



# Second quarter 2015 results

*Fixed income investor presentation*



July 28, 2015

# Cautionary statement regarding forward-looking statements

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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. 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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# 2Q15 highlights

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1H15 net profit CHF 3.2 billion, up 73% YoY; 1H15 12% annualized return on tangible equity<sup>1</sup>

## Group

**Net profit attributable to UBS Group AG shareholders CHF 1,209 million, diluted EPS CHF 0.32**

**Reported profit before tax (PBT) CHF 1,759 million, adjusted PBT CHF 1,635 million**

**Basel III fully applied CET1 ratio 14.4%, Swiss SRB fully applied leverage ratio 4.7%**

**Successful launch of UBS Switzerland AG, the largest bank in Switzerland**

## Business divisions<sup>1</sup>

**Wealth Management:** PBT CHF 769 million and NNM CHF 8.4 billion<sup>2</sup>

- Highest second quarter PBT since 2009 with continued growth in recurring revenues

**Wealth Management Americas:** PBT USD 231 million

- Record net recurring fee income and industry-leading FA productivity

**Retail & Corporate:** PBT CHF 414 million

- Highest second quarter PBT since 2010 with all KPIs within target ranges

**Global Asset Management:** PBT CHF 134 million and continued strong NNM CHF 8.3 billion<sup>3</sup>

- NNM inflows across all capabilities

**Investment Bank:** PBT CHF 617 million

- Annualized return on attributed equity 34% on stable resource utilization

**Corporate Center:** PBT of negative CHF 514 million

- Significant reduction of CHF 14 billion in Non-core and Legacy Portfolio LRD



<sup>1</sup> Adjusted numbers unless otherwise indicated, refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation;

<sup>2</sup> Adjusted for net outflows of CHF 6.6 billion related to the Wealth Management balance sheet and capital optimization program;

<sup>3</sup> NNM excluding money market flows

# UBS Group AG results (consolidated)

CHF million	2Q14	3Q14	4Q14	1Q15	<b>2Q15</b>
Total operating income	7,147	6,876	6,746	8,841	7,818
Total operating expenses	5,929	7,430	6,342	6,134	6,059
<b>Profit before tax as reported</b>	<b>1,218</b>	<b>(554)</b>	<b>404</b>	<b>2,708</b>	<b>1,759</b>
of which: own credit on financial liabilities designated at fair value	72	61	70	226	259
of which: gains on sales of real estate	1	0	20	378	0
of which: gain on disposals	43	0	0	141	67
of which: net restructuring charges	(89)	(176)	(208)	(305)	(191)
of which: impairment of an intangible asset	0	0	0	0	(11)
of which: impairment of a financial investment available-for-sale	0	(48)	0	0	0
of which: credit related to changes to retiree benefit plans in the US	0	33	8	0	0
<b>Adjusted profit before tax</b>	<b>1,191</b>	<b>(424)</b>	<b>514</b>	<b>2,268</b>	<b>1,635</b>
of which: provisions for litigation, regulatory and similar matters	(254)	(1,836)	(310)	(58)	(71)
Tax (expense)/benefit	(314)	1,317	515	(670)	(443)
Net profit attributable to preferred noteholders	111	0	31		
Net profit attributable non-controlling interests <sup>1,2</sup>	1	1	29	61	106
<b>Net profit attributable to UBS Group AG shareholders</b>	<b>792</b>	<b>762</b>	<b>858</b>	<b>1,977</b>	<b>1,209</b>
Diluted EPS (CHF)	0.21	0.20	0.23	0.53	0.32
Return on tangible equity, adjusted (%)	7.2	8.0	8.6	14.4	9.6
Total book value per share (CHF) <sup>3</sup>	13.20	13.54	13.94	14.33	13.71
Tangible book value per share (CHF) <sup>3</sup>	11.54	11.78	12.14	12.59	12.04

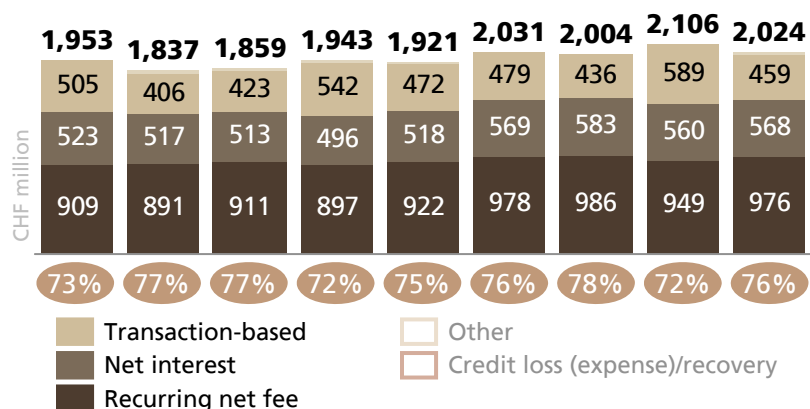


Refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation; 1 Includes non-controlling interests in UBS AG reflecting UBS AG shares held by minority shareholders as well as non-controlling interests related to preferred notes issued by UBS AG; 2 We expect to attribute net profit to non-controlling interests related to preferred notes issued by UBS AG of CHF 80 million in 2016 and CHF 70 million in 2017; 3 Refer to slide 32 for details on the development of IFRS equity attributable to UBS Group AG shareholders

# Wealth Management

PBT CHF 769 million, highest second quarter PBT since 2009

## Operating income

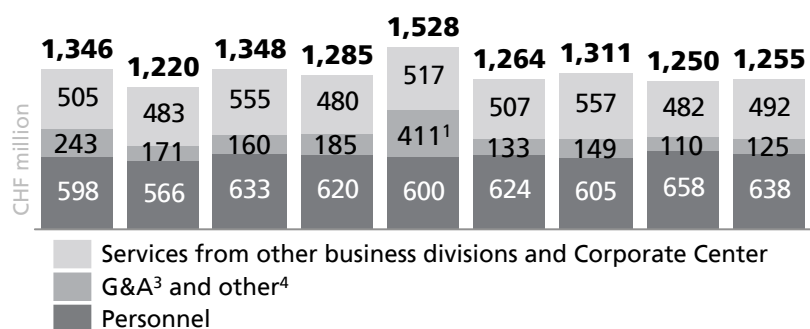


Recurring income

## Operating income CHF 2,024 million

- Recurring net fee income increased, mainly reflecting pricing measures, continued growth in mandates and an increase in average invested assets
- Net interest income increased on higher lending and deposit revenues, partly offset by lower revenues from the investment of the Group's equity
- Transaction-based income decreased mainly due to reduced levels of market activity

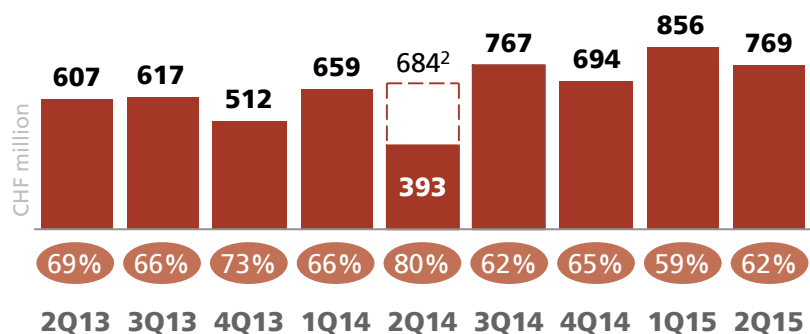
## Operating expenses



## Operating expenses CHF 1,255 million

- Personnel expenses decreased primarily due to lower variable compensation expenses
- G&A expenses increased, partly due to higher marketing expenses

## Profit before tax



## PBT CHF 769 million

- 62% cost/income ratio

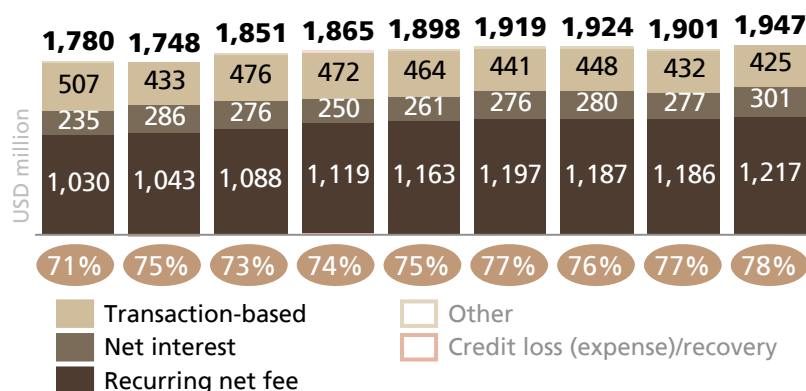


Adjusted numbers unless otherwise indicated, Refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation  
 1 CHF 121 million excluding CHF 291 million charges for provisions for litigation, regulatory and similar matters; 2 PBT excluding CHF 291 million charges for provisions for litigation, regulatory and similar matters; 3 General and administrative expenses; 4 Depreciation and impairment of property, equipment and software as well as amortization and impairment of intangible assets

# Wealth Management Americas

## Record recurring net fee and total operating income

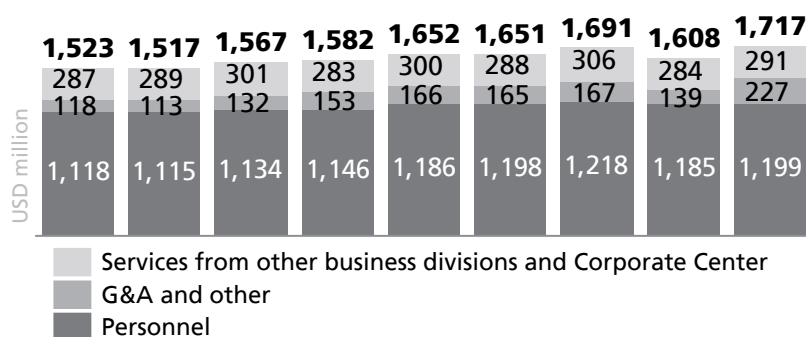
### Operating income



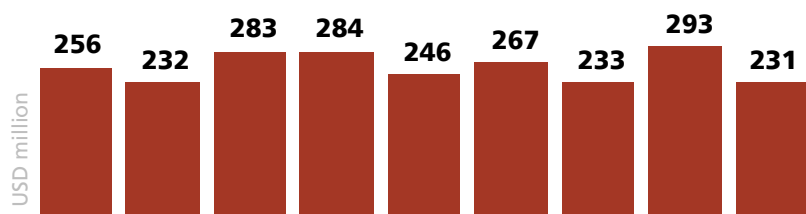
Recurring income



### Operating expenses



### Profit before tax



### C/I ratio



2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15

### Operating income USD 1,947 million

- Recurring net fee income increased on higher managed account fees
- Net interest income increased primarily due to continued growth in loan and deposit balances as well as higher income from the financial investment available-for-sale portfolio

### Operating expenses USD 1,717 million

- G&A expenses increased mainly due to USD 71 million higher charges for provisions for litigation, regulatory and other matters as well as USD 21 million higher legal fees
- Personnel expenses increased, reflecting higher financial advisor compensation on higher compensable revenues

### PBT USD 231 million

- PBT USD 318 million excluding charges for provisions for litigation, regulatory and other matters
- 88% cost/income ratio

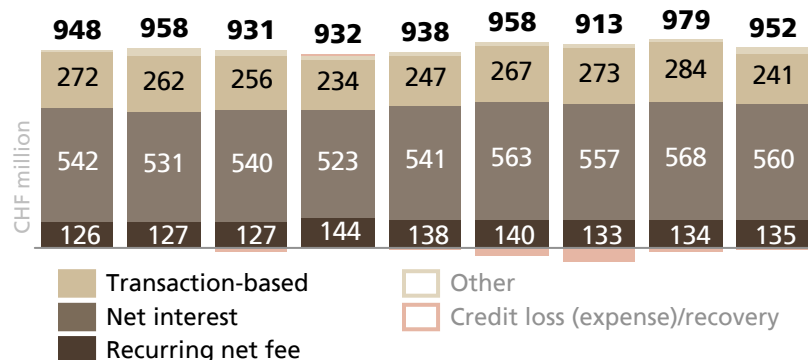


Adjusted numbers unless otherwise indicated, refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

# Retail & Corporate

Highest second quarter PBT since 2010 and all KPIs within target range

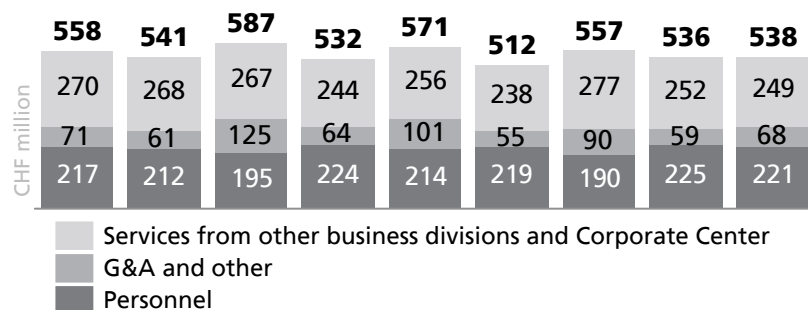
## Operating income



## Operating income CHF 952 million

- Net interest income decreased slightly on lower income from the investment of the Group's equity
- Transaction-based income decreased from a strong first quarter, mainly due to lower income from FX trading and the absence of hedge ineffectiveness gains included in the previous quarter
- Credit loss expenses decreased

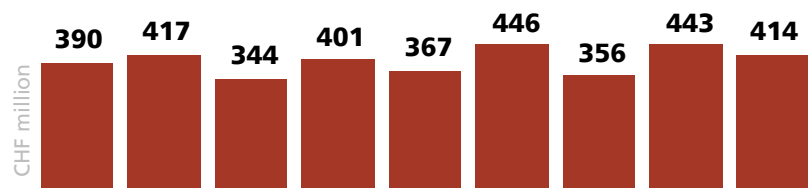
## Operating expenses



## Operating expenses CHF 538 million

- Personnel expenses decreased with lower accruals for untaken vacation
- G&A expenses increased mainly due to higher charges for provisions in the Corporate & Institutional clients business

