
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

**PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

Date: October 25, 2018

UBS Group AG
Commission File Number: 1-36764

UBS AG
Commission File Number: 1-15060

(Registrants' Names)

Bahnhofstrasse 45, Zurich, Switzerland and
Aeschenvorstadt 1, Basel, Switzerland
(Address of principal executive offices)

Indicate by check mark whether the registrants file or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

This Form 6-K consists of the presentation materials relating to the UBS Investor Update held on October 25, 2018, which appear immediately following this page.

2018 Investor Update Agenda – 25 October 2018

07:30	08:00	Registration	
08:00	08:05	Introduction	Sergio P. Ermotti
08:05	08:20	3Q18 results presentation	Sergio P. Ermotti, Kirt Gardner
08:20	08:45	3Q18 results Q&A	Sergio P. Ermotti, Kirt Gardner
08:45	09:15	Coffee break with tech demo	
09:15	09:45	Executing our strategy	Sergio P. Ermotti
09:45	10:00	Driving accountability and disciplined execution	Kirt Gardner
10:00	10:30	Improving efficiency and enabling business growth	Sabine Keller-Busse
10:30	11:00	Q&A	Kirt Gardner, Sabine Keller-Busse
11:00	11:30	Coffee break with tech demo	
11:30	12:15	Personal & Corporate Banking presentation and Q&A	Axel Lehmann
12:15	13:00	Asset Management presentation and Q&A	Ulrich Körner
13:00	14:00	Standing lunch with UBS management + tech demo	
14:00	15:30	Global Wealth Management presentation and Q&A	Martin Blessing, Tom Naratil
15:30	16:00	Coffee break with tech demo	
16:00	16:05	Collaboration panel	Martin Blessing, Piero Novelli, Kathy Shih
16:05	16:50	Investment Bank presentation and Q&A	Rob Karofsky, Piero Novelli
16:50	17:15	Closing remarks and Q&A	Sergio P. Ermotti
17:15	19:30	Drinks with tech demo	All Group Executive Board and other participants



All times in BST



UBS Investor Update

Executing our strategy

Sergio P. Ermotti
Group CEO



25 October 2018

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), including to counteract regulatory-driven increases, leverage ratio denominator, 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) continuing low or negative interest rate environment, 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 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, to 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) uncertainty as to the extent to which the Swiss Financial Market Supervisory Authority (FINMA) will confirm limited reductions of gone concern requirements due to measures to reduce resolvability risk; (vii) the uncertainty arising from the timing and nature of the UK exit from the EU and the potential need to make changes in UBS's legal structure and operations as a result of it; (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 or 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; (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 including differences in compensation practices; (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, including from changes to US taxation under the Tax Cuts and Jobs Act; (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 2017. 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.

Disclaimer: This presentation and the information contained herein are provided solely for information purposes, and are not to be construed as a solicitation of an offer to buy or sell any securities or other financial instruments in Switzerland, the United States or any other jurisdiction. No investment decision relating to securities of or relating to UBS Group AG, UBS AG or their affiliates should be made on the basis of this document. Refer to UBS's Annual Report on Form 20-F for the year ended 31 December 2017. No representation or warranty is made or implied concerning, and UBS assumes no responsibility for, the accuracy, completeness, reliability or comparability of the information contained herein relating to third parties, which is based solely on publicly available information. UBS undertakes no obligation to update the information contained herein.

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CEO 1

Key messages



Winning strategy and business model



Driving cost and capital efficient growth



Managing UBS for long-term value creation

Executing with discipline to deliver sustainable growth and attractive capital returns



Uniquely positioned with leading franchises

Working in partnership to grow and deliver attractive returns



Global Wealth Management

World's leading and only truly global wealth manager; #1 in global UHNW



Personal & Corporate Banking

Cornerstone of Swiss universal bank; #1 in an attractive market



Asset Management

>800bn invested assets and well positioned in key growth areas



Investment Bank

Top-5 globally in areas of focus; capital-light model with attractive risk-adjusted returns

Cumulative PBT contribution¹
1Q14-3Q18



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 16 for details on adjusted numbers and FX rates in this presentation;
¹ Excluding Corporate Center and region "Global", refer to slide 21 of the UBS 3Q18 results presentation for details on regional numbers

CEO 3

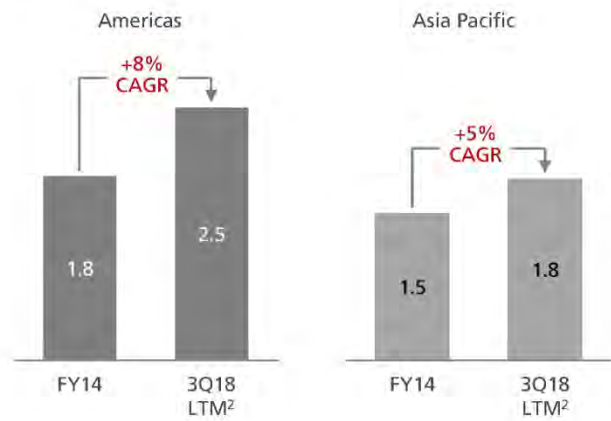
Well positioned in the largest and fastest-growing markets

Geographic diversification strengthens the sustainability of our earnings over the cycle

Cumulative pre-tax profit contribution¹
1Q14-3Q18



Pre-tax profit



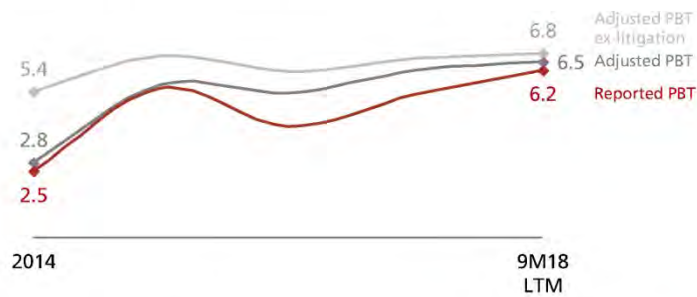
Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 16 for details on adjusted numbers and FX rates in this presentation;
¹ Excluding Corporate Center and region "Global", refer to slide 21 of the UBS 3Q18 results presentation for details on regional numbers;
² Last 12 months

What we have achieved since 2014

UBS is more profitable, stronger and fit for the future



More profitable



18bn

Cumulative net profits
1Q14-3Q18



Stronger

- > CET1 ratio **13.5%**, CET1 leverage ratio **3.8%**, tier 1 leverage ratio **5.0%**
- > **51bn** increase in TLAC
- > Spent **1.5bn** to improve **resilience** and transform **legal entity structure**
- > Spent **8.7bn** to address **legacy litigation** issues

80bn

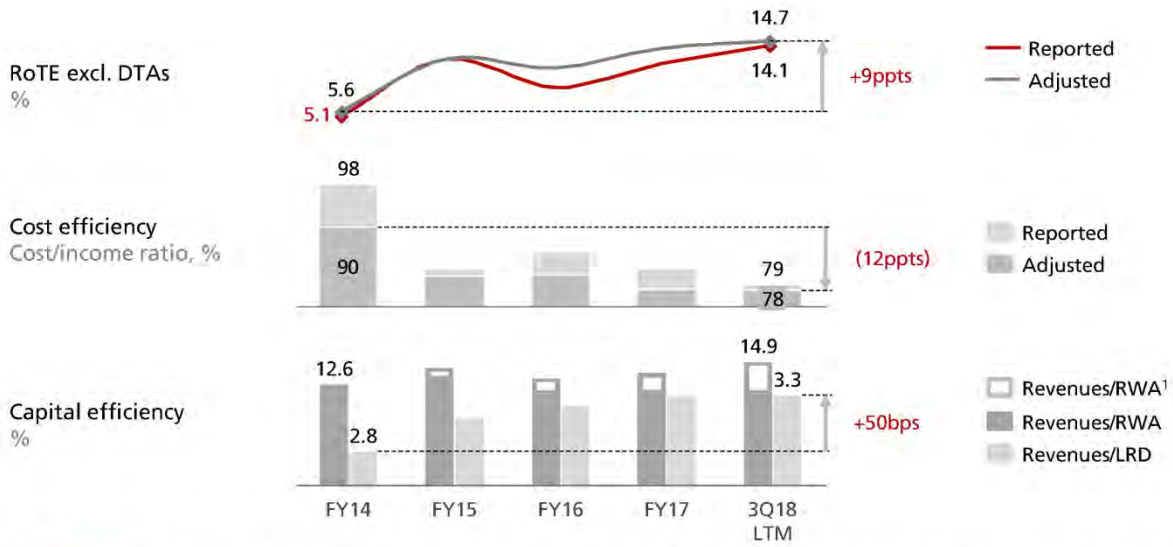
TLAC 30.9.18



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 16 for details on adjusted numbers and FX rates in this presentation

CEO 5

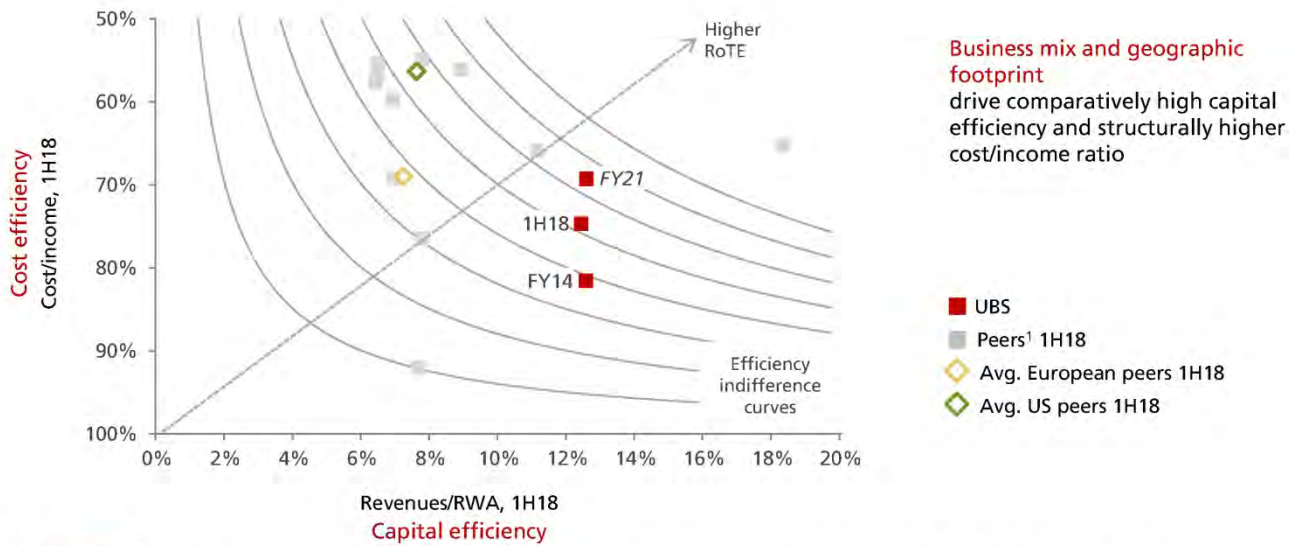
Increased returns through cost and capital efficiency



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 16 for details on adjusted numbers, Basel III numbers and FX rates in this presentation; 2 Like-for-like - excludes currency impact, changes in operational risk, methodology, policies and model updates

Balancing cost and capital efficiency to drive returns

Focused on sustainable performance



Adjusted for one-offs including litigation; not adjusted for restructuring costs; 1 Bank of America, Barclays, BNP Paribas, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan, Julius Baer, Morgan Stanley and Standard Chartered

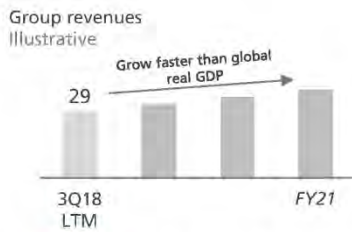
CEO 7

Why we are confident we can deliver stronger growth

Cost discipline and leveraging technology to drive returns

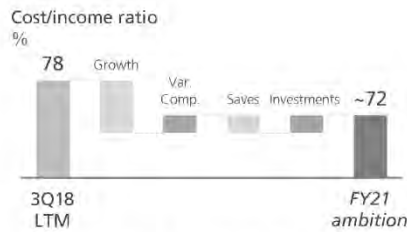
Revenue growth

- › Grow faster than global real GDP growth
- › Unlock GWM potential
- › Deliver faster growth across other business divisions



Cost efficiency

- › Direct costs excluding variable compensation to stay broadly flat
- › Reduce reported Corporate Center costs by 800m
- › Maintain investment in technology



Capital efficiency

- › Revised equity allocation framework from 1Q19
- › Investment Bank return target raised on like-for-like basis



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 16 for details on adjusted numbers and FX rates in this presentation

CEO 8

Global Wealth Management

Stronger together, sharing knowledge and leveraging scale



The only truly global wealth manager with leading position in the fastest-growing and most attractive markets



Ultra High Net Worth market leader

Our target

10-15%
PBT growth FY19-FY21¹

New growth opportunities in US GFO and UHNW



Broadening access to best solutions and services for clients



Reducing barriers to collaboration



250m cost synergies identified to be reinvested into business growth initiatives



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 16 for details on adjusted numbers and FX rates in this presentation;
¹ Per annum over the cycle

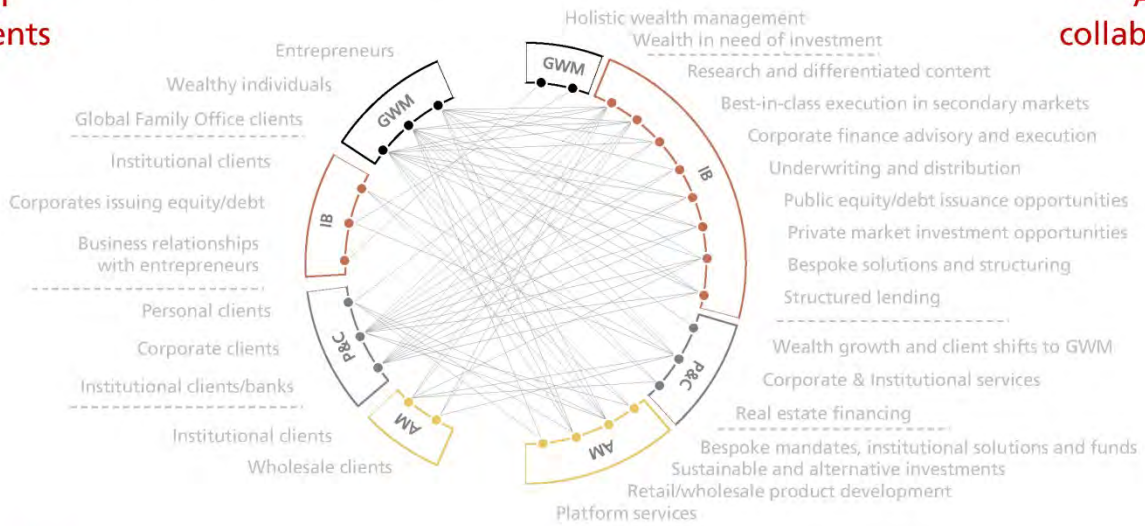
CEO 9

Working in partnership

Delivering the whole firm to our clients

Our clients

Areas of collaboration

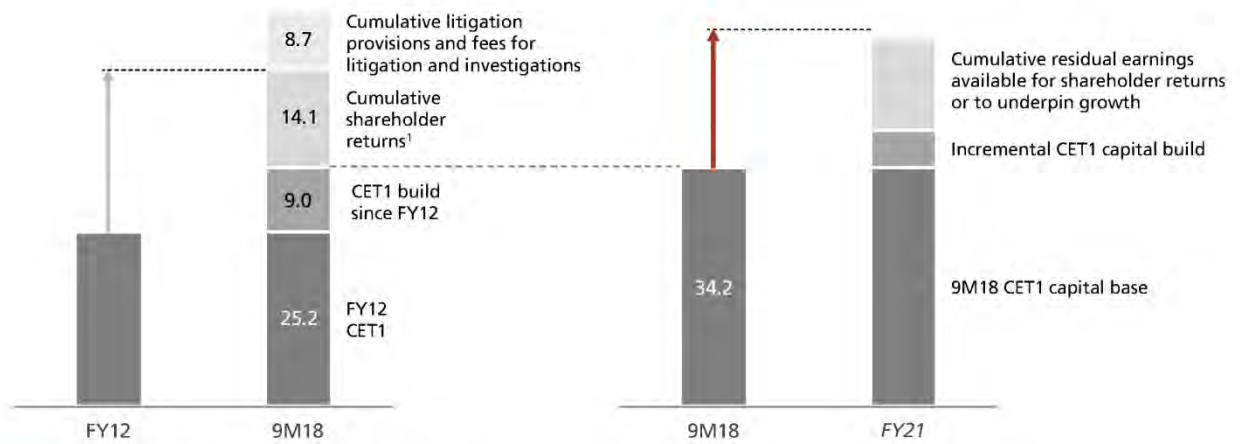


Even stronger capital generation

Expecting to generate capital at a significantly higher rate

~23bn capital generated over the last 6 years

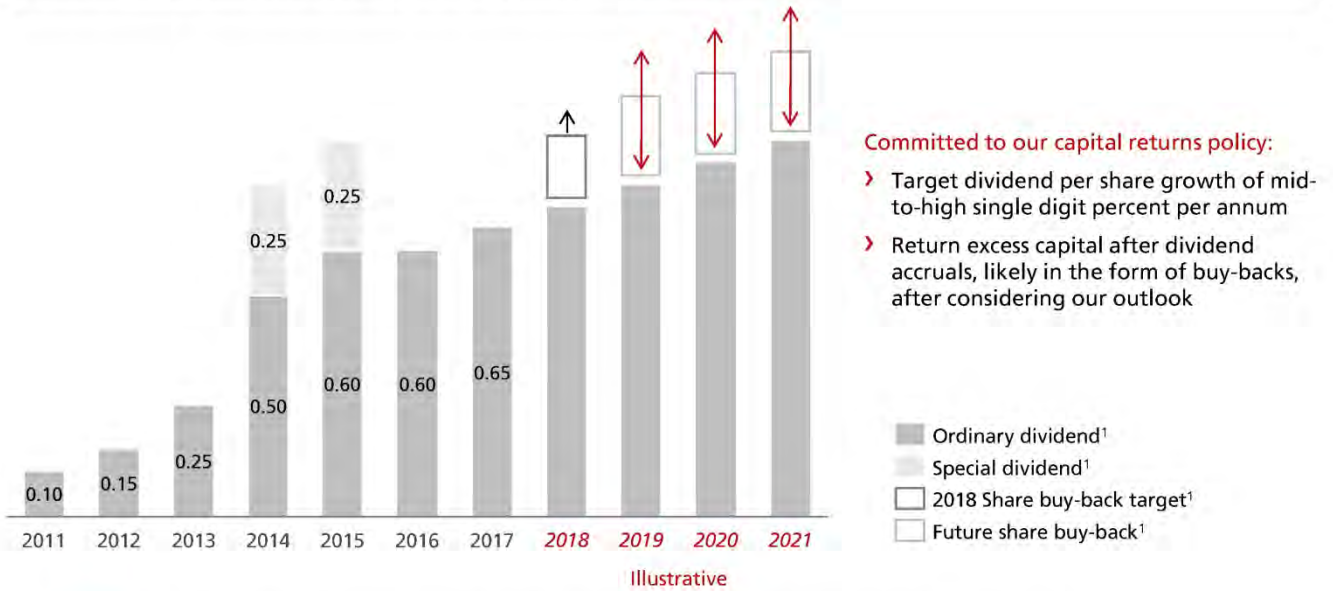
Expect to accelerate capital generation



Numbers in CHFbn unless otherwise indicated; refer to slide 16 for details on adjusted numbers and FX rates in this presentation;
 1 Includes 9M18 dividend accruals and 650m share buybacks for 9M18

CEO 11

Delivering attractive capital returns



Numbers in CHF unless otherwise indicated; refer to slide 16 for details on adjusted numbers and FX rates in this presentation;
1 Per share

CET1 capital is our binding constraint

Closer alignment of our external return targets with our equity attribution framework

Our 2021 ambition¹

~17%
RoCET1

- 1 Simpler and more transparent
- 2 Consistent with our equity attribution framework
- 3 Aligned with how we manage shareholder returns

- > Driver for our regulatory ratios and subsequent **ability to return capital**
- > Primary **driver for increasing book value** going forward

UBS – three keys



Pillars

The foundation for everything we do.

- Capital strength
- Efficiency and effectiveness
- Risk management

Principles

What we stand for as a firm.

- Client focus
- Excellence
- Sustainable performance

Behaviors

What we stand for individually.

- Integrity
- Collaboration
- Challenge



Key messages



Winning strategy and business model



Driving cost and capital efficient growth



Managing UBS for long-term value creation

Executing with discipline to deliver sustainable growth and attractive capital returns



Important information related to this presentation

Use of adjusted numbers

Adjusted results are a non-GAAP financial measure as defined by SEC regulations. Refer to pages 9-11 of the 3Q18 report which is available in the section "Quarterly reporting" at www.ubs.com/investors for an overview of adjusted numbers.

If applicable for a given adjusted KPI (i.e., adjusted return on tangible equity), adjustment items are calculated on an after-tax basis by applying an indicative tax rate. Refer to page 18 of the 3Q18 report for more information.

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 3Q18 report for more information.

Currency translation

Monthly income statement items of foreign operations with a functional currency other than Swiss francs are translated with month-end rates into Swiss francs.

Rounding

Numbers presented throughout this presentation may not add up precisely to the totals provided in the tables and text. Starting in 2018, percentages, absolute and percent changes, and adjusted results are calculated on the basis of unrounded figures, with the exception of movement information provided in text that can be derived from figures displayed in the tables, which is calculated on a rounded basis. For prior periods, these values are calculated on the basis of rounded figures displayed in the tables and text.

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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UBS Investor Update

Driving accountability and disciplined execution

Kirt Gardner
Group CFO



25 October 2018

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CPD 1

Key messages



Driving disciplined resource management to achieve Group targets



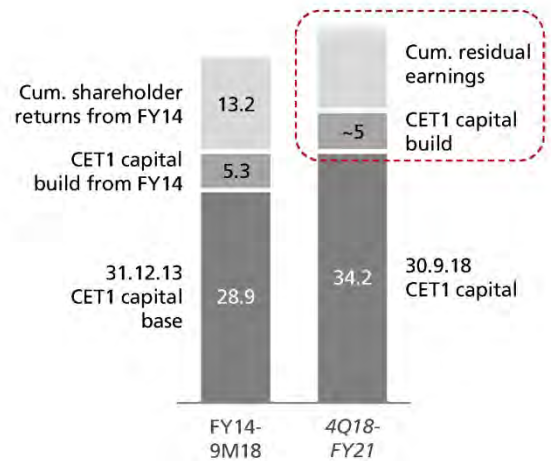
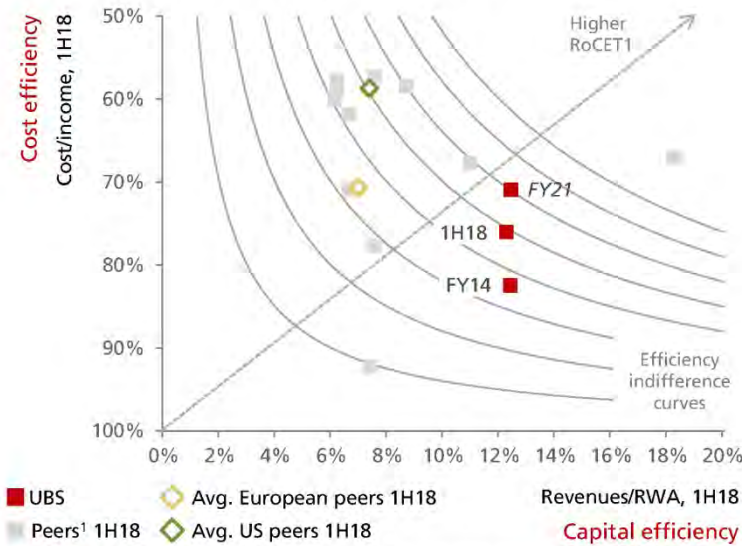
Aligning Group and divisional performance to drive front to back optimization



Clarifying and refining target framework to drive accountability and disciplined execution

Improving cost and capital efficiency to drive capital accretion

Focused on sustainable performance



Numbers in CHFbn unless otherwise indicated; refer to slide 22 for details on adjusted numbers, Basel III numbers and FX rates in this presentation; UBS and peers adjusted for one-offs including litigation; not adjusted for restructuring costs; 1 Bank of America, Barclays, BNP Paribas, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan, Julius Baer, Morgan Stanley and Standard Chartered

Driving growth

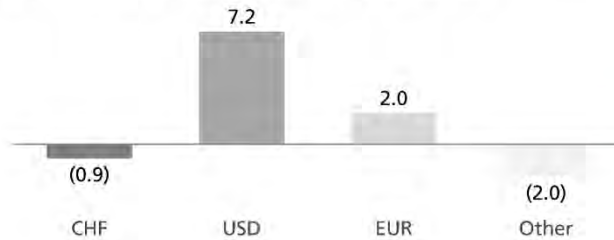
Revenue growth driven by a combination of management initiatives and market beta factors



Changing to USD as functional currency from 4Q18

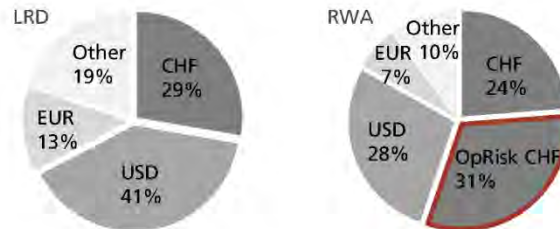
Reducing FX-induced volatility of earnings and capital ratios

Pre-tax profit contribution
3Q18 LTM^{1,2}



Less earnings volatility due to reporting in the currency with greatest P&L contribution

Balance sheet composition
30.9.18



Operational risk RWAs re-denominated into USD upon functional currency changes on 1.10.18



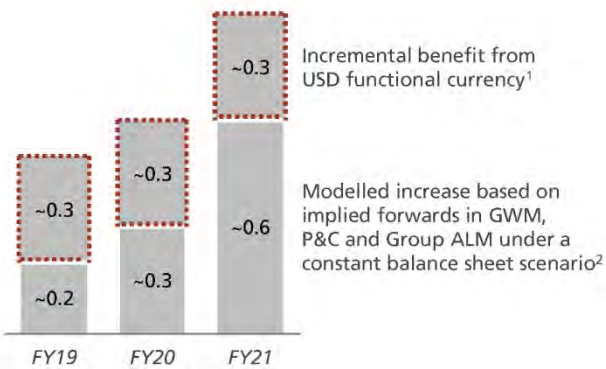
Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 22 for details on adjusted numbers, Basel III numbers and FX rates in this presentation; 1 Divisional currency mix for operating income and expenses as per slide 33 of the 4Q17 results presentation; Corporate Center assumed to follow Group average currency distribution for retained revenues and costs; 2 Last 12 months

CFO 5

USD functional currency to benefit NII

Benefits from USD functional currency in addition to potential upside from implied forwards

NII based on 30.9.18 implied forwards
vs. 3Q18 LTM



> ~300m p.a. expected incremental NII benefit from functional currency change, starting 1Q19

- Mostly passed on to business divisions

> Restatement of financial data:

- 4Q18 and FY18 to be reported in USD
- 3 years of historic financial data to be restated
- No material impact on capital ratios

