



Morgan Stanley European Financials Conference 2020

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Group Chief Financial Officer

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Basel III RWA, LRD and capital: Basel III numbers are based on the BIS Basel III framework, as applicable for Swiss Systemically relevant banks (SRB). Numbers in the presentation are based on the revised Swiss SRB rules as of 1.1.20 that became effective on 1.7.16, unless otherwise stated. Basel III risk-weighted assets in this presentation are calculated on the basis of Swiss SRB rules as of 1.1.20 unless otherwise stated. Our RWA under BIS Basel III are the same as under Swiss SRB Basel III. Leverage ratio and leverage ratio denominator in this presentation are calculated on the basis of Swiss SRB rules as of 1.1.20, unless otherwise stated. Refer to the “Capital management” section in the 3Q19 report for more information.

Currency translation of monthly income statement items of operations with a functional currency other than the US dollar are translated with month-end rates into US dollar.

Definitions: “Earnings per share” refers to diluted earnings per share. “Litigation” refers to net additions/releases to provisions for litigation regulatory and similar matters reflected in the income statement for the relevant period. “Net profit” refers to net profit attributable to shareholders.

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

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

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COVID-19 – an update

Priorities

Our key priorities are to safeguard the wellbeing of our employees, serve our clients and ensure operational continuity

- › Staff working remotely where possible. We have drawn upon early lessons learned from our operations in Asia where we implemented home working and split teams early on
- › Prior investments in technology infrastructure are paying off; we have further increased our tech infrastructure capacity to support our new working arrangements and can react quickly to changes in demand
- › Our AGM will be held on 29 April 2020 and broadcast via livestream

We are looking to use our resources to provide support to individuals, Swiss small businesses and our clients globally at this difficult time - all within our broader responsibility to stakeholders

Business impact

- › We have seen little to no disruptions in service to our clients and have successfully managed very high volumes across our businesses, particularly in our trading operations
- › Our business model is highly capital-generative and delivered nearly 5 billion in CET1 capital last year¹. What's more, our strong capital, liquidity and funding positions mean we are able to withstand even a severe stressed scenario
- › While previous economic growth projections are clearly no longer valid, it is too early to forecast the impact and much depends on the response of public health, fiscal, monetary and other policy reactions
- › UBS has repeatedly passed stress tests and continues to lend to individuals and businesses across its businesses, as well as to facilitate investments to support the economy. Financial services will be critical to support the economy as we pass through this emerging public health crisis and economic shock

2020-2022 priorities

Drive higher and superior returns by growing and leveraging our unique, integrated and complementary business portfolio and geographic footprint



- I Elevate our world leading **Global Wealth Management** franchise to drive higher margins and **10-15% PBT growth p.a.**
- II **Improve returns** in the **Investment Bank** by further optimizing resources and collaboration
- III Capitalize on our differentiated client offering in **Asset Management** for further **growth, performance** and **scale**
- IV Grow profits in **Personal & Corporate Banking** through **digital** initiatives, **services** and **efficiency**
- V Deliver more as **one firm** for our clients
- VI Drive improvements in firmwide **operating efficiency** to fund growth and enhance returns
- VII Maintain attractive **capital return profile** through dividends and buybacks

