



# Second quarter 2023

## Fixed Income investor presentation

This document should be read in conjunction with our 2Q23 report and earnings presentation, available on [ubs.com/investors](https://ubs.com/investors)

# Important information

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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 2Q23 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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# Key messages

Our strategy is unchanged and is accelerated by the acquisition of Credit Suisse

We remain focused on serving our clients with an enhanced client proposition, and we see positive momentum in our core businesses

We are driving value creation through the integration and taking action to bring underlying PBT into positive territory in 2H23

We are well positioned for long term growth and have started on our path back towards ~15% RoCET1

We continue to maintain a balance sheet for all seasons which is the foundation of our success

Committed to progressive dividend, with excess capital to be returned to shareholders via share buybacks

Further updates with 3Q23 earnings and strategic update to be provided with 4Q23 earnings, and to include updates on financial targets, guidance and capital returns

# Our strategy is unchanged and is accelerated by the acquisition of Credit Suisse

## Outstanding client franchises

- Reinforced position as the only truly global wealth manager and leading universal bank in Switzerland
- Portfolio of leading franchises in Asset Management and the Investment Bank
- Acquisition adds scale, complementary capabilities and regional footprint

## Execution discipline

- Proven ability to manage down assets and exit non-strategic businesses
- Focused on maintaining and embedding UBS's conservative risk culture across enlarged group
- Generating efficiencies through scale and optimization

## Balance sheet for all seasons

- Continued commitment to a balance sheet for all seasons and strong capital ratios
- Disciplined resource usage with focus on sustainable growth in asset gathering businesses
- Capital efficient business model with attractive long-term returns

# Enhancing client franchises and increasing scale

## Global Wealth Management

Reinforcing our position as a leading and the only truly global wealth manager

- 3.7trn invested assets<sup>1</sup>
- #2 Wealth Manager<sup>2</sup> globally; unrivaled geographic footprint
- #1 in Asia, Latin America, EMEA and Switzerland<sup>3</sup>
- Aligned client focus on UHNW and entrepreneurs

## Personal & Corporate Banking

Enhancing expertise and global reach with complementary capabilities for our clients

- Leading bank in Switzerland
- Accelerating growth plans in the corporate client segment
- Strengthened digital offering
- Enhanced investment and innovation capabilities

## Asset Management

Increasing scale with improved positioning across key asset classes and growth markets

- 1.6trn invested assets<sup>1</sup>
- Expanding North America and Asia capabilities
- #3 European Asset Manager with global reach (#11 globally)<sup>2</sup>
- Accelerating growth in alternatives and scale in indexing

## Investment Bank

Strengthening our Investment Bank without compromising our model

- Strengthening equities, research and global banking in North America
- Aligned focus on UHNW, GFIW and corporate clients
- 9bn<sup>4</sup> of Credit Suisse IB RWA to be retained
- Strong operational and risk management controls

Driving value creation through the integration, while positioning for long-term growth



# Integration of Credit Suisse (Schweiz) is the best path forward

Credit Suisse (Schweiz) would struggle as a standalone entity even in a focused spin-off scenario

- 1 Sub-scale, low profitability
- 2 Substantial funding gap
- 3 Lower value creation for our shareholders on a standalone basis

Full integration offers most benefits

Clients	Workforce
Best-in-class, complementary offering	Highly attractive employee proposition reinforced
Even stronger partner domestically and globally	Small difference in redundancies between both scenarios
Financials and funding	Feasibility and risks
Greater value for shareholders	Substantially lower IT cost and shorter timeline
Stronger balance sheet and even more diversified business model	Reduced execution and regulatory risk

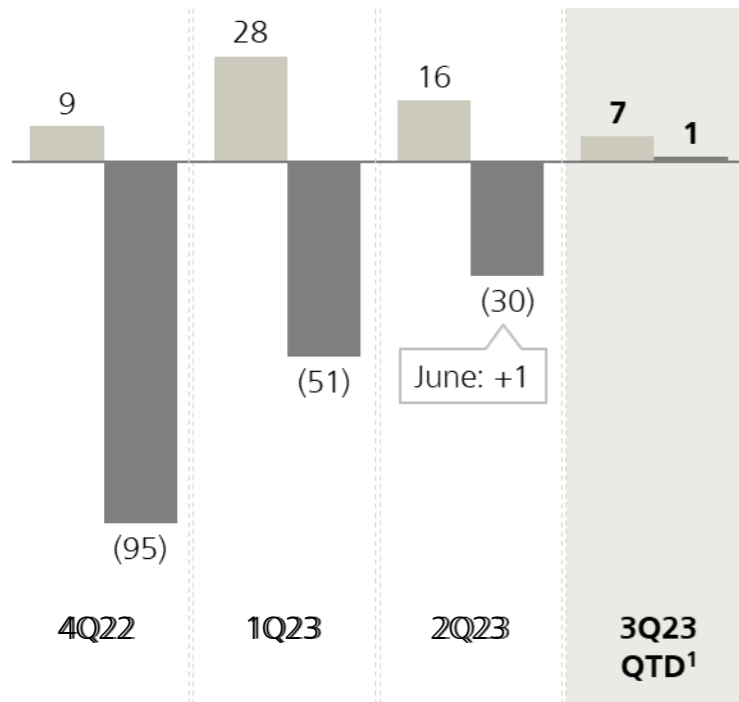
## Our plan

UBS and Credit Suisse to continue to operate separately in Switzerland while preparing for legal merger<sup>1</sup> (planned in 2024)  
Credit Suisse brand in Switzerland to remain for the time being  
Client migration expected to be completed in 2025

# Stabilized flows, with 8bn of combined wealth management NNM/NNA with positive contribution from Credit Suisse quarter-to-date

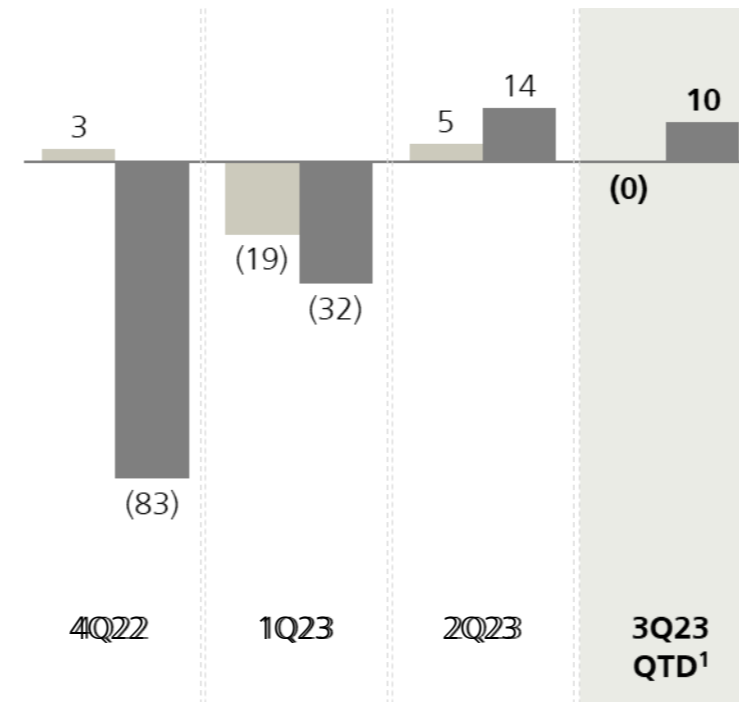
## Wealth management

Net new money / net new assets, USD bn



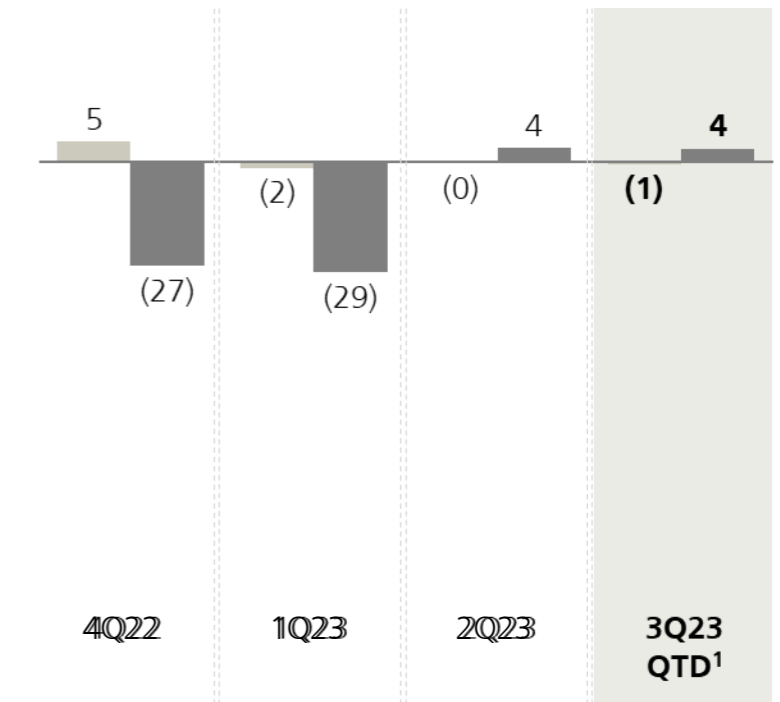
## Wealth management

Net new deposits, USD bn



## Swiss businesses

Net new deposits, CHF bn



■ UBS GWM net new money  
■ Credit Suisse WM net new assets<sup>2</sup>

■ UBS GWM net new deposits  
■ Credit Suisse WM net new deposits<sup>2</sup>

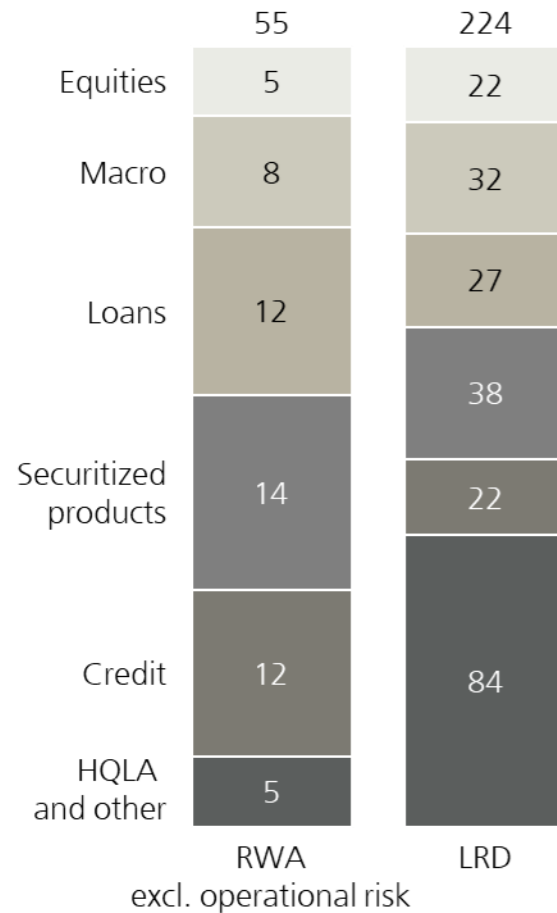
■ UBS P&C net new deposits  
■ Credit Suisse SB net new deposits



# Non-strategic assets and businesses to be exited through Non-core and Legacy

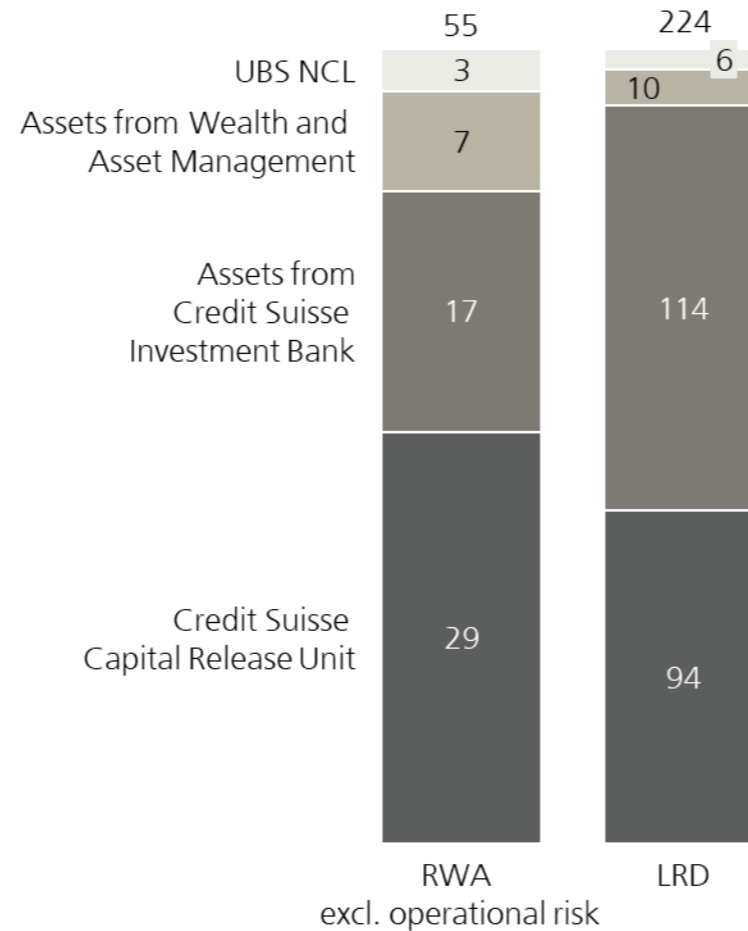
## Non-core and Legacy composition by instrument type

2Q23, USD bn



## Non-core and Legacy composition by source

2Q23, USD bn

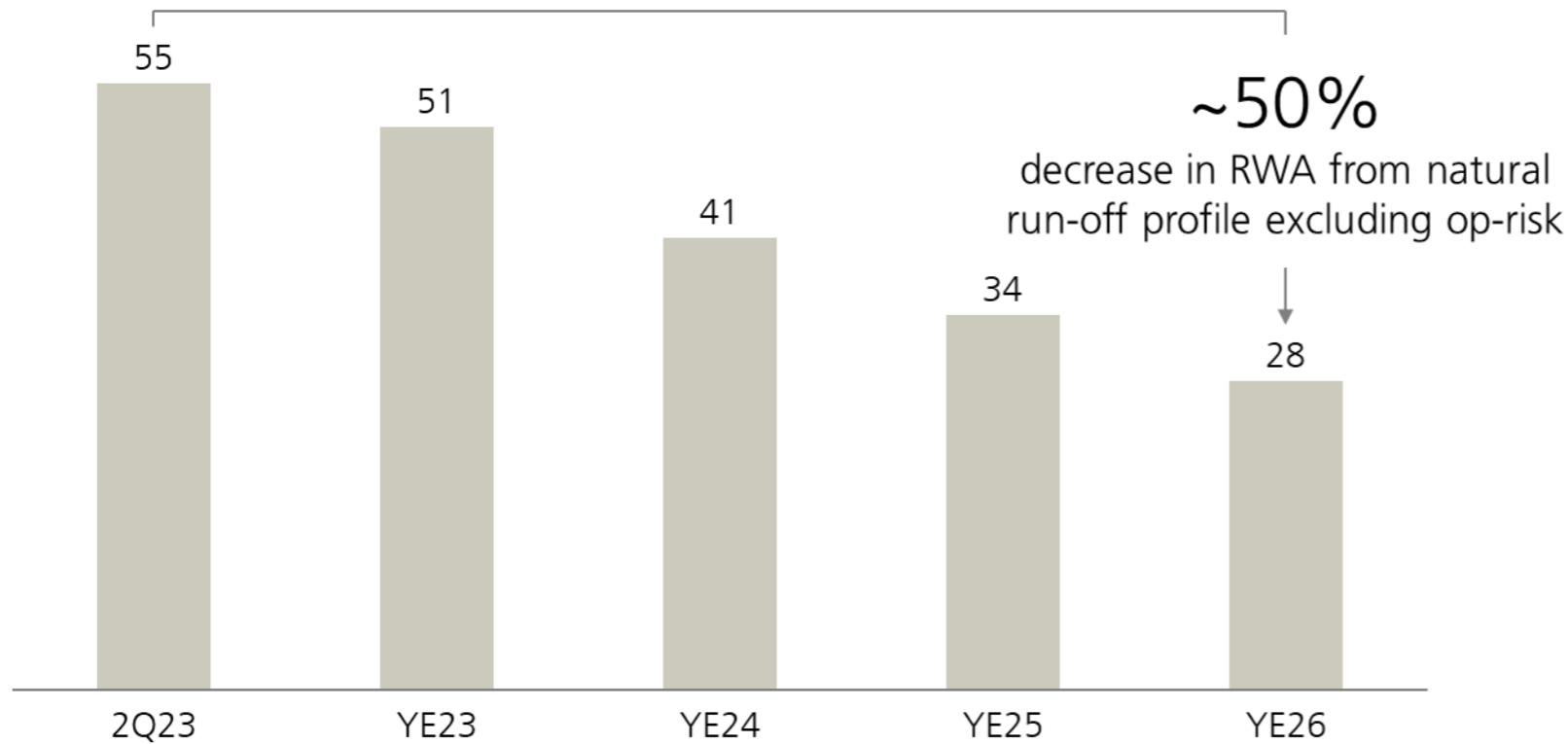


- Positions and businesses not aligned with our strategy and policies, including a large portion of Credit Suisse IB
- Robust risk management and governance structure in place
- Active wind-down supported by PPA fair value adjustments
- 9bn of RWA and 14bn of LRD reduced during 2Q23<sup>1</sup>
- 9bn<sup>2</sup> RWA from Credit Suisse Investment Bank to be retained in the core Investment Bank
- Operational risk RWA to be reported in 3Q after finalization of group allocation methodology

