

# Third quarter

2019 results



October 22, 2019

# Important information

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**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 3Q19 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:** "Earnings per share" refers to diluted earnings per share. "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.


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
# 3Q19 net profit of USD 1,049m


Solid results in a challenging environment

 **1,345m**  
Group PBT, (21%) YoY

 **0.28**  
EPS, (14%) YoY

 **12.1%**  
RoCET1

 **79.1%**  
adj. cost/income ratio

 **13.1%** CET1 capital ratio  
**3.8%** CET1 leverage ratio  
**5.6%** tier 1<sup>1</sup> leverage ratio

## Global Wealth Management

- › **PBT 894m**, adjusted 919m
- › Transaction-based income +14% YoY
- › 16bn NNM, 2.5% annualized growth

## Personal & Corporate Banking

- › **PBT 354m**, adjusted 362m
- › 9M19 adjusted PBT +3%<sup>2</sup>
- › 3.1% NNBV<sup>2,3</sup>

## Asset Management

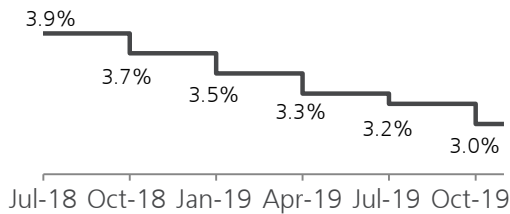
- › **PBT 124m**, adjusted 135m
- › 9M19 adjusted PBT +6%
- › 24bn NNM excl. money markets

## Investment Bank

- › **PBT 172m**, adjusted 203m
- › Strong FX performance
- › 7% RoAE

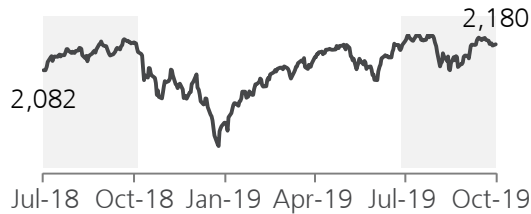
# Market context

2019 IMF real GDP growth forecast



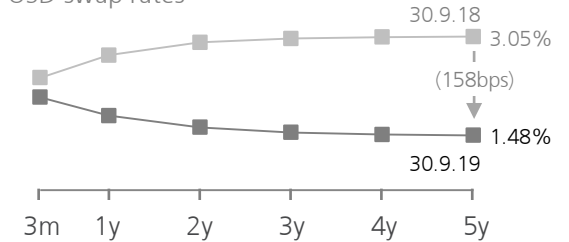
Equity markets

MSCI World



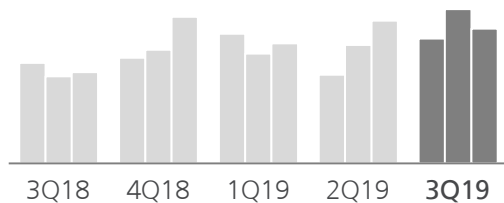
Yield curves

USD swap rates

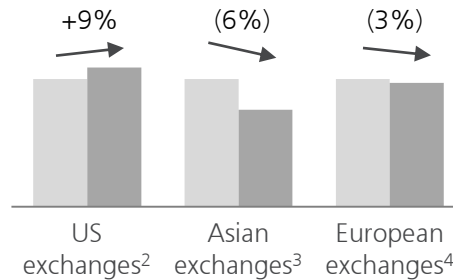


Geopolitical uncertainty

Global economic policy uncertainty index<sup>1</sup>

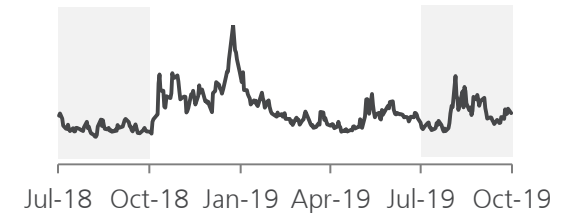


Average daily volumes



Realized volatility

S&P 500 1-month realized volatility



Investment banking fee pools<sup>5</sup>

M&A, ECM, and DCM including LCM

**+1%**  
Americas

**(3%)**  
APAC

**(16%)**  
EMEA



Comparisons are 3Q19 YoY; **1** Higher index levels reflect higher levels of geopolitical uncertainty. Source: [www.policyuncertainty.com](http://www.policyuncertainty.com). Monthly; **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, Borsa Italiana, Deutsche Börse, Euronext and London Stock Exchange cash equities; **5** Dealogic, YoY change

# UBS global investor sentiment survey

Investors remain concentrated in cash and generally satisfied with their asset allocation

Investors' cash holdings remain high...

...with mixed views about the global economy



27%

of investable assets  
are in cash and equivalents

↑ 1% QoQ



53% of investors are optimistic

Regional QoQ development



Latin American  
investors



US  
investors



European  
investors



Asian  
investors



Swiss  
investors

Investors remain satisfied with their  
asset allocation...

...with some looking to buy on market dips



84%



46%

but

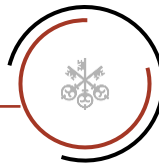
66%

plan to increase  
investments

waiting for prices  
to drop first

# Positioning for growth

Combining capabilities to generate synergies



## Strategic partnerships

### Collaboration initiatives

- › Adding further scale in **GFO** following strong performance

**+15%**

3-year revenue CAGR following GFO onboarding<sup>1</sup>

**~20%**

overall GFO revenue growth p.a., since 2014<sup>2</sup>

- › Successfully launched our **Private Financing Markets (PFM)** team

**17**

deals executed in 2019

**25**

live mandates in execution

- › Creating a **unified capital markets** business in the US

**Synergies**

targeted on revenues and costs

**Middle Market**

institutional clients served with enhanced execution leveraging IB infrastructure

- › Expanding **WM US clients' access to AM** solutions to drive NNM and mandate growth

