



# UBS Group Funding (Switzerland) AG

Interim financial statements as of 30 June 2018

# Table of contents

## **UBS Group Funding (Switzerland) AG**

- 1 Income statement
- 1 Balance sheet
- 1 Basis of accounting

## **Appendix**

- 2 Cautionary statement

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# UBS Group Funding (Switzerland) AG

## Income statement

|                                     | Year-to-date   |         |
|-------------------------------------|----------------|---------|
| <i>CHF million</i>                  | <b>30.6.18</b> | 30.6.17 |
| Financial income                    | 724            | 103     |
| Operating income                    | 724            | 103     |
| Other operating expenses            | 0              | 0       |
| Financial expenses                  | 722            | 102     |
| Operating expenses                  | 722            | 102     |
| Profit / (loss) before income taxes | 2              | 1       |
| Tax expense / (benefit)             | 0              | 0       |
| <b>Net profit / (loss)</b>          | <b>1</b>       | 0       |

UBS Group Funding (Switzerland) AG was incorporated on 14 November 2016, thus the income statement presented for the period ended on 30 June 2017 includes income and expenses for the period from incorporation on 14 November 2016 to 30 June 2017.

## Balance sheet

| <i>CHF million</i>                                  | <b>30.6.18</b> | 31.12.17 |
|---|----------------|----------|
| <b>Assets</b>                                       |                |          |
| Liquid assets                                       | 253            | 19       |
| Accrued income and prepaid expenses                 | 744            | 469      |
| <b>Total current assets</b>                         | <b>998</b>     | 488      |
| Financial assets                                    | 39,736         | 27,708   |
| Other non-current assets                            | 33             | 0        |
| <b>Total non-current assets</b>                     | <b>39,769</b>  | 27,708   |
| <b>Total assets</b>                                 | <b>40,767</b>  | 28,196   |
| <b>Liabilities</b>                                  |                |          |
| Other current liabilities                           | 41             | 29       |
| Accrued expenses and deferred income                | 598            | 192      |
| <b>Total short-term liabilities</b>                 | <b>639</b>     | 221      |
| Long-term interest-bearing liabilities <sup>1</sup> | 39,960         | 27,835   |
| Other long-term liabilities                         | 156            | 127      |
| <b>Total long-term liabilities</b>                  | <b>40,117</b>  | 27,962   |
| <b>Total liabilities</b>                            | <b>40,756</b>  | 28,183   |
| <b>Equity</b>                                       |                |          |
| Share capital                                       | 0              | 0        |
| General reserves                                    | 10             | 10       |
| <i>of which: statutory capital reserve</i>          | 10             | 10       |
| <i>of which: capital contribution reserve</i>       | 10             | 10       |
| Net profit / (loss)                                 | 1              | 3        |
| <b>Equity attributable to shareholders</b>          | <b>11</b>      | 13       |
| <b>Total liabilities and equity</b>                 | <b>40,767</b>  | 28,196   |

<sup>1</sup> In May 2018, outstanding perpetual capital notes that qualify as Basel III AT1 capital issued by UBS Group AG have been transferred to UBS Group Funding (Switzerland) AG with a retrospective effect as of 1 January 2018. The transfer has been carried out by means of an issuer substitution pursuant to the voluntary substitution provisions provided in the terms and conditions of the relevant instruments. Following the transfer, the outstanding perpetual capital notes and TLAC-eligible senior unsecured debt continue to be guaranteed by UBS Group AG, and investors' seniority of claims against UBS Group AG remains unchanged.

## Basis of accounting

The UBS Group Funding (Switzerland) AG standalone financial statements are prepared in accordance with the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). More information on the accounting policies applied is provided in Note 2 to the UBS Group Funding (Switzerland) AG standalone financial statements as of 31 December 2017.

In preparing the interim financial statements for UBS Group Funding (Switzerland) AG, the same accounting policies and methods of computation have been applied as in the financial statements as of 31 December 2017. This interim financial statements are unaudited and should be read in conjunction with the audited financial statements of UBS Group Funding (Switzerland) AG as of 31 December 2017.

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**Cautionary Statement** | This report and the information contained herein are provided solely for information purposes, and are not to be construed as solicitation of an offer to buy or sell any securities or other financial instruments in Switzerland, the United States or any other jurisdiction. No investment decision relating to securities of or relating to UBS Group AG, UBS AG or their affiliates should be made on the basis of this report. Refer to UBS's second quarter 2018 report and its Annual Report 2017, available at [www.ubs.com/investors](http://www.ubs.com/investors), for additional information.

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

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