

UBS's 1Q21 results materials are available at [ubs.com/investors](https://ubs.com/investors)  
The audio webcast of the earnings call starts at 09:00 CET, 27 April 2021

# 1Q21 net profit of USD 1.8bn, 18.2% return on CET1 capital

## Group highlights

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- **Building on client connectivity through advice, solutions and thought leadership in a dynamic environment:** Our clients continued to put their trust in us and benefitted from the full spectrum of our business mix and geographical diversification. This, together with favorable market conditions and investor sentiment, led to higher recurring revenues YoY, while strong client activity drove transaction income, as well as an increase in lending across our businesses.
- **1Q21 financials:** PBT was USD 2,298m (up 14% YoY), including net credit loss releases of USD 28m. The cost/income ratio was 73.8%, 1.5 percentage points higher YoY. Operating income increased by 10% YoY, while operating expenses increased by 8%. Net profit attributable to shareholders was USD 1,824m (up 14% YoY), with diluted earnings per share of USD 0.49. Return on CET1 capital<sup>1</sup> was 18.2%. The default by a US-based client of our prime brokerage business resulted in an impact on net profit attributable to shareholders of USD 434m.
- **Our strong capital position supports growth and shareholder returns:** The quarter-end CET1 capital ratio was 14.0% (guidance: ~13%) and the CET1 leverage ratio was 3.89% (guidance: >3.7%), both up QoQ. We paid the 2020 ordinary dividend of USD 0.37 per share in April 2021 (USD 1.3bn) and we repurchased USD 1.1bn of shares year-to-date. We will resume repurchasing shares shortly.
- **Unlocking the power of UBS:** We have unveiled our purpose statement: *Reimagining the power of investing. Connecting people for a better world.* Our purpose – together with our new strategic framework consisting of our vision, client promise, strategic imperatives, and sustainability commitments – maps out the next steps in our firm's journey.

## Ralph Hamers, UBS's CEO said:

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"In the first quarter of 2021, our clients benefited from our broad capabilities, geographic reach and connectivity. They continued to put their trust in us and looked to UBS for advice, solutions and thought leadership in a dynamic market environment. This was evidenced by the continued net inflows that helped our invested assets across wealth and asset management grow by over 100 billion dollars to 4.2 trillion. This, together with favorable market conditions and improved investor sentiment, contributed to positive results in the first quarter of 2021. All in all, we saw record activity across our client franchises, resulting in operating income being up 10%, profit before tax up 14%, and net profit attributable to shareholders up 14%, compared with the first quarter of 2020 which was strong in itself.

However, our first quarter results also factored in a loss related to the default by a single US-based prime brokerage client. We are all clearly disappointed and are taking this very seriously. A detailed review of our relevant risk management processes is underway and appropriate measures are being put in place to avoid such situations in the future. This never impeded our ability to serve our clients. We were still able to increase our CET1 capital ratio to 14% and deliver a return on CET1 capital of 18%. Our Investment Bank fully absorbed this loss, yet still delivered a 13% return on attributed equity, which would have been in excess of 30% had it not been for this incident.

Our financial strength and ability to weather all seasons, together with our unique positioning as the largest truly global wealth manager, enable us to look to our future with confidence. In an ever-evolving world, we, too, must continue to improve and adapt. That's why I'm proud to unveil our new strategy today. It all starts with our purpose, our why: *Reimagining the power of investing. Connecting people for a better world.*

Our purpose and strategy – underpinned by a newly defined vision, our client promise, and five strategic imperatives – outline the actions we’re taking to unlock the power of UBS and evolve into a more client-focused, more agile, more digital firm. A firm that puts a personalized, relevant, on-time and seamless client experience and sustainability at the center of everything we do.”

## 1Q21 financial performance – selected highlights

### Group

<b>Return on CET1 capital</b>	<b>18.2%</b>	Target: 12–15%
Return on tangible equity	14.0%	
<b>Cost/income ratio</b>	<b>73.8%</b>	Target: 75–78%
Net profit attributable to shareholders	USD 1.8bn	
<b>CET1 capital ratio</b>	<b>14.0%</b>	Guidance: ~13%
<b>CET1 leverage ratio</b>	<b>3.89%</b>	Guidance: >3.7%
Tangible book value per share	USD 14.65	

### Global Wealth Management

Profit before tax	USD 1.4bn	
<b>PBT growth</b>	<b>16%</b>	Target: 10–15% over the cycle
Invested assets	USD 3.1trn	
Net new fee-generating assets	USD 36bn	

