



# | Second quarter 2023

Financial results

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Numbers presented in US dollars unless otherwise indicated. Currency translation of monthly income statement items of operations with a functional currency other than the US dollar are translated with month-end rates into US dollar.

**Definitions:** “Earnings per share” refers to diluted earnings per share. “Litigation” refers to net additions/releases to provisions for litigation regulatory and similar matters reflected in the income statement for the relevant period. “Net profit” refers to net profit attributable to shareholders. “Sustainability-focus and impact” refers to sustainability-focus and impact investing; sustainability focus refers to strategies that have sustainability as an explicit part of the investment guidelines, universe, selection, and/or investment process that drive the strategy; impact investing refers to strategies that have an explicit intention to generate measurable, verifiable, positive sustainability outcomes. “Net new fee-generating assets” exclude the effects on fee-generating assets of strategic decisions by UBS to exit markets or services.

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# Agenda

Update on strategy  
and Credit Suisse  
integration

Sergio P. Ermotti, Group CEO

2Q23 performance  
and financial overview

Todd Tuckner, Group CFO

Q&A

# Our strategy is unchanged and is accelerated by the acquisition of Credit Suisse

## Outstanding client franchises

- Reinforced position as the only truly global wealth manager and leading universal bank in Switzerland
- Portfolio of leading franchises in Asset Management and the Investment Bank
- Acquisition adds scale, complementary capabilities and regional footprint

## Execution discipline

- Proven ability to manage down assets and exit non-strategic businesses
- Focused on maintaining and embedding UBS's conservative risk culture across enlarged group
- Generating efficiencies through scale and optimization

## Balance sheet for all seasons

- Continued commitment to a balance sheet for all seasons and strong capital ratios
- Disciplined resource usage with focus on sustainable growth in asset gathering businesses
- Capital efficient business model with attractive long-term returns

# Enhancing client franchises and increasing scale

## Global Wealth Management

Reinforcing our position as a leading and the only truly global wealth manager

- 3.7trn invested assets<sup>1</sup>
- #2 Wealth Manager<sup>2</sup> globally; unrivaled geographic footprint
- #1 in Asia, Latin America, EMEA and Switzerland<sup>3</sup>
- Aligned client focus on UHNW and entrepreneurs

## Personal & Corporate Banking

Enhancing expertise and global reach with complementary capabilities for our clients

- Leading bank in Switzerland
- Accelerating growth plans in the corporate client segment
- Strengthened digital offering
- Enhanced investment and innovation capabilities

## Asset Management

Increasing scale with improved positioning across key asset classes and growth markets

- 1.6trn invested assets<sup>1</sup>
- Expanding North America and Asia capabilities
- #3 European Asset Manager with global reach (#11 globally)<sup>2</sup>
- Accelerating growth in alternatives and scale in indexing

## Investment Bank

Strengthening our Investment Bank without compromising our model

- Strengthening equities, research and global banking in North America
- Aligned focus on UHNW, GFIW and corporate clients
- 9bn<sup>4</sup> of Credit Suisse IB RWA to be retained
- Strong operational and risk management controls

Driving value creation through the integration, while positioning for long-term growth



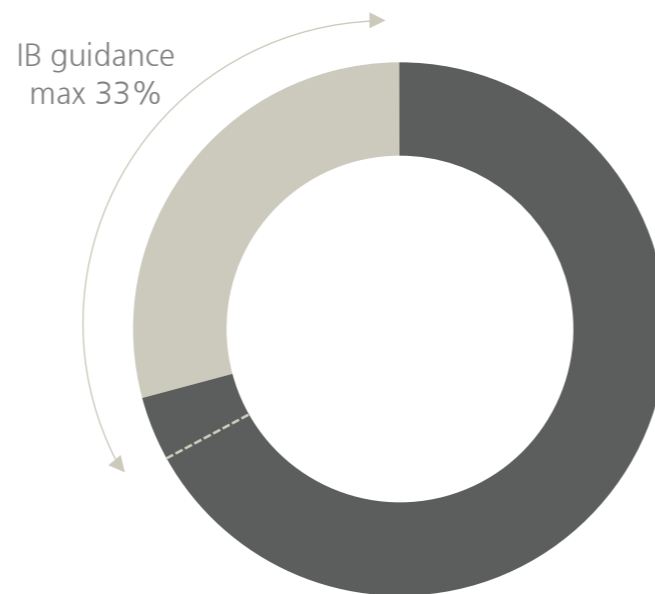
# Improving our business mix, with unchanged capital allocation discipline

RWA  
%

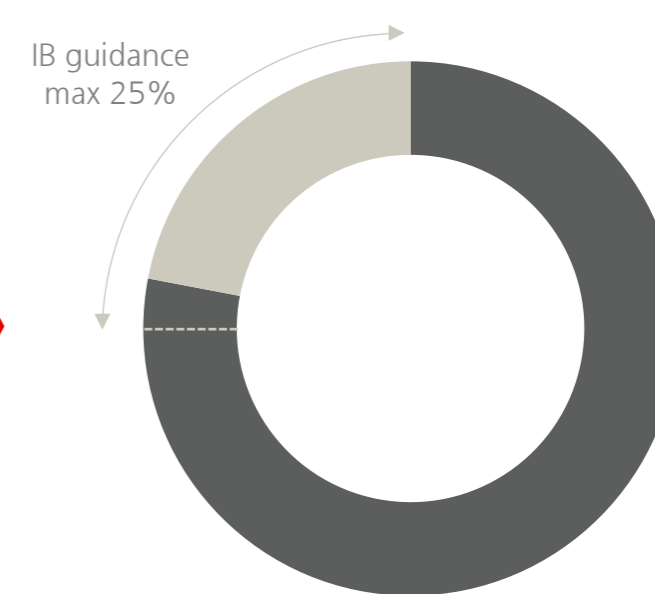
Before 2012 restructuring  
3Q12<sup>1</sup>



Pre-acquisition of Credit Suisse  
1Q23



Post-acquisition of Credit Suisse  
2Q23, pro forma<sup>2</sup>



■ IB ■ WM, AM, P&C and GF



# Update on integration

# Diligent approach to identify and assess strategic options for Credit Suisse (Schweiz)

## Starting point

7 scenarios evaluated ranging from IPO, full or partial spin-offs, dual brand, sale, or full integration



## Detailed assessment

4 factors considered in evaluation of all scenarios:

- Clients
- Workforce
- Financials and funding
- Feasibility and risks



## Prioritization

2 potential options identified, and assessed in further detail:

- Full integration
- Spin-off of focused perimeter excluding segments requiring global capabilities

From April we have conducted a thorough assessment

40+ people task force  
across UBS and CS

20+ deep-dive workshops  
with internal and external experts

10+ senior deep-dives  
involving BoD and GEB



# Integration of Credit Suisse (Schweiz) is the best path forward

Credit Suisse (Schweiz) would struggle as a standalone entity even in a focused spin-off scenario

- 1 Sub-scale, low profitability
- 2 Substantial funding gap
- 3 Lower value creation for our shareholders on a standalone basis

Full integration offers most benefits

Clients	Workforce
<p>Best-in-class, complementary offering</p> <p>Even stronger partner domestically and globally</p>	<p>Highly attractive employee proposition reinforced</p> <p>Small difference in redundancies between both scenarios</p>
Financials and funding	Feasibility and risks
<p>Greater value for shareholders</p> <p>Stronger balance sheet and even more diversified business model</p>	<p>Substantially lower IT cost and shorter timeline</p> <p>Reduced execution and regulatory risk</p>

## Our plan

UBS and Credit Suisse to continue to operate separately in Switzerland while preparing for legal merger<sup>1</sup> (planned in 2024)  
Credit Suisse brand in Switzerland to remain for the time being  
Client migration expected to be completed in 2025

# Unwavering commitment to our clients, employees and the Swiss economy

## Client promise

Continued premium service with focus on client satisfaction

Capital and financial strength enable us to maintain combined existing lending exposures

Access to enhanced investment and innovation capabilities across a unique global footprint

Leading digital capabilities

## Employee promise

Committed to fair treatment of all employees

Redundancies phased to allow the labor market to absorb talent

Responsible social plan, including financial and re-skilling support

Providing attractive career opportunities

## Community promise

Contributing to the strength and stability of the Swiss financial system

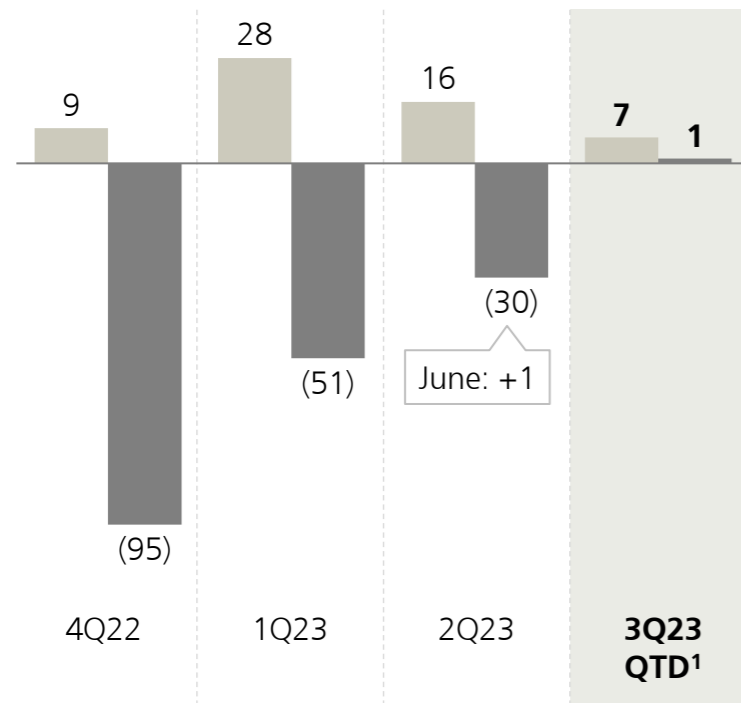
Maintaining combined sponsorship of agreed civic, sporting and cultural activities until the end of 2025

Supporting our community partners

# Stabilized flows, with 8bn of combined wealth management NNM/NNA with positive contribution from Credit Suisse quarter-to-date

