

23 July 2019

2Q19 net profit USD 1.4bn, highest 2Q since 2010

1H19 net profit² of USD 2.5bn; 1H19 reported RoCET1³ 14.6%**2Q19 reported and adjusted¹ PBT USD 1.8bn****2Q19 reported RoCET1³ 16.0%; diluted EPS USD 0.37, +2% YoY****CET1 capital ratio 13.3% and CET1 leverage ratio 3.8%; tier 1 leverage ratio⁴ 5.5%****Record invested assets of USD 3.3trn in GWM and AM combined****Record GWM Americas PBT; very strong IB CCS performance****UBS and BOTTLETOP launch #TOGETHERBAND in support of the UN Sustainable Development Goals**

Zurich, 23 July 2019 – UBS delivered strong second quarter 2019 results. Reported profit before tax (PBT) increased by 3% year over year (YoY) to USD 1,759m and adjusted PBT decreased by 2% to USD 1,787m. The Group's adjusted cost/income ratio was 76.1%. Net profit attributable to shareholders was USD 1,392m, up 1% YoY. Reported return on CET1 capital³ (RoCET1) was 16.0%.

Global Wealth Management (GWM) adjusted PBT was USD 886m; invested assets reached a new high of USD 2,486bn; recurring net fee income increased from the prior quarter; and profits in the Americas region were a record. Personal & Corporate Banking adjusted PBT rose 10% to USD 392m (+11% YoY in CHF) on higher transaction-based income and lower credit loss expenses; net new business volume growth in personal banking was strong at 4.4%. Asset Management (AM) adjusted PBT increased by 10% to USD 135m, on higher operating income; invested assets reached a record of USD 831bn. The Investment Bank (IB) delivered adjusted PBT of USD 440m, with very strong Advisory revenue growth against a lower global fee pool YoY, the highest M&A revenues since 2012, and an adjusted return on attributed equity of 14.2%. Corporate Center adjusted loss before tax was USD 65m.

UBS's capital position remains strong, with a CET1 capital ratio of 13.3%, a CET1 leverage ratio of 3.8%, a fully applied tier 1 leverage ratio⁴ of 5.5%, and total loss-absorbing capacity of USD 87bn. During the second quarter of 2019, UBS repurchased USD 297m of its shares.

"In the second quarter we achieved the highest 2Q net profit since 2010 and an improvement on an already strong 2Q18. Once again we showed the strength of our business model and its ability to generate competitive returns even with market conditions far from last year's. Overall, our goals remain unchanged: to deliver sustainable and profitable long-term growth while investing in our businesses and providing attractive shareholder returns."

Sergio P. Ermotti, Group Chief Executive Officer

¹ Adjusted results are non-GAAP financial measures defined by SEC regulations. Refer to the "Performance of our business divisions and Corporate Center – reported and adjusted" table in this news release.

Outlook

The overall pace of global growth has stabilized at a lower level after a synchronized global slowdown in prior quarters. Downside risks remain due to political uncertainties and geopolitical tensions. Central banks are indicating a reversal of monetary policy normalization and embarking on new stimulus measures.

A sharp drop in interest rates and expected rate cuts will continue to adversely affect net interest income compared with last year. Our regional and business diversification, along with higher invested assets benefitting recurring revenues, will help to mitigate this. An improvement in investor sentiment and higher market volatility could help to offset the typical third quarter seasonality.

We are executing our strategy with discipline, focusing on balancing efficiency and investments for growth, to deliver on our capital return objectives and to create sustainable long-term value for our shareholders.

Second quarter 2019 performance overview

UBS's second quarter adjusted¹ PBT was USD 1,787m (down 2% YoY), and reported PBT was USD 1,759m (up 3% YoY). Adjusted figures this quarter exclude USD 39m of restructuring expenses, as well as USD 10m of net foreign currency translation gains. The adjusted cost/income ratio was 76.1%. Net profit attributable to shareholders was USD 1,392m (up 1% YoY), with diluted earnings per share of USD 0.37 (up 2% YoY). Reported return on CET1 capital³ was 16.0%.

