

27 October 2017

3Q17 profit before tax up 39% YoY to CHF 1.2bn

Net profit of CHF 0.9bn, +14% YoY; diluted EPS CHF 0.25**Adjusted¹ profit before tax CHF 1.5bn, +16% YoY****CHF 1.0bn adjusted¹ profit before tax in global wealth management, +4% YoY,
+12% YTD****Adjusted¹ return on tangible equity 10.2%, 13.3% excluding DTAs²****Fully applied CET1 capital ratio 13.7% and CET1 leverage ratio 3.7%****UBS confirmed as Diversified Financial Services and Capital Markets industry group
leader by Dow Jones Sustainability Index for third year running**

Zurich, 27 October 2017 – UBS delivered good third quarter results with net profit attributable to shareholders up 14% year on year to CHF 946m. Reported profit before tax increased by 39% to CHF 1,221m and adjusted¹ profit before tax increased by 16% to CHF 1,506m. The net tax expense for the third quarter was CHF 272m, including a net write-up of deferred tax assets of CHF 174m mainly driven by higher US profit forecasts beyond 2017. Group annualized adjusted¹ return on tangible equity was 10.2%, or 13.3% excluding deferred tax assets².

Global wealth management adjusted¹ profit before tax rose 4% year over year to CHF 1,041m, with growth in all revenue lines. This performance reflects higher invested asset levels and higher short-term US dollar interest rates, as well as further progress on mandate penetration and loan growth. Personal & Corporate Banking had the highest third quarter annualized net new business volume growth for personal banking in a decade. Adjusted¹ profit before tax was CHF 436m, as management actions and client activity mostly offset increased funding cost and interest rate headwinds. Asset Management adjusted¹ profit before tax increased by 11% and its invested assets reached a nine-year high of CHF 744bn. The Investment Bank delivered 3% adjusted¹ profit before tax growth, as continued strong Corporate Client Solutions results offset the lower revenues in Investor Client Services in a challenging market environment for flow businesses.

UBS's capital position remains strong, with a fully applied CET1 capital ratio of 13.7%, a CET1 leverage ratio of 3.7% and total loss-absorbing capacity of CHF 78bn. During the quarter, Fitch Ratings and Scope Ratings upgraded UBS AG to 'AA-' (stable outlook).

As of September 2017, the Group achieved CHF 1.9bn of annualized net cost savings and is on track to achieve its CHF 2.1bn target by the end of 2017.

"We again saw good results across our business divisions with Asia Pacific as an important driver of profitable growth. We remain focused on disciplined execution and creating long-term value for our shareholders."

Sergio P. Ermotti, Group Chief Executive Officer

Outlook

We expect the global economic recovery to strengthen further, but geopolitical tensions and macroeconomic uncertainty still pose risks to client sentiment. In particular, high asset prices, uncertainty over central bank balance sheet and interest rate policies, seasonality factors and the persistence of low volatility may continue to affect overall client activity. Low and negative interest rates, particularly in Switzerland and the eurozone, put pressure on net interest margins, which may be partly offset by the effect of a further normalization of US monetary policy. Implementing Switzerland's new bank capital standards and further changes to national and international regulatory frameworks for banks will result in increased capital requirements, funding and operating costs. UBS is well positioned to mitigate these challenges and benefit from further improvements in market conditions.

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.

Third quarter 2017 performance overview

UBS's third quarter adjusted¹ profit before tax was CHF 1,506m, and reported profit before tax was CHF 1,221m. Reported profit before tax was adjusted for CHF 285m in net restructuring expenses. Net profit attributable to shareholders was CHF 946m, with diluted earnings per share of CHF 0.25. Annualized adjusted¹ return on tangible equity was 10.2%, or 13.3% excluding deferred tax assets².

Global wealth management adjusted¹ PBT CHF 1,041m, +4% YoY

Higher invested asset levels, which rose 11%, and higher short-term US dollar interest rates, together with further progress on mandate penetration and loan growth led to an increase in all revenue lines, while costs were higher as a result of investing in the business. Mandate and managed account penetration increased to 32.9% of invested assets and loans increased by 7%. Net new money was CHF 2.4bn for the quarter. Adjusted¹ net margin was broadly unchanged at 19bps.