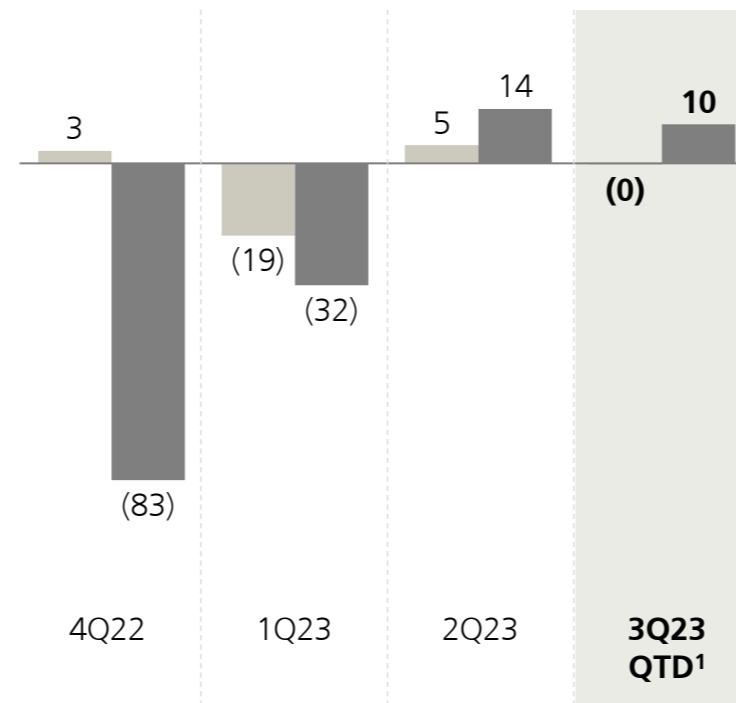
## Wealth management

Net new money / net new assets, USD bn



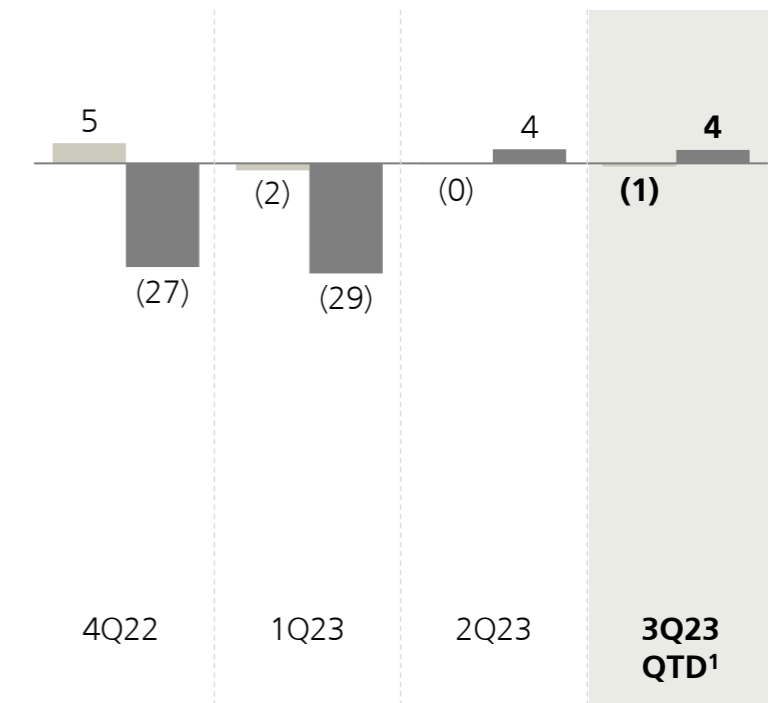
## Wealth management

Net new deposits, USD bn



## Swiss businesses

Net new deposits, CHF bn



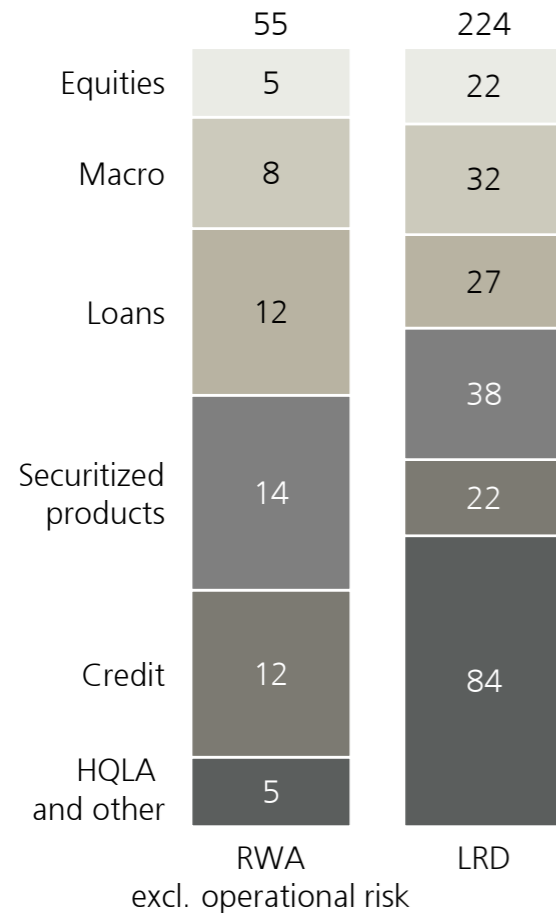
■ UBS GWM net new money  
■ Credit Suisse WM net new assets<sup>2</sup>

■ UBS GWM net new deposits  
■ Credit Suisse WM net new deposits<sup>2</sup>

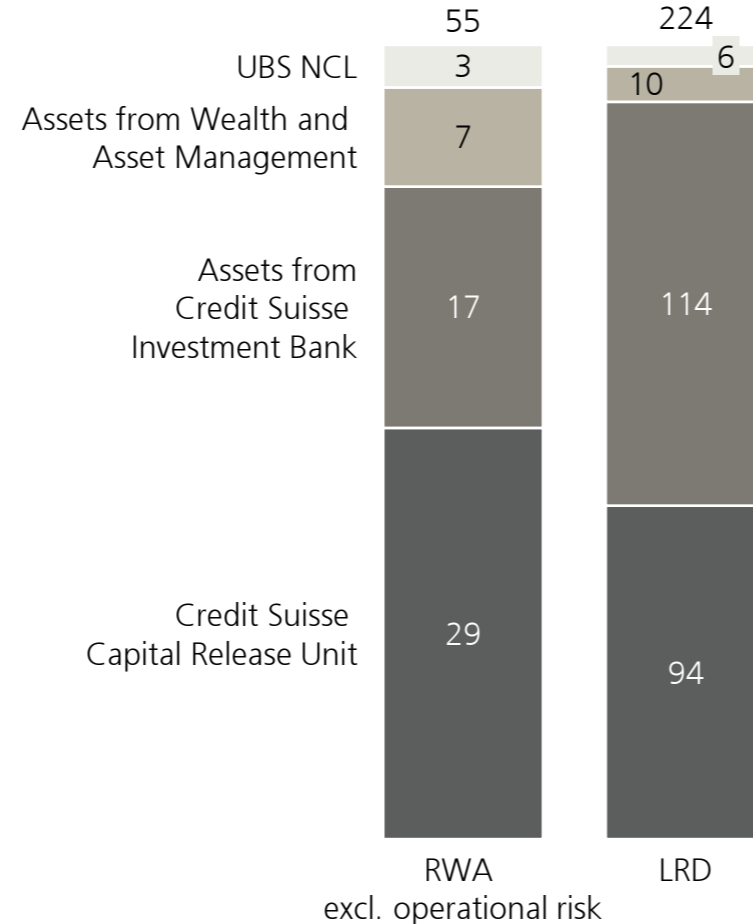
■ UBS P&C net new deposits  
■ Credit Suisse SB net new deposits

# Non-strategic assets and businesses to be exited through Non-core and Legacy

Non-core and Legacy composition  
by instrument type  
2Q23, USD bn



Non-core and Legacy composition  
by source  
2Q23, USD bn

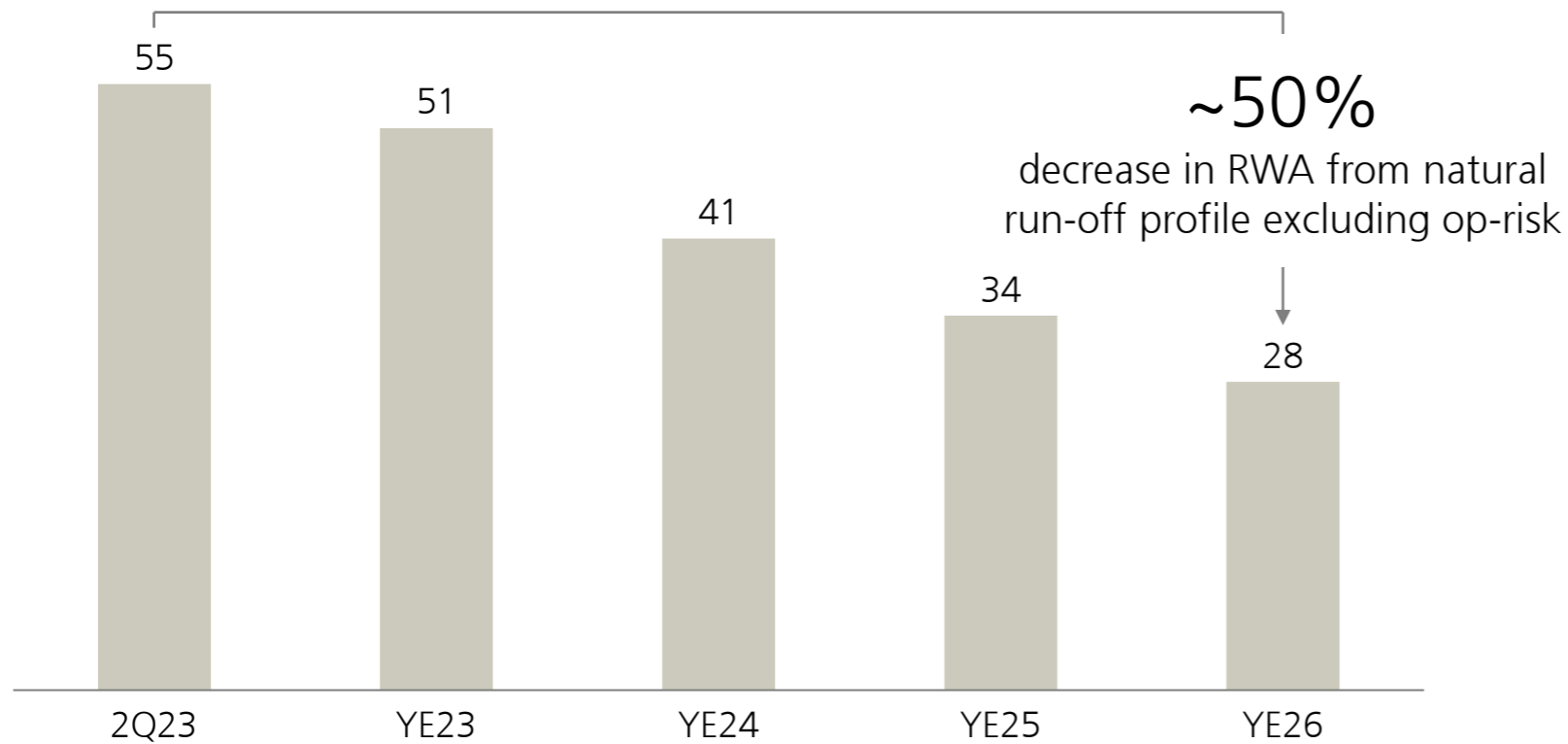


- Positions and businesses not aligned with our strategy and policies, including a large portion of Credit Suisse IB
- Robust risk management and governance structure in place
- Active wind-down supported by PPA fair value adjustments
- 9bn of RWA and 14bn of LRD reduced during 2Q23<sup>1</sup>
- 9bn<sup>2</sup> RWA from Credit Suisse Investment Bank to be retained in the core Investment Bank
- Operational risk RWA to be reported in 3Q after finalization of group allocation methodology

# Non-core and Legacy rundown to drive lower costs and efficient capital release

## Natural run-off profile<sup>1</sup>

RWA excluding operational risk, pro forma, USD bn



## Rundown approach

Natural run-off profile to be accelerated with active unwinds when economically accretive

Reduce operating costs

Efficient release of capital

Protect our customer franchise

# Executing on plans to achieve greater than 10bn gross cost reductions by year-end 2026

## Non-core and Legacy and Credit Suisse Investment Bank restructuring

Costs to decline substantially as businesses, assets and positions are exited

Large majority of Credit Suisse IB costs and all costs within existing Credit Suisse CRU to be run down

## Synergies across core businesses

Organizational right-sizing

One platform

Reduce duplication

Legal entity consolidation

Real estate rationalization

Application decommissioning

>10bn  
gross cost reductions  
by end-2026 vs. FY22<sup>1</sup>

<70%  
underlying<sup>2</sup> cost/income ratio  
2026 exit rate

Cumulative integration-related expenses expected to be broadly offset by pull to par effects

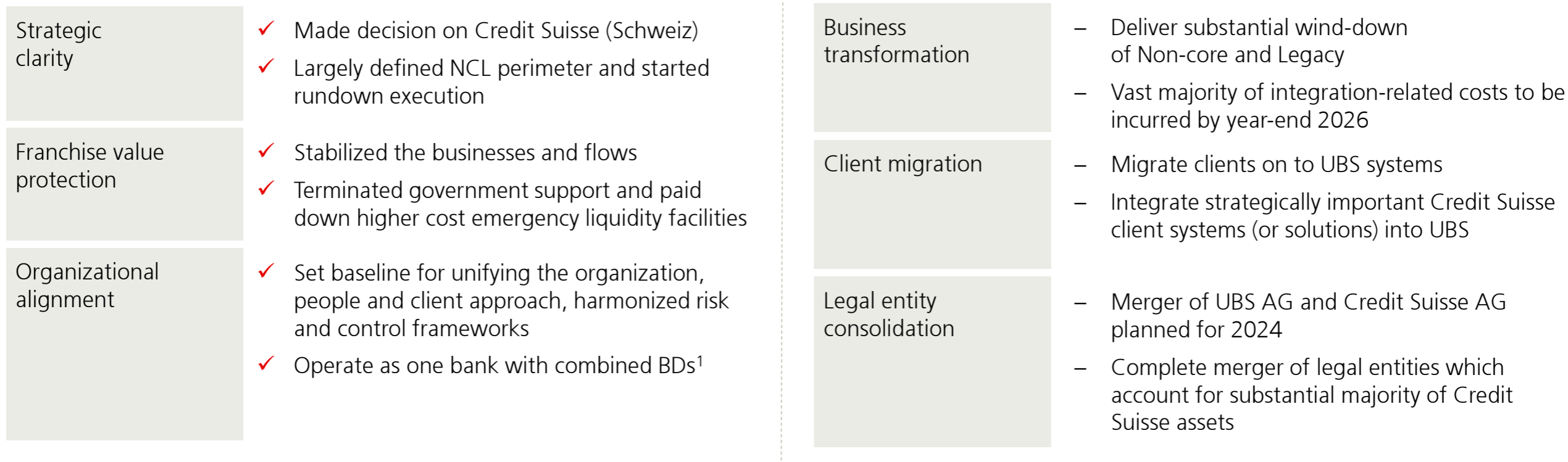
# We aim to substantially complete integration for the Group by year-end 2026

