

21 January 2020

2019 net profit USD 4.3bn, 12.4% return on CET1 capital

2019 reported PBT USD 5.6bn; adjusted¹ PBT USD 6.0bn**4Q19 reported PBT USD 0.9bn; adjusted¹ PBT USD 1.2bn****2019 reported RoCET1² 12.4%; diluted EPS USD 1.14; TBVPS USD 13.29****CET1 capital ratio 13.7% and CET1 leverage ratio 3.9%; tier 1 leverage ratio⁴ 5.7%****2019 ordinary dividend USD 0.73 per share proposed; repurchased USD 0.8bn of shares in 2019; total pay-out ratio of 80%****Targeting reported RoCET1² of 12-15% in 2020-2022 and reiterating growth ambitions in GWM, supporting UBS's attractive capital returns profile**

Zurich, 21 January 2020 – UBS delivered solid full-year 2019 results in mixed market conditions. Reported profit before tax (PBT) was USD 5,577m, down 7% year over year (YoY), and adjusted PBT decreased slightly to USD 6,035m. The Group's adjusted cost/income ratio was 78.9% (down 51bps YoY), with a 3% decrease in operating income and a 4% decrease in operating expenses (both adjusted). Net profit attributable to shareholders was USD 4,304m, down 5% YoY. Reported return on CET1 capital² (RoCET1) was 12.4%. Diluted earnings per share (EPS) were USD 1.14, and tangible book value per share (TBVPS) increased by 6% YoY to USD 13.29.

"We finished a solid year with our best fourth quarter adjusted PBT since 2010. Clients continue to turn to UBS for high-quality advice and we now manage USD 3.6 trillion of their assets, up by more than 900 billion over the last four years. We made progress on our strategic initiatives, reduced operating expenses by 4%, and our capital position remains strong. We again delivered attractive returns to shareholders, with an increased dividend, complemented by share buybacks. We are reaffirming our growth ambitions in GWM and a strong return on CET1 capital."

Sergio P. Ermotti, Group Chief Executive Officer

¹ Adjusted results are non-GAAP financial measures defined by SEC regulations. Refer to the "Performance of our business divisions and Corporate Center – reported and adjusted" table in this news release.

Global Wealth Management (GWM) adjusted PBT was USD 3,466m; invested assets reached a new high of USD 2,635bn; loans increased by 3% YoY; adjusted operating expenses decreased by 3%. **Personal & Corporate Banking** adjusted PBT was USD 1,458m; highest transaction-based (excluding a fee paid to GWM for a shift in business volume) and recurring net fee income in a decade; net new business volume growth in personal banking was very strong at 4.6% (4.7% in CHF). **Asset Management** adjusted PBT was USD 565m, the best year since 2015, with higher operating income YoY; invested assets rose to a record USD 903bn. The **Investment Bank** delivered adjusted PBT of USD 1,061m; adjusted RoAE was 8.6%. Corporate Center adjusted loss before tax was USD 515m.

UBS's capital position remains very strong, with a CET1³ capital ratio of 13.7%, a CET1 leverage ratio of 3.9%, a tier 1 leverage ratio⁴ of 5.7%, and total loss-absorbing capacity of USD 90bn.

For 2019, the Board of Directors intends to propose a dividend to UBS Group AG shareholders of USD 0.73^{5, 6} per share, an increase on the prior year. UBS repurchased USD 0.8bn of its shares under its share repurchase program during 2019. The total pay-out ratio for dividends and share repurchases combined was 80% for 2019.

For the first half of 2020, UBS intends to repurchase around USD 450m of shares, completing its current CHF 2bn share repurchase program. Any further buybacks will be assessed in the second half of 2020, considering business conditions and any idiosyncratic developments.

Outlook

Stimulus measures and easing of monetary policy by central banks contributed to a strong performance in financial markets in the fourth quarter and are likely to prevail. A favorable credit environment and a partial resolution of trade disputes should mitigate slowing global economic growth.

While the macroeconomic and geopolitical situation remains uncertain, for the first quarter we expect more typical seasonality, supporting earnings. Clients are more active, which should lead to an improvement in transaction-related revenues. Higher asset prices should have a positive effect on recurring fee income in our asset gathering businesses. Low and persistently negative interest rates and expectations of continuing easy monetary policy will continue to provide some headwinds to net interest income.

As we execute on our strategy, we are balancing investments to take advantage of opportunities for growth across our businesses and regions, while managing for efficiency. We remain committed to delivering on our financial targets, creating further value through even closer collaboration across all divisions to drive sustainable long-term value for our clients and shareholders.

