First quarter 2015 results

May 5, 2015

Cautionary statement regarding forward-looking statements

This presentation contains statements that constitute "forward-looking statements," including but not limited to management's outlook for UBS's financial performance and statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development. While these forward-looking statements represent UBS's judgments and expectations concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. These factors include, but are not limited to: (i) the degree to which UBS is successful in executing its announced strategic plans, including its cost reduction and efficiency initiatives and its planned further reduction in its Basel III risk-weighted assets (RWA) and leverage ratio denominator (LRD), and to maintain its stated capital return objective; (ii) developments in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates and interest rates and the effect of economic conditions and market developments on the financial position or creditworthiness of UBS's clients and counterparties, and the degree to which UBS is successful in implementing changes to its business to meet changing market, regulatory and other conditions; (iii) changes in the availability of capital and funding, including any changes in UBS's credit spreads and ratings, or arising from requirements for bail-in debt or loss-absorbing capital; (iv) changes in or the implementation of financial legislation and regulation in Switzerland, the US, the UK and other financial centers that may impose more stringent capital (including leverage ratio), liquidity and funding requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration or other measures; (v) uncertainty as to when and to what degree the Swiss Financial Market Supervisory Authority (FINMA) will approve reductions to the incremental RWA resulting from the supplemental operational risk capital analysis mutually agreed to by UBS and FINMA, or will approve a limited reduction of capital requirements due to measures to reduce resolvability risk; (vi) the degree to which UBS is successful in executing the transfer of business to UBS Switzerland AG, a establishing a US intermediate holding company and implementing the US enhanced prudential standards, completing the squeeze-out of minority shareholders of UBS AG, changing the operating model of UBS Limited and other changes which UBS may make in its legal entity structure and operating model, including the possible consequences of such changes, and the potential need to make other changes to the legal structure or booking model of UBS Group in response to legal and regulatory requirements, including capital requirements, resolvability requirements and proposals in Switzerland and other countries for mandatory structural reform of banks; (vii) 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; (viii) changes in the standards of conduct applicable to our businesses that may result from new regulation or new enforcement of existing standards, including measures to impose new or enhanced duties when interacting with customers or in the execution and handling of customer transactions; (ix) 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; (x) 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; (xi) 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 including differences in compensation practices; (xii) 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; (xiii) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xiv) whether UBS will be successful in keeping pace with competitors in updating its technology, particularly in trading businesses; (xv) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading and systems failures; (xvi) restrictions to the ability of subsidiaries of the Group to make loans or distributions of any kind, directly or indirectly, to UBS Group AG; and (xvii) 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 2014. 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.

UBS

1Q15 highlights

Net profit attributable to UBS Group AG shareholders of CHF 1,977 million

Group

Net profit attributable to UBS Group AG shareholders CHF 1,977 million, diluted EPS CHF 0.53

Reported profit before tax (PBT) CHF 2,708 million, adjusted PBT CHF 2,268 million

Basel III fully applied CET1 ratio 13.7%, Swiss SRB fully applied leverage ratio 4.6%

Business divisions[1]

Wealth Management: PBT CHF 856 million and NNM CHF 14.4 billion
- Highest PBT since 3Q08, net margin up 7 bps to 35 bps

Wealth Management Americas: PBT USD 293 million and NNM USD 4.8 billion
- Record PBT and record USD invested assets

Retail & Corporate: PBT CHF 443 million
- Highest first quarter PBT since 1Q10 and all KPIs within target ranges

Global Asset Management: PBT CHF 186 million and NNM CHF 7.5 billion excluding money market flows
- PBT up 50%, highest since 4Q09

Investment Bank: PBT CHF 844 million
- Strong performances in both ICS and CCS

Corporate Center: PBT of negative CHF 340 million
- Significant PBT improvement across all three Corporate Center units

1 Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

UBS Group AG results (consolidated)

CHF million	FY13	FY14	1Q14	4Q14	**1Q15**
Total operating income	27,732	28,027	7,258	6,746	8,841
Total operating expenses	24,461	25,567	5,865	6,342	6,134
Profit before tax as reported	**3,272**	**2,461**	**1,393**	**404**	**2,708**
of which: own credit on financial liabilities designated at fair value	(283)	292	88	70	226
of which: gains on sales of real estate	288	44	23	20	378
of which: gain on disposals	65	43	0	0	141
of which: net restructuring charges	(772)	(677)	(204)	(208)	(305)
of which: net losses related to the buyback of debt in public tender offers	(167)	0	0	0	0
of which: impairment of a financial investment available-for-sale	0	(48)	0	0	0
of which: credit related to changes to retiree benefit plans in the US	0	41	0	8	0
Adjusted profit before tax	**4,141**	**2,766**	**1,486**	**514**	**2,268**
of which: provisions for litigation, regulatory and similar matters	(1,701)	(2,594)	(193)	(310)	(58)
Tax (expense)/benefit	110	1,180	(339)	515	(670)
Net profit attributable to preferred noteholders	204	142	0	31	0
Net profit attributable non-controlling interests[1,2]	5	32	0	29	61
Net profit attributable to UBS Group AG shareholders	**3,172**	**3,466**	**1,054**	**858**	**1,977**
Diluted EPS (CHF)	0.83	0.91	0.27	0.23	0.53
Return on tangible equity, adjusted (%)	9.8	8.6	10.7	8.6	14.4
Total book value per share (CHF)	12.74	13.94	13.07	13.94	14.33
Tangible book value per share (CHF)	11.07	12.14	11.41	12.14	12.59

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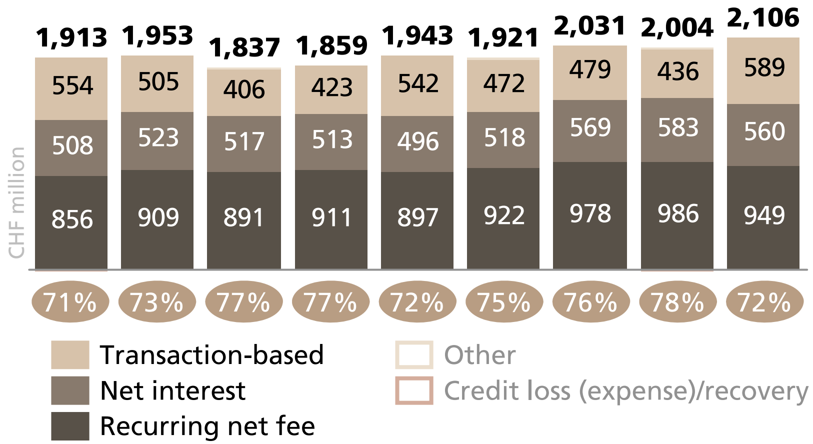
Refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation; 1 Includes non-controlling interests in UBS AG reflecting the non-exchanged UBS AG shares as well as non-controlling interests related to the preferred notes issued by UBS AG; 2 In addition to net profit attributable to non-controlling interests in UBS AG reflecting the non-exchanged UBS AG shares, we expect to attribute net profit of ~CHF 80 million to non-controlling interests related to the preferred notes issued by UBS AG in both 2015, all of which in the second quarter, and 2016 and of ~CHF 70 million in 2017

Wealth Management

PBT CHF 856 million, highest since 3Q08

Operating income

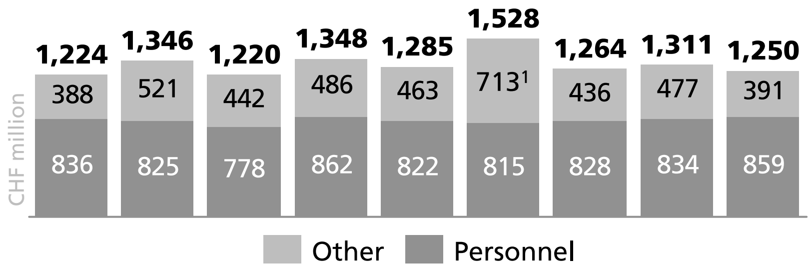
Recurring income



Operating income CHF 2,106 million

- Transaction-based income increased across all regions, most notably in APAC
- Net interest income decreased, mainly due to lower income from loans and deposits on a stronger Swiss Franc
- Recurring net fee income decreased, mainly due to lower invested assets on a stronger Swiss Franc

Operating expenses

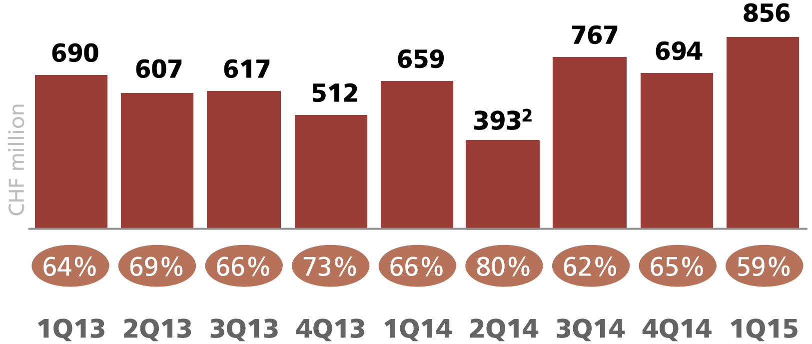


Operating expenses CHF 1,250 million

- G&A expenses decreased, mainly due to lower marketing and Corporate Center costs
- Personnel expenses increased, mainly due to increased variable compensation and untaken vacation accruals

Profit before tax

C/I ratio



PBT CHF 856 million

- 59% cost/income ratio

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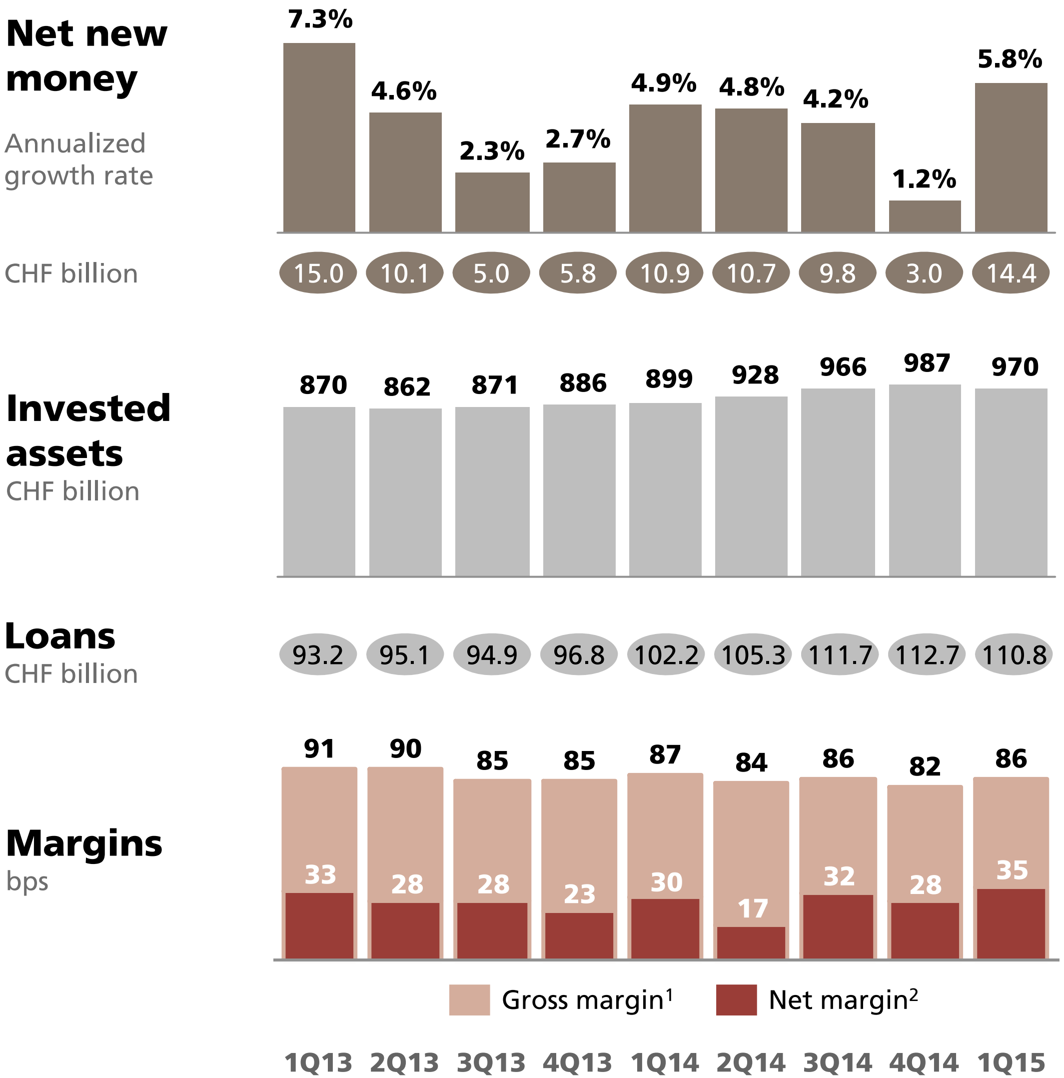
Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 CHF 422 million excluding CHF 291 million charges for provisions for litigation, regulatory and similar matters; 2 Profit before tax CHF 684 million excluding CHF 291 million charges for provisions for litigation, regulatory and similar matters