Global Wealth Management (GWM) adjusted PBT USD 886m, (12%) YoY

Recurring net fee income recovered quarter-on-quarter, although down YoY, as invested assets rose to a record by the end of June 2019. Transaction-based income rose 3%, while net interest income decreased. Regionally, the Americas posted record profits. Mandate penetration increased to 34.4% of invested assets. Loans increased by USD 2bn sequentially. The adjusted cost/income ratio was 78.1%. Net new money was negative USD 2bn, driven by the US, primarily reflecting seasonal tax-related outflows of approximately USD 5.1bn, while other regions had net new money inflows. Invested assets increased by USD 54bn (+2%) during the quarter. Adjusted net margin was 14bps.

Personal & Corporate Banking (P&C) adjusted PBT CHF 391m, +11% YoY

Transaction-based income increased and credit loss expenses reduced, while the other revenue lines were broadly unchanged. Despite continued investments in technology, adjusted operating expenses decreased slightly. The adjusted cost/income ratio was 59.0%. Business momentum remained strong, with Personal Banking net new business volume growth of 4.4%; loans also grew. Net interest margin was 152bps.

Asset Management (AM) adjusted PBT USD 135m, +10% YoY

Net management fees increased, reflecting slightly higher average invested assets. Performance fees rose by USD 4m. The adjusted cost/income ratio improved to 71.7%. Invested assets rose to a record USD 831bn, and net new money outflows excluding money markets were USD 13.9bn.

Investment Bank (IB) adjusted PBT USD 440m, (23%) YoY

Corporate Client Solutions (+18% YoY) had a very strong quarter, mainly driven by Advisory and Equity Capital Markets revenues. Equities revenues decreased by 9% as a result of lower volumes, market volatility, and client activity. FX, Rates & Credit was down approximately 7% YoY excluding net income of around USD 100m mainly related to the recognition of previously deferred day-1 profits in the prior-year quarter and gains related to Tradeweb in both quarters. The adjusted cost/income ratio was 78.7%. Adjusted return on attributed equity was 14.2%.

Corporate Center adjusted loss before tax was USD 65m, driven by lower litigation expenses, gains from accounting asymmetries and hedge accounting ineffectiveness, as well as other gains.

¹ Adjusted results are non-GAAP financial measures defined by SEC regulations. Refer to the "Performance of our business divisions and Corporate Center – reported and adjusted" table in this news release.

First half of 2019 performance overview

UBS's first half adjusted¹ PBT was USD 3,364m (down 12% YoY), and reported PBT was USD 3,305m (down 13% YoY). Adjusted figures exclude USD 70m of restructuring expenses, as well as USD 10m of net foreign currency translation gains. The adjusted cost/income ratio was 77.0%, with a 5% reduction in operating expenses partially offsetting a 7% reduction in operating income. Net profit attributable to shareholders was USD 2,533m, with diluted earnings per share of USD 0.67. Reported return on CET1 capital³ was 14.6%.

Global Wealth Management (GWM) adjusted PBT USD 1,759m, (17%) YoY

Recurring net fee income decreased on lower average invested assets, while transaction-based income declined on lower client activity, particularly in APAC and, to a lesser extent, in the Americas, and net interest income decreased. Mandate penetration increased to a record 34.4% of invested assets. Loans decreased by USD 1bn YoY, due to deleveraging in APAC. Adjusted operating expenses decreased mainly due to lower personnel expenses. The adjusted cost/income ratio was 78.1%. Net new money was USD 20.6bn (2% annualized growth rate) with record inflows in APAC, while invested assets increased by USD 226bn (+10%) year-to-date. Adjusted net margin was 15bps.

Personal & Corporate Banking (P&C) adjusted PBT CHF 781m, +10% YoY

All revenue lines increased. Despite continued investments in technology, adjusted operating expenses were stable. The adjusted cost/income ratio was 59.2%. Business momentum remained strong and in Personal Banking, net new business volume growth was strong at 6.3%. Net interest margin was 151bps.

