



# UBS Group AG

2021 Targeted US Resolution Plan  
Public Section

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# 1. Executive Summary

UBS<sup>1</sup> draws on its over 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. Its business strategy is centered on its preeminent global wealth management businesses and its leading universal bank in Switzerland, complemented by Asset Management and a specialized and successful Investment Bank. UBS is committed to maintaining a strong capital and TLAC position and ratios at all times in order to meet regulatory requirements and our target capital ratios, and to support the growth of our business.

Headquartered in Zurich, Switzerland, UBS has offices in more than 50 countries, including all major financial centers, and approximately 68,000 employees. UBS Group AG is the (direct or indirect) holding company of the UBS Group companies. Under Swiss company law, UBS Group AG is organized as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors. The current operational structure of the Group consists of four business divisions supported by centralized Group Functions:

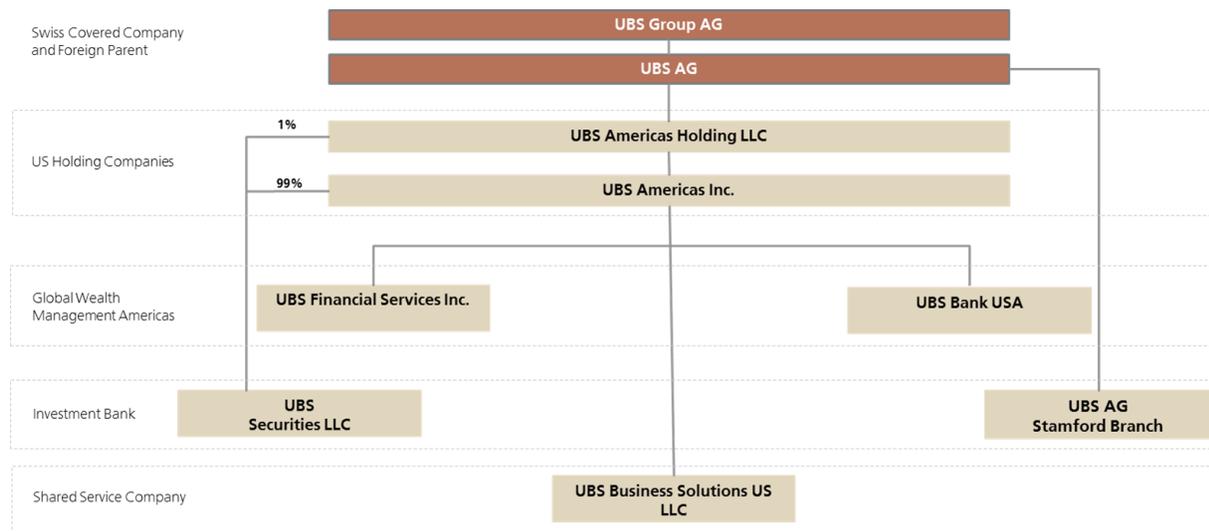
- Global Wealth Management;
- Investment Bank;
- Personal & Corporate Banking; and
- Asset Management.

Figure 1.1 below provides a simplified US legal entity structure as of 30 November 2021 and depicts the US subsidiaries and branches that are material to UBS's US resolution plan.

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<sup>1</sup> "UBS," "UBS Group" or "Group" refer, collectively, to UBS Group AG and its subsidiaries and affiliates.

Figure 1.1: Simplified US Legal Entity Structure



UBS’s 2021 Targeted US Resolution Plan (the “2021 Targeted Plan”) is the first targeted plan to be submitted to the Board of Governors of the Federal Reserve System (the “Federal Reserve”) and the Federal Deposit Insurance Corporation (the “FDIC” and, together with the Federal Reserve, the “Agencies”) pursuant to the jointly issued October 2019 amended regulations (the “Resolution Plan Rule”)<sup>2</sup> that govern the content and submission of US resolution plans. Under the Resolution Plan Rule, UBS is currently required to submit a US resolution plan on a triennial cycle with alternating “targeted” and “full” resolution plans commencing with a targeted plan in 2021. The Resolution Plan Rule also prescribes specific requirements for resolution plans and, in particular, for the resolution plans of covered foreign banking organizations, such as UBS, it prohibits an assumption that the covered company, UBS Group AG, takes resolution actions outside of the US that would eliminate the need for any US subsidiaries to enter into resolution proceedings. The 2021 Targeted Plan builds on UBS’s full 2018 US Resolution Plan and 2020 Limited US Resolution Plan, collectively. This Public Section, and the accompanying Confidential Section submitted to the Agencies, comprise UBS’s 2021 Targeted Plan.

<sup>2</sup> Resolution Plan Rule means 12 CFR Part 243, Regulation QQ, and 12 CFR Part 381, available at 84 Fed. Reg. 59194 (Nov. 1, 2019). The Resolution Plan Rule became effective on December 31, 2019.