## Profit before tax



## PBT CHF 414 million

- 56% cost/income ratio
- Net interest margin 164 bps vs. 165 bps in 1Q15, mainly reflecting lower net interest income
- Annualized net new business volume growth for retail business 3.1%, unchanged vs. 1Q15

## C/I ratio



2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15

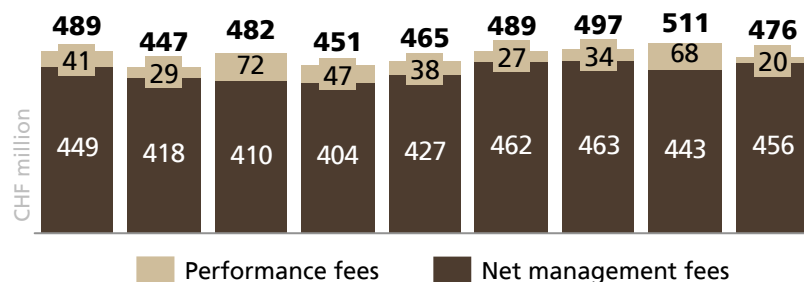


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# Global Asset Management

NNM CHF 8.3 billion<sup>1</sup> with net inflows in all capabilities

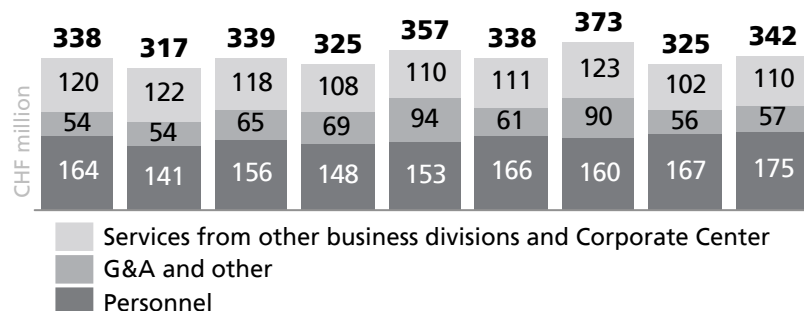
## Operating income



## Operating income CHF 476 million

- Net management fees increased, mainly in traditional investments and global real estate
- Performance fees decreased primarily in O'Connor and A&Q with approximately 60% of performance fee-eligible assets at high-water marks as of 30.6.15 compared with more than 90% as of 31.3.15

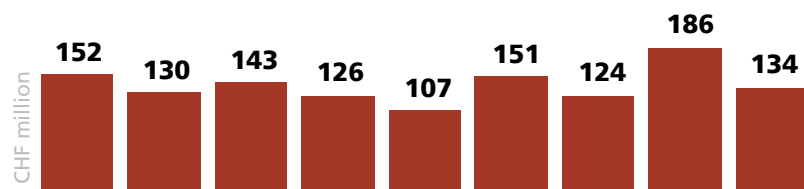
## Operating expenses



## Operating expenses CHF 342 million

- Charges for services from other business divisions and Corporate Center increased primarily due to higher charges from Group Technology
- Personnel expenses increased due to higher expenses for variable compensation

## Profit before tax



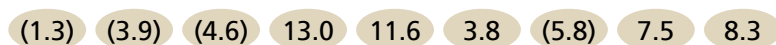
## PBT CHF 134 million

- 72% cost/income ratio
- Invested assets CHF 650 billion
- Net margin 8 bps vs. 11 bps in 1Q15
- Gross margin 29 bps vs. 31 bps in 1Q15

## C/I ratio



## Net new money ex. MM



- Net new money excluding money market flows of CHF 8.3 billion, of which 5.3 billion from third parties and CHF 3.0 billion from our wealth management businesses



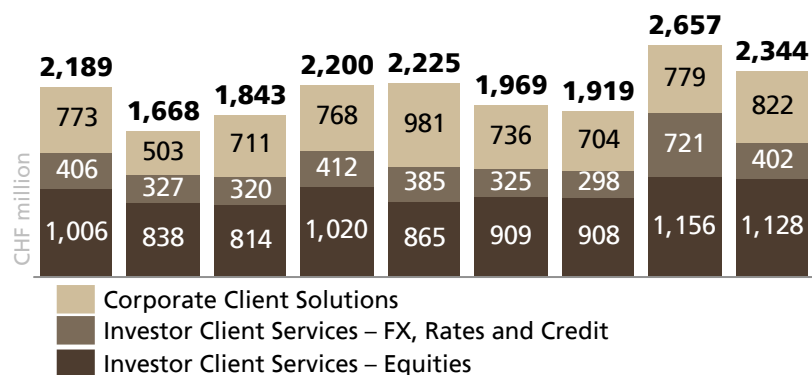
Adjusted numbers unless otherwise indicated, refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation  
<sup>1</sup> Net new money excluding money market flows



# Investment Bank

PBT CHF 617 million; continued strong performance in Equities

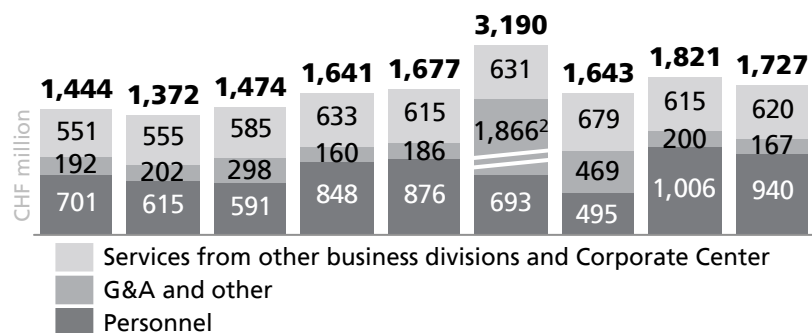
## Operating income<sup>1</sup>



## Operating income CHF 2,344 million

- ICS Equities revenues increased 30% YoY with particular strength in Derivatives and Financing Services, especially in APAC
- ICS FRC revenues increased 4% YoY driven by strong Rates and FX performance on increased client volumes
- CCS revenues decreased 16% YoY as strength in Advisory was primarily offset by declines in DCM

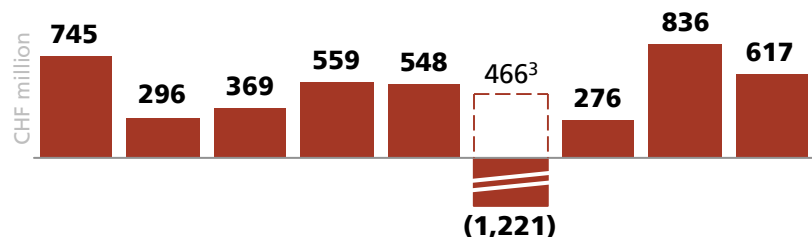
## Operating expenses



## Operating expenses CHF 1,727 million

- Personnel expenses increased YoY due to higher variable compensation expenses
- G&A expenses decreased YoY mainly due to lower charges for provisions for litigation, regulatory and similar matters

## Profit before tax



## PBT CHF 617 million

- 73% cost/income ratio
- Annualized return on attributed equity 33.8%
- Basel III RWA CHF 63 billion, stable resource utilization
- Funded assets CHF 176 billion
- Record revenue per unit of VaR

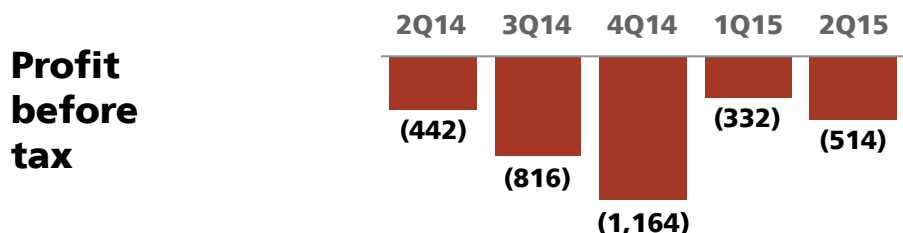
## C/I ratio



Adjusted numbers unless otherwise indicated, refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation  
 1 Operating income including credit loss (expense)/recovery; 2 CHF 179 million excluding CHF 1,687 million charges for provisions for litigation, regulatory and similar matters; 3 PBT excluding CHF 1,687 million charges for provisions for litigation, regulatory and similar matters

# Corporate Center

Significant reduction in Non-core and Legacy Portfolio LRD, down >40% YoY



Corporate Center total (CHF million)

Corporate Center results by unit (CHF million)

## Services

Operating income	4	9	(6)	(4)	(41)
Operating expenses	(9)	180	255	218	212
<i>o/w before allocations</i>	1,863	2,039	2,303	2,009	2,040
<i>o/w net allocations</i>	(1,872)	(1,859)	(2,048)	(1,791)	(1,827)
<b>Profit before tax</b>	<b>13</b>	<b>(171)</b>	<b>(261)</b>	<b>(222)</b>	<b>(253)</b>

- **Operating expenses** before allocations increased mainly due to increased marketing costs, as well as higher professional fees associated with the ongoing changes to our legal structure

## Group Asset and Liability Management

Operating income	(39)	(42)	(170)	87	(121)
<i>o/w gross income</i>	205	298	161	376	70
<i>o/w net allocations</i>	(243)	(341)	(330)	(289)	(191)
Operating expenses	3	(1)	6	(4)	7
<b>Profit before tax</b>	<b>(41)</b>	<b>(41)</b>	<b>(176)</b>	<b>91</b>	<b>(127)</b>

- **Gross income** declined and included losses from hedging activities as well as lower income from centralized balance sheet risk management and slightly higher gross funding costs
- **Net allocations** decreased, mainly driven by lower income generated from interest rate risk management activities and additional hedging losses related to the investment of the Group's equity

## Non-core and Legacy Portfolio

Operating income	(168)	(330)	(376)	(41)	35
Operating expenses	247	273	350	160	167
<b>Profit before tax</b>	<b>(414)</b>	<b>(603)</b>	<b>(727)</b>	<b>(201)</b>	<b>(132)</b>
Personnel (FTEs)	160	150	137	125	101
Swiss SRB LRD (CHF billion)	121	106	93	84	70

- **Operating income** improved and the second quarter included a gain of CHF 57 million related to the settlement of two litigation claims
- **Operating expenses** increased, mainly due to higher charges for provisions for litigation, regulatory and similar matters



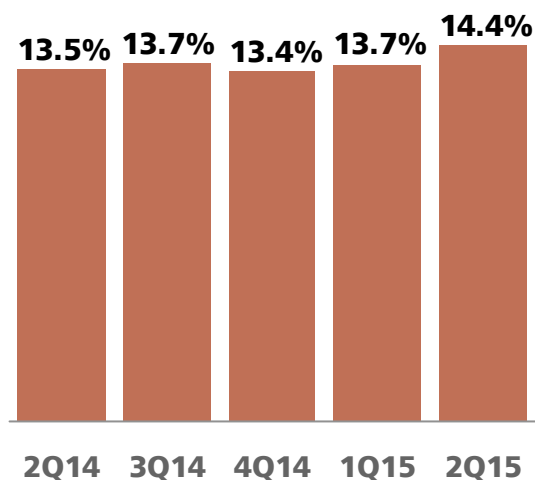
Adjusted numbers unless otherwise indicated, refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation; We currently expect to record net foreign currency translation losses of ~CHF 120 million in 2H15 which will be recorded in Group ALM and, consistent with past practice, treated as adjusting items for the purpose of calculating adjusted results. Refer to page 17 of the 2Q15 financial results for further detail

