

Ad hoc announcement pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

1Q23 net profit of USD 1.0bn, with strong client inflows

“Our solid underlying performance and strong inflows this quarter demonstrate that we continue to be a source of stability for our clients during periods of significant uncertainty. Our balance sheet for all seasons and a diversified and capital-generative business model allowed us to be part of the solution in a critical moment for the Swiss and global financial systems.”

Sergio P. Ermotti, Group CEO

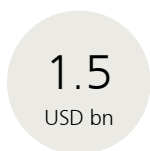
1Q23 Group highlights

Solid underlying results and strong liquidity and capital amid uncertain market conditions

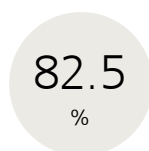
Continued client momentum with inflows in all regions

Enhancing client franchises through the announced acquisition of Credit Suisse

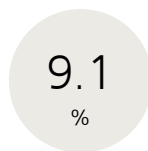
Selected financials for 1Q23 - reported



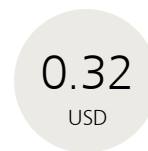
Profit before tax



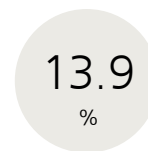
Cost/income ratio



RoCET1 capital



Diluted earnings per share

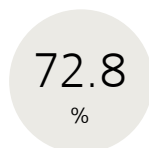


CET1 capital ratio

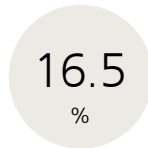
Underlying



Profit before tax



Cost/income ratio



RoCET1 capital

UBS's 1Q23 results materials are available at ubs.com/investors – The audio webcast of the earnings call starts at 09:00 CEST, 25 April 2023.

A definition of each alternative performance measure, the method used to calculate it and the information content are presented under “Alternative performance measures” in the appendix to our 1Q23 report.

The reconciliation of reported and underlying performance is presented in the appendix of our 1Q23 results presentation.

Information in this news release is presented for UBS Group AG on a consolidated basis unless otherwise specified. Financial information for UBS AG (consolidated) does not differ materially from UBS Group AG (consolidated) and a comparison between UBS Group AG (consolidated) and UBS AG (consolidated) is provided at the end of this news release.

Group highlights

Solid underlying results and strong liquidity and capital amid uncertain market conditions

On a reported basis, and including an increase in provisions of USD 665m related to the US residential mortgage-backed securities (RMBS) litigation matter, 1Q23 PBT was USD 1,495m (-45% YoY). Net credit loss expenses were USD 38m, compared with net expenses of USD 18m in 1Q22. Total revenues decreased 7% YoY, while operating expenses increased 9%, driven by the aforementioned provision. The cost/income ratio was 82.5%. Net profit attributable to shareholders was USD 1,029m (-52% YoY), with diluted earnings per share of USD 0.32. The return on CET1 capital was 9.1%.

On an underlying basis, 1Q23 PBT was USD 2,354m, (-22% YoY). Underlying revenues decreased 8% YoY, while operating expenses decreased 2%, or 1% when excluding FX. The cost/income ratio was 72.8% and the return on CET1 capital was 16.5%.

In the quarter, we repurchased USD 1.3bn of shares under our share repurchase program. We have temporarily suspended share repurchases following the announcement of the anticipated acquisition of Credit Suisse, and we intend to resume them as soon as possible.

Our capital position remained strong. The quarter-end CET1 capital ratio was 13.9% and the CET1 leverage ratio was 4.40%, both in excess of our guidance of ~13% and >3.7%, respectively. We also maintained healthy liquidity buffers with an LCR of 162% and an NSFR of 118%.

Continued client momentum with inflows in all regions

In the first quarter, we maintained positive momentum across the firm and attracted USD 28bn of net new money in GWM, of which USD 7bn came in the last ten days of March, after the announcement of our acquisition of Credit Suisse. We also saw USD 20bn in net new fee-generating assets¹ in GWM, USD 14bn of net new money in AM (of which USD 18bn in money market), and CHF 0.9bn of net new investment products for Personal Banking. Overall, we saw broadly stable loan balances² as loan growth in Switzerland offset deleveraging in other regions. As clients repositioned their investments in response to interest rate increases, we captured demand for higher yield into money market funds and US-government securities.