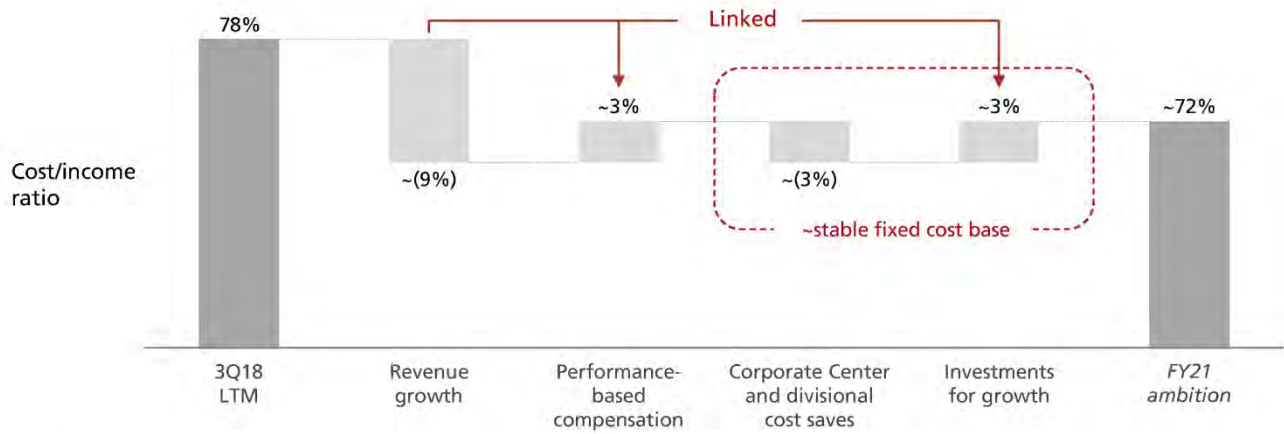


Numbers in CHFbn unless otherwise indicated. Refer to page 16 of the 3Q18 report for more information on our interest rate sensitivity; 1 Based on 30.9.18 interest rates; 2 Including NII generated from invested equity, which is managed centrally by CC – Group ALM and is allocated to business divisions. Includes funding cost impact and updated CC – Group ALM guidance. Assumes a static balance sheet, constant FX rates and no management action

CFO 6

Improving cost efficiency

Cost flexibility through phasing investments and variable compensation

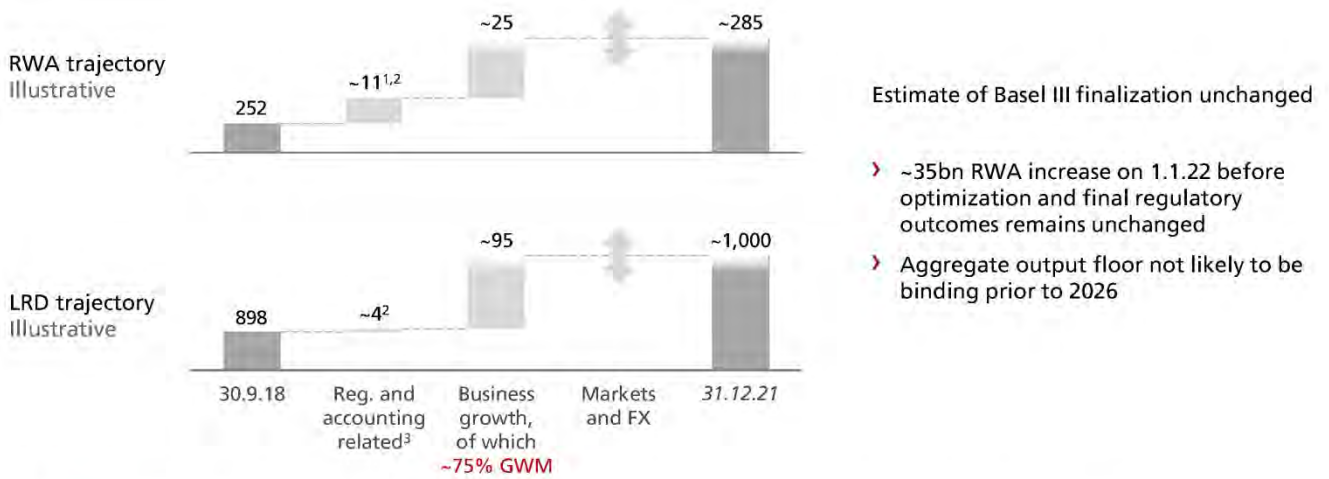


Numbers in CHF and adjusted unless otherwise indicated; refer to slide 22 for details on adjusted numbers and FX rates in this presentation

CFO 7

Resource deployment to drive growth and higher returns

Planning for growth and preparing for Basel III requirements

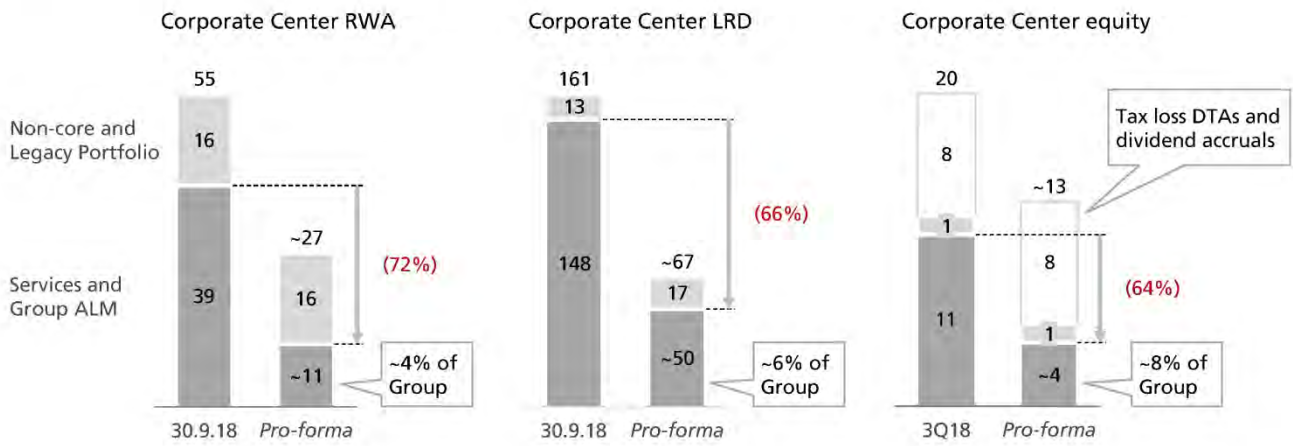


Numbers in CHFbn unless otherwise indicated; refer to slide 22 for details on adjusted numbers, Basel III numbers and FX rates in this presentation; 1 ~3bn in 4Q18, ~7bn in 1Q19 and ~1bn in 1Q20; 2 Includes IFRS 16 impact which applies from 1.1.19; 3 Known and quantifiable items

8

Aligning divisional equity with the Group

Reducing equity retained in Corporate Center



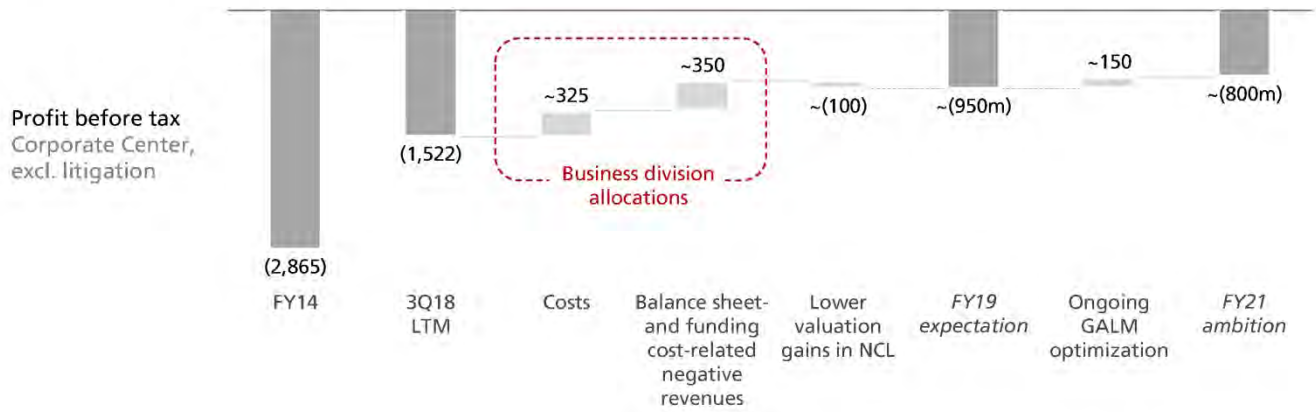
Effective 1Q19; historic financial data to be restated



Numbers in CHFbn unless otherwise indicated; refer to slide 22 for details on adjusted numbers, Basel III numbers and FX rates in this presentation

Allocating and optimizing Corporate Center retained P&L

Increasing front to back cost ownership

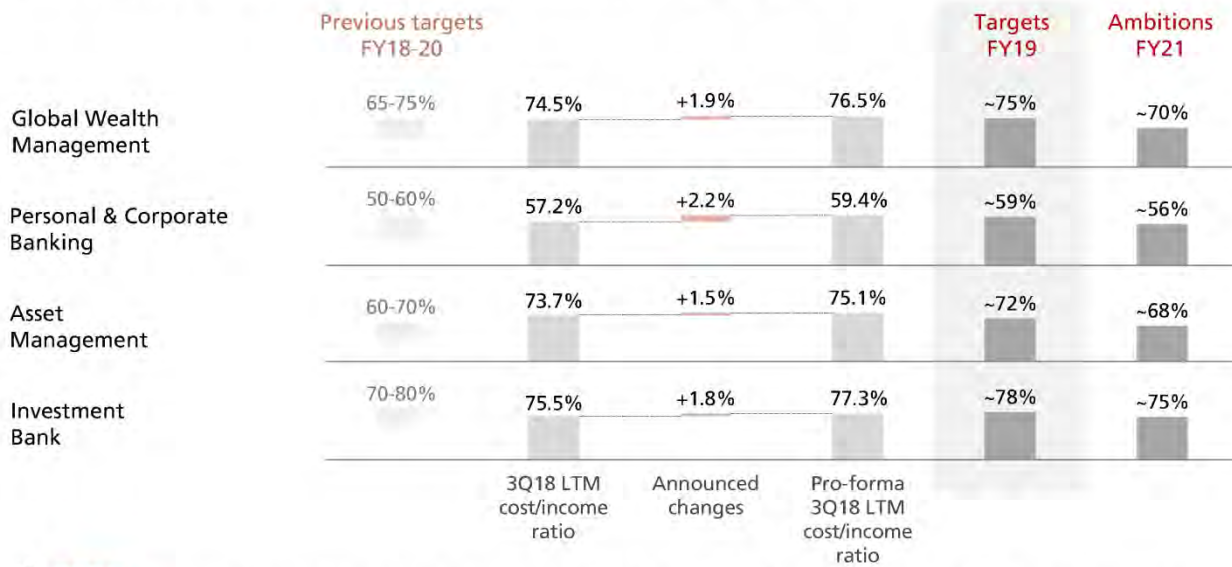


Numbers in CHFm and adjusted unless otherwise indicated; refer to slide 22 for details on adjusted numbers and FX rates in this presentation

CFO 10

Pro-forma impact on business division cost/income ratios

Ambitions for FY21 are within previously communicated target ranges

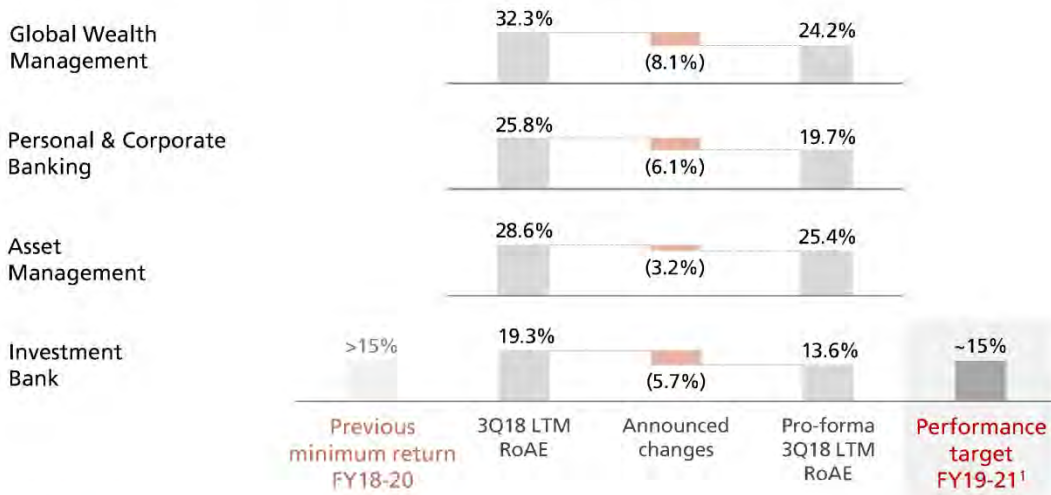


Numbers in CHF and adjusted unless otherwise indicated; refer to slide 22 for details on adjusted numbers and FX rates in this presentation

11

Pro-forma impact on business division RoAE

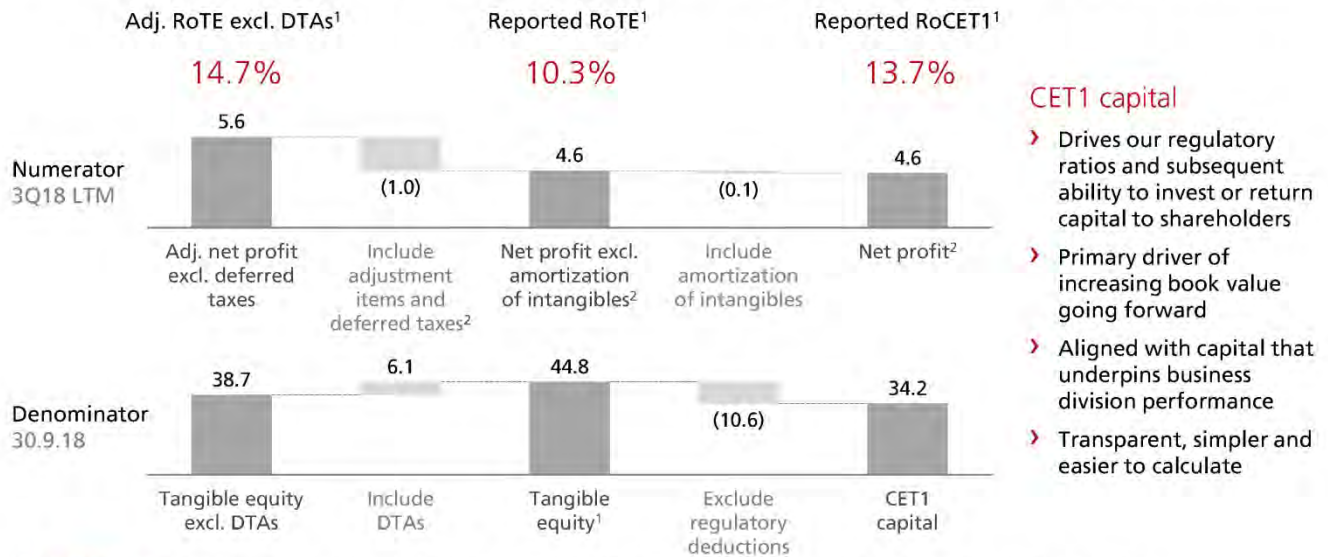
Investment Bank moving from a minimum return target to a higher like-for-like performance target



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 22 for details on adjusted numbers and FX rates in this presentation;
¹ Over the cycle

Reported return on CET1 vs. adjusted RoTE excl. DTAs

CET1 capital drives our regulatory ratios and subsequent ability to invest or return capital to shareholders



- CET1 capital**
- > Drives our regulatory ratios and subsequent ability to invest or return capital to shareholders
 - > Primary driver of increasing book value going forward
 - > Aligned with capital that underpins business division performance
 - > Transparent, simpler and easier to calculate



Numbers in CHFbn unless otherwise indicated; refer to slide 22 for details on adjusted numbers, Basel III numbers and FX rates in this presentation; 1 Calculated based on the LTM average denominator; 2 Excludes the impact from US tax reform in 4Q17

CFD 13

Clarifying and refining our target framework

Ambitions for FY21 are broadly comparable to our previous targets

Group		Current performance		Annual targets		Ambitions	Capital/resource guidelines
		3Q18 LTM	Pro-forma ¹	FY19	FY19-21	FY21	FY19-21
Group	Reported return on CET1 capital	13.7% ²		~15%		~17%	
	Adjusted cost/income ratio	77.5%		~77%		~72%	
	CET1 capital ratio	13.5% ³					~13%
	CET1 leverage ratio	3.80% ³					~3.7%
Global Wealth Management	Adjusted pre-tax profit growth	5%			10-15% ⁴		
	Adjusted cost/income ratio	76.5%	✓	~75%		~70%	
	Net new money growth	2%			2-4%		
Personal & Corporate Banking	Adjusted pre-tax profit growth	(2%)			3-5% ⁴		
	Adjusted cost/income ratio	59.4%	✓	~59%		~56%	
	Net interest margin	152	✓		145-155bps		
Asset Management	Adjusted pre-tax profit growth	(10%) ⁵			~10% ⁴		
	Adjusted cost/income ratio	75.1%	✓	~72%		~68%	
	Net new money growth (excl. money markets)	6%			3-5%		
Investment Bank	Adjusted return on attributed equity	13.6%	✓		~15% ^{4,6}		
	Adjusted cost/income ratio	77.3%	✓	~78%		~75%	
	RWA and LRD in relation to Group	32%/32%					~1/3



Numbers in CHF unless otherwise indicated; refer to slide 22 for details on adjusted numbers, Basel III numbers and FX rates in this presentation; 1 Pro-forma adjusted for announced Corporate Center allocation changes; 2 Adjusted for the impact from the US tax reform in 4Q17; 3 As of 30.9.18; 4 Over the cycle; 5 Normalized for the sale of our Fund Administration business in 4Q17; 6 Repositioned from a minimum return to a performance target

CFO 14

Key messages



Driving disciplined resource management to achieve Group targets



Aligning Group and divisional performance to drive front to back optimization



Clarifying and refining target framework to drive accountability and disciplined execution

Appendix

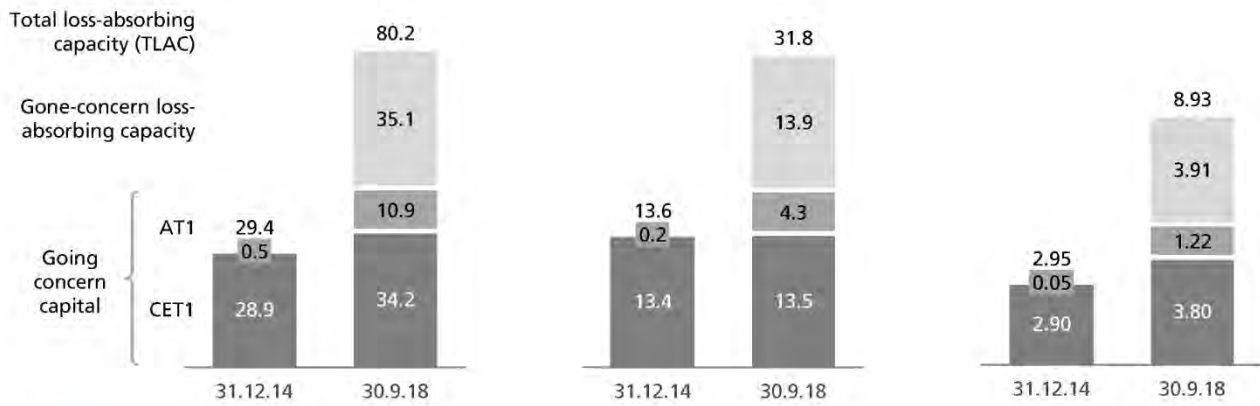
Strongly capitalized

Built >50bn of total loss-absorbing capacity since 2014

Loss-absorbing capacity
bn

Capital ratio
%

Leverage ratio
%



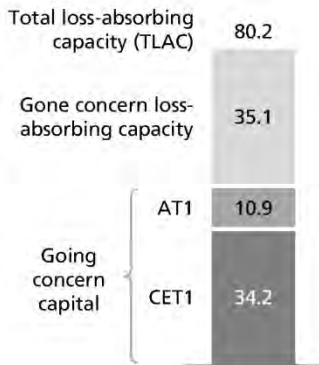
Numbers in CHF unless otherwise indicated; refer to slide 22 for details on adjusted numbers, Basel III numbers and FX rates in this presentation

CPo 17

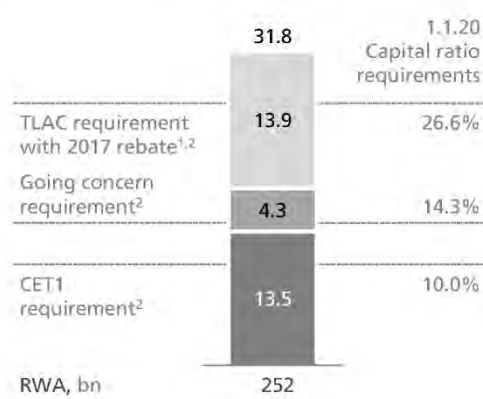
Strongly capitalized

Operating at ~13% CET1 capital ratio and ~3.7% CET1 leverage ratio

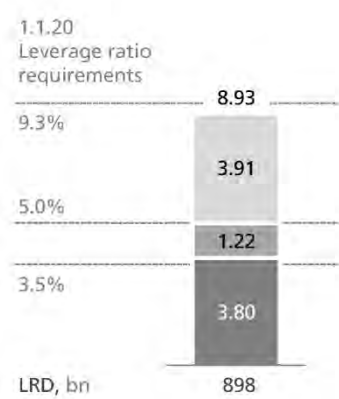
Loss-absorbing capacity
30.9.18, bn



Capital ratio
30.9.18, %



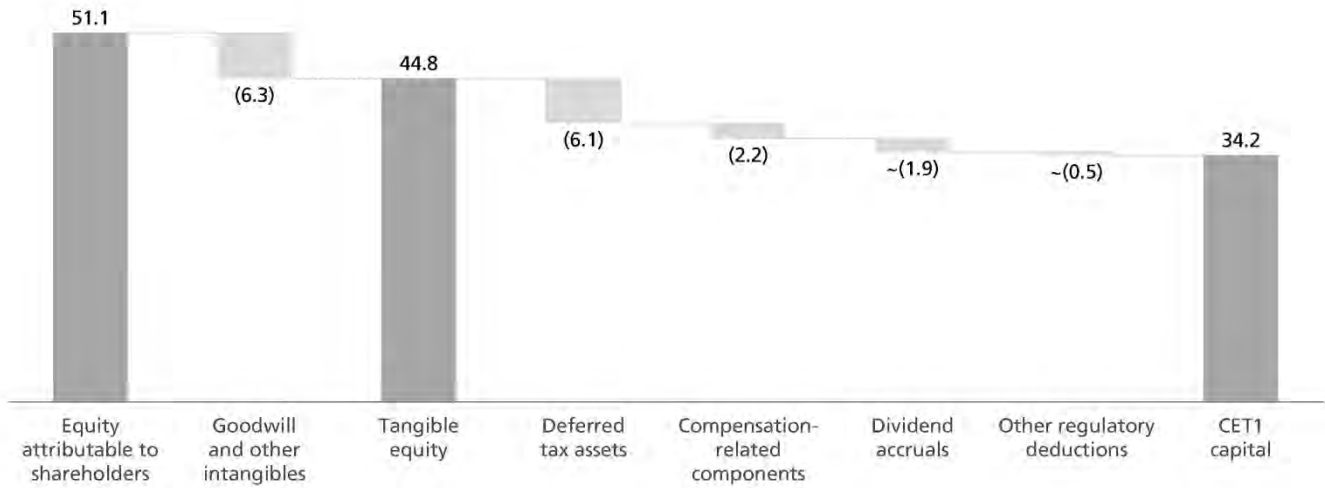
Leverage ratio
30.9.18, %



Numbers in CHF unless otherwise indicated; refer to slide 22 for details on adjusted numbers, Basel III numbers and FX rates in this presentation; 1 Gone concern requirement of 5% of LRD subject to a rebate of up to 2% of LRD based on improved resolvability. FINMA granted a rebate on the gone concern requirement of 35% of the aforementioned maximum rebate in 2017, which resulted in a reduction of 2.0 percentage points for the RWA-based requirement and 0.7 percentage points for the LRD-based requirement. As we complete additional measures to improve the resolvability of the Group, we expect to qualify for a larger rebate and therefore aim to operate with a gone concern ratio of less than 4% of LRD by 1.1.20; 2 Excludes the effect of countercyclical buffers



31.9.18 shareholders' equity vs. CET1 capital

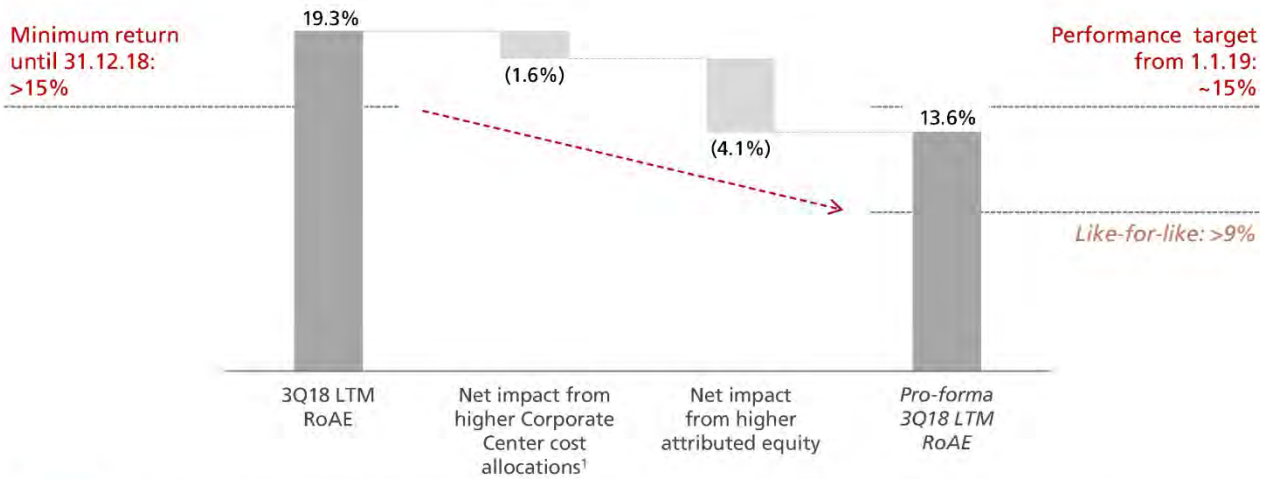


Numbers in CHFbn unless otherwise indicated; refer to slide 22 for details on adjusted numbers, Basel III numbers and FX rates in this presentation

19

Pro-forma impact on Investment Bank RoAE

Repositioning from a minimum return to a performance target

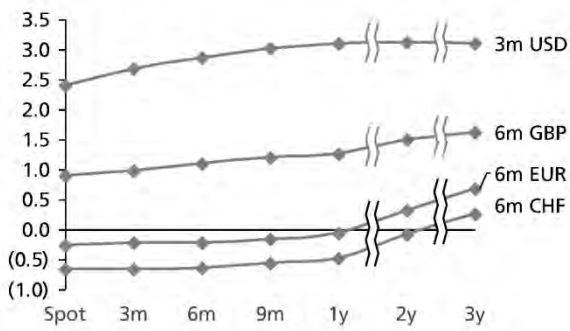


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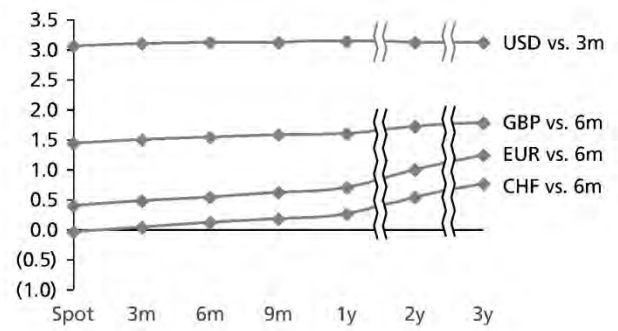
CFO 20

Interest rates as of 30.9.18

LIBOR and EURIBOR implied forwards
As of 30.9.18, %



5-year implied forwards
Swap rate, as of 30.9.18, %



Important information related to this presentation

Use of adjusted numbers

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If applicable for a given adjusted KPI (i.e., adjusted return on tangible equity), adjustment items are calculated on an after-tax basis by applying an indicative tax rate. Refer to page 18 of the 3Q18 report for more information.