Wealth Management

Strong growth in mandate penetration, net margin up 7 bps to 35 bps

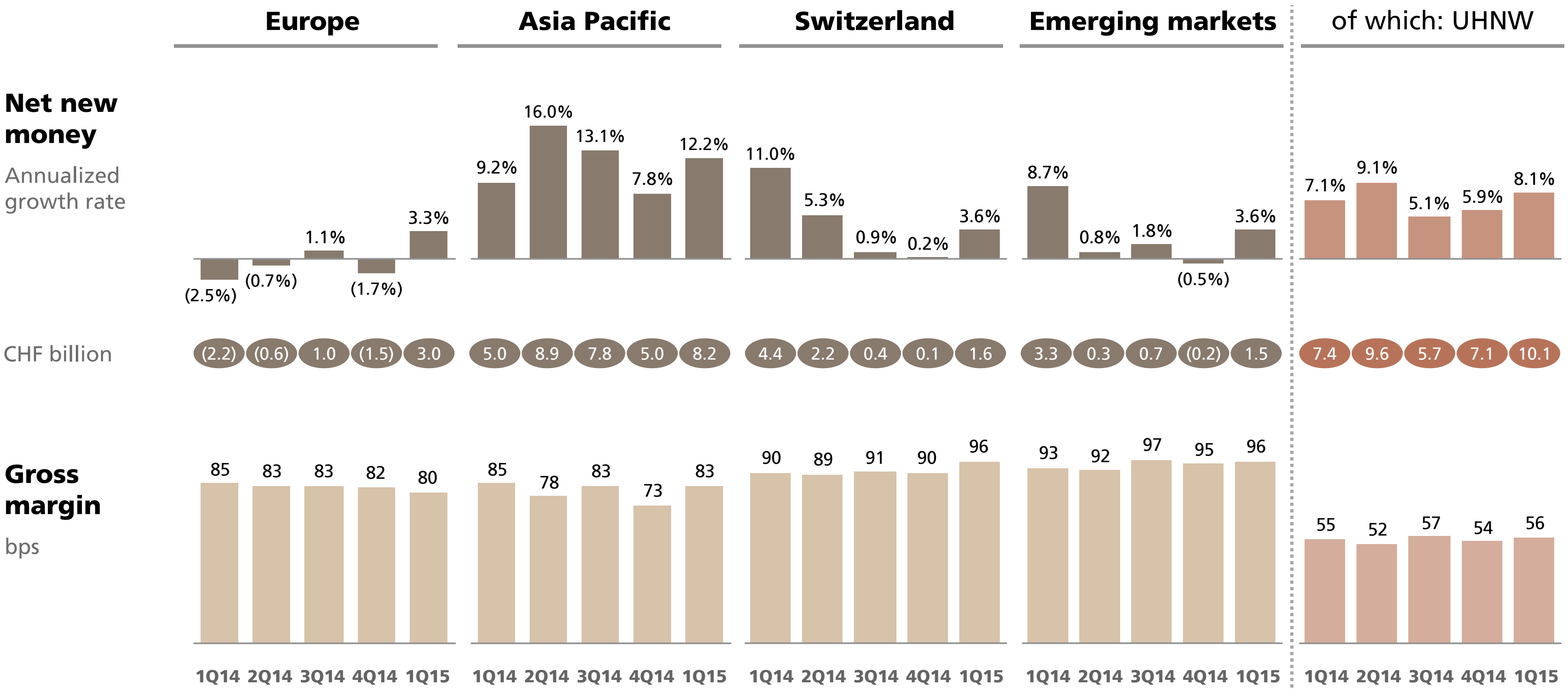


- **NNM CHF 14.4 billion, 5.8% growth rate** on strong inflows from APAC as well as Europe Domestic and International
- **Invested assets CHF 970 billion**, strong NNM and positive market performance, more than offset by negative FX translation effects
- **Mandate penetration 25.5%**, up from 24.4%, with strong net mandate sales of CHF 15.0 billion
- **Gross loans CHF 110.8 billion**, down on FX translation effects, underlying trend remains positive
- **Net margin 35 bps**, up 7 bps

Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Annualized operating income before credit loss (expense) or recovery in bps of average invested assets; 2 Annualized PBT in bps of average invested assets

Wealth Management

Strong NNM growth, positive in all regions, with APAC and Europe as main contributors



31.3.15	Europe	Asia Pacific	Switzerland	Emerging markets	of which: UHNW
Invested assets CHF billion	**349**	**276**	**178**	**165**	**503**
Client advisors FTE	**1,496**	**1,201**	**773**	**776**	**761**

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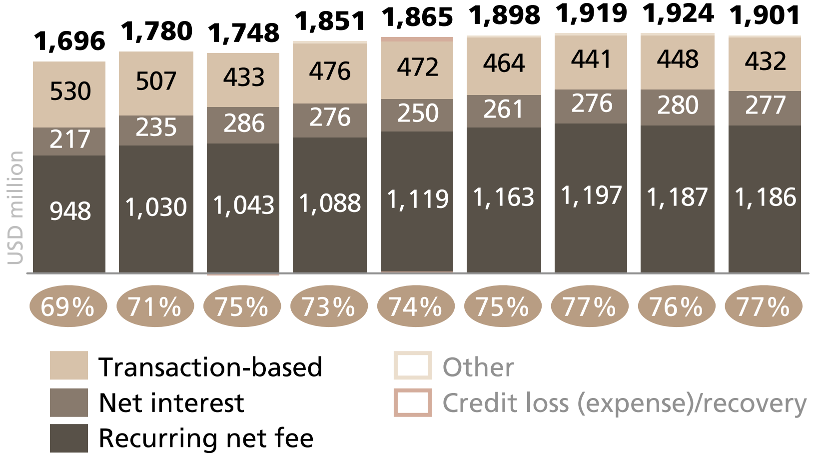
Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
Based on the Wealth Management business area structure; refer to page 31 of the 1Q15 financial report for more information

Wealth Management Americas

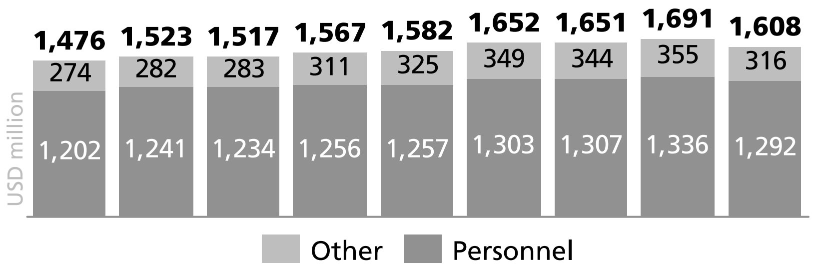
Record PBT USD 293 million

Operating income

Recurring income

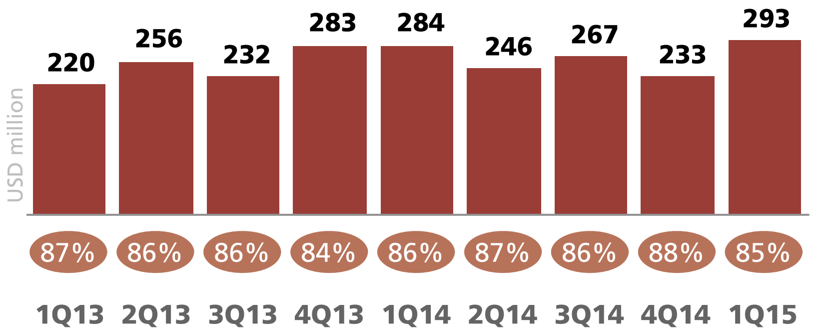


Operating expenses



Profit before tax

C/I ratio



Operating income USD 1,901 million

- Operating income decreased, mainly due to lower transaction-based income

Operating expenses USD 1,608 million

- G&A expenses decreased, mainly due to lower charges for provisions for litigation, regulatory and similar matters and lower Corporate Center costs
- Personnel expenses decreased, mainly due to lower FA compensation, primarily reflecting lower performance-based compensation and slightly lower compensable revenues