## 2. Summary of the 2021 Targeted Plan

As required by the Resolution Plan Rule, the 2021 Targeted Plan sets forth UBS's strategy for the orderly resolution of UBS Americas Holding LLC ("Americas Holding")<sup>3</sup> assuming that (i) Americas Holding and its subsidiaries experience material financial distress,<sup>4</sup> (ii) UBS Group, including its non-US affiliates and branches, is unwilling or unable to provide financial support for the continuation of US operations and (iii) at least Americas Holding commences a proceeding under the US Bankruptcy Code. While the 2021 Targeted Plan addresses this hypothetical resolution scenario, the occurrence of such a scenario would be highly unlikely for several reasons, including the following:

- Americas Holding and its material subsidiaries are well capitalized and maintain a strong liquidity position.
- In the event the US operations of UBS experience significant losses or other adverse events, UBS is likely to provide support to Americas Holding as it represents a significant part of UBS's overall business, and operating subsidiaries of Americas Holding form a core part of UBS's Global Wealth Management and Investment Bank business divisions.
- UBS maintains a strong capital position and is among the best capitalized of its peer institutions.
- UBS has developed global resolution planning documentation that is aligned with FINMA's<sup>5</sup> preferred single point of entry ("SPE") resolution strategy. Under the preferred SPE strategy, in the event UBS experienced significant financial distress, FINMA would, as part of its resolution measures, order the write-down of UBS Group AG's equity and Additional Tier 1 capital instruments and order the conversion of bail-in debt into newly issued shares to restore the capitalization of UBS Group AG and permit any subsidiary that had suffered

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<sup>3</sup> Americas Holding is UBS's US intermediate holding company or IHC, which is UBS's top-level holding company in the US established under the requirements of the Federal Reserve's Regulation YY.

<sup>4</sup> The Regulations define "material financial distress" to mean that (i) a company has incurred, or is likely to incur, losses that will deplete all or substantially all of its capital, and there is no reasonable prospect for the company to avoid such depletion; (ii) the company's assets are, or are likely to be, less than its obligations to creditors and others; or (iii) the company is, or is likely to be, unable to pay its obligations in the normal course of business.

<sup>5</sup> FINMA means the Swiss Financial Market Supervisory Authority and is the home country supervisor of UBS Group AG and UBS AG.



losses, including Americas Holding, to be recapitalized without the subsidiary entering insolvency or resolution.

As noted above, in the event that a resolution scenario affecting UBS materialized, UBS expects to execute its preferred SPE strategy, ordered by FINMA, consisting of an SPE bail-in at the UBS Group AG level, which would obviate the need for implementation of UBS's US Resolution Plan. Consistent with the Resolution Plan Rule, however, the 2021 Targeted Plan does not rely upon a successful global recapitalization of UBS and its operating subsidiaries. The 2021 Targeted Plan reflects the regulatory requirement that recapitalization of US subsidiaries by UBS Group should not form part of UBS's US resolution plan. The 2021 Targeted Plan assumes that only Americas Holding enters into an insolvency proceeding after having recapitalized and funded the US operating subsidiaries through the use of capital and liquidity resources pre-positioned in the US. Americas Holding's operating subsidiaries would then be resolved outside of insolvency proceedings through the sale or wind-down of businesses.

## **2.1. US Material Entities**

Based upon the core business lines identified and described below, UBS designated one branch of UBS AG and six US subsidiaries as material entities for the US resolution plan in 2021. The material entities in the 2021 Targeted Plan are: Americas Holding, UBS Americas Inc., UBS Securities LLC, UBS Financial Services Inc., UBS Bank USA, UBS Business Solutions US LLC, and UBS AG Stamford Branch. Descriptions of the material entities are provided below.

### **2.1.1. UBS Americas Holding LLC**

Americas Holding is a Delaware limited liability company and is a wholly owned, non-operating US subsidiary of its parent, UBS AG. Americas Holding holds, directly or indirectly, 100% of the ownership interests in all of UBS's US subsidiaries, including UBS Americas Inc., UBS Financial Services Inc., UBS Bank USA, UBS Securities LLC and UBS Business Solutions US LLC. As described above, the US resolution strategy contemplates that only Americas Holding will enter an insolvency proceeding, and that it will have the financial resources to recapitalize and fund the US operating subsidiaries, which are then resolved outside of insolvency proceedings, and without government support, through the sale or wind-down of businesses.

### **2.1.2. UBS Americas Inc.**

UBS Americas Inc. is a Delaware corporation and is a wholly-owned, non-operating US subsidiary of Americas Holding. UBS Americas Inc. holds 100% of the ownership interests in UBS Financial Services



Inc., UBS Bank USA, UBS Business Solutions US LLC and has a 99% direct ownership interest in UBS Securities LLC (with Americas Holding having the remaining 1% direct ownership interest).

