



2015 Barclays Global Financial Services Conference

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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 executing its announced strategic plans, including its cost reduction and efficiency initiatives and its planned further reduction in its Basel III risk-weighted assets (RWA) and leverage ratio denominator (LRD), and to maintain its stated capital return objective; (ii) developments in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates and interest rates and the effect of economic conditions and market developments on the financial position or creditworthiness of UBS’s clients and counterparties, and the degree to which UBS is successful in implementing changes to its business to meet changing market, regulatory and other conditions; (iii) changes in the availability of capital and funding, including any changes in UBS’s credit spreads and ratings, or arising from requirements for bail-in debt or loss-absorbing capital; (iv) changes in or the implementation of financial legislation and regulation in Switzerland, the US, the UK and other financial centers that may impose, or result in, more stringent capital (including leverage ratio), liquidity and funding requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration or other measures; (v) uncertainty as to when and to what degree the Swiss Financial Market Supervisory Authority (FINMA) will approve reductions to the incremental RWA resulting from the supplemental operational risk capital analysis mutually agreed to by UBS and FINMA, or will approve a limited reduction of capital requirements due to measures to reduce resolvability risk; (vi) the degree to which UBS is successful in establishing a US intermediate holding company and implementing the US enhanced prudential standards, completing the squeeze-out of minority shareholders of UBS AG, and other changes which UBS may make in its legal entity structure and operating model, including the possible consequences of such changes and other similar changes that have been made previously, 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, including capital requirements, resolvability requirements and proposals in Switzerland and other countries for mandatory structural reform of banks; (vii) 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; (viii) changes in the standards of conduct applicable to our businesses that may result from new regulation or new enforcement of existing standards, including measures to impose new or enhanced duties when interacting with customers or in the execution and handling of customer transactions; (ix) 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; (x) 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; (xi) 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; (xii) 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; (xiii) limitations on the effectiveness of UBS’s internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xiv) whether UBS will be successful in keeping pace with competitors in updating its technology, in trading businesses; (xv) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading and systems failures; (xvi) restrictions to the ability of subsidiaries of the Group to make loans or distributions of any kind, directly or indirectly, to UBS Group AG; and (xvii) 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 2014. 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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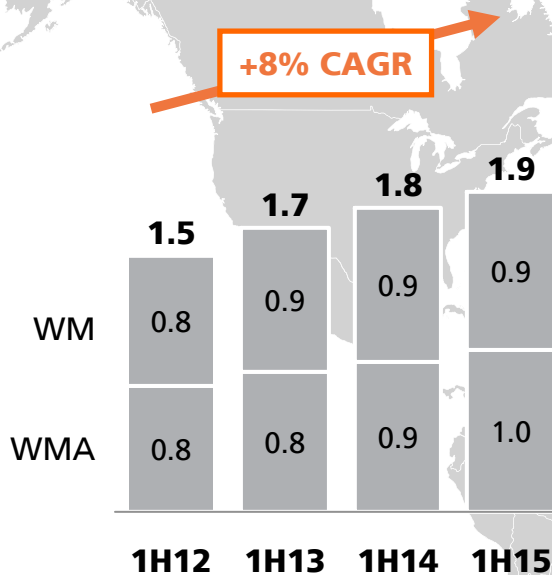