Fourth quarter 2019 performance overview

UBS's fourth quarter adjusted¹ PBT was USD 1,212m (up 153% YoY), and reported PBT was USD 928m (up 93% YoY). Adjusted figures exclude USD 146m of restructuring expenses, USD 110m impairment of goodwill, and a loss of USD 29m from properties held for sale. The adjusted cost/income ratio was 82.8%. Net profit attributable to shareholders was USD 722m (up 129% YoY), with diluted earnings per share of USD 0.19 (up 135% YoY). Reported return on CET1 capital² was 8.2%.

Global Wealth Management (GWM) adjusted PBT USD 787m, +160% YoY

Recurring net fee income decreased due to margin compression and moves into lower-margin products. Transaction-based income increased by 26%, or 14% excluding a fee paid by Personal & Corporate Banking (see below), while net interest income decreased by 3%. Adjusted operating expenses decreased, mainly as the fourth quarter of 2018 included USD 505m in litigation expenses; excluding litigation in both periods, adjusted operating expenses increased by 3%. Mandate penetration was 34.3% of invested assets. Net new loans drove an increase in lending balance of 2% sequentially. The adjusted cost/income ratio was 80.8%. Net new money outflows of USD 4.7bn were driven by the Americas. Adjusted net margin was 12bps.

Personal & Corporate Banking (P&C) adjusted PBT CHF 309m, +2% YoY

Transaction-based income included a CHF 73m fee paid to GWM for the shift in business volume. Excluding this fee, transaction-based and recurring net fee income increased, more than offsetting lower net interest income. Adjusted operating expenses decreased, mainly due to lower litigation expenses. The adjusted cost/income ratio was 64.9%, or 59.9% excluding the aforementioned fee. Business momentum remained strong, with Personal Banking net new business volume growth of 2.8%. Net interest margin was 149bps.

Asset Management (AM) adjusted PBT USD 187m, +48% YoY

Net management fees increased by 4%, reflecting higher average invested assets. Performance fees increased by USD 68m, reflecting both annual performance fees on certain larger mandates recognized in the fourth quarter of 2019 on the back of strong investment performance and a constructive market environment. This led to the fifth consecutive quarter of YoY growth in adjusted PBT. The adjusted cost/income ratio improved to 66.2%. Invested assets rose to a record USD 903bn, and net new money inflows excluding money markets were USD 4.6bn.

Investment Bank (IB) adjusted PBT USD 198m, vs. (5)m in 4Q18

Improvements across almost all income lines from a difficult fourth quarter of 2018 drove an 11% increase in operating income. Corporate Client Solutions contributed the greatest increase at 18%, despite a reduction in global fee pools. FX, Rates & Credit increased by 16%, or 41% excluding the USD 53m revenues in the fourth quarter of 2018 for the rebalancing of the Group's currency exposures in connection with the change in functional and presentation currencies; Equities increased by 2%. Adjusted operating expenses decreased, mainly on lower personnel costs. The adjusted cost/income ratio was 87.9%. Adjusted return on attributed equity was 6.4%. Reported results included a USD 110m goodwill charge, which was treated as an adjusting item, and takes the goodwill in the Investment Bank to nil as of 31 December 2019.

Corporate Center adjusted loss before tax was USD 273m.

¹ Adjusted results are non-GAAP financial measures defined by SEC regulations. Refer to the "Performance of our business divisions and Corporate Center – reported and adjusted" table in this news release.

2019 performance overview

UBS's full-year adjusted¹ PBT was USD 6,035m (down 0.5% YoY), and reported PBT was USD 5,577m (down 7% YoY). Adjusted figures for 2019 exclude USD 284m of restructuring expenses, USD 110m impairment of goodwill, USD 35m of net foreign currency translation losses, and a loss of USD 29m from properties held for sale. The adjusted cost/income ratio was 78.9% (down 51bps YoY). Net profit attributable to shareholders was USD 4,304m (down 5% YoY), with diluted earnings per share of USD 1.14 (down 3% YoY). Reported return on CET1 capital² was 12.4%.

Global Wealth Management (GWM) adjusted PBT USD 3,466m, +4% YoY

Recurring net fee income decreased due to margin compression and moves into lower-margin products. Transaction-based income rose 3%, or 0.4% excluding a fee paid by Personal & Corporate Banking (see below), while net interest income reduced by 4%. Mandate penetration increased to 34.3% of invested assets. Loans grew by 3%, mainly driven by the Americas. Adjusted operating expenses decreased by 3%, mainly due to lower litigation expenses, as well as a decrease in personnel expenses. The adjusted cost/income ratio was 78.7%. Net new money was USD 31.6bn. Adjusted net margin was 14bps.