### Personal & Corporate Banking

Profit before tax	CHF 0.4bn	
Return on attributed equity (CHF)	17%	
Net new business volume growth for Personal Banking (CHF)	7.6%	

### Asset Management

Profit before tax	USD 0.2bn	
Invested assets	USD 1.1trn	
Net new money	USD 26bn	

### Investment Bank

Profit before tax	USD 0.4bn	
Return on attributed equity	13%	
<b>RWA and LRD vs. Group</b>	<b>33% / 32%</b>	Guidance: up to 1/3

## Outlook

Investor sentiment remained positive in the first quarter of 2021, helped by the strong rebound in economic activity and greater optimism regarding the further recovery, supported by mass COVID-19 vaccination campaigns around the globe. Significant fiscal stimulus, notably in the US, along with the prospect of continued accommodative monetary policy, contributed to generally more positive views on the timing and extent of a sustainable economic recovery.

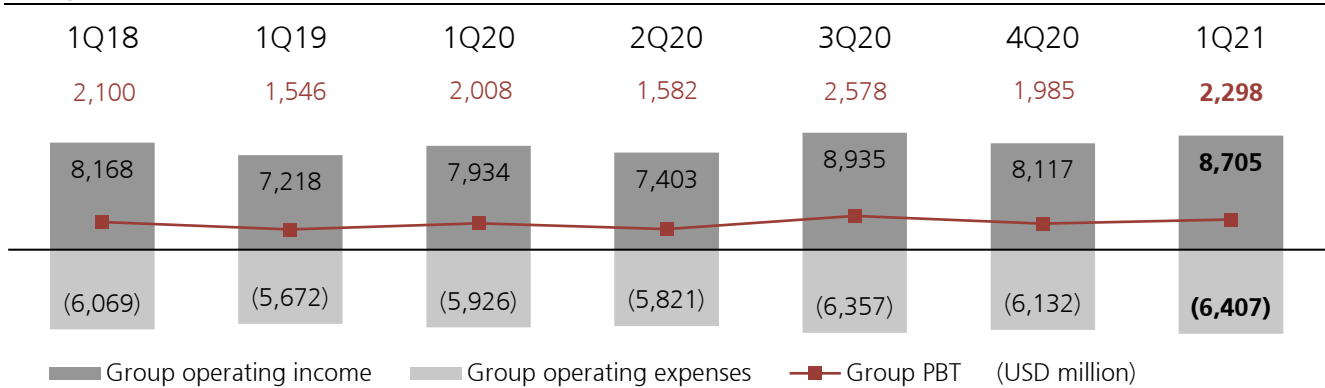
However, economic, social, and geopolitical tensions remain, raising questions around the sustainability and shape of the recovery. Persistently high numbers of COVID-19 infections and hospitalizations, as well as lockdowns and similar measures imposed to control the pandemic, add to these existing concerns, as well as the severity and duration of the effects of the pandemic in certain economic sectors.

Our clients value strength and expert guidance, particularly in these uncertain times, and we remain focused on supporting them with advice and solutions. We expect our revenues in the second quarter of 2021 to be influenced by seasonal factors, such as lower client activity compared with the first quarter of 2021. Higher asset prices should have a positive effect on recurring fee income in our asset gathering businesses. However, the continued uncertainty about the environment and economic recovery could affect both asset prices and client activity.

With our balance sheet for all seasons and our diversified business model, UBS remains well positioned to drive sustainable long-term value for our clients and shareholders.

