UBS

First quarter

2019 results

April 25, 2019

Important information

Forward Looking Statements: This presentation contains statements that constitute "forward-looking statements", including but not limited to performance targets, expectations and ambitions, as well as management's outlook for UBS's financial performance and statements relating to the anticipated effect of transactions and strategic or business 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. For a discussion of the risks and uncertainties that may affect UBS's future results please refer to the "Risk Factors" and other sections of UBS's most recent Annual Report on Form 20-F, quarterly reports and other information furnished to or filed with the US Securities and Exchange Commission on Form 6-K, and the cautionary statement on the last page of this presentation. 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.

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Basel III RWA, LRD and capital: Basel III numbers are based on the BIS Basel III framework, as applicable for Swiss Systemically relevant banks (SRB). Numbers in the presentation are based on the revised Swiss SRB rules as of 1.1.20 that became effective on 1.7.16, unless otherwise stated. Basel III risk-weighted assets in this presentation are calculated on the basis of Swiss SRB rules as of 1.1.20 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 Swiss SRB rules as of 1.1.20, unless otherwise stated. Refer to the "Capital management" section in the 1Q19 report for more information.
Currency translation of monthly income statement items of operations with a functional currency other than the US dollar are translated with month-end rates into US dollar.

Definitions: "Litigation" refers to net additions/releases to provisions for litigation regulatory and similar matters reflected in the income statement for the relevant period.
"Net profit" refers to net profit attributable to shareholders.

Rounding: Numbers presented throughout this presentation may not add up precisely to the totals provided in the tables and text. Percentages, percent changes, and adjusted results are calculated on the basis of unrounded figures. Information on absolute changes between reporting periods, which is provided in text that can be derived from figures displayed in the tables, is calculated on a rounded basis.

Tables: Within tables, blank fields generally indicate that the field is not applicable or not meaningful, or that information is not available as of the relevant date or for the relevant period. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. Percentage changes are presented as a mathematical calculation of the change between periods.

1Q19 net profit of USD 1.1bn

Resilient performance in a challenging revenue environment

1,546m
Group PBT

13.3%
RoCET1

78%
cost/income ratio

13.0% CET1 capital ratio
3.8% CET1 leverage ratio
5.4% tier 1 leverage ratio

Global Wealth Management

- **PBT 863m**, adjusted 873m
- Invested assets +172bn QoQ, +8%
- 22bn NNM, 4% growth[1]
- Record APAC invested assets >400bn

Personal & Corporate Banking

- **PBT 387m**, adjusted 391m
- 8% adjusted PBT growth in CHF
- Best on record NNBV[2]

Asset Management

- **PBT 103m**, adjusted 109m
- Invested assets +43bn QoQ, +5%
- Benefitting from 2018 cost actions

Investment Bank

- **PBT 207m**, adjusted 221m
- 7.2% adjusted RoAE[1]
- Strong FRC, revenues +9%

Corporate Center

- **PBT (15)m**, adjusted (17)m
- (4%) reported[3] costs excl. increase in tech costs, litigation and before FX

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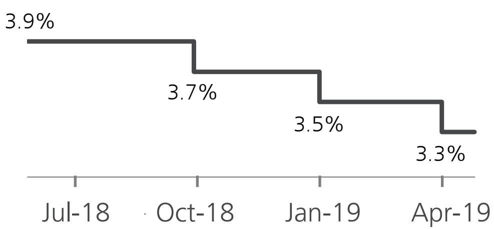
Numbers in USD and reported unless otherwise indicated; **1** Annualized; **2** Net new business volume growth for personal banking, annualized; **3** Excluding 1Q18 Swiss pension fund credit

1Q19 market context

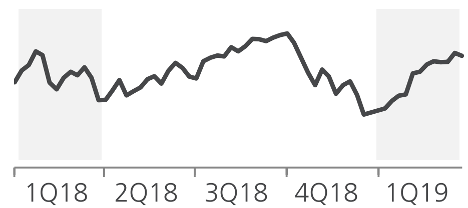
Beta environment particularly unfavorable for our business and geographic mix

2019 IMF real GDP growth forecast



Equity markets

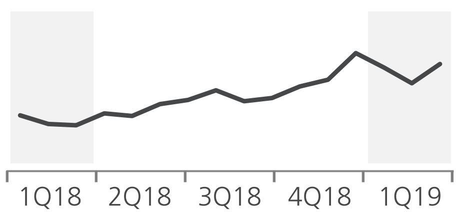
S&P 500



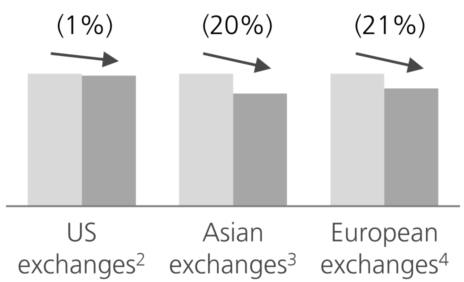
› While equity markets recovered significantly year to date, macroeconomic and geopolitical concerns affected **client sentiment**

Geopolitical uncertainty

Global economic policy uncertainty index[1]



Average daily volumes

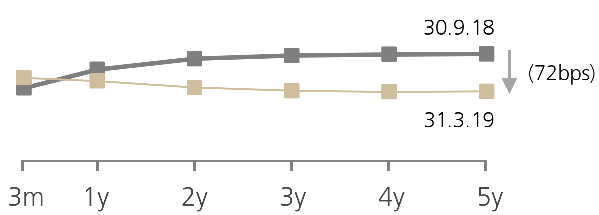


› Significantly lower **transaction volumes and fee pools** across APAC and Europe, where UBS is overweight vs. peers

› Low **volatility** resulting in limited appetite for structured products and limited trading opportunities for institutional clients

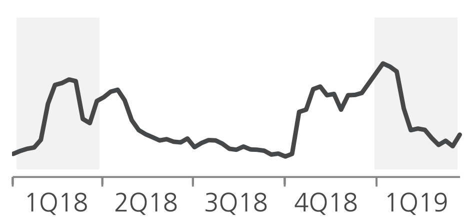
Yield curves

USD



Realized volatility

S&P 500 1-month realized volatility



Investment banking fee pools[5]

M&A, ECM and DCM including LCM

(8%)	(25%)	(40%)
Americas	APAC	EMEA

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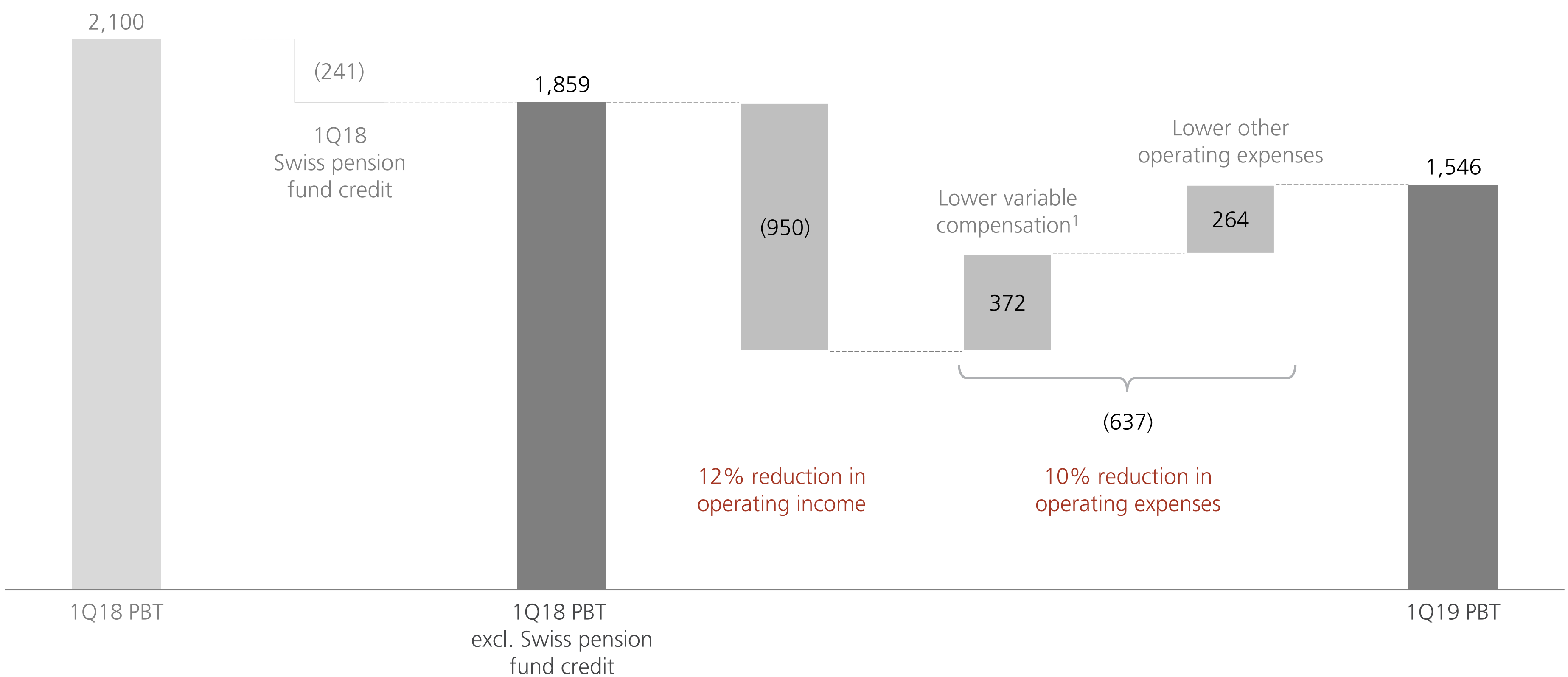
1 www.policyuncertainty.com; 2 NYSE, Nasdaq and CBOE US Equities; 3 Hong Kong exchange securities, Singapore exchange securities, Tokyo stock exchange equity and Shenzhen and Shanghai/Hong Kong Stock Connect; 4 Bolsas y Mercados Espanoles, Deutsche Börse, Euronext, Flow Traders and London Stock Exchange cash equities; 5 Dealogic

