

UBS Best of Switzerland Conference

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Fireside chat with **Sabine Keller-Busse**, President Personal and Corporate Banking, President Switzerland; Moderator: Daniele Brupbacher, UBS

Transcript. Replay is available at www.ubs.com/investors

Daniele Brupbacher

Good morning, good afternoon and welcome to our best of Switzerland conference.

My name is Daniele Brupbacher. I'm a banks analyst here at UBS and I'm also head of Equities Research in Switzerland here. I host this session as a moderator, in my role as analyst at UBS, I will not provide any views on UBS, but rather just moderate what should be an interesting discussion.

With this disclaimer out of the way, I would like to introduce you to Sabine. Sabine Keller-Busse is President UBS Switzerland, Sabine is also a member of the Group Executive Board. So welcome, Sabine, thank you very much for attending our conference.

Sabine Keller-Busse

Thank you, and welcome to all of you, to our Best of Switzerland UBS conference.

I'm very happy to be here and I'm very happy that you're joining. Perhaps before we go into a moderated discussion with Daniele, let me very quickly introduce myself. So for more than eleven years, or over more than 11 years ago, I started at UBS as the COO of the Swiss business, laying the foundation toward today's UBS Switzerland is.

Then I moved away, worked six years in Group functions. Last role I had was Group COO and as of last February, I came back to the home market Switzerland and took over the business. *[Edit: I'm]* very delighted and ever since, I really enjoyed interacting closely with our clients and I can see, we see a lot of good momentum. If we are quickly looking at the good momentum, and you know that in UBS we're managing divisions, but we're managing as well businesses overall.

So, if I'm looking at the division, Personal and Corporate in Switzerland, we had a really, really good run in the first half of the year. What's the best first half actually since 2016 with 800 million PBT and that was really carried by a huge momentum through our private client business. We had a lot of net new loans, roughly 600 million, we had a boost in net new investment products, 900 million, and then obviously we'll talk later a bit more of a record transaction based income of 288 million.

If we're looking at the Swiss business, our Swiss business, overall, we delivered over USD 1.6bn PBT in the first half, and I think you are very well aware that the entire Group had a very good first half of the year too, with profits of nearly 4 billion and 19% return on our CET1 capital.

I have to say such a strong performance is already a very strong backbone and a great foundation, because it is really ideal, I would say, prerequisite to take Switzerland forward. With the universal bank in Switzerland our ambition is to remain leading, but still to grow in those areas where we still have room to grow and there are quite a few. That requires from us that we're focused on our clients' needs, pushing forward the digitization, particularly in the area of the retail banking, but even more growing into the wealth area, corporate as well. And then really transforming the business, into what we say, a more agile, very client-focused culture in the way we work.

It's a great task. It's a challenge, but I'm confident with such a strong, I would say, base we are currently having, that this will be something where we will really be doing greatly. And with that Daniele, ready for your questions.

Daniele Brupbacher

Thank you Sabine. I think that sets the scene very nicely for the seven questions we prepared, and I think it also shows the importance obviously of Switzerland for the overall Group. Let's start high level, if that's OK, and then drill deeper into some of the themes we believe are important for the Group, and certainly the Swiss business.

So, let's start with macro. Let's talk about the environment for banks and, as the President of Switzerland's top bank, what is your assessment of the Swiss economy 18 months, give or take, into the pandemic? What are the signs you get from clients given you meet them all the time and corporates in particular?

Sabine Keller-Busse

Look, I think overall we can say Switzerland as an economy, we have managed very well and being very, I would say, resilient throughout the crisis and that is a... I just finished a meeting with governmental representatives and that was their view as well. So, that's not only mine. Because what we have seen is if you're looking how the Swiss economy has performed in this, I would say, first phase of the pandemic. Last year we saw a contraction of our Swiss growth of 2.9%. But, if we compare that, for example, to the EU, where we saw overall contraction of 6%, Germany, I think was kind of 4.6%, but UK at 9.8%. I think it's really fair to say we have managed I would say very relatively well through this pandemic.

