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EDITED TRANSCRIPT

UBSG.VX - UBS Group AG to Discuss the Appointment of a New Group Chief Executive Officer Call - Press

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OVERVIEW:

Co. updated on the appointment of Ralph Hamers as Group Chief Executive Officer.



CORPORATE PARTICIPANTS

Axel A. Weber *UBS Group AG - Chairman of the Board*

Axel Peter Lehmann *UBS Group AG - President of Personal & Corp Banking, President UBS Switzerland and Member of Group Executive Board*

Markus Baumann *UBS Group AG - Group Company Secretary*

Ralph A. J. G. Hamers *ING Bank Slaski S.A. - CEO of ING Group*

Sergio P. Ermotti *UBS Group AG - Group CEO & Chairman of Executive Board*

CONFERENCE CALL PARTICIPANTS

Margot Patrick

Michael Shields

Stephen Morris

PRESENTATION

Markus Baumann - *UBS Group AG - Group Company Secretary*

It's quite a busy day for all of us. So we have about 35 to 40 minutes for this press conference as we have lots going on. I'm joined today by Axel Weber, our Chairman; and then by Sergio Ermotti, our CEO; and Ralph Hamers, the CEO of ING and incoming CEO.

So with that, I would like to give the word to -- opening remarks for Axel.

Axel A. Weber - *UBS Group AG - Chairman of the Board*

Thank you, Mark, and thank you all for coming here today to Zurich, to our headquarter here at UBS.

Today is the day where we are announcing and have come out this morning with a key senior leadership change at UBS. UBS has been honored to have Sergio Ermotti serve as the company's CEO for almost 9 years. Since assuming the role in 2011, Sergio has been an outstanding CEO. He has led the company's transformation following the financial crisis and set the stage for a tremendous opportunity that lies ahead. On behalf of the entire board, I'd like to thank Sergio for his leadership, his many significant contributions to the firm and his long-standing commitment to UBS' clients, employees and other stakeholders.

It is sometimes said that a CEO only has 2 tasks. One is to prepare the place for any leaps. Sergio has built and leads a very experienced group executive board that working with the new CEO, will continue to realize the success story that UBS began some 9 years ago.

The other is to leave the place in a better place, in a better way than we found it. And the firm is unrecognizable today from where the company was, when we inherited it.

Today, the company is more visible, it has, when you look from the outside, some major achievements that you might not see as much in the first place, which is the overhaul of our culture, which we have built for all these years, viewed as the important part that's key really to the success of turning UBS around, promoting and hard-wiring good behavior in the culture that we have.

Today, the institution is stronger and more client focused. Today, the institution is solidly and sustainably profitable. We're the #1 wealth manager globally. We're the #1 wealth manager globally, we're the best bank in Switzerland, and strongly positioned for growth in the core business as well as management and geographies, Asia, Europe and the U.S., and we can build our leadership in technology and sustainability to be the core of our



future success. These are the successes that we hope to see continued under the leadership of Ralph Hamers. Our appointment of Ralph concludes a rigorous succession planning process that the Board commenced 15 months ago.

As Chairman, I have led this internal and external search for the right executive to lead UBS into the future. Ralph is that right person. Ralph is a proven leader in banking and a strong cultural fit for UBS. Under his leadership, ING implemented a fundamental shift in its operating model and is now considered one of the best examples of digital innovation in the banking sector.

Ralph is a battle-tested, charismatic executive with the experience and personality to successfully write UBS' next chapter. I have known Ralph for more than 6 years, initially from our work in the European Banking Group and in the Institute for International Finance. We have a successful strategy and Ralph is best placed to lead its future successful execution. I could not be more pleased to have such a talented individual, leading our company into the future.

But let me pass the microphone to Sergio for his remarks. Sergio, please.

Sergio P. Ermotti - *UBS Group AG - Group CEO & Chairman of Executive Board*

Thank you, Axel. Thank you for the kind words. And well, of course, I've been honored, and I'm still very honored that -- to lead UBS and to be the CEO for the last 9 years. I think that it's fair to say that when you start your banking career as an apprentice, this is something that you don't even think about dreaming, becoming the CEO of the largest and the best bank in Switzerland. So but all -- like all the nice and beautiful dreams, they have an end. So -- and here we go. So I think it's the right time for sure, for the bank and also for myself to think about the next chapter of our life and is -- I'm going through all of this with a deep sense of satisfaction.

