

Ad hoc announcement pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

## UBS reports 4Q/FY23 results and confirms financial targets, plans to propose USD 0.70 dividend per share, +27% YoY, and to reinstate share repurchases in 2H24

### 4Q23 and FY23 highlights

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- **4Q23 PBT of USD (751m)**, including losses of USD 508m related to the investment in SIX Group, in addition to integration-related expenses and pull-to-par and other PPA-related benefits; **underlying<sup>1</sup> PBT of USD 592m**
- **FY23 PBT of USD 29,916m**, including USD 28,925m negative goodwill
- **Completed first phase of strategic integration**, stabilized the franchise, achieved underlying profitability and initiated restructuring
- **USD 77bn of net new assets<sup>2</sup> in GWM and USD 77bn of net new deposits across GWM and P&C** since the closing of the acquisition in 2023; USD 22bn of NNA and USD 16bn of NND in GWM, and CHF 7bn of NND in P&C in 4Q23, driven by strong momentum with our clients
- **Achieved USD ~4bn in exit rate gross cost savings in FY23 vs FY22 combined**
- **Strong progress in NCL wind-down** with RWA down USD 5.5bn of which three quarters from active unwinds, LRD down USD 19bn and underlying operating expenses down 9% QoQ
- **Maintained capital strength** with CET1 ratio of 14.5% and CET1 leverage ratio of 4.7% comfortably above guidance
- **Increase of 27% YoY in FY23 ordinary dividend, to USD 0.70 per share**, subject to shareholder approval at the Annual General Meeting

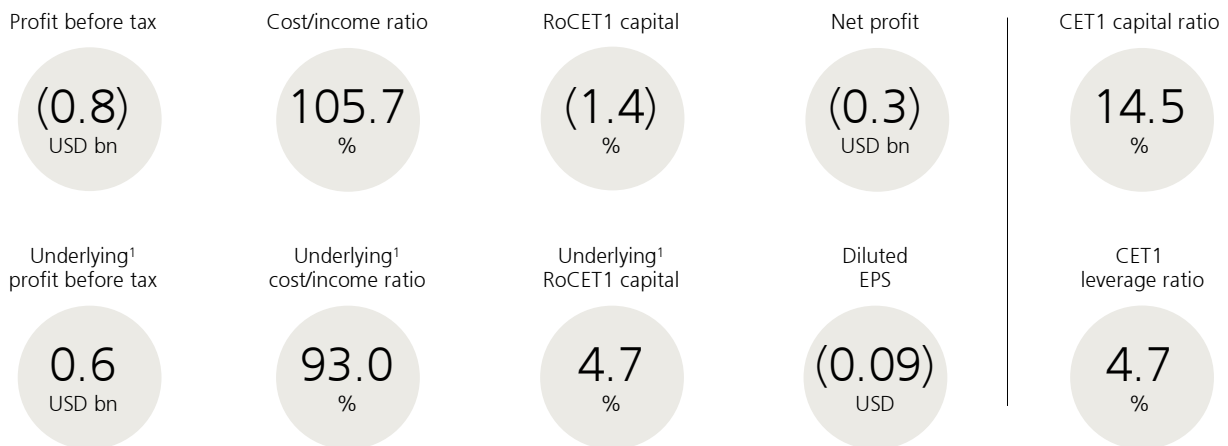
### Investor update highlights

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- **Re-iterating ~15% underlying RoCET1 and <70% underlying cost/income ratio exit rate targets by end-2026**; well positioned to deliver long-term growth and higher returns with ~18% reported RoCET1 in 2028
- **Targeting USD ~13bn gross cost reductions** by end-2026; ~50% of cumulative exit rate gross cost reductions expected by end-2024
- **Cost savings to provide necessary capacity for reinvestment** to reinforce the resilience of our combined infrastructure as we absorb Credit Suisse and to drive sustainable growth
- **Ambition to surpass USD 5trn of invested assets in GWM by 2028**, with USD ~100bn of NNA per annum through 2025, building to USD ~200bn per annum by 2028
- **NCL actively run down**; underlying operating expenses expected to be USD <1bn and underlying loss before tax expected to be USD ~1bn by end-2026; RWA expected to be around 5% of Group RWA
- **Optimizing financial resources** to enable sustainable growth and higher returns; USD ~510bn of RWA expected by end-2026; expecting USD ~45bn of RWA reductions in NCL and USD ~15bn of business-led RWA reductions in core divisions from actions to improve capital efficiency; Basel 3 finalization and migrating Credit Suisse's portfolios to UBS risk models are expected to increase RWAs in the core divisions by USD 25bn
- **Expecting up to USD 1bn of funding cost saves** by 2026 relative to 2023 levels as a result of lower funding needs, diversified and more stable funding sources, and disciplined deposit pricing
- **Merger of UBS AG and Credit Suisse AG planned to be completed by the end of 2Q24** and merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG entities planned before the end of 3Q24, which is a critical step in enabling us to unlock the next phase of the cost, capital and funding synergies we expect to realize in 2025 and 2026
- **Delivering attractive capital returns**; planning to reinstate share repurchases after completion of UBS AG and Credit Suisse AG merger, with up to USD 1bn in 2024, committed to progressive dividends and accruing for a mid-teen percentage increase in the dividend per share for 2024; ambition for FY26 share repurchases to exceed FY22 levels