Wealth Management adjusted¹ PBT CHF 701m, +9% YoY

Increases in all revenue lines and good cost control led to higher profits for the quarter. Mandate penetration increased to 29.2% of invested assets, benefiting from net mandate sales of CHF 10.2bn. Loans increased by 8%. Net new money was CHF 4.6bn, including CHF 5bn of outflows related to the introduction of fees on euro deposit concentrations and cross-border outflows. Adjusted¹ net margin was 26bps.

Wealth Management Americas adjusted¹ PBT USD 351m, (4%) YoY

Total operating income increased on record recurring net fee income and higher net interest income, partly offset by lower transaction-based revenues. Costs increased, mainly driven by financial advisor compensation and investments for future growth. Managed account penetration increased from the prior year to a record 36.3% of invested assets and loans increased by 4%. Despite an increase in net inflows from same store advisors, net new money was negative USD 2.3bn, reflecting lower recruiting. Adjusted¹ net margin was 12bps.

Personal & Corporate Banking adjusted¹ PBT CHF 436m, (8%) YoY

Management actions drove higher transaction-based and recurring net fee income, which partly offset funding cost and interest rate headwinds, as well as higher expenses related to technology investments and regulatory initiatives. Annualized net new business volume growth for personal banking was 3.7%, the highest third quarter in a decade.

Asset Management adjusted¹ PBT CHF 153m, +11% YoY

Results reflected higher net management fee income on increased invested assets, as well as lower operating expenses. Invested assets reached a nine-year high of CHF 744bn, including CHF 266bn in passive strategies. Net new money, excluding money market flows, was CHF 8.5bn, and net new run-rate fees were positive.

Investment Bank adjusted¹ PBT CHF 352m, +3% YoY

Corporate Client Solutions revenues increased for a fourth consecutive strong quarter. In Investor Client Services, strong revenues in Equity derivatives partly offset reductions in other business lines, reflecting lower client activity and low market volatility. Costs remained well controlled. The annualized adjusted¹ return on attributed equity was 15%.

Corporate Center – Services recorded an adjusted¹ loss before tax of CHF 392m, including CHF 245m in litigation-related expenses, for the resolution of the vast majority of the Banco UBS Pactual tax indemnity claims. **Group Asset and Liability Management** adjusted¹ loss before tax was CHF 66m. **Non-core and Legacy Portfolio** incurred an adjusted¹ loss before tax of CHF 21m.

UBS commitment to sustainable performance

UBS aims to deliver long-term value through sustainable performance for its clients, shareholders, employees and other stakeholders. Below are a number of indicators, industry ratings, rankings and other significant highlights from the last quarter that demonstrate the firm's continued progress.

Recognized leader in sustainability

In the third quarter 2017, UBS continued to gain industry recognition for its commitment to improving performance under environmental, social and governance (ESG) criteria and for its efforts in offering clients world-class expertise and sustainable products.

- The **Dow Jones Sustainability Index**, the most widely recognized sustainability index, confirmed UBS as Diversified Financial Services and Capital Markets industry group leader for the third year running.
- **MSCI ESG Research** upgraded UBS to 'A' in its latest sustainability ratings, placing it in the top three of its primary peer group³.
- **Sustainalytics**, the ESG ratings and research analysts, ranked UBS as an industry leader.
- In September, Asset Management's Real Estate & Private Markets (REPM) took part in the annual **GRESB** sustainability assessments with a record number of REPM funds achieving the highest sustainability rating of five stars.
- In the third quarter, the Investment Bank received **The Banker Award for Corporate Social Responsibility**, which includes recognition for UBS's award-winning program in support of the Bridge Academy in the London Borough of Hackney, now in its 10th year.
- Asset Management's **Long Term Themes Equity** strategy passed USD 1bn in assets under management just 18 months after its launch. The strategy combines longer-term investment ideas from Wealth Management CIO with Asset Management's expertise in portfolio construction for sustainability products.
- UBS's market-leading research capabilities are an important differentiator in the marketplace. UBS has the highest number of ranked analysts in the latest **Institutional Investor** Global Equity Research Ranking.

