



Annual General Meeting

UBS Group AG on 5 April 2023

Speech by Colm Kelleher, Chairman of the Board of Directors

Check against delivery.

Ladies and Gentlemen, valued shareholders,

As mentioned, we will address the planned acquisition of Credit Suisse under agenda item one of today's meeting. Let me nevertheless begin with March 19, when UBS announced that it would acquire Credit Suisse. It was a historic day and a day we hoped would not happen. Yet, it is a significant milestone, not only for UBS and Credit Suisse, but also for Switzerland and for the global financial industry.

Credit Suisse will no longer be an independent company. It was an icon of the Swiss economy, a bank that played a vital role in the economic development of Switzerland, and a global and respected player. We recognize and honor Credit Suisse's achievements over its 167-year history.

At the same time, this means a new beginning and huge opportunities ahead for the combined bank and for the Swiss financial center as a whole. Under the leadership of the incoming CEO Sergio Ermotti we will build on the strengths of both firms.

Let me now look back on the past year.

2022 was another extraordinary year, one marked by tragedy and uncertainty. The war in Ukraine caused immense suffering and loss, and it continues to do so. It is a stark reminder of how fragile our world is. We also faced a multitude of other challenges, including high inflation, market volatility and a general rise in geopolitical tensions.

Despite the difficult environment, we reported strong results for 2022. Ralph will cover these in more detail. Let me just say that I am proud of our results, with all performance figures in line with the targets.

Our performance last year once again demonstrated the effectiveness of our strategy, which I will briefly outline for you.

Firstly, we are the leading Swiss bank. Our roots are firmly embedded in Switzerland, which will always be our home market. Together with Credit Suisse's franchise, we will continue delivering value to the Swiss economy.

Secondly, we continue to expand our position as the leading wealth manager, particularly through growth in the US and Asia. They are the largest and fastest growing regions in the world, and they have great demand for our world-class services rooted in Swiss expertise. The Credit Suisse transaction is expected to accelerate our strategic plans in this area.

Thirdly, we have a focused investment bank. It is highly competitive in the segments we have chosen to participate in and creates synergies with our other businesses. This has not changed with the acquisition of Credit Suisse. In fact, we will significantly reduce the amount of capital allocated to the Investment Bank to below 25% of risk-weighted assets.

I repeat: Our growth ambitions are centered on wealth and asset management. This is a business we know well, and which benefits from our Swiss heritage and expertise. It's also a business with relatively low risks. It will continue to be our key focus for growth moving forward.

Having a clear vision and a sound strategy is important, but precise execution is equally critical for success. This transaction is the first merger of two global systemically important banks. This is not in any way an easy deal to do and brings with it significant execution risk. A main focus of the Board of Directors and the management will now be on the integration of Credit Suisse. And this is what has led to our decision to name Sergio as Group CEO for the upcoming journey.

However, the integration of Credit Suisse does not mean that other growth initiatives and our efforts in digitalization and sustainability will come to a standstill. Equally, risk management and control, including operational resilience, conduct and prevention of financial crime, remain key focus areas of the Board of Directors.

Some words on our share price. Our stock has performed well in 2022. It has the highest price-to-book ratio compared with our peers in Europe. It is close to the highest in comparison with our US peers.

We remain committed to distributing excess capital to shareholders. We repurchased USD 5.6 billion of shares in 2022. And we are proposing a 10% increase to the 2022 dividend, which will bring us to 55 cents per share. This adds up to a total shareholder return of USD 7.3 billion out of a net profit of USD 7.6 billion. This is a payout ratio of 95%.

Due to the acquisition of Credit Suisse, we have decided to reallocate part of the repurchased shares for the share exchange and to temporarily suspend our share repurchase program. However, we are committed to resuming it as soon as possible. This is the reason why we have retained the vote on a new share repurchase program on the agenda for today's Annual General Meeting.

Also in today's Annual General Meeting, we will ask for your support for a few recurring and special agenda items, such as our non-financial reporting, the Sustainability Report.

As in past years, you will also vote on the Compensation Report and the compensation for the members of the Board of Directors and the Group Executive Board. We are convinced that we've achieved a fair and good balance between the interests of our shareholders and our employees.

Let me conclude:

- Firstly, our strategy is clear and unchanged by the acquisition of Credit Suisse.
- Secondly, we provide our clients around the globe with the best service, building on traditional Swiss values.
- And thirdly, we are laser-focused on integrating Credit Suisse. And be assured: we continue to execute and deliver on the other parts of our proven strategy.

Finally, I would like to express my gratitude. On behalf of the Board of Directors:

- I first want to express my deep respect and gratitude to CEO Ralph Hamers. I will come back to this at the end of today's meeting.
- Second, I welcome Sergio Ermotti back to UBS and thank him for accepting this challenge. The Board of Directors has appointed him as Group CEO and President of the Group Executive Board, effective as of today. Sergio Ermotti was Group CEO from 2011 to 2020. He successfully repositioned our firm following the severe challenges arising from the global financial crisis. Sergio is well placed to lead our combined entity. He has both a unique experience and a deep understanding of the financial services industry in Switzerland and globally. We are convinced that this decision will help deliver a successful integration.
- I also want to thank our clients for their continued trust and confidence in UBS.
- I want to thank our employees for their dedication and hard work. Change is never easy and can bring uncertainty, but the focus on our clients is more important than ever.
- I want to thank the Group Executive Board for its perseverance.
- I would also like to personally thank my colleagues on the Board of Directors, especially for their exceptional commitment over the last three weeks.
- And, last but not least, I want to thank you – our shareholders – for your continued support.

I know that we have everything it takes for future success. I am confident that you will be well rewarded for the trust you put in UBS.

Thank you for your attention and for your support on the proposals before you today.

Let me now hand over to Ralph.