The world's leading wealth management franchise

UBS is the world's largest and fastest growing wealth manager¹

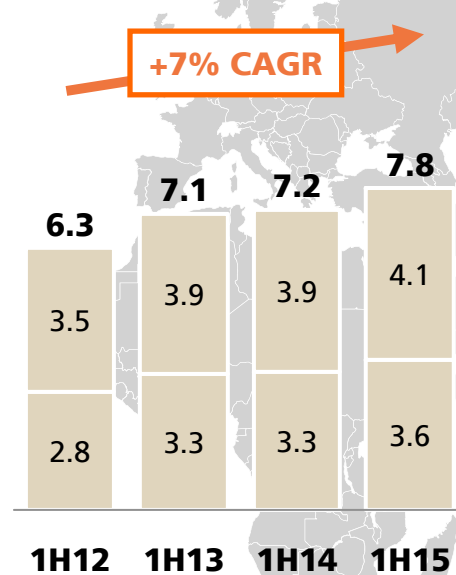
Invested assets

CHF trillion



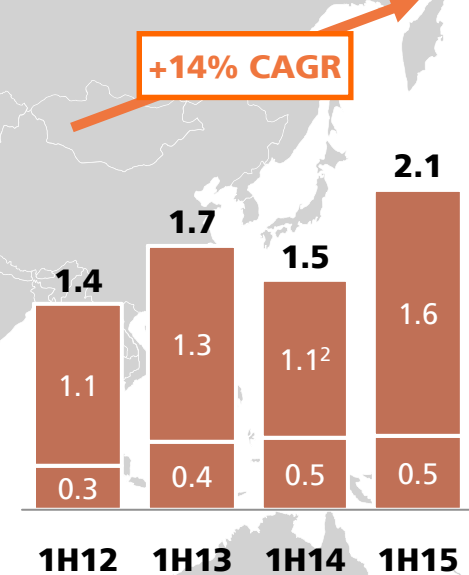
Operating income

CHF billion



Profit before tax

CHF billion



Superior growth prospects and a unique global footprint



Adjusted numbers unless otherwise indicated, refer to slide 8 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

¹ Scorpio Partnership Global Private Banking Benchmark 2015, on reporting base currency basis for institutions with AuM >USD 500 billion;

² Including CHF 0.4 billion in charges for provisions for litigation, regulatory and similar matters

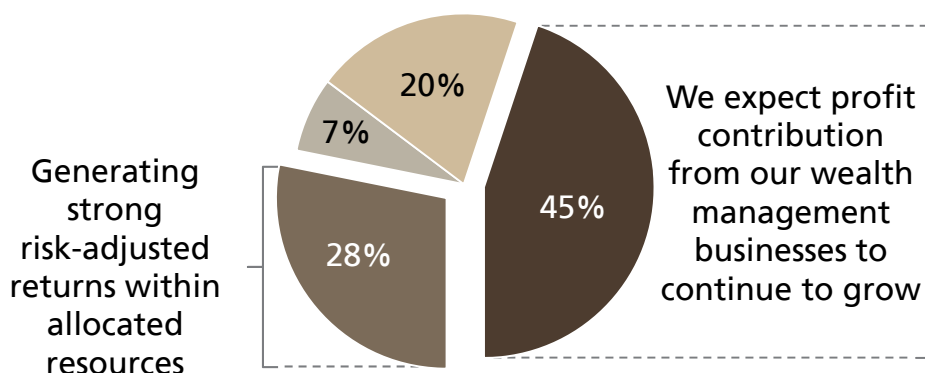
Unique business mix and disciplined allocation of resources

Our business model is highly capital generative with a high proportion of recurring income

PBT contribution by business division¹

1Q13-2Q15

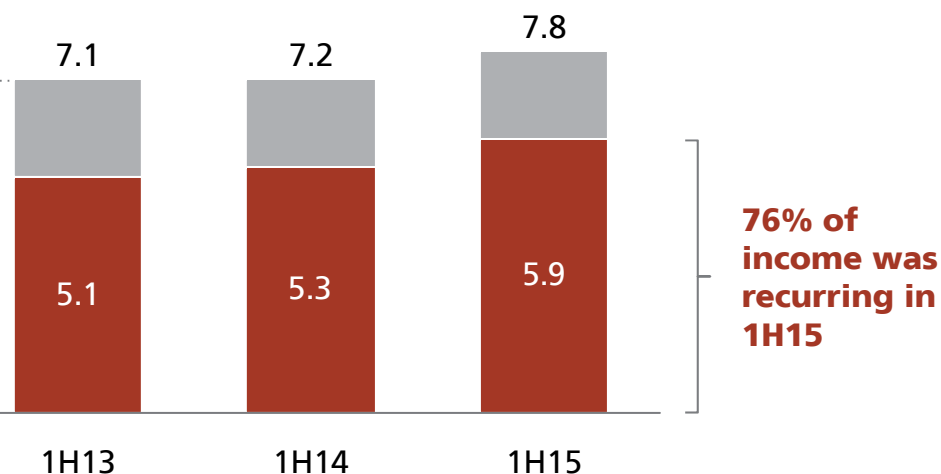
- Wealth management businesses
- Retail & Corporate
- Global Asset Management
- Investment Bank