Basel III RWA, LRD and capital

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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.

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UBS Investor Update

Improving efficiency and enabling business growth

Sabine Keller-Busse
Group COO

25 October 2018



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), including to counteract regulatory-driven increases, leverage ratio denominator, 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) continuing low or negative interest rate environment, 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 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, to 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) uncertainty as to the extent to which the Swiss Financial Market Supervisory Authority (FINMA) will confirm limited reductions of gone concern requirements due to measures to reduce resolvability risk; (vii) the uncertainty arising from the timing and nature of the UK exit from the EU and the potential need to make changes in UBS's legal structure and operations as a result of it; (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 or 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; (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 including differences in compensation practices; (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, including from changes to US taxation under the Tax Cuts and Jobs Act; (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 2017. 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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COO 1

Key messages



Significant cost reductions in Corporate Center – Services were reinvested in technology and regulatory initiatives



Corporate Center – Services reported costs expected to decline by ~800m by 2021



Technology spend will be maintained at current levels with a focus on advanced technology to enable business growth and innovation and create further efficiencies



Numbers in CHF unless otherwise indicated; refer to slide 13 for details on adjusted numbers and FX rates in this presentation

COO 2

Corporate Center – Services in context of the Group

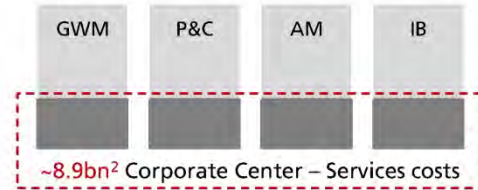
CC – Services function

-  Technology
-  Real estate and services
-  Finance and risk
-  Operations
-  Central services¹
-  HR, Sourcing and other

Cost split by function



CC – Services allocations to business divisions



- > Services provided to all business divisions making up ~1/3 of Group costs
- > Costs are **allocated** out and reported in each business division's P&L³
- > CC – Services cost reduction of ~800m⁴ by 2021 contributes to targeted Group and divisional **cost/income ratio improvements**



Numbers in CHF unless otherwise indicated; refer to slide 13 for details on adjusted numbers and FX rates in this presentation; 1 Includes Group Communications & Branding, Group Regulatory and Governance, Group Internal Audit, Group General Counsel; 2 FY18 estimate for Corporate Center – Services before allocations, excl. litigation and 2018 credit related to changes to the Swiss pension plan; 3 A small portion is retained in Corporate Center – Services; 4 Excl. litigation and 2018 credit related to changes to the Swiss pension plan

COO 3

Corporate Center – Services operating model evolution

From stand-alone...
Up to 2009



...to a centralized model...
2010-2017



- › **Cost efficiency and service excellence**
Standardization and elimination of system redundancies
- › **Improved risk management**
Comprehensive front-to-back control framework
- › **Recovery and resolution planning**
Optimized, fully resolvable legal entity structure

...to a business-division aligned model
Starting 2018



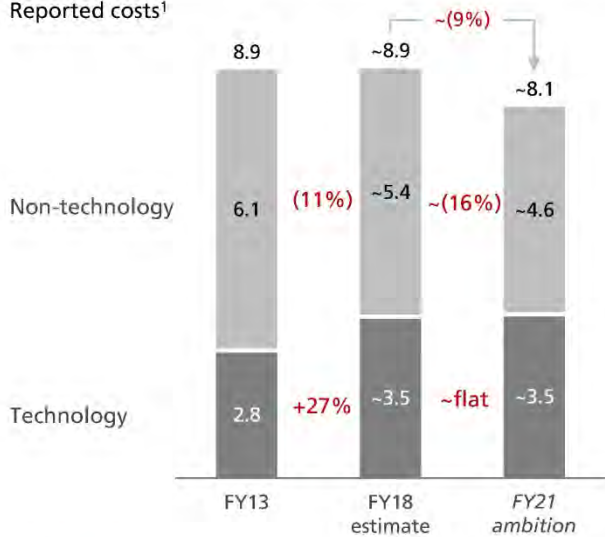
- › **Business-aligned cost ownership**
Business divisions own costs and investments for aligned areas¹
- › **Continued cost synergies**
Corporate Center continues to drive cost synergies in shared services
- › **Joint development**
Co-located teams working with business experts



¹ Differentiated governance models for support and control functions, notably Finance, Risk, Legal and Internal Audit

Corporate Center – Services costs and outlook

Reported costs¹



- › **Cost reductions** achieved 2013-18 were reinvested in technology and regulatory initiatives
- › Cost to reduce by **~800m** by 2021, driven by **~16% decline** in non-technology spend and lower restructuring
- › Technology costs expected to remain stable, with **investments** shifting from regulatory to strategic business initiatives with a strong focus on **innovation**

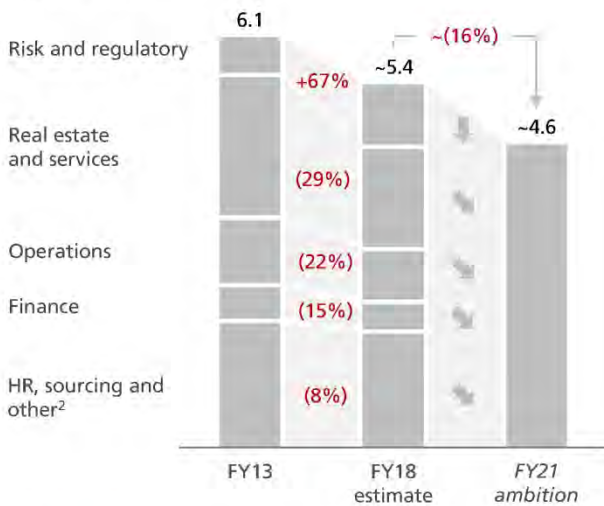


Numbers in CHFbn unless otherwise indicated; refer to slide 13 for details on adjusted numbers and FX rates in this presentation;
 1 Excl. litigation and 2018 credit related to changes to the Swiss pension plan

COO 5

Reduction of non-technology costs

Reported costs¹



- > Nearly all Corporate Center – Services functions contributed to **non-technology cost reductions** from 2013-2018
- > Cost savings were partly offset by a substantial increase in **risk and regulatory expenses**
- > Overall non-technology cost to decline by **~800m** through continued, disciplined cost management, as well as reduced restructuring and regulatory expenses



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 1 Excl. litigation and 2018 credit related to changes to the Swiss pension plan; 2 Includes HR, Group Sourcing, Group COO Mgmt, Communications & Branding, Group Regulatory and Governance, Group General Counsel, Group Internal Audit, as well as variable compensation for the whole of CC – Services

Further key levers to deliver cost savings

Ambition

8 Solution Centers Near-/offshoring sites

Footprint optimization

- › Continued shift from high-cost to **low-cost** locations
- › Real-time occupancy measurement optimizing **space utilization**
- › **Consolidation** of third party vendor locations from 35 to 9 by 2020



Sourcing and vendor management

- › Smart **insourcing** of external activities in low-cost locations
- › Targeting to have **~50% fewer vendors** in 2020 vs. 2013
- › Strict **demand management** and procurement execution

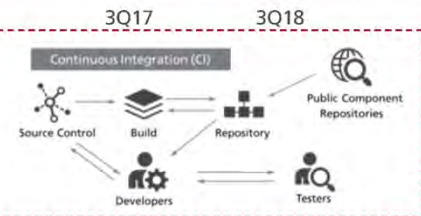
Headcount

Thousands	3Q17	Change	3Q18
Externals	~24	(5)	~19
Internals	~25	+4	~29

Deep-dive

- › Seamless **front-to-back digitization** of client journeys
- › **Cloud and IT core** enhancements
- › **Automation** from robotics to cognitive
- › **Utilities** partnerships to mutualize infrastructure spend

Advanced technology



Front-to-back digitization snapshots: visit our booths

Technology priorities













Ultimate client experience



Superior product excellence and distribution



Secure platform and efficient processes

GWM	P&C	AM	IB	CC
 <p>New client digital experience</p> <ul style="list-style-type: none"> › Holistic, engaging client approach to wealth planning 	 <p>Digital Business</p> <ul style="list-style-type: none"> › Combined digital offers via self-service channel 	 <p>UBS Partner</p> <ul style="list-style-type: none"> › Platform for 3rd party banks/ financial providers 	 <p>Evidence Lab</p> <ul style="list-style-type: none"> › Big-data driven research platform 	 <p>eDiscovery with Recommend</p> <ul style="list-style-type: none"> › End-to-end platform for technology and services
 <p>WM Platform</p> <ul style="list-style-type: none"> › All major GWM locations excl. US on new platform 	 <p>We.trade</p> <ul style="list-style-type: none"> › Interoperable Trade Finance platform 	 <p>Unify</p> <ul style="list-style-type: none"> › Globally integrated model leveraging capabilities/ services 	 <p>FX Re-platforming</p> <ul style="list-style-type: none"> › Simplify and standardize IT processes/ interfaces 	 <p>Video-based recruiting</p> <ul style="list-style-type: none"> › Automated process based on candidate videos



Accelerate cloud and IT core enhancements

Accelerate cloud

Shift from ~2/3 data center to ~1/3 data center, ~1/3 private cloud and ~1/3 public cloud by 2022



Developer toolchains

Reduce by >90% strategic toolchains for ~1/2 of our applications by 2021

Application decommissioning

Reduce number of applications by >15% by 2021



Automated testing

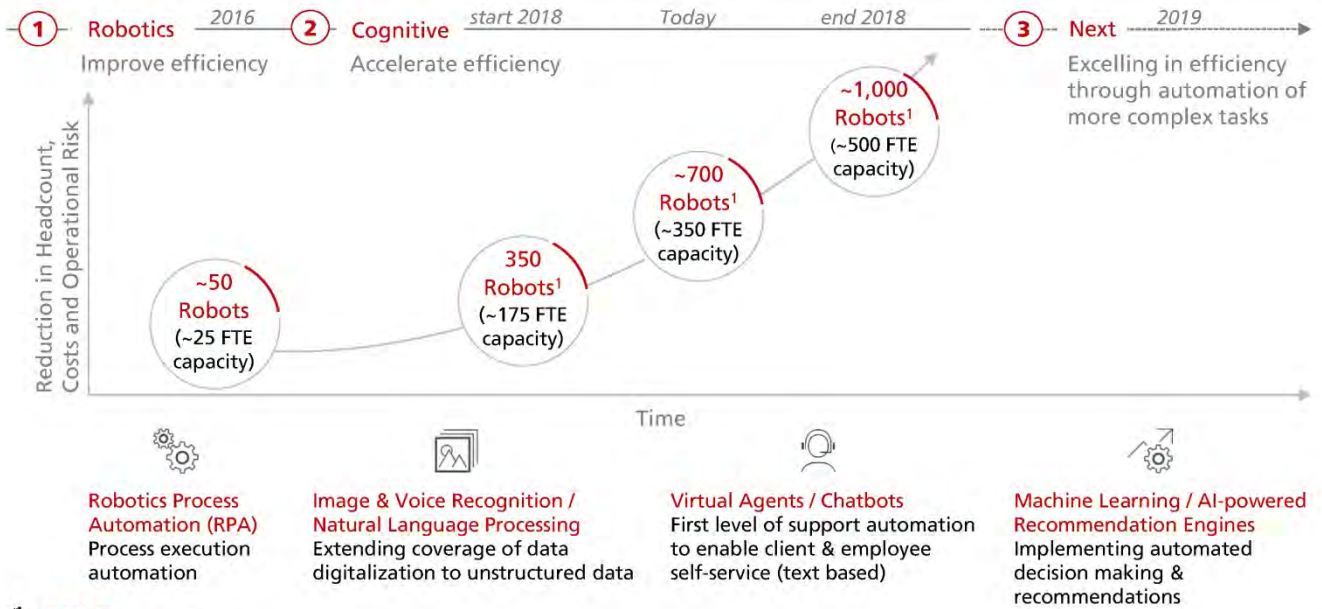
Increase share of automated testing to >70% by 2021

Benefits

- > Increase cost efficiency
- > Drive standardization
- > Improve risk management
- > Foster business agility



Automation from robotics to cognitive



Utilities partnerships to mutualize infrastructure spend

Benefits of utilities



- › **Efficiency gains** through scale and standardization
- › **Leverage best of breed technology** that enhances the client experience
- › **Mutualize** mandatory and regulatory investments

Partnerships



- › **Co-invest** and partner to build a best-in-class banking utilities
- › **Accelerate time-to-market** by enhancing partner's existing assets
- › **Reduces costs** as services are maintained and enhanced to latest standards



Key messages



Significant cost reductions in Corporate Center – Services were reinvested in technology and regulatory initiatives



Corporate Center – Services reported costs expected to decline by ~800m by 2021



Technology spend will be maintained at current levels with a focus on advanced technology to enable business growth and innovation and create further efficiencies



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COO 12

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UBS Investor Update

Personal & Corporate Banking

Axel P. Lehmann
President Personal & Corporate Banking
President UBS Switzerland



25 October 2018

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(vi) uncertainty as to the extent to which the Swiss Financial Market Supervisory Authority (FINMA) will confirm limited reductions of gone concern requirements due to measures to reduce resolvability risk; (vii) the uncertainty arising from the timing and nature of the UK exit from the EU and the potential need to make changes in UBS's legal structure and operations as a result of it; (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 or 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; 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P&C 11

Key messages



Personal & Corporate Banking delivers strong and steady profits, and contributes significantly to UBS's status as the #1 bank in Switzerland



We are expanding our digital lead while improving cost efficiency

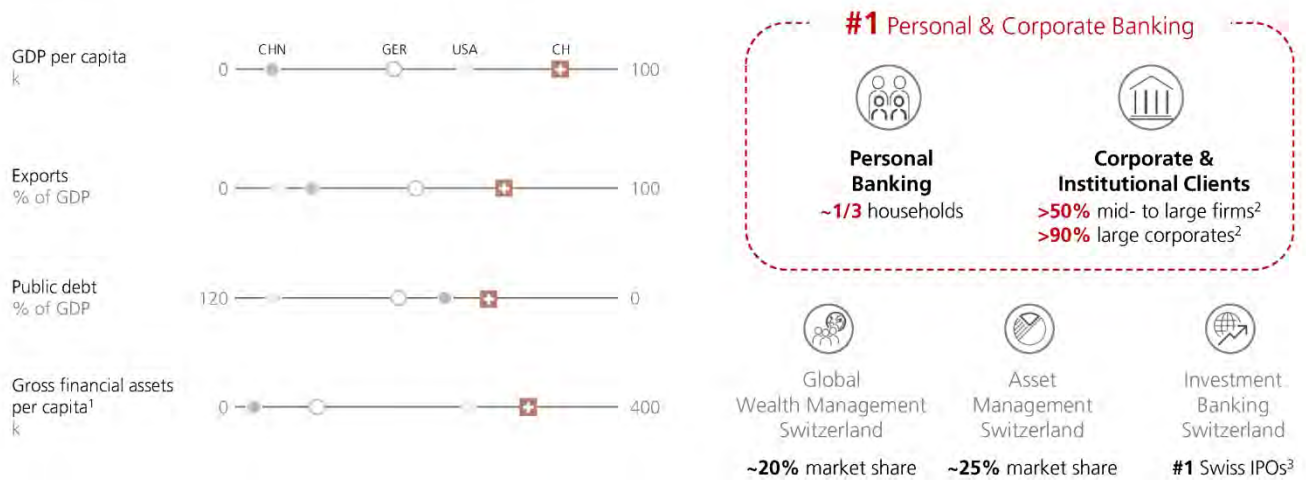


Targeting 3-5% adjusted annual pre-tax profit growth FY19-FY21



UBS is the #1 bank in Switzerland

Recognized leader in a very attractive market

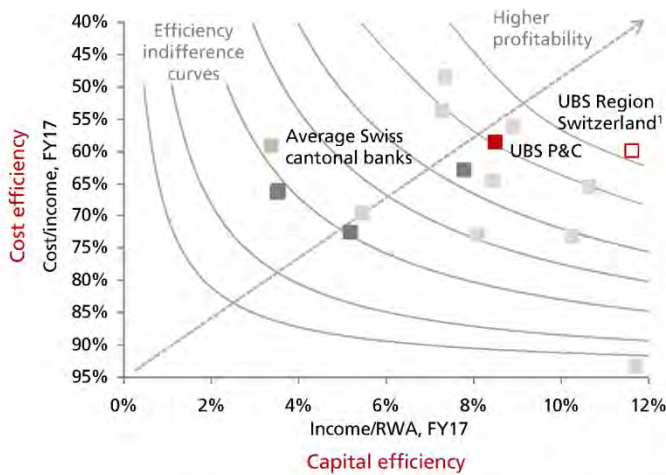


1 Source: Allianz Global Wealth Report 2018; 2 Number of business relationships divided by estimated market size; 3 Source: Dealogic, September 2016 to September 2018 for deal value >EUR 100m

P&C 3

Leading returns through cost and capital efficiency

Most profitable among systemically-relevant banks in Switzerland



Personal & Corporate Banking is best-in-class among systemically-relevant banks in Switzerland

Personal & Corporate Banking's profitability is comparable to equivalent businesses at other European banks despite more negative interest rates and a smaller home market

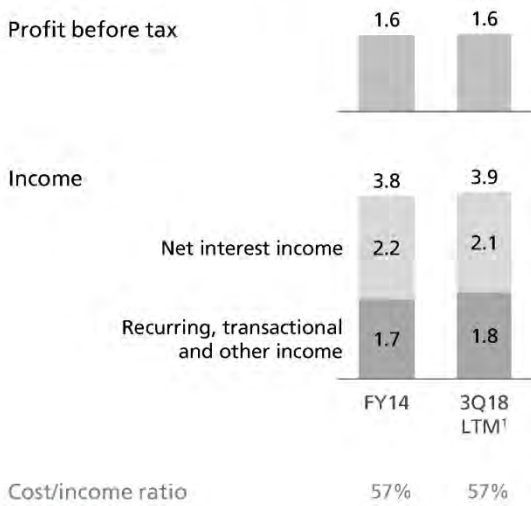
- Actual
- Swiss peers²
- European peers³



Adjusted for one-offs including litigation; not adjusted for restructuring costs; Efficiency indifference curves are for illustrative purpose only;
 1 UBS Personal & Corporate Banking, Global Wealth Management Switzerland, Asset Management Switzerland, Investment Bank Switzerland;
 2 Refers to systemically-relevant banks in Switzerland (Credit Suisse SUB, Zürcher Kantonalbank Group, Raiffeisen Group, PostFinance Group);
 3 BNP Paribas French Retail, Barclays UK, Deutsche Bank Private & Commercial Bank, Nordea Group, SEB Group, Santander Group, BBVA Retail Spain, Royal Bank of Scotland UK Personal & Commercial Banking, Lloyds Retail & Commercial

Personal & Corporate Banking – Strong and steady profits

Strong returns on balanced revenue mix and cost discipline



Consistent profits despite significant interest rate headwinds and additional regulatory funding costs

Recurring, transactional and other income increased on pricing and net new client growth; lower reliance on net interest income

Disciplined resource management with cost efficiency improvements funding significant tech investments

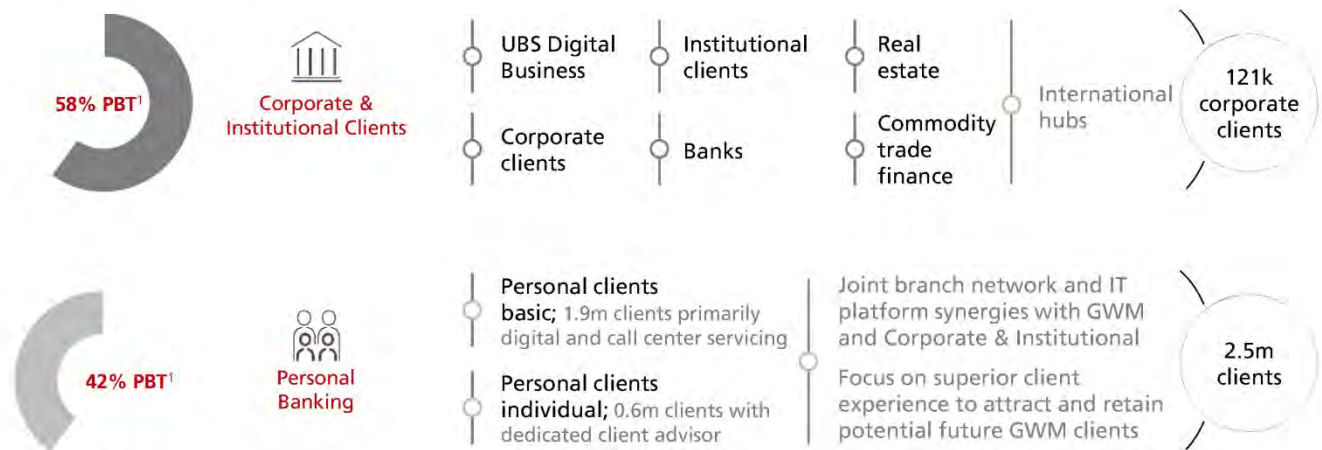
Return on attributed equity consistently above 20%




Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 20 for details on adjusted numbers and FX rates in this presentation; ¹Last 12 months

Personal & Corporate Banking – A balanced mix

Highly successful franchises



 Numbers in CHF and adjusted unless otherwise indicated; refer to slide 20 for details on adjusted numbers and FX rates in this presentation 1 FY17

Corporate & Institutional Clients

Attractive and diversified client and product segments

Client segments

Corporate Clients

46.7k mid to large corporate clients and multinationals

UBS Digital Business

61.8k small businesses and newly founded companies

Real Estate

8.7k companies in the real estate sector

Banks¹

2.4k banks and regulated brokers

Institutional Clients

1.9k pension funds and insurers

Commodity Trade

130 specialized commodity trading firms

Product segments

	Cash management services	Payment services in 130 currencies for corporate clients with domestic and international business activities
	Trade and export finance	International trade-related security and liquidity solutions for corporate clients
	Asset servicing	Asset structuring, global post-trade services, reporting and controlling for institutional clients
	Corporate finance	Mandate based advisory services focusing on e.g., M&A, company succession, leasing, syndicated loans & real estate transactions
	Cash & securities for banks	Custody services, cash services, payment processing, and liquidity provision for banks and regulated brokers



¹ Includes Swiss and international banks/regulated brokers in global coverage model

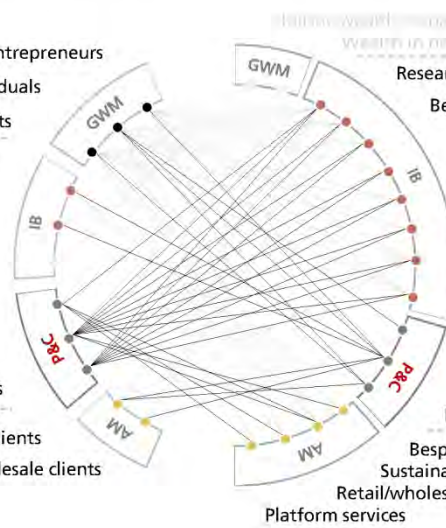
P&C 7

Working in partnership

Delivering the whole firm to our clients

Our clients

- Entrepreneurs
- Wealthy individuals
- Global Family Office clients
- Institutional clients
- Corporates issuing equity/debt
- Professional relationships with entrepreneurs
- Personal clients
- Corporate clients
- Institutional clients/banks
- Institutional clients
- Wholesale clients



Areas of collaboration

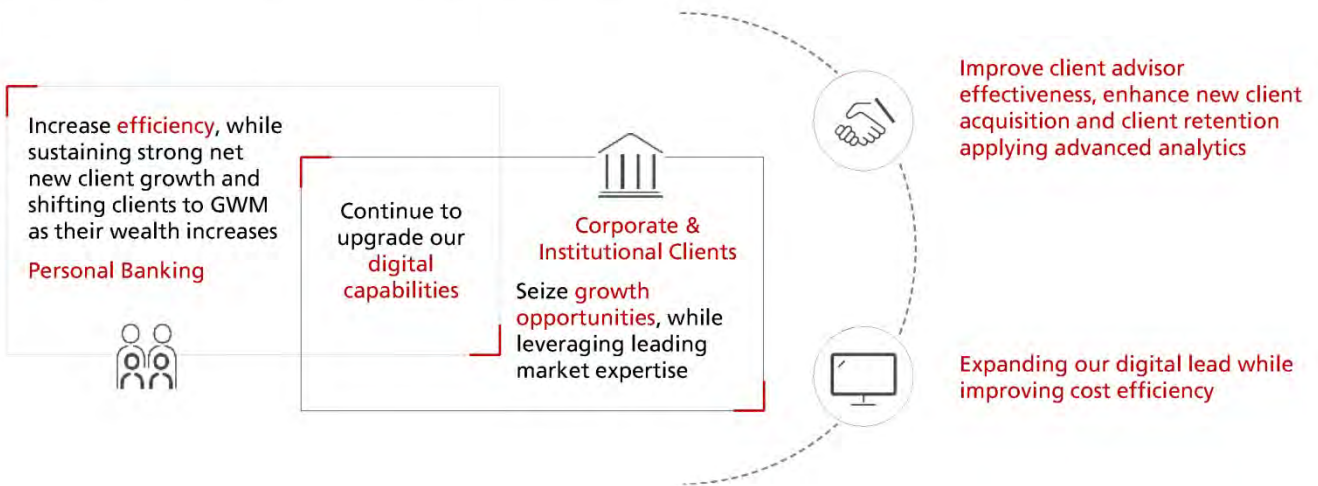
- Research and differentiated content
- Best-in-class execution in secondary markets
- Corporate finance advisory and execution
- Underwriting and distribution
- Public equity/debt issuance opportunities
- Private market investment opportunities
- Bespoke solutions and structuring
- Structured lending
- Wealth growth and client shifts to GWM
- Corporate & Institutional services
- Real estate financing
- Bespoke mandates, institutional solutions and funds
- Sustainable and alternative investments
- Retail/wholesale product development
- Platform services



List is not exhaustive

Driving efficient growth

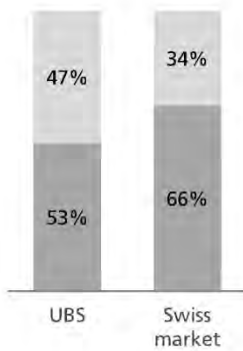
We can further grow our client base and increase profits



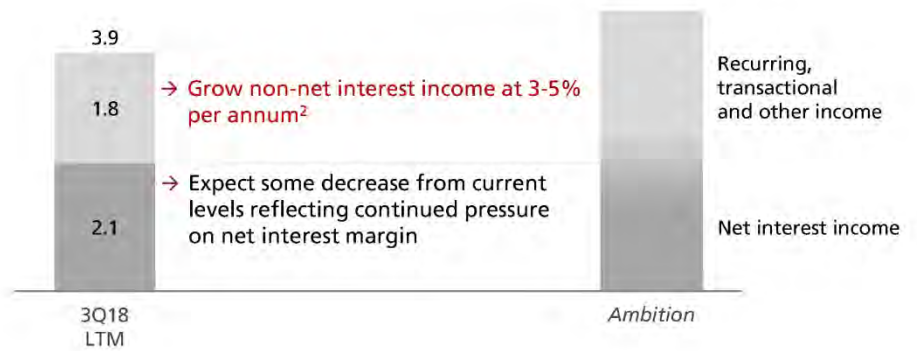
Growing revenues

Further improving the quality of our revenues by growing recurring and transaction income

