First quarter 2026 results

29 April 2026

Speeches by Sergio P. Ermotti, Group Chief Executive Officer, and Todd Tuckner, Group Chief Financial Officer

Including analyst Q&A session

Transcript.
Numbers for slides refer to the first quarter 2026 results presentation. Materials and a webcast replay are available at www.ubs.com/investors

Sergio P. Ermotti

Slide 3 – Key messages

Thank you, Sarah, and good morning, everyone.

In an increasingly complex environment, we delivered excellent first-quarter results, with a 17% return on CET1 capital and a 70% cost-income ratio keeping us on track to achieve our 2026 financial objectives.

Our performance this quarter reflects our leadership positions in the world's largest and fastest-growing markets with broad-based strength across all of our core businesses and regions.

The quarter began against a backdrop of steady global growth and easing inflation. However, conditions quickly shifted, with markets becoming more volatile amid rising uncertainty driven by concerns over AI-driven disruption and the conflict in the Middle East. As the environment became more fragile, our engagement with clients intensified as they turned to UBS to protect their assets and identify opportunities.

Asia-Pacific was a stand-out performer as our unrivalled client franchises and One Bank approach in the region generated around a third of the Group's profit before tax and drove robust net new asset growth in Global Wealth Management.

The Investment Bank also delivered exceptional performance, supported by increased collaboration with Global Wealth Management and a favorable environment for our business mix and leading franchises in FX including precious metals, Cash Equities, Financing, and Equity Capital Markets. And we achieved this without changing our approach towards disciplined resource allocation.

More broadly, we saw strong inflows across our asset-gathering platform while facilitating elevated private, corporate and institutional client activity and sustaining lending momentum. In Switzerland, we granted or renewed around 40 billion Swiss francs of loans to businesses and households as clients continue to rely on our local and global expertise.

Despite the ongoing uncertainties around Private Credit, we continued to see strong demand for alternatives. Led by our Private Market and Hedge Fund offerings, Unified Global Alternatives saw record quarterly new client commitments.

As we move through the second quarter, markets have remained broadly resilient, reflecting expectations that a durable diplomatic solution to the Middle East conflict is achievable. That said, while clients remain engaged and active, risks are still elevated, and conditions could shift rapidly, impacting sentiment and activity levels. In this environment, our focus remains on supporting clients through disciplined execution, as well as a prudent and selective investment approach focused on diversification and principal protection.

Turning to the integration. In March, we successfully delivered one of the most critical and complex undertakings in our integration journey: the migration of Swiss-booked clients. As a result, I am happy to say that the migration of former Credit Suisse clients onto UBS platforms is now complete. Client activation and feedback is positive and retention rates have far exceeded our expectations. For this, I'd like to thank our clients for their continued trust and patience, and my colleagues for maintaining the highest standards of service and client focus.

We now turn our efforts towards substantially completing the integration by year-end and restoring the levels of profitability we had prior to the acquisition. This is necessary to make our business even more resilient and ready for the future. Part of this will include continuing with the most painful part of the integration: reducing our workforce in line with our previously communicated plans.

Finalizing the integration, including the decommissioning of the legacy infrastructure, allows us to intensify our focus on growing our businesses. We continue to invest across the group to deliver the breadth and depth of UBS to clients through a full One Bank approach, front-to-back. This will support enhancements to the client experience and prepare us to drive further efficiencies. The latest example is the conversion of UBS Bank USA to a National Bank Charter.

We are also encouraged to see that our AI capabilities are being recognized. We were recently named the Best Wealth Management Firm for use of AI in the US at the Financial Times Wealth Tech Awards. At the heart of this award is our flagship AI platform which delivers timely and personalized client insights for our Financial Advisors. Nearly 90% of FA teams use the platform, powering millions of AI-driven client interactions.

In this environment, the benefits of our balance sheet for all seasons were evident once again, with strong profitability and disciplined resource usage further bolstering our capital position. This, alongside our integration progress, allows us to continue executing on our capital return objectives for dividends and buybacks while maintaining our investments for the future.

We now expect to complete our current 3-billion dollar share repurchase program by the time we report 2Q results in July. Then, we expect to provide more detail on our capital returns for the second half of the year. Our intentions will be calibrated based on our financial performance and outlook, maintaining a CET1 capital ratio of around 14% at year-end and further visibility on the Parliamentary deliberations on the capitalization of foreign subsidiaries.

Before I hand over to Todd, I want to address last week's announcements on bank capital regulation and what happens next.

We have been very clear and transparent about our views on the proposed measures since they were first presented last June. We continue to strongly disagree with the proposed package because it is not proportionate or aligned with international standards and, as importantly, does not reflect the root causes and the key lessons learned from the Credit Suisse crisis.

While there are some points that would deserve further clarifications, let me just focus on what is still by far the most important one. Regardless of how the figures are presented or which assumptions are applied, there is a broad agreement – including among the authorities – that the announced measures would require UBS to hold around 22 billion in additional capital in CET1 terms. And this is on top of the 15 billion that we already need to hold as a result of the Credit Suisse acquisition under existing regulations. If the package were to be finalized as currently drafted, that 22 billion of capital would be trapped and unproductive. And at such scale, it would impact our competitive position in supporting clients, investing for growth, and delivering sustainable returns that keep UBS as an attractive investment case for shareholders. This is particularly relevant for any bank where shareholders are the first line of defense in turbulent times, by providing, if needed, additional capital.

As the proposed treatment of foreign participations now moves to Parliament, we hope that a thorough deliberation will fully consider the rather clear concerns raised in the democratic process by a wide range of stakeholders. We will continue to engage constructively and contribute to fact-based deliberations.

Let me be very clear: these developments do not, and will not change who we are as a firm. We remain committed to our diversified business model and our global and regional footprint.