“2023 was a defining year in UBS’s history with the acquisition of Credit Suisse. Thanks to the exceptional efforts of all of our colleagues, we stabilized the franchise and have made tremendous progress in the integration. In addition, clients entrusted us with USD 77 billion of net new assets since the acquisition and relied on our advice in a challenging geopolitical and macroeconomic environment. As we move to the next phase of our journey, we will focus on restructuring and optimizing the combined businesses. While our progress over the next three years will not be measured in a straight line, our strategy is clear. With enhanced scale and capabilities across our leading client franchises and improved resource discipline, we will drive sustainable long-term growth and higher returns. By the end of 2026 and beyond, this will allow us to deliver significant value for all our stakeholders and remain a reliable economic partner, employer and taxpayer in the communities where we operate.” **Sergio P. Ermotti, Group CEO**

### Selected financials for 4Q23



Information in this news release is presented for UBS Group AG on a consolidated basis unless otherwise specified.

<sup>1</sup> Underlying results exclude items of profit or loss that management believes are not representative of the underlying performance. Underlying results are a non-GAAP financial measure and alternative performance measure (APM). Refer to “Group Performance” and “Appendix-Alternative Performance Measures” in the financial report for the fourth quarter of and full year 2023 for a reconciliation of underlying to reported results and definitions of the APMs.

<sup>2</sup> Net new assets includes net new money, dividends and interest

## 4Q23 and FY23 Group performance

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### **Delivered on integration priorities in 2023**

In 2023 we made strong progress following the announcement of the Credit Suisse acquisition, with closing completed in three months, the repayment of the Public Liquidity Backstop and Emergency Liquidity Assistance Plus, the return of the Loss Protection Agreement, the decision to integrate CS (Schweiz) AG and the definition of the NCL perimeter.

Strong momentum with our clients was evidenced by USD 77bn of NNA in GWM and USD 77bn of NND across GWM and P&C since the closing of the acquisition, of which USD 22bn of NNA in and USD 16bn of NND in GWM and CHF 7bn of NND in P&C in 4Q23. The repayment of the government-guaranteed extraordinary liquidity support and the voluntary termination of the loss-protection agreement substantially reduced funding costs by USD ~550m per quarter since 2Q23. Our strategy for the wind down of the NCL portfolio led to reductions of USD 5.5bn in RWA, of which three-quarters from active unwinds, and USD 19bn in LRD in 4Q23, in addition to a 9% QoQ decrease in underlying operating expenses.

The Group achieved USD ~4bn in exit rate gross cost savings vs. FY22 combined and we are on track to realize USD ~13bn in exit rate cumulative gross cost saves by end-2026.

### **Achieved underlying profitability following closing of the acquisition**

4Q23 PBT of USD (751m) included integration-related expenses and losses related to our investment in SIX Group. 4Q23 underlying PBT of USD 592m was down 35% QoQ, mainly driven by lower client activity and billable invested assets, as well as USD 75m of bank levy expenses and USD 60m from a US Federal Deposit Insurance Corporation special assessment to recover losses incurred by the deposit insurance fund in connection with the failures of Silicon Valley Bank and Signature Bank.

FY23 PBT was USD 29,916m, including USD 28,925m negative goodwill and USD 4,680m of integration-related expenses and acquisition costs.

### **Maintained a balance sheet for all seasons**

Capital strength is a key pillar of our strategy and we remain committed to maintaining a balance sheet for all seasons. The year-end CET1 capital ratio was 14.5% and the CET1 leverage ratio was 4.7%, both in excess of our guidance of ~14% and >4.0%, respectively. We also maintained healthy liquidity buffers with an LCR of 216% and an NSFR of 124%.

For 2023, the Board of Directors intends to propose a dividend to UBS Group AG shareholders of USD 0.70 per share, a 27% increase YoY. Subject to approval at the Annual General Meeting, scheduled for 24 April 2024, the dividend will be paid on 3 May 2024 to shareholders of record on 2 May 2024. The ex-dividend date will be 30 April 2024.

## Investor update confirms financial targets

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### **Targeting ~15% underlying RoCET1 by year-end 2026; aim to deliver ~18% reported RoCET1 in 2028**

Based on our execution of the integration to date and the completion of our business planning process, we have confirmed our performance targets and capital guidance for the Group. We have also set ambitions for each of the business divisions that collectively are the building blocks towards achieving our targets.

We aim to deliver an underlying return on CET1 capital of ~15% and a cost/income ratio of <70% by 2026 exit rate. We aim to maintain a Group CET1 capital ratio of ~14% and a CET1 leverage ratio of >4.0%. We also aim to deliver a reported return on CET1 capital of ~18% in 2028.

### **Sustainable growth and long-term value creation**

Throughout 2024 we will deliver on our priorities while creating long-term sustainable value.

