, in particular risk concentrations and correlated risks;
- its assessment of the risks identified, or its response to negative trends, proves to be untimely, inadequate, insufficient or incorrect;
- its risk models prove insufficient to predict the scale of financial risks the bank faces;
- markets move in ways that it does not expect – in terms of their speed, direction, severity or correlation – and its ability to manage risks in the resulting environment is, therefore, affected;
- third parties to whom it has credit exposure or whose securities it holds are severely affected by events and it suffers defaults and impairments beyond the level implied by its risk assessment; or
- collateral or other security provided by its counterparties and clients proves inadequate to cover their obligations at the time of default.

The UBS AG Group also holds legacy risk positions, primarily in Non-core and Legacy, that, in many cases, are illiquid and may deteriorate in value. The acquisition of the Credit Suisse Group and the integration of UBS AG with Credit Suisse AG has increased, materially, the portfolio of business that is outside of the UBS AG Group's risk appetite and subject to exit that will be managed in the Non-core and Legacy segment.

The UBS AG Group also manages risk on behalf of its clients. The performance of assets it holds for its clients may be adversely affected by the same aforementioned factors. If clients suffer losses or the performance of their assets held with the UBS AG Group is not in line with relevant benchmarks against which clients assess investment performance, the UBS AG Group may suffer reduced fee income and a decline in assets under management, or withdrawal of mandates.

Investment positions, such as equity investments made as part of strategic initiatives and seed investments made at the inception of funds that the UBS AG Group manages, may also be affected by market risk factors. These investments are often not liquid and generally are intended or required to be held beyond a normal trading horizon. Deteriorations in the fair value of these positions would have a negative effect on the UBS AG Group's earnings.

The UBS AG Group may be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees

The financial services industry is characterized by intense competition, continuous innovation, restrictive, detailed and sometimes fragmented regulation and ongoing consolidation. The UBS AG Group faces competition at the level of local markets and individual business lines and from global financial institutions that are comparable to it in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. The UBS AG Group expects these trends to continue and competition to increase. Its competitive strength and market position could be eroded if the UBS AG Group is unable to identify market trends and developments, does not respond to such trends and developments by devising and implementing adequate business strategies, does not adequately develop or update its technology, including its digital channels and tools, or is unable to attract or retain the qualified people needed.

The amount and structure of the UBS AG Group's employee compensation is affected not only by its business results but also by competitive factors and regulatory considerations.

In response to the demands of various stakeholders, including regulatory authorities and shareholders, and in order to better align the interests of its staff with other stakeholders, the UBS AG Group has increased average deferral periods for stock awards, expanded forfeiture provisions and, to a more limited extent, introduced clawback provisions for certain awards linked to business performance. UBS AG has also introduced individual caps on the proportion of fixed to variable pay for the members of the Executive Board ("**EB**"), as well as certain other employees. UBS is also required to maintain and enforce provisions requiring it to recover from EB members and certain other executives a portion of performance-based incentive compensation in the event that the UBS Group and UBS AG, or another entity with securities listed on a US national securities exchange, is required to restate its financial statements as a result of a material error.

Constraints on the amount or structure of employee compensation, higher levels of deferral, performance conditions and other circumstances triggering the forfeiture of unvested awards may adversely affect the ability of the UBS AG Group to retain and attract key employees, particularly where it competes with companies that are not subject to these constraints. The loss of key staff and the inability to attract qualified replacements could seriously compromise the ability of the UBS AG Group to execute its strategy and to successfully improve its operating and control environment, and could affect its business performance. This risk is intensified by elevated levels of attrition among Credit Suisse employees. Swiss law requires that shareholders approve the compensation of the UBS Group AG Board of Directors ("**the Group Board**") and the UBS Group AG Group Executive Board ("**GEB**") each year. If UBS Group AG's shareholders fail to approve the compensation for the GEB or the Group Board, this could have an adverse effect on UBS AG's ability to retain experienced directors and its senior management.

UBS AG's operating results, financial condition and ability to pay its obligations in the future may be affected by funding, dividends and other distributions received directly or indirectly from its subsidiaries, which may be subject to restrictions

UBS AG's ability to pay its obligations in the future will depend on the level of funding, dividends and other distributions, if any, received from UBS Switzerland AG and other subsidiaries. The ability of such subsidiaries to make loans or distributions, directly or indirectly, to UBS AG may be restricted as a result of several factors, including restrictions in financing agreements and the requirements of applicable law and regulatory, fiscal or other restrictions. In particular, UBS AG's direct and indirect subsidiaries, including UBS Switzerland AG, UBS Americas Holding LLC, Credit Suisse Holdings (USA) Inc., UBS Europe SE and Credit Suisse International, are subject to laws and regulations that require the entities to maintain minimum levels of capital and liquidity, that restrict dividend payments, that authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS Group AG, or that could affect their ability to repay any loans made to, or other investments in, such subsidiary by UBS AG or another member of the UBS AG Group. For example, in the early stages of the COVID-19 pandemic, the European Central Bank ordered all banks under its supervision to cease dividend distributions, and the Board of Governors of the Federal Reserve System limited capital distributions by bank holding companies and intermediate holding companies. Restrictions and regulatory actions could impede access to funds that UBS AG may need to meet its obligations. In addition, UBS AG's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to all prior claims of the subsidiary's creditors.

Furthermore, UBS AG may guarantee some of the payment obligations of certain of the Group's subsidiaries from time to time. These guarantees may require UBS AG to provide substantial funds or assets to subsidiaries or their creditors or counterparties at a time when UBS AG is in need of liquidity to fund its own obligations.

<u>Market, credit and macroeconomic risks</u>

Performance in the financial services industry is affected by market conditions and the macroeconomic climate

The UBS AG Group's businesses are materially affected by market and macroeconomic conditions. A market downturn and weak macroeconomic conditions can be precipitated by a number of factors, including geopolitical events, such as international armed conflicts, war, or acts of terrorism, the imposition of sanctions, global trade or global supply chain disruptions, including energy shortages and food insecurity, changes in monetary or fiscal policy, changes in trade policies or international trade disputes, significant inflationary or deflationary price changes, disruptions in one or more concentrated economic sectors, natural disasters, pandemics or local and regional civil unrest. Such developments can have unpredictable and destabilizing effects.

Adverse changes in interest rates, credit spreads, securities prices, market volatility and liquidity, foreign exchange rates, commodity prices, and other market fluctuations, as well as changes in investor sentiment, can affect the UBS AG Group's earnings and ultimately its financial and capital positions. As financial markets are global and highly interconnected, local and regional events can have widespread effects well beyond the countries in which they occur. Any of these developments may adversely affect the UBS AG Group's business or financial results.

As a result of significant volatility in the market, the UBS AG Group's businesses may experience a decrease in client activity levels and market volumes, which would adversely affect its ability to generate transaction fees, commissions and margins, particularly in Global Wealth Management and the Investment Bank. A market downturn would likely reduce the volume and valuation of assets that the UBS AG Group manages on behalf of clients, which would reduce recurring fee income that is charged based on invested assets, primarily in Global Wealth Management and Asset Management, and performance-based fees in Asset Management. Such a downturn could also cause a decline in the value of assets that the UBS AG Group owns and accounts for as investments or trading positions. In addition, reduced market liquidity or volatility may limit trading opportunities and therefore may reduce transaction-based income and may also impede the UBS AG Group's ability to manage risks.

Health emergencies, including pandemics and measures taken by governmental authorities to manage them, may have effects such as labour market displacements, supply chain disruptions, and inflationary pressures, and adversely affect global and regional economic conditions, resulting in contraction in the global economy, substantial volatility in the financial markets, crises in markets for goods and services, disruptions in real estate markets, increased unemployment, increased credit and counterparty risk, and operational challenges, as was seen with the COVID-19 pandemic. Such economic or market disruptions, including inflationary pressures, may lead to reduced levels of client activity and demand for the UBS AG Group's products and services, increased utilization of lending commitments, significantly increased client defaults, continued and increasing credit and valuation losses in its loan portfolios, loan commitments and other assets, and impairments of other financial assets. A fall in equity markets and a consequent decline in invested assets would also reduce recurring fee income in the UBS AG Group's Global Wealth Management and Asset Management businesses, as it experienced in the second quarter of 2022. These factors and other consequences of a health emergency may negatively affect the financial condition of the UBS AG Group, including possible constraints on capital and liquidity, as well as resulting in a higher cost of capital, and possible downgrades to its credit ratings.

Geopolitical events: Terrorist activity and armed conflict in the Middle East, as well as the continuing Russia–Ukraine war, may have significant impacts on global markets, exacerbate global inflationary pressures and slow global growth. In addition, the ongoing conflicts may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to the armed conflicts, including, with respect to the Russia–Ukraine war, coordinated successive sets of sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the ongoing conflicts will widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. If individual countries impose restrictions on cross-border payments or trade, or other exchange or capital controls, or change their currency (for example, if one or more countries should leave the Eurozone, as a result of the imposition of sanctions on individuals, entities or countries, or escalation of trade restrictions and other actions between the US, or other countries, and China), the UBS AG Group could suffer adverse effects on its business, losses from enforced default by counterparties, be unable to access its own assets or be unable to effectively manage its risks.

The UBS AG Group could be materially affected if a crisis develops, regionally or globally, as a result of disruptions in markets due to macroeconomic or political developments, trade restrictions, or the failure of a major market participant. Over time, the UBS AG Group's strategic plans have become more heavily dependent on its ability to generate growth and revenue in emerging markets, including China, causing it to be more exposed to the risks associated with such markets.

Global Wealth Management derives revenues from all the principal regions but has a greater concentration in Asia than many peers and a substantial presence in the US, unlike many European peers. The Investment Bank's business is more heavily weighted to Europe and Asia than the UBS AG Group's peers, while its derivatives business is more heavily weighted to structured products for wealth management clients, in particular with European and Asian underlyings. The UBS AG Group's performance may therefore be more affected by political, economic and market developments in these regions and businesses than some other financial service providers.

The extent to which ongoing conflicts, current inflationary pressures and related adverse economic conditions affect the UBS AG Group's businesses, results of operations and financial condition, as well as its regulatory capital and liquidity ratios, will depend on future developments, including the effects of the current conditions on its clients, counterparties, employees and third-party service providers.

The UBS AG Group's credit risk exposure to clients, trading counterparties and other financial institutions would increase under adverse or other economic conditions

Credit risk is an integral part of many of the UBS AG Group's activities, including lending, underwriting and derivatives activities. Adverse economic or market conditions, or the imposition of sanctions or other restrictions on clients, counterparties or financial institutions, may lead to impairments and defaults on these credit exposures. Losses may be exacerbated by declines in the value of collateral securing loans and other exposures. In the UBS AG Group's prime brokerage, securities finance and Lombard lending businesses, it extends substantial amounts of credit against securities collateral the value or liquidity of which may decline rapidly. Market closures and the imposition of exchange controls, sanctions or other measures may limit the ability of the UBS AG Group to settle existing transactions or to realize on collateral, which may result in unexpected increases in exposures. The UBS AG Group's Swiss mortgage and corporate lending portfolios, which have increased substantially as a result of the Credit Suisse acquisition, are a large part of its overall lending. The UBS AG Group is therefore exposed to the risk of adverse economic developments in Switzerland, including property valuations in the housing market, the strength of the Swiss franc and its effect on Swiss exports, a return to negative interest rates applied by the Swiss National Bank, economic conditions within the Eurozone or the EU, and the evolution of agreements between Switzerland and the EU or European Economic Area, which represent Switzerland's largest export market. The UBS AG Group has exposures related to real estate in various countries, including a substantial Swiss mortgage portfolio. Although the UBS AG Group believes this portfolio is prudently managed, it could nevertheless be exposed to losses if a substantial deterioration in the Swiss real estate market were to occur.

As the UBS AG Group experienced in 2020, under the IFRS 9 expected credit loss ("**ECL**") regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect the UBS AG Group's common equity tier 1 ("**CET1**") capital and regulatory capital ratios.

Interest rate trends and changes could negatively affect the UBS AG Group's financial results

The UBS AG Group's businesses are sensitive to changes in interest rate trends. A prolonged period of low or negative interest rates, particularly in Switzerland and the Eurozone, adversely affected the net interest income generated by UBS's Personal & Corporate Banking and Global Wealth Management businesses prior to 2022. Actions that the UBS AG Group took to mitigate adverse effects on income, such as the introduction of selective deposit fees or minimum lending rates, contributed to outflows of customer deposits (a key source of funding for the UBS AG Group), net new money outflows and a declining market share in its Swiss lending business.

During 2022, interest rates increased sharply in the US and most other markets, including a shift from negative to positive central bank policy rates in the Eurozone and Switzerland, as central banks responded to higher inflation. Higher interest rates generally benefit the UBS AG Group's net interest income. However, as returns on alternatives to deposits increase with rising interest rates, such as returns on money market funds, the UBS AG Group experienced outflows from customer deposits and shifts of deposits from lower-interest account types to accounts bearing higher interest rates, such as savings and certificates of deposit, starting with effects in the US, where rates had rapidly increased. In addition, higher-for-longer interest rates, such as those experienced in 2023, have led to similar shifts in euro and Swiss franc deposits. Sustained higher interest rates also may adversely affect the UBS AG Group's credit counterparties. Customer deposit outflows could require the UBS AG Group to obtain alternative funding, which would likely be more costly than customer deposits.

Currency fluctuation may have an adverse effect on the UBS AG Group's profits, balance sheet and regulatory capital

The UBS AG Group is subject to currency fluctuation risks as a substantial portion of its assets and liabilities are denominated in currencies other than the UBS AG Group's presentation currency, the US dollar. In order to hedge its CET1 capital ratio, the UBS AG Group's CET1 capital must have foreign currency exposure, which leads to currency sensitivity. As a consequence, it is not possible to simultaneously fully hedge both CET1 capital and the CET1 capital ratio. Accordingly, changes in foreign exchange rates may adversely affect the UBS AG Group's profits, balance sheet, and capital, leverage and liquidity coverage ratios.

Regulatory and legal risks

Material legal and regulatory risks arise in the conduct of the UBS AG Group's business

As a global financial services firm operating in more than 50 countries, the UBS AG Group is subject to many different legal, tax and regulatory regimes, including extensive regulatory oversight, and are exposed to significant liability risk. The UBS AG Group is subject to a large number of claims, disputes, legal proceedings and government investigations, and it expects that its ongoing business activities will continue to give rise to such matters in the future. In addition, UBS AG inherited claims against Credit Suisse entities as part of the acquisition, including matters that may be material to the operating results of the combined group. The extent of its financial exposure to these and other matters is material and could substantially exceed the level of provisions that the UBS AG Group has established. the UBS AG Group is not able to predict the financial and non-financial consequences these matters may have when resolved.

The UBS AG Group may be subject to adverse preliminary determinations or court decisions that may negatively affect public perception and its reputation, result in prudential actions from regulators, and cause it to record additional provisions for such matters even when it believes it has substantial defences and expects to ultimately achieve a more favourable outcome. This risk is illustrated by the award of aggregate penalties and damages of EUR 4.5 billion against UBS by the court of first instance in France. This award was reduced to an aggregate of EUR 1.8 billion against by the Court of Appeal, and, in a further appeal, the French Supreme Court referred the case back to the Paris Court of Appeal to reconsider the amount after a new trial.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Among other things, a guilty plea to, or conviction of, a crime (including as a result of termination of the Deferred Prosecution Agreement Credit Suisse entered into with the US Department of Justice in 2021 to resolve its Mozambique matter) could have material consequences for UBS AG.

Resolution of regulatory proceedings has required the UBS AG Group 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 the UBS AG Group's participation in them. The UBS AG Group and Credit Suisse have each required waivers or exemptions in order to continue to act as investment manager to pension plans and registered investment companies in the US, among other things; failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations arising from a disqualifying event, could have material adverse consequences for the UBS AG Group.

The UBS AG Group's settlements with governmental authorities in connection with foreign exchange, LIBOR and other benchmark interest rates starkly illustrate the significantly increased level of financial and reputational risk now associated with regulatory matters in major jurisdictions. In connection with investigations related to LIBOR and other benchmark rates, and to foreign exchange and precious metals, very large fines and disgorgement amounts were assessed against the UBS AG Group, and it was required to enter guilty pleas despite its full cooperation with the authorities in the investigations and despite its receipt of conditional leniency or conditional immunity from anti-trust authorities in a number of jurisdictions, including the US and Switzerland.

For a number of years, the UBS AG Group has been, and it continues to be, subject to a very high level of regulatory scrutiny and to certain regulatory measures that constrain its strategic flexibility. The UBS AG Group believes it has remediated the deficiencies that led to significant losses in the past and made substantial changes in its controls and conduct risk frameworks to address the issues highlighted by past regulatory resolutions. The UBS AG Group has also undertaken extensive efforts to implement new regulatory requirements and meet heightened supervisory expectations. Prior to its acquisition by UBS, Credit Suisse was also subject to a high level of regulatory scrutiny and had significant regulatory and other remediation programs to address identified issues, including as a result of the Archegos, Mozambique, supply chain finance and cross-border tax matters. As part of the integration of Credit Suisse, UBS AG is addressing these matters and will likely remain under additional regulatory scrutiny until the integration is substantially completed.

The UBS AG Group continues to be in active dialogue with regulators concerning the actions it is taking to improve its operational risk management, risk control, anti-money-laundering, data management and other frameworks, and otherwise seeks to meet supervisory expectations, but there can be no assurance that its efforts will have the desired effects. As a result of this history, UBS AG's level of risk with respect to regulatory enforcement may be greater than that of some of its peers.

If UBS AG experiences financial difficulties, FINMA has the power to open restructuring or liquidation proceedings or impose protective measures in relation to UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on UBS AG's creditors

Under the Swiss Banking Act, FINMA is able to exercise broad statutory powers with respect to Swiss banks and Swiss parent companies of financial groups, such as UBS Group AG, UBS AG and UBS Switzerland AG, if there is justified concern that an entity is over-indebted, has serious liquidity problems or, after the expiration of any relevant deadline, no longer fulfils capital adequacy requirements. Such powers include ordering protective measures, instituting restructuring proceedings (and exercising any Swiss resolution powers in connection therewith), and instituting liquidation proceedings, all of which may have a material adverse effect on shareholders and creditors or may prevent UBS AG or UBS Switzerland AG from paying dividends or making payments on debt obligations.

The UBS AG Group would have limited ability to challenge any such protective measures, and creditors and shareholders would also have limited ability under Swiss law or in Swiss courts to reject them, seek their suspension, or challenge their imposition, including measures that require or result in the deferment of payments.

If restructuring proceedings are opened with respect to UBS AG or UBS Switzerland AG the resolution powers that FINMA may exercise include the power to: (i) transfer all or some of the assets, debt and other liabilities, and contracts of the entity subject to proceedings to another entity; (ii) stay for a maximum of two business days (a) the termination of, or the exercise of rights to terminate, netting rights, (b) rights to enforce or dispose of certain types of collateral or (c) rights to transfer claims, liabilities or certain collateral, under contracts to which the entity subject to proceedings is a party; and (iii) partially or fully write down the equity capital and regulatory capital instruments and, if such regulatory capital is fully written down, write down or convert into equity the other debt instruments of the entity subject to proceedings. Creditors would have no right to reject, or to seek the suspension of, any restructuring plan pursuant to which such resolution powers are exercised. They would have only limited rights to challenge any decision to exercise resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

Upon full or partial write-down of the equity and regulatory capital instruments of the entity subject to restructuring proceedings, the relevant shareholders and creditors would receive no payment in respect of debt that is written down, the write-down would be permanent, and the investors would likely not, at such time or at any time thereafter, receive any shares or other participation rights, or be entitled to any write-up or any other compensation in the event of a potential subsequent recovery of the debtor. If FINMA orders the conversion of debt of the entity subject to restructuring proceedings into equity, the securities received by the investors may be worth significantly less than the original debt and may have a significantly different risk profile. In addition, creditors receiving equity would be effectively subordinated to all creditors of the restructured entity in the event of a subsequent winding up, liquidation or dissolution of the restructured entity, which would increase the risk that investors would lose all or some of their investment.

FINMA has significant discretion in the exercise of its powers in connection with restructuring proceedings. Furthermore, certain categories of debt obligations, such as certain types of deposits, are subject to preferential treatment. As a result, holders of obligations of an entity subject to a Swiss restructuring proceeding may have their obligations written down or converted into equity even though obligations ranking on par with such obligations are not written down or converted.

Developments in sustainability, climate, environmental and social standards and regulations may affect the UBS AG Group's business and impact its ability to fully realize its goals

The UBS AG Group is subject to separate, and sometimes conflicting, ESG regulations and regulator expectations in the various jurisdictions in which it operates. For example, in certain jurisdictions, the UBS AG Group is required to set diversity targets or other ESG-related goals that are considered illegal or contrary to regulatory expectations in other jurisdictions. In addition, with respect to decarbonization mandates, there is substantial uncertainty as to the scope of actions that may be required of the UBS AG Group, governments and others to achieve the goals the UBS AG Group has set, and many of its goals and objectives are only achievable with a combination of government and private action. National and international standards and expectations, industry and scientific practices, regulatory taxonomies, and disclosure obligations addressing these matters are relatively immature and are rapidly evolving. In addition, there are significant limitations in the data available to measure the UBS AG Group's climate and other goals. Although the UBS AG Group has defined and disclosed its goals based on the standards existing at the time of disclosure, there can be no assurance (i) that the various ESG regulatory and disclosure regimes under which it operates will not come into further conflict with one another, (ii) that the current standards will not be interpreted differently than the UBS AG Group's understanding or change in a manner that substantially increases the cost or effort for it to achieve such goals or (iii) that additional data or methods, whether voluntary or required by regulation, may substantially change the UBS AG Group's calculation of its goals and ambitions. It is possible that such goals may prove to be considerably more difficult or even impossible to achieve. The evolving standards may also require the UBS AG Group to substantially change the stated goals and ambitions. If the UBS AG Group is not able to achieve the goals it has set, or can only do so at significant expense to its business, it may fail to meet regulatory expectations, incur damage to its reputation or be exposed to an increased risk of litigation or other adverse action.

While ESG regulatory regimes and international standards are being developed, including to require consideration of ESG risks in investment decisions, some jurisdictions, notably in the US, have developed rules restricting the consideration of ESG factors in investment and business decisions. Under these anti-ESG rules, companies that are perceived as boycotting or discriminating against certain industries may be restricted from doing business with certain governmental entities. The UBS AG Group's businesses may be adversely affected if it is considered as discriminating against companies based on ESG considerations, or if further anti-ESG rules are developed or broadened.

Material weaknesses of Credit Suisse controls over financial reporting

In March 2023, prior to the acquisition by UBS Group AG, the Credit Suisse Group and Credit Suisse AG disclosed that their management had identified material weaknesses in internal control over financial reporting as a result of which, the Credit Suisse Group and Credit Suisse AG had concluded that, as of 31 December 2022, their internal controls over financial reporting were not effective, and for the same reasons, reached the same conclusion regarding 31 December 2021. A material weakness is a deficiency or a combination of deficiencies in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of a registrant's financial statements will not be prevented or detected on a timely basis. The material weaknesses result in a risk that a material error may not be detected by internal controls that could result in a material misstatement to the company's reported financial results. Following the acquisition and merger of Credit Suisse Group AG into UBS Group AG in June 2023, Credit Suisse AG concluded that as of 31 December 2023 its internal control over financial reporting continued to be ineffective. For the year ended 31 December 2023, UBS concluded that its internal control over financial reporting was effective.

In June 2024 Credit Suisse AG and UBS AG merged with UBS AG as the surviving entity. Although Credit Suisse AG is no longer a separate legal entity, numerous of its booking, accounting and risk management systems remain in use for activities that have not yet been exited or migrated to UBS AG's systems.

The material weaknesses that were identified by Credit Suisse related to the failure to design and maintain an effective risk assessment process to identify and analyse the risk of material misstatements in its financial statements and the failure to design and maintain effective monitoring activities relating to (i) providing sufficient management oversight over the internal control evaluation process to support Credit Suisse internal control objectives; (ii) involving appropriate and sufficient management resources to support the risk assessment and monitoring objectives; and (iii) assessing and communicating the severity of deficiencies in a timely manner to those parties responsible for taking corrective action. These material weaknesses contributed to an additional material weakness, as the Credit Suisse Group management did not design and maintain effective controls over the classification and presentation of the consolidated statement of cash flows under US GAAP.

Since the Credit Suisse acquisition, UBS has executed a remediation program to address the identified material weaknesses and has implemented additional controls and procedures. As of 31 December 2024, management has assessed that the changes to internal controls made to address the material weakness relating to the classification and presentation of the consolidated statement of cash flows as well as assessment and communication of the severity of deficiencies are designed and operating effectively.

The remaining material weakness relates to the risk assessment of internal controls. UBS has implemented an enhanced severity assessment framework and additional management oversight of severity assessments and have integrated the Credit Suisse control frameworks into the UBS's internal control framework and risk assessment and evaluation processes in 2024. In addition, UBS has reviewed the processes, systems and internal control processes in connection with the integration of the financial accounting and controls environment of Credit Suisse into UBS AG, and implementation of updated or additional processes and controls to reflect the increase in complexity of the accounting and financial control environment following the acquisition.

Management has assessed that the risk assessment process was designed effectively. However, in light of the increased complexity of the internal accounting and control environment, the remaining migration efforts still underway and the limited time to demonstrate operating effectiveness and sustainability of the post-merger integrated control environment, management has concluded that additional evidence of effective operation of the remediated controls is required to conclude that the risk assessment processes is operating effectively on a sustainable basis. In light of the above, management has concluded that there is a material weakness in internal control over financial reporting at 31 December 2024 and, as a result, that UBS AG's disclosure controls and procedures were also not effective as of that date.

The UBS AG Group's financial results may be negatively affected by changes to assumptions and valuations, as well as changes to accounting standards

UBS AG prepares its consolidated financial statements in accordance with IFRS Accounting Standards. The application of these accounting standards requires the use of judgment based on estimates and assumptions that may involve significant uncertainty at the time they are made. This is the case, for example, with respect to the measurement of fair value of financial instruments, the recognition of deferred tax assets (DTAs), the assessment of the impairment of goodwill, expected credit losses and estimation of provisions for litigation, regulatory and similar matters. Such judgments, including the underlying estimates and assumptions, which encompass historical experience, expectations of the future and other factors, are regularly evaluated to determine their continuing relevance based on current conditions. Using different assumptions could cause the reported results to differ. Changes in assumptions, or failure to make the changes necessary to reflect evolving market conditions, may have a significant effect on the financial statements in the periods when changes occur. Estimates of provisions may be subject to a wide range of potential outcomes and significant uncertainty. For example, the broad range of potential outcomes in the UBS AG Group's legal proceedings in France and in a number of Credit Suisse's legal proceedings increase the uncertainty associated with assessing the appropriate provision. If the estimates and assumptions in future periods deviate from the current outlook, the UBS AG Group's financial results may also be negatively affected.

Changes to IFRS Accounting Standards or interpretations thereof may cause future reported results and financial positions to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect the UBS AG Group's regulatory capital and ratios. For example, the introduction of the ECL regime under IFRS 9 in 2018 fundamentally changed how credit risk arising from loans, loan commitments, guarantees and certain revocable facilities is accounted for. Under the ECL regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2, only gradually diminishing once the economic outlook improves. As was observed in 2020, this effect may be more pronounced in a deteriorating economic environment. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect the UBS AG Group's CET1 capital and regulatory capital ratios.

The UBS AG Group may be unable to maintain its capital strength

Capital strength enables the UBS AG Group to grow its businesses and absorb increases in regulatory and capital requirements. The ability of the UBS AG Group to maintain its capital ratios is subject to numerous risks, including the financial results of its businesses, the effect of changes to capital standards, methodologies and interpretations that may adversely affect the calculation of its capital ratios, the imposition of risk add-ons or capital buffers, and the application of additional capital, liquidity and similar requirements to subsidiaries. The UBS AG Group's capital and leverage ratios are driven primarily by RWA, LRD and eligible capital, all of which may fluctuate based on a number of factors, some of which are outside of UBS AG's control. The results of the UBS AG Group's businesses may be adversely affected by events arising from other risk factors described herein. In some cases, such as litigation and regulatory risk and operational risk events, losses may be sudden and large.

The UBS AG Group's eligible capital may be reduced by losses recognized within net profit or other comprehensive income. Eligible capital may also be reduced for other reasons, including acquisitions that change the level of goodwill, changes in temporary differences related to DTAs included in capital, adverse currency movements affecting the value of equity, prudential adjustments that may be required due to the valuation uncertainty associated with certain types of positions, changes in regulatory interpretations on the inclusion or exclusion of items contributing to the equity of UBS AG's shareholders in regulatory capital, and changes in the value of certain pension fund assets and liabilities or in the interest rate and other assumptions used to calculate the changes in UBS AG's net defined benefit obligation recognized in other comprehensive income.

RWA are driven by the UBS AG Group's business activities, by changes in the risk profile of its exposures, by changes in its foreign currency exposures and foreign exchange rates, and by regulation. For instance, substantial market volatility, a widening of credit spreads, adverse currency movements, increased counterparty risk, deterioration in the economic environment or increased operational risk could result in an increase in RWA. Changes in the calculation of RWA, the imposition of additional supplemental RWA charges or multipliers applied to certain exposures and other methodology changes, as well as the finalization of the Basel III framework and Fundamental Review of the Trading Book promulgated by the BCBS, which are expected to affect the UBS AG Group's RWA.

The leverage ratio is a balance sheet-driven measure and therefore limits balance sheet-intensive activities, such as lending, more than activities that are less balance sheet intensive, and it may constrain the UBS AG Group's business even if UBS AG satisfies other risk-based capital requirements. Its LRD is driven by, among other things, the level of client activity, including deposits and loans, foreign exchange rates, interest rates, other market factors and changes in required liquidity. Many of these factors are wholly or partly outside of UBS's control.

The effect of taxes on the financial results of the UBS AG Group is significantly influenced by tax law changes and reassessments of its deferred tax assets and, also, operating losses of certain entities with no associated tax benefit

The UBS AG Group's effective tax rate is highly sensitive to its performance, its expectation of future profitability and any potential increases or decreases in statutory tax rates, such as any potential increase or decrease in the US federal corporate tax rate. Furthermore, based on prior years' tax losses and deductible temporary differences, the UBS AG Group has recognized DTAs reflecting the probable recoverable level based on future taxable profit as informed by its business plans. If UBS AG Group's performance is expected to produce diminished taxable profit in future years, particularly in the US, it may be required to write down all or a portion of the currently recognized DTAs through the income statement in excess of anticipated amortization. This would have the effect of increasing the effective tax rate in the year in which any write-downs are taken. Conversely, if the UBS AG Group expects the performance of entities in which it has unrecognized tax losses to improve, particularly in the US or the UK, it could potentially recognize additional DTAs. The effect of doing so would be to reduce the effective tax rate in years in which additional DTAs are recognized and to increase the effective tax rate in future years. UBS AG's effective tax rate is also sensitive to any future reductions in statutory tax rates, particularly in the US, which would cause the expected future tax benefit from items such as tax loss carry-forwards in the affected locations to diminish in value. This, in turn, would cause a write-down of the associated DTAs. Conversely, an increase in US corporate tax rates would result in an increase in the Group's DTAs.

The UBS AG Group generally revalues its DTAs in the fourth quarter of the financial year based on a reassessment of future profitability taking into account its updated business plans. It considers the performance of its businesses and the accuracy of historical forecasts, tax rates and other factors in evaluating the recoverability of its DTAs, including the remaining tax loss carry-forward period and its assessment of expected future taxable profits over the life of DTAs. Estimating future profitability is inherently subjective and is particularly sensitive to future economic, market and other conditions, which are difficult to predict.

The UBS AG Group's results in past years have demonstrated that changes in the recognition of DTAs can have a very significant effect on its reported results. Any future change in the manner in which UBS AG remeasures DTAs could affect UBS AG's effective tax rate, particularly in the year in which the change is made.