# Capital and leverage ratios

Swiss SRB LRD reduced by CHF 33 billion to CHF 944 billion

## Swiss SRB Basel III CET1 capital ratio

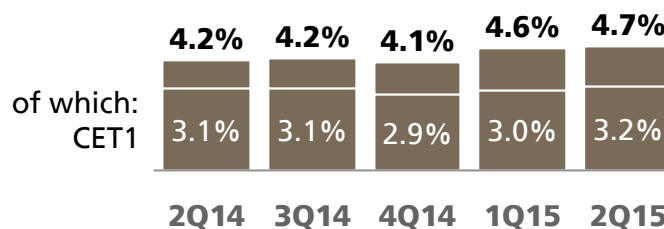
Fully applied, CHF billion



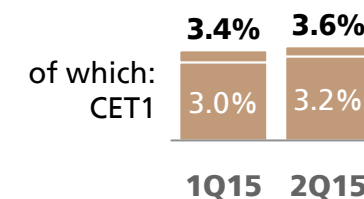
## Leverage ratio

Fully applied, CHF billion

### Swiss SRB



### BIS Basel III



CET1 capital

30.6 30.0 28.9 29.6 30.3

Total capital

41.0 41.0 40.8 44.5 44.6

BIS Basel III tier 1 capital

33.5 34.0

RWA

227 219 216 216 210

LRD

981 981 998 977 944

BIS Basel III LRD

991 949



Refer to slide 36 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%

# Capital strength is the foundation of our success

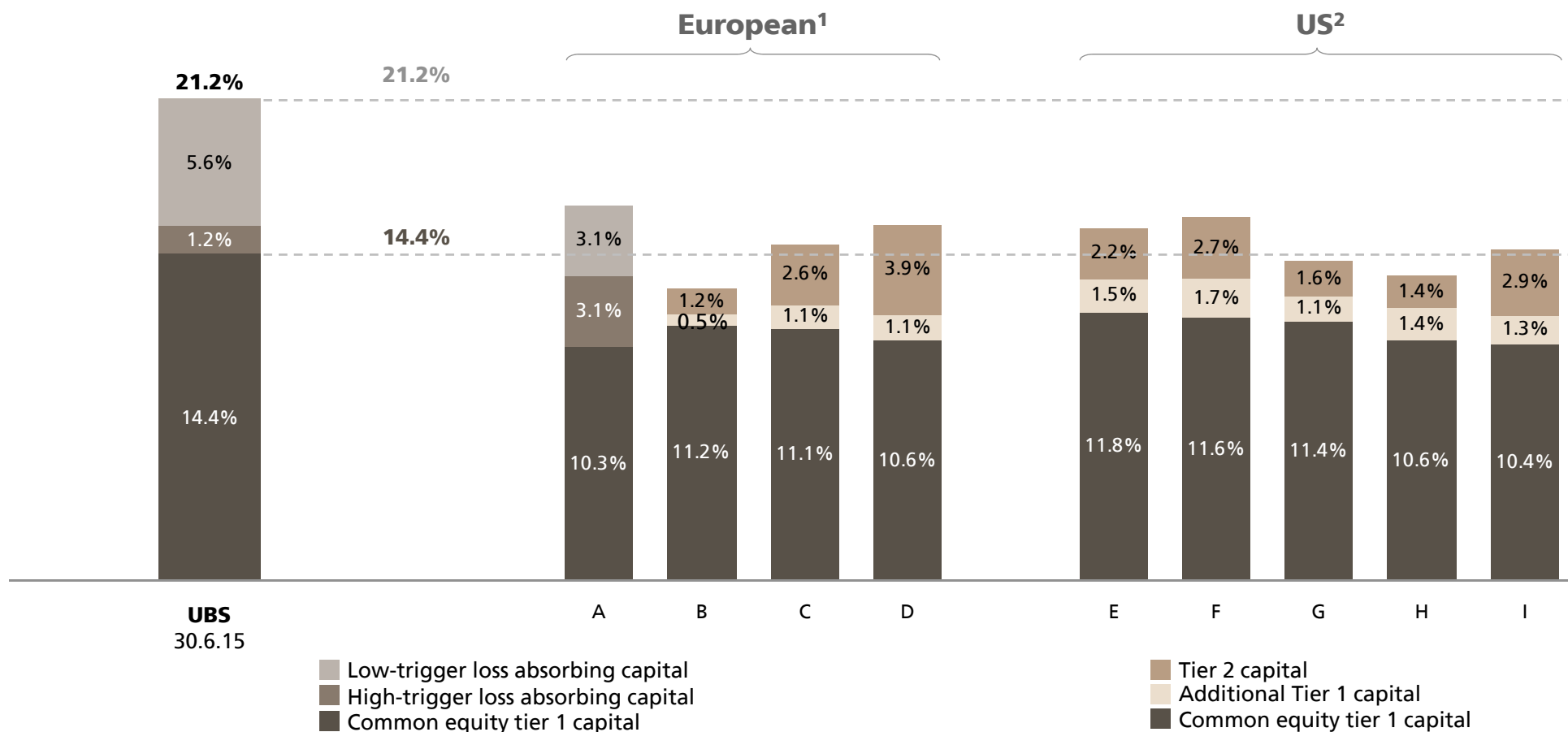
We have the highest Basel III fully applied CET1 capital ratio among large global banks

## Swiss SRB Basel III fully applied capital

30.6.15

## Basel III fully applied capital – large global banks

Based on latest available disclosure

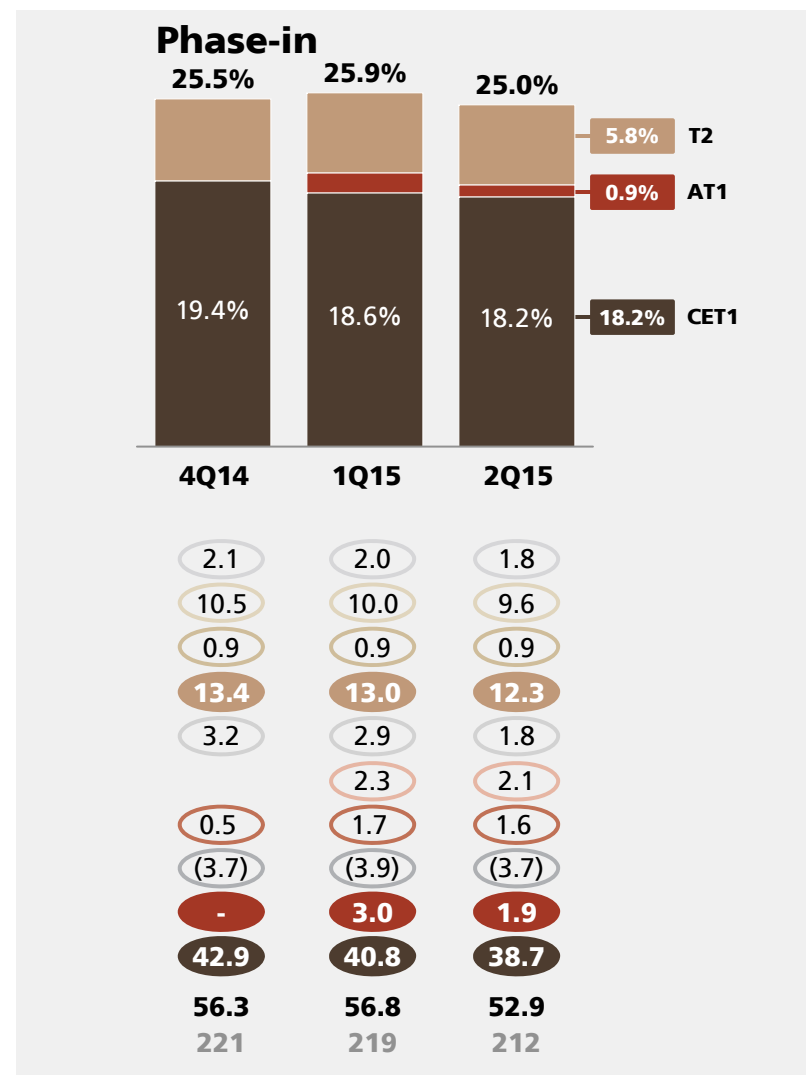
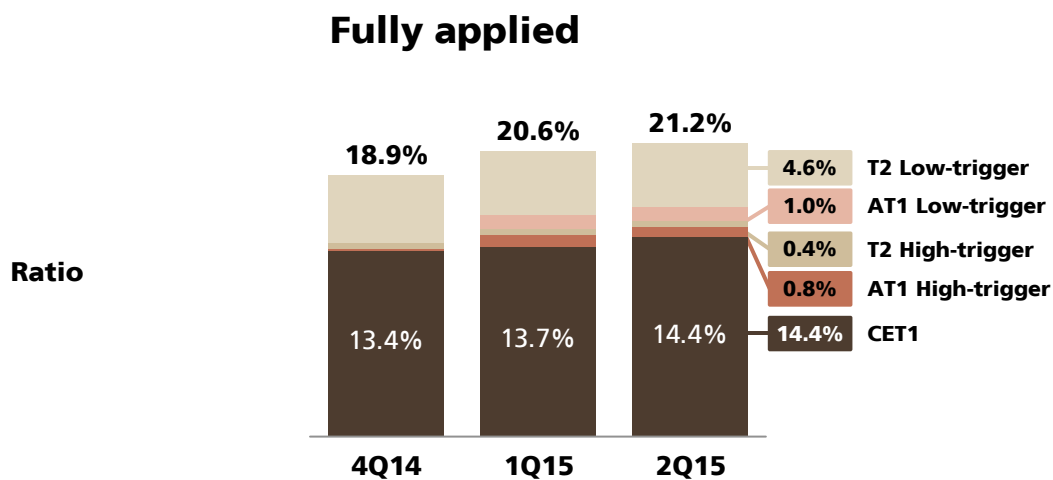


Refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Basel III CET1 capital ratios (fully applied) as per CRD IV; 2 Basel III fully applied CET1 capital ratios under advanced approach

# Swiss SRB Basel III capital and ratios

2Q15 fully applied Basel III CET1 capital ratio 14.4%



CHF billion

	4Q14	1Q15	2Q15
<b>T2</b>			
Other <sup>1</sup>			
Low-trigger	10.5	10.0	9.6
High-trigger	0.9	0.9	0.9
<b>Total T2</b>	<b>11.4</b>	<b>11.0</b>	<b>10.5</b>
<b>AT1</b>			
Other <sup>2</sup>			
Low-trigger		2.3	2.1
High-trigger	0.5	1.7	1.6
Deductions <sup>3</sup>			
<b>Total AT1</b>	<b>0.5</b>	<b>3.9</b>	<b>3.8</b>
<b>CET1</b>	<b>28.9</b>	<b>29.6</b>	<b>30.3</b>
<b>Total capital</b>	<b>40.8</b>	<b>44.5</b>	<b>44.6</b>
<b>RWA</b>	<b>216</b>	<b>216</b>	<b>210</b>

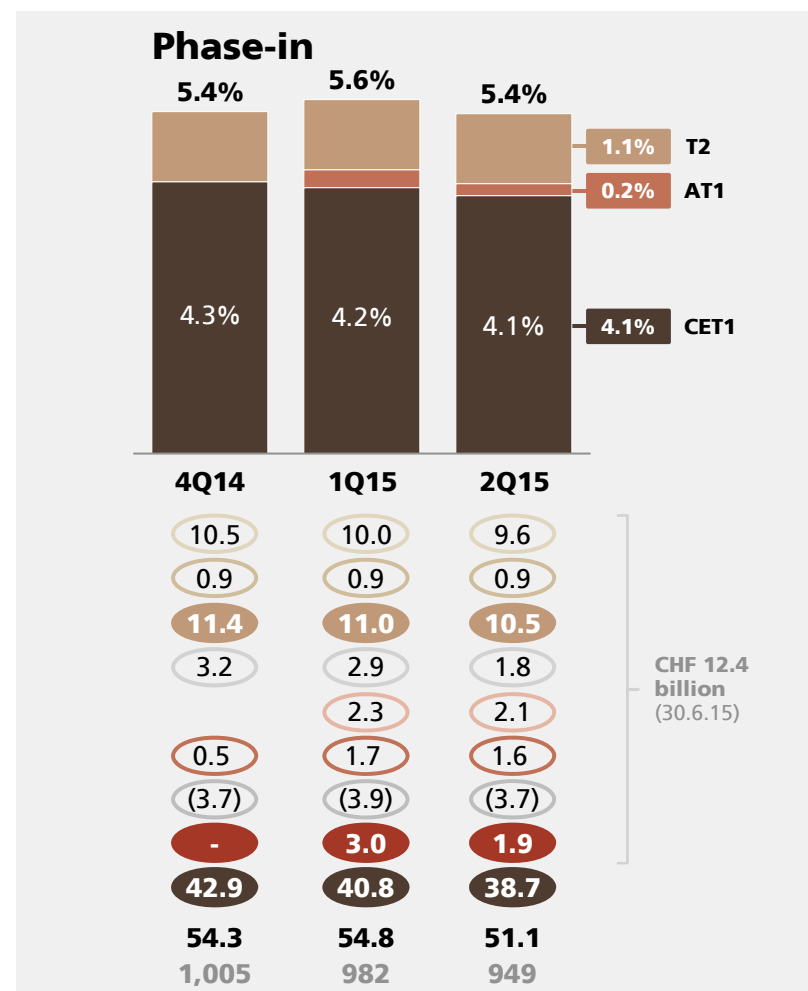
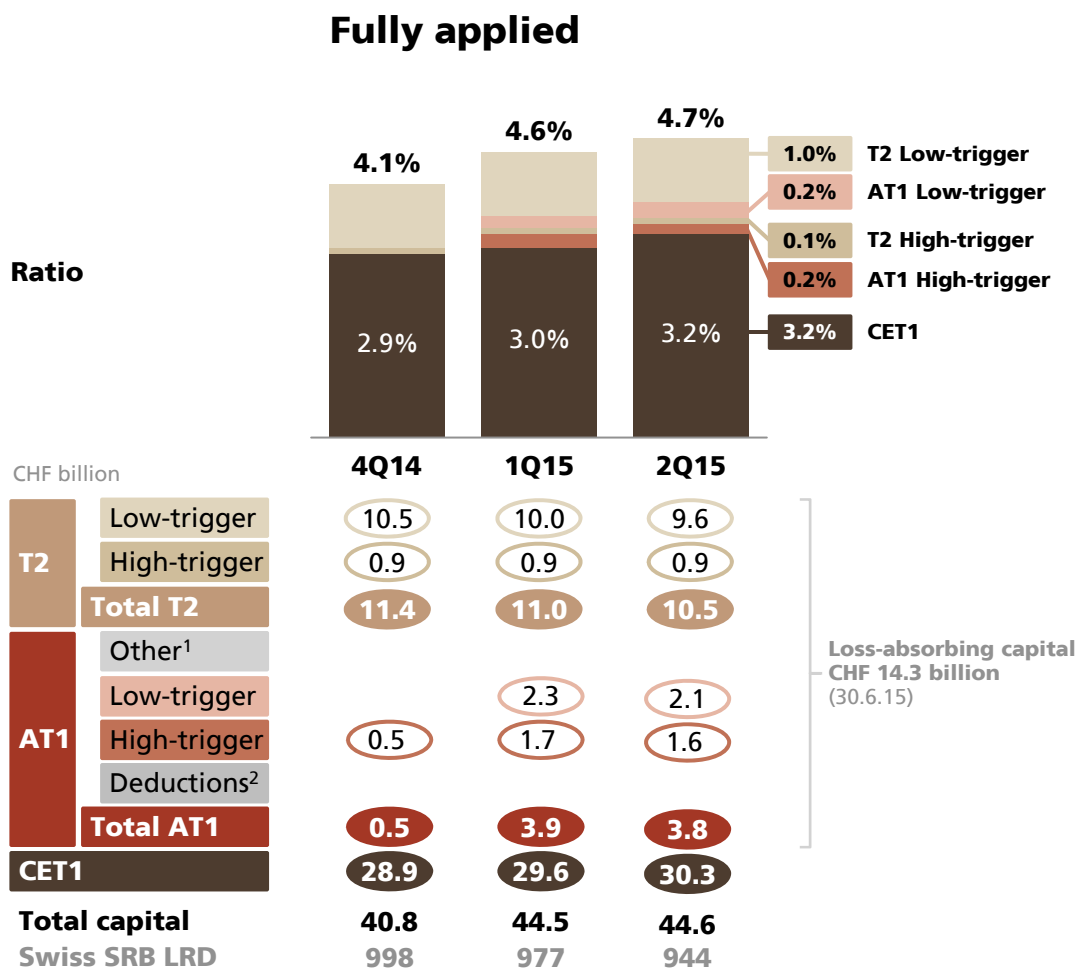


Refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Phase-out capital; 2 Hybrid capital subject to phase-out; 3 Goodwill, net of tax, offset against hybrid capital and loss-absorbing capital