And for everything that has been achieved over the last few years, they were not necessarily always good times, challenging times, but I think the team, my management team, not only the present one, also many of my colleagues that were with me in the executive Board. And also most important to that, more than 60,000 people in the bank have contributed and were instrumental to allow all of us to move into where we are today. I think as Axel already mentioned, where we stand in terms of strategic positioning, being the leader in wealth management, not only because we are the largest, but actually, we are the only truly global wealth manager organization. We are competitive and present in the major markets and well positioned for growth. And we have the best and the largest bank in Switzerland.

We have businesses that in the asset management and the investment bank are competitive in those areas where we choose to compete. And I think that all this is very rewarding. Our strategy was also always built on a true belief, not necessarily because of regulatory requirements that in order to be successful in wealth management, and to be able to capture opportunities, you need to be strong in your capital position. Our capital position is rock solid. And I think that's -- and we are also really focused more and more around what we can do the best for our clients. So desalination between making sure that our clients appreciate what we do, employees are proud to work in -- for UBS. And last but not least, that shareholders get also appropriate returns on their investments, as we know, is a focus for me.

So as I mentioned before, it's always important, as Axel mentioned, the next steps. I think that's -- I'm glad also to see that UBS today is on quite enviable position to be in control of its destiny. We have maximum strategic flexibility as a firm. So it's a luxury that we will, I'm sure, we'll continue to go on. And the last point, which is very important for me is a very determined and I know my colleagues in the Executive Board, and I know all my colleagues in the bank will only echo and support what I'm telling you now is that our next focus is very simple, we are focused on delivering on our plans for 2020. They are ambitious plan.

There is no room for us to be distracted. And I'm pretty sure that we're going to position UBS for an even better future under Ralph's leadership. I know Ralph for many years now. We have been serving in industry associations together, so we got to know each other. Of course, we are somehow kind of competitors, but the only fact that we were not really competing face-to-face on the same business made even our relationship on a personal level easier to be managed. So my commitment is to make the smoothest transition possible. And it will be one. So I'm fully committed to UBS and to Ralph and to my colleagues in the bank to a successful end of this chapter.

So many thanks, and now let's pass it to Ralph.

Ralph A. J. G. Hamers - *ING Bank Śląski S.A. - CEO of ING Group*

Thank you. Thank you, Sergio, and thank you, Axel. Let me start by saying that I'm truly honored to have this great opportunity to lead UBS. I think if you look at UBS and maybe you're getting used to it here, but if you look at UBS from the outside, it's got great respect. Great respect for the franchise it is, great respect for the high-quality it provides, the position it has established. It has an outstanding client base. It's got a global reach through many of its business divisions. It has a demonstrated capability to weather through quite some storms, whether these are economic storms or crisis storms, the storms that we all know that the banking industry has weathers. And under the leadership of Sergio and Axel, they have really transformed the business.

So Axel already mentioned that over the last couple of years, we've got to know each other, working in different industry associations in the European Banking Group where we met regularly, but also Axel's leadership in the Institutional -- the International Institution of Finance. But basically, we've always kind of had changed views on where things are going. What are the trends? How do you deal with these trends?

At the same time, with Sergio, same thing there in other industry associations. We've always worked together. I think we've always been very open because, although, we are -- I represent ING and represented ING, and now I'm representing UBS. We were not really direct competitors. And therefore, we were -- we could be pretty open as to how do you deal with specific challenges ahead. And that has generated a lot of mutual respect between the three of us really.

So what I've really seen from the outside is that Axel and Sergio together have really guided this institution through transformation, through success, and by daring to take bold actions. And I think that's where there is a parallel with the ING story as well. And daring to take those bold actions in order to make sure that you come out stronger. And that is what they have truly done over the past many years. And that's what kind of generates a lot of admiration on my side for the gentlemen as well, but for UBS as an institution as well, because in the end, you do it all together, there's quite some employees that have to go through transformation as well, some of these changes as well. And that has been done successfully.

So the -- for me, it's really landing in a job and built from a very strong foundation that is there. And make sure that, together with the Board of Directors and with the UBS employees and UBS clients, because in the end that's what we do it for and who we do it for, for our clients that we continue to build on the success that has been established. And leading UBS will be a great professional challenge for me. That's why I'm so attracted to the opportunity. It's a business of global scale. It has a world-class wealth management business. The quality of the team is superb. So all the elements to continue on a successful journey are there.

