



# Annual General Meeting

UBS Group AG on 5 April 2023

## **Speech by Ralph Hamers, Group Chief Executive Officer**

Check against delivery.

Ladies and gentlemen,

A warm welcome to Basel from me, too. As the Chairman has said, March 19 was a bolt from the blue, for all of us, for UBS, for Switzerland. I know that, here at UBS, we cope well with change. But we all know that the acquisition Credit Suisse will be a major challenge.

Given the new priorities associated with the takeover of Credit Suisse, the Board of Directors wanted someone with a different leadership profile to head up the firm.

As you know, in the interests of the company and its stakeholders, and in the interests of Switzerland and its financial sector, I offered to step down.

Integrating Credit Suisse successfully is the most important task for UBS. I am confident that the new CEO Sergio Ermotti, with his outstanding record and experience, will lead the firm safely through this next phase.

I am convinced that the combination brings with it great opportunities: It is expected to create a business with more than USD 5 trillion in total invested assets. It will strengthen UBS's position as a leading global wealth manager, operating in the most attractive growth markets, and supported by an asset management business with enhanced capabilities and invested assets of more than USD 1.5 trillion on a combined basis. In addition, there are the two Swiss banks.

This takeover will bring more client assets, more employees and even more clients, and with all of this, it also brings more responsibility. And I know that UBS will deal with this responsibility prudently.

When I look back at the past year, first and foremost I see the pandemic; supply chain bottlenecks; high inflation and central banks rapidly raising rates. Above all, we are troubled by this tragic war in Ukraine, which has brought so much death and suffering and continues to do so.

All these events have huge implications for companies and individuals, and therefore also for banking. I have to say that even before this year we were already pretty busy dealing with exceptional situations...

But it is precisely in turbulent times that an organization – and the people in it! – can prove themselves to be flexible and resilient. I am proud to say that we delivered – not just as individuals, but as a team, as *one* UBS:

- We supported private clients in the pursuit of higher returns, and when necessary, we realigned their portfolios.
- We were there for our Swiss corporate clients by, for example, providing liquidity quickly when they suffered from the rise in energy prices.
- And new clients came to UBS because they trusted our expertise: in Global Wealth Management, we attracted net new fee-generating assets worth USD 60 billion. In addition, USD 25 billion in net new money flowed into Asset Management.

The bottom line is that our results for 2022 were strong:

- A net profit of USD 7.6 billion.
- A return on common equity of 17%.
- A cost/income ratio of 72.1%.
- That means, we achieved all our financial targets.

I would now like to take a quick look at a few specific results:

- In our core business of Wealth Management, in the USA and the Asia-Pacific region, we strengthened our OneBank approach for clients.
- Through OneBank, we drive cooperation across all businesses to offer better advice and solutions.
- The OneBank approach is of particular importance to our Global Family & Institutional Wealth clients.
- In Europe and the Middle East, we further strengthened our client relationships with entrepreneurs to support their growth.
- In Switzerland, we consolidated our position as the leading universal bank – including in digital banking, where we are the market leader, with our UBS key4 banking app.

The UBS vision is to be regarded around the world as the place that brings everything to do with investing together.

On this platform with USD trillion dollars – and with the potential to grow quickly to USD 5 trillion – we can combine the strengths of all our business divisions. On top of that: Credit Suisse will bring qualities that further enhance this strong portfolio.

We can combine our strengths through this flexible model to offer UBS customers even better solutions, whatever their needs may be: buying a house, increasing their wealth, or investing in a company's growth.

When I look back upon my arrival at UBS in 2020, I saw no reason to rebuild everything.

There was no need for restructuring, but for transformation.

That's why I initiated a development process to make the bank simpler and more agile – for employees, and for our clients.

Because the firm must remain fit and healthy if it is to survive on the international stage. And be flexible, too, because the challenges change so rapidly.

UBS also needs to be more agile, because the demarcation lines shift and increasingly become blurred: things can't always be dealt with in separate silos as they could in the past. That's precisely why we've had plenty of success in recent years with our OneBank strategy.

To continue to succeed, there needs to be a culture in which everyone feels they can contribute to making the firm better together. Regardless of their rank or role. And regardless of their country of origin or religion and regardless of their orientation.

It is even an advantage for the firm when employees come from diverse cultural backgrounds or different universities. People from diverse backgrounds often regard problems and solutions in different ways. On top of that: Different perspectives produce better outcomes. UBS has made great strides here.

For example, in my management team: five of the twelve members of our Group Executive Board are women. The percentage of women in posts above Director at UBS level was 28% worldwide at the end of 2022, and we're working to increase that further still.

In addition, the share of ethnic minorities among employees is increasing, especially in the USA and the United Kingdom.

A culture like this – agile, flexible, diverse – also creates a good basis for future success, and for the successful integration of Credit Suisse.

One subject above all others concerns me, as I'm sure it does many of you: we must take greater care of our Earth than we have done so far. Extreme weather events due to global warming are becoming more extreme. We can see it here in Switzerland – look how fast the glaciers are melting. We see tragedies elsewhere as well. We're also haunted by pictures of the "flood of the century" in Pakistan last year, or even those in the United States, where tornadoes in recent weeks have destroyed villages and towns.

Whether as individuals or as corporate leaders, it is our duty to do everything we can to avert harm.

Operating on a sustainable basis is important for UBS and for our clients.

UBS again occupies a leading position among financial services providers on the Dow Jones Sustainability Index. And we have again been included on the Climate A-list ranked by CDP, or the Carbon Disclosure Project, which strives to create more transparency in this field. An 'A' ranking, by the way, is good. 'F' is bad.

Client interest in impact investing is rising significantly.

In our annual survey, two-thirds of clients said that sustainability was important. Meanwhile, nearly 80% of them expect that taking account of sustainability issues will help achieve higher returns. In 2022 alone, invested asset with a sustainability focus increased by 11%.

Especially in uncertain times, many of us are torn between the desire for security and stability on the one hand and growth and development on the other.

I am convinced that at UBS we offer both, and on a sound basis: solid banking, made in Switzerland.

There's no doubt that security comes first and foremost. Because security brings confidence. And without confidence, in our line of business, there is nothing— as we have all unfortunately seen.

Most esteemed shareholders: this is my last appearance before of you. I will be supporting Sergio Ermotti and the Executive Board for a time to ensure a smooth transition.

UBS is a great bank.

Let's look at what we have achieved together over the past couple of years:

- Whether pandemic, war in Ukraine or the latest banking crisis, we were always there for our clients and also for our employees, and we supported each other.
- We have defined our purpose and put a strategy in place that works, in every market situation.
- We have transformed our firm, making it more flexible and simpler, also just a little bit more relaxed.
- At the same time, we have maintained cost and risk discipline.

None of this came at a cost to our esteemed shareholders: We have generated record results and the lion's share of these profits have gone to you!

We can all be proud that UBS is so strongly positioned, otherwise a quick solution for Credit Suisse's rescue would not have been possible.

When I look back on my time at UBS, it will be with great pleasure and many happy memories. That comes thanks to my closest colleagues and the outstanding employees that we have all around the world.

- I would like to thank the Board of Directors and Colm Kelleher in particular for the good collaboration.
- A big thank-you goes to the Executive Board and my team, which gave me so much support during all the changes that the firm has gone through.
- Above all, my thanks go to our clients, for the trust they have shown in us.
- And thank you, my dear colleagues – you have worked tremendously hard again this year and delivered a great performance.
- Most particularly, I would like to thank you, our valued shareholders, for your support – and for your patience in listening one last time to me speaking German...