We are also fully committed to protecting our shareholders while mitigating the impact of these increased requirements, if possible, on our clients and employees, and the communities where we live and work.

I am proud of all that we have achieved this quarter, and I remain extremely thankful to all of my colleagues for their dedication in this demanding environment.

With that, let me hand over to Todd.

Todd Tuckner

Slide 5 – Strong business momentum and cost discipline driving operating leverage

Thank you Sergio, and good morning everyone.

In the first quarter, we delivered reported net profit of 3 billion and earnings per share of 94 cents. On an underlying basis, our pre-tax profit was 4 billion, up 54% year-on-year, and our return on CET1 capital was 17%.

Revenues increased to 13.6 billion and were up 18% across our core franchises.

Operating expenses were higher on stronger revenue performance, and were down 7% when excluding variable compensation, litigation and currency effects.

Our cost-income ratio was 70.2%, with strong year-on-year improvement resulting from 11 percentage points of positive operating leverage.

Slide 6 – Net profit grew to 3.0bn with double digit PBT growth in all businesses

Moving to slide 6.

Our profit growth this quarter reflects broad-based momentum across the franchise, the breadth of our geographically diversified platform and the value of disciplined execution.

On a reported basis, our pre-tax profit of 3.8 billion included 600 million of revenue adjustments and 750 million of integration expenses. We expect integration costs in 2Q to be around 700 million and to meaningfully taper throughout the rest of the year.

The effective tax rate in the quarter was 20.5%. The lower rate was driven by the gain from the sale of our interest in Swisscard, completed in 1Q, which resulted in a limited tax charge. We continue to expect our 2026 tax rate to be around 23%, with some quarterly volatility, consistent with prior years.

Slide 7 – Delivered additional 0.8bn gross cost saves, on track for ~13.5bn by YE26

Turning to our cost update on slide 7.

During the first quarter, we delivered an additional 800 million of gross cost reductions, bringing cumulative savings since the end of 2022 to 11.5 billion. This represents 85% of our total gross cost-save ambition and keeps us firmly on track to achieve our 13-and-a-half-billion target by the end of 2026.

The total headcount at the end of March was 117 thousand, 2% lower sequentially and approximately 25% below our 2022 baseline.

Over this same period, we've reduced the Group's operating expenses by 27% when excluding litigation, variable compensation and currency effects.

Since we've started, we've incurred costs to achieve of around 13.7 billion at constant FX, and remain on track to deliver on our gross cost-save ambition at an efficient 1.1 times multiple.

Slide 8 – Our balance sheet for all seasons is a key pillar of our strategy

Turning to slide 8. As of the end of March, our balance sheet for all seasons consisted of 1.7 trillion in total assets.

Within that, we saw a 1% sequential increase in our loan book, 85% of which consisted of mortgages, with an average LTV of around 50%, and fully collateralized Lombard loans.

Private credit exposures at quarter-end comprised a very modest portion of our total balance sheet and were predominantly senior, secured positions with prudent LTVs, supported by diversified collateral pools and conservative borrowing-base structures.

Credit-impaired exposures in our lending book stood at 90 basis points and the cost of risk declined sequentially. Group credit loss expense totaled 70 million, largely as a result of a build in allowances on performing loans in light of the uncertain macro backdrop. Stage 3 in the quarter reflected a small net release after we recorded a repayment across both the Investment Bank and Non-core and Legacy.

Our tangible book value per share grew sequentially by 2% to 27 dollars and 50 cents, primarily from our net profit, which was partly offset by share repurchases.

Overall, we continue to operate with a highly fortified and resilient balance sheet with total loss absorbing capacity of 198 billion, a net stable funding ratio of 117% and an LCR of 178%.

We also made strong progress on funding during the quarter, completing our 2026 AT1 issuance plan by mid-February. As a result, our additional tier 1 capital increased to 4.7% of RWA, aligned with our goal to optimize our AT1 levels within the broader Tier 1 capital stack.

Slide 9 – Generating capital while funding growth and shareholder returns

Turning to capital on slide 9. Our CET1 capital ratio at the end of March was 14.7% and our CET1 leverage ratio was 4.4%, both up sequentially.

Our common equity tier 1 capital in the quarter increased by 2 billion principally due to earnings accretion that was partly offset by dividend accruals of 0.9 billion and currency translation effects of 0.2 billion.

RWA and LRD both increased sequentially by low single-digit percentages, demonstrating disciplined balance sheet deployment despite elevated client activity.

Turning to UBS AG. As of the end of March, the parent bank's standalone CET1 capital ratio on a fully applied basis stood at 13.9%, broadly reflecting its first quarter operating results and a 1.8 billion accrual for the dividend intended to be up-streamed to Group in 2027.

Slide 10 – Global Wealth Management

Turning to our business divisions, and starting on slide 10 with Global Wealth Management.

GWM delivered a pre-tax profit of almost 2 billion, up 28% year-over-year, with double-digit growth across all regions. This performance once again highlights the breadth and diversification of the franchise, underpinned by a well-balanced regional mix. Supported by the 7th consecutive quarter of positive operating jaws of at least 4 points, GWM achieved a cost-income ratio of 72%.

Net new assets totaled 37 billion, representing a 3% annualized growth rate. In a more uncertain environment, clients increasingly turned to our advisors for guidance and CIO-led solutions. This drove 7% growth in net new fee generating assets, which came in at 38 billion. Strong demand for our discretionary mandates, including SMA and My Way, our flagship modular offering, resulted in record mandate penetration, underscoring the value clients place on trusted, expert advice.

Turning to Wealth's balance sheet flows, the re-leveraging trend seen in recent quarters continued in the first quarter with net new loans of 5 billion, while net new deposits of negative 2 billion largely reflect outflows from fixed-term deposits, partially offset by inflows into current and savings accounts.