For me, it is just to make sure that, together with that team that we continue to weather the continuous challenges that we, as a banking industry, are subject to. And I think if you look at some of these trends, whether it's kind of the rate trends, the interest rate environment, whether it's digitalization trend, some of the things that I'm very passionate about that -- and which I also see quite some support to the banking industry in order to make sure that we build for a successful future. There's many of those trends that I'm sure we can work together on and making sure that we'll continue on a very successful journey that has been established by Sergio and Axel already.

So with that, I'm truly, truly honored and looking forward to being here.

Axel A. Weber - *UBS Group AG - Chairman of the Board*

Thank you.

Markus Baumann - *UBS Group AG - Group Company Secretary*

Okay. Thank you, gentlemen, Ralph, for those remarks. Now we'll move to the Q&A. May I please ask you to introduce yourself by name and the media carrier you work for.



QUESTIONS AND ANSWERS

Unidentified Participant

(inaudible) with Bloomberg. So I have to ask a obvious question, I think a lot of analysts are asking and ourself in the room are asking, it's something you mentioned as well, you come from 2 different worlds of banking, Retail versus Wealth Management focus. Can you enlighten us a little bit more as to what this means for UBS, particularly, because you are the Wealth Management bank of the world, and Mr. Hamers doesn't necessarily come from that world?

Axel A. Weber - UBS Group AG - Chairman of the Board

Well, let me take that. If you look at ING, and you look at UBS, don't forget that we're 2 of the kind in a very important sense, we're both global systemic banks. The complexity of running a global-scale business and to be in that top league of global banks has its own challenges for a CEO, whether it's regulatory action and interaction at multiple fronts with regulators throughout Asia, starting in Australia, Hong Kong, Singapore, Europe, here in Switzerland, with the ECB in London and in New York, it's something that both CEOs have been very experienced in and navigated successful their own institutions. We have in Wealth Management with Tom Naratil and Iqbal Khan, 2 of the world leading people in Wealth Management. And they will continue to be in charge of that business.

Ralph's job is to lead the group and to implement the strategy of that group globally. So the CEO job is not the same job as the one you indicated, we do have very competent people. And actually, when it comes to operations, and ING is a world leading institution in digital transformation and in effective operations, I'm very sure that Ralph will work with Sabine Keller-Busse, who is our COO, in driving that business forward. And for me, while he was able to put a spin and a fingerprint on digitalizing the business, his institution was involved in, the hope that we have is that he will help us get to the next level in digitalizing our core business in addition to the traditional businesses we've run.

So there is a very good complementarity, and there's a very good impact that he can have, bringing the skills that he has as a global experienced leader and helping us take UBS forward and implementing our strategy successfully.

Unidentified Participant

(inaudible) Mr. Weber, you said last year in an interview with Neue Zeitung. "Candidates from outside should only be brought in, in exceptional situations." Is UBS in an exceptional situation today?

Axel A. Weber - UBS Group AG - Chairman of the Board

No, what I said is, if possible, we would like both internal and external candidates to be evaluated. And the Board has communicated very consistently over the past year about the succession planning process and the time line. Sergio has been in his role for 9 years. He is one of the longest-serving European CEOs and he's built a successful bank. We have, in a very rigorous and thorough selection process, looked at outstanding internal and external candidates, and we agreed in the end that the right person to lead UBS into the future is Ralph Hamers. He has a proven track record as a CEO. He is a successful person at the helm of a bank of similar size, he is a leader in digital transformation. And by the way, he will join us already in -- after the summer break and work with Sergio Ermotti and the team, and he will earn his UBS passport during that time.

Unidentified Participant

I'm (inaudible). Mr. Ermotti, you said in your communication this morning that you will now open up the next chapter in your personal life. What would it look like? Will you run for the Presidency of UBS, once Mr. Weber will step down? And the second question for you, Mr. Hamers. Do you think that your experience in digitalization may work for a Wealth Management bank too because as a retail bank, you can roll out globally standardized products, but the high net worth clients at UBS, of course, they want to have tailor-made solutions, so where do you see? Of course,

you didn't have really close look at all this, but what is your idea, how you can you implement more digitalization to bring the bank forward? What are your ideas?

