

Consensus Report (Summary Version)

10 January 2017

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Sell-side analysts with active coverage of UBS at the following research firms were asked to submit their latest UBS estimates for this consensus collection. Research firms that have recently discontinued UBS coverage (some of which may have contributed to prior consensus collection) are not shown on this list. Sell-side analysts who maintain a detailed, CHF-based earnings forecast model are asked to participate in the consensus collection.

	Solicited 10.1.17	Contributed 10.1.17	Contributed 2.11.16	Contributed 7.10.16	Contributed 5.8.16	Contributed 11.7.16
Autonomous	•	•	•	•	•	•
Bank am Bellevue	•	•	•	•		•
Bank of America Merrill Lynch	•	•	•	•	•	•
Barclays	•	•	•	•	•	•
Berenberg	•	•	•	•	•	•
Bernstein	•	•		•	•	•
Citigroup	•	•	•	•	•	•
Commerzbank	•					
Credit Suisse	•	•	•			
Deutsche Bank	•	•	•	•	•	•
Exane BNP Paribas	•	•	•	•	•	•
Goldman Sachs	•			•		•
HSBC	•	•	•	•	•	•
J.P.Morgan Cazenove	•	•	•	•	•	•
Keefe, Bruyette & Woods	•	•	•	•	•	•
Kepler Cheuvreux	•		•			•
Macquarie	•		•	•	•	•
Mediobanca	•	•			•	•
Morgan Stanley	•	•		•	•	•
Natixis	•					
Oddo	•	•	•	•	•	•
Redburn	•	•			•	•
Royal Bank of Canada	•	•	•	•	•	•
Santander	•	•	•	•	•	•
Société Générale	•	•		•	•	•
Vontobel	•	•	•	•	•	•
Zürcher Kantonalbank	•	•				

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UBS consensus summary - 10 January 2017