We delivered these results during a quarter characterized by persistent concerns about interest rates and economic growth exacerbated by questions about the stability of the banking system, especially in the US. Against this backdrop, private and institutional investors' activity remained muted.

In Americas, GWM attracted net new fee-generating assets¹ of USD 4bn, with continued positive momentum in our SMA³ offering, which contributed USD 4.5bn of net new money in AM. In the quarter we also saw USD 8bn net new money in GWM, and continued momentum in advisor recruiting.

In Switzerland, we saw USD 8bn net new fee-generating assets,¹ USD 2bn net new loans in GWM and P&C combined and USD 0.9bn net new investment products for Personal Banking (16% annualized growth).

In EMEA, we generated USD 3bn of net new fee-generating assets¹ and net interest income rose by nearly 60% as we started to benefit from higher euro rates. We were also named best equities bank in EMEA⁴ and Europe financial bond house for the year.⁵

In APAC, we attracted USD 5bn of net new fee-generating assets¹ contributing to a 17% net new fee-generating asset growth over the past 12 months, and we were recently named the best equity house in Asia and ANZ⁶ and best M&A bank in APAC by Global Finance.

¹ In GWM; net new fee-generating assets exclude the effects on fee-generating assets of strategic decisions by UBS to exit markets or services. ² Loans and advances to customers in GWM and P&C, as well as customer brokerage receivables, which are presented in a separate reporting line on the balance sheet. ³ Separately managed accounts. ⁴ Global Finance, 2023. ⁵ International Financing Review, February 2023. ⁶ Australia and New Zealand.

Enhancing client franchises through the announced acquisition of Credit Suisse

We expect the combination with Credit Suisse to strengthen our position as a leading and truly global wealth manager, with around USD 5trn in invested assets. We also expect to reinforce our position as a leading universal bank in Switzerland, and to enhance our complementary investment banking and asset management capabilities, while adding strategic scale in the most attractive growth markets.

We intend to actively reduce the risk and resource consumption of Credit Suisse's investment banking business. We plan for the combined Investment Bank (excluding assets and liabilities that we define as non-core) to account for around 25% of Group RWAs and to remain focused and strategically aligned to the products and capabilities that are most relevant to our wealth management clients.

While acknowledging the magnitude of, and complexity associated with, the integration and restructuring of Credit Suisse, we believe that this combination presents a unique opportunity to bring significant, long-term value to all of our stakeholders.

Sergio P. Ermotti, UBS's Group CEO

"During the first quarter we saw strong net new fee generating asset and net new money inflows in Global Wealth Management and Asset Management. This was possible thanks to the disciplined execution and dedication of all our employees. We helped clients navigate a challenging environment marked by the ongoing uncertainty around inflation, central bank policy, and economic growth. Our results also included an increase in litigation provisions relating to RMBS. We are in advanced discussions with the US Department of Justice, and I am pleased that we are making progress toward resolving this legacy matter which dates back 15 years.

With the planned acquisition of Credit Suisse, we are taking another transformational step in UBS's journey, while remaining committed to our culture, strategy and disciplined risk management. With this transaction, we expect to reinforce our position as a leading and truly global wealth manager with strategic scale and complementary capabilities in the most attractive growth markets.

I am convinced that this transaction will help to reinforce the leading position of the Swiss financial center and will be of benefit to the entire economy. The combined firm presents a unique opportunity to generate significant, long-term value to all of our stakeholders."

Outlook

Persistently high inflation and tight labor markets in many countries in the first quarter of 2023 caused central banks to continue to raise interest rates. The recent liquidity concerns in the banking sector and geopolitical tensions, particularly between the US and China and with regard to the Russia-Ukraine war, led to significant uncertainty in asset valuations and the outlook for economic growth. Against this backdrop, clients continued to diversify cash holdings by investing their deposits into money market instruments, while sentiment and activity levels remained muted in the first quarter of 2023.

