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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

**PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

Date: April 28, 2017

UBS Group AG

Commission File Number: 1-36764

UBS AG

Commission File Number: 1-15060

(Registrants' Name)

Bahnhofstrasse 45, Zurich, Switzerland and
Aeschenvorstadt 1, Basel, Switzerland
(Address of principal executive office)

Indicate by check mark whether the registrants file or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

This Form 6-K consists of the Basel III Pillar 3 UBS Group AG First Quarter 2017 Report, which appears immediately following this page.

UBS

UBS Group AG and significant regulated subsidiaries and sub-groups

First quarter 2017 Pillar 3 report

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UBS Group AG consolidated

Section 1 Introduction

Regulatory framework and scope of Basel III Pillar 3 disclosures

The Basel III capital adequacy framework consists of three complementary pillars. Pillar 1 provides a framework for measuring minimum capital requirements for the credit, market, operational and non-counterparty-related risks faced by banks. Pillar 2 addresses the principles of the supervisory review process, emphasizing the need for a qualitative approach to supervising banks. Pillar 3 requires banks to publish a range of disclosures, mainly covering risk, capital, leverage, liquidity and remuneration.

This report provides Pillar 3 disclosures for UBS Group AG on a consolidated basis. Because UBS is considered a systemically relevant bank (SRB) under Swiss banking law, UBS Group AG is required to comply with regulations based on the Basel III framework as applicable to Swiss SRBs on a consolidated basis. Capital information as of 31 March 2017 for UBS Group AG consolidated is provided in the "Capital management" section of our first quarter 2017 report, available under "Quarterly reporting" at *www.ubs.com/investors*.

Pillar 3 rules also require us to disclose certain regulatory information for the significant banking subsidiaries UBS AG, UBS Switzerland AG and UBS Limited, as well as the significant sub-groups under UBS AG and UBS Americas Holding LLC. This information is provided in the "Significant regulated subsidiaries and sub-groups" section of this report.

UBS Pillar 3 disclosures are based on phase-in rules under the Basel III framework, as implemented by the revised Swiss Capital Adequacy Ordinance issued by the Swiss Federal Council and required by FINMA regulation.

BCBS publishes enhanced Pillar 3 disclosure requirements

In March 2017, the BCBS issued the consolidated and enhanced framework of the Pillar 3 disclosure requirements. The enhancements include: i) the consolidation of all existing BCBS disclosure requirements into the Pillar 3 framework, including the composition of capital, the leverage ratio, the liquidity ratios, the indicators for determining globally systemically important banks (G-SIBs), the countercyclical capital buffer, interest rate risk in the banking book and remuneration; ii) the introduction of a "dashboard" of banks' key prudential metrics; iii) a new requirement for banks to disclose valuation adjustments as well as the underlying calculation methodology; and iv) the incorporation of ongoing reforms into the regulatory framework, such as the total loss-absorbing capacity (TLAC) regime for G-SIBs and the revised market risk framework.

The implementation date for existing disclosure requirements that are consolidated under the standard will generally be at the end of 2017. However, for disclosure requirements that are new and / or depend on the implementation of another policy framework, the implementation date has been aligned with the implementation date of that framework.

FINMA-defined asset classes

For an overview of the FINMA-defined asset classes used within this Pillar 3 report, refer to the Basel III Pillar 3 UBS Group AG 2016 report under "Pillar 3, SEC filings & other disclosures" at *www.ubs.com/investors*.

Format, frequency and comparability of Pillar 3 disclosures

Certain Pillar 3 disclosures follow a fixed format defined by FINMA, whereas other disclosures are flexible and may be modified to a certain degree to present the most relevant information. Revised Pillar 3 requirements are presented under the relevant FINMA table / template reference (e.g., OV1, CR8). Pillar 3 disclosures may also include column or row labeling as prescribed by FINMA. Naming conventions used in our Pillar 3 disclosures are based on the FINMA guidance and may not reflect UBS naming conventions. The reporting frequency for each disclosure follows the FINMA-specified interval, which is either quarterly, semi-annual or annual. For further information on disclosure frequencies, refer to the Basel III Pillar 3 UBS Group AG 2016 report under "Pillar 3, SEC filings & other disclosures" at *www.ubs.com/investors*. Comparative period information and commentary provided on movements is provided in line with the FINMA-specified frequency.

Basel III capital requirements for G-SIBs

The BCBS has defined minimum Basel III capital requirements, which are being phased in from 1 January 2013 to 31 December 2018 and become fully effective on 1 January 2019. As of 31 March 2017, the minimum ratio requirements for common equity tier 1 (CET1) capital including capital conservation buffer and for total capital including capital conservation buffer were 5.75% and 9.25%, respectively. Moreover, global systemically important banks (G-SIBs) are subject to additional CET1 capital buffer requirements in the range from 1.0% to 3.5%. These additional buffer requirements are being phased in from 1 January 2016 to 31 December 2018 and become fully effective on 1 January 2019. The Financial Stability Board (FSB) has determined that UBS is a G-SIB, using an indicator-based methodology adopted by the BCBS. In November 2016, the FSB confirmed that, based on the year-end 2015 indicators, the additional CET1 capital buffer requirement for UBS Group is 1.0%. BCBS requirements are minimum requirements that regulators must put in place in their respective jurisdictions. As our Swiss SRB capital requirements exceed the BCBS requirements, including the G-SIB buffer, UBS is not affected by these additional G-SIB requirements.

→ **Refer to the "Capital management" section of our Annual Report 2016 for more information on phase-in arrangements and regulatory requirements**

→ **Refer to "Pillar 3, SEC filings & other disclosures" at *www.ubs.com/ investors* for more information on our G-SIB indicators**

Our approach to measuring risk exposure and risk-weighted assets

Measures of risk exposure may differ, depending on whether the exposures are calculated for financial accounting purposes under International Financial Reporting Standards (IFRS), for deriving our regulatory capital requirement or for internal risk management and control purposes. Our Pillar 3 disclosures are generally based on measures of risk exposure used to derive the regulatory capital required to underpin those risks. The calculation of risk-weighted assets (RWA) follows the BIS Basel III framework, as implemented by the Swiss Capital Adequacy Ordinance issued by the Swiss Federal Council.

→ **Refer to the Basel III Pillar 3 UBS Group AG 2016 report under "Pillar 3, SEC filings & other disclosures" at *www.ubs.com/investors* for more information**

RWA development in the quarter

The table below provides an overview of RWA and the related minimum capital requirements by risk type. During the first quarter of 2017, phase-in RWA decreased by CHF 2.3 billion to CHF 223.1 billion. The decrease was mainly driven by a CHF 6.2 billion reduction in market risk RWA and a reduction of CHF 1.3 billion in the line *Amounts below thresholds for deduction* (250% risk weight), mainly driven by the additional, 2017 related, phase-in effect of capital deductions for deferred tax assets resulting in lower RWA. These decreases were partly offset by a CHF 4.4 billion increase in credit risk RWA, and a CHF 1.6 billion increase in operational risk RWA. The flow tables on the next pages provide further detail on the movements in credit risk, counterparty credit risk and market risk RWA in the first quarter of 2017. Further information on capital management and RWA, including detail on movements in RWA over the first quarter of 2017, is provided on pages 53–59 of our first quarter 2017 report, available under "Quarterly reporting" at *www.ubs.com/investors*.

OV1: Overview of RWA

		a	b	c
		RWA[1]		Minimum capital requirements[2]
CHF million		31.3.17	31.12.16	
1	Credit risk (excluding counterparty credit risk)	89,317	84,899	7,145
2	*of which: standardized approach (SA)[3]*	*22,458*	*22,095*	*1,797*
3	*of which: internal ratings-based (IRB) approach*	*66,859*	*62,804*	*5,349*
4	Counterparty credit risk[4]	28,808	29,362	2,305
5	*of which: SA for counterparty credit risk (SA-CCR)[5]*	*8,953*	*9,971*	*716*
6	*of which: internal model method (IMM)[6]*	*19,854*	*19,391*	*1,588*
7	Equity positions in banking book under market-based approach[7]	2,367	2,375	189
8	Equity investments in funds – look-through approach[8]			
9	Equity investments in funds – mandated-based approach[8]			
10	Equity investments in funds – fall-back approach[8]			
11	Settlement risk	340	528	27
12	Securitization exposure in banking book	1,986	2,068	159
13	*of which: IRB ratings-based approach (RBA)*	*1,339*	*1,456*	*107*
14	*of which: IRB supervisory formula approach (SFA)*	*647*	*613*	*52*
15	*of which: SA / simplified supervisory formula approach (SSFA)*			
16	Market Risk	9,324	15,490	746
17	*of which: standardized approach (SA)*	*378*	*428*	*30*
18	*of which: internal model approaches (IMM)*	*8,946*	*15,062*	*716*
19	Operational risk	79,422	77,827	6,354
20	*of which: basic indicator approach*			
21	*of which: standardized approach*			
22	*of which: advanced measurement approach*	*79,422*	*77,827*	*6,354*
23	Amounts below thresholds for deduction (250% risk weight)[9]	11,573	12,864	926
24	Floor adjustment[10]	0	0	0
25	**Total**	**223,137**	**225,412**	**17,851**

1 Based on phase-in rules. 2 Calculated based on 8% of RWA as of 31 March 2017. 3 Includes non-counterparty-related risk not subject to the threshold deduction treatment (31 March 2017: RWA CHF 8,457 million, 31 December 2016: RWA CHF 8,426 million). Non-counterparty-related risk (31 March 2017: RWA CHF 9,557 million, 31 December 2016: RWA CHF 10,864 million), which is subject to the threshold treatment, is reported in row 23 "Amounts below thresholds for deduction (250% risk weight)." 4 Excludes settlement risk, which is separately reported in row 11 "Settlement risk." Includes credit valuation adjustments and RWA with central counterparties. 5 Calculated in accordance with the current exposure method (CEM), until SA-CCR is implemented at the latest by 1 January 2018. The split between row 5 and 6 refers to the calculation of the exposure measure. 6 Includes advanced credit valuation adjustment (31 March 2017: RWA CHF 2,829 million, 31 December 2016: RWA CHF 4,202 million). 7 Includes investments in funds. Items subject to threshold deduction treatments not exceeding their threshold are risk weighted at 250% (31 March 2017: RWA CHF 2,015 million, 31 December 2016: RWA CHF 2,000 million) and are separately included in row 23 "Amounts below thresholds for deduction (250% risk weight)." 8 New regulation for the calculation of RWA for investments in funds is implemented at the latest by 1 January 2018. 9 Includes items subject to threshold deduction treatments not exceeding their respective threshold and risk weighted at 250%. Items subject to threshold deduction treatments are significant investments in common shares of non-consolidated financial institutions (banks, insurance and other financial entities) and deferred tax assets arising from temporary differences, which are both measured against their respective threshold. 10 No floor effect, as 80% of our Basel I RWA including the RWA-equivalent of the Basel I capital deductions does not exceed our Basel III RWA including the RWA-equivalent of the Basel III capital deductions. Refer to "Recent developments" section of our first quarter 2017 report, available under "Quarterly reporting" at www.ubs.com/investors for the status of the finalization of the BCBS capital framework, where the proposed floor calculation would differ in significant aspects from the current approach.