Diversity at UBS

- Consistent with the commitment to increase the ratio of women in senior management roles to one-third, UBS recruited for its second annual Career Comeback Program during the third quarter, adding the UK, following the launch in Switzerland and the US last year. Career Comeback addresses professionals wanting to restart their careers after a break.
- In the US, UBS was listed in Working Mother's 2017 100 Best Companies for a 10th year. Childcare leave, new parent coaching and the Career Comeback Program all contributed to the recognition.

Credit rating upgrades reflect strength and stability of UBS business model

UBS's success in executing its strategy and improving its capital strength and risk control, as well as its track record of resilient business performance was recognized recently with ratings upgrades by the credit rating agencies Fitch Ratings and Scope Ratings. Both agencies upgraded UBS AG to 'AA-' (stable outlook) from 'A+' and UBS Group AG to 'A+' (stable outlook) from 'A'.

Innovation and technology

UBS believes digitalization, emerging technologies and changing client behavior will transform banking. In the third quarter 2017, UBS addressed these developments with several initiatives, including:

- The rollout of the **One Wealth Management Platform (One WMP)** in Asia Pacific places around 80% of Wealth Management's global assets onto a single operational IT platform. One WMP provides UBS with efficiency, scalability and new capabilities to serve the growing demand for digital banking.
- The UBS-initiated crypto-currency **Utility Settlement Coin (USC)** welcomed six new partners as it entered Phase III of its development. USC aims to provide a regulated and recognized form of digital cash payment in institutional markets.
- **Blockchain:** UBS has teamed up with IBM and other leading international banks to advance an open blockchain-based trade-finance platform called Batavia.

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

² Excludes any net deferred tax expense / benefit from adjusted¹ net profit attributable to shareholders and excludes any deferred tax assets that do not qualify as CET1 capital from tangible equity.

³ As defined on p.267 of our Annual Report 2016

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

	For the quarter ended 30.9.17								
<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	1,915	2,052	971	494	1,800	(70)	(49)	32	7,145
Operating income (adjusted)	1,915	2,052	971	494	1,800	(70)	(49)	32	7,145
Operating expenses as reported	1,328	1,737	559	366	1,531	331	18	54	5,924
<i>of which: personnel-related restructuring expenses⁴</i>	12	0	1	6	4	115	0	0	140
<i>of which: non-personnel-related restructuring expenses⁴</i>	22	0	0	5	6	111	0	0	145
<i>of which: restructuring expenses allocated from CC – Services⁴</i>	80	24	24	15	73	(218)	1	1	0
Operating expenses (adjusted)	1,214	1,713	534	340	1,448	322	17	53	5,639
<i>of which: net expenses for provisions for litigation, regulatory and similar matters⁵</i>	19	7	0	(5)	(46)	247	0	(25)	197
Operating profit / (loss) before tax as reported	587	315	411	127	269	(401)	(67)	(22)	1,221
Operating profit / (loss) before tax (adjusted)	701	339	436	153	352	(392)	(66)	(21)	1,506

	For the quarter ended 30.9.16								
<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	1,809	1,938	995	481	1,796	(66)	30	46	7,029
<i>of which: gains related to investments in associates</i>			21						21
Operating income (adjusted)	1,809	1,938	974	481	1,796	(66)	30	46	7,008
Operating expenses as reported	1,305	1,618	542	377	1,635	152	0	523	6,152
<i>of which: personnel-related restructuring expenses⁴</i>	28	1	0	9	60	159	0	0	257
<i>of which: non-personnel-related restructuring expenses⁴</i>	10	0	0	2	3	173	0	0	187
<i>of which: restructuring expenses allocated from CC – Services⁴</i>	101	37	40	24	118	(327)	0	7	0
Operating expenses (adjusted)	1,166	1,580	501	343	1,454	148	0	516	5,708
<i>of which: net expenses for provisions for litigation, regulatory and similar matters⁵</i>	(2)	9	(3)	2	2	2	0	408	419
Operating profit / (loss) before tax as reported	504	320	453	104	161	(218)	30	(477)	877
Operating profit / (loss) before tax (adjusted)	643	358	473	138	342	(214)	30	(470)	1,300

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 Corporate Center – 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" in the "Consolidated financial statements" section of the UBS Group third quarter 2017 report for more information. ⁵ Includes recoveries from third parties (third quarter of 2017: CHF 50 million; third quarter of 2016: CHF 0 million).