**Zero fees<sup>3</sup>**

for select AM SMAs beyond FA advisory fee in WM US

**13%**

5-year CAGR for SMA/UMA<sup>4</sup> market growth<sup>5</sup>

Creating **partnerships** to scale presence in strategic markets



**Banco do Brasil**

IB partnership<sup>6</sup>, LatAm

**35bn**

2018 total LatAm fee pool in M&A, ECM and DCM<sup>7</sup>

**Sumitomo Mitsui Trust Holdings, Inc.**

GWM partnership, Japan

**16trn**

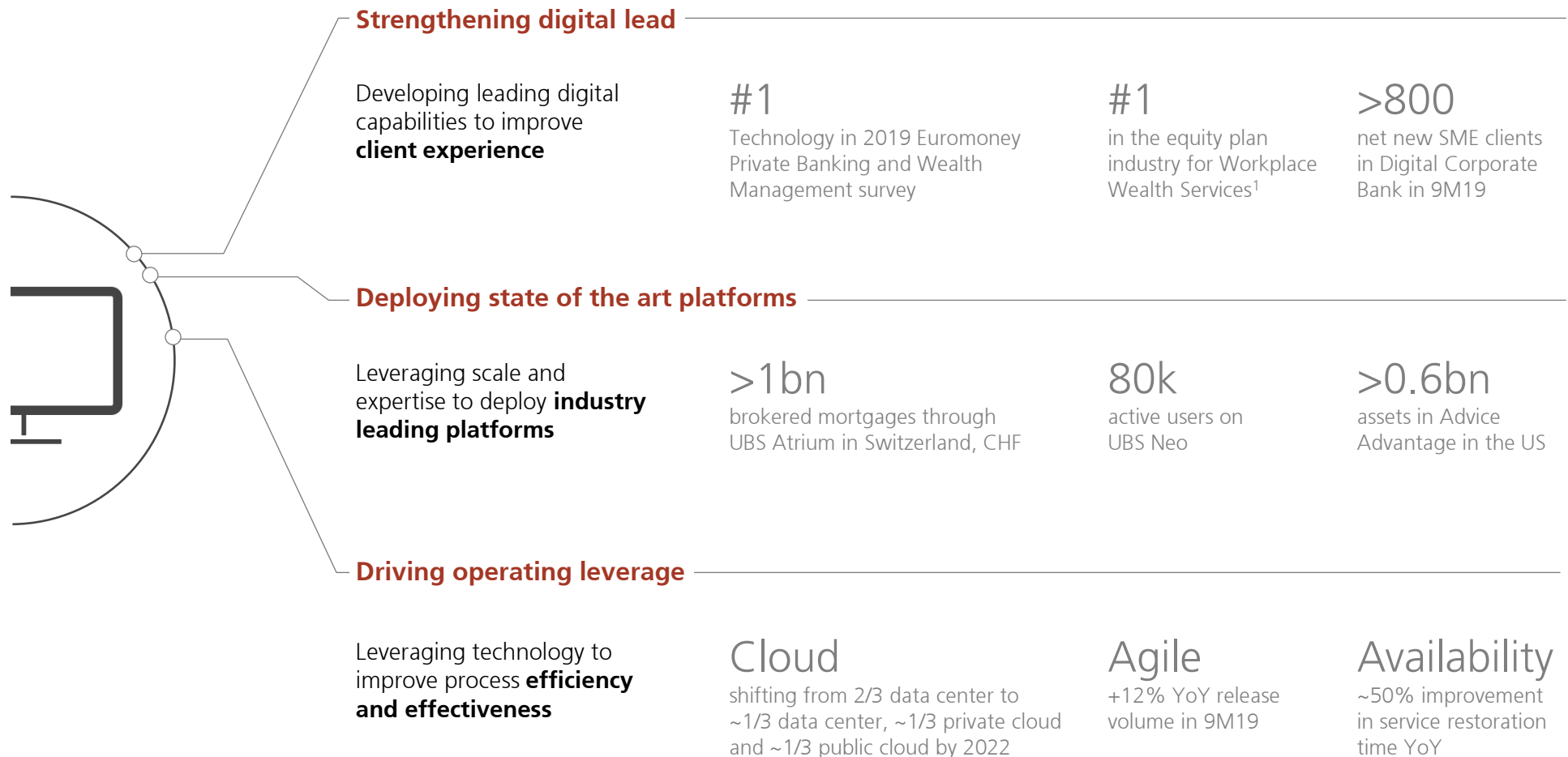
Japan private financial wealth as of 31.12.18<sup>8</sup>



Numbers in USD unless otherwise indicated; **1** Average UBS revenues from clients introduced to GFO coverage since 2014; **2** Including new clients; **3** No additional SMA management fee; **4** Separately Managed Accounts and Unified Managed Accounts; **5** Cerulli Associates, based on 2018 figures; **6** Non-binding agreement; **7** ANBIMA, CVM, Dealogic and Thomson Financial; **8** BCG Global Wealth Report 2019

# Front-to-back digitalization

Investing in technology to enable business growth and improve efficiency

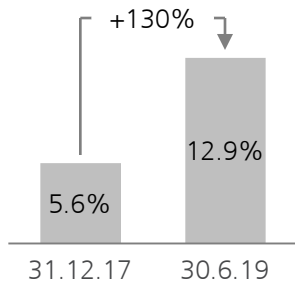


Numbers in USD unless otherwise indicated; <sup>1</sup> 2019 Group Five Stock Plan Administration Benchmark survey, across 29 different categories. US only

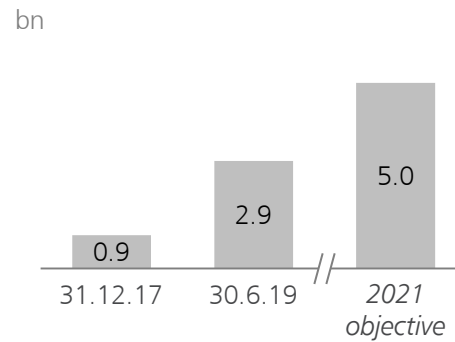
# Sustainable finance

Leader in sustainable investing for private and institutional clients

Core sustainable investments  
As % of GWM and AM invested



GWM client assets invested into new impact investments for the UN SDGs<sup>1</sup>



>7bn

invested in the first 100% sustainable multi-asset portfolio (UBS Manage)

>3bn

invested assets in AM Climate Aware strategy

0.5bn

capital raised in UBS Oncology impact fund



Industry leader for Diversified Financial Services and Capital Markets of the Dow Jones Sustainability Index for the 5<sup>th</sup> consecutive year



# 9M19 highlights

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Delivered good performance  
in challenging markets

- › **13.8%** RoCET1
- › **55bn** NNM across GWM and AM
- › Operating expenses down **3%**, adj. cost/income ratio **77.7%**

Generating capital and maintaining  
balance sheet strength for all seasons

- › CET1 capital ratio **13.1%**, CET1 leverage ratio **3.8%**, tier 1<sup>1</sup> leverage ratio **5.6%**
- › Executing on our capital returns policy:
  - Accruing for **growing dividend** per share
  - USD **0.6bn** of shares repurchased
  - Continue to execute on our **buy-back** guidance

Managing for efficiency and  
positioning for growth

- › Investing in strategic **partnerships** and accelerating **collaboration**
- › Deploying **digital** in key strategic areas
- › Strengthening our lead in **sustainable finance**

# UBS Group AG results (consolidated)

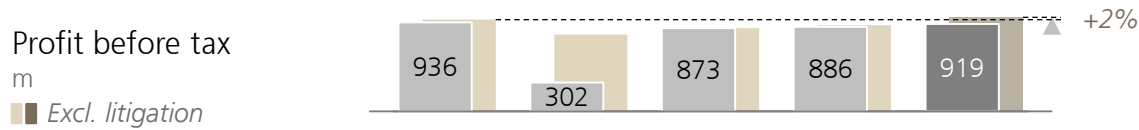
	3Q18	4Q18	1Q19	2Q19	3Q19
Total operating income	7,428	6,972	7,218	7,532	7,088
Total operating expenses	5,724	6,492	5,672	5,773	5,743
<b>Profit before tax as reported</b>	<b>1,704</b>	<b>481</b>	<b>1,546</b>	<b>1,759</b>	<b>1,345</b>
of which: adjusting items	(66)	3	(31)	(28)	(114)
of which: net restructuring expenses <sup>1</sup>	(122)	(188)	(31)	(39)	(69)
of which: gains related to investments in associates		460			
of which: gains on sales of subsidiaries, businesses and real estate	56				
of which: FCT gains(losses) from the disposal of subsidiaries				10	(46)
of which: remeasurement loss related to UBS Securities China		(270)			
<b>Adjusted profit before tax</b>	<b>1,770</b>	<b>478</b>	<b>1,577</b>	<b>1,787</b>	<b>1,459</b>
of which: litigation (expenses)/releases	(2)	(533)	8	(4)	(65)
of which: bank levy (expenses)/releases <sup>2</sup>		(87)	(15)	32	4
Tax expense(benefit)	448	165	407	366	294
of which: current tax expenses	235	395	170	209	229
<b>Net profit attributable to shareholders</b>	<b>1,253</b>	<b>315</b>	<b>1,141</b>	<b>1,392</b>	<b>1,049</b>
Diluted EPS (USD)	0.33	0.08	0.30	0.37	0.28
Effective tax rate	26.3%	34.3%	26.3%	20.8%	21.9%
Reported return on CET1 capital	14.5%	3.7%	13.3%	16.0%	12.1%
Adjusted cost/income ratio	75.9%	92.2%	77.9%	76.1%	79.1%
Total book value per share (USD) <sup>3</sup>	13.98	14.35	14.45	14.53	15.47
Tangible book value per share (USD) <sup>3</sup>	12.25	12.55	12.67	12.72	13.67