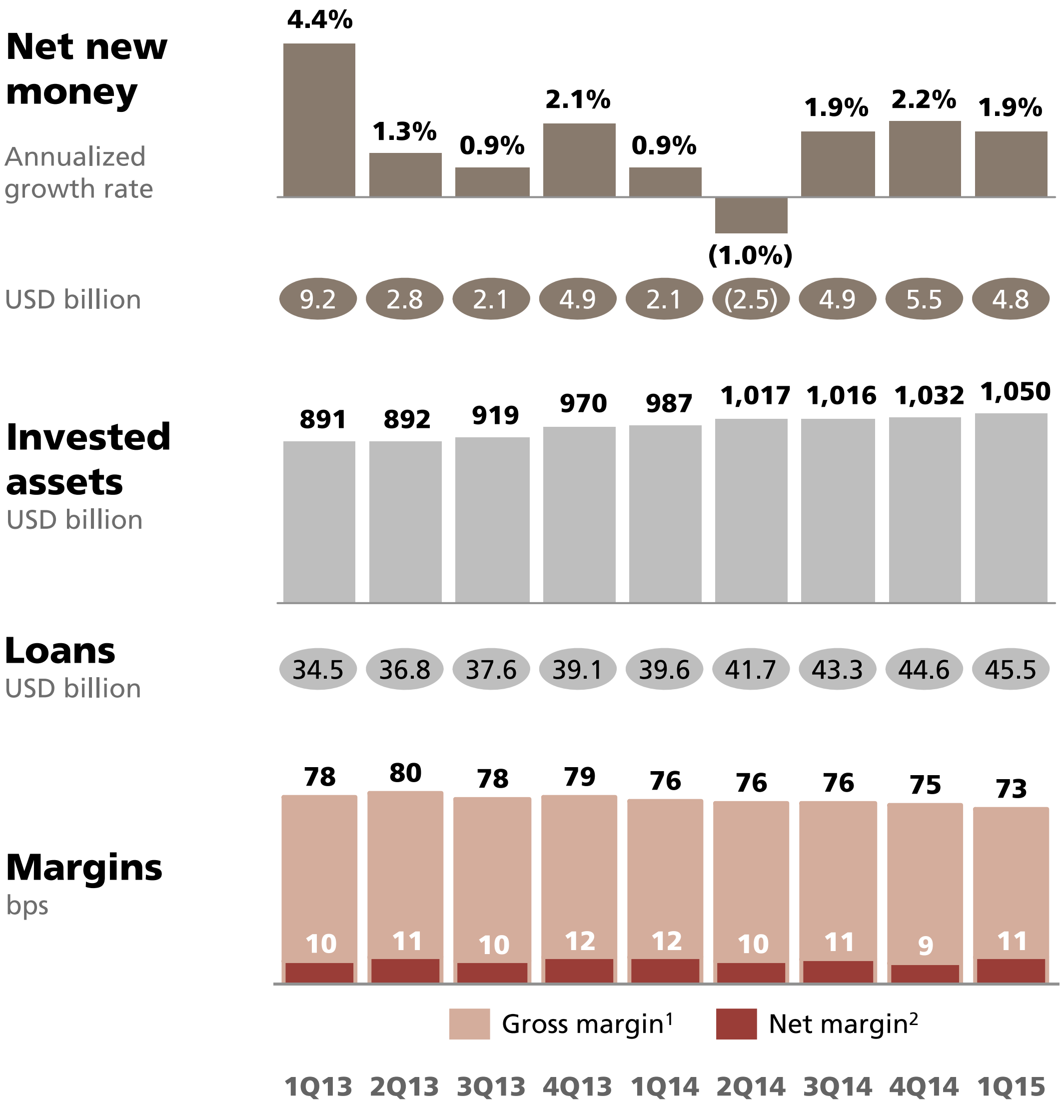
PBT USD 293 million

- 85% cost/income ratio

Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

Wealth Management Americas

Record USD invested assets and loan balances



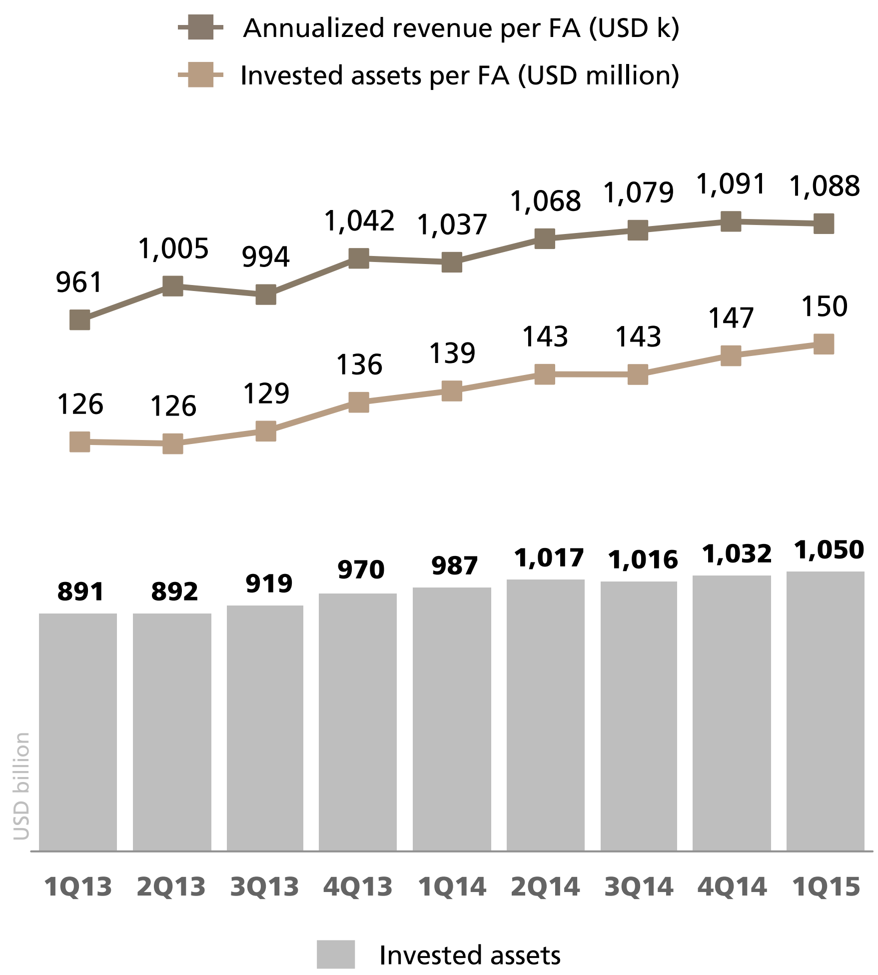
- **NNM USD 4.8 billion, 1.9% growth rate** reflecting net new money inflows from financial advisors employed more than one year
- **Invested assets USD 1,050 billion**, new record on positive market performance and NNM
- **Gross loans USD 45.5 billion** mainly on increased credit lines and mortgages
- **Net margin 11 bps**, up 2bps

Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Annualized operating income before credit loss (expense) or recovery in bps of average invested assets; 2 Annualized PBT in bps of average invested assets

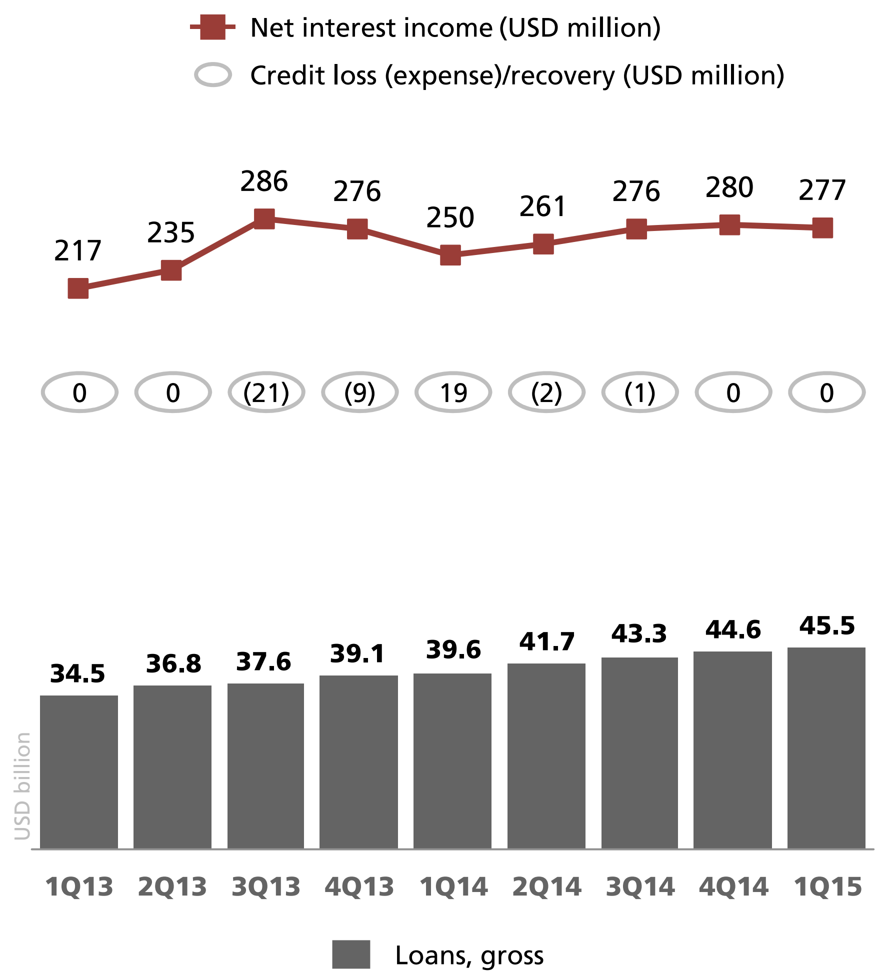
Wealth Management Americas

Record USD invested assets and industry-leading FA productivity

Invested assets and FA productivity



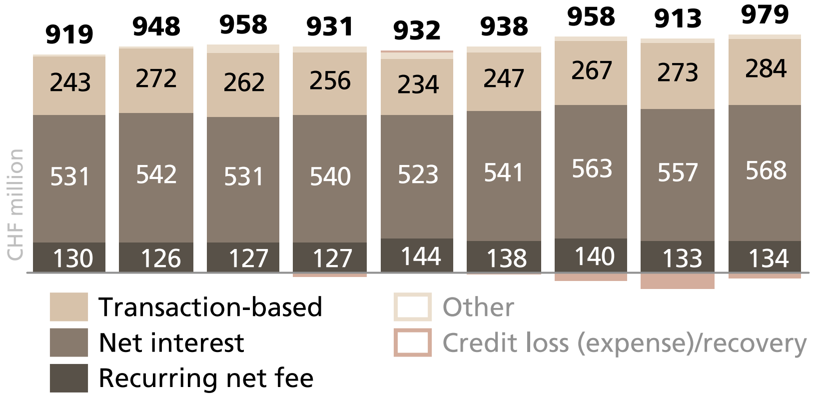
Net interest income and lending



Retail & Corporate

Highest first quarter PBT since 1Q10 and all KPIs within target ranges

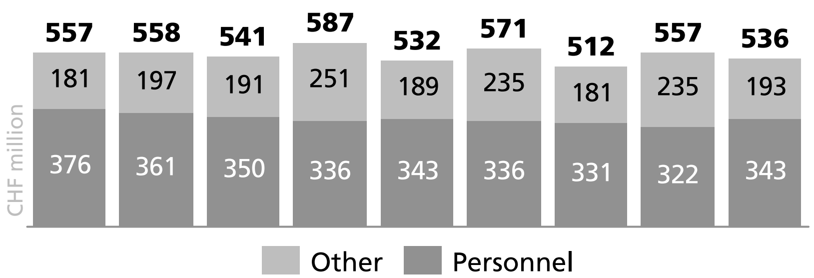
Operating income



Operating income CHF 979 million

- Transaction-based income increased, mainly due to FX-trading and hedging-related income
- Net interest income increased, mainly due to pricing measures, partly offset by lower allocated revenues from Group ALM
- Credit loss expenses decreased

Operating expenses

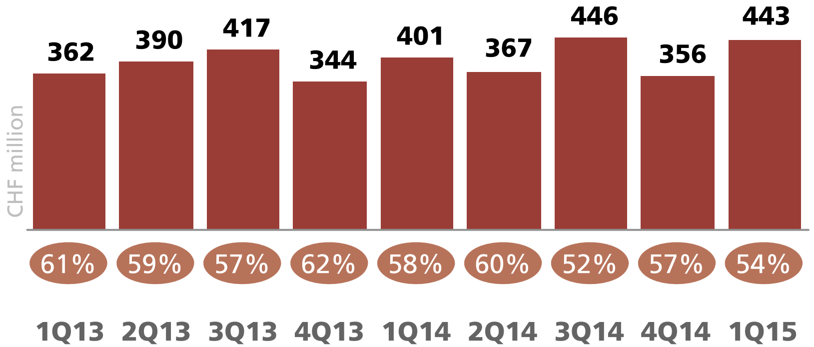


Operating expenses CHF 536 million

- G&A expenses decreased, mainly as 4Q14 included significant investments in our multichannel offering; marketing expenses and professional fees also declined
- Personnel expenses increased, mainly due to higher variable compensation accruals

Profit before tax

C/I ratio



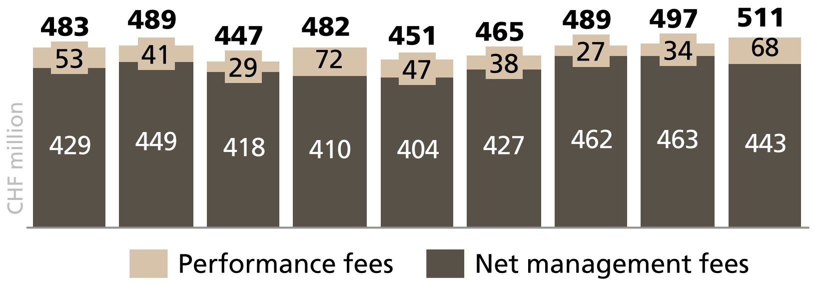
PBT CHF 443 million

- 54% cost/income ratio
- Net interest margin 165 bps vs. 162 bps in 4Q14, mainly reflecting higher net interest income
- Annualized net new retail business volume growth 3.1% vs. 0.6% in 4Q14, following the typical seasonal pattern