UBS Group key figures

CHF million, except where indicated	As of or for the quarter ended				As of or year-to-date	
	30.9.17	30.6.17	31.12.16	30.9.16	30.9.17	30.9.16
Group results						
Operating income	7,145	7,269	7,055	7,029	21,946	21,266
Operating expenses	5,924	5,767	6,308	6,152	17,534	17,922
Operating profit / (loss) before tax	1,221	1,502	746	877	4,412	3,344
Net profit / (loss) attributable to shareholders	946	1,174	636	827	3,389	2,568
Diluted earnings per share (CHF) ¹	0.25	0.31	0.17	0.22	0.88	0.67
Key performance indicators²						
Profitability						
Return on tangible equity (%)	8.3	10.3	5.6	7.3	9.8	7.4
Cost / income ratio (%)	83.0	78.8	89.1	87.5	79.8	84.2
Growth						
Net profit growth (%)	14.4	13.5	(33.0)	(60.0)	32.0	(51.1)
Net new money growth for combined wealth management businesses (%)	0.4	1.4	(1.1)	2.1	1.9	3.2
Resources						
Common equity tier 1 capital ratio (fully applied, %) ³	13.7	13.5	13.8	14.0	13.7	14.0
Going concern leverage ratio (fully applied, %) ³	4.7	4.7	4.6	4.4	4.7	4.4
Additional information						
Profitability						
Return on equity (%)	7.2	8.9	4.8	6.2	8.5	6.3
Return on risk-weighted assets, gross (%) ⁴	12.0	12.8	12.9	13.1	12.8	13.3
Return on leverage ratio denominator, gross (%) ⁴	3.3	3.4	3.2	3.2	3.4	3.2
Resources						
Total assets	913,599	890,831	935,016	935,206	913,599	935,206
Equity attributable to shareholders	53,493	51,744	53,621	53,300	53,493	53,300
Common equity tier 1 capital (fully applied) ³	32,621	31,887	30,693	30,254	32,621	30,254
Common equity tier 1 capital (phase-in) ²	36,045	35,243	37,788	37,207	36,045	37,207
Risk-weighted assets (fully applied) ³	237,963	236,697	222,677	216,830	237,963	216,830
Common equity tier 1 capital ratio (phase-in, %) ³	15.1	14.8	16.8	16.9	15.1	16.9
Going concern capital ratio (fully applied, %) ³	17.4	17.2	17.9	18.0	17.4	18.0
Going concern capital ratio (phase-in, %) ³	21.9	21.7	24.7	24.8	21.9	24.8
Going concern loss-absorbing capacity ratio (fully applied, %) ³	15.5	14.0	13.2	13.0	15.5	13.0
Leverage ratio denominator (fully applied) ³	884,834	860,879	870,470	877,313	884,834	877,313
Common equity tier 1 leverage ratio (fully applied, %) ³	3.7	3.7	3.5	3.4	3.7	3.4
Going concern leverage ratio (phase-in, %) ³	5.9	6.0	6.4	6.2	5.9	6.2
Going concern leverage ratio (fully applied, %) ³	4.2	3.9	3.4	3.2	4.2	3.2
Liquidity coverage ratio (%) ⁵	142	131	132	124	142	124
Other						
Invested assets (CHF billion) ⁶	3,067	2,922	2,821	2,747	3,067	2,747
Personnel (full-time equivalents)	60,796	59,470	59,387	59,946	60,796	59,946
Market capitalization ⁷	63,757	62,553	61,420	50,941	63,757	50,941
Total book value per share (CHF) ⁷	14.39	13.92	14.44	14.37	14.39	14.37
Tangible book value per share (CHF) ⁷	12.67	12.25	12.68	12.66	12.67	12.66

¹ Refer to "Note 8 Earnings per share (EPS) and shares outstanding" in the "Consolidated financial statements" section of the UBS Group third 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 Based on the Swiss SRB framework. Refer to the "Capital management" section of the UBS Group third quarter 2017 report for more information. ⁴ Based on fully applied risk-weighted assets and leverage ratio denominator. ⁵ Refer to the "Balance sheet, liquidity and funding management" section of the UBS Group third quarter 2017 report for more information. ⁶ Includes invested assets for Personal & Corporate Banking. ⁷ Refer to "UBS shares" in the "Capital management" section of the UBS Group third quarter 2017 report for more information.

