Annual General Meeting

UBS Group AG on 5 April 2023

Commentary to Agenda Item 1 by Colm Kelleher, Chairman of the Board of Directors

Check against delivery.

Ladies and Gentlemen, valued shareholders,

As mentioned earlier, I would now like to address the acquisition of Credit Suisse in more detail, before opening the discussion on Agenda Item 1.

The deal is expected to close within a few months. Credit Suisse shareholders will receive 1 UBS share for every 22.48 Credit Suisse shares held. UBS has obtained pre-agreement on the timely approval of the transaction from the Swiss Federal Council, from FINMA, from the Swiss National Bank, and from core regulators globally.

Stabilizing the situation required urgent action. There was no time to consult shareholders. The Swiss government therefore exercised its emergency powers to allow the merger to proceed without the approval of shareholders. Unfortunately, it was therefore not possible to seek your consent. I understand that not all stakeholders of UBS and Credit Suisse are pleased with this approach. However, all parties, and in particular the Swiss authorities, considered this solution the best of all available options.

The acquisition preserves the financial center as a pillar of Swiss prosperity. It provides a stable and sustainable solution. Credit Suisse's clients will benefit from the additional value, services and global reach that a combination with UBS will bring, and the other way round.

And, while we did not initiate these discussions, we believe that this transaction is financially attractive for UBS shareholders. I am convinced that we made the right choice.

By combining forces with Credit Suisse:

– We're increasing our scale and boosting our capabilities in wealth and asset management and thereby strengthening our position in our asset-gathering. businesses.

– We're reinforcing our position as the leading universal bank in Switzerland.

– And we're keeping our investment bank right-sized and focused on the areas most relevant to our institutional, corporate and wealth management clients.

The integration of our businesses is expected to take 3 to 4 years, excluding the full wind-down of the Credit Suisse investment bank's non-core portfolio. We expect the transaction to generate an annual run-rate cost reduction of more than 8 billion US dollars by 2027.

Throughout the merger discussions, our focus was on protecting our shareholders' interests and we believe that we found a good solution. Despite downside protections, execution risk remains significant. You can't just put numbers together and reach a sum. You have to understand that there is huge amount of risk in integrating these businesses. But let me assure you: we're doing everything to execute this deal in the best possible way and not let it compromise our financial strength or stability. On the contrary, we expect to remain well capitalized and to remain significantly above our current capital targets after the deal closes. We are confident in our ability to successfully manage the integration of Credit Suisse.

Importantly, the acquisition does not change our strategy but rather accelerates its execution. The transaction helps us grow our wealth and asset management businesses, especially in APAC and in the Americas, where we see strong potential. It reinforces our position as the leading universal bank in Switzerland. And it supplements our investment banking capabilities with institutional, corporate and wealth management clients in Global Banking.

I will now hand over to my Vice Chairman who will provide you with additional background information. We will then pool our answers to your questions on the Credit Suisse deal.