Elevate our Global Wealth Management to new heights

Taking wealth management franchise into the next decade

1

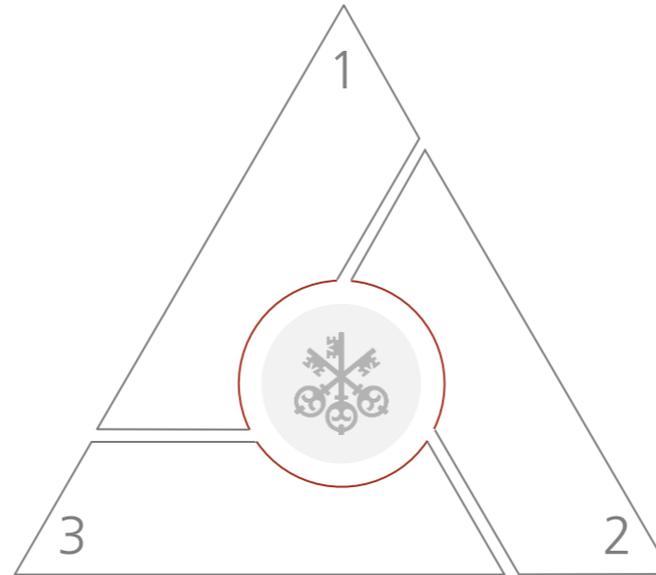
Tailored client coverage

Expand GFO further leveraging IB/AM integration

Align UHNW to regional business units

A more focused and enhanced offering for our **HNW** franchise

Roll out modular solutions tailored to clients with less complex day-to-day needs



Get closer to clients

2

Accelerate decision making and time to market

Empower our regions while keeping global benefit

Increase time spent with **clients**

Relentless focus on **client outcomes**

3

Expand product offering and become ever more efficient

Expand strategic **partnerships** with IB and AM

Extend industry **leadership** in content and solutions

Optimize **processes** front-to-back to increase client advisor productivity

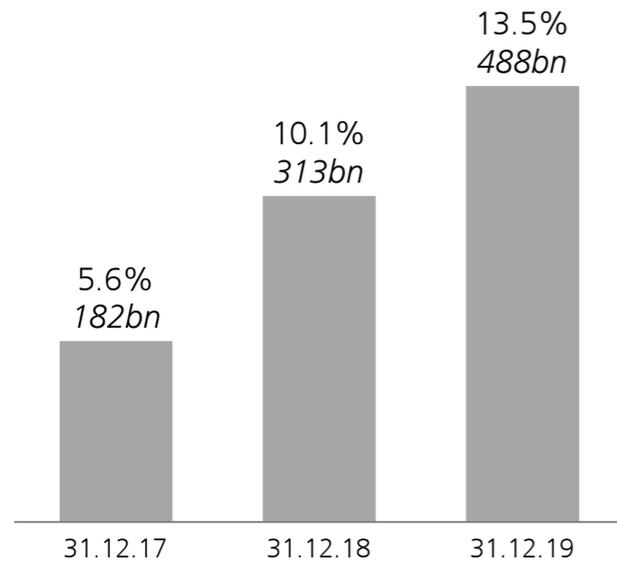
Our sustainability drive

We are a recognized leader in sustainability, delivering in area increasingly important to clients

What we doing for our clients

Strong growth in core sustainable investments

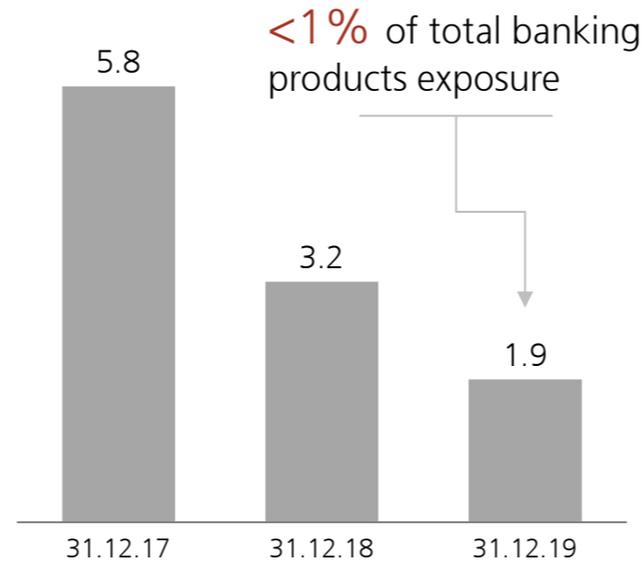
Core sustainable investments
As % of total invested assets