The UBS AG Group's full-year effective tax rate would be impacted if aggregate tax expenses in respect of profits from branches and subsidiaries without loss coverage differ from what is expected or if certain branches and subsidiaries incur operating losses that the UBS AG Group cannot benefit from through the income statement. In particular, operating losses at entities or branches that cannot offset for tax purposes taxable profits in other Group entities, and which do not result in additional DTA recognition, would increase its effective tax rate. In addition, tax laws or the tax authorities in countries where the UBS AG Group has undertaken legal structure changes may cause entities to be subject to taxation as permanent establishments or may prevent the transfer of tax losses incurred in one legal entity to newly organized or reorganized subsidiaries or affiliates, or may impose limitations on the utilization of tax losses that relate to businesses formerly conducted by the transferor. Were this to occur in situations where there were also limited planning opportunities to utilize the tax losses in the originating entity, the DTAs associated with such tax losses may be required to be written down through the income statement.

Changes in tax law may materially affect the UBS AG Group's effective tax rate and, in some cases, may substantially affect the profitability of certain activities. In addition, statutory and regulatory changes, as well as changes to the way in which courts and tax authorities interpret tax laws, including assertions that the UBS AG Group is required to pay taxes in a jurisdiction as a result of activities connected to that jurisdiction constituting a permanent establishment or similar theory, and changes in its assessment of uncertain tax positions, could cause the amount of taxes the UBS AG Group ultimately pays to materially differ from the amount accrued.

The UBS AG Group may incur material future tax liabilities in connection with the combination with Credit Suisse

In the past, the Credit Suisse Group has recorded significant impairments of the tax value of its participations in subsidiaries below their tax acquisition costs. Following the acquisition of the Credit Suisse Group and the subsequent combination of Credit Suisse AG with UBS AG, tax acquisition costs of certain participations held by Credit Suisse Group AG and its subsidiaries have been transferred to the UBS AG Group. The UBS Group AG and its subsidiaries may become subject to additional Swiss tax on future reversals of such impairments for Swiss tax purposes. Reversals of prior impairments may occur to the extent that the net asset value of the previously impaired subsidiary increases, e.g., as a result of an increase in retained earnings. Although it is difficult to quantify this additional future tax exposure, as various potential mitigants (e.g., transfers of assets and liabilities, business activities, subsidiary investments, as well as other restructuring measures within the combined Group in the course of the integration) exist, it may be material.

Liquidity and funding risk

Liquidity and funding management are critical to UBS AG's ongoing performance

The viability of the UBS AG Group's business depends on the availability of funding sources, and its success depends on its ability to obtain funding at times, in amounts, for tenors and at rates that enable it to efficiently support its asset base in all market conditions. The UBS AG Group's funding sources have generally been stable, but could change in the future because of, among other things, general market disruptions or widening credit spreads, which could also influence the cost of funding. A substantial part of the UBS AG Group's liquidity and funding requirements are met using short-term unsecured funding sources, including retail and wholesale deposits and the regular issuance of money market securities. A change in the availability of short-term funding could occur quickly.

The addition of loss-absorbing debt as a component of capital requirements, the regulatory requirements to maintain minimum TLAC and other regulatory requirements at UBS's holding company and at certain of its subsidiaries, in particular UBS AG, as well as the power of resolution authorities to bail in TLAC instruments and other debt obligations, and uncertainty as to how such powers will be exercised, caused and may still cause a further increase in UBS's cost of funding, and could potentially increase the total amount of funding required, in the absence of other changes in its business.

Reductions in UBS AG's credit ratings may adversely affect the market value of the securities and other obligations and increase its funding costs, in particular with regard to funding from wholesale unsecured sources, and could affect the availability of certain kinds of funding. In addition, as experienced in connection with the Moody's Investors Service Ltd. downgrade of UBS AG's long-term debt rating in June 2012, rating downgrades can require UBS AG to post additional collateral or make additional cash payments under trading agreements. UBS AG's credit ratings, together with its capital strength and reputation, also contribute to maintaining client and counterparty confidence, and it is possible that rating changes could influence the performance of some of UBS AG's businesses. The acquisition of the Credit Suisse Group has elevated these risks and may cause these risks to intensify. Upon the close of the acquisition in June 2023, Fitch Ratings Ireland Limited downgraded the Long-Term Issuer Default Ratings (IDRs) of UBS AG to "A+" from "AA–". Fitch Ratings Ltd. also upgraded Credit Suisse AG's Long-Term IDR to "A+" from "BBB+".

The requirement to maintain a liquidity coverage ratio of high-quality liquid assets to estimated stressed short-term net cash outflows, and other similar liquidity and funding requirements, oblige the UBS AG Group to maintain high levels of overall liquidity, limit its ability to optimize interest income and expense, make certain lines of business less attractive and reduce its overall ability to generate profits. The liquidity coverage ratio and net stable funding ratio requirements are intended to ensure that the UBS AG Group is not overly reliant on short-term funding and that it has sufficient long-term funding for illiquid assets. The relevant calculations make assumptions about the relative likelihood and amount of outflows of funding and available sources of additional funding in market-wide and firm-specific stress situations. In an actual stress situation, however, the UBS AG Group's funding outflows could exceed the assumed amounts. Further, UBS AG is subject to increased liquidity requirements related TBTF measures under the direction of FINMA, which became effective on 1 January 2024.

APPENDIX III

RECENT DEVELOPMENTS IN THE ISSUER'S BUSINESS

This section supersedes in its entirety the section in the Base Listing Document entitled "Information Relating to UBS AG".

1. Overview

UBS AG ("**Issuer**") 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**") is a regulated bank in Switzerland providing a full range of financial services activities in Switzerland and abroad. 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.

On 30 June 2025, the UBS AG consolidated CET1 capital ratio was 14.0%, the CET1 leverage ratio was 4.2%, and the total loss-absorbing capacity ratio was 36.5%.[1] On the same date, invested assets stood at USD 6,618 billion and equity attributable to UBS AG shareholders was USD 94,278 million. As of 30 June 2025, UBS AG Group employed 62,958 people.[2]

The rating agencies S&P Global Ratings Europe Limited ("**S&P**"), Moody's Investors Service Ltd. ("**Moody's**"), and Fitch Ratings Ireland Limited ("**Fitch**") have published solicited credit ratings reflecting their assessment of the creditworthiness of UBS AG, i.e. its ability to fulfil in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch and S&P may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS AG has a long-term counterparty credit rating of A+ from S&P, long-term senior debt rating of Aa2 from Moody's, and long-term issuer default rating of A+ from Fitch.

An explanation of the significance of ratings may be obtained from the rating agencies. Generally, rating agencies base their ratings on such material and information, and such of their own investigations, studies and assumptions, as they deem appropriate. The ratings of UBS AG should be evaluated independently from similar ratings of other entities, and from the rating, if any, of its securities. A credit rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency. Moody's is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**") and currently appears on the list of credit rating agencies registered or certified with the Financial Conduct Authority published on its website www.fca.org.uk/firms/credit-rating-agencies. Ratings given by Moody's are endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**") and currently appears on the list of credit ratings agencies published by ESMA on its website www.esma.europa.eu in accordance with the EU CRA Regulation. S&P and Fitch are established in the European Union and registered under the EU CRA Regulation and currently appear on the list of credit ratings agencies published by ESMA on its website in accordance with the EU CRA Regulation. Ratings given by S&P and Fitch are endorsed by Standard & Poor's Global Ratings UK Limited and Fitch Ratings Ltd, respectively, which are established in the UK and registered under

[1] All figures based on the Swiss systemically relevant bank framework. Refer to the "Capital management" section of the Annual Report 2024 and the Second Quarter 2025 Report for more information.
[2] Full-time equivalents.

the UK CRA Regulation and currently appear on the list of credit rating agencies registered or certified with the FCA published on its website.

No profit forecasts or estimates are included in this document.

No recent events particular to the Issuer have occurred which are to a material extent relevant to the evaluation of the Issuer's solvency.

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 ("**Articles of Association**"), 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 "*Risk, Capital, liquidity and funding, and balance sheet*" section of the UBS AG Annual Report 2024 published on 17 March 2025 (the "**Annual Report**").

3. Business Overview

3.1 Organisational Structure of the Issuer

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 US subsidiaries 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 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 2024, 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 2024. 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 Principal activities

UBS AG businesses are organised globally into five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. All five business divisions are supported by Group functions and qualify as reportable segments for the purpose of segment reporting. Each of the business divisions and Group functions are described below. A description of their businesses, organisational structures, products and services and targeted markets can be found under "*Our businesses*" in the "*Our business model and environment*" section of the Annual Report 2024 and "Our businesses" in the "UBS business divisions and Group Items" section of the Second Quarter 2025 Report.

- *Global Wealth Management* provides financial services, advice and solutions to private wealth clients. Its offering ranges from investment management to estate planning and corporate finance advice, in addition to specific wealth management and banking products and services.
- *Personal & Corporate Banking* serves its private, corporate, and institutional clients' needs, from banking to retirement, financing, investments and strategic transactions, in Switzerland, through its branch network and digital channels.
- *Asset Management* is a global, large-scale and diversified asset manager. It offers investment capabilities and styles across all major traditional and alternative asset classes, as well as advisory support to institutions, wholesale intermediaries and wealth management clients.
- *The Investment Bank* provides a range of services to institutional, corporate and wealth management clients globally, to help them raise capital, grow their businesses, invest and manage risks. Its offering includes research, advisory services, facilitating clients raising debt and equity from the public and private markets and capital markets, cash and derivatives trading across equities and fixed income, and financing.

- *Non-core and Legacy* includes positions and businesses not aligned with UBS's long-term strategy and risk appetite. It consists of selected assets and liabilities from the Credit Suisse business divisions, as well as residual assets and liabilities from UBS's former Non-core and Legacy Portfolio that preceded the acquisition of the Credit Suisse Group and smaller amounts of assets and liabilities of UBS's business divisions that have been assessed as not strategic in light of that acquisition.
- *Group functions are support and control functions that provide services to the Group. Virtually all costs incurred by the Group functions are allocated to the business divisions, leaving a residual amount that UBS refers to as Group Items in its segment reporting. Group functions* includes the following major areas: Group Services (which consists of the Group Operations and Technology Office, Group Compliance, Regulatory & Governance, Group Finance, Group Risk Control, Group Human Resources and Corporate Services, Communications & Branding, Group Legal, the Group Integration Office, Group Sustainability and Impact, and the Chief Strategy Office) and Group Treasury.

3.3 Competition

The financial services industry is characterised by intense competition, continuous innovation, restrictive, detailed, and sometimes fragmented regulation and ongoing consolidation. UBS AG faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to UBS AG in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. UBS expects these trends to continue and competition to increase.

Any statements regarding the competitive position of UBS AG, UBS AG Group or the Group contained in this document are made on the basis of the opinion of UBS AG or the Group.

3.4 Recent Developments

3.4.1 UBS AG consolidated key figures

UBS AG derived the selected consolidated financial information included in the table below for the years ended 31 December 2024 and 31 December 2023 from the Annual Report 2024. The selected consolidated financial information included in the table below for the six months ended 30 June 2025 and 30 June 2024 was derived from the Second Quarter 2025 Report.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). Information for the years ended 31 December 2024 and 2023 which is indicated as being unaudited in the table below was included in the Annual Report 2024 but has not been audited on the basis that the respective disclosures are not required under IFRS Accounting Standards, and therefore are not part of the audited financial statements. Prospective investors should read the whole of this document, the Annual Report 2024 and the Second Quarter 2025 Report and should not rely solely on the summarized information set out below.

	As of or for the six months ended		As of or for the year ended	
USD million, except where indicated	30.6.25	30.6.24	31.12.24	31.12.23
	unaudited		*audited, except where indicated*	
Results[1]				

Income Statement				
Total revenues	23,798	19,008	42,323	33,675
of which: Net interest income	2,912	1,528	4,678	4,566
of which: Other net income from financial instruments measured at fair value through profit or loss	7,298	6,216	12,959	9,934
of which: Net fee and commission income	13,156	10,750	23,438	18,610
of which: Other income	432	515	1,248	566
Credit loss expense / (release)	275	136	544	143
Operating expenses	21,322	17,689	39,346	29,011
Operating profit / (loss) before tax	2,201	1,183	2,433	4,521
Net profit / (loss) attributable to shareholders	2,220	742	1,481	3,290
Balance sheet				
Total assets	1,671,814		1,568,060	1,156,016
of which: Loans and advances to customers	653,195		587,347	405,633
Total financial liabilities measured at amortized cost	1,125,466		1,054,796	762,840
of which: customer deposits	804,705		749,476	555,673
of which: debt issued measured at amortized cost	107,505		101,104	69,784
of which: subordinated debt	673		689	3,008
Total financial liabilities measured at fair value through profit or loss	437,984		401,555	328,401
of which: debt issued designated at fair value	108,252		102,567	86,341
Total liabilities	1,576,960		1,473,394	1,100,448
Total equity	94,854		94,666	55,569
of which: Equity attributable to shareholders	94,278		94,003	55,234
Profitability and growth				
Return on equity (%) [2]	4.7	2.3	1.9*	6.0*
Return on tangible equity (%) [3]	5.0	2.5	2.0*	6.7*
Return on common equity tier 1 capital (%) [4]	6.2	2.8	2.2*	7.6*
Revenues over leverage ratio denominator, gross (%) [5]	3.0	3.2	3.0*	3.2*
Cost / income ratio (%) [6]	89.6	93.1	93.0*	86.2*
Net profit growth (%) [7]	199.2	(65.1)	(55.0)*	(53.6)*
Resources				
Common equity tier 1 capital [8]	69,829	83,001	73,792	44,130
Risk-weighted assets [8]	498,327	509,953	495,110*	333,979*
Common equity tier 1 capital ratio (%) [8]	14.0	16.3	14.9*	13.2*
Going concern capital ratio (%) [8]	17.8	19.2	18.1*	17.0*
Total loss-absorbing capacity ratio (%) [8]	36.5	38.6	36.7*	33.3*
Leverage ratio denominator [8]	1,660,097	1,564,001	1,523,277*	1,104,408*
Common equity tier 1 leverage ratio (%) [8]	4.2	5.3	4.8*	4.0*
Liquidity coverage ratio (%) [9]	179.4	194.1	186.1*	189.7*
Net stable funding ratio (%)	120.9	127.7	124.1*	119.6*
Other				
Invested assets (USD billion) [10]	6,618	5,871	6,087	4,505
Personnel (full-time equivalents)	62,958	70,750	68,982*	47,590*

* unaudited

[1] Profit and loss information and other flow-based information for the six-month period ending 30 June 2025 is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG. Profit and loss information and other flow-based information for the six-month period ending 30 June 2024 includes only one month of post-merger UBS AG data. Profit and loss and other flow-based information for the year ended 31 December 2024 includes seven months of consolidated data following the merger (June to December 2024) and five months of pre-merger UBS AG data only (January to May 2024). Comparative information for the year ended 31 December 2023 includes pre-merger UBS AG data only. Balance sheet information as at 30 June 2025 and 31 December 2024 includes post-merger consolidated information. Balance sheet information as at 31 December 2023 reflects pre-merger UBS AG information only.
[2] Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders. This measure provides information about the profitability of the business in relation to equity.
[3] Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders less average goodwill and intangible assets. This measure provides information about the profitability of the business in relation to tangible equity.
[4] Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average common equity tier 1 capital. This measure provides information about the profitability of the business in relation to common equity tier 1 capital.
[5] Calculated as total revenues (annualized for reporting periods shorter than 12 months) divided by average leverage ratio denominator. This measure provides information about the revenues of the business in relation to the leverage ratio denominator.
[6] Calculated as operating expenses divided by total revenues. This measure provides information about the efficiency of the business by comparing operating expenses with total revenues.
[7] Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period. This measure provides information about profit growth since the comparison period.
[8] Based on the Swiss systemically relevant bank framework.
[9] The disclosed ratios represent quarterly averages for the quarters presented and are calculated based on an average of 61 data points in the second quarter of 2025, 62 data points in the first quarter of 2025, 64 data points in the fourth quarter of 2024 and 63 data points in the fourth quarter of 2023.
[10] Consists of invested assets for Global Wealth Management, Asset Management (including invested assets from associates) and Personal & Corporate Banking. Calculated as the sum of managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts. This measure provides information about the volume of client assets managed by or deposited with UBS for investment purposes.

3.4.2 Regulatory, legal and other developments

Refer to "*Recent Developments*" in the First Quarter 2025 Report and the Second Quarter 2025 Report, as well as to "*Our environment*" and "*Regulatory and legal developments*" in the Annual Report 2024, for information on key regulatory, legal and other developments.

3.5 Trend Information

For information on trends, refer to "Recent Developments" and to 'Outlook' in the Second Quarter 2025 Report, as well as to "*Our environment*", and "*Top and emerging risks*" in the "*Risk management and control*" section and to "*Regulatory and legal developments*" of the Annual Report 2024. In addition, please refer to the section "*Risk factors*" in the Annual Report 2024 for more information.

4. Administrative, Management and Supervisory Bodies of the Issuer

UBS AG complies with all relevant Swiss legal and regulatory corporate governance requirements. As a non-US company with debt securities listed on the New York Stock Exchange ("**NYSE**"), UBS AG also complies with the relevant NYSE corporate governance standards applicable to foreign private issuers.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. The Board of Directors of UBS AG ("**BoD**") exercises ultimate supervision over management, whereas the Executive Board of UBS AG ("**EB**"), headed by the President of the Executive Board ("**President of the EB**"), has executive management responsibility for UBS AG and its business. The functions of Chairman of the BoD and President of the EB are assigned to two different people, leading to a separation of power. This structure establishes checks and balances and preserves the institutional independence of the BoD from the executive management of UBS AG Group, for which responsibility is delegated to the EB under the leadership of the President of the EB. No member of one board may simultaneously be a member of the other.

Supervision and control of the EB remain with the BoD. The authorities and responsibilities of the two bodies are governed by the Articles of Association and the Organization Regulations of UBS AG.

4.1 Board of Directors

The 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.

4.1.1 Members of the Board of Directors

The current members of the BoD are listed below.

Member	Title	Term of office	Current principal activities outside UBS AG
Colm Kelleher	Chairman	2026	Chairman of the Board of Directors of UBS Group AG; 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	2026	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	2026	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.

William C. Dudley	Member	2026	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	2026	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 Directors of INSEAD and La Fondation Mondiale INSEAD; member of the Advisory Council of the Swiss Board Institute.
Fred Hu	Member	2026	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); member of the Board of Chubb Limited; 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	2026	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.
Renata Jungo Brüngger	Member	2026	Member of the Board of Directors of UBS Group AG; member of the Supervisory Board of Daimler Truck Holding AG; member of the Supervisory Board of Daimler Truck AG; member of the Supervisory Board of Munich Re (Chair of Remuneration Committee); member of the Board of Trustees of Internationale Bachakademie Stuttgart; member of the Board of Trustees of Gesellschaft der Freunde von Bayreuth e. V. (Friends of Bayreuth).
Gail Kelly	Member	2026	Member of the Board of Directors of UBS Group AG; member of the Board of Singtel Communications (Chairperson of the Executive Resource and Compensation Committee); 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.
Julie G. Richardson	Member	2026	Member of the Board of Directors of UBS Group AG; member of the Board of BXP; member of the Board of Datadog (Chair of the Audit Committee); member of the Board of Fivetran; member of the Board of Coalition, Inc.
Lila Tretikov	Member	2026	Member of the Board of Directors of UBS Group AG; member of the Board of Volvo Car Corporation; member of the Board of Xylem Inc.; member of the Board of Zendesk Inc.; member of the Advisory Board of Affinidi; member of the Board of Backflip; member of the Advisory Board of Capgemini SE.
Jeanette Wong	Member	2026	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.

4.2 Executive Board ("EB")

Under the leadership of the President of the EB, the EB has executive management responsibility for UBS AG and its business. All EB members (with the exception of the President of the EB) are proposed by the President of the EB. The appointments are made by the BoD.

4.2.1 Members of the Executive Board

The current members of the EB are listed below.

Member and business address	Function	Current principal activities outside UBS AG
Sergio P. Ermotti UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President of the Executive Board	Member of the Group Executive Board and Group Chief Executive Officer of UBS Group AG; member of the Board of Ermenegildo Zegna N.V. (Lead Non-Executive Director); member of the Board of Società Editrice del Corriere del Ticino SA; member of the Board of Innosuisse – Swiss Innovation Agency; member of Institut International D'Etudes Bancaires; member of the WEF International Business Council and Governor of the Financial Services / Banking Community; member of the MAS International Advisory Panel; member of the Board of the Institute of International Finance; member of the Board of the Swiss-American Chamber of Commerce.
George Athanasopoulos UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Investment Bank	Member of the Group Executive Board and Co-President Investment Bank of UBS Group AG.
Michelle Bereaux UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Integration Officer	Member of the Group Executive Board and Group Integration Officer of UBS Group AG.
Mike Dargan UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Operations and Technology Officer	Member of the Group Executive Board and Group Chief Operations and Technology Officer of UBS Group AG; President of the Executive Board and board member of UBS Business Solutions AG; ; member of the Board of UBS Optimus Foundation; member of the Advisory Board of SCION Association.
Aleksandar Ivanovic UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President Asset Management	Member of the Group Executive Board and President Asset Management of UBS Group AG; Chairman of UBS Asset Management AG; Chairman of UBS Asset Management Switzerland AG; member of the Board of UBS Optimus Foundation.
Robert Karofsky UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President UBS Americas and Co-President Global Wealth Management	Member of the Group Executive Board Co-President Global Wealth Management of UBS Group AG; President UBS Americas of UBS Group AG; member of the board of UBS Americas Holding LLC; member of the Board of UBS Optimus Foundation US.

Iqbal Khan UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Global Wealth Management and President UBS Asia Pacific	Member of the Group Executive Board and Co-President Global Wealth Management of UBS Group AG; President UBS Asia Pacific of UBS Group AG; chair of UBS Optimus Foundation APAC Strategic Forum.
Barbara Levi UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	General Counsel	Member of the Group Executive Board and Group General Counsel of UBS Group AG; member of the Board of Directors of the European General Counsel Association; member of the Legal Committee of the Swiss-American Chamber of Commerce.
Beatriz Martin Jimenez UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Head Non-Core and Legacy and President UBS Europe, Middle East and Africa	Member of the Group Executive Board, Head Non-Core and Legacy and President UBS Europe, Middle East and Africa of UBS Group AG; member of the Supervisory Board of UBS Europe SE; member of the Board of Directors of Credit Suisse International; Chair of the Board of UBS Optimus Foundation UK.
Markus Ronner UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Compliance and Governance Officer	Member of the Group Executive Board and Group Chief Compliance and Governance Officer of UBS Group AG.
Stefan Seiler UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Head Human Resources & Corporate Services	Member of the Group Executive Board and Head Group Human Resources & Corporate Services of UBS Group AG;; member of the Board of UBS Optimus Foundation; member of the Foundation Board of the Pension Fund of UBS; member of the Foundation Council of the UBS Center for Economics in Society, University of Zurich; chairman of the Foundation Board of the Swiss Finance Institute; member of the IMD Foundation Board; Adjunct Professor for Leadership and Strategic Human Resource Management, Nanyang Technological University (NTU) Singapore.
Todd Tuckner UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Financial Officer	Member of the Group Executive Board and Group Chief Financial Officer of UBS Group AG.
Marco Valla UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Investment Bank	Member of the Group Executive Board and Co-President Investment Bank of UBS Group AG; member of the Board of Directors of Good Shepherd Services; member of the Board of the Mount Sinai Department of Urology.
Damian Vogel UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Risk Officer	Member of the Group Executive Board and Chief Risk Officer for UBS Group AG; member of the Board of UBS Switzerland AG; member of the Foundation Board of the International Financial Risk Institute (IFRI).

4.3 Potential Conflicts of Interest

Members of the BoD and the EB may act as directors or executive officers of other companies (for current principal positions outside UBS AG, if any, of BoD and EB members, please see sections 4.1.1 and 4.2.1 above, respectively) and may have economic or other private interests that differ from those of UBS AG. Conflicts of interest may potentially arise from these positions or interests. For example, it cannot be excluded that a member of the BoD or EB has or will have a function within a company, the shares of which are or will be traded by UBS AG or which has or will have a business relationship with UBS AG. UBS AG is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including through disclosure when appropriate.

Other than as indicated above, UBS is not aware of potential conflicts of interests between any duties to the Issuer of the members of the BoD and the EB and their private interests or other duties.

5. Auditors

Based on article 31 of the Articles of Association, UBS AG shareholders elect the auditors for a term of office of one year. At the AGMs on 23 April 2024 and 8 April 2025, Ernst & Young Ltd., Aeschengraben 27, 4051 Basel, Switzerland ("**Ernst & Young**") was elected as auditor for the consolidated and standalone financial statements of UBS AG for a one-year term.

Ernst & Young is a member of EXPERTsuisse, the Swiss Expert Association for Audit, Tax and Fiduciary. Ernst & Young is also registered with the Swiss Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals that provide audit services in Switzerland.

6. Major Shareholders of the Issuer

UBS Group AG owns 100% of the outstanding shares of UBS AG. UBS AG is a wholly owned subsidiary of UBS Group AG. While UBS has no specific corporate measures intended to prevent abuse of control to the detriment of minority shareholders, UBS has adopted a comprehensive and integrated governance framework which takes into account the specific requirements of each relevant jurisdiction. This governance framework includes separate articles of association and organizational regulations for UBS Group AG and UBS AG. In addition, as UBS AG is regulated as a bank in Switzerland, it is subject to capital regulation and close supervisory oversight. This includes the general requirement under Swiss law that contracts of UBS AG with affiliates are subject to an arm's length principle of negotiation.

7. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

7.1 Historical Annual Financial Information

Detailed information about UBS AG consolidated and UBS AG assets and liabilities, financial position and profits and losses for financial years 2024 and 2023 is available in the section " *Consolidated financial statements*" of the Annual Report 2024 and in UBS AG's standalone financial statements for the year ended 31 December 2024 (the "**Standalone Financial Statements 2024**"). The consolidated and standalone financial accounts are closed on 31 December of each year.

The annual financial reports form an essential part of UBS AG's reporting. They include the audited consolidated financial statements of UBS AG, prepared in accordance with the IFRS Accounting Standards, as issued by the International Accounting Standards Board. The annual reports also include discussions and analysis of the consolidated financial and business results of UBS, its business divisions and Group Items. In addition, UBS AG prepares and publishes standalone financial statements in accordance with Swiss GAAP, as well as certain additional disclosures required under US Securities and Exchange Commission regulations.

7.2 Auditing of Historical Annual Financial Information

The consolidated financial statements and the standalone financial statements of UBS AG for the financial years 2024 and 2023 were audited by Ernst & Young. The reports of the auditors on the consolidated financial statements can be found on pages 137 and following of the Annual Report 2024. The reports of the auditors on the standalone financial statements of UBS AG can be found on pages 1-7 (inclusive) of the Standalone Financial Statements 2024.

There are no qualifications in the auditors' reports on the consolidated financial statements of UBS AG and the standalone financial statements of UBS AG for the years ended on 31 December 2023 and 31 December 2024.

7.3 Interim Financial Information

Reference is also made to (i) the First Quarter 2025 Report, which contains information on the financial condition and results of operations, including the interim financial statements of UBS AG (consolidated) as of and for the quarter ended 31 March 2025; and (ii) the Second Quarter 2025 Report, which contains information on the financial condition and results of operations, including the interim financial statements of UBS AG (consolidated) as of and for the period ended 30 June 2025. The interim consolidated financial statements of UBS AG are not audited.

7.4 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 authorisations 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, authorisations 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 the consolidated financial statements of UBS AG in the Second Quarter 2025 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.

7.5 Material Contracts

Except as otherwise disclosed in this document (including the documents incorporated herein by reference), 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.

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

Except as otherwise indicated in this document (including the documents incorporated herein by reference), no material changes have occurred in UBS AG's assets and liabilities, financial position or profits and losses since 30 June 2025.

8. Share Capital

As reflected in the Articles of Association most recently registered with the Commercial Register of the Canton of Zurich and the Commercial Register of Basel-City, UBS AG has (i) fully paid and issued share capital of USD 385,840,846.60, divided into 3,858,408,466 registered shares with a par value of USD 0.10 each (article 4); (ii) conditional capital (*bedingtes Kapital*) in the amount of USD 38,000,000, for the issuance of up to 380,000,000 registered shares with a par value of USD 0.10 each that can be issued upon the voluntary or mandatory exercise of conversion rights and/or warrants (article 4a); and (iii) conversion capital (*Wandlungskapital*) in the amount of USD 70,000,000 for the issuance of a maximum of 700,000,000 registered shares with a par value of USD 0.10 each, through the mandatory conversion of claims arising upon the occurrence of one or more trigger events under financial market instruments with contingent conversion features (article 4b).

9. Documents Available

The most recent Articles of Association of UBS AG are available on UBS's Corporate Governance website, at https://www.ubs.com/global/en/our-firm/governance/ubs-ag/articles-of-association.html. Save as otherwise indicated herein, information on or accessible through the Group's corporate website, www.ubs.com, does not form part of and is not incorporated into this document.

APPENDIX IV

EXTRACT OF
THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
UBS AG AND ITS SUBSIDIARIES
FOR THE SECOND QUARTER ENDED 30 JUNE 2025

UBS AG

Second quarter 2025 report

Corporate calendar UBS AG

Information about future publication dates is generally available at
ubs.com/global/en/investor-relations/events/calendar.html

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Terms used in this report, unless the context requires otherwise

"UBS", "UBS Group", "UBS Group AG consolidated", "Group"	UBS Group AG and its consolidated subsidiaries
"UBS AG" and "UBS AG consolidated", "we", "us" and "our"	UBS AG and its consolidated subsidiaries
"Credit Suisse AG"	Credit Suisse AG and its consolidated subsidiaries before the merger with UBS AG
"Credit Suisse Group" and "Credit Suisse"	Pre-acquisition Credit Suisse Group
"UBS Group AG"	UBS Group AG on a standalone basis
"UBS Switzerland AG"	UBS Switzerland AG on a standalone basis
"1m"	One million, i.e. 1,000,000
"1bn"	One billion, i.e. 1,000,000,000
"1trn"	One trillion, i.e. 1,000,000,000,000

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

Alternative performance measures

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

Comparability

Comparative information in this report is presented as follows.

Profit and loss information and other flow-based information for the second quarter of 2025, the first quarter of 2025 and the fourth quarter of 2024 is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG. Profit and loss information and other flow-based information for the second quarter of 2024 and the six-month period ending 30 June 2024 includes only one month of post-merger UBS AG data.

Balance sheet information as at 30 June 2025, 31 March 2025 and 31 December 2024 includes post-merger consolidated information.

Comparison between UBS AG consolidated and UBS Group AG consolidated

This report should be read in conjunction with the UBS Group second quarter 2025 report that was published on 30 July 2025 and is available under "Quarterly reporting" at *ubs.com/investors*. A comparison of selected financial and capital information of UBS AG consolidated and of UBS Group AG consolidated is provided after the Notes to the UBS AG interim consolidated financial statements.