Legal close  
June 2023

End-2023

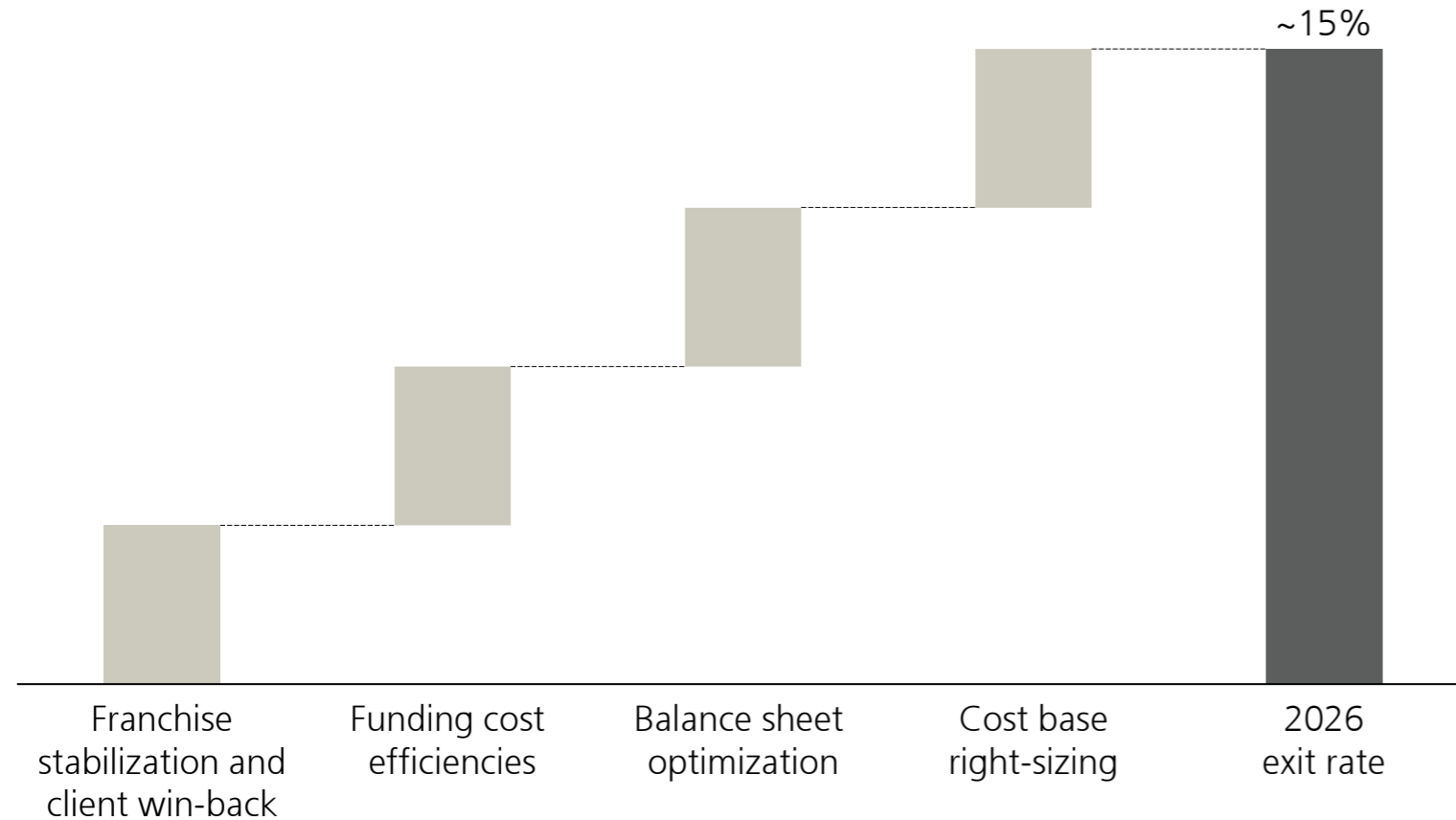
End-2026

## Key milestones and priorities



# Working towards ~15% RoCET1

Underlying<sup>1</sup> return on CET1 capital  
Illustrative



~15%  
underlying<sup>1</sup> RoCET1  
2026 exit rate

~14%  
CET1 capital ratio  
over medium-term<sup>2</sup>

>10bn  
gross cost saves by  
end-2026 vs. FY22

<70%  
underlying<sup>1</sup> cost/income  
ratio, 2026 exit rate

## Capital returns

Committed to existing progressive dividend policy with excess capital returned via share repurchases<sup>3</sup>





# 2Q23 performance and financial overview

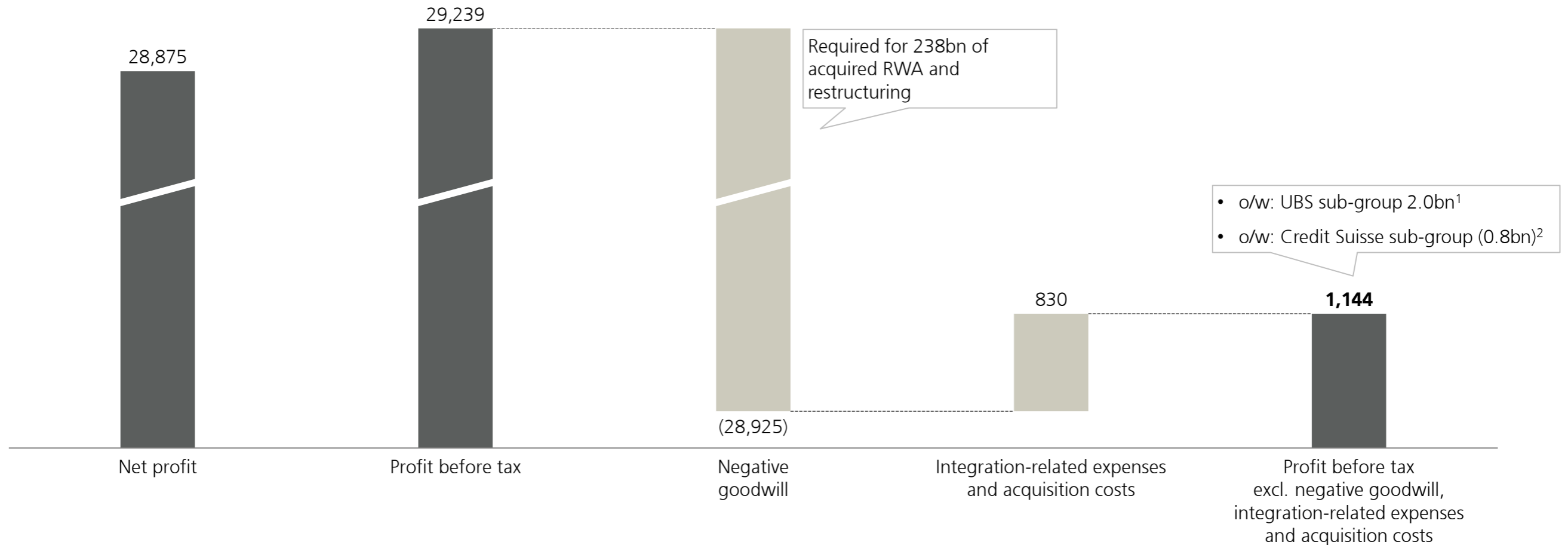
Todd Tuckner, Group CFO

# UBS Group 2Q23 results

Results include one month of results from Credit Suisse business divisions and Corporate Center

2Q23 profits

m

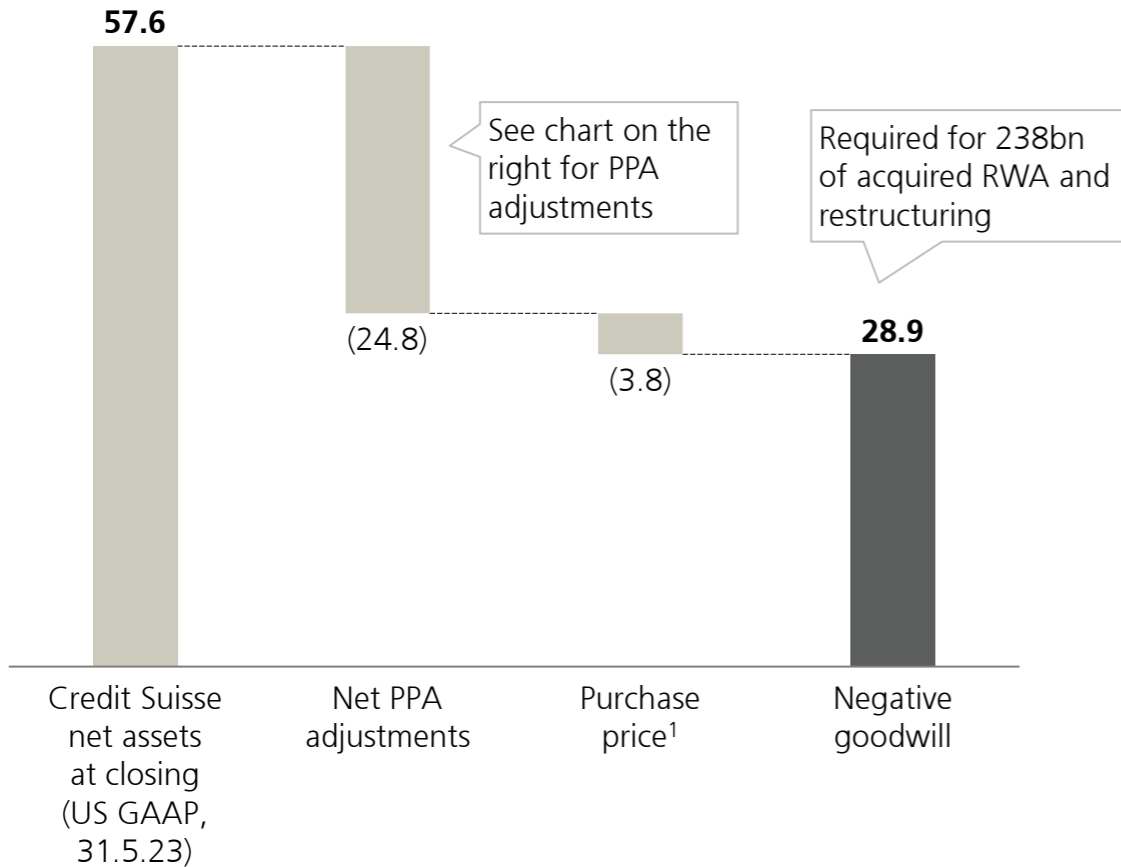


<sup>1</sup> 2Q23 UBS business divisions and Group Functions (IFRS); refer to slides 22 and 34 for details; <sup>2</sup> June 2023 (IFRS); Credit Suisse AG and its consolidated subsidiaries, Credit Suisse Services AG and other small former Credit Suisse Group entities now directly held by UBS Group AG; refer to slide 34 for details