#### 2.1.3. UBS Securities LLC

UBS Securities LLC is a Delaware limited liability company. Direct ownership of UBS Securities LLC is shared by Americas Holding, 1%, and UBS Americas Inc., 99%. UBS Securities LLC provides client focused advisory, capital markets and financing solutions and providing access to primary and secondary markets to a broad base of corporate and institutional clients. Exposure to derivatives is primarily limited to those instruments traded on exchanges. UBS Securities LLC is a registered broker-dealer under the Securities Exchange Act of 1934. UBS Securities LLC is a member of the Securities Investor Protection Corporation, the Financial Industry Regulatory Authority, the National Futures Association and is a member of the New York Stock Exchange, NASDAQ and other principal exchanges. In addition, it is a registered futures commission merchant with the Commodity Futures Trading Commission and a member of major US and foreign commodity exchanges.

#### 2.1.4. UBS Financial Services Inc.

UBS Financial Services Inc. is a Delaware corporation and a wholly-owned subsidiary of UBS Americas, Inc. UBS Financial Services Inc. is primarily a retail wealth management investment bank with business activities that securities and commodities brokerage, investment advisory and asset management services supporting the investment, cash management, financial planning and borrowing needs of its clients. UBS Financial Services Inc. is registered with the Securities and Exchange Commission as a broker-dealer under the Securities Exchange Act of 1934 and an Investment Advisor under the Investment Advisors Act of 1940. UBS Financial Services Inc. is a member of the Securities Investor Protection Corporation, the Financial Industry Regulatory Authority, and the National Futures Association, and is also a member of various exchanges and is subject to regulation by each US state in which it conducts business. In addition, it is a registered futures commission merchant with the Commodity Futures Trading Commission.

#### 2.1.5. UBS Bank USA

UBS Bank USA is an insured depository institution and industrial bank organized and licensed under the laws of the State of Utah and is a wholly-owned subsidiary of UBS Americas Inc. It is supervised by the Utah Department of Financial Institutions, the FDIC and the Consumer Financial Protection Bureau. UBS Bank USA's products and services are offered throughout the US. It is headquartered in Salt Lake City, Utah. UBS Bank USA offers money market deposit accounts, transaction accounts, and certificates of



deposit through UBS Financial Services Inc. UBS Bank USA's deposits are insured by the FDIC up to FDIC limits..

#### 2.1.6. UBS Business Solutions US LLC

UBS Business Solutions US LLC is a Delaware limited liability company and a wholly-owned subsidiary of UBS Americas Inc. UBS Business Solutions US LLC employs personnel who provide shared services to affiliates including the UBS branches and subsidiaries in the US. It houses support functions such as Operations, Technology, Legal, Finance and Treasury, among others. Given the nature of its activities, UBS Business Solutions US LLC is not a licensed entity.

#### 2.1.7. UBS AG Stamford Branch

UBS AG Stamford Branch is an uninsured federally-licensed US branch of UBS AG that is supervised by the Office of the Comptroller of the Currency. It engages in receiving uninsured deposits, making loans and other similar activities associated with a US branch of a foreign bank. UBS AG Stamford Branch serves several functions in the US: it is the center of operations for the Treasury function and payment operations in the US and the primary booking center for the Investment Bank's Foreign Exchange business with US clients and US corporate lending business. The UBS AG Stamford Branch is the account holder for UBS's master account maintained with the Federal Reserve through which wire transfer and discount window borrowing services are accessed by the UBS AG Stamford Branch on behalf of UBS.

## 2.2. US Core Business Lines

As part of its resolution planning activities, UBS is required to identify its US core business lines; which are those US business lines whose failure could result in a material loss of revenue, profit or franchise value to UBS. Two business divisions with US operations collectively operate three core business lines in the US as set forth below.

#### 2.2.1. Global Wealth Management Americas

Global Wealth Management Americas ("GWM Americas") provides advice-based solutions and banking services through financial advisors who deliver a fully integrated set of products and services specifically designed to address the needs of wealthy private clients, particularly ultra-high net worth and high net worth individuals and families. It includes UBS's domestic US and Canadian wealth management business as well as international business booked in the US. GWM Americas is part of UBS's Global Wealth Management business division.