How we are contributing ourselves

Reduced carbon-related assets

Carbon-related assets on balance sheet
bn



Maintained strong position in key ESG rankings



Industry leader
for 5th consecutive year

Maintained **AA** rating

Maintained **Industry Leader** rank

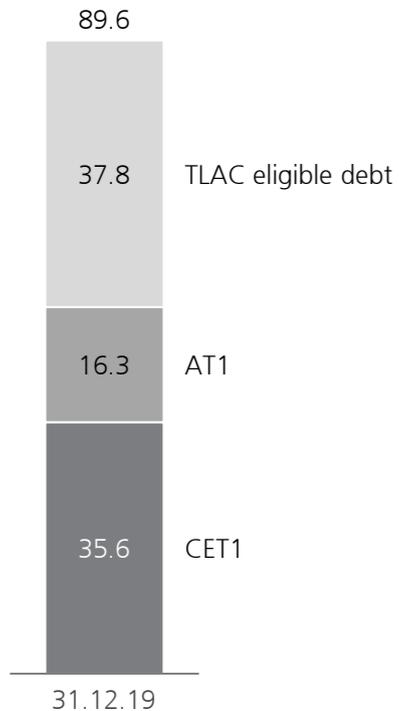
Rated **A-** and included in Leadership band

Balance sheet strength

Managing our balance sheet prudently; strong capital, liquidity and funding positions

Strong capital position

Total loss-absorbing capacity (TLAC)



Strong credit ratings

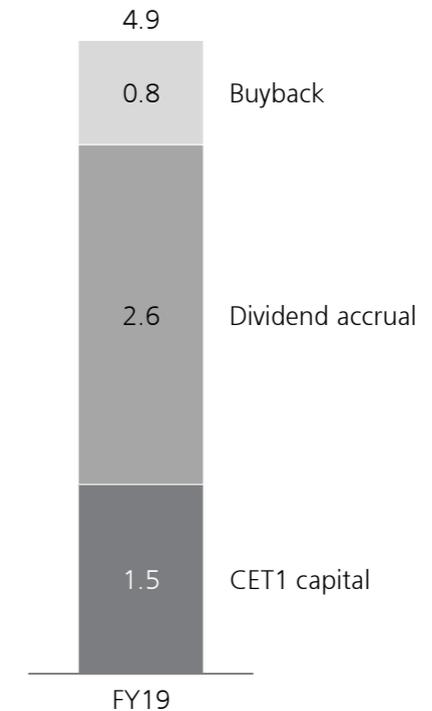
UBS AG credit ratings¹

AA- (stable)	Fitch
Aa3 (stable)	Moody's
A+ (stable)	Standard & Poor's

Capital ratios

13.7%	CET1 capital ratio
3.9%	CET1 leverage ratio
5.7%	Tier 1 ² leverage ratio

Strong capital generation



UBS at a glance



Outstanding client franchises

- › Clients are at the center of everything we do
- › Uniquely positioned as the only truly global wealth manager and with a portfolio of leading franchises
- › Strong brand, great talent and relevant to our clients

Managing for growth and efficiency

- › Investing for growth while remaining disciplined on costs
- › Optimize for evolving operating environment
- › Digital is central to delivering innovation for clients, growing and efficiency
- › Generating greater efficiencies through scale and process optimization
- › Delivering UBS as a firm locally

Balance sheet strength for all seasons

- › Maintaining a balance sheet for all seasons to support a durable business model and be the partner of choice
- › Disciplined resource usage; focus on sustainable growth
- › Prudent deployment of risk with a focus on post-stress resilience
- › Capital efficient business model
- › Attractive capital returns