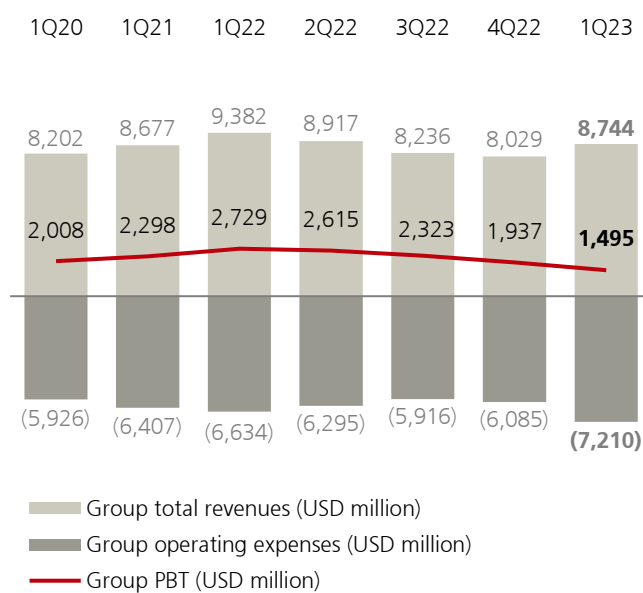
The macroeconomic situation going forward remains uncertain, and while concerns about the stability of banks have abated, they have not gone away. As a result, client activity levels could remain subdued in the second quarter of 2023. Weak client sentiment may affect net new assets in our asset-gathering businesses; however, we expect net interest income will remain at higher levels, compared with last year, in the current interest rate environment.

We are focused on completing the acquisition of Credit Suisse, most likely in the second quarter of 2023 which will advance our strategy, particularly in Global Wealth Management and Switzerland. The complexity of the integration will require sustained diligent effort. While we execute these changes, we will not be distracted from our primary focus: supporting our clients with advice and solutions.

First quarter 2023 performance overview – Group

Group	1Q23	Targets/guidance
Return on CET1 capital	9.1%	15–18%
Return on tangible equity	8.1%	
Cost/income ratio	82.5%	70–73%
Net profit attributable to shareholders	USD 1.0bn	
CET1 capital ratio	13.9%	~13%
CET1 leverage ratio	4.40%	>3.7%
Tangible book value per share	USD 16.54	
Buybacks	USD 1.3bn	Temporarily suspended

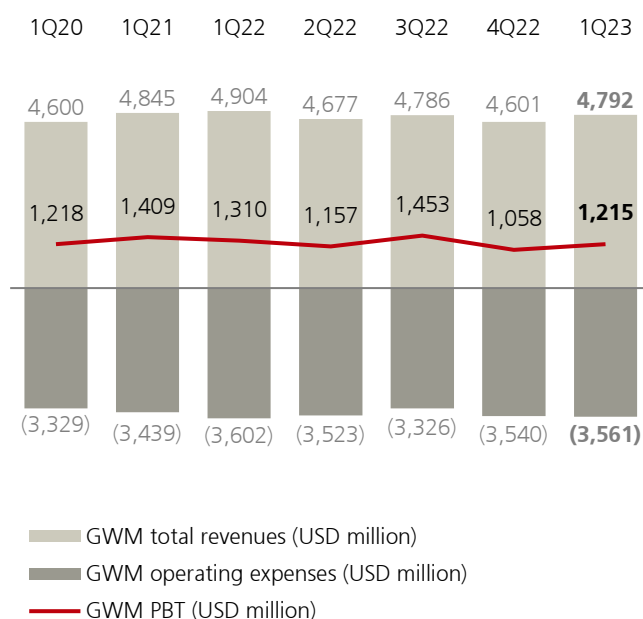
Group PBT USD 1,495m, -45% YoY



PBT was USD 1,495m, including net credit loss expenses of USD 38m. The cost/income ratio was 82.5%, 11.7 percentage points higher YoY. Total revenues decreased 7% YoY, while operating expenses increased 9%, driven by an increase in provisions of USD 665m related to the US RMBS litigation matter in Group Functions. Excluding this litigation provision, operating expenses would have decreased 1% and PBT would have decreased 21%. Net profit attributable to shareholders was USD 1,029m, (-52% YoY), with diluted earnings per share of USD 0.32. Return on CET1 capital was 9.1%.