Cost discipline

Lower variable compensation and other operating expenses offset 2/3 of reduction in income



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Numbers in USDm and reported unless otherwise indicated; **1** Including FA variable compensation

Addressing beta headwinds

Tactical cost actions and further structural optimization of our balance sheet

Tactical cost measures

At least 300m additional cost savings vs. FY19 plan

Examples

- Pacing tech investments without compromising growth opportunities
- Defer new hires and delay replacements
- Reducing contractor spend, consulting costs, marketing and T&E

\+ **Beta factors leading to lower variable compensation**

Structural balance sheet optimization

~20bn LRD optimization in 2019

Examples

- Benefit from newly implemented risk management infrastructure across legal entities
- Enhanced daily and intra-day liquidity management
- Aligned transfer pricing framework to subsidiarized structure

\+ **Beta factors leading to limited LRD consumption**

Addressing beta headwinds to deliver on capital returns policy while maintaining capacity to grow

Numbers in USD unless otherwise indicated

Making progress on our alpha initiatives

Management actions to capitalize on structural growth opportunities

Selected strategic levers

GWM
- Strengthen GFO & UHNW, esp. in Americas
- Increase mandate penetration
- Drive lending and deposit growth

P&C
- Sustain strong business growth
- Enhance digital lead
- Increase market share with entrepreneurs

AM
- Capture wholesale opportunity
- Grow indexed, sustainable and impact investing
- Extend presence in key APAC growth markets

IB
- Strengthen Advisory and Execution
- Build a digital Investment Bank
- Enhance and leverage leading research platform

Highlights[1]

14.3bn
UHNW NNM

34%
mandate penetration

8%
NNBV growth[2]

2nd
Digital Factory opening in April

2.5bn
Wholesale NNM excl. MM[3]

+31%
sustainability invested assets[3]

#1
in Stock Connect execution[4]

e-trading
gained Cash Equities & eFX market share[5]

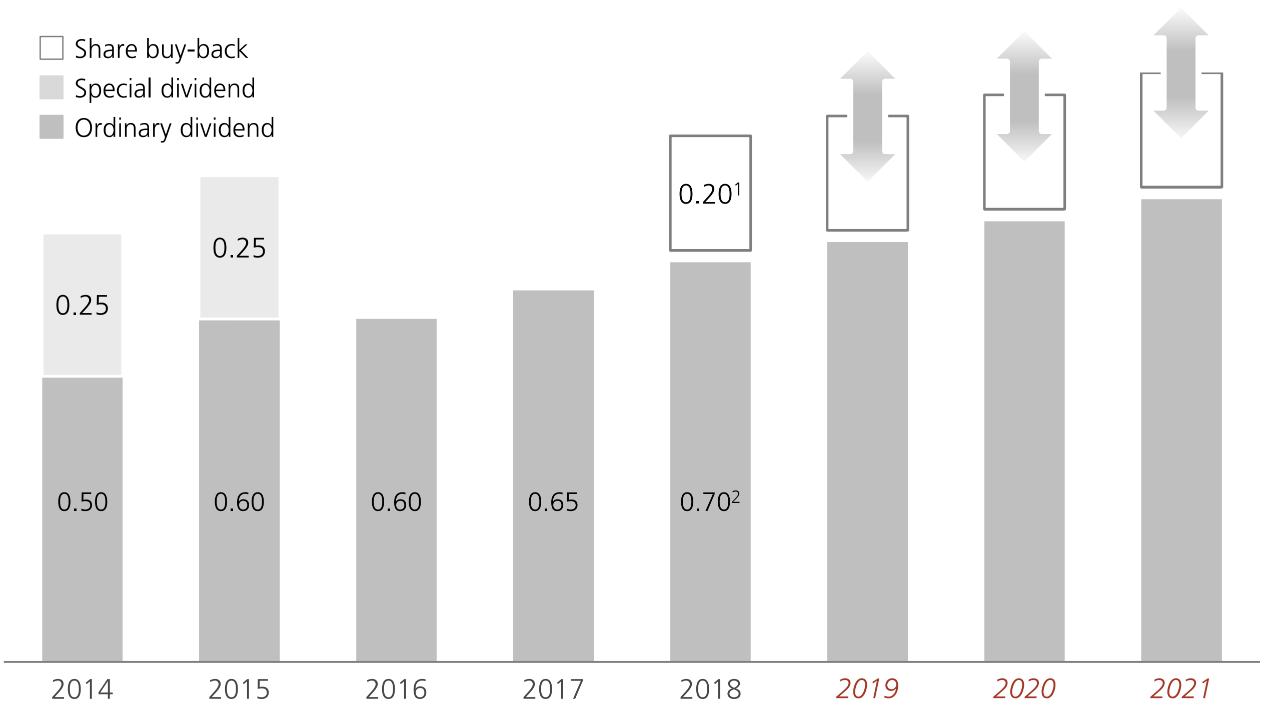
Sustaining disciplined investment in growth, self-funded with structural cost reductions

Numbers in USD unless otherwise indicated; **1** Numbers relate to 1Q19 unless otherwise indicated; **2** Net new business volume for personal banking, annualized; **3** Since 30.9.18; **4** Hong Kong into Shanghai and Shenzhen (northbound); **5** Based on internal analysis

Capital returns

Committed to deliver on our capital return policy; resuming buy-backs in 2Q19

Distributions to shareholders
CHF, per share



Total capital returned to shareholders
USD, bn

Capital return policy

- Target dividend per share growth of mid-to-high single digit percent per annum
- Return excess capital after dividend accruals, likely in the form of buy-backs, after considering our outlook

2019 capital returns

- Dividend: expect to grow at mid-single digits
- Share buy-back: up to USD 1bn, resuming in 2Q19 and to be paced considering our business outlook

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1 Per share value implied by dividing CHF 750m by shares outstanding as of 31.12.17; **2** Proposed; **3** Sum of 2018 dividend accrual and 2018 share buy-back

UBS Group AG results (consolidated)

	FY18	1Q18	2Q18	3Q18	4Q18	1Q19
Total operating income	30,213	8,168	7,644	7,428	6,972	7,218
Total operating expenses	24,222	6,069	5,938	5,724	6,492	5,672
Profit before tax as reported	5,991	2,100	1,706	1,704	481	1,546
of which: adjusting items	(72)	106	(115)	(66)	3	(31)
of which: net restructuring expenses[1]	(561)	(135)	(115)	(122)	(188)	(31)
of which: gain related to changes to the Swiss pension plan	241	241				
of which: gains related to investments in associates	460				460	
of which: gains on sales of subsidiaries and businesses	25			25		
of which: remeasurement loss related to UBS Securities China	(270)				(270)	
of which: gains on sale of real estate	31			31		
Adjusted profit before tax	6,063	1,994	1,821	1,770	478	1,577
of which: litigation	(657)	11	(132)	(2)	(533)	8
of which: UK bank levy	(40)		45		(85)	3
Tax expense/(benefit)	1,468	533	322	448	165	407
of which: current tax expenses	1,044	215	198	235	395	170
Net profit attributable to non-controlling interests	7	2	1	3	1	(2)
Net profit attributable to shareholders	4,516	1,566	1,382	1,253	315	1,141
Diluted EPS (USD)	1.18	0.41	0.36	0.33	0.08	0.30
Reported return on CET1 capital	13.1%	18.3%	16.1%	14.5%	3.7%	13.3%
Total book value per share (USD)[2]	14.35	14.27	13.73	13.98	14.35	14.45
Tangible book value per share (USD)[2]	12.55	12.53	12.00	12.25	12.55	12.67