Personal & Corporate Banking (P&C) adjusted PBT CHF 1,450m, +3% YoY

Transaction-based income included a CHF 73m fee paid to GWM for the shift in business volume. Excluding this fee, transaction-based and recurring net fee income increased to the highest level in a decade, more than offsetting lower net interest income. Adjusted operating expenses decreased on lower litigation expenses. The adjusted cost/income ratio was 60.4%, or 59.2% excluding the aforementioned fee. Business momentum remained strong, with Personal Banking net new business volume growth of 4.7%. Net interest margin was 150bps.

Asset Management (AM) adjusted PBT USD 565m, +17% YoY

Net management fees increased by USD 6m, while performance fees doubled. The adjusted cost/income ratio improved to 70.8%. Invested assets rose to a record USD 903bn, and net new money inflows excluding money markets were USD 12.6bn.

Investment Bank (IB) adjusted PBT USD 1,061m, (37%) YoY

Challenging market conditions, which were most pronounced in the first quarter of 2019, affected the IB's revenues. FX, Rates & Credit increased by 9% YoY when excluding net income of around USD 100m mainly related to the recognition of previously deferred day-1 profits in the second quarter of 2018 and the above-mentioned USD 53m for the rebalancing of the Group's currency exposures. Adjusted operating expenses decreased by 3%. The adjusted cost/income ratio was 85.1%. Adjusted return on attributed equity was 8.6%. Reported results included a USD 110m goodwill charge in the fourth quarter of 2019, which was treated as an adjusting item, and takes the goodwill in the Investment Bank to nil.

Corporate Center adjusted loss before tax was USD 515m.

¹ Adjusted results are non-GAAP financial measures defined by SEC regulations. Refer to the "Performance of our business divisions and Corporate Center – reported and adjusted" table in this news release.

2020-2022: Driving higher and superior returns

UBS aims to drive higher and superior returns by growing and leveraging its unique, integrated and complementary business portfolio and geographic footprint.

In connection with the completion of UBS's annual planning process, it is updating its performance targets and capital and resource guidance effective in 2020.

Targets, capital and resource guidance 2020-2022 (on a reported basis):

Group returns	12-15% return on CET1 capital (RoCET1)
Cost efficiency	Positive operating leverage and 75-78% cost/income ratio
Growth	10-15% PBT growth in Global Wealth Management
Capital allocation	Up to 1/3 of Group RWA and LRD in IB
Capital guidance	~ 13% CET1 capital ratio ~ 3.7% CET1 leverage ratio

UBS intends to increase its dividend per share by USD 0.01 per year and return incremental capital through share repurchases.

Commitment to sustainable performance

UBS is committed to creating long-term positive value for its clients, employees, investors and society and the firm made substantial progress on this commitment in 2019. This is illustrated by recognition UBS has received throughout the year for its commitment to improving performance under ESG criteria and for its efforts in offering clients sustainable finance products and services.

Recognized leader in sustainability

The Dow Jones Sustainability Index, the most widely recognized sustainability rating, confirmed UBS as Diversified Financial Services and Capital Markets industry group leader for the fifth year running. MSCI ESG Research maintained UBS's 'AA' rating, placing it in the top three of its primary peer group. Sustainalytics, the ESG ratings and research analysts, ranked UBS as an industry leader.

Strengthening the focus on sustainable finance

Sustainable finance has long been a firm-wide priority. UBS continues to help its clients respond to growing interest in navigating the risks and opportunities from climate change and a range of 21st century risks. For instance, in Global Wealth Management, clients further invested into UBS's multi-asset Sustainable Investing solutions, which grew significantly to more than USD 9bn in invested assets, making it our fastest growing mandate offering. In Asset Management, assets invested in Sustainable Investment products similarly enjoyed very strong growth from USD 17bn to USD 39bn. UBS is committed to offering choice to its clients to mobilize capital and manage risks.

For this year's World Economic Forum, UBS showcases its Climate Aware framework in a white paper: www.ubs.com/wef2020

Information in this news release is presented for UBS Group AG on a consolidated basis unless otherwise specified. Financial information for UBS AG (consolidated) does not differ materially from UBS Group AG (consolidated) and a comparison between UBS Group AG (consolidated) and UBS AG (consolidated) is provided at the end of this news release.