Axel A. Weber - UBS Group AG - Chairman of the Board

Why don't we start with Sergio first.

Sergio P. Ermotti - UBS Group AG - Group CEO & Chairman of Executive Board

Well, thanks for the question. I don't think I'm very famous for running for anything. So I'm now focused on my duties for the next 8 months. And that's all about. Today is about the next change in the leadership of UBS, and it's not about my future. So I think it's -- I will address that when we see an appropriate time.

Ralph A. J. G. Hamers - ING Bank Slaski S.A. - CEO of ING Group

Well, thanks for your question. I don't think you have to kind of just focus on digitalization per se. I mean that's not a goal in itself. If you run a company like ING, which has a corporate investment bank, by the way, in which I grew up, and not so much in the retail banking side. I grew up in the corporate investment banking side of ING, with a different profile of the global coverage on the corporate side, for sure. You just look for how you can improve the activities and how you can improve the customer experience. That's where a lot of digitization happens moving forward. Institution of UBS has a completely different profile.

And I will work with Sergio and Axel to learn about UBS. And then just see where new technology can help us as well. But new technology in itself, there is also another goal. The goal is how can we truly improve and continue to service our clients. That is the starting point of everything we do. And if you have to do that in a way with value-added services that are tailor-made or you can do it with underlying data modeling and artificial intelligence, which I think will certainly have its impact in many of the dimensions of the banking industry as well, why not this one. Then you have to look at that as well, in order to improve how and what you can deliver to your clients. It's just a spectrum of some of the tools that you have. There's many other tools as well.

Axel A. Weber - UBS Group AG - Chairman of the Board

And Mr. [Alec], before you get the microphone to ask me the same question that you asked Sergio. Let me assure you that Sergio and my main focus is to pass the bank on to the next generation, to install sustainably into the bank the virtues and the success and the drive that we wanted to bring to this bank over the years. As I said, the bank is a different bank than the one we inherited. This is a process that will go on for almost the entire year in handing over in a very orderly process. Jokingly, you could say, it happens at a speed that will make sure that it's not a hasty process. It's a well-thought-through process.

And there's a good de-boarding of Ralph at his current institution, that's why he stay into the second quarter and a good on-boarding with us. We have transformed almost half the executive board under Sergio's leadership over the last 2 years and entrusted that in the next generation. This is part of this process. And what is part of this process is the new generation. It's not about me or Sergio, it's about the team, and it's about the bank.

Markus Baumann - UBS Group AG - Group Company Secretary

Okay. Thank you. Let's take a question from the call. We have Margot Patrick from the Wall Street Journal. Margot?



Margot Patrick

Mr. Weber, you mentioned the overhaul of UBS' culture. I just wonder what message does it send to your hired CEO whose bank allowed extensive money laundering and in the word of Dutch prosecutors, they're seriously deficient as a gatekeeper of the financial system?

Axel A. Weber - UBS Group AG - Chairman of the Board

So what was the question? You stated the facts.

Margot Patrick

My question. What message does it send to your staff and to the culture of UBS? That's the question.

Axel Peter Lehmann - UBS Group AG - President of Personal & Corp Banking, President UBS Switzerland and Member of Group Executive Board

Look, we have run a very extensive and in-depth due diligence process with support of both external legal counsel and in Switzerland and in the Netherlands, around the situation that you just described. In addition to our own due diligence, FINMA has thoroughly reviewed and interviewed the candidate as strict regulators do and raised no objections to his appointment. We have been also -- if you -- if I can remind you, at UBS, transforming many legal and litigation risk that we found and inherited as a bank. Part of your job as a CEO is to mitigate risks for the bank and to clean up if the bank has any misconduct that consists.

And it's part of the process you need to run as a CEO for most our insights that we gained there is no personal dimension of Ralph Hamers having been involved or being blamed about this. And the regulators, you might see that have come out with a report that is publicly available and regulators have looked into that. So we're very confident that we considered all arguments and that we took the right choice of having somebody at UBS, that has the right focus. And I can also assure you, one of the focus is that CEO that has gone through such a period, we always have in the future is that AML/KYC is at the core of how the bank is managed.

Michael Shields

Mike Shields from Reuters. If I can have one question looking backwards and one forward for Weber. How long have you been looking for the new CEO? And when did you first start to consider Mr. Hamers for the role? And looking forward, what does this mean for your Chairmanship? I assume that you'll still remain Chairman until 2022, is that -- understands, and I guess, the question is if a foreigner is now going to be the CEO, does that mean a Swiss person is more likely to become Chairman in future?