Key figures

UBS AG consolidated key figures

UBS AG consolidated key figures

USD m, except where indicated	As of or for the quarter ended				As of or year-to-date	
	30.6.25	31.3.25	31.12.24	30.6.24	30.6.25	30.6.24
Results						
Total revenues	11,635	12,163	11,317	9,900	23,798	19,008
Credit loss expense / (release)	152	124	241	84	275	136
Operating expenses	10,621	10,701	11,017	10,012	21,322	17,689
Operating profit / (loss) before tax	862	1,339	59	(196)	2,201	1,183
Net profit / (loss) attributable to shareholders	1,192	1,028	(257)	(264)	2,220	742
Profitability and growth[1]						
Return on equity (%)	5.0	4.3	(1.1)	(1.4)	4.7	2.3
Return on tangible equity (%)	5.4	4.6	(1.2)	(1.6)	5.0	2.5
Return on common equity tier 1 capital (%)	6.8	5.7	(1.3)	(1.7)	6.2	2.8
Revenues over leverage ratio denominator, gross (%)	2.9	3.1	2.9	3.0	3.0	3.2
Cost / income ratio (%)	91.3	88.0	97.3	101.1	89.6	93.1
Net profit growth (%)	n.m.	2.2	n.m.	n.m.	199.2	(65.1)
Resources						
Total assets	1,671,814	1,547,489	1,568,060	1,564,664	1,671,814	1,564,664
Equity attributable to shareholders	94,278	96,553	94,003	93,392	94,278	93,392
Common equity tier 1 capital[2]	69,829	70,756	73,792	83,001	69,829	83,001
Risk-weighted assets[2]	498,327	481,539	495,110	509,953	498,327	509,953
Common equity tier 1 capital ratio (%)[2]	14.0	14.7	14.9	16.3	14.0	16.3
Going concern capital ratio (%)[2]	17.8	18.5	18.1	19.2	17.8	19.2
Total loss-absorbing capacity ratio (%)[2]	36.5	38.0	36.7	38.6	36.5	38.6
Leverage ratio denominator[2]	1,660,097	1,565,845	1,523,277	1,564,001	1,660,097	1,564,001
Common equity tier 1 leverage ratio (%)[2]	4.2	4.5	4.8	5.3	4.2	5.3
Liquidity coverage ratio (%)[3]	179.4	180.3	186.1	194.1	179.4	194.1
Net stable funding ratio (%)	120.9	122.8	124.1	127.7	120.9	127.7
Other						
Invested assets (USD bn)[1,4]	6,618	6,153	6,087	5,871	6,618	5,871
Personnel (full-time equivalents)	62,958	67,373	68,982	70,750	62,958	70,750

1 Refer to "Alternative performance measures" in the appendix to this report for the relevant definition(s) and calculation method(s). 2 Based on the Swiss systemically relevant bank framework. Refer to the "Capital management" section of this report for more information. 3 The disclosed ratios represent quarterly averages for the quarters presented and are calculated based on an average of 61 data points in the second quarter of 2025, 62 data points in the first quarter of 2025, 64 data points in the fourth quarter of 2024 and 61 data points in the second quarter of 2024, of which 40 data points were before the merger of UBS AG and Credit Suisse AG (i.e. from 2 April 2024 until 30 May 2024), and 21 data points were after the merger (i.e. from 31 May 2024 until 30 June 2024). Refer to the "Liquidity and funding management" section of the UBS Group second quarter 2025 report, available under "Quarterly reporting" at ubs.com/investors, for more information. 4 Consists of invested assets for Global Wealth Management, Asset Management (including invested assets from associates) and Personal & Corporate Banking. Refer to "Note 31 Invested assets and net new money" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at ubs.com/investors, for more information.

Recent developments

Management report

Integration of Credit Suisse

We remain on track to substantially complete the integration of Credit Suisse by the end of 2026. Our focus continues to be on client account migrations and infrastructure decommissioning.

In the second quarter of 2025, we successfully completed the first main wave of our Swiss business migrations, having now migrated approximately one-third of the targeted client accounts, and we still aim to complete the Swiss booking center migrations by the end of the first quarter of 2026.

We have made substantial further progress with regard to the simplification of our legal entity structure in the US and Europe, having merged Credit Suisse Holdings (USA), Inc. with UBS Americas Inc, deregistered Credit Suisse (USA) LLC as a broker-dealer and established UBS Europe SE as the single EU intermediate parent undertaking ahead of schedule.

On 18 July 2025, the High Court of England and Wales approved the transfer of Credit Suisse International's residual business and related products to UBS AG London Branch and UBS Europe SE pursuant to Part VII of the Financial Services and Markets Act 2000. The transfer of the relevant assets and liabilities is expected to occur over the next six months.

Regulatory and legal developments

Developments in Switzerland aimed at strengthening financial stability

In June 2025, the Swiss Federal Council published regulatory proposals that aim to further strengthen banking stability in Switzerland (the Financial Stability Proposals). Proposed measures to be submitted to the Swiss Parliament for enactment would exclude from common equity tier 1 (CET1) capital investments in foreign subsidiaries of systemically important banks (SIBs), include additional requirements for the recovery and resolution of SIBs, add measures to increase the potential for obtaining liquidity via the Swiss National Bank (the SNB), introduce a Senior Managers Regime for banks, and provide additional powers for the Swiss Financial Market Supervisory Authority (FINMA). Proposed measures at the ordinance level would exclude capitalized software and deferred tax assets (DTAs) on temporary differences from CET1 capital, add stricter requirements for prudential valuation adjustments (PVAs) of assets and liabilities, permit the mandatory suspension of interest payments for additional tier 1 capital instruments in the event of a cumulative loss over four quarters, and introduce measures that aim to enable FINMA and other authorities to better assess the situation of banks in a liquidity crisis.

The Swiss Federal Council plans to start a public consultation in the fall of 2025 on the legislative amendments to capital requirements related to foreign subsidiaries and has indicated it expects to submit its proposal to the Swiss Parliament in the first half of 2026. Entry into force of these amendments is expected in 2028, at the earliest, and is expected to be phased in over a period of at least six to eight years. For the remaining legislative amendments, a consultation draft is expected in the first half of 2026, with the Swiss Federal Council's submission to the Parliament in the first half of 2027. The entry into force of these amendments is expected in 2028 or 2029.

The measures at the ordinance level, including the capital treatment of capitalized software and DTAs on temporary differences, are in public consultation until September 2025, with the ordinances expected to enter into force in January 2027, at the earliest. In addition, a consultation on amendments to the Liquidity Ordinance is expected to begin in the first half of 2026. The amendments to be proposed are expected to set minimum requirements for maintaining borrowing capacity for emergency liquidity assistance.

Based on financial information published for the first quarter of 2025 and given UBS AG's target CET1 capital ratio of between 12.5% and 13%, UBS AG would be required to hold additional estimated CET1 capital of around USD 24bn on a pro-forma basis if the recommendations were to be implemented as proposed. This includes around USD 23bn related to the full deduction of UBS AG's investments in foreign subsidiaries. These pro-forma figures reflect previously announced expected capital repatriations of around USD 5bn.

The incremental CET1 capital of around USD 24bn required at UBS AG would result in a CET1 capital ratio at the UBS Group AG (consolidated) level of around 19%. At Group level, the proposed measures related to DTAs on temporary differences, capitalized software and PVAs would eliminate capital recognition for these items in a manner misaligned with international standards. This would reduce the CET1 capital ratio for the Group to around 17%, underrepresenting UBS's capital strength.

The additional capital of USD 24bn would be in addition to the previously communicated incremental capital of around USD 18bn that UBS will have to hold as a result of the acquisition of the Credit Suisse Group in order to meet existing regulations. This includes around USD 9bn to remove the regulatory concessions granted to Credit Suisse and around USD 9bn to meet the current progressive requirements due to the increased leverage ratio denominator (LRD) and higher market share of the combined business. The progressive requirements for LRD and market share are subject to confirmation.

On this basis, UBS would be required to hold around USD 42bn in additional CET1 capital in total.

Recent developments related to the implementation of the final Basel III standards

In June 2025, the European Commission (the EC) proposed to delay the implementation of the Fundamental Review of the Trading Book (the FRTB) by another year, to 1 January 2027. We expect that the overall impact on UBS will be limited.

In July 2025, the UK Prudential Regulatory Authority published for consultation proposals to delay the implementation of the FRTB internal models approach from 1 January 2027 to 1 January 2028. The FRTB regulation for standardized and advanced standardized approaches will continue to apply from 1 January 2027. With UBS's entities not being subject to the corresponding UK regulation, we expect that the overall impact on UBS will be limited.

In Switzerland, the FRTB became effective on 1 January 2025, together with all other requirements of the final Basel III regulation.

The Swiss Federal Council pauses the revision of the Ordinance on Climate Disclosures

In June 2025, the Swiss Federal Council decided to pause the revision of the Ordinance on Climate Disclosures until the approval of the ongoing revision of the overarching legislation on sustainability reporting in the Swiss Code of Obligations or until 1 January 2027, at the latest.

Recent developments related to EU sustainability reporting

In July 2025, Germany's Federal Ministry of Justice and Consumer Protection published a new draft bill to implement the EU Corporate Sustainability Reporting Directive (the CSRD). If enacted, the draft bill would make CSRD reporting mandatory for the 2025 financial year for large companies that are subject to wave one reporting requirements of the CSRD, which would include UBS AG.

In July 2025, the EC adopted amendments to the European Sustainability Reporting Standards (the ESRS) to allow wave one companies to omit certain of the ESRS disclosures for the 2025 and 2026 financial years. Also in July 2025, the EC published proposed measures to simplify the disclosure requirements under Art. 8 of the EU Taxonomy Regulation. These actions are part of a broader initiative by the EU to simplify its sustainability standards and to reduce the reporting burden on companies. We are currently assessing the impact of these measures on the disclosures of UBS AG and UBS Europe SE.

Other developments

Resolution of legacy Credit Suisse cross-border matter

On 5 May 2025, Credit Suisse Services AG entered into an agreement with the US Department of Justice (the DOJ) to settle a long-running tax-related investigation into Credit Suisse's implementation of its 2014 plea agreement, relating to its legacy cross-border business with US taxpayers booked in Switzerland, which began before UBS acquired the Credit Suisse Group. Credit Suisse Services AG pleaded guilty to one count of conspiracy to aid and assist in the preparation of false income tax returns. Credit Suisse Services AG also contemporaneously entered into a non-prosecution agreement regarding US taxpayers booked in the legacy Credit Suisse Singapore booking center. In the second quarter of 2025, we paid USD 511m with respect to the aforementioned resolutions and we recorded in our Non-core and Legacy division a USD 41m net increase in provisions, which included a provision for the estimated costs of UBS's ongoing obligations with the DOJ in respect of legacy Credit Suisse accounts.

› **Refer to "Note 16 Provisions and contingent liabilities" in the "Consolidated financial statements" section of this report for more information**

Sale of O’Connor business

In May 2025, UBS Asset Management (Americas) LLC entered into an agreement to sell its O’Connor single-manager hedge fund, private credit and commodities platform to Cantor Fitzgerald. The sale includes O’Connor’s six investment strategies with around USD 11bn in assets under management and, as part of the agreement, UBS and Cantor Fitzgerald will establish a long-term commercial arrangement. The transaction is expected to close in stages, beginning in the fourth quarter of 2025, subject to regulatory approvals and other customary closing conditions. UBS AG does not expect to recognize a material profit or loss upon completion of the transaction.

Ownership increase in UBS Securities China

In the second quarter of 2025, we increased our stake in UBS Securities China from 67% to 100%. The closing of the transaction did not affect profit or loss and there was no material effect on our CET1 capital.

UBS AG performance, business divisions and Group Items

Management report

Our businesses

We report five business divisions, each of which qualifies as an operating segment pursuant to IFRS Accounting Standards: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. Non-core and Legacy consists of positions and businesses not aligned with our strategy and policies.

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

This discussion and analysis of the results of the business divisions and Group Items compares the results for the second quarter of 2025 and the six-month period ending 30 June 2025, which are both based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG, with the results for the second quarter of 2024 and the six-month period ending 30 June 2024, which both only included one month of post-merger UBS AG consolidated results. This is a material driver in many of the increases across both revenues and operating expenses.

UBS AG consolidated performance

Income statement

	For the quarter ended			% change from		Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	1Q25	2Q24	30.6.25	30.6.24
Net interest income	1,584	1,328	722	19	119	2,912	1,528
Other net income from financial instruments measured at fair value through profit or loss	3,374	3,924	3,271	(14)	3	7,298	6,216
Net fee and commission income	6,526	6,630	5,601	(2)	17	13,156	10,750
Other income	150	281	306	(47)	(51)	432	515
Total revenues	11,635	12,163	9,900	(4)	18	23,798	19,008
Credit loss expense / (release)	152	124	84	23	80	275	136
Personnel expenses	5,649	5,910	4,797	(4)	18	11,559	8,958
General and administrative expenses	4,228	4,077	4,584	4	(8)	8,305	7,570
Depreciation, amortization and impairment of non-financial assets	744	714	631	4	18	1,458	1,162
Operating expenses	10,621	10,701	10,012	(1)	6	21,322	17,689
Operating profit / (loss) before tax	862	1,339	(196)	(36)		2,201	1,183
Tax expense / (benefit)	(336)	303	28			(32)	393
Net profit / (loss)	1,198	1,035	(224)	16		2,233	790
Net profit / (loss) attributable to non-controlling interests	6	7	40	(21)	(85)	13	48
Net profit / (loss) attributable to shareholders	1,192	1,028	(264)	16		2,220	742
Comprehensive income							
Total comprehensive income	4,231	2,657	271	59		6,889	101
Total comprehensive income attributable to non-controlling interests	18	22	20	(18)	(9)	41	17
Total comprehensive income attributable to shareholders	4,213	2,635	251	60		6,848	85

Integration-related expenses, by business division and Group Items

	For the quarter ended			Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
Global Wealth Management	381	355	378	736	606
Personal & Corporate Banking	213	166	113	379	197
Asset Management	63	73	69	136	104
Investment Bank	124	116	161	240	276
Non-core and Legacy	251	191	187	442	248
Group Items	6	(2)	9	5	10
Total integration-related expenses	1,038	900	916	1,938	1,440
of which: total revenues	*7*	*(3)*	*10*	*4*	*10*
of which: operating expenses	*1,031*	*903*	*906*	*1,934*	*1,429*
of which: personnel expenses	*407*	*386*	*331*	*793*	*449*
of which: general and administrative expenses	*538*	*460*	*488*	*998*	*832*
of which: depreciation, amortization and impairment of non-financial assets	*87*	*57*	*87*	*144*	*148*

2Q25 compared with 2Q24

The legal merger of UBS AG and Credit Suisse AG on 31 May 2024 has had a significant impact on the results from June 2024 onward. This discussion and analysis of results compares the second quarter of 2025, which covers three full months of post-merger results, with the second quarter of 2024, which included only one month of post-merger results. This is a material driver in many of the increases across both revenues and operating expenses.

› **Refer to "Note 2 Accounting for the merger of UBS AG and Credit Suisse AG" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information about the accounting for the merger of UBS AG and Credit Suisse AG**

Results: 2Q25 vs 2Q24

Operating profit before tax was USD 862m, compared with an operating loss before tax of USD 196m in the second quarter of 2024, reflecting higher total revenues, partly offset by increases in operating expenses and net credit loss expenses. Total revenues increased by USD 1,735m, or 18%, to USD 11,635m, which included an increase from foreign currency effects. The increase in total revenues was largely due to increases of USD 965m in combined net interest income and other net income from financial instruments measured at fair value through profit or loss and USD 925m in net fee and commission income, partly offset by USD 156m lower other income. Operating expenses increased by USD 609m, or 6%, to USD 10,621m, and included an increase from foreign currency effects. The overall increase was largely due to increases of USD 852m in personnel expenses and USD 113m in depreciation, amortization and impairment of non-financial assets, partly offset by a decrease of USD 356m in general and administrative expenses. Net credit loss expenses were USD 152m, compared with USD 84m in the second quarter of 2024.

Integration-related expenses in general and administrative expenses primarily included shared services costs charged from other companies in the UBS Group reporting scope, consulting fees and outsourcing costs. Integration-related personnel expenses were mainly due to salaries and variable compensation related to the integration of Credit Suisse. In addition, there was accelerated depreciation of properties and leasehold improvements in depreciation, amortization and impairment of non-financial assets.

Total revenues: 2Q25 vs 2Q24

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

Total combined net interest income and other net income from financial instruments measured at fair value through profit or loss increased by USD 965m to USD 4,958m, mainly driven by increases in Global Wealth Management, Personal & Corporate Banking and the Investment Bank.

Global Wealth Management revenues increased by USD 402m to USD 2,042m, mainly driven by the consolidation of Credit Suisse AG net interest income for the full quarter. The remaining variance was mainly due to an increase in net interest income, largely driven by positive foreign currency effects and deposit inflows into higher-margin products, and an increase in trading revenues, reflecting higher levels of client activity.

Personal & Corporate Banking revenues increased by USD 334m to USD 1,357m, predominantly due to the consolidation of Credit Suisse AG net interest income for the full quarter, as well as positive foreign currency effects.

Investment Bank revenues increased by USD 379m to USD 1,886m, mainly due to higher Derivatives & Solutions revenues, mostly driven by Foreign Exchange, Equity Derivatives and Rates, due to elevated volatility and higher levels of client activity. In addition, there were higher revenues in Financing, with increases in all products, led by Prime Brokerage, supported by higher client balances. These increases were partly offset by lower revenues in Global Banking, largely driven by a contraction in Leveraged Capital Markets revenues.

Non-core and Legacy revenues were negative USD 150m compared with positive USD 121m in the second quarter of 2024. Revenues included lower net gains from position exits and lower net interest income from securitized products and credit products, as well as due to the consolidation of Credit Suisse AG revenues for the full quarter.

Revenues in Group Items were negative USD 176m compared with negative USD 288m in the second quarter of 2024. The change in revenues was mainly driven by mark-to-market gains from Group hedging and own debt, including hedge accounting ineffectiveness, compared with losses in the second quarter of 2024. Revenues in the second quarter of 2025 included offsetting impacts on portfolio-level economic hedges and mark-to-market effects on own credit.

› **Refer to the relevant business division commentary in this section for more information about business-division specific revenues**

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

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

	For the quarter ended			% change from		Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	1Q25	2Q24	30.6.25	30.6.24
Net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	89	(266)	(188)			(177)	(1)
Net interest income from financial instruments measured at fair value through profit or loss and other	1,495	1,594	910	(6)	64	3,089	1,528
Other net income from financial instruments measured at fair value through profit or loss	3,374	3,924	3,271	(14)	3	7,298	6,216
Total	4,958	5,252	3,993	(6)	24	10,210	7,744
Global Wealth Management	2,042	2,074	1,640	(2)	24	4,116	3,198
of which: net interest income	*1,587*	*1,589*	*1,317*	*0*	*20*	*3,176*	*2,521*
of which: transaction-based income from foreign exchange and other intermediary activity[1]	*455*	*485*	*323*	*(6)*	*41*	*940*	*677*
Personal & Corporate Banking	1,357	1,247	1,023	9	33	2,604	1,927
of which: net interest income	*1,142*	*1,059*	*863*	*8*	*32*	*2,201*	*1,634*
of which: transaction-based income from foreign exchange and other intermediary activity[1]	*215*	*188*	*161*	*14*	*34*	*403*	*293*
Asset Management	0	(5)	(11)	(99)	(100)	(5)	(23)
Investment Bank	1,886	2,056	1,507	(8)	25	3,942	3,064
Non-core and Legacy	(150)	117	121			(33)	139
Group Items	(176)	(237)	(288)	(26)	(39)	(413)	(563)

1 Mainly includes spread-related income in connection with client-driven transactions, foreign currency translation effects and income and expenses from precious metals, which are included in the income statement line Other net income from financial instruments measured at fair value through profit or loss. The amounts reported on this line are one component of Transaction-based income in the management discussion and analysis in the "Global Wealth Management" and "Personal & Corporate Banking" sections of this report.

Net fee and commission income

Net fee and commission income increased by USD 925m to USD 6,526m, mainly driven by the consolidation of Credit Suisse AG revenues for the full quarter.

The consolidation of Credit Suisse AG revenues for the full quarter was the main factor driving a USD 485m increase in fees from portfolio management, to USD 3,163m, and a USD 242m increase in investment fund fees, to USD 1,600m, predominantly in Global Wealth Management and Asset Management, respectively. The increase in Global Wealth Management was also due to positive market performance and net new fee-generating asset inflows.

Net brokerage fees increased by USD 187m to USD 1,189m, mainly due to higher levels of client activity in Global Wealth Management, and in Cash Equities in Execution Services in the Investment Bank, due to higher volumes.

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

Other income

Other income was USD 150m and included the consolidation of Credit Suisse AG income for the full quarter, compared with USD 306m in the second quarter of 2024. The decrease was largely due to lower costs charged to shared services subsidiaries of UBS Group AG. In addition, losses of USD 35m from disposals of properties held for sale were incurred, predominantly in Group Items. The second quarter of 2025 also included a USD 31m loss relating to an investment in an associate.

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

Credit loss expense / release: 2Q25 vs 2Q24

Total net credit loss expenses in the second quarter of 2025 were USD 152m, reflecting net expenses of USD 38m related to performing positions and net expenses of USD 114m on credit-impaired positions. Net credit loss expenses were USD 84m in the second quarter of 2024.

› **Refer to "Note 9 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information**

Credit loss expense / (release)

	Performing positions	Credit-impaired positions	
USD m	Stages 1 and 2	Stage 3	Total
For the quarter ended 30.6.25			
Global Wealth Management	(3)	1	(2)
Personal & Corporate Banking	22	92	114
Asset Management	0	0	0
Investment Bank	19	22	41
Non-core and Legacy	0	(1)	(1)
Group Items	0	0	0
Total	38	114	152
For the quarter ended 31.3.25			
Global Wealth Management	(7)	15	8
Personal & Corporate Banking	(8)	66	58
Asset Management	0	0	0
Investment Bank	(5)	54	49
Non-core and Legacy	0	10	10
Group Items	(1)	0	(1)
Total	(21)	145	124
For the quarter ended 30.6.24			
Global Wealth Management	(14)	12	(2)
Personal & Corporate Banking	(15)	125	110
Asset Management	0	0	0
Investment Bank	1	(2)	(1)
Non-core and Legacy	(1)	(22)	(23)
Group Items	0	0	0
Total	(29)	113	84

Operating expenses: 2Q25 vs 2Q24

Operating expenses

	For the quarter ended			% change from		Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	1Q25	2Q24	30.6.25	30.6.24
Personnel expenses	5,649	5,910	4,797	(4)	18	11,559	8,958
of which: salaries and variable compensation	*4,882*	*5,129*	*4,205*	*(5)*	*16*	*10,011*	*7,826*
of which: variable compensation – financial advisors[1]	*1,335*	*1,409*	*1,291*	*(5)*	*3*	*2,744*	*2,558*
General and administrative expenses	4,228	4,077	4,584	4	(8)	8,305	7,570
of which: net expenses / (releases) for litigation, regulatory and similar matters	*163*	*196*	*1,161*	*(17)*	*(86)*	*359*	*1,169*
Depreciation, amortization and impairment of non-financial assets	744	714	631	4	18	1,458	1,162
Total operating expenses	10,621	10,701	10,012	(1)	6	21,322	17,689

1 Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

Personnel expenses

Personnel expenses increased by USD 852m to USD 5,649m, mainly driven by the consolidation of Credit Suisse AG expenses for the full quarter, reflecting both the combined workforce resulting from the merger and higher accruals for performance awards, and also driven by a USD 44m increase in financial advisor compensation resulting from higher compensable revenues.

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

General and administrative expenses

General and administrative expenses decreased by USD 356m to USD 4,228m and included the consolidation of Credit Suisse AG expenses for the full quarter. The overall decrease was largely attributable to a USD 998m reduction in costs for litigation, regulatory and similar matters, mainly due to recognition of costs in the second quarter of 2024 when UBS agreed to fund an offer by the Credit Suisse supply chain finance funds to redeem all of the outstanding units of the respective funds. This was partly offset by an increase of USD 441m in shared services costs for Technology, Finance and Risk charged by shared services subsidiaries of UBS Group AG. General and administrative expenses also included increases of USD 45m in real estate and logistics costs, USD 43m in consulting, legal and audit fees, and USD 38m in technology costs.

› **Refer to "Note 8 General and administrative expenses" in the "Consolidated financial statements" section of this report for more information**

› **Refer to "Note 16 Provisions and contingent liabilities" in the "Consolidated financial statements" section of this report for more information about litigation, regulatory and similar matters**

› **Refer to the "Regulatory and legal developments" and "Risk factors" sections of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information about litigation, regulatory and similar matters on a UBS AG consolidated basis**

Depreciation, amortization and impairment of non-financial assets

Depreciation, amortization and impairment of non-financial assets increased by USD 113m to USD 744m and included the consolidation of Credit Suisse AG expenses for the full quarter. The overall increase was largely attributable to a USD 73m increase of amortization of internally generated capitalized software as a result of a higher cost base of software assets, as well as higher depreciation attributable to right-of-use assets associated with real estate leases.

Tax: 2Q25 vs 2Q24

UBS AG had a net income tax benefit of USD 336m in the second quarter of 2025, representing a negative effective tax rate of 39.0%, compared with a tax expense of USD 28m in the second quarter of 2024.

This reflected a net deferred tax benefit of USD 664m, which included a USD 663m benefit related to integration-related tax planning, primarily driven by the recognition of deferred tax assets (DTAs) in respect of tax losses carried forward and deductible temporary differences resulting from the final consolidation of legal entities in the United States and a USD 52m benefit due to an increase in DTA recognition within UBS AG's US branch. These benefits were partly offset by a net deferred tax expense of USD 51m that primarily related to the amortization of DTAs previously recognized in relation to tax losses carried forward and deductible temporary differences.

The current tax expense was USD 328m, which primarily related to the taxable profits of UBS Switzerland AG and other entities.

Total comprehensive income attributable to shareholders

In the second quarter of 2025, total comprehensive income attributable to shareholders was USD 4,213m, reflecting a net profit of USD 1,192m and other comprehensive income (OCI), net of tax, of USD 3,021m.

Foreign currency translation OCI was USD 2,610m, mainly resulting from the US dollar weakening against the Swiss franc and the euro.

OCI related to cash flow hedges was USD 562m, mainly reflecting net unrealized gains on US dollar hedging derivatives resulting from decreases in the relevant US dollar long-term interest rates and net losses on hedging instruments that were reclassified from OCI to the income statement.

OCI related to own credit on financial liabilities designated at fair value was negative USD 138m, primarily due to a tightening of our own credit spreads.

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

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

› **Refer to "Note 21 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information about own credit on financial liabilities designated at fair value**

Sensitivity to interest rate movements

As of 30 June 2025, it is estimated that a parallel shift in yield curves by +100 basis points could lead to a combined increase in annual net interest income from our banking book of approximately USD 1.4bn in the first year after such a shift. Of this increase, approximately USD 0.7bn, USD 0.4bn and USD 0.1bn would result from changes in Swiss franc, US dollar and euro interest rates, respectively.

A parallel shift in yield curves by –100 basis points could lead to a combined increase in annual net interest income of approximately USD 0.8bn. Of this increase, approximately USD 1.5bn would result from changes in the Swiss franc interest rate, driven by both contractual and assumed flooring benefits under negative interest rates. US dollar and euro interest rate changes would lead to an offsetting decrease of USD 0.5bn and USD 0.1bn, respectively.

These estimates do not represent net interest income forecasts as they are based on a hypothetical scenario of an immediate change in interest rates, equal across all currencies and relative to implied forward rates as of 30 June 2025 applied to our banking book. These estimates further assume no change to balance sheet size and product mix, stable foreign exchange rates, and no specific management action.

› **Refer to the "Risk management and control" section of the UBS Group second quarter 2025 report, available under "Quarterly reporting" at *ubs.com/investors*, for information about interest rate risk in the banking book**

Key figures and personnel

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

Cost / income ratio: 2Q25 vs 2Q24

The cost / income ratio was 91.3%, compared with 101.1%, mainly reflecting an increase in total revenues, partly offset by an increase in operating expenses.

Personnel: 2Q25 vs 1Q25

The number of internal personnel employed as of 30 June 2025 was 62,958 (full-time equivalents), a net decrease of 4,415 compared with 31 March 2025.

Equity, CET1 capital and returns

	As of or for the quarter ended			Year-to-date	
USD m, except where indicated	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
Net profit					
Net profit attributable to shareholders	1,192	1,028	(264)	2,220	742
Equity					
Equity attributable to shareholders	94,278	96,553	93,392	94,278	93,392
less: goodwill and intangible assets	*6,753*	*6,691*	*7,023*	*6,753*	*7,023*
Tangible equity attributable to shareholders	87,524	89,862	86,369	87,524	86,369
less: other CET1 adjustments	*17,695*	*19,106*	*3,368*	*17,695*	*3,368*
CET1 capital	69,829	70,756	83,001	69,829	83,001
Returns					
Return on equity (%)	5.0	4.3	(1.4)	4.7	2.3
Return on tangible equity (%)	5.4	4.6	(1.6)	5.0	2.5
Return on CET1 capital (%)	6.8	5.7	(1.7)	6.2	2.8

Common equity tier 1 capital: 2Q25 vs 1Q25

During the second quarter of 2025, common equity tier 1 (CET1) capital decreased by USD 0.9bn to USD 69.8bn, mainly as operating profit before tax of USD 0.9bn and foreign currency translation gains of USD 2.5bn were more than offset by dividend accruals of USD 3.5bn and current tax expenses of USD 0.3bn.

Return on common equity tier 1 capital: 2Q25 vs 2Q24

The annualized return on CET1 capital was 6.8%, compared with negative 1.7%, driven by net profit attributable to shareholders compared with a net loss attributable to shareholders in the second quarter of 2024, as well as a decrease in average CET1 capital.

Risk-weighted assets: 2Q25 vs 1Q25

During the second quarter of 2025, RWA increased by USD 16.8bn to USD 498.3bn, driven by an USD 18.7bn increase in currency effects, partly offset by a USD 1.5bn decrease resulting from asset size and other movements and a USD 0.3bn decrease resulting from model updates and methodology changes.

Common equity tier 1 capital ratio: 2Q25 vs 1Q25

The CET1 capital ratio decreased to 14.0% from 14.7%, reflecting the aforementioned increase in RWA and the aforementioned decrease in CET1 capital.

Leverage ratio denominator: 2Q25 vs 1Q25

During the second quarter of 2025, the leverage ratio denominator (the LRD) increased by USD 94.3bn to USD 1,660.1bn, mainly driven by currency effects of USD 88.4bn and asset size and other movements of USD 5.8bn.

Common equity tier 1 leverage ratio: 2Q25 vs 1Q25

The CET1 leverage ratio decreased to 4.2% from 4.5%, reflecting the aforementioned increase in the LRD and the aforementioned decrease in CET1 capital.

Results 6M25 vs 6M24

Operating profit before tax increased by USD 1,018m, or 86%, to USD 2,201m, reflecting a USD 4,790m increase in total revenues, which was partly offset by a USD 3,633m increase in operating expenses. Net credit loss expenses were USD 275m compared with net credit loss expenses of USD 136m in the first six months of 2024.

Total combined net interest income and other net income from financial instruments measured at fair value through profit or loss increased by USD 2,466m to USD 10,210m. Revenues in Global Wealth Management increased by USD 918m, mainly driven by the consolidation of Credit Suisse AG revenues for the full period, positive foreign currency effects, deposit inflows into higher-margin products, as well as the impact of higher levels of client activity. Personal & Corporate Banking increased by USD 677m, largely due to the consolidation of Credit Suisse AG net interest income for the full period. The Investment Bank increased by USD 878m, mainly due to an increase in Derivatives & Solutions revenues that resulted from elevated volatility and higher levels of client activity. In addition, there were higher revenues in Financing, led by Prime Brokerage, supported by higher client balances. These increases were partly offset by lower revenues in Global Banking, which mainly resulted from lower volumes in Leveraged Capital Markets. Non-core and Legacy revenues were negative USD 33m compared with positive USD 139m in the first six months of 2024, largely due to lower net gains from position exits and net interest income from securitized products and credit products, partly offset by the effect from the consolidation of Credit Suisse AG revenues for the full period. Group Items revenues were negative USD 413m, compared with negative USD 563m in the first six months of 2024, mainly due to lower mark-to-market losses from Group hedging and own debt, including hedge accounting ineffectiveness. The losses in the first half of 2025 were driven by mark-to-market effects on own credit and portfolio-level economic hedges within Group Treasury.

Net fee and commission income increased by USD 2,406m to USD 13,156m. The consolidation of Credit Suisse AG revenues for the full period led to increases of USD 1,131m in portfolio management and related service fees and USD 584m in investment fund fees, predominantly in Global Wealth Management and Asset Management, respectively. The increase in Global Wealth Management was also due to positive market performance and net new fee-generating asset inflows. Net brokerage fees increased by USD 511m, mainly reflecting higher levels of client activity in Global Wealth Management and in Execution Services in the Investment Bank, due to higher volumes.

Other income was USD 432m, compared with USD 515m in the first six months of 2024, and included the consolidation of Credit Suisse income for the full period. The overall change was mainly due to lower costs charged to shared services subsidiaries of UBS Group AG. The share of net profits of associates and joint ventures was USD 118m higher, mainly reflecting a USD 64m gain related to the Swisscard transactions, partly offset by a USD 16m net loss relating to an investment in an associate.