First quarter 2023 performance overview – Business Divisions and Group Functions

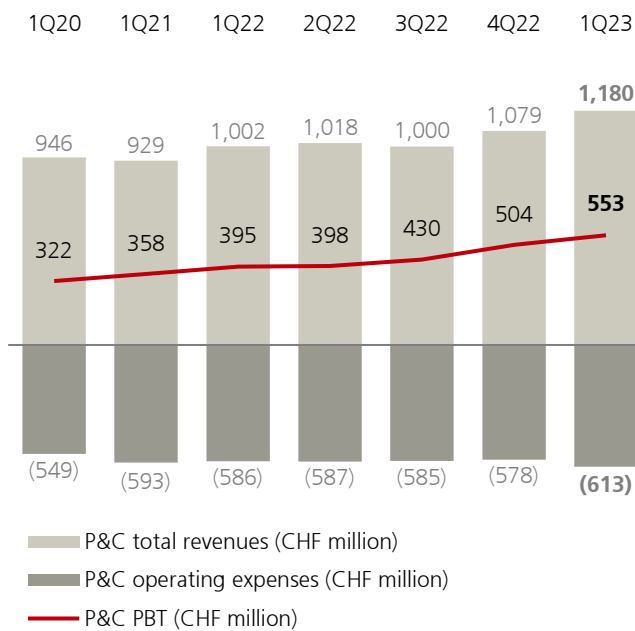
Global Wealth Management	1Q23	Targets/guidance
Profit before tax	USD 1.2bn	
PBT growth	-7% YoY	10–15% over the cycle
Invested assets	USD 3.0trn	
Net new fee-generating assets ¹	USD 19.7bn	
Personal & Corporate Banking		
Profit before tax	CHF 0.6bn	
Return on attributed equity (CHF)	25%	
Net new investment products for Personal Banking	CHF 0.9bn	
Asset Management		
Profit before tax	USD 0.1bn	
Invested assets	USD 1.1trn	
Net new money excl. money markets	USD -3.6bn	
Investment Bank		
Profit before tax	USD 0.5bn	
Return on attributed equity	15%	
RWA and LRD vs. Group	29% / 32%	Up to 1/3

Global Wealth Management (GWM) PBT USD 1,215m, -7% YoY


Total revenues decreased 2% YoY to USD 4,792m. Net interest income increased 31%, mainly due to an increase in deposit revenues, reflecting the benefits from higher interest rates, partly offset by shifts to lower-margin deposit products. Clients also continued to reallocate deposits into money market funds and US-government securities, leading to lower average deposit volumes. Loan revenues decreased, driven by lower average loan volumes and margins. Recurring net fee income decreased 13%, primarily driven by negative market performance and foreign currency effects. Transaction-based income decreased 12%, mainly driven by lower levels of client activity across all regions. Net credit loss expenses were USD 15m, compared with net releases of USD 7m in 1Q22. Operating expenses were down 1%, mainly driven by a decrease in personnel expenses, primarily as a result of lower financial advisor variable compensation, and a decrease in provisions for litigation, regulatory and similar matters. This was partly offset by higher technology expenses, tax and regulatory expenses, expenses for travel and entertainment, and outsourcing expenses. The cost/income ratio was 74.3%, up 0.9 percentage points YoY. Fee-generating assets were up 5% sequentially to USD 1,335bn. Net new fee-generating assets¹ were USD 19.7bn.

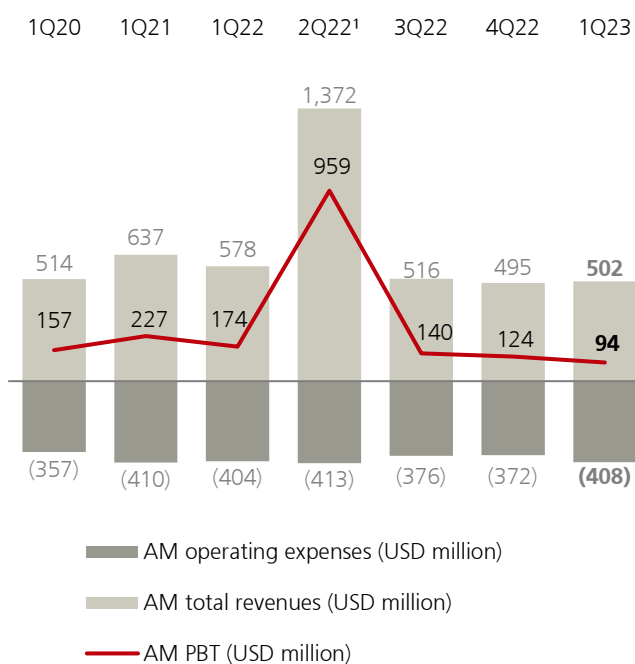
¹ Net new fee-generating assets exclude the effects on fee-generating assets of strategic decisions by UBS to exit markets or services.

