

UBS acquisition of Credit Suisse



Important information

Forward Looking Statements: This presentation contains statements that constitute “forward-looking statements,” including but not limited to management’s outlook for UBS’s financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS’s business and future development and goals or intentions to achieve climate, sustainability and other social objectives. While these forward-looking statements represent UBS’s judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS’s expectations. UBS’s business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS’s Annual Report on Form 20-F for the year ended 31 December 2022. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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Basel III RWA, LRD and capital: Basel III numbers are based on the BIS Basel III framework, as applicable for Swiss systemically relevant banks (SRB). Numbers in the presentation are based on the revised Swiss SRB rules as of 1.1.20 that became effective on 1.7.16, unless otherwise stated. Basel III risk-weighted assets in this presentation are calculated on the basis of Swiss SRB rules as of 1.1.20 unless otherwise stated. Our RWA under BIS Basel III are the same as under Swiss SRB Basel III. Leverage ratio and leverage ratio denominator in this presentation are calculated on the basis of Swiss SRB rules as of 1.1.20, unless otherwise stated. Refer to the “Capital management” section in the 2022 Annual Report for more information.

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

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

Rounding: Numbers presented throughout this presentation 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.

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Executive summary

Attractive financial terms which include downside protections and very significant liquidity support provided by the SNB

UBS strategy unchanged, including growth plans in the US and APAC

Adding scale to our leading Global Wealth and Asset Management franchise with USD ~5trn invested assets

Strategic Global Banking businesses to be retained, majority of Credit Suisse markets positions moved to non-core and exited alongside Credit Suisse's NCU and SPG units

UBS remains well capitalized, and we are confident in our ability to successfully execute this plan

Transaction structure: key terms

Transaction structure

- All-share merger

Consideration

- CHF 3bn, equal to CHF 0.76 per Credit Suisse share
- Exchange ratio of 22.48 Credit Suisse shares for each UBS share

Approvals

- No shareholders' approval required
- Transaction fully supported by the Swiss authorities
- Subject to regulatory approvals in jurisdictions outside Switzerland, working in partnership with the Swiss government and relevant regulators for an expedited timeline

Governance

- Combined Group Chairman: Colm Kelleher
- Combined Group CEO: Ralph Hamers
- FINMA to provide UBS with supervision / oversight ability on Credit Suisse between announcement and closing

- The Swiss government has exercised its emergency powers to facilitate a swift consummation of this merger without the necessity of shareholder approval
- Closing expected in 2Q23 subject to expedited regulatory approval
- No restrictions on usage of goodwill

Downside protections for UBS shareholders

Loss protection

- **CHF ~25bn** of downside protection to support marks, purchase price adjustments and restructuring costs
 - **CHF 15.8bn** of Credit Suisse AT1 instruments written-off by FINMA
 - For non-core assets **CHF 9bn** protection from the Swiss authorities in case of losses extending beyond the first CHF 5bn which would be borne by UBS
- Benefit from **RWA relief** related to the above

Liquidity

- Very significant liquidity support provided by SNB

Financial overview of the combined entity

TBVPS – 74% increase at Day-1

Target EPS – EPS accretive by 2027

Costs – Run-rate annual cost reduction of >8bn, by 2027

RoCET1 – RoCET1 impacted by integration and restructuring in the near- and medium-term

Day-1 CET1 ratio – Significantly above our ~13% target
– ~56bn full goodwill recognition (including equity from AT1 write-down) to count towards CET1 capital to cover both purchase accounting marks, restructuring costs and acceleration of non-core assets run-down

Capital return policy – Remaining committed to a progressive cash dividend; temporarily suspending share repurchases

Adding scale to our leading Global Wealth and Asset Management franchise

Scaling up our leading global Wealth and Asset Management franchise in highly attractive growth areas