Average consensus (CHF million unless otherwise stated)	4Q15A	3Q16A	4Q16E	QoQ	YoY	FY15A	FY16E	FY17E	FY18E
Wealth Management									
Profit before tax (adjusted, excluding litigation ¹)	583	641	589	(8.2%)	1.0%	2,933	2,481	2,678	2,868
Profit before tax (reported, excluding litigation ¹)	422	502	503	0.2%	19.2%	2,794	2,089	2,365	2,773
Wealth Management Americas									
Profit before tax (adjusted, excluding litigation ¹)	297	367	327	(11.0%)	10.0%	1,185	1,247	1,372	1,455
Profit before tax (reported, excluding litigation ¹)	247	329	286	(12.9%)	16.0%	1,069	1,098	1,210	1,421
Personal & Corporate Banking									
Profit before tax (adjusted, excluding litigation ¹)	396	470	418	(11.1%)	5.5%	1,679	1,772	1,731	1,722
Profit before tax (reported, excluding litigation ¹)	355	450	383	(14.8%)	7.9%	1,644	1,765	1,603	1,697
Asset Management									
Profit before tax (adjusted, excluding litigation ¹)	150	140	139	(0.9%)	(7.5%)	606	532	568	594
Profit before tax (reported, excluding litigation ¹)	168	106	112	5.2%	(33.6%)	580	417	471	570
Investment Bank									
Profit before tax (adjusted, excluding litigation ¹)	227	344	205	(40.3%)	(9.6%)	2,290	1,392	1,538	1,677
Profit before tax (reported, excluding litigation ¹)	84	163	60	(63.0%)	(28.1%)	1,894	786	1,051	1,538
Corporate Center									
Profit before tax (adjusted, excluding litigation ¹)	(535)	(244)	(496)	>100%	(7.4%)	(1,970)	(1,376)	(1,289)	(1,186)
Profit before tax (reported, excluding litigation ¹)	(678)	(255)	(552)	>100%	(18.6%)	(1,404)	(1,491)	(1,401)	(1,207)
Group									
Total operating income (adjusted)	6,854	7,008	6,839	(2.4%)	(0.2%)	29,526	28,014	28,860	29,764
Total operating expenses (adjusted)	6,100	5,708	6,202	8.7%	1.7%	23,891	23,038	23,129	23,077
<i>of which: expenses for provisions for litigation, regulatory and similar matters</i>	<i>365</i>	<i>419</i>	<i>544</i>	<i>29.8%</i>	<i>49.0%</i>	<i>1,087</i>	<i>1,074</i>	<i>866</i>	<i>443</i>
Profit before tax (adjusted)	754	1,300	638	(51.0%)	(15.4%)	5,635	4,976	5,732	6,686
Restructuring	(440)	(444)	(367)	(17.3%)	(16.6%)	(1,235)	(1,453)	(1,299)	(338)
Other adjustment (losses)/gains	(79)	21	(22)	nm	(72.7%)	1,089	70	(0)	(0)
Profit before tax (reported)	234	877	249	(71.6%)	6.4%	5,489	3,594	4,433	6,348
Net profit attributable to UBS Group AG shareholders	949	827	229	(72.3%)	(75.9%)	6,203	2,797	3,473	4,951
Diluted EPS from continuing operations	0.25	0.22	0.06	(72.3%)	(75.6%)	1.64	0.73	0.91	1.30
Basel 3 CET1 capital (fully applied) ²	30.0	30.3	30.2	(0.1%)	0.8%	30.0	30.2	31.5	33.8
Basel 3 RWAs (fully applied) ²	208	217	218	0.8%	5.0%	208	218	228	239
Basel 3 CET1 ratio (% , fully applied) ²	14.5%	14.0%	13.8%	(0.1 ppt)	(0.7 ppt)	14.5%	13.8%	13.8%	14.1%
CET1 leverage ratio (fully applied, %) ³	3.34%	3.45%	3.44%	(0.02 ppt)	0.09 ppt	3.34%	3.44%	3.54%	3.77%
Swiss SRB LRD (fully applied) ³	898	877	881	0.4%	(1.9%)	898	881	890	898
Group - Adjusted return on tangible equity (%)		10.1%	6.6%	(3.5 ppt)		13.7%	8.3%	9.6%	10.9%
Total cash dividend per share (incl. ordinary and special dividend per share)						0.85	0.58	0.64	0.74
<i>of which: ordinary dividend per share</i>						0.60			
<i>of which: special dividend per share</i>						0.25			
NNM Wealth Management ⁴	(3.4)	9.4	4.2	(55.8%)	nm	22.8	35.1	29.3	33.0
NNM Wealth Management Americas	16.9	0.8	4.4	>100%	(74.0%)	21.3	21.1	21.4	24.2
NNM Asset Management (excl. money market flows)	(8.9)	2.0	0.1	(95.2%)	nm	(0.7)	(12.6)	5.0	10.4

¹ Expenses for provisions for litigation, regulatory and similar matters

² Based on the Basel III framework as applicable for Swiss systemically relevant banks (SRBs). Refer to the "Capital management" section of the 3Q16 report for more information.

³ Calculated in accordance with Swiss SRB rules. Refer to the "Capital management" section of the 3Q16 report for more information. From 31.12.15 onward, the leverage ratio denominator calculation is fully aligned with the Basel III rules. Figures for periods prior to 31.12.15 are calculated in accordance with former Swiss SRB rules and are therefore not fully comparable.

⁴ Adjusted net new money excludes the effect on net new money from our balance sheet and capital optimization program (FY15: CHF 9.9bn).