# Negative goodwill and overview of purchase price allocation adjustments

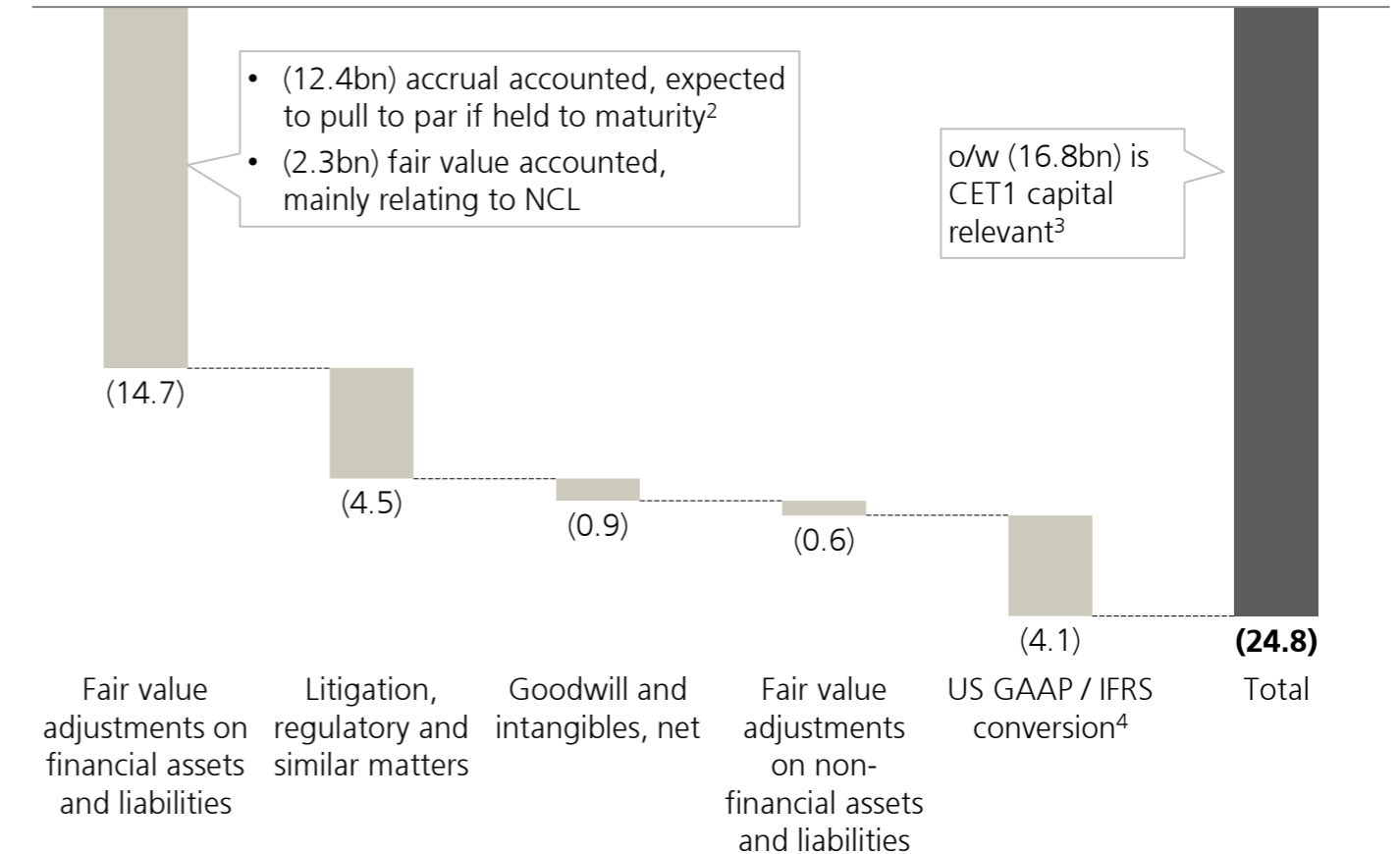
## Negative goodwill

bn



## Purchase price allocation (PPA) adjustments

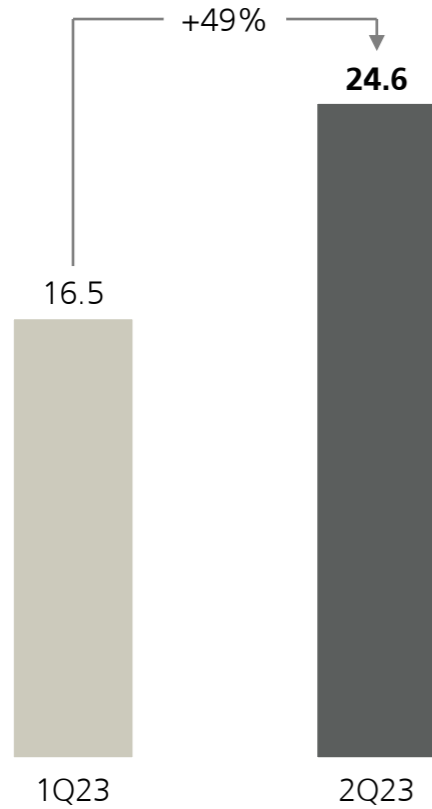
bn



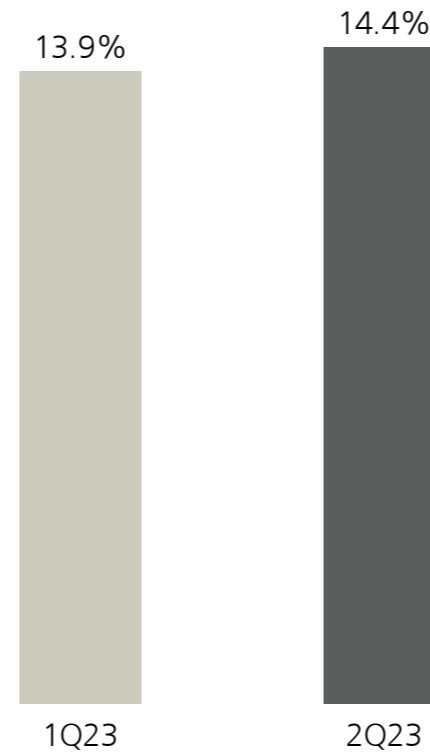
<sup>1</sup> Includes 135m related to settlement of pre-existing relationships with Credit Suisse; <sup>2</sup> Reflects the accretion from post-PPA fair value back to the pre-PPA US GAAP book value as recorded on Credit Suisse's balance sheet. Expected to include ~4.8bn in P&C, ~1.5bn in GWM, ~1.4bn in IB, ~0.9bn in Group Items and ~3.8bn in NCL; NCL positions expected to be accounted for at fair value going forward; <sup>3</sup> Includes 5.0bn positive offset from transitional adjustments related to the impacts of interest rate and own credit driven fair value adjustments on certain held-to-maturity portfolios which will linearly amortize to nil by 30.6.27; <sup>4</sup> Removal of pension surplus

# The acquisition strengthens the foundation of the combined bank

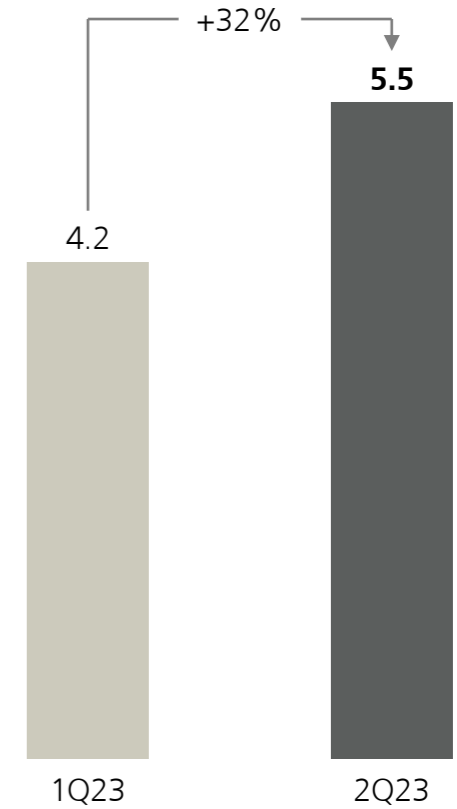
Tangible book value per share  
USD



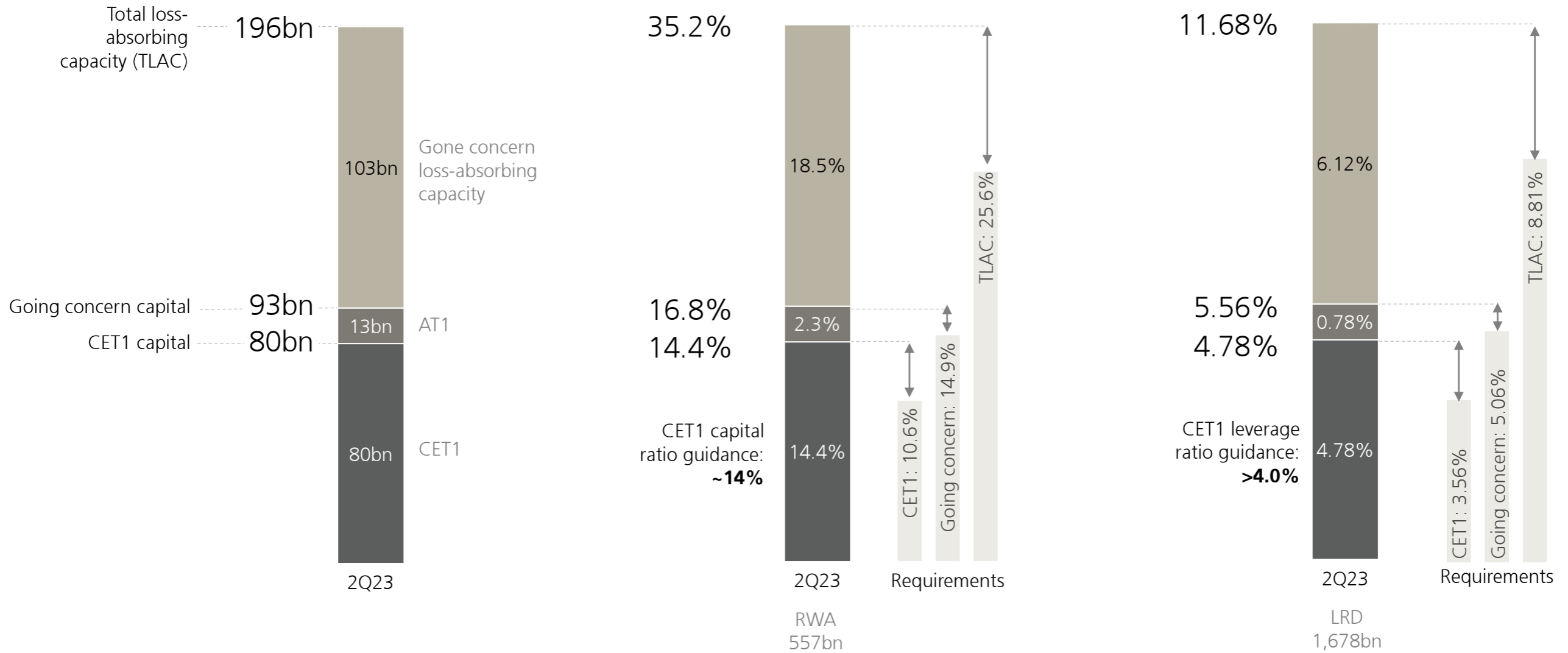
CET1 capital ratio



Invested assets  
USD trn



# Our balance sheet for all seasons remains the foundation of our success



# Prudent management of liquidity and funding

## Liquidity and funding

175% LCR  
118% NSFR

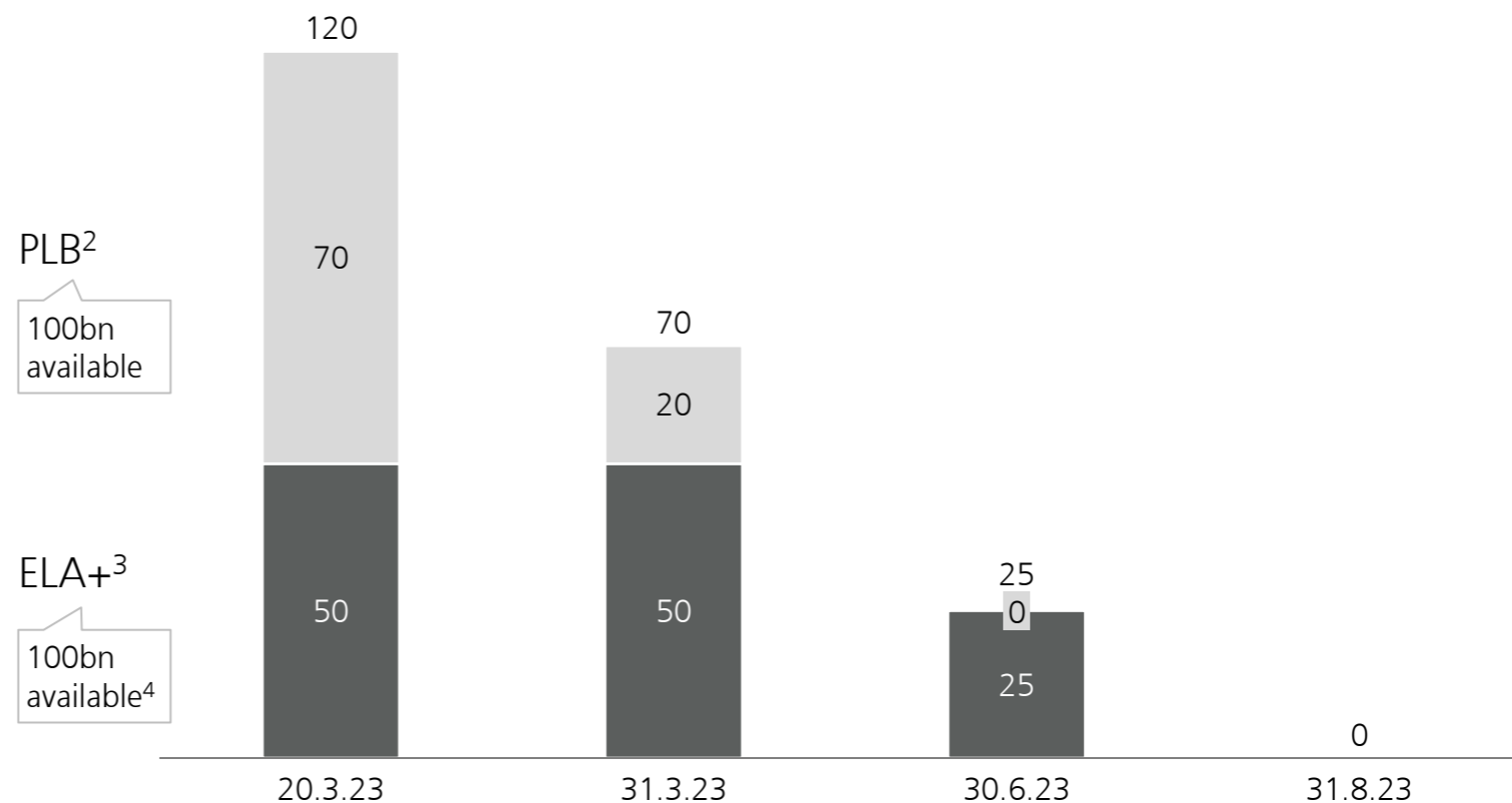
Strong deposit base and flows enabled full repayment of PLB and ELA+ in 3Q