Global Asset Management

PBT CHF 186 million, up 50% and highest since 4Q09

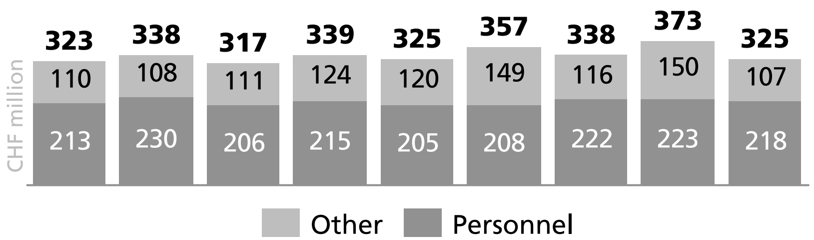
Operating income



Operating income CHF 511 million

- Performance fees increased, primarily in O'Connor and A&Q funds, partly offset by global real estate and traditional investments
- Net management fees decreased, mainly in traditional investments, primarily due to FX

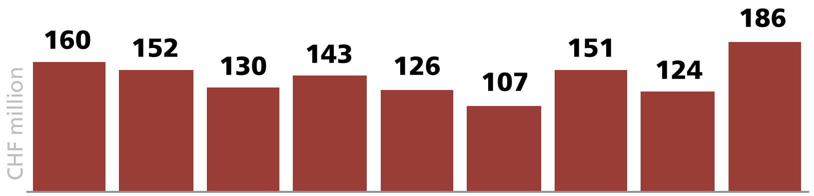
Operating expenses



Operating expenses CHF 325 million

- G&A expenses decreased, mainly as the prior quarter included charges for provisions for litigation, regulatory and similar matters, as well as due to lower Corporate Center costs

Profit before tax



	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
C/I ratio	67%	69%	71%	70%	72%	77%	69%	75%	64%
Net new money ex. MM	5.1	(1.3)	(3.9)	(4.6)	13.0	11.6	3.8	(5.8)	7.5

PBT CHF 186 million

- 64% cost/income ratio
- Net margin 11 bps vs. 8 bps in 4Q14
- Gross margin 31 bps vs. 30 bps in 4Q14

- Net new money excluding money market flows of CHF 7.5 billion, of which 2.5 billion from third parties and CHF 5.1 billion from our wealth management businesses

Investment Bank

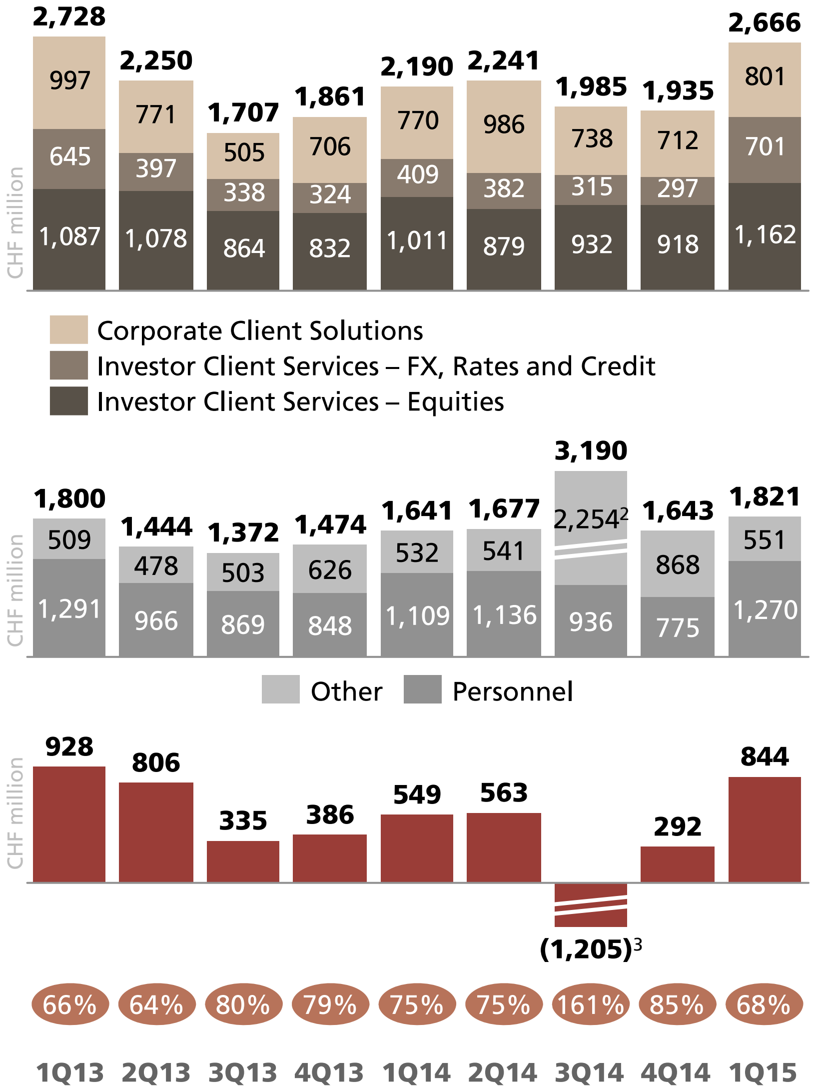
Strong performances in both ICS and CCS

Operating income[1]

Operating expenses

Profit before tax

C/I ratio



Operating income CHF 2,666 million

- CCS increased on higher revenues in DCM, ECM and financing solutions as well as higher risk management revenues, partly offset by lower advisory revenues
- ICS increased in FRC, on significantly higher volatility and client activity levels, and Equities, on stronger performance across all sectors and regions, mainly reflecting seasonally higher client activity levels

Operating expenses CHF 1,821 million

- G&A expenses decreased, mainly due to lower charges for provisions for litigation, regulatory and similar matters and the annual UK bank levy in 4Q14
- Personnel expenses increased on higher performance driven variable compensation expenses

PBT CHF 844 million

- 68% cost/income ratio
- Annualized return on attributed equity 46%
- Basel III RWA CHF 64 billion
- Funded assets CHF 175 billion

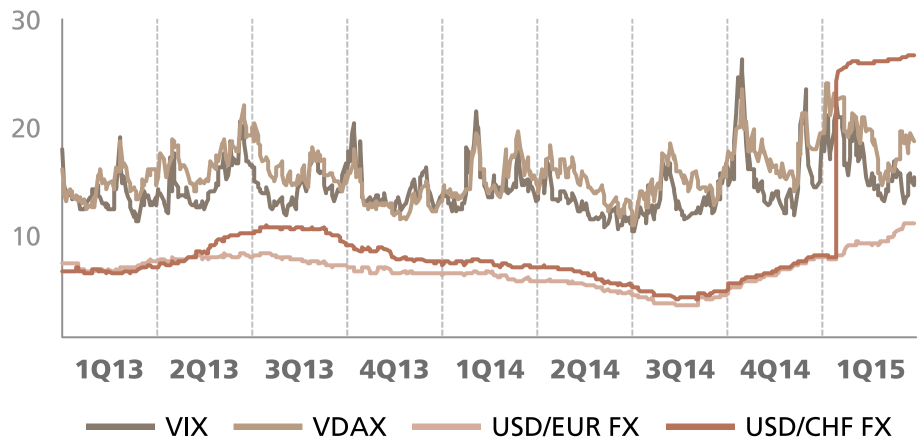
UBS

Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Operating income including credit loss (expense) or recovery; 2 CHF 567 million excluding CHF 1,687 million charges for provisions for litigation, regulatory and similar matters; 3 Profit before tax CHF 482 million excluding CHF 1,687 million charges for provisions for litigation, regulatory and similar matters

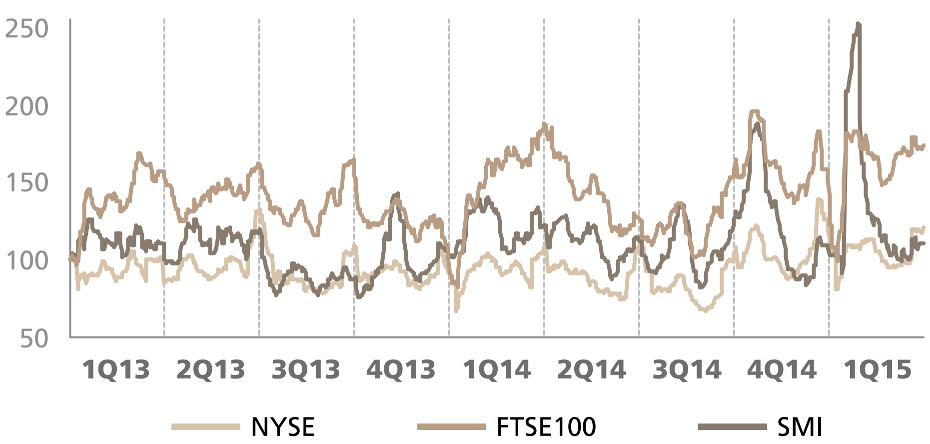
Investment Bank

Solid 1Q15 results delivered with continued efficient resource utilization

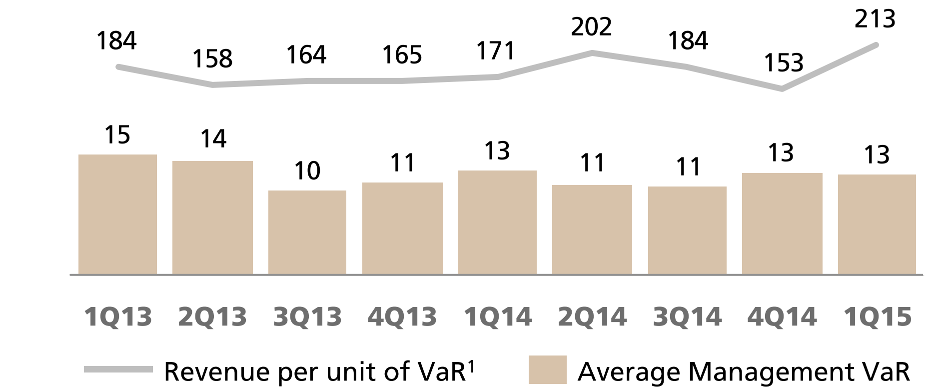
Market volatility
VIX and VDAX (index value), USD/EUR and USD/CHF 90-day volatility (%)



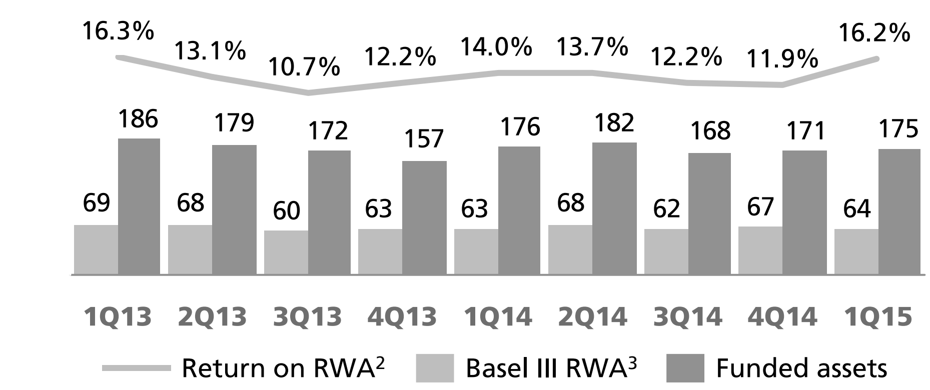
Equity trading volumes
Indexed, 1.1.13 = 100



Revenue per unit of VaR
CHF million



Resource utilization and return on RWA
CHF billion, %



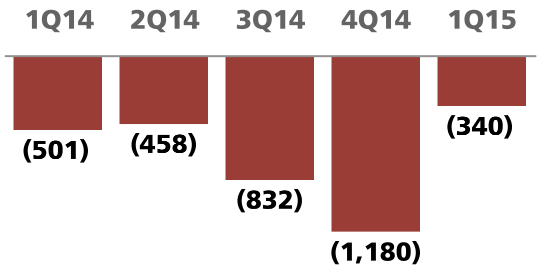
UBS

Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Operating income excluding credit loss (expense) or recovery/average management VaR, based on unrounded figures; 2 Annualized operating income excluding credit loss (expense) or recovery/quarter-end Basel III RWA, phase-in; 3 Phase-in