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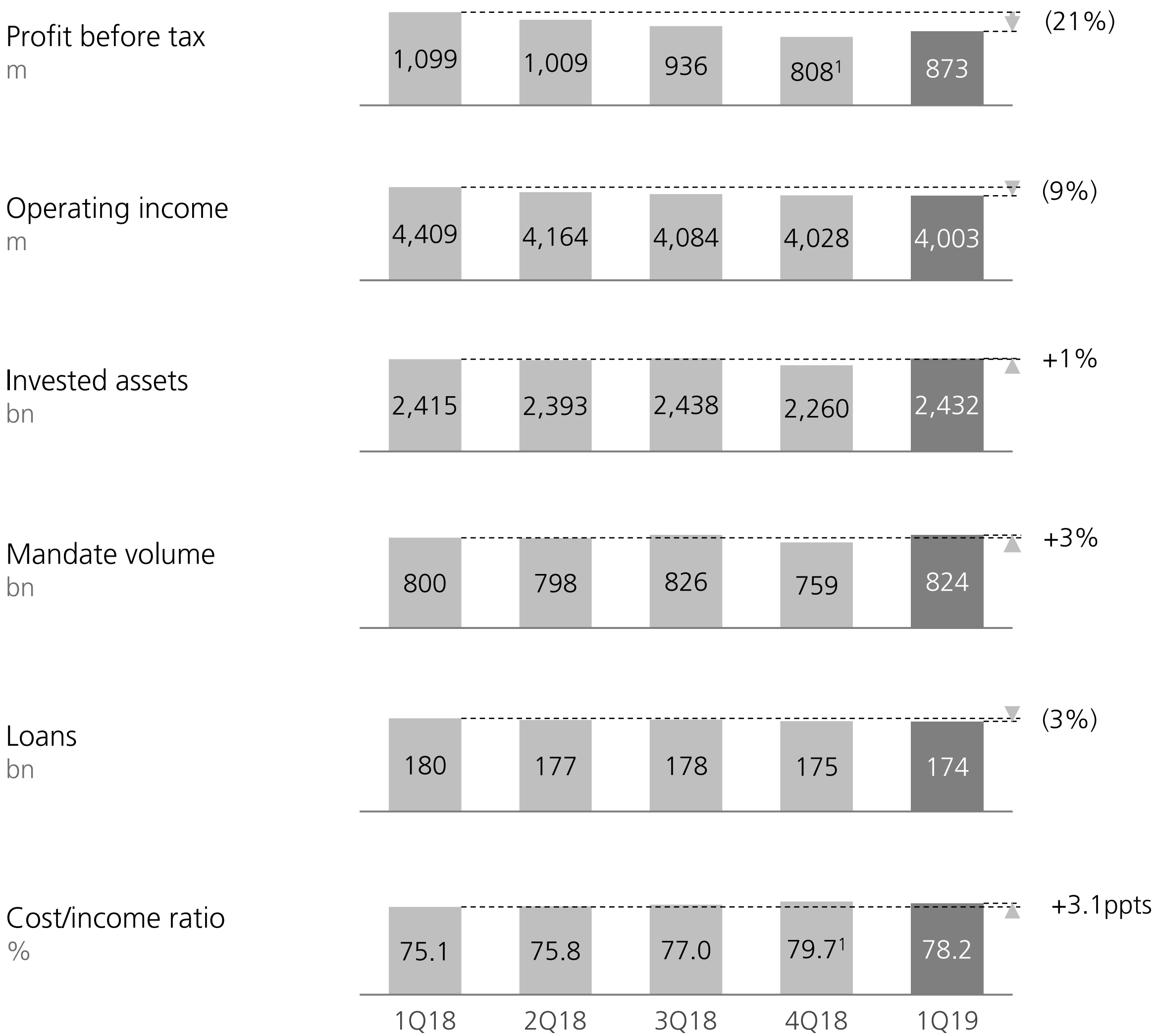
Numbers in USDm unless otherwise indicated; **1** We expect restructuring costs of ~0.2bn for FY19; **2** We expect that the payment of the proposed dividend of CHF 0.70 per share will reduce equity attributable to shareholders by USD ~2.6bn in 2Q19, subject to the USD/CHF exchange rate on 2.5.19

Global Wealth Management

Invested assets +172bn QoQ of which 22bn from NNM, 4% annualized NNM growth



PBT down on lower operating income partly offset by lower costs

Operating income decrease largely driven by lower transaction-based income and recurring net fee income on lower invested asset base

Invested assets +172bn QoQ or +8%, mainly on market performance, providing tailwind for 2Q19; NNM of 22bn

Mandate penetration +30bps QoQ to 33.9%

Loan balances (1bn) QoQ as small increase in APAC was more than offset by currency effects

Operating expenses (5%); run-rate gross saves on track vs. 600m cumulative target by 2021, funding strategic investments

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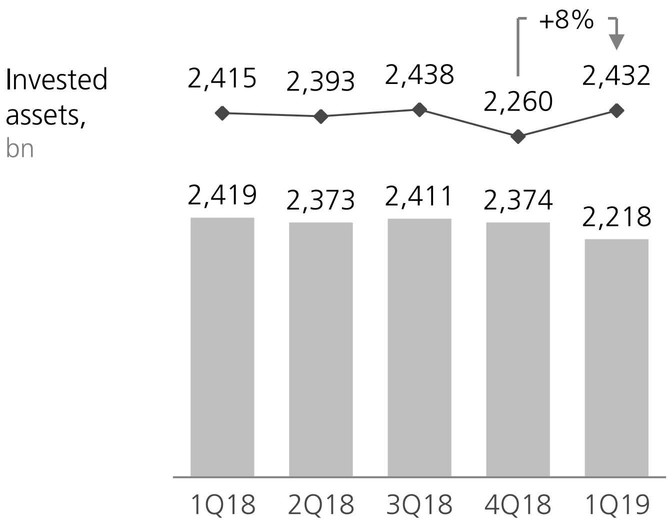
Numbers in USD and adjusted unless otherwise indicated; **1** Excluding litigation; 4Q18 PBT 302m, cost/income ratio 92.2% when including litigation

Global Wealth Management

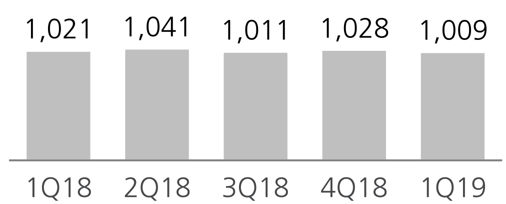
Decrease in operating income primarily driven by lower transaction activity and recurring fees

Recurring net fee income



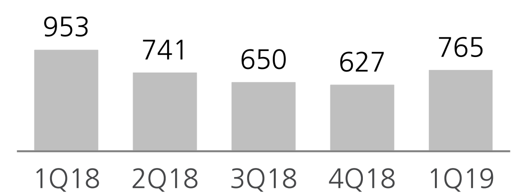
- Decline driven by lower invested assets at the beginning of the quarter; market recovery to benefit 2Q19
- Strong net mandate sales, positive in all regions

Net interest income



- YoY decline mostly due to currency effects of ~20m and lower loan balances
- Benefit from currency change to USD offset drag from higher funding costs
- QoQ decline driven by lower day count

Transaction-based income



- Very low client activity for a first quarter, particularly in APAC
- Client activity improved at the end of 1Q19

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Numbers in USDm and adjusted unless otherwise indicated