Personnel expenses increased by USD 2,601m to USD 11,559m and included the consolidation of Credit Suisse AG expenses for the full period, reflecting both the combined workforce resulting from the merger and higher accruals for performance awards, and also driven by a USD 186m increase in financial advisor compensation as a result of higher compensable revenues.

General and administrative expenses increased by USD 735m to USD 8,305m, mainly driven by the consolidation of Credit Suisse AG expenses for the full period. The overall increase was largely attributable to a USD 739m increase in shared services costs charged by shared services subsidiaries of the UBS Group. General and administrative expenses also included a USD 180m expense related to the Swisscard transactions in Personal & Corporate Banking and increases of USD 130m in technology costs, USD 119m in real estate and logistics costs, and USD 99m in consulting, legal and audit fees. These increases were partly offset by USD 810m lower expenses for litigation, regulatory and similar matters, mainly due to the costs recognized in the first six months of 2024 when UBS agreed to fund an offer by the Credit Suisse supply chain finance funds to redeem all of the outstanding units in the respective funds.

Depreciation, amortization and impairment of non-financial assets increased by USD 296m to USD 1,458m and included the impact from the consolidation of Credit Suisse AG expenses for the full period. The overall increase included a USD 217m increase of amortization of internally generated capitalized software mainly as a result of the consolidation of Credit Suisse AG expenses and a higher cost base of software assets, as well as higher depreciation attributable to right-of-use assets associated with real estate leases.

Outlook

The third quarter started with strong market performance in risk assets, particularly international equities, combined with a weak US dollar. Investor sentiment remains broadly constructive, tempered by persistent macroeconomic and geopolitical uncertainties. Against this backdrop, our client conversations and deal pipelines indicate a high level of readiness among investors and corporates to deploy capital as conviction around the macro outlook strengthens.

For the third quarter, we expect Global Wealth Management's net interest income (NII) and Personal & Corporate Banking's NII in Swiss francs to be broadly stable. In US dollar terms, this translates to a sequential low single-digit percentage increase.

We also expect trading and transactional activity to reflect more normalized seasonal patterns and activity levels compared with the same quarter a year ago, particularly in Global Wealth Management's transaction-based revenues and the Investment Bank's Global Markets performance.

We remain focused on actively engaging with our clients, helping them to navigate a complex environment while executing on our growth and integration plans. We are confident in our ability to deliver on our 2025 and 2026 financial targets, leveraging the power of our diversified business model.

Global Wealth Management

Global Wealth Management

	As of or for the quarter ended			% change from		Year-to-date	
USD m, except where indicated	30.6.25	31.3.25	30.6.24	1Q25	2Q24	30.6.25	30.6.24
Results							
Net interest income	1,587	1,589	1,317	0	20	3,176	2,521
Recurring net fee income[1]	3,352	3,274	2,893	2	16	6,626	5,586
Transaction-based income[1]	1,225	1,423	960	(14)	28	2,648	1,945
Other income	7	6	22	19	(67)	14	58
Total revenues	6,171	6,293	5,192	(2)	19	12,463	10,110
Credit loss expense / (release)	(2)	8	(2)		24	6	7
Operating expenses	5,121	5,069	4,473	1	14	10,190	8,448
Business division operating profit / (loss) before tax	1,052	1,216	720	(13)	46	2,268	1,655
Performance measures and other information							
Pre-tax profit growth (year-on-year, %)[1]	46.0	30.1	(34.3)			37.0	(27.8)
Cost / income ratio (%)[1]	83.0	80.6	86.2			81.8	83.6
Financial advisor compensation[2]	1,334	1,409	1,291	(5)	3	2,743	2,558
Invested assets (USD bn)[1]	4,512	4,218	4,038	7	12	4,512	4,038
Loans, gross (USD bn)[3]	319.9	301.7	307.4	6	4	319.9	307.4
Customer deposits (USD bn)[3]	489.0	464.8	477.0	5	3	489.0	477.0
Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[1,4]	0.5	0.4	0.4			0.5	0.4
Advisors (full-time equivalents)	9,565	9,693	10,068	(1)	(5)	9,565	10,068

1 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 2 Relates to licensed professionals with the ability to provide investment advice to clients in the Americas. Consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. Also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. Recruitment loans to financial advisors were USD 1,579m as of 30 June 2025. 3 Loans and Customer deposits in this table include customer brokerage receivables and payables, respectively, which are presented in separate reporting lines on the balance sheet. 4 Refer to the "Risk management and control" section of the UBS Group second quarter 2025 report, available under "Quarterly reporting" at ubs.com/investors, for more information about (credit-)impaired exposures. Excludes loans to financial advisors.

Results: 2Q25 vs 2Q24

Profit before tax increased by USD 332m, or 46%, to USD 1,052m, mainly driven by the positive impact from the merger of UBS AG and Credit Suisse AG, and higher total revenues, partly offset by higher operating expenses.

Total revenues

Total revenues increased by USD 979m, or 19%, to USD 6,171m, mainly due to the consolidation of Credit Suisse AG revenues for the full quarter. The remaining increase largely reflected increases in recurring net fee income and transaction-based income.

Net interest income increased by USD 270m, or 20%, to USD 1,587m, mainly driven by the consolidation of Credit Suisse AG net interest income for the full quarter, with the remaining variance largely driven by positive foreign currency effects and deposit inflows into higher-margin products.

Recurring net fee income increased by USD 459m, or 16%, to USD 3,352m, mainly driven by positive market performance and net new fee-generating asset inflows, as well as the consolidation of Credit Suisse AG recurring net fee income for the full quarter.

Transaction-based income increased by USD 265m, or 28%, to USD 1,225m, mainly driven by the consolidation of Credit Suisse AG transaction-based income for the full quarter and higher levels of client activity across all regions.

Other income decreased by USD 15m to USD 7m and included a loss of USD 8m related to an investment in an associate.

Credit loss expense / release

Net credit loss releases were USD 2m, compared with net releases of USD 2m in the second quarter of 2024.

Operating expenses

Operating expenses increased by USD 648m, or 14%, to USD 5,121m, mainly driven by the consolidation of Credit Suisse AG operating expenses for the full quarter, unfavorable foreign currency effects and an increase in financial advisor compensation as a result of higher compensable revenues.

Invested assets: 2Q25 vs 1Q25

Invested assets increased by USD 294bn, or 7%, to USD 4,512bn, mainly driven by positive market performance of USD 178bn, positive foreign currency effects of USD 97bn and net new asset inflows.

Loans: 2Q25 vs 1Q25

Loans increased by USD 18.2bn to USD 319.9bn, mainly driven by positive foreign currency effects and positive net new loans.

› **Refer to the "Risk management and control" section of the UBS Group second quarter 2025 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information**

Customer deposits: 2Q25 vs 1Q25

Customer deposits increased by USD 24.2bn to USD 489.0bn, mainly driven by positive foreign currency effects and net new deposit inflows.

Results: 6M25 vs 6M24

Profit before tax increased by USD 613m, or 37%, to USD 2,268m, mainly driven by the positive impact from the merger of UBS AG and Credit Suisse AG, and higher total revenues, partly offset by higher operating expenses.

Total revenues increased by USD 2,353m, or 23%, to USD 12,463m, mainly due to the consolidation of Credit Suisse AG revenues for the full period. The remaining increase largely reflected increases in recurring net fee income and transaction-based income.

Net interest income increased by USD 655m, or 26%, to USD 3,176m, mainly driven by the consolidation of Credit Suisse AG net interest income for the full period, with the remaining variance largely driven by positive foreign currency effects and deposit inflows into higher-margin products.

Recurring net fee income increased by USD 1,040m, or 19%, to USD 6,626m, mainly driven by positive market performance and net new fee-generating asset inflows, as well as the consolidation of Credit Suisse AG recurring net fee income for the full period.

Transaction-based income increased by USD 703m, or 36%, to USD 2,648m, mainly driven by the consolidation of Credit Suisse AG transaction-based income for the full period and higher levels of client activity across all regions.

Other income decreased by USD 44m to USD 14m, mostly due to lower shared services costs charged to other subsidiaries of UBS Group AG, mainly related to secondments and included a net loss of USD 5m related to an investment in an associate.

Net credit loss expenses were USD 6m, compared with net expenses of USD 7m in the first half of 2024.

Operating expenses increased by USD 1,742m, or 21%, to USD 10,190m, mainly driven by the consolidation of Credit Suisse AG operating expenses for the full period, unfavorable foreign currency effects and an increase in financial advisor compensation as a result of higher compensable revenues.

Personal & Corporate Banking

Personal & Corporate Banking – in Swiss francs

	As of or for the quarter ended			% change from		Year-to-date	
CHF m, except where indicated	30.6.25	31.3.25	30.6.24	1Q25	2Q24	30.6.25	30.6.24
Results							
Net interest income	929	953	781	(3)	19	1,882	1,463
Recurring net fee income[1]	313	329	271	(5)	15	642	493
Transaction-based income[1]	484	454	353	7	37	938	653
Other income	(28)	68	11			40	25
Total revenues	1,698	1,804	1,417	(6)	20	3,502	2,634
Credit loss expense / (release)	91	52	98	76	(7)	143	108
Operating expenses	1,224	1,373	905	(11)	35	2,597	1,620
Business division operating profit / (loss) before tax	383	378	413	1	(7)	761	906
Performance measures and other information							
Pre-tax profit growth (year-on-year, %)[1]	(7.4)	(23.2)	(32.9)			(16.0)	(22.3)
Cost / income ratio (%)[1]	72.1	76.1	63.9			74.2	61.5
Net interest margin (bps)[1]	148	153	156			150	168
Loans, gross (CHF bn)	251.5	251.8	253.2	0	(1)	251.5	253.2
Customer deposits (CHF bn)	250.5	252.2	256.4	(1)	(2)	250.5	256.4
Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[1,2]	1.3	1.5	1.3			1.3	1.3

1 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 2 Refer to the "Risk management and control" section of the UBS Group second quarter 2025 report, available under "Quarterly reporting" at ubs.com/investors, for more information about (credit-)impaired exposures.

Results: 2Q25 vs 2Q24

Profit before tax decreased by CHF 30m, or 7%, to CHF 383m, as higher total revenues and lower net credit loss expenses were more than offset by higher operating expenses.

Total revenues

Total revenues increased by CHF 281m, or 20%, to CHF 1,698m, mainly due to the consolidation of Credit Suisse AG revenues for the full quarter.

Net interest income increased by CHF 148m to CHF 929m, largely reflecting the consolidation of Credit Suisse AG net interest income for the full quarter.

Recurring net fee income increased by CHF 42m to CHF 313m, mainly due to the consolidation of Credit Suisse AG recurring net fee income for the full quarter.

Transaction-based income increased by CHF 131m to CHF 484m, largely due to the consolidation of Credit Suisse AG transaction-based income for the full quarter.

Other income was negative CHF 28m, compared with CHF 11m, and included a loss of CHF 18m related to an investment in an associate.

Credit loss expense / release

Net credit loss expenses were CHF 91m and included the effect from the consolidation of Credit Suisse AG, as well as net credit loss expenses on credit-impaired positions. Net credit loss expenses in the second quarter of 2024 were CHF 98m.

Operating expenses

Operating expenses increased by CHF 319m, or 35%, to CHF 1,224m, largely due to the consolidation of Credit Suisse AG operating expenses for the full quarter, and included higher integration-related expenses.

Results: 6M25 vs 6M24

Profit before tax decreased by CHF 145m, or 16%, to CHF 761m, as higher total revenues were more than offset by higher operating expenses and net credit loss expenses.

Total revenues increased by CHF 868m, or 33%, to CHF 3,502m, mainly due to the consolidation of Credit Suisse AG revenues for the full period.

Net interest income increased by CHF 419m to CHF 1,882m, largely reflecting the consolidation of Credit Suisse AG net interest income for the full period.

Recurring net fee income increased by CHF 149m to CHF 642m, mainly due to the consolidation of Credit Suisse AG recurring net fee income for the full period, as well as an increase in revenues due to higher investment product levels, mostly reflecting net new inflows and positive market performance.

Transaction-based income increased by CHF 285m to CHF 938m, largely due to the consolidation of Credit Suisse AG transaction-based income for the full period.

Other income was CHF 40m, compared with CHF 25m, and included a gain of CHF 58m related to the Swisscard transactions and a net loss of CHF 8m related to an investment in an associate.

Net credit loss expenses were CHF 143m, mainly reflecting the effect from the consolidation of Credit Suisse AG, primarily due to net credit loss expenses on credit-impaired positions in the legacy Credit Suisse corporate loan book. Net credit loss expenses in the first half of 2024 were CHF 108m.

Operating expenses increased by CHF 977m, or 60%, to CHF 2,597m, largely due to the consolidation of Credit Suisse AG operating expenses for the full period, and included both a CHF 164m expense related to the Swisscard transactions and higher integration-related expenses.

Personal & Corporate Banking – in US dollars

	As of or for the quarter ended			% change from		Year-to-date	
USD m, except where indicated	30.6.25	31.3.25	30.6.24	1Q25	2Q24	30.6.25	30.6.24
Results							
Net interest income	1,142	1,059	863	8	32	2,201	1,634
Recurring net fee income[1]	385	365	300	5	29	751	550
Transaction-based income[1]	594	505	389	18	53	1,099	729
Other income	(35)	75	12			40	28
Total revenues	2,086	2,005	1,564	4	33	4,091	2,942
Credit loss expense / (release)	114	58	110	96	4	172	120
Operating expenses	1,504	1,526	999	(1)	51	3,030	1,808
Business division operating profit / (loss) before tax	469	421	455	11	3	890	1,014
Performance measures and other information							
Pre-tax profit growth (year-on-year, %)[1]	3.0	(24.7)	(33.5)			(12.2)	(20.9)
Cost / income ratio (%)[1]	72.1	76.1	63.9			74.1	61.5
Net interest margin (bps)[1]	152	153	155			152	167
Loans, gross (USD bn)	316.9	284.7	281.8	11	12	316.9	281.8
Customer deposits (USD bn)	315.5	285.1	285.3	11	11	315.5	285.3
Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[1,2]	1.3	1.5	1.3			1.3	1.3

1 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 2 Refer to the "Risk management and control" section of the UBS Group second quarter 2025 report, available under "Quarterly reporting" at ubs.com/investors, for more information about (credit-)impaired exposures.

Asset Management

Asset Management

USD m, except where indicated	As of or for the quarter ended 30.6.25	31.3.25	30.6.24	% change from 1Q25	2Q24	Year-to-date 30.6.25	30.6.24
Results							
Net management fees[1]	733	713	582	3	26	1,445	1,069
Performance fees	39	30	23	28	67	69	45
Net gain from disposals		(2)	28			(2)	28
Total revenues	771	741	634	4	22	1,512	1,143
Credit loss expense / (release)	0	0	0			0	0
Operating expenses	622	603	513	3	21	1,225	972
Business division operating profit / (loss) before tax	149	137	121	8	23	286	172
Performance measures and other information							
Pre-tax profit growth (year-on-year, %)[2]	22.8	173.2	35.0			66.9	(7.0)
Cost / income ratio (%)[2]	80.7	81.4	80.8			81.0	85.0
Gross margin on invested assets (bps)[2]	16	17	17			17	17
Information by business line / asset class							
Invested assets (USD bn)[2]							
Equities	846	753	691	12	22	846	691
Fixed Income	497	479	448	4	11	497	448
of which: money market	*169*	*164*	*146*	*3*	*16*	*169*	*146*
Multi-asset & Solutions	304	275	277	11	10	304	277
Hedge Fund Businesses	62	60	59	3	6	62	59
Real Estate & Private Markets	159	147	147	8	8	159	147
Total invested assets excluding associates	1,868	1,715	1,622	9	15	1,868	1,622
of which: passive strategies	*930*	*823*	*756*	*13*	*23*	*930*	*756*
Associates[3]	84	81	77	4	10	84	77
Total invested assets	1,952	1,796	1,699	9	15	1,952	1,699
Information by region							
Invested assets (USD bn)[2]							
Americas	465	447	426	4	9	465	426
Asia Pacific[4]	236	222	213	6	11	236	213
EMEA (excluding Switzerland)	487	440	378	11	29	487	378
Switzerland	765	688	682	11	12	765	682
Total invested assets	1,952	1,796	1,699	9	15	1,952	1,699
Information by channel							
Invested assets (USD bn)[2]							
Third-party institutional	1,129	1,027	957	10	18	1,129	957
Third-party wholesale	179	163	181	10	(1)	179	181
UBS's wealth management businesses	559	525	484	7	16	559	484
Associates[3]	84	81	77	4	10	84	77
Total invested assets	1,952	1,796	1,699	9	15	1,952	1,699

1 Net management fees include transaction fees, fund administration revenues (including net interest and trading income from lending activities and foreign-exchange hedging as part of the fund services offering), distribution fees, incremental fund-related expenses, gains or losses from seed money and co-investments, funding costs, the negative pass-through impact of third-party performance fees, and other items that are not Asset Management's performance fees. 2 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 3 The invested assets amounts reported for associates are prepared in accordance with their local regulatory requirements and practices. 4 Includes invested assets from associates.

Results: 2Q25 vs 2Q24

Profit before tax increased by USD 28m, or 23%, to USD 149m, mainly reflecting the impact from the consolidation of Credit Suisse AG for the full quarter.

Total revenues

Total revenues increased by USD 137m, or 22%, to USD 771m, primarily reflecting the consolidation of Credit Suisse AG revenues for the full quarter, partly offset by the second quarter of 2024 including USD 28m of net gains from disposals.

Net management fees increased by USD 151m, or 26%, to USD 733m, largely reflecting the impact from the consolidation of Credit Suisse AG net management fees for the full quarter.

Performance fees increased by USD 16m, or 67%, to USD 39m, mainly due to an increase in Hedge Fund Businesses.

Operating expenses
Operating expenses increased by USD 109m, or 21%, to USD 622m, largely due to the consolidation of Credit Suisse AG operating expenses for the full quarter, partly offset by lower non-personnel and personnel costs.

Invested assets: 2Q25 vs 1Q25

Invested assets increased by USD 156bn, or 9%, to USD 1,952bn, reflecting positive foreign currency effects of USD 96bn and positive market performance of USD 62bn, partly offset by negative net new money of USD 2bn.

Results: 6M25 vs 6M24

Profit before tax increased by USD 114m, or 67%, to USD 286m, mainly reflecting the impact from the consolidation of Credit Suisse AG for the full period.

Total revenues increased by USD 369m, or 32%, to USD 1,512m, primarily reflecting the consolidation of Credit Suisse AG revenues for the full period, partly offset by the first half of 2024 including USD 28m of net gains from disposals.

Net management fees increased by USD 376m, or 35%, to USD 1,445m, largely reflecting the consolidation of Credit Suisse AG net management fees for the full period.

Performance fees increased by USD 24m, or 51%, to USD 69m, mainly due to an increase in Hedge Fund Businesses and the consolidation of Credit Suisse AG performance fees for the full period.

Operating expenses increased by USD 253m, or 26%, to USD 1,225m, largely due to the consolidation of Credit Suisse AG operating expenses for the full period, partly offset by lower non-personnel and personnel costs.

Investment Bank

Investment Bank

	As of or for the quarter ended			% change from		Year-to-date	
USD m, except where indicated	30.6.25	31.3.25	30.6.24	1Q25	2Q24	30.6.25	30.6.24
Results							
Advisory	192	221	226	(13)	(15)	414	391
Capital Markets	335	349	399	(4)	(16)	684	748
Global Banking	527	570	625	(8)	(16)	1,097	1,139
Execution Services	501	517	405	(3)	24	1,017	802
Derivatives & Solutions	1,119	1,301	880	(14)	27	2,420	1,813
Financing	670	665	526	1	27	1,334	1,069
Global Markets	2,289	2,482	1,811	(8)	26	4,771	3,684
of which: Equities	*1,623*	*1,815*	*1,337*	*(11)*	*21*	*3,438*	*2,697*
of which: Foreign Exchange, Rates and Credit	*666*	*667*	*474*	*0*	*41*	*1,333*	*988*
Total revenues	2,816	3,052	2,436	(8)	16	5,869	4,824
Credit loss expense / (release)	41	49	(1)	(15)		90	31
Operating expenses	2,385	2,455	2,200	(3)	8	4,840	4,284
Business division operating profit / (loss) before tax	390	548	237	(29)	65	938	509
Performance measures and other information							
Pre-tax profit growth (year-on-year, %)[1]	64.7	101.3	67.2			84.3	(16.9)
Cost / income ratio (%)[1]	84.7	80.4	90.3			82.5	88.8

1 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method.

Results: 2Q25 vs 2Q24

Profit before tax increased by USD 153m, or 65%, to USD 390m, mainly due to higher total revenues, partly offset by higher operating expenses.

Total revenues
Total revenues increased by USD 380m, or 16%, to USD 2,816m, due to higher revenues in Global Markets, partly offset by lower revenues in Global Banking.

Global Banking
Global Banking revenues decreased by USD 98m, or 16%, to USD 527m, reflecting lower Capital Markets and Advisory revenues.

Advisory revenues decreased by USD 34m, or 15%, to USD 192m, mainly due to lower private-fund activity levels and a decrease in merger and acquisition transaction revenues.

Capital Markets revenues decreased by USD 64m, or 16%, to USD 335m, largely driven by lower Leveraged Capital Markets revenues as sponsor activity sharply reduced and due to markdowns on positions.

Global Markets
Global Markets revenues increased by USD 478m, or 26%, to USD 2,289m, driven by higher Derivatives & Solutions, Financing and Execution Services revenues.

Execution Services revenues increased by USD 96m, or 24%, to USD 501m, mainly driven by higher Cash Equities revenues across all regions, on higher volumes.

Derivatives & Solutions revenues increased by USD 239m, or 27%, to USD 1,119m, with higher Foreign Exchange, Equity Derivatives and Rates revenues, mainly due to elevated volatility and higher levels of client activity.

Financing revenues increased by USD 144m, or 27%, to USD 670m, with increases in all products, led by Prime Brokerage, supported by higher client balances.

Equities
Global Markets Equities revenues increased by USD 286m, or 21%, to USD 1,623m, mainly driven by higher revenues in Cash Equities, Prime Brokerage and Equity Derivatives.

Foreign Exchange, Rates and Credit
Global Markets Foreign Exchange, Rates and Credit revenues increased by USD 192m, or 41%, to USD 666m, mainly driven by increases in Foreign Exchange revenues.

Credit loss expense / release
Net credit loss expenses were USD 41m, compared with net credit loss releases of USD 1m in the second quarter of 2024.

Operating expenses
Operating expenses increased by USD 185m, or 8%, to USD 2,385m, mainly driven by higher personnel expenses and unfavorable foreign currency effects.

Results: 6M25 vs 6M24

Profit before tax increased by USD 429m, or 84%, to USD 938m, mainly due to higher total revenues, partly offset by higher operating expenses.

Total revenues increased by USD 1,045m, or 22%, to USD 5,869m, due to higher revenues in Global Markets, partly offset by lower revenues in Global Banking.

Global Banking revenues decreased by USD 42m, or 4%, to USD 1,097m, reflecting lower Capital Markets revenues, partly offset by higher Advisory revenues.

Advisory revenues increased by USD 23m, or 6%, to USD 414m, mostly due to higher merger and acquisition transaction revenues, partly offset by lower private-fund activity levels.

Capital Markets revenues decreased by USD 64m, or 9%, to USD 684m, largely driven by lower Leveraged Capital Markets revenues as sponsor activity sharply reduced and due to markdowns on positions.

Global Markets revenues increased by USD 1,087m, or 30%, to USD 4,771m, driven by higher Derivatives & Solutions, Financing and Execution Services revenues.

Execution Services revenues increased by USD 215m, or 27%, to USD 1,017m, mainly driven by higher Cash Equities revenues across all regions, on higher volumes.

Derivatives & Solutions revenues increased by USD 607m, or 33%, to USD 2,420m, with higher revenues in Equity Derivatives and Foreign Exchange, mainly due to elevated volatility and higher levels of client activity.

Financing revenues increased by USD 265m, or 25%, to USD 1,334m, with increases in all products, led by Prime Brokerage, supported by higher client balances.

Equities
Global Markets Equities revenues increased by USD 741m, or 27%, to USD 3,438m, mainly driven by higher revenues in Equity Derivatives, Cash Equities and Prime Brokerage.

Foreign Exchange, Rates and Credit
Global Markets Foreign Exchange, Rates and Credit revenues increased by USD 345m, or 35%, to USD 1,333m, mainly driven by increases in Foreign Exchange revenues.

Net credit loss expenses were USD 90m, compared with net credit loss expenses of USD 31m in the first half of 2024.

Operating expenses increased by USD 556m, or 13%, to USD 4,840m, mainly due to higher personnel expenses.

Non-core and Legacy

Non-core and Legacy

	As of or for the quarter ended			% change from		Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	1Q25	2Q24	30.6.25	30.6.24
Results							
Total revenues	(140)	119	165			(21)	186
Credit loss expense / (release)	(1)	10	(23)		(97)	9	(23)
Operating expenses	740	748	1,552	(1)	(52)	1,488	1,691
Operating profit / (loss) before tax	(880)	(639)	(1,365)	38	(36)	(1,519)	(1,483)

Results: 2Q25 vs 2Q24

Loss before tax was USD 880m, compared with a loss before tax of USD 1,365m.

Total revenues
Total revenues were negative USD 140m, compared with total revenues of USD 165m, mainly reflecting lower net gains from position exits and lower net interest income from securitized products and credit products, as well as due to the consolidation of Credit Suisse AG revenues for the full quarter.

Credit loss expense / release
Net credit loss releases were USD 1m, compared with net credit loss releases of USD 23m.

Operating expenses
Operating expenses decreased by USD 812m, or 52%, to USD 740m, mainly due to the second quarter of 2024 including litigation expenses of USD 1,118m, largely reflecting UBS agreeing in that quarter to fund an offer by the Credit Suisse supply chain finance funds (the SCFFs) to redeem all the outstanding units of the respective funds. This reduction was partly offset by higher operating expenses resulting from the consolidation of Credit Suisse AG expenses for the full quarter in 2025. In addition, operating expenses in the second quarter of 2025 included USD 139m related to provisions for litigation, regulatory and similar matters.

Results: 6M25 vs 6M24

Loss before tax was USD 1,519m, compared with a loss before tax of USD 1,483m.

Total revenues were negative USD 21m, compared with total revenues of USD 186m, mainly reflecting lower net gains from position exits and net interest income from securitized products and credit products, partly offset by the effect from the consolidation of Credit Suisse AG revenues for the full period. Total revenues in the first half of 2025 included a loss of USD 11m from the sale of Select Portfolio Servicing, the US mortgage servicing business of Credit Suisse.

Net credit loss expenses were USD 9m, compared with net credit loss releases of USD 23m.

Operating expenses decreased by USD 203m, or 12%, to USD 1,488m, mainly due to the first half of 2024 including litigation expenses of USD 1,118m, largely reflecting UBS agreeing in the second quarter of 2024 to fund an offer by the SCFFs to redeem all the outstanding units of the respective funds. This reduction was partly offset by higher operating expenses resulting from the consolidation of Credit Suisse AG expenses for the full period in 2025. In addition, operating expenses in the first half of 2025 included USD 230m related to provisions for litigation, regulatory and similar matters.

Group Items

Group Items

	As of or for the quarter ended			% change from		Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	1Q25	2Q24	30.6.25	30.6.24
Results							
Total revenues	(70)	(46)	(90)	50	(23)	(116)	(196)
Credit loss expense / (release)	0	(1)	0			(1)	1
Operating expenses	249	299	275	(17)	(9)	548	487
Operating profit / (loss) before tax	(318)	(344)	(365)	(8)	(13)	(663)	(684)

Results: 2Q25 vs 2Q24

Loss before tax was USD 318m, mainly reflecting operating expenses and deferred tax asset (DTA) funding costs. The USD 47m, or 13%, decrease in loss before tax between quarters was largely due to mark-to-market gains from Group hedging and own debt, including hedge accounting ineffectiveness, compared with mark-to-market losses in the second quarter of 2024. The gains in the second quarter of 2025 included offsetting impacts on portfolio-level economic hedges and mark-to-market effects on own credit. The second quarter of 2025 also included losses from disposals of properties held for sale.

Results: 6M25 vs 6M24

Loss before tax was USD 663m, mainly reflecting operating expenses, DTA funding costs and mark-to-market losses from Group hedging and own debt, including hedge accounting ineffectiveness. The USD 21m, or 3%, decrease in loss before tax between periods was largely due to lower mark-to-market losses from Group hedging and own debt, including hedge accounting ineffectiveness. The losses in the first half of 2025 were driven by mark-to-market effects on own credit and portfolio-level economic hedges. In addition, the first half of 2025 included an increase in provisions for litigation, regulatory and similar matters, higher shared services costs charged by other subsidiaries of UBS Group AG, and losses from disposals of properties held for sale.

Risk and capital management

Management report

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Risk management and control

This section provides information about key developments during the reporting period and should be read in conjunction with the "Risk management and control" section of the UBS AG Annual Report 2024, 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.

UBS AG consolidated risk profile

The risk profile of UBS AG consolidated does not differ materially from that of UBS Group AG consolidated and the risk information provided in the UBS Group second quarter 2025 report is equally applicable to UBS AG consolidated.

The credit risk profile of UBS AG consolidated as of 30 June 2025 differed from that of UBS Group AG consolidated in relation to total banking products exposure, mainly reflecting purchase price allocation effects booked at the Group level relating to the acquisition of the Credit Suisse Group, as well as receivables of UBS AG and UBS Switzerland AG from UBS Group AG and UBS Business Solutions AG, reflecting consolidation scope differences.

The total banking products exposure of UBS AG consolidated as of 30 June 2025 was USD 1,111.9bn, i.e. USD 7.7bn, or 0.7%, higher than the exposure of UBS Group AG consolidated. As of 31 March 2025, the total banking products exposure of UBS AG consolidated was USD 1,046.3bn, i.e. USD 9.7bn, or 0.9%, higher than the exposure of UBS Group AG consolidated.

› **Refer to the "Risk management and control" section of the UBS Group second quarter 2025 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information**

› **Refer to the "Comparison between UBS AG consolidated and UBS Group AG consolidated" section of this report for more information about selected financial and capital information of UBS AG consolidated and UBS Group AG consolidated**

Capital management

The disclosures in this section are provided for UBS AG on a consolidated basis and focus on information in accordance with the Basel III framework, as applicable to Swiss systemically relevant banks (SRBs). They should be read in conjunction with "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, which provides more information about relevant capital management objectives, planning and activities, as well as the Swiss SRB total loss-absorbing capacity framework, on a UBS AG consolidated basis.

In Switzerland, the amendments to the Capital Adequacy Ordinance (the CAO) that incorporate the final Basel III standards into Swiss law, including the five new ordinances that contain the implementing provisions for the revised CAO, entered into force on 1 January 2025.