What we have seen particularly now in the second quarter of 2021 is really a very, very strong rebound and our economic view is we are currently seeing the GDP growth at 3.4% this year, and we're forecasting the kind of 3% next year, which is almost double what we would see in in the past normal years.

But if we are looking through the sectors, and as a universal bank, we're obviously exposed through, I would say all the branches and industries here. There's obviously a difference. So you see sectors like ours, the financial service industry, which has managed well and I'm just thinking, for example, pharma, IT, which has really done very well. But there are some sectors which still need some catch-up. Thinking here about the event, or travel, or gastro. industry overall.

I would say if I'm looking at the corporates, initially, some corporates have been more cautious because I think in the beginning it was unclear, how the pandemic develops. So, I would say they held back with larger investments and this is what we saw in financing request. But we are now seeing and with this economy really having picked up speed again, we're seeing this a rebound.

Perhaps another aspect which is important that is the view of our National Bank. Currently, the SNB seems to believe that the danger of inflation is not around the corner, and this is why they have just communicated again that the course that they've taken with negative interest and the way they interact, that we are not seeing big changes.

If I'm looking more into the corporate space. And it's obviously... it's always a big number for investors as well, looking into to our credit loss expenses. And here I have to say, again, these have been comparatively modest last year, and we already saw first releases. So, if we are looking and comparing to our peers, I would say our increase of CLEs in the private and corporate sector, we're at the heart of a Swiss business with USD 262 million. Really, it had been modest and this is where we what we have taken between the first and the third quarter 2020, and I guess that is a bit of reflection as well of the quality of our portfolio that we're having in Switzerland, but as well of the Swiss economy. And if I'm now looking into 4Q20 to 2Q21 we have even been able to release USD 84 million and this is because the economy really has improved in in the outlook. So, we are really seeing this happening, but definitely we remain cautious. So, on Group level we still hold the buffer of roughly 180 million.

And I think another point, which is important, and as I said we have just discussed it, so, it's something which is on all our mind. Looking into governmental help, it's always the question if the state withdraws it. So, if the country needs a lot and then withdraw. I think we've managed in Switzerland to do... I would say to get through the pandemic with modest support from the government. So, first time thinking about the COVID credits. We participated in the government guaranteed credit and that was in the first phase of the pandemic. We, as UBS, obviously, we supported the program, we had 24,000 credit requests, we had 3.3 billion credits that we could get out, which are government backed and guaranteed. It was a big, big effort, but one that has gone well. And then obviously we had furlough in Switzerland, which has helped as well. But as there were no other big, big, big measures, I don't think that Switzerland will face a situation like other countries might face that if government pulls back, then, I would say, not a favorable situation.

So, if I combine it all, I think Swiss economy has done well. Reflected in, I would say, in our loan book as well and our CLEs . And then looking ahead, our economic forecast with a 3% next year. Plus not this situation that we should be afraid of, you know, a being poor, but I think we are in a very, very good position actually in Switzerland overall.

Daniele Brupbacher

That's a very encouraging message. I hope you at our best of Switzerland conference here see similar messages from industrial companies and the companies you meet. So secondly, let's talk about client trends and activity levels against this economic backdrop, which you just described. And if you could share a bit, your insight on client activity levels you're seeing among really both now private and also corporate clients? And probably even more importantly: What kind of changed client behaviors do you think are here to stay once things normalize?

Sabine Keller-Busse

So I would start with what we have seen is that we are seeing now, with the economy coming back we have seen, for example, our transaction-based income increase significantly. I mentioned earlier the USD 288 million in the second quarter this year, which is an increase of 27%. So, to me this is a clear signal of huge activity. So, what we're really seeing is active client, a lot of client momentum, . and this is obviously reflected in figures.

I would say what we're seeing, as well, is throughout the pandemic, I think clients had more time to reconsider their priorities, their personal wealth and what we do see is a super strong demand. For example, net new fee generating assets, which are really going into investment and retirement products.