Axel A. Weber - UBS Group AG - Chairman of the Board

Well, I will say the same at the risk of being asked again at a later stage. Of course, it's absolutely key for us that the person that leads UBS has experience with UBS. And if it's somebody that comes in from the outside that that experience is gained and the UBS passport is earned in the on-boarding process. When I joined UBS, I wasn't Swiss. I came from the outside. And my predecessor, Kaspar Villiger, gave me a very valuable advice, you have to do a (inaudible) tour. I went to almost every branch out, throughout Switzerland and visited staff in order to get UBS. And what we're doing and what Ralph is doing is exactly that, getting to know the bank.

I said early last year that we are in the early phases of a process that we just concluded. So the process started, as I said, 15 months ago as a really intensive and very worked-out process, very inclusive with all internal and external members of the Executive board. Going forward, my future in the bank is in the hand of shareholders. Shareholders in Switzerland vote at every AGM, and you get a 1-year mandate. I'm ready to put myself up for the next AGM for another period of election and the Chairman -- transition and the Chairman search will commence in 2021 after the new CEO has joined, and we'll take it from there.



Unidentified Participant

(inaudible). Since you've already been talking about litigation. I'm wondering if the French case played any role in that decision, Mr. Weber, to change the leadership of the bank now, I mean this is a complicated phase right now that we were expecting a ruling from France this summer that it could include a hefty fine for the bank? I'm just wondering, is there any change in how you handle this? And Mr. Hamers has to deal with it? Or is it still on Mr. Ermotti?

Axel A. Weber - UBS Group AG - Chairman of the Board

You have outlined the timing. And of course, the Board and management have been laser-focused on the French case since the verdict last year. We're very focused on the strategy, the trial will commence in early June and will happen already way before Mr. Hamers joins us. Of course, part of his boarding, once he is with us will be the entire risk and litigation portfolio of UBS, including the French case. So of course, we will need to talk about it. But we are focused, both Board and management on this trial and Sergio and myself will be the ones that lead this engagement at -- with the French authorities. And the strategy of UBS is really focused on making an improvement on the verdict in the first instance.

So rest assured, the French case has nothing to do with our choice about timing or about moving on. This was before we actually started on the process, was actually before the French verdict was given. And so it is a longer-dated process of handing to the next generation. And Sergio and I have always been very clear, this is part of running the bank for us. It means we need to pass the leadership of this bank to the next generation, and we're very committed to it because we are very committed to this organization. And we work together well. And I said, Sergio was involved from the start in this process and see it as part of running the bank rather than part of changing the bank.

Markus Baumann - UBS Group AG - Group Company Secretary

Okay, we can take about 2 more questions, maybe you have 2 now. Go on.

Unidentified Participant

I am just a little bit -- I mean you mentioned the parallels between the 2 banks in terms of systemic importance. There is one difference, I find quite personally, and this is the pay of the CEO. I mean you, Mr. Weber, you're earning more than Mr. Hamers is earning now, as far as I understand, and this is obviously quite an unusual situation. And as you mentioned, Mr. Hamers has done a very good job for EUR 1.5 million. And I'm just wondering how much -- how many millions do you need to make a good job? I mean explain us a little bit how you see the pay logic?

Axel A. Weber - UBS Group AG - Chairman of the Board

Thank you, for that color. Look, for me, it's not about money. This is about passing the baton on to the next generation. Differences in pay happens throughout the jobs. I'm pretty sure the anchor at CNBC will earn more than you. So does that mean that the anchor at CNBC is more happy or a little more motivated in doing the job? It's nothing to do that. Pay differences have many dimensions. One of them is the complexity of the bank. The other one is the country in which you're located. So look, for us, the point was it's not about pay, it's about leadership. And we wanted to look for somebody who has the leadership skills to lead an organization as complex as this is.

And we'll take -- we talk about pay when we get to that point. Pay at UBS is related to performance. We are expecting performance. Sergio has shown performance. We will expect from the new leader to show performance. If he performs well, he will get paid.