~5trn

invested assets
pro-forma

Creating the undisputed leader in Switzerland

#1

bank in
Switzerland

Focused Investment Bank, enhancing global competitive position

~25%¹

of Group RWA
pro-forma on day-1

Significant synergy potential driving sustainable value creation

>8bn

run-rate annual cost
reduction, by 2027

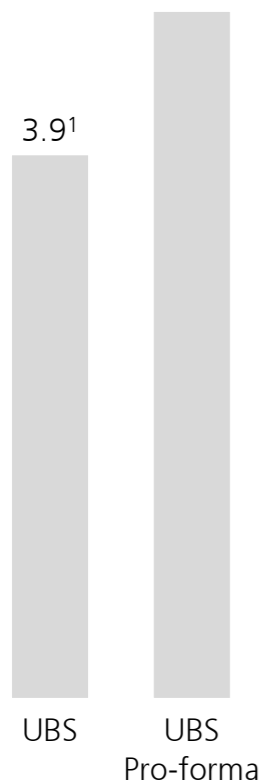
Wide range of revenue synergies and dyssynergies

Driving long-term shareholder value



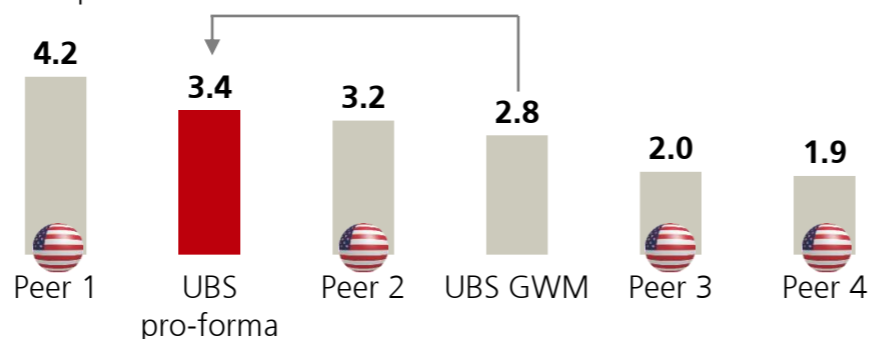
Scaling up our leading Global Wealth and Asset Management franchise in highly attractive growth areas

~5trn²
invested assets,
GWM +AM (USD)

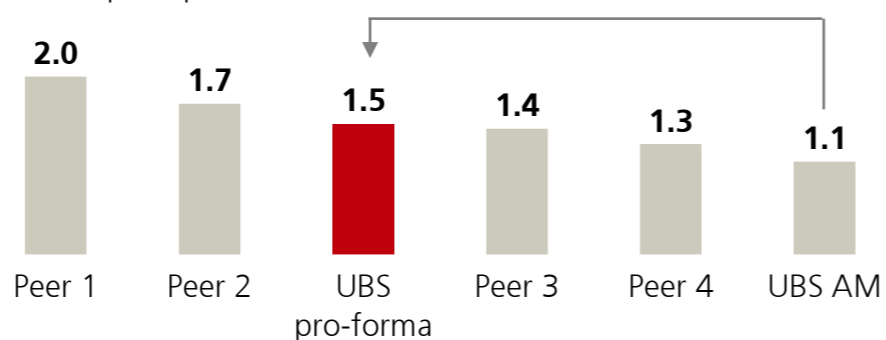


Further enhancing our competitive position³

Invested assets, USDtrn
GWM peers



AM European peers



Adding scale and accelerating our strategic plans in high-growth areas

- ✓ Complementary positioning in South-East Asia, Middle East and Latin America
- ✓ Aligned client focus on high-growing UHNW and entrepreneur segments
- ✓ Becoming top 3 asset manager in Europe (from #5), and #11 globally (from #19)
- ✓ Complementary positioning in Alternatives, Thematics, Indexed, and key growth markets



¹ Of which USD 2.8trn in WM and USD 1.1trn in AM; ² Of which USD 3.4trn in WM and USD 1.5trn in AM; ³ As per 31.12.22 company filings; exchange rates as of 2022 year-end