# Non-core and Legacy rundown to drive lower costs and efficient capital release

## Natural run-off profile<sup>1</sup>

RWA excluding operational risk, pro forma, USD bn



## Rundown approach

Natural run-off profile to be accelerated with active unwinds when economically accretive

Reduce operating costs

Efficient release of capital

Protect our customer franchise

# Executing on plans to achieve greater than 10bn gross cost reductions by year-end 2026

## Non-core and Legacy and Credit Suisse Investment Bank restructuring

Costs to decline substantially as businesses, assets and positions are exited

Large majority of Credit Suisse IB costs and all costs within existing Credit Suisse CRU to be run down

## Synergies across core businesses

Organizational right-sizing

One platform

Reduce duplication

Legal entity consolidation

Real estate rationalization

Application decommissioning

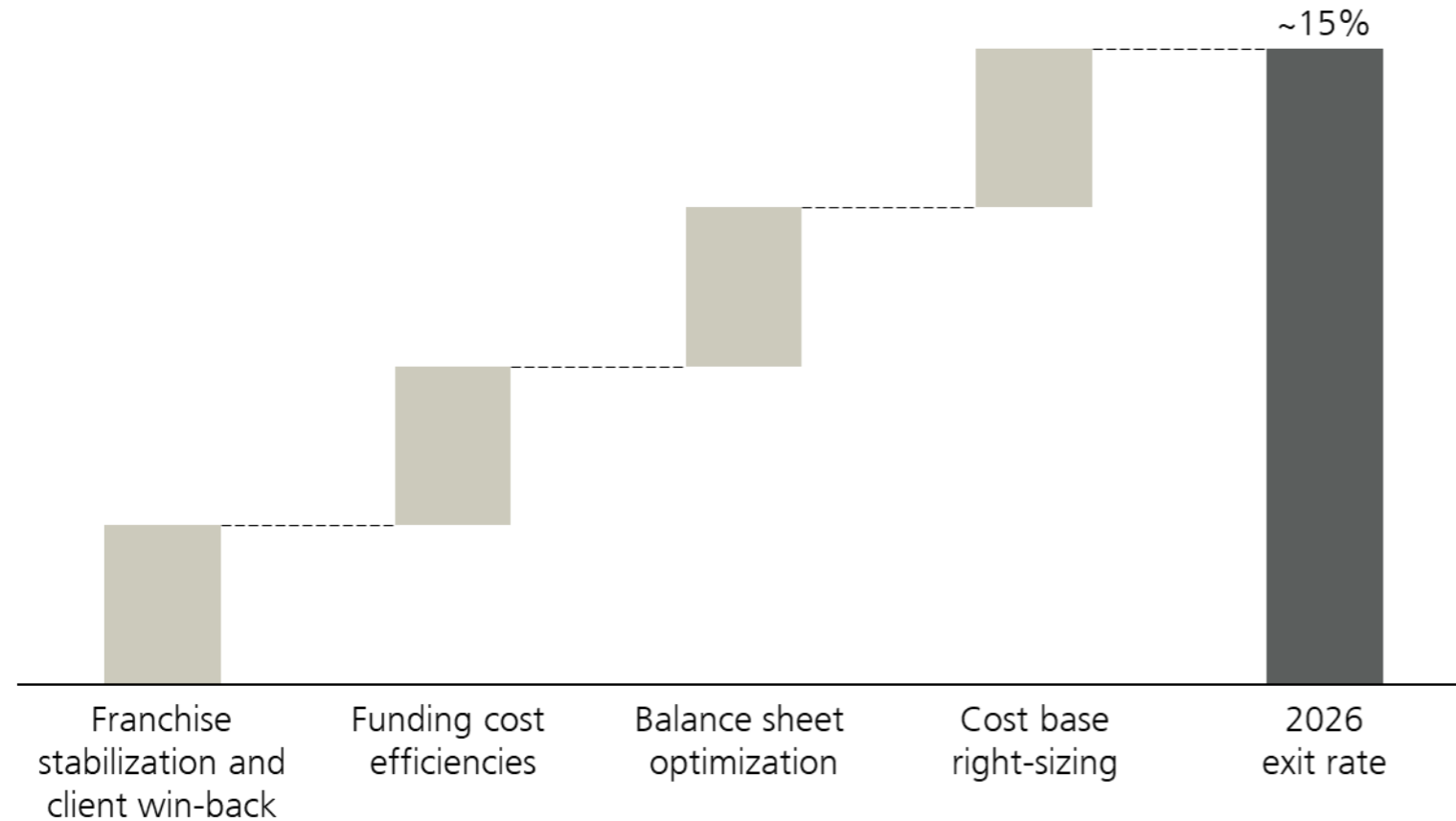
>10bn  
gross cost reductions  
by end-2026 vs. FY22<sup>1</sup>

<70%  
underlying<sup>2</sup> cost/income ratio  
2026 exit rate

Cumulative integration-related expenses expected to be broadly offset by pull to par effects

# Working towards ~15% RoCET1

Underlying<sup>1</sup> return on CET1 capital  
Illustrative



~15%  
underlying<sup>1</sup> RoCET1  
2026 exit rate

~14%  
CET1 capital ratio  
over medium-term<sup>2</sup>

>10bn  
gross cost saves by  
end-2026 vs. FY22

<70%  
underlying<sup>1</sup> cost/income  
ratio, 2026 exit rate

## Capital returns

Committed to existing progressive dividend policy with excess capital returned via share repurchases<sup>3</sup>



# 2Q23 performance and financial overview

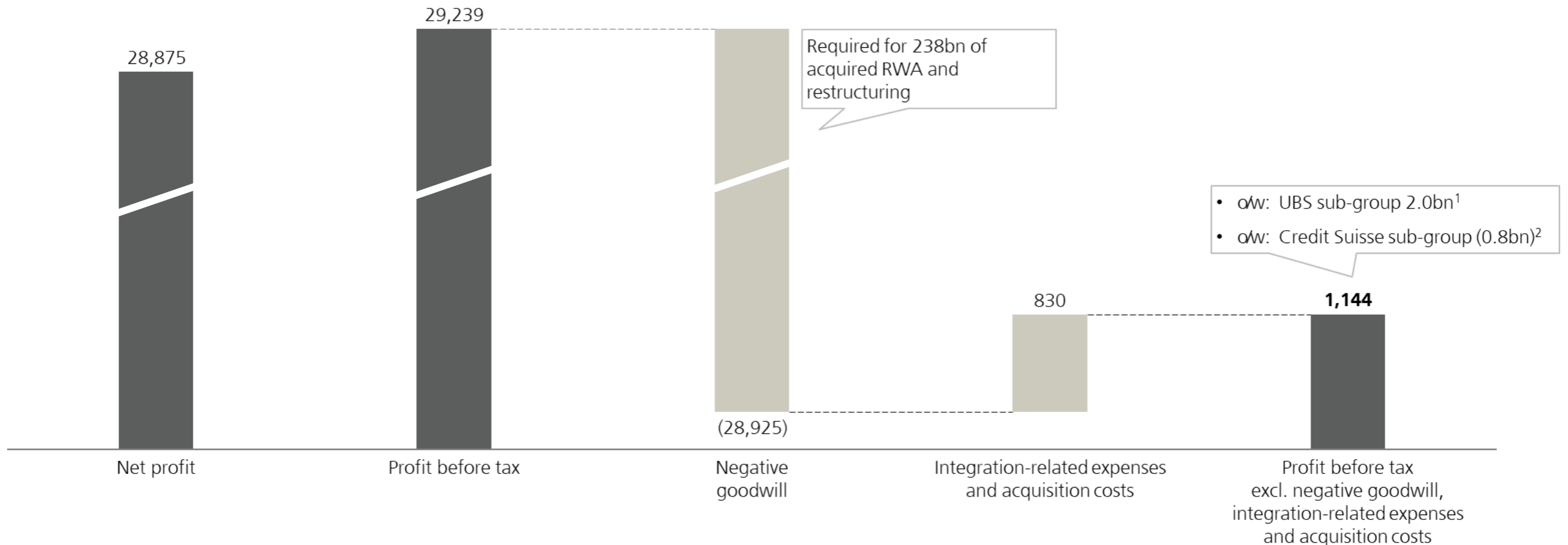
Highlights

# UBS Group 2Q23 results

Results include one month of results from Credit Suisse business divisions and Corporate Center

2Q23 profits

m

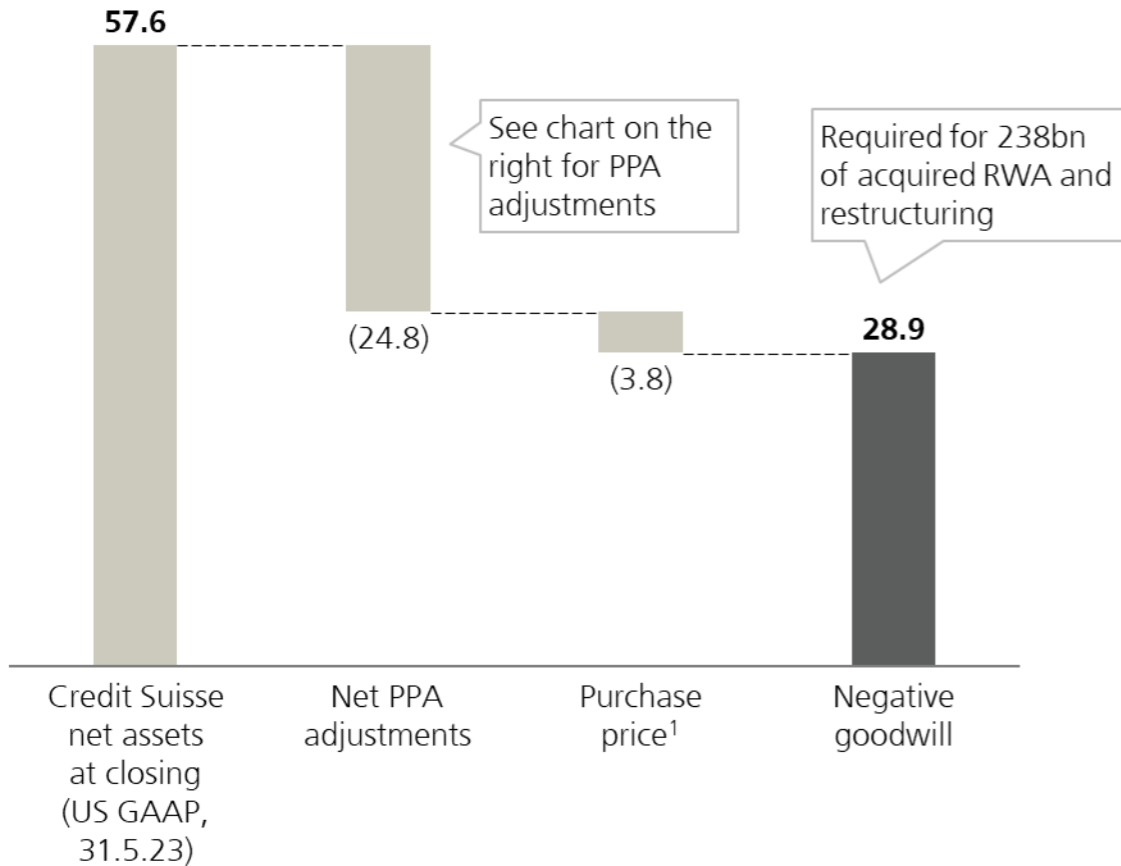


<sup>1</sup> 2Q23 UBS business divisions and Group Functions (IFRS); refer to slides 22 and 34 for details; <sup>2</sup> June 2023 (IFRS); Credit Suisse AG and its consolidated subsidiaries, Credit Suisse Services AG and other small former Credit Suisse Group entities now directly held by UBS Group AG; refer to slide 34 for details