## First quarter 2021 performance overview

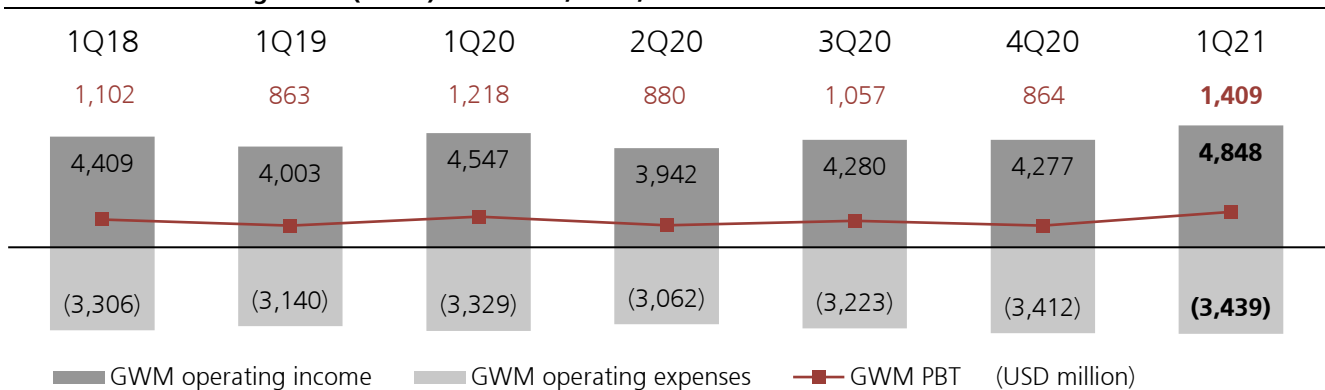
### Group PBT USD 2,298m, +14% YoY



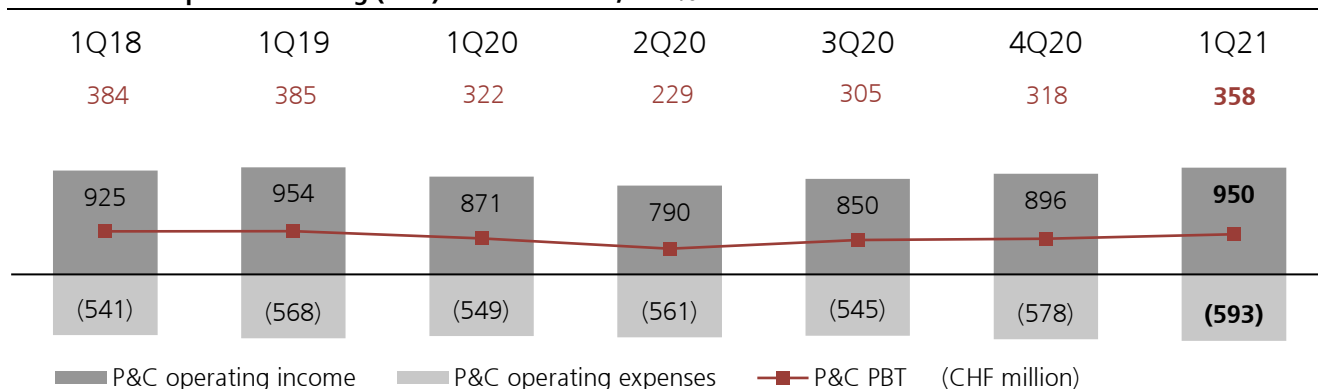
Group PBT was USD 2,298m (up 14% YoY), including net credit loss releases of USD 28m. The cost/income ratio was 73.8%, 1.5 percentage points higher YoY, as income (before credit loss expense) increased by 6% and total operating expenses increased by 8%. Operating income increased by 10% YoY. Net profit attributable to shareholders was USD 1,824m (up 14% YoY), with diluted earnings per share of USD 0.49. Return on CET1 capital<sup>1</sup> was 18.2%.

The default by a US-based client of our prime brokerage business resulted in an impact on 1Q21 Group net profit of USD 434m. The related loss in operating income of USD 774m was recognized within the Financing business in the Investment Bank, which provided prime brokerage services to the client, and arose as a result of closing out a significant portfolio of swaps with the client following the default and the unwinding of related hedges. We have exited all remaining exposures in April 2021, with related losses recognized in the second quarter of 2021 which are immaterial for the Group.

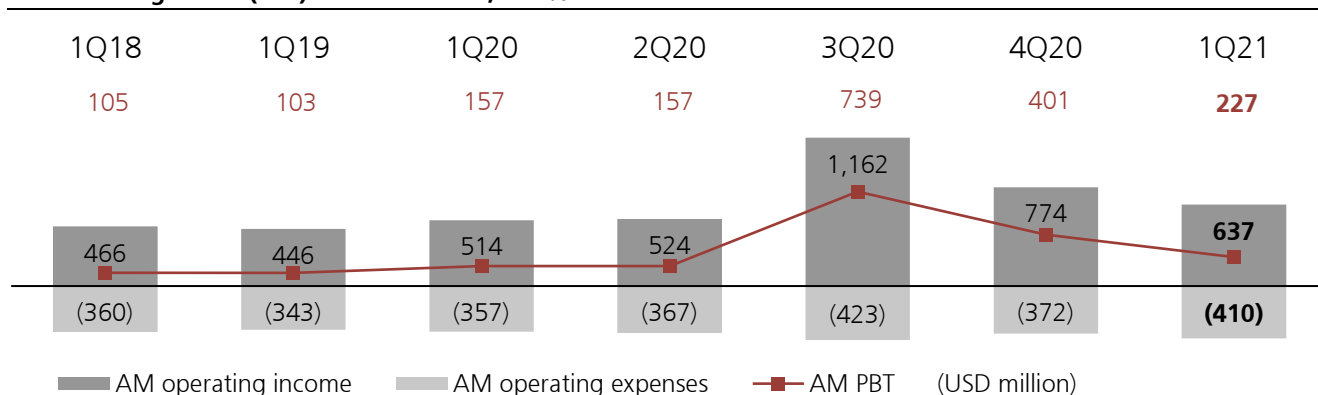
### Global Wealth Management (GWM) PBT USD 1,409m, +16% YoY