Global Wealth Management

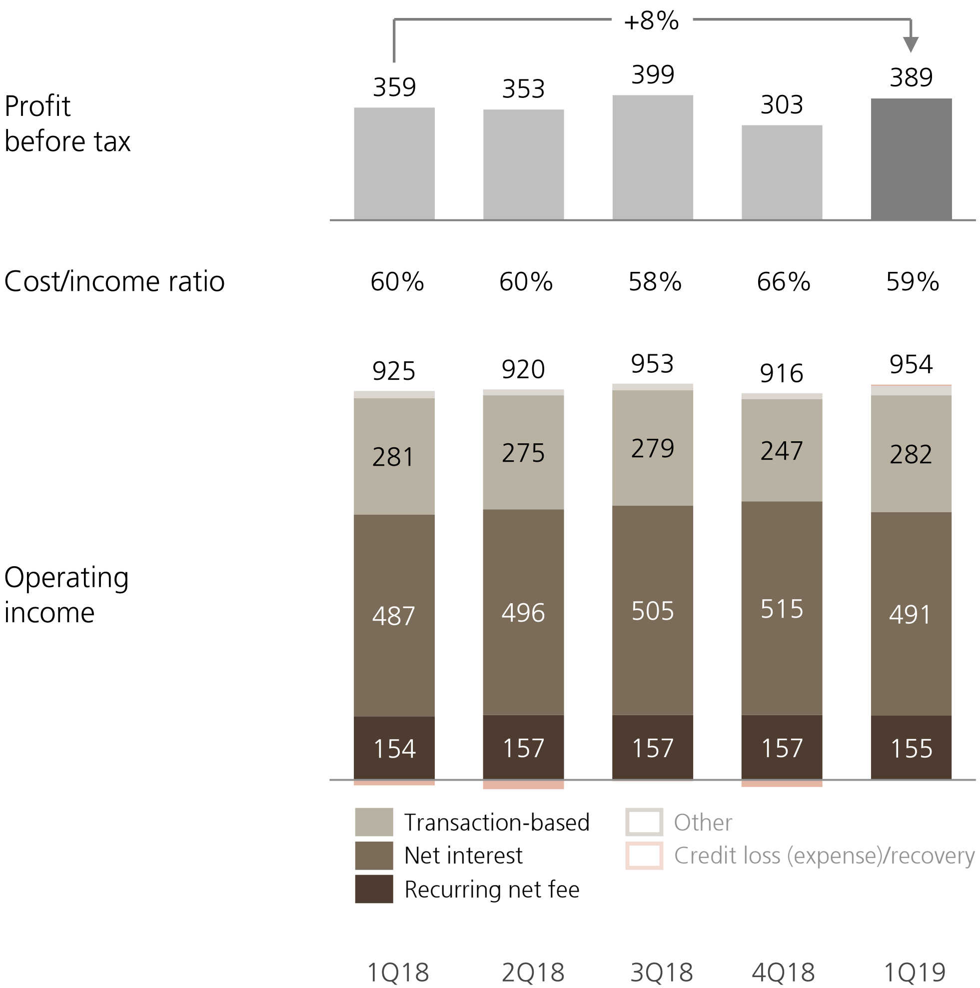
Record net new money in APAC at 16bn; good revenue momentum in the Americas for 2Q19

	Profit before tax m	Invested assets	Net new money	
Americas	333	1,298	(0.1)	› 8% QoQ invested asset growth providing good momentum for 2Q19 › Record mandate penetration of 39% on strong mandate sales › Investors in US remain concerned around political environment
APAC	185	405	16.3	› Record NNM, driven by UHNW and record invested assets › Continued investments for growth; secured Shanghai license › Client sentiment improved towards the end of the quarter
EMEA	235	514	2.9	› Record mandate penetration of 37% on strong mandate sales of 4bn › Muted recovery in invested assets provided less momentum in the quarter › Investors view on short-term economic outlook deteriorated over Brexit and economic environment
Switzerland	137	212	3.2	› Strong NNM at 6% annualized growth rate › Consistently delivering attractive profit margin › Strong collaboration with P&C and IB
o/w Global UHNW[1]	167	686	14.3	› Strong NNM; invested assets +5% YoY, +10% QoQ › Build-out of US Family Office Solutions Group on track › Progress on strategic hiring across all regions

Numbers in USDbn and adjusted unless otherwise indicated; excludes minor functions with 4bn of invested assets, 0.1bn of net new money in 1Q19; 1 Globally managed unit that exclusively serves UHNW clients; includes the impact from clients and advisors being moved into and out of Global UHNW

Personal & Corporate Banking (CHF)

PBT +8% on higher revenues and a net CLE recovery; net new business volume growth highest on record



PBT +8% primarily due to higher revenues and a net credit loss recovery of 2m vs. expense of 13m in 1Q18

Cost/income ratio (1ppt) on higher revenues as well as slightly lower costs, despite continued investment in technology

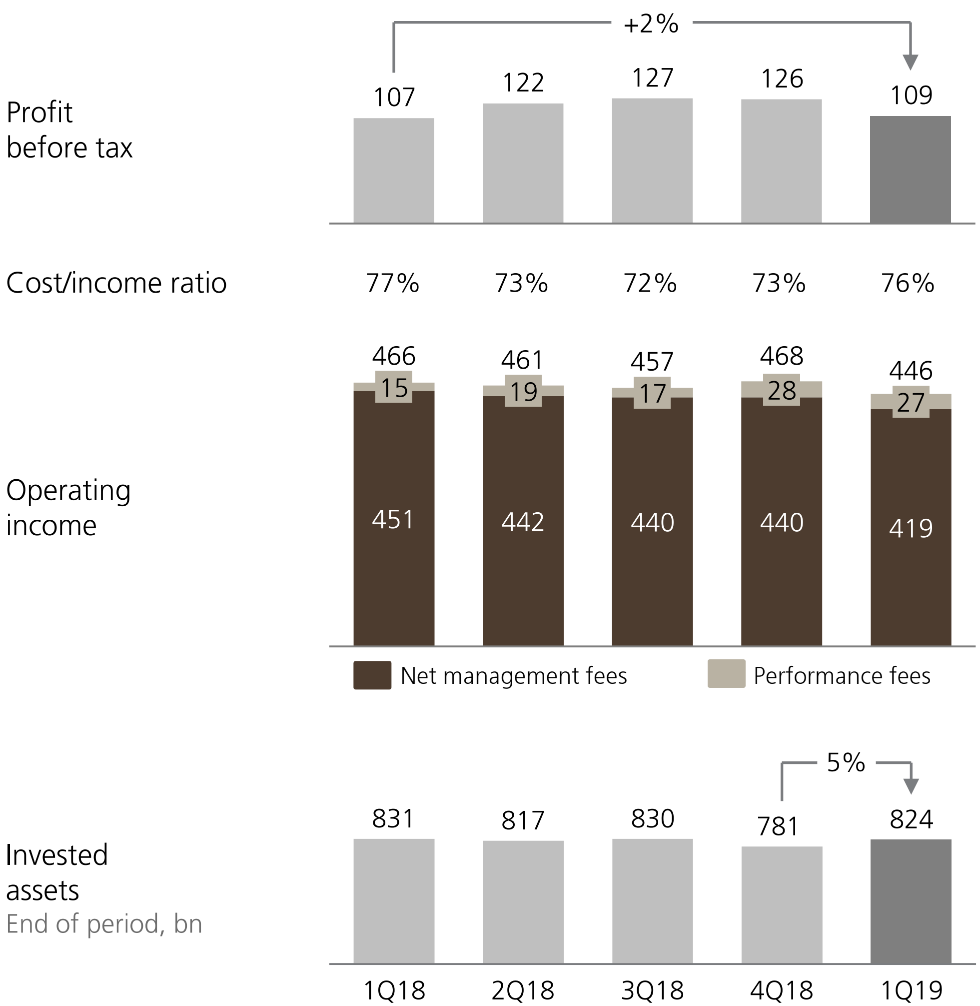
Net interest income increased due to higher deposit and loan revenues, which more than offset higher funding costs

8% net new business volume[1] highest on record, supported by strong net new clients

Numbers in CHFm and adjusted unless otherwise indicated; **1** Annualized growth for personal banking

Asset Management

PBT up on prior-year cost actions and higher performance fees



PBT +2% as reduced costs and higher performance fees more than offset lower management fees

Operating expenses (6%) on lower personnel and G&A expenses, as well as lower Operations expenses

Performance fees +12m mainly driven by Equities

Management fees (7%) due to lower average invested assets

Invested assets +43bn QoQ, reflecting positive market performance; NNM 0.1bn including money markets