# Negative goodwill and overview of purchase price allocation adjustments

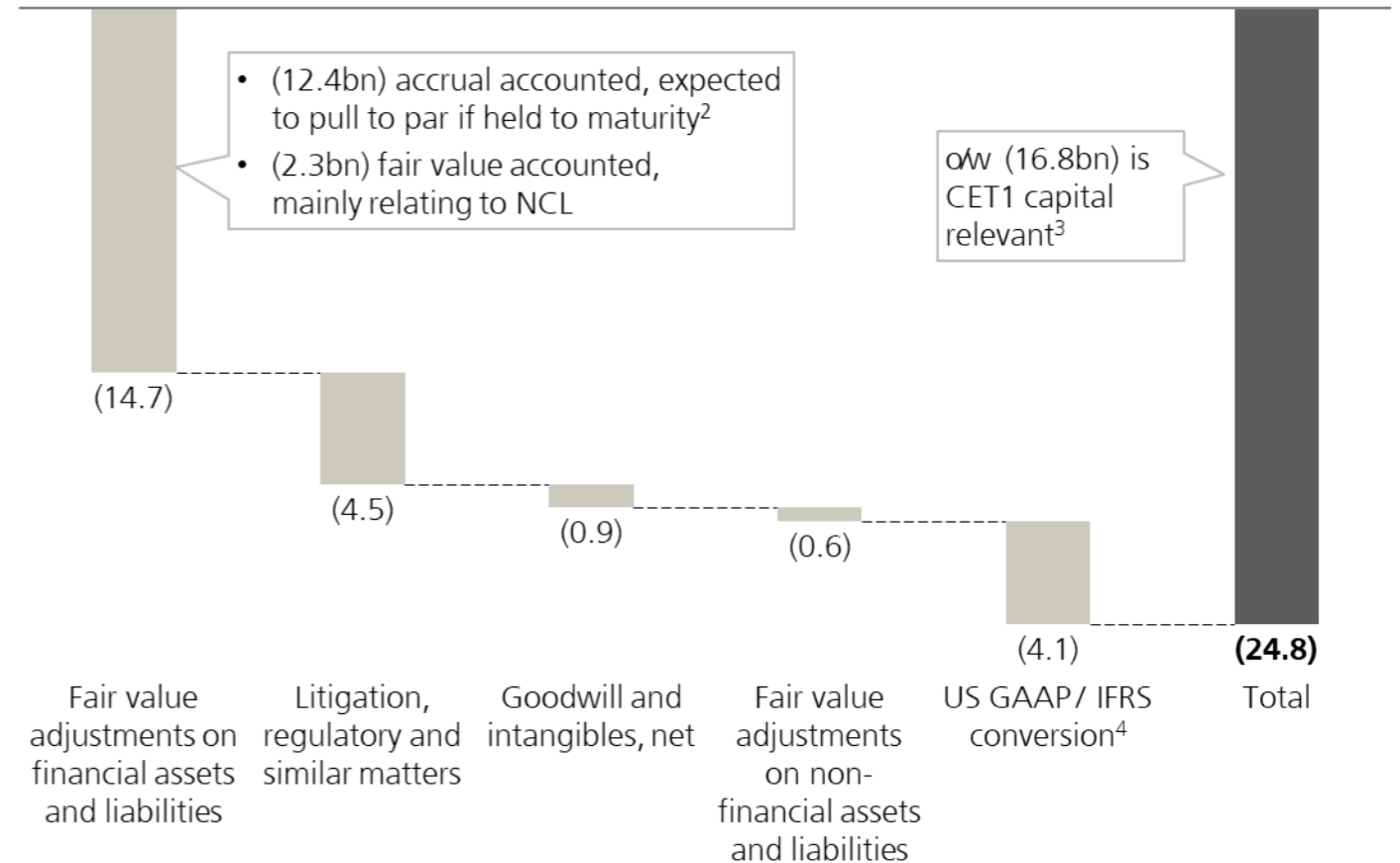
## Negative goodwill

bn



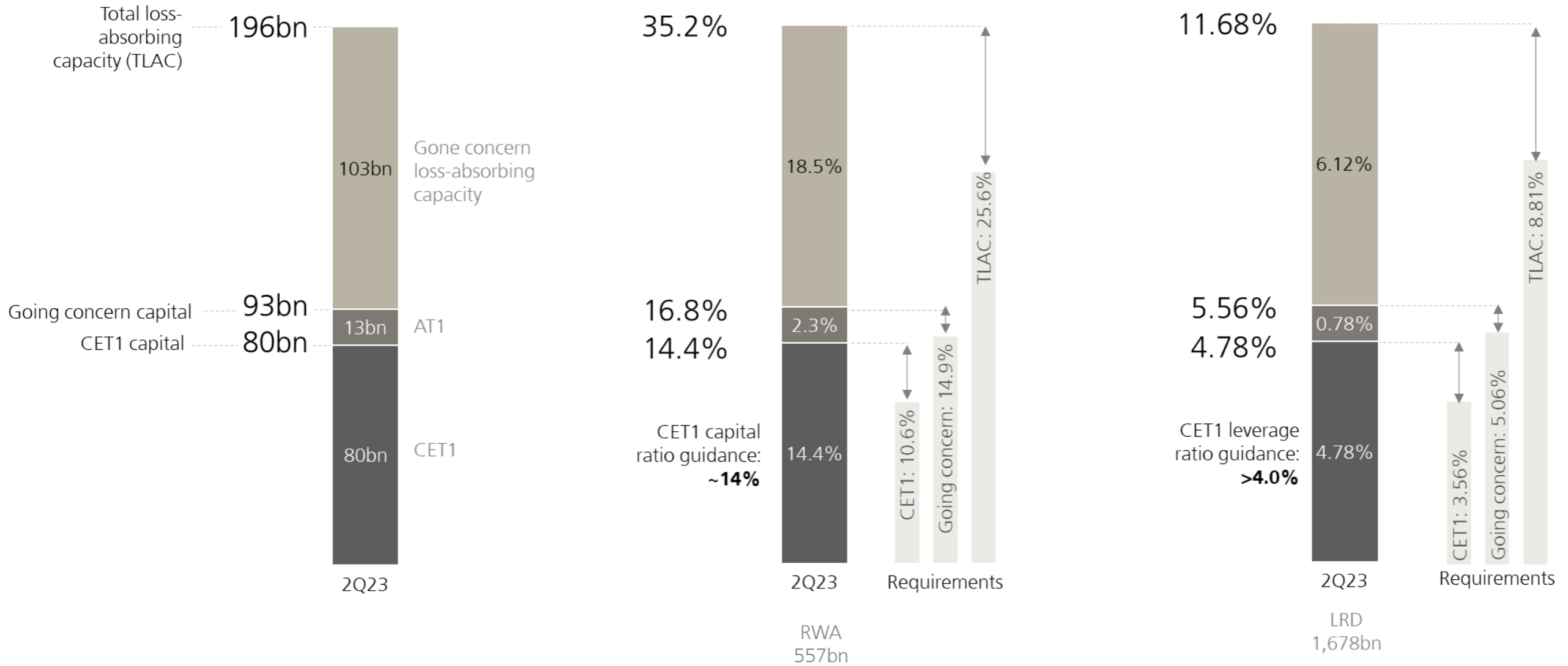
## Purchase price allocation (PPA) adjustments

bn



<sup>1</sup> Includes 135m related to settlement of pre-existing relationships with Credit Suisse; <sup>2</sup> Reflects the accretion from post-PPA fair value back to the pre-PPA US GAAP book value as recorded on Credit Suisse's balance sheet. Expected to include ~4.8bn in P&C, ~1.5bn in GWM, ~1.4bn in IB, ~0.9bn in Group Items and ~3.8bn in NCL; NCL positions expected to be accounted for at fair value going forward; <sup>3</sup> Includes 5.0bn positive offset from transitional adjustments related to the impacts of interest rate and own credit driven fair value adjustments on certain held-to-maturity portfolios which will linearly amortize to nil by 30.6.27; <sup>4</sup> Removal of pension surplus

# Our balance sheet for all seasons remains the foundation of our success





# Prudent management of liquidity and funding

## Liquidity and funding

175% LCR  
118% NSFR

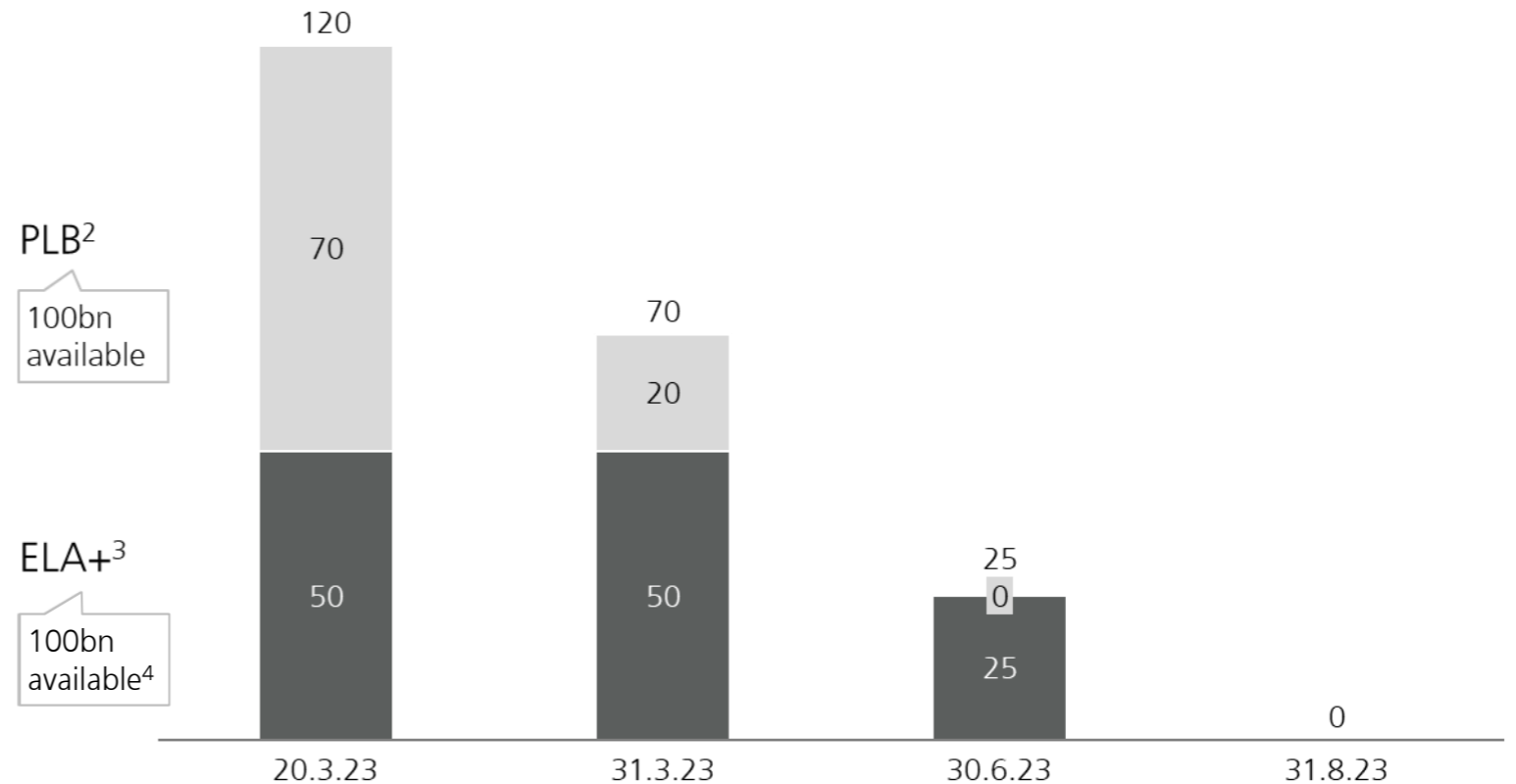
Strong deposit base and flows enabled full repayment of PLB and ELA+ in 3Q

- ~550m funding costs in 2Q from PLB and ELA+, ~100m in 3Q

We will continue to execute on our issuance plan in the coming weeks

## Fully repaid higher cost SNB facilities

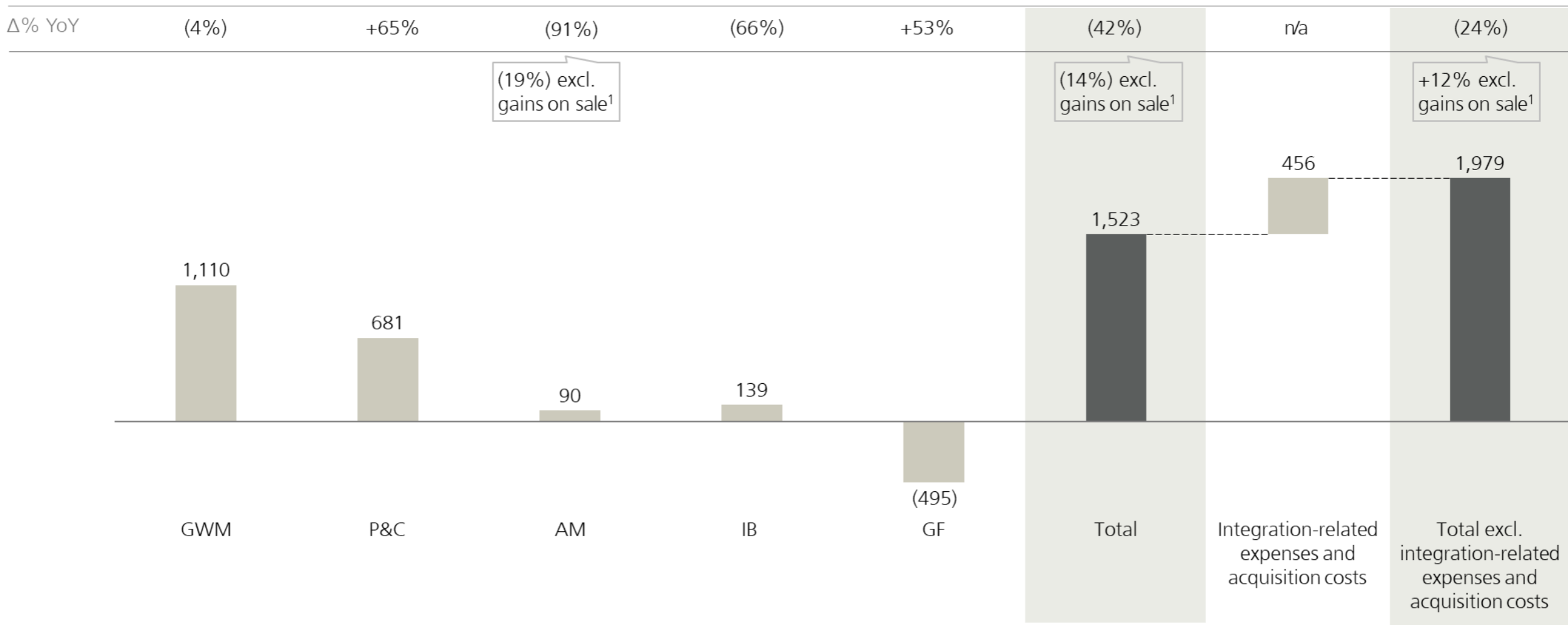
Drawn SNB liquidity facilities<sup>1</sup>  
CHF bn



<sup>1</sup> Chart excludes Emergency Liquidity Assistance (ELA) facility with CHF 38bn drawn by Credit Suisse (Schweiz) AG as of 31.8.23; <sup>2</sup> Public Liquidity Backstop. Pricing: SNB policy rate (1.75% as of 31.8.23) + 3.00% + commitment premium of 0.25% of the available CHF 100bn, regardless of how much is drawn; <sup>3</sup> Emergency Liquidity Assistance+. Pricing: SNB policy rate + 3.00%; <sup>4</sup> 50bn for Credit Suisse and 50bn for UBS

# 2Q23 UBS business divisions and Group Functions (IFRS) – excl. Credit Suisse

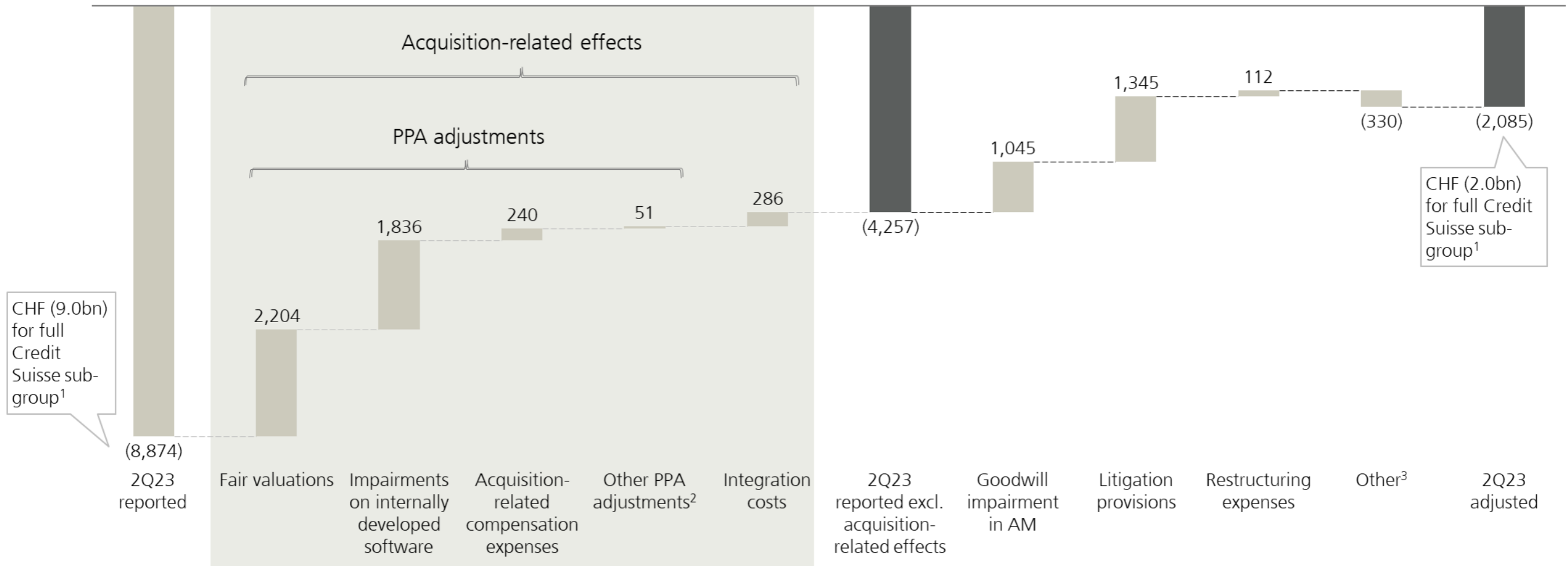
Profit / (loss) before tax  
m



# 2Q23 Credit Suisse AG reported pre-tax loss of (8.9bn), (4.3bn) excluding acquisition-related effects; (2.1bn) adjusted loss (CHF, US GAAP)

Credit Suisse AG 2Q23 reported to adjusted pre-tax income / (loss) reconciliation

CHF m



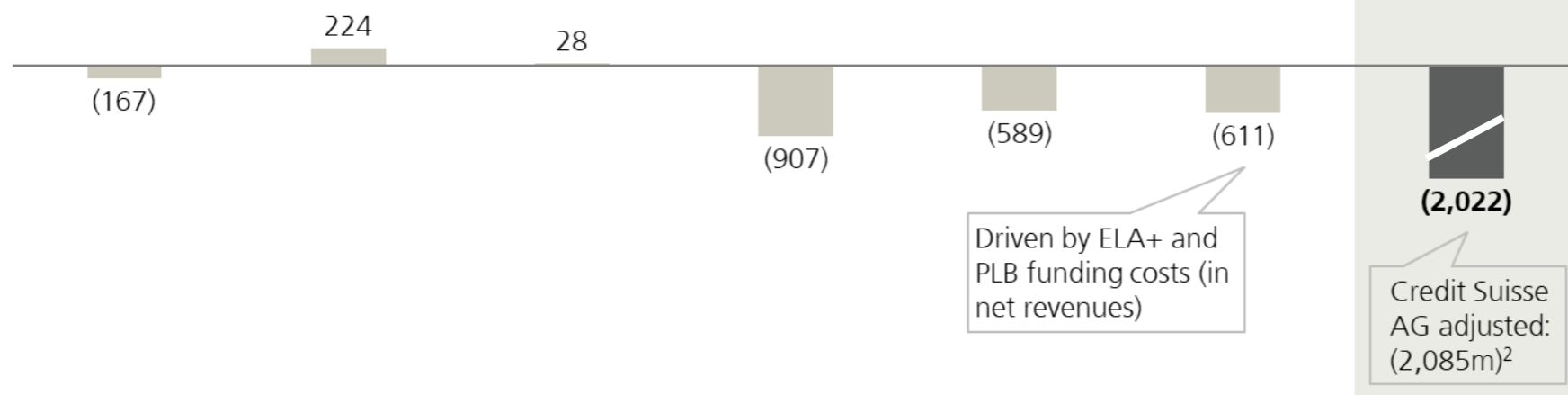
Refer to Credit Suisse AG 2Q23 release for reconciliation from adjusted to reported results; **1** Including Credit Suisse Services AG and other small former Credit Suisse Group entities now directly held by UBS Group AG; **2** 38m write-down of intangible assets and 13m costs from other acquisition-related adjustments; **3** 408m gain from cancellation of contingent capital awards, 35m expenses related to real estate disposals, 32m loss on equity investment revaluation in SIX Group AG, 7m Archegos-related expenses and 4m losses on business sales