Personal & Corporate Banking (P&C) PBT CHF 553m, +40% YoY



Total revenues increased 18% YoY. Net interest income increased 32%, mainly driven by higher deposit margins, as a result of rising interest rates, and higher loan revenues, partly offset by lower deposit fees. The first quarter of 2022 included a benefit from the Swiss National Bank deposit exemption. Transaction-based income increased 3%, mainly driven by higher corporate client and credit card fees, partly offset by lower net brokerage fees. Recurring net fee income was unchanged. Net credit loss expenses were CHF 14m, compared with net expenses of CHF 21m in 1Q22. Operating expenses increased 5%, mainly driven by higher technology expenses. The cost/income ratio was 51.9%, 6.6 percentage points lower YoY.

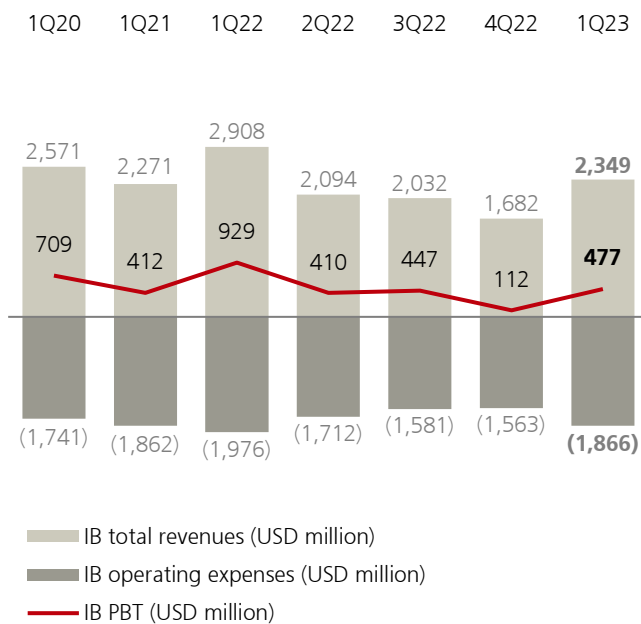
Asset Management (AM) PBT USD 94m, -46% YoY



Total revenues were down 13% YoY. Net management fees decreased 15%, primarily reflecting negative market performance and foreign currency effects, negative pass-through fees with the corresponding offset in performance fees, and continued pressure on margins. Performance fees increased by USD 6m, reflecting the effect of the aforementioned pass-through fees, partly offset by minor decreases across all asset classes. Operating expenses increased 1%, reflecting increases in general and administrative expenses including technology costs, partly offset by lower personnel expenses and foreign currency effects. The cost/income ratio was 81.2%, 11.4 percentage points higher YoY. Invested assets increased by 5% sequentially to USD 1,117bn. Net new money was USD 14.4bn (negative USD 3.6bn excluding money market flows).

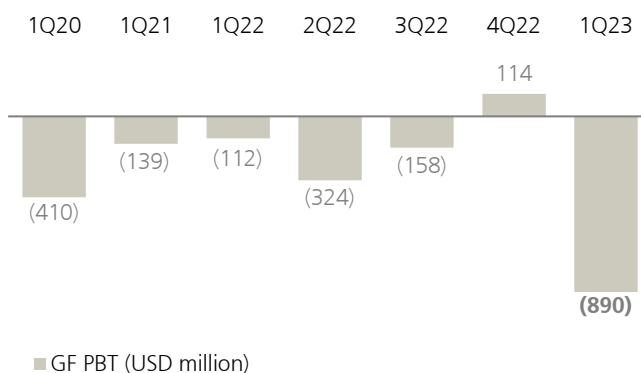
¹ 2Q22 included an USD 848m pre-tax gain from Mitsubishi real estate JV disposal.

