

28 April 2017

1Q17 net profit up 79% to CHF 1.3bn

Adjusted¹ profit before tax CHF 1.9bn, up 42% YoY, with all business divisions up
Adjusted¹ return on tangible equity 12.6%, 17.4% excluding DTA²; diluted EPS CHF 0.33
Fully applied CET1 capital ratio 14.1% and leverage ratio 3.55%
Total loss-absorbing capacity CHF 74bn
CHF 1.1bn combined adjusted¹ profit before tax in global wealth management
Investment Bank 24% annualized adjusted¹ return on attributed equity
Sustainable investing funds for gender diversity and renewable energy launched

Zurich, 28 April 2017 – UBS delivered very strong first-quarter results with an adjusted¹ profit before tax of CHF 1,934m, up 42% year on year. Adjusted¹ operating income increased 8%, driven by the Investment Bank, Wealth Management Americas and Wealth Management, and the firm continued to make progress on its net cost reduction program. Despite facing a variety of market conditions and client activity levels, all business divisions and regions contributed to the improvement in performance. Reported pre-tax profit was up 73% year on year to CHF 1,690m. Net profit attributable to shareholders was CHF 1,269m, up 79% year on year, with diluted earnings per share of CHF 0.33. Group annualized adjusted¹ return on tangible equity was 12.6%, or 17.4% excluding DTA.²

On a fully applied basis, UBS's capital position remains strong, with a CET1 capital ratio of 14.1%, a CET1 leverage ratio of 3.55% and total loss-absorbing capacity increased to CHF 74bn.

Outlook

Improved investor sentiment and enhanced confidence have not yet fully translated into a sustained increase in client activity levels. While the global recovery is likely to continue, macroeconomic uncertainty, geopolitical tensions and divisive politics pose risks that may affect client sentiment and transaction volumes. Low and negative interest rates, particularly in Switzerland and the eurozone, continue to present headwinds to net interest margins. These may be partially offset by the effect of higher US dollar interest rates and a further normalization of monetary policy. Implementing Switzerland's new bank capital standards and the proposed further changes to the international regulatory framework for banks will result in increased capital requirements, interest and operating costs. UBS is well positioned to mitigate these challenges and benefit from further improvements in market conditions.

"Our very strong results in the first quarter highlight the power and potential of our franchise. We will continue to manage our business with discipline, focusing on sustainable performance and long-term growth." **Sergio P. Ermotti, Group Chief Executive Officer**

First quarter 2017: Divisional and Corporate Center performance overview

Global wealth management businesses adjusted¹ PBT CHF 1.1bn, up 19% YoY

Invested assets increased 13% to a record CHF 2.2trn year on year, with net new money of CHF 20.5bn. Adjusted¹ net margin increased 2 bps to 20 bps from the prior year.

Wealth Management adjusted¹ PBT CHF 727m, up 14% YoY

Very strong performance was driven by higher transaction-based income and lower operating expenses. Net new money was CHF 18.6bn, driven by Europe, with positive contributions from all other regions. Net mandate sales in the quarter were CHF 15.1bn, with mandate penetration increasing to 27.8% of invested assets. Adjusted¹ net margin increased by 2 bps from the prior year to 29 bps.

Wealth Management Americas adjusted¹ PBT USD 324m, up 32% YoY

Record first-quarter results reflected higher recurring net fee income and record net interest income. Net new money in the quarter was USD 1.9bn. Managed account assets increased to a record 35.2% of invested assets. Adjusted¹ net margin increased by 2 bps from the prior year to 11 bps. Advisor productivity was industry-leading for both revenues and invested assets.

Personal & Corporate Banking adjusted¹ PBT CHF 437m, up 4% YoY

Strong results benefited from certain items that are not expected to recur and lower operating expenses, mitigating increasing net interest income headwinds. Annualized net new business volume growth for personal banking was a record 6.7%.

Asset Management adjusted¹ PBT CHF 123m, up 12% YoY

Solid results improved on lower operating expenses. Net new money excluding money market inflows was CHF 19.7bn, reflecting strong passive investment capabilities.

Investment Bank adjusted¹ PBT CHF 558m, up 51% YoY

Very strong performance, despite low volatility and uneven client activity levels, was driven by higher revenues in Corporate Client Solutions and good cost management, contributing to a very strong annualized adjusted¹ return on attributed equity of 24%.

Corporate Center – Services recorded an adjusted¹ loss before tax of CHF 207m. **Group Asset and Liability Management** adjusted¹ profit before tax was CHF 63m. **Non-core and Legacy Portfolio** posted an adjusted¹ loss before tax of CHF 91m.