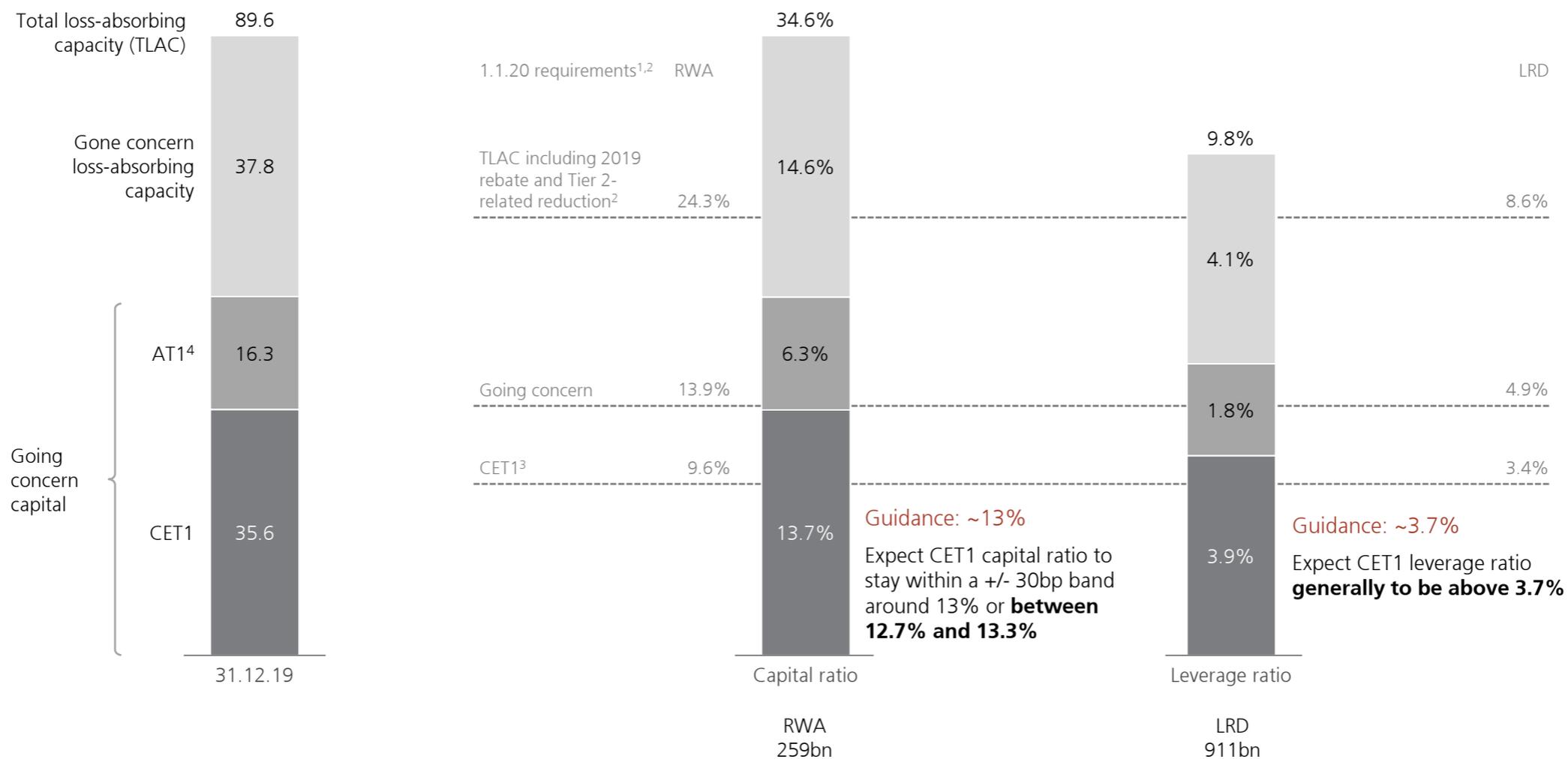
Q&A





Appendix

Capital and leverage ratios



Swiss SRB leverage ratio requirements

UBS leverage ratio balance

1.1.20 requirements¹

8.58% TLAC including 2019 rebate and Tier 2-related reduction

Gone concern 4.9% requirement subject to a rebate of up to 1.9 percentage points based on improved resolvability