Investment Bank (IB) PBT USD 477m, -49% YoY



Total revenues decreased 19%. Global Markets revenues decreased USD 391m, or 17%, with lower Derivatives & Solutions and Execution Services revenues partly offset by an increase in Financing revenues. Global Banking revenues decreased by USD 167m, or 30%, mainly driven by lower Capital Markets revenues. Net credit loss expenses were USD 7m, compared with net expenses of USD 4m in 1Q22. Operating expenses decreased 6%, mainly driven by lower variable compensation, partly offset by higher technology expenses and provisions for litigation, regulatory and similar matters. The cost/income ratio was 79.4%, 11.5 percentage points higher YoY. Return on attributed equity was 14.6%.

Group Functions PBT USD -890m, compared with USD -112m in 1Q22



Extending UBS's leadership in sustainability

Sustainable finance is crucial when it comes to helping our clients achieve their diverse sustainability objectives. We want to be the provider of choice for clients who wish to mobilize capital toward the achievement of the United Nations 17 Sustainable Development Goals and the orderly transition to a low-carbon economy.

Shareholders support UBS's sustainability approach

At the recent Annual General Meeting, shareholders ratified the UBS Sustainability Report in an advisory vote by 81.3%. The report details how we serve clients' sustainable finance and investing needs and support them in the transition to a low-carbon economy. This year, we introduced a new decarbonization target covering lending to the cement sector, as well as an estimate of our overall financed emissions. The report also provides details on our sustainability strategy, environmental activities and efforts to address societal challenges within the organization and beyond.

In the first quarter, we were once again recognized by CDP as a Supplier Engagement Leader for our work engaging with our suppliers to tackle climate change.

Diversity, equity and inclusion are key to sustainability

In April, we published our first global Diversity, Equity and Inclusion Report, detailing our DE&I areas of focus, our strategic goals and our approach to achieving them.

According to the Global Gender Equality Report 2023 published by Equileap, UBS is ranked #1 in Switzerland and 5th globally for gender equality. Today, 41% of our workforce are women and they fill almost 28% of our director-level and above posts. On our Group Executive Board we have a female representation of 42%. According to the Executive Committee Study 2023 published by recruiter Russell Reynolds Associates, UBS is at the top of the blue chips listed in the Swiss Market Index.

In the US, we recently announced our USD 3m commitment to the Black Innovation Alliance to help build a more inclusive entrepreneurial ecosystem.

Our key figures

<i>USD m, except where indicated</i>	As of or for the quarter ended		
	31.3.23	31.12.22	31.3.22
Group results			
Total revenues	8,744	8,029	9,382
Credit loss expense / (release)	38	7	18
Operating expenses	7,210	6,085	6,634
Operating profit / (loss) before tax	1,495	1,937	2,729
Net profit / (loss) attributable to shareholders	1,029	1,653	2,136
Diluted earnings per share (USD) ¹	0.32	0.50	0.61
Profitability and growth²			
Return on equity (%)	7.2	11.7	14.3
Return on tangible equity (%)	8.1	13.2	16.0
Return on common equity tier 1 capital (%)	9.1	14.7	19.0
Return on leverage ratio denominator, gross (%)	3.4	3.2	3.5
Cost / income ratio (%)	82.5	75.8	70.7
Effective tax rate (%)	30.7	14.5	21.4
Net profit growth (%)	(51.8)	22.6	17.1
Resources²			
Total assets	1,053,134	1,104,364	1,139,922
Equity attributable to shareholders	56,754	56,876	58,855
Common equity tier 1 capital ³	44,590	45,457	44,593
Risk-weighted assets ³	321,660	319,585	312,037
Common equity tier 1 capital ratio (%) ³	13.9	14.2	14.3
Going concern capital ratio (%) ³	17.9	18.2	19.2
Total loss-absorbing capacity ratio (%) ³	34.3	33.0	34.2
Leverage ratio denominator ³	1,014,446	1,028,461	1,072,953
Common equity tier 1 leverage ratio (%) ³	4.40	4.42	4.16
Liquidity coverage ratio (%) ⁴	161.9	163.7	159.6
Net stable funding ratio (%)	117.7	119.8	121.7
Other			
Invested assets (USD bn) ⁵	4,160	3,957	4,380
Personnel (full-time equivalents)	73,814	72,597	71,697
Market capitalization ¹	64,322	57,848	65,775
Total book value per share (USD) ¹	18.59	18.30	17.57
Tangible book value per share (USD) ¹	16.54	16.28	15.67