Definitions of credit risk and counterparty credit risk RWA movement table components for CR8 and CCR7

References from the below table link to the line numbers provided in the movement tables below and on the next page.

Reference	Description	Definition
2	**Asset size**	Movements arising in the ordinary course of business, such as new transactions, sales and write-offs.
3	**Asset quality / Credit quality of counterparties**	Movements resulting from changes in the underlying credit quality of counterparties. These are caused by changes to risk parameters, such as counterparty ratings, loss given default estimates or credit hedges.
4	**Model updates**	Movements arising from the implementation of new models and from parameter changes to existing models. The RWA effect of model updates is estimated based on the portfolio at the time of the implementation of the change.
5	**Methodology and policy**	Movements due to methodological changes in calculations driven by regulatory policy changes, including revisions to existing regulations, new regulations and add-ons mandated by the regulator. The effect of methodology and policy changes on RWA is estimated based on the portfolio at the time of the implementation of the change.
6	**Acquisitions and disposals**	Movements as a result of the disposal or acquisition of business operations, quantified based on the credit risk exposures as at the end of the quarter preceding a disposal or following an acquisition. Purchases and sales of exposures in the ordinary course of business are reflected under asset size.
7	**Foreign exchange movements**	Movements as a result of changes in exchange rates of the transaction currencies versus the Swiss franc.
8	**Other**	Movements due to changes that cannot be attributed to any other category.

Credit risk RWA development in the quarter

Credit risk RWA under the internal ratings-based (IRB) approach increased by CHF 4.1 billion RWA during the first quarter of 2017.

The increase was primarily driven by methodology and policy changes of CHF 3.1 billion, which includes the effect of regulatory add-ons of CHF 2.5 billion, mainly due to an increase in the IRB multiplier on Swiss residential mortgages of CHF 1.8 billion, as well as an increase in the IRB multiplier on Investment Bank exposures to corporates of CHF 0.3 billion. Furthermore, certain exposures for highly rated securities held for liquidity purposes previously treated with the standardized approach are now treated under the advanced approach. The increase of CHF 0.6 billion in IRB credit risk RWA was partly offset by a CHF 0.4 billion decrease in RWA under the standardized approach, which is not part of this table.

The RWA increase from model updates of CHF 1.6 billion was driven by the implementation of revised credit conversion factors for unutilized Lombard loan facilities, as well as changes to the probability of default (PD) and loss given default (LGD) parameters for all Lombard exposures. These changes primarily affected Wealth Management and Wealth Management Americas.

Additionally, a decrease of CHF 1.4 billion related to asset size movements was primarily due to client-driven declines in off-balance sheet exposures.

CR8: RWA flow statements of credit risk exposures under IRB

		a
CHF million		RWA
1	RWA as at 31.12.16	62,804
2	Asset size	(1,442)
3	Asset quality	474
4	Model updates	1,560
5	Methodology and policy	3,082
5a	*of which: regulatory add-ons*	*2,450*
6	Acquisitions and disposals	0
7	Foreign exchange movements	(258)
8	Other	640
9	RWA as at 31.3.17	66,859

Counterparty credit risk RWA development in the quarter

Counterparty credit risk RWA under IMM and VaR increased by CHF 1.8 billion during the first quarter of 2017. This increase was primarily driven by an asset size movement of CHF 1.9 billion. A CHF 1.1 billion increase in securities financing transactions was primarily due to client-driven increases in the Investment Bank. Derivatives increased by CHF 0.8 billion, primarily as a result of higher notional values in the Investment Bank. The increase reflected under methodology and policy changes of CHF 0.3 billion related to an increase in the regulatory add-on for the IRB multiplier on Investment Bank exposures to corporates.

CCR7: RWA flow statements of CCR exposures under internal model method (IMM) and value-at-risk (VaR)[1]

		a1	a2	a
		Derivatives	**SFTs**	**Total Amounts**
CHF million		Subject to IMM	Subject to VaR	(sum of a1 and a2)
1	**RWA as at 31.12.16**	12,482	2,706	15,188
2	Asset size	774	1,102	1,877
3	Credit quality of counterparties	(160)	(78)	(238)
4	Model updates	0	0	0
5	Methodology and policy	216	55	272
5a	*of which: regulatory add-ons*	*216*	*55*	*272*
6	Acquisitions and disposals	0	0	0
7	Foreign exchange movements	(63)	(10)	(73)
8	Other	0	0	0
9	**RWA as at 31.3.17**	13,250	3,775	17,025

1 Excludes advanced credit valuation adjustment RWA of CHF 2,829 million as of 31 March 2017 (31 December 2016: CHF 4,202 million).

Market risk RWA development in the quarter

The four main components that contribute to market risk RWA are value-at-risk (VaR), stressed value-at-risk (SVaR), incremental risk charge (IRC) and comprehensive risk measure (CRM). VaR and SVaR components include the RWA charge for Risks not in VaR. The table "MR2: RWA flow statements of market risk exposures under an IMA" on the following page provides a breakdown of the market risk RWA movement in the quarter across these components, according to BCBS-defined movement categories. These categories are described further below.

Definitions of market risk RWA movement table components for MR2

References from the below table link to the line numbers provided in the movement table on the next page.

Reference	Description	Definition
1/8c	**RWA as at previous and current reporting period end (end of period)**	Quarter-end RWA
1a/ 8b	**Regulatory adjustment**	Indicates the difference between row 1 and 1b and 8c and 8a respectively. Where movements related to changes in the backtesting multiplier are described, these are determined by substituting the backtesting multiplier as at the end of the prior period with the multiplier as at end of the current reporting period.
1b/ 8a	**RWA at previous and current quarter end (end of day)**	For a given component (e.g. VaR) it refers to the RWA that would be computed if the snapshot quarter end figure of the component determines the quarter end RWA, as opposed to a 60-day average for regulatory, and a 12-week average for SVaR and IRC. The regulatory adjustment would be zero, if the quarter-end RWA is triggered by the snapshot quarter-end figure.
	Movement of end of day RWA	
2	**Movement in risk levels**	Movements as a result of changes in positions and risk levels.
3	**Model updates / changes**	Movements due to routine updates to model parameters and model changes.
4	**Methodology and policy**	Movements due to methodological changes in calculations driven by regulatory policy changes, including revisions to existing regulations, new regulations and add-ons mandated by the regulator.
5	**Acquisitions and disposals**	Movements as a result of the disposal or acquisition of business operations, quantified based on the market risk exposures as at the end of the quarter preceding a disposal or following an acquisition. Purchases and sales of exposures in the ordinary course of business are reflected under "Movements in risk levels".
6	**Foreign exchange movements**	Movements as a result of changes in exchange rates. Note that the effect of movements in exchange rates is captured in "Movement in risk levels", since exchange rate movements are part of the effects of market movements on risk levels.
7	Other	Movements due to changes that cannot be attributed to any other category.

RWA flow related to VaR and SVaR

Value-at-risk (VaR) and stressed VaR RWA decreased by CHF 6.5 billion, mainly due to lower average SVaR and regulatory VaR compared with the higher levels observed in the fourth quarter of 2016, resulting in a decrease of CHF 4.4 billion and a further reduction of CHF 2.1 billion related to regulatory add-ons resulting from a lower VaR multiplier. The VaR multiplier decreased from 3.65 to 3 as a result of fewer backtesting exceptions. The current and prior period effect of these movements is mainly reflected under *Regulatory adjustment* for the respective dates.

RWA flow related to Incremental risk charge (IRC)

IRC RWA increased by CHF 0.6 billion from model updates / changes as a result of the annual update of model parameters implemented in the first quarter 2017. The increase was driven by higher correlations in several sectors and regions as the calibration timeframe 2006-2016 now includes two more years of the post-crisis period.

The increase in IRC RWA from movement in risk levels over the quarter was CHF 0.3 billion, largely as a result of increased exposures in the Foreign Exchange, Rates and Credit (FRC) business of the Investment Bank.

MR2: RWA flow statements of market risk exposures under an IMA[1]

		a	b	c	d	e	f
CHF million		VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1	RWA as at 31.12.16	4,013	7,982	2,963	104		15,062
1a	*Regulatory adjustment*	(3,517)	(7,320)	(567)			(11,404)
1b	RWA at previous quarter end (end of day)	496	662	2,396	104		3,658
2	*Movement in risk levels*	81	(53)	322			350
3	*Model updates / changes*	16	26	619			661
4	*Methodology and policy*						
5	*Acquisitions and disposals*						
6	*Foreign exchange movements*						
7	*Other*				(5)		(5)
8a	RWA at the end of reporting period (end of day)	593	635	3,336	98		4,663
8b	*Regulatory adjustment*	1,693	2,590				4,283
8c	RWA as at 31.3.17	2,286	3,225	3,336	98		8,946

1 Components that describe movements in RWA are formatted in italic.

Section 3 Going and gone concern requirements and eligible capital

The table below provides details on the Swiss SRB going and gone concern requirements as required by FINMA. Further information on capital management is provided on pages 53–59 of our first quarter 2017 report, available under "Quarterly reporting" at *www.ubs.com/investors.*

Swiss SRB going and gone concern requirements and information[1]