Balanced mix
Income split¹



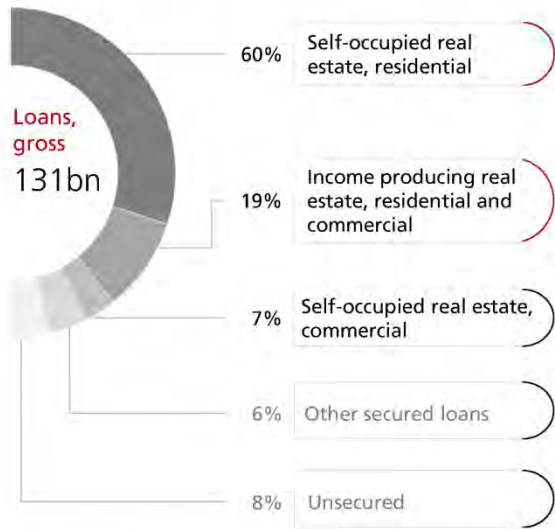
Our ambition
Income, bn



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 20 for details on adjusted numbers and FX rates in this presentation;
 1 UBS 9M18; Swiss market: SNB data for cantonal banks, regional/saving banks and Raiffeisen banks (2017); 2 Based on UBS's current GDP projections for Switzerland

Loan portfolio

Prudently managed; majority of loans secured by residential property



Single-family homes
6% volume growth since 2014
 ◦ loan-to-value (LTV) 57%;
 93% of loans with LTV ≤80%

Mainly multi-family homes
24% volume decrease since 2014
 ◦ LTV 53%; 98% of loans with
 LTV ≤80%

Corporate loans secured by real estate

Mainly to corporates; secured by securities, cash,
 guarantees and other collateral

Mainly investment grade corporate loans and
 diversified credit card loan portfolio

99.7%

of single- and multi-family
 homes portfolio would still
 be covered if collateral values
 were to fall by 20%

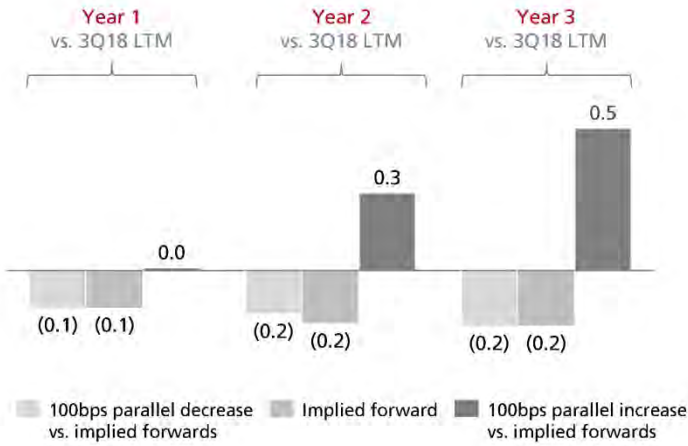
0.003% average credit losses
 p.a. over the last 5 years

Interest rate sensitivity

Well positioned to benefit from an increase in CHF interest rates

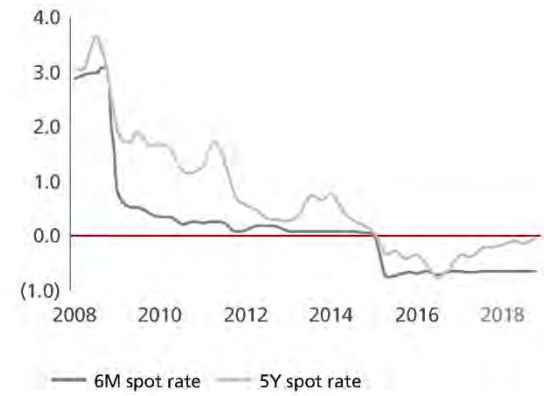
Net interest income (NII), illustrative example

bn, assuming static balance sheet, constant FX and no management action



Historical CHF interest rates¹

%



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 20 for details on adjusted numbers and FX rates in this presentation; Based on implied forward rates, 31.7.18; 1 Source: Reuters

PRC 12

Expanding our digital lead

Investing in the franchise to sustain market leadership

Digital clients



80%
more revenues¹



70%
lower attrition
for active clients¹



+24
Net promoter score
higher satisfaction^{1,2}

Attractive
economics



#1
Highest digital
penetration amongst
large Swiss banks³



>100%
Increase in mobile
banking payments and
TWINT⁴ transactions⁵



+150%
Corporate client
onboarding supported by
video identification⁶

Strong momentum
with our clients

Faster time-to-market through
collaboration with fintechs



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 20 for details on adjusted numbers and FX rates in this presentation;
1 Clients actively using e- or mobile banking and UBS Access App, i.e. at least one login in the last 30 days per end of 1H18, compared with clients who didn't use these products actively. Personal Banking clients aged 18-59, excl. rental deposits and single-purpose accounts, 2Q18;
2 Survey by Client-based Insights Schweiz, commissioned by UBS, 2017, Personal Banking only; 3 December 2017; 4 TWINT is a leading mobile payment system in Switzerland, supported by a consortium of banks and retailers; 5 1H18 vs. 1H17; 6 August 2018 vs. December 2017

PRC 13

Increasing efficiency

Driving further efficiency gains front-to-back

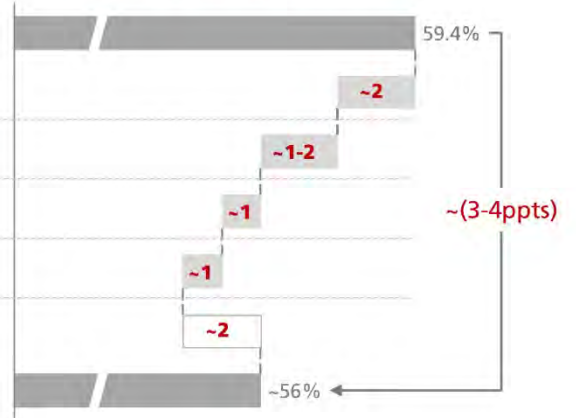
Since 2014

- Workforce optimization
- Continued branch network optimization
- >50 robots deployed
- 6% increase in revenues per staff in Corporate & Institutional
- 13% increase in accounts per advisor in Personal Banking

3Q18 LTM pro-forma

- Front-to-back optimization
- Advisor productivity and revenue growth
- Optimization of branch network
- Workforce optimization
- Further investments into IT capabilities
- FY21 cost/income ratio ambition

Cost/income ratio to decrease ~3-4ppts 2021 vs. 3Q18 LTM pro-forma



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 20 for details on adjusted numbers and FX rates in this presentation

P&C 14

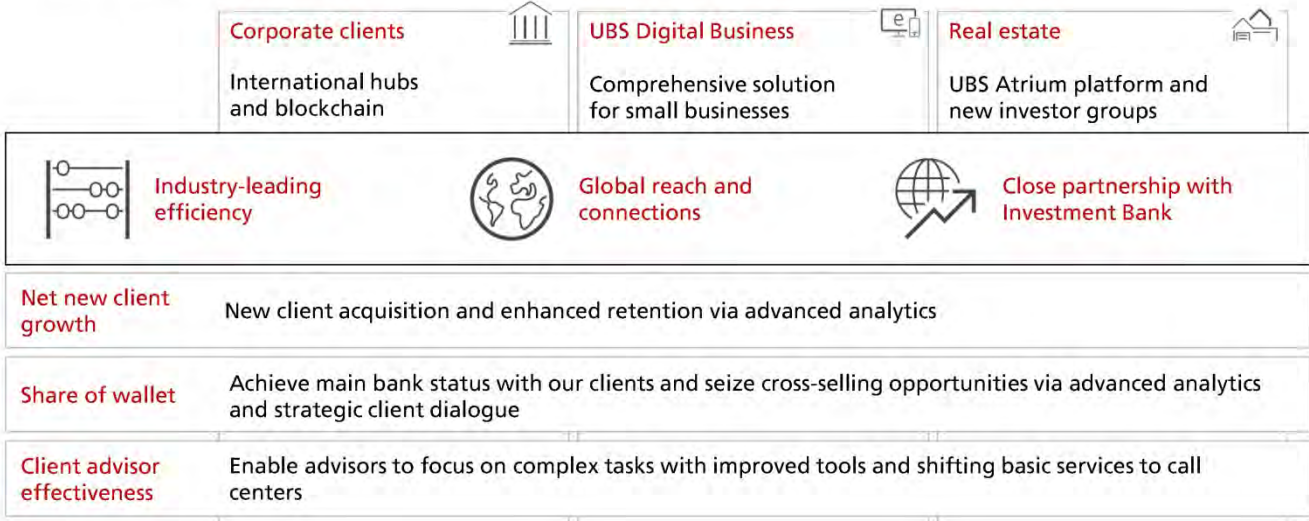
Personal Banking – Strong growth momentum

Digital transformation ongoing – increasing efficiency while sustaining strong growth and collaboration



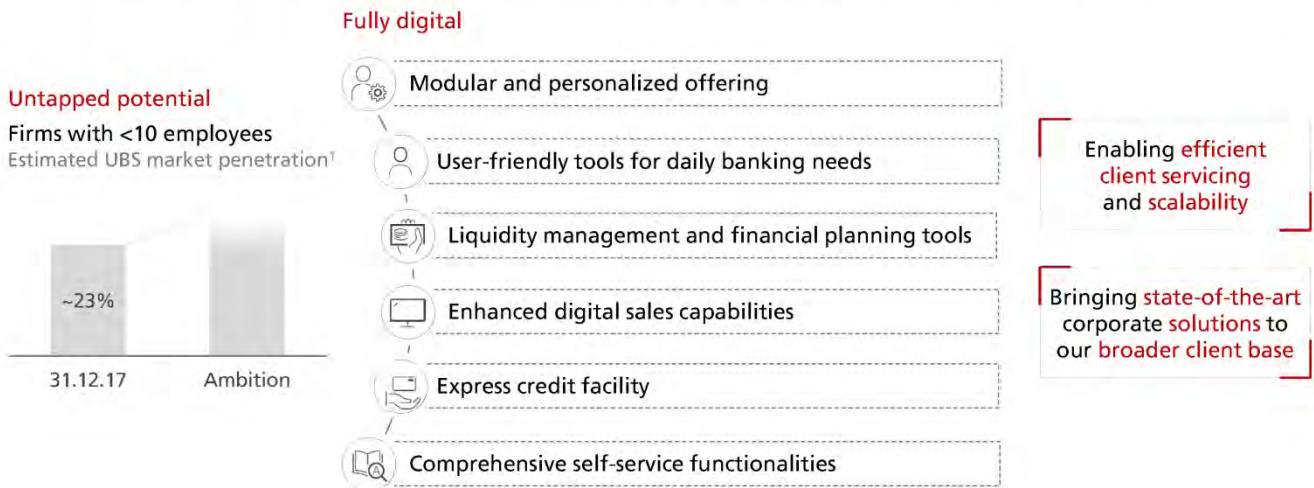
Corporate & Institutional Clients – Driving further growth

Extending offering and improving sales processes to drive future growth



Greater focus on small businesses

Launched UBS Digital Business in 4Q18: comprehensive and state-of-the-art solutions for small businesses



¹ Number of companies with UBS banking relationships vs. total number of Swiss firms with <10 employees. Source: AmPuls Market Research (2017)

Financial targets

		Current performance		Annual targets		Ambitions	Capital/resource guidelines
		3Q18 LTM	Pro-forma ¹	FY19	FY19-21	FY21	FY19-21
Group	Reported return on CET1 capital	13.7% ²		~15%		~17%	
	Adjusted cost/income ratio	77.5%		~77%		~72%	
	CET1 capital ratio	13.5% ³					~13%
	CET1 leverage ratio	3.80% ³					~3.7%
Global Wealth Management	Adjusted pre-tax profit growth	5%			10-15% ⁴		
	Adjusted cost/income ratio	76.5%	✓	~75%		~70%	
	Net new money growth	2%			2-4%		
Personal & Corporate Banking	Adjusted pre-tax profit growth	(2%)			3-5% ⁴		
	Adjusted cost/income ratio	59.4%	✓	~59%		~56%	
	Net interest margin	152	✓		145-155bps		
Asset Management	Adjusted pre-tax profit growth	(10%) ⁵			~10% ⁴		
	Adjusted cost/income ratio	75.1%	✓	~72%		~68%	
	Net new money growth (excl. money markets)	6%			3-5%		
Investment Bank	Adjusted return on attributed equity	13.6%	✓		~15% ^{4,6}		
	Adjusted cost/income ratio	77.3%	✓	~78%		~75%	
	RWA and LRD in relation to Group	32%/32%					~1/3



Numbers in CHF unless otherwise indicated; refer to slide 20 for details on adjusted numbers, Basel III numbers and FX rates in this presentation; 1 Pro-forma adjusted for announced Corporate Center allocation changes; 2 Adjusted for the impact from the US tax reform in 4Q17; 3 As of 30.9.18; 4 Over the cycle; 5 Normalized for the sale of our Fund Administration business in 4Q17; 6 Repositioned from a minimum return to a performance target

Key messages



Personal & Corporate Banking delivers strong and steady profits, and contributes significantly to UBS's status as the #1 bank in Switzerland



We are expanding our digital lead while improving cost efficiency



Targeting 3-5% adjusted annual pre-tax profit growth FY19-FY21



Important information related to this presentation

Use of adjusted numbers

Adjusted results are a non-GAAP financial measure as defined by SEC regulations. Refer to pages 9-11 of the 3Q18 report which is available in the section "Quarterly reporting" at www.ubs.com/investors for an overview of adjusted numbers.

If applicable for a given adjusted KPI (i.e., adjusted return on tangible equity), adjustment items are calculated on an after-tax basis by applying an indicative tax rate. Refer to page 18 of the 3Q18 report for more information.

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 3Q18 report for more information.

Currency translation

Monthly income statement items of foreign operations with a functional currency other than Swiss francs are translated with month-end rates into Swiss francs.

Rounding

Numbers presented throughout this presentation may not add up precisely to the totals provided in the tables and text. Starting in 2018, percentages, absolute and percent changes, and adjusted results are calculated on the basis of unrounded figures, with the exception of movement information provided in text that can be derived from figures displayed in the tables, which is calculated on a rounded basis. For prior periods, these values are calculated on the basis of rounded figures displayed in the tables and text.

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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UBS Investor Update

Asset Management

Ulrich Körner
President UBS Asset Management
President UBS Europe, Middle East and Africa



25 October 2018

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), including to counteract regulatory-driven increases, leverage ratio denominator, 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) continuing low or negative interest rate environment, 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; 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AM 1

Key messages



Fundamental transformation completed, back on the competitive landscape and well positioned for profitable growth



AuM growth rate of 2x industry after years of asset loss; performing well against significant industry headwinds



Strategy focused on areas of high industry growth, supporting our ~10% annual PBT growth target over the 2019-2021 period



Who we are

A leading Europe-based asset manager with a highly differentiated global offering

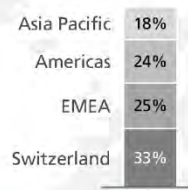
Invested assets
815bn¹

Client segments



Significant **third party business**
 Deep **institutional DNA**
 Partner for GWM, much **more than an in-house manager**

Regions



Regionally-diversified, strong presence in **APAC**
Globally integrated, presence in 23 countries

Business lines / asset classes²



Holistic offering across asset classes
Strong investment performance
Innovative Platform Services



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 19 for details on adjusted numbers and FX rates in this presentation; 1 30.9.18. Data does not include the assets of non-consolidated joint ventures; 2 Equities, Fixed Income and Money Market reflect asset classes, the Hedge Fund Businesses consist of O'Connor and Hedge Fund Solutions, Real Estate & Private Markets is a separate business line

An integral part of UBS's value proposition

Highly attractive financial characteristics, strengthens investment and asset gathering position

Attractive financial characteristics



Attractive return profile, consistently delivering ~0.5bn profit every year

Very **limited balance sheet usage**

Very high returns: over 25% RoAE and over 150% RoATE¹

Strengthen UBS investment and asset gathering position



Deep investment and portfolio management expertise

Strong **product and platform innovation capabilities** leveraged across UBS

Compelling value proposition for core client segments, e.g. UHNW

Deep, long-standing and significant collaboration synergies



Revenue synergies with GWM, P&C and the IB

Scale and cost synergies across Corporate Center functions



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 19 for details on adjusted numbers and FX rates in this presentation;
1 9M18

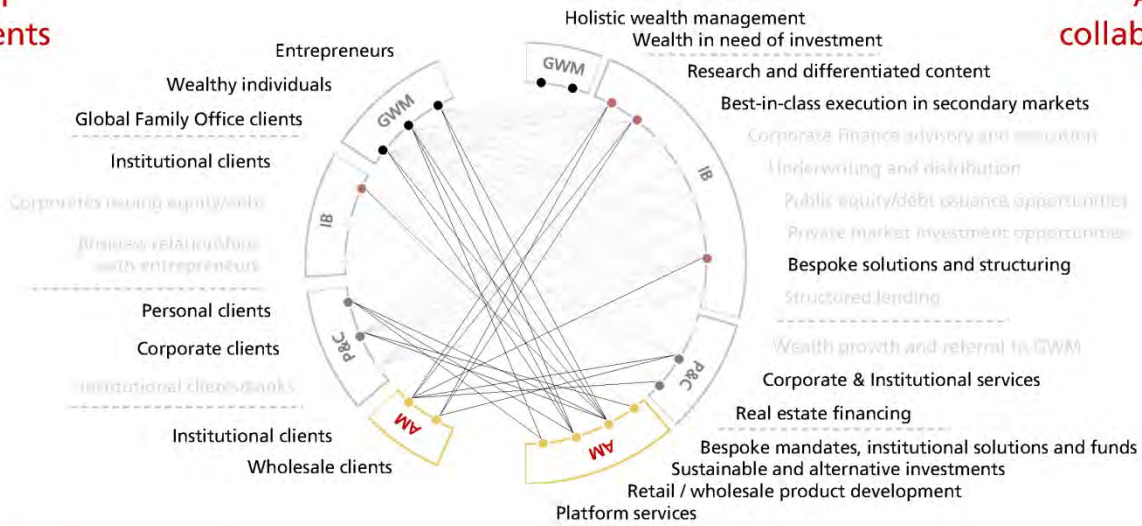
AM 4

Working in partnership

Providing clients with the services they need from across the whole firm

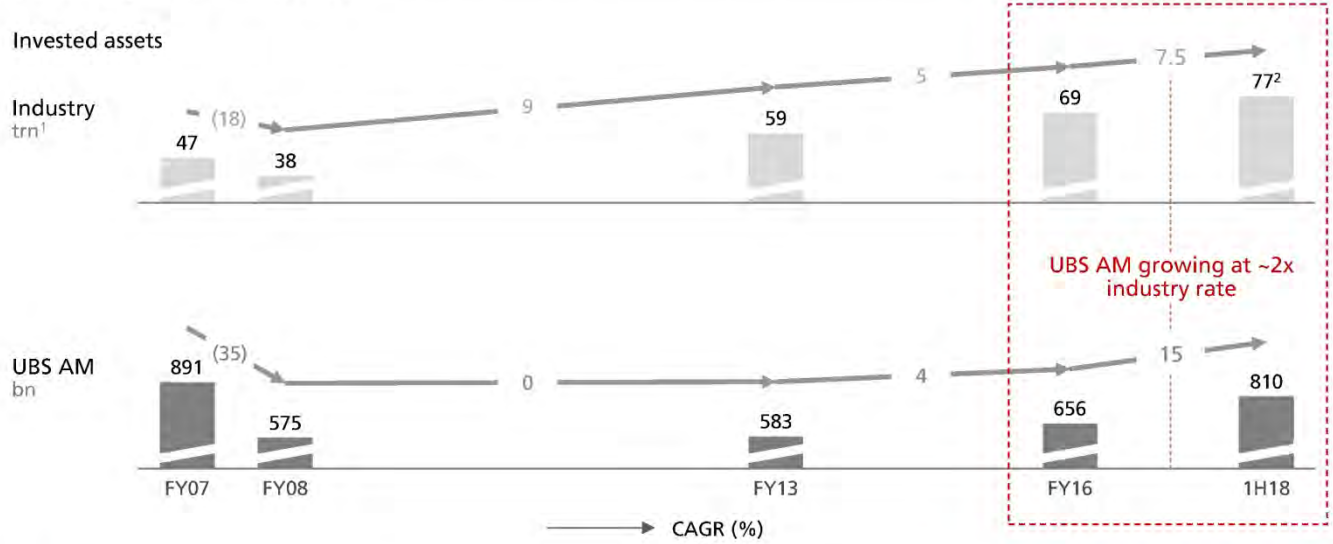
Our clients

Areas of collaboration



Years of stagnation turned into strong asset growth

Recovering from 'lost' years

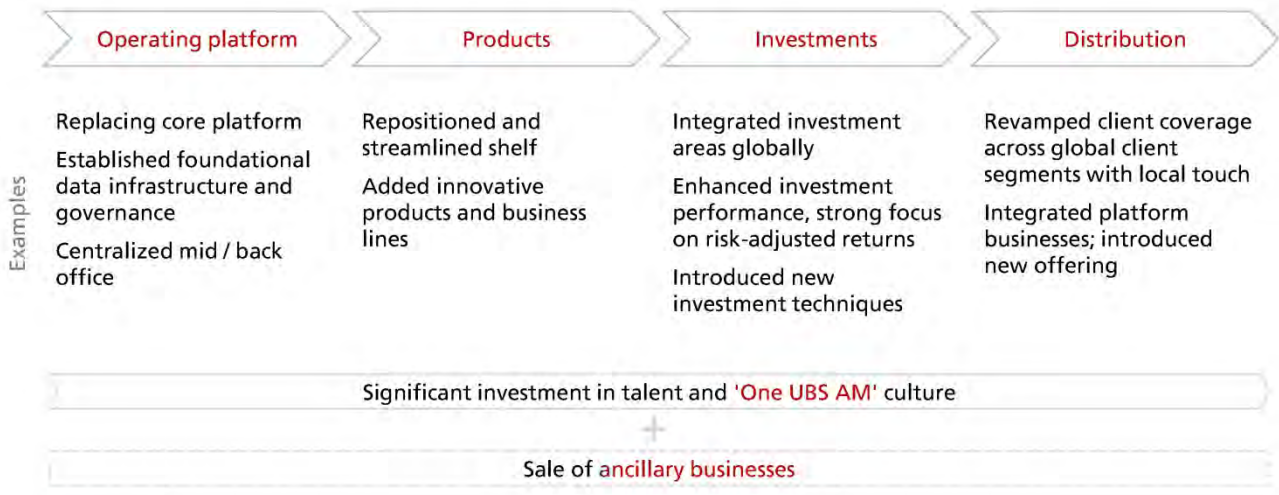


Numbers in CHF and adjusted unless otherwise indicated; refer to slide 19 for details on adjusted numbers and FX rates in this presentation; Source: BCG (for 2007–2017), peers' quarterly reports (for 1H18); 1 Transitioned from USD to CHF for all years using 31.12.17 exchange rate, as per BCG methodology; 2 Based on 2017 value from BCG and 1H18 AuM growth of peer group

AM 6

Transformed business across entire value chain

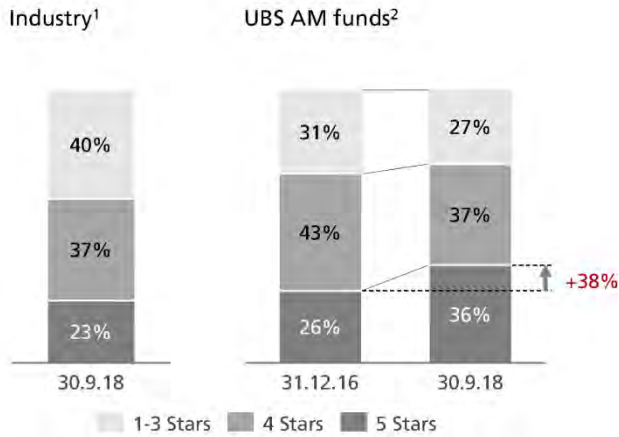
Significant investments in order to deliver the best of our firm to clients and return to growth path



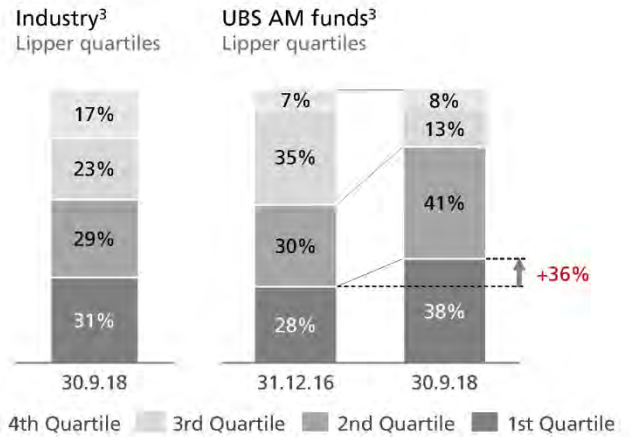
Delivering strong and improving investment performance

Actions implemented driving significant increase in top-performing fund assets

Strong increase in 5* Morningstar rated assets ...



... and in 1st and 2nd quartile assets vs peers



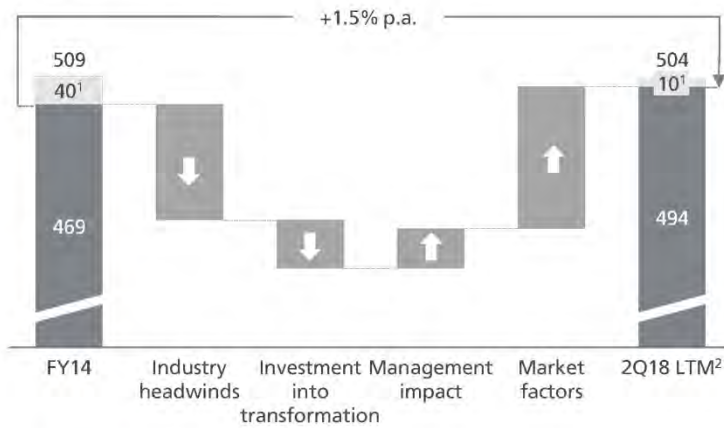
Based on fund assets unless indicated; 1 Global, share of all rated open-ended funds, excl. fund of funds and feeder funds; 2 Data extracted from Morningstar Direct for all rated funds, covers 88% of UBS AM's fund AuM (ex MM); 3 Thomson Reuters Lipper Investment Management 3-year performance. Based on mutual funds registered for sale in the "MSCI Europe Developed Markets Universe." Excludes institutional funds, insurance funds, ETFs, pension trusts, money market, passive funds, and funds <1year. Covers ~66% of UBS AM's active fund AuM (ex MM)

AM 8

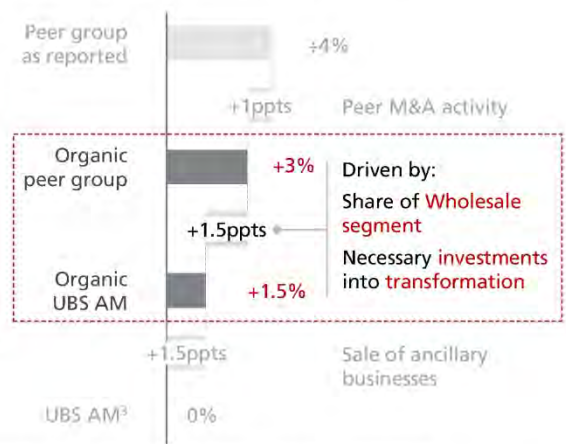
Profit before tax development yet to meet our ambitions

Relative performance reflects M&A, business mix and necessary investments into transformation

Profit before tax illustrative



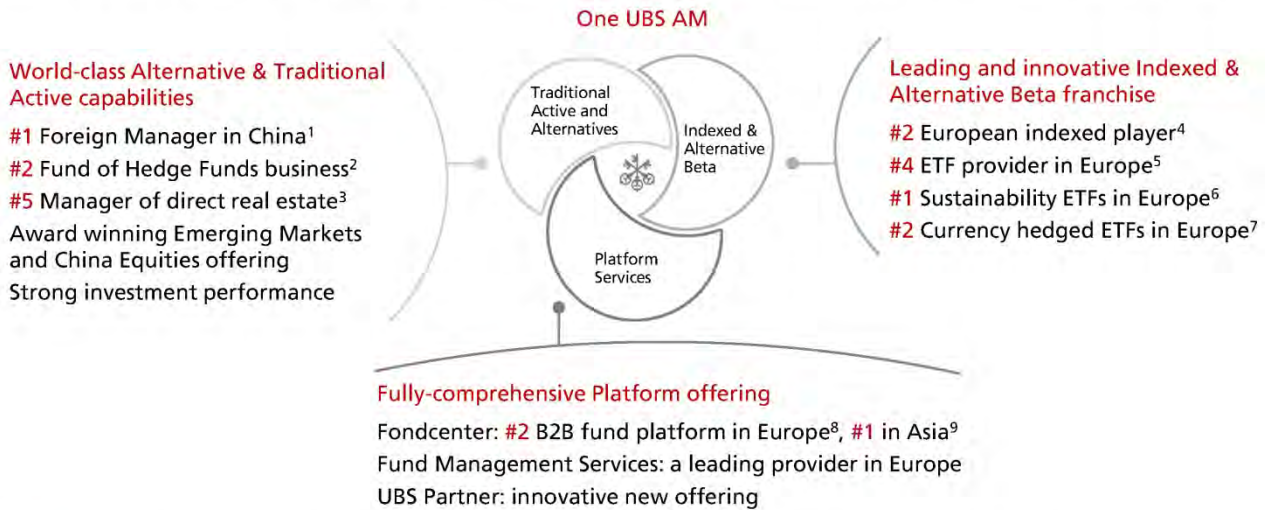
Relative PBT performance vs peer group FY14-2Q18 LTM CAGR, % p.a.