Asset Management (AM) adjusted PBT USD 244m, +6% YoY

Lower adjusted operating expenses, down 3%, more than offset a decrease in operating income. Net management fees decreased, mainly reflecting lower average invested assets, largely due to lower market levels in the fourth quarter of 2018. Performance fees rose by USD 16m. The adjusted cost/income ratio improved to 73.5%. Invested assets were USD 831bn, and net new money outflows excluding money markets were USD 16.1bn.

Investment Bank (IB) adjusted PBT USD 661m, (44%) YoY

Challenging market conditions, which were most pronounced in the first quarter of 2019, affected both Corporate Client Solutions and Equities revenues. Partly offsetting this, FX, Rates & Credit had a good first half, down 2% YoY when excluding net income of around USD 100m mainly related to the recognition of previously deferred day-1 profits in the second quarter of 2018 and gains related to Tradeweb in both periods. The adjusted cost/income ratio was 82.3%. Adjusted return on attributed equity was 10.7%.

Corporate Center adjusted loss before tax was USD 82m, driven by lower litigation expenses, gains from accounting asymmetries and hedge accounting ineffectiveness, as well as other gains.

¹ Adjusted results are non-GAAP financial measures defined by SEC regulations. Refer to the "Performance of our business divisions and Corporate Center – reported and adjusted" table in this news release.

Commitment to sustainable performance

UBS is committed to creating long-term positive value for its clients, employees, investors and society. This is illustrated by the ongoing recognition UBS receives for its activities and capabilities related to sustainable investing, philanthropy, environmental and human rights policies governing client and supplier relationships, the firm's environmental footprint and community investment.

Confirmed leader in sustainability

ISS-oekom recently confirmed UBS's corporate responsibility prime status, which was reviewed during the second quarter. Prime status is awarded to companies that meet specific minimum requirements in Corporate Ratings and achieve the best ESG scores among their sector peers. A company's management of ESG issues is analyzed on the basis of up to 100 rating criteria, most of which are sector-specific.

Promoting the UN Sustainable Development Goals

BOTTLETOP and UBS jointly launched the #TOGETHERBAND campaign (www.togetherband.org) on April 22, World Earth Day, setting out to engage the world with the 17 United Nations (UN) Sustainable Development Goals (SDGs). The campaign is designed to raise public awareness and inspire action to achieve the Goals. It is supported by a group of high-profile ambassadors and experts with a strong commitment to sustainability.

At the heart of the #TOGETHERBAND campaign are 17 sustainably and ethically produced friendship bands in the colors of the SDGs. The production of the bands is generating skills and livelihoods for women working as artisans in Nepal. Each purchase comes with two bands, one to wear and one to share, including on social media, helping spread the critical message of the SDGs and fund projects that support their achievement.

Extending UBS's leading position in sustainable and impact investing

In May, UBS announced it had raised more than USD 93 million as an exclusive wealth management partner for Sustainable Solutions Fund III, a growth equity fund from the sustainable investment firm Generation Investment Management. The fund aims to generate long-term returns through USD 50-150 million investments in high growth, sustainable companies, defined as providing goods and services consistent with a low-carbon, prosperous, equitable, healthy and safe society.

The partnership extends UBS's leading position in sustainable and impact investing solutions, which include: launching the first 100% sustainable cross-asset portfolio for private clients, which now has USD 5 billion under management; pledging to raise at least USD 5 billion in SDG-related impact investments over five years; creating the UBS Oncology Impact Fund, the largest healthcare impact investment to date; and partnering with the World Bank Group to offer development bank bond investments to wealth management clients, as well as serving on the steering committee, and being a founding signatory, of the World Bank IFC's new Operating Principles for Impact Management.

Information in this news release is presented for UBS Group AG on a consolidated basis unless otherwise specified. Financial information for UBS AG (consolidated) does not differ materially from UBS Group AG (consolidated) and a comparison between UBS Group AG (consolidated) and UBS AG (consolidated) is provided at the end of this news release.