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.

2016 dividend key dates

UBS's Board of Directors has proposed a dividend of CHF 0.60 per share to shareholders for the financial year 2016. Subject to shareholder approval, the dividend will be paid out of capital contribution reserves on 10 May 2017 to shareholders of record as of 9 May 2017.³ The ex-dividend date will be 8 May 2017.

Awards and achievements

Sustainable investing funds for gender diversity and renewable energy launched

As a recognized sustainability leader, UBS has committed to attract USD 5bn of wealth management client assets over the next five years to support the 17 UN Sustainable Development Goals (UN SDGs). The UN SDGs target the world's biggest challenges, from climate change and healthcare, to gender equality, hunger and education. In March, UBS co-launched the USD 110m Rethink Impact Fund to support innovative female-led companies that use technology to solve the UN SDGs. The launch of the fund coincided with a new UBS white paper on gender-lens investing that calls for systematic, concerted private support for the UN SDG promoting gender equality.

In February, Asset Management launched its new climate aware rules-based fund, UBS Life Climate Aware World Equity Fund. The fund was seeded by a UK pension fund looking to integrate sustainable investing into its long-term strategy. The fund works with a bias toward companies sourcing energy from renewables and transitioning to a low-carbon model.

UBS was once again the recipient of several awards. The Investment Bank was named Best Investment Bank for the second year running by *Global Finance* magazine, as well as Best Bank for M&A. Wealth Management Americas client advisors featured prominently among the latest lists of top US financial advisors. Barron's Top 1,200 Financial Advisors included 167 UBS advisors, with five named top advisor in their respective states. The FT Top 400 Financial Advisors listed 54 UBS advisors, while 35 UBS advisors appeared among Forbes Top 200 Women Advisors. Ten UBS advisors were also named in Wall Street's "Top 40 Under 40" by *OnWallStreet* magazine.

In March, UBS hosted the Food for Thought Dinner on behalf of vulnerable students at the Bridge Academy, the flagship of UBS's UK Community Affairs program. The academy was co-founded with a GBP 1m donation by UBS and celebrates its 10th anniversary in September. The project has won several prestigious awards, including the UK's National CSR Award for Best Community Development.

¹ Refer to the "Adjusted results" paragraph at the end of this news release.

² Excludes any net deferred tax expense / benefit from net profit attributable to shareholders and excludes any deferred tax assets that do not qualify as CET1 capital from tangible equity.

³ UBS expects that dividends will be paid out of capital contribution reserves for the foreseeable future. Dividends paid out of capital contribution reserves are not subject to the deduction of Swiss withholding tax. For US federal income tax purposes, we expect that the dividend will be paid out of current or accumulated profits.

Performance by business division and Corporate Center unit – reported and adjusted^{1,2}

	For the quarter ended 31.3.17								
<i>CHF million</i>	Wealth Management	Wealth Management Americas	Personal & Corporate Banking	Asset Management	Investment Bank	CC – Services ³	CC – Group ALM	CC – Non-core and Legacy Portfolio	UBS
Operating income as reported	1,929	2,051	958	450	2,098	(18)	65	0	7,532
Operating income (adjusted)	1,929	2,051	958	450	2,098	(18)	65	0	7,532
Operating expenses as reported	1,290	1,749	540	347	1,619	204	2	93	5,842
<i>of which: personnel-related restructuring expenses⁴</i>	1	0	2	2	18	92	0	0	116
<i>of which: non-personnel-related restructuring expenses⁴</i>	11	0	0	5	2	110	(1)	0	127
<i>of which: restructuring expenses allocated from CC – Services⁴</i>	76	22	17	13	57	(188)	0	2	0
Operating expenses (adjusted)	1,202	1,727	521	327	1,541	189	2	91	5,598
<i>of which: expenses for provisions for litigation, regulatory and similar matters</i>	3	33	0	0	0	(4)	0	1	33
Operating profit / (loss) before tax as reported	639	301	418	103	480	(222)	63	(93)	1,690
Operating profit / (loss) before tax (adjusted)	727	323	437	123	558	(207)	63	(91)	1,934