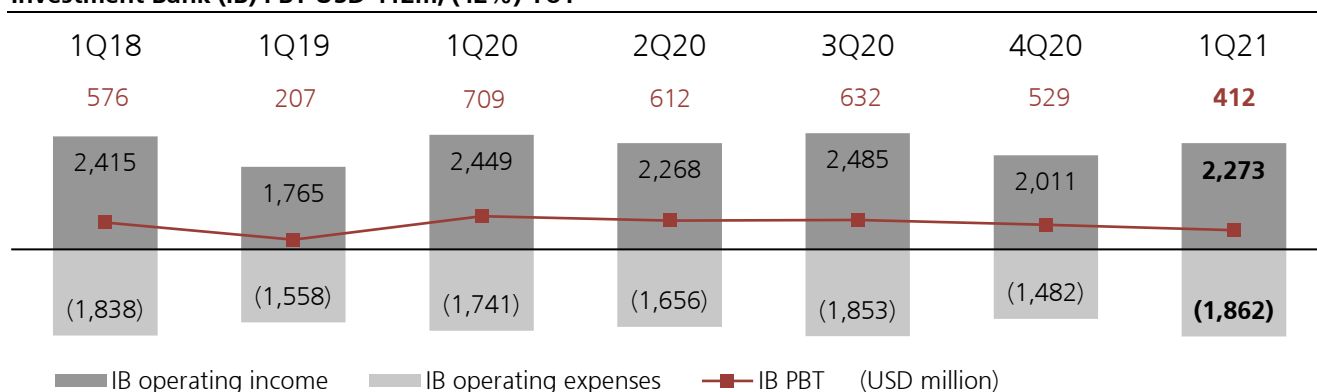
GWM delivered PBT growth in all regions. Recurring net fee income increased 8%, mainly driven by higher average fee-generating assets. Transaction-based income rose 6% on continued high levels of client activity in a constructive market environment. Net interest income decreased by 3%, due to the ongoing pressure from lower US dollar interest rates on deposits, and despite higher revenues from lending. Net credit loss releases were USD 3m. The cost/income ratio improved to 71.0%, down 1.4 percentage points YoY, as income increased by 5% and operating expenses increased by 3%. Loans increased to USD 219bn, with over USD 10bn of net new loans. Invested assets increased 3% sequentially to USD 3,108bn. Fee-generating assets<sup>2</sup> rose to USD 1,328bn, up 4% sequentially. Net new fee-generating assets<sup>2</sup> were USD 36.2bn, supported by inflows in all regions.

**Personal & Corporate Banking (P&C) PBT CHF 358m, +11% YoY**


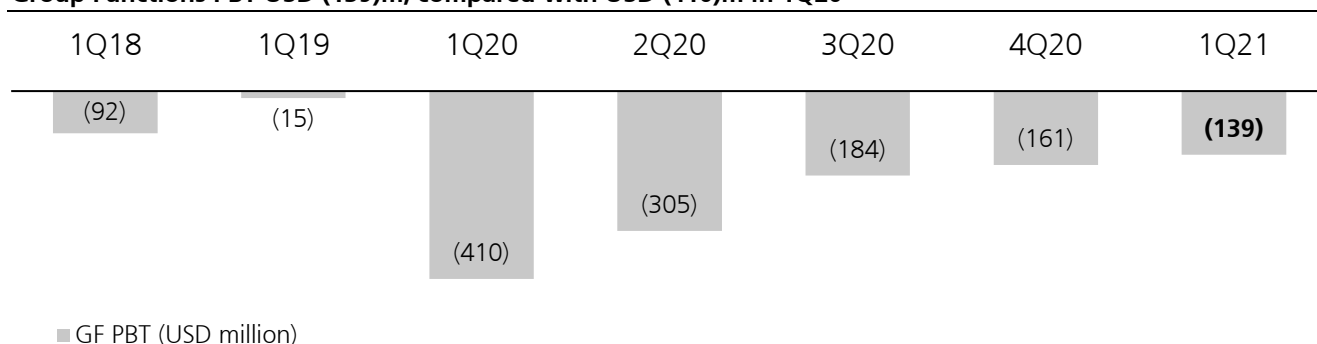
Operating income increased 9%, mainly on credit loss releases of CHF 22m as compared with credit loss expenses in the prior year, as well as a valuation gain of CHF 26m related to the SIX Group and 7% higher recurring net fee income. Lower revenue from credit card and foreign exchange transactions was the main driver of a decrease in transaction-based income, reflecting the effects of the COVID-19 pandemic on travel and leisure spending by clients. Lower deposit revenues mainly drove the 5% decrease in net interest income, reflecting a decrease in margins mainly as a result of lower US dollar interest rates. The cost/income ratio was 63.8%, an increase of 5.8 percentage points YoY, as income decreased by 2% and operating expenses increased by 8%, reflecting higher investments in technology and real estate expenses due to the closure of 44 branches in the first quarter of 2021. Net new business volume growth for Personal Banking was 7.6%.

