



Annual General Meeting

UBS Group AG on 8 April 2020

Speech by Ralph Hamers, Group Chief Executive Officer

Check against delivery.

Good morning, valued shareholders, and thank you very much, Axel.

I am delighted to be here. Of course, I would much prefer it if we could see each other face to face. I miss personal contact, as I'm sure you do too, with family, with friends, with clients and with colleagues. Asking "How are you?" really means something again. We have to look out for one another.

On the subject of personal contact, I have been made very welcome by everyone at UBS. I'm very grateful for that, and I feel very comfortable here.

However, as UBS shareholders, you want to know more than that: how is your bank performing? What happens next? In which direction do we want to go? Over the next few minutes, I'm going to try to answer those questions here.

During my first six months at UBS, it has become clear to me that, as a bank, we are already in a very strong position. That was made particularly apparent by our reaction to the pandemic over the last year. I am proud of the way that my colleagues here in Switzerland and around the world have coped with the multiple challenges associated with COVID-19.

In this kind of situation, having sound foundations is essential: we have strong client relationships, which have often been in place for many years. For many of our clients, we are the bank.

We have a strong brand and a robust balance sheet, both of which promise quality and stability.

Our business model is the right one, and we are broadly diversified.

Above all, we have a strong team: I sense that everyone at the firm is determined to maintain and build on UBS's leading position. And I also feel that they have the courage to tread new paths.

None of us will forget 2020 any time soon. Much was unfamiliar to us, but we could also see that new ways of working are possible. We never lost contact with our clients. We were there for them. That's our job, whatever the situation.

I would also like to thank my predecessor, Sergio Ermotti. From early on, UBS set up a business model that would deliver steady revenues and constantly generate capital. The bank was an early investor in technology. That's precisely why we were able to continue to advise and support our clients during the pandemic, with no interruption to our services, even while working from home.

Our work was very successful last year – in all areas, without exception. We achieved or exceeded all our objectives. The return on CET1 capital of over 17% shows that our firm creates value.

And 2020 also showed that we are big and strong where it matters, to all our stakeholders:

- We are the largest truly global wealth manager and also No. 1 in Asia. Assets under management have increased to over 3 trillion dollars.
- We also manage nearly 1.1 trillion dollars in Asset Management.
- The Investment Bank is in the top five worldwide for equities and the top three for FX trading.
- And we are Switzerland's leading universal bank.

Improved cooperation across all regions and divisions is paying off, because that's how we serve our clients best.

Working together is important. In business, but also in society. Especially in a crisis, we all need to stand together even more closely. And we've done that, too. We have supported COVID-related projects, in Switzerland and around the world. Our employees have helped numerous organizations that are local to them. My special thanks go to everyone who worked for the good of all during this last year, in addition to doing their day jobs. And to those who are still doing so.

Now we are slowly finding a way out of the pandemic. Unfortunately, it's taking longer than we all would like. The world will be different from how it was before this crisis. And our successes last year are by no means a guarantee of success in the future.

The challenges are becoming no less significant:

- People's expectations of digital services have been advanced by several years due to the pandemic. That's why we need to continue to invest in developing technology, today more than ever. But you can only invest if you have the necessary critical mass and are profitable.
- Negative interest rates are putting banks' traditional business models under pressure. Many banks today don't earn their cost of capital. However, we could also see a chance in this environment to create investment opportunities for our clients.
- Climate change is one of the biggest challenges for us all and will change economies forever. The UN Climate Conference estimates that the investment required to run a CO₂-neutral economy is 3.5 trillion dollars a year. As the world's leading wealth manager, we can play an important role here and advise our clients accordingly.

And, of course, I haven't even mentioned geopolitical tensions, the challenges of the regulatory environment and everyday problems, such as the highly competitive market.

Ladies and gentlemen, for our clients, our internal organization is not important. They just want to be confident that everything works properly. They want to be given the best solutions for their problems, easily, quickly and reliably. They want a partner who knows what they need right now and who understands the questions that will arise in the future – and how to answer those.

That entails being open-minded in our dealings with other players in the market. As we heard the Chairman say, tech companies are the big winners from this crisis, and we can learn a great deal from them – for example about using data. I also regard tech giants and fintechs as our partners, and that's why we are working with them, for example on the Cloud, and on finding new solutions for our clients. These partnerships enable us to be faster and more flexible, I am sure that we can benefit from them as a firm. But they mean that in the future we must also be a great deal more agile in our work.

What is a bank actually for? Perhaps someone wants to build a house. Or found a new company, or expand his or her business into new markets. Or a couple want to invest their assets so that their children and grandchildren can benefit from them. These are important decisions in life. You can only discuss such decisions with someone that you trust: trust their advice, their expertise, their knowledge.

That's why, for me, trust is at the heart of our work. Firstly, our clients have to be able to trust us to do what is best for them. And, secondly, I want to equip all our employees, at all levels, with the skills to find the best services for our clients – and then provide those services, quickly and at their own initiative.

Finally, it's a question of what makes UBS different – what is the real meaning and purpose of what we do? We are in the process of peeling back the layers to identify that "purpose," with the help of many colleagues from all areas of the firm. Not as a marketing slogan for outsiders, but as our own internal compass that will help us to continue to do the right thing in the future. For our clients, for our employees, and for all our stakeholders.

As well as purpose, the other thing that's important for me is focus: what do we want to do? And what should we leave aside? In the bank, we have defined six topics on which we should concentrate:

1. We want to expand our strong client base even more.
2. We want to develop our strong culture even more, i.e., become more agile and integrated.
3. We want to become even more efficient.
4. We want to use technology in such a way that we differentiate ourselves by the nature of the client experience we provide.
5. We want to continue to build on our leading role in sustainability.
6. And we want to continue to maintain a robust balance sheet, whatever the circumstances around us.

Ladies and gentlemen, hopefully the worst of the pandemic will soon be behind us. I hope that you are all in good health and will remain so. The big global challenges are clear: climate change; societal change and the tensions associated with it; and digitalization and handling data responsibly.

We at UBS will need strength, knowledge and agility to cope with all of this and take advantage of the opportunities ahead – and in this way perhaps make the world a little better.

I would like to thank the Board of Directors and the Chairman for placing their trust in me by appointing me as CEO.

My thanks go to all our employees around the world, they have made such an extraordinary effort this last year and continue to be there for our clients every day.

I thank our clients – and there are more and more of them worldwide every day. They entrust their assets to us and, with them, their desires and their aspirations.

And of course, and above all, I also thank you, our valued shareholders. I promise you that all of us here at the firm will do everything we can to offer all our stakeholders the very best of UBS.

Thank you very much.