### 2.2.2. Investment Bank

The Investment Bank provides corporate, institutional and wealth management clients with advice, innovative financial solutions, outstanding execution, and comprehensive access to the global capital markets. The Investment Bank is an active participant in capital markets flow activities, including sales, trading, and market-making across a range of securities. In January 2020, UBS realigned the Investment Bank to meet clients' evolving needs and to further focus resources on opportunities for profitable growth and digital transformation. Corporate Client Solutions and Investor Client Services were renamed Global Banking and Global Markets, respectively. As a result, the US core business lines contained within the Investment Bank are:

- Global Banking, which operates with two product verticals – Capital Markets (includes Public Capital Markets and Private Financing Markets) and Advisory (includes Mergers & Acquisitions) – adopting a global coverage model.
- Global Markets, which combined Equities with Foreign Exchange, Rates and Credit, and introduced three product verticals (Execution & Platform, Derivatives & Solutions, and Financing) and three horizontal functions (Risk & Trading, Distribution, and Digital Transformation).

### 2.3. Overview of UBS's US Resolution Strategy – the Hypothetical Resolution Scenario

UBS's US resolution strategy is premised on a hypothetical stress scenario where Americas Holding and its subsidiaries experience unanticipated losses. It is assumed that these losses manifest in a single initial shock to the US operations, and occur against the backdrop of severely adverse general market conditions. The first two weeks of this hypothetical stress scenario (the "recovery period") are characterized by efforts to manage liquidity in an increasingly uncertain environment consistent with regulatory guidance. During the third week of the hypothetical stress scenario, the US operations find they are unable to recover without parent support. When, as required by the Agencies under this hypothetical scenario, UBS AG does not provide the requested support, Americas Holding would downstream resources pre-positioned in the US to its subsidiaries and would subsequently file a case under Chapter 11 of the US Bankruptcy Code. UBS's Material Entities comprising its Wealth Management US business – UBS Financial Services Inc. and UBS Bank USA – would remain solvent and in compliance with regulatory capital requirements and their assets would be sold as a going concern. UBS Securities LLC, UBS's US broker-dealer for its Investment Bank business, would similarly remain solvent and adequately capitalized while undergoing an orderly transfer or wind-down of customer



accounts in a manner designed to minimize disruptions and facilitate client access to their assets. The US resolution strategy does not envision the failure or resolution of the UBS AG Stamford Branch and assumes that it would remain operating subject to enhanced supervisory requirements. Finally, UBS Business Solutions US LLC and UBS Americas Inc. would remain solvent and outside of bankruptcy proceedings. UBS Business Solutions US LLC, UBS's shared services entity for US operations, would continue to be paid for services provided to support the US operations for as long as such services are required, and is able to access a pre-positioned working capital buffer to continue operating during resolution in the event ordinary course payments are disrupted.

At the conclusion of the hypothetical resolution period, the US resolution strategy envisions that all or substantially all of the assets of UBS Financial Services Inc. and UBS Bank USA would have been sold to a third party and the operations of UBS Securities LLC will have been wound down. The resulting US operations will have been materially reduced in size and would no longer be significant in the context of US financial stability. These residual activities of UBS in the US, either through the US branches of UBS AG or the continuing smaller subsidiaries of Americas Holding, will either continue to be wound down, sold or transferred or will continue for the benefit of UBS Group activities, as directed by UBS AG.

## 3. Other Information

### 3.1. US Resolution Planning Governance

UBS established clear roles and responsibilities with respect to the major elements of the resolution planning process in order to facilitate effective working processes and compliance with decisions made by the US Recovery and Resolution Planning Office ("US RRP Office") and US Recovery and Resolution Planning Management Team (the "Management Team"). UBS has also established processes for preparing, verifying and obtaining sign off on US resolution planning materials at global and local levels. This structure ensures that Group and US senior management, the Management Team, the Americas Holding Board of Directors ("Americas Holding Board"), the UBS Group AG Group Executive Board ("GEB"); and the UBS Group AG Board of Directors ("Group Board"), take responsibility for the content of the US Resolution Plan and other deliverables and are comfortable that information provided to them is appropriate and, further, that implementation issues are adequately addressed at all levels.

The US RRP Office is part of the Group Compliance, Regulatory & Governance ("GCRG") function, which reports to the Group Chief Executive Officer and oversees both global and local recovery and resolution planning activities. The Management Team meets regularly to review the progress of US resolution planning activities and review deliverables as necessary. The composition of the Management Team includes US senior management and officers of Americas Holding. This 2021 Targeted Plan has been approved by the Management Team and the Americas Holding Board, the latter acting through an express delegation of authority from the Group Board.