**Asset Management (AM) PBT USD 227m, +45% YoY**


Operating income increased by 24% YoY with 153% higher performance fees, while net management fees rose 14%. Performance fees increased, mainly in our Hedge Fund Businesses, partly offset by our Equities business. The cost/income ratio was 64.4%, a 5.1 percentage point improvement YoY, with 24% income growth and 15% higher operating expenses. Invested assets increased 3% QoQ to USD 1,121bn. Net new money was USD 26.2bn (USD 21.9bn excluding money market flows).

**Investment Bank (IB) PBT USD 412m, (42%) YoY**


The IB's results included a USD 774m loss related to a default by a US-based client of our prime brokerage business. Global Markets revenue decreased by 27% or USD 554m, driven by the aforementioned loss. Excluding this loss, Global Markets would have been up 11%, driven by higher revenues from equity derivatives and cash equities products in a constructive market environment. Global Banking was up 48% or USD 254m, with a significant increase in Equity Capital Markets, driven by elevated IPO activity, and a significant increase in Advisory in EMEA. Credit loss releases were USD 2m. The cost/income ratio was 82.0%, 14.3 percentage points higher YoY, as income decreased by 12%, driven by the aforementioned loss, and operating expenses increased by 7%, largely driven by higher personnel expenses, mainly reflecting increased headcount and foreign currency translation effects. Annualized return on attributed equity was 12.7%.

**Group Functions PBT USD (139)m, compared with USD (410)m in 1Q20**


## Extending UBS's leadership in sustainable finance

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Sustainable finance has been a firm-wide priority for UBS for years. The pandemic is sharpening the market's understanding of the importance of climate transition and certain social issues, such as investment risks. UBS's aim is to continue to help private and institutional clients meet their investment objectives through sustainable finance, making it a critical component of UBS's strategy.

UBS has recently announced tougher environmental standards and will develop a detailed road map for achieving net zero greenhouse gas emissions across all its operations as a founding member of the Net-Zero Banking Alliance, bringing together 43 banks from 23 countries with over USD 28trn in assets, which are committed to aligning their lending and investment portfolios with net-zero emissions by 2050.

Details of the latest announcement outlining the firm's sustainability ambitions can be found [here](#).

UBS has also received the Gold Class Sustainability Award in the S&P Global Sustainability Yearbook showcasing the best performing companies in terms of environmental, social and governance metrics. In addition, the firm launched the first exchange-traded fund from its Asset Management's Climate Aware range of sustainable investment products. The UBS Climate Aware Global Developed Equity UCITS ETF, listed across multiple European exchanges, provides exposure to large- and mid-cap stocks across developed markets.

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.

<sup>1</sup> Return on CET1 capital is calculated as annualized net profit attributable to shareholders divided by average common equity tier 1 capital.

<sup>2</sup> New performance measure for our Global Wealth Management business: Beginning with the first quarter of 2021, we introduced net new fee-generating assets as a new performance measure for our Global Wealth Management business. The new measure captures the growth in clients' invested assets from net flows related to mandates, investment funds with recurring fees, hedge funds and private markets investments, combined with dividend and interest payments into mandates, less fees paid to UBS by clients. The underlying assets and products generate most of Global Wealth Management's recurring net fee income and a portion of its transaction-based income. Compared with net new money, net new fee-generating assets exclude flows related to assets that primarily generate revenues when traded in the form of commissions and transaction spreads, or borrowed against in the form of net interest income, and also exclude deposit flows that generate net interest income, and custody positions that generate custody fees. We will no longer report net new money for Global Wealth Management in our quarterly reports, but will continue to disclose this measure in our annual reports.