Building on our unrivaled global scale and footprint, GWM aims to surpass USD 5trn of invested assets by 2028, with USD ~100bn of NNA per annum through 2025, building to USD ~200bn by 2028. This enhanced scale alongside our cost and capital efficiency measures will support GWM's ability to deliver improved profitability with an underlying cost/income ratio ambition of <70% by the end of 2026 (exit rate).

Our consistent investments to improve the client experience and increase efficiency for our combined franchise in Switzerland will help P&C to achieve its ambition of a <50% underlying cost/income ratio by the end of 2026 (exit rate).

In AM, we expect our improved strategic positioning and product offering, in addition to the realization of cost synergies, to help achieve our ambition of <70% underlying cost/income ratio by the end of 2026 (exit rate).

Our focus in the IB remains on increasing client relevance while maintaining capital discipline. The IB aims to achieve a ~15% underlying return on attributed equity through the cycle while consuming no more than 25% of the Group's RWA.

### **Expecting completion of UBS AG and Credit Suisse AG merger by end of 2Q24**

In December 2023, the Board of Directors of UBS Group AG approved the merger of UBS AG and Credit Suisse AG, and both entities entered into a definitive merger agreement. The completion of the merger is subject to regulatory approvals and is expected to occur by the end of 2Q24. We also expect to transition to a single US intermediate holding company in 2Q24 and complete the planned merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG in 3Q24.

Completing the mergers of our significant legal entities is a critical step in enabling us to unlock the next phase of the cost, capital and funding synergies we expect to realize in 2025 and 2026. These significant legal-entity mergers are a prerequisite for the first wave of client migrations and will allow us to begin streamlining and decommissioning legacy Credit Suisse platforms in the second half of 2024.

### **Targeting USD ~13bn gross cost reductions to achieve <70% underlying cost income ratio by end-2026**

We expect the execution of our integration plans and the run-down of NCL to result in USD ~13bn in gross cost saves by end-2026 compared to FY22 combined, with ~50% of cumulative gross cost reductions expected by end-2024. We expect NCL 2026 exit rate underlying operating expenses to be USD <1bn, with an underlying loss before tax of USD ~1bn as we exit positions and decommission legacy infrastructure. Our gross cost savings will provide necessary capacity for reinvestment to reinforce the resilience of our infrastructure as we absorb Credit Suisse and to drive sustainable growth by investing in talent, products and services.

### **Optimizing financial resources to enable efficient long-term growth and sustainably higher returns**

Group RWA is expected to be USD ~510bn by end-2026, assuming constant FX rates, including reductions of USD ~45bn in NCL, with the remaining portfolio representing ~5% of Group RWA at end-2026. We furthermore expect actions to improve capital efficiency to result in USD ~15bn of business-led RWA reductions in our core businesses. We expect finalized Basel 3 rules to increase RWA in our core divisions by USD ~15bn and migrating Credit Suisse's portfolios to UBS risk models to increase RWA in our core divisions by an additional USD ~10bn.

As a result of lower funding needs, diversified and more stable funding sources, and disciplined deposit pricing, we expect to realize funding cost saves of up to USD 1bn by 2026 relative to 2023.

**Reaffirming our capital return policy; proposing USD 0.70 dividend per share**

For 2023, the Board of Directors plans to propose a dividend to UBS Group AG shareholders of USD 0.70 per share. Subject to approval at the Annual General Meeting, scheduled for 24 April 2024, the dividend will be paid on 3 May 2024 to shareholders of record on 2 May 2024. The ex-dividend date will be 30 April 2024. We remain committed to progressive dividends and are accruing for a mid-teen percentage increase in the dividend per share for the 2024 financial year.

In 2023, we bought back USD 1.3bn of our shares before we announced the acquisition. In 2024 we expect to repurchase up to USD 1bn of our shares, commencing after the completion of the merger of UBS AG and Credit Suisse AG.

Our ambition is for share repurchases to exceed our pre-acquisition levels by 2026.

## Outlook

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Central banks are widely expected to lower short-term interest rates in 2024. The timing and magnitude of such cuts are still highly uncertain, given the ongoing debate around the pace of inflation converging with central bank targets. In addition, ongoing geopolitical tensions, including the conflicts in the Middle East and Eastern Europe, may impact supply chains and inflation, with consequences for the macroeconomic outlook and market volatility.

Notwithstanding the challenges mentioned above, we continue to execute on our strategy and integration plans at pace, and we will actively reduce non-core assets and costs. In the first quarter of 2024, we expect revenues to be positively influenced by seasonal factors, such as higher client activity levels compared with the fourth quarter of 2023. We also expect the Investment Bank to return to profitability, due to improving market activity, a growing banking pipeline and advanced progress on the integration. We expect NII for Personal & Corporate Banking and Global Wealth Management combined, and in US dollar terms, to be roughly flat sequentially in the first quarter, with higher rates broadly offsetting the residual effects of deposit mix shifts and the initial impact of financial resource optimization. These factors are expected to result in substantial sequential improvement in reported net profit in the first quarter, including around USD 1bn of integration-related expenses and around USD 0.7bn of pull to par and other purchase price allocation (PPA) accretion effects.

Our focus remains on helping clients navigate challenging market environments to manage the inherent risks and opportunities while continuing to grow our invested assets and delivering on our financial targets.