# Credit Suisse adjusted 2Q23 results (CHF, US GAAP)

	WM	SB	AM	IB	CRU	Corporate Center	2Q23 Credit Suisse sub-group <sup>1</sup>
Adjusted net revenues							
CHF m	802	925	251	220	(55)	(453)	1,690
Δ% QoQ	(10%)	(5%)	+34%	(78%)	(86%)	n/m	(38%)
Adjusted operating expenses							
CHF m	948	620	222	1,116	515	157	3,578
Δ% QoQ	(4%)	0%	+4%	(15%)	(19%)	(23%)	(10%)

## Adjusted pre-tax income / (loss)

CHF m



- Significant revenue attrition QoQ, mostly in the Investment Bank with core divisions more resilient
- Elevated funding costs from ELA+ and PLB reflected in Corporate Center
- Costs decreased QoQ, but not fast enough to offset IB revenue declines

# Expecting underlying PBT to be positive in 2H23, around break-even in 3Q23

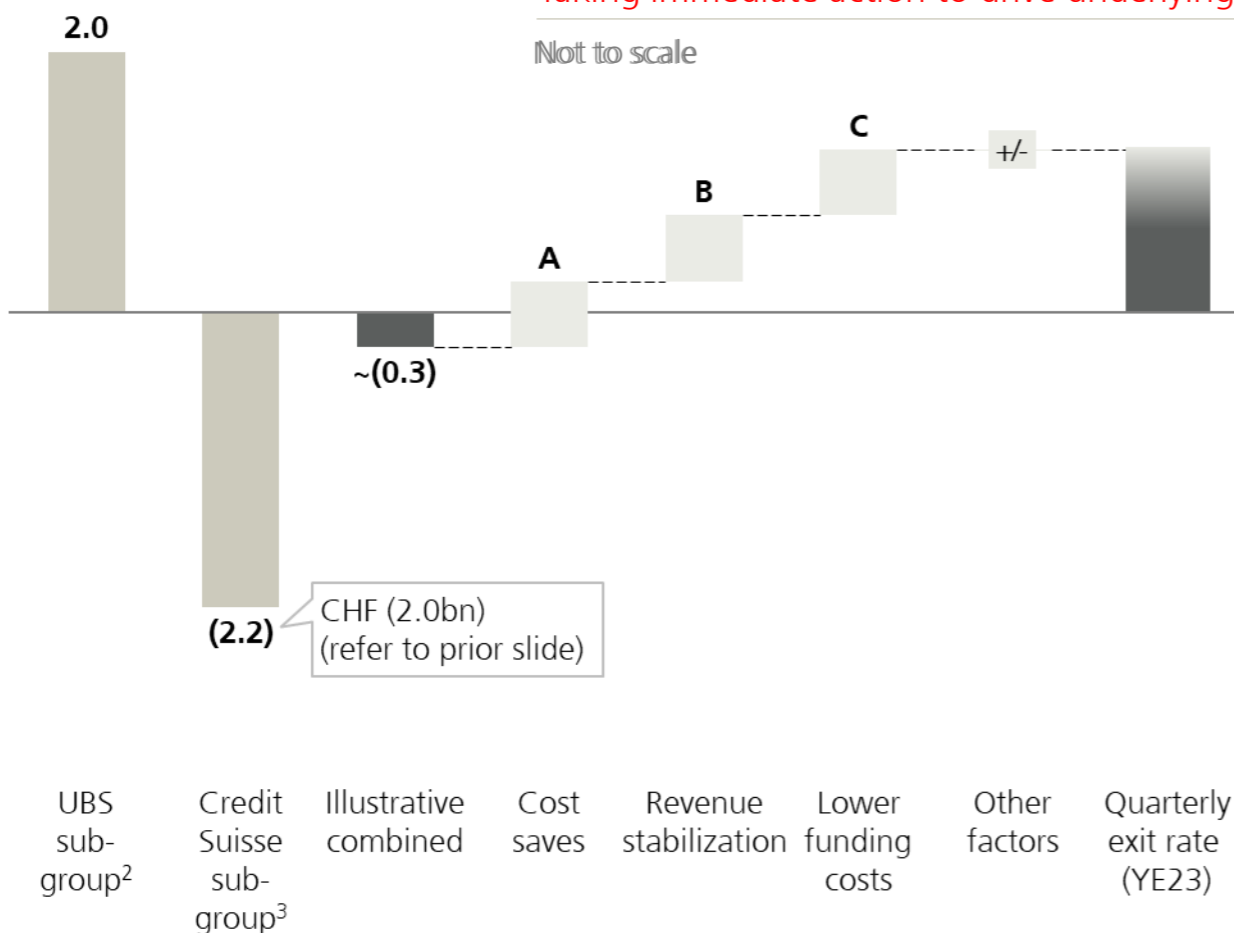
## 2Q23 underlying PBT

Pro forma, USD bn

## Outlook

### Taking immediate action to drive underlying<sup>1</sup> profitability

Not to scale



### Other considerations

- A** >3bn annualized (>750m quarterly) saves by year-end from actions to date and identified for 2H23<sup>4</sup>
- B** 8bn combined WM NNM/NNA 3Q QTD<sup>5</sup>
- C** ~550m funding costs in 2Q from PLB and ELA+, now fully repaid

~3bn integration-related expenses, 2H23

>1.5bn<sup>6</sup> 2H23 pull to par impacts, largely in NII

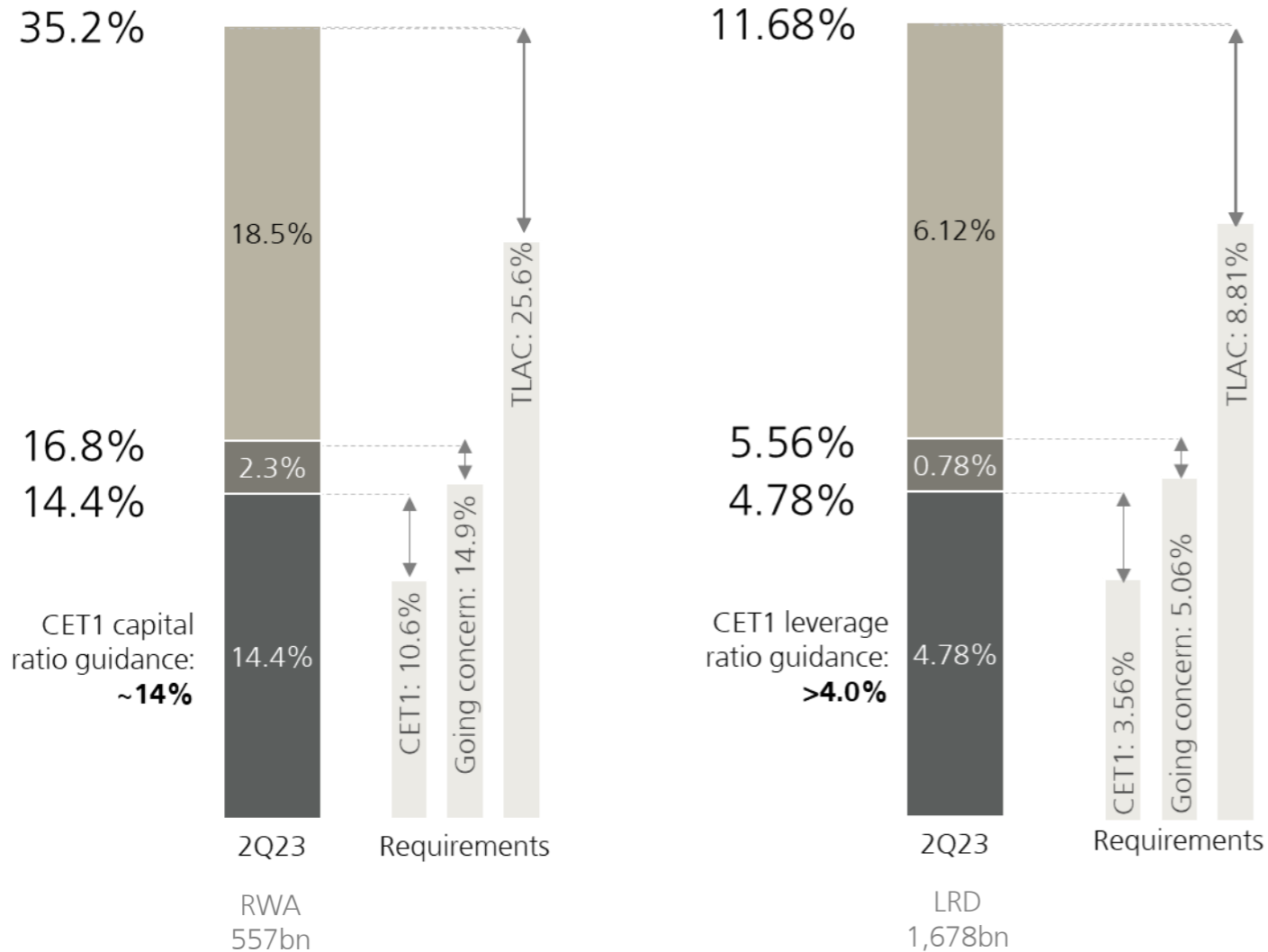


<sup>1</sup> Excluding items not representative of underlying performance such as integration-related expenses and pull to par effects; <sup>2</sup> 2Q23 UBS business divisions and Group Functions (IFRS) excluding integration and acquisition costs; refer to slide 22 and 34 for details; <sup>3</sup> Adjusted US GAAP figures in CHF converted to USD using average 2Q23 USD/CHF rates of 0.90; Credit Suisse sub-group includes Credit Suisse AG and its consolidated subsidiaries, Credit Suisse Services AG and other small former Credit Suisse Group entities now directly held by UBS Group AG, refer to slide 27 and 28 for details; <sup>4</sup> >3bn annualized exit rate saves vs 2022; <sup>5</sup> UBS GWM net new money + Credit Suisse WM net new assets, up to and including 28.8.23; <sup>6</sup> Including NCL; CET1 impact of the accretion partly offset by ~0.7bn amortization of the transitional relief in 2H23



# Group balance sheet

# Capital and leverage ratios



## Recent FINMA rulings

- Increases to LRD and Swiss market share add-ons to be phased in starting beginning-2026; phase in path to be determined
- 5bn net of tax PPA interest-rate related and own credit adjustments subject to transitional CET1 capital treatment until 30.6.27<sup>1</sup>
- Ability to temporarily continue to apply certain capital and liquidity rulings previously provided to Credit Suisse

## Guidance

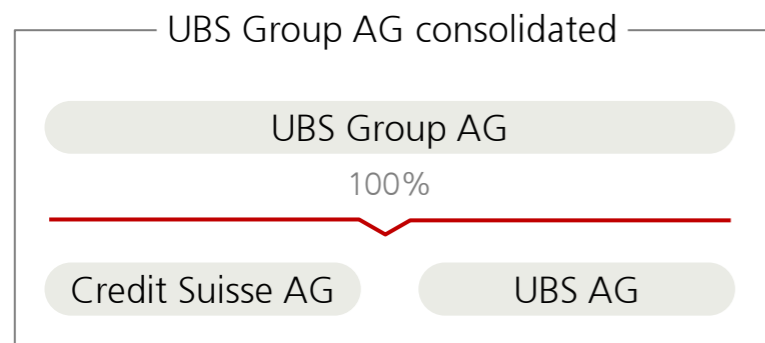
- We expect our CET1 ratio to remain ~14% for the remainder of 2023 and over the medium term
- We expect that regulatory-driven updates to models will result in an RWA increase of ~5bn in the second half
- We also expect an RWA decrease of ~3bn from the natural decay of our Non-core and Legacy portfolio



Balances as of quarter-end; Refer to the "Capital management" and "Recent developments" sections of the 2Q23 report for more information; <sup>1</sup> As agreed with FINMA, a transitional CET1 capital treatment has been applied for certain fair value adjustments, given the substantially temporary nature of the IFRS 3 accounting driven effects. As such, IFRS equity reductions of USD 5.9bn (pre-tax) and USD 5bn (net of tax) as of the acquisition date have been neutralized for CET1 capital calculation purposes, of which USD 1.0bn (net of tax) relates to own-credit-related fair value adjustments. The transitional treatment is subject to linear amortization and will reduce to nil by 30.6.27

# Legal structure and capital position

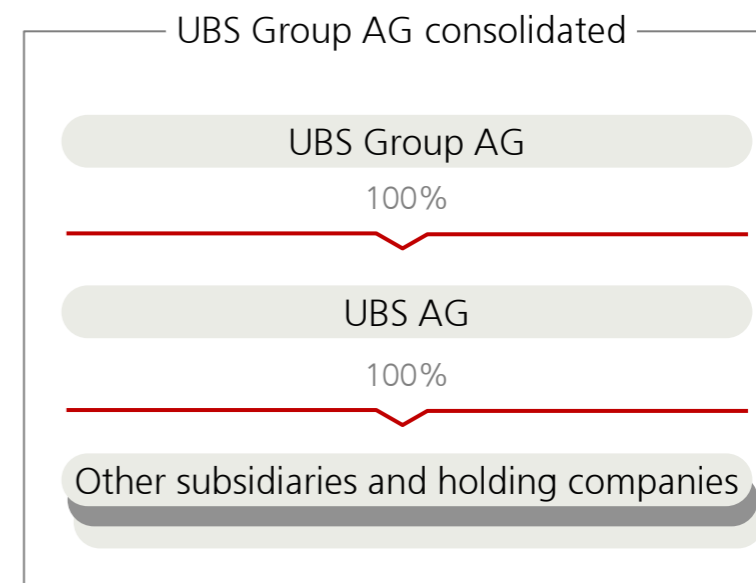
Legal entity structure as of 31 August 2023



We are finalizing our plans towards our target legal entity structure, with a single parent bank and Credit Suisse's significant legal entities merged or integrated into their UBS equivalent

We expect to merge Credit Suisse AG into UBS AG in 2024

## Target structure



## 2Q23 capital position vs. requirement

USD bn, unless otherwise indicated

		Required <sup>1</sup>	Eligible	Buffer	
UBS Group consolidated	Going concern capital	84.9	93.3	<b>8.4</b>	
	Gone concern capital	62.9	102.8	<b>39.8</b>	
OpCos	UBS AG standalone <sup>2</sup>	Going concern capital	49.4	65.6	<b>16.2</b>
		Gone concern capital	46.2	51.6	<b>5.4</b>
	Credit Suisse AG standalone (CHF) <sup>2, 3</sup>	Going concern capital	29.2	28.9	<b>(0.3)</b>
		Gone concern capital	29.2	39.3	<b>10.1</b>