- ~550m funding costs in 2Q from PLB and ELA+, ~100m in 3Q

We will continue to execute on our issuance plan in the coming weeks

## Fully repaid higher cost SNB facilities

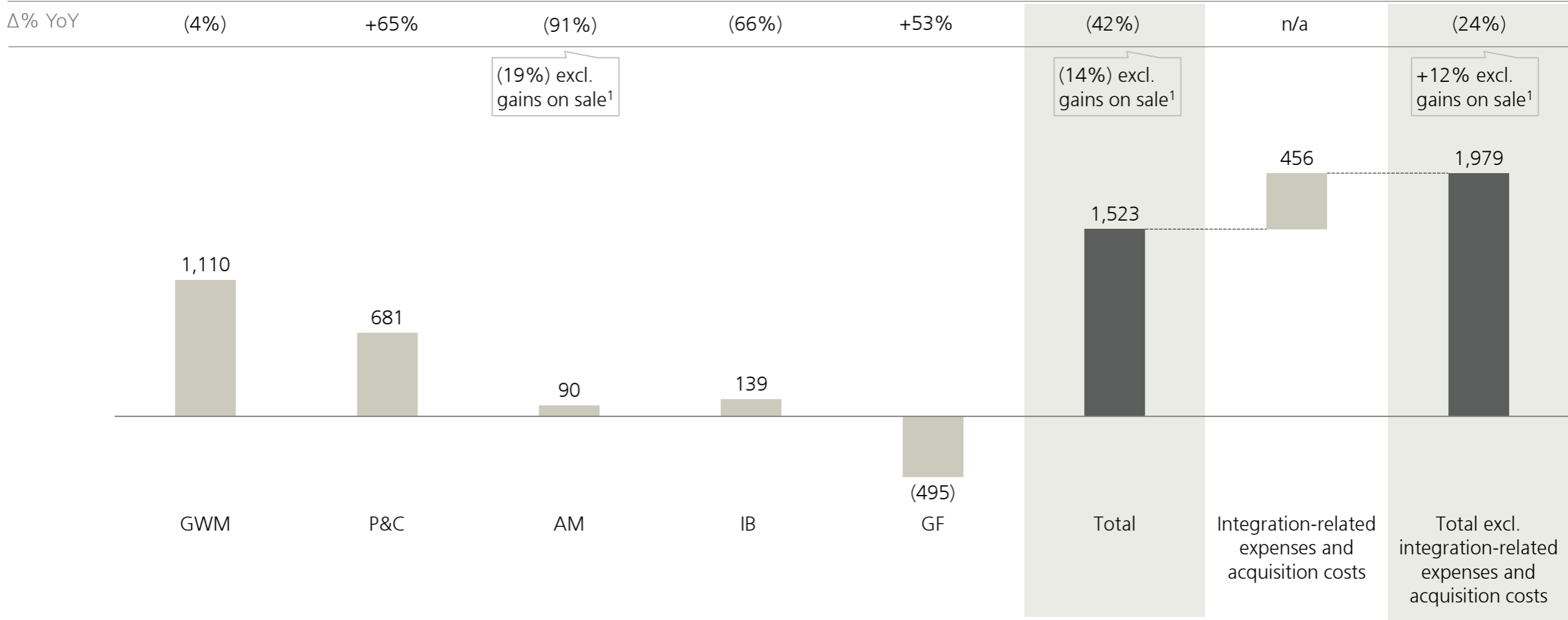
Drawn SNB liquidity facilities<sup>1</sup>  
CHF bn



<sup>1</sup> Chart excludes Emergency Liquidity Assistance (ELA) facility with CHF 38bn drawn by Credit Suisse (Schweiz) AG as of 31.8.23; <sup>2</sup> Public Liquidity Backstop. Pricing: SNB policy rate (1.75% as of 31.8.23) + 3.00% + commitment premium of 0.25% of the available CHF 100bn, regardless of how much is drawn; <sup>3</sup> Emergency Liquidity Assistance+. Pricing: SNB policy rate + 3.00%; <sup>4</sup> 50bn for Credit Suisse and 50bn for UBS

# 2Q23 UBS business divisions and Group Functions (IFRS) – excl. Credit Suisse

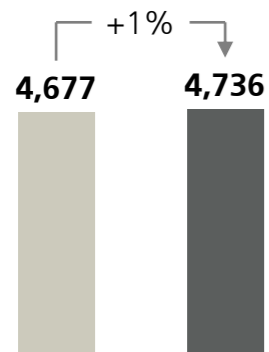
Profit / (loss) before tax  
m



# UBS business divisions: Global Wealth Management

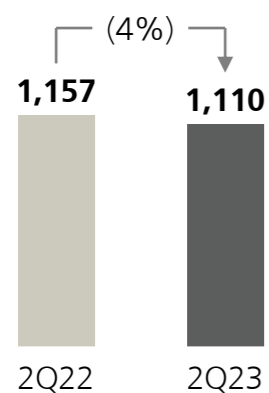
## Total revenues

m



## Profit before tax

m



USD m, except where indicated

	2Q23	1Q23	2Q22	QoQ	YoY
Total revenues	4,736	4,792	4,677	(1%)	+1%
Net interest income	1,442	1,491	1,268	(3%)	+14%
Recurring net fee income	2,535	2,454	2,614	+3%	(3%)
Transaction-based income	749	843	793	(11%)	(6%)
Other income	10	4	2		
Credit loss expense / (release)	5	15	(3)		
Operating expenses	3,621	3,561	3,523	+2%	+3%
Profit before tax	1,110	1,215	1,157	(9%)	(4%)
Cost / income ratio	76%	74%	75%	+2pp	+1pp
Invested assets, bn	3,037	2,962	2,811	+3%	+8%
Fee-generating assets, bn	1,380	1,335	1,244	+3%	+11%
Deposits, bn	336	330	349	+2%	(4%)
Loans, bn	220	224	227	(2%)	(3%)

PBT 1,110m, (4%) YoY

Total revenues +1% as higher NII was partly offset by lower recurring net fee and transaction-based income

Cost / income 76%

Net new money +16.2bn, the strongest 2Q in >10 years driven by inflows in Switzerland +15.3bn, EMEA +2.5bn and APAC +1.8bn and outflows in Americas (3.4bn)<sup>1</sup>

NNFGA +12.6bn, +4% annualized growth, driven by mandates; positive flows in all regions incl. +5.5bn in Americas, +4.0bn in EMEA, +1.7bn in Switzerland and +1.4bn in APAC

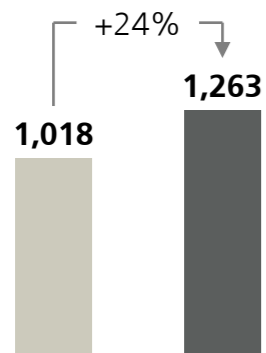
Deposits +2% QoQ driven by net inflows into fixed-term and savings deposit products, partly offset by shifts into money market funds and government securities

Net new loans (4.3bn) with deleveraging in all regions

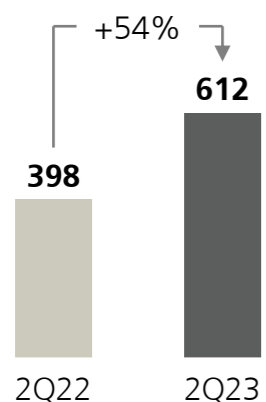


# UBS business divisions: Personal & Corporate Banking (CHF)

Total revenues,  
m



Profit before tax  
m



CHF m, except where indicated

	2Q23	1Q23	2Q22	QoQ	YoY
Total revenues	1,263	1,180	1,018	+7%	+24%
Net interest income	731	651	502	+12%	+45%
Recurring net fee income	213	210	202	+2%	+5%
Transaction-based income	305	309	300	(1%)	+2%
Other income	13	10	13		
Credit loss expense / (release)	9	14	33		
Operating expenses	641	613	587	+5%	+9%
Profit before tax	612	553	398	+11%	+54%
Cost / income ratio	51%	52%	58%	(1pp)	(7pp)
Investment products <sup>1</sup> , bn	24	23	21	+4%	+10%
Deposits, bn	165	165	160	0%	+3%
Loans, bn	146	144	142	+1%	+3%

PBT 612m, +54% YoY

Total revenues +24% reflecting increases in all income lines, predominantly NII

Cost / income 51%, (7pp)

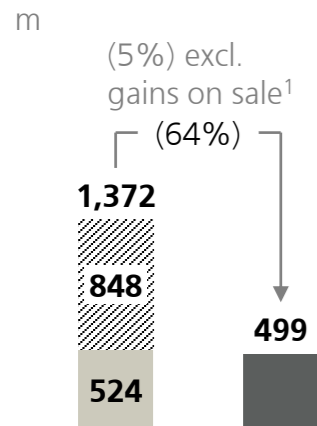
Net new investment products in Personal Banking +0.5bn, +10% annualized growth

Deposits +3% YoY and stable QoQ with clients further shifting into investments

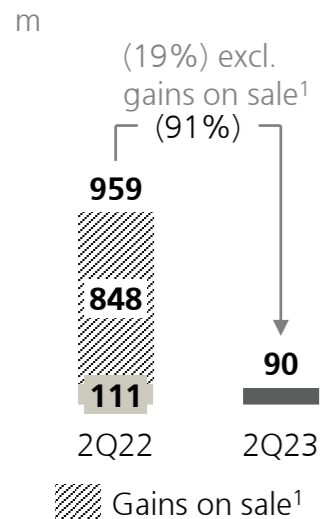
Net new loans +1.4bn driven by growth in corporate and private clients

# UBS business divisions: Asset Management

## Total revenues



## Profit before tax



USD m, except where indicated

	2Q23	1Q23	2Q22	QoQ	YoY
Total revenues	499	502	1,372	(1%)	(64%)
Net management fees	492	479	515	+3%	(5%)
Performance fees	7	23	9	(69%)	(23%)
Net gain from disposal of a joint venture <sup>1</sup>			848		
Credit loss expense / (release)	0	0	0		
Operating expenses	409	408	413	0%	(1%)
Profit before tax	90	94	959	(5%)	(91%)
Cost / income ratio	82%	81%	30% <sup>2</sup>	+1pp	+52pp
Invested assets, bn	1,188	1,140	1,047	+4%	+13%
Net new money, bn	17	14	(9)		

PBT 90m

Total revenues (64%) YoY, (5%) excl. gains on sale

- Lower net management fees reflecting negative market performance
- Lower performance fees in Hedge Fund Businesses and Equities

Cost / income 82%; operating expenses (1%) reflecting lower personnel costs, partly offset by FX effects and technology

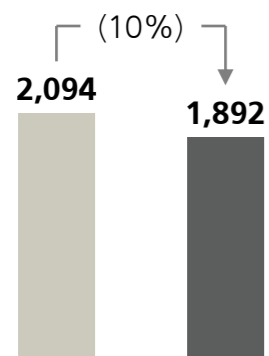
Invested assets 1,188bn, +4% QoQ reflecting positive market performance, net new money inflows and positive FX effects

Net new money +17.2bn, +6% annualized growth. Excluding money market flows, NNM (excluding associates) was +19.5bn

# UBS business divisions: Investment Bank

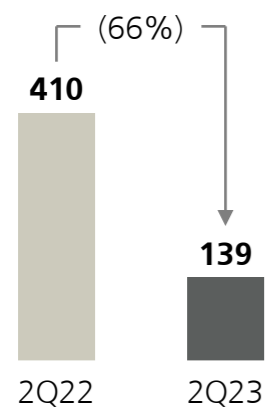
## Total revenues

m



## Profit before tax

m



USD m, except where indicated

	2Q23	1Q23	2Q22	QoQ	YoY
Total revenues	1,892	2,349	2,094	(19%)	(10%)
Global Banking	371	383	377	(3%)	(2%)
Advisory	160	171	209	(6%)	(23%)
Capital Markets	210	212	168	(1%)	+25%
Global Markets	1,521	1,967	1,718	(23%)	(11%)
Execution Services	358	422	399	(15%)	(10%)
Derivatives & Solutions	631	1,007	839	(37%)	(25%)
Financing	533	537	479	(1%)	+11%
Credit loss expense / (release)	1	7	(28)		
Operating expenses	1,753	1,866	1,712	(6%)	+2%
Profit before tax	139	477	410	(71%)	(66%)
Cost / income ratio	93%	79%	82%	+13pp	+11pp

PBT 139m

Global Markets revenues (11%) YoY

- Execution Services (10%) driven by lower Cash Equities volumes
- Derivatives & Solutions (25%) driven by lower volatility and client activity. Decreases in Equity Derivatives, Rates and FX, partly offset by Credit
- Financing +11%, best 2Q on record, increases across all products, driven by Equity Financing in EMEA and APAC

Of which:

- Equities 1,134m, (11%)
- FRC 387m, (13%)

Global Banking revenues (2%)