¹ Adjusted results are non-GAAP financial measures defined by SEC regulations. Refer to the "Performance of our business divisions and Corporate Center – reported and adjusted" table in this news release.

² Return on CET1 capital. Net profit attributable to shareholders (annualized as applicable) divided by average common equity tier 1 capital.

³ Equity attributable to shareholders decreased by USD 2bn during the fourth quarter of 2019, of which USD 2bn related to other comprehensive income from defined benefit plans, predominantly reflecting a reversal of the Swiss pension plan's net defined benefit asset that was initially recognized in the third quarter of 2019. This had no significant impact on CET1 capital.

⁴ Going concern leverage ratio under Swiss SRB rules applicable as of 1 January 2020.

⁵ Shareholders whose shares are held through SIX (ISIN CH0244767585) will receive dividends in Swiss francs, based on a published exchange rate calculated to five decimal places immediately before the ex-dividend date. Shareholders holding shares through DTC (ISIN: CH0244767585; CUSIP: H42097107) will be paid dividends in US dollars.

⁶ Subject to approval by shareholders at the Annual General Meeting scheduled for 29 April 2020, the dividend will be paid on 7 May 2020 to shareholders of record as of 6 May 2020. The ex-dividend date will be 6 May 2020. As newly required under Swiss tax law, 50% of the dividend will be paid out of retained earnings and the balance will be paid out capital contribution reserves. Dividends paid out of capital contribution reserves are not subject to Swiss withholding tax. The portion of the dividend paid out of retained earnings will be subject to a 35% Swiss withholding tax. For US federal income tax purposes, we expect that the dividend will be paid out of current or accumulated earnings and profits.

Performance of our business divisions and Corporate Center – reported and adjusted^{1,2}

For the quarter ended 31.12.19

<i>USD million</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Corporate Center ³	UBS
Operating income as reported	4,150	881	551	1,681	(211)	7,052
<i>of which: net gains / (losses) from properties held for sale</i>					(29)	(29)
Operating income (adjusted)	4,150	881	551	1,681	(182)	7,080
Operating expenses as reported	3,384	571	371	1,703	95	6,124
<i>of which: personnel-related restructuring expenses⁴</i>	0	0	1	81	32	114
<i>of which: non-personnel-related restructuring expenses⁴</i>	0	0	1	2	28	32
<i>of which: restructuring expenses allocated from Corporate Center^{4,5}</i>	21	3	5	28	(57)	0
<i>of which: impairment of goodwill</i>				110		110
Operating expenses (adjusted)	3,363	567	365	1,483	91	5,868
<i>of which: net expenses for litigation, regulatory and similar matters⁶</i>	47	0	0	55	3	104
Operating profit / (loss) before tax as reported	766	310	180	(22)	(306)	928
Operating profit / (loss) before tax (adjusted)	787	314	187	198	(273)	1,212

For the quarter ended 31.12.18

<i>USD million</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Corporate Center ³	UBS
Operating income as reported	4,129	1,278	468	1,521	(423)	6,972
<i>of which: gains related to investments in associates</i>	101	359				460
<i>of which: remeasurement loss related to UBS Securities China</i>					(270)	(270)
Operating income (adjusted)	4,028	919	468	1,521	(154)	6,782
Operating expenses as reported	3,802	634	362	1,598	95	6,492
<i>of which: personnel-related restructuring expenses⁴</i>	17	1	5	1	70	95
<i>of which: non-personnel-related restructuring expenses⁴</i>	0	0	3	3	87	93
<i>of which: restructuring expenses allocated from Corporate Center^{4,5}</i>	59	17	13	69	(157)	0
Operating expenses (adjusted)	3,726	616	342	1,526	95	6,304
<i>of which: net expenses for litigation, regulatory and similar matters⁶</i>	505	41	0	(6)	(8)	533
Operating profit / (loss) before tax as reported	327	644	106	(78)	(518)	481
Operating profit / (loss) before tax (adjusted)	302	303	126	(5)	(248)	478