¹ Adjusted results are non-GAAP financial measures defined by SEC regulations. Refer to the "Performance of our business divisions and Corporate Center – reported and adjusted" table in this news release.

² Net profit attributable to shareholders

³ Return on CET1 capital. Net profit attributable to shareholders (annualized as applicable) divided by average common equity tier 1 capital.

⁴ Going concern ratio under Swiss SRB rules applicable as of 1 January 2020.

Performance of our business divisions and Corporate Center – reported and adjusted^{1,2}

For the quarter ended 30.6.19

<i>USD million</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Corporate Center ³	UBS
Operating income as reported	4,057	958	475	2,071	(30)	7,532
<i>of which: net foreign currency translations gains⁴</i>					10	10
Operating income (adjusted)	4,057	958	475	2,071	(40)	7,522
Operating expenses as reported	3,183	568	351	1,644	26	5,773
<i>of which: personnel-related restructuring expenses⁵</i>	0	0	3	1	22	25
<i>of which: non-personnel-related restructuring expenses⁵</i>	0	0	2	2	10	13
<i>of which: restructuring expenses allocated from Corporate Center⁵</i>	12	2	5	10	(30)	0
Operating expenses (adjusted)	3,171	566	340	1,631	25	5,735
<i>of which: net expenses for litigation, regulatory and similar matters⁶</i>	19	0	0	(1)	(14)	4
Operating profit / (loss) before tax as reported	874	390	124	427	(56)	1,759
Operating profit / (loss) before tax (adjusted)	886	392	135	440	(65)	1,787

For the quarter ended 30.6.18

<i>USD million</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Corporate Center ³	UBS
Operating income as reported	4,164	930	461	2,162	(73)	7,644
Operating income (adjusted)	4,164	930	461	2,162	(73)	7,644
Operating expenses as reported	3,202	584	365	1,627	160	5,938
<i>of which: personnel-related restructuring expenses⁵</i>	3	1	15	2	43	64
<i>of which: non-personnel-related restructuring expenses⁵</i>	5	0	3	3	40	51
<i>of which: restructuring expenses allocated from Corporate Center⁵</i>	39	9	8	32	(88)	0
Operating expenses (adjusted)	3,155	574	339	1,591	165	5,823
<i>of which: net expenses for litigation, regulatory and similar matters⁶</i>	53	0	0	2	78	132
Operating profit / (loss) before tax as reported	961	347	97	535	(233)	1,706
Operating profit / (loss) before tax (adjusted)	1,009	357	122	571	(238)	1,821

1 Adjusted results are non-GAAP financial measures as defined by SEC regulations. 2 Comparative figures in this table have been restated for the changes in Corporate Center cost and resource allocation to the business divisions and the changes in the equity attribution framework. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of the UBS Group second quarter 2019 report for more information. Comparatives may additionally differ as a result of 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. 3 Corporate Center operating expenses presented in this table are after service allocations to business divisions. 4 Related to the disposal of foreign branches and subsidiaries. 5 Reflects restructuring expenses related to legacy cost programs as well as expenses for new restructuring initiatives. 6 Reflects the net increase in / (release of) provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to "Note 16 Provisions and contingent liabilities" in the "Consolidated financial statements" section of the UBS Group second quarter 2019 report for more information. Also includes recoveries from third parties (second quarter of 2019: USD 1 million; first quarter of 2019: USD 7 million; second quarter of 2018: USD 10 million).