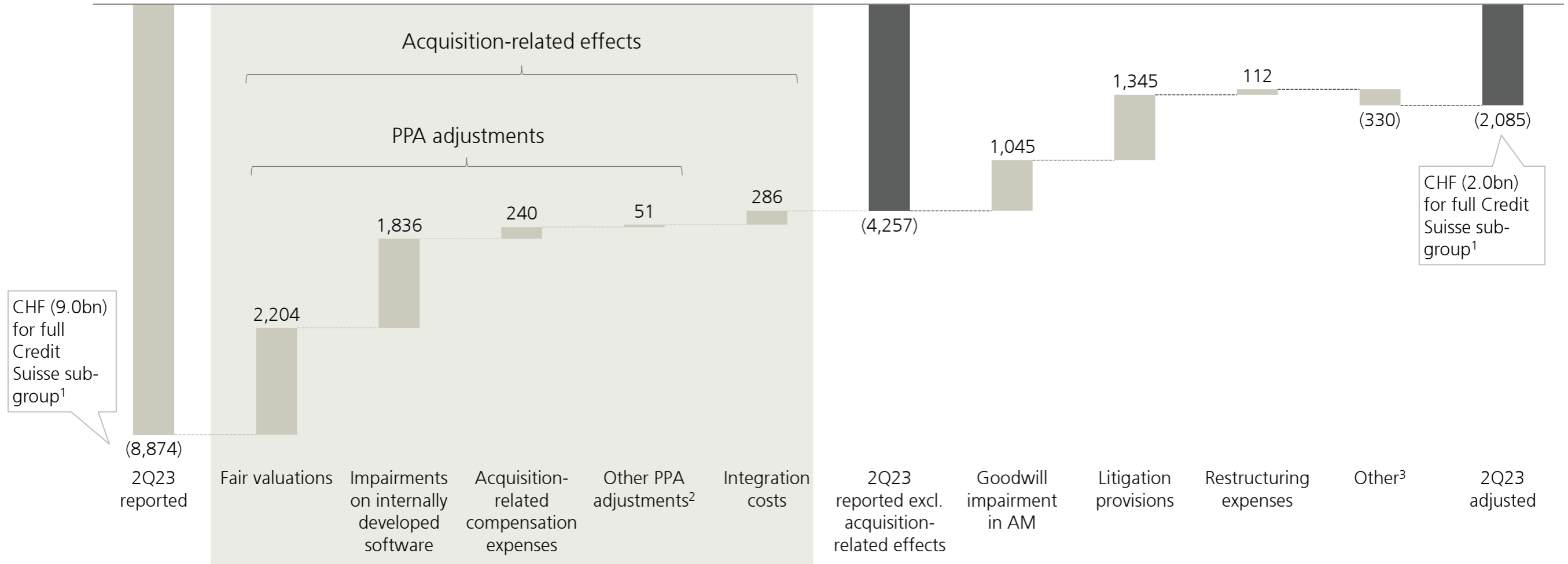
- Advisory (23%) on lower M&A transactions; global fee pool outperformance<sup>1</sup>
- Capital Markets +25% from higher LCM

Cost / income 93%

# 2Q23 Credit Suisse AG reported pre-tax loss of (8.9bn), (4.3bn) excluding acquisition-related effects; (2.1bn) adjusted loss (CHF, US GAAP)

Credit Suisse AG 2Q23 reported to adjusted pre-tax income / (loss) reconciliation

CHF m



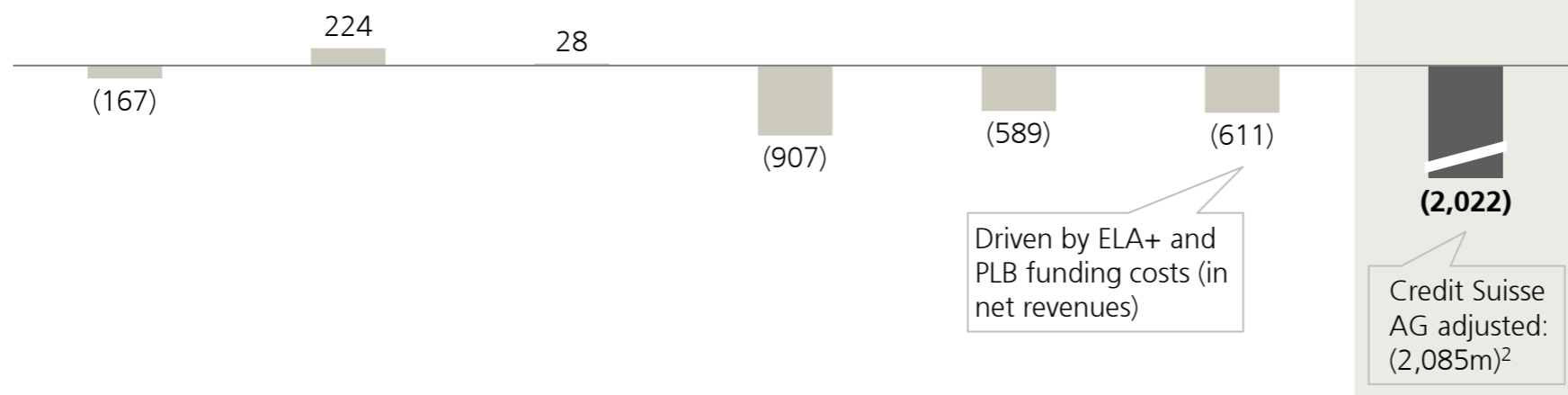
Refer to Credit Suisse AG 2Q23 release for reconciliation from adjusted to reported results; **1** Including Credit Suisse Services AG and other small former Credit Suisse Group entities now directly held by UBS Group AG; **2** 38m write-down of intangible assets and 13m costs from other acquisition-related adjustments; **3** 408m gain from cancellation of contingent capital awards, 35m expenses related to real estate disposals, 32m loss on equity investment revaluation in SIX Group AG, 7m Archegos-related expenses and 4m losses on business sales

# Credit Suisse adjusted 2Q23 results (CHF, US GAAP)

	WM	SB	AM	IB	CRU	Corporate Center	2Q23 Credit Suisse sub-group <sup>1</sup>
Adjusted net revenues							
CHF m	802	925	251	220	(55)	(453)	1,690
Δ% QoQ	(10%)	(5%)	+34%	(78%)	(86%)	n/m	(38%)
Adjusted operating expenses							
CHF m	948	620	222	1,116	515	157	3,578
Δ% QoQ	(4%)	0%	+4%	(15%)	(19%)	(23%)	(10%)

## Adjusted pre-tax income / (loss)

CHF m

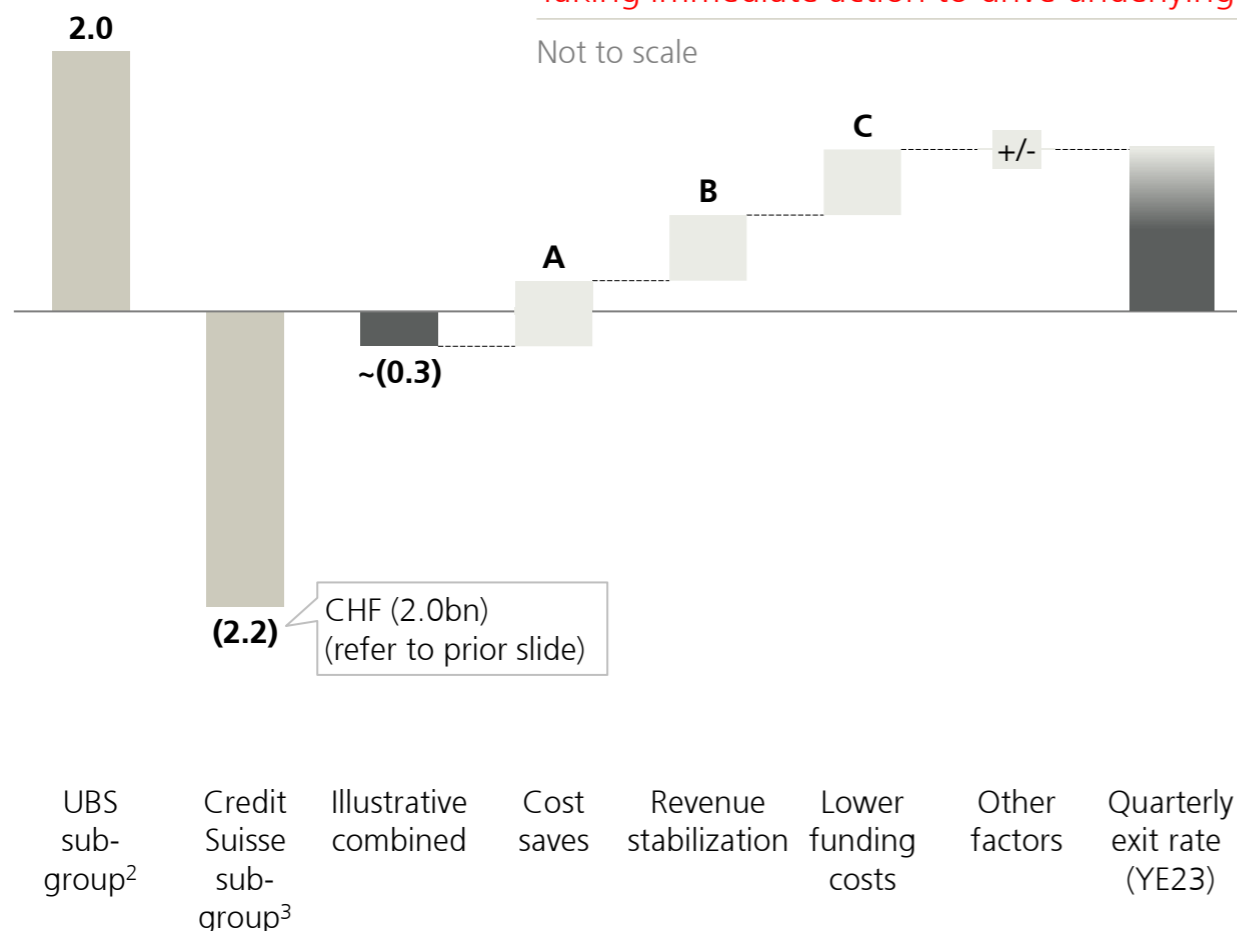


- Significant revenue attrition QoQ, mostly in the Investment Bank with core divisions more resilient
- Elevated funding costs from ELA+ and PLB reflected in Corporate Center
- Costs decreased QoQ, but not fast enough to offset IB revenue declines

# Expecting underlying PBT to be positive in 2H23, around break-even in 3Q23

## 2Q23 underlying PBT

Pro forma, USD bn



## Outlook

### Taking immediate action to drive underlying<sup>1</sup> profitability

Not to scale

- A** >3bn annualized (>750m quarterly) saves by year-end from actions to date and identified for 2H23<sup>4</sup>
- B** 8bn combined WM NNM/NNA 3Q QTD<sup>5</sup>
- C** ~550m funding costs in 2Q from PLB and ELA+, now fully repaid

### Other considerations

~3bn integration-related expenses, 2H23

>1.5bn<sup>6</sup> 2H23 pull to par impacts, largely in NII



<sup>1</sup> Excluding items not representative of underlying performance such as integration-related expenses and pull to par effects; <sup>2</sup> 2Q23 UBS business divisions and Group Functions (IFRS) excluding integration and acquisition costs; refer to slide 22 and 34 for details; <sup>3</sup> Adjusted US GAAP figures in CHF converted to USD using average 2Q23 USD/CHF rates of 0.90; Credit Suisse sub-group includes Credit Suisse AG and its consolidated subsidiaries, Credit Suisse Services AG and other small former Credit Suisse Group entities now directly held by UBS Group AG, refer to slide 27 and 28 for details; <sup>4</sup> >3bn annualized exit rate saves vs 2022; <sup>5</sup> UBS GWM net new money + Credit Suisse WM net new assets, up to and including 28.8.23; <sup>6</sup> Including NCL; CET1 impact of the accretion partly offset by ~0.7bn amortization of the transitional relief in 2H23



# Closing remarks

Sergio P. Ermotti, Group CEO

# Key messages

Our strategy is unchanged and is accelerated by the acquisition of Credit Suisse

We remain focused on serving our clients with an enhanced client proposition, and we see positive momentum in our core businesses

We are driving value creation through the integration and taking action to bring underlying PBT into positive territory in 2H23

We are well positioned for long term growth and have started on our path back towards ~15% RoCET1

We continue to maintain a balance sheet for all seasons which is the foundation of our success

Committed to progressive dividend, with excess capital to be returned to shareholders via share buybacks

Further updates with 3Q23 earnings and strategic update to be provided with 4Q23 earnings, and to include updates on financial targets, guidance and capital returns



# | Appendix

# UBS Group results

<i>USD m, except where indicated</i>	2Q23	1Q23	4Q22	3Q22	2Q22
Total revenues	9,540	8,744	8,029	8,236	8,917
Negative goodwill	28,925				
Credit loss expenses / (releases)	740	38	7	(3)	7
Total operating expenses	8,486	7,210	6,085	5,916	6,295
Operating profit / (loss) before tax	29,239	1,495	1,937	2,323	2,615
Tax expense / (benefit)	361	459	280	580	497
of which: current tax expense	368	487	349	368	367
Net profit / (loss) attributable to shareholders	28,875	1,029	1,653	1,733	2,108
Diluted EPS (USD)	8.99	0.32	0.50	0.52	0.61
Effective tax rate	1.2%	30.7%	14.5%	25.0%	19.0%
Return on CET1 capital	185.0%	9.1%	14.7%	15.5%	18.9%
Return on tangible equity	177.8%	8.1%	13.2%	13.9%	16.4%
Cost / income ratio	88.9%	82.5%	75.8%	71.8%	70.6%
Total book value per share (USD)	26.95	18.59	18.30	17.52	17.45
Tangible book value per share (USD)	24.61	16.54	16.28	15.57	15.51