### 3.2. Summary Financial Information on Assets, Liabilities, Capital and Major Funding Sources

#### 3.2.1. UBS Group AG Income Statement as of 31 December 2020

Table 3.1: UBS Group AG Income Statement<sup>6</sup>

Audited   Income statement	For the year ended		
	31.12.20	31.12.19	31.12.18
<i>USD million</i>			
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	8,810	10,684	10,100
Interest expense from financial instruments measured at amortized cost	(4,247)	(7,194)	(6,391)
Net interest income from financial instruments measured at fair value through profit or loss	1,299	1,011	1,338
Net interest income	5,862	4,501	5,048
Other net income from financial instruments measured at fair value through profit or loss	6,960	6,842	6,960
Credit loss (expense) / release	(694)	(78)	(118)
Fee and commission income	20,961	19,110	19,598
Fee and commission expense	(1,775)	(1,696)	(1,703)
Net fee and commission income	19,186	17,413	17,895
Other income	1,076	212	428
Total operating income	32,390	28,889	30,213
Personnel expenses	17,224	16,084	16,132
General and administrative expenses	4,885	5,288	6,797
Depreciation and impairment of property, equipment and software	2,069	1,765	1,228
Amortization and impairment of goodwill and intangible assets	57	175	65
Total operating expenses	24,235	23,312	24,222
Operating profit / (loss) before tax	8,155	5,577	5,991
Tax expense / (benefit)	1,583	1,267	1,468
Net profit / (loss)	6,572	4,310	4,522
Net profit / (loss) attributable to non-controlling interests	15	6	7
Net profit / (loss) attributable to shareholders	6,557	4,304	4,516
<b>Earnings per share (USD)</b>			
Basic	1.83	1.17	1.21
Diluted	1.77	1.14	1.18

<sup>6</sup> Source: 2020 UBS Group AG Annual Report

### 3.2.2. UBS Group AG Balance Sheet Statement as of 31 December 2020

Table 3.2: UBS Group AG Balance Sheet<sup>7</sup>

<b>Balance sheet</b>		
<i>USD million</i>	31.12.20	31.12.19
<b>Assets</b>		
Cash and balances at central banks	158,231	107,068
Loans and advances to banks	15,444	12,447
Receivables from securities financing transactions	74,210	84,245
Cash collateral receivables on derivative instruments	32,737	23,289
Loans and advances to customers	379,528	326,786
Other financial assets measured at a amortized cost	27,194	22,980
Total financial assets measured at amortized cost	687,345	576,815
Financial assets at fair value held for trading	125,397	127,514
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>	47,098	41,285
Derivative financial instruments	159,617	121,841
Brokerage receivables	24,659	18,007
Financial assets at fair value not held for trading	80,364	83,944
Total financial assets measured at fair value through profit or loss	390,037	351,307
Financial assets measured at fair value through other comprehensive income	8,258	6,345
Investments in associates	1,557	1,051
Property, equipment and software	13,109	12,804
Goodwill and intangible assets	6,480	6,469
Deferred tax assets	9,212	9,548
Other non-financial assets	9,768	7,856
<b>Total assets</b>	<b>1,125,765</b>	<b>972,194</b>
<b>Liabilities</b>		
Amounts due to banks	11,050	6,570
Payables from securities financing transactions	6,321	7,778
Cash collateral payables on derivative instruments	37,312	31,415
Customer deposits	524,605	448,284
Debt issued measured at amortized cost	139,232	110,497
Other financial liabilities measured at a amortized cost	9,729	9,712
Total financial liabilities measured at amortized cost	728,250	614,256
Financial liabilities at fair value held for trading	33,595	30,591
Derivative financial instruments	161,102	120,880
Brokerage payables designated at fair value	38,742	37,233
Debt issued designated at fair value	61,243	66,809
Other financial liabilities designated at fair value	30,387	35,940
Total financial liabilities measured at fair value through profit or loss	325,069	291,452
Provisions	2,828	2,974
Other non-financial liabilities	9,854	8,837
<b>Total liabilities</b>	<b>1,066,000</b>	<b>917,519</b>
<b>Equity</b>		
Share capital	338	338
Share premium	16,753	18,064
Treasury shares	(4,068)	(3,326)
Retained earnings	38,776	34,122
Other comprehensive income recognized directly in equity, net of tax	7,647	5,303
Equity attributable to shareholders	59,445	54,501
Equity attributable to non-controlling interests	319	174
<b>Total equity</b>	<b>59,765</b>	<b>54,675</b>
<b>Total liabilities and equity</b>	<b>1,125,765</b>	<b>972,194</b>

<sup>7</sup> Source: 2020 UBS Group AG Annual Report

### 3.3. Description of US Derivative and Hedging Activities

There are no material over-the-counter derivative ("OTC derivative") positions booked in Americas Holding or its subsidiaries, including UBS Securities LLC and UBS Financial Services Inc. As of 31 December 2020, the majority of the OTC derivative positions that are booked in the US subsidiaries pertain to risk management trades to hedge the liquidity buffer held by Americas Holding. Hedging activities within the Investment Bank are primarily used to manage the risk of both cash and derivative positions. The hedge and the risk positions are typically held in the same legal entity, however, there are certain instances of "split hedges" where one legal entity holds a cash position and another legal entity holds the derivative position that hedges that exposure.