# Swiss SRB leverage ratio

2Q15 fully applied Swiss SRB leverage ratio 4.7%



- BIS Basel III leverage ratio **3.6%** on a fully applied basis (of which CET1 3.2%)<sup>3</sup>
- BIS Basel III LRD CHF **949** billion on a fully applied basis<sup>3</sup>



Refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Hybrid capital subject to phase-out; 2 Goodwill, net of tax, offset against hybrid capital and loss-absorbing capital; 3 Refer to the "BIS Basel III leverage ratio" section of the 2Q15 financial report for further detail

# Deferred tax assets

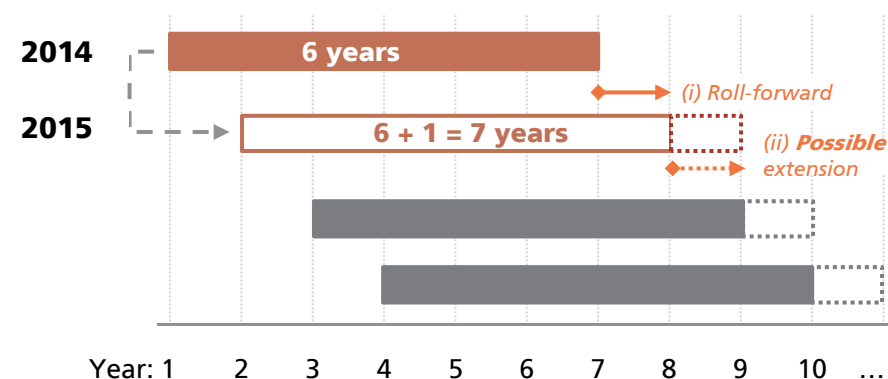
We expect to revalue DTA balances in 3Q15

- **3Q15 DTA revaluation<sup>1</sup>** based upon:
  - i. a reassessment of future profitability taking into account **updated business plan forecasts**
  - ii. a **possible extension of the forecast period** that is currently used for DTA recognition purposes
  
- If we extend the forecast period for the US DTA to seven years, the **combined effect of (i) and (ii)** could result in a US upward deferred tax asset revaluation of **around CHF 1.5 billion<sup>3</sup>**
  - We expect any DTA revaluation from this reassessment to be recognized 75% in 3Q15 and 25% in 4Q15

## DTA revaluation

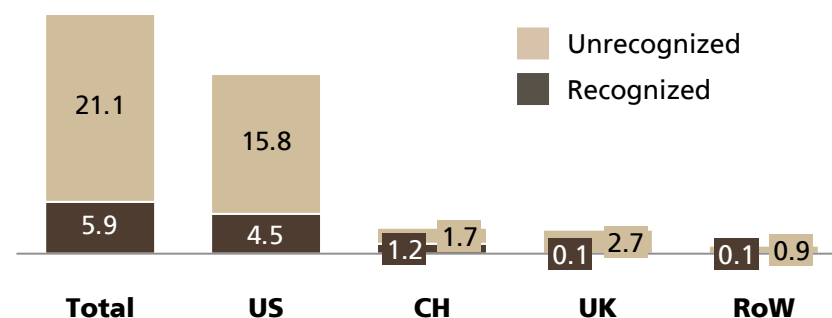
Illustrative example

Updated business plan forecasts and extended profit recognition period<sup>2</sup>



## Tax loss DTA<sup>4,5,6</sup>

CHF billion, 30.6.15

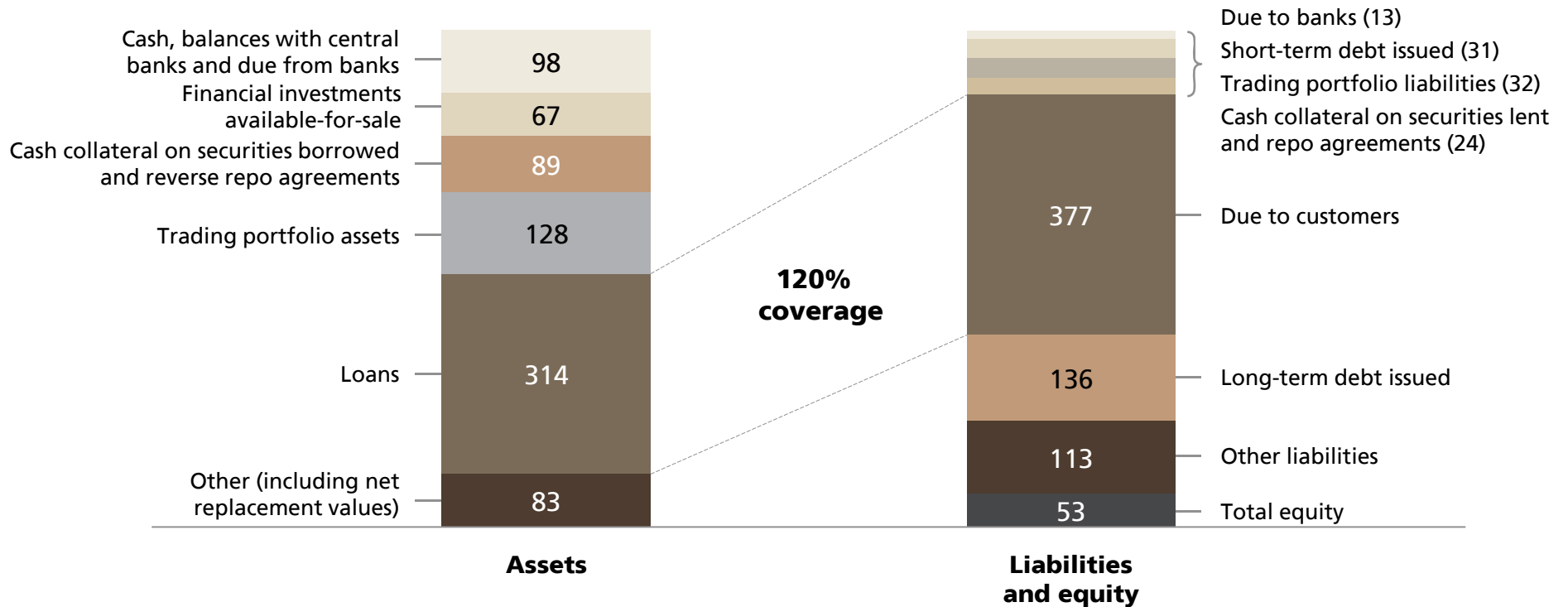


<sup>1</sup> DTA revaluations expected in 3Q15 based on our annual planning process, but smaller revaluations can take place at different times for specific entities based on specific circumstances; <sup>2</sup> Refer to pages 75-76 of the 2014 Annual Report for more information; <sup>3</sup> The value of UBS's recognized US DTAs is highly sensitive to the level of forecast profit contained in the relevant business plans, and can vary considerably based on these plans; <sup>4</sup> Deferred tax asset figures are stated net of deferred tax liabilities, if applicable; <sup>5</sup> As of 30.6.15, the net DTA recognized on UBS's balance sheet was CHF 10.0 billion, which includes a tax loss DTA of CHF 5.9 billion and a DTA for temporary differences of CHF 4.1 billion; <sup>6</sup> Average unrecognized tax loss DTA have a remaining life of at least 15 years in the US, approximately 2 years in Switzerland and unrecognized tax losses have an indefinite life in the UK

# Strong balance sheet, funding and liquidity position

## Asset funding<sup>1</sup>

30.6.15, CHF billion



Refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

<sup>1</sup> Refer to the "Liquidity and funding management" section of the 2Q15 financial report for further detail; <sup>2</sup> Estimated pro-forma ratio



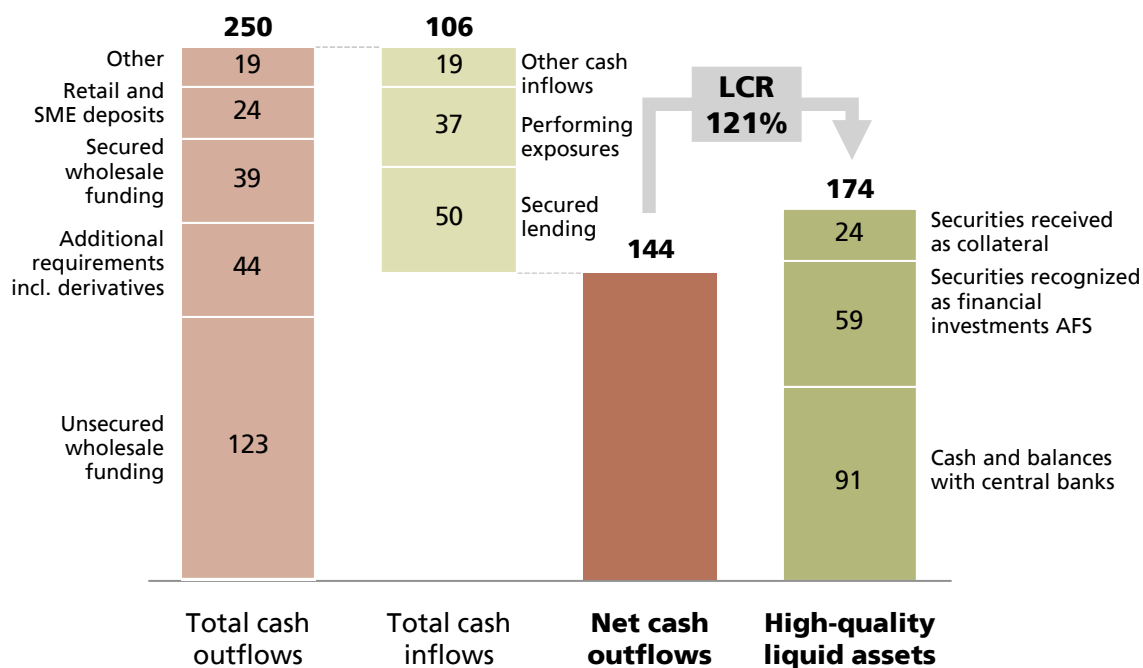
# Robust liquidity profile

Our funding diversification and global scope help protect our liquidity position in the event of a crisis

## Liquidity coverage ratio (LCR) <sup>1</sup>

(CHF billion)	Average 2Q15
High-quality liquid assets	174
Net cash outflows	144

**LCR 121%**



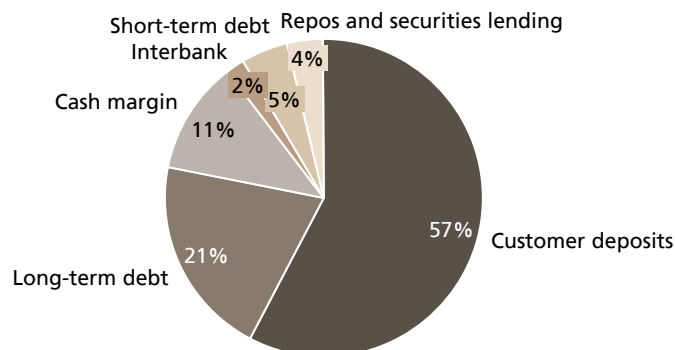
- Our contingent funding sources include a large, multi-currency portfolio of unencumbered, high-quality, liquid assets, a majority which are short-term and managed centrally by Group ALM
- We regularly assess and test all material, known and expected cash flows, as well as the level and availability of high-grade collateral that could be used to raise additional funding if required.
- We monitor the LCR in Swiss francs and in all other significant currencies to manage any currency mismatches between HQLA and the net expected cash outflows in times of stress
- The weighting of cash outflows and inflows for the LCR is prescribed by FINMA, based on BIS guidance, and depends on criteria such as maturity, counterparty and industry type, stability of deposits, operational purpose of the balance for a client, covering of short positions, encumbrance, netting agreements, volatility and collateral requirements
- UBS has disclosed its estimated pro-forma regulatory Basel III LCR since 3Q 2012.

# Stable and diversified funding sources

Funding plan is regularly reviewed and adapted to changes in requirements

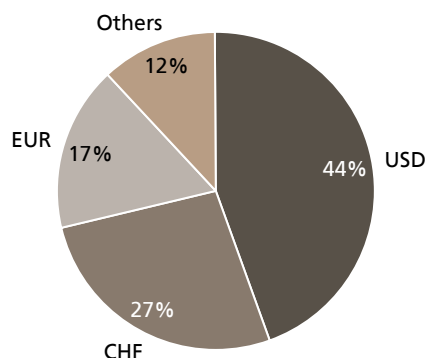
## Funding by source

30.6.15



## Funding by currency

30.6.15



- Portfolio of liabilities that is broadly diversified by market, tenor and currency
- Since the end of 2011 the reliance on short term debt, defined as short term debt plus due to banks, has continually decreased from slightly above CHF100bn to around CHF45bn
- Repo reduction in line with strategy