UBS consensus summary detail - 10 January 2017

Consensus (CHF million unless otherwise stated)	4Q16E					FY16E					FY17E					FY18E				
	Avg.	Med.	Max.	Min.	# of Est.	Avg.	Med.	Max.	Min.	# of Est.	Avg.	Med.	Max.	Min.	# of Est.	Avg.	Med.	Max.	Min.	# of Est.
Wealth Management																				
Profit before tax (adjusted, excluding litigation ¹)	589	594	653	493	22	2,481	2,486	2,545	2,385	22	2,678	2,701	3,075	1,834	22	2,868	2,913	3,448	1,725	22
Profit before tax (reported, excluding litigation ¹)	503	508	597	376	22	2,089	2,094	2,183	1,962	22	2,365	2,323	3,052	1,400	22	2,773	2,782	3,448	1,528	22
Wealth Management Americas																				
Profit before tax (adjusted, excluding litigation ¹)	327	327	409	265	22	1,247	1,247	1,329	1,185	22	1,372	1,324	1,734	1,205	22	1,455	1,434	1,796	1,137	22
Profit before tax (reported, excluding litigation ¹)	286	288	359	230	22	1,098	1,099	1,170	1,041	22	1,210	1,191	1,418	1,080	22	1,421	1,425	1,796	1,060	22
Personal & Corporate Banking																				
Profit before tax (adjusted, excluding litigation ¹)	418	413	509	335	22	1,772	1,768	1,863	1,689	22	1,731	1,732	2,042	1,521	22	1,722	1,714	1,930	1,489	22
Profit before tax (reported, excluding litigation ¹)	383	385	458	280	22	1,765	1,768	1,840	1,662	22	1,603	1,603	1,842	1,350	22	1,697	1,712	1,902	1,429	22
Asset Management																				
Profit before tax (adjusted, excluding litigation ¹)	139	137	183	112	22	532	532	576	505	22	568	572	701	392	22	594	603	681	286	22
Profit before tax (reported, excluding litigation ¹)	112	111	145	78	22	417	416	450	383	22	471	482	601	259	22	570	579	681	236	22
Investment Bank																				
Profit before tax (adjusted, excluding litigation ¹)	205	205	376	50	22	1,392	1,391	1,562	1,236	22	1,538	1,539	2,073	988	22	1,677	1,670	2,221	1,135	22
Profit before tax (reported, excluding litigation ¹)	60	58	276	(130)	22	786	783	1,001	595	22	1,051	1,020	1,873	313	22	1,538	1,537	2,221	846	22
Corporate Center																				
Profit before tax (adjusted, excluding litigation ¹)	(496)	(479)	(277)	(1,049)	22	(1,376)	(1,359)	(1,157)	(1,929)	22	(1,289)	(1,248)	(651)	(2,200)	22	(1,186)	(1,145)	(818)	(1,699)	22
Profit before tax (reported, excluding litigation ¹)	(552)	(531)	(358)	(1,049)	22	(1,491)	(1,470)	(1,297)	(1,988)	22	(1,401)	(1,355)	(831)	(2,200)	22	(1,207)	(1,164)	(818)	(1,720)	22
Group																				
Total operating income (adjusted)	6,839	6,879	7,075	6,439	22	28,014	28,053	28,249	27,613	22	28,860	28,858	30,453	26,274	22	29,764	30,018	31,650	26,302	22
Total operating expenses (adjusted)	6,202	6,111	7,524	5,689	22	23,038	22,944	24,360	22,525	22	23,129	22,988	24,439	21,563	22	23,077	22,963	25,085	20,810	22
<i>of which: expenses for provisions for litigation, regulatory and similar matters</i>	<i>544</i>	<i>471</i>	<i>1,813</i>	<i>150</i>	<i>22</i>	<i>1,074</i>	<i>1,001</i>	<i>2,343</i>	<i>680</i>	<i>22</i>	<i>866</i>	<i>775</i>	<i>2,174</i>	<i>-</i>	<i>22</i>	<i>443</i>	<i>300</i>	<i>1,250</i>	<i>-</i>	<i>22</i>
Profit before tax (adjusted)	638	696	1,137	(621)	22	4,976	5,040	5,475	3,717	22	5,732	5,777	7,527	3,740	22	6,686	6,555	8,612	4,546	22
Restructuring	(367)	(359)	(200)	(617)	22	(1,453)	(1,445)	(1,286)	(1,703)	22	(1,299)	(1,394)	(414)	(1,800)	22	(338)	(328)	-	(911)	22
Other adjustment (losses)/gains	(22)	-	75	(150)	22	70	92	167	(58)	22	(0)	-	-	(1)	22	(0)	-	-	(1)	22
Profit before tax (reported)	249	375	823	(1,036)	22	3,594	3,721	4,167	2,308	22	4,433	4,372	6,727	1,940	22	6,348	6,229	8,612	3,846	22
Net profit attributable to UBS Group AG shareholders	229	316	730	(896)	22	2,797	2,890	3,298	1,673	22	3,473	3,592	5,012	1,066	22	4,951	4,932	7,024	1,456	22
Diluted EPS from continuing operations	0.06	0.08	0.20	(0.24)	22	0.73	0.75	0.86	0.44	22	0.91	0.94	1.31	0.28	22	1.30	1.29	1.84	0.38	22
Basel 3 CET1 capital (fully applied) ²	30.2	30.4	31.6	28.8	22	30.2	30.4	31.6	28.8	22	31.5	31.4	33.2	29.7	22	33.8	33.6	37.0	29.9	22
Basel 3 RWAs (fully applied) ²	218	218	224	212	22	218	218	224	212	22	228	228	241	214	22	239	239	260	216	22
Basel 3 CET1 ratio (% , fully applied) ²	13.8%	13.8%	14.9%	13.3%	22	13.8%	13.8%	14.9%	13.3%	22	13.8%	13.8%	14.8%	12.9%	22	14.1%	14.1%	16.2%	12.1%	22
CET1 leverage ratio (fully applied, %) ³	3.44%	3.45%	3.65%	3.28%	22	3.44%	3.45%	3.65%	3.28%	22	3.54%	3.53%	3.76%	3.30%	22	3.77%	3.76%	4.14%	3.40%	22
Swiss SRB LRD (fully applied) ³	881	879	920	863	22	881	879	920	863	22	890	887	951	845	22	898	894	955	843	22
Group - Adjusted return on tangible equity (%)	6.6%	7.2%	10.2%	(3.3%)	19	8.3%	8.5%	10.9%	3.2%	19	9.6%	9.9%	12.5%	5.0%	20	10.9%	10.9%	13.4%	7.5%	20
Total cash dividend per share (incl. ordinary and special dividend per share)						0.58	0.60	0.62	0.40	22	0.64	0.65	0.70	0.60	22	0.74	0.71	1.00	0.60	22
NM Wealth Management																				
	4.2	4.3	9.7	(6.0)	22	35.1	35.2	40.6	24.9	22	29.3	29.9	45.0	(13.7)	22	33.0	32.4	46.6	4.4	22
NM Wealth Management Americas																				
	4.4	4.0	9.7	1.0	22	21.1	20.7	26.4	17.7	22	21.4	21.7	32.5	11.1	22	24.2	23.1	33.5	16.4	22
NM Asset Management (excl. money market flows)																				
	0.1	0.0	8.1	(7.3)	20	(12.6)	(12.7)	(4.6)	(20.0)	20	5.0	4.6	19.0	(10.0)	20	10.4	10.6	22.5	0.0	20