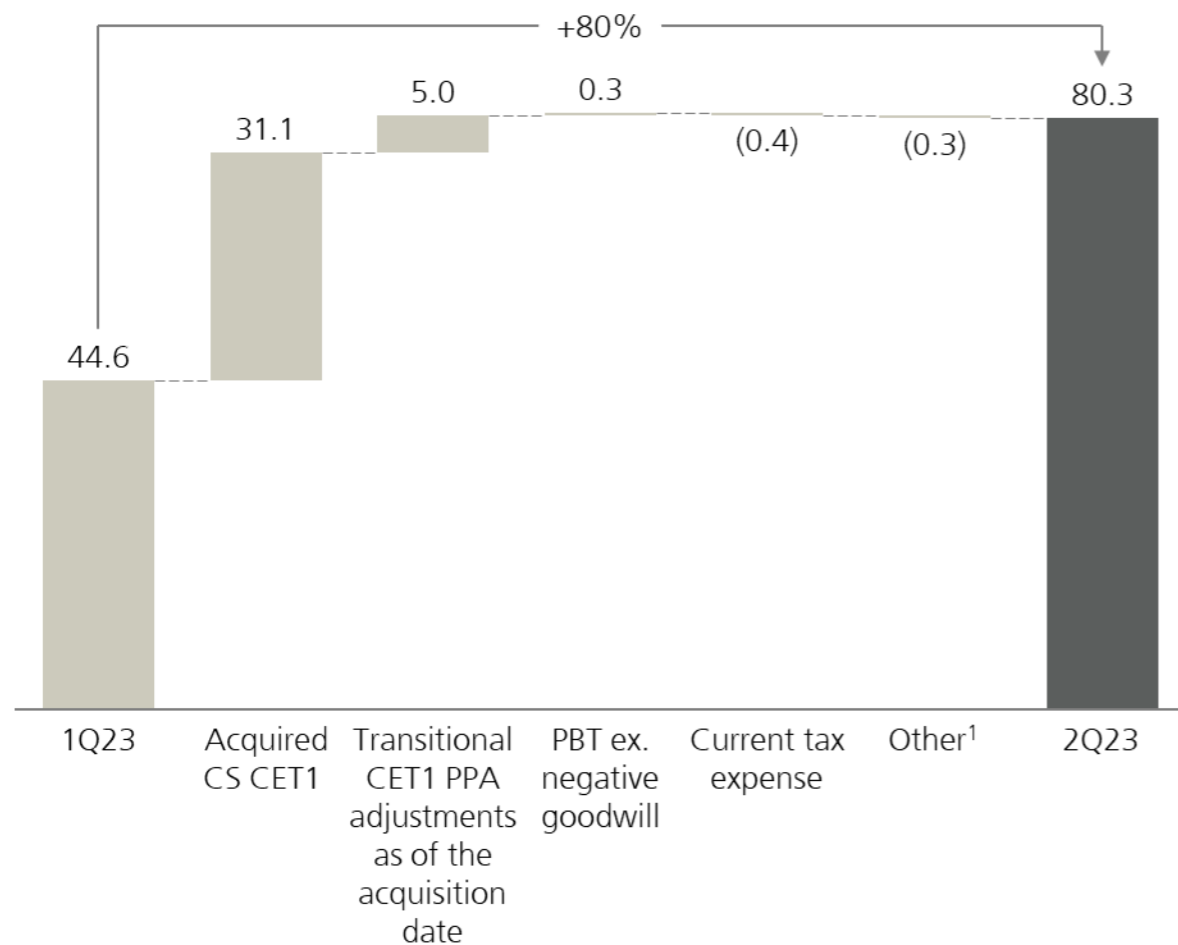


Refer to the 30 June 2023 Pillar 3 report for more information; **1** Maximum of RWA- and LRD-based required capital; **2** Phase-in requirements; **3** Credit Suisse AG standalone requirements include the FINMA Pillar 2 capital add-on related to the supply chain finance funds matter at Credit Suisse. Credit Suisse AG standalone is allowed to temporarily use capital buffers until the end of 2025, in line with the CAO and regulatory guidance by FINMA. This allows the bank to have effective and efficient capital management during the strategic transformation

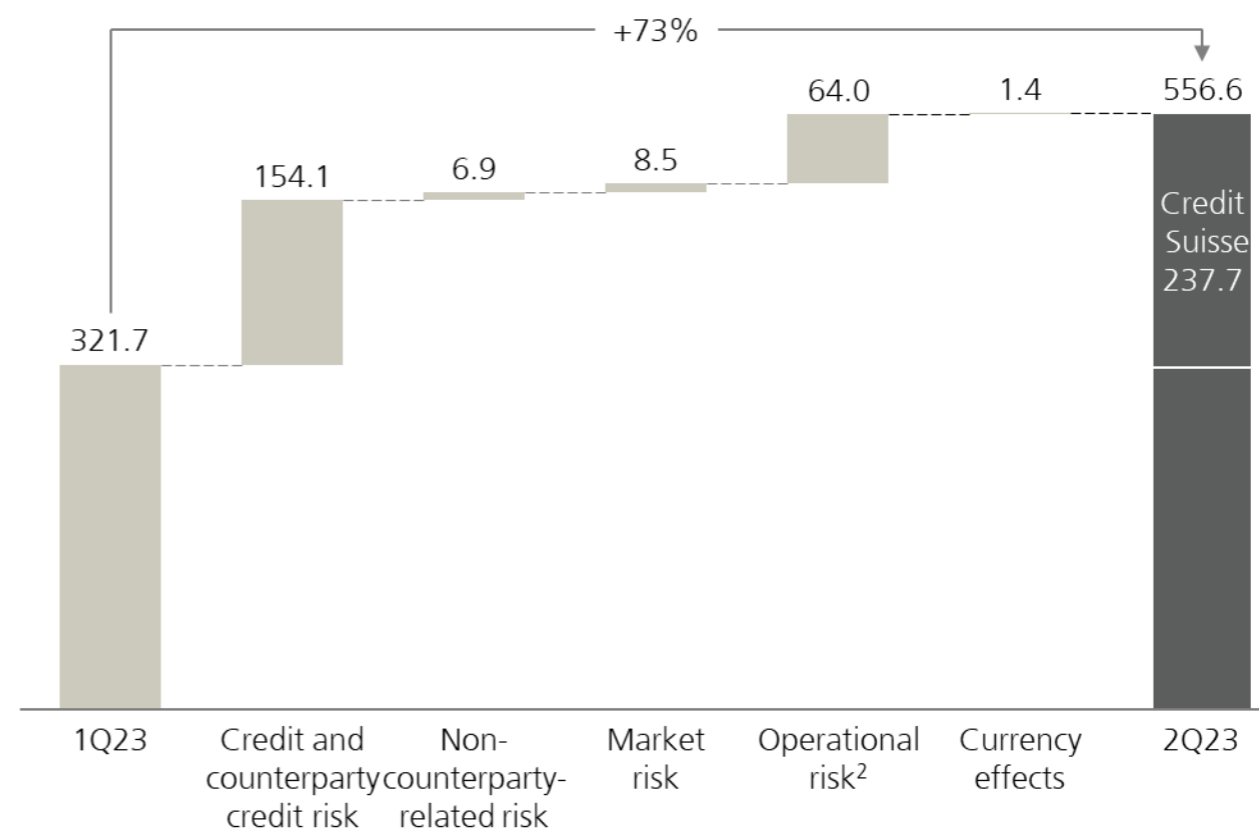


# CET1 capital and RWA walk

CET1 capital  
USD bn



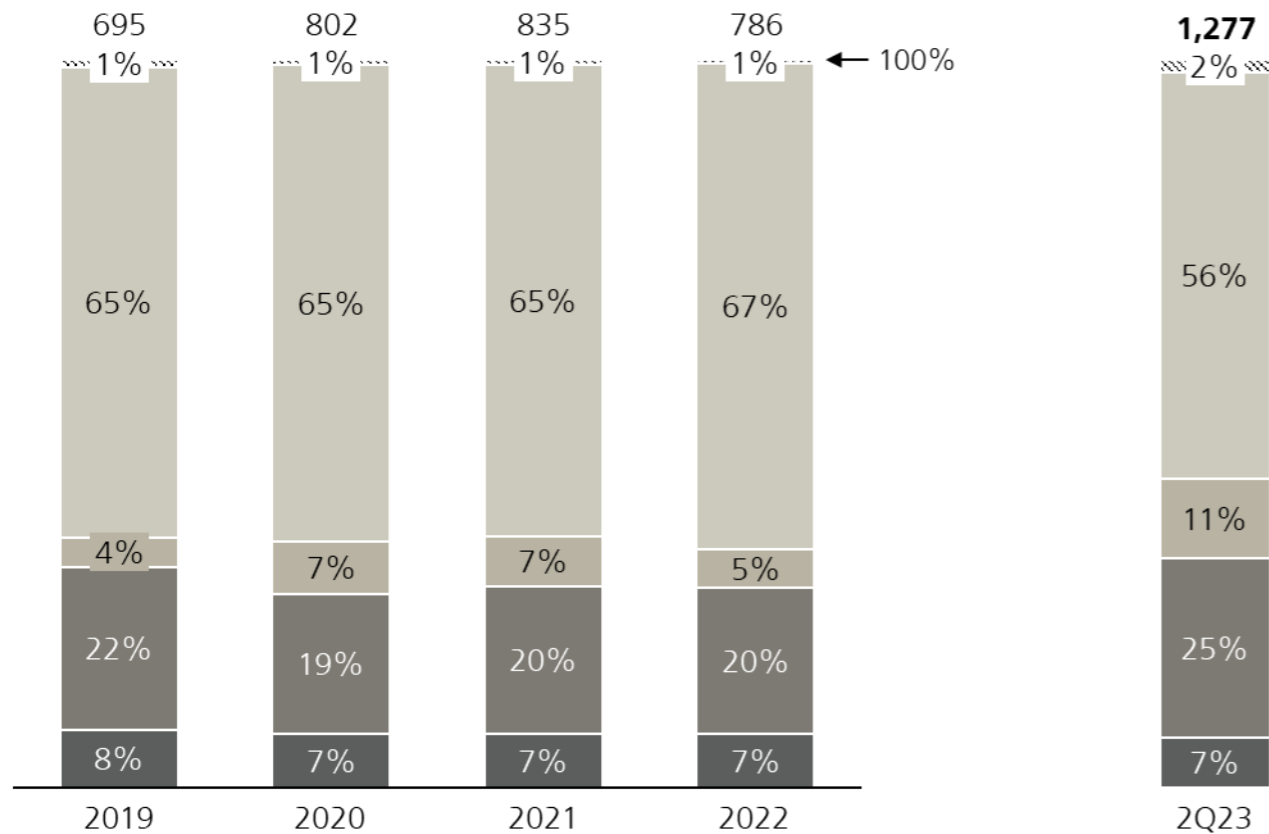
Risk weighted assets  
USD bn



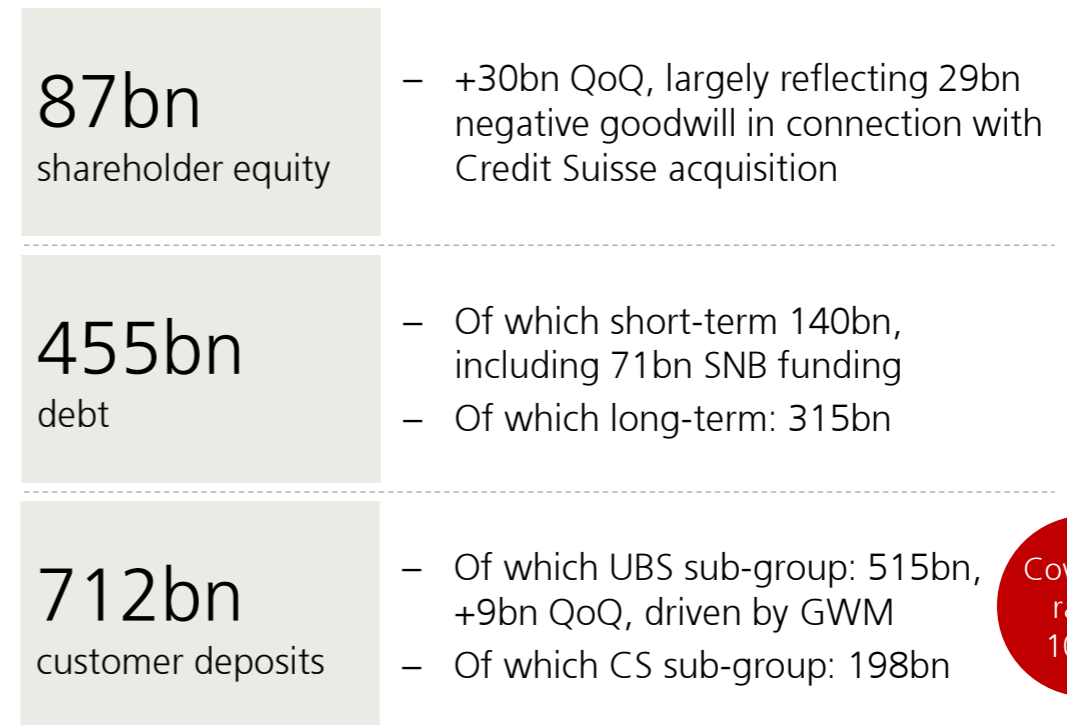
<sup>1</sup> Includes foreign currency translation effects of +0.4bn, before tax, negative 0.5bn dividend accruals for the current year, negative 0.1bn amortization of transitional CET1 PPA adjustments and movements related to other items; <sup>2</sup> The aggregation of the advanced measurement approach models considering diversification effects resulted in 10bn operational risk RWA reduction in 2Q23

# Funding overview

Group funding  
bn



2Q23



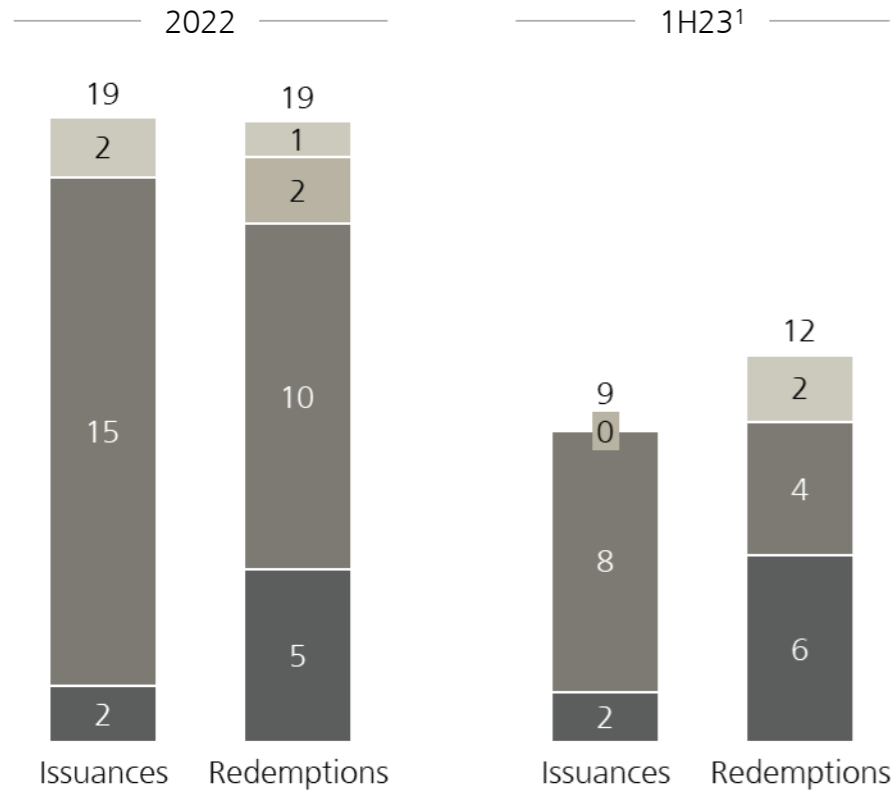
Coverage ratio 105%

Shareholders equity
  Fair value and long-term debt<sup>1</sup>
 Short-term borrowings
  Customer deposits
  Securities financing transactions

# Capital markets issuances and redemptions

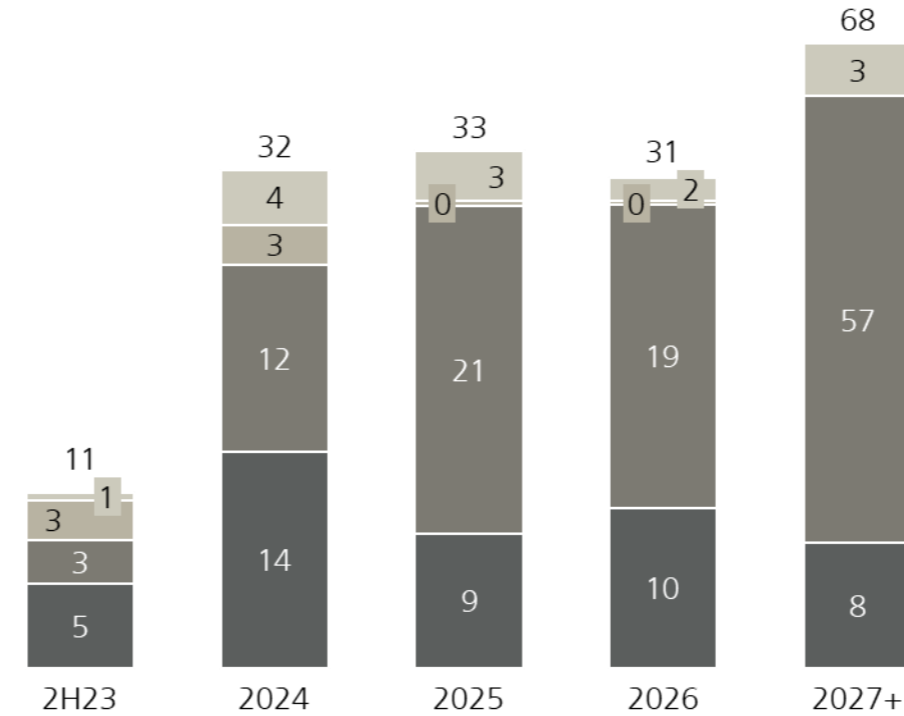
## Issuances and redemptions

USD bn



## Upcoming maturities and first calls<sup>2</sup>

USD bn



Including UBS's first digital bond<sup>3</sup>

■ AT1 ■ T2 ■ Senior bonds (HoldCo) ■ Senior bonds (OpCo)