Corporate Center

Improved results across all three Corporate Center units

Profit before tax



Corporate Center PBT negative CHF 340 million

- Losses reduced due to improved results in all three Corporate Center units, mainly due to improved operating income in Non-core and Legacy Portfolio and Group ALM, and lower operating expenses in Non-core and Legacy Portfolio

Corporate Center total (CHF million)

Corporate Center results by unit (CHF million)

Services

	1Q14	2Q14	3Q14	4Q14	1Q15
Operating income	(14)	4	9	(6)	(4)
Operating expenses	233	(9)	180	255	218
o/w before allocations	*2,082*	*1,881*	*2,058*	*2,314*	*2,029*
o/w net allocations	*(1,849)*	*(1,890)*	*(1,878)*	*(2,059)*	*(1,811)*
Profit before tax	**(246)**	**13**	**(171)**	**(261)**	**(222)**

- Operating expenses before allocations decreased on lower G&A and personnel expenses, partly due to favorable currency effects
- Net allocations for shared services decreased, mainly due to lower operating expenses before allocations

Group Asset and Liability Management

	1Q14	2Q14	3Q14	4Q14	1Q15
Operating income	(46)	(55)	(65)	(201)	118
o/w gross income	*160*	*189*	*275*	*129*	*407*
o/w net allocations	*(206)*	*(243)*	*(341)*	*(330)*	*(289)*
Operating expenses	(8)	3	(1)	6	(4)
Profit before tax	**(39)**	**(57)**	**(64)**	**(208)**	**122**

- Operating income increased, mainly due higher retained income related to hedge accounting models and cross-currency basis swaps held as economic hedges

Non-core and Legacy Portfolio

	1Q14	2Q14	3Q14	4Q14	1Q15
Operating income	29	(167)	(322)	(361)	(80)
Operating expenses	245	247	273	350	160
Profit before tax	**(216)**	**(414)**	**(596)**	**(711)**	**(240)**

- Operating income improved, mainly as 4Q14 included losses from the termination of certain CDS contracts and greater novation and unwind activity
- Operating expenses decreased, mainly due to lower charges for provisions for litigation, regulatory and similar matters as well as the annual UK bank levy in 4Q14

UBS

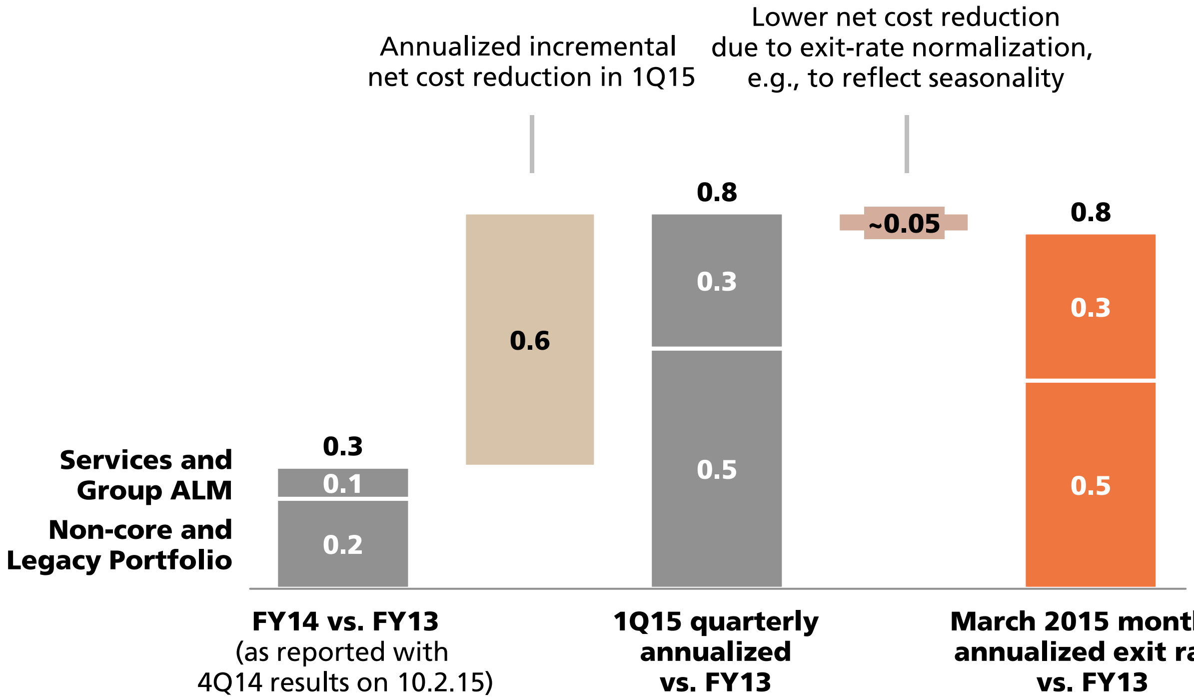
Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

Corporate Center cost reductions

~CHF 0.8 billion net cost reductions using March 2015 annualized exit rate

Cumulative annualized net cost reduction

CHF billion



- Target CHF 1.4 billion net cost reduction by 2015 year-end exit rate vs. FY13[1,2]
- March 2015 exit rate performance is an early positive sign of continued cost reductions
- Execution risk remains throughout the year, we will continue to be vigilant on costs, including expenses driven by higher regulatory demand

Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
Charts illustrative only and bars not to scale; Numbers may not sum up to totals due to rounding; 1 Refer to page 41 of the 2014 annual report for details of our cost reduction targets; 2 Refer to slide 26 for details on net cost reduction progress as of the end of 1Q15

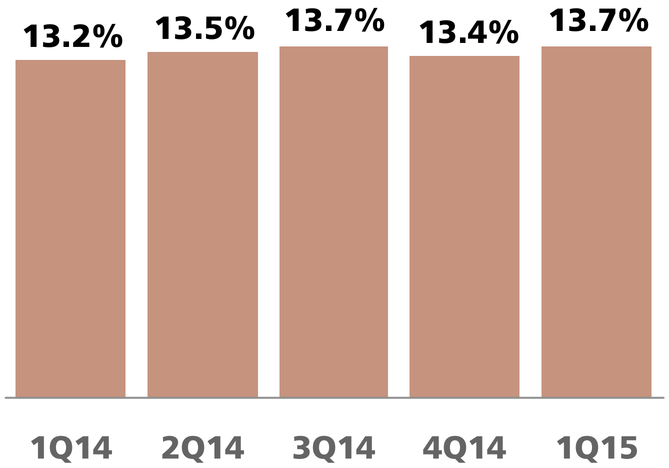
Swiss SRB Basel III capital and leverage ratios

Fully applied Swiss SRB leverage ratio 4.6%

Basel III CET1 capital ratio (fully applied)

CHF billion

CET1 capital ratio

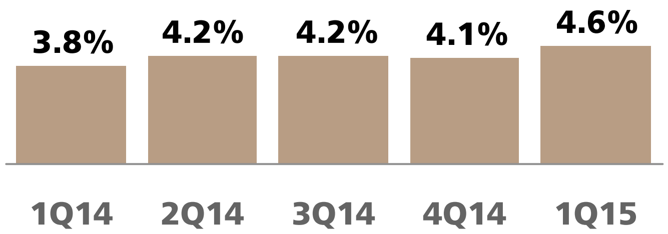


	1Q14	2Q14	3Q14	4Q14	1Q15
CET1 capital	29.9	30.6	30.0	28.9	29.6
RWA	227	227	219	216	216

Swiss SRB leverage ratio (fully applied)

CHF billion

Leverage ratio

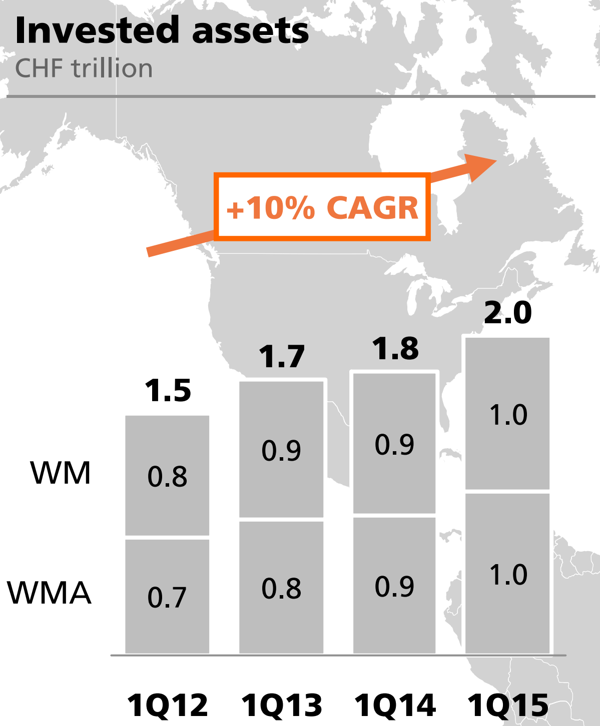


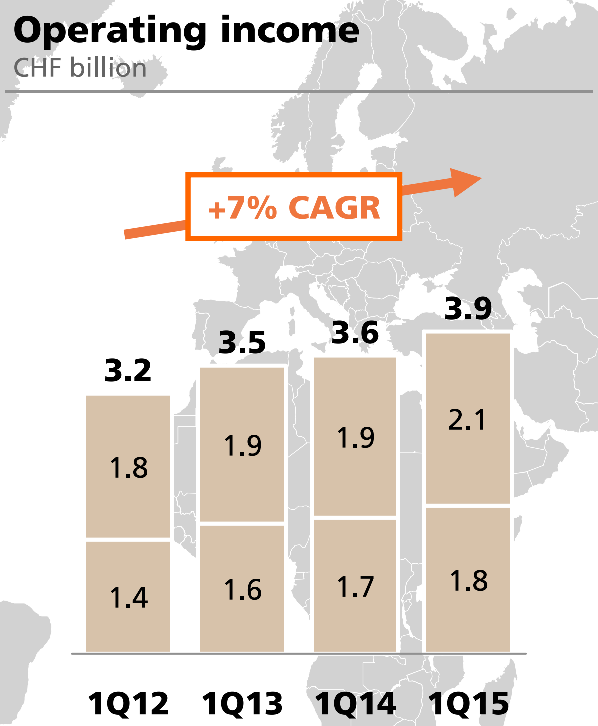
	1Q14	2Q14	3Q14	4Q14	1Q15
Total capital	38.0	41.0	41.0	40.8	44.5
LRD	988	981	981	998	977

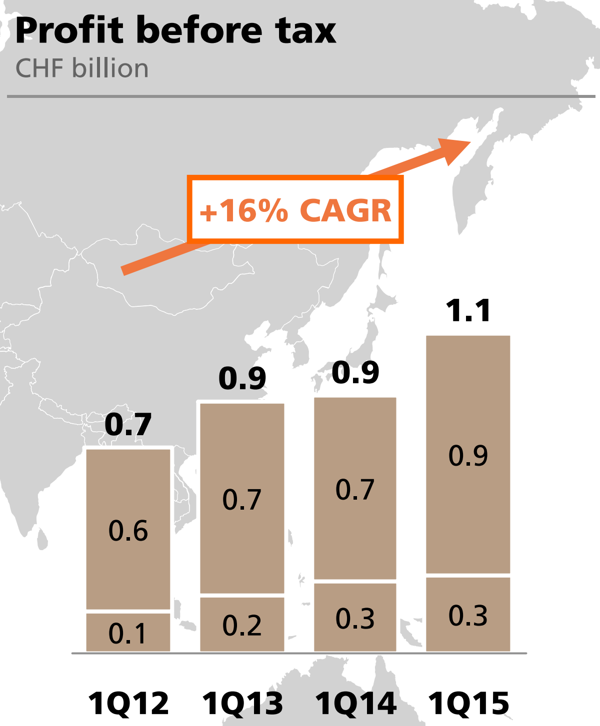
Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
As of 31.3.15, our post-stress fully applied Basel III CET1 capital ratio exceeded 10%

