

Financial results

Second quarter 2022

Group highlights



We are helping our clients navigate challenging markets



We are executing our strategy to drive sustainable growth and efficiency



We delivered strong reported results and good underlying performance

Selected highlights for 2Q22

Global Wealth Management

– Profit before tax	USD	1.2bn
– Profit before tax growth		(11%) YoY
– Invested assets	USD	2.8trn
– Net new fee-generating assets ¹	USD	0.4bn

Personal & Corporate Banking

– Profit before tax	CHF	0.4bn
– Return on attributed equity (CHF)		18%
– Net new investment products	CHF	0.5bn

Asset Management

– Profit before tax	USD	1.0bn
– Invested assets	USD	1.0trn
– Net new money excl. money market	USD	(12bn)

Investment Bank

– Profit before tax	USD	0.4bn
– Return on attributed equity		12%
– RWA and LRD vs. Group		32% / 30%

“In these uncertain times, we remained close to our clients. We focused on improving our ecosystem and how clients access it. This, combined with our strategy, diversified business model and strong balance sheet led to strong reported results and good underlying performance.”

Ralph Hamers, Group CEO

Selected financials for 2Q22

2.6

USD bn

Profit before tax

2.1

USD bn

Net profit attributable to UBS Group AG shareholders

0.61

USD

Diluted earnings per share

18.9

%

RoCET1 capital

14.2

%

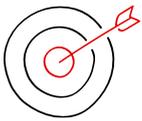
CET1 capital ratio

Group highlights



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Amidst an acceleration in market declines across equity and fixed income, we focused on being close to our clients and supporting them with advice, liquidity and execution across our USD 3.9trn ecosystem. Against this backdrop, Global Wealth Management net new fee-generating assets flows were muted at USD 0.4bn globally, but they were over USD 3bn positive in APAC. We saw USD 12bn of outflows in Asset Management, primarily from equities. With loans of close to USD 400bn and deposits over USD 500bn we saw combined net interest income up 15% year-on-year for GWM and P&C. Client activity was robust but differentiated across segments as institutional clients remained very active, with 10% growth in Global Markets revenues, on the back of high volatility, whereas private investors remained generally on the sidelines. Nonetheless, our clients committed USD 3.9bn in private markets and invested USD 4.0bn in separately managed accounts. Momentum also stayed positive in our modular digital mandate offering, My Way, as well as in investment products in Switzerland, each contributing USD 0.5bn of inflows. Finally, with USD 239bn Sustainable Finance invested assets we are more than halfway towards our USD 400bn aspiration by 2025.



We are executing our strategy to drive sustainable growth and efficiency

We are using technology to improve how clients interact with us and how we work. Our mobile-only retail clients in Switzerland now represent around a third of our client base, a 30% growth versus last year. To support them, we expanded our offering and capabilities with UBS key4. In APAC, we launched Circle One, a platform that will bring the best of UBS's global ecosystem directly to our clients. We are improving how we manage, change and develop technology, and we are fostering our engineering culture. For instance, 60% of our applications are currently on the cloud – half in the public and half in the private cloud. Engineers make up 65% of the technology teams that have transitioned to agile, 10 percentage points more than pre-agile. We deployed new AI technology in over 500 applications, and we decommissioned around 300 applications year to date to simplify our tech estate. We achieved this while remaining disciplined on costs, progressing our cost-saving program as planned and investing in our growth initiatives.



We delivered strong reported results and good underlying performance

2Q22 PBT was USD 2,615m (up 1% YoY). This included the sale of our stake in a joint venture as announced in 1Q22. Our capital-light business model, proactive risk management and exposure to rising interest rates contributed to the quarter's good performance. The cost/income ratio was 70.6%, an improvement of 1.2 percentage points YoY. Total revenues were broadly flat YoY, while operating expenses decreased by 1%. Net profit attributable to shareholders was USD 2,108m (up 5% YoY), with diluted earnings per share of USD 0.61. Return on CET1 capital was 18.9%. The quarter-end CET1 capital ratio was 14.2% (guidance: ~13%) and the CET1 leverage ratio was 4.37% (guidance: >3.7%). We repurchased USD 1.6bn of shares in 2Q22 and USD 3.3bn in the first half of the year, and we expect to repurchase a total of around USD 5bn of shares during 2022, as planned.

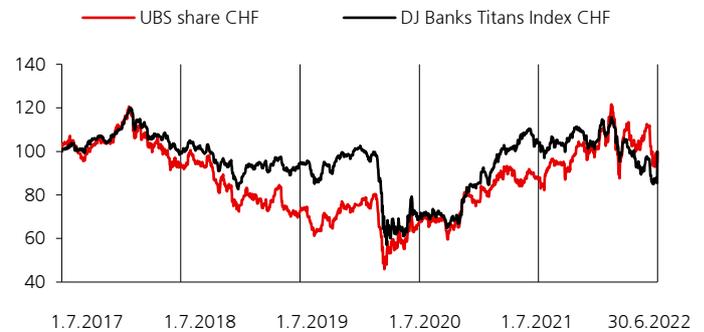
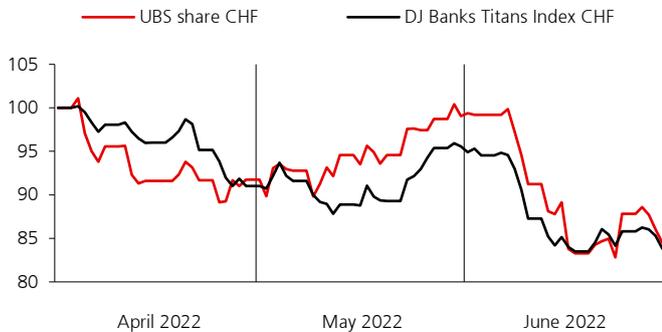
UBS share performance