1 Adjusted results are non-GAAP financial measures as defined by SEC regulations. 2 Prior-year comparative figures in this table have been restated for the changes in Corporate Center cost and resource allocation to the business divisions and the changes in the equity attribution framework effective 1 January 2019. Refer to "Note 1 Basis of accounting" in the "Consolidated financial statements" section of the UBS Group first quarter 2019 report for more information about the changes to the Corporate Center cost and resource allocation to business divisions and to the "Recent developments" section of the UBS Group first quarter 2019 report for more information about the changes in the equity attribution framework. Comparatives may additionally differ as a result of adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 3 Corporate Center operating expenses presented in this table are after service allocations to business divisions. 4 Reflects restructuring expenses related to legacy cost programs as well as expenses for new restructuring initiatives. 5 Prior periods may include allocations (to) / from other business divisions. 6 Reflects the net increase in / (release of) provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to "Provisions and contingent liabilities" in the "Consolidated financial information" section of the UBS Group fourth quarter 2019 report for more information. Also includes recoveries from third parties (fourth quarter of 2019: USD 1 million; fourth quarter of 2018: USD 1 million).

Performance of our business divisions and Corporate Center – reported and adjusted^{1,2}

	For the year ended 31.12.19					
<i>USD million</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Corporate Center ³	UBS
Operating income as reported	16,353	3,715	1,938	7,269	(385)	28,889
<i>of which: net foreign currency translations losses⁴</i>					(35)	(35)
<i>of which: net gains / (losses) from properties held for sale</i>					(29)	(29)
Operating income (adjusted)	16,353	3,715	1,938	7,269	(321)	28,953
Operating expenses as reported	12,955	2,274	1,406	6,485	192	23,312
<i>of which: personnel-related restructuring expenses⁵</i>	0	0	6	84	113	203
<i>of which: non-personnel-related restructuring expenses⁵</i>	0	0	7	7	68	81
<i>of which: restructuring expenses allocated from Corporate Center³</i>	69	17	20	77	(183)	0
<i>of which: impairment of goodwill</i>				110		110
Operating expenses (adjusted)	12,887	2,257	1,373	6,208	194	22,918
<i>of which: net expenses for litigation, regulatory and similar matters⁶</i>	135	0	0	53	(23)	165
Operating profit / (loss) before tax as reported	3,397	1,441	532	784	(577)	5,577
Operating profit / (loss) before tax (adjusted)	3,466	1,458	565	1,061	(515)	6,035

	For the year ended 31.12.18					
<i>USD million</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Corporate Center ³	UBS
Operating income as reported	16,785	4,161	1,852	8,041	(626)	30,213
<i>of which: gains related to investments in associates</i>	101	359				460
<i>of which: gains on sale of real estate</i>					31	31
<i>of which: gains on sale of subsidiaries and businesses</i>					25	25
<i>of which: remeasurement loss related to UBS Securities China</i>					(270)	(270)
Operating income (adjusted)	16,684	3,802	1,852	8,041	(413)	29,966
Operating expenses as reported	13,531	2,365	1,426	6,554	346	24,222
<i>of which: personnel-related restructuring expenses⁵</i>	34	4	23	16	208	286
<i>of which: non-personnel-related restructuring expenses⁵</i>	16	0	10	11	238	275
<i>of which: restructuring expenses allocated from Corporate Center³</i>	209	43	33	166	(450)	0
<i>of which: gain related to changes to the Swiss pension plan⁷</i>	(66)	(38)	(10)	(5)	(122)	(241)
Operating expenses (adjusted)	13,338	2,355	1,370	6,367	472	23,903
<i>of which: net expenses for litigation, regulatory and similar matters⁶</i>	619	41	0	(64)	62	657
Operating profit / (loss) before tax as reported	3,254	1,796	426	1,486	(971)	5,991
Operating profit / (loss) before tax (adjusted)	3,346	1,447	482	1,674	(885)	6,063

1 Adjusted results are non-GAAP financial measures as defined by SEC regulations. 2 Prior-year comparative figures in this table have been restated for the changes in Corporate Center cost and resource allocation to the business divisions and the changes in the equity attribution framework effective 1 January 2019. Refer to "Note 1 Basis of accounting" in the "Consolidated financial statements" section of the UBS Group first quarter 2019 report for more information about the changes to the Corporate Center cost and resource allocation to business divisions and to the "Recent developments" section of the UBS Group first quarter 2019 report for more information about the changes in the equity attribution framework. Comparatives may additionally differ as a result of adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 3 Corporate Center operating expenses presented in this table are after service allocations to business divisions. 4 Related to the disposal of foreign branches and subsidiaries. 5 Reflects restructuring expenses related to legacy cost programs as well as expenses for new restructuring initiatives. 6 Reflects the net increase in / (release of) provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to "Provisions and contingent liabilities" in the "Consolidated financial information" section of the UBS Group fourth quarter 2019 report for more information. Also includes recoveries from third parties of USD 11 million and USD 29 million for the years ended 31 December 2019 and 31 December 2018, respectively. 7 Changes to the Pension Fund of UBS in Switzerland in the first quarter of 2018 resulted in a reduction in the pension obligation recognized by UBS. As a consequence, a pre-tax gain of USD 241 million was recognized in the income statement in the first quarter of 2018, with no overall effect on total equity. Refer to "Note 29 Pension and other post-employment benefit plans" in the "Consolidated financial statements" section of our Annual Report 2018 for more information.