Numbers in CHFm and adjusted unless otherwise indicated; refer to slide 19 for details on adjusted numbers and FX rates in this presentation;
¹ Adjusted PBT contribution of sold ancillary businesses: Alternative Fund Services in 2015, Investment Fund Services in 2017; ² Last 12 months;
³ Based on annual and quarterly disclosures

Differentiated client proposition – foundation for growth

Holistic offering across asset classes and Platform Services capabilities provided in a fully integrated way



1 Z-Ben Advisors, April 2018; 2 HFM InvestHedge Billion Dollar Club, March 2018; 3 FT/Towers Watson, 2017; 4 Company disclosures, December 2017; 5 ETFGI, Sept 2018; 6 Morningstar, September 2018; 7 ETFGI, September 2018; 8 Platforum, June 2018; 9 Platforum, October 2018, covering Singapore, Hong Kong, and Taiwan

Strategic priorities geared to above industry growth areas

Building on our global strengths and differentiated client proposition



Numbers in CHF unless otherwise indicated; refer to slide 19 for details on adjusted numbers and FX rates in this presentation; AuM of strategic priorities overlap; 1 30.9.18; 2 Market growth forecasts based on Cerulli, McKinsey, BCG, Global Sustainable Investment Alliance; 3 BCG

AM 11

Exploit sizeable opportunity in Wholesale

Intensified focus and investments already driving momentum

The industry perspective

- Highly attractive industry segment**
- 80% of industry revenue growth¹
- Margins ~3x institutional
- Technology and regulatory changes

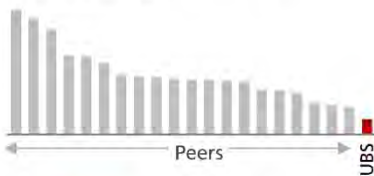
UBS AM position

- Enhanced coverage and product development**
- Dedicated segment coverage established
- Built-out product shelf
- Developed Platform Services**
- Expanded UBS Fondcenter and Fund Management Services
- Launched UBS Partner flagship offering

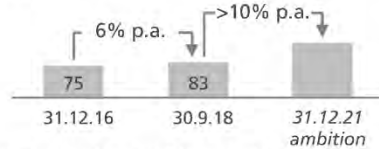
Drivers to fuel substantial growth

- Further drive growth in EMEA and APAC**
- Keep focus on product innovation and competitive shelf
- Further intensify sales activities
- Strategic partnerships across clients' value chains
- Further expand Platform Services**
- Expand client book globally
- Further build out services offered to clients

3rd party Wholesale² AuM
% of overall AuM



Wholesale AuM
bn



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 19 for details on adjusted numbers and FX rates in this presentation;
1 For peer group 2015-2017, based on public company information; 2 FY17, for peer group, based on public company information

AM 12

Substantial growth in Indexed and Alternative Beta

Strong market position supported by innovative products and scalable platform

Top European player

#2 Europe-based indexed funds player¹

#4 European ETF market player; strong increase in market share²

Drivers to fuel growth

Product innovation, quality and differentiation

Expansion of multi-factor/ Alternative Beta / Sustainable Investing offering
Data-driven investing

Geographic strengthening

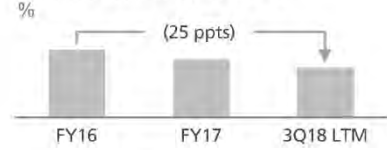
Expansion of product and sales activities in EMEA and APAC

Further increase scalability

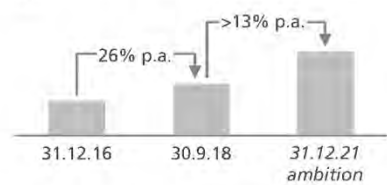
Infrastructure for increased scalability and factor-driven investing

Differentiation driving financial success

Indexed³ cost/income ratio



Indexed³ AuM



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 19 for details on adjusted numbers and FX rates in this presentation;
1 Peers' public reporting as of December 2017, UBS calculation; 2 ETFGI as of September 2018; 3 Includes Indexed, Alternative Beta and ETF

AM 13

Driving operating leverage to support growth

Continuously seeking efficiency improvements to achieve cost and growth targets

Measures	Cost reductions ¹	Actions	Key future levers
Mid/back office	~10m by 2018	Reduced locations from 14 to 5 (+3 satellite offices) Increased share of staff in low/mid-cost locations to 56%	Technology and process optimization Full roll-out of portfolio accounting platform Further decommissioning of apps Move to the cloud
Measures taken in 2018	~40m by 2019	Headcount reductions G&A cost optimizations	Further increase in offshore presence Robotics and cognitive automation Establish micro-service architecture
Core IT platform replacement	~25m by 2021	Decommissioned 21% of applications	Additional savings in Corporate Center functions



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 19 for details on adjusted numbers and FX rates in this presentation;
1 Gross, annualized

AM 14

Further strategic priorities in full implementation mode

Delivering strong initial successes



Investment solutions – Leverage breadth and depth of global capabilities:

- › Deliver superior Multi-Asset strategies for Wholesale clients
- › Provide components of investment process to strategic partners
- › Deliver custom portfolios across public and private markets



Sustainable and impact investing – Continue to establish us as a leading provider for clients:

- › Integrate ESG holistically across asset classes
- › Develop innovative products and solutions, continue to significantly growing assets (tripled sustainability-focused and impact assets since 2016)
- › Expand corporate governance and engagement



China – Maintain position for clients around the world as the 'Call for China':

- › #1 ranked foreign asset manager in China¹
- › Close to 30% invested assets growth since end-2016
- › Private fund management license in 2017; launched first onshore funds
- › Award-winning team of China Equities specialists

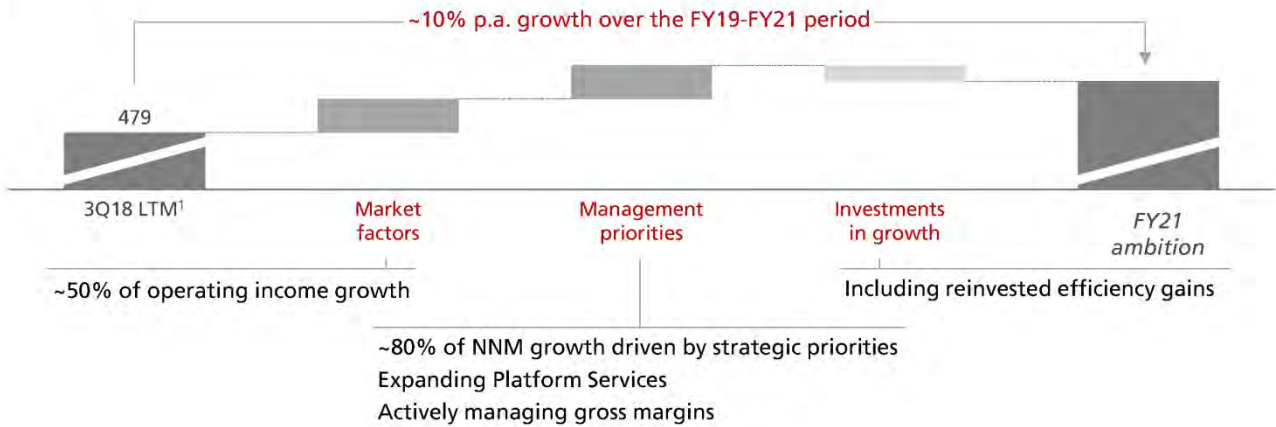


1 Z-Ben Advisors, April 2018

AM 15

Clear path to our profit growth target

Profit before tax



Targeting 3-5% NNM growth p.a.; cost/income ratio ambition of ~68% by 2021



Numbers in CHFm and adjusted unless otherwise indicated; refer to slide 19 for details on adjusted numbers and FX rates in this presentation;
1 Excludes PBT contribution of sold ancillary businesses: Alternative Fund Services in 2015, Investment Fund Services in 2017

AM 16

Financial targets

		Current performance		Annual targets		Ambitions	Capital/resource guidelines
		3Q18 LTM	Pro-forma ¹	FY19	FY19-21	FY21	FY19-21
Group	Reported return on CET1 capital	13.7% ²		~15%		~17%	
	Adjusted cost/income ratio	77.5%		~77%		~72%	
	CET1 capital ratio	13.5% ³					~13%
	CET1 leverage ratio	3.80% ³					~3.7%
Global Wealth Management	Adjusted pre-tax profit growth	5%			10-15% ⁴		
	Adjusted cost/income ratio	76.5%	✓	~75%		~70%	
	Net new money growth	2%			2-4%		
Personal & Corporate Banking	Adjusted pre-tax profit growth	(2%)			3-5% ⁴		
	Adjusted cost/income ratio	59.4%	✓	~59%		~56%	
	Net interest margin	152	✓		145-155bps		
Asset Management	Adjusted pre-tax profit growth	(10%) ⁵			~10% ⁴		
	Adjusted cost/income ratio	75.1%	✓	~72%		~68%	
	Net new money growth (excl. money markets)	6%			3-5%		
Investment Bank	Adjusted return on attributed equity	13.6%	✓		~15% ^{4,6}		
	Adjusted cost/income ratio	77.3%	✓	~78%		~75%	
	RWA and LRD in relation to Group	32%/32%					~1/3



Numbers in CHF unless otherwise indicated; refer to slide 19 for details on adjusted numbers, Basel III numbers and FX rates in this presentation; 1 Pro-forma adjusted for announced Corporate Center allocation changes; 2 Adjusted for the impact from the US tax reform in 4Q17; 3 As of 30.9.18; 4 Over the cycle; 5 Normalized for the sale of our fund administration business in 4Q17; 6 Repositioned from a minimum return to a performance target

AM 17

Key messages



Fundamental transformation completed, back on the competitive landscape and well positioned for profitable growth



AuM growth rate of 2x industry after years of asset loss; performing well against significant industry headwinds



Strategy focused on areas of high industry growth, supporting our ~10% annual PBT growth target over the 2019-2021 period



Important information related to this presentation

Use of adjusted numbers

Adjusted results are a non-GAAP financial measure as defined by SEC regulations. Refer to pages 9-11 of the 3Q18 report which is available in the section "Quarterly reporting" at www.ubs.com/investors for an overview of adjusted numbers.

If applicable for a given adjusted KPI (i.e., adjusted return on tangible equity), adjustment items are calculated on an after-tax basis by applying an indicative tax rate. Refer to page 18 of the 3Q18 report for more information.

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 3Q18 report for more information.

Currency translation

Monthly income statement items of foreign operations with a functional currency other than Swiss francs are translated with month-end rates into Swiss francs.

Rounding

Numbers presented throughout this presentation may not add up precisely to the totals provided in the tables and text. Starting in 2018, percentages, absolute and percent changes, and adjusted results are calculated on the basis of unrounded figures, with the exception of movement information provided in text that can be derived from figures displayed in the tables, which is calculated on a rounded basis. For prior periods, these values are calculated on the basis of rounded figures displayed in the tables and text.

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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UBS Investor Update

Global Wealth Management

Martin Blessing & Tom Naratil
Co-Presidents, Global Wealth Management



25 October 2018

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), including to counteract regulatory-driven increases, leverage ratio denominator, 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) continuing low or negative interest rate environment, 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 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, to 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) uncertainty as to the extent to which the Swiss Financial Market Supervisory Authority (FINMA) will confirm limited reductions of gone concern requirements due to measures to reduce resolvability risk; (vii) the uncertainty arising from the timing and nature of the UK exit from the EU and the potential need to make changes in UBS's legal structure and operations as a result of it; (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 or 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; (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 including differences in compensation practices; (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, including from changes to US taxation under the Tax Cuts and Jobs Act; (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 2017. 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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GWMM 1

Key messages



Largest and only truly global wealth manager – uniquely positioned in biggest and fastest growing markets & segments



Strategic plan focused on accelerated growth in US, APAC and UHNW, supported by favorable market factors



Creation of GWM allows for ~250 million annualized cost saves, cumulative >600 million by 2021, to be reinvested in growth



Significant investment in the future – including technology to deliver industry-leading client and advisor experience



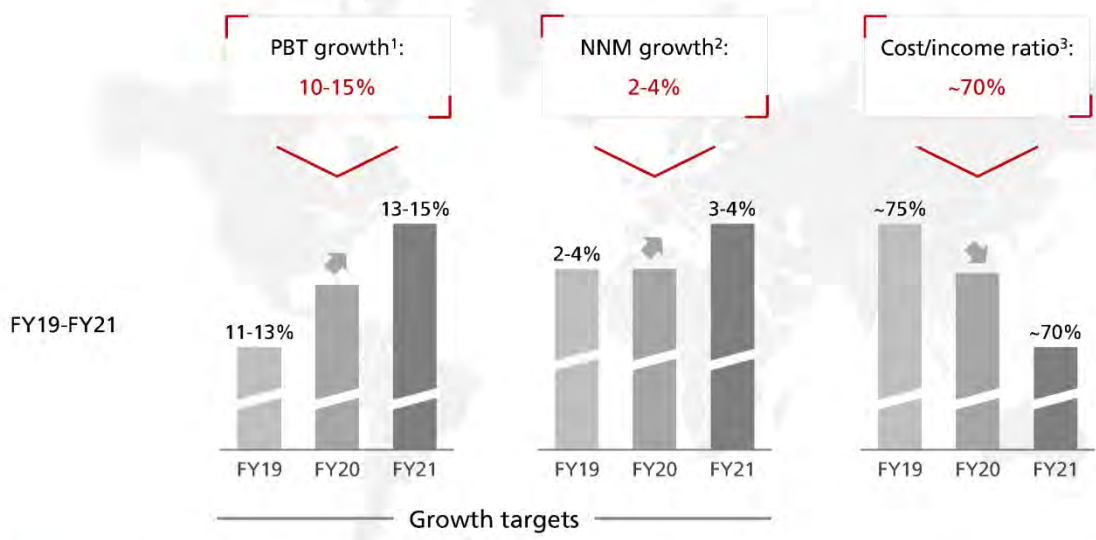
We intend to deliver at the higher end of our ambitious and achievable FY21 targets



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation

GWM 2

We intend to deliver at the upper end of our growth targets

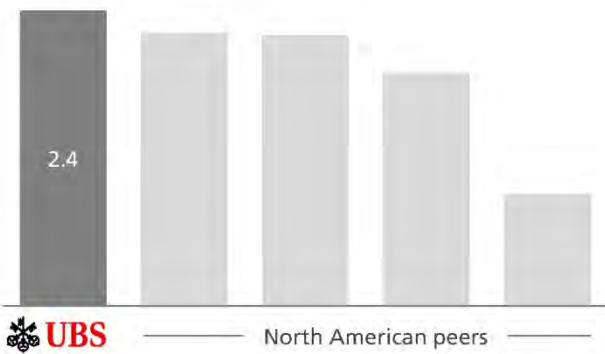


Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation
 Targets and ambitions reflect Corporate Center allocation changes; 1 Annual target over the cycle, annual ranges represent management aspiration; 2 Target, annual ranges represent management aspirations; 3 Target for FY19, ambition for FY21

We are the only truly global wealth manager with scale

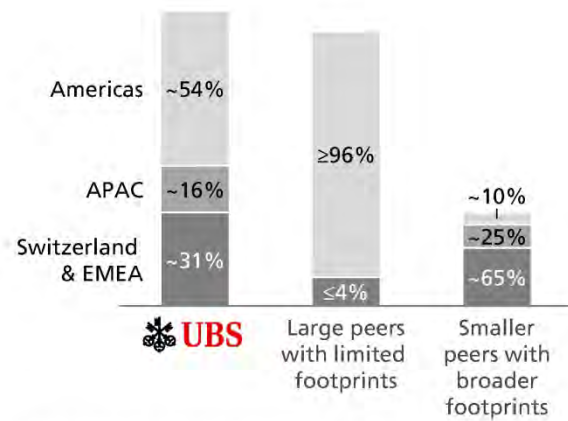
Globally leading wealth manager

Invested assets¹



Diversified footprint with scale

Invested assets illustrative



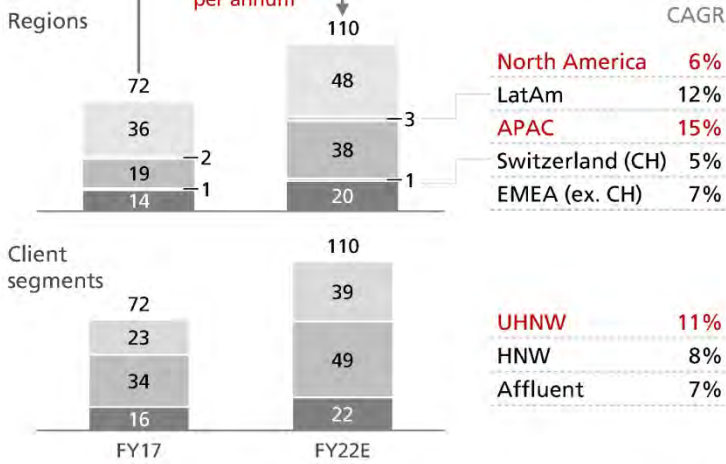
Numbers in USDtrn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; 1 Scorpio Partnership 2018 Global Private Banking Benchmark, 31.12.17

GWM 4

Market trends favor UBS

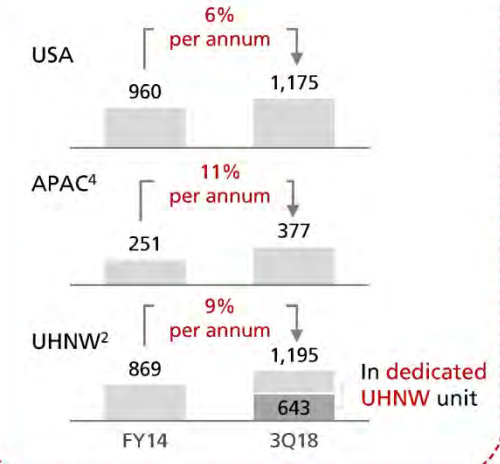
Global wealth growing 2x GDP, led by APAC, UHNW and North America

Investable wealth¹
trn



Growth successfully captured by UBS

Invested assets³



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
 1 BCG Global Wealth Database 2018 (investable wealth is liquid assets of households with wealth of USD >250k; UHNW >20m, HNW 1-20m, Affl. 0.25-1m); 2 UHNW segment definition: WM non-Americas: >50m bankable assets or >100m total wealth; WM Americas: Mostly >10m bankable assets with UBS; 3 CAGR calculated as $\sqrt[1/3.75]{}$ as of 30.9.18; 4 Excluding Australia domestic business which was exited in 2Q16

GWM 5

A profitable, growing business

	FY14	3Q18 LTM ²	CAGR	
Profit before tax	3.5	4.2	+5%	Sustainable profit growth
Operating income	14.9	16.5	+3%	Ten-year high in recurring net fee income
Invested assets trn	2.0	2.4	+5%	Record invested assets in 3Q18
NNM growth %	2.5	2.0		NNM growth ≥2% each year from FY14 to 3Q18 LTM
Mandate volume	585	811	+9%	Record mandate volume and penetration
Loans ¹	157	175	+3%	Loan growth driven by USA, APAC and UHNW
Cost/income ratio %	77	75		Improved efficiency while accelerating investments

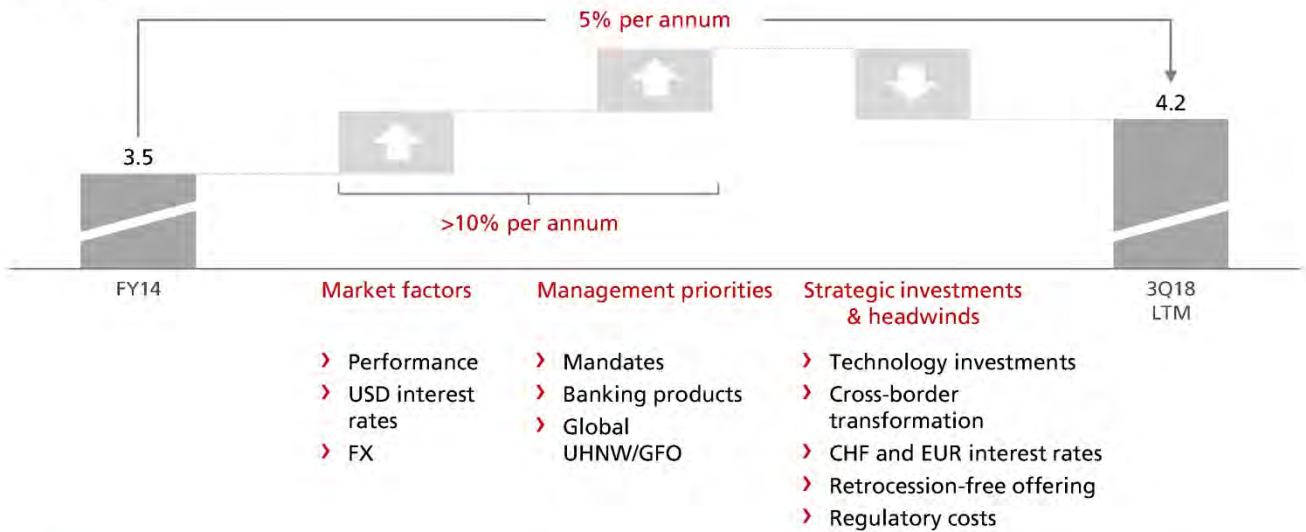


Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
 1 Loans include customer brokerage receivables, which with the adoption of IFRS 9 effective 1 January 2018 have been reclassified to a separate reporting line on the balance sheet; 2 Last 12 months, 30.9.18 for balances and invested assets

GWM 6

Solid progress – headwinds largely behind us

Profit before tax

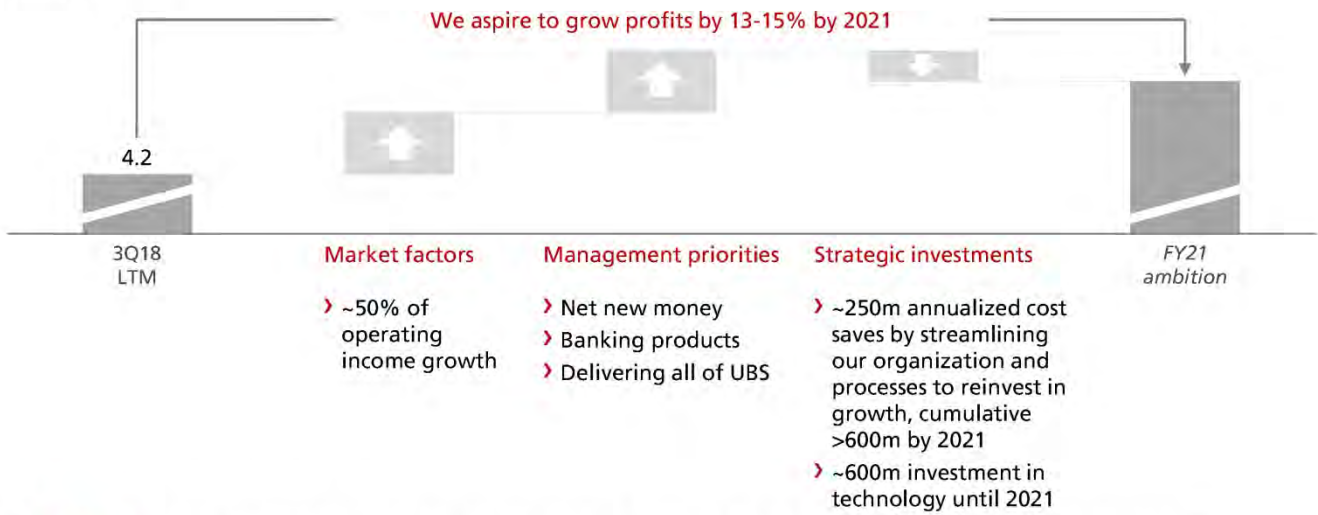


Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation

GWM 7

A clear path to accelerate PBT growth to 10-15% per annum

Profit before tax¹
illustrative



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
1 Annual target over the cycle

GWM 8

Fueled by the power of an integrated GWM

The creation of GWM gives us even greater confidence in executing our plans to deliver our targets



- › New growth opportunities in US GFO and UHNW
- › Broadening access to best solutions and services for clients
- › Reducing barriers to collaboration
- › Reinvesting ~250m annualized cost saves into growth

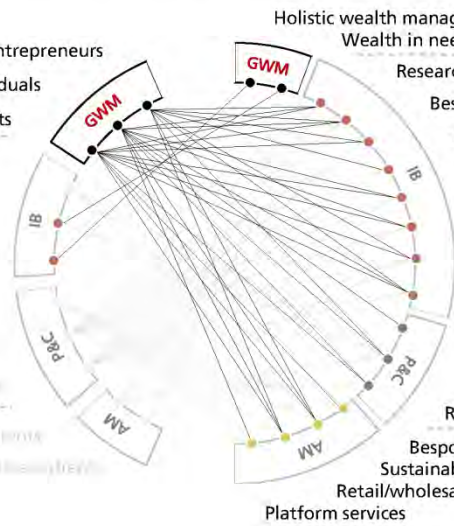


Working in partnership

Providing clients with the services they need from across the whole firm

Our clients

- Entrepreneurs
- Wealthy individuals
- Global Family Office clients
- Institutional clients
- Corporates issuing equity/debt
- Business relationships with entrepreneurs
- Private equity
- Corporate clients
- Institutional clients
- Private equity