## Fourth quarter 2023 performance overview – Group

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### **Group PBT USD (751m), underlying PBT USD 592m**

PBT was USD (751m) and the underlying PBT was USD 592m, including credit loss expenses of USD 136m. The cost/income ratio was 105.7% and the underlying cost/income ratio was 93.0%. Net profit attributable to shareholders was USD (279m), with diluted earnings per share of USD (0.09). Return on CET1 capital was (1.4%) and 4.7% on an underlying basis.

### **Global Wealth Management (GWM) PBT USD 381m, underlying PBT USD 778m**

Total revenues increased 18% to USD 5,444m, mainly due to the consolidation of Credit Suisse revenues, and included USD 284m of accretion of PPA adjustments on financial instruments and other effects, partly offset by losses of USD 190m related to our investment in SIX Group. Excluding accretion effects and the aforementioned losses, underlying total revenues were USD 5,351m. Net credit loss releases were USD 7m, compared with net expenses of USD 3m in the fourth quarter of 2022. Operating expenses increased 43% to USD 5,070m, largely due to the consolidation of Credit Suisse expenses, integration-related expenses, higher financial advisor variable compensation and a USD 60m charge for the special assessment by the US Federal Deposit Insurance Corporation to recover losses incurred by the deposit insurance fund in connection with the failures of Silicon Valley Bank and Signature Bank. Excluding integration-related expenses of USD 490m, underlying operating expenses were USD 4,580m. The cost/income ratio was 93.1% and the underlying cost/income ratio was 85.6%. Invested assets increased 6% sequentially to USD 3,850bn. Net new assets were USD 21.8bn.

### **Personal & Corporate Banking (P&C) PBT CHF 701m, underlying PBT CHF 794m**

Total revenues increased 98% to CHF 2,136m, mainly due to the consolidation of Credit Suisse revenues, and included CHF 362m of accretion of PPA adjustments on financial instruments and other effects, with the underlying increase largely reflecting increases across almost all business income lines, predominantly in net interest income. This was partly offset by losses of CHF 267m related to our investment in SIX Group in other income. Excluding the aforementioned accretion effects and losses, underlying total revenues were CHF 2,042m. Net credit loss expenses were CHF 72m, primarily related to stage 3 positions, compared with net releases of CHF 3m in the fourth quarter of 2022. Operating expenses increased 136% to CHF 1,363m, largely due to the consolidation of Credit Suisse expenses, with the remaining increase mostly reflecting integration-related expenses. Excluding integration-related expenses of CHF 163m and CHF 25m of amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group, underlying operating expenses were CHF 1,175m. The cost/income ratio was 63.8% and the underlying cost/income ratio was 57.6%.

### **Asset Management (AM) PBT USD 115m, underlying PBT USD 180m**

Total revenues increased 63% to USD 805m, reflecting the consolidation of Credit Suisse revenues and net gains on sale of USD 27m. Operating expenses increased 86% to USD 691m, mainly reflecting the consolidation of Credit Suisse expenses. The increase was also due to integration-related expenses, increases in personnel expenses, adverse foreign currency effects and increases in technology expenses. Excluding integration-related expenses of USD 66m, underlying operating expenses were USD 625m. The cost/income ratio was 85.8% and the underlying cost/income ratio was 77.7%. Invested assets increased 6% sequentially to USD 1,649bn. Net new money was USD (12.2bn), and USD (13.8bn) excluding money market flows and associates.

### **Investment Bank (IB) PBT USD (169m), underlying PBT USD (280m)**

Total revenues increased 27% to USD 2,139m, mainly due to the consolidation of Credit Suisse revenues, and included USD 277m of accretion of PPA adjustments on financial instruments. Underlying total revenues increased 11%, largely driven by higher Global Banking revenues, partly offset by lower Global Markets revenues. Excluding the aforementioned accretion effects, underlying total revenues were USD 1,861m. Net credit loss expenses were USD 48m, compared to net expenses of USD 8m in the fourth quarter of 2022. Operating expenses increased 45% to USD 2,260m, largely due to integration-related expenses, the consolidation of Credit Suisse expenses, higher variable compensation recognized in the quarter and higher technology expenses. Excluding integration-related expenses of USD 166m, underlying operating expenses were USD 2,094m. The cost/income ratio was 105.7% and the underlying cost/income ratio was 112.5%.

**Non-core and Legacy (NCL) PBT USD (1,726m), underlying PBT USD (977m)**

Total revenues were USD 162m, mainly due to the transfer of assets and liabilities into Non-core and Legacy following the acquisition of the Credit Suisse Group, and mainly driven by net gains from position marks and unwinds. Net credit loss expenses were USD 15m, compared with net expenses of USD 0m in the fourth quarter of 2022. Operating expenses were USD 1,873m, compared with USD 21m in the fourth quarter of 2022, mainly driven by the acquisition of the Credit Suisse Group, and included integration-related expenses of USD 749m. Integration-related expenses included real estate impairments and personnel costs. Excluding integration-related expenses, underlying operating expenses were USD 1,124m.

