

UBS: Optimism on Credit Suisse takeover but credit outlook lowered

DIGITAL ENGAGEMENT TEAM

22 MARCH 2023

**TRADING MATTERS SERIES:
STOCK HIGHLIGHT**

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	21.05
Latest Dividend	0.28
Dividend Ex-Date	12/4/2023
Indicated Dividend Yield	2.61%
14 Day RSI	53.12
Analysts 12M Target Price	23.69

**REFINITIV STOCKREPORTS+
AVERAGE SCORE**

10/10
As of 21 Mar 2023

Refer to page 3 for indicator components

UBS Group AG (UBS US) Price Chart



Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 21 Mar 2023 closing

KEY MARKET EVENTS

- 28 Mar** US Consumer Confidence Release (Mar)
- 31 Mar** China PMI Release (Mar)
- 03 Apr** US PMI Release (Mar)
- 05 Apr** US Nonfarm Employment Change (Mar)
- 07 Apr** Good Friday holiday

S&P 500 Index Price Chart



As of 21 Mar 2023 closing

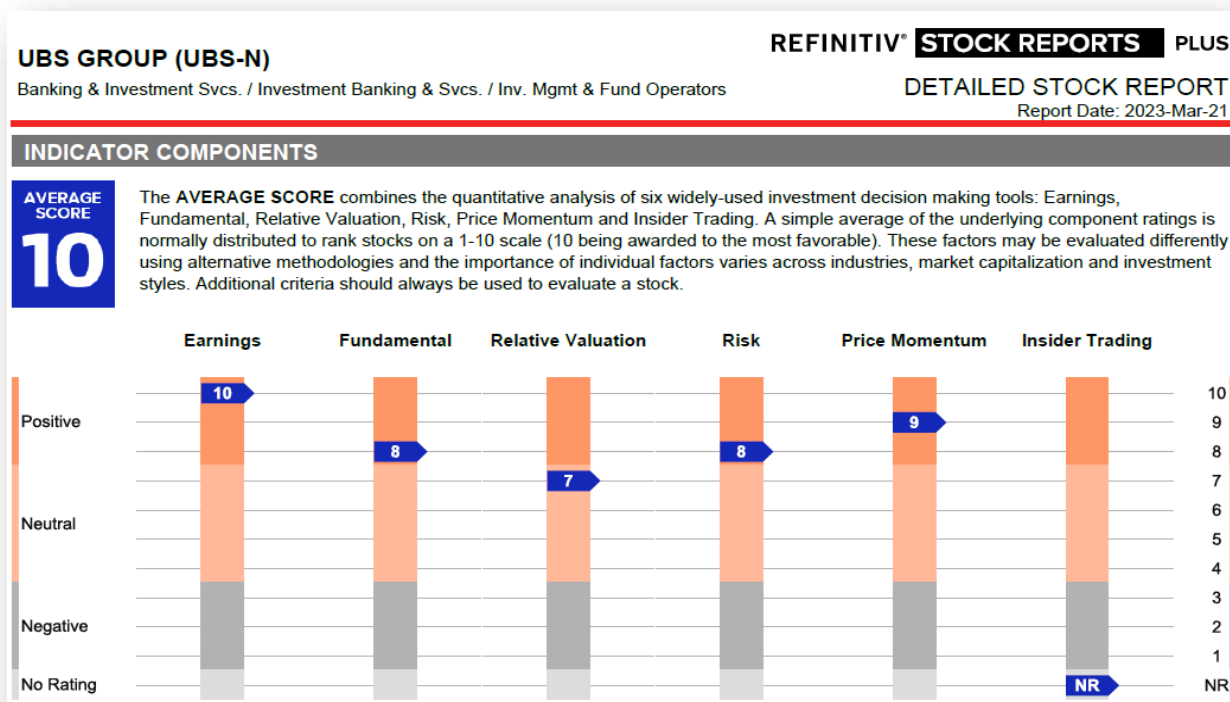
Headline News & Information

- UBS AG operates as an investment management firm. The company offers wealth management, investment banking, and asset management services, as well as renders a variety of financial services to individuals, institutions, corporations, governments, and financial intermediaries. UBS serves customers worldwide (Bloomberg)
- UBS soars as optimism gathers pace after Credit Suisse takeover (21 Mar 2023, Bloomberg)
 - UBS on track for its biggest gain since March 2020, as investor optimism about the takeover of its largest rival gathered pace
 - The Swiss firm led European banking stocks higher as fears around the stability of the finance sector eased after UBS's emergency acquisition of Credit Suisse Group
 - UBS is poised to add almost 6.6 billion Swiss francs (US\$7.1 billion) to its market value since the historic deal was announced
 - However, UBS had its credit outlook lowered by S&P Global Ratings and Moody's Investors Service because of the integration and restructuring challenges it faces
- UBS aims to boost its dealmaker ranks, not spin out First Boston (21 Mar 2023, Bloomberg)