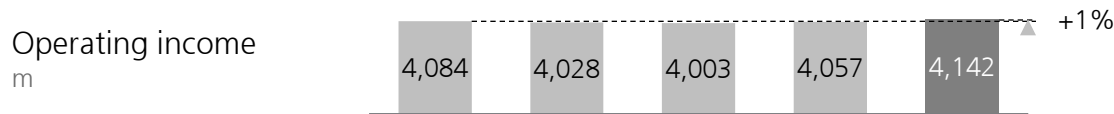
Numbers in USDm unless otherwise indicated. **1** ~200m of restructuring charges associated with our legacy cost programs expected for FY19, in addition to which ~100m restructuring charges expected for 4Q19 related to structural changes in the Investment Bank; **2** 4Q19 operating expenses are expected to include an annual UK bank levy expense of ~70m (not treated as an adjusting item), of which ~50m in the Investment Bank; **3** Refer to slide 16

# Global Wealth Management

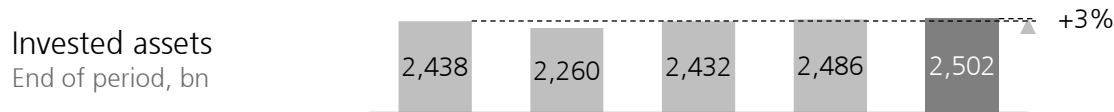
+2% PBT excluding litigation; positive momentum across all growth levers



PBT +2% excluding litigation



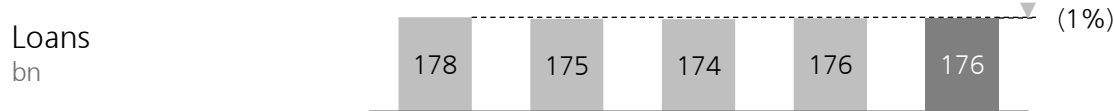
Operating income +1%, largely driven by double-digit growth in transaction-based income in all regions



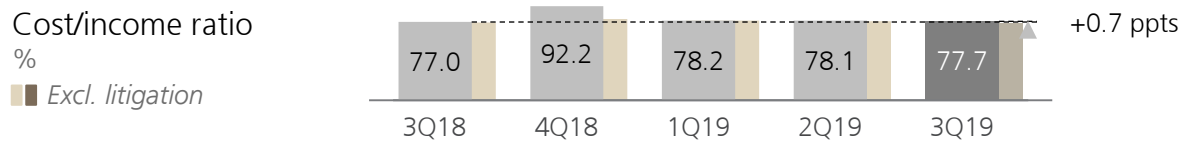
Invested assets +16bn QoQ on **16bn NNM** and positive market performance, partly offset by currency effects; NNM in 9M19 was 36bn, or 2.1% NNM growth



Record **mandate** volume +4%, **7.4bn net mandate sales**, mandate penetration 34.4%



Loan balances flat QoQ as **1.9bn net new loans** were offset by currency effects



Operating expenses +2% mainly driven by litigation and regulatory costs while investments were funded through lower personnel expenses (excl. variable compensation)

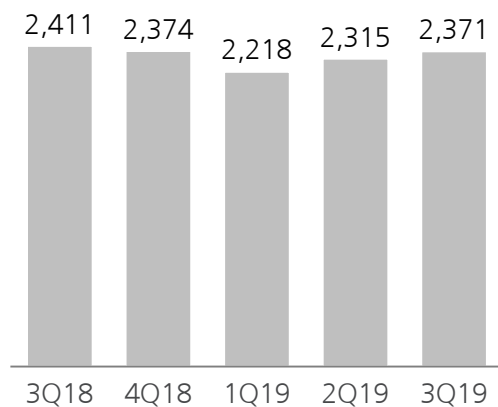


Numbers in USD and adjusted unless otherwise indicated

# Global Wealth Management

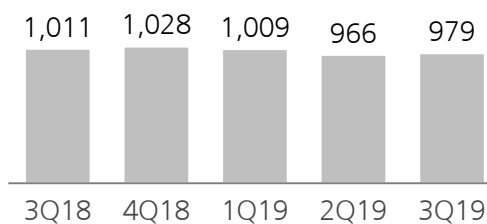
14% increase in transaction-based income; positive recurring net fee momentum

Recurring net fee income



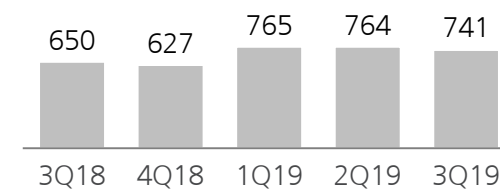
- › Positive momentum on increasing invested assets and mandate sales
- › 25bn net mandate sales in 9M19
- › Stable recurring fee margin over the last three quarters

Net interest income



- › Resilient net interest income despite lower interest rates and competitive pressure
- › Net interest margin (6bps) YoY

Transaction-based income



- › 14% increase driven by double-digit growth in all regions
- › Engaged with clients to help them navigate challenging markets