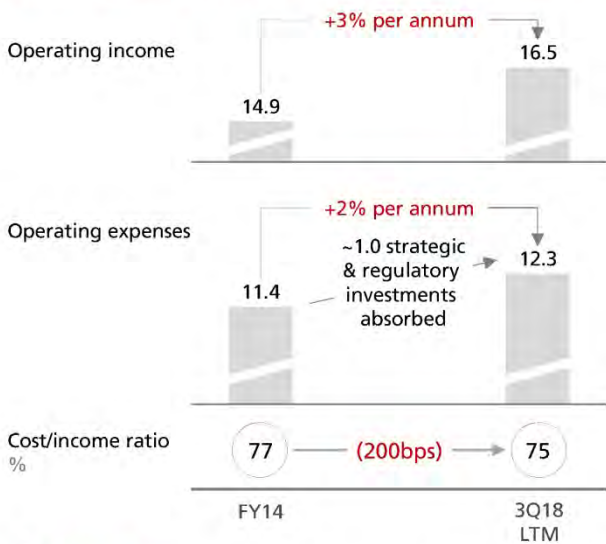


Areas of collaboration

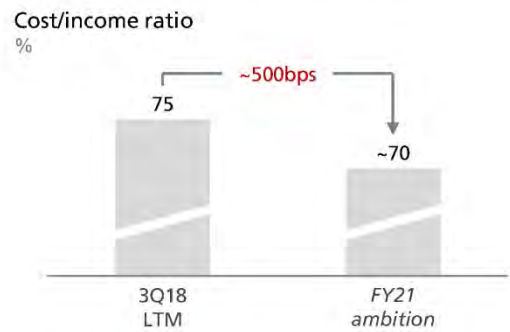
- Holistic wealth management
- Wealth in need of investment
- Research and differentiated content
- Best-in-class execution in secondary markets
- Corporate finance advisory and execution
- Underwriting and distribution
- Public equity/debt issuance opportunities
- Private market investment opportunities
- Bespoke solutions and structuring
- Structured lending
- Wealth growth and client shifts to GWM
- Corporate & Institutional services
- Real estate financing
- Bespoke mandates, institutional solutions and funds
- Sustainable and alternative investments
- Retail/wholesale product development
- Platform services

Delivering further operating leverage and investments

Operating leverage despite strategic & regulatory investments



Ambition to further improve by ~500bps by 2021



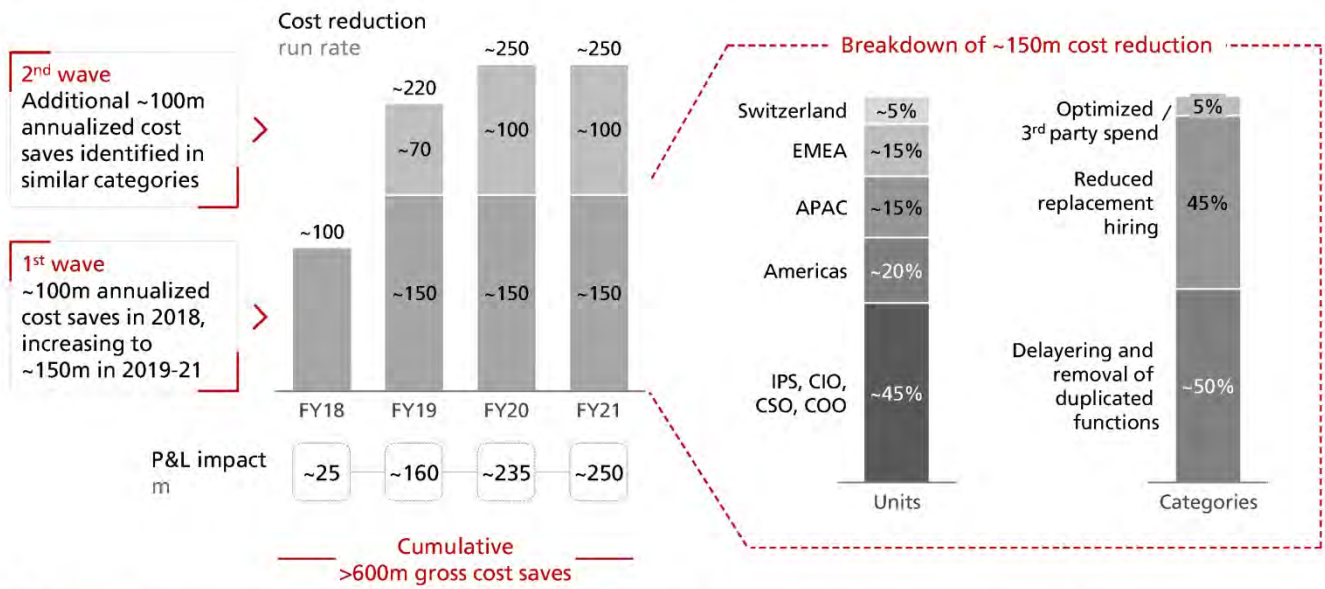
- > ~250m annualized cost saves to reinvest in growth by streamlining our organization and processes, cumulative >600m by 2021
- > Ongoing focus on cost control and increasing operational efficiency



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation

GWM 11

Cumulative >600m cost saves by 2021

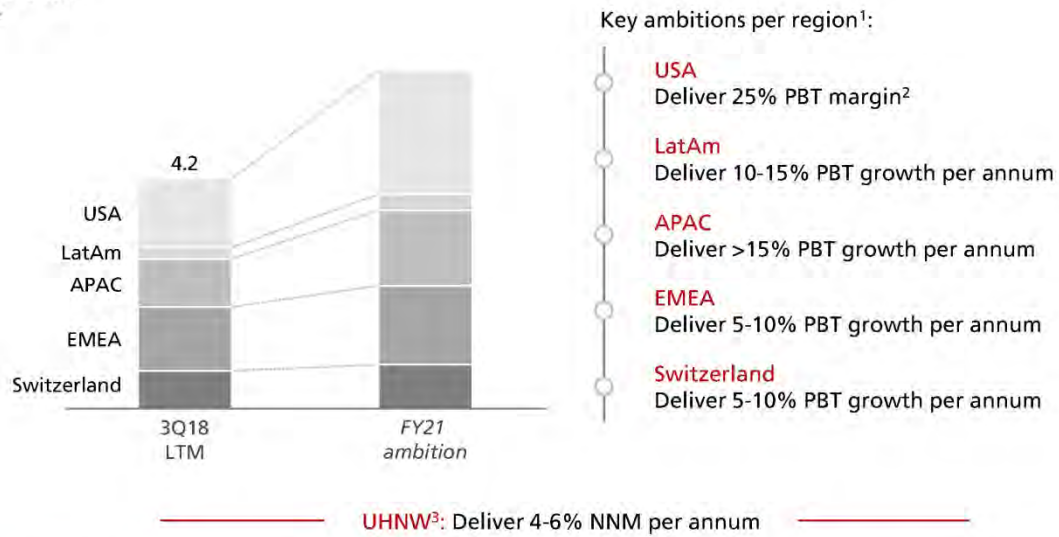


Numbers in CHFm and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation

GWM 12

Substantial growth continues in USA, APAC and UHNW

Profit before tax
illustrative




Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
Financial targets over the cycle; 1 Annual targets over the cycle unless otherwise noted; 2 Ambition by 2021, PBT in % of operating income;
3 Globally managed unit that exclusively serves UHNW clients

USA – Deliver 25% PBT margin

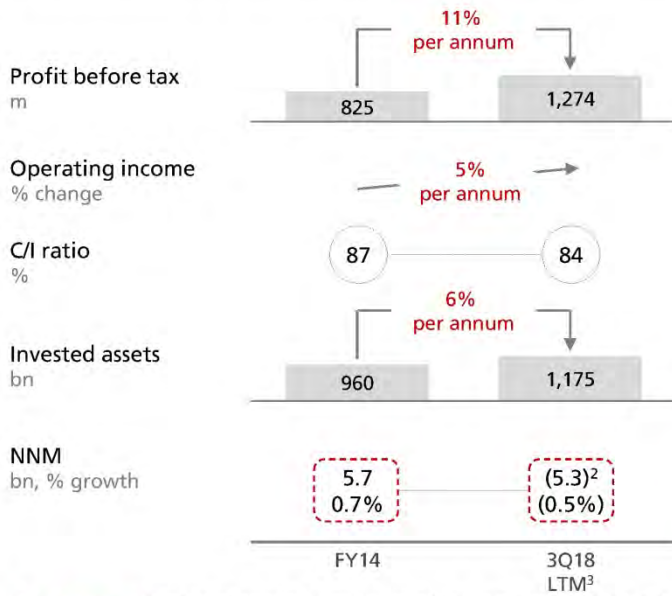
Share of GWM PBT¹



 Ambition by 2021; 1 3Q18 LTM; 2 PBT also included in regions, share of GWM PBT excludes Financial Intermediaries segment

GWM 14

Record PBT with good growth momentum

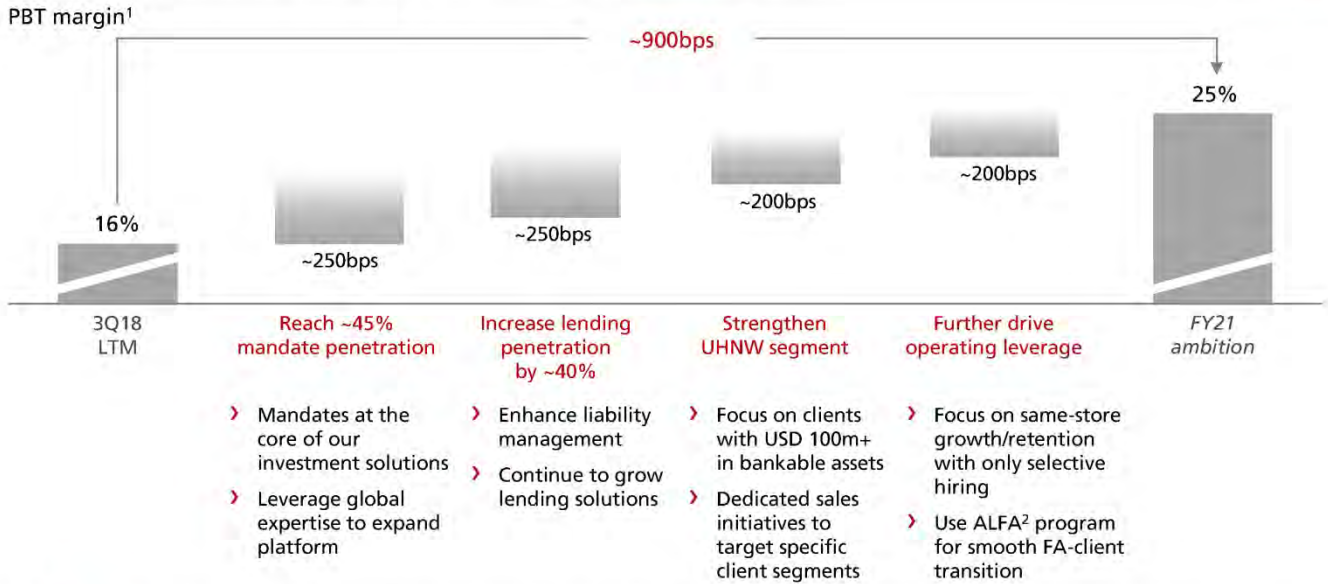


- Key messages**
- > Largest wealth market with strong fundamentals
 - > Most productive FAs with lead supposed to widen
 - > CHF 123bn increase in mandates since 2014
 - > Record PBT on record invested assets
 - > Strong same-store¹ NNM up 73% since 2014
 - > New operating model fuels success



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; ¹ NNM from financial advisors that have been with the firm for more than 12 months; ² Includes a single outflow of around CHF 4.4bn from a corporate employee share program in 2Q18; ³ 30.9.18 for invested assets

Our ambition is a PBT margin of 25%

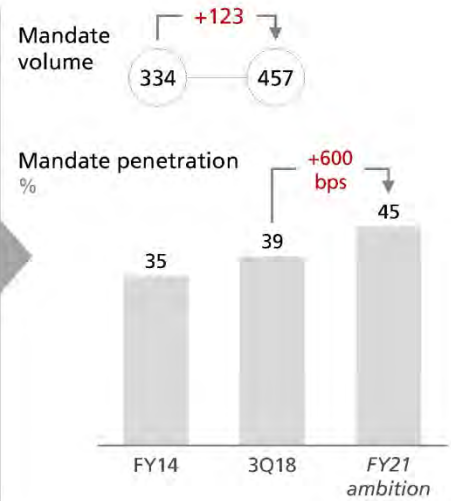


Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; 1 Ambition by 2021; 2 Aspiring Legacy Financial Advisor, targeting retiring financial advisors

Reach ~45% mandate penetration



- Address client demand and regulation > Majority of clients prefer fee-based investment solutions
Regulatory landscape favoring asset-based fees vs. trading
- Expand US offering > Expand product shelf by adding new global mandate solutions developed in Switzerland
- Build out FA support > Increase product specialists to support our FAs and client base
- Invest in our Advisory platform > UBS Advice Advantage as our digital advice offering
Technology projects to improve FA experience in connecting mandates with wealth planning



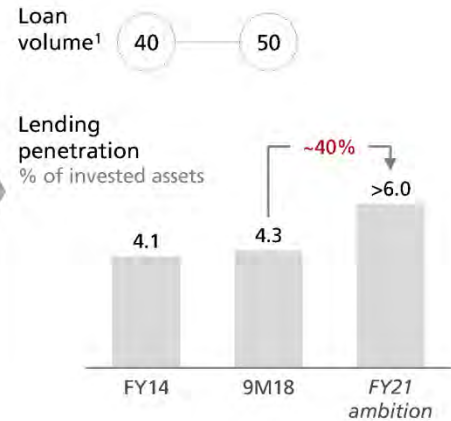
Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation

GWM 17

Increase lending penetration by ~40%



- Address client demand > 30-35bn incremental lending opportunity by capturing share of wallet from existing clients
- New product introduction > Rollout commercial real estate program in partnership with the Investment Bank
Launch lending programs to entrepreneurs
Enhance tailored lending program
- FA support & client experience > Leverage our existing ~100 banking specialists supporting FAs and clients
Integrate banking offerings on digital platforms
- Liability management > Rollout of savings accounts
Issue structured and callable certificate of deposits
Continue optimization of our investment portfolio



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
 1 Loans include customer brokerage receivables, which with the adoption of IFRS 9 effective 1 January 2018 have been reclassified to a separate reporting line on the balance sheet

Strengthen UHNW segment

Large potential in 100m+ net worth space...

...where we aim to capture our fair share

North America represents ~24% of global 100m+ net worth



US 100m+ population
 Total size: ~3.3 trillion
 Adults: ~14.2 thousand

Thereof US 1bn+ population
 Total size: ~1.7 trillion
 Adults: ~0.7 thousand

Expanded product offering

- > Institutional products and services offered via our Global Family Office
- > Increase philanthropy and wealth planning specialists
- > Expand product coverage of alternative and private investments

Global collaboration to increase coverage

- > Cross-divisional coverage with dedicated UHNW US advisors
- > Sharing best practice across global UHNW
- > Systematic approach to global client development

NNM opportunity



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; Source: BCG Global Wealth Database 2018 (investable wealth: liquid assets including cash/deposits, direct equities, bonds and fund holdings; excluding illiquid assets such as life & pensions, real estate and equity in unquoted companies)



Further drive operating leverage

- › Maintain **client and advisor-centric** model
- › Drive **organic growth** with top-tier FAs
- › Retain **clients** as FAs retire
- › Continue to create more **FA teams**
- › Enhance client and FA **digital experience**

Operating income per financial advisor thousands

% of industry average¹

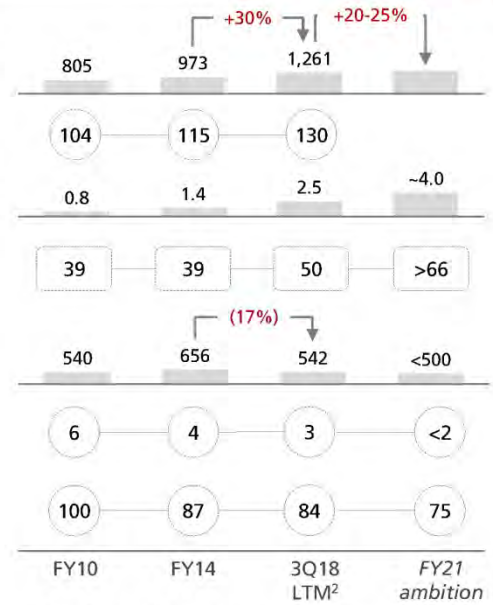
Same store NNM per FA

FAs in teams % of FA headcount

Recruit loan expense

Attrition rate %

Cost/income ratio %

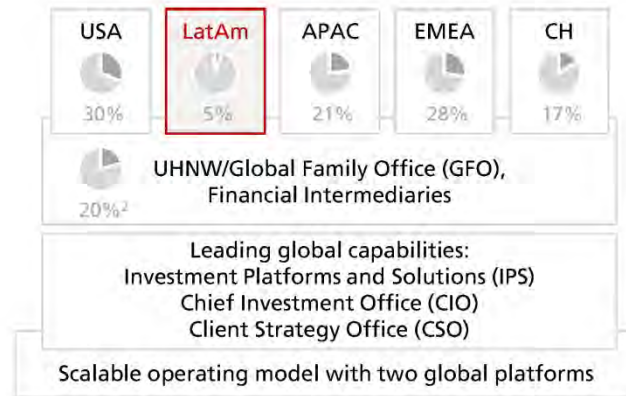


Numbers in CHFm and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; 1 Industry average includes BAML GWIM, Morgan Stanley WM, Wells Fargo WIM; 2 All figures except FA headcount

GWM 20

LatAm – Deliver 10-15% PBT growth per annum

Share of GWM PBT¹



Annual target over the cycle; 1 3Q18 LTM; 2 PBT also included in regions, share of GWM PBT excludes Financial Intermediaries segment

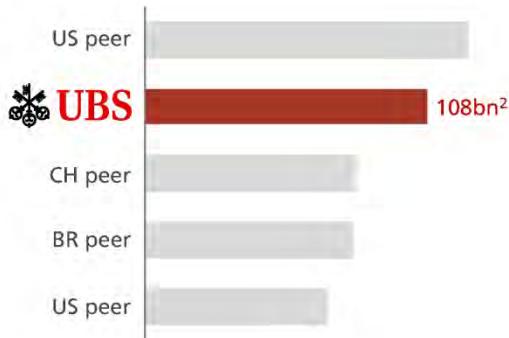
GWM 21

LatAm is a sizeable opportunity for GWM

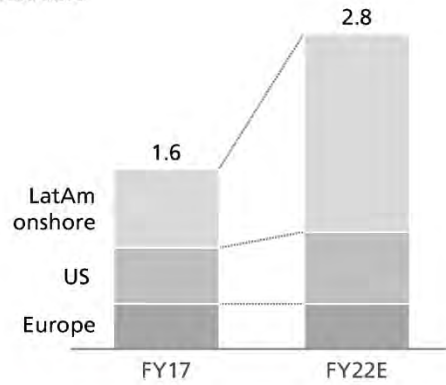


UBS is the #2 player in LatAm

Invested assets¹



Change in investable wealth per booking location³
trn, illustrative

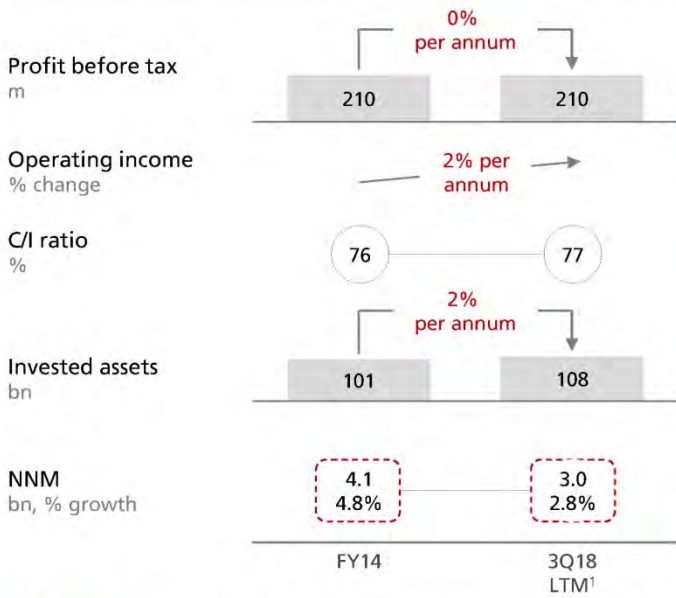


UBS is uniquely positioned to capture growth in the region with its strong global hubs in the US and Switzerland connected with local presence



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
1 Based on internal estimates; 2 As of 30.9.18; 3 BCG Global Wealth Database 2018 (investable wealth = liquid assets of households with wealth of USD>250k)

Grow LatAm by gaining market share



- Key messages**
- › Resilient performance despite cross-border outflows
 - › Investments to establish a scalable multi-shore platform
 - › Operating model geared to a fully transparent world
 - › Experienced client service teams in each location
 - › Gain share as clients show preference for US booking



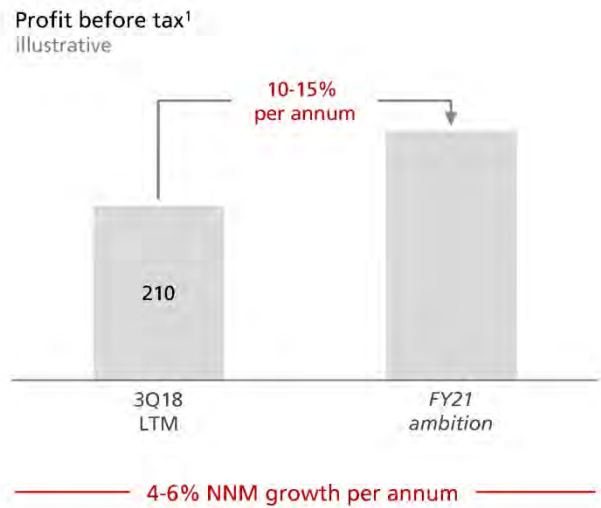
Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; 1 30.9.18 for invested assets

LatAm aims to deliver 10-15% PBT growth per annum



Strategic focus on growth opportunities and efficiency

- Cross-border collaboration program
- Booking-agnostic value proposition
- Enhanced client experience

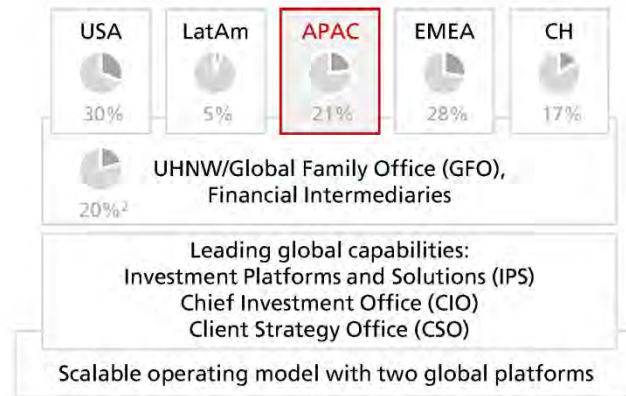


Numbers in CHFm and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
1 Annual target over the cycle

GWM 24

APAC – Deliver >15% PBT growth per annum

Share of GWM PBT¹



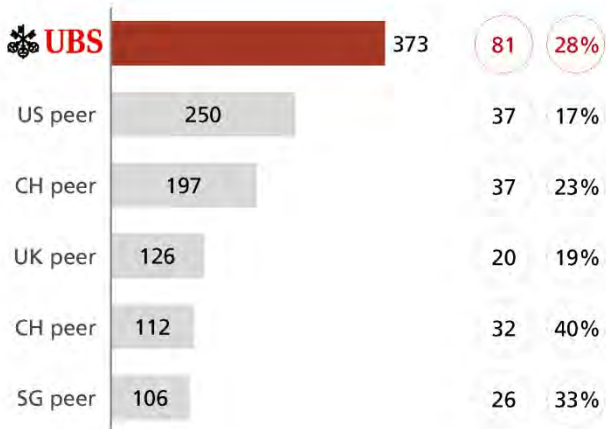
Annual target over the cycle; 1 3Q18 LTM; 2 PBT also included in regions, share of GWM PBT excludes Financial Intermediaries segment

GWM 25

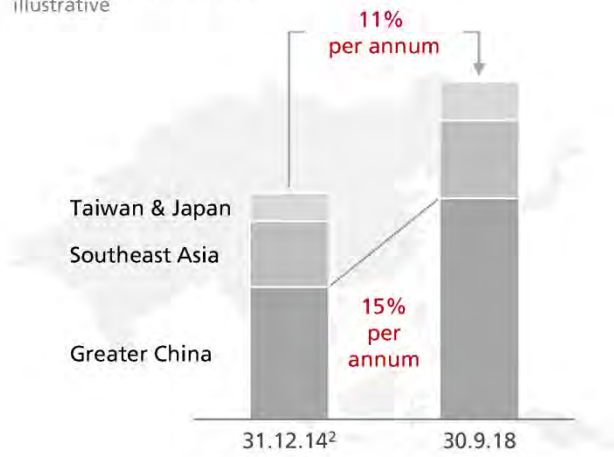
Clear leader in APAC with a strong China footprint



APAC invested assets¹



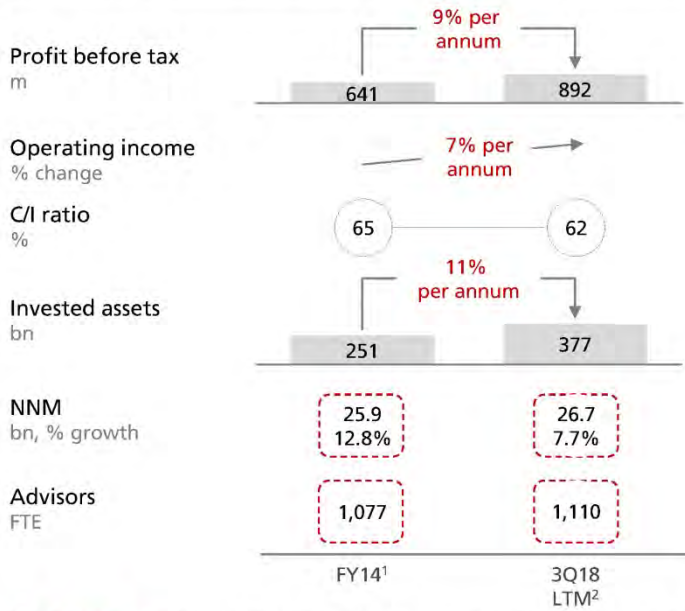
UBS GWM invested assets illustrative



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; 1 Asian Private Banker 2017 league table, UBS based on actuals; 2 Excluding Australia domestic business which was exited in 2Q16

GWM 26

Strong performance and substantial investment



- Key messages**
- > Double-digit growth in recurring income
 - > Strong NNM growth with prudent advisor hiring
 - > Strong loan growth supporting net interest income
 - > Operating leverage while investing for growth
 - > Productivity increase through platform investments



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
 1 Excluding Australia domestic business which was exited in 2Q16; 2 30.9.18 for Invested assets and 3Q18 for Advisors

Strong growth – mainly offshore in the short/mid term



373 billionaires in China,
814 billionaires in APAC

~2 new billionaires in China
per week, >3 in APAC

>80% of clients require
succession planning



APAC

~3.7trn offshore assets heavily concentrated in Hong Kong and Singapore¹

Onshore wealth ~8-10x larger than offshore, only 20-30% managed by a wealth manager²



China

China as important long-term investment, no significant profit contribution in the short term

Comprehensive set of licenses across businesses to deliver full value proposition in the mid term, including premium digital wealth services