## Pro-forma net stable funding ratio

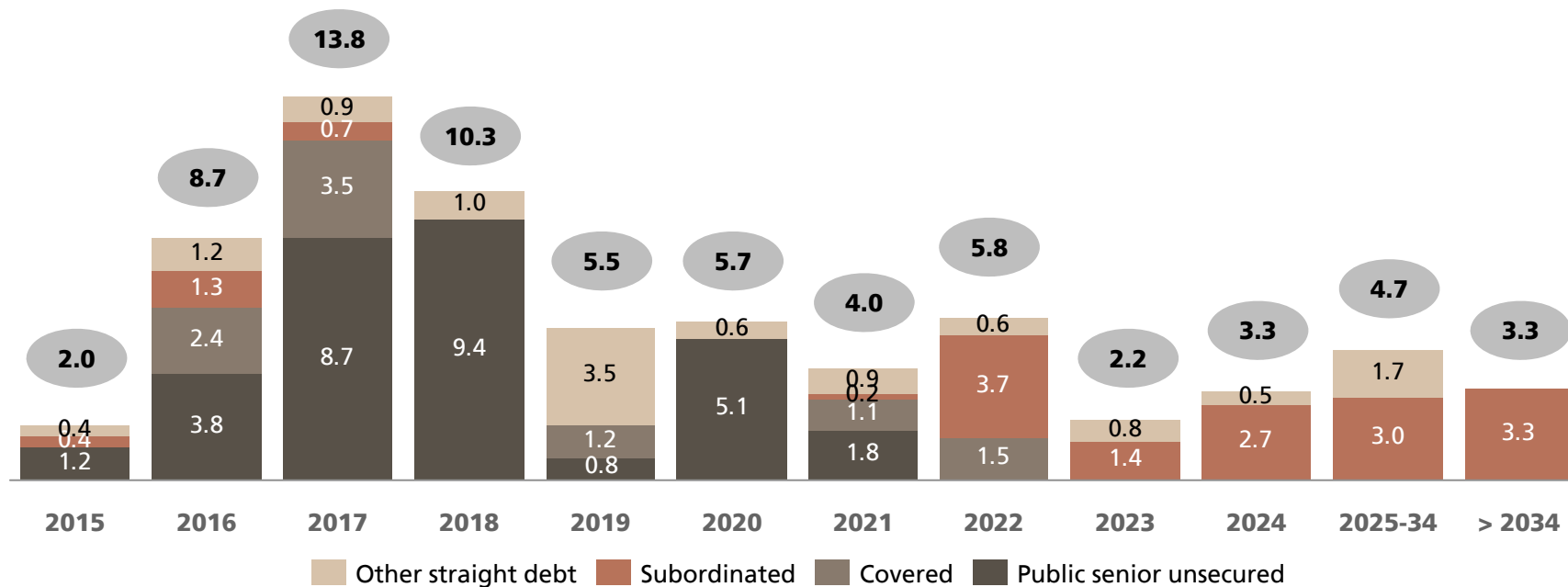
(CHF billion)	30.6.15
Available stable funding (ASF)	419
Required stable funding (RSF)	402
<b>NSFR</b>	<b>104%</b>

- NSFR framework intends to limit over-reliance on short-term wholesale funding
- ASF is defined as the portion of capital and liabilities expected to be available over the period of one year
- RSF is a function of maturity, encumbrance and other characteristics of assets held and off-balance sheet exposures
- The BIS NSFR regulatory framework requires a ratio of at least 100% as of 2018; UBS has disclosed its NSFR ratio calculated on a pro-forma basis since 3Q 2012 and has maintained a ratio of above 100% throughout

# Long-term debt – contractual maturity profile

## Amount of long-term debt maturing by period of maturity

CHF billion, 30.6.15



### CHF 69.3 billion (CHF 65.1 billion 1Q15) total volume:

- Comprises CHF 52.6 billion of senior and CHF 16.7 billion of subordinated debt
- CHF 6.6 billion, or 10%, of the positions mature within the upcoming 12 months, of which CHF 2.3 billion in public senior unsecured benchmark bonds
- Does not include structured notes (which are Financial Liabilities at Fair Value)
- Does not include CHF 1.8 billion of Hybrid Tier 1 securities

# Substantial and growing capital cushion

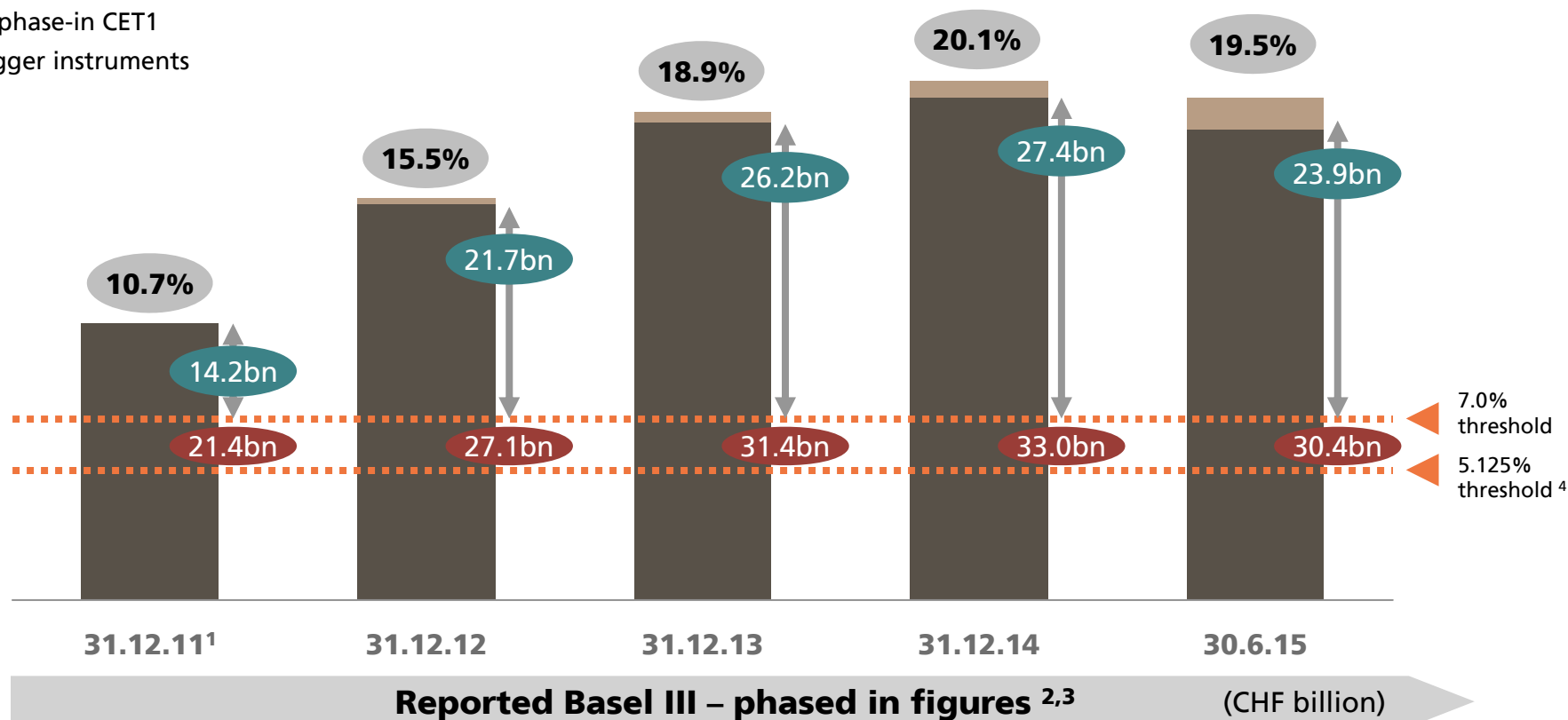
● **Relevant Capital Ratio including high trigger instruments**

● Excess CET1 capital before reaching 7.0% level excluding high trigger instruments (CHF bn)

● Excess CET1 and high trigger instruments before reaching 5.125% level (CHF bn)

■ Basel III phase-in CET1

■ High trigger instruments



<b>CET1</b>	41.0	40.1	42.2	42.9	38.7
+ High Trigger		0.5	1.0	1.4	2.5
<b>RWA</b>	383	262	229	221	212



Refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1. Basel III phase in CET1 ratios applied retrospectively for December 2011; 2 Trigger on Tier 1 Capital Notes is computed off Basel III phase in CET1; 3. Full Buffer to Trigger on 5.125% Progressive Tier 1 Capital notes includes CHF 2.5bn of high trigger capital that would write down prior to any 5.125% capital trigger breach; 4. Outstanding Tier 2 Subordinated Notes trigger at 5.0% Basel III phase in CET1

# Implementing our target group structure

## Significant progress managing regulatory change

### Capital and dividends

#### Capital

- Met current fully applied 2019 estimated capital requirements four years early
- Expect to qualify for rebate on progressive buffer requirement
- Intend to issue additional AT1 capital and inaugural TLAC-eligible debt out of UBS Group AG in 3Q15

#### Dividends

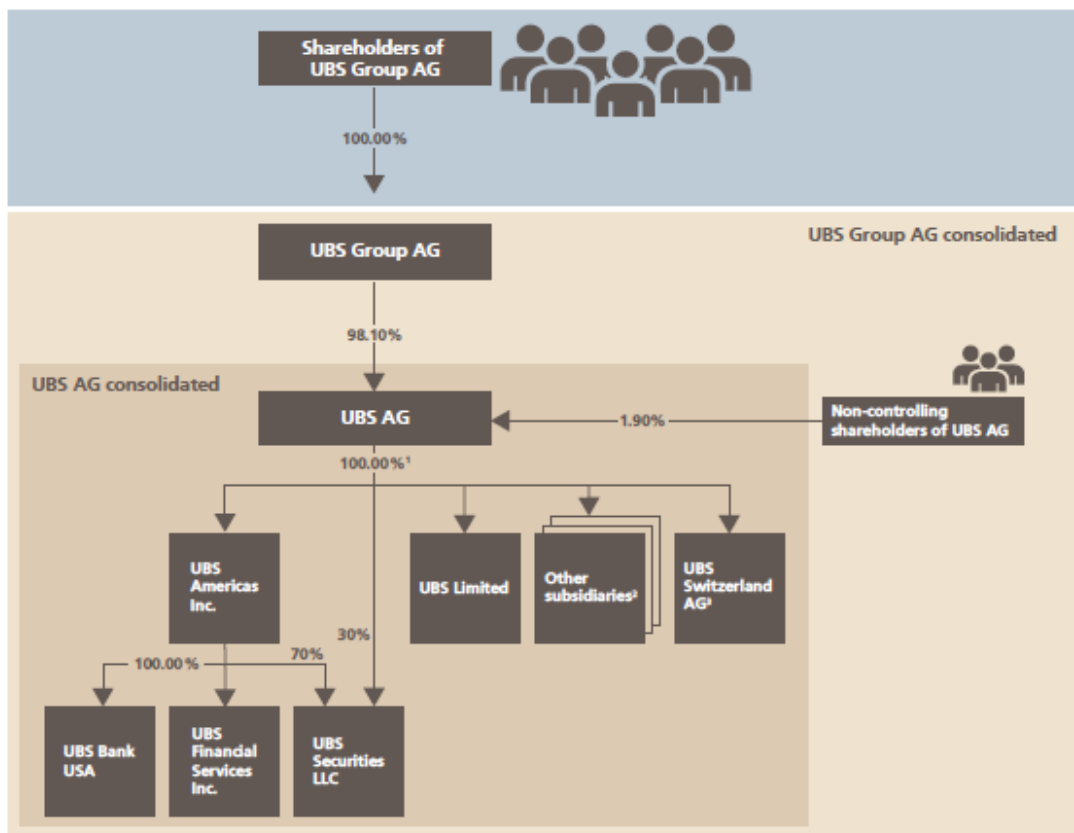
- Expect successful completion of the SESTA squeeze-out procedure in the near future
- Payment of supplementary capital return of CHF 0.25 per share planned for 3Q15

### Key actions and milestones in improving our resolvability

	2014			2015				2016				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Group	<ul style="list-style-type: none"> <li>✓ Completion of strategic transformation</li> <li>✓ Inaugural AT1 from UBS Group AG</li> </ul>											
	<ul style="list-style-type: none"> <li>Issue TLAC out of UBS Group AG</li> </ul>											
	<ul style="list-style-type: none"> <li>✓ Incorporation of UBS Group AG</li> <li>Share exchange</li> <li>✓ UBS Group AG becomes group holding company</li> <li>SESTA squeeze-out request ✓</li> </ul>											
	<ul style="list-style-type: none"> <li>✓ Announce establishment of UBS Business Solutions AG as UBS Group AG subsidiary</li> <li>Establish regional and country Business Solution Center subsidiaries</li> </ul>											
CH	<ul style="list-style-type: none"> <li>UBS Switzerland AG banking license ✓</li> <li>UBS Switzerland AG operational ✓</li> </ul>											
UK	<ul style="list-style-type: none"> <li>✓ UBS Limited financially self-sufficient</li> <li>✓ Revised business model implemented</li> </ul>											
US	<ul style="list-style-type: none"> <li>Incorporation of US IHC ✓</li> <li>Align US entities under IHC ▲ US IHC operational ▲</li> </ul>											

# The new legal structure of UBS Group

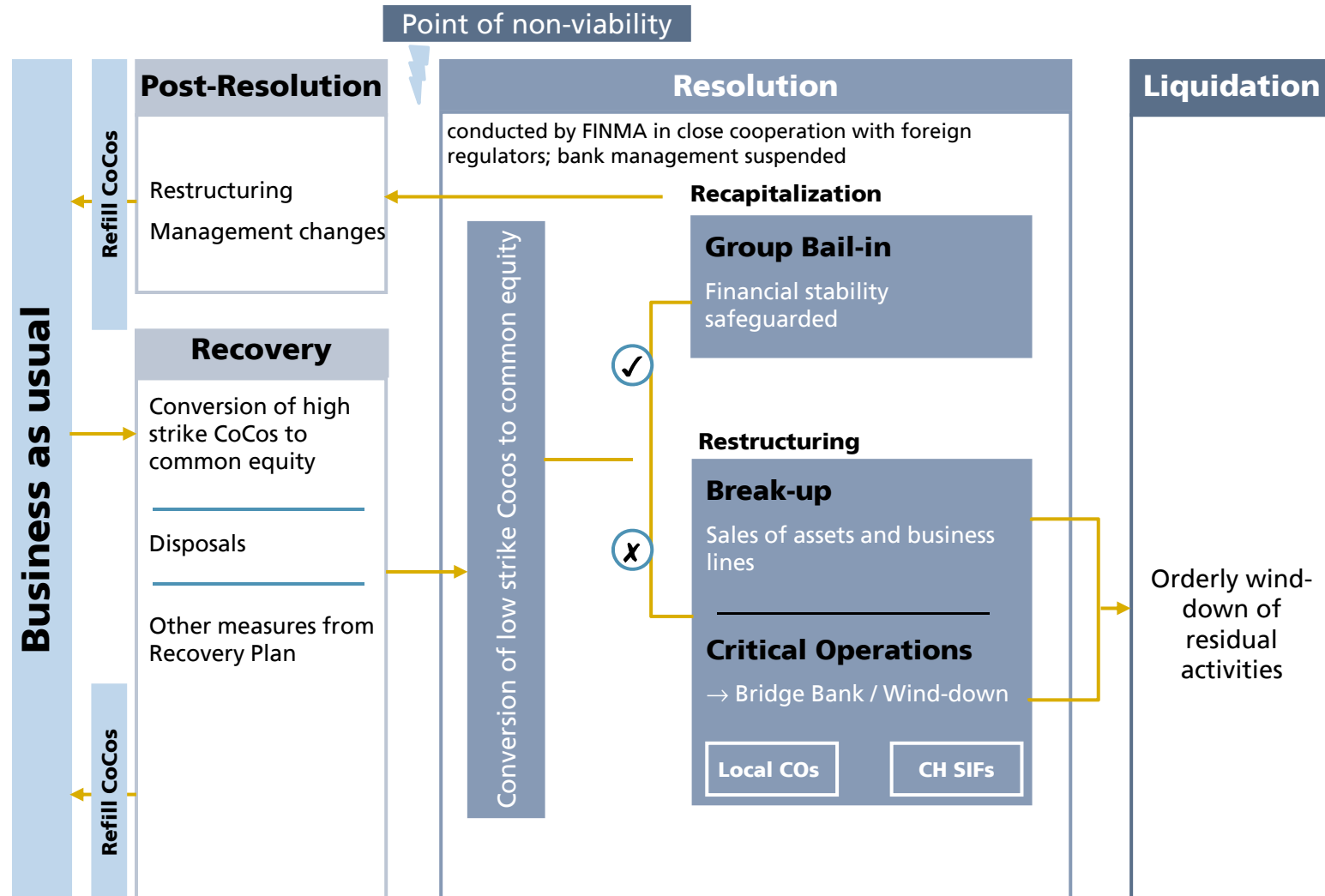
Legal structure as of 30 June 2015



<sup>1</sup> Direct and indirect holdings. The entities specifically listed are the group's individually significant subsidiaries as at 30 June 2015. Refer to "Note 30 Interests in subsidiaries and other entities" in the "Financial Information" section of the 2014 Annual Report for more information. <sup>2</sup> UBS AG and the significant subsidiaries shown in this chart hold in aggregate 100% of these other subsidiaries with very few exceptions. <sup>3</sup> UBS Switzerland AG is a wholly owned, non-operating subsidiary of UBS AG. It became operational in the second quarter of 2015.