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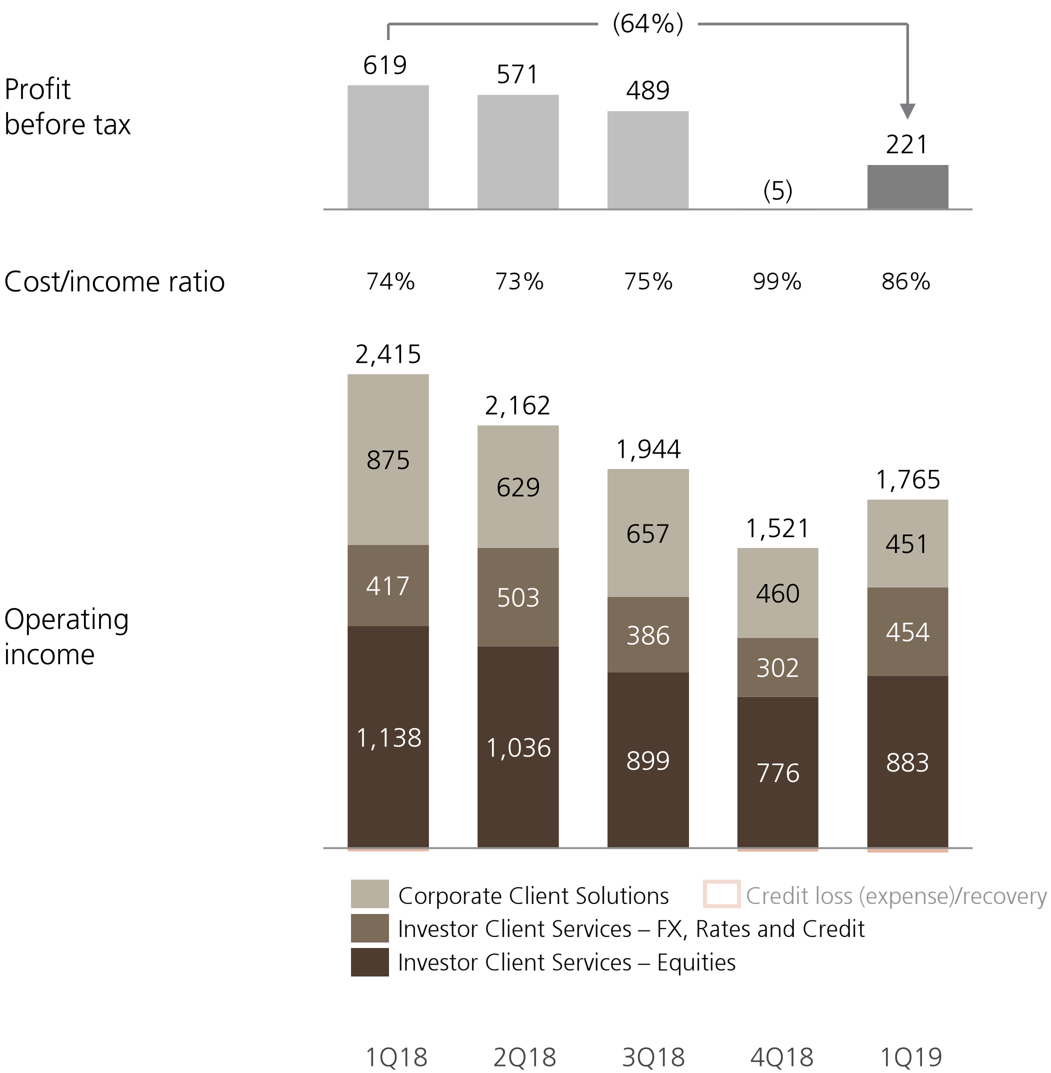
Numbers in USDm and adjusted unless otherwise indicated

Investment Bank

RoAE of 7.2% in very challenging market environment; strong FRC



RoAE of 7.2% on 12.3bn average attributed equity

Expenses (14%) driven by lower personnel expenses

CCS (48%) with decreases across ECM, DCM and Advisory on lower global fee pools, fewer private transactions and relative to an exceptionally strong 1Q18

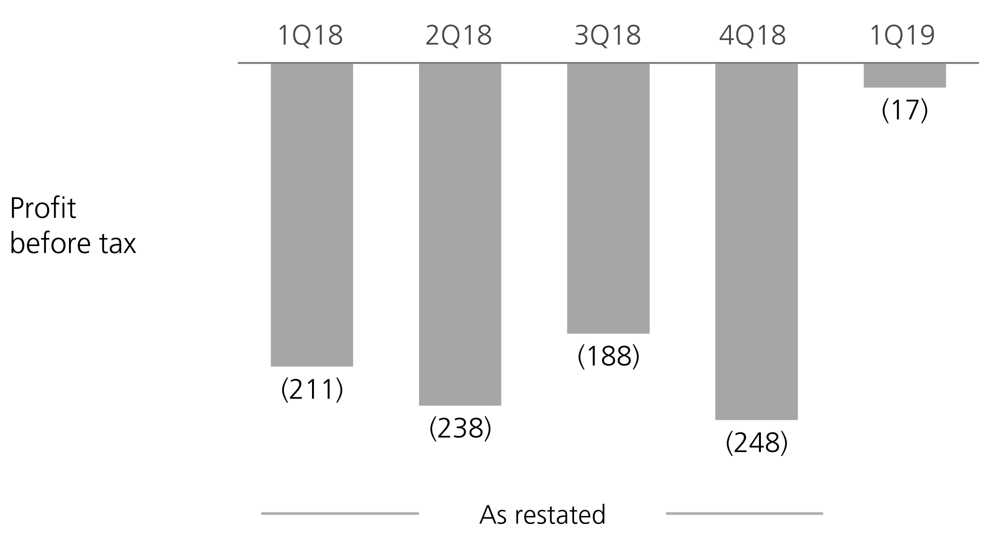
FRC +9% despite challenging market backdrop as higher rates and credit offset lower FX revenues

Equities (22%) on reduced client activity and deleveraging driven by lower market volatility and vs. a very strong 1Q18

RWA 93bn, (1bn) QoQ including (6bn) market risk RWA
LRD 288bn, +5bn QoQ

Corporate Center

Multiple positive factors and one-offs in 1Q19; expecting CC PBT to average ~(250m) per quarter



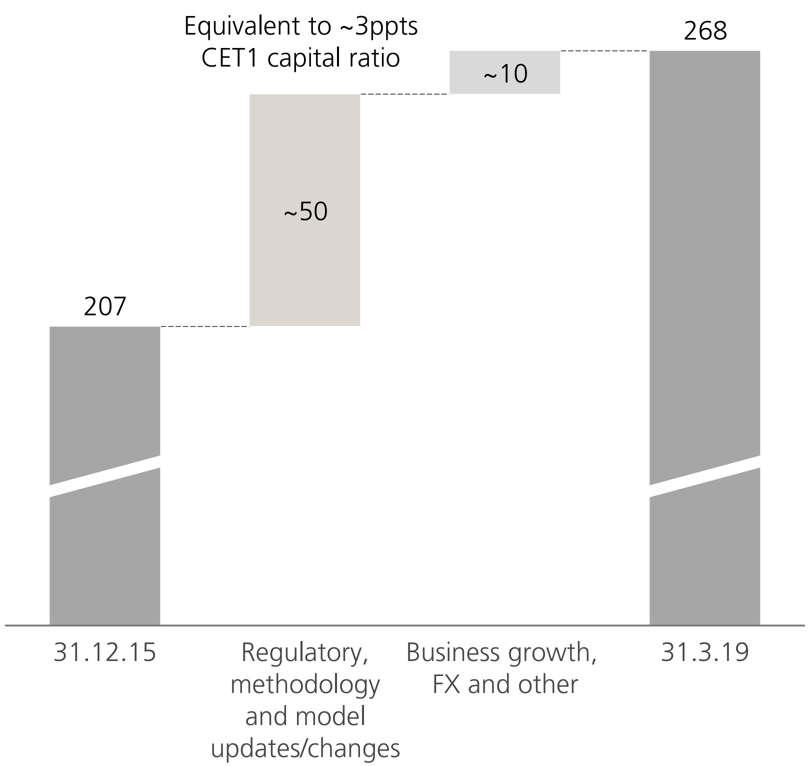
- 1Q19 net treasury income of 124m helped by:
  - 80m accounting asymmetries
  - 60m hedge accounting ineffectiveness
  - Other mark-to-market gains, mainly driven by US Treasury bond-OIS spread compression
- Mark-to-market gains in Non-core and Legacy Portfolio
- (4%) reported[1] Corporate Center costs excl. the increase in technology costs, litigation and before FX impact
- Headcount including external staff decreased by 1,500 driven by reductions in external workforce

Numbers in USDm and adjusted unless otherwise indicated; **1** Excluding 1Q18 Swiss pension fund credit