	For the quarter ended 31.3.16								
<i>CHF million</i>	Wealth Management	Wealth Management Americas	Personal & Corporate Banking	Asset Management	Investment Bank	CC – Services ³	CC – Group ALM	CC – Non-core and Legacy Portfolio	UBS
Operating income as reported	1,885	1,889	963	468	1,879	(55)	(150)	(47)	6,833
<i>of which: net foreign currency translation losses⁵</i>							(123)		(123)
Operating income (adjusted)	1,885	1,889	963	468	1,879	(55)	(27)	(47)	6,956
Operating expenses as reported	1,327	1,678	564	378	1,625	148	(2)	135	5,855
<i>of which: personnel-related restructuring expenses⁴</i>	2	0	0	1	17	107	0	1	128
<i>of which: non-personnel-related restructuring expenses⁴</i>	14	0	0	2	2	118	0	0	137
<i>of which: restructuring expenses allocated from CC – Services⁴</i>	62	33	23	17	97	(233)	0	1	0
Operating expenses (adjusted)	1,248	1,645	541	358	1,508	156	(2)	133	5,590
<i>of which: expenses for provisions for litigation, regulatory and similar matters</i>	0	18	(1)	0	(1)	0	0	23	39
Operating profit / (loss) before tax as reported	557	211	399	90	253	(203)	(148)	(183)	978
Operating profit / (loss) before tax (adjusted)	636	244	422	110	370	(211)	(25)	(181)	1,366

1 Adjusted results are non-GAAP financial measures as defined by SEC regulations. 2 Comparative figures in this table may differ from those originally published in quarterly and annual reports due to 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 CC – Services operating expenses presented in this table are after service allocations to business divisions and other Corporate Center units. 4 Refer to "Note 16 Changes in organization and disposals" in the "Consolidated financial statements" section of the UBS Group first quarter 2017 report for more information. 5 Related to the disposal of foreign subsidiaries and branches.

UBS Group AG key figures

<i>CHF million, except where indicated</i>	As of or for the quarter ended		
	31.3.17	31.12.16	31.3.16
Group results			
Operating income	7,532	7,055	6,833
Operating expenses	5,842	6,308	5,855
Operating profit / (loss) before tax	1,690	746	978
Net profit / (loss) attributable to shareholders	1,269	636	707
Diluted earnings per share (CHF) ¹	0.33	0.17	0.18
Key performance indicators²			
Profitability			
Return on tangible equity (%)	10.9	5.6	6.0
Cost / income ratio (%)	77.6	89.1	85.7
Growth			
Net profit growth (%)	79.5	(33.0)	(64.2)
Net new money growth for combined wealth management businesses (%)	3.9	(1.1)	5.9
Resources			
Common equity tier 1 capital ratio (fully applied, %) ³	14.1	13.8	14.0
Going concern leverage ratio (fully applied, %) ⁴	4.6	4.6	
Additional information			
Profitability			
Return on equity (RoE) (%)	9.5	4.8	5.1
Return on risk-weighted assets, gross (%) ⁵	13.6	12.9	13.0
Return on leverage ratio denominator, gross (%) ⁵	3.4	3.2	3.0
Resources			
Total assets	909,608	935,016	966,873
Equity attributable to shareholders	53,661	53,621	54,845
Common equity tier 1 capital (fully applied) ³	31,311	30,693	29,853
Common equity tier 1 capital (phase-in) ³	34,841	37,788	36,580
Risk-weighted assets (fully applied) ³	221,785	222,677	213,558
Common equity tier 1 capital ratio (phase-in, %) ³	15.6	16.8	16.9
Going concern capital ratio (fully applied, %) ⁴	18.2	17.9	
Going concern capital ratio (phase-in, %) ⁴	23.2	24.7	
Going concern loss-absorbing capacity ratio (fully applied, %) ⁴	15.0	13.2	
Leverage ratio denominator (fully applied) ³	881,183	870,470	905,801
Common equity tier 1 leverage ratio (fully applied, %) ³	3.6	3.5	3.3
Going concern leverage ratio (phase-in, %) ⁴	5.8	6.4	
Going concern leverage ratio (fully applied, %) ⁴	3.8	3.4	
Liquidity coverage ratio (%) ⁶	128	132	134
Other			
Invested assets (CHF billion) ⁷	2,934	2,821	2,618
Personnel (full-time equivalents)	59,416	59,387	60,547
Market capitalization ⁸	61,736	61,420	59,638
Total book value per share (CHF) ⁸	14.45	14.44	14.74
Tangible book value per share (CHF) ⁸	12.71	12.68	13.04

¹ Refer to "Note 8 Earnings per share (EPS) and shares outstanding" in the "Consolidated financial statements" section of the UBS Group first quarter 2017 report for more information. ² Refer to the "Measurement of performance" section of our Annual Report 2016 for the definitions of our key performance indicators. ³ Refer to the "Capital management" section of the UBS Group first quarter 2017 report for more information. ⁴ Based on the revised Swiss SRB framework that became effective on 1 July 2016. Refer to the "Capital management" section of the UBS Group first quarter 2017 report for more information. ⁵ Based on fully applied risk-weighted assets and leverage ratio denominator. ⁶ Refer to the "Balance sheet, liquidity and funding management" section of the UBS Group first quarter 2017 report for more information. ⁷ Includes invested assets for Personal & Corporate Banking. ⁸ Refer to the "UBS shares" section of the UBS Group first quarter 2017 report for more information.

