



Annual General Meeting

UBS Group AG on 6 April 2022

Speech by Axel A. Weber, Chairman of the Board of Directors

Check against delivery.

Ladies and gentlemen,
Dear Shareholders,

Over the last two years, I have spent a lot of time talking to you about the Covid-19 pandemic. Today, I have to address the war in Ukraine, a shocking act of violence that we Europeans have long considered unthinkable.

Both the war and the pandemic demonstrate very clearly that much of what we consider to be normal life cannot be taken for granted.

Standing idly by in the face of such unilateral aggression has never been an option for Switzerland, and it certainly isn't now. We are positioned at the very heart of Europe. As a major financial center, we are strongly connected with the outside world. So it's absolutely right that Switzerland has shown its true colors in its response to the invasion.

We are a global wealth management business, but we only employ about 70 staff in Russia directly. Over the last few weeks, we have been working hard to implement the sanctions imposed on Russia by the international community, and to systematically reduce our exposure to Russia. As of today, I can assure you that we have implemented all these sanctions quickly and effectively, and that Switzerland can count on UBS on this issue, as on so many others.

In light of recent events, our work in 2021 pales into insignificance. Nevertheless, the primary purpose of an Annual General Meeting is to look back at the previous year, and that is what I will do in these remarks.

From a commercial standpoint, 2021 was an extremely successful year for UBS – in fact, it was our best for 15 years. As I prepare to step down as Chairman of the Board of Directors after 10 years at the firm, I am absolutely delighted with these results. We have evidently managed to keep finding the right solutions for our clients, even during the pandemic. First and foremost, the credit for that has to go to our 71,000 staff and to the members of the Executive Board, and it should be accompanied by a big thank you.

Our results prove that we are a Swiss bank operating successfully at a global level. Some people have occasionally accused us of being boring. I've never understood that accusation. Personally, I appreciate our solid, reliable approach to our work and the consistent profits and dividends it delivers. As shareholders, I am sure you feel the same way.

Our recipe for success is very simple. The first thing we need is a clear strategy – something we have had for ten years now.

The second ingredient is a consistent approach to implementing that strategy. Under the leadership first of Sergio Ermotti and then of Ralph Hamers, our approach to our business has been, and is, clear and unambiguous. The third thing you need are solid foundations, and, thanks to our strong capital position, highly-motivated employees and sustainable company culture, we definitely have them, too.

We have concentrated on our asset management business, and have become the global market leader in that segment. We are currently managing client assets worth some 4.6 trillion dollars. Last year alone, we attracted more than 150 billion dollars in long-term inflows.

We have put our investment bank at the service of the other areas of our business, and limited the capital allocated to the investment banking division to a maximum of one-third of our total capital. This self-imposed limit has gone a long way towards protecting us from overly risky commitments, and we will maintain this policy.

We are also offering an innovative range of products and services for private customers in our home market. In view of rising property prices, our Swiss private client business continues to take a cautious approach, particularly as far as new mortgages are concerned.

All this has added up to outstanding results for 2021. Our profit before tax was 9.5 billion dollars, and our net profit was 7.5 billion dollars – the highest figure for 15 years.

As you know, ladies and gentlemen, this is my last Annual General Meeting at UBS. Ten years ago, I took over the reins from Kaspar Villiger, who had himself taken the chairmanship in the wake of the financial crisis. When I arrived, the bank was still struggling. In 2012, as the newly-appointed Chairman of the Board of Directors, I noted that UBS had to regain its position as an icon of Swiss business.

Today, it gives me considerable satisfaction to see that we have achieved that aim. UBS is now recognized as a strong pillar of the Swiss economy once again.

The bank is respected not just here in Switzerland, but all over the world, and by our customers, our shareholders, our employees, and the public at large.

It has made me very happy to see that. The way the business has developed shows that we have completed the task you set for us when I took office. It really was, and is, a team effort. To succeed, we had to make sure that the Board of Directors and the Executive Board were all pulling in the same direction. That same principle must continue to apply in the future. All together need to keep moving the firm forward – but with more agility, more sustainability and more digital systems than ever before.

We have grown organically, just the way we wanted to. The positive development of our business in recent years means we are now in a position to consider inorganic opportunities when they are attractive. Our agreement to purchase of Wealthfront in the United States last January is just one example of that.

To sum up: We are on the right path. We have rebuilt our reputation, created a healthy corporate culture, and established a strong capital position, as well as reliable governance procedures.

Our risk management systems are generally sound, too, although I very much regret the fact that they were found wanting when Archegos collapsed. We have conducted a comprehensive inquiry into that affair and taken action to improve and strengthen our risk management procedures even further. We have also taken the matter into account in our annual performance assessment and our remuneration packages.

At the same time, we have finally been able to resolve many of the legal cases we have been dealing with since I took office, including a number of big ones. In broad terms, we can say that two significant cases remain outstanding. The origins of both of them can be traced back to before my time as Chairman and, regrettably, I will have to hand them over to my successor.