As of 31.3.17	Swiss SRB including transitional arrangements (phase-in)				Swiss SRB as of 1.1.20 (fully applied)			
CHF million, except where indicated	Risk-weighted assets		Leverage ratio denominator		Risk-weighted assets		Leverage ratio denominator	
Required loss-absorbing capacity	in %		in %		in %		in %	
Common equity tier 1 capital	9.21	20,552	2.60	22,969	10.21	22,645	3.50	30,841
of which: minimum capital	*5.80*	*12,942*	*2.10*	*18,552*	*4.50*	*9,980*	*1.50*	*13,218*
of which: buffer capital	*3.20*	*7,140*	*0.50*	*4,417*	*5.50*	*12,198*	*2.00*	*17,624*
of which: countercyclical buffer[2]	*0.21*	*470*			*0.21*	*467*		
Maximum additional tier 1 capital	3.00	6,694	0.90	7,951	4.30	9,537	1.50	13,218
of which: high-trigger loss-absorbing additional tier 1 minimum capital	*2.20*	*4,909*	*0.90*	*7,951*	*3.50*	*7,762*	*1.50*	*13,218*
of which: high-trigger loss-absorbing additional tier 1 buffer capital	*0.80*	*1,785*			*0.80*	*1,774*		
Total going concern capital	12.21	27,246	3.50	30,919	14.51[3]	32,182	5.00[3]	44,059
Base gone concern loss-absorbing capacity including applicable add-ons	6.20[4]	13,835	2.00[4]	17,668	14.30[3]	31,715	5.00[3]	44,059
Total gone concern loss-absorbing capacity	6.20	13,835	2.00	17,668	14.30	31,715	5.00	44,059
Total loss-absorbing capacity	18.41	41,081	5.50	48,587	28.81	63,897	10.00	88,118
Eligible loss-absorbing capacity								
Common equity tier 1 capital	15.61	34,841	3.94	34,841	14.12	31,311	3.55	31,311
High-trigger loss-absorbing additional tier 1 capital[5, 6]	7.54	16,817	1.90	16,817	4.06	9,005	1.02	9,005
of which: high-trigger loss-absorbing additional tier 1 capital	*3.00*	*6,692*	*0.76*	*6,692*	*3.02*	*6,692*	*0.76*	*6,692*
of which: low-trigger loss-absorbing additional tier 1 capital	*0.45*	*1,009*	*0.11*	*1,009*	*1.04*	*2,313*	*0.26*	*2,313*
of which: high-trigger loss-absorbing tier 2 capital	*0.39*	*878*	*0.10*	*878*				
of which: low-trigger loss-absorbing tier 2 capital	*3.69*	*8,238*	*0.93*	*8,238*				
Total going concern capital	23.15	51,658	5.85	51,658	18.18	40,317	4.58	40,317
Gone concern loss-absorbing capacity	11.14	24,860	2.81	24,860	15.03	33,328	3.78	33,328
of which: TLAC-eligible senior unsecured debt	*10.55*	*23,531*	*2.66*	*23,531*	*10.61*	*23,531*	*2.67*	*23,531*
Total gone concern loss-absorbing capacity	11.14	24,860	2.81	24,860	15.03	33,328	3.78	33,328
Total loss-absorbing capacity	34.29	76,517	8.66	76,517	33.21	73,645	8.36	73,645
Risk-weighted assets / leverage ratio denominator								
Risk-weighted assets		223,137				221,785		
Leverage ratio denominator				883,408				881,183

1 This table does not include the effect of any gone concern requirement rebate. 2 Going concern capital ratio requirements as of 31 March 2017 include countercyclical buffer requirements of 0.21% for the phase-in and fully applied requirement. 3 Includes applicable add-ons of 1.44% for RWA and 0.5% for LRD. 4 Includes applicable add-ons of 0.36% for RWA and 0.13% for LRD. 5 Includes outstanding low-trigger loss-absorbing additional tier 1 capital instruments, which under the transitional rules of the Swiss SRB framework will remain available to meet the going concern requirements until their first call date, even if the first call date is after 31 December 2019. From their first call date, they may be used to meet the gone concern requirements. Low-trigger loss-absorbing additional tier 1 capital was partly offset by required deductions for goodwill on a phase-in basis. 6 Includes outstanding high- and low-trigger loss-absorbing tier 2 capital instruments, which under the transitional rules of the Swiss SRB framework will remain available to meet the going concern requirements until the earlier of (i) their maturity or first call date or (ii) 31 December 2019. From 1 January 2020, these instruments may be used to meet the gone concern requirements until one year before maturity, with a haircut of 50% applied in the last year of eligibility.

Explanation of differences between the IFRS and regulatory scope of consolidation

The scope of consolidation for the purpose of calculating Group regulatory capital is generally the same as the consolidation scope under IFRS and includes subsidiaries directly or indirectly controlled by UBS Group AG that are active in the banking and finance sector. However, subsidiaries consolidated under IFRS that are active in sectors other than banking and finance are excluded from the regulatory scope of consolidation.

The main differences between the IFRS and regulatory capital scope of consolidation relate to the following entities as of 31 March 2017:

- investments in insurance, real estate and commercial companies as well as investment vehicles that were consolidated under IFRS, but not for regulatory capital purposes, and were subject to risk-weighting
- joint ventures that were fully consolidated for regulatory capital purposes, but which were accounted for under the equity method under IFRS
- UBS Capital Securities (Jersey) Ltd. has issued preferred securities and is consolidated for regulatory capital purposes but not for IFRS purposes. This entity holds bonds issued by UBS AG, which are eliminated in the consolidated regulatory capital accounts. This entity does not have material third-party asset balances and its equity is attributable to non-controlling interests

The table below provides a list of the most significant entities that were included in the IFRS scope of consolidation, but not in the regulatory capital scope of consolidation. These entities make up most of the difference between column "Balance sheet in accordance with IFRS scope of consolidation" and column "Balance sheet in accordance with regulatory scope of consolidation" in the table "Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation." As of 31 March 2017, entities consolidated under either the IFRS or the regulatory scope of consolidation did not report any significant capital deficiencies.

In the banking book, certain equity investments are not consolidated under IFRS or under the regulatory scope. These investments mainly consisted of infrastructure holdings and joint operations (e.g., settlement and clearing institutions, stock and financial futures exchanges) and included our participation in the SIX Group. These investments were risk-weighted based on applicable threshold rules.

Further information on the legal structure of the UBS Group and on the IFRS scope of consolidation is provided on pages 13–14 and 325–326, respectively, of our Annual Report 2016, available under "Annual reporting" at *www.ubs.com/investors*.

Main legal entities consolidated under IFRS but not included in the regulatory scope of consolidation

	31.3.17		
CHF million	Total assets[1]	Total equity[1]	Purpose
UBS Asset Management Life Ltd	9,620	39	Life Insurance
UBS International Life Designated Activity Company	5,134	81	Life Insurance
A&Q Alternative Solution Limited	443	434[2]	Investment vehicle for multiple investors
A&Q Alternative Solution Master Limited	442	441[2]	Investment vehicle for multiple investors
A&Q Alpha Select Hedge Fund Limited	198	193[2]	Investment vehicle for multiple investors
A&Q Alpha Select Hedge Fund XL	189	95[2]	Investment vehicle for multiple investors
UBS Life Insurance Company USA	168	43	Life Insurance

1 Total assets and total equity on a standalone basis. 2 Represents the net asset value (NAV) of issued fund units. These fund units are subject to liability treatment in the consolidated financial statements in accordance with IFRS.

The table below and on the next page provides a reconciliation of the IFRS balance sheet to the balance sheet according to the regulatory scope of consolidation as defined by BIS and FINMA. Lines in the balance sheet under the regulatory scope of consolidation are expanded and referenced where relevant to display all components that are used in the table "Composition of capital."

Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation

As of 31.3.17	Balance sheet in accordance with IFRS scope of consolidation	Effect of deconsolidated entities for regulatory consolidation	Effect of additional consolidated entities for regulatory consolidation	Balance sheet in accordance with regulatory scope of consolidation	References[1]
CHF million					
Assets					
Cash and balances with central banks	108,931			108,931	
Due from banks	14,222	(194)		14,028	
Cash collateral on securities borrowed	18,512			18,512	
Reverse repurchase agreements	77,004			77,004	
Trading portfolio assets	107,211	(9,927)		97,284	
Positive replacement values	121,549	13		121,561	
Cash collateral receivables on derivative instruments	22,522			22,522	
Loans	309,115	90		309,205	
Financial assets designated at fair value	49,114			49,114	
Financial assets available for sale	16,235	(31)		16,204	
Financial assets held to maturity	8,962			8,962	
Consolidated participations	0	109		109	
Investments in associates	977			977	
of which: goodwill	*340*			*340*	*4*
Property, equipment and software	8,368	(69)		8,299	
Goodwill and intangible assets	6,458	0		6,459	
of which: goodwill	*6,236*	*0*		*6,236*	*4*
of which: intangible assets	*222*			*222*	*5*
Deferred tax assets	12,927	(1)		12,927	
of which: deferred tax assets recognized for tax loss carry-forwards	*8,241*	*(1)*		*8,241*	*9*
of which: deferred tax assets on temporary differences	*4,686*			*4,686*	*12*
Other assets	27,500	(5,266)		22,233	
of which: net defined benefit pension and other post-employment assets	*0*			*0*	*10*
Total assets	*909,608*	(15,277)	0	*894,331*	

Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation (continued)

As of 31.3.17	Balance sheet in accordance with IFRS scope of consolidation	Effect of deconsolidated entities for regulatory consolidation	Effect of additional consolidated entities for regulatory consolidation	Balance sheet in accordance with regulatory scope of consolidation	References[1]
CHF million					
Liabilities					
Due to banks	8,747	(35)		8,712	
Cash collateral on securities lent	3,067			3,067	
Repurchase agreements	10,621			10,621	
Trading portfolio liabilities	28,576			28,576	
Negative replacement values	119,964	7		119,972	
Cash collateral payables on derivative instruments	29,875			29,875	
Due to customers	419,356	(25)		419,331	
Financial liabilities designated at fair value	56,640			56,640	
Debt issued	114,725	(13)		114,712	
of which: amount eligible for high-trigger loss-absorbing additional tier 1 capital[2]	*5,330*			*5,330*	*13*
of which: amount eligible for low-trigger loss-absorbing additional tier 1 capital[2]	*2,313*			*2,313*	*13*
of which: amount eligible for low-trigger loss-absorbing tier 2 capital[3]	*8,238*			*8,238*	*7*
of which: amount eligible for capital instruments subject to phase-out from tier 2 capital[4]	*688*			*688*	*8*
Provisions	3,757			3,757	
Other liabilities	59,939	(15,080)		44,859	
of which: amount eligible for high-trigger loss-absorbing capital (Deferred Contingent Capital Plan (DCCP))[5]	*797*			*797*	*13*
Total liabilities	**855,268**	**(15,146)**	**0**	**840,122**	
Equity					
Share capital	385			385	1
Share premium	27,637			27,637	1
Treasury shares	(2,211)			(2,211)	3
Retained earnings	32,864	(262)		32,602	2
Other comprehensive income recognized directly in equity, net of tax	(5,014)	130		(4,884)	3
of which: unrealized gains / (losses) from cash flow hedges	*774*			*774*	*11*
Equity attributable to UBS Group AG shareholders	**53,661**	**(132)**	**0**	**53,529**	
Equity attributable to non-controlling interests	679	1		680	6
Total equity	**54,340**	**(131)**	**0**	**54,209**	
Total liabilities and equity	**909,608**	**(15,277)**	**0**	**894,331**	

1 References link the lines of this table to the respective reference numbers provided in the "References" column in the "Composition of capital" table. 2 Represents IFRS carrying value. 3 IFRS carrying value is CHF 8,265 million. 4 IFRS carrying value is CHF 1,109 million. 5 IFRS carrying value is CHF 1,644 million. Refer to the "Compensation" section of our Annual Report 2016 for more information on DCCP.