And as I said earlier on, we are not expecting the SNB to change, but interest rate are expected to remain at negative or ultra-low levels for the foreseeable future. Clients are really looking for investment opportunities and we have broadened that a bit specifically for the retail sector as well, in wealth, we had always a very very strong product range and a lot of good momentum in what we call book transformation offering, great mandate solutions, but we've been able to really... In the second quarter have USD 900 million of investment products stemming from our retail base. So for private clients that was really something which we have seen and a lot is going into the retirement space as well.

Another area what we are seeing very much is the property area in Switzerland. We are seeing a lot of need and that is I think partly driven by low interest rates, so people can afford loans and mortgages for their home, buying activities. But, secondly the whole work from home has even increased the demand for larger property, etc. So, we're really seeing that one having picked up and what we are seeing as well is that it seems that consumers are back.

We had seen on the credit card side during the pandemic, we've seen the international credit card transactions really dropping a lot. I mean businesses... I didn't fly, so, I haven't seen a plane for a while. So, you do a lot of "virtual", and this is what we're seeing. But what we are seeing, which is really encouraging, is now that credit card activity is back. When I'm looking in the second quarter 2021, it was nearly 30% higher than even a normal 2019 peak, so that's definitely some change.

I think what we're seeing as well activity is in the corporate space. What we're seeing is that if I compare the fee and trading income really how we see it today versus a year ago, so we're 10% higher. And overall income even in that sector went up by a third, so that shows again that the activity has picked up again. And as our economy is very much, I would say, export oriented. I mean, Switzerland is a small country. So, by nature, I think Switzerland is a very export-oriented economy and here obviously it's very good because we've seen the FX trading volumes really increasing nicely and trade and export related revenues as well. Here they went up by 4%. So really nice.

Another thing that we are seeing, it's an observation after a period of, I would say a bit quietness, M&A is picking up in Switzerland. Well not just large caps and multinationals. We have seen really more demand for overall advisory services including strategic transaction, corporate succession or structured financing. And here we saw really revenues reflecting that with a year on year uptick of even 14%.

I think one big change which we haven't touched upon is the digitization. So we always saw that digital is important, particularly on I would say the private side. But what we have seen throughout the pandemic is a jump start. So, we believe we've jumped ahead, three to four years in development and for our retail clients, the digital penetration really went up to 70%. Now it's 4% increase and even on the wealth management side we are already at 66%. So, we really saw that these clients were extremely digitally interactive, and to me one stunning thing was how we could connect. So, if I'm looking in wealth management overall, this is not a Swiss number, but our CIO, we were able to connect to 180,000 clients, in a short period of time. And in other

businesses, we've really seen more activity and that was because clients, I mean everybody, was connected digitally or not losing any contact and clients wanted to get that contact. So very, very good. It's always said that the elder generation is picking up slower. So obviously we measured how, I would say our clients were, you know, 65 and more, and here we saw 20% increase and I think that is really something which without the pandemic we wouldn't have seen.

I know I'm talking long, but another one which is really a big factor and that is something which I experienced myself. I was at the SEF, Swiss Economic Forum, I think it was last week or a week before, and I met really a lot of entrepreneurs there. It's the whole topic around the sustainability and sustainable finance, and I think on the corporate side, this is one of really the key topics. Next to digitization is really the whole sustainability anchor. We've seen this because what we have done, in Switzerland, we did a survey. So we asked two and a half thousand corporate clients about ESG and sustainability, and 9 out of 10 of these surveyed companies really said that they are paying significant attention to at least one of the aspects of ESG. And what struck me particularly, I said initially we have some industries or brands which are suffering more and even those industries which are exposed more to the pandemic like gastro or event or travel that was unchanged. So even those companies, even when under pressure, it's still a high priority. So that is really something which, in my view, again got acceleration and on the private client side, we see the same. It's a big, big, big push.

Perhaps one aspect again, which is a new topic in the corporate landscape, is a bit more focused on supply chain, because we have seen the vulnerability of supply chains, everybody thought supply chain is a given, and if you're talking to institutional investors, people look more to how is the supply chain of this particular company and how safe it is. So that is something which I think we will all take away from the pandemic as well.