**Selected financial information of our business divisions and Group Functions<sup>1</sup>**

	For the quarter ended 31.3.21					
<i>USD million</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Group Functions	Total
Operating income	4,848	1,037	637	2,273	(90)	8,705
Operating expenses	3,439	647	410	1,862	49	6,407
<b>Operating profit / (loss) before tax</b>	<b>1,409</b>	<b>389</b>	<b>227</b>	<b>412</b>	<b>(139)</b>	<b>2,298</b>

	For the quarter ended 31.3.20					
<i>USD million</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Group Functions	Total
Operating income	4,547	904	514	2,449	(480)	7,934
Operating expenses	3,329	570	357	1,741	(71)	5,926
<i>of which: net restructuring expenses</i>	<i>61</i>	<i>1</i>	<i>5</i>	<i>19</i>	<i>0</i>	<i>86</i>
<b>Operating profit / (loss) before tax</b>	<b>1,218</b>	<b>334</b>	<b>157</b>	<b>709</b>	<b>(410)</b>	<b>2,008</b>

<sup>1</sup> The "of which" components of operating income and operating expenses disclosed in this table are items that are not recurring or necessarily representative of the underlying business performance for the reporting period specified.

**Our key figures**

<i>USD million, except where indicated</i>	As of or for the quarter ended		
	31.3.21	31.12.20	31.3.20
<b>Group results</b>			
Operating income	8,705	8,117	7,934
Operating expenses	6,407	6,132	5,926
Operating profit / (loss) before tax	2,298	1,985	2,008
Net profit / (loss) attributable to shareholders	1,824	1,636	1,595
Diluted earnings per share (USD) <sup>1</sup>	0.49	0.44	0.43
<b>Profitability and growth<sup>2</sup></b>			
Return on equity (%)	12.4	11.0	11.4
Return on tangible equity (%)	14.0	12.4	12.8
Return on common equity tier 1 capital (%)	18.2	16.8	17.7
Return on risk-weighted assets, gross (%)	12.0	11.4	12.0
Return on leverage ratio denominator, gross (%) <sup>3</sup>	3.3	3.2	3.5
Cost / income ratio (%)	73.8	74.9	72.3
Effective tax rate (%)	20.5	17.2	20.4
Net profit growth (%)	14.3	126.7	39.8
<b>Resources<sup>2</sup></b>			
Total assets	1,107,712	1,125,765	1,098,110
Equity attributable to shareholders	58,026	59,445	57,917
Common equity tier 1 capital <sup>4</sup>	40,426	39,890	36,659
Risk-weighted assets <sup>4</sup>	287,828	289,101	286,256
Common equity tier 1 capital ratio (%) <sup>4</sup>	14.0	13.8	12.8
Going concern capital ratio (%) <sup>4</sup>	19.6	19.4	18.1
Total loss-absorbing capacity ratio (%) <sup>4</sup>	35.0	35.2	32.7
Leverage ratio denominator <sup>3,4</sup>	1,038,225	1,037,150	955,943
Common equity tier 1 leverage ratio (%) <sup>3,4</sup>	3.89	3.85	3.83
Going concern leverage ratio (%) <sup>3,4</sup>	5.4	5.4	5.4
Total loss-absorbing capacity leverage ratio (%) <sup>4</sup>	9.7	9.8	9.8
Liquidity coverage ratio (%) <sup>5</sup>	151	152	139
<b>Other</b>			
Invested assets (USD billion) <sup>6</sup>	4,306	4,187	3,236
Personnel (full-time equivalents)	71,779	71,551	69,437
Market capitalization <sup>1</sup>	54,536	50,013	33,649
Total book value per share (USD) <sup>1</sup>	16.47	16.74	16.16
Total book value per share (CHF) <sup>1</sup>	15.57	14.82	15.57
Tangible book value per share (USD) <sup>1</sup>	14.65	14.91	14.37
Tangible book value per share (CHF) <sup>1</sup>	13.85	13.21	13.85

<sup>1</sup> Refer to the "Share information and earnings per share" section of the UBS Group first quarter 2021 report for more information. <sup>2</sup> Refer to the "Performance targets and capital guidance" section of our Annual Report 2020 for more information about our performance targets. <sup>3</sup> Leverage ratio denominators and leverage ratios for the respective periods in 2020 do not reflect the effects of the temporary exemption that applied from 25 March 2020 until 1 January 2021 and was granted by FINMA in connection with COVID-19. Refer to the "Regulatory and legal developments" section of our Annual Report 2020 for more information. <sup>4</sup> Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital management" section of the UBS Group first quarter 2021 report for more information. <sup>5</sup> Refer to the "Liquidity and funding management" section of the UBS Group first quarter 2021 report for more information. <sup>6</sup> 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 2020 for more information.