**Group Items PBT USD (140m), underlying PBT USD (17m)****Changes to the Pension Fund of Credit Suisse in Switzerland**

As of 1 January 2027, the Pension Fund of Credit Suisse will align its Swiss pension scheme to that of the Pension Fund of UBS.

In accordance with International Financial Reporting Standards, the alignment and related mitigating measures led to an increase in UBS's pension obligations in Switzerland resulting in a one-time pre-tax loss of USD 245m (CHF 207m) and an offsetting gain in other comprehensive income in the fourth quarter of 2023 with no impact on equity or CET1 capital.



## UBS's sustainability approach through the integration

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Following the acquisition of Credit Suisse, our ambition is unchanged: to be a global leader in sustainable finance. We want to be the provider of choice for clients who wish to mobilize capital toward the achievement of the United Nations 17 Sustainable Development Goals and the orderly transition to a low-carbon economy.

We are currently evaluating the implications of the acquisition of Credit Suisse for our carbon reduction goals, given the different shape and activities of the businesses. We are conducting a robust risk analysis, assessing and re-baselining the emissions of the combined firm. An update will be provided in our 2023 Sustainability Report to be published on 28 March.

### **Increasing our focus on nature; first TNFD-aligned disclosures for 2024**

To support our increasing focus on natural capital, we announced, through our 2024 financial disclosures, UBS will become an Early Adopter of the Taskforce on Nature-related Financial Disclosures meaning we will provide information on nature-related risks and opportunities.

UBS Asset Management became a founding member of the Nature Action 100 collaborative engagement initiative and joined the Principles for Responsible Investment's Advisory Committee for its stewardship initiative on nature.

In addition, UBS published and discussed a white paper 'Bloom or bust' on how finance can help unlock the deployment of technologies at the speed and scale needed to reduce biodiversity loss by 2030, at the World Economic Forum (WEF) Annual Meeting in January.

### **UBS's membership in the Dow Jones Sustainability Index reconfirmed**

In December 2023, S&P Dow Jones Indices, the world's leading index provider, announced the results of the annual Dow Jones Sustainability Indices rebalancing and reconstitution. As of year-end, UBS is ranked in the top ten of 669 companies in its industry group.

### **Using quantum computing to accelerate progress towards achieving UN SDGs**

UBS is partnering with the Geneva Science and Diplomacy Anticipator Foundation (GESDA), CERN, the Swiss Federal Department of Foreign Affairs, and Swiss higher-education institutions ETH Zurich and EPFL to create the Open Quantum Institute (OQI), which was officially launched in October 2023.

In its projects, the OQI endeavors to maximize the potential of quantum computing to accelerate progress towards achieving the SDGs and solving some of the world's most pressing issues in fields such as health, energy, climate action, clean water and food security. As a lead partner to the OQI, UBS intends to provide funding of up to CHF 2m annually and strategic expertise over the next several years.

### **Joining the Bill & Melinda Gates Foundation and others to help eliminate NTD**

As announced in December 2023, UBS Optimus Foundation is proud to join the Bill & Melinda Gates Foundation and others in the fight to eliminate neglected tropical disease (NTD) by pledging match funding of up to USD 50m. The pledges made by UBS Optimus Foundation and a number of other organizations will help close the funding gap needed to expedite progress towards the WHO roadmap targets, which call for at least 100 countries to have eliminated at least one NTD by 2030.

**Selected financial information of our business divisions and Group Items**

For the quarter ended 31.12.23							
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
Total revenues as reported	5,444	2,431	805	2,139	162	(126)	10,855
<i>of which: accretion of PPA adjustments on financial instruments and other effects</i>	284	414		277		(32)	944
<i>of which: losses related to investment in SIX Group</i>	(190)	(317)					(508)
Total revenues (underlying)	5,351	2,334	805	1,861	162	(94)	10,419
Credit loss expense / (release)	(7)	83	(1)	48	15	(2)	136
Operating expenses as reported	5,070	1,560	691	2,260	1,873	17	11,470
<i>of which: integration-related expenses</i>	490	188	66	166	749	93	1,751
<i>of which: acquisition-related costs</i>						(1)	(1)
<i>of which: amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group</i>		29					29
Operating expenses (underlying)	4,580	1,343	625	2,094	1,124	(75)	9,690
<b>Operating profit / (loss) before tax as reported</b>	<b>381</b>	<b>788</b>	<b>115</b>	<b>(169)</b>	<b>(1,726)</b>	<b>(140)</b>	<b>(751)</b>
<b>Operating profit / (loss) before tax (underlying)</b>	<b>778</b>	<b>908</b>	<b>180</b>	<b>(280)</b>	<b>(977)</b>	<b>(17)</b>	<b>592</b>