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

› **Refer to the UBS Group and significant regulated subsidiaries and sub-groups 30 June 2025 Pillar 3 Report, which will be available as of 28 August 2025 under "Pillar 3 disclosures" at *ubs.com/investors*, for more information about additional regulatory disclosures for UBS Group AG on a consolidated basis, as well as the significant regulated subsidiaries and sub-groups of UBS Group AG**

Swiss SRB going and gone concern requirements and information

As of 30.6.25	RWA		LRD	
USD m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	14.98[1]	74,648	5.01[1]	83,198
Common equity tier 1 capital	10.63[2]	52,954	3.51[3]	58,296
of which: minimum capital	*4.50*	*22,425*	*1.50*	*24,901*
of which: buffer capital	*5.50*	*27,408*	*2.00*	*33,202*
of which: countercyclical buffer	*0.46*	*2,308*		
Maximum additional tier 1 capital	4.35[2]	21,695	1.50	24,901
of which: additional tier 1 capital	*3.50*	*17,441*	*1.50*	*24,901*
of which: additional tier 1 buffer capital	*0.80*	*3,987*		
Eligible going concern capital				
Total going concern capital	17.76	88,485	5.33	88,485
Common equity tier 1 capital	14.01	69,829	4.21	69,829
Total loss-absorbing additional tier 1 capital	3.74	18,656	1.12	18,656
of which: high-trigger loss-absorbing additional tier 1 capital	*3.74*	*18,656*	*1.12*	*18,656*
Required gone concern capital				
Total gone concern loss-absorbing capacity[4,5,6]	10.73	53,446	3.75	62,254
of which: base requirement including add-ons for market share and LRD	*10.73[7]*	*53,446*	*3.75[7]*	*62,254*
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	18.76	93,502	5.63	93,502
Total tier 2 capital	0.04	196	0.01	196
of which: non-Basel III-compliant tier 2 capital	*0.04*	*196*	*0.01*	*196*
TLAC-eligible unsecured debt	18.72	93,306	5.62	93,306
Total loss-absorbing capacity				
Required total loss-absorbing capacity	25.70	128,094	8.76	145,452
Eligible total loss-absorbing capacity	36.52	181,987	10.96	181,987
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		498,327		
Leverage ratio denominator				1,660,097

1 Includes applicable add-ons of 1.66% for risk-weighted assets (RWA) and 0.51% for leverage ratio denominator (LRD), of which 4 basis points for RWA and 1 basis points for LRD reflect a Pillar 2 capital add-on of USD 193m related to the supply chain finance funds matter at Credit Suisse. An additional 18 basis points for RWA reflect a Pillar 2 capital add-on for the residual exposure (after collateral mitigation) to hedge funds, private equity and family offices, effective 1 January 2025. 2 Includes the Pillar 2 add-on for the residual exposure (after collateral mitigation) to hedge funds, private equity and family offices of 0.12% for CET1 capital and 0.05% for AT1 capital, effective 1 January 2025. For AT1 capital, under Pillar 1 requirements, a maximum of 4.3% of AT1 capital can be used to meet going concern requirements; 4.35% includes the aforementioned Pillar 2 capital add-on. 3 Our CET1 leverage ratio requirement of 3.51% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.25% LRD add-on requirement, a 0.25% market share add-on requirement based on our Swiss credit business and a 0.01% Pillar 2 capital add-on related to the supply chain finance funds matter at Credit Suisse. 4 A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital. 5 From 1 January 2023, the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs) has been replaced with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements and the Pillar 2 add-ons). 6 As of July 2024, FINMA has the authority to impose a surcharge of up to 25% of the total going concern capital requirements (excluding countercyclical buffer requirements and the Pillar 2 add-ons) should obstacles to an SIB's resolvability be identified in future resolvability assessments. 7 Includes applicable add-ons of 1.08% for RWA and 0.38% for LRD.

UBS AG, on a consolidated basis, is subject to the going and gone concern requirements of the Swiss CAO, which include additional requirements applicable to Swiss SRBs. The table above provides the risk-weighted asset (RWA)- and leverage ratio denominator (LRD)-based requirements and information as of 30 June 2025.

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

Effective 1 January 2025, a Pillar 2 capital add-on for uncollateralized exposures to hedge funds, private equity and family offices has been introduced. This resulted in an increase of 18 basis points in the RWA-based going concern capital requirement as of 30 June 2025.

On a standalone basis as of 30 June 2025, UBS AG's fully applied common equity tier 1 (CET1) capital ratio was 13.2%. Additional capital information for UBS AG standalone will be published with our 30 June 2025 Pillar 3 Report, which will be available as of 28 August 2025 under "Pillar 3 disclosures" at *ubs.com/investors*.

Total loss-absorbing capacity

The table below provides Swiss SRB going and gone concern information based on the Swiss SRB framework and requirements that are discussed under "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*. Changes to the Swiss SRB framework and requirements after the publication of the UBS AG Annual Report 2024 are described above.

Swiss SRB going and gone concern information

USD m, except where indicated	30.6.25	31.3.25	31.12.24
Eligible going concern capital			
Total going concern capital	88,485	89,081	89,623
Total tier 1 capital	88,485	89,081	89,623
Common equity tier 1 capital	69,829	70,756	73,792
Total loss-absorbing additional tier 1 capital	18,656	18,325	15,830
of which: high-trigger loss-absorbing additional tier 1 capital	*18,656*	*18,325*	*14,585*
of which: low-trigger loss-absorbing additional tier 1 capital			*1,245*
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	93,502	93,705	92,177
Total tier 2 capital	196	205	207
of which: non-Basel III-compliant tier 2 capital	*196*	*205*	*207*
TLAC-eligible unsecured debt	93,306	93,499	91,970
Total loss-absorbing capacity			
Total loss-absorbing capacity	181,987	182,786	181,800
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	498,327	481,539	495,110
Leverage ratio denominator	1,660,097	1,565,845	1,523,277
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	17.8	18.5	18.1
of which: common equity tier 1 capital ratio	*14.0*	*14.7*	*14.9*
Gone concern loss-absorbing capacity ratio	18.8	19.5	18.6
Total loss-absorbing capacity ratio	36.5	38.0	36.7
Leverage ratios (%)			
Going concern leverage ratio	5.3	5.7	5.9
of which: common equity tier 1 leverage ratio	*4.2*	*4.5*	*4.8*
Gone concern leverage ratio	5.6	6.0	6.1
Total loss-absorbing capacity leverage ratio	11.0	11.7	11.9

UBS AG vs UBS Group AG consolidated loss-absorbing capacity and leverage information

Swiss SRB going and gone concern information (UBS AG vs UBS Group AG consolidated)

As of 30.6.25			
USD m, except where indicated	UBS AG (consolidated)	UBS Group AG (consolidated)	Difference
Eligible going concern capital			
Total going concern capital	88,485	91,721	(3,236)
Total tier 1 capital	88,485	91,721	(3,236)
Common equity tier 1 capital	69,829	72,709	(2,880)
Total loss-absorbing additional tier 1 capital	18,656	19,012	(356)
of which: high-trigger loss-absorbing additional tier 1 capital	*18,656*	*19,012*	*(356)*
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	93,502	99,450	(5,948)
Total tier 2 capital	196	196	0
of which: non-Basel III-compliant tier 2 capital	*196*	*196*	*0*
TLAC-eligible senior unsecured debt	93,306	99,254	(5,948)
Total loss-absorbing capacity			
Total loss-absorbing capacity	181,987	191,171	(9,184)
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	498,327	504,500	(6,172)
Leverage ratio denominator	1,660,097	1,658,089	2,008
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	17.8	18.2	(0.4)
of which: common equity tier 1 capital ratio	*14.0*	*14.4*	*(0.4)*
Gone concern loss-absorbing capacity ratio	18.8	19.7	(0.9)
Total loss-absorbing capacity ratio	36.5	37.9	(1.4)
Leverage ratios (%)			
Going concern leverage ratio	5.3	5.5	(0.2)
of which: common equity tier 1 leverage ratio	*4.2*	*4.4*	*(0.2)*
Gone concern leverage ratio	5.6	6.0	(0.4)
Total loss-absorbing capacity leverage ratio	11.0	11.5	(0.6)

Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital (UBS AG vs UBS Group AG consolidated)

As of 30.6.25

USD m	UBS AG (consolidated)	UBS Group AG (consolidated)	Difference
Total equity under IFRS Accounting Standards	94,854	89,699	5,155
Equity attributable to non-controlling interests	(576)	(422)	(154)
Defined benefit plans, net of tax	(1,042)	(1,054)	12
Deferred tax assets recognized for tax loss carry-forwards	(2,527)	(2,527)	0
Deferred tax assets for unused tax credits	(871)	(871)	
Deferred tax assets on temporary differences, excess over threshold	(547)	(1,070)	523
Goodwill, net of tax	(6,284)	(5,779)	(505)
Intangible assets, net of tax	(107)	(742)	635
Compensation-related components (not recognized in net profit)		(2,752)	2,752
Expected losses on advanced internal ratings-based portfolio less provisions	(594)	(592)	(2)
Unrealized (gains) / losses from cash flow hedges, net of tax	1,527	1,527	
Own credit related to (gains) / losses on financial liabilities measured at fair value that existed at the balance sheet date, net of tax	1,094	1,036	59
Own credit related to (gains) / losses on derivative financial instruments that existed at the balance sheet date	(79)	(79)	0
Prudential valuation adjustments	(176)	(176)	
Accruals for dividends to shareholders for 2024	(6,500)[1]		(6,500)
Capital reserve for expected future share repurchases		(2,006)	2,006
Other[2]	(8,343)	(1,483)	(6,860)
Total common equity tier 1 capital	69,829	72,709	(2,880)

1 Reflects the appropriation of USD 6,500m to a special dividend reserve approved at the 2025 Annual General Meeting in April 2025. The decision on the special dividend payment is intended to be made at an Extraordinary General Meeting in the second half of 2025, considering the proposed requirements from Switzerland's review of its capital regime. 2 Includes dividend accruals for the current year and other items.

The going concern capital of UBS AG consolidated was USD 3.2bn lower than the going concern capital of UBS Group AG consolidated as of 30 June 2025, reflecting lower CET1 capital of USD 2.9bn and lower going concern loss-absorbing additional tier 1 (AT1) capital of USD 0.4bn.

The aforementioned difference in CET1 capital was primarily due to a USD 12.9bn difference in dividend accruals between UBS AG and UBS Group AG, largely offset by UBS Group AG consolidated equity being USD 5.2bn lower, compensation-related regulatory capital accruals at the UBS Group AG level of USD 2.8bn, a capital reserve for expected future share repurchases of USD 2.0bn and a USD 0.5bn effect from eligible deferred tax assets on temporary differences.

The going concern loss-absorbing AT1 capital of UBS AG consolidated was USD 0.4bn lower than that of UBS Group AG consolidated as of 30 June 2025, mainly reflecting deferred contingent capital plan awards granted at the Group level to eligible employees for the 2020 to 2024 performance years.

Differences in capital between UBS AG consolidated and UBS Group AG consolidated related to employee compensation plans will reverse to the extent underlying services are performed by employees of, and are consequently charged to, UBS AG and its subsidiaries. Such reversal generally occurs over the service period of the employee compensation plan.

The RWA of UBS AG consolidated were USD 6.2bn lower than the RWA of UBS Group AG consolidated, mainly reflecting non-counterparty-related-assets held outside the UBS AG consolidation scope, partly offset by intercompany credit risk exposures in UBS AG toward Group entities outside of the UBS AG consolidation scope.

The LRD of UBS AG consolidated was USD 2.0bn higher than the LRD of UBS Group AG consolidated, mainly reflecting purchase price allocation (PPA) adjustments that apply at the Group level but not at the UBS AG level, as well as intercompany exposures in UBS AG toward Group entities, partly offset by fixed assets held outside of the UBS AG consolidation scope.

The LRD for UBS AG consolidated exceeds that of UBS Group AG consolidated, and UBS AG's RWA is lower than that of UBS Group AG consolidated. This divergence stems mainly from certain PPA adjustments that apply at the Group level but not at the UBS AG level and are subject to low risk weights.

› **Refer to the "Capital management" section of the UBS Group second quarter 2025 report, available under "Quarterly reporting" at *ubs.com/investors*, for information about the developments of loss-absorbing capacity, RWA and LRD for UBS Group AG consolidated**

Consolidated financial statements

Unaudited

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UBS AG interim consolidated financial statements (unaudited)

Income statement

		For the quarter ended			Year-to-date	
USD m	Note	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	4	6,895	6,643	6,892	13,538	13,132
Interest expense from financial instruments measured at amortized cost	4	(6,805)	(6,909)	(7,080)	(13,715)	(13,132)
Net interest income from financial instruments measured at fair value through profit or loss and other	4	1,495	1,594	910	3,089	1,528
Net interest income	4	1,584	1,328	722	2,912	1,528
Other net income from financial instruments measured at fair value through profit or loss		3,374	3,924	3,271	7,298	6,216
Fee and commission income	5	7,179	7,280	6,190	14,459	11,797
Fee and commission expense	5	(653)	(650)	(589)	(1,303)	(1,047)
Net fee and commission income	5	6,526	6,630	5,601	13,156	10,750
Other income	6	150	281	306	432	515
Total revenues		11,635	12,163	9,900	23,798	19,008
Credit loss expense / (release)	9	152	124	84	275	136
Personnel expenses	7	5,649	5,910	4,797	11,559	8,958
General and administrative expenses	8	4,228	4,077	4,584	8,305	7,570
Depreciation, amortization and impairment of non-financial assets		744	714	631	1,458	1,162
Operating expenses		10,621	10,701	10,012	21,322	17,689
Operating profit / (loss) before tax		862	1,339	(196)	2,201	1,183
Tax expense / (benefit)		(336)	303	28	(32)	393
Net profit / (loss)		1,198	1,035	(224)	2,233	790
Net profit / (loss) attributable to non-controlling interests		6	7	40	13	48
Net profit / (loss) attributable to shareholders		1,192	1,028	(264)	2,220	742

Statement of comprehensive income

	For the quarter ended			Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
Comprehensive income attributable to shareholders					
Net profit / (loss)	1,192	1,028	(264)	2,220	742
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	4,433	1,307	(109)	5,740	(1,673)
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax	(1,819)	(511)	78	(2,330)	886
Foreign currency translation differences on foreign operations reclassified to the income statement	(1)	0	2	(1)	2
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement	0	0	0	0	1
Income tax relating to foreign currency translations, including the effect of net investment hedges	(3)	(2)	2	(5)	14
Subtotal foreign currency translation, net of tax	2,610	794	(27)	3,404	(771)
Financial assets measured at fair value through other comprehensive income					
Net unrealized gains / (losses), before tax	(4)	(3)	0	(7)	(1)
Net realized (gains) / losses reclassified to the income statement from equity	0	0	0	0	0
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	(4)	(3)	0	(7)	(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	398	349	(335)	746	(1,411)
Net (gains) / losses reclassified to the income statement from equity	296	322	626	617	1,119
Income tax relating to cash flow hedges	(131)	(125)	2	(256)	119
Subtotal cash flow hedges, net of tax	562	545	294	1,107	(173)
Cost of hedging					
Cost of hedging, before tax	7	20	(20)	27	(26)
Income tax relating to cost of hedging	0	0	0	0	0
Subtotal cost of hedging, net of tax	7	20	(20)	27	(26)
Total other comprehensive income that may be reclassified to the income statement, net of tax	3,175	1,356	247	4,531	(972)
Other comprehensive income that will not be reclassified to the income statement					
Defined benefit plans					
Gains / (losses) on defined benefit plans, before tax	(7)	18	42	11	77
Income tax relating to defined benefit plans	(9)	0	0	(9)	(8)
Subtotal defined benefit plans, net of tax	(16)	19	41	3	69
Own credit on financial liabilities designated at fair value					
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax	(140)	233	228	94	247
Income tax relating to own credit on financial liabilities designated at fair value	2	(1)	(2)	1	(2)
Subtotal own credit on financial liabilities designated at fair value, net of tax	(138)	233	226	95	245
Total other comprehensive income that will not be reclassified to the income statement, net of tax	(154)	251	267	97	314
Total other comprehensive income	3,021	1,607	514	4,628	(657)
Total comprehensive income attributable to shareholders	4,213	2,635	251	6,848	85
Comprehensive income attributable to non-controlling interests					
Net profit / (loss)	6	7	40	13	48
Total other comprehensive income that will not be reclassified to the income statement, net of tax	13	15	(20)	28	(31)
Total comprehensive income attributable to non-controlling interests	18	22	20	41	17
Total comprehensive income					
Net profit / (loss)	1,198	1,035	(224)	2,233	790
Other comprehensive income	3,034	1,622	494	4,656	(689)
of which: other comprehensive income that may be reclassified to the income statement	*3,175*	*1,356*	*247*	*4,531*	*(972)*
of which: other comprehensive income that will not be reclassified to the income statement	*(142)*	*266*	*247*	*125*	*283*
Total comprehensive income	4,231	2,657	271	6,889	101

Balance sheet

USD m	Note	30.6.25	31.3.25	31.12.24
Assets				
Cash and balances at central banks		236,193	231,370	223,329
Amounts due from banks		20,688	20,285	18,111
Receivables from securities financing transactions measured at amortized cost		110,161	101,784	118,302
Cash collateral receivables on derivative instruments	11	45,478	38,994	43,959
Loans and advances to customers	9	653,195	603,233	587,347
Other financial assets measured at amortized cost	12	72,546	66,864	59,279
Total financial assets measured at amortized cost		1,138,262	1,062,530	1,050,326
Financial assets at fair value held for trading	10	169,487	165,437	159,223
of which: assets pledged as collateral that may be sold or repledged by counterparties		*46,336*	*48,262*	*38,532*
Derivative financial instruments	10, 11	170,622	138,620	186,435
Brokerage receivables	10	29,068	28,747	25,858
Financial assets at fair value not held for trading	10	107,503	102,075	95,203
Total financial assets measured at fair value through profit or loss		476,680	434,879	466,719
Financial assets measured at fair value through other comprehensive income	10	6,872	3,216	2,195
Investments in associates		2,628	2,495	2,306
Property, equipment and software		12,425	12,024	12,091
Goodwill and intangible assets		6,753	6,691	6,661
Deferred tax assets		11,112	10,519	10,481
Other non-financial assets	12	17,082	15,134	17,282
Total assets		1,671,814	1,547,489	1,568,060
Liabilities				
Amounts due to banks		31,928	27,794	23,347
Payables from securities financing transactions measured at amortized cost		16,308	14,992	14,824
Cash collateral payables on derivative instruments	11	33,492	32,037	36,366
Customer deposits		804,705	747,452	749,476
Funding from UBS Group AG measured at amortized cost	13	113,000	111,457	107,918
Debt issued measured at amortized cost	15	107,505	98,259	101,104
Other financial liabilities measured at amortized cost	12	18,528	19,421	21,762
Total financial liabilities measured at amortized cost		1,125,466	1,051,412	1,054,796
Financial liabilities at fair value held for trading	10	52,346	43,099	35,247
Derivative financial instruments	10, 11	183,905	142,230	180,678
Brokerage payables designated at fair value	10	57,951	59,921	49,023
Debt issued designated at fair value	10, 14	108,252	107,393	102,567
Other financial liabilities designated at fair value	10, 12	35,529	32,792	34,041
Total financial liabilities measured at fair value through profit or loss		437,984	385,436	401,555
Provisions	16	5,082	5,495	5,131
Other non-financial liabilities	12	8,429	8,024	11,911
Total liabilities		1,576,960	1,450,367	1,473,394
Equity				
Share capital		386	386	386
Share premium		84,705	84,693	84,777
Retained earnings		3,703	9,128	7,838
Other comprehensive income recognized directly in equity, net of tax		5,483	2,346	1,002
Equity attributable to shareholders		94,278	96,553	94,003
Equity attributable to non-controlling interests		576	569	662
Total equity		94,854	97,123	94,666
Total liabilities and equity		1,671,814	1,547,489	1,568,060

Statement of changes in equity

USD m	Share capital and share premium	Retained earnings	OCI recognized directly in equity, net of tax[1]	*of which: foreign currency translation*	*of which: cash flow hedges*	Total equity attributable to shareholders
Balance as of 1 January 2025[2]	85,163	7,838	1,002	*3,686*	*(2,585)*	94,003
Premium on shares issued and warrants exercised	0					0
Tax (expense) / benefit	17					17
Dividends		(6,500)				(6,500)
Translation effects recognized directly in retained earnings		50	(50)		*(50)*	0
Share of changes in retained earnings of associates and joint ventures		(2)				(2)
New consolidations / (deconsolidations) and other increases / (decreases)	(89)	0				(89)
Total comprehensive income for the period		2,317	4,531	*3,404*	*1,107*	6,848
of which: net profit / (loss)		*2,220*				*2,220*
of which: OCI, net of tax		*97*	*4,531*	*3,404*	*1,107*	*4,628*
Balance as of 30 June 2025[2]	85,091	3,703	5,483	*7,090*	*(1,527)*	94,278
Non-controlling interests as of 30 June 2025						576
Total equity as of 30 June 2025						94,854
Balance as of 1 January 2024[2]	25,024	28,235	1,974	*4,947*	*(2,961)*	55,234
Equity recognized due to the merger of UBS AG and Credit Suisse AG[3]	60,571	(18,848)	(291)		*(291)*	41,432
Premium on shares issued and warrants exercised	0					0
Tax (expense) / benefit	9					9
Dividends		(3,000)				(3,000)
Translation effects recognized directly in retained earnings		(52)	52		*52*	0
Share of changes in retained earnings of associates and joint ventures		(1)				(1)
New consolidations / (deconsolidations) and other increases / (decreases)	(393)[4]	26				(367)
Total comprehensive income for the period		1,056	(972)	*(771)*	*(173)*	85
of which: net profit / (loss)		*742*				*742*
of which: OCI, net of tax		*314*	*(972)*	*(771)*	*(173)*	*(657)*
Balance as of 30 June 2024[2]	85,211	7,417	764	*4,177*	*(3,373)*	93,392
Non-controlling interests as of 30 June 2024						855[5]
Total equity as of 30 June 2024						94,247

1 Excludes other comprehensive income related to defined benefit plans and own credit that is recorded directly in Retained earnings. 2 Excludes non-controlling interests. 3 Refer to Note 2 for more information. 4 Mainly reflecting effects from transactions between Credit Suisse AG and its subsidiaries and UBS AG and its subsidiaries prior to the merger in May 2024. 5 Includes an increase of USD 490m in the second quarter of 2024 due to the merger of UBS AG and Credit Suisse AG.

Statement of cash flows

	Year-to-date	
USD m	30.6.25	30.6.24
Cash flow from / (used in) operating activities		
Net profit / (loss)	2,233	790
Non-cash items included in net profit and other adjustments		
Depreciation, amortization and impairment of non-financial assets	1,458	1,162
Credit loss expense / (release)	275	136
Share of net (profit) / loss of associates and joint ventures and impairment related to associates	(157)	(40)
Deferred tax expense / (benefit)	(792)	(355)
Net loss / (gain) from investing activities	(14)	162
Net loss / (gain) from financing activities	13,074	(2,890)
Other net adjustments[1]	(30,564)	10,730
Net change in operating assets and liabilities[1]		
Amounts due from banks and amounts due to banks	6,990	2,209
Receivables from securities financing transactions measured at amortized cost	14,926	17,828
Payables from securities financing transactions measured at amortized cost	1,514	959
Cash collateral on derivative instruments	(3,954)	(8,503)
Loans and advances to customers	(6,143)	5,136
Customer deposits	(1,575)	(7,586)
Financial assets and liabilities at fair value held for trading and derivative financial instruments	33,802	(18,195)
Brokerage receivables and payables	5,294	(438)
Financial assets at fair value not held for trading and other financial assets and liabilities	(12,224)	(17,902)
Provisions and other non-financial assets and liabilities	(2,880)	385
Income taxes paid, net of refunds	(1,237)	(868)
Net cash flow from / (used in) operating activities[2]	**20,027**	**(17,282)**
Cash flow from / (used in) investing activities		
Cash and cash equivalents obtained due to the merger of UBS AG and Credit Suisse AG		121,258
Purchase of subsidiaries, business, associates and intangible assets	(17)	0
Disposal of subsidiaries, business, associates and intangible assets[3]	482[4]	33
Purchase of property, equipment and software	(885)	(691)
Disposal of property, equipment and software	62	3
Purchase of financial assets measured at fair value through other comprehensive income	(7,175)	(2,132)
Disposal and redemption of financial assets measured at fair value through other comprehensive income	2,772	2,501
Purchase of debt securities measured at amortized cost	(14,792)	(1,850)
Disposal and redemption of debt securities measured at amortized cost	5,625	4,848
Net cash flow from / (used in) investing activities	**(13,927)**	**123,971**
Cash flow from / (used in) financing activities		
Repayment of Swiss National Bank funding		(10,304)[5]
Net issuance (repayment) of short-term debt measured at amortized cost	3,009	(2,140)
Distributions paid on UBS AG shares	(6,500)	(3,000)
Issuance of debt designated at fair value and long-term debt measured at amortized cost[6]	62,315	60,796
Repayment of debt designated at fair value and long-term debt measured at amortized cost[6]	(69,435)	(59,139)
Inflows from securities financing transactions measured at amortized cost[7]	565	2,863
Outflows from securities financing transactions measured at amortized cost[7]	(1,561)	
Net cash flows from other financing activities	(505)	(246)
Net cash flow from / (used in) financing activities	**(12,112)**	**(11,170)**
Total cash flow		
Cash and cash equivalents at the beginning of the period	**243,360**	**190,469**
Net cash flow from / (used in) operating, investing and financing activities	(6,012)	95,520
Effects of exchange rate differences on cash and cash equivalents[1]	20,976	(8,472)
Cash and cash equivalents at the end of the period[8]	**258,323**	**277,517**
of which: cash and balances at central banks[8]	*236,193*	*248,335*
of which: amounts due from banks[8]	*19,094*	*18,365*
of which: money market paper[8,9]	*3,036*	*10,816*
Additional information		
Net cash flow from / (used in) operating activities includes:		
Interest received in cash	21,790	20,832
Interest paid in cash	19,593	18,345
Dividends on equity investments, investment funds and associates received in cash[3]	1,803	1,505

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, with the exception of foreign currency hedge effects related to foreign exchange swaps, which are presented on the line Financial assets and liabilities at fair value held for trading and derivative financial instruments. 2 Includes cash receipts from the sale of loans and loan commitments of USD 581m and USD 436m within Non-core and Legacy for the six-month periods ended 30 June 2025 and 30 June 2024, respectively. 3 Includes dividends received from associates. 4 Includes cash proceeds net of cash and cash equivalents disposed from the sale of the US mortgage servicing business of Credit Suisse, Select Portfolio Servicing, which was managed in Non-core and Legacy. Refer to "Note 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information. 5 Reflects the repayment of the Emergency Liquidity Assistance facility to the Swiss National Bank, which was recognized in the balance sheet line Amounts due to banks. 6 Includes funding from UBS Group AG measured at amortized cost (recognized on the balance sheet in Funding from UBS Group AG measured at amortized cost) and measured at fair value (recognized on the balance sheet in Other financial liabilities designated at fair value). 7 Reflects cash flows from securities financing transactions measured at amortized cost that use UBS AG debt instruments as the underlying. 8 Includes only balances with an original maturity of three months or less. 9 Money market paper is included in the balance sheet under Financial assets at fair value not held for trading (30 June 2025: USD 2,431m; 30 June 2024: USD 9,479m), Other financial assets measured at amortized cost (30 June 2025: USD 338m; 30 June 2024: USD 564m), Financial assets measured at fair value through other comprehensive income (30 June 2025: USD 140m; 30 June 2024: USD 344m) and Financial assets at fair value held for trading (30 June 2025: USD 127m; 30 June 2024: USD 430m).

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 2024. 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 2024; the "Management report" sections of this report, specifically the disclosures in the "Recent developments" section of this report regarding the sale of O'Connor hedge funds and the ownership increase in UBS Securities China and in the "UBS AG performance, business divisions and Group Items" section of this report regarding the sale of Select Portfolio Servicing (the US mortgage servicing business of Credit Suisse) and the transactions related to Swisscard; and the information about significant transactions disclosed in the UBS AG first quarter 2025 report. In the opinion of management, all necessary adjustments have been made for a fair presentation of UBS AG's financial position, results of operations and cash flows.

Preparation of these interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities. These estimates and assumptions are based on the best available information. Actual results in the future could differ from such estimates and differences may be material to the financial statements. Revisions to estimates, based on regular reviews, are recognized in the period in which they occur. For more information about areas of estimation uncertainty that are considered to require critical judgment, refer to "Note 1a Material accounting policies" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024.

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.

Currency translation rates

	Closing exchange rate				Average rate[1]				
	As of				For the quarter ended			Year-to-date	
	30.6.25	31.3.25	31.12.24	30.6.24	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
1 CHF	1.26	1.13	1.10	1.11	1.23	1.11	1.10	1.17	1.12
1 EUR	1.18	1.08	1.04	1.07	1.15	1.05	1.07	1.10	1.08
1 GBP	1.37	1.29	1.25	1.26	1.35	1.26	1.26	1.31	1.26
100 JPY	0.69	0.67	0.63	0.62	0.70	0.66	0.63	0.68	0.65

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

Note 2 Accounting for the merger of UBS AG and Credit Suisse AG

Merger of UBS AG and Credit Suisse AG

The merger of UBS AG and Credit Suisse AG effected on 31 May 2024 with no consideration payable by UBS AG constituted a business combination under common control. For details of the accounting for the merger, including accounting policies applicable to business combinations under common control, refer to "Note 1a Material accounting policies" and "Note 2 Accounting for the merger of UBS AG and Credit Suisse AG" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024.

Comparability

The income statement and the statement of comprehensive income for the first and second quarters of 2025 are based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG. The income statement and the statement of comprehensive income for the second quarter of 2024 include one month of consolidated data following the merger of UBS AG and Credit Suisse AG (June 2024) and two months of pre-merger UBS AG data only (April and May 2024). The year-to-date information for 2025 in the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG. The year-to-date information for 2024 in the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows includes one month of consolidated data following the merger of UBS AG and Credit Suisse AG (June 2024) and five months of pre-merger UBS AG data only (January through May 2024). The balance sheet information as of 30 June 2025, 31 March 2025 and 31 December 2024 includes post-merger consolidated information.

Note 3 Segment reporting

UBS AG's business divisions are organized globally into five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank and Non-core and Legacy. All five business divisions are supported by Group Items and qualify as reportable segments for the purpose of segment reporting. Together with Group Items they reflect the management structure of UBS AG.

› **Refer to the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information about UBS AG's reporting segments.**

Segment reporting

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS AG
For the six months ended 30 June 2025							
Net interest income	3,176	2,201	(35)	(1,559)	(134)	(737)	2,912
Non-interest income	9,287	1,890	1,547	7,428	113	621	20,886
Total revenues	12,463	4,091	1,512	5,869	(21)	(116)	23,798
Credit loss expense / (release)	6	172	0	90	9	(1)	275
Operating expenses	10,190	3,030	1,225	4,840	1,488	548	21,322
Operating profit / (loss) before tax	**2,268**	**890**	**286**	**938**	**(1,519)**	**(663)**	**2,201**
Tax expense / (benefit)							(32)
Net profit / (loss)							**2,233**
As of 30 June 2025							
Total assets	**584,075**	**483,669**	**25,446**	**519,800**	**38,337**	**20,487**	**1,671,814**

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS AG
For the six months ended 30 June 2024							
Net interest income	2,521	1,634	(26)	(1,714)	(33)	(856)	1,528
Non-interest income	7,589	1,307	1,169	6,538	218	660	17,481
Total revenues	10,110	2,942	1,143	4,824	186	(196)	19,008
Credit loss expense / (release)	7	120	0	31	(23)	1	136
Operating expenses	8,448	1,808	972	4,284	1,691	487	17,689
Operating profit / (loss) before tax	**1,655**	**1,014**	**172**	**509**	**(1,483)**	**(684)**	**1,183**
Tax expense / (benefit)							393
Net profit / (loss)							**790**
As of 31 December 2024							
Total assets	**560,194**	**449,224**	**22,291**	**453,078**	**67,696**	**15,577**	**1,568,060**

Note 4 Net interest income

Net interest income

	For the quarter ended			Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
Interest income from loans and deposits[1]	5,852	5,767	6,070	11,620	11,508
Interest income from securities financing transactions measured at amortized cost[2]	915	839	1,008	1,754	1,996
Interest income from other financial instruments measured at amortized cost	406	360	320	766	643
Interest income from debt instruments measured at fair value through other comprehensive income	44	27	26	71	54
Interest income from derivative instruments designated as cash flow hedges	(322)	(351)	(532)	(672)	(1,069)
Total interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	6,895	6,643	6,892	13,538	13,132
Interest expense on loans and deposits[3]	3,612	3,713	4,028	7,325	7,584
Interest expense on securities financing transactions measured at amortized cost[4]	554	418	499	972	906
Interest expense on debt issued and funding from UBS Group AG measured at amortized cost[5]	2,603	2,744	2,525	5,346	4,591
Interest expense on lease liabilities	37	35	29	72	51
Total interest expense from financial instruments measured at amortized cost	6,805	6,909	7,080	13,715	13,132
Total net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	89	(266)	(188)	(177)	(1)
Net interest income from financial instruments measured at fair value through profit or loss and other	1,495	1,594	910	3,089	1,528
Total net interest income	1,584	1,328	722	2,912	1,528

1 Consists of interest income from cash and balances at central banks, amounts due from banks, and cash collateral receivables on derivative instruments, as well as negative interest on amounts due to banks, customer deposits, and cash collateral payables on derivative instruments. 2 Includes interest income on receivables from securities financing transactions and negative interest, including fees, on payables from securities financing transactions. 3 Consists of interest expense on amounts due to banks, cash collateral payables on derivative instruments, and customer deposits, as well as negative interest on cash and balances at central banks, amounts due from banks, and cash collateral receivables on derivative instruments. 4 Includes interest expense on payables from securities financing transactions and negative interest, including fees, on receivables from securities financing transactions. 5 Includes interest expense on funding from UBS Group AG measured at amortized cost, previously presented in Interest expense on loans and deposits. Comparative period information has been revised, which resulted in a USD 1.8bn reclassification from Interest expense on loans and deposits to Interest expense on debt issued and funding from UBS Group AG measured at amortized cost for the first quarter of 2025, USD 1.4bn for the second quarter of 2024 and USD 2.7bn for the six months ended 30 June 2024.