# Global Wealth Management

11bn NNM in APAC in 3Q19, >10% annualized growth YTD

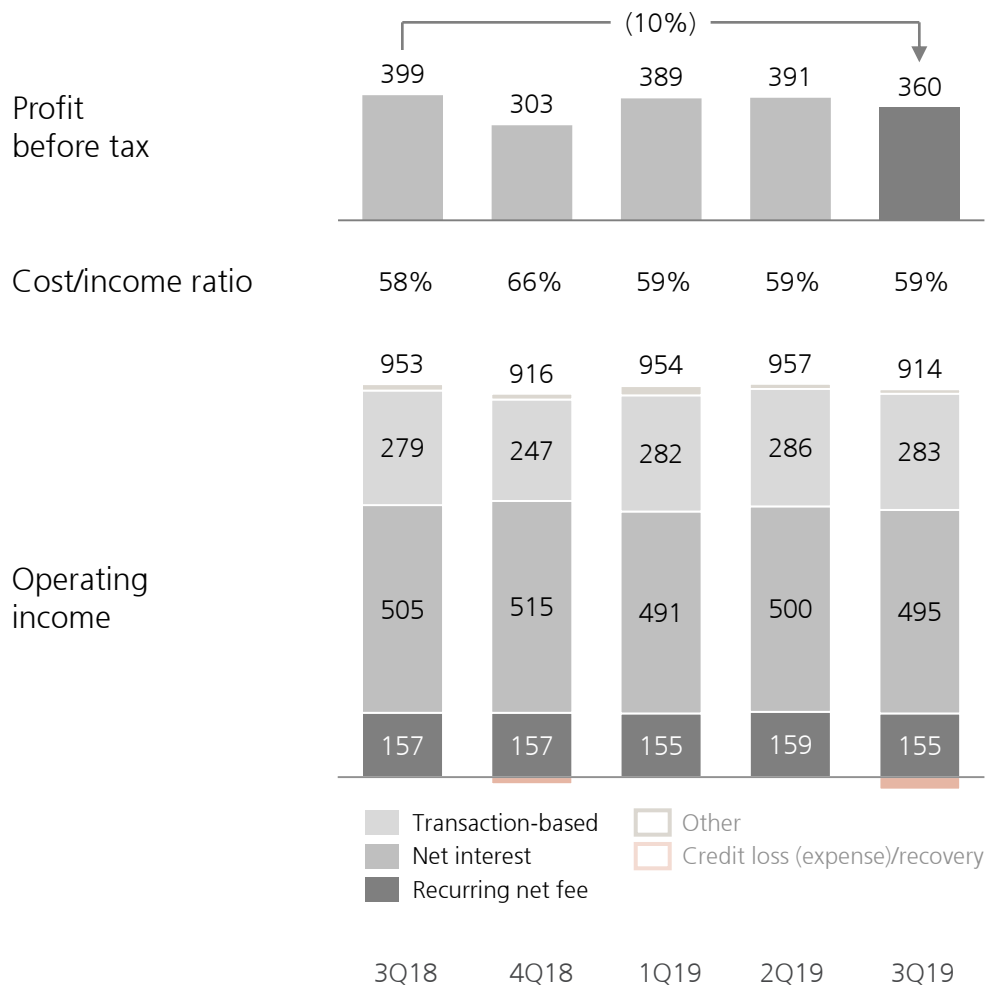
	3Q19 Profit before tax m	Cost/income ratio	Invested assets bn	Net new money bn	
Americas	342	85%	1,334	0.0	<ul style="list-style-type: none"> <li>&gt; Record operating income +3% YoY</li> <li>&gt; 3bn NNM from UHNW clients</li> </ul>
APAC	171	70%	420	10.9	<ul style="list-style-type: none"> <li>&gt; 10.6% annualized NNM growth in 9M19</li> <li>&gt; 0.6bn net new loans</li> </ul>
EMEA	248	71%	524	3.2	<ul style="list-style-type: none"> <li>&gt; Costs (2%) despite higher litigation</li> <li>&gt; Announced charges for EUR deposits &gt;500k<sup>1</sup> (previously &gt;1m)</li> </ul>
Switzerland	164	59%	221	1.9	<ul style="list-style-type: none"> <li>&gt; Transaction-based income +36%</li> <li>&gt; Announced charges for CHF deposits &gt;2m<sup>1</sup></li> </ul>
o/w Global UHNW <sup>2</sup>	184	76%	720	14.7	<ul style="list-style-type: none"> <li>&gt; Strong GFO performance, revenues +11% YTD</li> <li>&gt; Increasing traction in the US</li> </ul>



Numbers in USD and adjusted unless otherwise indicated; excluding minor functions with 99 advisors, USD 4 billion of invested assets and USD 0.3 billion of net new money outflows in 3Q19; **1** Mainly applicable to deposits held in UBS Switzerland AG; **2** 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)

9M19 adjusted PBT +3%; strong business momentum



PBT (10%) mainly reflecting higher credit loss expenses and lower net interest income

Transaction-based income +1% on higher credit card and FX transactions; record 9M19<sup>1</sup>

Credit loss expenses 30m, most of which from a provision on a single exposure and vs. 3m in 3Q18; 9M19 annualized CLE to average loan balances 3bps

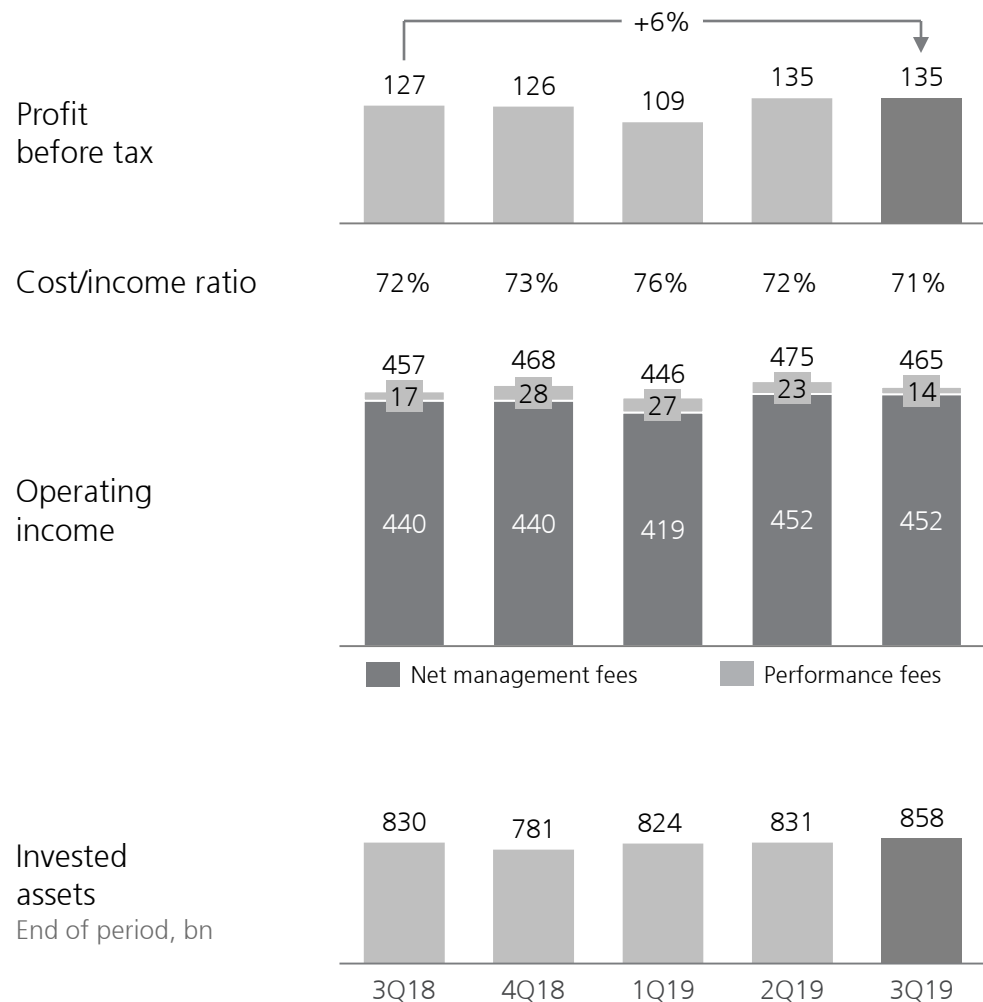
3.1% net new business volume<sup>2</sup>; record 5.3% in 9M19<sup>1</sup>



Numbers in CHFm and adjusted unless otherwise indicated; <sup>1</sup> Since 2008; <sup>2</sup> Growth for Personal Banking, annualized