From a regional perspective, Asia Pacific delivered another quarter of stand-out performance, generating a pre-tax profit of 600 million, up 40% year-on-year. The region recorded double-digit growth across all revenue lines and achieved a pre-tax margin of 49%. Together with net new asset inflows of 19 billion, representing a 9% growth rate, these results underscore the competitive advantages of our Asian franchise. Looking ahead, we'll continue to invest in our talent and capabilities across key growth markets such as Australia, Taiwan and Japan, while leveraging our strongholds in Greater China, Singapore and southeast Asia.

In the Americas, broad-based revenue momentum drove profit growth of 26% and a pre-tax margin of 13.7%, reflecting our continued focus on structural improvements in profitability and stronger outcomes for clients, advisors and the wealth franchise overall. Net new loans were 2 billion, the 8th consecutive quarter of lending growth, demonstrating continued progress in enhancing our banking capabilities in the region. Supported by strong same store performance, net new assets were positive at 5 billion. For the second quarter, we expect NNA to be impacted by seasonal US tax-related outflows in the low double-digit billions. For the full year, we

continue to expect net new assets in the Americas to be positive, supported by both same-store growth and a healthy recruiting pipeline.

EMEA also performed very well, with profit growth of 44%, and an 8 percentage-point improvement in the cost-income ratio to 62%. Switzerland increased its pre-tax profit by 20%. Looking ahead, we expect our EMEA and Swiss franchises to see continued profitability growth, underpinned by sustained client momentum and supported by cost efficiencies as the Credit Suisse wealth platform in Switzerland is decommissioned over the coming months.

Turning to divisional revenues, which increased in the quarter by 12%.

Recurring net fee income grew by 10% to 3.6 billion, supported by positive market performance and more than 60 billion of net new fee-generating assets over the 12 months.

Transaction-based income rose 17% to 1.7 billion, with APAC, EMEA and the Americas delivering double-digit growth, reflecting strong momentum in structured products and precious metals. This underscores our continued outperformance in transaction revenues, driven by strong client engagement and differentiated Investment Bank collaboration, as clients actively rebalanced portfolios.

Net interest income of 1.7 billion rose by 12% year-over-year and 2% sequentially, with the quarter-on-quarter trend reflecting favorable deposit mix shifts. Looking ahead to 2Q, we expect GWM net interest income to remain broadly flat, as higher loan volumes are offset by lower deposit reinvestment yields.

Operating expenses in GWM rose by 6%. When excluding variable compensation, litigation and currency effects, costs declined by 2%.

Slide 11 – Personal & Corporate Banking (CHF)

Turning to Personal and Corporate Banking on slide 11.

P&C delivered a first-quarter pre-tax profit of 710 million Swiss francs, up 19%, with revenue growth and disciplined cost management combining to generate positive operating leverage of 10 percentage points.

Having largely completed the client account migration in P&C as we entered the year, freed-up capacity is now supporting even deeper client engagement. This resulted in net new deposits of 3-and-a-half billion, net new loans of 2.4 billion, and net new investment product growth of 11%.

Total revenues were 3% higher, with 10% growth in non-net interest income more than offsetting NII headwinds.

Across Personal Banking and Corporate and Institutional Clients, non-NII growth was broad-based, with similar contributions from both franchises. In our retail business, positive momentum in net new investment flows,

together with supportive market trends, continued to drive custody and mandate fee growth, while in C&IC revenue expansion largely reflected strong activity in structured and syndicated finance. The quarter also included a credit of 27 million related to the completed Swisscard transaction.

Net interest income declined by 3% year-on-year, reflecting the ongoing impact of the zero-rate environment in place since last June. As highlighted previously, changes in Swiss franc interest rates in either direction would benefit P&C's revenues. On a sequential basis, NII was stable with this trend expected to continue in the second quarter.

Credit loss expense totaled 55 million Swiss francs. While the quarter reflected the lowest net Stage 3 charges since the Credit Suisse acquisition, we continue to expect CLE to average around 75 million Swiss francs per quarter given ongoing macroeconomic uncertainty.

Operating expenses declined by 7%, demonstrating continued effective cost management. We expect further efficiencies as the legacy Credit Suisse platform is progressively decommissioned over the course of 2026.

Slide 12 – Asset Management

Turning to Asset Management on slide 12.

Pre-tax profit increased by 21% to 252 million, driven by revenue growth alongside ongoing tight cost management.

Total revenues rose 4%. Net management fees were up 6%, driven primarily by higher average invested assets, despite secular margin pressure. Performance fees declined year-on-year, primarily due to lower contributions from CIG and the absence of O'Connor, following the completion of its sale during the quarter. This was partly offset by higher performance fees in Unified Global Alternatives.

By the end of March, we delivered 14 billion of net new money, representing 3% annualized growth, as we continue to benefit from our strategic focus on scalable, differentiated capabilities. Flows were led by 13 billion into ETFs, reflecting sustained demand for our Core product range launched last year, alongside robust net inflows of 5 billion into our SMA offering in the US.

UGA continued to build momentum, ending the quarter with 344 billion of invested assets and attracting new commitments of 12 billion, split 3 and 9 between Asset Management and Global Wealth Management. Inflows were broad-based across the platform, with notably strong demand for private equity and hedge funds.

Operating expenses were 2% lower, as we maintained cost rigor while continuing to invest in the platform to support operational efficiency.

Slide 13 – Investment Bank

On to slide 13 and the Investment Bank. The IB delivered its most profitable first quarter on record, with pre-tax profit of 1.2 billion, up 75%, and a pre-tax RoE of 25%.

The performance this quarter reflected a market environment that played directly to our strengths, as the business successfully captured opportunities while maintaining a disciplined approach to resource deployment. Revenues climbed 31% to 4 billion, with both Global Banking and Global Markets contributing proportionately to top-line growth.