Income (wealth management businesses)

CHF billion

- Recurring income (recurring net fee + net interest income)
- Transaction-based + other income



- Optimizing resource utilization in all business divisions
- Ensuring pricing fully reflects the impact of regulatory constraints



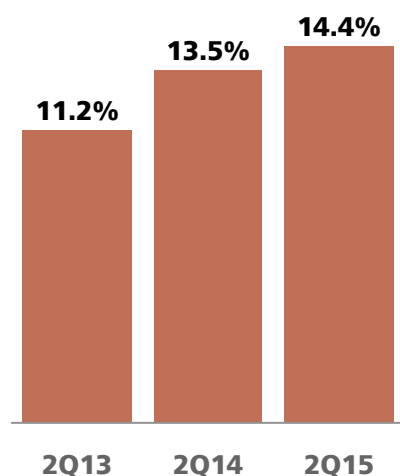
Adjusted numbers unless otherwise indicated, refer to slide 8 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
¹ Investment Bank further excludes 3Q14 provision for litigation regulatory and similar matters of CHF 1,687 million

Capital strength is the foundation of our success

Well positioned to adapt to potential further changes in regulatory requirements

Swiss SRB Basel III CET1 capital ratio

Fully applied, CHF billion

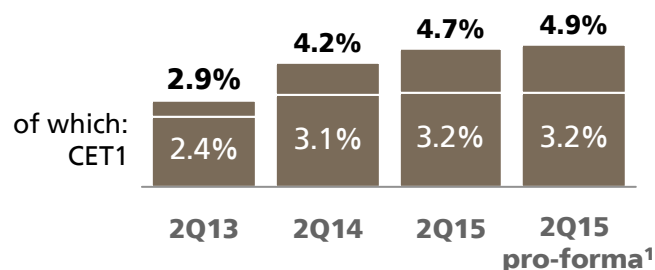


CET1 capital	26.8	30.6	30.3
RWA	239	227	210

Leverage ratio

Fully applied, CHF billion

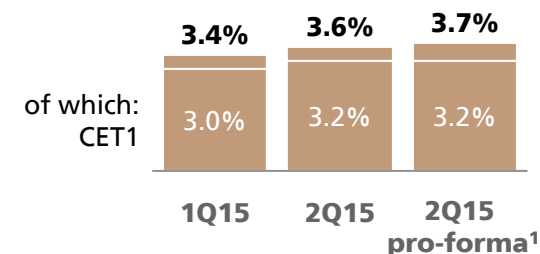
Swiss SRB



Total capital	32.3	41.0	44.6	46.1
LRD	1,131	981	944	944

BIS Basel III

USD 1.6 billion AT1 issued in August 2015 would have increased 2Q15 leverage ratio by ~15bps¹



BIS Basel III tier 1 capital	33.5	34.0	35.6
BIS Basel III LRD	991	949	949



Refer to slide 8 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

As of 30.6.15, our post-stress fully applied Basel III CET1 capital ratio exceeded 10%