Daniele Brupbacher

Thank you, that's very interesting, very insightful and shows the changing client behavior and needs and I guess as a bank we want to react to this. We want to transform personal and corporate banking, digitize it, as you already mentioned that point. So can we go a bit deeper here? So if we think about these client trends you just described and also the accelerating pace, I think you mentioned three to four years jump forward. And we see that here at UBS, of course, and across the whole banking market. So what is our answer to these challenges and opportunities here in Switzerland and, really again, what does this digitization play specifically?

Sabine Keller-Busse

Look, I think digitization is now something which is just inherent in everything we do as a bank and it is part of our delivery. That is something on Group level when we have set our purpose, and then if we are saying what is the client promise that we have. We all said the clients now want to have personalized, relevant on time and seamless solution, and this you can only deliver if you have deep knowledge of client needs and then you need obviously data technology, whatever is required to really ensure you can deliver it seamless and on time. So that is definitely something which will not go away.

Overall, we do see that technology digitization is the underlying effort across all. Even if you have advice, I mean, you need to have all the research facilities and really getting the right solutions to the right clients and getting their needs. But in the way we deliver, this is where we will see, I would say, a hybrid way, because what today you call basic banking services, I mean think about payments or opening an account or prolonging a mortgage, you name it. That is something where you can really say: that banking service you can move into the app and clients can just carry it in their pockets because they can just do it via mobile phone, wherever and whenever they want.

On the other hand, as we are serving all client needs. You have on the personal side; you want to organize for your succession, you have some complex investment ideas, you're an entrepreneur and you want to discuss how you can restructure your firm, you could ask for acquisitions, or start-ups that we support in doing, IPOs, or green bonds, or whatever is there and needs expertise and advice. So, what we are doing is really for the basic banking needs, this is just just moving the bank into the app and then at the same time ensuring that we really can deliver the right expertise and the advice to our clients. Because this is exactly the point where UBS, given the strength we're having across the different dimensions and businesses, this is where we can really do, I would say the difference.

And obviously in the way we deliver, there are then consequences. Like you could already see over the last six quarters we have reduced our branch network by 30%, just in the first quarter of this year we closed 44 and obviously with this move into the more digital world, that is something where we will always have a very, very close view. It's just the consequence of moving basic banking into the app.

But at the same time our clients as I said, even clients who prefer to be digital have complex needs. They are not all willing to go into a branch. So, what we have started to offer is what we call remote service and advice, and that is where clients get access to the advisor in a much longer time horizon so they have more opening hours where they can get this advice and that is something we are rolling out as well. So, in the end the delivery will be digital, remote service and then for the more complex I mean if you're a corporate client, you want to discuss the structured finance in person. This is what will stay I would say in the old form.

Uhm, thinking again about the role of technology. I think on the Group level, what I really have to say I'm very happy about is that we have kind of levelled up technology into a Group Executive Board level. When I was group COO, I was responsible for some areas and technology was part of it. But now with Mike Dargan our CDIO sitting on the Group Executive Board I think it's a fantastic solution. Having Mike, who's a real expert, driving our overall journey, because it's not about digital experience with clients. There's a lot about investing into infrastructure, even moving the bank forward, ensuring we have the right platforms to work on is fantastic. And I have to say without our past investments and without what we have done on technology, we wouldn't have been able as UBS to go through the crisis as we did. We had not a single outage, we were fully operational. It was really because technology is so important in not only the front-end but in the overall way how we work. Obviously now with Ralph, who is our new CEO, technology, as I said, it gets even more push and I'm very happy about that one.

Perhaps on the client side what's interesting as well, what we are seeing is growth opportunity as what we're calling is this ecosystem platforms. So, in Switzerland we have launched the Key4 platform for mortgages, we have it for the corporate sector where we have this product called Atrium, but that's really a platform business which we now have the first partnership with an external party which we will grow and this is again something where we think is very valuable to our clients to have access here.

I would say overall it's really, you know, the transformation is as I said, digitization, further investments in the IT infrastructure, but then ensuring that the client front end that we're having exactly this staggered approach with the best expertise. But it will be all very data and technology underlying, even if it's in the expertise and advisory space.