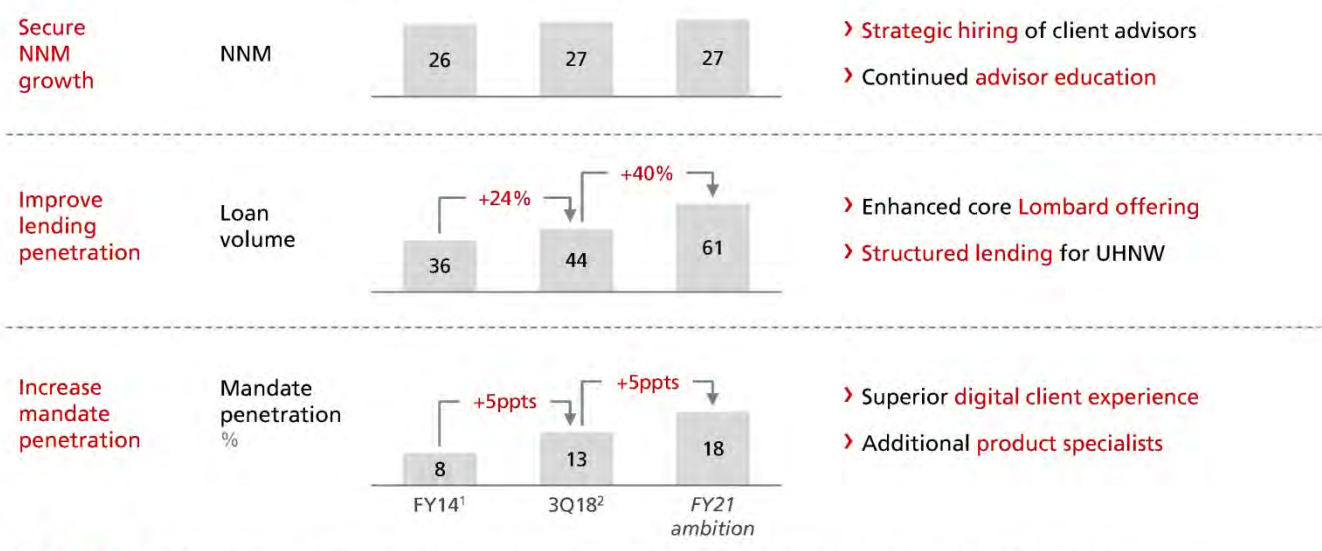


Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
1 BCG Global Wealth Database 2018; 2 Internal estimates

GWM 28

Focus on NNM, lending and mandates

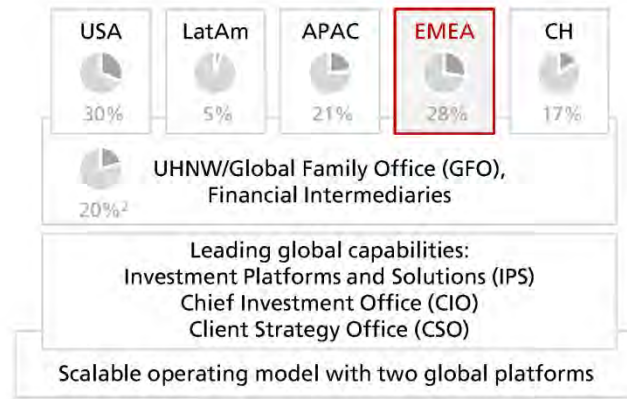
We aim to deliver >15% PBT growth per annum in APAC



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
 1 Excluding Australia domestic business which was exited in 2Q16; 2 NNM 3Q18 LTM

EMEA – Deliver 5-10% PBT growth per annum

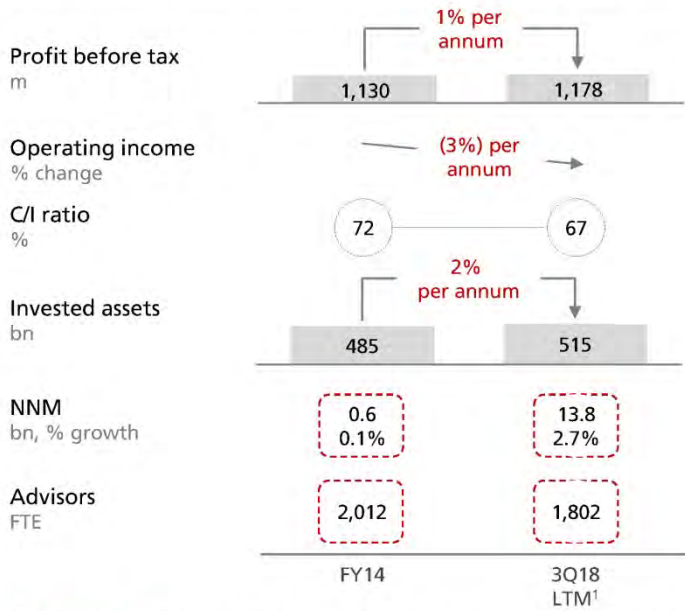
Share of GWM PBT¹



Annual target over the cycle; 1 3Q18 LTM; 2 PBT also included in regions, share of GWM PBT excludes Financial Intermediaries segment

GWM 30

Performance impacted by cross-border transformation



- Key messages**
- > Cross-border transformation completed
 - > Higher margin assets lost after repatriation
 - > Strong competition from large domestic players
 - > Higher profitability due to diligent cost control
 - > Solid net new money growth since 2016



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; 1 30.9.18 for invested assets and 3Q18 for advisors

Future growth driven by EU Domestic and CEEMEA



Strong value proposition to capture growth

EMEA consists of three businesses

Europe International
Booked in Switzerland



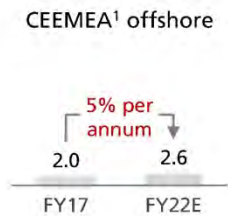
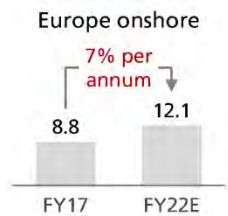
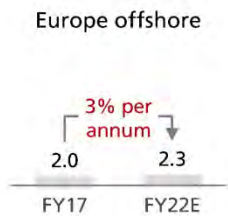
Europe Domestic
Booked in Europe



CEEMEA¹
Booked outside domicile



Investable wealth²



- › Domestic footprint ensuring proximity to clients and access
- › Global offering with regional adaptations to compete locally
- › Holistic coverage of client needs beyond investments
- › Global service centers enabling scale through Wealth Management Platform
- › Security of booking center Switzerland still a key success factor



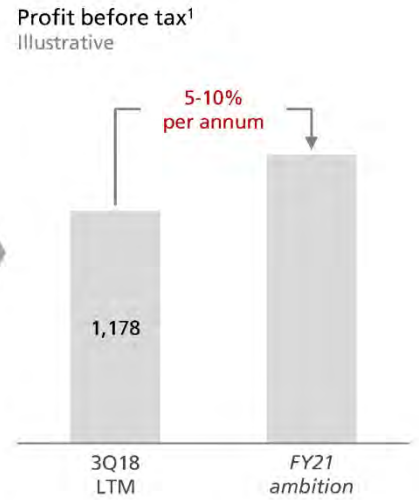
Numbers in CHFtrn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; 1 Central and Eastern Europe, Middle East and Africa; 2 BCG Global Wealth Database 2018

GWM 32

We aim to achieve 5-10% PBT growth per annum

Increasing profitability driven by revenue growth and cost efficiency

- Reinforce Europe International**
 - › Leverage leading capabilities and stability of booking center Switzerland to protect assets and gross margin
- Grow Europe Domestic**
 - › Onboard locations to Wealth Management Platform to fully leverage Swiss capabilities and achieve the scale to successfully compete with domestic champions
- Grow CEEMEA²**
 - › Maximize synergies between local advisory offices and booking center Switzerland to accelerate revenue growth



Numbers in CHFm and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
1 Annual target over the cycle; 2 Central and Eastern Europe, Middle East and Africa

Switzerland – Deliver 5-10% PBT growth per annum

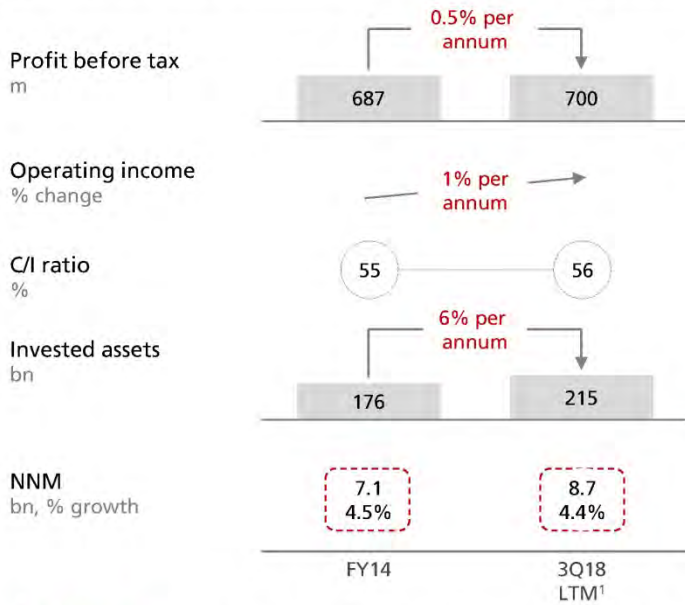
Share of GWM PBT¹



Annual target over the cycle; 1 3Q18 LTM; 2 PBT also included in regions, share of GWM PBT excludes Financial Intermediaries segment

GWM 34

Positive income and asset growth with leading profitability



- Key messages**
- > Stable net new money growth
 - > Increase in recurring fees
 - > Solid profit contribution, 17% of GWM PBT
 - > Impacted by negative interest rate environment
 - > Leading C/I ratio with a state of the art platform



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; 1 30.9.18 for invested assets

GWM 35

Our ambition is 5-10% PBT growth per annum

Attractive growth opportunities¹

~54bn Payouts from pension funds

> Almost double number of **pension planners** to ~30 FTEs by 2021

~158bn Inheritable bankable assets

> Further strengthen **Family Banking** to capture and protect **inheritance flows**

~65bn Sale of SME companies

> Increase **advisors for executives and entrepreneurs** to ~80 FTEs by 2021

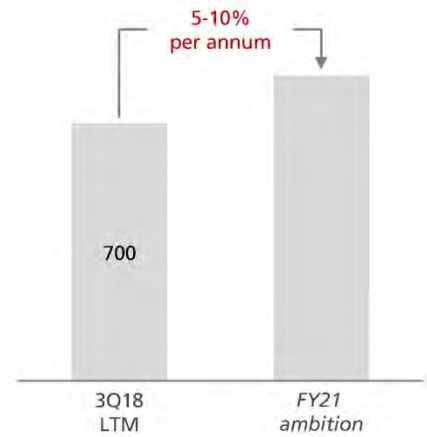


Front-to-back efficiency

> Increase **efficiency** of operating model through **further digitization**

Key strategic initiatives

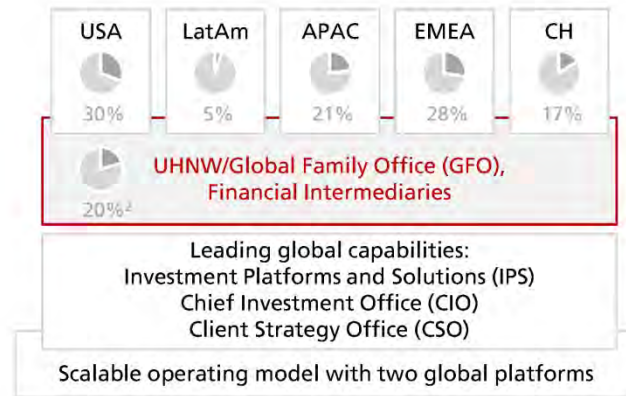
Profit before tax² illustrative



Numbers in CHFm and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;
 1 BCG Global Wealth Database 2018 – 'Money in motion' total of FY17-FY22E; 2 Annual target over the cycle

UHNW – Deliver 4-6% NNM per annum

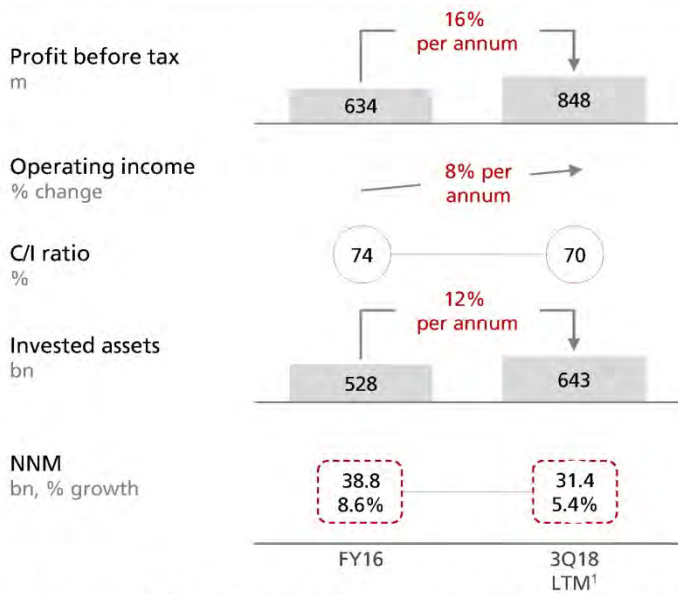
Share of GWM PBT¹



Annual target; 1 3Q18 LTM; 2 PBT also included in regions, share of GWM PBT excludes Financial Intermediaries segment

GWM 37

UHNW delivers scalable and profitable growth

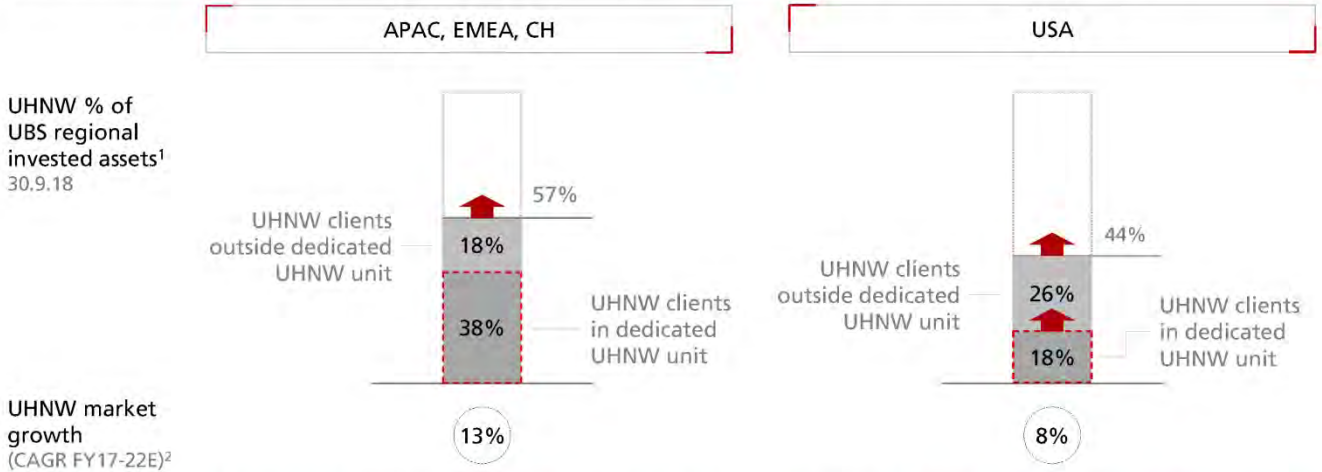


- Key messages**
- > Double digit profit growth
 - > Growth through share of wallet and new clients
 - > Deep, holistic client relationships across all regions
 - > High efficiency with a scalable operating model



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; UHNW is a globally managed unit that exclusively serves UHNW clients that was created in 2016; figures exclude UHNW clients managed outside of the dedicated UHNW unit, include the impact from clients shifting into and out of dedicated UHNW unit; 1 30.9.18 for invested assets

APAC and USA offer substantial growth opportunities



- Strategic focus**
- › Strengthen position as leading UHNW franchise
 - › Enhance UHNW offering and dedicated coverage
 - › Capture 17% annual UHNW market growth in APAC
 - › Grow share of wallet and acquire new clients



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; Dedicated UHNW unit refers to a globally managed unit that exclusively serves UHNW clients that was created in 2016; 1 UHNW segment definition: WM non-Americas: >50m bankable assets or >100m total wealth; WM Americas: Mostly >10m bankable assets with UBS; 2 BCG Global Wealth Database 2018 (UHNW defined as greater than USD 20m, USA market growth rate referring to North America)

US to support 4-6% UHNW NNM growth per annum



Focus on capturing a larger proportion of the US UHNW market

Global Family Office Group

- › Enhance **scale and capabilities** for 500m+ clients by expanding the US GFO team
- › Provide coordinated global execution with **IB/AM coverage** and **customized servicing**

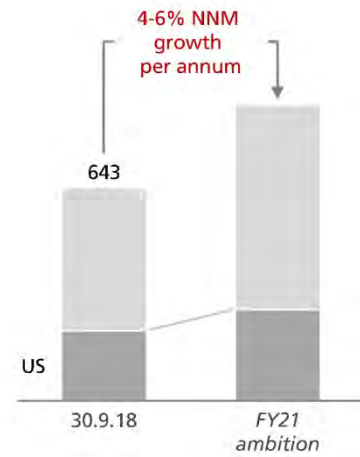
US Family Office Solutions Group

- › Build **integrated solutions** targeted at 100m+ clients by adding specialists

Referrals

- › Develop an **incentive scheme** to accelerate collaboration within the US as well as globally

Invested assets illustrative



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation;

GWMT 40

Leading global capabilities

Share of GWM PBT¹



¹ 3Q18 LTM; ² PBT also included in regions, share of GWM PBT excludes Financial Intermediaries segment

Leverage scale of globally leading capabilities and solutions



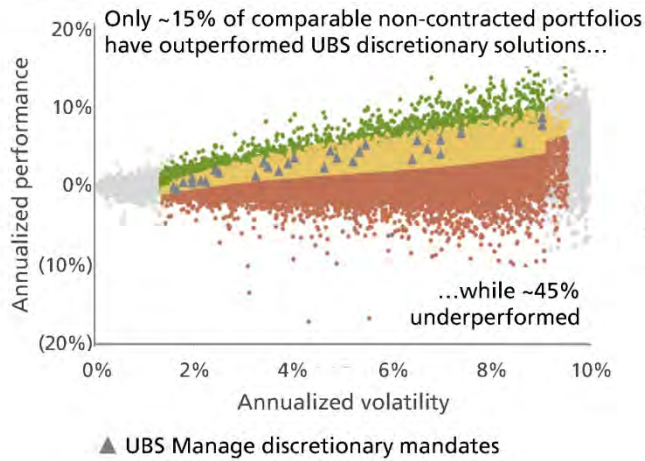
Delivering sophisticated, personalized content and capabilities through advisor centric client coverage



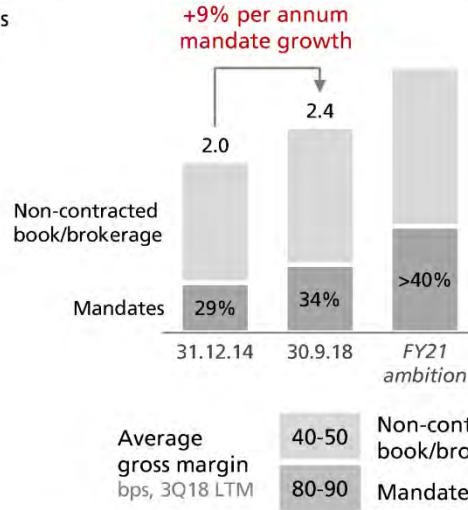


Mandates benefit clients and the firm

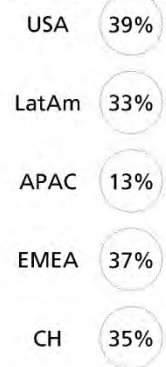
Booking center Switzerland
1H13-1H18



Invested assets
illustrative



Mandate penetration
3Q18



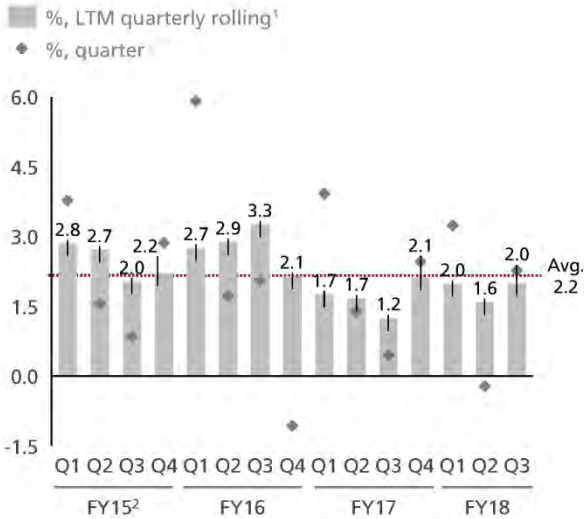
Numbers in CHFtrn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation

GWM 43



Focus on NNM quality

Net New Money growth



Sustainable **high quality** Net New Money growth

Cash inflows typically **fully invested** after 6-9 months

~50% of NNM flows into mandates within 12 months

UHNW contributes >50% of NNM but can create volatility

Managing for **profitability**

- › Charging for EUR deposits which led to outflows in 2017
- › Organic growth vs expensive recruiting to drive headline NNM
- › Focus on client economic profit³

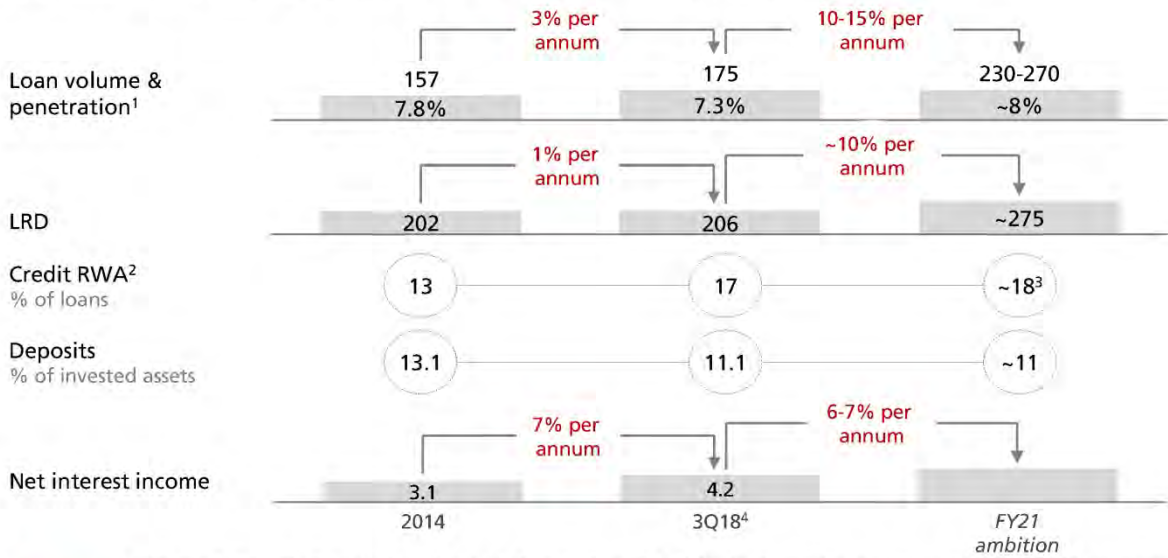


Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; 1 NNM growth rate of last twelve months; 2 NNM adjusted for Balance Sheet Capital Optimization Program of CHF ~10bn in 2015; 3 Client economic profit measures the value returned to shareholders by understanding all of the firms costs (including cost of capital) and revenue

Lending and deposit strategy to drive shareholder return



GWM as the main driver of growth for Group's financial resources



Numbers in CHFbn and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation; 1 Loans include customer brokerage receivables, which with the adoption of IFRS 9 effective 1 January 2018 have been reclassified to a separate reporting line on the balance sheet; 2 Credit and counterparty Credit Risk includes regulatory changes 2014-18; 3 Assuming no regulatory changes; 4 net interest income last twelve months

GWM 45

Scalable operating model and platform

Share of GWM PBT¹



¹ 3Q18 LTM; ² PBT also included in regions, share of GWM PBT excludes Financial Intermediaries segment

GWM 46

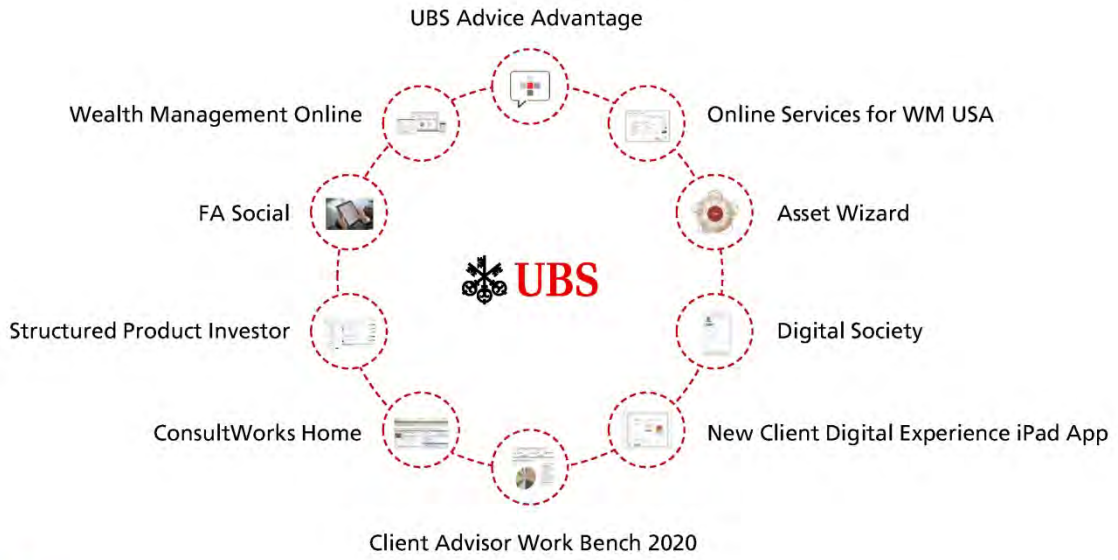
Creating WMAP and converging to WMP outside the US



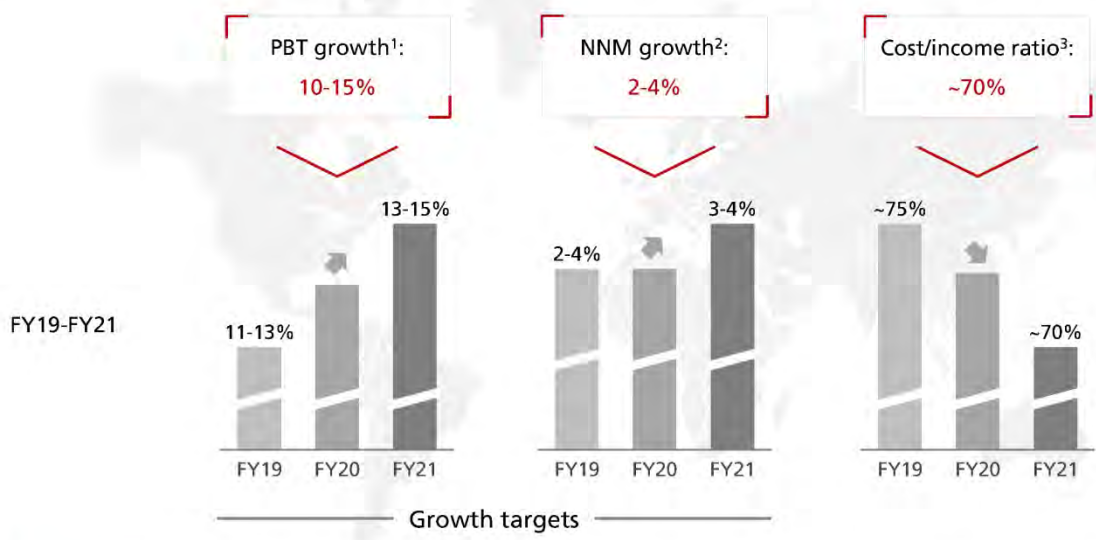
CHF ~600m investments by 2021 to implement our two platform strategy:
WMAP (2021), WMP Italy (2020) and WMP Taiwan (2021)



Continuous investment in innovation



We intend to deliver at the upper end of our growth targets



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation
 Targets and ambitions reflect Corporate Center allocation changes; 1 Annual target over the cycle, annual ranges represent management aspiration; 2 Target, annual ranges represent management aspirations; 3 Target for FY19, ambition for FY21

Key messages



Largest and only truly global wealth manager – uniquely positioned in biggest and fastest growing markets & segments



Strategic plan focused on accelerated growth in US, APAC and UHNW, supported by favorable market factors



Creation of GWM allows for ~250 million annualized cost saves, cumulative >600 million by 2021, to be reinvested in growth



Significant investment in the future – including technology to deliver industry-leading client and advisor experience



We intend to deliver at the higher end of our ambitious and achievable FY21 targets



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 52 for details on adjusted numbers and FX rates in this presentation

GWM 50

Financial targets

Group		Current performance		Annual targets		Ambitions	Capital/resource guidelines
		3Q18 LTM	Pro-forma ¹	FY19	FY19-21	FY21	FY19-21
Group	Reported return on CET1 capital	13.7% ²		~15%		~17%	
	Adjusted cost/income ratio			~77%		~72%	
	CET1 capital ratio	13.5% ³					~13%
	CET1 leverage ratio	3.80% ³					~3.7%
Global Wealth Management	Adjusted pre-tax profit growth	5%			10-15% ⁴		
	Adjusted cost/income ratio	76.5%	✓	~75%		~70%	
	Net new money growth	2%			2-4%		
Personal & Corporate Banking	Adjusted pre-tax profit growth	(2%)			3-5% ⁴		
	Adjusted cost/income ratio	59.4%	✓	~59%		~56%	
	Net interest margin	152	✓		145-155bps		
Asset Management	Adjusted pre-tax profit growth	(10%) ⁵			~10% ⁴		
	Adjusted cost/income ratio	75.1%	✓	~72%		~68%	
	Net new money growth (excl. money markets)	6%			3-5%		
Investment Bank	Adjusted return on attributed equity	13.6%	✓		~15% ^{4,6}		
	Adjusted cost/income ratio	77.3%	✓	~78%		~75%	
	RWA and LRD in relation to Group	32%/32%					~1/3



Numbers in CHF unless otherwise indicated; refer to slide 52 for details on adjusted numbers, Basel III numbers and FX rates in this presentation; 1 Pro-forma adjusted for announced Corporate Center allocation changes; 2 Adjusted for the impact from the US tax reform in 4Q17; 3 As of 30.9.18; 4 Over the cycle; 5 Normalized for the sale of our fund administration business in 4Q17; 6 Repositioned from a minimum return to a performance target

GWM 51

Important information related to this presentation

Use of adjusted numbers

Adjusted results are a non-GAAP financial measure as defined by SEC regulations. Refer to pages 9-11 of the 3Q18 report which is available in the section "Quarterly reporting" at www.ubs.com/investors for an overview of adjusted numbers.