# Asset Management

Fourth consecutive quarter of YoY PBT increase; strong net new money



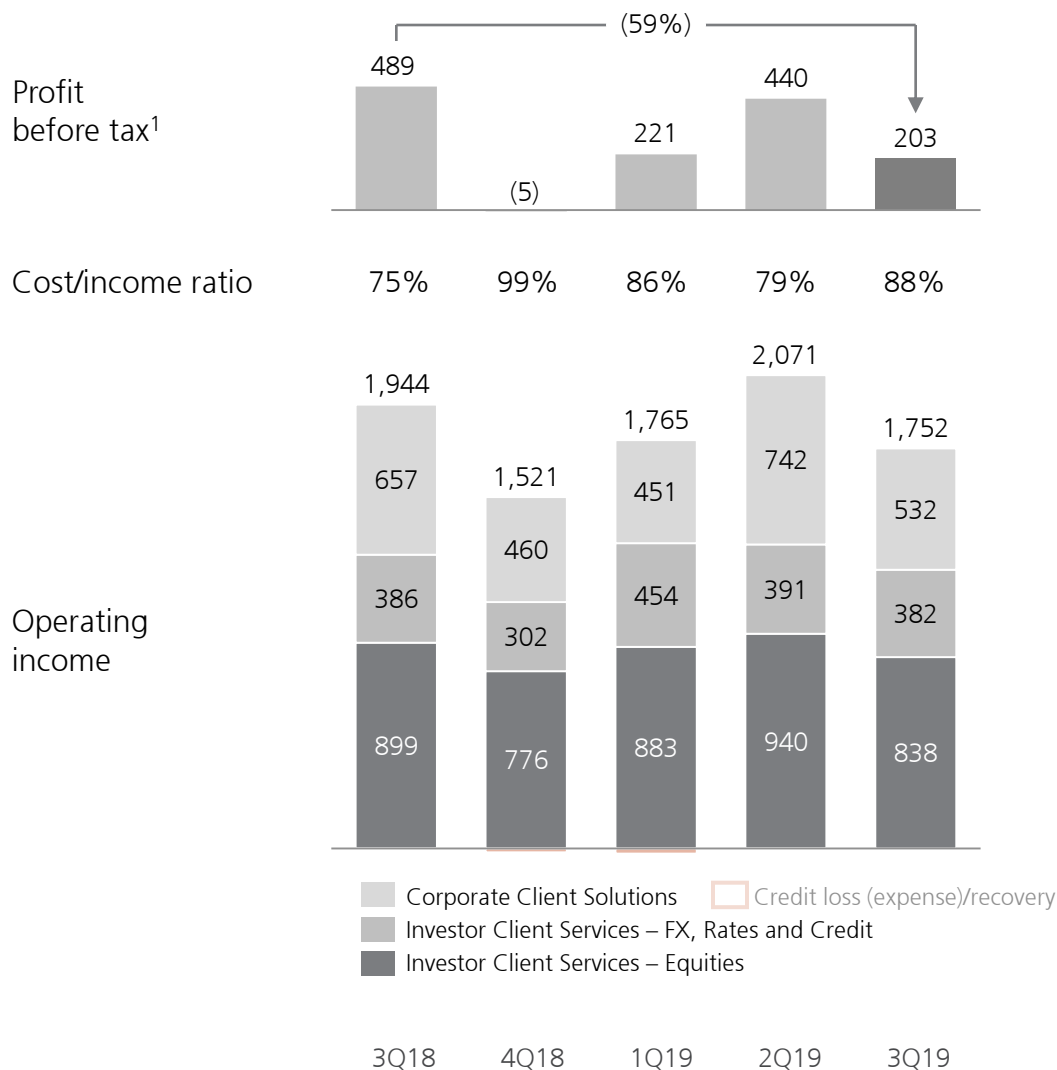
PBT +6% on higher net management fees and flat costs, 9M19 PBT +6%

Net management fees +3% reflecting higher average invested assets

Invested assets +27bn QoQ, reflecting NNM of 33bn including money markets (MM), 24bn excluding MM; NNM flows diversified across asset classes and channels with ~50% into active strategies

# Investment Bank

Market environment particularly challenging given our business and geographic mix



RoAE of 7% on 12.2bn average attributed equity

Operating expenses +6%, mainly driven by a net 59m litigation release in 3Q18, as well as higher technology and compliance costs

CCS (19%) with decreases across most products and relative to a strong 3Q18; YTD outperformance vs. fee pools in APAC and EMEA

FRC (1%), with strong FX performance and an increase in Rates more than offset by lower Credit revenues

Equities (7%) due to lower Derivatives and compared with a strong prior year

RWA 89bn, +3bn QoQ and +1bn YoY  
LRD 300bn, flat QoQ and (16bn) YoY

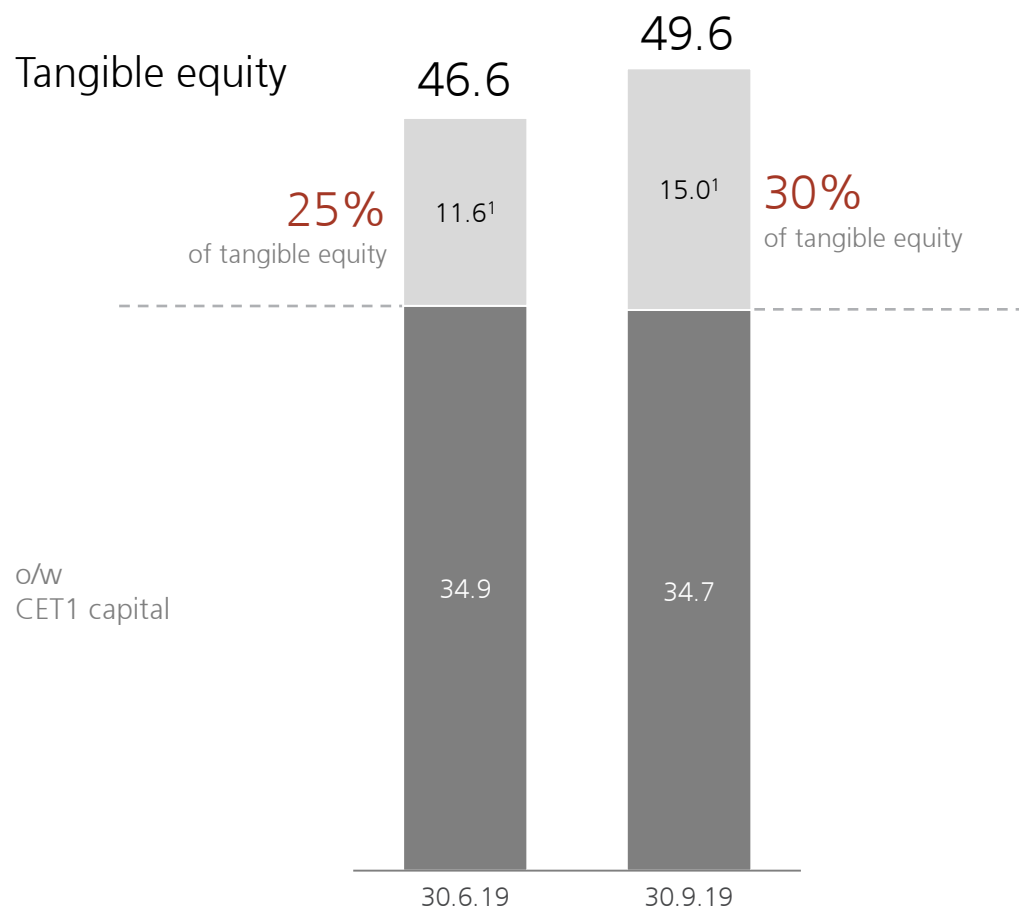


Numbers in USDm and adjusted unless otherwise indicated; <sup>1</sup> 4Q19 operating expenses are expected to include annual UK bank levy expense of ~50m (not treated as an adjusting item)



# Tangible equity

Larger gap between CET1 capital and tangible equity



› 3bn increase in tangible equity, including the recognition of a 2bn Swiss pension plan net surplus, which had no impact on CET1 capital

› CET1 capital decreased by 275m as 3Q19 profits were mainly offset by dividend accruals, share buybacks and currency effects