 - UBS wants to cherry pick top dealmakers from Credit Suisse Group's investment bank instead of supporting Michael Klein's plan to build a new independent firm
 - UBS is particularly interested in advisory bankers in the US and those working on prominent industries such as technology, as well as some regional teams, which would fit the firm's existing focus on capital-light advisory work

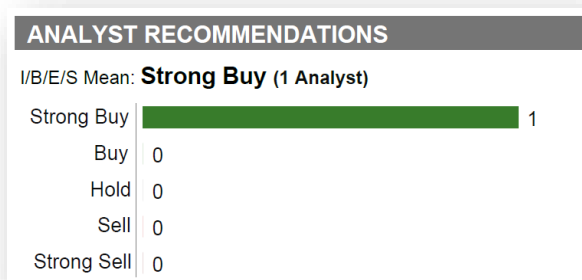
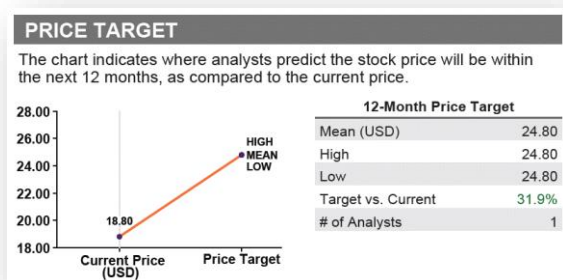
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> • Shares rose 5.3% in the past 5 days and are fell 1.9% in the past 30 days 	<ul style="list-style-type: none"> • 22.20 (Feb 2023) • 23.00 (Aug 2015) • 25.50 (Jun 2008) 	<ul style="list-style-type: none"> • 18.20 (Mar 2023) • 17.75 (200 Day MA) • 17.20 (Sep 2022)

Fundamental Viewpoint

An Extract from STOCKREPORTS+



Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 21 Mar 2023

US Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in USD	
Average Score	Ticker	PRICE MOMENTUM				Market Cap	VALUATION		FUNDAMENTAL		ANALYSTS			# of Analysts
		Price (2023-03-20)	1-Mo Return	3-Mo Return	1-Yr Return		Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean		
7	BLK	643.56	-10.1%	-6.9%	-12.9%	95.7B	19.0	18.5	3.1%	29.0%	6.3%	Buy	16	
10	UBS	18.80	-14.3%	4.3%	1.0%	64.1B	8.4	8.9	2.9%	23.1%	10.1%	Strong Buy	2	
7	BN	29.09	-18.8%	-5.8%	-36.1%	46.9B	14.0	9.9	0.96%	--	18.5%	Buy	12	
7	BK	43.27	-16.0%	-2.3%	-17.3%	34.1B	14.9	8.7	3.4%	12.8%	9.0%	Buy	18	
8	AMP	287.81	-18.1%	-6.6%	-4.3%	29.6B	12.8	9.3	1.7%	17.8%	--	Buy	14	
8	STT	73.44	-20.2%	-5.8%	-17.4%	24.7B	10.2	8.5	3.4%	20.3%	9.3%	Buy	18	
4	TROW	107.57	-9.4%	-1.6%	-26.7%	24.3B	16.1	16.0	4.5%	23.5%	-17.8%	Hold	14	
8	PFG	72.94	-19.9%	-14.0%	4.2%	17.0B	3.9	10.7	3.5%	34.8%	6.7%	Hold	16	
5	NTRS	84.29	-12.8%	-3.2%	-26.8%	17.0B	13.7	12.1	3.6%	17.1%	4.4%	Hold	16	
9	BAM	31.25	-11.0%	6.4%	--	12.7B	24.4	21.9	4.1%	66.7%	--	Hold	9	
9	VOYA	65.38	-15.1%	8.8%	-1.8%	6.1B	14.9	7.9	1.2%	8.6%	1.5%	Buy	16	
7.5	Average	132.49	-15.1%	-2.4%	-13.8%	33.8B	13.8	12.0	3.0%	25.4%	5.3%	Buy	13.7	