Daniele Brupbacher

So fast changing environment more than ever, very clearly. Let's talk about the ESG. I mean it's another very relevant topic at the moment. A lot of changes and opportunities on that front as well. Could you give us a bit more details in terms of what we are doing in this space specifically in Switzerland?

Sabine Keller-Busse

I think on this sustainable point, and I said it before, in Switzerland as well as globally everywhere, I think the topic has picked up, but we have actually a strong track record on that field. So, we have started quite some while ago and I think it's important to note that sustainability and ESG measures have always been a very important part of our offering and being on our agenda.

So, I would say, today, we are in a strong position, and can in a way benefit from the trend, which now goes mainstream. We want to be actually the financial provider of choice for clients who wish to mobilize capital towards the achievement of the UN 17 Sustainable Development Goals, and support them in this transition to a low carbon economy.

As I said earlier on, we saw a huge pickup on the investment products, but we were actually the first major financial institution to make sustainable investment the default solution for our private wealth clients and our core sustainable assets under management reached 793 billion already at the end of 2020. This is four times as much as we had in 2017 or when I'm looking into wealth, our 100% sustainable mandate is one of the top selling investment products and we have 8 billion in inflows just this year and the asset management sustainable focus invested assets reached 129 billion. So you see, there's a lot of momentum already on our products and what we're doing obviously is we are actually always adjusting our product, here in Switzerland and across the Group to really offer new solutions.

And one example, which is very, very interesting is the My Way solution because that allows clients to really introduce sustainable overlay into their mandates in a customizable manner. And that was pioneered, it's good, pioneered here in Switzerland. The rollout is ongoing and it's really a great success. So, we already had 2.6 billion in net inflow into this product this year, and the invested assets on the platform, they reached 4.2 billion in in June. And I think what's important as well, and this again looking more into the private client retail space, we were actually the first bank to convert second and third pillar on the pension aside, the pension funds, to sustainable investment strategies and that is 9 billion. I mean that is quite a good achievement as well. On the mortgage side, we have preferential mortgage offering and as I said earlier in the survey, 61% of our corporates, they expect the bank to even deliver more on sustainable products. So, we are really very, very active in this space and can offer a lot to the table, but it's a topic which is incredibly important.

I think, the whole sustainability topic is not only about enabling our clients, but obviously we need to do homework for us as well, so, it's [*edit: also* important] for us as an organization. And UBS has always been very, very... I would say we set ourselves strong targets on reducing our carbon footprint and we have over-achieved our ambitions by 2020. We had planned to reduce the emissions by 75% and we reduced by 78% or 79%. So pretty strong, but we have now earlier this year, we have announced ambition to achieve a net zero greenhouse gas emission resulting from all aspects of our business by 2050. And we will define science based intermediate targets for 2025, 2030 and then 2035. And then if I'm looking into financing of carbon related assets, I think here again, we are further tightening that one and when we were still at 6.1 billion end of 2019, we have reduced that to 4.5bn already in 2020. So that is a journey which is ongoing as well.

So overall I'm very happy and then obviously I have to say this on diversity which is always part of ESG as well. So we have equality and inclusion big time on our agenda. And we have announced our aspiration to increase female representation ranks of director and above to 30% by 2025.

Daniele Brupbacher

Great, fascinating topic ESG as a growth opportunity. Let's talk about sources of growth a bit in more general. And you know, what I have in mind when I ask the question, is the Swiss economy did relatively well, there's clear optimism about the pace of the future recovery. At the same time, it's also mature market, right? And it's not really a fast growing one. So as UBS, how do we make sure we deliver growth in such conditions, right? And, just the opportunities you do see in in Switzerland for UBS bit more broadly?

Sabine Keller-Busse

Well, that's always a question I get asked: "It's 8 million in Switzerland, so on, so many, so and you are the market leader. How can you grow?"

Yes, we are the undisputed market leader. We have 2.6 million clients in personal banking, 80,000 wealth management clients and I would say 1/3 of Swiss companies bank with us, which is 120,000 roughly. And out of the really big companies, 9 out of 10 are clients. That's a superb basis, but we have shown, if you're looking at the numbers, we have shown that we can still grow.