Performance of our business divisions and Corporate Center – reported and adjusted^{1,2}

USD million	Year-to-date 30.6.19					UBS
	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Corporate Center ³	
Operating income as reported	8,061	1,915	921	3,836	17	14,750
<i>of which: net foreign currency translations gains⁴</i>					10	10
Operating income (adjusted)	8,061	1,915	921	3,836	6	14,740
Operating expenses as reported	6,323	1,139	693	3,202	88	11,445
<i>of which: personnel-related restructuring expenses⁵</i>	0	0	5	2	36	43
<i>of which: non-personnel-related restructuring expenses⁵</i>	0	0	4	3	20	27
<i>of which: restructuring expenses allocated from Corporate Center⁵</i>	22	6	7	21	(57)	0
Operating expenses (adjusted)	6,301	1,133	677	3,175	89	11,375
<i>of which: net expenses for litigation, regulatory and similar matters⁶</i>	20	0	0	(2)	(22)	(4)
Operating profit / (loss) before tax as reported	1,737	777	228	634	(71)	3,305
Operating profit / (loss) before tax (adjusted)	1,759	783	244	661	(82)	3,364

USD million	Year-to-date 30.6.18					UBS
	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Corporate Center ³	
Operating income as reported	8,572	1,911	927	4,577	(174)	15,812
Operating income (adjusted)	8,572	1,911	927	4,577	(174)	15,812
Operating expenses as reported	6,509	1,156	725	3,465	151	12,007
<i>of which: personnel-related restructuring expenses⁵</i>	6	2	16	14	93	131
<i>of which: non-personnel-related restructuring expenses⁵</i>	15	0	6	5	93	119
<i>of which: restructuring expenses allocated from Corporate Center⁵</i>	89	18	15	66	(187)	0
<i>of which: gain related to changes to the Swiss pension plan⁷</i>	(66)	(38)	(10)	(5)	(122)	(241)
Operating expenses (adjusted)	6,465	1,174	698	3,387	274	11,997
<i>of which: net expenses for litigation, regulatory and similar matters⁶</i>	85	0	0	0	36	121
Operating profit / (loss) before tax as reported	2,064	754	202	1,111	(325)	3,806
Operating profit / (loss) before tax (adjusted)	2,108	737	229	1,190	(448)	3,815

1 Adjusted results are non-GAAP financial measures as defined by SEC regulations. 2 Comparative figures in this table have been restated for the changes in Corporate Center cost and resource allocation to the business divisions and the changes in the equity attribution framework. Refer to "Note 2 Segment reporting" in the "Consolidated financial statements" section of the UBS Group second quarter 2019 report for more information. Comparatives may additionally differ as a result of 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. 3 Corporate Center operating expenses presented in this table are after service allocations to business divisions. 4 Related to the disposal of foreign branches and subsidiaries. 5 Reflects restructuring expenses related to legacy cost programs as well as expenses for new restructuring initiatives. 6 Reflects the net increase in / (release of) provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to "Note 16 Provisions and contingent liabilities" in the "Consolidated financial statements" section of the UBS Group second quarter 2019 report for more information. Also includes recoveries from third parties of USD 8 million and USD 28 million for the first six months of 2019 and 2018, respectively. 7 Changes to the Pension Fund of UBS in Switzerland in the first quarter of 2018 resulted in a reduction in the pension obligation recognized by UBS. As a consequence, a pre-tax gain of USD 241 million was recognized in the income statement in the first quarter of 2018, with no overall effect on total equity. Refer to "Note 29 Pension and other post-employment benefit plans" in the "Consolidated financial statements" section of our Annual Report 2018 for more information.