- UBS Group AG as our holding company meets Single Point of Entry requirements and allows for issuance of bail-in eligible debt
- Our R&C and WM businesses booked in Switzerland were transferred to UBS Switzerland AG on June 14
  - UBS Switzerland AG and UBS AG are jointly liable for contractual obligations existing on the asset transfer date; neither have any liability for new obligations incurred thereafter
- UBS AG will remain a universal bank with IB, WM (non Swiss booked) and Asset Management, supported by the Corporate Center
- Completed implementation of the revised business and operating model for UBS Limited under which it bears and retains a larger proportion of the risk and reward of its business activities
- In the US we will designate an Intermediate Holding Company by 1 July 2016 that will own all US operations except US branches of UBS AG
- We intend to establish a Group service company as a subsidiary of UBS Group AG in 3Q
- We may consider further changes in response to regulatory requirements, including to seek any reduction in capital requirements to which we may be entitled
- Changes may include, amongst others;
  - transfer of operating subsidiaries of UBS AG to UBS Group AG
  - adjustments to the booking entity or location of products and services

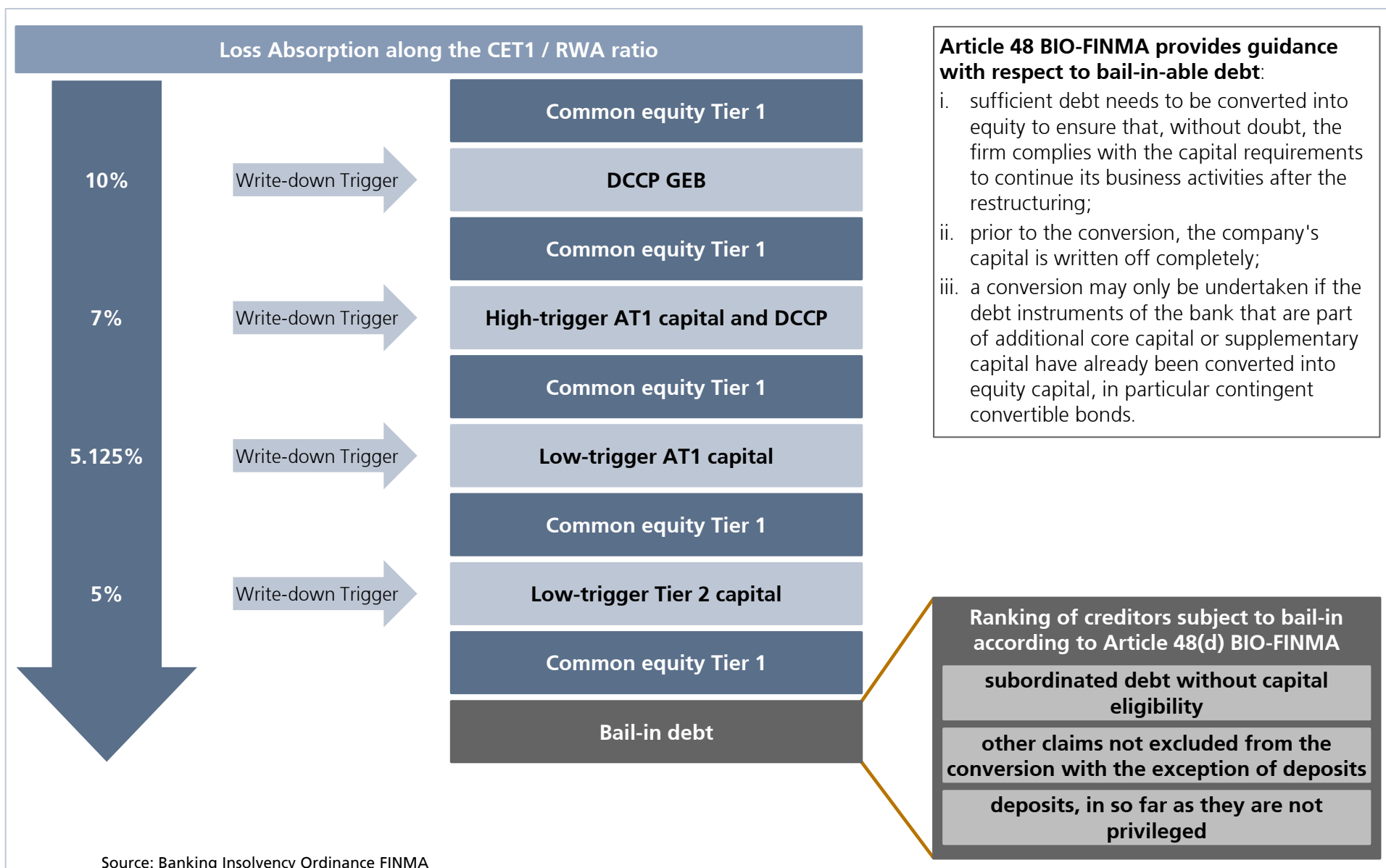
# Overview of resolution strategy (FINMA)



- ✓ Recapitalization sources considered **sufficient** by FINMA
- ✗ Recapitalization sources considered **insufficient** by FINMA

Source: FINMA Annual Report 2013, page 45

# Loss absorption along the CET1 / RWA ratio



Source: Banking Insolvency Ordinance FINMA



# Credit Ratings – UBS Group and UBS AG

## UBS Group AG

Standard & Poor's	Rating	Last rating change	Status / outlook
Long-Term Counterparty Credit Rating	BBB+	12.2.15	Stable (9.6.15)
Short-Term Counterparty Credit Rating	A-2	12.2.15	Affirmed (9.6.15)

Fitch	Rating	Last rating change	Status / outlook
Long-Term Issuer Default Rating	A	12.2.15	Stable (12.2.15)
Short-Term Issuer Default Rating	F1	12.2.15	(12.2.15)

## UBS AG

Standard & Poor's	Rating	Last rating change	Status / outlook
Long-Term Counterparty Credit Rating	A	29.11.11	Stable (9.6.15)
Short-Term Counterparty Credit Rating	A-1	19.12.08	Affirmed (9.6.15)
Stand-alone Credit Profile	a-	29.4.14	Affirmed (9.6.15)

Moody's	Rating	Last rating change	Status / outlook
Long-term deposit rating	A1	28.5.15	Stable (28.5.15)
Long-term senior debt rating	A2	21.6.12	Stable (8.7.15)
Short-term deposit rating	P-1	29.6.98	Affirmed (28.5.15)
Short-term debt rating	P-1	29.6.98	Stable (8.7.15)
Counterparty risk rating	A1(cr)	28.5.15	(28.5.15)
Baseline credit assessment	baa2	21.6.12	Affirmed (28.5.15)

Fitch	Rating	Last rating change	Status / outlook
Long-Term Issuer Default Rating	A	13.10.11	Stable (16.5.13)
Short-Term Issuer Default Rating	F1	13.10.11	Affirmed (16.5.13)
Viability Rating	a	17.4.13	Affirmed (16.5.13)

Each of these ratings reflects only the view of the applicable rating agency at the time the rating was issued, and any explanation of the significance of a rating may be obtained only from the rating agency.

# Credit Ratings – UBS Switzerland and UBS Limited

## UBS Switzerland AG

Standard & Poor's	Rating	Last rating change	Status / outlook
Long-Term Counterparty Credit Rating	A	15.6.15	Stable (15.6.15)
Short-Term Counterparty Credit Rating	A-1	15.6.15	(15.6.15)

Fitch	Rating	Last rating change	Status / outlook
Long-Term Issuer Default Rating	A	15.6.15	Stable (15.6.15)
Short-Term Issuer Default Rating	F1	15.6.15	(15.6.15)

## UBS Limited

Standard & Poor's	Rating	Last rating change	Status / outlook
Long-Term Counterparty Credit Rating	A	29.11.11	Stable (9.6.15)
Short-Term Counterparty Credit Rating	A-1	19.12.08	Affirmed (9.6.15)

Moody's	Rating	Last rating change	Status / outlook
Long-term senior debt rating	A2	21.6.12	Stable (8.7.15)
Short-term debt rating	P-1	18.10.02	Stable (8.7.15)

Fitch	Rating	Last rating change	Status / outlook
Long-Term Issuer Default Rating	A	13.10.11	Stable (16.5.13)
Short-Term Issuer Default Rating	F1	13.10.11	Affirmed (16.5.13)

# UBS – a unique and attractive investment proposition

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## The world's leading wealth manager

### UBS is the world's largest and fastest growing wealth manager<sup>1</sup>

- Unique global footprint provides exposure to both the world's largest and fastest growing global wealth pools
- Leading position across the attractive HNW and UHNW client segments
- Profitable in all regions including Europe, US, APAC and emerging markets
- Significant benefits from scale; high and rising barriers to entry
- Retail & Corporate, Global Asset Management and the Investment Bank all add to our wealth management franchise, providing a unique proposition for clients
- Highly cash generative with a very attractive risk-return profile
- 10-15% pre-tax profit growth target for our combined wealth management businesses<sup>2</sup>

## Strong capital position

### UBS capital position is strong – and we can adapt to change

- Our fully applied Basel III CET1 capital ratio is the highest among large global banks and we already meet our expected 2019 Swiss SRB Basel III capital ratio requirements
- Our highly capital accretive business model allows us to adapt to changes in regulatory capital requirements

## Attractive capital returns policy

### UBS is committed to an attractive capital returns policy

- Our earnings capacity, capital efficiency and low-risk profile all support our objective to deliver sustainable and growing capital returns to our shareholders
- Our capital returns capacity is strengthened by our commitment to further improve efficiency and our potential for net upward revaluations of deferred tax assets
- We target to pay out at least 50% of net profits<sup>3</sup>, while maintaining our strong capital position and profitably growing our businesses



<sup>1</sup> Scorpio Partnership Global Private Banking Benchmark 2015, on reporting base currency basis for institutions with AuM >USD 500 billion; <sup>2</sup> Adjusted pre-tax profit, refer to page 41 of the 2014 annual report for detail; <sup>3</sup> Payout ratio of at least 50% conditional on maintaining a fully applied Basel III CET1 capital ratio of at least 13% and at least 10% post-stress

# Appendix

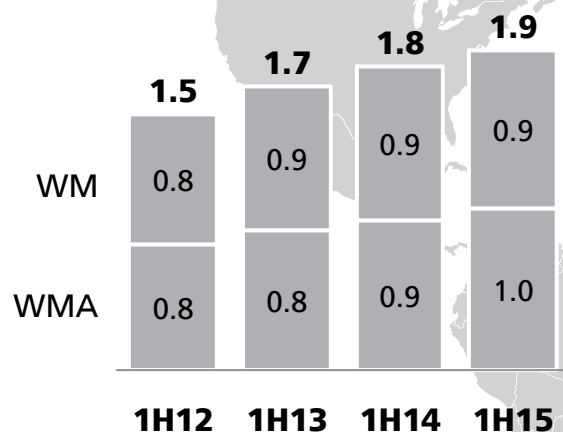
# The world's leading wealth management franchise