For the quarter ended 30.9.23 revised <sup>1</sup>							
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
Total revenues as reported	5,810	2,871	755	2,151	350	(242)	11,695
<i>of which: accretion of PPA adjustments on financial instruments and other effects</i>	318	446		251		(57)	958
Total revenues (underlying)	5,492	2,426	755	1,900	350	(186)	10,737
Credit loss expense / (release)	2	168	0	4	59	6	239
Operating expenses as reported	4,801	1,579	724	2,377	2,152	7	11,640
<i>of which: integration-related expenses</i>	431	166	125	365	918	(2)	2,003
<i>of which: acquisition-related costs</i>						26	26
<i>of which: amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group</i>		28					28
Operating expenses (underlying)	4,370	1,385	599	2,012	1,234	(17)	9,583
<b>Operating profit / (loss) before tax as reported</b>	<b>1,007</b>	<b>1,124</b>	<b>31</b>	<b>(230)</b>	<b>(1,861)</b>	<b>(255)</b>	<b>(184)</b>
<b>Operating profit / (loss) before tax (underlying)</b>	<b>1,119</b>	<b>872</b>	<b>156</b>	<b>(116)</b>	<b>(943)</b>	<b>(174)</b>	<b>914</b>

For the quarter ended 31.12.22							
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
Total revenues as reported	4,601	1,130	495	1,682	53	67	8,029
<i>of which: gain from sales of real estate</i>						68	68
Total revenues (underlying)	4,601	1,130	495	1,682	53	(1)	7,961
Credit loss expense / (release)	3	(4)	0	8	0	0	7
Operating expenses as reported	3,540	605	372	1,563	21	(15)	6,085
<b>Operating profit / (loss) before tax as reported</b>	<b>1,058</b>	<b>529</b>	<b>124</b>	<b>112</b>	<b>33</b>	<b>81</b>	<b>1,937</b>
<b>Operating profit / (loss) before tax (underlying)</b>	<b>1,058</b>	<b>529</b>	<b>124</b>	<b>112</b>	<b>33</b>	<b>13</b>	<b>1,869</b>

<sup>1</sup> Comparative-period information has been revised. Refer to "Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial information" section of the UBS Group fourth quarter 2023 report for more information.

**Selected financial information of our business divisions and Group Items**

For the year ended 31.12.23								
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Negative goodwill	Total
Total revenues as reported	21,190	8,436	2,639	8,661	741	(833)		40,834
<i>of which: accretion of PPA adjustments on financial instruments and other effects</i>	719	1,013		583		(35)		2,280
<i>of which: losses related to investment in SIX Group</i>	(190)	(317)						(508)
Total revenues (underlying)	20,661	7,741	2,639	8,078	741	(798)		39,062
Negative goodwill							28,925	28,925
Credit loss expense / (release)	147	501	0	190	193	6		1,037
Operating expenses as reported	17,454	4,787	2,321	8,515	5,290	440		38,806
<i>of which: integration-related expenses</i>	988	383	205	692	1,772	438		4,478
<i>of which: acquisition-related costs</i>						202		202
<i>of which: amortization from newly recognized intangibles resulting from the acquisition of the Credit Suisse Group</i>		65						65
Operating expenses (underlying)	16,466	4,338	2,116	7,823	3,518	(200)		34,061
<b>Operating profit / (loss) before tax as reported</b>	<b>3,589</b>	<b>3,148</b>	<b>318</b>	<b>(44)</b>	<b>(4,741)</b>	<b>(1,279)</b>	<b>28,925</b>	<b>29,916</b>
<b>Operating profit / (loss) before tax (underlying)</b>	<b>4,048</b>	<b>2,902</b>	<b>522</b>	<b>64</b>	<b>(2,969)</b>	<b>(603)</b>		<b>3,963</b>

For the year ended 31.12.22								
<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items		Total
Total revenues as reported	18,967	4,302	2,961	8,717	237	(622)		34,563
<i>of which: net gain from disposals</i>			848					848
<i>of which: gains from sales of subsidiary and business</i>	219							219
<i>of which: losses in the first quarter of 2022 from transactions with Russian counterparties</i>				(93)				(93)
<i>of which: litigation settlement</i>					62			62
<i>of which: gain from sales of real estate</i>						68		68
Total revenues (underlying)	18,748	4,302	2,114	8,810	175	(690)		33,459
Credit loss expense / (release)	0	39	0	(12)	2	1		29
Operating expenses as reported	13,989	2,452	1,564	6,832	104	(12)		24,930
<b>Operating profit / (loss) before tax as reported</b>	<b>4,977</b>	<b>1,812</b>	<b>1,397</b>	<b>1,897</b>	<b>131</b>	<b>(611)</b>		<b>9,604</b>
<b>Operating profit / (loss) before tax (underlying)</b>	<b>4,758</b>	<b>1,812</b>	<b>550</b>	<b>1,990</b>	<b>69</b>	<b>(679)</b>		<b>8,500</b>