¹ Refer to the "Share information and earnings per share" section of the UBS Group first quarter 2023 report for more information. ² Refer to the "Targets, aspirations and capital guidance" section of our Annual Report 2022 for more information about our performance targets. ³ Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital management" section of the UBS Group first quarter 2023 report for more information. ⁴ The disclosed ratios represent quarterly averages for the quarters presented and are calculated based on an average of 64 data points in the first quarter of 2023, 63 data points in the fourth quarter of 2022 and 64 data points in the first quarter of 2022. Refer to the "Liquidity and funding management" section of the UBS Group first quarter 2023 report for more information. ⁵ Consists of invested assets for Global Wealth Management, Asset Management and Personal & Corporate Banking. Refer to "Note 31 Invested assets and net new money" in the "Consolidated financial statements" section of our Annual Report 2022 for more information.

Income statement

<i>USD m</i>	For the quarter ended			% change from	
	31.3.23	31.12.22	31.3.22	4Q22	1Q22
Net interest income	1,388	1,589	1,771	(13)	(22)
Other net income from financial instruments measured at fair value through profit or loss	2,681	1,876	2,226	43	20
Net fee and commission income	4,606	4,359	5,353	6	(14)
Other income	69	206	32	(66)	119
Total revenues	8,744	8,029	9,382	9	(7)
Credit loss expense / (release)	38	7	18	430	108
Personnel expenses	4,620	4,122	4,920	12	(6)
General and administrative expenses	2,065	1,420	1,208	45	71
Depreciation, amortization and impairment of non-financial assets	525	543	506	(3)	4
Operating expenses	7,210	6,085	6,634	18	9
Operating profit / (loss) before tax	1,495	1,937	2,729	(23)	(45)
Tax expense / (benefit)	459	280	585	64	(22)
Net profit / (loss)	1,037	1,657	2,144	(37)	(52)
Net profit / (loss) attributable to non-controlling interests	8	4	8	116	1
Net profit / (loss) attributable to shareholders	1,029	1,653	2,136	(38)	(52)
Comprehensive income					
Total comprehensive income	1,833	2,208	(72)	(17)	
Total comprehensive income attributable to non-controlling interests	13	17	26	(24)	(50)
Total comprehensive income attributable to shareholders	1,820	2,190	(98)	(17)	