Our key figures

<i>USD million, except where indicated</i>	As of or for the quarter ended			As of or for the year ended	
	31.12.19	30.9.19	31.12.18	31.12.19	31.12.18
Group results					
Operating income	7,052	7,088	6,972	28,889	30,213
Operating expenses	6,124	5,743	6,492	23,312	24,222
Operating profit / (loss) before tax	928	1,345	481	5,577	5,991
Net profit / (loss) attributable to shareholders	722	1,049	315	4,304	4,516
Diluted earnings per share (USD) ¹	0.19	0.28	0.08	1.14	1.18
Profitability and growth²					
Return on equity (%) ³	5.2	7.7	2.4	7.9	8.6
Return on tangible equity (%) ⁴	5.9	8.7	2.7	9.0	9.8
Return on common equity tier 1 capital (%) ⁵	8.2	12.1	3.7	12.4	13.1
Return on risk-weighted assets, gross (%) ⁶	10.8	10.8	10.8	11.0	11.8
Return on leverage ratio denominator, gross (%) ⁶	3.1	3.1	3.1	3.2	3.3
Cost / income ratio (%) ⁷	86.8	80.6	92.4	80.5	79.9
Adjusted cost / income ratio (%) ⁸	82.8	79.1	92.2	78.9	79.5
Effective tax rate (%)	21.6	21.9	34.4	22.7	24.5
Net profit growth (%) ⁹	129.4	(16.2)		(4.7)	366.0
Resources					
Total assets	972,183	973,118	958,489	972,183	958,489
Equity attributable to shareholders	54,533	56,187	52,928	54,533	52,928
Common equity tier 1 capital ¹⁰	35,582	34,673	34,119	35,582	34,119
Risk-weighted assets ¹⁰	259,208	264,626	263,747	259,208	263,747
Common equity tier 1 capital ratio (%) ¹⁰	13.7	13.1	12.9	13.7	12.9
Going concern capital ratio (%) ¹⁰	20.0	19.2	17.5	20.0	17.5
Total loss-absorbing capacity ratio (%) ¹⁰	34.6	33.3	31.7	34.6	31.7
Leverage ratio denominator ¹⁰	911,325	901,914	904,598	911,325	904,598
Common equity tier 1 leverage ratio (%) ¹⁰	3.90	3.84	3.77	3.90	3.77
Going concern leverage ratio (%) ¹⁰	5.7	5.6	5.1	5.7	5.1
Total loss-absorbing capacity leverage ratio (%) ¹⁰	9.8	9.8	9.3	9.8	9.3
Liquidity coverage ratio (%) ¹¹	134	138	136	134	136
Other					
Invested assets (USD billion) ¹²	3,607	3,422	3,101	3,607	3,101
Personnel (full-time equivalents)	68,662	67,634	66,888	68,662	66,888
Market capitalization ¹³	45,661	41,210	45,907	45,661	45,907
Total book value per share (USD) ¹³	15.08	15.47	14.35	15.08	14.35
Total book value per share (CHF) ^{13,14}	14.60	15.45	14.11	14.60	14.11
Tangible book value per share (USD) ¹³	13.29	13.67	12.55	13.29	12.55
Tangible book value per share (CHF) ^{13,14}	12.87	13.64	12.33	12.87	12.33