Second quarter 2022
In %

1.4.2022 – 30.6.2022

Since 2017
In %

1.7.2017 – 30.6.2022



Our key figures

	As of or for the quarter ended				As of or year-to-date	
	30.6.22	31.3.22	31.12.21	30.6.21	30.6.22	30.6.21
<i>USD m, except where indicated</i>						
Group results						
Total revenues	8,917	9,382	8,705	8,897	18,299	17,574
Credit loss expense / (release)	7	18	(27)	(80)	25	(108)
Operating expenses	6,295	6,634	7,003	6,384	12,929	12,790
Operating profit / (loss) before tax	2,615	2,729	1,729	2,593	5,344	4,891
Net profit / (loss) attributable to shareholders	2,108	2,136	1,348	2,006	4,244	3,830
Diluted earnings per share (USD) ¹	0.61	0.61	0.38	0.55	1.22	1.04
Profitability and growth²						
Return on equity (%)	14.6	14.3	8.9	13.7	14.4	13.1
Return on tangible equity (%)	16.4	16.0	10.0	15.4	16.2	14.7
Return on common equity tier 1 capital (%)	18.9	19.0	11.9	19.3	18.9	18.8
Return on leverage ratio denominator, gross (%)	3.4	3.5	3.3	3.4	3.5	3.4
Cost / income ratio (%)	70.6	70.7	80.5	71.8	70.7	72.8
Effective tax rate (%)	19.0	21.4	21.4	22.4	20.2	21.5
Net profit growth (%)	5.1	17.1	(17.6)	62.8	10.8	35.5
Resources²						
Total assets	1,113,193	1,139,922	1,117,182	1,086,519	1,113,193	1,086,519
Equity attributable to shareholders	56,845	58,855	60,662	58,765	56,845	58,765
Common equity tier 1 capital ³	44,798	44,593	45,281	42,583	44,798	42,583
Risk-weighted assets ³	315,685	312,037	302,209	293,277	315,685	293,277
Common equity tier 1 capital ratio (%) ³	14.2	14.3	15.0	14.5	14.2	14.5
Going concern capital ratio (%) ³	19.0	19.2	20.0	20.2	19.0	20.2
Total loss-absorbing capacity ratio (%) ³	33.7	34.2	34.7	35.6	33.7	35.6
Leverage ratio denominator ³	1,025,422	1,072,953	1,068,862	1,039,939	1,025,422	1,039,939
Common equity tier 1 leverage ratio (%) ³	4.37	4.16	4.24	4.09	4.37	4.09
Liquidity coverage ratio (%) ⁴	161	160	155	156	161	156
Net stable funding ratio (%) ⁴	121	122	119	115	121	115
Other						
Invested assets (USD bn) ⁵	3,912	4,380	4,596	4,485	3,912	4,485
Personnel (full-time equivalents)	71,294	71,697	71,385	71,304	71,294	71,304
Market capitalization ¹	52,475	65,775	61,230	53,218	52,475	53,218
Total book value per share (USD) ¹	17.45	17.57	17.84	16.90	17.45	16.90
Tangible book value per share (USD) ¹	15.51	15.67	15.97	15.05	15.51	15.05

¹ Refer to the "Share information and earnings per share" section of the UBS Group second quarter 2022 report for more information. ² Refer to the "Targets, aspirations and capital guidance" section of our Annual Report 2021 for more information about our performance targets. ³ Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital management" section of the UBS Group second quarter 2022 report for more information. ⁴ The final Swiss net stable funding ratio (NSFR) regulation became effective on 1 July 2021. Prior to this date, the NSFR was based on estimated pro forma reporting. Refer to the "Liquidity and funding management" section of the UBS Group second quarter 2022 report for more information. ⁵ Consists of invested assets for Global Wealth Management, Asset Management and Personal & Corporate Banking. Refer to "Note 32 Invested assets and net new money" in the "Consolidated financial statements" section of our Annual Report 2021 for more information.

Information in this news release is presented for UBS Group AG on a consolidated basis unless otherwise specified. Financial information for UBS AG (consolidated) does not differ materially from UBS Group AG (consolidated) and a comparison between UBS Group AG (consolidated) and UBS AG (consolidated) is provided at the end of this news release.

¹ 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 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.

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Cautionary statement regarding forward-looking statements | This document contains statements that constitute forward-looking statements. While these statements represent UBS's judgments and expectations 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. Additional information about those factors is set forth in documents furnished and filings made by UBS with the US Securities and Exchange Commission, including the UBS Annual Report on Form 20-F for the year ended 31 December 2021 and UBS's filings on Form 6-K. UBS undertakes no obligation to update the information contained herein. UBS specifically prohibits the redistribution or reproduction of this material in whole or in part without the prior written permission of UBS, and UBS accepts no liability whatsoever for the actions of third parties in this respect.

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