Comparison between UBS Group AG consolidated and UBS AG consolidated

USD m, except where indicated	As of or for the quarter ended 31.3.23			As of or for the quarter ended 31.12.22		
	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)
Income statement						
Total revenues	8,744	8,844	(101)	8,029	8,078	(49)
Credit loss expense / (release)	38	38	0	7	7	0
Operating expenses	7,210	7,350	(140)	6,085	6,282	(198)
Operating profit / (loss) before tax	1,495	1,456	39	1,937	1,788	148
<i>of which: Global Wealth Management</i>	1,215	1,199	17	1,058	1,047	11
<i>of which: Personal & Corporate Banking</i>	599	597	2	529	525	4
<i>of which: Asset Management</i>	94	94	0	124	122	2
<i>of which: Investment Bank</i>	477	455	21	112	108	4
<i>of which: Group Functions</i>	(890)	(889)	(1)	114	(13)	127
Net profit / (loss)	1,037	1,012	25	1,657	1,522	135
<i>of which: net profit / (loss) attributable to shareholders</i>	1,029	1,004	25	1,653	1,518	135
<i>of which: net profit / (loss) attributable to non-controlling interests</i>	8	8	0	4	4	0
Statement of comprehensive income						
Other comprehensive income	796	792	4	551	499	52
<i>of which: attributable to shareholders</i>	791	787	4	538	485	52
<i>of which: attributable to non-controlling interests</i>	5	5	0	13	13	0
Total comprehensive income	1,833	1,804	29	2,208	2,020	187
<i>of which: attributable to shareholders</i>	1,820	1,791	29	2,190	2,003	187
<i>of which: attributable to non-controlling interests</i>	13	13	0	17	17	0
Balance sheet						
Total assets	1,053,134	1,056,758	(3,625)	1,104,364	1,105,436	(1,072)
Total liabilities	996,028	998,021	(1,993)	1,047,146	1,048,496	(1,349)
Total equity	57,106	58,738	(1,632)	57,218	56,940	278
<i>of which: equity attributable to shareholders</i>	56,754	58,386	(1,632)	56,876	56,598	278
<i>of which: equity attributable to non-controlling interests</i>	352	352	0	342	342	0
Capital information						
Common equity tier 1 capital	44,590	42,801	1,789	45,457	42,929	2,528
Going concern capital	57,694	55,116	2,578	58,321	54,770	3,551
Risk-weighted assets	321,660	321,224	436	319,585	317,823	1,762
Common equity tier 1 capital ratio (%)	13.9	13.3	0.5	14.2	13.5	0.7
Going concern capital ratio (%)	17.9	17.2	0.8	18.2	17.2	1.0
Total loss-absorbing capacity ratio (%)	34.3	33.5	0.8	33.0	32.0	0.9
Leverage ratio denominator	1,014,446	1,018,023	(3,577)	1,028,461	1,029,561	(1,100)
Common equity tier 1 leverage ratio (%)	4.40	4.20	0.19	4.42	4.17	0.25

Information about results materials and the earnings call

UBS's first quarter 2023 report, news release and slide presentation are available from 06:45 CEST on Tuesday, 25 April 2023, at ubs.com/quarterlyreporting.

UBS will hold a presentation of its first quarter 2023 results on Tuesday, 25 April 2023. The results will be presented by Sergio P. Ermotti (Group Chief Executive Officer), Sarah Youngwood (Group Chief Financial Officer), Sarah Mackey (Head of Investor Relations), and Marsha Askins (Group Head Communications & Branding).

UBS Group AG and UBS AG

Investor contact

Switzerland: +41-44-234 41 00
Americas: +1-212-882 57 34

Media contact

Switzerland: +41-44-234 85 00
UK: +44-207-567 47 14
Americas: +1-212-882 58 58
APAC: +852-297-1 82 00

ubs.com

Time

09:00 CEST
08:00 BST
03:00 US EDT

Audio webcast

The presentation for analysts can be followed live on ubs.com/quarterlyreporting with a simultaneous slide show.

Webcast playback

An audio playback of the results presentation will be made available at ubs.com/investors later in the day.

Cautionary Statement Regarding Forward-Looking Statements

This news release 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 has led to heightened volatility across global markets, exacerbated global inflation, and slowed global growth. In addition, the war has caused significant population displacement, and if the conflict continues or escalates, the scale of disruption will increase and continue to cause shortages of vital commodities, including energy shortages and food insecurity, and may lead to recessions 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 have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. This creates significantly greater uncertainty about forward-looking statements. In addition, turmoil in the banking industry has increased and, at the urging of Swiss authorities, UBS has announced historic plans to merge with another global systemically important bank in Switzerland. The transaction creates considerable integration risk. 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 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) 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); (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, 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, 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 nation states; (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 (which is expected to become part of UBS), 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 UBS’s 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.

Rounding

Numbers presented throughout this news release may not add up precisely to the totals provided in the tables and text. Percentages and percent changes disclosed in text and tables are calculated on the basis of unrounded figures. Absolute changes between reporting periods disclosed in the text, which can be derived from numbers presented in related tables, are calculated on a rounded basis.

Tables

Within tables, blank fields generally indicate non-applicability or that presentation of any content would not be meaningful, or that information is not available as of the relevant date or for the relevant period. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. Values that are zero on a rounded basis can be either negative or positive on an actual basis.