Our key figures

<i>USD million, except where indicated</i>	As of or for the quarter ended				As of or year-to-date	
	30.6.19	31.3.19	31.12.18	30.6.18	30.6.19	30.6.18
Group results						
Operating income	7,532	7,218	6,972	7,644	14,750	15,812
Operating expenses	5,773	5,672	6,492	5,938	11,445	12,007
Operating profit / (loss) before tax	1,759	1,546	481	1,706	3,305	3,806
Net profit / (loss) attributable to shareholders	1,392	1,141	315	1,382	2,533	2,948
Diluted earnings per share (USD) ¹	0.37	0.30	0.08	0.36	0.67	0.76
Profitability and growth²						
Return on equity (%) ³	10.4	8.6	2.4	10.5	9.5	11.2
Return on tangible equity (%) ⁴	11.9	9.8	2.7	12.0	10.8	12.8
Return on common equity tier 1 capital (%) ⁵	16.0	13.3	3.7	16.1	14.6	17.2
Return on risk-weighted assets, gross (%) ⁶	11.4	10.9	10.8	11.8	11.1	12.3
Return on leverage ratio denominator, gross (%) ⁶	3.3	3.2	3.1	3.3	3.3	3.5
Cost / income ratio (%) ⁷	76.5	78.4	92.4	77.4	77.4	75.7
Adjusted cost / income ratio (%) ⁸	76.1	77.9	92.2	75.9	77.0	75.6
Net profit growth (%) ⁹	0.7	(27.1)		19.9	(14.1)	22.6
Resources						
Total assets	968,728	956,579	958,489	952,817	968,728	952,817
Equity attributable to shareholders	53,180	53,667	52,928	51,210	53,180	51,210
Common equity tier 1 capital ¹⁰	34,948	34,658	34,119	34,116	34,948	34,116
Risk-weighted assets ¹⁰	262,135	267,556	263,747	254,603	262,135	254,603
Common equity tier 1 capital ratio (%) ¹⁰	13.3	13.0	12.9	13.4	13.3	13.4
Going concern capital ratio (%) ¹⁰	19.1	18.5	17.5	17.8	19.1	17.8
Total loss-absorbing capacity ratio (%) ¹⁰	33.3	32.7	31.7	32.3	33.3	32.3
Leverage ratio denominator ¹⁰	911,379	910,993	904,598	910,383	911,379	910,383
Common equity tier 1 leverage ratio (%) ¹⁰	3.83	3.80	3.77	3.75	3.83	3.75
Going concern leverage ratio (%) ¹⁰	5.5	5.4	5.1	5.0	5.5	5.0
Total loss-absorbing capacity leverage ratio (%) ¹⁰	9.6	9.6	9.3	9.0	9.6	9.0
Liquidity coverage ratio (%) ¹¹	145	153	136	144	145	144
Other						
Invested assets (USD billion) ¹²	3,381	3,318	3,101	3,271	3,381	3,271
Personnel (full-time equivalents)	66,922	67,481	66,888	63,684	66,922	63,684
Market capitalization ^{13,14}	43,491	45,009	45,907	57,654	43,491	57,654
Total book value per share (USD) ¹³	14.53	14.45	14.35	13.73	14.53	13.73
Total book value per share (CHF) ^{13,15}	14.18	14.39	14.11	13.61	14.18	13.61
Tangible book value per share (USD) ¹³	12.72	12.67	12.55	12.00	12.72	12.00
Tangible book value per share (CHF) ^{13,15}	12.42	12.62	12.33	11.90	12.42	11.90

1 Refer to "Note 9 Earnings per share (EPS) and shares outstanding" in the "Consolidated financial statements" section of the UBS Group second quarter 2019 report for more information. 2 Refer to the "Performance targets and measurement" section of our Annual Report 2018 for more information on our performance targets. 3 Calculated as net profit attributable to shareholders (annualized as applicable) / average equity attributable to shareholders. 4 Calculated as net profit attributable to shareholders (annualized as applicable) / average equity attributable to shareholders less average goodwill and intangible assets. Effective 1 January 2019, the definition of the numerator for return on tangible equity has been revised to align with numerators for return on equity and return on CET1 capital; i.e., we no longer adjust for amortization and impairment of goodwill and intangible assets. Prior periods have been restated. 5 Calculated as net profit attributable to shareholders (annualized as applicable) / average common equity tier 1 capital. 6 Calculated as operating income before credit loss expense or recovery (annualized as applicable) / average risk-weighted assets and average leverage ratio denominator, respectively. 7 Calculated as operating expenses / operating income before credit loss expense or recovery. 8 Calculated as adjusted operating expenses / adjusted operating income before credit loss expense or recovery. 9 Calculated as change in net profit attributable to shareholders from continuing operations between current and comparison periods / net profit attributable to shareholders from continuing operations of comparison period. 10 Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital management" section of the UBS Group second quarter 2019 report for more information. 11 Refer to the "Balance sheet, liquidity and funding management" section of the UBS Group second quarter 2019 report for more information. 12 Includes invested assets for Global Wealth Management, Asset Management and Personal & Corporate Banking. 13 Refer to "UBS shares" in the "Capital management" section of the UBS Group second quarter 2019 report for more information. 14 Beginning with our Annual Report 2018, the calculation of market capitalization has been amended to reflect total shares outstanding multiplied by the share price at the end of the period. The calculation was previously based on total shares issued multiplied by the share price at the end of the period. Market capitalization has been reduced by USD 2.1 billion as of 31 December 2018 and by USD 1.9 billion as of 30 June 2018 as a result. 15 Total book value per share and tangible book value per share in Swiss francs are calculated based on a translation of equity under our US dollar presentation currency. As a consequence of the restatement to a US dollar presentation currency, amounts may differ from those originally published in our quarterly and annual reports.