Income statement

<i>CHF million</i>	For the quarter ended			% change from		Year-to-date	
	30.9.17	30.6.17	30.9.16	2Q17	3Q16	30.9.17	30.9.16
Net interest income	1,743	1,417	1,775	23	(2)	4,855	4,652
Credit loss (expense) / recovery	7	(46)	(4)			(39)	(13)
Net interest income after credit loss expense	1,750	1,371	1,771	28	(1)	4,816	4,638
Net fee and commission income	4,244	4,295	4,056	(1)	5	12,892	12,236
Net trading income	1,089	1,456	1,098	(25)	(1)	3,985	4,002
Other income	62	147	104	(58)	(40)	252	390
Total operating income	7,145	7,269	7,029	(2)	2	21,946	21,266
<i>of which: net interest and trading income</i>	2,832	2,873	2,873	(1)	(1)	8,840	8,653
Personnel expenses	3,893	4,014	3,942	(3)	(1)	11,967	11,852
General and administrative expenses	1,760	1,488	1,939	18	(9)	4,754	5,269
Depreciation and impairment of property, equipment and software	256	249	248	3	3	761	731
Amortization and impairment of intangible assets	16	16	23	0	(30)	53	70
Total operating expenses	5,924	5,767	6,152	3	(4)	17,534	17,922
Operating profit / (loss) before tax	1,221	1,502	877	(19)	39	4,412	3,344
Tax expense / (benefit)	272	327	49	(17)	455	974	695
Net profit / (loss)	948	1,175	829	(19)	14	3,438	2,649
Net profit / (loss) attributable to non-controlling interests	2	1	1	100	100	49	81
Net profit / (loss) attributable to shareholders	946	1,174	827	(19)	14	3,389	2,568
Comprehensive income							
Total comprehensive income	1,574	103	191		724	2,343	2,099
Total comprehensive income attributable to non-controlling interests	31	14	7	121	343	92	364
Total comprehensive income attributable to shareholders	1,543	89	184		739	2,251	1,734