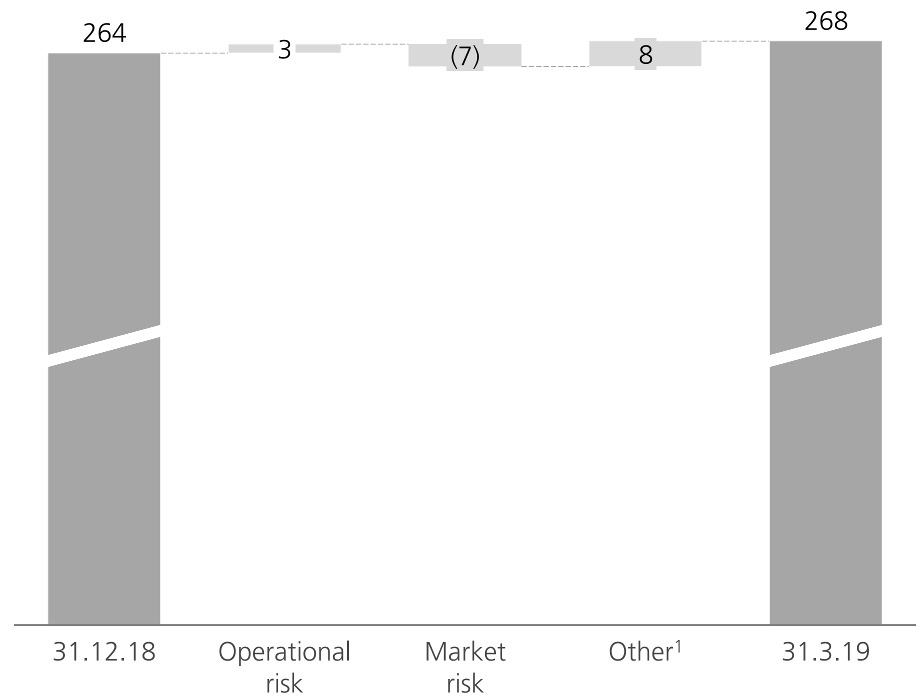
RWA update

~50bn regulatory and methodology-related increases since 2015 with no fundamental increase in risk

- ~50bn or >80% of RWA increase driven by regulatory, methodology and model update/changes since 2015



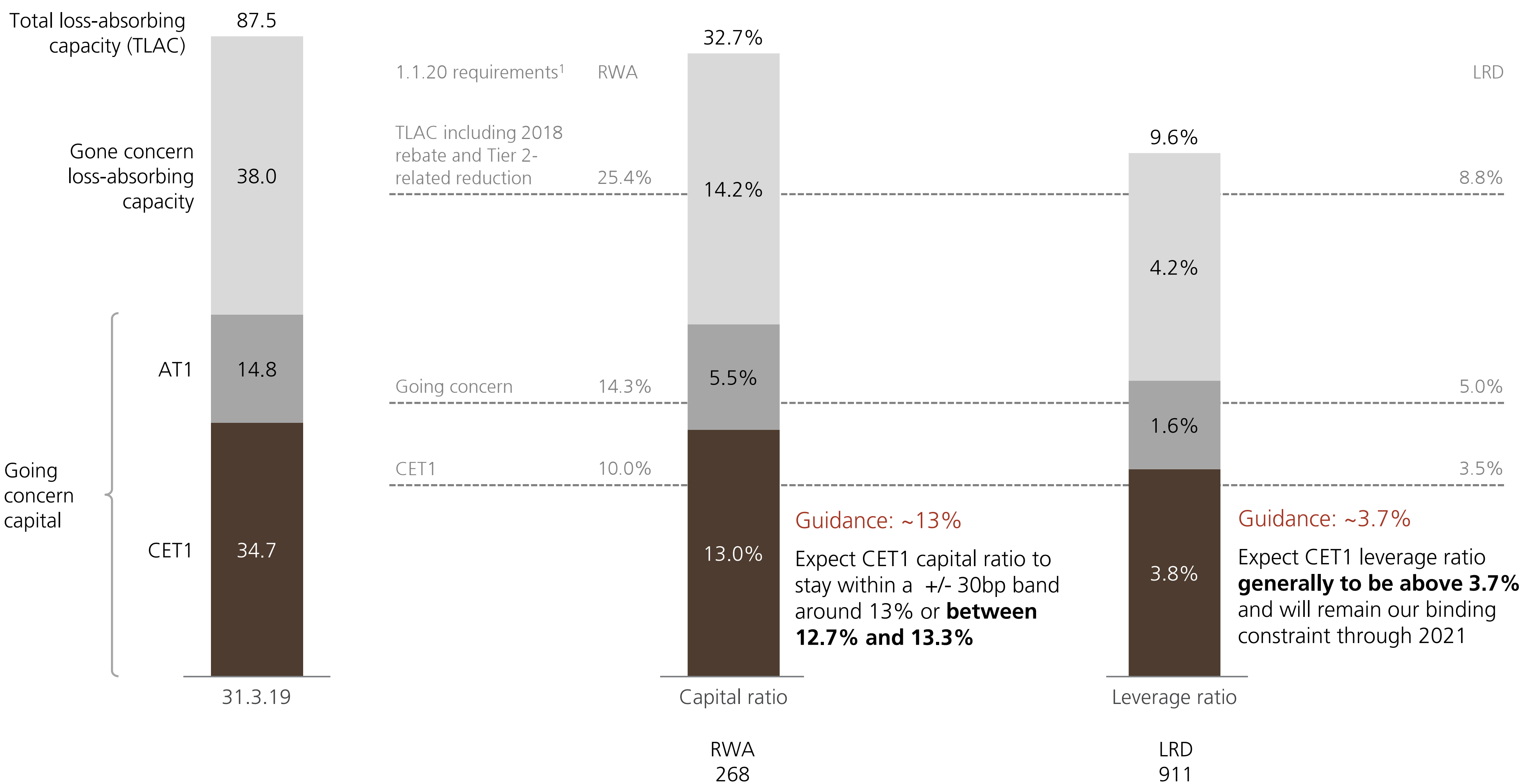
- Operational risk RWA +2.8bn QoQ in relation to the French cross-border matter
- Market risk RWA (7bn) QoQ



Numbers in USDbn unless otherwise indicated; 1 Including +4.8bn from regulatory, methodology and model updates/changes, of which +3.5bn due to IFRS16, and +3.3bn from business growth, FX and others

Capital and leverage ratios

Meeting 2020 requirements; confirming our capital guidance



Numbers in USDbn unless otherwise indicated; refer to the "Recent developments" section in the 1Q19 report for information on the consultation regarding gone concern capital requirements in Switzerland; 1 Refer to slide 22 for further information; excludes the effect of countercyclical buffers for capital ratio

Appendix

GWM regional timeseries

		FY17	FY18	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Americas	Operating income	8,727	9,138	2,111	2,189	2,179	2,248	2,307	2,264	2,264	2,304	2,170
	Operating expenses	7,463	7,798	1,809	1,873	1,844	1,937	1,946	1,911	1,922	2,019	1,838
	Profit before tax	1,264	1,340	301	316	335	311	361	353	342	284	333
	Cost/income	85%	85%	86%	86%	85%	86%	84%	84%	85%	88%	85%
	Invested assets (bn)	1,263	1,200	1,174	1,191	1,228	1,263	1,258	1,268	1,307	1,200	1,298
	Loans, gross (bn)	57.0	59.5	54.3	55.9	55.9	57.0	56.8	58.1	58.9	59.5	59.2
	Advisors (FTE)	6,990	6,850	7,143	7,075	7,031	6,990	6,956	6,937	6,910	6,850	6,790
APAC	Operating income	2,310	2,387	619	567	596	528	718	607	566	496	582
	Operating expenses	1,423	1,572	340	342	374	367	404	388	370	410	397
	Profit before tax	887	815	279	225	222	161	314	219	196	86	185
	Cost/income	62%	66%	55%	60%	63%	69%	56%	64%	66%	83%	68%
	Invested assets (bn)	383	357	310	332	357	383	397	391	384	357	405
	Loans, gross (bn)	43.2	42.3	35.1	37.9	39.6	43.2	47.9	47.0	45.1	42.3	42.5
	Advisors (FTE)	1,037	1,138	1,025	1,008	1,028	1,037	1,077	1,095	1,110	1,138	1,136
EMEA	Operating income	3,489	3,579	843	868	885	893	966	899	869	844	873
	Operating expenses	2,447	2,917	612	602	605	628	688	610	613	1,006	638
	Profit before tax	1,042	662	231	266	280	264	278	289	256	(162)	235
	Cost/income	70%	81%	73%	69%	68%	70%	72%	68%	70%	118%	73%
	Invested assets (bn)	545	500	489	515	531	545	547	523	524	500	514
	Loans, gross (bn)	37.4	37.5	33.9	36.2	37.0	37.4	39.3	37.2	38.2	37.5	37.2
	Advisors (FTE)	1,748	1,837	1,796	1,767	1,780	1,748	1,764	1,792	1,802	1,837	1,797
Switzerland	Operating income	1,593	1,617	384	400	407	402	439	400	394	384	386
	Operating expenses	921	1,001	228	226	231	236	257	236	230	279	249
	Profit before tax	672	615	156	173	176	166	182	164	164	105	137
	Cost/income	58%	62%	59%	57%	57%	59%	58%	59%	58%	73%	64%
	Invested assets (bn)	209	200	185	200	206	209	208	208	219	200	212
	Loans, gross (bn)	34.1	35.0	31.7	33.6	34.2	34.1	35.3	34.1	35.1	35.0	34.8
	Advisors (FTE)	728	737	732	724	722	728	731	731	734	737	741
o/w Global UHNW[1]	Operating income	2,759	3,065	669	691	703	696	808	772	750	736	721
	Operating expenses	2,018	2,241	492	498	509	519	568	539	537	597	555
	Profit before tax	741	824	177	193	194	177	240	233	212	139	167
	Cost/income	73%	73%	74%	72%	72%	74%	70%	70%	72%	81%	77%
	Invested assets (bn)	639	626	542	575	606	639	652	670	675	626	686
	Advisors (FTE)	1,007	1,076	1,030	1,021	1,009	1,007	1,043	1,062	1,080	1,076	1,100