Income statement

<i>USD million</i>	For the quarter ended			% change from		Year-to-date	
	30.6.19	31.3.19	30.6.18	1Q19	2Q18	30.6.19	30.6.18
Net interest income	1,026	1,123	1,205	(9)	(15)	2,149	2,639
Other net income from financial instruments measured at fair value through profit or loss	1,939	1,935	2,001	0	(3)	3,874	3,974
Credit loss (expense) / recovery	(12)	(20)	(29)	(40)	(57)	(33)	(55)
Fee and commission income	4,907	4,541	4,845	8	1	9,448	10,022
Fee and commission expense	(434)	(409)	(421)	6	3	(842)	(855)
Net fee and commission income	4,474	4,132	4,423	8	1	8,606	9,168
Other income	105	49	44	116	141	154	86
Total operating income	7,532	7,218	7,644	4	(1)	14,750	15,812
Personnel expenses	4,153	4,043	4,102	3	1	8,196	8,357
General and administrative expenses	1,175	1,187	1,533	(1)	(23)	2,362	3,042
Depreciation and impairment of property, equipment and software	427	427	287	0	49	854	575
Amortization and impairment of intangible assets	18	16	16	13	9	33	33
Total operating expenses	5,773	5,672	5,938	2	(3)	11,445	12,007
Operating profit / (loss) before tax	1,759	1,546	1,706	14	3	3,305	3,806
Tax expense / (benefit)	366	407	322	(10)	14	773	855
Net profit / (loss)	1,393	1,139	1,384	22	1	2,532	2,951
Net profit / (loss) attributable to non-controlling interests	1	(2)	1		(31)	(1)	3
Net profit / (loss) attributable to shareholders	1,392	1,141	1,382	22	1	2,533	2,948
Comprehensive income							
Total comprehensive income	2,473	1,039	359	138	589	3,512	2,213
Total comprehensive income attributable to non-controlling interests	(5)	2	(3)		51	(3)	0
Total comprehensive income attributable to shareholders	2,478	1,037	362	139	584	3,515	2,213