# UBS at a glance

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## Outstanding client franchises

- › Clients are at the center of everything we do
- › Unique position as the only truly global wealth manager
- › Leading universal bank in Switzerland with focused Investment Bank and Asset Management franchises
- › Strong brand and global reach

## Managing for growth & efficiency

- › Positioning businesses for growth
- › Investing while remaining disciplined on costs
- › Optimizing for evolving operating environment
- › Developing leading digital capabilities to improve efficiency and client experience

## Balance sheet strength for all seasons

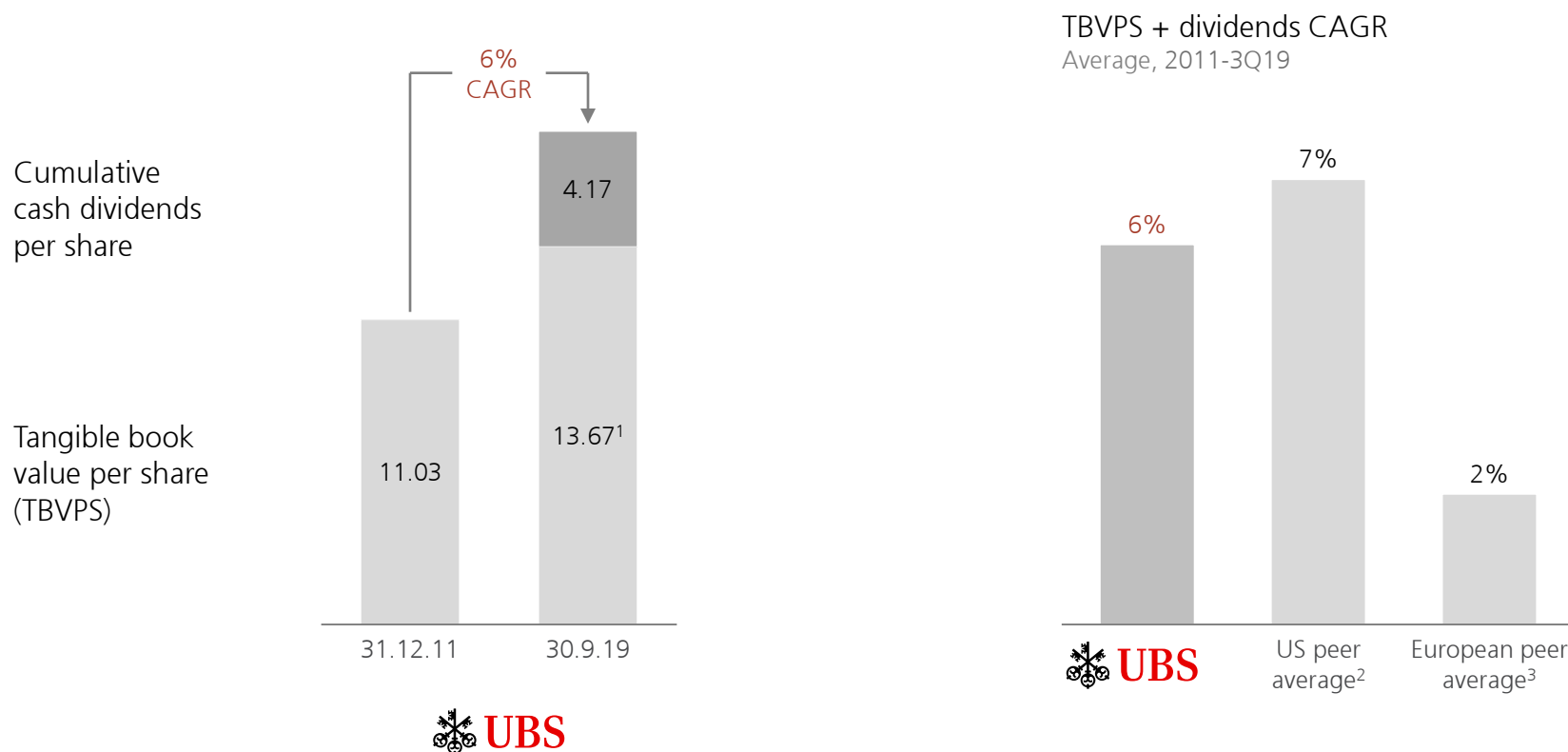
- › Disciplined resource usage; focus on sustainable growth
- › Prudent deployment of risk with a focus on post-stress resilience
- › Return excess capital to shareholders

Leading to strong financial performance

# Appendix

# Growing book value while distributing capital

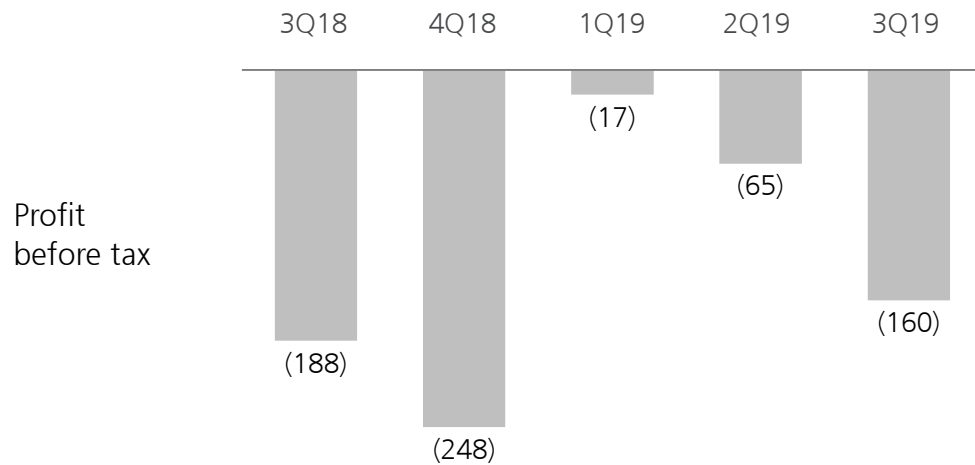
TBVPS growth with dividends well ahead of European peers and close to US peers



Numbers in USD for UBS and in local currency for peers; <sup>1</sup> 3Q19 tangible equity reflects Swiss pension plan accounting, refer to slide 16; <sup>2</sup> Bank of America, Citi, Goldman Sachs, JPMorgan, Morgan Stanley; <sup>3</sup> Barclays, BNP, Credit Suisse, Deutsche Bank, HSBC, Julius Baer and Standard Chartered. European peers as of 30.6.19