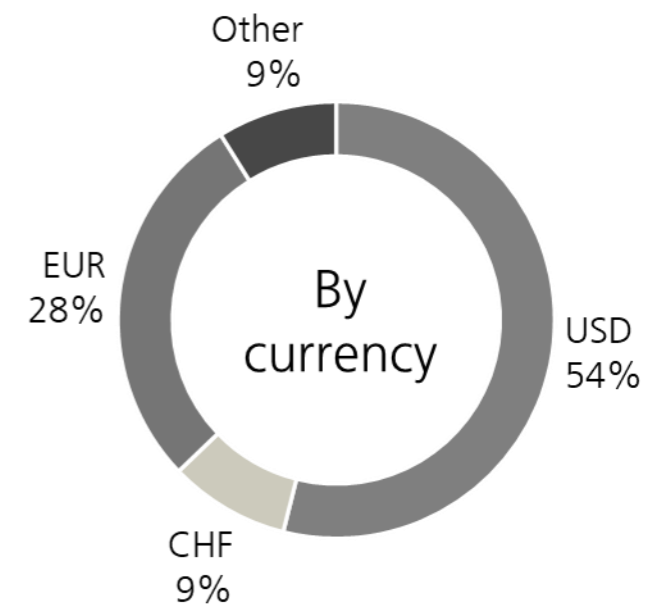
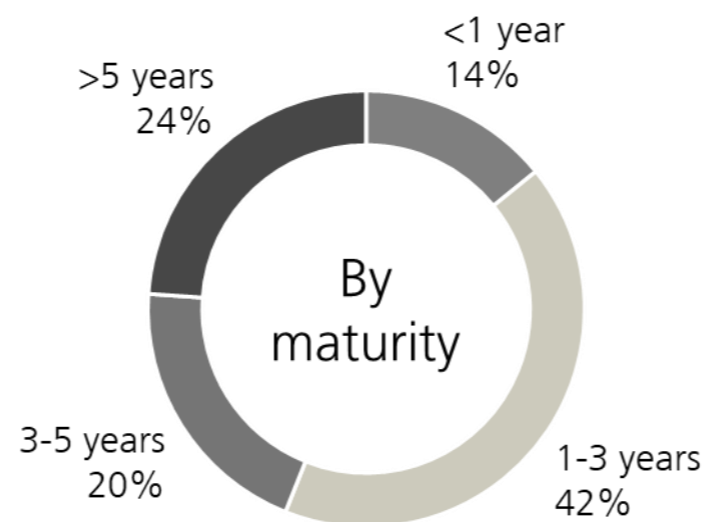
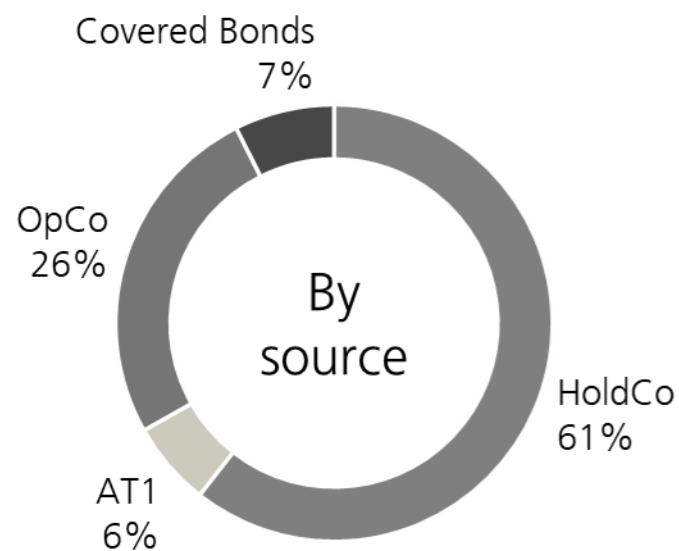
We are committed to managing our funding resources prudently

We expect to continue the execution of our funding plans in the coming weeks

We expect to initiate a new covered bond program out of UBS Switzerland AG in the second half of 2023

# Wholesale funding diversification

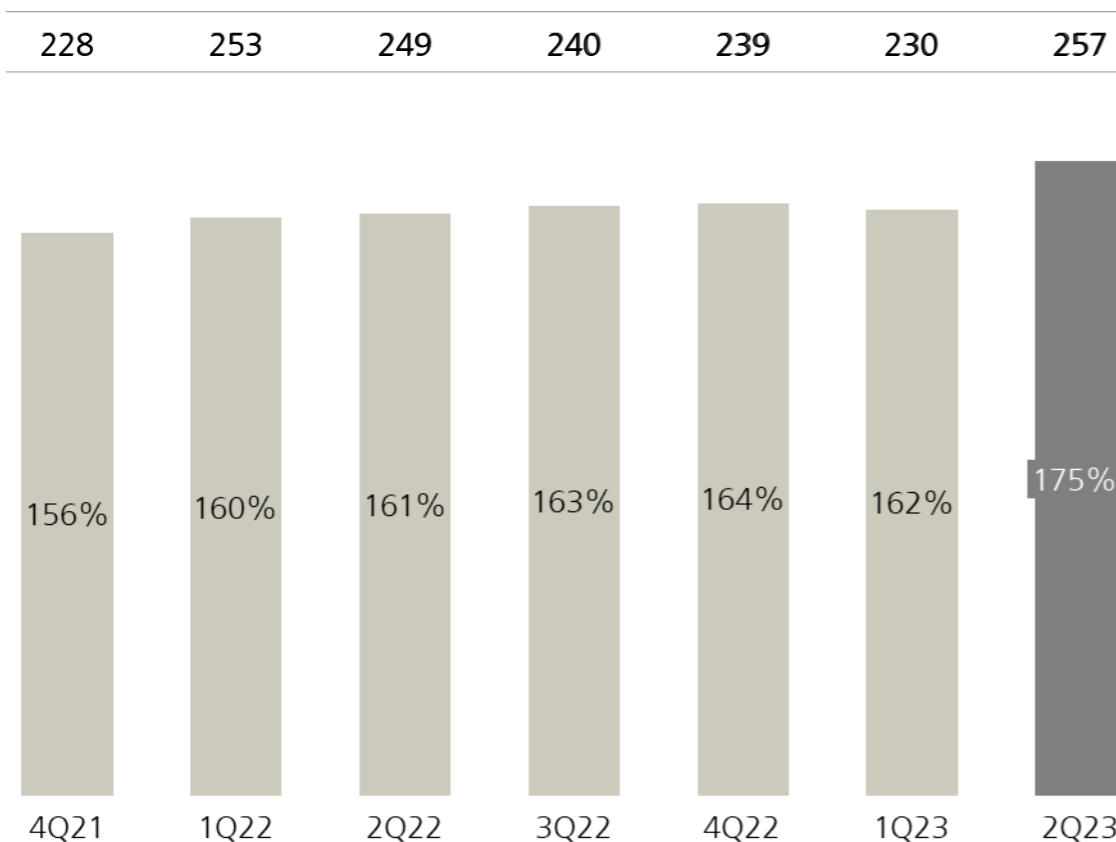
Group funding  
2Q23, bn



# Liquidity

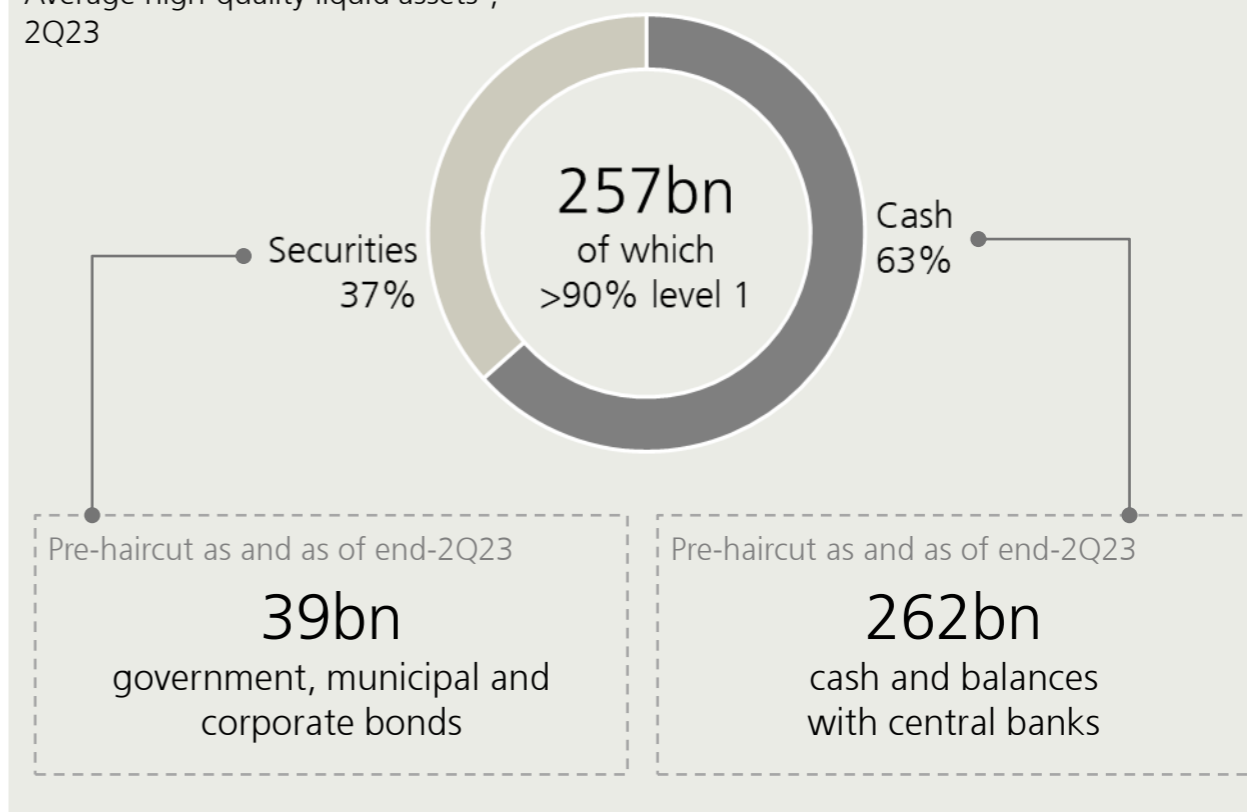
Liquidity coverage ratio<sup>1</sup>  
quarterly averages

Average high-quality liquid assets<sup>1</sup>, bn



Well diversified liquidity pool, and diligent liquidity management including daily stress testing

Average high-quality liquid assets<sup>1</sup>,  
2Q23



# Deposits

Stabilization trend to continue into 3Q23

- 2Q23 total net new deposits of 23bn of which 18bn from Credit Suisse Wealth Management
- Deposit flow stabilization supported the repayment of ELA+ and the cancellation of PLB<sup>1</sup>

Quarter to date, 28.8.23

**8bn**

UBS+CS wealth management net new money / net new assets, USD

**10bn**

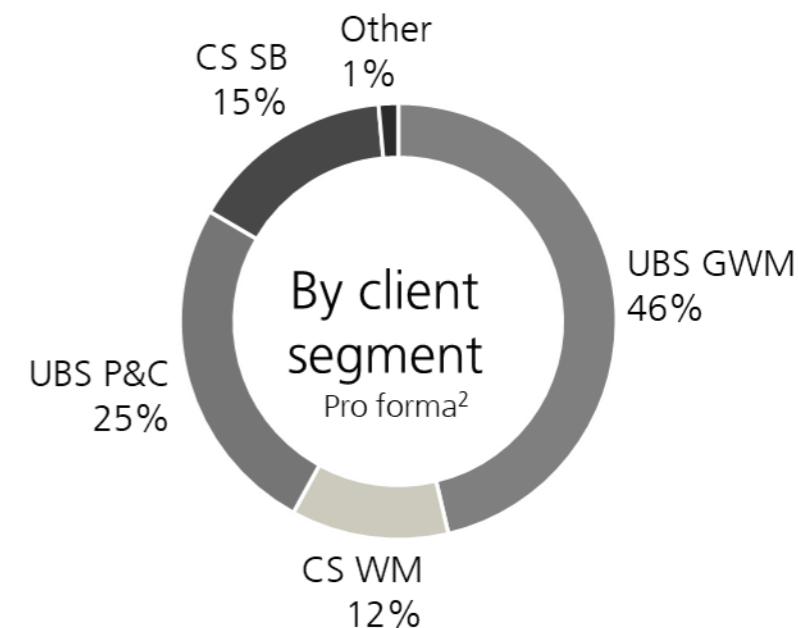
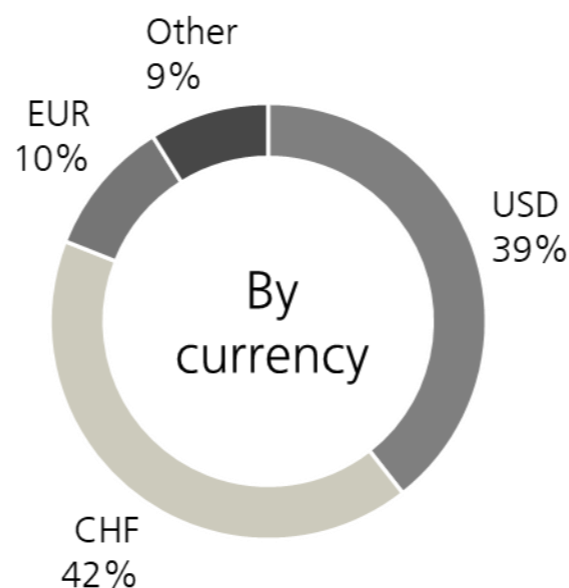
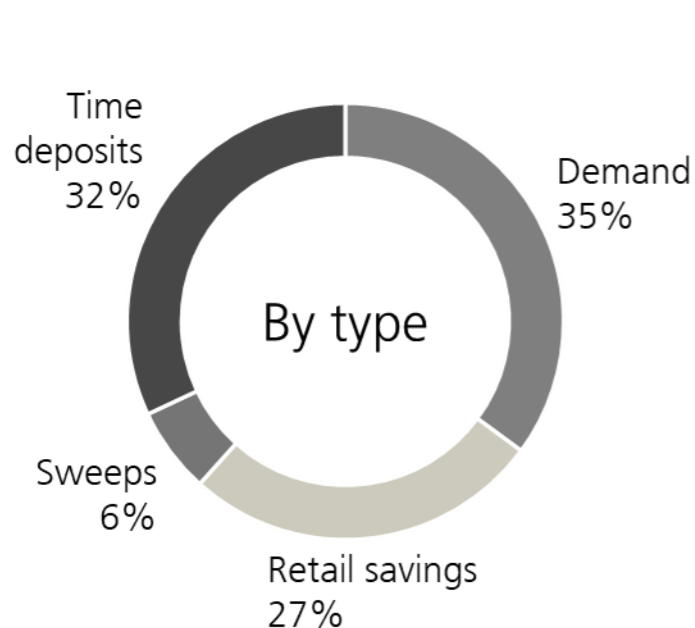
UBS+CS wealth management net new deposits, USD