Global Banking revenues rose by 30% to 733 million. Advisory revenues were 8% higher, driven by our strongest first quarter in M&A, with notable performances in the Americas and EMEA. Capital Markets grew 45%, with growth across products and geographies. We continued to benefit from our strategic investments in ECM, where revenues more than doubled year-on-year, outperforming fee pools across all regions, supported by higher IPO, follow-on and convertible issuance. In DCM, we delivered double-digit growth, while LCM increased modestly against a lower fee pool.

Turning to Global Markets, the business posted its best quarterly performance on record. Revenues reached 3.3 billion, as each of the Americas, APAC and EMEA, including Switzerland, generated more than 1 billion in revenues. Equities revenues increased by 28%, driven by strength across cash equities, prime brokerage and equity derivatives, while FRC revenues rose 38%, led by a strong performance in FX, including precious metals. Sustained investment in technology, our globally diversified footprint, and close integration with Global Wealth Management continue to support high levels of client engagement and momentum across the platform.

Consistent with the strong revenue growth in the quarter, operating expenses increased by 17%.

Slide 14 – Non-core and Legacy

On slide 14, Non-core and Legacy's pre-tax loss was 97 million as negative revenues of 11 million and operating expenses of 160 million were partly offset by the credit loss release referenced earlier.

Within revenues, funding costs of around 70 million were largely compensated by gains in the credit and securitized products portfolio.

Excluding litigation, expenses in the quarter declined 70% year-on-year and 26% sequentially, bringing cumulative cost reductions versus the 2022 baseline to 84%. Looking ahead, we continue to expect to exit 2026 with annualized operating expenses excluding litigation of approximately 500 million and annualized net funding costs of less than 200 million.

In addition to strong cost management, NCL has continued to successfully reduce and de-risk its balance sheet since being established shortly after the Credit Suisse acquisition. Including an 800 million reduction in the first

quarter, the team has exited around 93% of its credit and market risk RWAs, bringing the March-end balance substantially in line with its full year 2026 ambition.

To sum up, our 1Q performance demonstrates the progress we're making across the Group. We delivered strong financial results, completed client account migrations on the Swiss platform, and continued to execute with discipline. As we move onto the final phases of integration, we are increasingly focused on positioning the firm for sustainable growth beyond 2026.

With that, let's open for questions.

Analyst Q&A (CEO and CFO)

Flora Bocahut, Barclays

Yes, good morning and thank you for taking my questions. So, the first question I have is on the buyback. Obviously you've changed the wording today on the buyback plan, you now intend to complete the 3 billion dollars by the end of July, so by Q2 results. So the question is, what exactly drove the change? And can you maybe help us understand what are the key catalysts that you're going to watch into Q2 results to decide, and what kind of magnitude should we have in mind, should you be able to top up the buyback with Q2 results?

The second question is on GWM, specifically on APAC, because the quarter was quite strong, both in terms of net new money, but also in terms of the loan re-leveraging that we saw this quarter, the second in a row. So can you maybe talk a little more about the strength in APAC, what's driving it and how sustainable do you think it is? Thank you.

Sergio P. Ermotti

So thank you for the question. Yeah, of course, we changed the language, and it's basically the reflection of two of the four conditions that we set or we described for the capital return plans for 2026, i.e. the successful progress in the integration, which was a major milestone [that] was achieved, with the migration of the Credit Suisse clients onto the UBS platform. And this is now allowing us to basically decommission and realize the full synergies that we have envisaged. And second, it's the very strong business performance, which, as you saw, is allowing us to generate further capital. I think that these two conditions are making us comfortable that we can accelerate the current share buyback program – the execution of that by the end of July when we report Q2 results – while still keeping open the other two conditions. We want to continue to operate by year end at around 14% CET1 capital, and, of course, we are also watching the developments around the capital requirements. So these two conditions are still out there. And I say that it's premature to talk about the magnitude of what we're going to do in the second half of the year.

Todd Tuckner

Hi, Flora. On the second question regarding GWM in APAC, so clearly the power of the integrated franchises is clearly contributing to growth and profitability. And you could just see that in the numbers that we have been printing quarter on quarter.

Our focus, as you know, has been on growing assets across the region by deepening share of wallet, by accelerating strategic partnerships, and also by strengthening high net worth feeder channels, particularly through investments in digital, and also by ramping up the impact hiring of select advisors. So we think the evidence of this is apparent in the 1Q26 results, double-digit NNA and NNFGA growth with very strong mandate penetration, while also continuing to drive its bellwether, which is transactional revenues, in an environment where our advice and structuring expertise are clearly differentiated. I would also say that on your question regarding lending, lower USD rates are also supportive of the lending growth that we've seen.

Kian Abouhossein, JP Morgan

Yes. Thank you very much for taking my questions. First of all, a shout out to Sergio. Thanks for answering all our questions for, if my math is right, 12.5 years, and hopefully longer to go.

Now my two questions are, first of all, in relation to US wealth management. You had positive net new assets in Americas. You talked prior about potential outflows in the first half, and you indicated in the second quarter clearly due to tax situation, that could happen. But I just try to understand how we should think about what happened in the first quarter, relative to your earlier guidance in particular. And secondly, in that context also, advisor departures. Are we done with that? As you mentioned, acceleration of hiring. So should we expect net new hires to come through second half.

And then the second question is coming back to Parent and capital. You mentioned the 1.8 billion accrual. I'm interested in your cumulative reserves in the parent bank at the moment and how much have you actually up-streamed in the first quarter. Thank you.

Todd Tuckner

Hey Kian. Thanks for the questions. On the second one, just quickly, so if you recall, we had accrued 9 billion last year and we have paid up the first half of that in the first half of the year, the 4.5 billion, actually just earlier this month. And the 1.8 is an accrual, as I mentioned, that we would distribute in 2027.