PEER COMPANIES			
AMP	Ameriprise Financial Inc	NTRS	Northern Trust Corp
BAM	BROOKFIELD ASSET MANAGEMENT	PFG	Principal Financial Group Inc
BK	Bank of New York Mellon Corp	STT	State Street Corp
BLK	BlackRock Inc	TROW	T Rowe Price Group Inc
BN	Brookfield Corp	VOYA	Voya Financial Inc

Source: REFINITIV STOCKREPORTS+, extracted 21 Mar 2023

Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
Average		101,594	81.40	9.98	10.19	0.97	1.05	3.36
UBS US	UBS GROUP AG-REG	74,194	21.05	N/A	7.75	N/A	0.98	2.61
GS US	GOLDMAN SACHS GROUP INC	110,539	317.28	10.13	7.53	1.00	1.06	3.15
MS US	MORGAN STANLEY	149,289	88.76	13.84	11.42	1.61	1.56	3.49
C US	CITIGROUP INC	87,727	45.07	4.40	5.12	0.48	0.53	4.53
BAC US	BANK OF AMERICA	228,830	28.59	8.65	10.61	0.93	1.20	3.08
JPM US	JPMORGAN CHASE & CO	384,255	130.55	10.56	9.69	1.45	1.47	3.06
DBK GR	DEUTSCHE BANK AG-REGISTERED	21,657	9.86	3.99	7.64	0.33	0.34	3.04
BARC LN	BARCLAYS PLC	27,666	143.14	4.66	4.87	0.41	0.46	5.06
CSGN SW	CREDIT SUISSE GROUP AG-REG	3,833	0.883	N/A	N/A	0.08	0.35	5.68
RJF US	RAYMOND JAMES FINANCIAL INC	20,486	95.13	12.84	14.10	2.10	2.35	1.77
601788 CH	EVERBRIGHT SECURITIE CO -A	9,058	15.11	20.78	23.21	1.27	1.24	1.51

Source: Bloomberg, extracted 21 Mar 2023 closing

DISCLAIMER

The information provided herein is a compilation or summary of materials and data based from external sources available to OCBC Securities Private Limited ("OSPL"), and does not represent OSPL's view on the matters mentioned. Whilst we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee its accuracy or completeness, and you should not act on it without first independently verifying its contents.

Trading in capital markets products and borrowing to finance the trading transactions (including, but not limited to leveraged trading or gearing) can be very risky, and you may lose all or more than the amount invested or deposited. Where necessary, please seek advice from an independent financial adviser regarding the suitability of any trade or capital markets product taking into account your investment objectives, financial situation or particular needs before making a commitment to trade or purchase the capital markets product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the capital markets product is suitable for you. You should consider carefully and exercise caution in making any trading decision whether or not you have received advice from any financial adviser. You should also read the relevant prospectus and/or profile statement (a copy of which may be obtained from the relevant fund manager or any of its approved distributors), prior to any trading or investment decision. Please refer to the prospectus of the relevant fund for the name of the fund manager and the investment objectives of the fund. In relation to collective investment schemes, the value of the units and the income accruing therefrom, if any, may rise or fall. For funds that are listed on an approved exchange, investors cannot redeem their units of those funds with the manager, or may only redeem units with the manager under certain specified conditions. The listing of the units of those funds on any approved exchange does not guarantee a liquid market for the units.

No representation or warranty whatsoever (including without limitation any representation or warranty as to accuracy, usefulness, adequacy, timeliness or completeness) in respect of any information (including without limitation any statement, figures, opinion, view or estimate) provided herein is given by OSPL and it should not be relied upon as such. OSPL does not undertake an obligation to update the information or to correct any inaccuracy that may become apparent at a later time. OSPL shall not be responsible for any loss or damage howsoever arising, directly or indirectly, as a result of any person acting on any information provided herein.

The information provided herein is intended for general circulation/discussion purposes only and may not be published or circulated in whole or in part without our written consent. All trademarks, registered trademarks, product names and company names or logos mentioned herein are the property of their respective owners, and you agree that you will not do anything to infringe or prejudice those rights. Reference to any products, services, processes or other information, does not constitute or imply endorsement, sponsorship or recommendation thereof by OSPL.