# UBS Group AG 2Q23 results excluding negative goodwill, integration-related expenses and acquisition costs (IFRS)

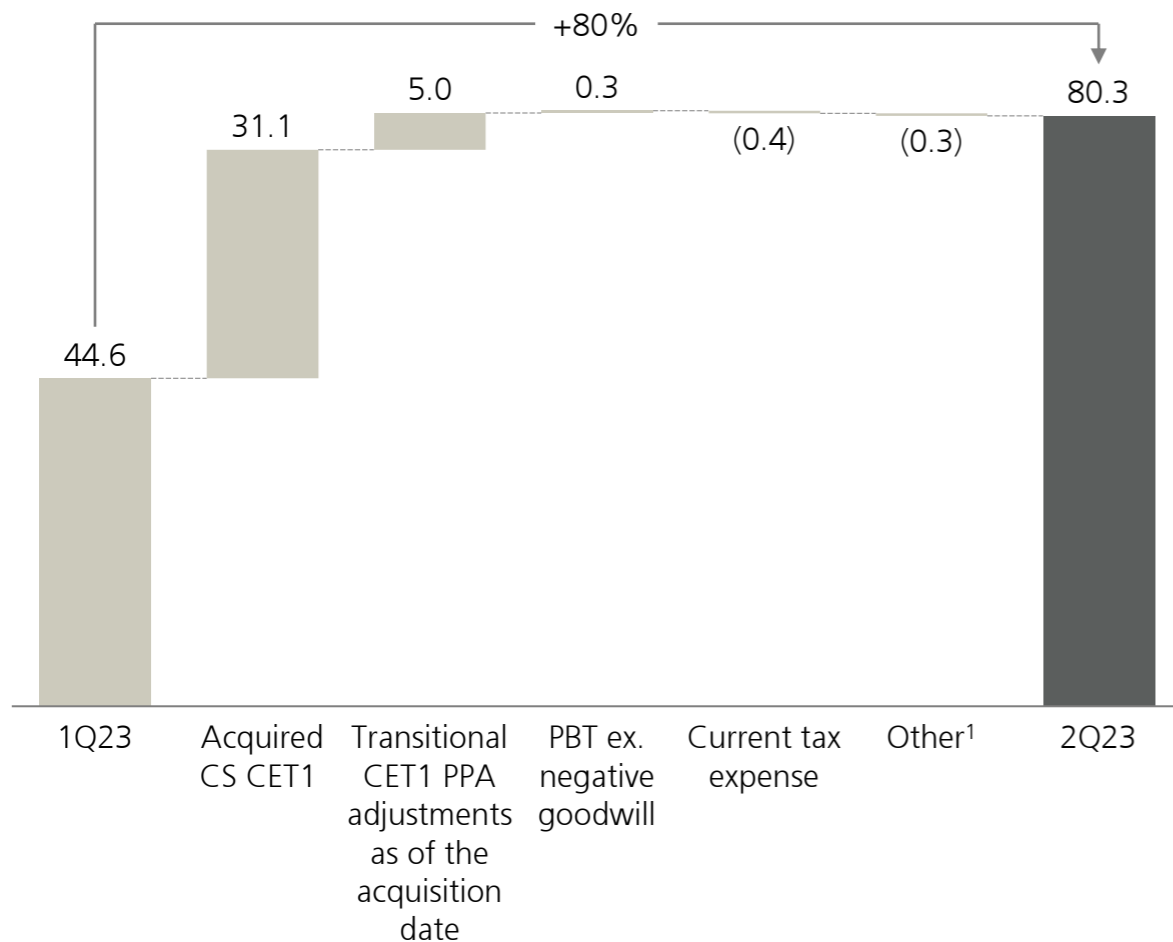
*USD m, except where indicated*

	UBS Group AG 2Q23	2Q23 UBS sub-group <sup>1</sup>	June 2023 Credit Suisse sub-group <sup>2</sup>
Operating profit / (loss) before tax	29,239	1,523	(1,209) <sup>3</sup>
o/w: Negative goodwill	28,925		
o/w: Integration-related expenses and acquisition costs	(830)	(456)	(374)
Operating profit / (loss) before tax excluding negative goodwill, integration-related expenses and acquisition costs	1,144	1,979	(835) <sup>3</sup>
Excluding negative goodwill, integration-related expenses and acquisition costs			
RoCET1	4.5%		
RoTE	4.3%		
Cost / income ratio	80%		

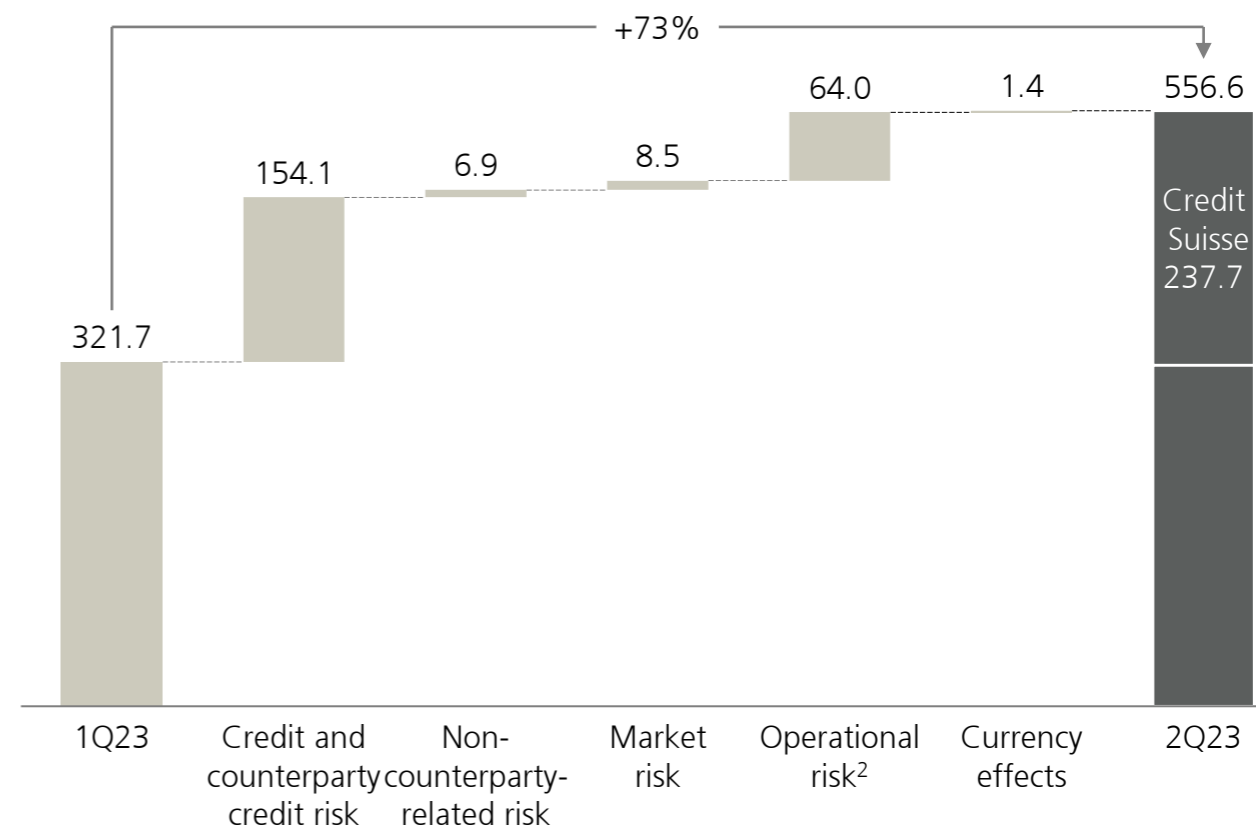


# CET1 capital and RWA walk

CET1 capital  
USD bn



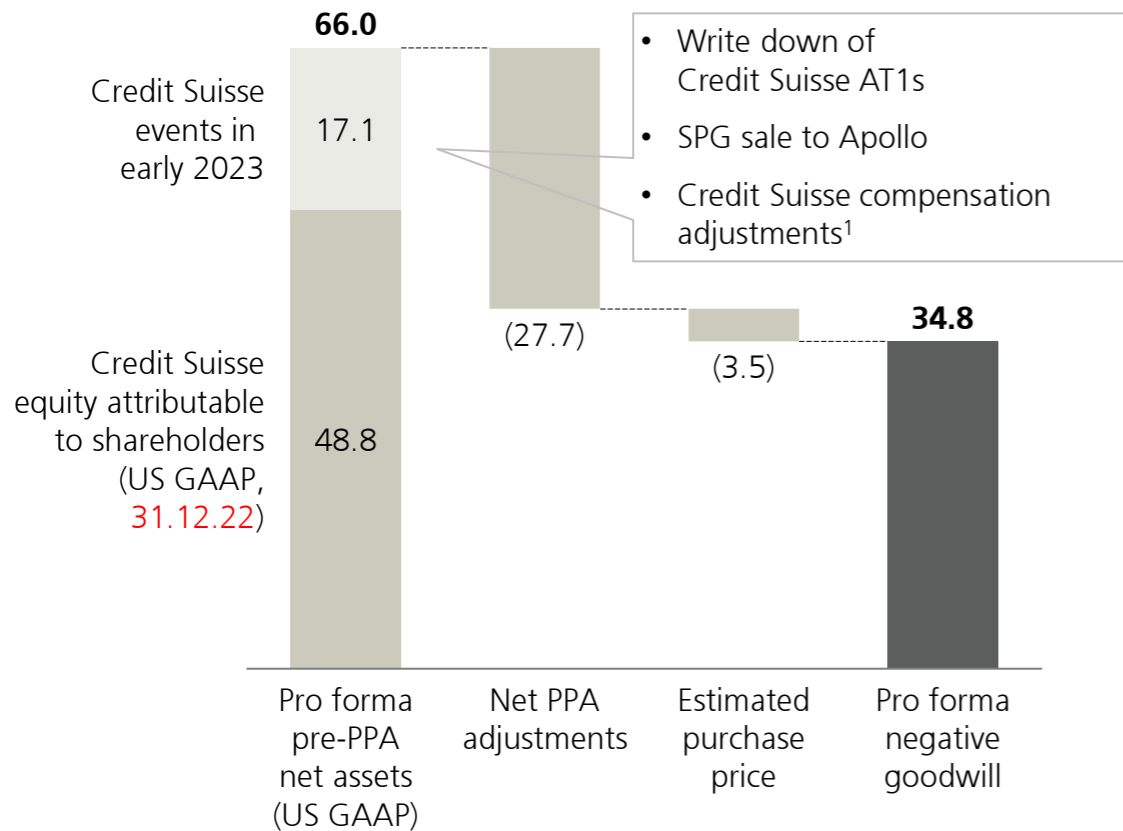
Risk weighted assets  
USD bn



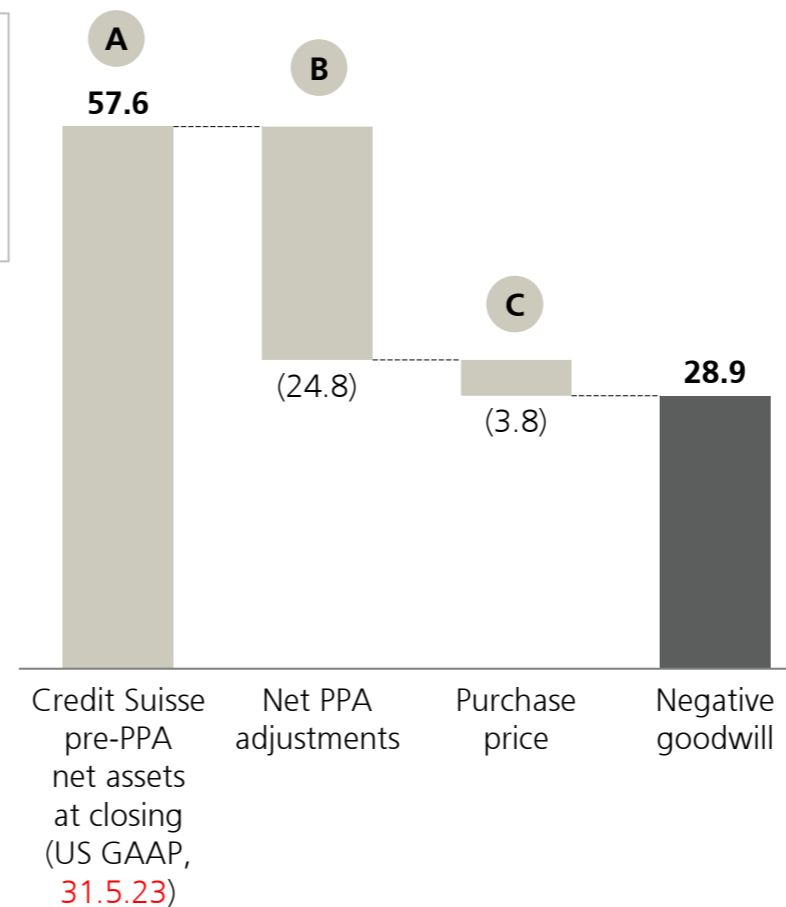
**1** Includes foreign currency translation effects of +0.4bn, before tax, negative 0.5bn dividend accruals for the current year, negative 0.1bn amortization of transitional CET1 PPA adjustments and movements related to other items; **2** The aggregation of the advanced measurement approach models considering diversification effects resulted in 10bn operational risk RWA reduction in 2Q23

# Lower negative goodwill vs. F-4 driven by 5M23 Credit Suisse operating losses and higher PPA marks on loans and loan commitments