On the question regarding US wealth and flows. So first, let me just back up a little bit and mention that importantly, the US business is continuing to work on the various levers to drive profitability growth, with pre-tax margin improving now for six consecutive quarters. That momentum is being driven by stronger banking capabilities, which is evidenced in, by the way, continued growth in net new lending eight consecutive quarters, and by the strength in transaction revenues, including through greater collaboration with the Investment Bank in delivering the full breadth of our capabilities to clients. Now, onto flows this quarter: we're encouraged by the outcome, particularly because flows were driven by same store production. So that tells me the strategy is working. At the same time, in terms of guidance, it's one quarter. I guided on second quarter tax outflows. So we're staying focused on continuing to invest in our advisor workforce, in our platform and in our capabilities to drive sustainable profitability improvement.

Kian Abouhossein, JP Morgan

So, sorry, should we think about net advisors increasing as of second half?

Todd Tuckner

So on that, Kian, I'd just say we're comfortable with the steps we're taking to drive positive full year NNA, while recognizing there's a lag effect from previously announced FA movement that will continue to show up in flows for a few quarters. That said, we're actively recruiting and investing in teams aligned with our profitability ambitions. I'd also point out that rotation among FAs remains elevated across the industry given

record valuations, but we continue to expect these dynamics to normalize in our own book over the course of 2026.

Kian Abouhossein, JP Morgan

Okay. And just on reserves. Can you just remind me what the cumulative reserve is in the parent bank now?

Todd Tuckner

So we have 10.8 billion of capital in reserves, less the 4.5 paid up in April that I mentioned.

Kian Abouhossein, JP Morgan

Thank you.

Stefan Stalmann, Autonomous Research

Good morning. Thank you very much for taking my questions. I wanted to ask, please, whether you have actually seen, or whether you expect to see any benefits from wealthy clients in the Middle East, potentially shifting their assets into Swiss or maybe Asian booking centers.

And also on your Unified Global Alternatives platform, there's obviously been quite a lot of news flow during the quarter and maybe already starting last year about private markets, in particular private credit. Are you seeing any impact of all of that market talk in your clients' behavior and your clients' preferences in that area? Thank you very much.

Todd Tuckner

Hey Stefan. So I think it's fair to say, in respect of the Middle East conflict, that safety and balance sheet trust remain decisive factors in wealth management, as you know, and the Gulf conflict is reinforcing these priorities. And while it's very early to see any meaningful movement, we believe it's leading some clients, at least, to reassess booking center options. And we believe that our deep and longstanding relationships with Middle Eastern clients position us well, were there to be movement, to benefit from any shifting dynamics over time. But at this stage, clearly too early to see anything coming through the numbers.

On your question regarding private credit. I think it's fair to say that interest in private credit among our wealthy clients has been more measured in the current environment, clearly reflecting macro uncertainty and a preference for liquidity and capital preservation. We have seen, as I think you're pointing out, elevated redemption requests that are driven by either profit taking or residual gating or even liquidity alignment considerations. That being said, engagement does still remain high, and we continue to see demand building for well-structured strategies in private credit as part of this income sleeve, albeit with more caution and sell activity. It is also worth pointing out that when you look at the level of exposure our clients have in private credit in their portfolios, it's quite minor. So while you may have sort of mid-single digit percentage in

alternatives more broadly, it's a fraction of that in private credit. But that said, we still see that there is demand for that type of investment when structured properly.

Stefan Stalmann, Autonomous Research

Oh absolutely. Thank you very much.

Anke Reingen, RBC

Yeah. Good morning and thank you for taking my questions. The first is just on the ordinance impact, and I was wondering when you assess your capital ratio, do you look on a phased-in or on a fully loaded basis? That's the 2 billion already coming in versus January 2027, and then '29. So if you can just tell us fully loaded or phased-in, what the assessment is.

And then with Q4 results, you gave us some net interest income guidance for the full year, for Global Wealth Management and P&C, and I just wonder if this has changed given the interest rate outlook. Thank you very much.

Todd Tuckner

Thank you. Thanks, Anke. So, on ordinance impact, just to unpack it, the changes to prudential valuation adjustments come in on 1 January 2027. So there is no phase in. So when we get there, we'll be reflecting that in our capital – this is the expectation – immediately. On software, there is a transition period permitted to 1 Jan 2029, which at this point is our intention to fully utilize. But that is subject to seeing the full package develop in the intervening period. But we are considering that and at this point, the intention is to use the transition period and therefore have the impact of capitalized software hit through our capital ratio on 1 January 2029.

On NII guidance. I would just say that in 2Q, my outlook for the second quarter really reflects, in Global Wealth Management in any case, lower USD rates that, as I mentioned in my comments, have some downward pressure on deposit margin. Why is that? Because asset yields as reflected in our replicating portfolios reprice down faster than deposits when rates are lower. Now, any further upside in the quarter can come from favorable deposit mix shifts as we saw in 1Q, and even stronger net new lending growth. So there is that upside. But again, because of the impact on rates, that's what informed my guide at flat quarter-on-quarter. Now the longer term prospects for any pickup in GWM would be based on continued loan growth and greater USD rate stability. And that would lead to higher swap rates that would start to help ease the reinvestment headwinds from the replicating portfolio that is reflected in the current sequential outlook. So that, coupled with expected deposit growth without any meaningful dilution in our sweep and current account balances, could offer some longer term upside for NII in GWM.

Joseph Dickerson, Jefferies

Hi. Thank you for taking my question. Just on the parliamentary process, that is obviously quite key to the shape of prospective buybacks this year and beyond: what is the outcome that you're looking for from this process? Many thanks.