### 3.4. Memberships in Material Payment, Clearing and Settlement Systems

Certain US material entities are direct members of payment, clearing and settlement systems as shown in Table 3.3 below.

Table 3.3: US Material Entities with Direct Membership in Material PCS Systems

US Material Entity with Direct Membership	UBS Securities LLC	UBS Financial Service Inc.	Stamford Branch
DTC	X	X	X
NSCC	X	X	
Clearstream	X	X	
FICC	X	X	X
BNYM	X	X	X
Clearing and settlement	OCC	X	
	CME Clearing	X	
	ICE Europe	X	
	ICE US	X	
	ICE Credit	X	
	LCH Ltd. (UK)	X	
Payments: wholesale / retail	CHIPS		X
	Fedwire Funds		X

### **3.5. Description of Material MIS**

UBS has made substantial investments to build capabilities and enhance the information technology infrastructure, across risk, finance, treasury/liquidity, and front office that will facilitate legal entity risk management and reporting capabilities. In the US, examples of these specifically include:

- Capital and stress testing reporting relating to the Federal Reserve's annual Comprehensive Capital Adequacy and Review ("CCAR") requirements;
- Liquidity stress testing reporting relating to the estimation and projection of liquidity needs under various stress and resolution scenarios;
- Risk management and risk control processes and information; and
- Implementation of a data governance framework.

In the preparation of the UBS US Resolution Plan, UBS identified the key management information systems and applications used to support the operations of the US material entities including risk management, accounting, and financial and regulatory reporting. UBS has compiled detailed inventories identifying critical application systems and mapped these systems to the US material entities, core business lines and critical operations.

UBS is also identifying opportunities to further enhance its MIS portfolio to provide transparency, control, timeliness and accuracy to facilitate effective decision-making and analysis at the US level and for escalation to the UBS Group as needed during a resolution scenario.

### **3.6. Descriptions of Global Operations**

UBS is present in all major financial centers worldwide. It has offices in more than 50 countries, with about 34% of its employees working in the Americas, 33% in Switzerland, 18% in the rest of Europe, the Middle East and Africa and 15% in Asia Pacific. UBS Group AG employs about 68,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the NYSE.

UBS is committed to providing private, institutional and corporate clients worldwide, as well as retail clients in Switzerland, with superior financial advice and solutions while generating attractive and sustainable returns for shareholders. UBS's strategy is centered on its preeminent global wealth management businesses and its leading universal bank in Switzerland, complemented by one of the world's largest asset managers and a specialized and successful Investment Bank.



### 3.6.1. Global Wealth Management

As the largest truly global wealth manager, with over USD 3.0 trillion in invested assets, our goal is providing tailored advice and solutions to wealthy individuals and families. More than 22,000 Global Wealth Management employees help clients achieve their goals.

As part of an ongoing strategic review, UBS has announced that Global Wealth Management intends to focus on growth in the Americas and APAC and improve profitability in EMEA. Among other initiatives, in the Americas UBS intends to expand its banking products offering to better serve clients and to develop a digitally scalable advice model to service clients who do not need or are reluctant to use traditional financial advisers.

### 3.6.2. Personal and Corporate Banking

As a leading Swiss personal and corporate bank, we provide comprehensive financial products and services to private, corporate and institutional clients. Personal & Corporate Banking is the core of our universal bank delivery model in Switzerland.

### 3.6.3. Asset Management

UBS Asset Management is a large-scale and diversified global asset manager, with USD 1.1 trillion in invested assets. UBS offers investment capabilities and styles across all major traditional and alternative asset classes, as well as advisory support to institutions, wholesale intermediaries and Global Wealth Management clients around the world.

### 3.6.4. Investment Bank

The Investment Bank provides services to institutional, corporate and wealth management clients, helping them raise capital, grow their businesses, invest for growth and manage risks. Our traditional strengths are in equities, foreign exchange, research, advisory services and capital markets, complemented by a targeted rates and credit platform. We use our data-driven research and technology capabilities to support clients adapting to evolving market structures and changes in regulatory, technological, economic and competitive landscapes. Aiming to deliver market-leading solutions by using our intellectual capital and electronic platforms, the Investment Bank works closely with Global Wealth Management, Personal & Corporate Banking and Asset Management to bring the best of UBS's capabilities to our clients, while employing a disciplined approach to balance sheet deployment and costs.

### 3.6.5. Group Functions

Group Functions (formerly named Corporate Center) provides services to the Group and its business divisions, focusing on effectiveness, risk mitigation and efficiency. The major areas within Group Functions are: Technology, Corporate Services, Human Resources, Operations, Finance, Treasury, Legal, Risk Control, Research and Analytics (including Investment Bank research and UBS Evidence Lab), Compliance, Regulatory & Governance, Communications & Branding and UBS in Society. In recent years, UBS has aligned support functions and business divisions. The vast majority of such functions are fully aligned or shared among business divisions, where they have full management responsibility. By keeping the activities of the businesses and support functions close, we increase efficiency and create a working environment built on accountability and collaboration.