Pro forma negative goodwill estimated in the SEC registration statement on Form F-4  
USD bn



Negative goodwill included in 2Q23 results  
USD bn



**28.9bn negative goodwill; 5.9bn below F-4 estimate**

- A** Pre-PPA net assets 8.4bn below F-4 estimate, driven by:
  - ~3.4bn of operating losses at Credit Suisse in 5M23, not captured in F-4
  - ~5bn reversal of historic own credit gain, previously captured in PPA adjustments
- B** Net PPA adjustments (24.8bn), a 2.9bn improvement vs. F-4 estimate, mainly driven by:
  - PPA offset from aforementioned ~5bn own credit gain reversal (improvement)
  - 1.7bn higher marks on financial assets and liabilities (deterioration)
  - 0.5bn higher litigation provisions (deterioration)
- C** Purchase price of 3.8bn vs. 3.5bn in F-4, mainly due to a higher UBS share price at the time of closing and inclusion of settlement of pre-existing relationships with Credit Suisse

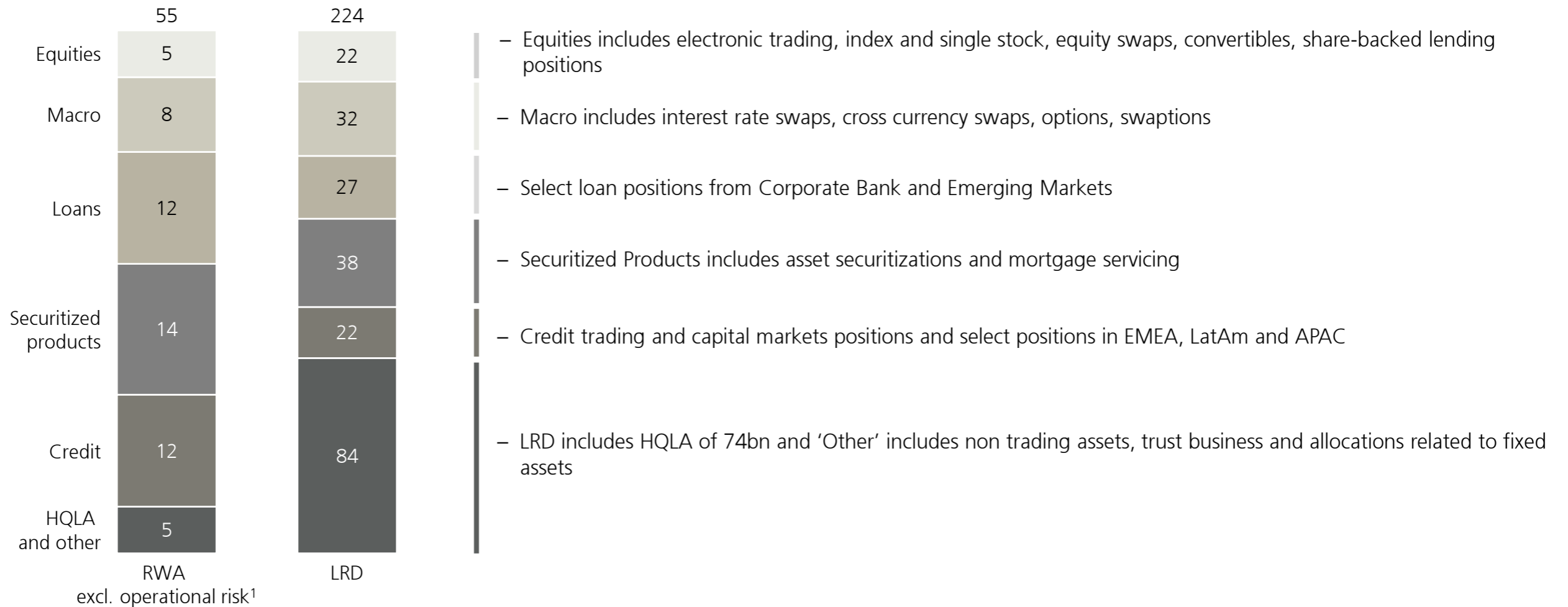
Offsetting: neutral to negative goodwill



<sup>1</sup> Estimated balance sheet impact of a write down of contingent capital awards issued by Credit Suisse and specific mandated Credit Suisse compensation cancellations as communicated by the Swiss government to Credit Suisse in 2Q23

# Non-core and Legacy composition

Non-core and Legacy  
2Q23, USD bn

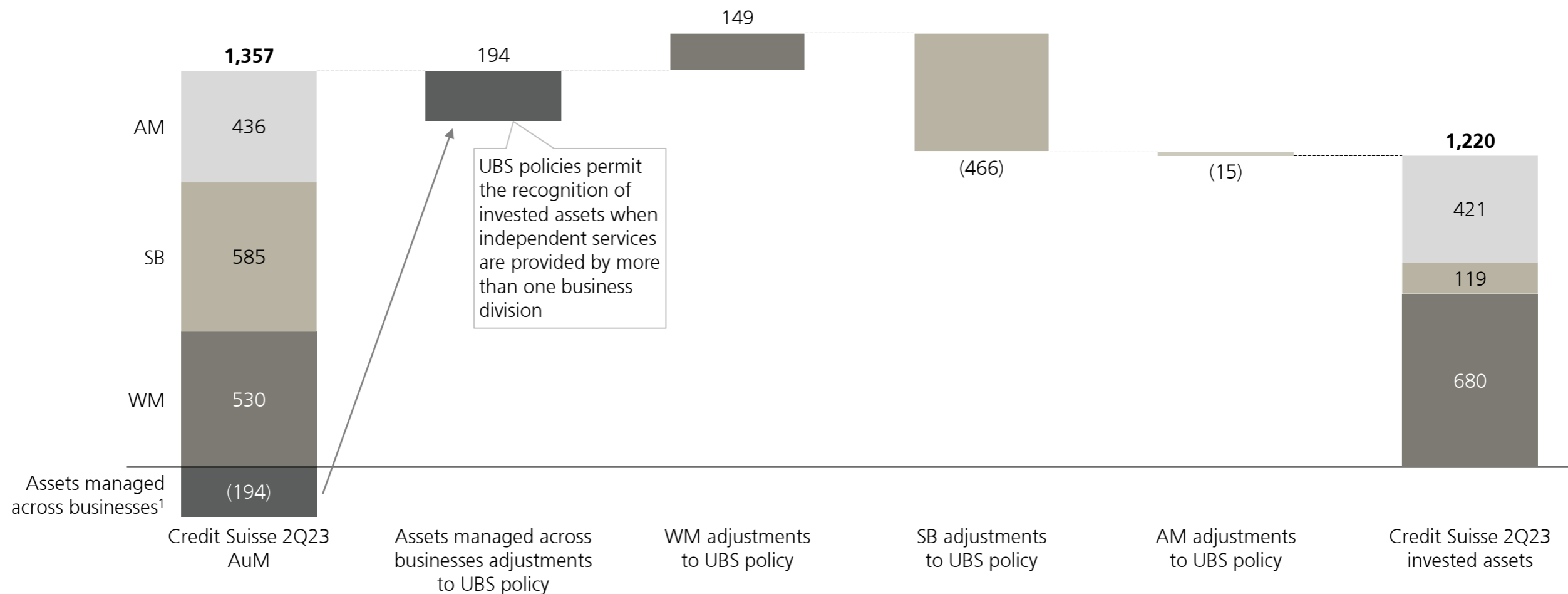


Balances as of quarter-end. NCL perimeter subject to finalization; numbers subject to change; figures for assets transferred from CS business divisions derived from US GAAP; <sup>1</sup> Operational risk RWA to be reported in 3Q after finalization of allocation methodology

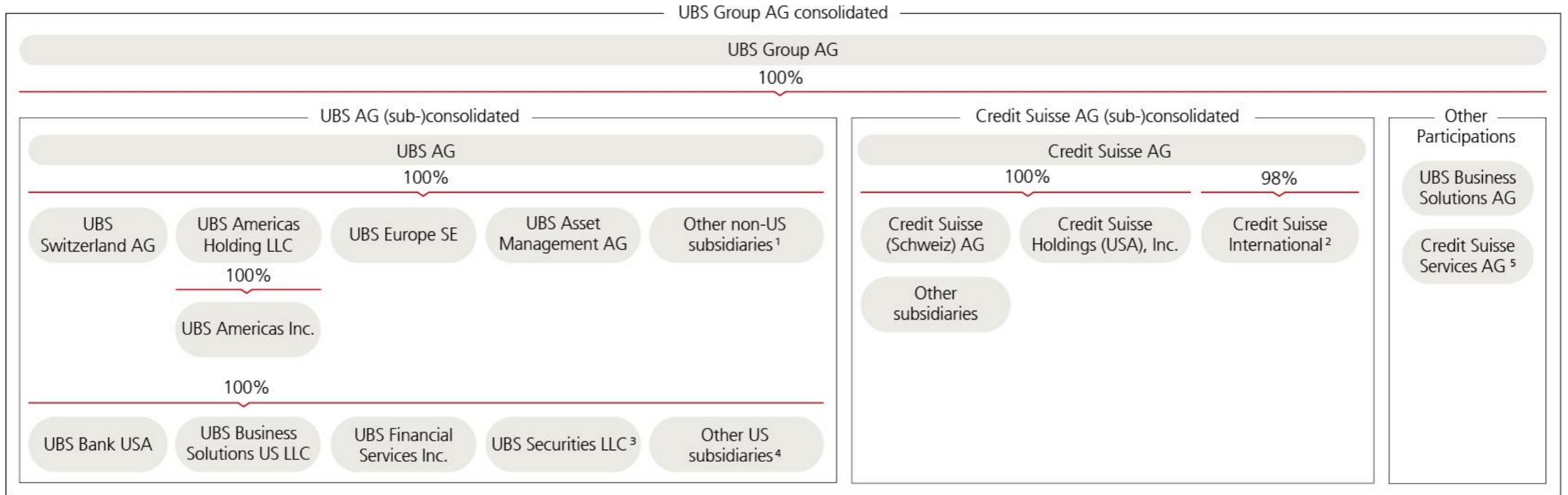
# Alignment of Credit Suisse AuM to UBS invested assets

## Credit Suisse AuM to UBS invested assets

USD bn, except where indicated



# UBS Group structure (as of 31.8.23)





# Cautionary statement regarding forward-looking statements

Cautionary Statement Regarding Forward-Looking Statements | This presentation 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. The Russia–Ukraine war continues to affect global markets, exacerbate global inflation, and slow global growth. In addition, the war has caused significant population displacement, and shortages of vital commodities, including energy shortages and food insecurity, and has increased the risk of recession in OECD economies. The coordinated sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the war will widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. UBS’s acquisition of Credit Suisse has materially changed our outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to take between three to five years and presents significant risks, including the risks that UBS Group AG may be unable to achieve the cost reductions and other benefits contemplated by the transaction. This creates significantly greater uncertainty about forward-looking statements. Other factors that may affect our performance and ability to achieve our 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 bank; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions, including as a result of the acquisition of Credit Suisse; (iii) increased 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, deterioration or slow recovery in residential and commercial real estate markets, the effects of economic conditions, including increasing inflationary pressures, market developments, increasing geopolitical tensions, 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, including the COVID-19 pandemic and the measures taken to manage it, which have had and may also continue to have a significant adverse effect on global and regional economic activity, including disruptions to global supply chains and labor market displacements; (v) changes in the availability of capital and funding, including any adverse changes in UBS’s credit spreads and credit ratings of UBS, Credit Suisse, sovereign issuers, structured credit products or credit-related exposures, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC), in particular in light of the acquisition of Credit Suisse; (vi) changes in central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the European Union 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 and any additional requirements due to its acquisition of Credit Suisse, or other developments; (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 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 our 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 our RWA, including as a result of its acquisition of Credit Suisse, as well as the amount of capital available for return to shareholders; (xiii) the effects on UBS’s business, in particular cross-border banking, of sanctions, tax or regulatory developments and of possible changes in UBS’s policies and practices; (xiv) 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; (xv) 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; (xvi) UBS’s ability to implement new technologies and business methods, including digital services and 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; (xvii) limitations on the effectiveness of UBS’s internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xviii) 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 cyberattack threats from both nation states and non-nation-state actors targeting financial institutions; (xix) restrictions on the ability of UBS Group 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; (xx) 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; (xxi) 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 possibility of conflict between different governmental standards and regulatory regimes; (xxii) the ability of UBS to access capital markets; (xxiii) 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 (e.g., the Russia–Ukraine war), pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during long-term disruptions such as the COVID-19 (coronavirus) pandemic; (xxiv) the level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, and in the execution of the planned strategy regarding cost reduction and divestment of any non-core assets, the existing assets and liabilities currently existing in the Credit Suisse group, the level of resulting impairments and write-downs, the effect of the consummation of the integration on the operational results, share price and credit rating of UBS – delays, difficulties, or failure in closing the transaction may cause market disruption and challenges for UBS to maintain business, contractual and operational relationships; and (xxv) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on our reputation and the additional consequences that this may have on our 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. Our business and financial performance could be affected by other factors identified in our 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 Annual Report on Form 20-F for the year ended 31 December 2022. 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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