Comparison between UBS Group AG consolidated and UBS AG consolidated

USD million, except where indicated	As of or for the quarter ended 30.6.19			As of or for the quarter ended 31.3.19			As of or for the quarter ended 31.12.18		
	UBS Group AG (consolidated)	UBS AG (consolidated)	Difference (absolute)	UBS Group AG (consolidated)	UBS AG (consolidated)	Difference (absolute)	UBS Group AG (consolidated)	UBS AG (consolidated)	Difference (absolute)
Income statement									
Operating income	7,532	7,632	(100)	7,218	7,343	(125)	6,972	7,083	(111)
Operating expenses	5,773	5,975	(202)	5,672	5,890	(217)	6,492	6,667	(176)
Operating profit / (loss) before tax	1,759	1,657	102	1,546	1,454	92	481	416	65
of which: Global Wealth Management	874	857	17	863	848	16	327	316	11
of which: Personal & Corporate Banking	390	392	(2)	387	386	1	644	645	(1)
of which: Asset Management	124	124	0	103	103	0	106	105	1
of which: Investment Bank	427	419	8	207	187	20	(78)	(79)	1
of which: Corporate Center	(56)	(135)	79	(15)	(71)	56	(518)	(571)	53
Net profit / (loss)	1,393	1,308	85	1,139	1,067	72	315	273	42
of which: net profit / (loss) attributable to shareholders	1,392	1,307	85	1,141	1,069	72	315	272	42
of which: net profit / (loss) attributable to non-controlling interests	1	1	0	(2)	(2)	0	1	1	0
Statement of comprehensive income									
Other comprehensive income	1,080	1,076	4	(100)	(90)	(10)	893	895	(2)
of which: attributable to shareholders	1,086	1,082	4	(104)	(94)	(10)	892	894	(2)
of which: attributable to non-controlling interests	(6)	(6)	0	4	4	0	1	1	0
Total comprehensive income	2,473	2,384	89	1,039	977	62	1,208	1,168	41
of which: attributable to shareholders	2,478	2,389	89	1,037	974	62	1,207	1,166	41
of which: attributable to non-controlling interests	(5)	(5)	0	2	2	0	2	2	0
Balance sheet									
Total assets	968,728	968,645	83	956,579	956,737	(158)	958,489	958,055	434
Total liabilities	915,378	916,116	(738)	902,739	903,348	(609)	905,386	905,624	(238)
Total equity	53,350	52,529	821	53,840	53,389	451	53,103	52,432	671
of which: equity attributable to shareholders	53,180	52,359	821	53,667	53,216	451	52,928	52,256	671
of which: equity attributable to non-controlling interests	170	170	0	173	173	0	176	176	0
Capital information									
Common equity tier 1 capital	34,948	35,881	(933)	34,658	34,933	(275)	34,119	34,608	(489)
Going concern capital	49,993	46,500	3,493	49,436	45,368	4,068	46,279	42,413	3,865
Risk-weighted assets	262,135	261,364	772	267,556	266,581	976	263,747	262,840	907
Common equity tier 1 capital ratio (%)	13.3	13.7	(0.4)	13.0	13.1	(0.2)	12.9	13.2	(0.2)
Going concern capital ratio (%)	19.1	17.8	1.3	18.5	17.0	1.5	17.5	16.1	1.4
Total loss-absorbing capacity ratio (%)	33.3	33.0	0.3	32.7	32.2	0.5	31.7	31.3	0.5
Leverage ratio denominator	911,379	911,601	(221)	910,993	911,410	(417)	904,598	904,458	140
Common equity tier 1 leverage ratio (%)	3.83	3.94	(0.10)	3.80	3.83	(0.03)	3.77	3.83	(0.05)
Going concern leverage ratio (%)	5.5	5.1	0.4	5.4	5.0	0.4	5.1	4.7	0.4
Total loss-absorbing capacity leverage ratio (%)	9.6	9.5	0.1	9.6	9.4	0.2	9.3	9.1	0.2

UBS's second quarter 2019 report, news release and slide presentation will be available from 06:45 CEST on Tuesday, 23 July 2019, at www.ubs.com/quarterlyreporting.

UBS will hold a presentation of its second quarter 2019 results on Tuesday, 23 July 2019. The results will be presented by Sergio P. Ermotti, Group Chief Executive Officer, Kirt Gardner, Group Chief Financial Officer, Martin Osinga, Head Investor Relations ad interim, and Hubertus Kuelps, Group Head Communications & Branding.

Time

- 09:00–11:00 CEST
- 08:00–10:00 BST
- 03:00–05:00 US EDT

Audio webcast

The presentation for analysts can be followed live on www.ubs.com/quarterlyreporting with a simultaneous slide show.

Webcast playback

An audio playback of the results presentation will be made available at www.ubs.com/investors later in the day.

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Cautionary Statement Regarding Forward-Looking Statements

This news release 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’s 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.

Rounding

Numbers presented throughout this news release 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 and 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.