Markus Baumann - UBS Group AG - Group Company Secretary

Okay. We will take 2 more calls on the phone, because they're on still waiting. The next one is [Eva Rooijers from] -- I'm not trying to pronounce the publication. Please can you do that for me? Thank you. Eva?

Unidentified Participant

Yes, hello. This is Eva Rooijers from the Dutch newspaper, Het Financieele Dagblad. I have 2 questions for Mr. Hamers. First, if you can give some more detail about what happened yesterday, and when exactly did you announce to ING that you were going to UBS? And how does this relate to the pulling of the bond yesterday, what happened there? And then my second question, is this a promotion for you, a step to the UBS?

Ralph A. J. G. Hamers - ING Bank Slaski S.A. - CEO of ING Group

Yes. So clearly, yesterday, there was a situation in which there was information that that we thought made it prudent to pause the issue at that moment in time. So that is -- this is what happened yesterday. So that's why we report it. And the other question. There's 2 completely different institutions with completely different set of challenges. And on one side, I'm very proud of what we have achieved in ING over the last for 28, 29 years that I have worked there, but certainly, also over the last 6 or 7 years that I was leading it. First, restructuring ING, repaying the state, coming out with a very successful digital strategy, making sure that we had a good team in place to continue the commercial growth that we have shown every quarter and again.

So I'm very proud of that on one side. On the other side, when it comes to moment in life where you feel that, okay, what is the next step? What are you looking for? Are there other professional challenges there as well? And UBS presents exactly that challenge for me, which is a global institution with a superb reputation, with a global position in Wealth Management. So for me, it's an interesting -- very interesting challenge to take on. And to -- it's clearly an honor, as I indicated already in my introduction, to lead such a global institution.

Markus Baumann - UBS Group AG - Group Company Secretary

Okay. Then next question on the phone is from Stephen Morris of the Financial Times. Stephen?

Stephen Morris

Hello, can you all hear me?

Markus Baumann - UBS Group AG - Group Company Secretary

We can hear you well, yes.

Stephen Morris

Yes. Okay. I'd just like to ask a similar question to one of my peers again. Well, first to Axel Weber. Just wondering if you will seek another year-long extension after the search for your successor begins next year? And a question to Mr. Hamers along the lines of another one. Can you just tell me sort of how much from your perspective, the potential to increase your pay by 7x played in your decision to take the role?

Axel A. Weber - UBS Group AG - Chairman of the Board

Well, look, if your question was how long will the process take to move into the next succession...



Stephen Morris

Yes.

Axel A. Weber - UBS Group AG - Chairman of the Board

We'll see. We have -- I told you, this process will start after the on-boarding of the new CEO in 2021. And I always said that I'm available if shareholders vote for me to serve till 2022 in the best interest of the bank and to facilitate the transition to the next CEO and to the next leadership team. My job depends on whether UBS is in a phase where that passover can happen smoothly. And that is the right point for me then to go. But it's all about UBS and the transition, it's not about individuals.

Ralph A. J. G. Hamers - ING Bank Slaski S.A. - CEO of ING Group

Thank you. Yes, Stephen, thanks for your question there. No, it's clear that it's a professional challenge that is very attractive. And also the state in which UBS is, as we have indicated, it's gone through massive transformation and is doing really well. And having done -- being approached by Axel to discuss the future, that is what is about -- that is what the decision was all about. It's a professional challenge going forward.

Markus Baumann - UBS Group AG - Group Company Secretary

Okay, we can take 2 more questions from the room. Anyone?

Unidentified Participant

(inaudible) A question, what does it mean? This nomination? Does it mean a more important focus on retail banking, the strategy of the group, since you mentioned the retail banking position in Switzerland, the second place after Wealth Management this time?

Axel A. Weber - UBS Group AG - Chairman of the Board

You're asking me?

Unidentified Participant

Yes, Mr. Weber. Yes.

Axel A. Weber - UBS Group AG - Chairman of the Board

Okay. Well, look, we have a strategy. We have a strategy that works. It's all about the implementation of our successful strategy. There's no changes in our strategy. We keep being focused and will continue to be focused with Sergio over the rest of the year to successfully implement our strategy in an admittedly challenging market environment. But this is not about changing strategy. This is about changing CEOs in a process that we play out throughout the entire year.

Unidentified Participant

(inaudible). I just wanted to clarify, Sergio, does your contract run out when Ralph Hamers' begins here? Or are you staying in any kind of advisory or other capacity to UBS? Are the ties kind of severed come autumn?