Composition of capital

The table below and on the following pages provides the "Composition of capital" as defined by BIS and FINMA. Reference is made to items reconciling to the balance sheet under the regulatory scope of consolidation as disclosed in the table "Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation." Where relevant, the effect of phase-in arrangements is disclosed as well.

Refer to the documents "Capital instruments of UBS Group AG (consolidated) and UBS AG (consolidated and standalone) – Key features" and "UBS Group AG consolidated capital instruments and TLAC-eligible senior unsecured debt" under "Bondholder information" at *www.ubs.com/investors* for an overview of the main features of our regulatory capital instruments, as well as the full terms and conditions.

Composition of capital

As of 31.3.17		Numbers phase-in	Effect of the transition phase	References[1]
CHF million, except where indicated				
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	28,022		1
2	Retained earnings	32,602		2
3	Accumulated other comprehensive income (and other reserves)	(7,094)		3
4	Directly issued capital subject to phase-out from common equity tier 1 capital (only applicable to non-joint stock companies)			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in Group common equity tier 1 capital)			
6	**Common equity tier 1 capital before regulatory adjustments**	**53,529**		
7	Prudential valuation adjustments	(72)		
8	Goodwill, net of tax, less additional tier 1 capital[2]	(5,217)	(1,304)	4
9	Intangible assets, net of tax[2]	(218)		5
10	Deferred tax assets recognized for tax loss carry-forwards[3]	(6,733)	(1,684)	9
11	Unrealized (gains) / losses from cash flow hedges, net of tax	(774)		11
12	Expected losses on advanced internal ratings-based portfolio less general provisions	(399)		
13	Securitization gain on sale			
14	Own credit related to financial liabilities designated at fair value, net of tax, and replacement values	(67)		
15	Defined benefit plans			10
16	Compensation and own shares-related capital components (not recognized in net profit)	(1,236)		
17	Reciprocal crossholdings in common equity			
17a	Qualifying interest where a controlling influence is exercised together with other owners (CET instruments)			
17b	Consolidated investments (CET1 instruments)			
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)			
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)			
20	Mortgage servicing rights (amount above 10% threshold)			
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)[4]	(968)	(541)	12
22	Amount exceeding the 15% threshold			
23	*of which: significant investments in the common stock of financials*			
24	*of which: mortgage servicing rights*			
25	*of which: deferred tax assets arising from temporary differences*			
26	Expected losses on equity investments treated according to the PD/LGD approach			
26a	Other adjustments relating to the application of an internationally accepted accounting standard	(288)		
26b	Other deductions	(2,716)		13
27	Regulatory adjustments applied to common equity tier 1 due to insufficient additional tier 1 and tier 2 to cover deductions			
28	**Total regulatory adjustments to common equity tier 1**	**(18,688)**	**(3,529)**	

Composition of capital (continued)

As of 31.3.17		Numbers phase-in	Effect of the transition phase	References[1]
CHF million, except where indicated				
29	**Common equity tier 1 capital (CET1)**	**34,841**	**(3,529)**	
30	Directly issued qualifying additional tier 1 instruments plus related stock surplus	9,005		
31	*of which: classified as equity under applicable accounting standards*			
32	*of which: classified as liabilities under applicable accounting standards[5]*	9,005		13
33	Directly issued capital instruments subject to phase-out from additional tier 1			
34	Additional tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in Group additional tier 1)	641	(641)	6
35	*of which: instruments issued by subsidiaries subject to phase-out*	*641*	*(641)*	
36	**Additional tier 1 capital before regulatory adjustments**	**9,646**	**(641)**	
37	Investments in own additional tier 1 instruments			
38	Reciprocal crossholdings in additional tier 1 instruments			
38a	Qualifying interest where a controlling influence is exercised together with other owner (AT1 instruments)			
38b	Holdings in companies which are to be consolidated (additional tier 1 instruments)			
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity amount above 10% threshold)			
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
41	National specific regulatory adjustments	(1,304)	1,304	
42	Regulatory adjustments applied to additional tier 1 due to insufficient tier 2 to cover deductions			
	Tier 1 adjustments on impact of transitional arrangements	**(1,304)**	**1,304**	
	of which: goodwill net of tax, offset against additional loss-absorbing tier 1 capital	*(1,304)*	*1,304*	
42a	Excess of the adjustments which are allocated to the common equity tier 1 capital			
43	**Total regulatory adjustments to additional tier 1 capital**	**(1,304)**	**1,304**	
44	**Additional tier 1 capital (AT1)**	**8,342**	**664**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**43,182**	**(2,866)**	
46	Directly issued qualifying tier 2 instruments plus related stock surplus[6]	8,485		7
47	Directly issued capital instruments subject to phase-out from tier 2[6]	706	(706)	8
48	Tier 2 instruments (and CET1 and additional tier 1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in Group tier 2)			
49	*of which: instruments issued by subsidiaries subject to phase-out*			
50	Provisions			
51	**Tier 2 capital before regulatory adjustments**	**9,191**	**(706)**	
52	Investments in own tier 2 instruments[6]	(22)	18	7, 8
53	Reciprocal cross holdings in tier 2 instruments			
53a	Qualifying interest where a controlling influence is exercised together with other owner (tier 2 instruments)			
53b	Investments to be consolidated (tier 2 instruments)			
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)			
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
56	National specific regulatory adjustments			
56a	**Excess of the adjustments which are allocated to the additional tier 1 capital**			
57	**Total regulatory adjustments to tier 2 capital**	**(22)**	**18**	

Composition of capital (continued)

As of 31.3.17		Numbers phase-in	Effect of the transition phase	References[1]
CHF million, except where indicated				
58	**Tier 2 capital (T2)**	**9,169**	**(688)**	
	of which: high-trigger loss-absorbing capital[5]	*92*		*13*
	of which: low-trigger loss-absorbing capital[6]	*8,238*		*7*
59	**Total capital (TC = T1 + T2)**	**52,352**	**(3,554)**	
	Amount with risk weight pursuant to the transitional arrangement (phase-in)		(1,352)	
	of which: net defined benefit pension assets			
	of which: DTA on temporary differences		*1,352*	
60	**Total risk-weighted assets**	**223,137**	**(1,352)**	
	Capital ratios and buffers			
61	Common equity tier 1 (as a percentage of risk-weighted assets)	15.6		
62	Tier 1 (pos 45 as a percentage of risk-weighted assets)	19.4		
63	Total capital (pos 59 as a percentage of risk-weighted assets)	23.5		
64	CET1 requirement (base capital, buffer capital and countercyclical buffer requirements) plus G-SIB buffer requirement, expressed as a percentage of risk-weighted assets[7]	6.5		
65	*of which: capital buffer requirement*	*1.3*		
66	*of which: bank-specific countercyclical buffer requirement*	*0.2*		
67	*of which: G-SIB buffer requirement*	*0.5*		
68	Common equity tier 1 available to meet buffers (as a percentage of risk-weighted assets)	15.6		
68a–f	Not applicable for systemically relevant banks according to FINMA RS 11/2			
72	Non-significant investments in the capital of other financials	1,190		
73	Significant investments in the common stock of financials	769		
74	Mortgage servicing rights (net of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of related tax liability)	4,791		
	Applicable caps on the inclusion of provisions in tier 2			
76	Provisions eligible for inclusion in tier 2 in respect of exposures subject to standardized approach (prior to application of cap)			
77	Cap on inclusion of provisions in tier 2 under standardized approach			
78	Provisions eligible for inclusion in tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			
79	Cap for inclusion of provisions in tier 2 under internal ratings-based approach			

1 References link the lines of this table to the respective reference numbers provided in the column "References" in the table "Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation." 2 The CHF 6,521 million (CHF 5,217 million and CHF 1,304 million) reported in line 8 includes goodwill on investments in associates of CHF 340 million and DTL on goodwill of CHF 55 million. The CHF 218 million reported in line 9 includes DTL on intangible assets of CHF 4 million. 3 The CHF 8,417 million (CHF 6,733 million and CHF 1,684 million) deferred tax assets recognized for tax loss carry-forwards reported in line 10 differ from the CHF 8,241 million deferred tax assets shown in line "Deferred tax assets" in the table "Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation" because the latter figure is shown after the offset of deferred tax liabilities for cash flow hedge gains (CHF 214 million) and other temporary differences, which are adjusted out in line 11 and other lines of this table respectively. 4 The CHF 1,509 million (CHF 968 million and CHF 541 million) deferred tax assets arising from temporary differences in line 21 differ from the CHF 4,686 million deferred tax assets on temporary differences shown in the line "Deferred tax assets" in the table "Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation" as the former relates only to the amount above the 10% threshold. 5 CHF 9,005 million and CHF 92 million reported in line 32 and 58 respectively of this table, includes the following positions: CHF 5,330 million and CHF 2,313 million recognized in line "Debt issued" in the table "Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation," CHF 797 million DCCP recognized in line "Other liabilities" in the table "Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation" and CHF 657 million recognized in DCCP-related charge for regulatory capital purpose in line 16 "Compensation and own shares-related capital components (not recognized in net profit)" of this table. 6 The CHF 9,191 million in line 51 includes CHF 8,238 million low-trigger loss-absorbing tier 2 capital recognized in line "Debt issued" in the table "Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation," which is shown net of CHF 4 million investments in own tier 2 instruments reported in line 52 of this table, CHF 688 million phase-out capital recognized in line "Debt issued" in the table "Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation," which is shown net of CHF 18 million investments in own tier 2 reported in line 52 of this table, high-trigger loss-absorbing capital of CHF 92 million reported in line 58 and CHF 151 million of unrealized gains on financial assets available for sale, which are eligible under BIS rules. 7 BCBS requirements are exceeded by our Swiss SRB requirements. Refer to the "Capital Management" section of our Annual Report 2016, for more information on the Swiss SRB requirements.