Note 5 Net fee and commission income

Net fee and commission income

	For the quarter ended			Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
Underwriting fees	252	219	235	471	458
M&A and corporate finance fees	225	244	262	470	496
Brokerage fees	1,261	1,376	1,095	2,637	2,115
Investment fund fees	1,600	1,543	1,358	3,143	2,559
Portfolio management and related services	3,163	3,102	2,678	6,265	5,134
Other	677	796	562	1,474	1,034
Total fee and commission income[1]	7,179	7,280	6,190	14,459	11,797
of which: recurring	*4,760*	*4,607*	*4,076*	*9,368*	*7,744*
of which: transaction-based	*2,380*	*2,639*	*2,089*	*5,019*	*4,004*
of which: performance-based	*39*	*33*	*25*	*73*	*49*
Fee and commission expense	653	650	589	1,303	1,047
Net fee and commission income	6,526	6,630	5,601	13,156	10,750

1 Reflects third-party fee and commission income for the second quarter of 2025 of USD 4,323m for Global Wealth Management (first quarter of 2025: USD 4,429m; second quarter of 2024: USD 3,697m), USD 768m for Personal & Corporate Banking (first quarter of 2025: USD 735m; second quarter of 2024: USD 589m), USD 984m for Asset Management (first quarter of 2025: USD 939m; second quarter of 2024: USD 774m), USD 1,100m for the Investment Bank (first quarter of 2025: USD 1,134m; second quarter of 2024: USD 1,110m), USD 1m for Non-core and Legacy (first quarter of 2025: USD 29m; second quarter of 2024: USD 42m) and USD 3m for Group Items (first quarter of 2025: USD 15m; second quarter of 2024: negative USD 22m).

Note 6 Other income

Other income

	For the quarter ended			Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
Associates, joint ventures and subsidiaries					
Net gains / (losses) from acquisitions and disposals of subsidiaries[1]	4	(13)[2]	(2)	(9)[2]	(2)
Net gains / (losses) from disposals of investments in associates and joint ventures	0	3	0	3	0
Share of net profit / (loss) of associates and joint ventures	21	136[3]	24	157[3]	39
Total	25	126	22	150	37
Income from properties[4]	8	3	7	10	11
Net gains / (losses) from properties held for sale	(35)	8	0	(28)	0
Income from shared services provided to UBS Group AG or its subsidiaries	154	167	215	322	384
Other	(1)	(22)	63	(23)	83
Total other income	150	281	306	432	515

1 Includes foreign exchange gains / (losses) reclassified from other comprehensive income related to the disposal or closure of foreign operations. 2 Includes a loss of USD 11m recognized upon completion of the sale of Select Portfolio Servicing, the US mortgage servicing business of Credit Suisse, which was managed in Non-core and Legacy. Refer to "Note 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information. 3 Includes a gain of USD 64m related to UBS AG's share of income recorded by Swisscard for the sale of the Credit Suisse card portfolios to UBS AG. Refer to "Note 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information. 4 Includes rent received from third parties.

Note 7 Personnel expenses

Personnel expenses

	For the quarter ended			Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
Salaries and variable compensation[1]	4,882	5,129	4,205	10,011	7,826
of which: variable compensation – financial advisors[2]	*1,335*	*1,409*	*1,291*	*2,744*	*2,558*
Contractors	41	37	24	77	45
Social security	300	310	251	610	459
Post-employment benefit plans	220	257	159	477	346
Other personnel expenses	207	176	158	383	283
Total personnel expenses	**5,649**	**5,910**	**4,797**	**11,559**	**8,958**

1 Includes role-based allowances. 2 Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

Note 8 General and administrative expenses

General and administrative expenses

	For the quarter ended			Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
Outsourcing costs	187	197	191	384	312
Technology costs	244	255	206	499	369
Consulting, legal and audit fees	283	257	240	540	441
Real estate and logistics costs	235	203	190	439	320
Market data services	150	152	126	302	232
Marketing and communication	88	76	70	164	136
Travel and entertainment	78	66	72	145	126
Litigation, regulatory and similar matters[1]	163	196	1,161	359	1,169
Other	2,799	2,676[2]	2,329	5,474[2]	4,466
of which: shared services costs charged by UBS Group AG or its subsidiaries	*2,538*	*2,231*	*2,097*	*4,769*	*4,030*
Total general and administrative expenses	**4,228**	**4,077**	**4,584**	**8,305**	**7,570**

1 Reflects the net increase / (decrease) in provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to Note 16b for more information. 2 Includes a USD 180m expense related to the payment to Swisscard for the sale of the Credit Suisse card portfolios to UBS AG. Refer to "Note 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information.

Note 9 Expected credit loss measurement

a) Credit loss expense / release

Total net credit loss expenses in the second quarter of 2025 were USD 152m, reflecting USD 38m net expenses related to performing positions and USD 114m net expenses on credit-impaired positions.

Stage 1 and 2 net expenses of USD 38m included scenario-update-related net expenses of USD 23m, mainly from corporate lending, and portfolio changes, and USD 13m expenses in anticipation of a portfolio re-calibration in the large corporate clients segment.

Credit loss expenses of USD 114m for credit-impaired positions primarily related to Personal & Corporate Banking and Investment Bank exposures related to a small number of corporate counterparties.

Credit loss expense / (release)

	Performing positions	Credit-impaired positions	
USD m	Stages 1 and 2	Stage 3	**Total**
For the quarter ended 30.6.25			
Global Wealth Management	(3)	1	(2)
Personal & Corporate Banking	22	92	114
Asset Management	0	0	0
Investment Bank	19	22	41
Non-core and Legacy	0	(1)	(1)
Group Items	0	0	0
Total	38	114	152
For the quarter ended 31.3.25			
Global Wealth Management	(7)	15	8
Personal & Corporate Banking	(8)	66	58
Asset Management	0	0	0
Investment Bank	(5)	54	49
Non-core and Legacy	0	10	10
Group Items	(1)	0	(1)
Total	(21)	145	124
For the quarter ended 30.6.24			
Global Wealth Management	(14)	12	(2)
Personal & Corporate Banking	(15)	125	110
Asset Management	0	0	0
Investment Bank	1	(2)	(1)
Non-core and Legacy	(1)	(22)	(23)
Group Items	0	0	0
Total	(29)	113	84

b) Changes to ECL models, scenarios and scenario weights

Scenarios and scenario weights

The expected credit loss (ECL) scenarios, along with their related macroeconomic factors and market data, were reviewed in light of the economic and political conditions prevailing in the second quarter of 2025 through a series of governance meetings, with input and feedback from UBS AG Risk and Finance experts across the business divisions and regions.

The baseline scenario was updated with the latest macroeconomic forecasts as of 30 June 2025. The assumptions on a calendar-year basis are included in the table below and have been revised downward in the US, the Eurozone and Japan relative to the start of 2025 in the second half of the year following the announcement of US tariffs imposed on imports from other countries. In general, forecasts for Swiss GDP growth and unemployment are less optimistic than in 2024, due to spillover effects from the US tariff announcements. Expectations for long-term interest rates were revised and are marginally lower, while forecasts for house prices remained unchanged.

At the beginning of the first quarter of 2025, UBS AG replaced the stagflationary geopolitical crisis scenario applied at the end of 2024 with the global crisis scenario, as the severe downside scenario. It targets risks such as sovereign defaults, low interest rates, a crisis in the Eurozone and significant emerging market stress. The mild stagflation crisis scenario replaced the mild debt crisis scenario as the mild downside scenario. In the mild stagflation crisis scenario, interest rates are assumed to rise rather than decline, as in the previously applied mild debt crisis scenario. However, the declines in GDP and equities are similar.

UBS AG kept the scenarios and scenario weights in line with those applied in the UBS AG first quarter 2025 report. All of the scenarios, including the asset price appreciation and the baseline scenarios, have been updated based on the latest macroeconomic forecasts as of 30 June 2025. The assumptions on a calendar-year basis are included in the table below.

Comparison of shock factors

	Baseline		
Key parameters	2024	2025	2026
Real GDP growth (annual percentage change)			
US	2.8	1.6	1.2
Eurozone	0.8	0.7	1.0
Switzerland	1.4	0.9	1.4
Unemployment rate (%, annual average)			
US	4.0	4.3	4.8
Eurozone	6.4	6.5	6.6
Switzerland	2.5	2.9	2.9
Fixed income: 10-year government bonds (%, Q4)			
USD	4.6	4.2	4.4
EUR	2.4	2.7	2.8
CHF	0.3	0.5	0.6
Real estate (annual percentage change, Q4)			
US	3.8	2.3	3.7
Eurozone	4.2	2.7	3.4
Switzerland	0.9	4.0	2.5

Economic scenarios and weights applied

	Assigned weights in %		
ECL scenario	30.6.25	31.3.25	30.6.24
Asset price appreciation	5.0	5.0	–
Baseline	50.0	50.0	60.0
Mild debt crisis	–	–	15.0
Stagflationary geopolitical crisis	–	–	25.0
Mild stagflation crisis	30.0	30.0	–
Global crisis	15.0	15.0	–

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

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

No purchased credit-impaired financial assets were recognized in the second quarter of 2025. Originated credit-impaired financial assets were not material and are not presented in the table below.

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

ECL-relevant balance sheet and off-balance sheet positions

USD m	30.6.25							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	236,193	236,007	186	0	(263)	0	(263)	0
Amounts due from banks	20,688	20,587	102	0	(12)	(5)	(5)	(2)
Receivables from securities financing transactions measured at amortized cost	110,161	110,161	0	0	(3)	(3)	0	0
Cash collateral receivables on derivative instruments	45,478	45,478	0	0	0	0	0	0
Loans and advances to customers	653,195	623,137	25,571	4,486	(3,187)	(343)	(311)	(2,533)
of which: Private clients with mortgages	*286,744*	*273,655*	*11,641*	*1,448*	*(147)*	*(43)*	*(49)*	*(55)*
of which: Real estate financing	*94,056*	*88,123*	*5,611*	*322*	*(117)*	*(25)*	*(36)*	*(56)*
of which: Large corporate clients	*26,866*	*23,058*	*3,118*	*690*	*(866)*	*(116)*	*(97)*	*(653)*
of which: SME clients	*25,000*	*21,161*	*2,498*	*1,341*	*(1,225)*	*(74)*	*(85)*	*(1,065)*
of which: Lombard	*161,199*	*160,942*	*147*	*110*	*(141)*	*(11)*	*0*	*(130)*
of which: Credit cards	*2,315*	*1,791*	*479*	*45*	*(48)*	*(7)*	*(12)*	*(29)*
of which: Commodity trade finance	*4,263*	*4,236*	*25*	*1*	*(134)*	*(8)*	*0*	*(126)*
of which: Ship / aircraft financing	*8,859*	*8,054*	*727*	*78*	*(20)*	*(15)*	*(5)*	*0*
of which: Consumer financing	*2,894*	*2,707*	*131*	*55*	*(149)*	*(19)*	*(23)*	*(108)*
Other financial assets measured at amortized cost	72,546	71,751	620	176	(129)	(25)	(11)	(93)
of which: Loans to financial advisors	*2,682*	*2,495*	*97*	*90*	*(39)*	*(3)*	*(1)*	*(35)*
Total financial assets measured at amortized cost	1,138,262	1,107,120	26,479	4,662	(3,595)	(378)	(590)	(2,627)
Financial assets measured at fair value through other comprehensive income	6,872	6,872	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements	1,145,133	1,113,992	26,479	4,662	(3,595)	(378)	(590)	(2,627)

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	44,446	43,444	819	184	(93)	(14)	(21)	(58)
of which: Large corporate clients	*7,728*	*7,154*	*480*	*93*	*(54)*	*(6)*	*(5)*	*(42)*
of which: SME clients	*3,280*	*3,007*	*219*	*55*	*(31)*	*(5)*	*(15)*	*(11)*
of which: Financial intermediaries and hedge funds	*26,604*	*26,516*	*87*	*0*	*(1)*	*(1)*	*0*	*0*
of which: Lombard	*3,958*	*3,933*	*1*	*24*	*(3)*	*0*	*0*	*(2)*
of which: Commodity trade finance	*1,874*	*1,873*	*1*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	82,046	77,132	4,688	226	(259)	(139)	(83)	(37)
of which: Large corporate clients	*49,093*	*44,806*	*4,094*	*193*	*(195)*	*(101)*	*(74)*	*(20)*
Forward starting reverse repurchase and securities borrowing agreements	20,143	20,143	0	0	0	0	0	0
Unconditionally revocable loan commitments	153,998	151,188	2,582	227	(62)	(47)	(15)	0
of which: Real estate financing	*8,237*	*7,929*	*309*	*0*	*(3)*	*(4)*	*1*	*0*
of which: Large corporate clients	*14,601*	*13,752*	*817*	*32*	*(15)*	*(8)*	*(5)*	*(2)*
of which: SME clients	*12,030*	*11,420*	*454*	*156*	*(26)*	*(20)*	*(6)*	*0*
of which: Lombard	*75,099*	*75,013*	*74*	*12*	*0*	*0*	*0*	*0*
of which: Credit cards	*11,566*	*11,045*	*518*	*3*	*(9)*	*(7)*	*(2)*	*0*
Irrevocable committed prolongation of existing loans	5,201	5,182	19	0	(2)	(2)	0	0
Total off-balance sheet financial instruments and other credit lines	305,834	297,089	8,108	637	(415)	(202)	(118)	(95)
Total allowances and provisions					(4,010)	(580)	(708)	(2,722)

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

Note 9 Expected credit loss measurement (continued)

ECL-relevant balance sheet and off-balance sheet positions

USD m	31.3.25							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	231,370	231,207	163	0	(240)	0	(240)	0
Amounts due from banks	20,285	20,248	37	0	(11)	(5)	(4)	(1)
Receivables from securities financing transactions measured at amortized cost	101,784	101,784	0	0	(3)	(3)	0	0
Cash collateral receivables on derivative instruments	38,994	38,994	0	0	0	0	0	0
Loans and advances to customers	603,233	576,017	22,744	4,471	(2,955)	(289)	(300)	(2,366)
of which: Private clients with mortgages	*258,849*	*246,480*	*10,943*	*1,426*	*(143)*	*(39)*	*(50)*	*(53)*
of which: Real estate financing	*84,915*	*79,744*	*4,923*	*247*	*(105)*	*(26)*	*(32)*	*(48)*
of which: Large corporate clients	*25,200*	*22,015*	*2,120*	*1,065*	*(915)*	*(82)*	*(111)*	*(722)*
of which: SME clients	*22,033*	*18,578*	*2,318*	*1,137*	*(1,030)*	*(65)*	*(67)*	*(897)*
of which: Lombard	*153,007*	*152,909*	*1*	*97*	*(113)*	*(8)*	*0*	*(105)*
of which: Credit cards	*2,025*	*1,564*	*420*	*41*	*(44)*	*(8)*	*(11)*	*(26)*
of which: Commodity trade finance	*4,331*	*4,311*	*12*	*8*	*(123)*	*(8)*	*0*	*(115)*
of which: Ship / aircraft financing	*8,221*	*7,905*	*316*	*0*	*(19)*	*(16)*	*(4)*	*0*
of which: Consumer financing	*2,617*	*2,403*	*109*	*106*	*(125)*	*(16)*	*(19)*	*(90)*
Other financial assets measured at amortized cost	66,864	66,110	560	194	(127)	(24)	(8)	(96)
of which: Loans to financial advisors	*2,738*	*2,600*	*48*	*89*	*(40)*	*(3)*	*(1)*	*(36)*
Total financial assets measured at amortized cost	**1,062,530**	**1,034,361**	**23,505**	**4,665**	**(3,336)**	**(321)**	**(553)**	**(2,463)**
Financial assets measured at fair value through other comprehensive income	**3,216**	**3,216**	**0**	**0**	**0**	**0**	**0**	**0**
Total on-balance sheet financial assets in scope of ECL requirements	**1,065,747**	**1,037,577**	**23,505**	**4,665**	**(3,336)**	**(321)**	**(553)**	**(2,463)**

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	42,588	40,620	1,800	168	(57)	(13)	(20)	(24)
of which: Large corporate clients	*7,103*	*6,487*	*530*	*87*	*(14)*	*(6)*	*(4)*	*(4)*
of which: SME clients	*2,885*	*2,529*	*316*	*39*	*(22)*	*(3)*	*(15)*	*(4)*
of which: Financial intermediaries and hedge funds	*25,139*	*24,249*	*890*	*0*	*(1)*	*(1)*	*0*	*0*
of which: Lombard	*3,591*	*3,561*	*0*	*30*	*(3)*	*(1)*	*0*	*(2)*
of which: Commodity trade finance	*2,160*	*2,158*	*1*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	79,463	75,299	3,906	257	(233)	(116)	(81)	(36)
of which: Large corporate clients	*48,349*	*45,150*	*3,033*	*165*	*(161)*	*(84)*	*(59)*	*(18)*
Forward starting reverse repurchase and securities borrowing agreements	18,178	18,178	0	0	0	0	0	0
Unconditionally revocable loan commitments	144,907	141,263	3,442	202	(55)	(41)	(14)	0
of which: Real estate financing	*7,384*	*7,030*	*354*	*0*	*(3)*	*(4)*	*1*	*0*
of which: Large corporate clients	*13,497*	*12,751*	*722*	*23*	*(15)*	*(8)*	*(5)*	*(2)*
of which: SME clients	*10,902*	*9,952*	*801*	*149*	*(23)*	*(18)*	*(5)*	*0*
of which: Lombard	*72,767*	*72,757*	*8*	*2*	*0*	*0*	*0*	*0*
of which: Credit cards	*10,285*	*9,815*	*467*	*3*	*(8)*	*(6)*	*(2)*	*0*
Irrevocable committed prolongation of existing loans	4,165	4,162	2	2	(3)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines	**289,302**	**279,523**	**9,150**	**629**	**(348)**	**(172)**	**(115)**	**(61)**
Total allowances and provisions					**(3,685)**	**(493)**	**(668)**	**(2,524)**

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

Note 9 Expected credit loss measurement (continued)

ECL-relevant balance sheet and off-balance sheet positions

USD m	31.12.24							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	223,329	223,201	128	0	(186)	0	(186)	0
Amounts due from banks	18,111	17,912	198	0	(42)	(1)	(5)	(36)
Receivables from securities financing transactions measured at amortized cost	118,302	118,302	0	0	(2)	(2)	0	0
Cash collateral receivables on derivative instruments	43,959	43,959	0	0	0	0	0	0
Loans and advances to customers	587,347	560,531	22,309	4,506	(2,830)	(276)	(323)	(2,230)
of which: Private clients with mortgages	*251,955*	*241,690*	*9,009*	*1,256*	*(166)*	*(46)*	*(70)*	*(50)*
of which: Real estate financing	*83,780*	*79,480*	*4,071*	*229*	*(100)*	*(24)*	*(27)*	*(49)*
of which: Large corporate clients	*25,599*	*21,073*	*3,493*	*1,033*	*(828)*	*(72)*	*(123)*	*(632)*
of which: SME clients	*21,002*	*17,576*	*2,293*	*1,133*	*(963)*	*(55)*	*(47)*	*(860)*
of which: Lombard	*147,714*	*147,326*	*266*	*122*	*(107)*	*(6)*	*0*	*(101)*
of which: Credit cards	*1,978*	*1,533*	*406*	*39*	*(41)*	*(6)*	*(11)*	*(25)*
of which: Commodity trade finance	*4,204*	*4,089*	*106*	*9*	*(122)*	*(9)*	*0*	*(113)*
of which: Ship / aircraft financing	*8,058*	*7,136*	*922*	*0*	*(31)*	*(14)*	*(16)*	*0*
of which: Consumer financing	*2,814*	*2,468*	*114*	*232*	*(137)*	*(15)*	*(19)*	*(102)*
Other financial assets measured at amortized cost	59,279	58,645	439	194	(135)	(25)	(7)	(103)
of which: Loans to financial advisors	*2,723*	*2,568*	*59*	*95*	*(41)*	*(4)*	*(1)*	*(37)*
Total financial assets measured at amortized cost	**1,050,326**	**1,022,550**	**23,074**	**4,701**	**(3,195)**	**(304)**	**(521)**	**(2,369)**
Financial assets measured at fair value through other comprehensive income	**2,195**	**2,195**	**0**	**0**	**0**	**0**	**0**	**0**
Total on-balance sheet financial assets in scope of ECL requirements	**1,052,521**	**1,024,746**	**23,074**	**4,701**	**(3,195)**	**(304)**	**(521)**	**(2,369)**

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	40,280	38,860	1,242	178	(61)	(16)	(24)	(22)
of which: Large corporate clients	*7,818*	*7,098*	*635*	*85*	*(18)*	*(6)*	*(9)*	*(2)*
of which: SME clients	*2,524*	*2,074*	*393*	*57*	*(27)*	*(5)*	*(15)*	*(7)*
of which: Financial intermediaries and hedge funds	*21,590*	*21,449*	*141*	*0*	*(1)*	*(1)*	*0*	*0*
of which: Lombard	*3,709*	*3,652*	*24*	*33*	*(4)*	*(1)*	*0*	*(3)*
of which: Commodity trade finance	*2,678*	*2,676*	*2*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	79,579	75,158	4,178	243	(192)	(105)	(61)	(26)
of which: Large corporate clients	*47,381*	*43,820*	*3,393*	*168*	*(155)*	*(91)*	*(54)*	*(10)*
Forward starting reverse repurchase and securities borrowing agreements	24,896	24,896	0	0	0	0	0	0
Committed unconditionally revocable credit lines	148,900	146,496	2,149	255	(75)	(59)	(17)	0
of which: Real estate financing	*7,674*	*7,329*	*345*	*0*	*(6)*	*(4)*	*(2)*	*0*
of which: Large corporate clients	*14,692*	*14,091*	*584*	*17*	*(22)*	*(14)*	*(7)*	*(2)*
of which: SME clients	*9,812*	*9,289*	*333*	*190*	*(34)*	*(28)*	*(6)*	*0*
of which: Lombard	*73,267*	*73,181*	*84*	*1*	*0*	*0*	*0*	*0*
of which: Credit cards	*10,074*	*9,604*	*467*	*3*	*(8)*	*(6)*	*(2)*	*0*
Irrevocable committed prolongation of existing loans	4,608	4,602	4	2	(3)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines	**298,263**	**290,012**	**7,572**	**678**	**(332)**	**(183)**	**(102)**	**(48)**
Total allowances and provisions					**(3,527)**	**(487)**	**(623)**	**(2,417)**

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

Note 9 Expected credit loss measurement (continued)

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

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

The overall coverage ratio for performing positions was unchanged at 10 basis points as of 30 June 2025. Compared with 31 March 2025, coverage ratios for performing positions related to real estate lending (on-balance sheet) were unchanged at 4 basis points, and coverage ratios for performing positions related to corporate lending (on-balance sheet) increased by 2 basis points to 74 basis points.

Coverage ratios for core loan portfolio

	30.6.25								
	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	286,891	273,698	11,691	1,503	5	2	42	3	365
Real estate financing	94,173	88,149	5,647	378	12	3	63	7	1,475
Total real estate lending	381,064	361,847	17,337	1,880	7	2	49	4	588
Large corporate clients	27,732	23,174	3,215	1,343	312	50	300	81	4,863
SME clients	26,225	21,234	2,584	2,407	467	35	331	67	4,427
Total corporate lending	53,957	44,409	5,799	3,750	388	43	314	74	4,584
Lombard	161,340	160,953	147	240	9	1	0	1	5,407
Credit cards	2,363	1,798	491	74	201	36	250	82	3,898
Commodity trade finance	4,394	4,244	25	124	305	19	0	19	0
Ship / aircraft financing	8,879	8,068	732	78	22	18	70	22	0
Consumer financing	3,043	2,727	154	163	490	70	1,466	145	6,610
Other loans and advances to customers	41,342	39,434	1,197	711	82	6	32	7	4,395
Loans to financial advisors	2,721	2,498	99	125	145	13	140	18	2,777
Total other lending	224,082	219,723	2,845	1,514	39	4	159	6	4,878
Total[1]	659,104	625,978	25,981	7,144	49	6	120	10	3,594
	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	11,178	10,950	222	6	4	3	25	4	0
Real estate financing	9,734	9,401	333	0	8	9	0	8	0
Total real estate lending	20,912	20,351	555	6	6	6	0	6	0
Large corporate clients	71,511	65,801	5,392	318	37	17	156	28	2,012
SME clients	17,371	16,346	780	244	49	22	358	37	915
Total corporate lending	88,882	82,148	6,172	562	39	18	182	30	1,536
Lombard	82,536	82,424	75	36	2	1	0	1	2,337
Credit cards	11,566	11,045	518	3	8	6	36	8	0
Commodity trade finance	2,230	2,223	6	1	3	3	46	3	0
Ship / aircraft financing	2,430	2,390	41	0	0	0	0	0	0
Consumer financing	327	327	0	0	2	2	0	2	0
Financial intermediaries and hedge funds	31,513	30,974	539	0	2	1	7	2	0
Other off-balance sheet commitments	45,295	45,064	203	29	6	5	207	6	199
Total other lending	175,897	174,448	1,381	68	3	2	47	3	1,312
Total[2]	285,692	276,947	8,108	637	15	7	146	11	1,497
Total on- and off-balance sheet[3]	944,795	902,925	34,089	7,781	39	6	126	10	3,423

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

Note 9 Expected credit loss measurement (continued)

Coverage ratios for core loan portfolio

	31.3.25								
	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	258,992	246,519	10,993	1,480	6	2	45	3	361
Real estate financing	85,020	79,771	4,955	295	12	3	64	7	1,613
Total real estate lending	344,012	326,290	15,948	1,774	7	2	51	4	569
Large corporate clients	26,115	22,097	2,231	1,788	350	37	496	79	4,040
SME clients	23,062	18,643	2,385	2,034	446	35	283	63	4,409
Total corporate lending	49,177	40,739	4,616	3,822	395	36	386	72	4,236
Lombard	153,120	152,917	1	203	7	1	31	1	5,198
Credit cards	2,069	1,572	431	66	214	49	255	94	3,847
Commodity trade finance	4,454	4,319	12	123	276	18	10	18	9,376
Ship / aircraft financing	8,240	7,921	319	0	23	20	117	23	0
Consumer financing	2,743	2,418	128	196	457	65	1,500	137	4,598
Other loans and advances to customers	42,373	40,130	1,590	653	80	5	44	7	4,742
Loans to financial advisors	2,778	2,603	49	125	144	13	174	16	2,870
Total other lending	215,777	211,880	2,530	1,367	37	4	165	6	4,991
Total[1]	**608,966**	**578,909**	**23,094**	**6,963**	**49**	**5**	**130**	**10**	**3,450**

	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	9,352	9,083	264	6	4	3	33	4	453
Real estate financing	8,225	7,851	374	0	8	10	0	8	0
Total real estate lending	17,578	16,934	638	6	6	6	0	6	448
Large corporate clients	69,056	64,495	4,286	275	27	15	160	24	874
SME clients	15,801	14,290	1,268	243	52	19	293	41	759
Total corporate lending	84,857	78,785	5,554	518	32	16	190	27	820
Lombard	79,638	79,597	8	33	2	1	14	1	2,461
Credit cards	10,285	9,815	467	3	8	6	37	8	0
Commodity trade finance	3,019	3,001	17	0	2	2	14	2	0
Ship / aircraft financing	2,520	2,486	34	0	0	0	0	0	0
Consumer financing	377	377	0	0	3	3	0	3	0
Financial intermediaries and hedge funds	30,668	29,151	1,517	0	1	1	3	1	0
Other off-balance sheet commitments	42,182	41,199	914	69	10	5	86	7	1,434
Total other lending	168,689	165,626	2,958	105	4	2	34	3	1,707
Total[2]	**271,124**	**261,345**	**9,150**	**629**	**13**	**7**	**126**	**11**	**964**
Total on- and off-balance sheet[3]	**880,089**	**840,254**	**32,244**	**7,592**	**38**	**6**	**129**	**10**	**3,244**

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

Note 9 Expected credit loss measurement (continued)

Coverage ratios for core loan portfolio

	31.12.24								
	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	252,121	241,736	9,079	1,306	7	2	77	5	386
Real estate financing	83,880	79,504	4,098	278	12	3	66	6	1,768
Total real estate lending	336,001	321,240	13,177	1,584	8	2	73	5	628
Large corporate clients	26,427	21,145	3,617	1,665	313	34	341	79	3,795
SME clients	21,966	17,631	2,341	1,993	439	31	203	52	4,316
Total corporate lending	48,393	38,776	5,958	3,659	370	33	287	67	4,079
Lombard	147,821	147,332	267	222	7	0	8	0	4,531
Credit cards	2,019	1,539	416	64	205	39	256	85	3,857
Commodity trade finance	4,327	4,098	106	122	283	22	40	23	9,258
Ship / aircraft financing	8,089	7,150	938	0	38	20	175	38	0
Consumer financing	2,951	2,484	134	334	464	62	1,447	133	3,057
Other loans and advances to customers	40,576	38,188	1,636	752	83	7	56	9	3,965
Loans to financial advisors	2,764	2,571	60	132	149	14	159	17	2,785
Total other lending	208,547	203,363	3,558	1,627	39	4	161	7	4,152
Total[1]	**592,941**	**563,379**	**22,693**	**6,869**	**48**	**5**	**143**	**10**	**3,301**

	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	8,473	8,271	176	26	4	4	22	4	81
Real estate financing	8,694	8,300	394	0	7	6	33	7	0
Total real estate lending	17,167	16,571	570	26	6	5	30	6	81
Large corporate clients	69,896	65,013	4,612	271	28	17	151	26	528
SME clients	13,944	12,788	842	315	59	30	324	48	532
Total corporate lending	83,840	77,800	5,454	586	33	19	177	30	530
Lombard	80,390	80,235	120	35	1	0	1	0	2,330
Credit cards	10,074	9,604	467	3	8	6	36	8	0
Commodity trade finance	3,487	3,464	23	0	3	3	51	3	0
Ship / aircraft financing	2,669	2,663	6	0	13	13	49	13	0
Consumer financing	134	134	0	0	6	6	0	6	0
Financial intermediaries and hedge funds	22,842	22,378	464	0	1	1	8	1	0
Other off-balance sheet commitments	52,765	52,268	468	29	4	2	28	2	2,945
Total other lending	172,360	170,745	1,549	67	3	1	23	2	2,470
Total[2]	**273,367**	**265,117**	**7,572**	**678**	**12**	**7**	**135**	**10**	**704**
Total on- and off-balance sheet[3]	**866,308**	**828,495**	**30,265**	**7,547**	**37**	**6**	**141**	**10**	**3,067**

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

Note 10 Fair value measurement

a) Fair value hierarchy

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

During the first six months of 2025, assets and liabilities that were transferred from Level 2 to Level 1, or from Level 1 to Level 2, and were held for the entire reporting period were not material.