## **3.7. Material Supervisory Authorities**

UBS's operations are regulated by authorities in each of the jurisdictions in which it has offices, branches and subsidiaries. This section describes the regulation and supervisory authorities for the material entities for purposes of this UBS US Resolution Plan.

### 3.7.1. Regulation and Supervision in Switzerland

UBS Group AG and its subsidiaries are subject to consolidated supervision by FINMA under the Swiss Federal Law on Banks and Savings Banks ("Swiss Banking Act") and the related ordinances that impose, among other requirements, minimum standards for capital, liquidity, risk concentration and organizational structure. FINMA fulfills its statutory supervisory responsibilities through licensing, regulation, monitoring and enforcement. FINMA is responsible for prudential supervision and mandates audit firms to perform on its behalf regulatory audits and certain other supervisory tasks.

As an internationally active Swiss Global Systemically Important Bank ("G-SIB"), UBS is subject to capital and total loss-absorbing capacity requirements, which are based on both risk weighted assets and leverage ratio denominator metrics and are among the most stringent in the world. UBS is also required to maintain a minimum liquidity coverage ratio of high-quality liquid assets to estimated stressed short-term net cash outflows. Following implementation of the net stable funding ratio requirements and subject to finalization of relevant rules, UBS will be required to maintain a minimum net stable funding ratio.

The Swiss Banking Act and related ordinances provide FINMA with additional powers to intervene in order to prevent a failure or resolve a failing financial institution, including UBS Group AG, UBS AG and UBS Switzerland AG. These measures may be triggered when certain thresholds are breached and permit the

exercise of considerable discretion by FINMA in determining whether, when or in what manner to exercise such powers. In case of a possible insolvency, FINMA may impose more onerous requirements on UBS, including restrictions on the payment of dividends and interest as well as measures to alter UBS's legal structure (e.g., to separate lines of business into dedicated entities) or to reduce business risk in some manner. The Swiss Banking Act provides FINMA with the ability to extinguish or convert to common equity the liabilities of UBS Group entities domiciled in Switzerland in connection with its resolution.

Furthermore, Swiss too big to fail provisions require Swiss G-SIBs, including UBS, to put in place a viable emergency plan to preserve the operation of systemically important functions in case of a failure of the institution. The Swiss National Bank defined the systemically relevant functions of UBS in Switzerland, which are held by UBS Switzerland AG. Based on submissions by UBS in 2020, FINMA has determined that its Swiss Emergency Plan is effective subject to the reduction of certain intercompany liabilities.

In addition, UBS is required to develop a global recovery plan and provide the information necessary for FINMA to develop a UBS resolution plan. In response to these requirements in Switzerland, as well as to similar requirements in other jurisdictions, UBS has developed a comprehensive recovery plan that provides the tools to manage a severe loss event without the intervention of public authorities. UBS also provides relevant authorities with information and/or resolution plans for restructuring or winding down certain businesses in the event the firm could not be stabilized. Alongside these measures, UBS has invested significantly in structural, financial and operational measures to improve the Group's resolvability.

### 3.7.2. Regulation and Supervision in the US

In the US, as a financial holding company under the Bank Holding Company Act, UBS is subject to regulation and supervision by the Federal Reserve under a number of laws. In addition, UBS AG maintains several branches and representative offices in the US, which are authorized and supervised by the Office of the Comptroller of the Currency. UBS AG is registered as a swap dealer with the Commodity Futures Trading Commission, and is a security-based swap dealer with the Securities and Exchange Commission.

As the US intermediate holding company of UBS AG, Americas Holding is subject to requirements established by the Federal Reserve related to risk-based capital, liquidity, the CCAR stress testing and capital planning process, resolution planning and governance. Since 2018, the Federal Reserve has published its CCAR assessment for Americas Holding. UBS Bank USA is an insured depository institution and an indirect subsidiary of Americas Holding that is licensed and regulated by state regulators in Utah and by the FDIC. UBS Financial Services Inc., UBS Securities LLC and several other US subsidiaries are subject to regulation by a number of different government agencies and self-regulatory organizations, including the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the

Commodity Futures Trading Commission, the Municipal Securities Rulemaking Board and national securities exchanges and commodities exchanges, depending on the nature of their business.

### 3.8. Principal Officers and Directors

Table 3.4 below provides a list of the members of the Board of Directors and the Secretary of UBS Group AG as of 30 September 2021.