BIS Basel III leverage ratio

The BIS leverage ratio is calculated by dividing the period-end tier 1 capital by the period-end leverage ratio denominator (LRD). The LRD consists of IFRS on-balance sheet assets and off-balance sheet items. Derivative exposures are adjusted for a number of items, including replacement value and eligible cash variation margin netting, the current exposure method add-on and net notional amounts for written credit derivatives. The LRD also includes an additional charge for counterparty credit risk related to securities financing transactions. In addition, balance sheet assets deducted from our tier 1 capital are excluded from LRD, resulting in a difference between phase-in and fully applied LRD for deferred tax assets (DTAs) and net defined benefit pension plan assets.

The "Reconciliation of IFRS total assets to BIS Basel III total on-balance sheet exposures excluding derivatives and securities financing transactions" table below shows the difference between total IFRS assets per IFRS consolidation scope and the BIS total on-balance sheet exposures, which are the starting point for calculating the BIS LRD as shown in the "BIS Basel III leverage ratio common disclosure" table on the next page. The difference is due to the application of the regulatory scope of consolidation for the purpose of the BIS calculation. In addition, carrying values for derivative financial instruments and securities financing transactions are deducted from IFRS total assets. They are measured differently under BIS leverage ratio rules and are therefore added back in separate exposure line items in the "BIS Basel III leverage ratio common disclosure" table on the next page.

As of 31 March 2017, our BIS Basel III leverage ratio was 4.6% on a fully applied basis and 4.9% on a phase-in basis. The BIS Basel III LRD was CHF 881.2 billion on a fully applied basis and CHF 883.4 billion on a phase-in basis. Information on our Swiss SRB leverage ratio and the movement in our LRD on a fully applied basis compared with the prior quarter is provided on page 60-61 of our first quarter 2017 report, available under "Quarterly reporting" at *www.ubs.com/investors*.

Differences between the Swiss SRB and BIS leverage ratio

The leverage ratio denominator is the same under Swiss SRB and BIS rules. However, there are differences in the capital numerator between the two frameworks. Under BIS rules, only common equity tier 1 and additional tier 1 capital are included in the numerator, whereas under Swiss SRB we are required to meet going as well as gone concern leverage ratio requirements. Therefore, depending on the requirement, the numerator includes Tier 1, Tier 2 capital instruments and/or TLAC-eligible senior unsecured debt.

Reconciliation of IFRS total assets to BIS Basel III total on-balance sheet exposures excluding derivatives and securities financing transactions

CHF million	31.3.17	31.12.16
On-balance sheet exposures		
IFRS total assets	909,608	935,016
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(15,277)	(15,488)
Adjustment for investments in banking, financial, insurance or commercial entities that are outside the scope of consolidation for accounting purposes but consolidated for regulatory purposes	0	0
Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0	0
Less carrying value of derivative financial instruments in IFRS total assets[1]	(144,083)	(185,086)
Less carrying value of securities financing transactions in IFRS total assets[2]	(112,000)	(96,352)
Adjustments to accounting values	0	0
On-balance sheet items excluding derivatives and securities financing transactions, but including collateral	638,248	638,091
Asset amounts deducted in determining BIS Basel III tier 1 capital	(15,127)	(13,240)
Total on-balance sheet exposures (excluding derivatives and securities financing transactions)	623,120	624,850

1 Consists of positive replacement values and cash collateral receivables on derivative instruments in accordance with the regulatory scope of consolidation. 2 Consists of cash collateral on securities borrowed, reverse repurchase agreements, margin loans and prime brokerage receivables related to securities financing transactions in accordance with the regulatory scope of consolidation.

BIS Basel III leverage ratio common disclosure

	CHF million, except where indicated	31.3.17	31.12.16
	On-balance sheet exposures		
1	On-balance sheet items excluding derivatives and SFTs, but including collateral	638,248	638,091
2	(Asset amounts deducted in determining Basel III tier 1 capital)	(15,127)	(13,240)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	623,120	624,850
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	41,824	51,919
5	Add-on amounts for PFE associated with all derivatives transactions	86,870	84,156
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(11,311)	(14,667)
8	(Exempted CCP leg of client-cleared trade exposures)	(17,948)	(17,314)
9	Adjusted effective notional amount of all written credit derivatives[1]	127,032	128,079
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)[2]	(123,754)	(124,533)
11	Total derivative exposures	102,712	107,640
	Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	191,197	167,822
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(79,197)	(71,470)
14	CCR exposure for SFT assets	8,754	8,366
15	Agent transaction exposures	0	0
16	Total securities financing transaction exposures	120,754	104,718
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	103,137	112,024
18	(Adjustments for conversion to credit equivalent amounts)	(66,316)	(74,306)
19	Total off-balance sheet items	36,821	37,718
	Total exposures (leverage ratio denominator), phase-in	883,408	874,925
	(Additional asset amounts deducted in determining Basel III tier 1 capital fully applied)	(2,225)	(4,456)
	Total exposures (leverage ratio denominator), fully applied	881,183	870,470
	Capital and total exposures (leverage ratio denominator), phase-in		
20	Tier 1 capital	43,182	44,941
21	Total exposures (leverage ratio denominator)	883,408	874,925
	Leverage ratio		
22	Basel III leverage ratio phase-in (%)	4.9	5.1
	Capital and total exposures (leverage ratio denominator), fully applied		
20	Tier 1 capital	40,317	39,844
21	Total exposures (leverage ratio denominator)	881,183	870,470
	Leverage ratio		
22	Basel III leverage ratio fully applied (%)	4.6	4.6

1 Includes protection sold, including agency transactions. 2 Protection sold can be offset with protection bought on the same underlying reference entity, provided that the conditions according to the Basel III leverage ratio framework and disclosure requirements are met.

BIS Basel III leverage ratio summary comparison

CHF million		31.3.17	31.12.16
1	Total consolidated assets as per published financial statements	909,608	935,016
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation[1]	(30,405)	(28,728)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0	0
4	Adjustments for derivative financial instruments	(41,371)	(77,446)
5	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	8,754	8,366
6	Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	36,821	37,718
7	Other adjustments	0	0
8	Leverage ratio exposure (leverage ratio denominator), phase-in	883,408	874,925

1 This item includes assets that are deducted from tier 1 capital.

BIS Basel III leverage ratio

CHF million, except where indicated				
Phase-in	31.3.17	31.12.16	30.9.16	30.6.16
Total tier 1 capital	43,182	44,941	44,061	42,934
BIS total exposures (leverage ratio denominator)	883,408	874,925	881,717	902,431
BIS Basel III leverage ratio (%)	4.9	5.1	5.0	4.8

Fully applied	31.3.17	31.12.16	30.9.16	30.6.16
Total tier 1 capital	40,317	39,844	39,003	38,049
BIS total exposures (leverage ratio denominator)	881,183	870,470	877,313	898,195
BIS Basel III leverage ratio (%)	4.6	4.6	4.4	4.2

Section 5 Liquidity coverage ratio

Effective 1 January 2017, we calculate and monitor our liquidity coverage ratio (LCR) on a daily basis and our reported quarterly average LCR is the average of daily values during the quarter. Our reported quarterly average LCR for periods prior to 1 January 2017 is based on the average of three month-end values.

In the first quarter of 2017, our average total LCR decreased four percentage points to 128%, remaining above the 110% Group LCR minimum communicated by the Swiss Financial Market Supervisory Authority (FINMA). The decrease in the ratio primarily resulted from an increase in net cash outflows, mainly related to unsecured wholesale deposits, debt issuances and secured financing transactions.

Liquidity coverage ratio

		Average 1Q17[1]		Average 4Q16	
	CHF billion, except where indicated	Unweighted value	Weighted value[2]	Unweighted value	Weighted value[2]
	High-quality liquid assets				
1	High-quality liquid assets	200	197	198	196
	Cash outflows				
2	Retail deposits and deposits from small business customers	236	26	235	26
3	*of which: stable deposits*	*39*	*1*	*38*	*1*
4	*of which: less stable deposits*	*197*	*25*	*197*	*25*
5	Unsecured wholesale funding	200	114	193	109
6	*of which: operational deposits (all counterparties)*	*37*	*9*	*36*	*9*
7	*of which: non-operational deposits (all counterparties)*	*146*	*88*	*142*	*85*
8	*of which: unsecured debt*	*17*	*17*	*15*	*15*
9	Secured wholesale funding		77		73
10	Additional requirements:	91	33	99	39
11	*of which: outflows related to derivatives and other transactions*	*45*	*20*	*52*	*25*
12	*of which: outflows related to loss of funding on debt products*[3]	*0*	*0*	*1*	*1*
13	*of which: committed credit and liquidity facilities*	*46*	*13*	*47*	*14*
14	Other contractual funding obligations	14	12	13	12
15	Other contingent funding obligations	203	7	207	7
16	**Total cash outflows**		269		266
	Cash inflows				
17	Secured lending	288	74	266	71
18	Inflows from fully performing exposures	60	32	60	32
19	Other cash inflows	10	10	15	15
20	**Total cash inflows**	357	115	340	117

		Average 1Q17[1]	Average 4Q16
	CHF billion, except where indicated	Total adjusted value[4]	Total adjusted value[4]
	Liquidity coverage ratio		
21	High-quality liquid assets	197	196
22	Net cash outflows	154	148
23	**Liquidity coverage ratio (%)**	128	132

1 Calculated based on an average of 61 data points in the first quarter of 2017. 2 Calculated after the application of inflow and outflow rates. 3 Includes outflows related to loss of funding on asset-backed securities, covered bonds, other structured financing instruments, asset-backed commercial papers, structured entities (conduits), securities investment vehicles and other such financing facilities. 4 Calculated after the application of haircuts and inflow and outflow rates as well as, where applicable, caps on Level 2 assets and cash inflows.

Significant regulated subsidiaries and sub-groups

Section 1 Introduction

The following sections below include required information on the regulatory capital components and capital ratios, as well as leverage and liquidity coverage ratios where required, of UBS AG standalone, UBS Switzerland AG standalone, UBS Limited standalone and UBS Americas Holding LLC consolidated. UBS AG consolidated capital and leverage ratio information is provided in the UBS AG first quarter 2017 report, which will be available from 3 May 2017 under "Quarterly reporting" at *www.ubs.com/investors*.

Local regulators may also require publication of Pillar 3 information at a subsidiary or sub-group level. Where applicable, these local disclosures are provided under "Disclosure for legal entities" at *www.ubs.com/investors*.

Capital information in this section is based on Pillar 1 capital requirements. Entities may be subject to significant additional Pillar 2 requirements, which represent additional amounts of capital considered necessary and agreed with regulators based on the risk profile of the entities.