The world's leading wealth management franchise

Superior growth prospects and strong track record







Unique global footprint – operating in the largest and fastest growing markets

Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
Numbers may not sum up to totals due to rounding

UBS – a unique and attractive investment proposition

The world's leading wealth manager

UBS is the world's largest wealth manager[1]

- Unique global footprint provides exposure to both the world's largest and fastest growing global wealth pools
- Leading position across the attractive HNW and UHNW client segments
- Profitable in all regions including Europe, US, APAC and emerging markets
- Significant benefits from scale; high and rising barriers to entry
- Retail & Corporate, Global Asset Management and the Investment Bank all add to our wealth management franchise, providing a unique proposition for clients
- Highly cash generative with a very attractive risk-return profile
- 10-15% pre-tax profit growth target for our combined wealth management businesses[2]

Strong capital position

UBS capital position is strong – and we can adapt to change

- Our fully applied Basel III CET1 capital ratio is the highest among large global banks and we already meet our expected 2019 Swiss SRB Basel III capital ratio requirements
- Our highly capital accretive business model allows us to adapt to changes in regulatory capital requirements

Attractive capital returns policy

UBS is committed to an attractive capital returns policy

- Our earnings capacity, capital efficiency and low-risk profile all support our objective to deliver sustainable and growing capital returns to our shareholders
- Our capital returns capacity is strengthened by our commitment to further improve efficiency and our potential for net upward revaluations of deferred tax assets
- We target to pay out at least 50% of net profits[3], while maintaining our strong capital position and profitably growing our businesses

1 Scorpio Partnership Global Private Banking Benchmark 2014; 2 Adjusted pre-tax profit, refer to slide 27 for details; 3 Payout ratio of at least 50% conditional on maintaining a fully applied Basel III CET1 capital ratio of at least 13% and post-stress fully applied Basel III CET1 ratio of at least 10%

Appendix

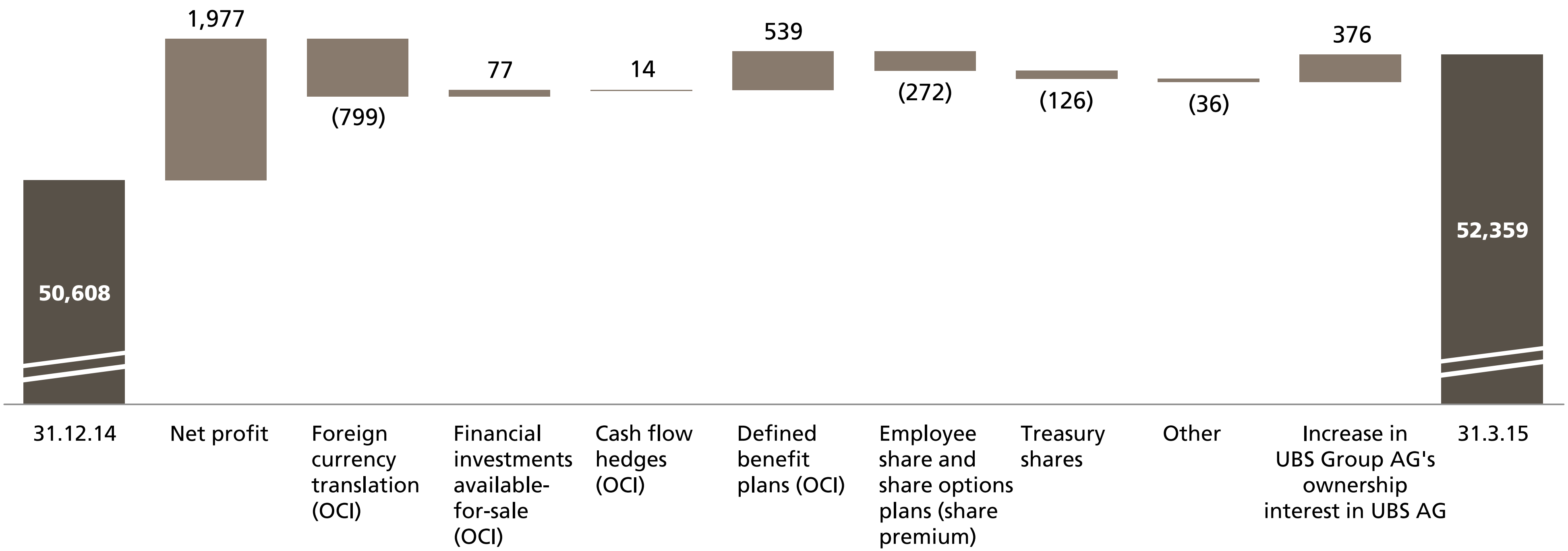
IFRS equity attributable to UBS Group AG shareholders

Equity attributable to UBS Group AG shareholders CHF 52 billion as of 31.3.15

QoQ movement

CHF million, except for per share figures in CHF

	31.12.14		31.3.15
Total book value per share:	13.94	+2.8%	14.33
Tangible book value per share:	12.14	+3.7%	12.59



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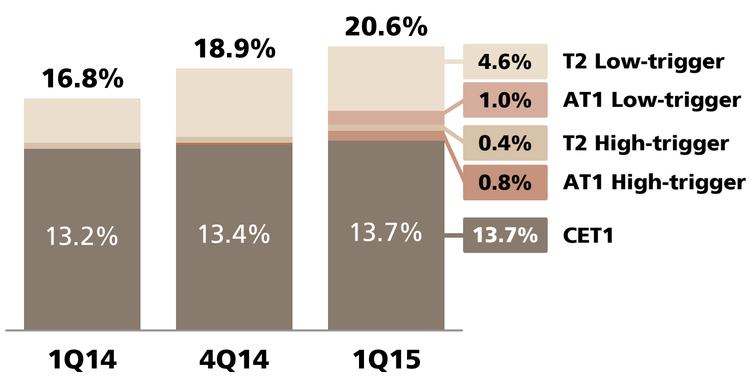
Swiss SRB Basel III capital and ratios

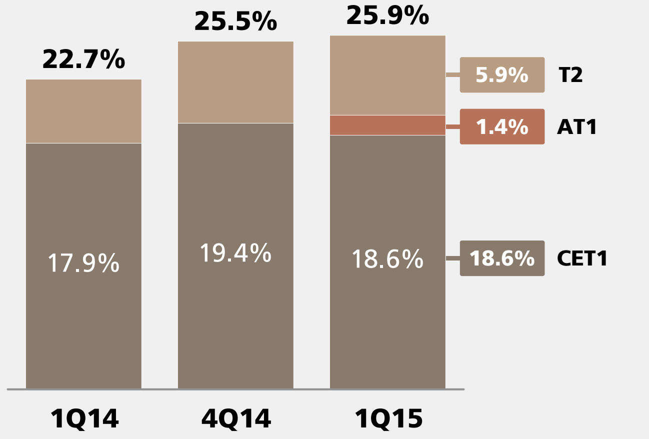
1Q15 fully applied Basel III CET1 capital ratio 13.7%

Ratio

Fully applied



Phase-in



CHF billion

		Fully applied 1Q14	Fully applied 4Q14	Fully applied 1Q15	Phase-in 1Q14	Phase-in 4Q14	Phase-in 1Q15
T2	Other[1]				3.0	2.1	2.0
	Low-trigger	7.1	10.5	10.0	7.1	10.5	10.0
	High-trigger	1.0	0.9	0.9	1.0	0.9	0.9
	Total T2	**8.1**	**11.4**	**11.0**	**11.0**	**13.4**	**13.0**
AT1	Other[2]				3.1	3.2	2.9
	Low-trigger			2.3			2.3
	High-trigger		0.5	1.7		0.5	1.7
	Deductions[3]				(3.1)	(3.7)	(3.9)
	Total AT1	**-**	**0.5**	**3.9**	**-**	**-**	**3.0**
CET1		**29.9**	**28.9**	**29.6**	**41.2**	**42.9**	**40.8**
Total capital		**38.0**	**40.8**	**44.5**	**52.2**	**56.3**	**56.8**
RWA		**226.8**	**216.5**	**216.4**	**229.9**	**220.9**	**219.4**

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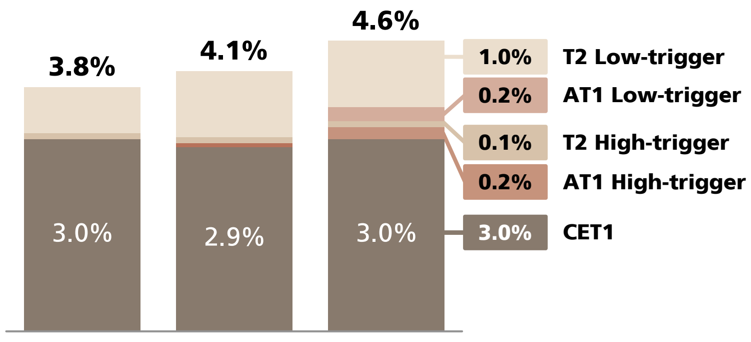
Refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Phase-out capital; 2 Hybrid capital subject to phase-out; 3 Goodwill, net of tax, offset against hybrid capital and loss-absorbing capital

Swiss SRB leverage ratio

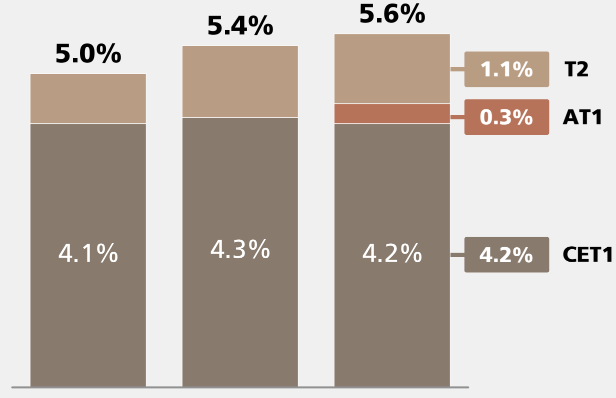
1Q15 fully applied Swiss SRB leverage ratio 4.6%

Fully applied

Ratio



Phase-in



CHF billion

		Fully applied 1Q14	Fully applied 4Q14	Fully applied 1Q15	Phase-in 1Q14	Phase-in 4Q14	Phase-in 1Q15
T2	Low-trigger	7.1	10.5	10.0	7.1	10.5	10.0
T2	High-trigger	1.0	0.9	0.9	1.0	0.9	0.9
T2	**Total T2**	**8.1**	**11.4**	**11.0**	**8.1**	**11.4**	**11.0**
AT1	Other[1]				3.1	3.2	2.9
AT1	Low-trigger			2.3			2.3
AT1	High-trigger		0.5	1.7		0.5	1.7
AT1	Deductions[2]				(3.1)	(3.7)	(3.9)
AT1	**Total AT1**	**-**	**0.5**	**3.9**	**-**	**-**	**3.0**
CET1		**29.9**	**28.9**	**29.6**	**41.2**	**42.9**	**40.8**
Total capital		**38.0**	**40.8**	**44.5**	**49.3**	**54.3**	**54.8**
Swiss SRB LRD		**987.9**	**997.8**	**976.9**	**994.0**	**1,004.9**	**982.2**

Loss-absorbing capital CHF 14.9 billion (31.3.15)

CHF 14.0 billion (31.3.15)

- BIS Basel III leverage ratio **3.4%** on a fully applied basis and **4.4%** on a phase-in basis[3]
- BIS Basel III LRD CHF **991** billion on a fully applied basis and CHF **996** billion on a phase-in basis[3]