Sergio P. Ermotti

Thank you. Well, we fully understand that all the lessons learned from the Credit Suisse crisis have to be reflected in how we adapt the regulatory framework in Switzerland. But we continue to believe that the guiding principle should be to have something that is internationally aligned, and that allows us to continue to be competitive as a bank based in Switzerland. So I think that the framework [is] quite clear. So we are not asking for anything that I would say is exceptional.

And the most important issue is that, when we go through this process, as I reiterated, it is not only to address the quality of capital and how we look at improving that part, it is to fully reflect the lessons learned of the Credit Suisse crisis, the root causes. We all know that huge concessions were given to Credit Suisse, and this is the reason why at the end, they had a problem with their foreign subsidiaries. And this element is actually never mentioned in the public debate. So we need to make sure that the people that will make decisions fully understand how strong the current regulatory framework is, and which, by the way, is the one that allowed a G-SIB to absorb a G-SIB, repay all guarantees and emergency liquidity provisions granted to Credit Suisse within five months, while keeping you investors fairly confident about our ability to manage our business.

So one has to reflect these kinds of true lessons learned from the crisis, rather than just looking at absolute level of capital and go to extreme solutions that are not helping, at the end of the day, not only the bank, but most importantly our clients. Because at the end of the day, it's going to make the bank less competitive, and in serving households, corporates, our clients, and is not very good for the country as well, I believe.

Joseph Dickerson, Jefferies

Great. Thank you.

Chris Hallam, Goldman Sachs

Yeah. Good morning. Two questions. First, on capital. I agree on the 22 billion number on slide 25 is cleaner to look at than the 9 billion, and also that CET1 versus peer requirements is probably more logical than versus peer reported ratios. But when it comes to contingency planning and the decisions that need to be taken, the foreign participations process should stretch well into the first half of next year. Given the transition period on those potential changes, can you wait for full clarity on the outcome of that process before making any decisions on how to adjust your operating footprint or your focus areas? Or are you going to have to start making real-world business decisions earlier than the point at which you get full and final clarity on foreign subs? That's the first question.

And secondly, broader one on cyber risk, sort of against the backdrop of the recent acceleration we've seen in AI-enabled threat detection and attack sophistication, could you talk a little bit about how you're managing cyber resilience, both on your own platforms as well as through the CS integration? Have those AI-driven threat models changed how you assess residual risks in your legacy systems? And should we expect any incremental investment or operational constraints as a result of that evolving threat landscape? Thank you.

Sergio P. Ermotti

Well, thank you, Chris. To be sure, we have been going through two years of uncertainty around this topic, and by now it is something that is almost embedded in the way we have to operate and accept it as a modus operandi. It's not ideal, because, of course, the environment out there is quite challenging, but I think that we are pleased that we at least completed the integration [*Edit: migration*] and we created the resilience in terms of profitability that allows us to basically accept the fact that a democratic process now has to go through. This is a very complex matter, and it's not reasonable now to expect that the Parliament will take decision in a very short period of time on such a situation, considering also the extreme different views on how this is playing out. So I think that one thing is clear, we're not going to jump into conclusions or taking decisions that have a strategic impact in any sense, before having the final outcome. It's not ideal I know, but we have to really think about what is the best thing for the bank for the next five, ten, twenty years, not what is good for the next few quarters. And that uncertainty, unfortunately, is something that we have to live with. We are not in control of that, but we are hopeful that the situation can get resolved very quickly.

In terms of cyber. Of course, cyber is something that has been at the center of the radar screen for the last few years for all of us in the industry, but not only in the financial services industry. And we are investing a lot of resources – technology, but also human resources – to really identify the best way to protect our assets, our clients' assets and the data. And we continue to do so as we see also these recent developments. Believe me, we are staying very close, talking to our technology partners. As you can imagine, we are a client of the major technology providers, also the ones that are very deeply involved in this recent discovery, and so we get, indirectly, also the benefits of being able to implement all the necessary steps to protect our assets. So this is going to continue to be a big, big issue and one that will continue to necessitate a lot of investments and resources, both in technology but also in people. Cyber risk is as important as credit and market risk, nowadays.

Chris Hallam, Goldman Sachs

Thanks very much.

Andrew Coombs, Citi

Good morning. One on the Investment Bank and one coming back on Asia wealth management please.

Firstly on the Investment Bank. Just putting the legislation to one side, we've had the Basel Endgame proposals in the US. So, intrigued what you think that means in terms of the level of competition that you're going to see from the US investment banks in that space? And also, if I go back all the way to your 2018 Investor Day, I recall you had this ambition of having 40% of the division's profits from advisory and execution and 60% in financing and structured derivatives, obviously more capital intensive. A lot's moved on since then, so is that 40%/60% split still a fair assumption, or is it very different now?

And then my second question, on APAC GWM, you specifically called out Australia, Taiwan, Japan, and some of the regions where you're making selective hires. Can you just talk a bit more about onshore versus offshore trends you're seeing and how that's influencing your investment decision process? Thank you.

Todd Tuckner

Hey, Andy. So in terms of Basel III and the Endgame on capital in the US, at least the proposals – I think it's fair to say that the US banks have a fair bit of dry powder when it comes to capital deployment. That seems pretty apparent to anyone watching. And we're obviously competing in that globally. Our global footprint, we think, differentiates us, our capital light approach differentiates us. And we're competing really well in the environment, in the investment bank sectors in which we're choosing to play. So for us, we recognize the fierce competition, but we like our chances.

In terms of the split from years ago on your question, I think I'd go back and check myself and do the math, but I don't think that that's massively off. I'd probably flip the ratios a bit if I had to offer a guess, but I think it's probably not terribly off. It's also important to mention a lot of the financing also could be done in quite resource efficient ways – because you had mentioned that the latter is much more resource-intense, and it doesn't have to be that way in some of the activities vis-à-vis Prime. But my instinct is, I'd flip the ratio the other way.