Income statement

<i>CHF million</i>	For the quarter ended			% change from	
	31.3.17	31.12.16	31.3.16	4Q16	1Q16
Net interest income	1,696	1,762	1,712	(4)	(1)
Credit loss (expense) / recovery	0	(24)	(3)	(100)	(100)
Net interest income after credit loss expense	1,696	1,738	1,709	(2)	(1)
Net fee and commission income	4,353	4,161	4,093	5	6
Net trading income	1,440	946	1,013	52	42
Other income	43	209	17	(79)	153
Total operating income	7,532	7,055	6,833	7	10
<i>of which: net interest and trading income</i>	3,136	2,708	2,725	16	15
Personnel expenses	4,060	3,868	3,924	5	3
General and administrative expenses	1,506	2,165	1,664	(30)	(9)
Depreciation and impairment of property, equipment and software	255	255	243	0	5
Amortization and impairment of intangible assets	21	21	23	0	(9)
Total operating expenses	5,842	6,308	5,855	(7)	0
Operating profit / (loss) before tax	1,690	746	978	127	73
Tax expense / (benefit)	375	109	270	244	39
Net profit / (loss)	1,315	637	708	106	86
Net profit / (loss) attributable to non-controlling interests	47	1	0		
Net profit / (loss) attributable to shareholders	1,269	636	707	100	79
Comprehensive income					
Total comprehensive income	666	71	349	838	91
Total comprehensive income attributable to non-controlling interests	47	(12)	(50)		
Total comprehensive income attributable to shareholders	620	83	399	647	55

Comparison UBS Group AG (consolidated) versus UBS AG (consolidated)

	As of or for the quarter ended 31.3.17			As of or for the quarter ended 31.12.16		
	UBS Group AG (consolidated)	UBS AG (consolidated)	Difference (absolute)	UBS Group AG (consolidated)	UBS AG (consolidated)	Difference (absolute)
<i>CHF million, except where indicated</i>						
Income statement						
Operating income	7,532	7,560	(28)	7,055	7,118	(63)
Operating expenses	5,842	5,919	(77)	6,308	6,373	(65)
Operating profit / (loss) before tax	1,690	1,641	49	746	745	1
<i>of which: Wealth Management</i>	639	630	9	368	368	0
<i>of which: Wealth Management Americas</i>	301	286	15	339	338	1
<i>of which: Personal & Corporate Banking</i>	418	418	0	374	375	(1)
<i>of which: Asset Management</i>	103	103	0	144	144	0
<i>of which: Investment Bank</i>	480	443	37	306	304	2
<i>of which: Corporate Center</i>	(251)	(239)	(12)	(784)	(783)	(1)
<i>of which: Services</i>	(222)	(222)	0	(315)	(307)	(8)
<i>of which: Group ALM</i>	63	76	(13)	(144)	(150)	6
<i>of which: Non-core and Legacy Portfolio</i>	(93)	(93)	0	(325)	(326)	1
Net profit / (loss)	1,315	1,277	38	637	639	(2)
<i>of which: net profit / (loss) attributable to shareholders</i>	1,269	1,231	38	636	638	(2)
<i>of which: net profit / (loss) attributable to preferred noteholders</i>		46	(46)		0	0
<i>of which: net profit / (loss) attributable to non-controlling interests</i>	47	1	46	1	1	0
Statement of comprehensive income						
Other comprehensive income	(649)	(651)	2	(566)	(566)	0
<i>of which: attributable to shareholders</i>	(649)	(652)	3	(553)	(553)	0
<i>of which: attributable to preferred noteholders</i>		(2)	2		(12)	12
<i>of which: attributable to non-controlling interests</i>	0	2	(2)	(13)	(1)	(12)
Total comprehensive income	666	626	40	71	73	(2)
<i>of which: attributable to shareholders</i>	620	579	41	83	85	(2)
<i>of which: attributable to preferred noteholders</i>		44	(44)		(12)	12
<i>of which: attributable to non-controlling interests</i>	47	2	45	(12)	0	(12)
Balance sheet						
Total assets	909,608	910,924	(1,316)	935,016	935,353	(337)
Total liabilities	855,268	858,255	(2,987)	880,714	881,009	(295)
Total equity	54,340	52,669	1,671	54,302	54,343	(41)
<i>of which: equity attributable to shareholders</i>	53,661	51,990	1,671	53,621	53,662	(41)
<i>of which: equity attributable to preferred noteholders</i>		641	(641)		642	(642)
<i>of which: equity attributable to non-controlling interests</i>	679	38	641	682	40	642
Capital information						
Common equity tier 1 capital (fully applied)	31,311	33,137	(1,826)	30,693	32,447	(1,754)
Common equity tier 1 capital (phase-in)	34,841	36,629	(1,788)	37,788	39,474	(1,686)
Going concern capital (fully applied)	40,317	36,919	3,398	39,844	36,294	3,550
Going concern capital (phase-in)	51,658	47,344	4,314	55,593	51,084	4,509
Risk-weighted assets (fully applied)	221,785	222,207	(422)	222,677	223,232	(555)
Common equity tier 1 capital ratio (fully applied, %)	14.1	14.9	(0.8)	13.8	14.5	(0.7)
Common equity tier 1 capital ratio (phase-in, %)	15.6	16.4	(0.8)	16.8	17.5	(0.7)
Going concern capital ratio (fully applied, %)	18.2	16.6	1.6	17.9	16.3	1.6
Going concern capital ratio (phase-in, %)	23.2	21.2	2.0	24.7	22.6	2.1
Going concern loss-absorbing capacity ratio (fully applied, %)	15.0	15.4	(0.4)	13.2	13.3	(0.1)
Leverage ratio denominator (fully applied)	881,183	882,670	(1,487)	870,470	870,942	(472)
Common equity tier 1 leverage ratio (fully applied, %)	3.6	3.8	(0.2)	3.5	3.7	(0.2)
Going concern leverage ratio (fully applied, %)	4.6	4.2	0.4	4.6	4.2	0.4
Going concern leverage ratio (phase-in, %)	5.8	5.4	0.4	6.4	5.8	0.6
Going concern leverage ratio (fully applied, %)	3.8	3.9	(0.1)	3.4	3.4	0.0