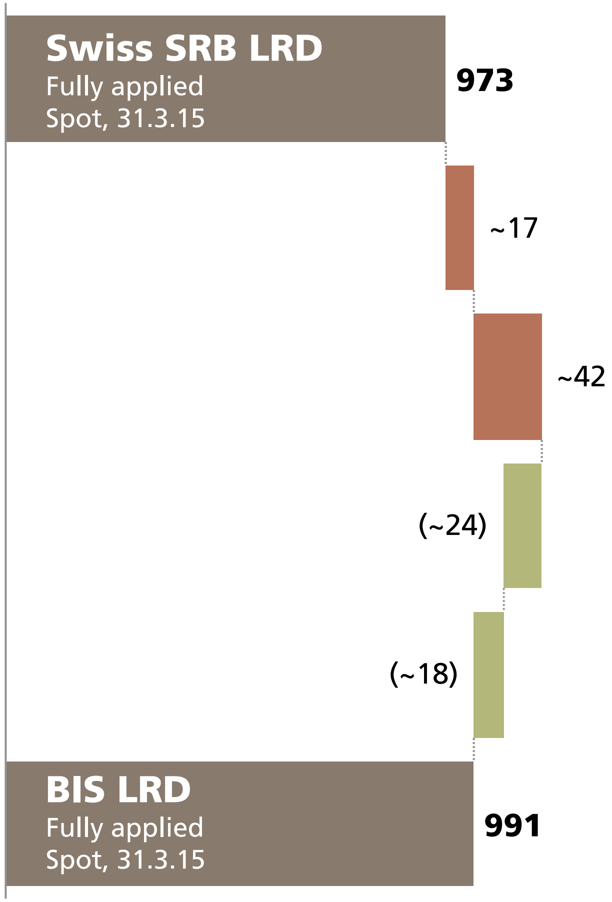
UBS

Refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Hybrid capital subject to phase-out; 2 Goodwill, net of tax, offset against hybrid capital and loss-absorbing capital; 3 Refer to the "BIS Basel III leverage ratio" section of the 1Q15 financial report for further detail

LRD: Swiss SRB vs. BIS Basel III rules

We expect the net difference to decrease by year-end 2015, as we adjust our exposures to new regulation

LRD (CHF billion)



Description of changes

Derivative exposures

- Inclusion of net notionals for protection sold through credit derivatives
- Current exposure method (CEM) add-ons no longer exempt for ETD and exposures to qualifying central counterparties
- Partly offset by netting with cash collateral

Securities financing transactions

- Addition of charge for counterparty credit risk
- Stricter netting criteria

Off-balance sheet commitments

- Application of credit conversion factors in line with the Basel III framework and inclusion of forward-starting repurchase agreements

Scope of consolidation

- Exclusion of assets of entities consolidated under IFRS but not in regulatory scope of consolidation

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Refer to slide 30 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation

1 Chart based on 31.3.15 spot balances, 1Q15 average fully applied Swiss SRB LRD was CHF 977 billion

Breakdown of changes in RWA

By type

CHF billion

216 — **31.12.14**

+4 — **Methodology/model-driven**
- CHF 2.0 billion increase in operational risk RWA due to AMA model parameter changes
- CHF 2.3 billion increase in credit risk RWA due to increased multipliers on Swiss mortgages

(5) — **Currency effects**

+1 — **Book size and other**
- CHF 0.7 billion increase in credit risk RWA primarily due to higher derivative exposures partly offset by repayment of loans and termination of loan facilities

216 — **31.3.15**

By business division

CHF billion

216 — **31.12.14**

(0) — **Non-core and Legacy Portfolio[1]**
- CHF 0.8 billion increase in operational risk RWA related to AMA model parameter changes
- CHF 0.9 billion decrease in RWA due to currency effects

(3) — **Investment Bank**
- CHF 2.0 billion decrease in market risk RWA primarily due to lower regulatory VaR, Stressed VaR and risks not in VaR and currency effects
- CHF 0.4 billion increase in operational risk RWA due to AMA model parameter changes
- CHF 1.0 billion decrease in credit risk RWA primarily due currency effects and repayment of loans, termination of loan facilities partly offset by to higher derivative exposures

+3 — **All other businesses[2]**
- CHF 2.3 billion increase in credit risk RWA due to increased multipliers on Swiss mortgages
- CHF 0.8 billion increase in operational risk RWA due to AMA model parameter changes

216 — **31.3.15**

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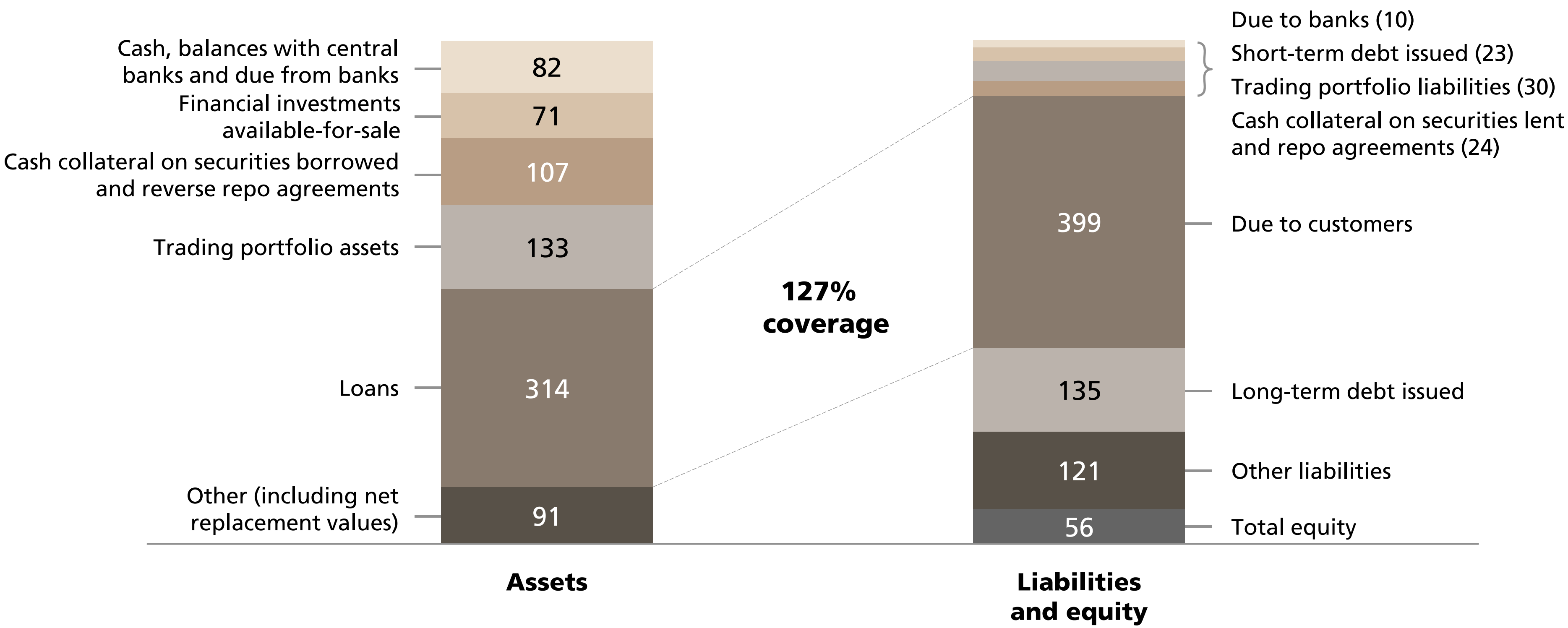
Refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Refer to pages 55-57 of the 1Q15 financial report for more information on Non-core and Legacy Portfolio; 2 Corporate Centre – Group ALM, Corporate Centre – Services, Wealth Management, Wealth Management Americas, Retail & Corporate and Global Asset Management

Strong balance sheet, funding and liquidity position

Asset funding[1]

31.3.15, CHF billion



Strong funding and liquidity

- Well diversified by market, tenor and currency
- Limited use of short-term wholesale funding
- Basel III LCR 122% and Basel III NSFR[2] 106%

Refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

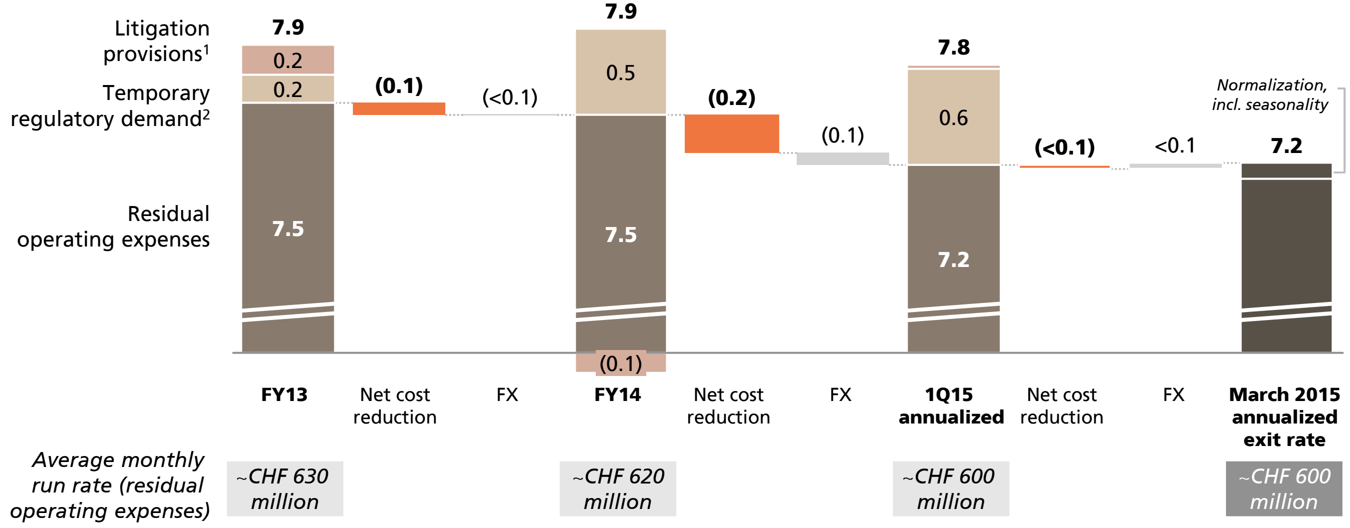
1 Refer to the "Liquidity and funding management" section of the 1Q15 financial report for further detail; 2 Estimated pro-forma ratio