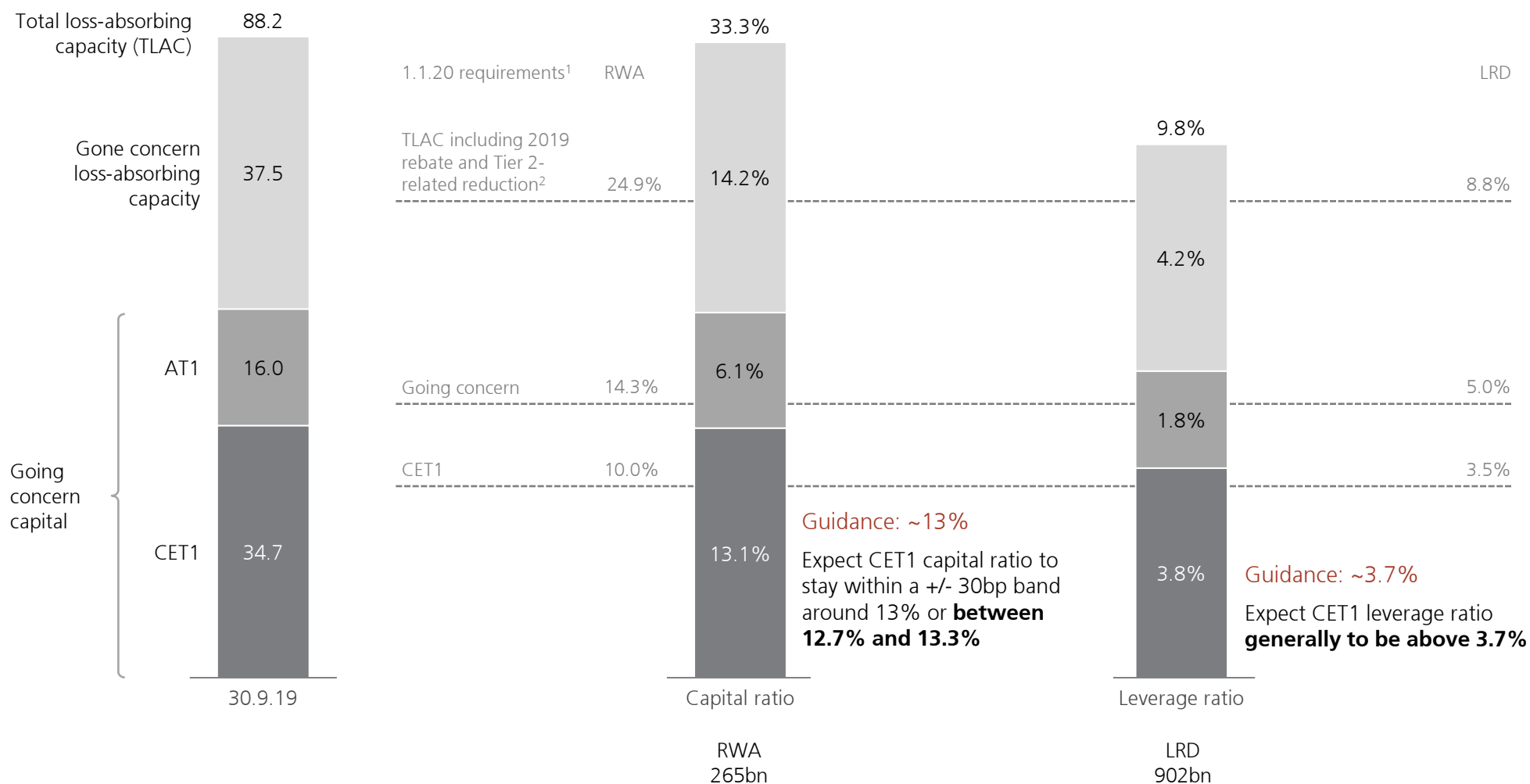
# Corporate Center

Limited drag, partly due to hedge accounting ineffectiveness and accounting asymmetry gains



- › PBT of (225m) excluding 57m gains from accounting asymmetries, 4m of hedge accounting ineffectiveness income and a 4m litigation release
- › Expecting Corporate Center PBT of ~(250m) in 4Q19 excluding accounting asymmetries, hedge accounting ineffectiveness and litigation

# Capital and leverage ratios

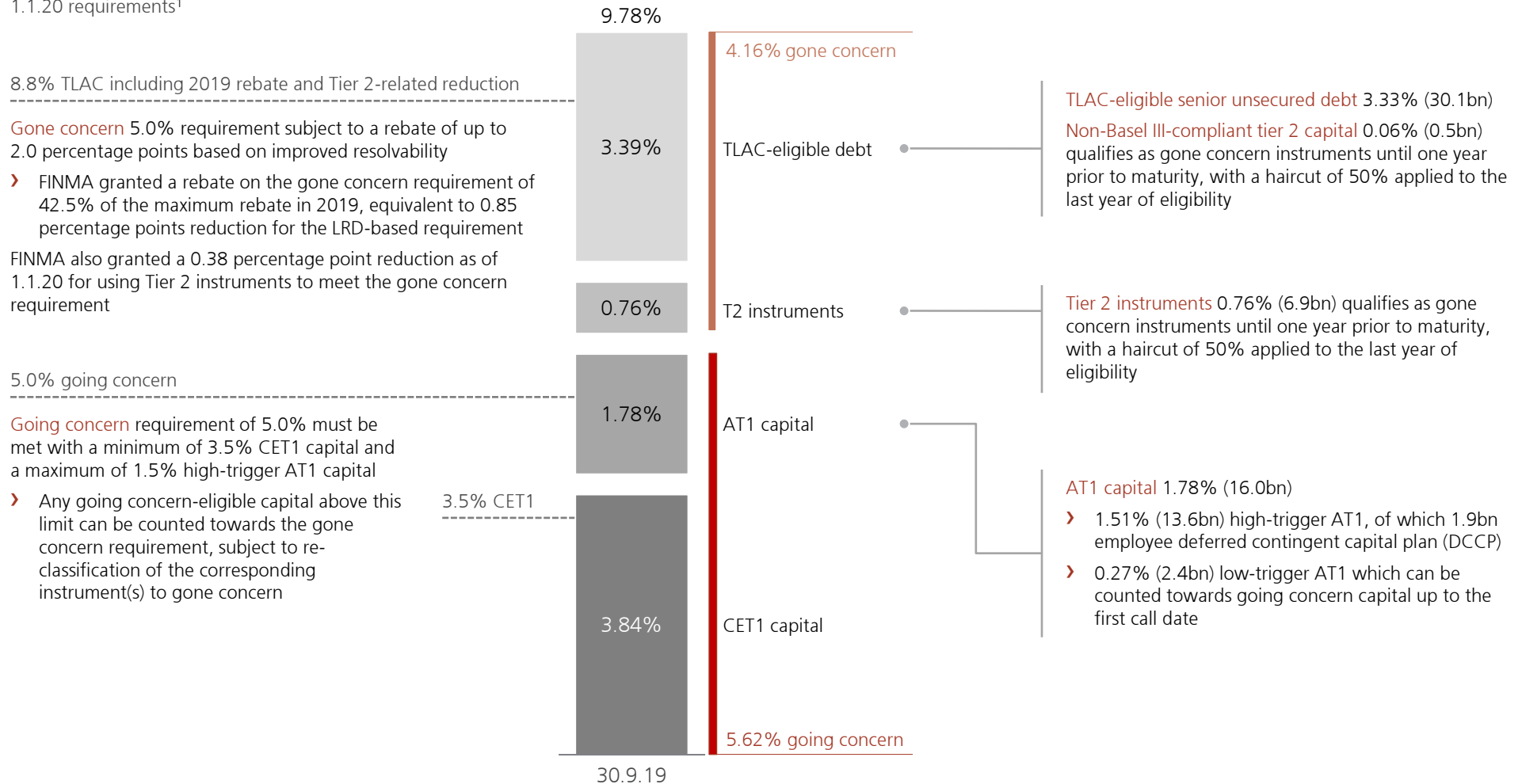


Numbers in USDbn unless otherwise indicated; **1** Excluding countercyclical buffers; **2** Refer to the "Recent developments" section in the 1Q19 report for information on the consultation regarding gone concern capital requirements in Switzerland

# Swiss SRB leverage ratio requirements

## UBS leverage ratio balance

1.1.20 requirements<sup>1</sup>



# GWM regional timeseries

		3Q18	4Q18	1Q19	2Q19	3Q19
Americas	Operating income	2,264	2,304	2,170	2,272	2,322
	Operating expenses	1,922	2,019	1,838	1,904	1,980
	Profit before tax	342	284	333	367	342
	Cost/income ratio	85%	88%	85%	84%	85%
	Invested assets (bn)	1,307	1,200	1,298	1,321	1,334
	Loans, gross (bn)	58.9	59.5	59.2	60.1	60.7
	Advisors (FTE)	6,910	6,850	6,790	6,689	6,627
APAC	Operating income	566	496	582	554	567
	Operating expenses	370	410	397	415	397
	Profit before tax	196	86	185	139	171
	Cost/income ratio	66%	83%	68%	75%	70%
	Invested assets (bn)	384	357	405	411	420
	Loans, gross (bn)	45.1	42.3	42.5	42.3	42.6
	Advisors (FTE)	1,110	1,138	1,136	1,108	1,068
EMEA	Operating income	869	844	873	841	847
	Operating expenses	613	1,006	638	607	598
	Profit before tax	256	-162	235	234	248
	Cost/income ratio	70%	118%	73%	72%	71%
	Invested assets (bn)	524	500	514	530	524
	Loans, gross (bn)	38.2	37.5	37.2	37.4	36.4
	Advisors (FTE)	1,802	1,837	1,797	1,758	1,691
Switzerland	Operating income	394	384	386	397	402
	Operating expenses	230	279	249	250	237
	Profit before tax	164	105	137	146	164
	Cost/income ratio	58%	73%	64%	64%	59%
	Invested assets (bn)	219	200	212	221	221
	Loans, gross (bn)	35.1	35.0	34.8	36.0	35.9
	Advisors (FTE)	734	737	741	740	732
o/w Global UHNW <sup>1</sup>	Operating income	750	736	721	735	765
	Operating expenses	537	597	555	585	582
	Profit before tax	212	139	167	151	184
	Cost/income ratio	72%	81%	77%	80%	76%
	Invested assets (bn)	675	626	686	707	720
	Advisors (FTE)	1,080	1,076	1,100	1,101	1,068



Numbers in USDm and adjusted unless otherwise indicated; excluding minor functions with 99 advisors, USD 4bn of invested assets, USD 0.6bn of loans and USD 0.3bn of net new money outflows in 3Q19; <sup>1</sup> Globally managed unit that exclusively serves UHNW clients; includes the impact from clients and advisors being moved into and out of Global UHNW



# 3Q19 reported and adjusted performance

## Performance of our business divisions and Corporate Center – reported and adjusted<sup>1,2</sup>

	For the quarter ended 30.9.19					
<i>USD million</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Corporate Center <sup>3</sup>	UBS
Operating income as reported	4,142	919	465	1,752	(191)	7,088
<i>of which: net foreign currency translations losses<sup>4</sup></i>					(46)	(46)
Operating income (adjusted)	4,142	919	465	1,752	(145)	7,133
Operating expenses as reported	3,248	565	341	1,580	9	5,743
<i>of which: personnel-related restructuring expenses<sup>5</sup></i>	0	0	1	1	44	46
<i>of which: non-personnel-related restructuring expenses<sup>5</sup></i>	0	0	2	1	20	23
<i>of which: restructuring expenses allocated from Corporate Center<sup>5,6</sup></i>	25	8	8	28	(70)	0
Operating expenses (adjusted)	3,223	557	331	1,549	15	5,674
<i>of which: net expenses for litigation, regulatory and similar matters<sup>7</sup></i>	69	0	0	0	(4)	65
Operating profit / (loss) before tax as reported	894	354	124	172	(200)	1,345
Operating profit / (loss) before tax (adjusted)	919	362	135	203	(160)	1,459

<sup>1</sup> Adjusted results are non-GAAP financial measures as defined by SEC regulations; <sup>2</sup> Prior-year 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 this 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; <sup>3</sup> Corporate Center operating expenses presented in this table are after service allocations to business divisions; <sup>4</sup> Related to the disposal or closure of foreign operations; <sup>5</sup> Reflects restructuring expenses related to legacy cost programs as well as expenses for new restructuring initiatives; <sup>6</sup> Prior periods may include allocations (to) / from other business divisions; <sup>7</sup> 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 this report for more information. Also includes recoveries from third parties of USD 2m

# Regional performance – 3Q19

	Americas		Asia Pacific		EMEA		Switzerland		Global		Total		
	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	
Operating income	GWM	2.3	2.3	0.6	0.6	0.9	0.8	0.4	0.4	(0.0)	0.0	4.1	4.1
	P&C	-	-	-	-	-	-	1.0	0.9	-	-	1.0	0.9
	AM	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	(0.0)	-	0.5	0.5
	IB	0.8	0.6	0.5	0.5	0.5	0.5	0.2	0.2	(0.0)	(0.0)	1.9	1.8
	CC	-	-	-	-	-	-	-	-	(0.1)	(0.1)	(0.1)	(0.1)
	Group	3.1	3.0	1.2	1.2	1.5	1.4	1.7	1.7	(0.1)	(0.2)	7.4	7.1
Operating expenses	GWM	1.9	2.0	0.4	0.4	0.6	0.6	0.2	0.2	0.0	0.0	3.1	3.2
	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)	0.3	0.3
	IB	0.5	0.6	0.4	0.4	0.5	0.5	0.1	0.1	(0.0)	0.0	1.5	1.5
	CC	-	-	-	-	-	-	-	-	0.1	0.0	0.1	0.0
	Group	2.5	2.6	0.8	0.9	1.2	1.1	1.0	1.0	0.1	0.0	5.6	5.7
Profit before tax	GWM	0.3	0.3	0.2	0.2	0.3	0.2	0.2	0.2	(0.0)	(0.0)	0.9	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	0.1	(0.0)	0.0	0.1	0.1
	IB	0.2	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.0	(0.0)	0.5	0.2
	CC	-	-	-	-	-	-	-	-	(0.2)	(0.2)	(0.2)	(0.2)
	Group	0.6	0.4	0.4	0.3	0.3	0.3	0.7	0.6	(0.2)	(0.2)	1.8	1.5

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% <sup>1</sup>
	CET1 leverage ratio				~3.7% <sup>2</sup>
Global Wealth Management	Adjusted pre-tax profit growth		10-15% <sup>3</sup>		
	Adjusted cost/income ratio	~75%		~70%	
	Net new money growth		2-4%		
Personal & Corporate Banking (CHF)	Adjusted pre-tax profit growth		3-5% <sup>3</sup>		
	Adjusted cost/income ratio	~59%		~56%	
	Net interest margin		145-155bps		
Asset Management	Adjusted pre-tax profit growth <sup>4</sup>		~10% <sup>3</sup>		
	Adjusted cost/income ratio	~72%		~68%	
	Net new money growth (excl. money markets)		3-5%		
Investment Bank	Adjusted return on attributed equity		~15% <sup>3</sup>		
	Adjusted cost/income ratio	~78%		~75%	
	RWA and LRD in relation to Group				~1/3



Numbers in USD unless otherwise indicated; <sup>1</sup> Expect to stay within a +/- 30bp band around 13% or between 12.7% and 13.3%; <sup>2</sup> Expected generally to remain above 3.7%; <sup>3</sup> Over the cycle; <sup>4</sup> Excluding the impact of business exits

# Cautionary statement regarding forward-looking statements

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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 levy, 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. 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# 17 GOALS. WHICH IS YOURS?

#TOGETHERBAND champions the UN's 17 Goals for a sustainable future by bringing together British sustainable fashion brand BOTTLETOP and world leader in financial services UBS.



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