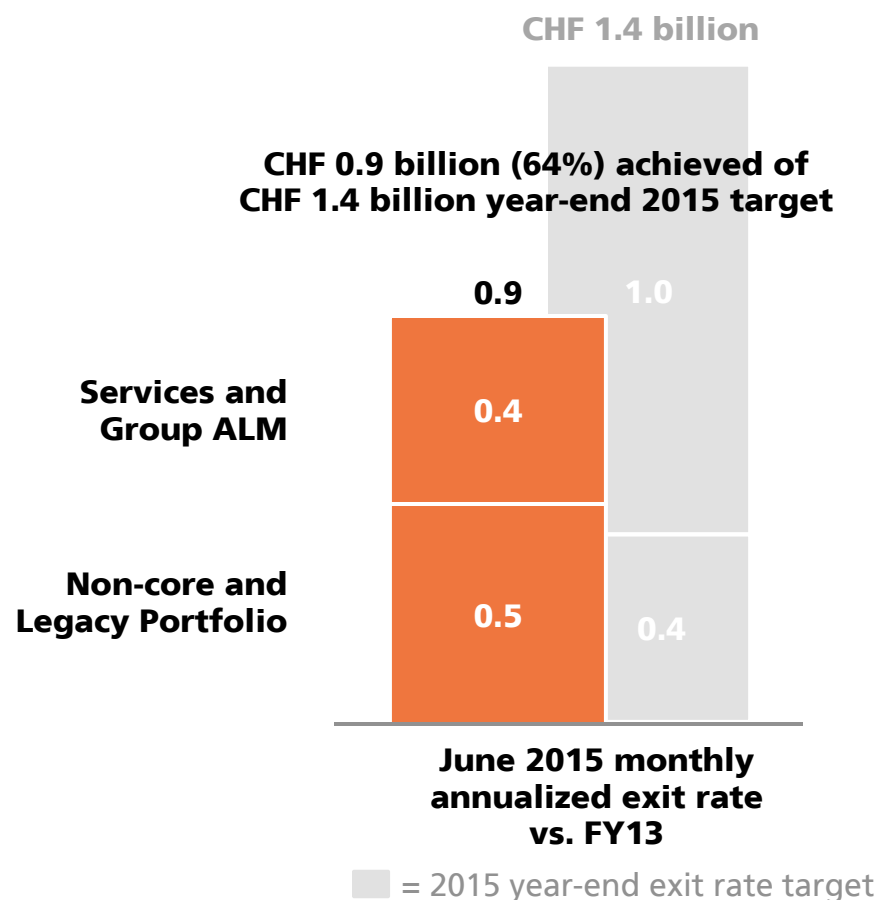
¹ Based on 2Q15 figures with USD 1,575 million August 2015 AT1 issuance added to numerator using FX spot rate from issuance date (CHF/USD 0.9839)

Improving effectiveness and efficiency

~CHF 0.9 billion net cost reductions, while absorbing ~CHF 1 billion in increased regulatory costs

Cumulative annualized net cost reduction¹

CHF billion



Targeting CHF 2.1 billion net cost savings in Corporate Center, CHF 1.4 billion by year-end exit rate (CHF 0.9 billion already achieved)

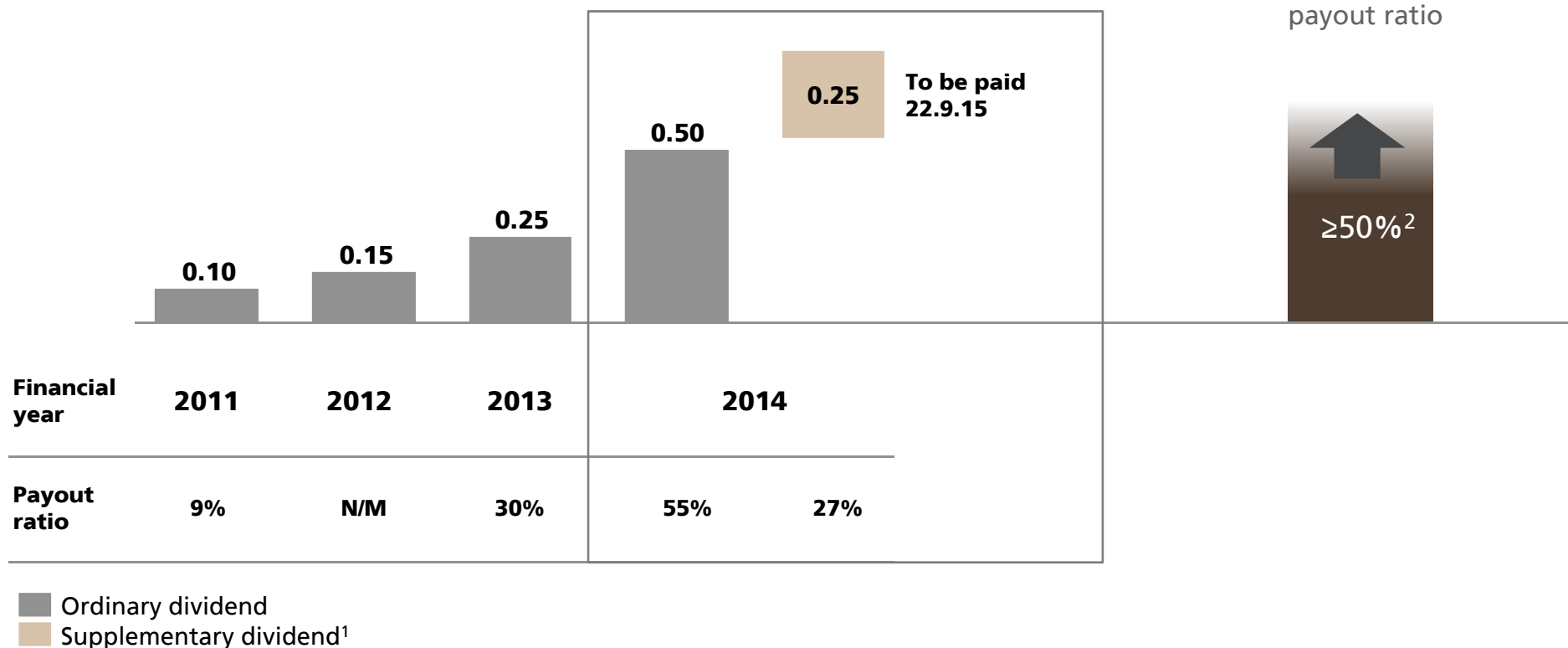
- We are focused on creating the right cost structure to support long-term growth
- Simplifying IT infrastructure and re-engineering internal processes
- Continuing to invest heavily in technology, compliance and risk control