## Our key figures

<i>USD m, except where indicated</i>	As of or for the quarter ended			As of or for the year ended	
	31.12.23	30.9.23 <sup>1</sup>	31.12.22	31.12.23	31.12.22
<b>Group results</b>					
Total revenues	10,855	11,695	8,029	40,834	34,563
Negative goodwill				28,925	
Credit loss expense / (release)	136	239	7	1,037	29
Operating expenses	11,470	11,640	6,085	38,806	24,930
Operating profit / (loss) before tax	(751)	(184)	1,937	29,916	9,604
Net profit / (loss) attributable to shareholders	(279)	(715)	1,653	29,027	7,630
Diluted earnings per share (USD) <sup>2</sup>	(0.09)	(0.22)	0.50	8.81	2.25
<b>Profitability and growth<sup>3,4,5</sup></b>					
Return on equity (%)	(1.3)	(3.3)	11.7	38.6	13.3
Return on tangible equity (%)	(1.4)	(3.6)	13.2	42.6	14.9
Underlying return on tangible equity (%)	4.7	1.5	12.7	4.0	12.8
Return on common equity tier 1 capital (%)	(1.4)	(3.6)	14.7	43.7	17.0
Underlying return on common equity tier 1 capital (%)	4.7	1.4	14.1	4.1	14.6
Return on leverage ratio denominator, gross (%)	2.6	2.8	3.2	2.9	3.3
Cost / income ratio (%) <sup>6</sup>	105.7	99.5	75.8	95.0	72.1
Underlying cost / income ratio (%) <sup>6</sup>	93.0	89.3	76.4	87.2	74.5
Effective tax rate (%)	n.m. <sup>7</sup>	n.m. <sup>7</sup>	14.5	2.9	20.2
Net profit growth (%)	n.m.	n.m.	22.6	280.4	2.3
<b>Resources<sup>8</sup></b>					
Total assets	1,717,569	1,644,329	1,104,364	1,717,569	1,104,364
Equity attributable to shareholders	87,285	84,926	56,876	87,285	56,876
Common equity tier 1 capital <sup>8</sup>	79,263	78,587	45,457	79,263	45,457
Risk-weighted assets <sup>9</sup>	546,505	546,491	319,585	546,505	319,585
Common equity tier 1 capital ratio (%) <sup>8</sup>	14.5	14.4	14.2	14.5	14.2
Going concern capital ratio (%) <sup>8</sup>	17.0	16.8	18.2	17.0	18.2
Total loss-absorbing capacity ratio (%) <sup>8</sup>	36.6	35.7	33.0	36.6	33.0
Leverage ratio denominator <sup>8</sup>	1,695,403	1,615,817	1,028,461	1,695,403	1,028,461
Common equity tier 1 leverage ratio (%) <sup>8</sup>	4.7	4.9	4.4	4.7	4.4
Liquidity coverage ratio (%) <sup>9</sup>	215.7	196.5	163.7	215.7	163.7
Net stable funding ratio (%)	124.1	120.7	119.8	124.1	119.8
<b>Other</b>					
Invested assets (USD bn) <sup>4,10,11</sup>	5,714	5,373	3,981	5,714	3,981
Personnel (full-time equivalents)	112,842	115,981	72,597	112,842	72,597
Market capitalization <sup>2,12</sup>	107,355	85,768	65,608	107,355	65,608
Total book value per share (USD) <sup>2</sup>	27.20	26.27	18.30	27.20	18.30
Tangible book value per share (USD) <sup>2</sup>	24.86	23.96	16.28	24.86	16.28

<sup>1</sup> Comparative-period information has been revised. Refer to "Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial information" section of the UBS Group fourth quarter 2023 report for more information. <sup>2</sup> Refer to the "Share information and earnings per share" section of the UBS Group fourth quarter 2023 report for more information. <sup>3</sup> Refer to the "Recent developments" section of the UBS Group fourth quarter 2023 report for more information about the updated targets, guidance and ambitions. <sup>4</sup> Refer to "Alternative performance measures" in the appendix to the UBS Group fourth quarter 2023 report for the definition and calculation method. <sup>5</sup> Profit or loss information for each of the fourth quarter of 2023 and the third quarter of 2023 is presented on a consolidated basis, including for each quarter Credit Suisse data for three months, and for the purpose of the calculation of return measures, has been annualized multiplying such by four. Profit or loss information for 2023 includes seven months (June to December 2023, inclusive) of Credit Suisse data for the year-to-date return measure. <sup>6</sup> Negative goodwill is not used in the calculation as it is presented in a separate reporting line and is not part of total revenues. <sup>7</sup> The effective tax rate for the fourth and third quarters of 2023 is not a meaningful measure, due to the distortive effect of current unbenefited tax losses at the former Credit Suisse entities. <sup>8</sup> Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital management" section of the UBS Group fourth quarter 2023 report for more information. <sup>9</sup> The disclosed ratios represent quarterly averages for the quarters presented and are calculated based on an average of 63 data points in the fourth quarter of 2023, 63 data points in the third quarter of 2023 and 63 data points in the fourth quarter of 2022. Refer to the "Liquidity and funding management" section of the UBS Group fourth quarter 2023 report for more information. <sup>10</sup> Consists of invested assets for Global Wealth Management, Asset Management and Personal & Corporate Banking. Refer to "Note 31 Invested assets and net new money" in the "Consolidated financial statements" section of the Annual Report 2022 for more information. <sup>11</sup> Starting with the second quarter of 2023, invested assets include invested assets from associates in the Asset Management business division, to better reflect the business strategy. Comparative figures have been restated to reflect this change. <sup>12</sup> In the second quarter of 2023, the calculation of market capitalization was amended to reflect total shares issued multiplied by the share price at the end of the period. The calculation was previously based on total shares outstanding multiplied by the share price at the end of the period. Market capitalization has been increased by USD 7.8bn as of 31 December 2022 as a result.