1 Refer to "Earnings per share (EPS) and shares outstanding" in the "Consolidated financial information" section of the UBS Group fourth quarter 2019 report for more information. 2 Refer to the "Performance targets and measurement" section of our Annual Report 2018 for more information about our performance targets. 3 Calculated as net profit attributable to shareholders (annualized as applicable) divided by average equity attributable to shareholders. 4 Calculated as net profit attributable to shareholders (annualized as applicable) divided by average equity attributable to shareholders less average goodwill and intangible assets. Effective 1 January 2019, the definition of the numerator for return on tangible equity has been revised to align with numerators for return on equity and return on common equity tier 1 capital; i.e., we no longer adjust for amortization and impairment of goodwill and intangible assets. Prior periods have been restated. 5 Calculated as net profit attributable to shareholders (annualized as applicable) divided by average common equity tier 1 capital. 6 Calculated as operating income before credit loss expense or recovery (annualized as applicable) divided by average risk-weighted assets and average leverage ratio denominator, respectively. 7 Calculated as operating expenses divided by operating income before credit loss expense or recovery. 8 Calculated as adjusted operating expenses divided by adjusted operating income before credit loss expense or recovery. 9 Calculated as change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of comparison period. 10 Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital management" section of the UBS Group fourth quarter 2019 report for more information. 11 Refer to the "Balance sheet, liquidity and funding management" section of the UBS Group fourth quarter 2019 report for more information. 12 Includes invested assets for Global Wealth Management, Asset Management and Personal & Corporate Banking. 13 Refer to "UBS shares" in the "Capital management" section of the UBS Group fourth quarter 2019 report for more information. 14 Total book value per share and tangible book value per share in Swiss francs are calculated based on a translation of equity under our US dollar presentation currency. As a consequence of the restatement to a US dollar presentation currency, amounts may differ from those originally published in our quarterly and annual reports.

Income statement

<i>USD million</i>	For the quarter ended			% change from		For the year ended	
	31.12.19	30.9.19	31.12.18	3Q19	4Q18	31.12.19	31.12.18
Net interest income	1,262	1,090	1,226	16	3	4,501	5,048
Other net income from financial instruments measured at fair value through profit or loss	1,381	1,587	1,297	(13)	6	6,842	6,960
Credit loss (expense) / recovery	(8)	(38)	(53)	(80)	(86)	(78)	(118)
Fee and commission income	4,856	4,805	4,700	1	3	19,110	19,598
Fee and commission expense	(458)	(396)	(439)	16	4	(1,696)	(1,703)
Net fee and commission income	4,398	4,409	4,261	0	3	17,413	17,895
Other income	19	39	241	(52)	(92)	212	428
Total operating income	7,052	7,088	6,972	(1)	1	28,889	30,213
Personnel expenses	3,902	3,987	3,839	(2)	2	16,084	16,132
General and administrative expenses	1,618	1,308	2,293	24	(29)	5,288	6,797
Depreciation and impairment of property, equipment and software	480	432	343	11	40	1,765	1,228
Amortization and impairment of goodwill and intangible assets	125	16	17	659	635	175	65
Total operating expenses	6,124	5,743	6,492	7	(6)	23,312	24,222
Operating profit / (loss) before tax	928	1,345	481	(31)	93	5,577	5,991
Tax expense / (benefit)	200	294	165	(32)	21	1,267	1,468
Net profit / (loss)	727	1,051	315	(31)	131	4,310	4,522
Net profit / (loss) attributable to non-controlling interests	6	1	1	351	712	6	7
Net profit / (loss) attributable to shareholders	722	1,049	315	(31)	129	4,304	4,516
Comprehensive income							
Total comprehensive income	(1,567)	3,146	1,208			5,091	4,231
Total comprehensive income attributable to non-controlling interests	10	(5)	2		468	2	5
Total comprehensive income attributable to shareholders	(1,577)	3,151	1,207			5,089	4,225