In terms of APAC, I've been pretty clear that [we're] investing already to build out on our strongholds. I touched on already in a prior response to things that we're doing to drive further performance and growth in the region where we're looking to leverage our leadership position, into these jurisdictions in the parts of Asia Pacific where we can even grow faster and further. And that's why we call out some of these growth markets within Asia Pacific on top of our own strongholds. And we see the onshore/offshore dynamic still for sure exists, but we're also so well positioned in greater China that we're able to leverage both sides of that.

Jeremy Sigee, BNP Paribas

Morning. Thank you. Just a couple of follow ups continuing on wealth management, please. Firstly, on the US business you touched on, you had another 50 advisor reduction in the quarter. Is that a lag effect from the sort of exits you were seeing last year? Or is it fresh departures, fresh poaching that you're suffering this year? That's my first question.

And then second question is just continuing on the strength that is phenomenal in Asia and in EMEA, in wealth management. I just wondered what client conversations you're having, and to what extent that's driven by fear factors such as macro risks, or whether it's more a pickup in wealth creation and animal spirits, and investment appetite coming from that.

Todd Tuckner

Hey, Jeremy. So on the US business side. Yeah, the headcount metrics you see are our actuals. So what that means is there's a lag effect built in, i.e. when advisors leave the roles. It's very similar to flows themselves, which was the point I mentioned earlier, I think, in response to Kian's question. So, there is a lag effect in some of the measures we print around headcount and flows. And that's why I've been also giving a broader picture on the topic so that there's also an outlook and people can understand the broader dynamic.

Across the wealth management business, look, you asked about the environment and the sentiment. So, clearly what we've been seeing is the backdrop - if I characterize the first quarter, especially the latter part once the Gulf conflict got underway - that has led clients to remain invested while actively rebalancing and hedging their portfolios. And that's supporting strong demand for structured products, FX solutions and equity derivatives, with healthy volumes and disciplined risk usage. It's important to also add that our advisors are following the CIO blueprint, and so the conversations are often reflecting CIO views, direction, and that's informing transactional preferences. And also as you see, a lot of people [are] entrusting us to manage, on an advisory or discretionary basis, their wealth. And we see mandate penetration at a record high. So in that sense, the discussions that we're having with clients are resonating.

Jeremy Sigee, BNP Paribas

That's really helpful. Thank you very much.

Amit Goel, Mediobanca

Hi. Thank you. So two questions from me on capital.

The first one is just on actually the CET1 leverage ratio and buffer. So I'm just wondering what kind of buffer would you be looking to run at versus end state requirements? It looks to me like that's going to about 3.9% post the ordinances, it has been written. Pro-forma, the buffer, looks like it won't be particularly big. So just curious what kind of level you're thinking about there.

And then secondly just in terms of the share buyback capacity this year, I appreciate it's subject to parliamentary debate in terms of what may or may not happen, but it looks like there's about 5 billion left of the standalone AG reserve after dividends and employee share repurchase. So just curious whether you're then happy to continue to run an equity double leverage at the Group at 104%, and/or if you would be happy to increase that to give yourself capacity to pay more. Or are you still looking to bring that closer to the 100% mark? Thank you.

Todd Tuckner

Hey Amit. So first on the leverage ratio, and I think it's fair to say that at the moment, the Tier1 leverage ratio at the Group and UBS AG consolidated is the most marginally constraining metric that we have when you look at buffers relative to minimum requirements. So while, if you think about it, the risk density under the Swiss Systemically Relevant Bank capital rules would suggest about a third of density, we're running around 30%. Why is that? Just given the FX sensitivities, so USD weakness is more pronounced vis-à-vis leverage. And we're obviously able to run the bank with significant RWA efficiency in the business despite Basel III and op risk. So that's where we are at this point. My expectation and hope is always to manage both of those ratios where possible as no more marginally constraining than the other. But given the FX movements over the last year, that's made leverage ratio more constraining, and so we're very focused on ensuring we manage that well. You see that in how we pace intercompany dividends from AG to Group, how we're building our AT1 stack, and also how we are transforming deposit liabilities wherever possible to maximize funding value.

Listen, on the share buyback capacity and ultimately equity double leverage, it's premature to talk about where we would go on this. We have to wait and see. Sergio just mentioned in response to Chris's question, we have to take those few quarters and see where this plays out. And then once we have that visibility, that clarity, then we can come back and talk about things like the equity double leverage ratio. For now, our expectation is still to have that move towards pre-Credit Suisse acquisition levels. That remains the base case for us.

Giulia Aurora Miotto, Morgan Stanley

Yes. Hi. Good morning. Thank you for taking my questions. I have two, both on the PBT margins in GWM, one on the US, one on Asia. So in the US, UBS got the final approval on the banking license late in the quarter, 20th of March. And yet we saw good progress on loans and deposits and PBT margins already close to 14%. So I'm wondering how does this last approval change the pace of improvement in your profitability metrics in the US? So can we see now a step up in the positive loan growth and ultimately in profitability, or will that be gradual? First question.

Second question, the PBT target excluding the US in terms of margin is to be above 40%, and Asia is a standout, close to 49% in the quarter. Would you say that there is still room to improve or at least maintain this level of margins, or perhaps it was an extraordinary quarter and we would go back to close to 40 going forward? Thank you.

Todd Tuckner

Thanks, Giulia. Just maybe on the second one first, we're obviously quite encouraged by our 1Q performance across the board, including in APAC wealth. And it demonstrates the capacity and the franchises I've mentioned. At the same time, the overall performance for the Group, it's one quarter. The quarter was exceptionally strong. And the macro environment remains uncertain. So if the environment is supportive, there's potential upside for some of these measures. But generally I wouldn't be extrapolating 1Q, per se, for a full year, and it's just premature to reflect any of that in our guidance at this stage.