- The first of these is a case in the United States concerning the securitization of mortgage-backed securities from 2002 to 2007. As in the previous year, 2021 did not bring any major developments in that case that you need to be aware of as shareholders.
- The other case is ongoing in France. The appeal court delivered its judgment on this case in Paris last December. We have decided to appeal against that ruling in order to defend your interests as valued shareholders in UBS. This decision gives us the opportunity to study the appeal court's judgment in detail and determine the best course of action to defend the interests of the firm and its investors. To reduce

the financial risk to UBS arising from the case even further, we have also made a further provision of 740 million dollars for last year.

Over the last ten years, I have always stayed focused on the interests of our shareholders. Especially at the beginning of my time in post, I remember many voices expressing concern about our low share price or small dividend payments. Those voices are very much in the minority now. In terms of total shareholder return – measured as the change in the share price and the dividends added together – our shareholders have more than doubled their capital since 2012.

Our approach has been, and is, based on the principle that primarily, you, our valuable shareholders, should be the beneficiaries of our success. That principle is particularly evident this year, as we will be paying dividends of 50 cents per share. We are also increasing share buy-backs this year from 2.6 billion dollars to as much as 5 billion dollars, an amount which is equivalent to a dividend of 1.50 dollars per share.

This may sound like a cliché, but it's only a cliché because it's true: No company can achieve long-term success unless all the right conditions are in place. We were in a position to exploit developments in the economy and on financial markets to the full last year, because we had prepared properly in advance. We operate in an environment dominated by monetary and financial policy, both as far as direct regulation in the financial services industry is concerned, and in terms of Switzerland's political relations with its neighbors. Switzerland is located at the heart of Europe, and its companies play a key role across Europe and further afield. They can only play that role thanks to Switzerland's clearly-defined relationships with other countries, and especially with the EU.

Climate change and global warming have been pushed off the front pages to some extent by the pandemic and the war in Ukraine. Nevertheless, we cannot afford to forget about the risks and consequences associated with climate change. They are not hypothetical scenarios somewhere over the horizon: they are with us already, and are becoming ever more obvious and painful. Last year, flash flooding in Germany – not far from where I come from – devastated an entire region. Extreme wildfires raged across Southern Europe, the United States and Canada. Here in Switzerland, we have been seeing the effects of climate change on the Alps and our glaciers for years now.

That's why we have been committed to sustainability for many years. That commitment has to be the guiding principle behind everything we do at the firm, day in and day out. This is not a problem we can somehow delegate to a special department somewhere, because we all influence climate change through our actions, for better or worse. We need to keep that thought at the forefront of our minds in everything we do.

Because this issue is so critically important, we are giving you, our shareholders, the chance to express your views on our climate plan in a first advisory vote. We announced we would draw up our plan last year and we will continuously develop it further. It includes a commitment to reduce our greenhouse gas emissions to net zero by 2050. The Executive Board will be responsible for implementation, while the Board of Directors will continue to drive forward the climate plan and monitor its implementation, as well as providing you with regular updates on progress.

We are holding another advisory vote on the remuneration package paid to our staff. We have drawn up a remuneration plan for our management staff, based on the principle of payment on the basis of performance. We are convinced that we have achieved a fine balance here – a balance between the interests of our shareholders, our staff, and the firm as a whole, which is striving to achieve its ambitious objectives in a highly competitive environment. In keeping with the other areas of our business, our remuneration model is designed to be sustainable over the long term.

The Board of Directors continues to play a central role in the business through its interactions with the Executive Board. Throughout my ten years in office, I have always tried to make sure that the Board of Directors encompasses a wide spectrum of skills and expertise, to give us the best possible chance of achieving success.

When I began searching for my successor, the most important requirement I set was that they should have major expertise in the financial sector. So I am delighted that we have been able to recruit a vastly experienced industry specialist as our new Chairman, in the person of Colm Kelleher. I have known Colm for a long time, and I have no hesitation whatsoever in recommending his appointment.

As Vice Chairman, we are proposing Lukas Gähwiler. He has led UBS in Switzerland with considerable success and has been Chairman of our Swiss banking division since 2017 until yesterday.

Both nominees will be very good fits for our Board.

Throughout my ten years as Chairman, the Board of Directors has always supported me, despite the many changes to its composition during that time. Our discussions have been open and, on occasion, heated. But these are exactly the kinds of conversations you need to have, especially when business is good. As a Swiss Bank with a global reach, I am sure the future will bring many and big challenges for UBS. Resting on our laurels is not an option.

I would like to take this opportunity to extend my heartfelt thanks to my colleagues on the Board of Directors for their outstanding and unfailingly constructive work.

As I step down, I would also like to thank all our employees. They have made a huge contribution to the transformation we have undergone in the last ten years, and have always been there for our clients.

I would also like to thank the employee representatives, who have always been prepared to engage in an open dialogue to help us find the best possible solutions.

Of course, my thanks also go to the Executive Board, led by Ralph Hamers, for a great job in the last year.

I would like to thank all our customers for the trust and loyalty they have shown UBS.

And, of course, thank you to you, our valued shareholders. I was always able to count on your support, and that support is the most valuable asset a Chairman can have.

The firm I am entrusting to Colm Kelleher today is in great shape. It is a firm full of potential, and I call on the new leadership team to make the most of it. I wish them the very best of luck!

Thank you very much.

And on that note, I will pass the microphone to our CEO, Ralph Hamers.