Comparison between UBS Group AG consolidated and UBS AG consolidated

USD million, except where indicated	As of or for the quarter ended 31.12.19			As of or for the quarter ended 30.9.19			As of or for the quarter ended 31.12.18		
	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)
Income statement									
Operating income	7,052	7,145	(93)	7,088	7,187	(100)	6,972	7,083	(111)
Operating expenses	6,124	6,332	(207)	5,743	5,942	(199)	6,492	6,667	(176)
Operating profit / (loss) before tax	928	814	114	1,345	1,245	100	481	416	65
<i>of which: Global Wealth Management</i>	766	754	12	894	877	17	327	316	11
<i>of which: Personal & Corporate Banking</i>	310	311	(1)	354	354	0	644	645	(1)
<i>of which: Asset Management</i>	180	180	0	124	124	0	106	105	1
<i>of which: Investment Bank</i>	(22)	(18)	(4)	172	165	7	(78)	(79)	1
<i>of which: Corporate Center</i>	(306)	(413)	107	(200)	(275)	75	(518)	(571)	53
Net profit / (loss)	727	628	100	1,051	969	82	315	273	42
<i>of which: net profit / (loss) attributable to shareholders</i>	722	622	100	1,049	967	82	315	272	42
<i>of which: net profit / (loss) attributable to non-controlling interests</i>	6	6	0	1	1	0	1	1	0
Statement of comprehensive income									
Other comprehensive income	(2,295)	(1,475)	(819)	2,095	1,274	821	893	895	(2)
<i>of which: attributable to shareholders</i>	(2,299)	(1,479)	(819)	2,101	1,280	821	892	894	(2)
<i>of which: attributable to non-controlling interests</i>	4	4	0	(6)	(6)	0	1	1	0
Total comprehensive income	(1,567)	(847)	(720)	3,146	2,243	903	1,208	1,168	41
<i>of which: attributable to shareholders</i>	(1,577)	(857)	(720)	3,151	2,248	903	1,207	1,166	41
<i>of which: attributable to non-controlling interests</i>	10	10	0	(5)	(5)	0	2	2	0
Balance sheet									
Total assets	972,183	971,916	267	973,118	972,048	1,071	958,489	958,055	434
Total liabilities	917,476	917,988	(512)	916,768	917,271	(503)	905,386	905,624	(238)
Total equity	54,707	53,928	779	56,351	54,776	1,574	53,103	52,432	671
<i>of which: equity attributable to shareholders</i>	54,533	53,754	779	56,187	54,613	1,574	52,928	52,256	671
<i>of which: equity attributable to non-controlling interests</i>	174	174	0	163	163	0	176	176	0
Capital information									
Common equity tier 1 capital	35,582	35,280	302	34,673	35,211	(538)	34,119	34,608	(489)
Going concern capital	51,888	47,237	4,650	50,702	46,895	3,807	46,279	42,413	3,865
Risk-weighted assets	259,208	257,831	1,376	264,626	263,777	849	263,747	262,840	907
Common equity tier 1 capital ratio (%)	13.7	13.7	0.0	13.1	13.3	(0.2)	12.9	13.2	(0.2)
Going concern capital ratio (%)	20.0	18.3	1.7	19.2	17.8	1.4	17.5	16.1	1.4
Total loss-absorbing capacity ratio (%)	34.6	33.9	0.7	33.3	32.9	0.4	31.7	31.3	0.5
Leverage ratio denominator	911,325	911,232	94	901,914	901,926	(11)	904,598	904,458	140
Common equity tier 1 leverage ratio (%)	3.90	3.87	0.03	3.84	3.90	(0.06)	3.77	3.83	(0.05)
Going concern leverage ratio (%)	5.7	5.2	0.5	5.6	5.2	0.4	5.1	4.7	0.4
Total loss-absorbing capacity leverage ratio (%)	9.8	9.6	0.2	9.8	9.6	0.2	9.3	9.1	0.2

UBS's fourth quarter 2019 report, news release and slide presentation will be available from 06:45 CET on Tuesday, 21 January 2020, at www.ubs.com/quarterlyreporting.

UBS will hold a presentation of its fourth quarter 2019 results on Tuesday, 21 January 2020. The results will be presented by Sergio P. Ermotti, Group Chief Executive Officer, Kirt Gardner, Group Chief Financial Officer, Martin Osinga, Investor Relations, and Mark Hengel, Group External Communications.

Time

- 09:00–11:00 CET
- 08:00–10:00 GMT
- 03:00–05:00 US EST

Audio webcast

The presentation for analysts can be followed live on www.ubs.com/quarterlyreporting with a simultaneous slide show.

Webcast playback

An audio playback of the results presentation will be made available at www.ubs.com/investors later in the day.

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Cautionary Statement Regarding Forward-Looking Statements

This news release 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) and leverage ratio denominator (LRD), including to counteract regulatory-driven increases, 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) the continuing low or negative interest rate environment in Switzerland and other jurisdictions, 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, and changes to national trade policies 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, including Interest Rate Benchmark Reform, 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; (vi) UBS's ability to maintain and improve its systems and controls for the detection and prevention of money laundering and compliance with sanctions to meet evolving regulatory requirements and expectations, in particular in the US; (vii) the uncertainty arising from the UK's exit from the EU; (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 regulations 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, potentially large fines or monetary penalties, or the 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 as well as the amount of capital available for return to shareholders; (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; (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; (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 or other cybersecurity disruptions, 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 2018. 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.

Rounding

Numbers presented throughout this news release 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 about absolute changes between reporting periods, which is provided in text and which 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.