Sergio P. Ermotti - UBS Group AG - Group CEO & Chairman of Executive Board

We haven't finalized this aspect of -- they are not critical to this process, we are thinking, as Axel mentioned before, we are thinking about what is the best way to go through the transition. And once this day is over, over the next couple of months, I'm sure we're going to start to think about how to manage this very secondary aspect. And we are not focused on those issues. And we have a clear mutual gentlemen agreement understanding between Axel and myself and the Board on how to manage those processes.

Unidentified Participant

I know you to be very energetic and passionate about UBS. Do I understand you to say you'd be willing to stay on in some type of advisory capacity?

Sergio P. Ermotti - UBS Group AG - Group CEO & Chairman of Executive Board

As I mentioned before, this is not the day to talk about myself and my future. It's about to talk about the new leadership at UBS and how we're going to manage the transition. And I'm just focused on that one.

Unidentified Participant

May I put the question to Mr. Hamers? Would you like him to stay, would you take his advice?

Ralph A. J. G. Hamers - ING Bank Slaski S.A. - CEO of ING Group

We have, as indicated, a 2-month transition period in which it is very important that Sergio continues to lead. Clearly, from now on, that is quite some time already there. So for me, it's very important that he's there, and that I can actually have the time to learn about the business, learn about the clients, learn about the people. And that's what's important for the transition period.

Axel A. Weber - UBS Group AG - Chairman of the Board

We deliberately designed it in a way that there would be an overlap between the 2 executives in order to secure maximum continuity. So this is not about discontinuity. This is about continuous leadership on our strategy.

Unidentified Participant

(inaudible). Last question is to Hamers, you're like a crack of digitalization. What does this mean for small and middle UBS customers in Switzerland? Do we have to say goodbye to all UBS branches in Switzerland in the future -- in the near future?

Ralph A. J. G. Hamers - ING Bank Slaski S.A. - CEO of ING Group

Well, I mean as I said. So I will start a new UBS in the autumn. That's when I will kind of dig deep and get a very good understanding of the business model and how we can further improve customer experiences, whether it is in the retail side, whether it's in the investment banking side, whether it's on asset management, whether it's in the wealth side. So just absolutely nothing I can say about it now. And I think it should be like that. The strategy that's out there is a very credible strategy. It is working. It is being implemented. There's a whole team behind that, all of UBS people are behind that. So let's focus on that and how we continue that.

Sergio P. Ermotti - UBS Group AG - Group CEO & Chairman of Executive Board

Maybe if I can step in here. Just to underline that we are by far the leader in Switzerland in digital. We have been going through a huge transformation on what we do at the branch level, how we interact with clients through multichannels. And as the needs of clients evolve, we have been responding. This is also one of the reason why we keep investing a lot in technology. We invest [EUR 3.5] billion a year in technology. We continue to believe that this is the only way to really stay relevant and competitive in the face of clients. And in that sense, the real -- it's never going to stop this transformation. So we have been already going through, as I said, not only redefining the need of the physical access, but also what you do in the physical space.

So I'm sure with Ralph we're going to keep that momentum and stay and then confirm our leadership in Switzerland and, most importantly, also learn from countries in the Nordics, where they have a higher penetration of digital banking as a function of clients embracing more digital channels. And by the way, just to remind that contrary to what everybody expects. Digital clients are clients that are more satisfied with the services of the bank, and they tend to use more products of the bank. So it's very important that we continue to think about our leadership. And of course, for the Swiss business is, Ralph, the value -- he will be absolutely critical to keep our status.

Axel A. Weber - UBS Group AG - Chairman of the Board

If I just add, also sort of reaction to your question. It sounded a bit like digital and branches are incompatible. If you look at what we did at our branches, they've been technologically upgraded massively over the last years and at our branches, you can increasingly work also digital as a client and have a digital experience. So I don't see that necessarily as a conflict that you do have branches and that you digitalize those branches and make them technologically more aware. So I don't even see the difference between the 2 strategies. They're not exclusive. They're actually mutually enhancing.

Markus Baumann - UBS Group AG - Group Company Secretary

So thank you very much, Ralph, Axel, Sergio. And thank you to you all for coming here and see you again soon. Bye-bye.

Axel A. Weber - UBS Group AG - Chairman of the Board

Thank you, everyone.

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