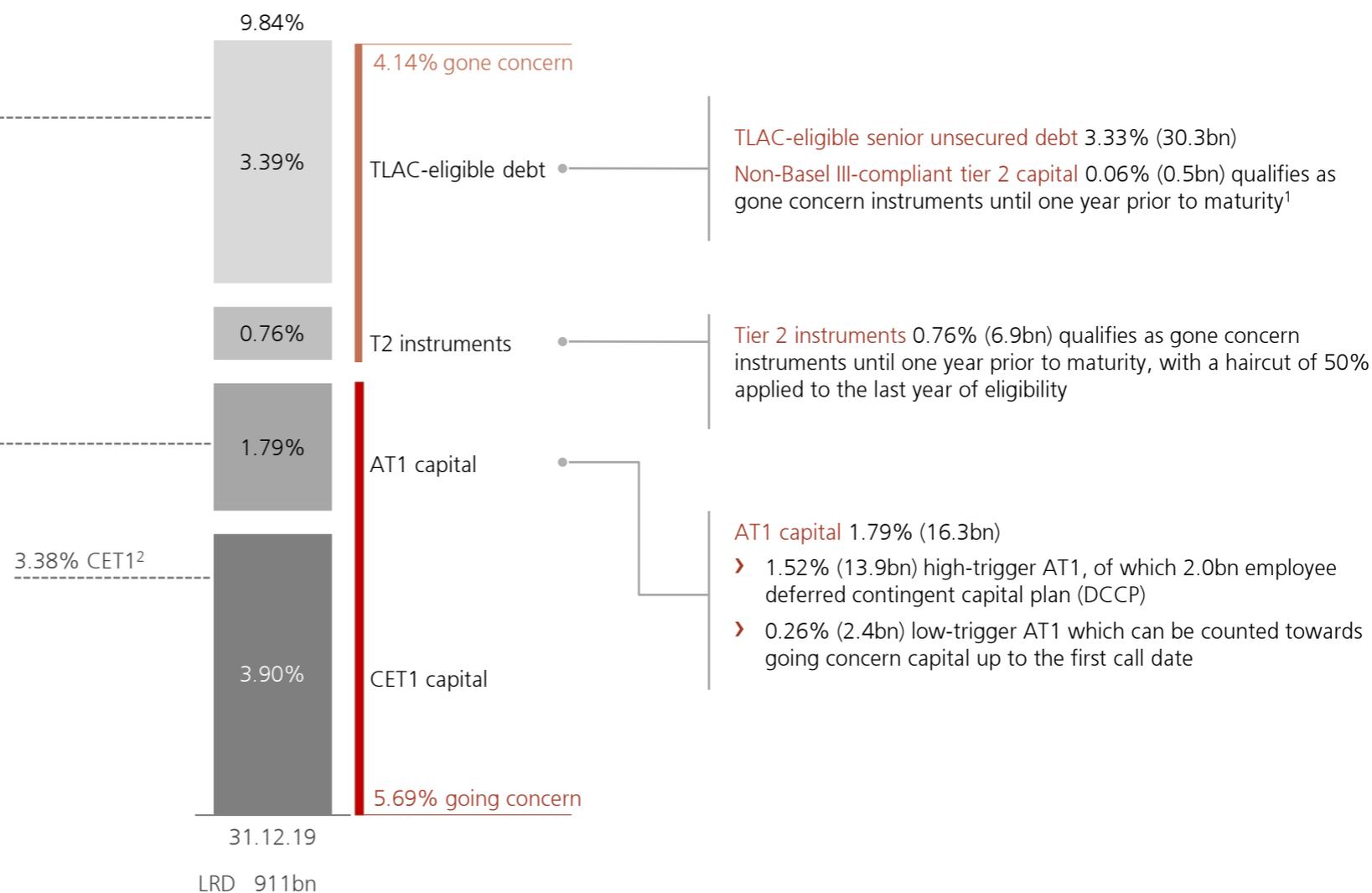
- › FINMA granted a rebate on the gone concern requirement of 42.5% of the maximum rebate in 2019, equivalent to 0.80 percentage points reduction for the LRD-based requirement