Table 3.4: Board of Directors

<b>Name</b>	<b>Function in UBS</b>	<b>Year of Initial Appointment</b>
Axel A. Weber	Chair of the Board of Directors/Chair of the Governance and Nominating Committee/Chair of the Corporate Culture and Responsibility Committee	2012
Reto Francioni	Member of the Compensation Committee/member of the Risk Committee	2013
Dieter Wemmer	Member of the Compensation Committee/member of the Audit Committee/member of the Governance and Nominating Committee	2016
Julie G. Richardson	Chair of the Compensation Committee/member of the Risk Committee/member of the Governance and Nominating Committee	2017
Jeremy Anderson	Vice Chair and Senior Independent Director of the Board/Chair of Audit Committee/member of the Governance and Nominating Committee	2018
Fred Hu	Member of the Governance and Nominating Committee/member of the Risk Committee	2018
William C. Dudley	Member of the Corporate Culture and Responsibility Committee/member of the Risk Committee/member of the Governance and Nominating Committee	2019
Jeanette Wong	Member of the Audit Committee/member of the Compensation Committee/member of the Corporate Culture and Responsibility Committee	2019
Mark Hughes	Member of the Corporate Culture and Responsibility Committee/member of the Risk Committee	2020
Nathalie Rachou	Member of the Risk Committee	2020

<b>Name</b>	<b>Function in UBS</b>	<b>Year of Initial Appointment</b>
Claudia Böckstiegel	Member of the Board of Directors	2021
Patrick Firmenich	Member of the Audit Committee/member of the Corporate Culture and Responsibility Committee	2021
Markus Baumann	Group Company Secretary	-

UBS Group AG operates under a strict dual board structure, as required by Swiss banking law. The UBS Group AG Board decides on the strategy of the Group upon recommendations by the Group CEO and exercises ultimate supervision over management, whereas the Group Executive Board, headed by the Group CEO, has executive management responsibility. Table 3.5 below provides information on the Group Executive Board members as of 30 November 2021.

Table 3.5: Principal Officers

<b>Name</b>	<b>Function in UBS</b>	<b>Year of Initial Appointment</b>
Ralph Hamers	Group Chief Executive Officer	2020
Tom Naratil	Co-President Global Wealth Management and President UBS Americas	2011
Christian Bluhm	Group Chief Risk Officer	2016
Kirt Gardner	Group Chief Financial Officer	2016
Sabine Keller-Busse	President Personal & Corporate Banking and President UBS Switzerland	2016
Robert Karofsky	President Investment Bank	2018
Markus Ronner	Group Chief Compliance and Governance Officer	2018
Suni Harford	President Asset Management	2019
Iqbal Khan	Co-President Global Wealth Management and President UBS Europe, Middle East and Africa	2019
Edmund Koh	President UBS Asia Pacific	2019
Mike Dargan	Group Chief Digital and Information Officer	2021
Barbara Levi	Group General Counsel	2021

## 4. Cautionary Statements

Requirements of the non-US financial regulators relating to resolution planning differ from those under the US requirements. In particular, UBS's US resolution plan is focused on planning for the resolution of UBS's US operations, whereas global as well as local planning documentation being provided in other jurisdictions, including Switzerland, also contain plans for the recovery of UBS in the event of financial distress. The required assumptions, definitions, and approaches taken in UBS's US resolution plan may differ from those used or taken in the plans filed with non-US regulators.

The strategy and steps laid out in UBS's US resolution plan are intended to assist the relevant US authorities in the wind-down of UBS's US operations in the event of a financial crisis. UBS's US resolution plan is based on a series of hypothetical scenarios and assumptions about future events and circumstances. Accordingly, many of the statements and assessments in UBS's US resolution plan constitute "forward-looking statements" within the meaning of the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. These statements include statements, other than historical information or statements of current conditions, that relate to UBS's future plans, objectives and resolution strategies (including UBS's expectations and projections regarding the implementation of those strategies), among other things, and to the objectives and effectiveness of UBS's risk management, capital and liquidity policies. UBS's US resolution plan is not binding on a bankruptcy court, UBS's regulators or any other resolution authority, and in the event of the resolution of UBS, the strategies implemented by UBS, its regulators or any other resolution authority could differ, possibly materially, from the strategies UBS has described. In addition, UBS's expectations and projections regarding the implementation of its resolution strategies are based on scenarios and assumptions that are hypothetical and may not reflect events to which UBS is or may become subject. As a result, the outcomes of UBS's resolution strategies could differ, possibly materially, from those UBS has described.

UBS has also included information about projects it has undertaken, or is considering, in connection with resolution planning. Some of these projects are in progress or under development. The statements with respect to these projects and their impact and effectiveness are forward-looking statements, based on UBS's current expectations regarding its ability to complete those projects and any actions that third parties must take, or refrain from taking, to permit UBS to complete those projects. As a result, the timing of those projects may change, possibly materially, from what is currently expected.