If applicable for a given adjusted KPI (i.e., adjusted return on tangible equity), adjustment items are calculated on an after-tax basis by applying an indicative tax rate. Refer to page 18 of the 3Q18 report for more information.

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 3Q18 report for more information.

Currency translation

Monthly income statement items of foreign operations with a functional currency other than Swiss francs are translated with month-end rates into Swiss francs.

Rounding

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UBS Investor Update

GWM & IB – A value-based partnership

Martin Blessing
Co-President, Global Wealth Management

Piero Novelli
Co-President, Investment Bank

Kathryn Shih
President UBS Asia Pacific

25 October 2018



Cautionary statement regarding forward-looking statements

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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), including to counteract regulatory-driven increases, leverage ratio denominator, 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) continuing low or negative interest rate environment, 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 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, to 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; 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(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 2017. 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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GW/MB 1

GFO – Global Family Office

Dedicated institutional client coverage across the IB and GWM

Past to present



Significant upside

>20%
revenue CAGR

Average UBS revenues for clients introduced to GFO coverage since 2014

GFO client profile

- High trading activity
- Strategic dialogue on their corporate business or private investment opportunities
- Customized asset management products

Future – key areas of growth

Offering	Coverage
Strengthen strategic dialogue on clients' corporate business	Further widen client base across selected EMEA markets
Scale up private placement capabilities	Continue developing GFO in APAC
Increase regional cross-selling following GWM creation	Build and expand GFO capabilities in the US

We provide consistent coverage and bespoke solutions across GWM, IB, and AM



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 4 for details on adjusted numbers and FX rates in this presentation; 1 Revenue generated by product, and shared approximately 50:50 between Global Wealth Management and the Investment Bank

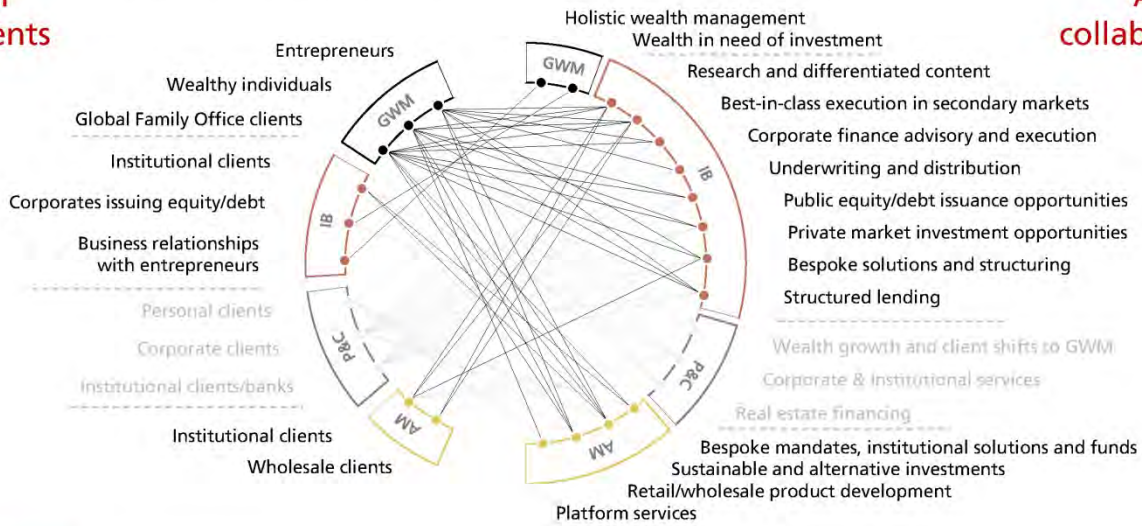
GWM/IB 2

Working in partnership in APAC

Delivering the whole firm to our clients

Our clients

Areas of collaboration



List is not exhaustive

GWM/IB 3

Important information related to this presentation

Use of adjusted numbers

Adjusted results are a non-GAAP financial measure as defined by SEC regulations. Refer to pages 9-11 of the 3Q18 report which is available in the section "Quarterly reporting" at www.ubs.com/investors for an overview of adjusted numbers.

If applicable for a given adjusted KPI (i.e., adjusted return on tangible equity), adjustment items are calculated on an after-tax basis by applying an indicative tax rate. Refer to page 18 of the 3Q18 report for more information.

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UBS Investor Update

Investment Bank

Robert Karofsky and Piero Novelli
Co-Presidents, Investment Bank

25 October 2018



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Key messages



Committed to our unique model



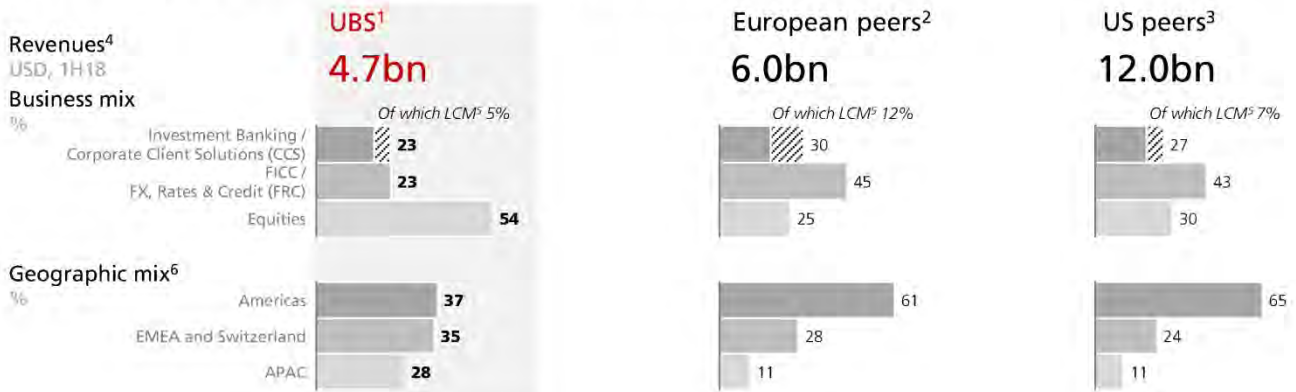
Excellent performance with institutional and corporate clients driving ability to add value across the Group



Disciplined growth in capital-light Advisory & Execution businesses, which require only limited incremental resources to grow, and accelerating digital transformation

Our mix differs to peers

Unique model and footprint drive differentiated performance



1 UBS overweight Equities and FX; a more balanced geographic mix; selective focus in Rates & Credit

2 Right size and shape for our clients and shareholders

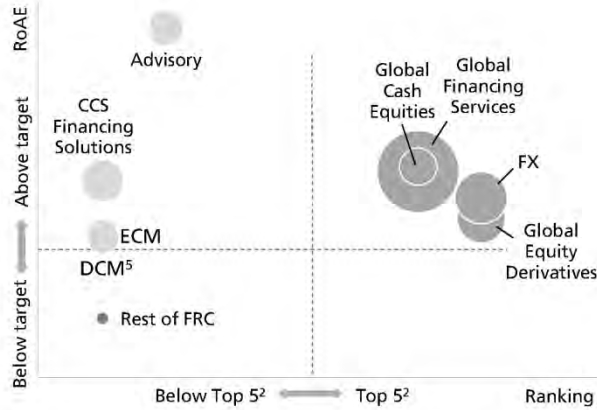


1 UBS adjusted for comparability with peers (Corporate Derivatives moved from CCS to Equities, CCS Financing Solutions moved from CCS to FRC); 2 average of CS, BARC, DB; 3 average of BAML, MS, Citi, GS, JPM; 4 Equities, Fixed Income, Investment Banking revenues before CLE in USD, not adjusted for accounting differences; 5 Leveraged Capital Markets (LCM) share vs. total revenues for peers derived from Dealogic data for peers and based on internal figures for UBS; 6 Regional financials for UBS and excludes region other, proxy for peers based on Dealogic total Investment Banking fees for 1H18

Scale and profitability in targeted areas

Scale where it matters; ~70% of businesses in Top 5^{1,2}, >90% of our portfolio delivers returns above target³

Profitability and ranking by business area
FY14-1H18⁴



Scale and excellence enable us to provide **best-in-class services** to internal and external clients



"Earn-to-Play"
Lead with intellectual capital and client relationships as opposed to balance sheet deployment

Defended or gained market share versus peers across all businesses where we choose to compete

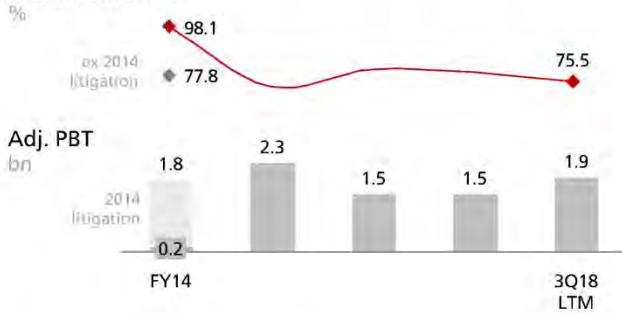
Numbers adjusted unless otherwise indicated; refer to slide 18 for details on adjusted numbers and FX rates in this presentation. Source: Coalition, Dealogic, Euromoney, Greenwich; 1 Percentage of all businesses that can be ranked vs peers; 2 Equities and rest of FRC. Coalition: 1H18 Rank analysis is based upon the following peer group: BAML, BARC, CITI, CS, DB, GS, JPM and MS. 1H18 Rank analysis is according to UBS business taxonomy; CCS: Dealogic versus peer group; CCS Financing Solutions positioning based on UBS estimate; FX: Euromoney/Greenwich; 3 2014-1H18 as measured by revenues; 4 Bubble size indicates PBT contribution with minimum size applied for negative PBT; 5 Includes LCM



Disciplined management of resources, costs and risk

Carefully managed capital and cost efficiency

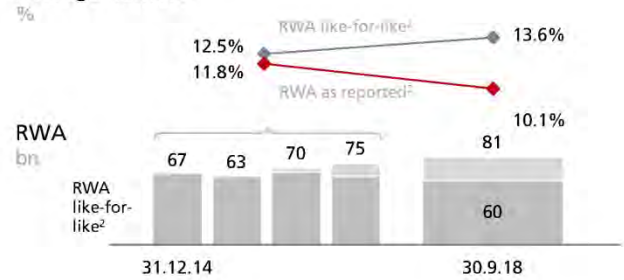
Cost/income ratio



Adj. PBT



Average RoRWA¹



RWA



Strong operating leverage

- › Driving positive operating leverage by growing revenues and diligently controlling costs
- › 0.3bn cost reduction 2014 to 2017 due to relentless focus on controllable costs

Robust returns on RWA

- › Best-in-class returns on an increasing denominator
- › Improved RoRWA when normalized for currency impact, changes in operational risk, methodology, policies and model updates

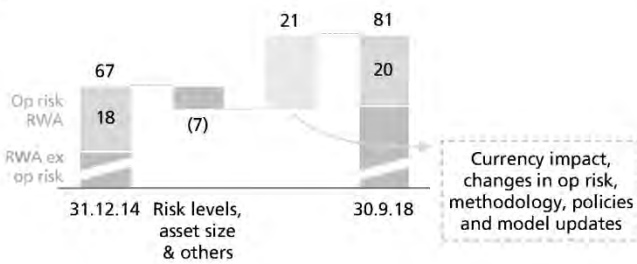


Numbers in CHF and adjusted unless otherwise indicated; refer to slide 18 for details on adjusted numbers and FX rates in this presentation; period end figures for RWA; average returns over the period; 1 3Q18 LTM revenues on RWA incl. HQLA; 2 Refer to slide 6 of this presentation for more detail; like-for-like excludes currency impact, changes in operational risk, methodology, policies and model updates

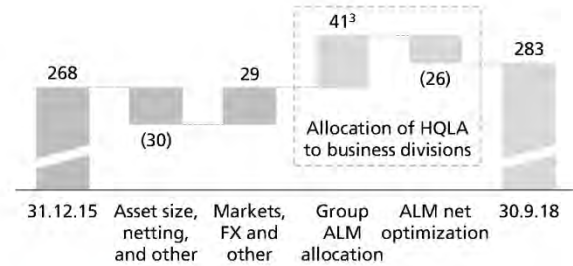
Disciplined management of resources, costs and risk

We have controlled and optimized resource usage

RWA¹
bn



LRD^{1, 2}
bn



Like-for-like RWA reduced

- › Reduced risk levels since 2014
- › Increase driven by regulatory and policy changes, as well as model updates

LRD ex HQLA broadly constant

- › Optimized balance sheet since 2015
- › Mitigated impact of markets

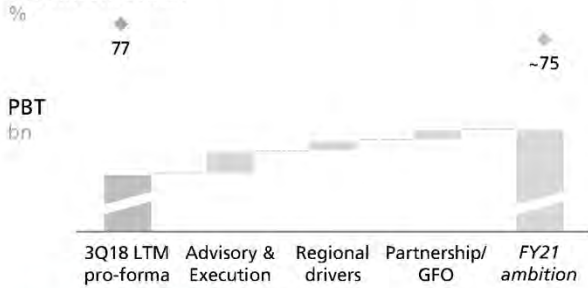


Numbers in CHF and adjusted unless otherwise indicated; refer to slide 18 for details on adjusted numbers and FX rates in this presentation; period end figures; 1 For definitions of the categories, see Annual Report 2016, p. 195; 2 LRD not available at business division level prior to 2015; 3 HQLA allocation as at 31.1.2017

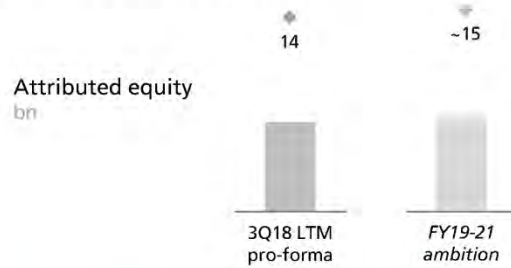
Delivering profitable growth...

Continue to manage the levers with discipline

Cost/income ratio



Return on attributed equity



Efficient PBT growth

- > Gaining profitable market share
- > Deploying technology
- > Target cost/income ratio for 2019: ~78%

Aim to deliver returns above cost of equity

- > Plan to exceed cost of equity through the cycle while absorbing incremental equity allocation

RoAE target of ~15% by gaining profitable market share, controlling costs and resources

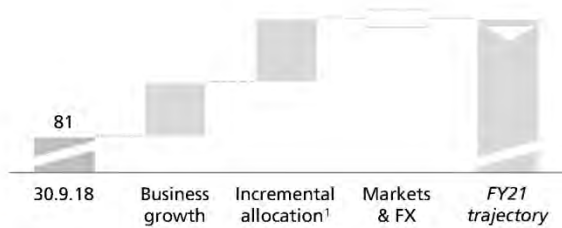


Numbers in CHF and adjusted unless otherwise indicated; refer to slide 18 for details on adjusted numbers and FX rates in this presentation; average figures for attributed equity; average returns over the period

..within a defined resource allocation framework

We will continue to control and optimize resource usage

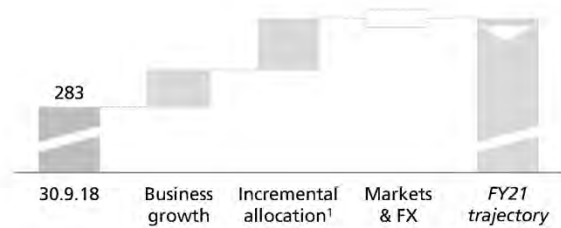
RWA¹
bn



RWA expected to grow

- › Driven by disciplined business growth
- › Limited incremental increase from items previously held centrally of ~7bn

LRD¹
bn



LRD expected to grow

- › Driven by disciplined business growth
- › Incremental increase from items previously held centrally of ~28bn

Retain expectation of around 1/3 of Group resources



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 18 for details on adjusted numbers and FX rates in this presentation; period end figures; 1 Incremental increase from items previously held centrally

18 8

Our strategic priorities and growth drivers



Growth plan requires limited incremental resources

Focus on Advisory & Execution businesses, which do not require significant balance sheet to grow

2014-1H18 average

Ambition



Numbers in CHF and adjusted unless otherwise indicated; refer to slide 18 for details on adjusted numbers and FX rates in this presentation

16 10

Taking market share profitably by delivering excellence...

Disciplined growth initiatives for each product to achieve our ambitions



Advisory & Execution

Deepen selected CCS industry verticals and geographies to benefit from cross-regional network effects

Increase senior-level client interactions and develop talent

Invest to remain a top global liquidity provider for our clients

Benefit from investments in electronic execution and MiFID II preparation



Differentiated content

Top *Institutional Investor* ranked **Global Equity Research**

Further **develop** Evidence Lab: Data-driven research

Superior market intelligence to clients through **Knowledge Network** in FRC, **One Source** in Equities

Provide seamless consistent client service across ICS through our distinct, innovative coverage model

Ambitions

CCS¹

Grow Advisory top line

Become Top 5 ECM globally

ICS²

Equities **top global liquidity provider** and **profitability focused leadership**

FRC³ selective leadership, maintaining a top-3 position in FX; **returns exceeding cost of equity**

Research

Profitable, Self-standing

Remain **leading** provider globally



1 CCS: Corporate Client Solutions; 2 ICS: Investor Client Services; 3 FX, Rates and Credit

IB 11

...propelled by continued innovation in Digital

We have a strong track record of excellence in electronic execution, UBS Research and UBS Neo

Equities Electronic Trading

Long tradition of excellence - our first VWAP algorithm developed in 1997



Sellside electronic execution department of the year¹



>80 Trading systems
>200 Offered algos

Equities trading turnover August 2018 vs. January 2014²



UBS has grown faster than the market

eFX spot volumes 9M18 YoY³



eFX

Best bank algorithmic trading technology provider⁴



#3 globally⁵



Ultra-low latency pricing and hedging
>700 currency pairs
Machine learning smart order routing

UBS NEO

Multi-channel platform with 30+ awards



63+
Applications available



3.1m
Transactions YTD



880k
Client interactions YTD



¹ Trading & Technology Awards Europe 2018, Financial News; ² UBS, CBOE Global Markets, Bloomberg, World Bank, 2018 (proxy given no electronic trading available for total market); ³ UBS electronic FX Spot volumes vs monthly average daily volumes of four lit FX Spot markets (Reuters, EBS, CBOE FX and Fastmatch); ⁴ FX Week; ⁵ Euromoney FX survey 2018: Electronic Trading

Build a Digital Investment Bank

Launched IB Innovation Lab and defined clear objectives for each business

Businesses' digital transformation



ICS

AI combined with electronic execution to target the right clients
 Data-driven and technology-enabled salesforce
 Data Solutions delivering UBS data via the Cloud



CCS

Leverage technology to offer differentiated advice



Research

Strategic moat through Evidence Lab

- Digital Footprint Analysis
- Quantitative Market Research
- Geospatial Analysis
- Data Science

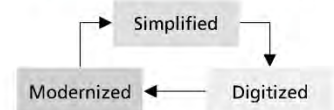


IB Innovation Lab



Idea incubator
 Proof-of-Concept enabler

Backbone for the future
One Front-to-Back team,
united by a common goal
 of excellence and ownership



Deliver regional growth and work together globally

Capitalise on core competency of global reach

APAC

CCS: Further strengthen China onshore and offshore capabilities

Equities: Retain #1¹; capitalize on China internationalization and leverage leading position in Australia

FRC: Maintain top 3 position² in FX with product enhancements, improved analytics and hedging models

Leverage global connectivity

Deliver the global product to each region

Focus on **cross-border M&A and IPOs**

Retain leading position in EMEA and Switzerland by delivering our global distribution capabilities and product expertise

Americas

Grow ECM & Advisory: focus on increasing wallet share and achieving house bank status with key franchise clients

Grow Cash and Flow Derivatives by leveraging global Equities franchise

Gain profitable share in Credit Flow by capitalizing on recent investments in people and technology

PBT³ FY14-9M18

Region	Percentage
Americas	37%
APAC	31%
EMEA and Switzerland	32%

RoAE³ FY14-9M18

Region	RoAE (Relative)
Americas	High
APAC	Medium
EMEA and Switzerland	Low



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 1 Coalition. 1H18 Rank analysis according to UBS business taxonomy based on BAML, BARC, CITI, CS, DB, GS, JPM and MS; 2 Greenwich survey 2018, APAC includes Japan; 3 Excludes region other

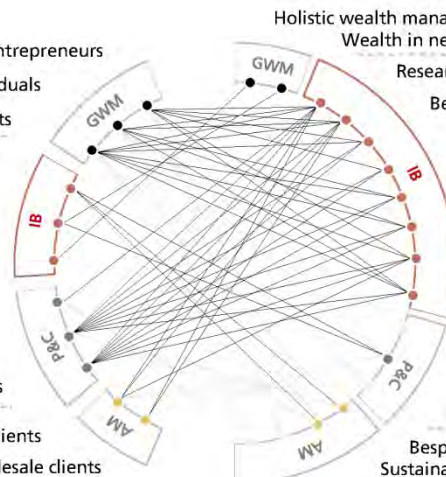
18 14

Working in partnership

Delivering the whole firm to our clients

Our clients

- Entrepreneurs
- Wealthy individuals
- Global Family Office clients
- Institutional clients
- Corporates issuing equity/debt
- Business relationships with entrepreneurs
- Personal clients
- Corporate clients
- Institutional clients/banks
- Institutional clients
- Wholesale clients



Areas of collaboration

- Holistic wealth management
- Wealth in need of investment
- Research and differentiated content
- Best-in-class execution in secondary markets
- Corporate finance advisory and execution
- Underwriting and distribution
- Public equity/debt issuance opportunities
- Private market investment opportunities
- Bespoke solutions and structuring
- Structured lending
- Wealth growth and clients shifts to GWM
- Corporate & Institutional services
- Real estate financing
- Bespoke mandates, institutional solutions and funds
- Sustainable and alternative investments

Financial targets

		Current performance		Annual targets		Ambitions	Capital/resource guidelines
		3Q18 LTM	Pro-forma ¹	FY19	FY19-21	FY21	FY19-21
Group	Reported return on CET1 capital	13.7% ²		~15%		~17%	
	Adjusted cost/income ratio			~77%		~72%	
	CET1 capital ratio	13.5% ³					~13%
	CET1 leverage ratio	3.80% ³					~3.7%
Global Wealth Management	Adjusted pre-tax profit growth	5%			10-15% ⁴		
	Adjusted cost/income ratio	76.5%	✓	~75%		~70%	
	Net new money growth	2%			2-4%		
Personal & Corporate Banking	Adjusted pre-tax profit growth	(2%)			3-5% ⁴		
	Adjusted cost/income ratio	59.4%	✓	~59%		~56%	
	Net interest margin	152	✓		145-155bps		
Asset Management	Adjusted pre-tax profit growth	(10%) ⁵			~10% ⁴		
	Adjusted cost/income ratio	75.1%	✓	~72%		~68%	
	Net new money growth (excl. money markets)	6%			3-5%		
Investment Bank	Adjusted return on attributed equity	13.6%	✓		~15% ^{4,6}		
	Adjusted cost/income ratio	77.3%	✓	~78%		~75%	
	RWA and LRD in relation to Group	32%/32%					~1/3



Numbers in CHF unless otherwise indicated; refer to slide 18 for details on adjusted numbers, Basel III numbers and FX rates in this presentation;
 1 Pro-forma adjusted for announced Corporate Center allocation changes; 2 Adjusted for the impact from the US tax reform in 4Q17; 3 As of 30.9.18; 4 Over the cycle; 5 Normalized for the sale of our Fund Administration business in 4Q17; 6 Repositioned from a minimum return to a performance target

Key messages



Committed to our unique model



Excellent performance with institutional and corporate clients driving ability to add value across the Group



Disciplined growth in capital-light Advisory & Execution businesses, which require only limited incremental resources to grow, and accelerating digital transformation



Important information related to this presentation

Use of adjusted numbers

Adjusted results are a non-GAAP financial measure as defined by SEC regulations. Refer to pages 9-11 of the 3Q18 report which is available in the section "Quarterly reporting" at www.ubs.com/investors for an overview of adjusted numbers.

If applicable for a given adjusted KPI (i.e., adjusted return on tangible equity), adjustment items are calculated on an after-tax basis by applying an indicative tax rate. Refer to page 18 of the 3Q18 report for more information.

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 3Q18 report for more information.

Currency translation

Monthly income statement items of foreign operations with a functional currency other than Swiss francs are translated with month-end rates into Swiss francs.

Rounding

Numbers presented throughout this presentation may not add up precisely to the totals provided in the tables and text. Starting in 2018, percentages, absolute and percent changes, and adjusted results are calculated on the basis of unrounded figures, with the exception of movement information provided in text that can be derived from figures displayed in the tables, which is calculated on a rounded basis. For prior periods, these values are calculated on the basis of rounded figures displayed in the tables and text.

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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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

UBS Group AG

By: /s/ David Kelly
Name: David Kelly
Title: Managing Director

By: /s/ Ella Campi
Name: Ella Campi
Title: Executive Director

UBS AG

By: /s/ David Kelly
Name: David Kelly
Title: Managing Director

By: /s/ Ella Campi
Name: Ella Campi
Title: Executive Director

Date: October 25, 2018