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

	30.6.25				31.3.25				31.12.24			
USD m	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value on a recurring basis												
Financial assets at fair value held for trading	134,759	31,274	3,454	169,487	133,803	27,969	3,665	165,437	128,428	27,687	3,108	159,223
of which: Equity instruments	*117,036*	*370*	*155*	*117,562*	*117,487*	*320*	*138*	*117,945*	*116,536*	*430*	*91*	*117,056*
of which: Government bills / bonds	*8,997*	*3,715*	*139*	*12,851*	*8,304*	*3,468*	*46*	*11,817*	*4,443*	*3,261*	*41*	*7,746*
of which: Investment fund units	*7,554*	*874*	*96*	*8,525*	*7,180*	*949*	*149*	*8,279*	*6,537*	*987*	*151*	*7,675*
of which: Corporate and municipal bonds	*1,167*	*22,996*	*757*	*24,920*	*828*	*20,777*	*876*	*22,480*	*911*	*17,585*	*838*	*19,334*
of which: Loans	*0*	*3,145*	*2,172*	*5,317*	*0*	*2,254*	*2,292*	*4,545*	*0*	*5,200*	*1,799*	*6,998*
of which: Asset-backed securities	*4*	*168*	*134*	*306*	*4*	*197*	*162*	*363*	*1*	*219*	*153*	*373*
Derivative financial instruments	1,315	166,156	3,151	170,622	1,372	134,789	2,459	138,620	795	182,849	2,792	186,435
of which: Foreign exchange	*815*	*77,661*	*81*	*78,558*	*570*	*48,911*	*71*	*49,551*	*472*	*100,572*	*66*	*101,111*
of which: Interest rate	*0*	*37,667*	*884*	*38,550*	*0*	*38,135*	*898*	*39,033*	*0*	*41,193*	*878*	*42,071*
of which: Equity / index	*0*	*44,112*	*1,255*	*45,367*	*0*	*39,940*	*937*	*40,877*	*0*	*35,747*	*1,129*	*36,876*
of which: Credit	*0*	*2,310*	*928*	*3,238*	*0*	*2,668*	*517*	*3,185*	*0*	*2,555*	*581*	*3,136*
of which: Commodities	*2*	*4,267*	*2*	*4,272*	*2*	*4,989*	*35*	*5,026*	*1*	*2,599*	*17*	*2,617*
Brokerage receivables	0	29,068	0	29,068	0	28,747	0	28,747	0	25,858	0	25,858
Financial assets at fair value not held for trading	44,849	53,393	9,261	107,503	40,762	52,129	9,185	102,075	35,910	50,545	8,747	95,203
of which: Financial assets for unit-linked investment contracts	*19,424*	*112*	*1*	*19,537*	*17,398*	*4*	*0*	*17,403*	*17,101*	*6*	*0*	*17,106*
of which: Corporate and municipal bonds	*31*	*19,182*	*91*	*19,303*	*30*	*14,844*	*145*	*15,020*	*31*	*14,695*	*133*	*14,859*
of which: Government bills / bonds	*24,842*	*6,093*	*0*	*30,935*	*22,856*	*6,062*	*0*	*28,919*	*18,264*	*6,204*	*0*	*24,469*
of which: Loans	*0*	*5,626*	*3,734*	*9,360*	*0*	*4,972*	*3,589*	*8,561*	*0*	*4,427*	*3,192*	*7,619*
of which: Securities financing transactions	*0*	*21,208*	*703*	*21,911*	*0*	*24,995*	*731*	*25,726*	*0*	*24,026*	*611*	*24,638*
of which: Asset-backed securities	*0*	*864*	*534*	*1,399*	*0*	*1,041*	*540*	*1,581*	*0*	*972*	*597*	*1,569*
of which: Auction rate securities	*0*	*0*	*191*	*191*	*0*	*0*	*191*	*191*	*0*	*0*	*191*	*191*
of which: Investment fund units	*433*	*137*	*626*	*1,196*	*387*	*123*	*640*	*1,150*	*423*	*133*	*681*	*1,237*
of which: Equity instruments	*119*	*0*	*3,064*	*3,183*	*90*	*0*	*2,930*	*3,020*	*91*	*0*	*2,916*	*3,008*
Financial assets measured at fair value through other comprehensive income on a recurring basis												
Financial assets measured at fair value through other comprehensive income	4,716	2,156	0	6,872	1,130	2,087	0	3,216	59	2,137	0	2,195
of which: Government bills / bonds	*4,644*	*0*	*0*	*4,644*	*1,064*	*0*	*0*	*1,064*	*0*	*0*	*0*	*0*
of which: Commercial paper and certificates of deposit	*0*	*1,926*	*0*	*1,926*	*0*	*1,916*	*0*	*1,916*	*0*	*1,959*	*0*	*1,959*
of which: Corporate and municipal bonds	*71*	*231*	*0*	*302*	*66*	*171*	*0*	*236*	*59*	*178*	*0*	*237*
Non-financial assets measured at fair value on a recurring basis												
Precious metals and other physical commodities	9,465	0	0	9,465	7,623	0	0	7,623	7,341	0	0	7,341
Non-financial assets measured at fair value on a non-recurring basis												
Other non-financial assets[2]	0	0	76	76	0	0	89	89	0	0	84	84
Total assets measured at fair value	**195,104**	**282,047**	**15,942**	**493,093**	**184,689**	**245,720**	**15,398**	**445,808**	**172,532**	**289,076**	**14,731**	**476,340**

Note 10 Fair value measurement (continued)

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

	30.6.25				31.3.25				31.12.24			
USD m	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value on a recurring basis												
Financial liabilities at fair value held for trading	38,240	14,057	50	52,346	30,503	12,565	31	43,099	24,577	10,429	240	35,247
of which: Equity instruments	*30,081*	*215*	*26*	*30,322*	*22,597*	*390*	*21*	*23,008*	*18,528*	*257*	*29*	*18,814*
of which: Corporate and municipal bonds	*0*	*11,953*	*21*	*11,974*	*2*	*10,768*	*5*	*10,775*	*5*	*8,771*	*206*	*8,982*
of which: Government bills / bonds	*5,614*	*1,629*	*0*	*7,243*	*6,490*	*1,210*	*0*	*7,699*	*4,336*	*1,174*	*0*	*5,510*
of which: Investment fund units	*2,545*	*169*	*1*	*2,715*	*1,414*	*96*	*3*	*1,512*	*1,708*	*162*	*3*	*1,873*
Derivative financial instruments	1,294	178,463	4,148	183,905	1,407	136,694	4,130	142,230	829	175,788	4,060	180,678
of which: Foreign exchange	*736*	*88,058*	*56*	*88,850*	*553*	*50,624*	*44*	*51,220*	*506*	*94,077*	*46*	*94,628*
of which: Interest rate	*0*	*33,261*	*307*	*33,568*	*0*	*33,911*	*337*	*34,248*	*0*	*36,313*	*324*	*36,636*
of which: Equity / index	*0*	*50,340*	*3,469*	*53,810*	*0*	*44,707*	*3,293*	*48,000*	*0*	*39,597*	*3,142*	*42,739*
of which: Credit	*0*	*3,192*	*241*	*3,433*	*0*	*3,182*	*374*	*3,556*	*0*	*3,280*	*414*	*3,694*
of which: Commodities	*1*	*3,498*	*11*	*3,510*	*2*	*4,128*	*25*	*4,155*	*1*	*2,200*	*15*	*2,216*
of which: Loan commitments measured at FVTPL	*0*	*12*	*30*	*42*	*0*	*45*	*29*	*74*	*0*	*75*	*62*	*137*
Financial liabilities designated at fair value on a recurring basis												
Brokerage payables designated at fair value	0	57,951	0	57,951	0	59,921	0	59,921	0	49,023	0	49,023
Debt issued designated at fair value	0	96,878	11,374	108,252	0	96,189	11,204	107,393	0	90,725	11,842	102,567
Other financial liabilities designated at fair value	0	31,749	3,780	35,529	0	28,525	4,267	32,792	0	29,779	4,262	34,041
of which: Financial liabilities related to unit-linked investment contracts	*0*	*19,669*	*0*	*19,669*	*0*	*17,528*	*0*	*17,528*	*0*	*17,203*	*0*	*17,203*
of which: Securities financing transactions	*0*	*4,580*	*118*	*4,699*	*0*	*3,985*	*108*	*4,094*	*0*	*5,798*	*0*	*5,798*
of which: Funding from UBS Group AG	*0*	*4,639*	*1,480*	*6,119*	*0*	*4,042*	*1,515*	*5,557*	*0*	*3,848*	*1,494*	*5,342*
of which: Over-the-counter debt instruments and others	*0*	*2,861*	*2,182*	*5,043*	*0*	*2,969*	*2,644*	*5,613*	*0*	*2,930*	*2,768*	*5,698*
Total liabilities measured at fair value	39,535	379,098	19,352	437,984	31,909	333,894	19,633	385,436	25,406	355,744	20,405	401,555

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

b) Valuation adjustments

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

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

Deferred day-1 profit or loss reserves

	For the quarter ended			Year-to-date	
USD m	30.6.25	31.3.25	30.6.24	30.6.25	30.6.24
Reserve balance at the beginning of the period	391	421	379	421	397
Effect from merger of UBS AG and Credit Suisse AG[1]			1		1
Profit / (loss) deferred on new transactions	68	65	59	133	101
(Profit) / loss recognized in the income statement	(41)	(95)	(50)	(135)	(110)
Foreign currency translation	(1)	(1)	(1)	(2)	(1)
Reserve balance at the end of the period	417	391	388	417	388

1 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG.

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

Other valuation adjustment reserves on the balance sheet

	As of		
USD m	30.6.25	31.3.25	31.12.24
Own credit adjustments on financial liabilities designated at fair value[1]	(1,100)	(942)	(1,165)
of which: debt issued designated at fair value	*(774)*	*(680)*	*(780)*
of which: other financial liabilities designated at fair value	*(325)*	*(262)*	*(385)*
Credit valuation adjustments[2]	(40)	(128)	(125)
Funding and debit valuation adjustments	(87)	(69)	(96)
Other valuation adjustments	(966)	(971)	(1,206)
of which: liquidity	*(586)*	*(570)*	*(746)*
of which: model uncertainty	*(380)*	*(401)*	*(460)*

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

c) Level 3 instruments: valuation techniques and inputs

The table below presents material Level 3 assets and liabilities, together with the valuation techniques used to measure fair value, as well as the inputs used in a given valuation technique that are considered significant as of 30 June 2025 and unobservable, and a range of values for those unobservable inputs.

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

The significant unobservable inputs disclosed in the table below are consistent with those included in "Note 21 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024.

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

	Fair value						Range of inputs						
	Assets		Liabilities				30.6.25			31.12.24			
USD bn	30.6.25	31.12.24	30.6.25	31.12.24	Valuation technique(s)	Significant unobservable input(s)[1]	low	high	weighted average[2]	low	high	weighted average[2]	unit[1]
Financial assets and liabilities at fair value held for trading and Financial assets at fair value not held for trading													
Corporate and municipal bonds	*0.8*	*1.0*	*0.0*	*0.2*	Relative value to market comparable	Bond price equivalent	12	104	77	23	114	98	points
Loans at fair value (held for trading and not held for trading) and guarantees[3]	*6.0*	*5.2*	*0.0*	*0.0*	Relative value to market comparable	Loan price equivalent	3	101	93	1	173	84	points
					Discounted expected cash flows	Credit spread	17	294	94	16	545	195	basis points
					Market comparable and securitization model	Credit spread	98	1,958	225	75	1,899	208	basis points
Asset-backed securities	*0.7*	*0.7*	*0.0*	*0.0*	Relative value to market comparable	Bond price equivalent	5	105	80	0	112	79	points
Investment fund units[4]	*0.7*	*0.8*	*0.0*	*0.0*	Relative value to market comparable	Net asset value							
Equity instruments[4]	*3.2*	*3.0*	*0.0*	*0.0*	Relative value to market comparable	Price							
Debt issued designated at fair value[3]			11.4	11.8									
Other financial liabilities designated at fair value[3]			3.8	4.3	Discounted expected cash flows	Funding spread	95	224		95	201		basis points
Derivative financial instruments													
Interest rate	*0.9*	*0.9*	*0.3*	*0.3*	Option model	Volatility of interest rates	53	119		50	156		basis points
						IR-to-IR correlation	68	99		60	99		%
					Discounted expected cash flows	Funding spread	5	20		5	20		basis points
Credit	*0.9*	*0.6*	*0.2*	*0.4*	Discounted expected cash flows	Credit spreads	3	1,760		2	1,789		basis points
						Credit correlation	50	58		50	66		%
						Recovery rates	0	100		0	100		%
					Option model	Credit volatility	60	143		59	127		%
						Recovery rates	0	40					%
Equity / index	*1.3*	*1.1*	*3.5*	*3.1*	Option model	Equity dividend yields	0	10		0	16		%
						Volatility of equity stocks, equity and other indices	3	99		4	126		%
						Equity-to-FX correlation	(65)	74		(65)	80		%
						Equity-to-equity correlation	(10)	100		0	100		%
Loan commitments measured at FVTPL			*0.0*	*0.1*	Relative value to market comparable	Loan price equivalent	80	100		60	101		points

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

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

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

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

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

	30.6.25		31.3.25		31.12.24	
USD m	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Loans at fair value (held for trading and not held for trading) and guarantees[2]	141	(112)	147	(115)	185	(143)
Securities financing transactions	25	(14)	25	(20)	30	(24)
Auction rate securities	8	(4)	8	(6)	8	(6)
Asset-backed securities	19	(17)	23	(18)	32	(28)
Equity instruments	387	(370)	348	(314)	333	(308)
Investment fund units	178	(180)	176	(178)	179	(181)
Loan commitments measured at FVTPL	13	(41)	15	(47)	38	(42)
Interest rate derivatives, net	68	(58)	77	(65)	115	(70)
Credit derivatives, net	78	(108)	88	(108)	112	(117)
Foreign exchange derivatives, net	6	(5)	4	(3)	3	(2)
Equity / index derivatives, net	690	(577)	619	(503)	732	(617)
Other	216	(115)	256	(152)	289	(161)
Total	1,830	(1,601)	1,785	(1,528)	2,056	(1,700)

1 Sensitivity of issued and over-the-counter debt instruments is reported with the equivalent derivative or Other. 2 Sensitivity of funded derivatives is reported under equivalent derivatives.

e) Level 3 instruments: movements during the period

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

Assets and liabilities transferred into or out of Level 3 are presented as if those assets or liabilities had been transferred on 1 January 2025.

Note 10 Fair value measurement (continued)

Movements of Level 3 instruments

USD bn	**Balance at the beginning of the period**	Effect from merger of UBS AG and Credit Suisse AG	Net gains / losses included in comprehensive income[1]	*of which: related to instruments held at the end of the period*	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Foreign currency translation	**Balance at the end of the period**
For the six months ended 30 June 2025[2]												
Financial assets at fair value held for trading	3.1		(0.0)	*(0.1)*	0.4	(1.1)	1.1	(0.4)	0.4	(0.1)	0.1	3.5
of which: Equity instruments	*0.1*		*(0.0)*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.1*	*(0.0)*	*0.0*	*0.2*
of which: Corporate and municipal bonds	*0.8*		*(0.0)*	*(0.0)*	*0.3*	*(0.4)*	*0.0*	*(0.0)*	*0.1*	*(0.1)*	*0.0*	*0.8*
of which: Loans	*1.8*		*0.1*	*(0.0)*	*0.0*	*(0.5)*	*1.1*	*(0.3)*	*0.0*	*(0.0)*	*0.0*	*2.2*
Derivative financial instruments – assets	2.8		(0.0)	*0.1*	0.0	(0.0)	1.3	(0.9)	0.3	(0.3)	0.0	3.2
of which: Interest rate	*0.9*		*0.1*	*0.1*	*0.0*	*(0.0)*	*0.0*	*(0.2)*	*0.1*	*(0.0)*	*(0.1)*	*0.9*
of which: Equity / index	*1.1*		*(0.2)*	*(0.2)*	*0.0*	*0.0*	*0.7*	*(0.3)*	*0.1*	*(0.2)*	*0.0*	*1.3*
of which: Credit	*0.6*		*0.1*	*0.2*	*0.0*	*(0.0)*	*0.5*	*(0.3)*	*0.1*	*(0.1)*	*0.0*	*0.9*
Financial assets at fair value not held for trading	8.7		0.7	*0.6*	0.1	(0.3)	0.7	(0.8)	0.1	(0.1)	0.2	9.3
of which: Loans	*3.2*		*0.7*	*0.7*	*0.0*	*(0.0)*	*0.5*	*(0.7)*	*0.0*	*(0.0)*	*0.1*	*3.7*
of which: Auction rate securities	*0.2*		*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.2*
of which: Equity instruments	*2.9*		*0.1*	*0.1*	*0.1*	*(0.1)*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.1*	*3.1*
of which: Investment fund units	*0.7*		*0.0*	*0.0*	*0.0*	*(0.1)*	*0.0*	*(0.0)*	*0.0*	*0.0*	*0.0*	*0.6*
of which: Asset-backed securities	*0.6*		*(0.0)*	*(0.0)*	*0.0*	*(0.1)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*0.5*
Derivative financial instruments – liabilities	4.1		0.2	*0.2*	0.0	(0.0)	1.2	(1.0)	0.1	(0.6)	0.1	4.1
of which: Interest rate	*0.3*		*0.1*	*0.1*	*0.0*	*(0.0)*	*0.0*	*(0.1)*	*0.0*	*(0.0)*	*0.0*	*0.3*
of which: Equity / index	*3.1*		*0.2*	*0.2*	*0.0*	*0.0*	*1.1*	*(0.6)*	*0.1*	*(0.5)*	*0.1*	*3.5*
of which: Credit	*0.4*		*(0.0)*	*(0.1)*	*0.0*	*0.0*	*0.1*	*(0.2)*	*0.0*	*(0.0)*	*(0.0)*	*0.2*
of which: Loan commitments measured at FVTPL	*0.1*		*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*0.0*
Debt issued designated at fair value	11.8		0.3	*0.3*	0.0	0.0	2.6	(1.7)	0.8	(2.9)	0.5	11.4
Other financial liabilities designated at fair value	4.3		(0.1)	*(0.1)*	0.0	(0.0)	0.4	(0.8)	0.0	(0.0)	0.1	3.8
For the six months ended 30 June 2024												
Financial assets at fair value held for trading	1.8	7.8	0.0	*(0.0)*	0.3	(1.0)	0.7	(1.4)	0.1	(0.3)	(0.0)	8.0
of which: Equity instruments	*0.1*	*0.1*	*(0.0)*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*(0.0)*	*0.2*
of which: Corporate and municipal bonds	*0.6*	*0.4*	*(0.1)*	*(0.1)*	*0.2*	*(0.2)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.9*
of which: Loans	*0.9*	*7.0*	*0.1*	*0.1*	*0.0*	*(0.7)*	*0.7*	*(1.4)*	*(0.0)*	*(0.3)*	*(0.0)*	*6.4*
Derivative financial instruments – assets	1.3	0.7	(0.1)	*(0.0)*	0.0	(0.0)	0.7	(0.4)	0.4	(0.2)	(0.0)	2.3
of which: Interest rate	*0.3*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*(0.1)*	*0.2*	*(0.0)*	*0.0*	*0.4*
of which: Equity / index	*0.7*	*0.2*	*(0.0)*	*(0.0)*	*0.0*	*0.0*	*0.5*	*(0.2)*	*0.1*	*(0.1)*	*(0.0)*	*1.2*
of which: Credit	*0.3*	*0.1*	*(0.1)*	*(0.0)*	*0.0*	*0.0*	*0.1*	*(0.1)*	*0.1*	*(0.0)*	*(0.0)*	*0.5*
Financial assets at fair value not held for trading	4.1	4.1	(0.1)	*(0.1)*	0.3	0.0	1.1	(1.4)	0.1	(0.1)	(0.0)	8.0
of which: Loans	*1.3*	*0.8*	*(0.1)*	*(0.1)*	*0.1*	*0.0*	*0.7*	*(0.1)*	*0.0*	*(0.1)*	*(0.0)*	*2.6*
of which: Auction rate securities	*1.2*	*0.0*	*0.0*	*(0.0)*	*0.0*	*0.0*	*0.0*	*(1.1)*	*0.0*	*0.0*	*0.0*	*0.2*
of which: Equity instruments	*1.1*	*1.8*	*0.0*	*0.0*	*0.1*	*(0.0)*	*0.0*	*0.0*	*0.0*	*0.0*	*(0.0)*	*2.9*
of which: Investment fund units	*0.2*	*0.4*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.7*
of which: Asset-backed securities	*0.0*	*0.5*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*(0.0)*	*0.5*
Derivative financial instruments – liabilities	3.2	0.9	(0.1)	*(0.1)*	0.1	(0.0)	1.7	(1.4)	0.4	(0.3)	(0.0)	4.4
of which: Interest rate	*0.1*	*0.1*	*(0.1)*	*(0.0)*	*0.0*	*0.0*	*0.1*	*0.0*	*0.1*	*(0.0)*	*0.0*	*0.2*
of which: Equity / index	*2.7*	*0.2*	*0.1*	*0.0*	*0.1*	*(0.0)*	*1.5*	*(1.2)*	*0.3*	*(0.2)*	*(0.0)*	*3.4*
of which: Credit	*0.3*	*0.2*	*(0.0)*	*(0.1)*	*0.0*	*(0.0)*	*0.1*	*(0.1)*	*0.0*	*(0.0)*	*(0.0)*	*0.4*
of which: Loan commitments measured at FVTPL	*0.0*	*0.4*	*(0.1)*	*(0.1)*	*0.0*	*(0.0)*	*0.0*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.3*
Debt issued designated at fair value	7.8	4.5	0.2	*0.2*	0.0	(0.0)	2.9	(2.5)	0.6	(1.9)	(0.1)	11.5
Other financial liabilities designated at fair value	2.3	1.9	(0.1)	*(0.1)*	0.0	(0.0)	1.1	(0.2)	0.0	(0.1)	(0.0)	4.9

1 Net gains / losses included in comprehensive income are recognized in Net interest income and Other net income from financial instruments measured at fair value through profit or loss in the Income statement, and also in Gains / (losses) from own credit on financial liabilities designated at fair value, before tax in the Statement of comprehensive income. 2 Total Level 3 assets as of 30 June 2025 were USD 15.9bn (31 December 2024: USD 14.7bn). Total Level 3 liabilities as of 30 June 2025 were USD 19.4bn (31 December 2024: USD 20.4bn).

f) Financial instruments not measured at fair value

The table below reflects the estimated fair values of financial instruments not measured at fair value. Valuation principles applied when determining fair value estimates for financial instruments not measured at fair value are consistent with those described in "Note 21 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024.

Financial instruments not measured at fair value

	30.6.25		31.3.25		31.12.24	
USD bn	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Cash and balances at central banks	236.2	236.2	231.4	231.4	223.3	223.3
Amounts due from banks	20.7	20.7	20.3	20.3	18.1	18.1
Receivables from securities financing transactions measured at amortized cost	110.2	110.2	101.8	101.8	118.3	118.3
Cash collateral receivables on derivative instruments	45.5	45.5	39.0	39.0	44.0	44.0
Loans and advances to customers	653.2	649.3	603.2	597.1	587.3	582.4
Other financial assets measured at amortized cost	72.5	71.3	66.9	65.4	59.3	57.5
Liabilities						
Amounts due to banks	31.9	31.9	27.8	27.8	23.3	23.4
Payables from securities financing transactions measured at amortized cost	16.3	16.3	15.0	15.0	14.8	14.8
Cash collateral payables on derivative instruments	33.5	33.5	32.0	32.0	36.4	36.4
Customer deposits	804.7	805.5	747.5	748.2	749.5	750.0
Funding from UBS Group AG measured at amortized cost	113.0	117.2	111.5	115.3	107.9	112.5
Debt issued measured at amortized cost	107.5	107.9	98.3	98.7	101.1	102.7
Other financial liabilities measured at amortized cost[1]	14.9	14.9	15.6	15.6	17.9	17.9

1 Excludes lease liabilities.

Note 11 Derivative instruments

a) Derivative instruments

As of 30.6.25, USD bn	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities[1]	Other notional values[2]
Derivative financial instruments				
Interest rate	38.6	33.6	3,687	18,031
Credit derivatives	3.2	3.4	132	
Foreign exchange	78.6	88.9	8,221	372
Equity / index	45.4	53.8	1,579	98
Commodities	4.3	3.5	174	19
Other[3]	0.6	0.7	168	
Total derivative financial instruments, based on netting under IFRS Accounting Standards[4]	170.6	183.9	13,961	18,519
Further netting potential not recognized on the balance sheet[5]	(153.5)	(162.0)		
of which: netting of recognized financial liabilities / assets	*(130.5)*	*(130.5)*		
of which: netting with collateral received / pledged	*(23.0)*	*(31.5)*		
Total derivative financial instruments, after consideration of further netting potential	17.1	21.9		

As of 31.3.25, USD bn				
Derivative financial instruments				
Interest rate	39.0	34.2	3,722	18,048
Credit derivatives	3.2	3.6	173	
Foreign exchange	49.6	51.2	7,255	294
Equity / index	40.9	48.0	1,419	104
Commodities	5.0	4.2	180	19
Other[3]	0.9	1.1	178	
Total derivative financial instruments, based on netting under IFRS Accounting Standards[4]	138.6	142.2	12,927	18,465
Further netting potential not recognized on the balance sheet[5]	(123.2)	(127.9)		
of which: netting of recognized financial liabilities / assets	*(100.9)*	*(100.9)*		
of which: netting with collateral received / pledged	*(22.3)*	*(27.0)*		
Total derivative financial instruments, after consideration of further netting potential	15.4	14.4		

As of 31.12.24, USD bn				
Derivative financial instruments				
Interest rate	42.1	36.6	3,650	16,844
Credit derivatives	3.1	3.7	144	
Foreign exchange	101.1	94.6	7,216	269
Equity / index	36.9	42.7	1,365	93
Commodities	2.6	2.2	155	17
Other[3]	0.6	0.8	87	
Total derivative financial instruments, based on netting under IFRS Accounting Standards[4]	186.4	180.7	12,617	17,223
Further netting potential not recognized on the balance sheet[5]	(162.6)	(166.4)		
of which: netting of recognized financial liabilities / assets	*(135.6)*	*(135.6)*		
of which: netting with collateral received / pledged	*(27.1)*	*(30.8)*		
Total derivative financial instruments, after consideration of further netting potential	23.8	14.3		

1 In cases where derivative financial instruments are presented on a net basis on the balance sheet, the respective notional values of the netted derivative financial instruments are still presented on a gross basis. Notional amounts of client-cleared ETD and OTC transactions through central clearing counterparties are not disclosed, as they have a significantly different risk profile. 2 Other notional values relate to derivatives that are cleared through either a central counterparty or an exchange and settled on a daily basis. The fair value of these derivatives is presented on the balance sheet within Cash collateral receivables on derivative instruments and Cash collateral payables on derivative instruments. 3 Includes Loan commitments measured at FVTPL, as well as unsettled purchases and sales of non-derivative financial instruments for which the changes in the fair value between trade date and settlement date are recognized as derivative financial instruments. 4 Financial assets and liabilities are presented net on the balance sheet if UBS AG has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS AG or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Refer to "Note 22 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information. 5 Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 22 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information.

b) Cash collateral on derivative instruments

USD bn	Receivables 30.6.25	Payables 30.6.25	Receivables 31.3.25	Payables 31.3.25	Receivables 31.12.24	Payables 31.12.24
Cash collateral on derivative instruments, based on netting under IFRS Accounting Standards[1]	45.5	33.5	39.0	32.0	44.0	36.4
Further netting potential not recognized on the balance sheet[2]	(29.2)	(17.5)	(24.3)	(17.1)	(28.3)	(22.6)
of which: netting of recognized financial liabilities / assets	*(27.3)*	*(15.5)*	*(22.2)*	*(15.0)*	*(25.9)*	*(20.2)*
of which: netting with collateral received / pledged	*(2.0)*	*(2.0)*	*(2.1)*	*(2.1)*	*(2.4)*	*(2.4)*
Cash collateral on derivative instruments, after consideration of further netting potential	16.2	16.0	14.7	14.9	15.7	13.8

1 Financial assets and liabilities are presented net on the balance sheet if UBS AG has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS AG or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. 2 Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 22 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information.

Note 12 Other assets and liabilities

a) Other financial assets measured at amortized cost

USD m	30.6.25	31.3.25	31.12.24
Debt securities	52,642	48,095	41,583
Loans to financial advisors	2,682	2,738	2,723
Fee- and commission-related receivables	2,716	2,493	2,231
Finance lease receivables	6,811	6,104	5,934
Settlement and clearing accounts	457	444	430
Accrued interest income	2,195	2,127	2,196
Other[1]	5,043	4,864	4,182
Total other financial assets measured at amortized cost	72,546	66,864	59,279

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

b) Other non-financial assets

USD m	30.6.25	31.3.25	31.12.24
Precious metals and other physical commodities	9,465	7,623	7,341
Deposits and collateral provided in connection with litigation, regulatory and similar matters[1]	2,132	2,012	1,946
Prepaid expenses	1,271	1,285	1,194
Current tax assets	1,347	1,410	1,504
VAT, withholding tax and other tax receivables	974	816	1,129
Properties and other non-current assets held for sale	186	189	195
Assets of disposal groups held for sale[2]			1,823
Other	1,708	1,799	2,149
Total other non-financial assets	17,082	15,134	17,282

1 Refer to Note 16 for more information. 2 Refer to Note 6 for more information about the sale of Select Portfolio Servicing.

c) Other financial liabilities measured at amortized cost

USD m	30.6.25	31.3.25	31.12.24
Other accrued expenses	2,607	2,646	2,732
Accrued interest expenses	5,317	4,910	5,862
Settlement and clearing accounts	1,892	2,193	1,925
Lease liabilities	3,631	3,824	3,871
Other	5,081	5,849	7,372
Total other financial liabilities measured at amortized cost	18,528	19,421	21,762

d) Other financial liabilities designated at fair value

USD m	30.6.25	31.3.25	31.12.24
Financial liabilities related to unit-linked investment contracts	19,669	17,528	17,203
Securities financing transactions	4,699	4,093	5,798
Over-the-counter debt instruments and other	5,043	5,613	5,698
Funding from UBS Group AG[1]	6,119	5,557	5,342
Total other financial liabilities designated at fair value	35,529	32,792	34,041

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

e) Other non-financial liabilities

USD m	30.6.25	31.3.25	31.12.24
Compensation-related liabilities	5,501	4,460	6,897
of which: net defined benefit liability	*739*	*704*	*691*
Current tax liabilities	934	1,697	1,536
Deferred tax liabilities	322	303	283
VAT, withholding tax and other tax payables	914	888	1,067
Deferred income	639	596	614
Liabilities of disposal groups held for sale[1]			1,212
Other	119	80	304
Total other non-financial liabilities	8,429	8,024	11,911

1 Refer to Note 6 for more information about the sale of Select Portfolio Servicing.

Note 13 Funding from UBS Group AG measured at amortized cost

Funding from UBS Group AG measured at amortized cost

USD m	30.6.25	31.3.25	31.12.24
Debt contributing to total loss-absorbing capacity (TLAC)	87,555	88,236	87,036
Debt eligible as high-trigger loss-absorbing additional tier 1 capital instruments[1]	18,656	18,325	14,585
Debt eligible as low-trigger loss-absorbing additional tier 1 capital instruments			1,245
Other[2]	6,789	4,895	5,051
Total funding from UBS Group AG measured at amortized cost[3,4]	**113,000**	**111,457**	**107,918**

1 For 30 June 2025, includes USD 10.2bn (31 March 2025: USD 10.1bn; 31 December 2024: USD 6.9bn) that is, upon the occurrence of a trigger event or a viability event, subject to conversion into ordinary UBS shares. 2 Includes debt no longer eligible as TLAC having a residual maturity of less than one year and high-trigger loss-absorbing additional tier 1 capital instruments that ceased to be eligible when UBS Group AG issued notice of redemption. 3 Consists of subordinated debt of UBS AG and its subsidiaries toward UBS Group AG. Subordinated debt consists of unsecured debt obligations that are contractually subordinated in right of payment to all other present and future non-subordinated obligations of the respective issuing entity. 4 UBS AG has also recognized funding from UBS Group AG that is designated at fair value. Refer to Note 12d for more information.