UBS is the world's largest and fastest growing wealth manager<sup>1</sup>

## Invested assets

CHF trillion

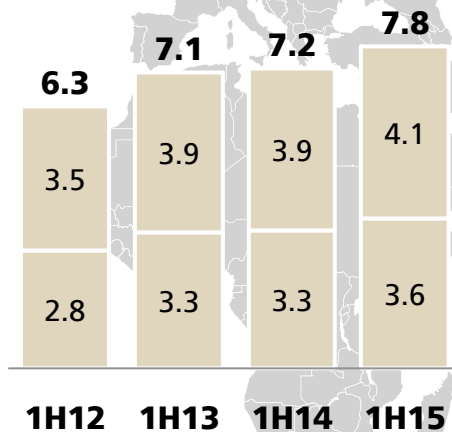
+8% CAGR



## Operating income

CHF billion

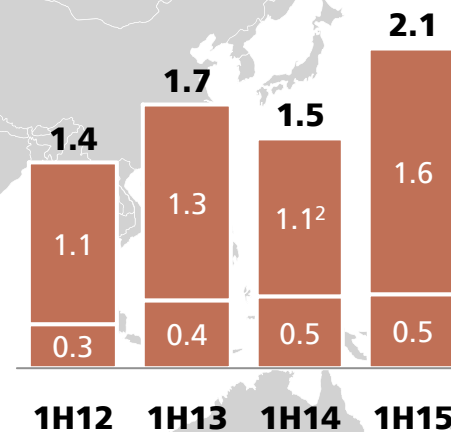
+7% CAGR



## Profit before tax

CHF billion

+14% CAGR



Superior growth prospects and a unique global footprint



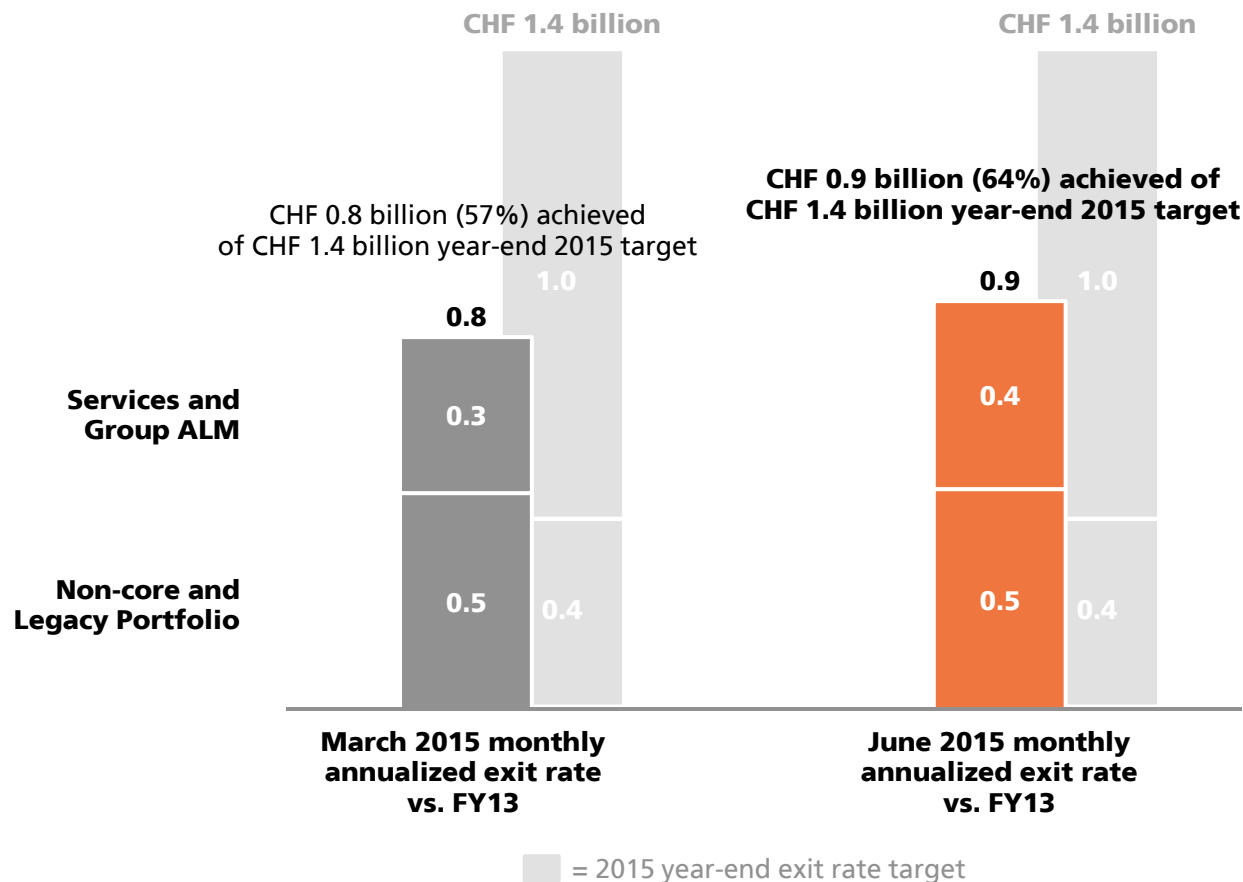
Adjusted numbers unless otherwise indicated, refer to slide 38 for details about adjusted numbers, Basel III numbers and FX rates in this presentation  
 1 Scorpio Partnership Global Private Banking Benchmark 2015, on reporting base currency basis for institutions with AuM >USD 500 billion;  
 2 Including CHF 0.4 billion in charges for provisions for litigation, regulatory and similar matters

# Corporate Center cost reductions

~CHF 0.9 billion net cost reductions using June 2015 annualized exit rate

## Cumulative annualized net cost reduction<sup>1,2</sup>

CHF billion

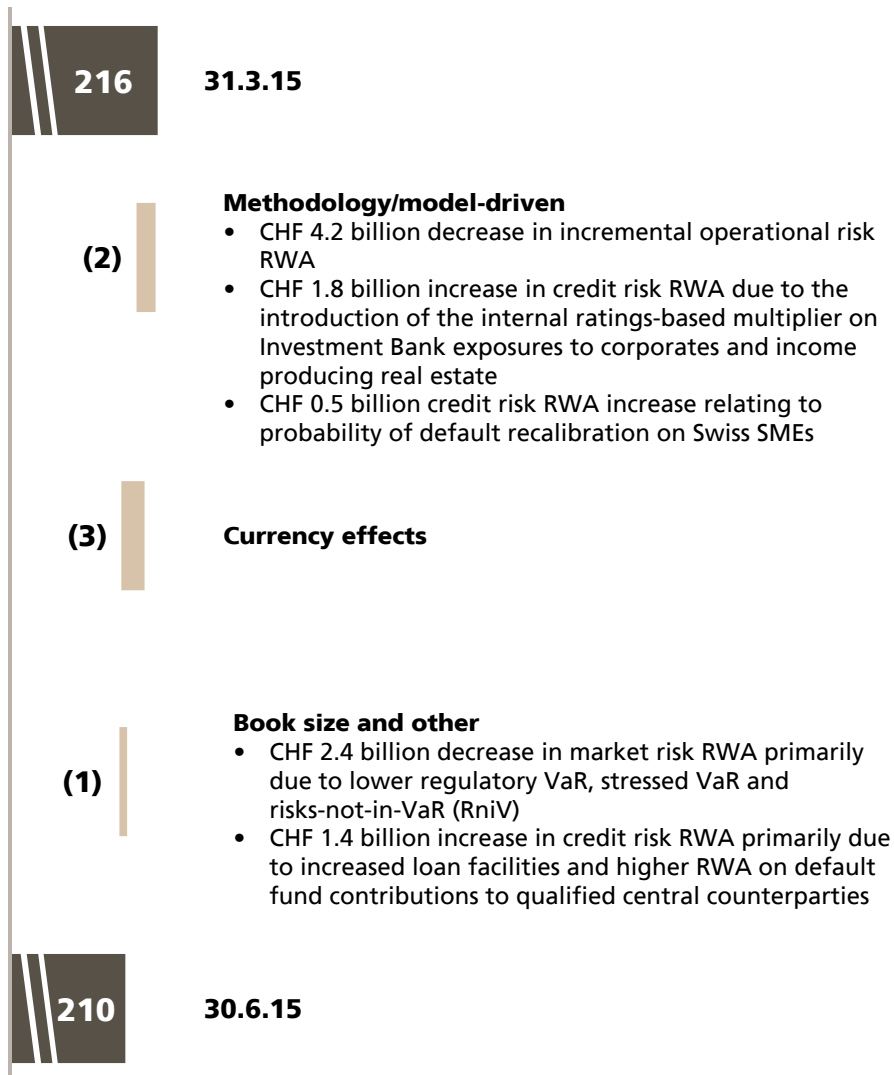


Adjusted numbers unless otherwise indicated, refer to slide 38 for details about adjusted numbers, Basel III numbers and FX rates in this presentation  
 1 Refer to page 41 of the 2014 annual report for details of our cost reduction targets; 2 Refer to slide 33 for details on net cost reduction progress as of the end of June 2015 including incremental Group Technology investment of ~CHF 0.1 billion which has been self-funded by business divisions via direct cost savings and excluded from Corporate Center – Services

# Breakdown of changes in RWA

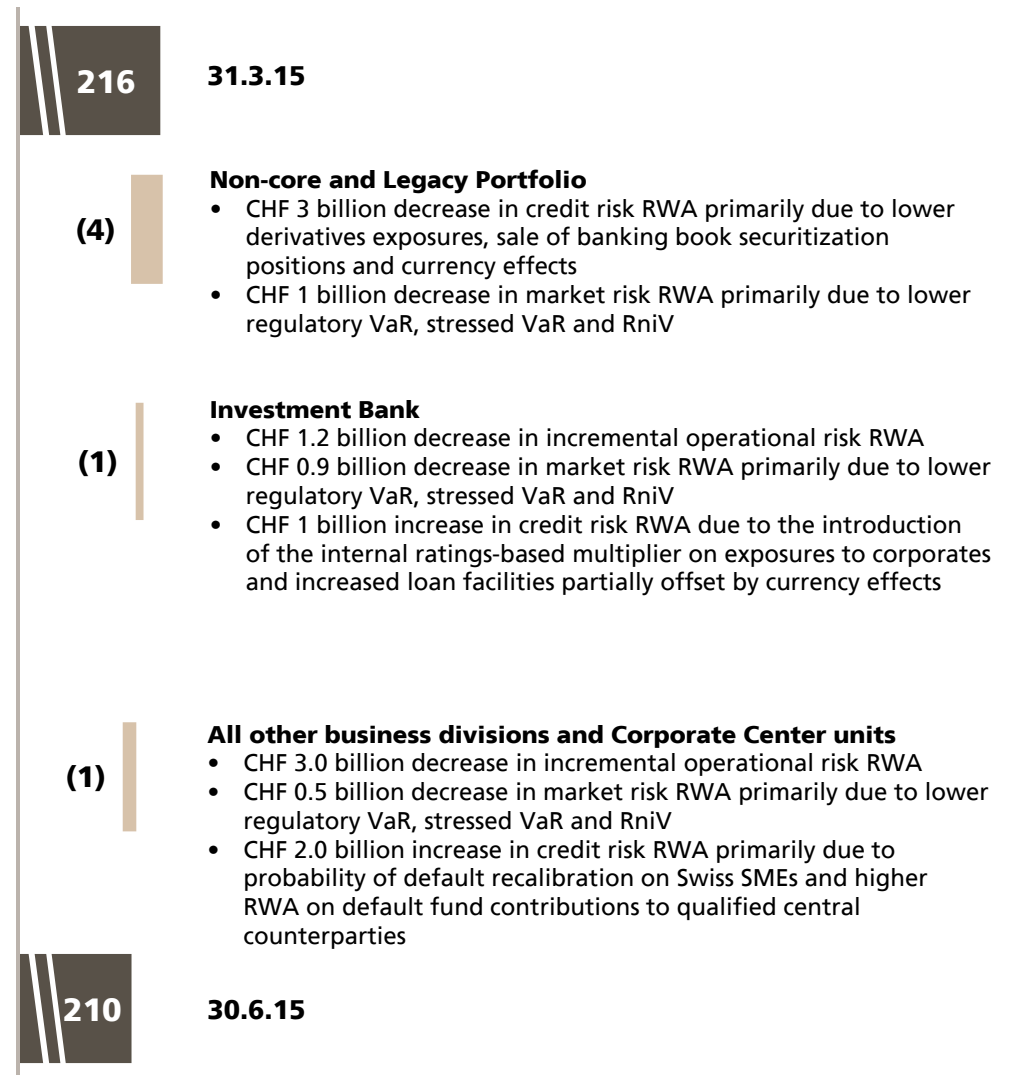
## By type

CHF billion



## By business division

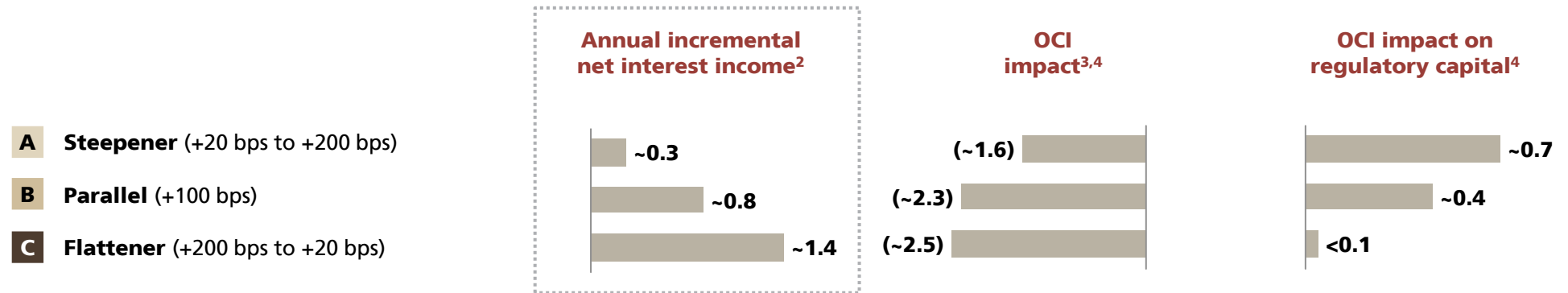
CHF billion



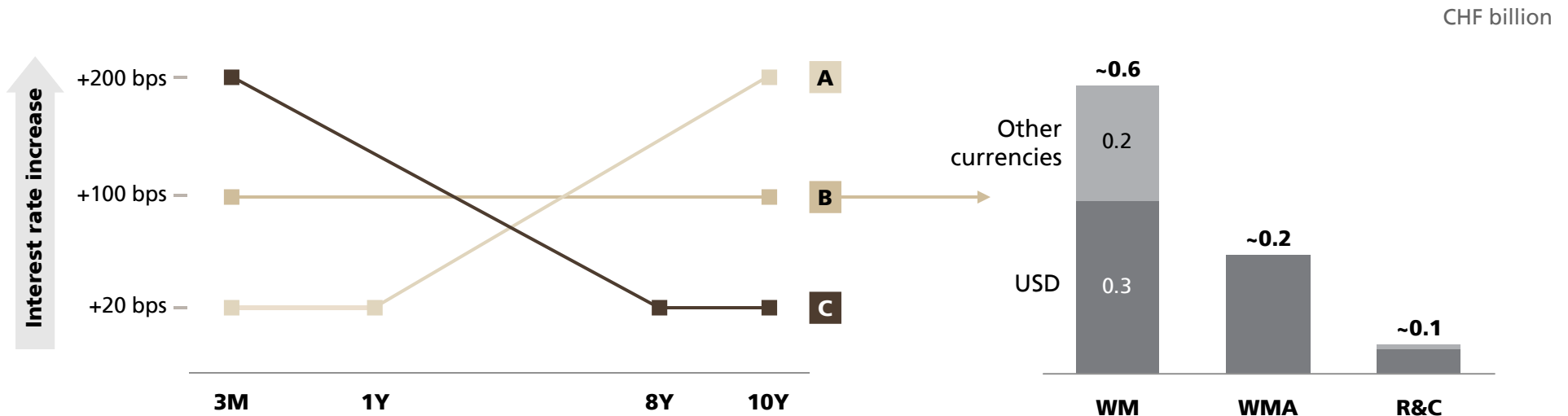
# Interest rate sensitivities<sup>1</sup>