So, if I'm looking at the first half, we have been able to demonstrate growth in a couple of areas. We have been able to grow in the mortgage space, we have been able to grow in investment products we have in net new fee generating assets, we have seen nice growth, we have seen growth across a variety [ed: *of products*] and in the SME sector we have seen growth. So, I think we have demonstrated that we still have the appetite and that we still can grow, and we are committed to grow because there remain pockets [ed: *of growth*].

I've just mentioned and I'm not covering that again, the whole ESG topic, but if you're looking at the report which was just published by the Swiss Banking Association, that if Switzerland as a country wants to move to net zero 2050, you need roughly 400 billion investments. And then dividing it by the year leads us to 13 billion a year. That... So as a bank we are in the pole position - you need 11 billion investments, we can motivate clients to put it in the right way. So, I think that is something on the ESG side and then helping our clients on their journey to decarbonize their own activities, huge pocket.

Another one in Switzerland with the aging society, the demographic trends, the whole pension and retirement topic is one of the big, big, big topics in Switzerland. We are well positioned: we have all the expertise, we have the client reach, we can provide the solution. We can grow here. SME space, I mentioned it, there's so much activity here and we still have some growth pockets. So I'm not worried about growth and we are all committed to capture that one. And as I said, I'm extremely positive when I'm looking first half 2021 and compare that to the past. We've already seen nice pick up.

But, having said that, I mean growth can be profit growth, so it's not only top line, so we are focused on efficiency. And here again I think it's about using technology, becoming more agile. And that, I have to say something as Swiss - we are not the best in being agile, we are Swiss, we're doing everything very, very well and and taking our time. So, I guess there are some more room moving into an agile organization, some less layers. And then, I said earlier on the whole way how we distribute our products, and looking at the branch network, so, here we will obviously see not only top line growth but top line growth combined with efficiencies.

Daniele Brupbacher

Great, I mean an important part in the overall strategy and of the Group is collaboration and I think Switzerland is obviously very good at it. It's probably the only country where all four business divisions work together. How does this cooperation look from your perspective and what are ultimately the benefits for the clients, your business, other parts of the bank? And what are the lessons probably your colleagues could learn in other regions?

Sabine Keller-Busse

It's obviously a bit unfair to compare Switzerland, which is a super attractive home market to other regions, because in Switzerland we have all businesses here in Switzerland and we can serve all client needs. So that is a very... I would say it's a terrific situation for me to be in. If you're looking into other countries, obviously they're not having that balance. So, I think the prerequisites are here in Switzerland.

Secondly, I would say what we have shown in Switzerland is the level of collaboration, because operating as a large bank you need to be specialized. The danger if you're specialized is you start operating in silos and what we have stopped in Switzerland is operating in silos. We have a client need, and if the client is an entrepreneur who wants to do a certain thing and it's a client in wealth, so then we get the corporate people involved. You know, you're just well connected. So, people are collaborating with this view on the client in order to serve the best. What we have seen is really... We have started, we are not getting that one out in the public, but I remember when I started 11 years ago we introduced KPIs to measure collaboration. So what is the participation rate? How many people are helping to work together at the client side? What is the business that gets, you know, generated out of that? And I can say, looking at these numbers, it's a pretty impressive uptick.

How you see... How can collaboration really help clients? Having one UBS but getting everything lined up- if you collaborate for the client, it's a lot easier. And if I'm looking... I mentioned the number earlier: the first half of this year we saw PBT at 1.6 billion, and I think that is something where we really see this would not be possible if we weren't so I would say working together.

I think when I talk to clients as well, actually, they don't care in which area we sit and I'll give you an example: I said earlier, we see a bit more of this M&A activity increasing, but not only with the large ones, but across the economy and going into the smaller ones. We have, for example... We are serving our midmarket team out of the Investment Bank because we have said it makes no sense in a small country like Switzerland having expertise left and right. That is collaboration, and this is why we are so well positioned in serving exactly that.