Delivering attractive returns to our shareholders

Our strategy supports an attractive and proven capital returns program

Total capital return per share

CHF per share



We are committed to a total payout ratio of at least 50% of net profit attributable to UBS Group AG shareholders²

Refer to slide 8 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Associated with the share-for-share exchange we executed to establish UBS Group AG. Planned dates for supplementary dividend to be distributed by UBS Group AG to UBS Group AG shareholders: 18.9.15 (ex date), 21.9.15 (record date) and 22.9.15 (payment date). The supplementary dividend will be paid out of capital contribution reserves; 2 Payout ratio of at least 50% of net profit attributable to shareholders is conditional on both fully applied CET1 ratio of minimum 13% and fully applied CET1 ratio of minimum 10% post-stress

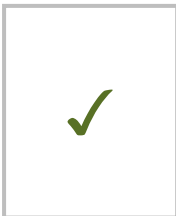


Executing our strategy to further unlock UBS's potential

What we have delivered



Execution of the transformation of UBS



Made substantial progress in reducing costs and achieving operational efficiency



Solidified position as the world's largest and fastest growing wealth manager¹

Management priorities

1

Capitalizing on our early mover advantage

2

Improving effectiveness and efficiency

3

Investing for growth

Our direction is clear and we have a proven track-record of execution



Adjusted numbers unless otherwise indicated, refer to slide 8 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Scorpio Partnership Global Private Banking Benchmark 2015

Important information related to this presentation

Use of adjusted numbers

Unless otherwise indicated, “adjusted” figures exclude the adjustment items, to the extent applicable, on a Group and business division level. Adjusted results are a non-GAAP financial measure as defined by SEC regulations. Refer to page 14 of the 2Q15 financial report 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 indicative tax rates (i.e., 2% for own credit, 22% for other items, and with certain large items assessed on a case-by-case basis). Refer to page 24 of the 2Q15 financial report for more information.

Basel III RWA, Basel III capital and Basel III liquidity ratios

Basel III numbers are based on the BIS Basel III framework, as applicable for Swiss Systemically relevant banks (SRB). Numbers in the presentation are Swiss SRB Basel III numbers unless otherwise stated. Our fully applied and phase-in Swiss SRB Basel III and BIS Basel III capital components have the same basis of calculation, except for differences disclosed on page 96 of the 2Q15 financial report.

Basel III risk-weighted assets in this presentation are calculated on the basis of Basel III fully applied 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 fully applied Swiss SRB, unless otherwise stated.

Refer to the “Capital Management” section in the 2Q15 financial 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. Refer to “Note 19 Currency translation rates” in the 2Q15 financial report for more information.

Rounding

Numbers presented throughout this presentation may not add up precisely to the totals provided in the tables and text. Percentages, percent changes and absolute variances are calculated based on rounded figures displayed in the tables and text and may not precisely reflect the percentages, percent changes and absolute variances that would be derived based on figures that are not rounded.