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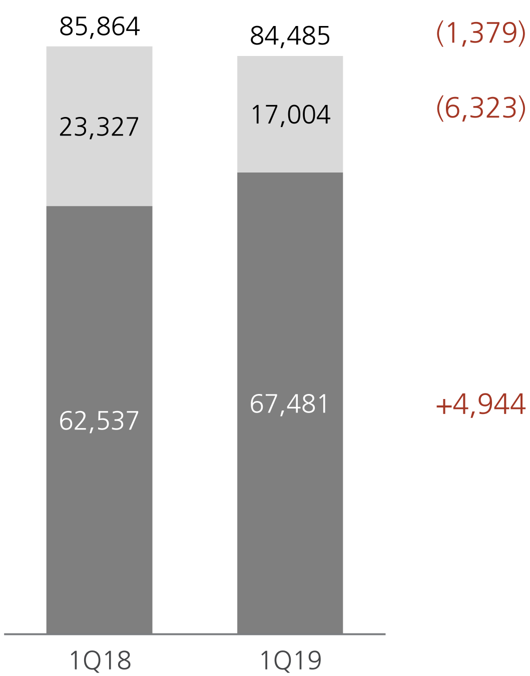
Numbers in USDbn and adjusted unless otherwise indicated; excluding minor functions with 110 advisors, 4bn of invested assets, 0.6bn of loans and USD 0.1bn of net new money inflows in 1Q19; 1 Globally managed unit that exclusively serves UHNW clients; includes the impact from clients and advisors being moved into and out of Global UHNW

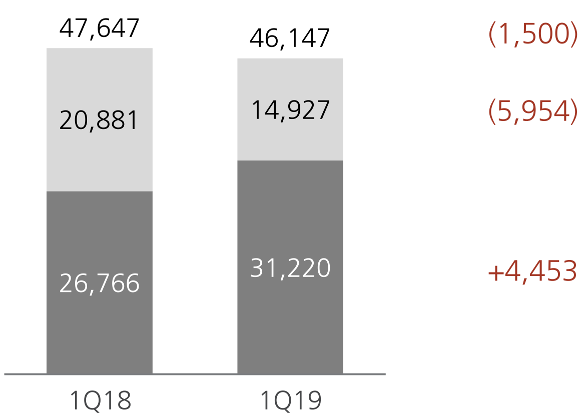
Workforce management

Insourcing program driving total headcount down

UBS Group
Headcount, end of period[1]



Corporate Center
Headcount, end of period[1]

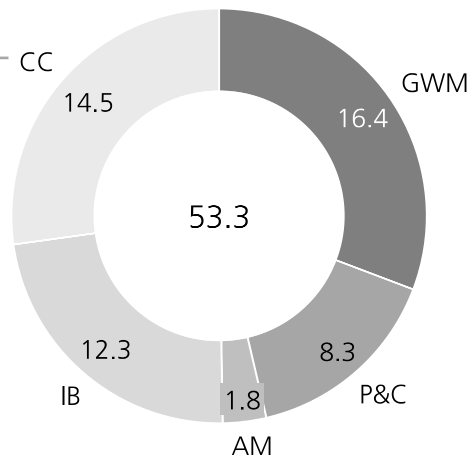


Internal staff External staff

1 External staff for 1Q18 restated

Equity attribution framework

1Q19 average attributed equity[1]



7.3bn deferred tax assets[2]
3.1bn related to retained RWA and LRD[3]
4.1bn dividend accruals and other

	GWM	P&C	AM	IB	CC
RWA-driven allocation *average RWA x 50% x 12.5%[4]*	4.7	4.0	0.3	5.9	1.8
LRD-driven allocation *average LRD x 50% x 3.75%[4]*	6.0	4.0	0.1	5.4	1.7
Goodwill and intangibles *average, 1:1*	5.2	0.0	1.4	0.1	0.0
Certain CET1 deduction and Group items; *average, 1:1*	0.5	0.3	0.1	0.9	11.0
Average attributed equity	16.4	8.3	1.8	12.3	14.5

Numbers in USDbn unless otherwise indicated; Refer to page 209 of the 2018 Annual Report for more information; **1** Results may differ slightly from what can be calculated from public disclosures due to the use of monthly averages for RWA and LRD; **2** Includes average attributed equity related to the Basel III capital deduction items for deferred tax assets (deferred tax assets recognized for tax loss carry-forwards and deferred tax assets on temporary differences, excess over threshold) as well as retained RWA and LRD related to deferred tax assets; **3** Excludes average attributed equity related to retained RWA and LRD related to deferred tax assets; **4** If the attributed tangible equity calculated under the weighted-driver approach is less than the CET1 capital equivalent of risk-based capital (RBC) for any business division, the CET1 capital equivalent of RBC is used as a floor for that business division

Swiss SRB leverage ratio requirements

UBS leverage ratio balance

1.1.20 requirements[1]

8.8% TLAC including 2018 rebate and Tier 2-related reduction

Gone concern 5.0% requirement subject to a rebate of up to 2.0 percentage points based on improved resolvability

- FINMA granted a rebate on the gone concern requirement of 40% of the maximum rebate in 2018, equivalent to 0.8 percentage points reduction for the LRD-based requirement

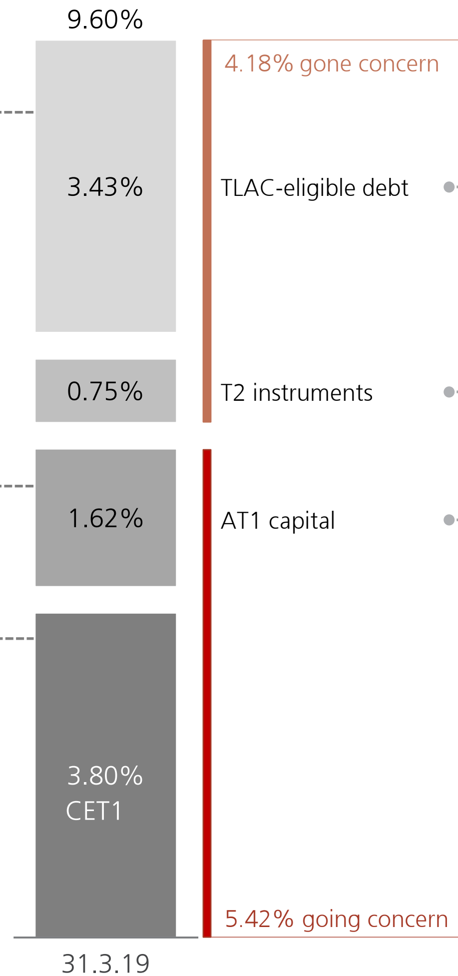
FINMA also granted a 0.37 percentage point reduction as of 1.1.20 for using Tier 2 instruments to meet the gone concern requirement

5.0% going concern

Going concern requirement of 5.0% must be met with a minimum of 3.5% CET1 capital and a maximum of 1.5% high-trigger AT1 capital

- Any going concern-eligible capital above this limit can be counted towards the gone concern requirement, subject to re-classification of the corresponding instrument(s) to gone concern