UBS's first-quarter 2017 report, news release and slide presentation will be available from 06:45 CEST on Friday, 28 April 2017, at www.ubs.com/quarterlyreporting.

UBS will hold a presentation of its first-quarter 2017 results on Friday, 28 April 2017. The results will be presented by Sergio P. Ermotti, Group Chief Executive Officer, Kirt Gardner, Group Chief Financial Officer, Caroline Stewart, Global Head of Investor Relations, and Hubertus Kuelps, Group Head of Communications & Branding.

Time

- 09:00–11:00 CEST
- 08:00–10:00 BST
- 03:00–05:00 US EDT

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, liquidity coverage ratio and other financial resources, and the degree to which UBS is successful in implementing changes to its wealth management businesses to meet changing market, regulatory and other conditions; (ii) continuing low or negative interest rate environment, 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 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 and regulation in Switzerland, the US, the UK and other financial centers that may impose, or result in, more stringent capital, TLAC, leverage ratio, liquidity and funding 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 would have on UBS’s business activities; (v) uncertainty as to the extent to which the Swiss Financial Market Supervisory Authority (FINMA) will confirm limited reductions of gone concern requirements due to measures to reduce resolvability risk; (vi) the degree to which UBS is successful in implementing further changes to its legal structure to improve its resolvability and meet related regulatory requirements, including changes in legal structure and reporting required to implement US enhanced prudential standards, completing the implementation of a service company model, 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, to 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; (vii) the uncertainty arising from the timing and nature of the UK exit from the EU and the potential need to make changes in UBS’s legal structure and operations as a result of it; (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 regulation 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 or 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; (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 including differences in compensation practices; (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, 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, including methodology, assumptions and stress scenarios, 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 2016. 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.

Adjusted results

In addition to reporting our results in accordance with International Financial Reporting Standards (IFRS), we report adjusted results that exclude items that management believes are not representative of the underlying performance of our businesses. Such adjusted results are non-GAAP financial measures as defined by SEC regulations. For the purpose of determining adjusted results for the first quarter of 2017, we excluded net restructuring expenses of CHF 244 million. For the first quarter of 2016, we excluded net foreign currency translation losses of CHF 123 million and net restructuring expenses of CHF 265 million. On this adjusted basis, profit before tax increased by CHF 568 million or 42% to CHF 1,934 million for the first quarter 2017, driven by CHF 576 million or 8% higher operating income.

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 absolute variances are calculated on the basis of rounded figures displayed in the tables and text and may not precisely reflect the percentages, percent changes and absolute variances that would be calculated on the basis of figures that are not rounded.

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.