¹ Expenses for provisions for litigation, regulatory and similar matters

² Based on the Basel III framework, as applicable for Swiss systemically relevant banks (SRBs). Refer to the "Capital management" section of the 3016 report for more information.

³ Calculated in accordance with Swiss SRB rules. Refer to the "Capital management" section of the 3Q16 report for more information. From 31.12.15 onward, the leverage ratio denominator calculation is fully aligned with the Basel III rules. Figures for periods prior to 31.12.15 are calculated in accordance with former Swiss SRB rules and are therefore not fully comparable.

Notes on methodology

1. Adjusted results exclude items that management believes are not representative of the underlying performance of our businesses, such as restructuring expenses and gains and losses on sales of businesses and real estate. At Group level, the net impact on the average consensus estimate for reported PBT is:

- 4Q16E: +389m (restructuring costs of CHF 367m and losses from other adjustments of CHF 22m)
- FY16E: +1,383m (restructuring costs of CHF 1,453m and gains from other adjustments of CHF 70m)
- FY17E: +1,299m (restructuring costs)
- FY18E: +338m (restructuring costs)

2. To improve comparability of estimates, operating expenses (actuals and estimates) for the business divisions and Corporate Center are presented as adjusted and further exclude expenses for provisions for litigation, regulatory and similar matters. At Group-level, actual and estimated expenses for provisions for litigation, regulatory and similar matters are reflected in adjusted operating expenses and are shown as a separate line item.

3. For submissions that did not provide restructuring costs by business divisions for some or all of the periods covered, the total amount of restructuring costs was allocated based on the average percentage by business division from those analysts' respective estimates that provided restructuring costs by business divisions. Of a total of 22 submissions, this allocation methodology was used for seven submissions for some or all of the periods covered.