**Income statement**

<i>USD m</i>	For the quarter ended			% change from		For the year ended	
	31.12.23	30.9.23 <sup>1</sup>	31.12.22	3Q23	4Q22	31.12.23	31.12.22
Net interest income	2,095	2,107	1,589	(1)	32	7,297	6,621
Other net income from financial instruments measured at fair value through profit or loss	3,158	3,226	1,876	(2)	68	11,583	7,517
Net fee and commission income	5,780	6,056	4,359	(5)	33	21,570	18,966
Other income	(179)	305	206			384	1,459
<b>Total revenues</b>	<b>10,855</b>	<b>11,695</b>	<b>8,029</b>	<b>(7)</b>	<b>35</b>	<b>40,834</b>	<b>34,563</b>
<b>Negative goodwill</b>						28,925	
<b>Credit loss expense / (release)</b>	<b>136</b>	<b>239</b>	<b>7</b>	<b>(43)</b>		<b>1,037</b>	<b>29</b>
Personnel expenses	7,061	7,567	4,122	(7)	71	24,899	17,680
General and administrative expenses	2,999	3,124	1,420	(4)	111	10,156	5,189
Depreciation, amortization and impairment of non-financial assets	1,409	950	543	48	159	3,750	2,061
<b>Operating expenses</b>	<b>11,470</b>	<b>11,640</b>	<b>6,085</b>	<b>(1)</b>	<b>88</b>	<b>38,806</b>	<b>24,930</b>
<b>Operating profit / (loss) before tax</b>	<b>(751)</b>	<b>(184)</b>	<b>1,937</b>	<b>307</b>		<b>29,916</b>	<b>9,604</b>
Tax expense / (benefit)	(473)	526	280			873	1,942
<b>Net profit / (loss)</b>	<b>(278)</b>	<b>(711)</b>	<b>1,657</b>	<b>(61)</b>		<b>29,043</b>	<b>7,661</b>
Net profit / (loss) attributable to non-controlling interests	1	4	4	(80)	(79)	16	32
<b>Net profit / (loss) attributable to shareholders</b>	<b>(279)</b>	<b>(715)</b>	<b>1,653</b>	<b>(61)</b>		<b>29,027</b>	<b>7,630</b>

**Comprehensive income**

Total comprehensive income	2,695	(2,622)	2,208		22	30,035	3,167
Total comprehensive income attributable to non-controlling interests	18	(8)	17		5	22	18
<b>Total comprehensive income attributable to shareholders</b>	<b>2,677</b>	<b>(2,614)</b>	<b>2,190</b>		<b>22</b>	<b>30,013</b>	<b>3,149</b>

<sup>1</sup> Comparative-period information has been revised. Refer to "Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial information" section of the UBS Group fourth quarter 2023 report for more information.

## Information about results materials and the earnings call

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UBS's fourth quarter 2023 report, news release and slide presentation are available from 06:45 CET on Tuesday, 6 February 2024, at [ubs.com/quarterlyreporting](https://ubs.com/quarterlyreporting).

UBS will hold a presentation of its fourth quarter 2023 results on Tuesday, 6 February 2024. The results will be presented by Sergio P. Ermotti (Group Chief Executive Officer), Todd Tuckner (Group Chief Financial Officer), Sarah Mackey (Head of Investor Relations), and Marsha Askins (Group Head Communications & Branding).

### UBS Group AG, Credit Suisse AG and UBS AG

#### Investor contact

Switzerland: +41-44-234 41 00  
Americas: +1-212-882 57 34

#### Media contact

Switzerland: +41-44-234 85 00  
UK: +44-207-567 47 14  
Americas: +1-212-882 58 58  
APAC: +852-297-1 82 00

[ubs.com](https://ubs.com)

#### Time

09:00 CET  
08:00 GMT  
03:00 US EST

#### Video webcast

The presentation for analysts can be followed live via video webcast on [ubs.com/quarterlyreporting](https://ubs.com/quarterlyreporting) with a simultaneous slide show.

The video webcast of the results presentation remains available on [ubs.com/investors](https://ubs.com/investors).

**Cautionary statement regarding forward-looking statements**

This news release 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. In particular, terrorist activity and conflicts in the Middle East, as well as the continuing Russia–Ukraine war, may have significant impacts on global markets, exacerbate global inflationary pressures, and slow global growth. In addition, the ongoing conflicts may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to the armed conflicts, including, with respect to the Russia–Ukraine war, coordinated successive sets of sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the ongoing conflicts 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 the Credit Suisse Group 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 and 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 Group; (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 the Credit Suisse Group; (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; (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 the Credit Suisse Group; (vi) changes in 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 and any additional requirements due to its acquisition of the Credit Suisse Group, 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 the Credit Suisse Group, 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 of Credit Suisse, 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 Risk Factors filed on Form 6-K with the 2Q23 UBS Group AG report on 31 August 2023

and 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.

**Rounding**

Numbers presented throughout this news release 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.

**Websites**

In this news release, any website addresses are provided solely for information and are not intended to be active links. UBS is not incorporating the contents of any such websites into this report.