Creating the undisputed leader in Switzerland

A highly attractive domestic market¹

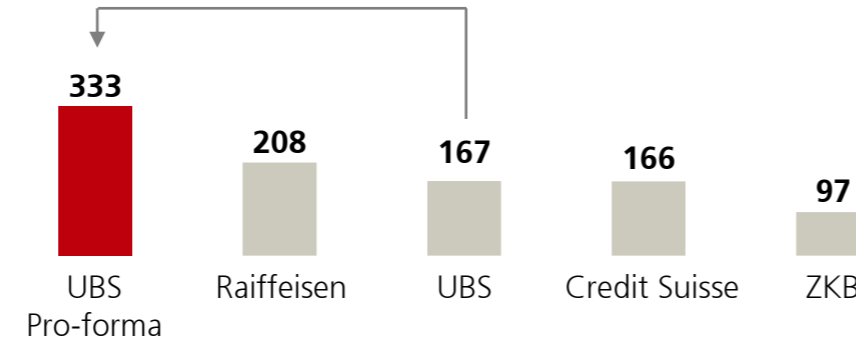
>2%
long-term GDP growth
over last 20 years

CHF ~250k
average net-worth
per capita

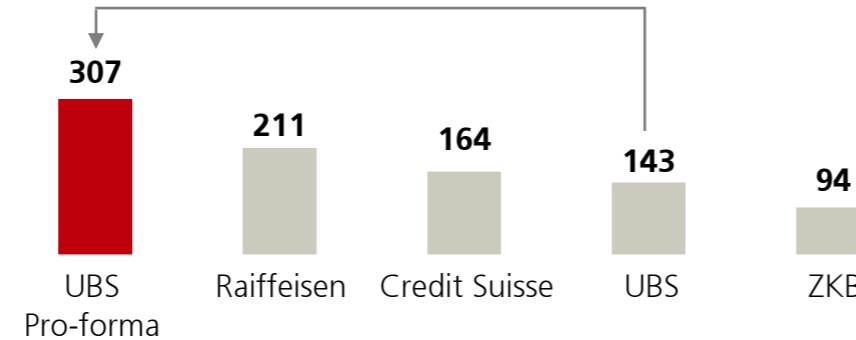
4%
unemployment rate
(vs. 6% EU average)

Becoming #1 Personal & Corporate banking franchise in our domestic market

Customer deposits (CHF bn)²



Loans (CHF bn)²



Combination creates a powerhouse

- ✓ Leading position in an attractive domestic market
- ✓ Accelerating growth plans in the corporate client segment
- ✓ Acquisition of a high-quality and profitable business

Focused Investment Bank, enhancing global competitive position

Remaining committed to our Investment Bank model

- ✓ Focused business model
- ✓ High connectivity with UHNW and GFIW clients
- ✓ Strong operational and risk management controls

Maintaining strong Global Markets model

- ✓ Focused on core products
- ✓ Disciplined resource use

Acceleration of strategic goals in Global Banking and Research

- ✓ Expanded US footprint
- ✓ Enhanced Advisory capabilities in high-growth sectors

Exit remaining Credit Suisse positions in a separate non-core unit

- ✓ Strategic Banking businesses to be retained
- ✓ All positions deemed non-core to be moved to a separate unit and exited alongside Credit Suisse's NCU and SPG units

~25%¹
of Group RWA
pro-forma day-1

Closing remarks – An attractive strategic and financial opportunity

Attractive financial terms with additional downside protections

- Run-rate annual cost reduction of >8bn, by 2027
- EPS accretive by 2027
- 74% TBVPS increase on day-1
- CET1 capital ratio significantly above ~13% target

Compelling strategic opportunity

- UBS strategy unchanged, including growth plans in the US and APAC
- Scaling up our leading global Wealth and Asset Management franchise in highly attractive growth areas
- Creating the undisputed leader in Switzerland
- Focused Investment Bank with strengthened Global Banking capabilities
- UBS remains well capitalized, and we are confident in our ability to successfully execute this plan

Creating value for all our stakeholders

Cautionary statement regarding forward-looking statements

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In addition, the war has caused significant population displacement, and if the conflict continues, the scale of disruption will increase and may come to include wide-scale shortages of vital commodities, including causing energy shortages and food insecurity. The speed of implementation and extent of coordinated sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to how the situation will develop, 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 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, 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 changes in UBS’s credit spreads and ratings, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in 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 Group in response to legal and regulatory requirements, or other external 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 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; and (xxii) the effect that these or other factors or unanticipated events may have on our reputation and the additional consequences that this may have on our business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. Our business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the 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.

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