**4bn**

net new deposits in CS Swiss Bank, CHF

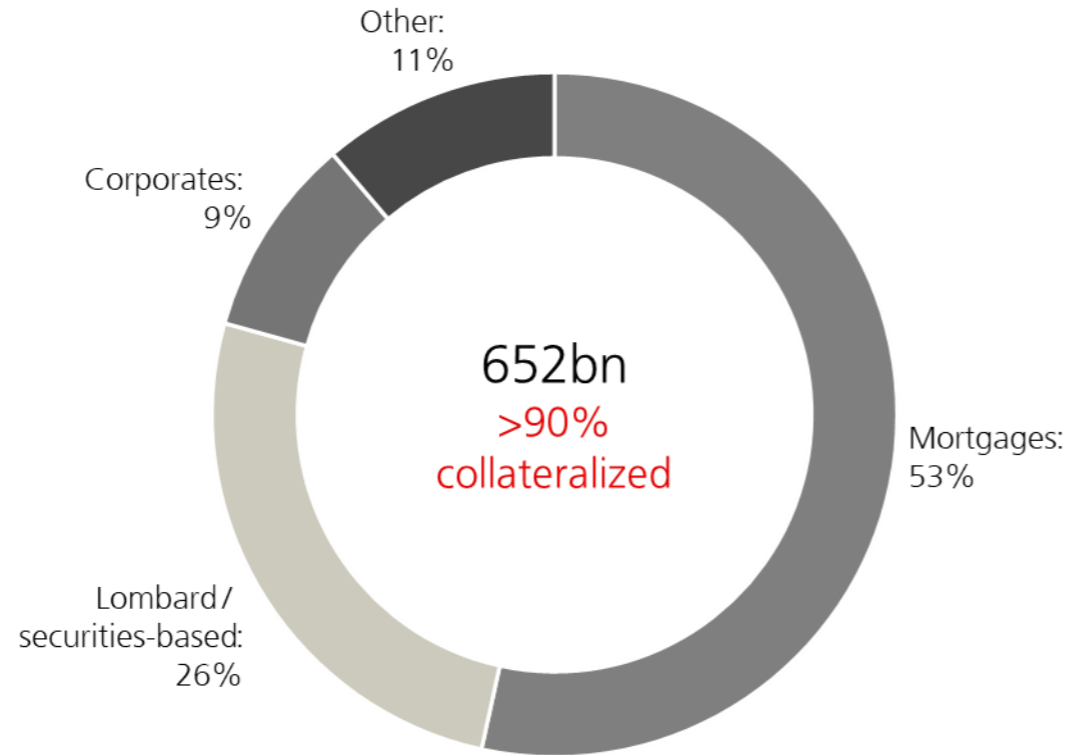
Further details on flows on slide 7

A well diversified deposit base



# High-quality loan portfolio

Loans and advances to customers  
On-balance sheet, 2Q23



**Mortgages: 348bn**, average LTV ~52%

**Lombard: 169bn**, average LTV ~47%

> Fully collateralized, with daily monitoring of margin requirements

**Corporates: 62bn**

> 26bn large corporates  
> 36bn Swiss SMEs

**Other: 73bn**

> 9.6bn ship/aircraft financing  
> 5.0bn commodity trade finance

# Credit loss expense / (release) and credit impaired exposures

## Credit loss expense / (release)

m

	2Q22	3Q22	4Q22	1Q23	2Q23
GWM	(3)	7	3	15	5
P&C	35	(15)	(4)	16	10
IB	(28)	4	8	7	1
Credit Suisse					724
Other <sup>1</sup>	2	0	0	0	0
<b>Total</b>	<b>7</b>	<b>(3)</b>	<b>7</b>	<b>38</b>	<b>740</b>

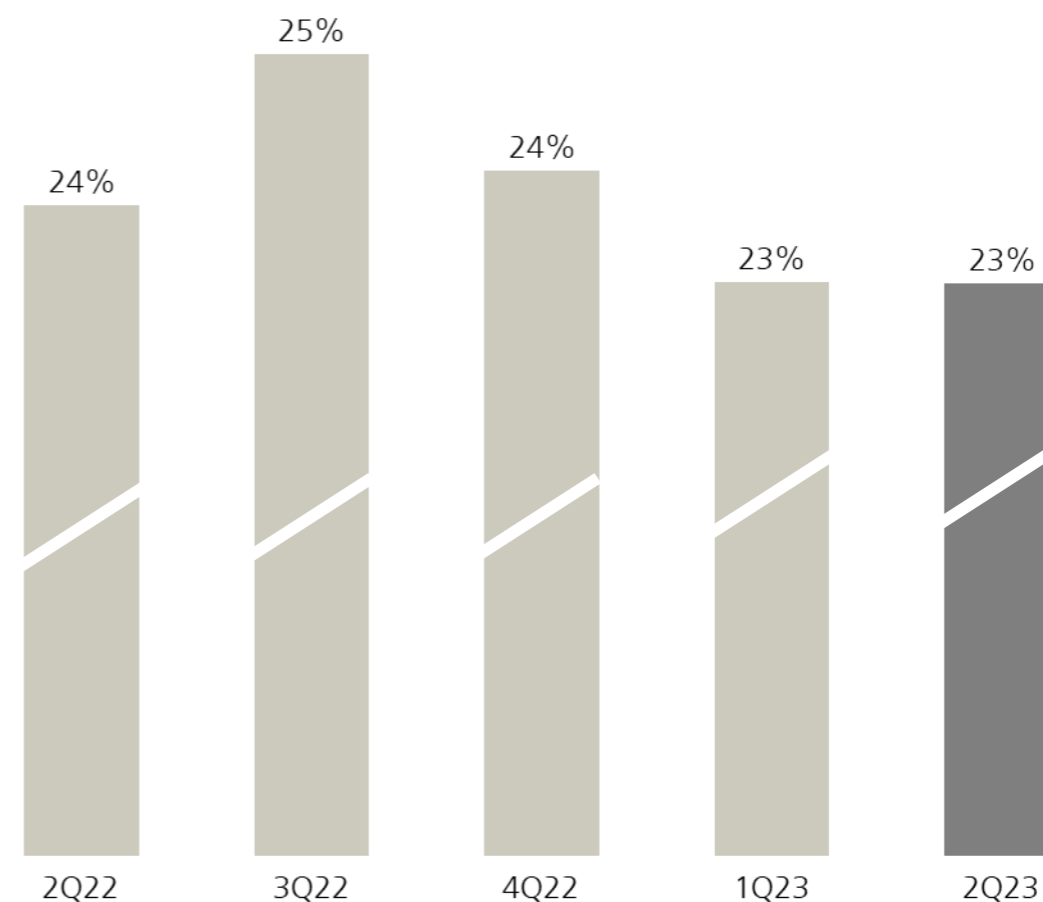
## Total credit impaired exposure, gross (stage 3/PCI)

bn

	2Q22	3Q22	4Q22	1Q23	2Q23
GWM	869	721	757	763	781
P&C	1,473	1,379	1,380	1,409	1,549
IB	257	252	312	319	324
Credit Suisse					3,373
Other <sup>1</sup>	6	6	6	6	6
<b>Total</b>	<b>2,605</b>	<b>2,357</b>	<b>2,455</b>	<b>2,497</b>	<b>6,033</b>

## ECL coverage ratio for core loan portfolio (stage 3)<sup>2</sup>

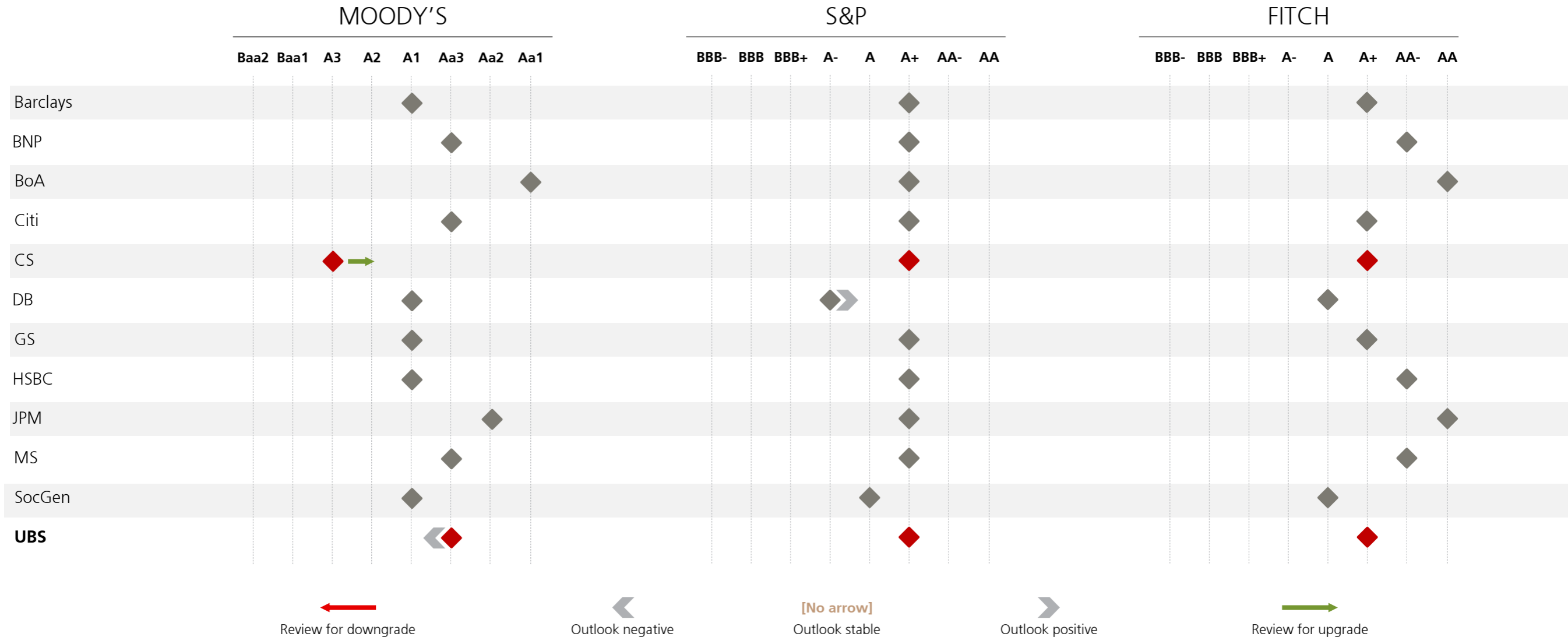
On balance sheet





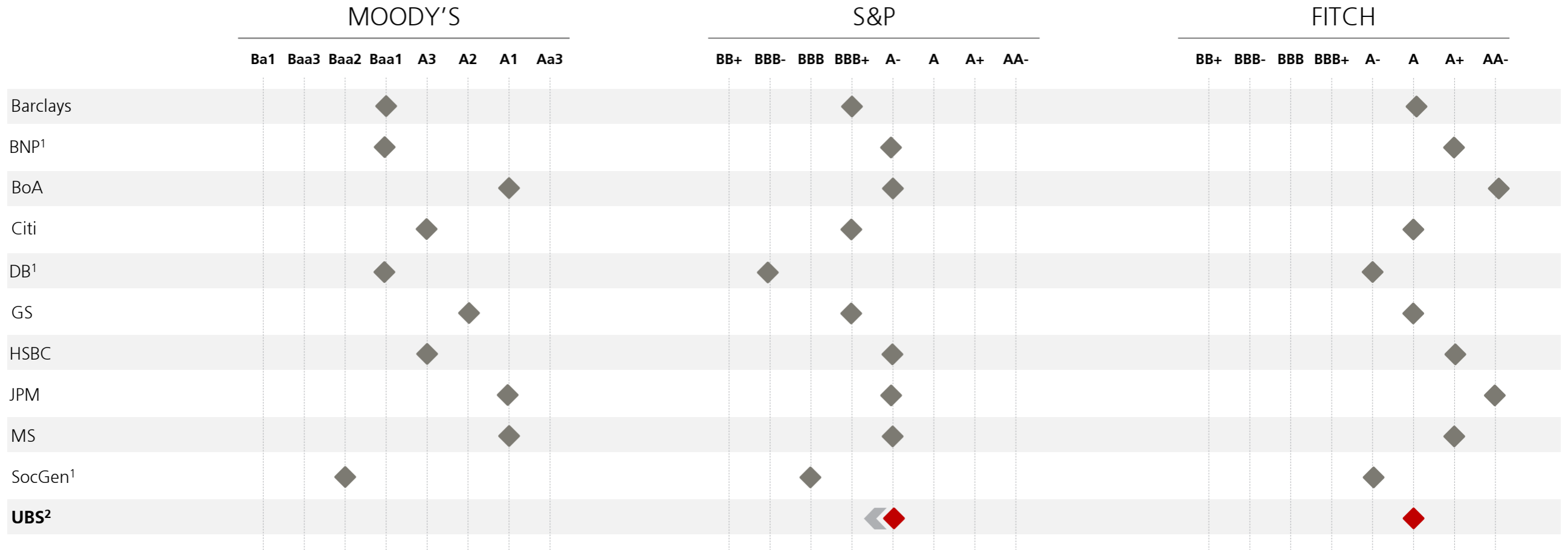
# Credit ratings peer comparison

Long-term senior unsecured debt – operating company, as of 11.9.23



# Credit ratings peer comparison

Long-term senior unsecured debt – holding company, as of 11.9.23



← Review for downgrade

◀ Outlook negative

[No arrow] Outlook stable

▶ Outlook positive

→ Review for upgrade



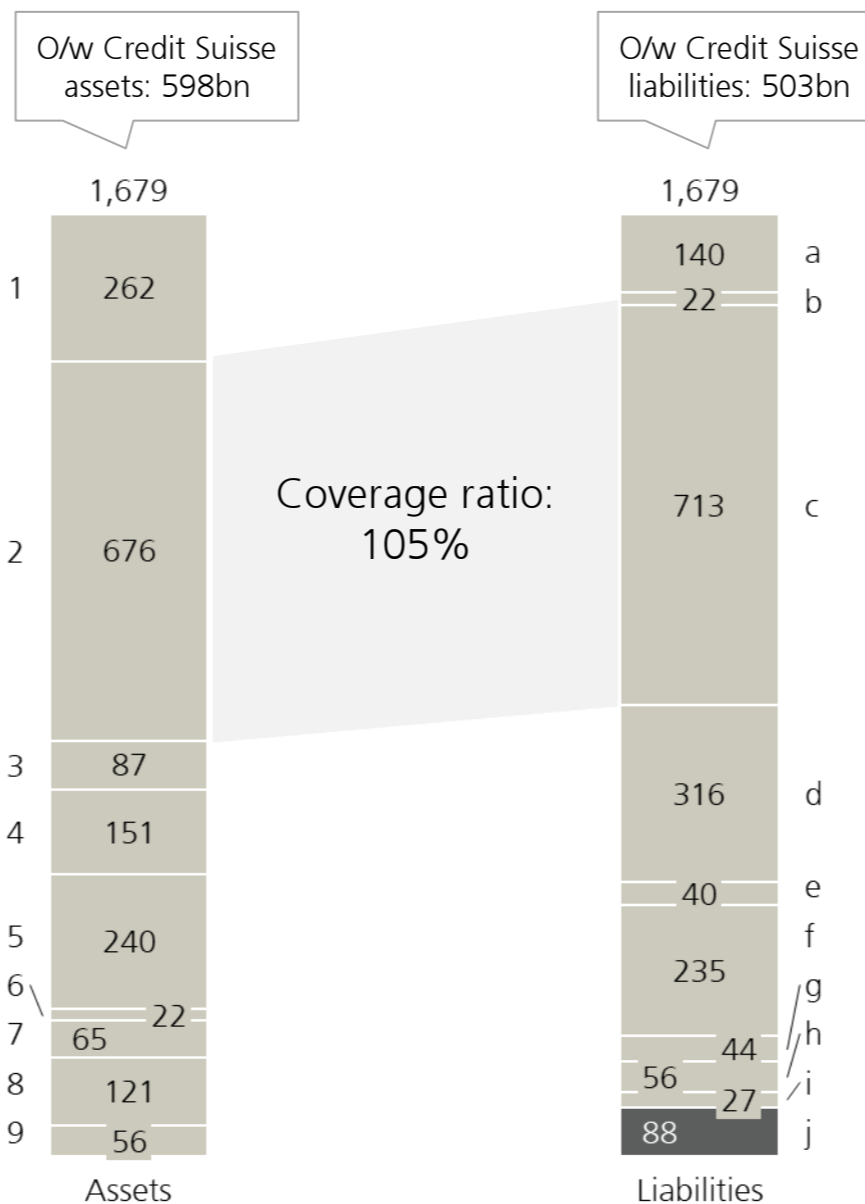
Source: Moody's, S&P and Fitch's websites; Holding companies: JPMorgan Chase & Co.; Bank of America Corporation; Citigroup Inc.; The Goldman Sachs Group, Inc.; Morgan Stanley; UBS Group AG; Credit Suisse Group AG; HSBC Holdings PLC; Barclays Plc; **1** BNP (BNP Paribas), SocGen (Société Générale) and Deutsche Bank (Deutsche Bank AG) have no holding company, but Moody's classifies certain parent company issuances as "junior senior unsecured", S&P classifies certain parent company issuances as "senior subordinated" and Fitch classifies certain parent company issuances as "senior non-preferred"; **2** Moody's rates UBS Group AG issuance on an unsolicited basis