Corporate Center cost reductions

~CHF 0.8 billion net cost reduction as per March 2015 exit rate

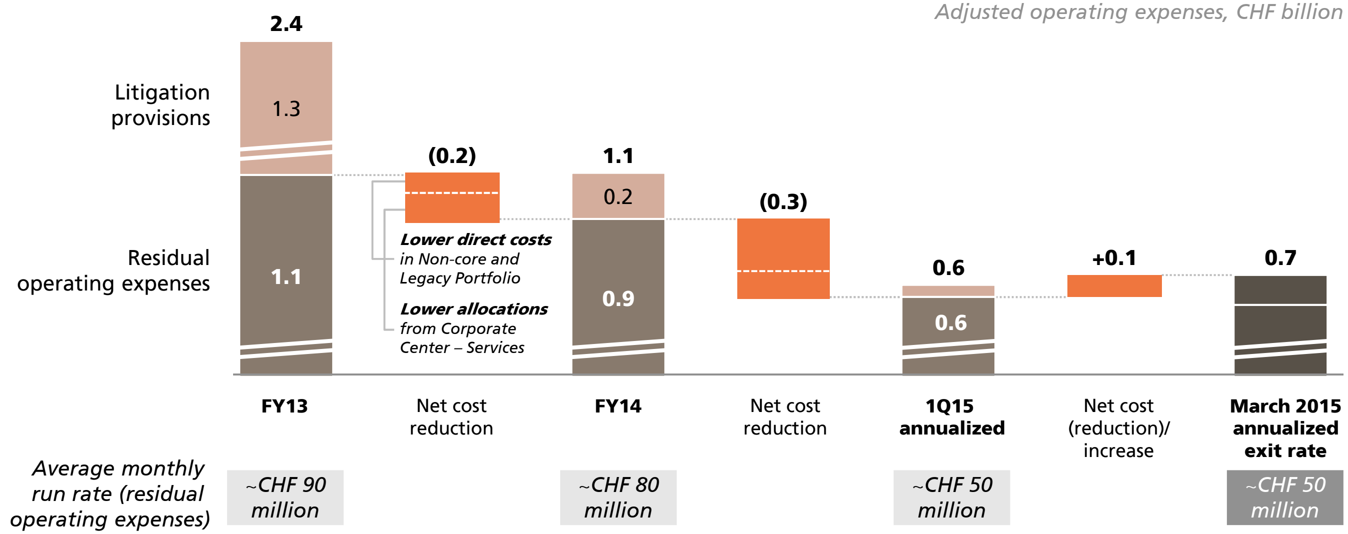
Services & Group ALM

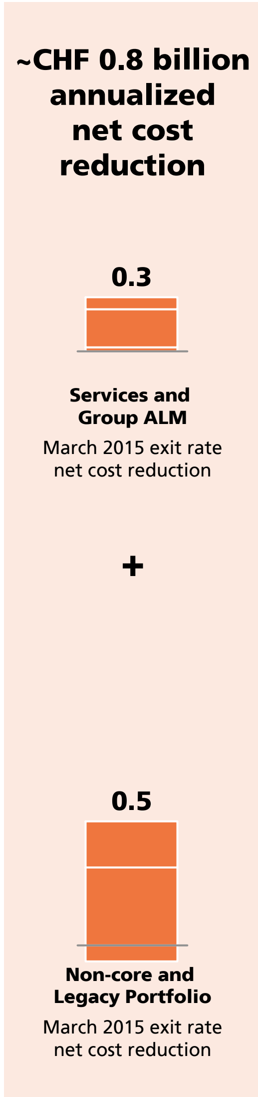
CHF 1.0 billion net cost reduction target by 2015 year-end exit rate vs. FY13[3]



Non-core and Legacy Portfolio

CHF 0.4 billion net cost reduction target by 2015 year-end exit rate vs. FY13[3]





UBS

Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
Charts illustrative only and bars not to scale; Numbers may not sum up to totals due to rounding; 1 Provisions for litigation, regulatory and similar matters; 2 Regulatory demand of temporary nature; 3 Refer to page 41 of the 2014 annual report for details on our cost reduction targets

Group and business division targets

Ranges for sustainable performance over the cycle[1]

Business divisions

Wealth Management	Net new money growth rate Adjusted cost/income ratio	3-5% 55-65%	10-15% annual adjusted pre-tax profit growth for combined businesses through the cycle
Wealth Management Americas	Net new money growth rate Adjusted cost/income ratio	2-4% 75-85%	
Retail & Corporate	Net new business volume growth rate Net interest margin Adjusted cost/income ratio	1-4% (retail business) 140-180 bps 50-60%	
Global Asset Management	Net new money growth rate Adjusted cost/income ratio Adjusted annual pre-tax profit	3-5% excluding money market 60-70% CHF 1 billion in the medium term	
Investment Bank	Adjusted annual pre-tax RoAE Adjusted cost/income ratio Basel III RWA limit (fully applied) Funded assets limit	>15% 70-80% CHF 70 billion CHF 200 billion	

Corporate Center

Services and Group ALM	Net cost reduction	CHF 1.0 billion by 2015 year-end exit rate
Non-core and Legacy Portfolio	Net cost reduction Basel III RWA (fully applied)	CHF 0.4 billion by 2015 year-end exit rate, additional CHF 0.7 billion after 2015 ~CHF 40 billion by 31.12.15, ~CHF 25 billion by 31.12.17

Group

Group	Adjusted cost/income ratio Adjusted return on tangible equity Basel III CET1 ratio (fully applied) Basel III RWA (fully applied) Swiss SRB LRD	60-70% around 10% in 2015, >15% from 2016 at least 13%[2] <CHF 215 billion by 31.12.15, <CHF 200 billion by 31.12.17 CHF 900 billion by 2016[3]

UBS

Refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Refer to page 41 of the 2014 annual report for details; 2 Our objective is to maintain a post-stress fully applied CET1 capital ratio of at least 10%; 3 Based on the rules applicable as of the announcement of the target (6.5.14)

Regional performance – 1Q15[1]

CHF billion		Americas		Asia Pacific		EMEA[2]		Switzerland		Corporate Center and global[3]		Total	
		4Q14	1Q15	4Q14	1Q15	4Q14	1Q15	4Q14	1Q15	4Q14	1Q15	4Q14	1Q15
Operating income	WM	0.1	0.1	0.5	0.6	1.0	1.0	0.4	0.4	(0.0)	-	2.0	2.1
	WMA	1.9	1.8	-	-	-	-	-	-	-	-	1.9	1.8
	R&C	-	-	-	-	-	-	0.9	1.0	-	-	0.9	1.0
	Global AM	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.5	0.5
	Investment Bank	0.6	0.8	0.6	0.7	0.5	0.8	0.2	0.4	0.0	(0.0)	1.9	2.7
	Corporate Center	-	-	-	-	-	-	-	-	(0.6)	0.0	(0.6)	0.0
	Group	**2.8**	**2.9**	**1.1**	**1.4**	**1.7**	**1.9**	**1.7**	**1.9**	**(0.6)**	**0.0**	**6.7**	**8.1**
Operating expenses	WM	0.1	0.1	0.3	0.3	0.7	0.6	0.2	0.2	0.0	0.0	1.3	1.2
	WMA	1.6	1.5	-	-	-	-	-	-	-	-	1.6	1.5
	R&C	-	-	-	-	-	-	0.6	0.5	-	-	0.6	0.5
	Global AM	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.0	(0.0)	0.4	0.3
	Investment Bank	0.5	0.6	0.4	0.5	0.4	0.6	0.2	0.2	0.2	0.0	1.6	1.8
	Corporate Center	-	-	-	-	-	-	-	-	0.6	0.4	0.6	0.4
	Group	**2.3**	**2.3**	**0.8**	**0.9**	**1.2**	**1.3**	**1.0**	**1.0**	**0.8**	**0.4**	**6.1**	**5.8**
Profit before tax	WM	0.0	0.0	0.1	0.2	0.4	0.4	0.2	0.2	(0.0)	(0.0)	0.7	0.9
	WMA	0.2	0.3	-	-	-	-	-	-	-	-	0.2	0.3
	R&C	-	-	-	-	-	-	0.4	0.4	-	-	0.4	0.4
	Global AM	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	(0.0)	0.0	0.1	0.2
	Investment Bank	0.1	0.2	0.2	0.3	0.1	0.2	0.1	0.2	(0.2)	(0.0)	0.3	0.8
	Corporate Center	-	-	-	-	-	-	-	-	(1.2)	(0.3)	(1.2)	(0.3)
	Group	**0.4**	**0.6**	**0.3**	**0.5**	**0.5**	**0.6**	**0.7**	**0.9**	**(1.4)**	**(0.4)**	**0.5**	**2.3**

UBS

Adjusted numbers unless otherwise indicated, refer to slide 30 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Refer to the "Group performance" section of the 1Q15 financial report for further detail about regional performance; 2 Europe, Middle East, and Africa excluding Switzerland; 3 Refers to items managed globally

Adjusted results

Adjusting items	Business division / Corporate Center	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
CHF million										
Operating income as reported (Group)		**7,775**	**7,389**	**6,261**	**6,307**	**7,258**	**7,147**	**6,876**	**6,746**	**8,841**
Of which:										
Gain on sale of a subsidiary	Wealth Management									141
Gain on sale of Global AM's Canadian domestic business	Global Asset Management	34								
Gain from the partial sale of our investment in Markit	Investment Bank						43			
Impairment of financial investments available-for-sale	Investment Bank							(48)		
Net gain on sale of remaining proprietary trading business	Investment Bank	55								
	Corporate Center - Group ALM	(24)								
Own credit on financial liabilities designated at FV	Corporate Center - Services	(181)	138	(147)	(94)	88	72	61	70	226
Gains on sales of real estate	Corporate Center - Services		19	207	61	23	1		20	378
Net losses related to the buyback of debt in public tender offer	Corporate Center - Group ALM	(119)			(75)					
	Corporate Center - Non-core and Legacy Portfolio	27								
Operating income adjusted (Group)		**7,983**	**7,232**	**6,201**	**6,415**	**7,147**	**7,031**	**6,863**	**6,656**	**8,096**
Operating expenses as reported (Group)		**6,327**	**6,369**	**5,906**	**5,858**	**5,865**	**5,929**	**7,430**	**6,342**	**6,134**
Of which:										
Net restructuring charges	Wealth Management	26	50	62	41	40	38	60	48	46
	Wealth Management Americas	10	10	13	26	10	7	15	23	24
	Retail & Corporate	15	13	15	12	15	13	20	16	16
	Global Asset Management	4	14	12	13	4	2	5	39	18
	Investment Bank	6	31	84	89	124	27	50	60	70
	Corporate Center - Services	(3)	5	(1)	(7)	2	4	16	8	119
	Corporate Center - Non-core and Legacy Portfolio	188	18	5	24	9	(2)	10	14	11
Credit related to changes to retiree benefit plans in the US	Wealth Management Americas							(3)	(7)	
	Global Asset Management							(8)		
	Investment Bank							(19)	(1)	
	Corporate Center - Non-core and Legacy Portfolio							(3)		
Operating expenses adjusted (Group)		**6,081**	**6,229**	**5,718**	**5,660**	**5,661**	**5,840**	**7,287**	**6,142**	**5,829**
Operating profit/(loss) before tax as reported		**1,447**	**1,020**	**356**	**449**	**1,393**	**1,218**	**(554)**	**404**	**2,708**
Operating profit/(loss) before tax adjusted		**1,901**	**1,003**	**484**	**755**	**1,486**	**1,191**	**(424)**	**514**	**2,268**

Important information related to this presentation

Use of adjusted numbers
Unless otherwise indicated, “adjusted” figures exclude the adjustment items listed on the previous slide, to the extent applicable, on a Group and business division level. Adjusted results are a non-GAAP financial measure as defined by SEC regulations. Refer to page 15 of the 1Q15 financial report for an overview of adjusted numbers.

If applicable for a given adjusted KPI (i.e., adjusted return on tangible equity), adjustment items are calculated on an after-tax basis by applying indicative tax rates (i.e., 2% for own credit, 22% for other items, and with certain large items assessed on a case-by-case basis). Refer to page 22 of the 1Q15 financial report for more information.

Basel III RWA, Basel III capital and Basel III liquidity ratios
Basel III numbers are based on the BIS Basel III framework, as applicable for Swiss Systemically relevant banks (SRB). Numbers in the presentation are Swiss SRB Basel III numbers unless otherwise stated. Our fully applied and phase-in Swiss SRB Basel III and BIS Basel III capital components have the same basis of calculation, except for differences disclosed on page 93 of the 1Q15 financial report.

Basel III risk-weighted assets in this presentation are calculated on the basis of Basel III fully applied unless otherwise stated. Our RWA under BIS Basel III are the same as under Swiss SRB Basel III.

Leverage ratio and leverage ratio denominator in this presentation are calculated on the basis of fully applied Swiss SRB, unless otherwise stated.

Refer to the “Capital Management” section in the 1Q15 financial report for more information.

Currency translation
Monthly income statement items of foreign operations with a functional currency other than Swiss francs are translated with month-end rates into Swiss francs. Refer to “Note 19 Currency translation rates” in the 1Q15 financial report for more information.

Rounding
Numbers presented throughout this presentation may not add up precisely to the totals provided in the tables and text. Percentages, percent changes and absolute variances are calculated based on rounded figures displayed in the tables and text and may not precisely reflect the percentages, percent changes and absolute variances that would be derived based on figures that are not rounded.