3.5% CET1



TLAC-eligible senior unsecured debt 3.35% (30.5bn)

Non-Basel III-compliant tier 2 capital 0.08% (0.7bn) qualifies as gone concern instruments until one year prior to maturity, with a haircut of 50% applied to the last year of eligibility

Tier 2 instruments 0.75% (6.8bn) qualifies as gone concern instruments until one year prior to maturity, with a haircut of 50% applied to the last year of eligibility

AT1 capital 1.62% (14.8bn)

- 1.36% (12.4bn) high-trigger AT1, of which 2.0bn employee deferred contingent capital plan (DCCP)
- 0.26% (2.4bn) low-trigger AT1 which can be counted towards going concern capital up to the first call date

Numbers in USD unless otherwise indicated; **1** Refer to the "Recent developments" section in the 1Q19 report for information on the consultation regarding gone concern capital requirements in Switzerland

Reported and adjusted performance

Performance by business division and for Corporate Center – reported and adjusted[1,2]

	For the quarter ended 31.3.19					
USD million	Global Wealth Management	Personal & Corporate Banking	Asset Manage-ment	Investment Bank	Corporate Center[3]	UBS
Operating income as reported	4,003	957	446	1,765	47	7,218
Operating income (adjusted)	4,003	957	446	1,765	47	7,218
Operating expenses as reported	3,140	570	343	1,558	62	5,672
of which: personnel-related restructuring expenses[4]	*0*	*0*	*2*	*1*	*14*	*17*
of which: non-personnel-related restructuring expenses[4]	*0*	*0*	*2*	*2*	*10*	*14*
of which: restructuring expenses allocated from Corporate Center[4]	*10*	*4*	*2*	*11*	*(27)*	*0*
Operating expenses (adjusted)	3,130	567	337	1,544	63	5,641
of which: net expenses for litigation, regulatory and similar matters[5]	*0*	*0*	*0*	*(1)*	*(8)*	*(8)*
Operating profit / (loss) before tax as reported	863	387	103	207	(15)	1,546
Operating profit / (loss) before tax (adjusted)	873	391	109	221	(17)	1,577

1 Adjusted results are non-GAAP financial measures as defined by SEC regulations; 2 Comparatives may differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. Comparative figures for the first quarter of 2018 in this table have been restated for the change of the presentation currency from Swiss francs to US dollars with assets, liabilities and total equity converted to US dollars at closing exchange rates prevailing on the respective balance sheet dates, and income and expenses translated at the respective average rates prevailing for the relevant periods; 3 Corporate Center operating expenses presented in this table are after service allocations to business divisions; 4 Reflects restructuring expenses related to legacy cost programs as well as expenses for new restructuring initiatives for Global Wealth Management and Asset Management; 5 Reflects the net increase in / (release of) provisions for litigation recognized in the income statement. Refer to "Note 16 Provisions and contingent liabilities" in the "Consolidated financial information" section of the 1Q19 report for more information

Regional performance – 1Q19

		Americas		Asia Pacific		EMEA		Switzerland		Global		Total	
		1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19
Operating income	GWM	2.3	2.2	0.7	0.6	1.0	0.9	0.4	0.4	(0.0)	(0.0)	4.4	4.0
	P&C	-	-	-	-	-	-	1.0	1.0	-	-	1.0	1.0
	AM	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	(0.0)	-	0.5	0.4
	IB	0.9	0.6	0.7	0.5	0.6	0.5	0.2	0.2	(0.0)	(0.0)	2.4	1.8
	CC	-	-	-	-	-	-	-	-	(0.1)	0.0	(0.1)	0.0
	Group	3.3	2.9	1.6	1.2	1.7	1.4	1.8	1.7	(0.2)	0.0	8.2	7.2
Operating expenses	GWM	1.9	1.8	0.4	0.4	0.7	0.6	0.3	0.2	0.0	0.0	3.3	3.1
	P&C	-	-	-	-	-	-	0.6	0.6	-	-	0.6	0.6
	AM	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	(0.0)	0.4	0.3
	IB	0.6	0.5	0.5	0.4	0.6	0.5	0.1	0.1	0.0	0.0	1.8	1.5
	CC	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1
	Group	2.7	2.5	0.9	0.8	1.3	1.2	1.1	1.0	0.2	0.1	6.2	5.6
Profit before tax	GWM	0.4	0.3	0.3	0.2	0.3	0.2	0.2	0.1	(0.0)	(0.0)	1.1	0.9
	P&C	-	-	-	-	-	-	0.4	0.4	-	-	0.4	0.4
	AM	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	(0.0)	0.0	0.1	0.1
	IB	0.2	0.0	0.3	0.1	0.1	0.0	0.1	0.1	(0.1)	(0.0)	0.6	0.2
	CC	-	-	-	-	-	-	-	-	(0.2)	(0.0)	(0.2)	(0.0)
	Group	0.6	0.4	0.6	0.3	0.4	0.2	0.7	0.7	(0.3)	(0.1)	2.0	1.6

Numbers in USDbn and adjusted unless otherwise indicated. The allocation of P&L to these regions reflects, and is consistent with, the basis on which the business is managed and its performance evaluated. These allocations involve assumptions and judgments that management considers reasonable, and may be refined to reflect changes in estimates or management structure. The main principles of the allocation methodology are that client revenues are attributed to the domicile of the client, and trading and portfolio management revenues are attributed to the country where the risk is managed. Expenses are allocated in line with revenues. Certain revenues and expenses, such as those related to Non-core and Legacy Portfolio, certain litigation expenses and other items, are managed at the Group level, and are included in the Global column

Performance targets and ambitions 2019 – 2021

		Annual targets		Ambitions	Capital/resource guidelines
		FY19	FY19-21	FY21	FY19-21
Group	Reported return on CET1 capital	~15%		~17%	
	Adjusted cost/income ratio	~77%		~72%	
	CET1 capital ratio				~13%[1]
	CET1 leverage ratio				~3.7%[2]
Global Wealth Management	Adjusted pre-tax profit growth		10-15%[3]		
	Adjusted cost/income ratio	~75%		~70%	
	Net new money growth		2-4%		
Personal & Corporate Banking (CHF)	Adjusted pre-tax profit growth		3-5%[3]		
	Adjusted cost/income ratio	~59%		~56%	
	Net interest margin		145-155bps		
Asset Management	Adjusted pre-tax profit growth [4]		~10%[3]		
	Adjusted cost/income ratio	~72%		~68%	
	Net new money growth (excl. money markets)		3-5%		
Investment Bank	Adjusted return on attributed equity		~15%[3]		
	Adjusted cost/income ratio	~78%		~75%	
	RWA and LRD in relation to Group				~1/3

UBS

Numbers in USD unless otherwise indicated; **1** Expected to stay between 12.7% and 13.3%; **2** Expected generally to remain above 3.7%; **3** Over the cycle; **4** Excluding the impact of business exits

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 the ongoing execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), including to counteract regulatory-driven increases, liquidity coverage ratio and other financial resources, and the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions; (ii) the continuing low or negative interest rate environment in Switzerland and other jurisdictions, developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, and currency exchange rates, and the effects of economic conditions, market developments, and geopolitical tensions on the financial position or creditworthiness of UBS's clients and counterparties as well as on client sentiment and levels of activity; (iii) changes in the availability of capital and funding, including any changes in UBS's credit spreads and ratings, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (iv) changes in or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the European Union and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, liquidity and funding requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS's business activities; (v) the degree to which UBS is successful in implementing further changes to its legal structure to improve its resolvability and meet related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS Group in response to legal and regulatory requirements, proposals in Switzerland and other jurisdictions for mandatory structural reform of banks or systemically important institutions or to other external developments, and the extent to which such changes will have the intended effects; (vi) UBS's ability to maintain and improve its systems and controls for the detection and prevention of money laundering and compliance with sanctions to meet evolving regulatory requirements and expectations, in particular in the US; (vii) the uncertainty arising from the timing and nature of the UK exit from the EU; (viii) 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; (ix) changes in the standards of conduct applicable to our businesses that may result from new regulation or new enforcement of existing standards, including recently enacted and proposed measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (x) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of our RWA as well as the amount of capital available for return to shareholders; (xi) 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; (xii) 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; (xiii) 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; (xiv) UBS's ability to implement new technologies and business methods, including digital services and technologies and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xv) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xvi) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks, and systems failures; (xvii) restrictions on the ability of UBS Group AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS's operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xviii) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS's ability to maintain its stated capital return objective; and (xix) 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 2018. 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