**Income statement**

<i>USD million</i>	For the quarter ended			% change from	
	31.3.21	31.12.20	31.3.20	4Q20	1Q20
Net interest income	1,613	1,622	1,330	(1)	21
Other net income from financial instruments measured at fair value through profit or loss	1,309	1,453	1,807	(10)	(28)
Credit loss (expense) / release	28	(66)	(268)		
Fee and commission income	6,169	5,543	5,477	11	13
Fee and commission expense	(478)	(459)	(456)	4	5
Net fee and commission income	5,691	5,084	5,021	12	13
Other income	64	24	43	161	46
Total operating income	8,705	8,117	7,934	7	10
Personnel expenses	4,801	3,989	4,321	20	11
General and administrative expenses	1,089	1,515	1,133	(28)	(4)
Depreciation and impairment of property, equipment and software	508	617	456	(18)	12
Amortization and impairment of goodwill and intangible assets	8	10	16	(16)	(46)
Total operating expenses	6,407	6,132	5,926	4	8
Operating profit / (loss) before tax	2,298	1,985	2,008	16	14
Tax expense / (benefit)	471	341	410	38	15
Net profit / (loss)	1,827	1,645	1,598	11	14
Net profit / (loss) attributable to non-controlling interests	3	9	3	(65)	7
<b>Net profit / (loss) attributable to shareholders</b>	<b>1,824</b>	<b>1,636</b>	<b>1,595</b>	<b>11</b>	<b>14</b>

**Comprehensive income**

Total comprehensive income	(339)	1,728	4,195		
Total comprehensive income attributable to non-controlling interests	(9)	27	(2)		426
<b>Total comprehensive income attributable to shareholders</b>	<b>(330)</b>	<b>1,701</b>	<b>4,197</b>		

**Comparison between UBS Group AG consolidated and UBS AG consolidated**

USD million, except where indicated	As of or for the quarter ended 31.3.21			As of or for the quarter ended 31.12.20		
	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)
<b>Income statement</b>						
Operating income	8,705	8,836	(130)	8,117	8,220	(103)
Operating expenses	6,407	6,684	(277)	6,132	6,324	(192)
Operating profit / (loss) before tax	2,298	2,151	147	1,985	1,896	89
<i>of which: Global Wealth Management</i>	1,409	1,391	18	864	855	9
<i>of which: Personal &amp; Corporate Banking</i>	389	390	0	353	353	(1)
<i>of which: Asset Management</i>	227	227	0	401	401	0
<i>of which: Investment Bank</i>	412	394	17	529	528	1
<i>of which: Group Functions</i>	(139)	(251)	112	(161)	(241)	79
Net profit / (loss)	1,827	1,713	114	1,645	1,572	73
<i>of which: net profit / (loss) attributable to shareholders</i>	1,824	1,710	114	1,636	1,563	73
<i>of which: net profit / (loss) attributable to non-controlling interests</i>	3	3	0	9	9	0
<b>Statement of comprehensive income</b>						
Other comprehensive income	(2,166)	(2,032)	(135)	83	54	29
<i>of which: attributable to shareholders</i>	(2,154)	(2,019)	(135)	65	36	29
<i>of which: attributable to non-controlling interests</i>	(12)	(12)	0	18	18	0
Total comprehensive income	(339)	(319)	(21)	1,728	1,626	102
<i>of which: attributable to shareholders</i>	(330)	(309)	(21)	1,701	1,599	102
<i>of which: attributable to non-controlling interests</i>	(9)	(9)	0	27	27	0
<b>Balance sheet</b>						
Total assets	1,107,712	1,109,234	(1,522)	1,125,765	1,125,327	438
Total liabilities	1,049,379	1,051,481	(2,102)	1,066,000	1,067,254	(1,254)
Total equity	58,333	57,753	580	59,765	58,073	1,691
<i>of which: equity attributable to shareholders</i>	58,026	57,446	580	59,445	57,754	1,691
<i>of which: equity attributable to non-controlling interests</i>	307	307	0	319	319	0
<b>Capital information</b>						
Common equity tier 1 capital	40,426	38,826	1,600	39,890	38,181	1,709
Going concern capital	56,288	53,255	3,033	56,178	52,610	3,567
Risk-weighted assets	287,828	285,119	2,710	289,101	286,743	2,358
Common equity tier 1 capital ratio (%)	14.0	13.6	0.4	13.8	13.3	0.5
Going concern capital ratio (%)	19.6	18.7	0.9	19.4	18.3	1.1
Total loss-absorbing capacity ratio (%)	35.0	34.2	0.7	35.2	34.2	1.0
Leverage ratio denominator <sup>1</sup>	1,038,225	1,039,736	(1,511)	1,037,150	1,036,771	379
Common equity tier 1 leverage ratio (%) <sup>1</sup>	3.89	3.73	0.16	3.85	3.68	0.16
Going concern leverage ratio (%) <sup>1</sup>	5.4	5.1	0.3	5.4	5.1	0.3
Total loss-absorbing capacity leverage ratio (%)	9.7	9.4	0.3	9.8	9.5	0.3