Note 14 Debt issued designated at fair value

Debt issued designated at fair value

USD m	30.6.25	31.3.25	31.12.24
Equity-linked[1]	59,645	57,151	54,069
Rates-linked	23,607	23,778	23,641
Credit-linked	4,197	5,354	5,225
Fixed-rate	15,027	15,178	14,250
Commodity-linked	3,140	3,462	3,592
Other	2,636	2,470	1,789
Total debt issued designated at fair value[2]	**108,252**	**107,393**	**102,567**
of which: issued by UBS AG standalone with original maturity greater than one year[3]	*89,883*	*85,588*	*82,491*
of which: issued by Credit Suisse International standalone with original maturity greater than one year[3]	*2*	*110*	*96*

1 Includes investment fund unit-linked instruments issued. 2 As of 30 June 2025, 100% of Total debt issued designated at fair value was unsecured (31 March 2025: 100% and 31 December 2024: 100%). 3 Based on original contractual maturity without considering any early redemption features.

Note 15 Debt issued measured at amortized cost

Debt issued measured at amortized cost

USD m	30.6.25	31.3.25	31.12.24
Short-term debt[1]	**35,306**	**30,582**	**30,509**
Senior unsecured debt	29,414	30,106	33,416
of which: issued by UBS AG standalone with original maturity greater than one year	*29,370*	*30,071*	*32,621*
Covered bonds	11,479	9,089	8,814
Subordinated debt	673	676	689
of which: eligible as non-Basel III-compliant tier 2 capital instruments	*196*	*205*	*207*
Debt issued through the Swiss central mortgage institutions	30,158	27,378	27,251
Other long-term debt	476	429	424
Long-term debt[2]	**72,199**	**67,677**	**70,595**
Total debt issued measured at amortized cost[3,4]	**107,505**	**98,259**	**101,104**

1 Debt with an original contractual maturity of less than one year, includes mainly certificates of deposit and commercial paper. 2 Debt with an original contractual maturity greater than or equal to one year. The classification of debt issued into short-term and long-term does not consider any early redemption features. 3 Net of bifurcated embedded derivatives, the fair value of which was not material for the periods presented. 4 Except for Covered bonds (100% secured), Debt issued through the Swiss central mortgage institutions (100% secured) and Other long-term debt (93% secured), 100% of the balance was unsecured as of 30 June 2025.

Note 16 Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions.

Overview of total provisions

USD m	30.6.25	31.3.25	31.12.24
Provisions other than provisions for expected credit losses	4,666	5,146	4,799
Provisions for expected credit losses[1]	415	348	332
Total provisions	5,082	5,495	5,131

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.

Additional information for provisions other than provisions for expected credit losses

USD m	Litigation, regulatory and similar matters[1]	Restructuring[2]	Real estate[3]	Other[4]	Total
Balance as of 31 December 2024	3,598	699	224	278	4,799
Balance as of 31 March 2025	3,848	781	223	294	5,146
Increase in provisions recognized in the income statement	299[5]	284	0	30	613
Release of provisions recognized in the income statement	(137)	(169)	(2)	(21)	(330)
Provisions used in conformity with designated purpose	(703)[6]	(258)	(5)	(30)	(996)
Foreign currency translation and other movements	139	45	24	24	232
Balance as of 30 June 2025	3,446	684	240	296	4,666

1 Consists of provisions for losses resulting from legal, liability and compliance risks. 2 Includes USD 265m of provisions for onerous contracts related to real estate as of 30 June 2025 (31 March 2025: USD 374m; 31 December 2024: USD 383m); USD 363m of personnel-related restructuring provisions as of 30 June 2025 (31 March 2025: USD 342m; 31 December 2024: USD 262m) and USD 55m of provisions for onerous contracts related to technology as of 30 June 2025 (31 March 2025: USD 66m; 31 December 2024: USD 54m). 3 Mainly includes provisions for reinstatement costs with respect to leased properties. 4 Mainly includes provisions related to employee benefits, VAT and operational risks. 5 Includes a new provision for the estimated costs associated with UBS AG's ongoing obligations as described in item 1 of section b) of this Note. 6 Mainly includes provisions used for the resolution reached with the US Department of Justice in the second quarter of 2025 as described in item 1 of section b) of this Note.

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 16a above. UBS provides below an estimate of the aggregate liability for its 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 3.1bn.

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 Items[1]

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS AG
Balance as of 31 December 2024	1,271	147	1	266	1,779	135	3,598
Balance as of 31 March 2025	1,318	153	0	293	1,878	205	3,848
Increase in provisions recognized in the income statement	16	0	0	12	270[2]	2	299
Release of provisions recognized in the income statement	(2)	0	0	(3)	(132)	0	(137)
Provisions used in conformity with designated purpose	(15)	0	0	(11)	(673)[3]	(4)	(703)
Foreign currency translation and other movements	98	14	0	17	10	0	139
Balance as of 30 June 2025	1,415	167	0	308	1,353	202	3,446

1 Provisions, if any, for the matters described in items 2 and 9 of this Note are recorded in Global Wealth Management. Provisions, if any, for the matters described in items 4, 5, 6, 7 and 8 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 10 of this Note are allocated between the Investment Bank and Non-core and Legacy. 2 Includes a new provision for the estimated costs of UBS AG's ongoing obligations with the US Department of Justice as described in item 1 of this Note. 3 Mainly includes provisions used for the resolution reached with the US Department of Justice in the second quarter of 2025 as described in item 1 of this Note.

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 AG entered into settlement agreements with the SEC, the Federal Reserve, and the New York Department of Financial Services and agreed with the US Department of Justice (the DOJ) to plead guilty to conspiring to aid and assist US taxpayers in filing false tax returns (the 2014 Plea Agreement). Credit Suisse continued to report to and cooperate with US authorities in accordance with its obligations under the 2014 Plea Agreement, 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 2014 Plea Agreement. In May 2025, Credit Suisse Services AG entered into a plea agreement (the 2025 Plea Agreement) with the DOJ under which it agreed to plead guilty to one count of conspiracy to aid and assist in the preparation of false income tax returns relating to legacy Credit Suisse accounts booked in Credit Suisse's Swiss booking center, thereby settling the investigation into Credit Suisse's implementation of the 2014 Plea Agreement. In addition, Credit Suisse Services AG entered into a non-prosecution agreement with the DOJ (the 2025 NPA) relating to legacy Credit Suisse accounts booked in Credit Suisse's Singapore booking center. The 2025 Plea Agreement and the 2025 NPA provide for penalties, restitution and forfeiture of USD 511m in the aggregate. The 2025 Plea Agreement and the 2025 NPA include ongoing obligations of UBS to furnish information and cooperate with DOJ's investigations of legacy Credit Suisse accounts held by US persons in its Switzerland and Singapore booking centers and related accounts in other booking centers. In the second quarter of 2025, we recorded in our Non-core and Legacy division a USD 41m net increase in provisions, which included a new provision for the estimated costs of UBS's ongoing obligations with the DOJ.

Our balance sheet at 30 June 2025 reflected provisions in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

2. Madoff

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

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

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

In the US, the BMIS Trustee filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2bn. In 2014, the US Supreme Court rejected the BMIS Trustee's motion for leave to appeal decisions, dismissing all claims 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 cases were 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 UK 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 appealed the decision to the European General Court and, in July 2025, the court issued a judgment reducing the fine to EUR 28.9m. The European Commission is permitted to appeal the decision. 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 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. In addition, 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. Credit Suisse and UBS entered into agreements to settle all claims in this action in April 2022 and February 2024, respectively. Credit Suisse's settlement received court approval and became final in May 2025. UBS's settlement remains subject to court approval.

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.

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, and 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 US District Court for the Southern District of New York (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 SDNY 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 federal court in 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; the US Court of Appeals for the Ninth Circuit affirmed the dismissal. In June 2025, the US Supreme Court denied plaintiffs' petition to challenge the decisions of the lower courts.

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 January 2023, defendants 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, which amount was confirmed on appeal in March 2025. UBS has appealed to the European Court of Justice.

Credit default swap auction litigation – In June 2021, Credit Suisse, along with other banks and entities, was named in a putative class action filed in federal court in 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 appealed and, in May 2025, the Second Circuit affirmed the SDNY decision.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, UBS's balance sheet at 30 June 2025 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. 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 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. In August 2025, CSS LLC entered into an agreement with the DOJ to resolve all of Credit Suisse's outstanding Consumer Relief Obligations under the 2017 settlement by paying USD 300m. UBS AG is fully provisioned for this settlement, which will not have a material effect on its financial statements for the third quarter of 2025.

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.

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. Following a non-jury trial, the court issued a decision in December 2024 that the plaintiff established liability relating to certain of the loans at issue, and in May 2025, the court awarded damages of approximately USD 66m plus interest and costs. The parties have appealed the decision on liability. 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.

5. 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 Second Circuit affirmed a September 2019 ruling by the EDNY granting defendants' motion to dismiss the first filed lawsuit. In October 2023, the US 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 cases defendants moved to dismiss plaintiffs' amended complaints.

6. Customer account matters

Several clients have claimed that a former relationship manager in Switzerland had exceeded his investment authority in the management of their portfolios, resulting in excessive concentrations of certain exposures and investment losses. Credit Suisse AG 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 now-concluded civil lawsuit, Credit Suisse Trust Limited was ordered to pay USD 461m, including interest and costs.

In Bermuda, in the civil lawsuit brought against Credit Suisse Life (Bermuda) Ltd., the Supreme Court of Bermuda issued a judgment awarding damages of USD 607.35m to the plaintiff. Credit Suisse Life (Bermuda) Ltd. appealed the decision. In June 2023, the Bermuda Court of Appeal confirmed the award and the Supreme Court of Bermuda's finding that Credit Suisse Life (Bermuda) Ltd. breached its contractual and fiduciary duties, but overturned the finding that Credit Suisse Life (Bermuda) Ltd. made fraudulent misrepresentations. In March 2024, Credit Suisse Life (Bermuda) Ltd. was granted leave to appeal the judgment to the Judicial Committee of the Privy Council and a hearing on the appeal was held in June 2025. The Bermuda Court of Appeal also ordered that the current stay continue pending determination of the appeal on the condition that the damages awarded, plus interest calculated at the Bermuda statutory rate of 3.5%, remain in the escrow account.

In Switzerland, certain civil lawsuits have been commenced against Credit Suisse AG in the Court of First Instance of Geneva since March 2023.

7. 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 Credit Suisse Securities (Europe) Limited (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. In January 2025, as permitted under the terms of the DPA, the DOJ elected to extend the term of the DPA by one year.

8. 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 February 2025, the court granted class certification for two of the three classes proposed by plaintiffs and denied class certification of the third proposed class.

9. 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. In November 2024, the court issued a judgment that acquitted UBS AG and annulled the fine and compensatory claim ordered by the first instance court. In February 2025, the court affirmed the acquittal of UBS AG, and the Office of the Attorney General has appealed the judgment to the Swiss Federal Supreme Court. UBS has also appealed, limited to the issue whether a successor entity by merger can be criminally liable for acts of the predecessor entity.

10. 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, the WEKO, 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 Supplemental guarantor information

In 2015, the Personal & Corporate Banking and Wealth Management businesses booked in Switzerland were transferred from UBS AG to UBS Switzerland AG through an asset transfer in accordance with the Swiss Merger Act. Under the terms of the asset transfer agreement, UBS Switzerland AG assumed joint liability for contractual obligations of UBS AG existing on the asset transfer date, including the full and unconditional guarantee of certain SEC-registered debt securities issued by UBS AG. The joint liability of UBS Switzerland AG for contractual obligations of UBS AG increased in the first half of 2025 by USD 0.1bn to USD 2.7bn as of 30 June 2025. The increase reflected foreign currency effects, partly offset by contractual maturities and fair value movements.

UBS AG, together with UBS Group AG, has fully and unconditionally guaranteed the outstanding SEC-registered debt securities of Credit Suisse (USA), LLC, which as of 30 June 2025 consisted of a single outstanding issuance with a balance of USD 742m maturing in July 2032. Credit Suisse (USA), LLC is an indirect, wholly owned subsidiary of UBS AG. UBS AG assumed Credit Suisse AG's obligations under the guarantee as of 31 May 2024 (i.e. the date of the merger). In accordance with the guarantee, if Credit Suisse (USA), LLC fails to make a timely payment under the agreements governing such debt securities, the holders of the debt securities may demand payment from either UBS Group AG or UBS AG, without first proceeding against Credit Suisse (USA), LLC.

Comparison between UBS AG consolidated and UBS Group AG consolidated

The table below provides a comparison of selected financial and capital information of UBS AG consolidated and of UBS Group AG consolidated.

UBS AG and UBS Group AG both prepare consolidated financial statements in accordance with IFRS Accounting Standards. UBS Group AG has applied acquisition accounting as defined by IFRS 3, *Business Combinations*, to the acquisition of the Credit Suisse Group in 2023. The merger of UBS AG and Credit Suisse AG on 31 May 2024 has been accounted for as a business combination under common control, as defined in IFRS 3, using the historic carrying values of the assets and liabilities of Credit Suisse AG as at the date of the transaction (31 May 2024), determined under IFRS Accounting Standards. Therefore, differences exist between the accounting treatments applied at the UBS Group AG and UBS AG consolidated levels. There are also certain scope and presentation differences, as noted below.

› **Refer to "Note 2 Accounting for the merger of UBS AG and Credit Suisse AG" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information about the accounting for the merger of UBS AG and Credit Suisse AG**

Assets, liabilities, revenues, operating expenses and tax expenses / (benefits) relating to UBS Group AG and its directly held subsidiaries, including UBS Business Solutions AG, are reflected in the consolidated financial statements of UBS Group AG but not in those of UBS AG. UBS AG's assets, liabilities, revenues and operating expenses related to transactions with UBS Group AG and its directly held subsidiaries, including UBS Business Solutions AG and other shared services subsidiaries, are not subject to elimination in the UBS AG consolidated financial statements, but are eliminated in the UBS Group AG consolidated financial statements.

In the second quarter of 2025, UBS AG consolidated recognized a net profit of USD 1,198m, while UBS Group AG consolidated recognized a net profit of USD 2,402m. The USD 1,205m difference was mainly due to certain purchase price allocation (PPA) effects recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group. These resulted in net accretion income at the UBS Group AG level, net of tax effects, whereas UBS AG has not applied acquisition accounting and does not have the PPA effects or the corresponding net income. The PPA effects also resulted in net releases for litigation, regulatory and similar matters for UBS Group AG (while UBS AG incurred net expenses). Other differences in net profit mainly arise as UBS Business Solutions AG and other shared services subsidiaries of UBS Group AG charge other legal entities within the UBS AG consolidation scope a markup on costs incurred for services provided.

As of 30 June 2025, the total assets of UBS AG consolidated were USD 1.8bn higher than the total assets of UBS Group AG consolidated. The difference mainly reflected PPA effects recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group, partly offset by consolidation scope differences. The total liabilities of UBS AG consolidated were USD 3.3bn lower than the total liabilities of UBS Group AG, mainly due to consolidation scope differences and PPA effects.

The equity of UBS AG consolidated was USD 5.2bn higher than the equity of UBS Group AG consolidated as of 30 June 2025. This difference was mainly due to PPA effects of USD 3.6bn recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group that did not impact UBS AG consolidated, primarily related to loans and loan commitments measured at amortized cost and contingent liabilities recognized under IFRS 3 for litigation, as well as consolidation scope differences of USD 1.4bn. The difference in the equity between the two scopes decreased by USD 4.4bn in the second quarter of 2025, mainly driven by the higher dividend paid by UBS AG to UBS Group AG compared with the dividend distribution of UBS Group AG.

The going concern capital of UBS AG consolidated was USD 3.2bn lower than the going concern capital of UBS Group AG consolidated as of 30 June 2025, reflecting the common equity tier 1 (CET1) capital of UBS AG being lower by USD 2.9bn and going concern loss-absorbing additional tier 1 (AT1) capital being USD 0.4bn lower.

The USD 2.9bn lower CET1 capital of UBS AG consolidated was primarily due to a USD 12.9bn difference in dividend accruals between UBS AG and UBS Group AG, largely offset by UBS Group AG consolidated equity being USD 5.2bn lower, compensation-related regulatory capital accruals at the UBS Group AG level of USD 2.8bn, a capital reserve for expected future share repurchases of USD 2.0bn and a USD 0.5bn effect from eligible deferred tax assets on temporary differences.

The quarterly average liquidity coverage ratio (the LCR) of UBS AG consolidated was 2.9 percentage points lower than the quarterly average LCR of UBS Group AG consolidated. The difference mainly reflected the higher net cash outflows of UBS AG consolidated from intercompany deposits and loans that are not within the Group consolidation scope but are within the UBS AG consolidation scope.

The net stable funding ratio (NSFR) of UBS AG consolidated was 1.5 percentage points lower than the NSFR of UBS Group AG consolidated. The difference primarily reflected lower UBS AG consolidated eligible regulatory capital as compared to UBS Group AG consolidated.

Comparison between UBS AG consolidated and UBS Group AG consolidated

	As of or for the quarter ended 30.6.25			As of or for the quarter ended 31.3.25			As of or for the quarter ended 31.12.24		
USD m, except where indicated	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Income statement									
Total revenues	11,635	12,112	(477)	12,163	12,557	(393)	11,317	11,635	(318)
Credit loss expense / (release)	152	163	(11)	124	100	24	241	229	12
Operating expenses	10,621	9,756	865	10,701	10,324	377	11,017	10,359	658
Operating profit / (loss) before tax	862	2,193	(1,331)	1,339	2,132	(793)	59	1,047	(989)
Net profit / (loss)	1,198	2,402	(1,205)	1,035	1,702	(667)	(254)	779	(1,034)
Balance sheet									
Total assets	1,671,814	1,669,991	1,823	1,547,489	1,543,363	4,126	1,568,060	1,565,028	3,033
Total liabilities	1,576,960	1,580,292	(3,332)	1,450,367	1,455,773	(5,406)	1,473,394	1,479,454	(6,060)
Total equity	94,854	89,699	5,155	97,123	87,590	9,532	94,666	85,574	9,092
Capital, liquidity and funding information									
Common equity tier 1 capital	69,829	72,709	(2,880)	70,756	69,152	1,604	73,792	71,367	2,425
Going concern capital	88,485	91,721	(3,236)	89,081	87,837	1,244	89,623	87,739	1,884
Risk-weighted assets	498,327	504,500	(6,172)	481,539	483,276	(1,737)	495,110	498,538	(3,429)
Common equity tier 1 capital ratio (%)	14.0	14.4	(0.4)	14.7	14.3	0.4	14.9	14.3	0.6
Going concern capital ratio (%)	17.8	18.2	(0.4)	18.5	18.2	0.3	18.1	17.6	0.5
Total loss-absorbing capacity ratio (%)	36.5	37.9	(1.4)	38.0	38.7	(0.8)	36.7	37.2	(0.5)
Leverage ratio denominator	1,660,097	1,658,089	2,008	1,565,845	1,561,583	4,261	1,523,277	1,519,477	3,799
Common equity tier 1 leverage ratio (%)	4.2	4.4	(0.2)	4.5	4.4	0.1	4.8	4.7	0.1
Liquidity coverage ratio (%)[1]	179.4	182.3	(2.9)	180.3	181.0	(0.7)	186.1	188.4	(2.3)
Net stable funding ratio (%)	120.9	122.4	(1.5)	122.8	124.2	(1.4)	124.1	125.5	(1.4)

1 The disclosed ratios represent quarterly averages for the quarters presented and are calculated based on an average of 61 data points in the second quarter of 2025, 62 data points in the first quarter of 2025 and 64 data points in the fourth quarter of 2024. Refer to the "Liquidity and funding management" section of the UBS Group second quarter 2025 report, available under "Quarterly reporting" at ubs.com/investors, for more information.

Appendix

Alternative performance measures

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

APM label	Calculation	Information content
Cost / income ratio (%)	Calculated as operating expenses divided by total revenues.	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues.
Cost of credit risk[1] (bps)	Calculated as total credit loss expense / (release) (annualized for reporting periods shorter than 12 months) divided by the average balance of lending assets for the reporting period, expressed in basis points. Lending assets include the gross amounts of Amounts due from banks and Loans and advances to customers.	This measure provides information about the total credit loss expense / (release) incurred in relation to the average balance of gross lending assets for the period.
Credit-impaired lending assets as a percentage of total lending assets, gross (%)	Calculated as credit-impaired lending assets divided by total lending assets. Lending assets includes the gross amounts of Amounts due from banks and Loans and advances to customers. Credit-impaired lending assets refers to the sum of stage 3 and purchased credit-impaired positions.	This measure provides information about the proportion of credit-impaired lending assets in the overall portfolio of gross lending assets.
Fee-generating assets (USD) – Global Wealth Management	Calculated as the sum of discretionary and nondiscretionary wealth management portfolios (mandate volume) and assets where generated revenues are predominantly of a recurring nature, i.e. mainly investment, mutual, hedge and private-market funds where we have a distribution agreement, including client commitments into closed-ended private-market funds from the date that recurring fees are charged. Assets related to our Global Financial Intermediaries business are excluded, as are assets of sanctioned clients.	This measure provides information about the volume of invested assets that create a revenue stream, whether as a result of the nature of the contractual relationship with clients or through the fee structure of the asset. An increase in the level of fee-generating assets results in an increase in the associated revenue stream. Assets of sanctioned clients are excluded from fee-generating assets.
Gross margin on invested assets[1] (bps) – Asset Management	Calculated as total revenues (annualized for reporting periods shorter than 12 months) divided by average invested assets.	This measure provides information about the total revenues of the business in relation to invested assets.
Impaired loan portfolio as a percentage of total loan portfolio, gross (%) – Global Wealth Management, Personal & Corporate Banking	Calculated as impaired loan portfolio divided by total gross loan portfolio.	This measure provides information about the proportion of impaired loan portfolio in the total gross loan portfolio.
Integration-related expenses (USD)	Generally include costs of internal staff and contractors substantially dedicated to integration activities, retention awards, redundancy costs, incremental expenses from the shortening of useful lives of property, equipment and software, and impairment charges relating to these assets. Classification as integration-related expenses does not affect the timing of recognition and measurement of those expenses or the presentation thereof in the income statement. Integration-related expenses incurred by Credit Suisse also included expenses associated with restructuring programs that existed prior to the acquisition.	This measure provides information about expenses that are temporary, incremental and directly related to the integration of Credit Suisse into UBS.

APM label	Calculation	Information content
Invested assets (USD and CHF) – Global Wealth Management, Personal & Corporate Banking, Asset Management	Calculated as the sum of managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts.	This measure provides information about the volume of client assets managed by or deposited with UBS for investment purposes.
Net interest margin[1] (bps) – Personal & Corporate Banking	Calculated as net interest income (annualized for reporting periods shorter than 12 months) divided by average loans.	This measure provides information about the profitability of the business by calculating the difference between the price charged for lending and the cost of funding, relative to loan value.
Net new assets (USD) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period, plus interest and dividends. Excluded from the calculation are movements due to market performance, foreign exchange translation, fees, and the effects on invested assets of strategic decisions by UBS to exit markets or services.	This measure provides information about the development of invested assets during a specific period as a result of net new asset flows, plus the effect of interest and dividends.
Net new assets growth rate (%) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period (annualized for reporting periods shorter than 12 months), plus interest and dividends, divided by total invested assets at the beginning of the period.	This measure provides information about the growth of invested assets during a specific period as a result of net new asset flows.
Net new deposits (USD) – Global Wealth Management	Calculated as the net amount of inflows and outflows of deposits recorded during a specific period. Deposits include customer deposits and customer brokerage payables. Excluded from the calculation are movements due to fair value measurement, foreign exchange translation, accrued interest and fees, as well as the effects on customer deposits of strategic decisions by UBS to exit markets or services.	This measure provides information about the development of deposits during a specific period as a result of net new deposit flows.
Net new fee-generating assets (USD) – Global Wealth Management	Calculated as the net amount of fee-generating asset inflows and outflows, including dividend and interest inflows into mandates and outflows from mandate fees paid by clients during a specific period. Excluded from the calculation are the effects on fee-generating assets of strategic decisions by UBS to exit markets or services.	This measure provides information about the development of fee-generating assets during a specific period as a result of net flows, excluding movements due to market performance and foreign exchange translation, as well as the effects on fee-generating assets of strategic decisions by UBS to exit markets or services.
Net new loans (USD) – Global Wealth Management	Calculated as the net amount of originations, drawdowns and repayments of loans recorded during a specific period. Loans include loans and advances to customers and customer brokerage receivables. Excluded from the calculation are allowances, movements due to fair value measurement and foreign exchange translation, as well as the effects on loans and advances to customers of strategic decisions by UBS to exit markets or services.	This measure provides information about the development of loans during a specific period as a result of net new loan flows.
Net new money (USD) – Global Wealth Management, Asset Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period. Excluded from the calculation are movements due to market performance, foreign exchange translation, dividends, interest and fees, as well as the effects on invested assets of strategic decisions by UBS to exit markets or services. Net new money is not measured for Personal & Corporate Banking.	This measure provides information about the development of invested assets during a specific period as a result of net new money flows.
Net profit growth (%)	Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period.	This measure provides information about profit growth since the comparison period.
Operating expenses (underlying) (USD)	Calculated by adjusting operating expenses as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of operating expenses, while excluding items that management believes are not representative of the underlying performance of the businesses.

APM label	Calculation	Information content
Operating profit / (loss) before tax (underlying) (USD)	Calculated by adjusting operating profit / (loss) before tax as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of operating profit / (loss) before tax, while excluding items that management believes are not representative of the underlying performance of the businesses.
Pre-tax profit growth (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as the change in net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by net profit before tax attributable to shareholders from continuing operations of the comparison period.	This measure provides information about pre-tax profit growth since the comparison period.
Pre-tax profit growth (underlying) (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as the change in net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by net profit before tax attributable to shareholders from continuing operations of the comparison period. Net profit before tax attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about pre-tax profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.
Recurring net fee income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking	Calculated as the total of fees for services provided on an ongoing basis, such as portfolio management fees, asset-based investment fund fees and custody fees, which are generated on client assets, and administrative fees for accounts.	This measure provides information about the amount of recurring net fee income.
Return on attributed equity[1] (%)	Calculated as business division operating profit before tax (annualized for reporting periods shorter than 12 months) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity.
Return on common equity tier 1 capital[1] (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average common equity tier 1 capital.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital.
Return on equity[1] (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders.	This measure provides information about the profitability of the business in relation to equity.
Return on tangible equity[1] (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders less average goodwill and intangible assets.	This measure provides information about the profitability of the business in relation to tangible equity.
Revenues over leverage ratio denominator, gross[1] (%)	Calculated as total revenues (annualized for reporting periods shorter than 12 months) divided by the average leverage ratio denominator.	This measure provides information about the revenues of the business in relation to the leverage ratio denominator.
Tangible book value per share (USD)	Calculated as equity attributable to shareholders less goodwill and intangible assets divided by the number of shares outstanding.	This measure provides information about tangible net assets on a per-share basis.
Total book value per share (USD)	Calculated as equity attributable to shareholders divided by the number of shares outstanding.	This measure provides information about net assets on a per-share basis.
Total revenues (underlying) (USD)	Calculated by adjusting total revenues as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Transaction-based income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking	Calculated as the total of the non-recurring portion of net fee and commission income, mainly composed of brokerage and transaction-based investment fund fees, and credit card fees, as well as fees for payment and foreign-exchange transactions, together with other net income from financial instruments measured at fair value through profit or loss.	This measure provides information about the amount of the non-recurring portion of net fee and commission income, together with other net income from financial instruments measured at fair value through profit or loss.
Underlying cost / income ratio (%)	Calculated as underlying operating expenses (as defined above) divided by underlying total revenues (as defined above).	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.

APM label	Calculation	Information content
Underlying net profit growth (%)	Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period. Net profit attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying return on attributed equity[1] (%)	Calculated as underlying business division operating profit before tax (annualized for reporting periods shorter than 12 months) (as defined above) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying return on common equity tier 1 capital[1] (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average common equity tier 1 capital. Net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying return on tangible equity[1] (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders less average goodwill and intangible assets. Net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to tangible equity, while excluding items that management believes are not representative of the underlying performance of the businesses.

1 Profit or loss information for each of the second quarter of 2025 and the first quarter of 2025 is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG and for the purpose of the calculation of return measures has been annualized by multiplying such by four. Profit or loss information for the second quarter of 2024 is presented on a consolidated basis, including Credit Suisse AG data for one month (June 2024), and for the purpose of the calculation of return measures has been annualized multiplying such by four. Profit or loss information for the first six months of 2025 is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG and for the purpose of the calculation of return measures has been annualized by multiplying such by two. Profit or loss information for the first six months of 2024 is presented on a consolidated basis, including Credit Suisse AG data for one month (June 2024), and for the purpose of the calculation of return measures has been annualized by multiplying such by two.

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

Abbreviations frequently used in our financial reports

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

Abbreviations frequently used in our financial reports (continued)

K

KRT	Key Risk Taker

L

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

M

M&A	mergers and acquisitions
MRT	Material Risk Taker

N

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

O

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

P

PCI	purchased credit impaired
PD	probability of default
PIT	point in time
PPA	purchase price allocation

Q

QCCP	qualifying central counterparty

R

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

S

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

T

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

U

USD	US dollar

V

VaR	value-at-risk
VAT	value added tax

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

Information sources

Reporting publications

Annual publications

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

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

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

Quarterly publications

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

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

Other information

Website

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

Results presentations

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

Messaging service

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

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

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

Cautionary statement regarding forward-looking statements | This report contains statements that constitute "forward-looking statements", including but not limited to management's outlook for UBS's financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development and goals or intentions to achieve climate, sustainability and other social objectives. While these forward-looking statements represent UBS's judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. In particular, the global economy may suffer significant adverse effects from increasing political tensions between world powers, changes to international trade policies, including those related to tariffs and trade barriers, and ongoing conflicts in the Middle East, as well as the continuing Russia–Ukraine war. UBS's acquisition of the Credit Suisse Group has materially changed its outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to continue through 2026 and presents significant operational and execution risk, including the risks that UBS may be unable to achieve the cost reductions and business benefits contemplated by the transaction, that it may incur higher costs to execute the integration of Credit Suisse and that the acquired business may have greater risks or liabilities than expected. Following the failure of Credit Suisse, Switzerland is considering significant changes to its capital, resolution and regulatory regime, which, if adopted, would significantly increase our capital requirements or impose other costs on UBS. These factors create greater uncertainty about forward-looking statements. Other factors that may affect UBS's performance and ability to achieve its plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility and the size of the combined Group; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions; (iii) inflation and interest rate volatility in major markets; (iv) developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates, residential and commercial real estate markets, general economic conditions, and changes to national trade policies on the financial position or creditworthiness of UBS's clients and counterparties, as well as on client sentiment and levels of activity; (v) changes in the availability of capital and funding, including any adverse changes in UBS's credit spreads and credit ratings of UBS, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the EU and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS's business activities; (vii) UBS's ability to successfully implement resolvability and related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS in response to legal and regulatory requirements including heightened requirements and expectations due to its acquisition of the Credit Suisse Group; (viii) UBS's ability to maintain and improve its systems and controls for complying with sanctions in a timely manner and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in the current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS's competitive position, including whether differences in regulatory capital and other requirements among the major financial centers adversely affect UBS's ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to its businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of its RWA; (xiii) UBS's ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xiv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xv) UBS's ability to implement new technologies and business methods, including digital services, artificial intelligence and other technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvi) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xvii) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks, data leakage and systems failures, the risk of which is increased with persistently high levels of cyberattack threats; (xviii) restrictions on the ability of UBS Group AG, UBS AG and regulated subsidiaries of UBS AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS's operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xix) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS's ability to maintain its stated capital return objective; (xx) uncertainty over the scope of actions that may be required by UBS, governments and others for UBS to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and the increasing divergence among regulatory regimes; (xxi) the ability of UBS to access capital markets; (xxii) the ability of UBS to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, conflict, pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event; and (xxiii) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on its reputation and the additional consequences that this may have on its business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. UBS's business and financial performance could be affected by other factors identified in its past and future filings and reports, including those filed with the US Securities and Exchange Commission (the SEC). More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including the UBS Group AG and UBS AG Annual Reports on Form 20-F for the year ended 31 December 2024. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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