So it's really, in my view, what differentiates us, it is being able to collaborate and then condense and then deliver to the client needs. So that would be my take that others could take away. But I have to say we are using Switzerland as a blueprint and on the regional side and as part of my former roles, I was President of EMEA as well, which is not... not each country had all businesses in the EMEA region, but that was something, the collaboration moment we have seen is so strong and so valued by our clients that that is definitely something we will push more.

Daniele Brupbacher

Great. Conscious of time, and I think we could talk for another hour, let's go to our last question and let's go back to the Group. Let's talk about the Group outlook and the strategy refresh. I mean, our CEO and CFO, they talked about this. Could you take a bit of a slightly broader look at UBS with the ongoing strategy refresh, it

sounds like a very exciting time for the organization, for all the divisions. What are your thoughts on the changes and the bank's outlook?

Sabine Keller-Busse

Well, I mean in April we announced, and I think that's important, the question: "what does UBS stand for?" So, we announced the new purpose. We announced our strategic imperatives and the client promise, and I think these were set as guiding posts. And then in the Swiss business, I mentioned the number earlier, the Group has seen a very, very strong first half of the year.

So, what we are currently working on is really embedding and looking at all along these strategic imperatives working our way through. It's clear, you know, it's digitization, it's ESG playing around, there are a lot of factors, but I have to say I can't reveal anything more because we have said that we will get back to the investor community in February 2022 together when we have the 2021 results and then we can be a lot more specific.

But I would expect that there are some more highlights that we could talk about when we have the Q3 results, getting a bit more seeing what has happened in the third quarter, but I would defer, the really, Daniele the strategic journey, I would prefer doing this then on a Group level in February 2022.

Daniele Brupbacher

Thank you Sabine, with that, we come to the end of this session. I would like to thank you very much for joining us here at the best of Switzerland conference for your super interesting comments and insights into the Swiss business. If you on the line, on the call, have any questions, please do reach out to our IR team, you have their contact details. Thank you all for listening and have a good conference.

Thank you again very much Sabine for being here. Thank you and thank you all for joining again. It's a great pleasure being here and it's a great pleasure that you took the time to listen to us. Thank you.

Cautionary statement regarding forward-looking statements: This document 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 outbreak of COVID-19 and the measures taken in response to the pandemic have had and may continue to have a significant adverse effect on global economic activity, and an adverse effect on the credit profile of some of our clients and other market participants, which has resulted in and may continue to increase credit loss expense and credit impairments. In addition, we face heightened operational risks due to remote working arrangements, including risks to supervisory and surveillance controls, as well as increased fraud and data security risks. The unprecedented scale of the measures taken to respond to the pandemic as well as the uncertainty surrounding vaccine supply, distribution, and efficacy against mutated virus strains create significantly greater uncertainty about forward-looking statements. 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 ongoing 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; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions; (iii) the continuing low or negative interest rate environment in Switzerland and other jurisdictions; (iv) developments (including as a result of the COVID-19 pandemic) 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, and currency exchange rates, and the effects of economic conditions, market developments, and 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; (v) changes in the availability of capital and funding, including any changes in UBS’s credit spreads and ratings, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in 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 Group in response to legal and regulatory requirements, proposals in Switzerland and other jurisdictions for mandatory structural reform of banks or systemically important institutions or to other external developments; (viii) UBS’s ability to maintain and improve its systems and controls for the detection and prevention of money laundering and compliance with sanctions to meet evolving regulatory requirements and expectations, in particular in the US; (ix) the uncertainty arising from the UK’s exit from the EU; (x) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers will 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 as well as the amount of capital available for return to shareholders; (xiii) the effects on UBS’s cross-border banking business of tax or regulatory developments and of possible changes in UBS’s policies and practices relating to this business; (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 and systems failures, the risk of which is increased while COVID-19 control measures require large portions of the staff of both UBS and its service providers to work remotely; (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 to achieve goals relating to climate, environmental and social matters as well as the evolving nature of underlying science and industry and governmental standards; and (xxii) the effect that these or other factors or unanticipated events 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 SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS's Annual Report on Form 20-F for the year ended 31 December 2020 and UBS's First Quarter 2021 Report on Form 6K. 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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