Our revenues are positively geared to rising interest rates

## Interest rate scenarios: estimated impact on NII, OCI and regulatory capital CHF billion



## Scenario overview and incremental NII by business division (+100 bps parallel increase, scenario B)



Refer to slide 38 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 For all scenarios, interest rate increases are assumed to be immediate, equal across all currencies and relative to implied forward rates based on static balance sheet and constant FX rates; 2 The estimated impact is for the first year of the relevant interest rate scenario; 3 Majority of the impact on OCI would be through cash flow hedges, which would not affect regulatory capital; 4 Including estimated OCI impact related to pension fund assets and liabilities



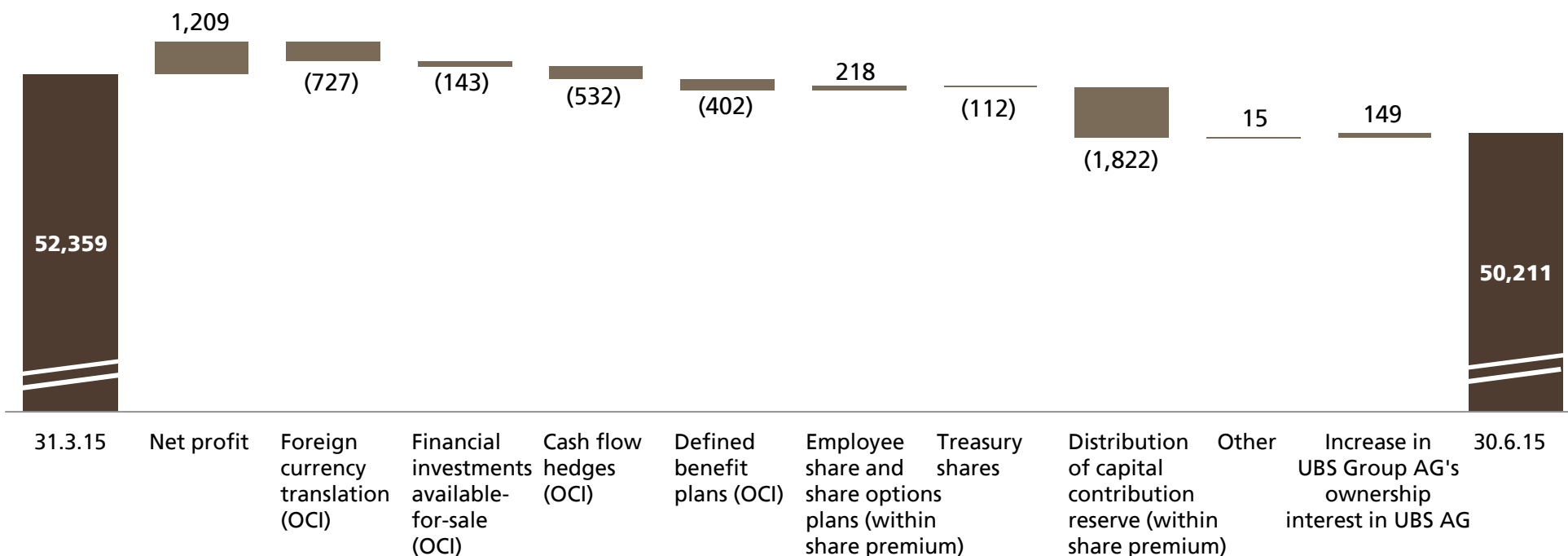
# IFRS equity attributable to UBS Group AG shareholders

Equity attributable to UBS Group AG shareholders CHF 50.2 billion

## QoQ movement

CHF million, except for per share figures in CHF

	31.3.15		30.6.15
<b>Total book value per share:</b>	14.33	(4.3%)	13.71
<b>Tangible book value per share:</b>	12.59	(4.4%)	12.04



Refer to slide 36 for details about FX rates in this presentation; The payment of the supplementary capital return of CHF 0.25 per share planned for 3Q15 is expected to reduce IFRS equity attributable to UBS Group AG shareholders by ~CHF 0.9 billion

# Group and business division targets

## Ranges for sustainable performance over the cycle<sup>1</sup>

### Business divisions

Wealth Management	Net new money growth rate	3-5%	10-15% annual adjusted pre-tax profit growth for combined businesses through the cycle
	Adjusted cost/income ratio	55-65%	
Wealth Management Americas	Net new money growth rate	2-4%	
	Adjusted cost/income ratio	75-85%	
Retail & Corporate	Net new business volume growth rate	1-4% (retail business)	
	Net interest margin	140-180 bps	
	Adjusted cost/income ratio	50-60%	
Global Asset Management	Net new money growth rate	3-5% excluding money market flows	
	Adjusted cost/income ratio	60-70%	
	Adjusted annual pre-tax profit	CHF 1 billion in the medium term	
Investment Bank	Adjusted annual pre-tax RoAE	>15%	
	Adjusted cost/income ratio	70-80%	
	Basel III RWA limit (fully applied)	CHF 70 billion	
	Funded assets limit	CHF 200 billion	

### Corporate Center

Services and Group ALM	Net cost reduction	CHF 1.0 billion by 2015 year-end exit rate
Non-core and Legacy Portfolio	Net cost reduction	CHF 0.4 billion by 2015 year-end exit rate, additional CHF 0.7 billion after 2015
	Basel III RWA (fully applied)	~CHF 40 billion by 31.12.15, ~CHF 25 billion by 31.12.17

### Group

Group	Adjusted cost/income ratio	60-70%
	Adjusted return on tangible equity	around 10% in 2015, >15% from 2016
	Basel III CET1 ratio (fully applied)	at least 13% <sup>2</sup>
	Basel III RWA (fully applied)	<CHF 215 billion by 31.12.15, <CHF 200 billion by 31.12.17
	Swiss SRB LRD	CHF 900 billion by 2016 <sup>3</sup>



Refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

<sup>1</sup> Refer to page 41 of the 2014 annual report for details; <sup>2</sup> Our objective is to maintain a post-stress fully applied CET1 capital ratio of at least 10%; <sup>3</sup> Based on the rules applicable as of the announcement of the target (6.5.14)

# Regional performance – 2Q15<sup>1</sup>

CHF billion

		Americas		Asia Pacific		EMEA <sup>2</sup>		Switzerland		Global <sup>3</sup>		Total	
		1Q15	2Q15	1Q15	2Q15	1Q15	2Q15	1Q15	2Q15	1Q15	2Q15	1Q15	2Q15
Operating income	WM	0.1	0.1	0.6	0.6	1.0	0.9	0.4	0.4	-	0.0	2.1	2.0
	WMA	1.8	1.8	-	-	-	-	-	-	-	-	1.8	1.8
	R&C	-	-	-	-	-	-	1.0	1.0	-	-	1.0	1.0
	Global AM	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.5	0.5
	Investment Bank	0.8	0.7	0.7	0.8	0.8	0.7	0.4	0.2	(0.0)	(0.0)	2.7	2.3
	Corporate Center	-	-	-	-	-	-	-	-	0.0	(0.1)	0.0	(0.1)
	<b>Group</b>	<b>2.9</b>	<b>2.8</b>	<b>1.4</b>	<b>1.5</b>	<b>1.9</b>	<b>1.7</b>	<b>1.9</b>	<b>1.7</b>	<b>0.0</b>	<b>(0.2)</b>	<b>8.1</b>	<b>7.5</b>
Operating expenses	WM	0.1	0.1	0.3	0.3	0.6	0.6	0.2	0.2	0.0	0.0	1.2	1.3
	WMA	1.5	1.6	-	-	-	-	-	-	-	-	1.5	1.6
	R&C	-	-	-	-	-	-	0.5	0.5	-	-	0.5	0.5
	Global AM	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	(0.0)	(0.0)	0.3	0.3
	Investment Bank	0.6	0.5	0.5	0.5	0.6	0.5	0.2	0.2	0.0	0.1	1.8	1.7
	Corporate Center	-	-	-	-	-	-	-	-	0.4	0.4	0.4	0.4
	<b>Group</b>	<b>2.3</b>	<b>2.4</b>	<b>0.9</b>	<b>0.8</b>	<b>1.3</b>	<b>1.2</b>	<b>1.0</b>	<b>1.0</b>	<b>0.4</b>	<b>0.5</b>	<b>5.8</b>	<b>5.9</b>
Profit before tax	WM	0.0	0.0	0.2	0.2	0.4	0.3	0.2	0.2	(0.0)	(0.0)	0.9	0.8
	WMA	0.3	0.2	-	-	-	-	-	-	-	-	0.3	0.2
	R&C	-	-	-	-	-	-	0.4	0.4	-	-	0.4	0.4
	Global AM	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.2	0.1
	Investment Bank	0.2	0.1	0.3	0.4	0.2	0.1	0.2	0.1	(0.0)	(0.1)	0.8	0.6
	Corporate Center	-	-	-	-	-	-	-	-	(0.3)	(0.5)	(0.3)	(0.5)
	<b>Group</b>	<b>0.6</b>	<b>0.4</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.9</b>	<b>0.7</b>	<b>(0.4)</b>	<b>(0.6)</b>	<b>2.3</b>	<b>1.6</b>



Adjusted numbers unless otherwise indicated, refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation  
 1 Refer to the "Regional performance" section of the 2Q15 financial report for further detail; 2 Europe, Middle East and Africa excluding Switzerland;  
 3 Refers to items managed globally

# Adjusted results

Adjusting items		1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
CHF million											
<b>Operating income as reported (Group)</b>		<b>7,775</b>	<b>7,389</b>	<b>6,261</b>	<b>6,307</b>	<b>7,258</b>	<b>7,147</b>	<b>6,876</b>	<b>6,746</b>	<b>8,841</b>	<b>7,818</b>
<i>Of which:</i>											
Gain on sale of a subsidiary	Wealth Management									141	
Gain on sale of the Belgian domestic WM business	Wealth Management										56
Gain on sale of Global AM's Canadian domestic business	Global Asset Management	34									
Gain from the partial sales of our investment in Markit	Investment Bank						43				11
Impairment of financial investments available-for-sale	Investment Bank							(48)			
Net gain on sale of remaining proprietary trading business	Investment Bank	55									
	Corporate Center - Group ALM	(24)									
Own credit on financial liabilities designated at FV	Corporate Center - Group ALM	(181)	138	(147)	(94)	88	72	61	70	226	259
Gains on sales of real estate	Corporate Center - Services		19	207	61	23	1		20	378	
Net losses related to the buyback of debt in public tender offer	Corporate Center - Group ALM	(119)			(75)						
	Corporate Center - NCL <sup>1</sup>	27									
<b>Operating income adjusted (Group)</b>		<b>7,983</b>	<b>7,232</b>	<b>6,201</b>	<b>6,415</b>	<b>7,147</b>	<b>7,031</b>	<b>6,863</b>	<b>6,656</b>	<b>8,096</b>	<b>7,492</b>
<b>Operating expenses as reported (Group)</b>		<b>6,327</b>	<b>6,369</b>	<b>5,906</b>	<b>5,858</b>	<b>5,865</b>	<b>5,929</b>	<b>7,430</b>	<b>6,342</b>	<b>6,134</b>	<b>6,059</b>
<i>Of which:</i>											
	Wealth Management	26	50	62	41	40	38	60	48	46	69
	Wealth Management Americas	10	10	13	26	10	7	15	23	24	24
	Retail & Corporate	15	13	15	12	15	13	20	16	16	17
Net restructuring charges	Global Asset Management	4	14	12	13	4	2	5	39	18	4
	Investment Bank	6	31	84	89	124	27	50	60	70	66
	Corporate Center - Services	(3)	5	(1)	(7)	2	4	16	8	119	0
	Corporate Center - NCL <sup>1</sup>	188	18	5	24	9	(2)	10	14	11	13
	Wealth Management Americas							(3)	(7)		
Credit related to changes to retiree benefit plans in the US	Global Asset Management							(8)			
	Investment Bank							(19)	(1)		
	Corporate Center - NCL <sup>1</sup>							(3)			
Impairment of an intangible asset	Investment Bank										11
<b>Operating expenses adjusted (Group)</b>		<b>6,081</b>	<b>6,229</b>	<b>5,718</b>	<b>5,660</b>	<b>5,661</b>	<b>5,840</b>	<b>7,287</b>	<b>6,142</b>	<b>5,829</b>	<b>5,857</b>
<b>Operating profit/(loss) before tax as reported</b>		<b>1,447</b>	<b>1,020</b>	<b>356</b>	<b>449</b>	<b>1,393</b>	<b>1,218</b>	<b>(554)</b>	<b>404</b>	<b>2,708</b>	<b>1,759</b>
<b>Operating profit/(loss) before tax adjusted</b>		<b>1,901</b>	<b>1,003</b>	<b>484</b>	<b>755</b>	<b>1,486</b>	<b>1,191</b>	<b>(424)</b>	<b>514</b>	<b>2,268</b>	<b>1,635</b>



Adjusted numbers unless otherwise indicated, refer to slide 36 for details about adjusted numbers, Basel III numbers and FX rates in this presentation  
Refer to page 14 of the 2Q15 financial report for an overview of adjusted numbers; 1 Non-core and Legacy Portfolio

# Important information related to this presentation

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## **Use of adjusted numbers**

Unless otherwise indicated, “adjusted” figures exclude the adjustment items listed on the previous slide, 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.