Section 2 UBS AG standalone

Swiss SRB capital requirements and capital information

Under Swiss SRB regulations, article 125 "Reliefs for financial groups and individual institutions" of the Capital Adequacy Ordinance (CAO) stipulates that the Swiss Financial Market Supervisory Authority (FINMA) may grant, under certain conditions, capital relief to individual institutions to ensure that an individual institution's compliance with the capital requirements does not lead to a de facto overcapitalization of the group of which it is a part.

FINMA granted relief concerning the regulatory capital requirements of UBS AG on a standalone basis by means of a decree issued on 20 December 2013, which became effective on 1 January 2014 and is still effective. The resulting capital requirements are:

1. *Total capital requirement of 14%, of which 10% must be satisfied with common equity tier 1 (CET1) capital*

This represents a relief at UBS AG standalone level compared with the capital requirements set by FINMA for the UBS Group. However, UBS AG standalone has been required to meet this capital requirement with immediate effect since 1 January 2014.

2. *Consistent treatment of direct and indirect investments of UBS AG standalone in the equity of its subsidiaries active in banking and finance*

The aggregate amount of direct and indirect investments of UBS AG standalone in the equity of its subsidiaries is risk-weighted at 200% up to a threshold determined by FINMA. The total amount exceeding that threshold must be deducted from capital, 50% from CET1 and 50% from other capital. This approach could affect risk-weighted assets (RWA) and / or eligible capital, depending on the threshold defined by FINMA. If all investments are below the threshold, the resulting total capital requirement is 28%. If the threshold is set at zero, all investments would be deducted from capital. While the application of a threshold to directly held investments represents a relief, the inclusion of indirect investments represents a tightening of the requirements.

Overall, the decree provides an important contribution to ensuring that the capital requirements of UBS AG standalone do not result in a de facto overcapitalization of the Group.

The tables in this sub-section provide UBS AG standalone capital information under Swiss SRB regulations, as per the aforementioned FINMA decree. In addition to the 14% total capital requirement set by the decree, UBS AG is required to comply with countercyclical buffer requirements on a standalone basis. The effect of the countercyclical buffer capital requirements was immaterial as of 31 March 2017.

Prudential key figures[1]

	CHF million, except where indicated	31.3.17	31.12.16
1	Minimum capital requirement (8% of RWA)	18,279	18,594
2	Eligible capital	33,632	33,983
3	*of which: common equity tier 1 capital*	*33,632*	*33,983*
4	*of which: tier 1 capital*	*33,632*	*33,983*
5	Risk-weighted assets	228,483	232,422
6	Common equity tier 1 capital ratio in % of RWA	14.7	14.6
7	Tier 1 capital ratio in % of RWA	14.7	14.6
8	Total capital ratio in % of RWA	14.7	14.6
9	Countercyclical buffer (CCB) in % of RWA	0.0	0.0
10	Common equity tier 1 capital requirement (incl. CCB) (%)	10.0	10.0
11	Tier 1 capital requirement (incl. CCB) (%)	11.6	10.8
12	Total capital requirement (incl. CCB) (%)	14.0	14.0
13	Basel III leverage ratio (%)[2]	5.8	6.0
14	Leverage ratio denominator	577,990	561,979
15	Liquidity coverage ratio (%)[3]	123	129
16	*Numerator: High-quality liquid assets (CHF billion)*	*91*	*98*
17	*Denominator: Net cash outflows (CHF billion)*	*74*	*76*

1 Based on the applicable phase-in rules for Swiss systemically relevant banks (SRBs). 2 On the basis of tier 1 capital. 3 The ratio reported as of 31 March 2017 represents the average of daily values during the quarter. Ratio reported as of 31 December 2016 represents the average of three month-end values.

Capital

Capital ratio requirements and information (phase-in)

	Capital ratio (%)			Capital		
	Requirement	Actual		Requirement	Eligible	
CHF million, except where indicated	31.3.17	31.3.17	31.12.16	31.3.17	31.3.17	31.12.16
Common equity tier 1 capital	10.0	14.7	14.6	22,883	33,632	33,983
Tier 1 capital	11.6	14.7	14.6	26,538	33,632	33,983
Total capital	14.0	14.7	14.6	32,022	33,632	33,983

Capital information (phase-in)

CHF million, except where indicated	31.3.17	31.12.16
Capital		
Common equity tier 1 capital	50,575	51,331
Deductions from common equity tier 1 capital	(16,943)	(17,348)
Total common equity tier 1 capital	33,632	**33,983**
High-trigger loss-absorbing additional tier 1 capital	3,781	3,919
Low-trigger loss-absorbing additional tier 1 capital	1,069	1,071
Deductions from high- and low-trigger loss-absorbing additional tier 1 capital	(4,850)	(4,990)
Total loss-absorbing additional tier 1 capital	0	**0**
Total tier 1 capital	33,632	**33,983**
Low-trigger loss-absorbing tier 2 capital	8,238	10,402
Phase-out hybrid tier 2 capital	641	642
Phase-out tier 2 capital	688	698
Deductions from tier 2 capital	(9,567)	(11,742)
Total tier 2 capital	0	**0**
Total capital	33,632	**33,983**
Risk-weighted assets		
Risk-weighted assets	228,483	232,422
Capital ratios (%)		
Common equity tier 1 capital ratio	14.7	14.6
Tier 1 capital ratio	14.7	14.6
Total capital ratio	14.7	14.6

Leverage ratio information

Swiss SRB leverage ratio requirements and information (phase-in)

	Leverage ratio (%)			Leverage ratio capital		
	Requirement[1]	Actual		Requirement	Eligible	
CHF million, except where indicated	31.3.17	31.3.17	31.12.16	31.3.17	31.3.17	31.12.16
Common equity tier 1 capital	2.4	5.8	6.0	13,872	33,632	33,983
Tier 1 capital	2.8	5.8	6.0	16,091	33,632	33,983
Total capital	3.4	5.8	6.0	19,420	33,632	33,983

1 Requirements for common equity tier 1 capital (24% of 10%), tier 1 capital (24% of 11.6%) and total capital (24% of 14%).

Swiss SRB leverage ratio (phase-in)

CHF billion	31.3.17	31.12.16
Swiss GAAP total assets	452.3	439.5
Difference between Swiss GAAP and IFRS total assets	119.0	151.3
Less: derivative exposures and SFTs[1]	(220.0)	(248.3)
On-balance sheet exposures (excluding derivative exposures and SFTs)	351.3	342.5
Derivative exposures	97.8	98.5
Securities financing transactions	104.1	93.5
Off-balance sheet items	40.0	40.7
Items deducted from Swiss SRB tier 1 capital	(15.3)	(13.2)
Total exposures (leverage ratio denominator)	578.0	562.0

CHF million, except where indicated	31.3.17	31.12.16
Common equity tier 1 capital	33,632	33,983
Additional tier 1 capital	0	0
Tier 2 capital	0	0
Total capital	33,632	33,983
Leverage ratio (%)	5.8	6.0

1 Consists of positive replacement values, cash collateral receivables on derivative instruments, cash collateral on securities borrowed, reverse repurchase agreements, margin loans and prime brokerage receivables related to securities financing transactions, which are presented separately under Derivative exposures and Securities financing transactions in this table.

BIS Basel III leverage ratio (phase-in)

CHF million, except where indicated	31.3.17	31.12.16	30.9.16	30.6.16
Total tier 1 capital	33,632	33,983	34,844	34,128
Total exposures (leverage ratio denominator)	577,990	561,979	588,098	625,789
BIS Basel III leverage ratio (%)	5.8	6.0	5.9	5.5

Liquidity coverage ratio

Effective 1 January 2017, we calculate and monitor our liquidity coverage ratio (LCR) on a daily basis and our reported quarterly average LCR is the average of daily values during the quarter. Our reported quarterly average LCR for periods prior to 1 January 2017 is based on the average of three month-end values. UBS AG is required to maintain a minimum liquidity coverage ratio of 105% as communicated by FINMA.

Liquidity coverage ratio

	Weighted value[1]	
CHF billion, except where indicated	Average 1Q17[2]	Average 4Q16
High-quality liquid assets	91	98
Total net cash outflows	74	76
of which: cash outflows	*189*	*188*
of which: cash inflows	*115*	*112*
Liquidity coverage ratio (%)	123	*129*

1 Calculated after the application of haircuts and inflow and outflow rates. 2 Calculated based on an average of 61 data points in the first quarter of 2017.

Swiss SRB going and gone concern requirements and information

UBS Switzerland AG is considered a systemically relevant bank (SRB) under Swiss banking law and is subject to capital regulations on a standalone basis. As of 31 March 2017, the phase-in going concern capital and leverage ratio requirements for UBS Switzerland AG standalone were 12.48% and 3.5%, respectively. The gone concern requirements on a phase-in basis were 6.2% for the RWA-based requirement and 2.0% for the LRD-based requirement.

Swiss SRB going and gone concern requirements and information[1]

As of 31.3.17	Swiss SRB including transitional arrangements (phase-in)				Swiss SRB as of 1.1.20 (fully applied)			
CHF million, except where indicated	Risk-weighted assets		Leverage ratio denominator		Risk-weighted assets		Leverage ratio denominator	
Required loss-absorbing capacity	in %[2]		in %		in %		in %	
Common equity tier 1 capital	9.48	8,921	2.60	8,122	10.48	9,862	3.50	10,933
of which: minimum capital	*5.80*	*5,459*	*2.10*	*6,560*	*4.50*	*4,236*	*1.50*	*4,686*
of which: buffer capital	*3.20*	*3,012*	*0.50*	*1,562*	*5.50*	*5,177*	*2.00*	*6,247*
of which: countercyclical buffer[3]	*0.48*	*450*			*0.48*	*450*		
Maximum additional tier 1 capital	3.00	2,824	0.90	2,811	4.30	4,047	1.50	4,686
of which: high-trigger loss-absorbing additional tier 1 minimum capital	*2.20*	*2,071*	*0.90*	*2,811*	*3.50*	*3,294*	*1.50*	*4,686*
of which: high-trigger loss-absorbing additional tier 1 buffer capital	*0.80*	*753*			*0.80*	*753*		
Total going concern capital	12.48	11,744	3.50	10,933	14.78[4]	13,909	5.00[4]	15,619
Base gone concern loss-absorbing capacity including applicable add-ons	6.20[5]	5,836	2.00[5]	6,247	14.30[4]	13,460	5.00[4]	15,619
Total gone concern loss-absorbing capacity	6.20	5,836	2.00	6,247	14.30	13,460	5.00	15,619
Total loss-absorbing capacity	18.68	17,580	5.50	17,180	29.08	27,369	10.00	31,237
Eligible loss-absorbing capacity								
Common equity tier 1 capital	11.02	10,373	3.32	10,373	11.02	10,373	3.32	10,373
High-trigger loss-absorbing additional tier 1 capital	2.12	2,000	0.64	2,000	2.12	2,000	0.64	2,000
of which: high-trigger loss-absorbing additional tier 1 capital	*2.12*	*2,000*	*0.64*	*2,000*	*2.12*	*2,000*	*0.64*	*2,000*
Total going concern capital	13.15	12,373	3.96	12,373	13.15	12,373	3.96	12,373
Gone concern loss-absorbing capacity	6.27	5,900	1.89	5,900	6.27	5,900	1.89	5,900
of which: TLAC-eligible senior unsecured debt	*3.61*	*3,400*	*1.09*	*3,400*	*3.61*	*3,400*	*1.09*	*3,400*
Total gone concern loss-absorbing capacity	6.27	5,900	1.89	5,900	6.27	5,900	1.89	5,900
Total loss-absorbing capacity	19.41	18,273	5.85	18,273	19.41	18,273	5.85	18,273
Risk-weighted assets / leverage ratio denominator								
Risk-weighted assets		94,123				94,123		
Leverage ratio denominator				312,371				312,371