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

CHF million, except where indicated	As of or for the quarter ended 30.9.17			As of or for the quarter ended 30.6.17			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)	UBS Group AG (consolidated)	UBS AG (consolidated)	Difference (absolute)
Income statement									
Operating income	7,145	7,279	(134)	7,269	7,398	(129)	7,055	7,118	(63)
Operating expenses	5,924	6,117	(193)	5,767	5,957	(190)	6,308	6,373	(65)
Operating profit / (loss) before tax	1,221	1,161	60	1,502	1,441	61	746	745	1
of which: Wealth Management	587	585	2	582	580	2	368	368	0
of which: Wealth Management Americas	315	307	8	297	289	8	339	338	1
of which: Personal & Corporate Banking	411	412	(1)	356	356	0	374	375	(1)
of which: Asset Management	127	127	0	110	110	0	144	144	0
of which: Investment Bank	269	264	5	451	441	10	306	304	2
of which: Corporate Center	(490)	(534)	44	(294)	(334)	40	(784)	(783)	(1)
of which: Services	(401)	(457)	56	(137)	(182)	45	(315)	(307)	(8)
of which: Group ALM	(67)	(56)	(11)	(104)	(99)	(5)	(144)	(150)	6
of which: Non-core and Legacy Portfolio	(22)	(21)	(1)	(53)	(53)	0	(325)	(326)	1
Net profit / (loss)	948	905	43	1,175	1,124	51	637	639	(2)
of which: net profit / (loss) attributable to shareholders	946	904	42	1,174	1,123	51	636	638	(2)
of which: net profit / (loss) attributable to preferred noteholders		0	0		0	0		0	0
of which: net profit / (loss) attributable to non-controlling interests	2	2	0	1	1	0	1	1	0
Statement of comprehensive income									
Other comprehensive income	626	630	(4)	(1,072)	(1,064)	(8)	(566)	(566)	0
of which: attributable to shareholders	596	600	(4)	(1,086)	(1,077)	(9)	(553)	(553)	0
of which: attributable to preferred noteholders		30	(30)		16	(16)		(12)	12
of which: attributable to non-controlling interests	29	0	29	14	(2)	16	(13)	(1)	(12)
Total comprehensive income	1,574	1,535	39	103	60	43	71	73	(2)
of which: attributable to shareholders	1,543	1,504	39	89	46	43	83	85	(2)
of which: attributable to preferred noteholders		30	(30)		16	(16)		(12)	12
of which: attributable to non-controlling interests	31	1	30	14	(2)	16	(12)	0	(12)
Balance sheet									
Total assets	913,599	914,551	(952)	890,831	891,763	(932)	935,016	935,353	(337)
Total liabilities	859,364	860,562	(1,198)	838,394	839,335	(941)	880,714	881,009	(295)
Total equity	54,236	53,989	247	52,437	52,428	9	54,302	54,343	(41)
of which: equity attributable to shareholders	53,493	53,246	247	51,744	51,735	9	53,621	53,662	(41)
of which: equity attributable to preferred noteholders		687	(687)		657	(657)		642	(642)
of which: equity attributable to non-controlling interests	743	56	687	693	37	656	682	40	642
Capital information									
Common equity tier 1 capital (fully applied)	32,621	33,337	(716)	31,887	32,558	(671)	30,693	32,447	(1,754)
Common equity tier 1 capital (phase-in)	36,045	36,736	(691)	35,243	35,887	(644)	37,788	39,474	(1,686)
Going concern capital (fully applied)	41,493	37,007	4,486	40,668	36,200	4,468	39,844	36,294	3,550
Going concern capital (phase-in)	52,318	46,961	5,357	51,700	46,350	5,350	55,593	51,084	4,509
Risk-weighted assets (fully applied)	237,963	237,322	641	236,697	236,552	145	222,677	223,232	(555)
Common equity tier 1 capital ratio (fully applied, %)	13.7	14.0	(0.3)	13.5	13.8	(0.3)	13.8	14.5	(0.7)
Common equity tier 1 capital ratio (phase-in, %)	15.1	15.4	(0.3)	14.8	15.1	(0.3)	16.8	17.5	(0.7)
Going concern capital ratio (fully applied, %)	17.4	15.6	1.8	17.2	15.3	1.9	17.9	16.3	1.6
Going concern capital ratio (phase-in, %)	21.9	19.7	2.2	21.7	19.5	2.2	24.7	22.6	2.1
Going concern loss-absorbing capacity ratio (fully applied, %)	15.5	15.9	(0.4)	14.0	14.4	(0.4)	13.2	13.3	(0.1)
Leverage ratio denominator (fully applied)	884,834	885,896	(1,062)	860,879	861,919	(1,040)	870,470	870,942	(472)
Common equity tier 1 leverage ratio (fully applied, %)	3.7	3.8	(0.1)	3.7	3.8	(0.1)	3.5	3.7	(0.2)
Going concern leverage ratio (fully applied, %)	4.7	4.2	0.5	4.7	4.2	0.5	4.6	4.2	0.4
Going concern leverage ratio (phase-in, %)	5.9	5.3	0.6	6.0	5.4	0.6	6.4	5.8	0.6
Going concern leverage ratio (fully applied, %)	4.2	4.3	(0.1)	3.9	3.9	0.0	3.4	3.4	0.0

UBS's third quarter 2017 report, news release and slide presentation will be available from 06:45 CEST on Friday, 27 October 2017, at www.ubs.com/quarterlyreporting.

UBS will hold a presentation of its third quarter 2017 results on Friday, 27 October 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), including to counteract regulatory-driven increases, 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 third quarter of 2017, we excluded net restructuring expenses of CHF 285m. For the third quarter of 2016, we excluded gains of CHF 21m related to investments in associates and net restructuring expenses of CHF 444m.

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.