<sup>1</sup> Leverage ratio denominators and leverage ratios for 31 December 2020 do not reflect the effects of the temporary exemption that applied from 25 March 2020 until 1 January 2021 and was granted by FINMA in connection with COVID-19. Refer to the "Regulatory and legal developments" section of our Annual Report 2020 for more information.

## Information about results materials and the earnings call

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UBS's first quarter 2021 report, news release and slide presentation are available from 06:45 CEST on Tuesday, 27 April 2021, at [ubs.com/quarterlyreporting](https://ubs.com/quarterlyreporting).

UBS will hold a presentation of its first quarter 2021 results on Tuesday, 27 April 2021. The results will be presented by Ralph Hamers (Group Chief Executive Officer), Kirt Gardner (Group Chief Financial Officer), Martin Osinga (Investor Relations), and Marsha Askins (Head Communications & Branding).

### **Time**

09:00–11:00 CEST

08:00–10:00 GMT

03:00–05:00 US EST

### **Audio webcast**

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

### **Webcast playback**

An audio playback of the results presentation will be made available at [ubs.com/investors](https://ubs.com/investors) later in the day.

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**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. The outbreak of COVID-19 and the measures taken in response to the pandemic have had and may continue to have a significant adverse effect on global economic activity, and an adverse effect on the credit profile of some of our clients and other market participants, which has resulted in and may continue to increase credit loss expense and credit impairments. In addition, we face heightened operational risks due to remote working arrangements, including risks to supervisory and surveillance controls, as well as increased fraud and data security risks. The unprecedented scale of the measures taken to respond to the pandemic as well as the uncertainty surrounding vaccine supply, distribution, and efficacy against mutated virus strains create significantly greater uncertainty about forward-looking statements. Factors that may affect our performance and ability to achieve our plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the ongoing execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions; (iii) the continuing low or negative interest rate environment in Switzerland and other jurisdictions; (iv) developments (including as a result of the COVID-19 pandemic) 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, and currency exchange rates, and the effects of economic conditions, market developments, and 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 changes in UBS’s credit spreads and ratings, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in 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) the degree to which UBS is successful in implementing further changes to its legal structure to improve its resolvability and meet related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS Group in response to legal and regulatory requirements, proposals in Switzerland and other jurisdictions for mandatory structural reform of banks or systemically important institutions or to other external developments; (viii) UBS’s ability to maintain and improve its systems and controls for the detection and prevention of money laundering and compliance with sanctions to meet evolving regulatory requirements and expectations, in particular in the US; (ix) the uncertainty arising from the UK’s exit from the EU; (x) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers will adversely affect UBS’s ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to our businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of our RWA as well as the amount of capital available for return to shareholders; (xiii) the effects on UBS’s cross-border banking business of tax or regulatory developments and of possible changes in UBS’s policies and practices relating to this business; (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 and systems failures, the risk of which is increased while COVID-19 control measures require large portions of the staff of both UBS and its service providers to work remotely; (xix) restrictions on the ability of UBS Group AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS’s operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xx) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS’s ability to maintain its stated capital return objective; (xxi) uncertainty over the scope of actions that may be required by UBS, governments and others to achieve goals relating to climate, environmental and social matters as well as the evolving nature of underlying science and industry and governmental standards, and (xxii) the effect that these or other factors or unanticipated events may have on our reputation and the additional consequences that this may have on our business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. Our business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS’s Annual Report on Form 20-F for the year ended 31 December 2020. 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 are calculated on the basis of unrounded figures. Information about absolute changes between reporting periods, which is provided in text and which can be derived from figures displayed in the tables, is calculated on a rounded basis.

**Tables**

Within tables, blank fields generally indicate that the field is not applicable or not 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. Percentage changes are presented as a mathematical calculation of the change between periods.