1 This table does not include the effect of any gone concern requirement rebate. UBS Switzerland AG is compliant with all regulatory requirements. 2 The total loss-absorbing capacity ratio requirement of 18.68% is the current phase-in requirement according to the Swiss Capital Adequacy Ordinance. In addition, FINMA has defined a total capital ratio requirement, which is the sum of 14.4% and the effect of countercyclical buffer requirements of 0.48%, of which 10% plus the effect of countercyclical buffer requirements must be satisfied with common equity tier 1 capital. These FINMA requirements will be effective until they are exceeded by the Swiss SRB phase-in requirements. 3 Going concern capital ratio requirements as of 31 March 2017 include countercyclical buffer requirements of 0.48% for the phase-in and fully applied requirement. 4 Includes applicable add-ons of 1.44% for RWA and 0.5% for LRD. 5 Includes applicable add-ons of 0.36% for RWA and 0.13% for LRD.

Swiss SRB loss-absorbing capacity

Swiss SRB going and gone concern information

	Swiss SRB including transitional arrangements (phase-in)		Swiss SRB as of 1.1.20 (fully applied)	
CHF million, except where indicated	31.3.17	31.12.16	31.3.17	31.12.16
Going concern capital				
Common equity tier 1 capital	10,373	10,416	10,373	10,416
High-trigger loss-absorbing additional tier 1 capital	2,000	1,235[1]	2,000	2,000
Total tier 1 capital	12,373	11,651	12,373	12,416
Total going concern capital	12,373	11,651	12,373	12,416
Gone concern loss-absorbing capacity				
High-trigger loss-absorbing additional tier 1 capital		765[1]		
Low-trigger loss-absorbing tier 2 capital	2,500[1]	2,500[1]	2,500	2,500
TLAC-eligible senior unsecured debt	3,400		3,400	
Total gone concern loss-absorbing capacity	5,900	3,265	5,900	2,500
Total loss-absorbing capacity				
Total loss-absorbing capacity	18,273	14,916	18,273	14,916
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets	94,123	93,281	94,123	93,281
Leverage ratio denominator	312,371	306,586	312,371	306,586
Capital and loss-absorbing capacity ratios (%)				
Going concern capital ratio	13.1	12.5	13.1	13.3
of which: common equity tier 1 capital ratio	*11.0*	*11.2*	*11.0*	*11.2*
Gone concern loss-absorbing capacity ratio	6.3	3.5	6.3	2.7
Total loss-absorbing capacity ratio	19.4	16.0	19.4	16.0
Leverage ratios (%)				
Going concern leverage ratio	4.0	3.8	4.0	4.0
of which: common equity tier 1 leverage ratio	*3.3*	*3.4*	*3.3*	*3.4*
Gone concern leverage ratio	1.9	1.1	1.9	0.8
Total loss-absorbing capacity leverage ratio	5.8	4.9	5.8	4.9

1 Under the Swiss SRB rules, going concern capital includes CET1 and high-trigger loss-absorbing additional tier 1 capital. Outstanding low-trigger loss-absorbing tier 2 capital instruments would qualify as going concern capital until the earlier of (i) their maturity or first call date or (ii) 31 December 2019. However, as of 31 March 2017 and 31 December 2016, the total low-trigger loss-absorbing tier 2 capital of CHF 2,500 million was used to meet the gone concern requirement. Additionally, as of 31 December 2016, CHF 765 million of high-trigger loss-absorbing additional tier 1 capital was used to meet the gone concern requirement.

Leverage ratio information

Swiss SRB leverage ratio denominator

	Swiss SRB including transitional arrangements (phase-in)		Swiss SRB as of 1.1.20 (fully applied)	
	31.3.17	31.12.16	31.3.17	31.12.16
Leverage ratio denominator (CHF billion)				
Swiss GAAP total assets	300.0	294.5	300.0	294.5
Difference between Swiss GAAP and IFRS total assets	1.4	1.5	1.4	1.5
Less: derivative exposures and SFTs[1]	(37.9)	(32.3)	(37.9)	(32.3)
On-balance sheet exposures (excluding derivative exposures and SFTs)	263.5	263.7	263.5	263.7
Derivative exposures	4.4	4.7	4.4	4.7
Securities financing transactions	33.0	26.4	33.0	26.4
Off-balance sheet items	11.7	12.0	11.7	12.0
Items deducted from Swiss SRB tier 1 capital	(0.3)	(0.3)	(0.3)	(0.3)
Total exposures (leverage ratio denominator)	312.4	306.6	312.4	306.6

1 Consists of positive replacement values, cash collateral receivables on derivative instruments, cash collateral on securities borrowed, reverse repurchase agreements, margin loans and prime brokerage receivables related to securities financing transactions, which are presented separately under Derivative exposures and Securities financing transactions in this table.

BIS Basel III leverage ratio (phase-in)

CHF million, except where indicated	31.3.17	31.12.16	30.9.16	30.6.16
Total tier 1 capital	12,373	12,416	12,476	12,489
Total exposures (leverage ratio denominator)	312,371	306,586	315,057	313,285
BIS Basel III leverage ratio (%)	4.0	4.0	4.0	4.0

Liquidity coverage ratio

Effective 1 January 2017, we calculate and monitor our liquidity coverage ratio (LCR) on a daily basis and our reported quarterly average LCR is the average of daily values during the quarter. Our reported quarterly average LCR for periods prior to 1 January 2017 is based on the average of three month-end values. UBS Switzerland AG, as a Swiss SRB, is required to maintain a minimum liquidity coverage ratio of 100%.

Liquidity coverage ratio

	Weighted value[1]	
CHF billion, except where indicated	Average 1Q17[2]	Average 4Q16
High-quality liquid assets	77	75
Total net cash outflows	62	63
of which: cash outflows	*101*	*97*
of which: cash inflows	*39*	*34*
Liquidity coverage ratio (%)	124	*120*

1 Calculated after the application of haircuts and inflow and outflow rates. 2 Calculated based on an average of 61 data points in the first quarter of 2017.

Capital instruments

Capital instruments of UBS Switzerland AG - key features

Presented according to issuance date

		Share capital	Additional tier 1 capital	Tier 2 capital	Additional tier 1 capital
1	Issuer (country of incorporation; if applicable, branch)	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland
1a	Instrument number	1	2	3	4
2	Unique identifier (e.g., ISIN)	N/A	N/A	N/A	N/A
3	Governing law(s) of the instrument	Swiss	Swiss	Swiss	Swiss
	Regulatory treatment				
4	Transitional Basel III rules (1)	Common equity tier 1 – Going concern capital	Additional tier 1 – Going concern capital	Tier 2 – Gone concern loss-absorbing capacity (4)	Additional tier 1 – Going concern capital
5	Post-transitional Basel III rules (2)	Common equity tier 1 – Going concern capital	Additional tier 1 – Going concern capital	Tier 2 – Gone concern loss-absorbing capacity (4)	Additional tier 1 – Going concern capital
6	Eligible at solo / group / group&solo	UBS Switzerland AG standalone	UBS Switzerland AG standalone	UBS Switzerland AG standalone	UBS Switzerland AG standalone
7	Instrument type	Ordinary shares	Loan (5)	Loan (5)	Loan (5)
8	Amount recognized in regulatory capital (currency in million, as of most recent reporting date) (1)	CHF 10.0	CHF 1,500	CHF 2,500	CHF 500
9	Outstanding amount (par value, million)	CHF 10.0	CHF 1,500	CHF 2,500	CHF 500
10	Accounting classification (3)	Equity attributable to UBS Switzerland AG shareholders	Due to banks held at amortized cost	Due to banks held at amortized cost	Due to banks held at amortized cost
11	Original date of issuance	–	1 April 2015	1 April 2015	11 March 2016
12	Perpetual or dated	–	Perpetual	Dated	Perpetual
13	Original maturity date	–	–	1 April 2025	–
14	Issuer call subject to prior supervisory approval	–	Yes	Yes	Yes
15	Optional call date, subsequent call dates, if applicable, and redemption amount	–	First optional repayment date: 1 April 2020	First optional repayment date: 1 April 2020	First optional repayment date: 11 March 2021
			Repayable at any time after the first optional repayment date. Repayment subject to FINMA approval. Optional repayment amount: principal amount, together with any accrued and unpaid interest thereon		
16	Contingent call dates and redemption amount	–	Early repayment possible due to a tax or regulatory event. Repayment due to tax event subject to FINMA approval. Repayment amount: principal amount, together with accrued and unpaid interest		
			–	Early repayment possible upon a change in progressive capital component requirement, subject to FINMA approval. Repayment amount: 101% of principal amount, together with accrued and unpaid interest	–

Capital instruments of UBS Switzerland AG - key features (continued)