On the banking license point. Well, first we're pleased that you see the progress that we're making, also in the pre-tax margins. We're delighted that we have the license now. Those have always been in our plan. The team has been very effective in being able to land it, but it has been in our plan and our outlook, and it's what helps to drive the pre-tax margin improvement over time. What I would say about it is, we're already doing the things, we're building out the capabilities, but also more the focus across the advisory group in the US around the banking capabilities that we have, I think, has been an eye opener for a lot of advisors who haven't leaned into our ability to support them on that side of the business. And it really has helped, and that's been driving some of the results that we keep seeing quarter-on-quarter in banking. Having the license will only accelerate that. It will also help to shape the deposit side of the balance sheet even better, because it'll create the opportunity to have more operational deposits and reshape the loan-to-deposit ratio in a way that will help to create a pre-tax margin accretion.

Giulia Aurora Miotto, Morgan Stanley

Thank you.

Benjamin Goy, Deutsche Bank

Hi, then maybe just two follow up questions. The first is on geopolitical uncertainty, normally this is negatively correlated to the transaction activity of clients, but it seems like there is more a buy mentality or just holding on to risk assets. Just interested how this might have changed over the last couple of years.

And then you touched on your capital-light focus in the Investment Bank, but is it possible somewhat to give a flavor and look at the leverage exposure expansion in the double digits? How much was the market underlying the opportunities, so call it cyclical? And how much is just more competition, also from US players? Thank you.

Todd Tuckner

I did not get the first question, sorry. It may have been me. But let me answer the second one, I was able to glean. The increase in leverage at the Investment Bank. Simple. It was just the activity levels in the quarter that informed traditional liquidity needs vis-à-vis clients. And so that's what drove the balance sheet higher. It was the very active levels that we saw with clients over the course of the quarter. Do you mind repeating the first? Sorry.

Benjamin Goy, Deutsche Bank

Thank you for that. The first one, is geopolitical uncertainty is probably the highest in decades. Nevertheless, transaction activity remains very positive. So wondering whether that fundamental negative correlation between the two has changed and your clients are more engaged in risk assets sustainably.

Or maybe too confusing, we can take it offline.

Todd Tuckner

Yeah. Thanks, Ben. We just got the question, sorry, I think it may be the audio. So in respect of geopolitical uncertainty, look, in the near term, and we've seen this just in recent times when there are events that create volatility in the markets. We saw that a year ago when the US tariffs were announced in early April, when this conflict started, and you could probably go back on a timeline and see, there is volatility. The question really boils down to whether the volatility remains constructive, or it is frontrunning what is going to be quite a difficult market environment and risk-off.

And you'll have your own views on this as well, but I think as the market has priced in a near-term diplomatic solution to the conflict, I think people have stayed invested – albeit there has been some caution, maybe investing strategies have changed, more protecting principal, more looking at things from a hedging transaction perspective. But by and large, people are staying invested despite all the geopolitical uncertainty. As we say, even in our outlook, things could change quickly. And we recognize that when you look at the environment. For example if a diplomatic solution was not seen as something that can be enduring and achievable in the near term, that can change. And then at that point we'd have to see. But certainly near-term volatility created opportunities, as long as clients remained engaged in seeking the advice we provide.

Benjamin Goy, Deutsche Bank

Thanks a lot.

Sarah Mackey

Thank you. I think that ends all the questions. I just thank you very much for joining, and we look forward to updating you with our second quarter results at the end of July. 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. 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. In particular, the global economy may suffer significant adverse effects from increasing political tensions between world powers, changes to international trade policies, including those related to tariffs and trade barriers, and evolving armed conflicts. UBS's acquisition of the Credit Suisse Group materially changed its outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to continue through 2026 and presents significant operational and execution risk, including the risks that UBS may be unable to achieve the cost reductions and business benefits contemplated by the transaction, that it may incur higher costs to execute the integration of Credit Suisse and that the acquired business may have greater risks or liabilities, including those related to litigation, than expected. In response to the failure of Credit Suisse, Switzerland has amended its Capital Adequacy Ordinance and is considering changes to its Banking Act, which, if enacted as proposed, would substantially increase capital requirements for UBS in relation to its foreign subsidiaries. These factors create greater uncertainty about forward-looking statements. Other factors that may affect UBS's performance and ability to achieve its 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 Group; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions, including any potential changes to banking examination and oversight practices and standards as a result of executive branch orders or staff interpretations of law in the US; (iii) 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, residential and commercial real estate markets, general economic conditions, 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 adverse changes in UBS's credit spreads and credit ratings of UBS, as well as availability and cost of funding, including as affected by the marketability of additional tier one debt instruments, to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in and potential divergence between central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the EU 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 including heightened requirements and expectations due to its acquisition of the Credit Suisse Group; (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 the 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 its 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, including litigation it has inherited by virtue of the acquisition of the Credit Suisse Group, 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 its RWA; (xiii) 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; (xiv) 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; (xv) UBS's ability to implement new technologies and business methods, including digital services, artificial intelligence and other 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; (xvi) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xvii) 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 persistently high levels of cyberattack threats; (xviii) restrictions on the ability of UBS Group AG, UBS AG and regulated subsidiaries of UBS 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 the Swiss Financial Market Supervisory Authority (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; (xix) 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; (xx) 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 increasing divergence among regulatory regimes; (xxi) the ability of UBS to access capital markets; (xxii) 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, pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event; and (xxiii) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on its reputation and the additional consequences that this may have on its 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. UBS's business and financial performance could be affected by other factors identified in its 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 UBS Group AG and UBS AG Annual Reports on Form 20-F for the year ended 31 December 2025. 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.

© UBS 2026. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved