

15 March 2019

News Release

UBS publishes Annual Report 2018

UBS's Annual Report 2018 and Compensation Report available at www.ubs.com/annualreporting

Zurich/Basel, 15 March 2019 – The Annual Report 2018 provides comprehensive and detailed information on the firm, its strategy, business, governance, financial performance and risk, treasury and capital management, as well as on the regulatory and operating environment for the financial year 2018. UBS Group AG's consolidated financial statements are presented in US dollars for the first time in order to align with the change of the functional currency of UBS Group AG and UBS AG's Head Office in Switzerland from Swiss francs to US dollar and UBS AG's London branch from British pounds to US dollars.

UBS net profit attributable to shareholders for 2018 was USD 4.5 billion and diluted earnings per share were USD 1.18. The 2018 results and the balance sheet as of 31 December 2018 differ from those presented in the unaudited fourth quarter 2018 report published on 22 January 2019 as a result of adjusting events after the reporting period. Provisions for litigation, regulatory and similar matters increased, which reduced 2018 operating profit before tax and 2018 net profit attributable to shareholders by USD 382 million. As a result, basic earnings per share decreased by USD 0.10 and diluted earnings per share by USD 0.09. Refer to the shareholder letter, "Note 21 Provisions and contingent liabilities" and "Note 38 Events after the reporting period" in the "Consolidated financial statements" section.

UBS's Annual Report 2018 includes the following sections:

- **Introduction** includes the Letter to shareholders, key figures, UBS's evolution including the current legal structure, and short profiles of the Board of Directors and Group Executive Board. It also explains the firm's external reporting approach and provides an overview on our long-term value creation approach.
- **Our strategy, business model and environment** describes UBS's strategy, performance targets and measurement, our businesses and environment and includes a new section that explains how our business model is geared towards long-term value creation for our stakeholders. This section also outlines demographic trends in the firm's workforce and describes how personnel are managed and developed. In addition, it discusses UBS's standards for corporate behavior and responsibility including its overarching sustainability approach in *UBS in society*. Furthermore, the chapter contains detailed information on how we aim at improving clients' experiences and increasing efficiency and effectiveness by utilizing technology and provides an update on regulation and supervision, regulatory and legal developments and risk factors.
- **Financial and operating performance** focuses on the performance of UBS and each business division, as well as Corporate Center, for the past three financial years.
- **Risk, treasury and capital management** describes UBS's risk management framework and provides information on our treasury and capital management.

- **Corporate governance and compensation** provides information about UBS's governance structure and sets out the guiding principles that govern the compensation framework as well as details of the compensation of senior management and the Board of Directors.
- **Financial statements** includes the audited consolidated financial statements of UBS Group AG for 2018, prepared in accordance with International Financial Reporting Standards (IFRS), as well as audited standalone financial statements of UBS Group AG for 2018 prepared in accordance with the Swiss Code of Obligations.

Annual Reports and Form 20-F

Information on UBS Group AG and on UBS AG is available on www.ubs.com/investors as follows:

- The Annual Report for UBS Group AG.
- The combined Annual Report, including management discussion and analysis on a consolidated UBS Group AG basis, UBS AG consolidated financial statements, additional information for UBS AG (consolidated) with respect to risk profile as well as capital and leverage ratios in line with the requirements for Swiss systemically relevant banks, and supplemental disclosures required under US Securities and Exchange Commission (SEC) regulations for both UBS Group AG (consolidated) and UBS AG (consolidated). This document forms the basis for our combined Form 20-F filing.
- Auszug aus dem Geschäftsbericht, the German translation of selected sections of UBS's Annual Report 2018. This includes the Letter to shareholders, UBS Group AG key figures, audited UBS Group AG (consolidated) financial statements including disclosures required by IFRS in the Risk, treasury and capital management section, as well as, Group performance, Corporate governance, Compensation and UBS Group AG (standalone) financial statements.
- Select Swiss franc disclosures, including selected financial and regulatory information in Swiss francs for UBS Group AG (consolidated) and UBS AG (consolidated and standalone).

Shareholders may request a hard copy of UBS's Annual Report 2018 free of charge.

In addition, we provide at www.ubs.com/investors:

- Under **"Annual reporting"**, a consolidated Global Reporting Initiative (GRI) document, implementing the EU directive 2014/95 on disclosures of non-financial information, providing comprehensive disclosures on environmental, social and governance (ESG) factors.
- Under **"Time series"**, we have provided our historical time series and key figures information as of 31 December 2018.
- Under **"SEC filings"**, UBS Group AG and UBS AG Form 20-F (including our XBRL filing) and documents furnished to the SEC on Form 6-K. SEC documents are also available at www.sec.gov.
- Under **"Pillar 3 disclosures"**, disclosures required under Basel III Pillar 3 regulations for UBS Group AG and its significant regulated subsidiaries and sub-groups, which are published together in a single report.
- Under **"Holding company and significant regulated subsidiaries and sub-groups"**, standalone legal entity financial and regulatory information for those legal entities and sub-groups within the UBS Group that are considered by the Swiss Financial Market Supervisory Authority (FINMA) to be significant for Pillar 3 reporting purposes. This includes: (i) the audited standalone financial statements for UBS AG and UBS Switzerland AG, prepared in accordance with Swiss GAAP (Finma Circular 2015/1 and Banking Ordinance); (ii) standalone regulatory disclosures for UBS AG and UBS Switzerland AG.
- Under **"Other subsidiaries"**, we have provided the standalone financial statements as of 31 December 2018 for UBS Group Funding (Switzerland) AG.

Selected financial and regulatory information for all our significant regulated subsidiaries and sub-groups, including information for UBS Limited standalone and UBS Americas Holding LLC consolidated, is included in our Annual Report 2018.

Links

www.ubs.com/annualreport

Printed copies

Shareholders can order printed copies of UBS Group AG's Annual Report and Compensation Report via

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