	Coupons / dividend				
17	Fixed or floating dividend / coupon	–	Floating	Floating	Floating
18	Coupon rate and any related index; frequency of payment	–	6-month CHF Libor + 370 bps per annum semi-annually	6-month CHF Libor + 200 bps per annum semi-annually	3-month CHF Libor + 459 bps per annum quarterly
19	Existence of a dividend stopper	–	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	–	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Cumulative	Non-cumulative
23	Convertible or non-convertible	–	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	–	–	–	–
25	If convertible, fully or partially	–	–	–	–
26	If convertible, conversion rate	–	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–	–
30	Write-down feature	–	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	–	Trigger: CET1 ratio is less than 7%	Trigger: CET1 ratio is less than 5%	Trigger: CET1 ratio is less than 7%
			FINMA determines a write-down necessary to ensure UBS Switzerland AG viability; or UBS Switzerland AG receives a commitment of governmental support that FINMA determines necessary to ensure UBS Switzerland AG's viability Subject to applicable conditions.		
32	If write-down, full or partial	–	Full	Full	Full
33	If write-down, permanent or temporary	–	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	–	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Unless otherwise stated in the Articles of Association, once debts are paid back, the assets of the liquidated company are divided between the shareholders pro rata based on their contributions and considering the preferences attached to certain categories of shares (section 745, Swiss Civil Code of Obligations)	Subject to any obligations that are mandatorily preferred by law, all obligations of UBS Switzerland AG that are unsubordinated or that are subordinated and do not rank junior, such as all classes of share capital, or at par, such as tier 1 instruments	Subject to any obligations that are mandatorily preferred by law, all obligations of UBS Switzerland AG that are unsubordinated or that are subordinated and do not rank junior, such as all classes of share capital, or at par, such as unsecured, subordinated and dated obligations	Subject to any obligations that are mandatorily preferred by law, all obligations of UBS Switzerland AG that are unsubordinated or that are subordinated and do not rank junior, such as all classes of share capital, or at par, such as tier 1 instruments
36	Existence of features, which prevent full recognition under Basel III	–	–	–	–
37	If yes, specify non-compliant features	–	–	–	–

(1) Based on Swiss SRB phase-in (including transitional arrangement) requirements. (2) Based on Swiss SRB requirements applicable as of 1.1.20. (3) As applied in UBS Switzerland AG's financial statements under Swiss GAAP. (4) Outstanding low-trigger loss-absorbing tier 2 capital would qualify as going concern capital until the earlier of (i) their maturity or first call date or (ii) 31 December 2019. From 1 January 2020, these instruments may be used to meet the gone concern requirements until one year before maturity, with a haircut of 50% applied in the last year of eligibility. However, as of 31 March 2017, the total low-trigger loss-absorbing tier 2 capital of CHF 2,500 million was used to meet the gone concern requirement. (5) Loans granted by UBS AG, Switzerland.

Section 4 UBS Limited standalone

The table below includes required information on the regulatory capital components and capital ratios, as well as leverage ratio, of UBS Limited standalone. In addition to the Pillar 1 capital requirements presented below, entities may be subject to significant additional Pillar 2 requirements, which represent additional amounts of capital considered necessary and agreed with regulators based on the risk profile of the entities.

Prudential key figures[1, 2]

	GBP million, except where indicated	31.3.17	31.12.16[3]
1	Minimum capital requirement (8% of RWA)	946	886
2	Eligible capital	3,420	3,442
3	*of which: common equity tier 1 capital*	*2,503*	*2,521*
4	*of which: tier 1 capital*	*2,738*	*2,756*
5	Risk-weighted assets	11,821	11,081
6	Common equity tier 1 capital ratio in % of RWA	21.2	22.8
7	Tier 1 capital ratio in % of RWA	23.2	24.9
8	Total capital ratio in % of RWA	28.9	31.1
9	Countercyclical buffer (CCB) in % of RWA	0.0	0.0
10	Common equity tier 1 capital requirement (incl. CCB) (%)	5.8	5.1
11	Tier 1 capital requirement (incl. CCB) (%)	7.3	6.6
12	Total capital requirement (incl. CCB) (%)	9.3	8.6
13	Basel III leverage ratio (%)[4]	6.5	7.7
14	Leverage ratio denominator	41,833	35,793

1 Based on Directive 2013/36/EU and Regulation 575/2013 (together known as "CRD IV") and their related technical standards, as implemented within the UK by the Prudential Regulation Authority (PRA). 2 There is no local disclosure requirement for liquidity coverage ratio for UBS Limited as of 31 March 2017. 3 Figures as of 31 December 2016 have been adjusted for consistency with the full year financial statements and local regulatory reporting. 4 On the basis of tier 1 capital.

Section 5 UBS Americas Holding LLC consolidated

The table below includes required information on the regulatory capital components and capital ratios, as well as leverage ratio, of UBS Americas Holding LLC consolidated. In addition to the Pillar 1 capital requirements presented below, entities may be subject to significant additional Pillar 2 requirements, which represent additional amounts of capital considered necessary and agreed with regulators based on the risk profile of the entities.

Prudential key figures[1, 2]

	USD million, except where indicated	31.3.17	31.12.16[3]
1	Minimum capital requirement (8% of RWA)	4,370	4,119
2	Eligible capital	12,266	12,320
3	*of which: common equity tier 1 capital*	*10,663*	*11,598*
4	*of which: tier 1 capital*	*11,546*	*11,598*
5	Risk-weighted assets	54,620	51,488
6	Common equity tier 1 capital ratio in % of RWA	19.5	22.5
7	Tier 1 capital ratio in % of RWA	21.1	22.5
8	Total capital ratio in % of RWA	22.5	23.9
9	Countercyclical buffer (CCB) in % of RWA		
10	Common equity tier 1 capital requirement (incl. CCB) (%)	5.8	5.1
11	Tier 1 capital requirement (incl. CCB) (%)	7.3	6.6
12	Total capital requirement (incl. CCB) (%)	9.3	8.6
13	Basel III leverage ratio (%)[4]	9.1	8.3
14	Leverage ratio denominator	127,512	140,112

1 For UBS Americas Holding LLC based on applicable US Basel III rules. 2 There is no local disclosure requirement for liquidity coverage ratio for UBS Americas Holding LLC as of 31 March 2017. 3 Figures as of 31 December 2016 have been adjusted for consistency with the full year financial statements and local regulatory reporting. 4 On the basis of tier 1 capital.

Abbreviations frequently used in our financial reports

A

ABS	asset-backed security
AGM	annual general meeting of shareholders
A-IRB	advanced internal ratings-based
AIV	alternative investment vehicle
AMA	advanced measurement approach
ASFA	advanced supervisory formula approach
AT1	additional tier 1

B

BCBS	Basel Committee on Banking Supervision
BD	business division
BIS	Bank for International Settlements
BoD	Board of Directors

C

CC	Corporate Center
CAO	Capital Adequacy Ordinance
CCAR	Comprehensive Capital Analysis and Review
CCB	Countercyclical buffer
CCF	credit conversion factor
CCP	central counterparty
CCR	counterparty credit risk
CDO	collateralized debt obligation
CDR	constant default rate
CDS	credit default swap
CEA	Commodity Exchange Act
CEM	current exposure method
CEO	Chief Executive Officer
CET1	common equity tier 1
CFO	Chief Financial Officer
CHF	Swiss franc
CLN	credit-linked note
CLO	collateralized loan obligation
CMBS	commercial mortgage-backed security
CM	credit risk mitigation
COP	close-out period
CRM	credit risk mitigation (credit risk) or comprehensive risk measure (market risk)
CVA	credit valuation adjustment

D

DBO	defined benefit obligation
DCCP	Deferred Contingent Capital Plan
DOJ	Department of Justice
DTA	deferred tax asset
DTL	deferred tax liability
DVA	debit valuation adjustment

E

EAD	exposure at default
EC	European Commission
ECAI	external credit assessment institutions
ECB	European Central Bank
EEPE	effective expected positive exposure
EPE	expected positive exposure
EIR	effective interest rate
EL	expected loss
EMEA	Europe, Middle East and Africa
EOP	Equity Ownership Plan
EPS	earnings per share
ETD	exchange-traded derivatives
ETF	exchange-traded fund
EU	European Union
EUR	euro
EURIBOR	Euro Interbank Offered Rate

F

FCA	UK Financial Conduct Authority
FCT	foreign currency translation
FDIC	Federal Deposit Insurance Corporation
FINMA	Swiss Financial Market Supervisory Authority
FRA	forward rate agreement
FSA	UK Financial Services Authority
FSB	Financial Stability Board
FTD	first to default
FTP	funds transfer price
FVA	funding valuation adjustment
FX	foreign exchange

G

GAAP	generally accepted accounting principles
GBP	British pound
GEB	Group Executive Board
GIIPS	Greece, Italy, Ireland, Portugal and Spain
Group ALM	Group Asset and Liability Management
G-SIB	global systemically important bank

H

HQLA	high-quality liquid assets

I

IAA	internal assessment approach
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IMM	internal model method
IMA	internal models approach
IRB	internal ratings-based
IRC	incremental risk charge
ISDA	International Swaps and Derivatives Association

Abbreviations frequently used in our financial reports (continued)

K

KPI	key performance indicator

L

LAC	loss-absorbing capital
LAS	liquidity-adjusted stress
LCR	liquidity coverage ratio
LGD	loss given default
LIBOR	London Interbank Offered Rate
LLC	Limited liability company
LRD	leverage ratio denominator
LTV	loan-to-value

M

MTN	medium-term note

N

NAV	net asset value
NCPA	non-counterparty-related risk
NPA	non-prosecution agreement
NRV	negative replacement value
NSFR	net stable funding ratio

O

OCI	other comprehensive income
OTC	over-the-counter

P

PD	probability of default
PFE	potential future exposure
P&L	profit and loss
PRA	UK Prudential Regulation Authority
PRV	positive replacement value

Q

QRRE	qualifying revolving retail exposures

R

RBA	ratings-based approach
RLN	reference-linked note
RMBS	residential mortgage-backed security
RniV	risks-not-in-VaR
RoAE	return on attributed equity
RoE	return on equity
RoTE	return on tangible equity
RV	replacement value
RW	risk weight
RWA	risk-weighted assets

S

SA	standardized approach
SA-CCR	standardized approach for counterparty credit risk
SE	structured entity
SEC	US Securities and Exchange Commission
SEEOP	Senior Executive Equity Ownership Plan
SSFA	simplified supervisory formula approach
SFA	supervisory formula approach
SFT	securities financing transaction
SME	small and medium enterprises
SNB	Swiss National Bank
SRB	systemically relevant bank
SRM	specific risk measure
SVaR	stressed value-at-risk

T

TBTF	too big to fail
TLAC	total loss-absorbing capacity
TRS	total return swap

U

USD	US dollar

V

VaR	value-at-risk

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 first quarter 2017 report and its Annual Report 2016, available at *www.ubs.com/investors*, for additional information.

Rounding | Numbers presented throughout this report 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.

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UBS

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UBS GROUP AG

By: _/s/ David Kelly______________
Name: David Kelly
Title: Managing Director

By: _/s/ Sarah M. Starkweather_____
Name: Sarah M. Starkweather
Title: Executive Director

UBS AG

By: _/s/ David Kelly______________
Name: David Kelly
Title: Managing Director

By: _/s/ Sarah M. Starkweather_____
Name: Sarah M. Starkweather
Title: Executive Director

Date: April 28, 2017