FINMA also granted a 0.38 percentage point reduction as of 1.1.20 for using Tier 2 instruments to meet the gone concern requirement

4.88% going concern

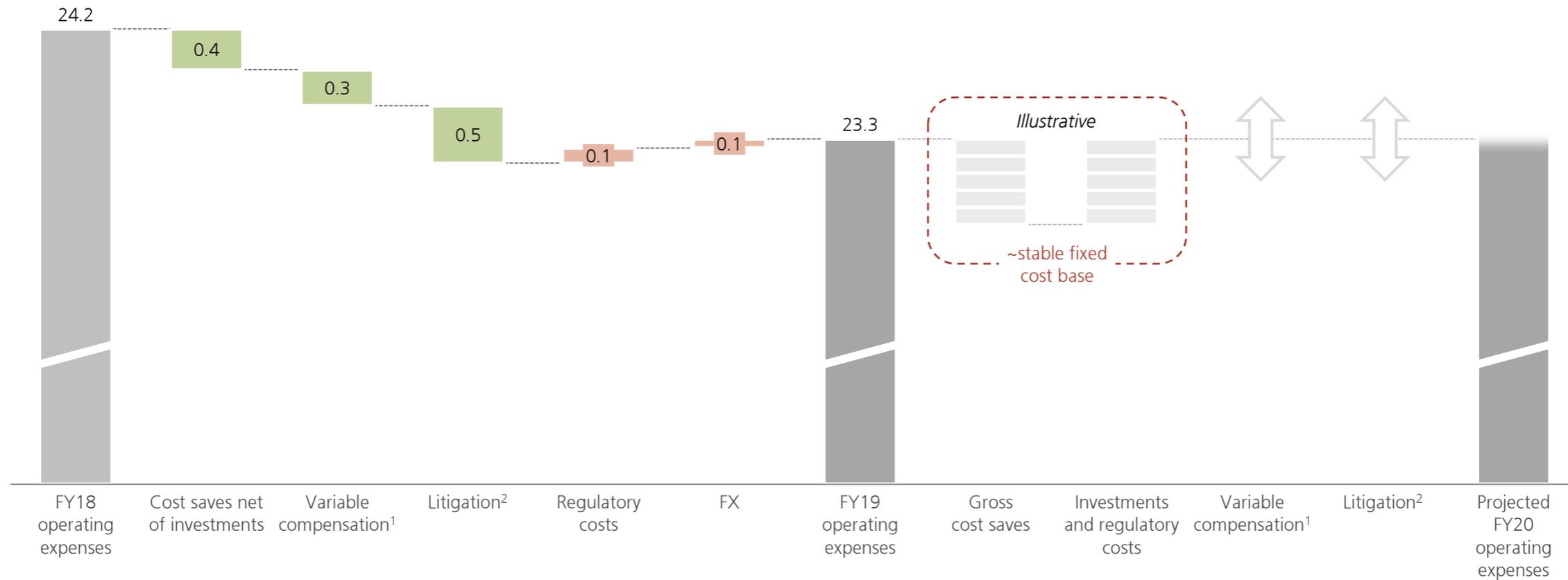
Going concern requirement of 4.9% must be met with a minimum of 3.4% CET1 capital and a maximum of 1.5% high-trigger AT1 capital

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



Cost efficiency

Funding investments with saves to keep total costs flat in 2020



Cautionary statement regarding forward-looking statements

This report 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. 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(iii) changes in the availability of capital and funding, including any changes in UBS’s credit spreads and ratings, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (iv) changes in or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the European Union and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS’s business activities; (v) the degree to which UBS is successful in implementing further changes to its legal structure to improve its resolvability and meet related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS Group in response to legal and regulatory requirements, proposals in Switzerland and other jurisdictions for mandatory structural reform of banks or systemically important institutions or to other external developments, and the extent to which such changes will have the intended effects; 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