# Appendix

# Balance sheet

For the quarter-end 2Q23

1. Cash and balances at central banks
2. Lending<sup>1</sup>
3. Securities financing transactions at amortized cost
4. Trading portfolio<sup>2</sup>
5. Derivatives and cash collateral receivables on derivative instruments
6. Brokerage receivables
7. Other financial assets measured at amortized cost
8. Other financial assets measured at fair value<sup>3</sup>
9. Non-financial assets



- a) Short-term borrowings<sup>4</sup>
- b) Securities financing transactions at amortized cost
- c) Customer deposits
- d) Debt issued designated at fair value and long-term debt issued measured at amortized cost<sup>5</sup>
- e) Trading portfolio<sup>6</sup>
- f) Derivatives and cash collateral payables on derivative instruments
- g) Brokerage payables
- h) Other financial liabilities
- i) Non-financial liabilities
- j) Equity



As per quarter end; Refer to the "Balance sheet and off-balance sheet" section of the 2Q23 report for more information. Refer to "Note 2 Accounting for the acquisition of Credit Suisse Group" in the "Consolidated financial statements" section of this report for more information.; **1** Consists of loans and advances to customers and banks; **2** Consists of financial assets at fair value not held for trading and financial assets measured at fair value through other comprehensive income; **3** Consists of short-term debt issued measured at amortized cost and amounts due to banks, which includes amounts due to central banks; **4** The classification of debt issued measured at amortized cost into short-term and long-term is based on original contractual maturity and therefore long-term debt also includes debt with a remaining time to maturity of less than one year. This classification does not consider any early redemption features

# Capital requirements and eligibility criteria

## Group consolidated requirements

Going concern	RWA	LRD	Gone concern	RWA	LRD
Minimum capital	4.50%	1.50%	Base requirement equal to 75% of the total going concern requirement excluding the countercyclical buffer	9.65%	3.38%
Buffer capital	5.50%	2.00%			
Countercyclical buffer	0.42%				
Pillar 2 add on	0.18%	0.06%	Additional requirement for market share and LRD	1.08%	0.38%
<b>Minimum CET1 capital</b>	<b>10.60%</b>	<b>3.56%</b>	<b>Minimum gone-concern</b>	<b>10.73%</b>	<b>3.75%</b>
Maximum Additional Tier 1 capital	4.30%	1.50%			
	<b>14.90%</b>	<b>5.06%</b>			

\*Includes LRD and Swiss credit market share add-ons of 1.44% for RWA and 0.50% for LRD

## Grandfathering rules

Any going concern-eligible capital above the minimum requirement can be counted towards the gone concern, subject to re-classification

Low-trigger AT1s are available to meet the going concern requirement until their first call date. As of their first call date, they are eligible to meet the gone concern requirements

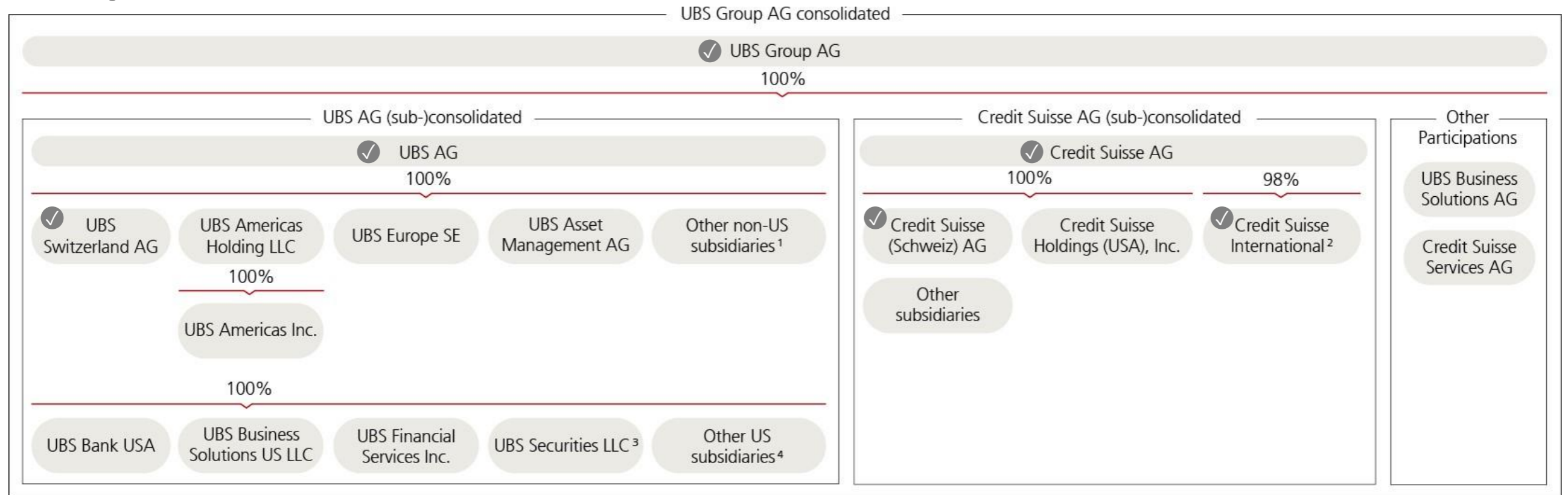
A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years

No MDA restrictions apply in Switzerland

# UBS Group structure

We expected to merge Credit Suisse AG into UBS AG in 2024

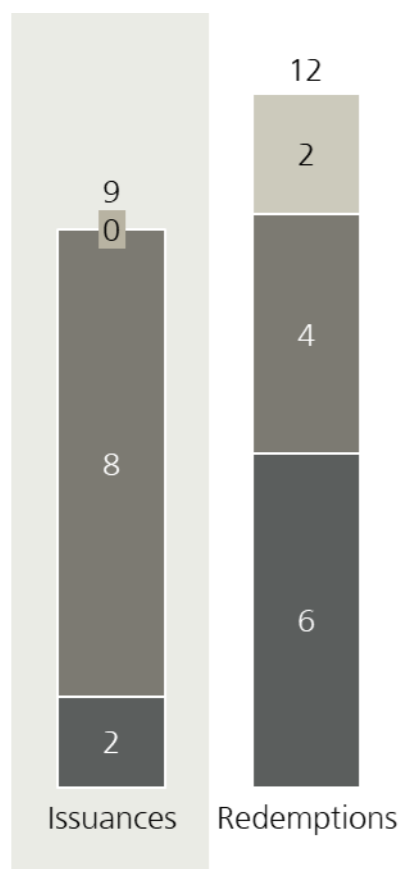
As of 31 August 2023



✓ Issuing entities

**UBS** **1** Other non-US subsidiaries are generally held either directly by UBS AG or indirectly through UBS Switzerland AG or UBS Asset Management AG; **2** Of which 98% held by Credit Suisse AG and 2% held by UBS Group AG; **3** Of which 99% directly held by UBS Americas Inc. and 1% held by UBS Americas Holding LLC; **4** Other US subsidiaries are generally held either directly by UBS Americas Inc. or indirectly through UBS Financial Services Inc; **5** And other small former Credit Suisse Group entities now directly held by UBS Group AG

# Year-to-date issuances

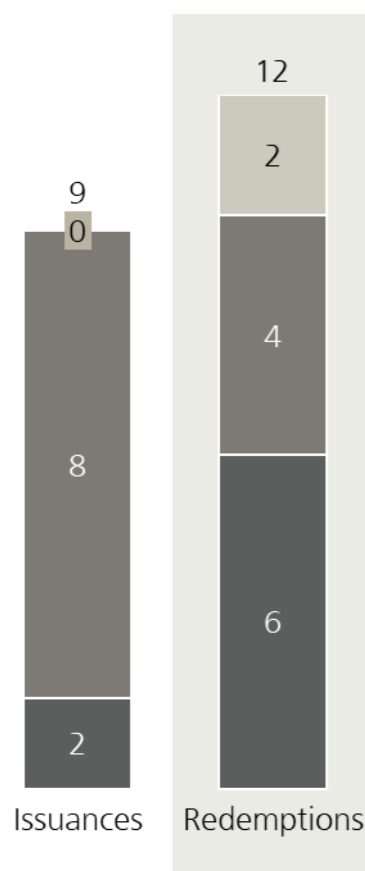


## 1H23 issuances

ISIN	Instrument	Currency	Notional (bn)	Coupon rate (%)	Issuance date	Call/Maturity
CH1236363391	TLAC	EUR	1.000	4.375	4.1.23	11.1.30
US902613AU26	TLAC	USD	1.750	5.711	12.1.23	12.1.26
US902613AV09	TLAC	USD	2.250	5.959	12.1.23	12.1.33
CH1255915006 <sup>1</sup>	TLAC	EUR	1.500	4.625	17.3.23	17.3.27
CH1255915014 <sup>1</sup>	TLAC	EUR	1.250	4.750	17.3.23	17.3.31
CH1264823480	OpCo	CHF	0.310	2.385	9.5.23	9.5.25
CH1264823498	OpCo	CHF	0.150	2.550	9.5.23	9.5.29
AU3FN0077962	OpCo	AUD	0.600	3mBBSW+130bps	12.5.23	12.5.26
AU3CB0299378	OpCo	AUD	0.175	5.00	12.5.23	12.5.28
AU3FN0077970	OpCo	AUD	0.650	3mBBSW+155bps	12.5.23	12.5.28

AT1
  Senior bonds (HoldCo)
  T2
  Senior bonds (OpCo)

# Year-to-date redemptions



## 1H23 redemptions

ISIN	Instrument	Currency	Notional (bn)	Coupon rate (bps)	Call/Maturity
CH0400441280	AT1	USD	2.000	5.000	31.1.23
AU3FN0041034	OpCo	AUD	0.525	3mBBSW+90bps	8.3.23
AU3CB0251197	OpCo	AUD	0.275	3.250	8.3.23
XS2149270477	OpCo	EUR	2.000	0.750	21.3.23
CH0365501516	TLAC	CHF	0.400	0.625	18.5.23
US902674YG97	OpCo	USD	1.000	SOFR+32bps	1.6.23
US902674YF15	OpCo	USD	1.000	0.375	1.6.23
XS1428769738	OpCo	EUR	0.787	1.000	7.6.23
US225433AS08	TLAC	USD	2.000	3.800	9.6.23
US225401AG34	TLAC	USD	1.250	4.207	12.6.23
US225401AH17	TLAC	USD	0.750	3m\$L+124bps	12.6.23

AT1
  Senior bonds (HoldCo)
  T2
  Senior bonds (OpCo)



# UBS liquidity framework

Regulatory minimums	Liquidity coverage ratio	Net stable funding ratio	Group Treasury proposes the liquidity and funding strategy	Governance
	100% BCBS REQUIREMENT	100% BCBS REQUIREMENT	Group Asset and Liability Committee (ALCO) approves the liquidity and funding strategy on behalf of the Group Executive Board	
In June 2022, the Swiss Federal Council adopted the revisions to the Swiss Liquidity Ordinance. UBS's increased liquidity requirements remain uncertain pending supervisory guidance from FINMA. The final rule became effective on 1.7.22, with a transition period of 18 months			Board of Directors – Risk Committee oversees Group ALCO	
Stress testing	We aim to ensure that the firm has sufficient liquidity and funding to survive a severe stress event without government support		To complement our business-as-usual management, Group Treasury maintains a Contingency Funding Plan and contributes to plans for recovery and resolution to define procedures throughout the crisis continuum	Contingency planning
	Combined (market and idiosyncratic) scenario	Structural market-wide scenario	In July 2022, the revision of the Swiss Liquidity Ordinance became effective. Further supervisory guidance from FINMA is expected to be communicated in the autumn of 2023	
	Severely deteriorated macroeconomic and financial market environment and a UBS-specific event.  The objective of this stress test is to ensure that UBS keeps a cumulative liquidity surplus on each day in the three-month stress horizon.	Significant deterioration of macro and financial market conditions globally, requiring for long-term funding to survive.  The objective of this stress test is to ensure that UBS maintains a positive cumulative behavioral liquidity gap across the 3, 6, 9 and 12-month tenors		

# Main UBS rated entities

	MOODY'S	S&P	FITCH
<b>UBS Group AG</b>		<b>A-/Negative</b>	<b>A/Stable</b>
<b>UBS AG</b>	<b>Aa3/Negative</b>	<b>A+/Stable</b>	<b>A+/ Stable</b>
UBS Switzerland AG		A+/Stable	A+/ Stable
UBS Europe SE	Aa3/Negative	A+/Stable	A+/ Stable
UBS Americas Holding LLC		A-/Negative	
UBS Bank USA		A+/Stable	A+/ Stable
UBS Securities LLC		A+/Stable	
<b>Credit Suisse AG</b>	<b>A3/Possible upgrade</b>	<b>A/developing</b>	<b>A+/ Stable</b>
Credit Suisse International	A3/Possible upgrade	A/developing	A+/ Stable
Credit Suisse (Schweiz) AG		A/developing	A/ Stable
Credit Suisse (USA), Inc	A3/Possible upgrade	A/developing	A+/ Stable
Credit Suisse Bank (Europe) S.A.		A/developing	A+/ Stable
Credit Suisse (Deutschland) AG		A/developing	A+/ Stable



**UBS**

A list of solicited ratings for UBS's main legal entities can be accessed via [www.ubs.com/ratings](http://www.ubs.com/ratings)

# Our reporting

ubs.com/investors



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Sustainability Report

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DE&I Report

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Standalone reports of significant regulated entities

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Pillar 3 Report

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## Other quick links

- › [Quarterly reporting](#)
- › [Bondholder information](#)
- › [Capital instruments](#)
- › [Benchmark bonds](#)
- › [Green bonds](#)
- › [Digital bonds](#)
- › [Ratings](#)

# Cautionary statement regarding forward-looking statements

**Cautionary Statement Regarding 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. The Russia–Ukraine war continues to affect global markets, exacerbate global inflation, and slow global growth. In addition, the war has caused significant population displacement, and shortages of vital commodities, including energy shortages and food insecurity, and has increased the risk of recession in OECD economies. The coordinated sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the war will widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. UBS’s acquisition of Credit Suisse has materially changed our outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to take between three to five years and presents significant risks, including the risks that UBS Group AG may be unable to achieve the cost reductions and other benefits contemplated by the transaction. This creates significantly greater uncertainty about forward-looking statements. 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 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 bank; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions, including as a result of the acquisition of Credit Suisse; (iii) increased inflation and interest rate volatility in major markets; (iv) developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates, deterioration or slow recovery in residential and commercial real estate markets, the effects of economic conditions, including increasing inflationary pressures, market developments, increasing geopolitical tensions, and changes to national trade policies on the financial position or creditworthiness of UBS’s clients and counterparties, as well as on client sentiment and levels of activity, including the COVID-19 pandemic and the measures taken to manage it, which have had and may also continue to have a significant adverse effect on global and regional economic activity, including disruptions to global supply chains and labor market displacements; (v) changes in the availability of capital and funding, including any adverse changes in UBS’s credit spreads and credit ratings of UBS, Credit Suisse, sovereign issuers, structured credit products or credit-related exposures, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC), in particular in light of the acquisition of Credit Suisse; (vi) changes in central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the European Union and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS’s business activities; (vii) UBS’s ability to successfully implement resolvability and related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS in response to legal and regulatory requirements and any additional requirements due to its acquisition of Credit Suisse, or other developments; (viii) UBS’s ability to maintain and improve its systems and controls for complying with sanctions in a timely manner and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers adversely affect UBS’s ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to our businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of our RWA, including as a result of its acquisition of Credit Suisse, 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 both nation states and non-nation-state actors targeting financial institutions; (xix) restrictions on the ability of UBS Group AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS’s operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xx) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS’s ability to maintain its stated capital return objective; (xxi) uncertainty over the scope of actions that may be required by UBS, governments and others for UBS to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and the possibility of conflict between different governmental standards and regulatory regimes; (xxii) the ability of UBS to access capital markets; (xxiii) the ability of UBS to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, conflict (e.g., the Russia–Ukraine war), pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during long-term disruptions such as the COVID-19 (coronavirus) pandemic; (xxiv) the level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, and in the execution of the planned strategy regarding cost reduction and divestment of any non-core assets, the existing assets and liabilities currently existing in the Credit Suisse group, the level of resulting impairments and write-downs, the effect of the consummation of the integration on the operational results, share price and credit rating of UBS – delays, difficulties, or failure in closing the transaction may cause market disruption and challenges for UBS to maintain business, contractual and operational relationships; and (xxv) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on our reputation and the additional consequences that this may have on our business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. Our business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the US Securities and Exchange Commission (the SEC). More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including the 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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