

UBS Limited (standalone) regulatory information

Second quarter 2016

This document contains certain Pillar 3 disclosures as of 30 June 2016 of UBS Limited. The required Pillar 3 disclosures are prepared in accordance with the European Banking Authority (EBA) guidelines and are based upon the EU regulations, 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). Information provided in this document has not been audited by the external auditors of UBS Limited.

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Corporate information

UBS Limited is a credit institution incorporated in Great Britain which is authorised by the PRA and regulated by the Financial Conduct Authority (FCA) and the PRA.

UBS Limited is a wholly owned subsidiary of UBS AG, which is a wholly owned subsidiary of UBS Group AG. Qualitative disclosures around risk management policies and processes of UBS are provided in the "Risk management" section of UBS Group AG's Annual Report 2015, available under "Annual Reporting" at www.ubs.com/investors.

Regulatory information

Disclosures in this section are required Pillar 3 disclosures in accordance with EBA guidelines and include information on UBS Limited's eligible regulatory capital and capital requirements, as well as on capital and leverage ratios. There is no disclosure requirement for the liquidity coverage ratio

for UBS Limited as of 30 June 2016.

The capital adequacy framework consists of three pillars, which each focus on a different aspect of capital adequacy. Pillar 1 provides a framework for measuring minimum capital requirements for credit, market and operational risk exposures of banks. Pillar 2 addresses the principles of the supervisory review process, emphasising the need for a qualitative approach to supervising banks. Pillar 3 aims to encourage market discipline by requiring banks to publish a range of disclosures, mainly on risk and capital.

Eligible regulatory capital

Eligible regulatory capital represents the total amount of regulatory capital which is available to cover all of the risks identified under CRD IV. The table below represents the regulatory capital of UBS Limited split by class of capital, including required regulatory adjustments made.

Eligible regulatory capital

<i>GBP million</i>	30.6.16	31.3.16	31.12.15
CET 1 before adjustments	2,801	2,804	2,807
Regulatory adjustments	(263)	(245)	(239)
CET 1 capital	2,538	2,559	2,568
Additional tier 1 capital	235	235	235
Tier 1 capital	2,773	2,794	2,803
Tier 2 capital	660	621	587
Total eligible capital	3,433	3,415	3,390

Capital requirements

The capital requirements shown below represent the Pillar 1 capital requirements. UBS Limited has to hold capital in excess of this total amount to cover Pillar 2 obligations and the relevant regulatory buffers.

Pillar 1 capital requirements

<i>GBP million</i>	30.6.16		31.3.16		31.12.15	
	RWA	Capital	RWA	Capital	RWA	Capital
Credit, counterparty credit risk						
<i>Central governments and central banks</i>	2	0	2	0	2	0
<i>Regional governments and local authorities</i>	47	4	44	4	29	2
<i>Public sector entities</i>	43	3	37	3	31	2
<i>Multilateral development banks</i>	0	0	0	0	0	0
<i>Institutions</i>	2,217	177	2,071	166	1,999	161
<i>Corporates</i>	4,242	340	3,725	297	4,419	354
<i>Items associated with particularly high risk</i>	1	0	3	0	0	0
<i>Securitisation positions</i>	12	1	48	4	39	3
<i>Equity</i>	2	0	2	0	2	0
<i>Other items</i>	113	9	147	12	142	11
Total credit, counterparty credit risk	6,679	534	6,079	486	6,663	533
Risk exposure amount for contribution to the default funds of central counterparties	684	55	645	52	634	51
Settlement risk	52	4	93	7	66	5
Position, foreign exchange and commodities risk	2,300	185	2,891	231	2,227	178
Operational risk	1,381	110	1,381	110	1,325	106
Credit valuation adjustment exposure	1,358	109	1,315	105	1,402	112
Large exposures charge	318	25	0	0	0	0
Total risk-weighted assets and capital required	12,772	1,022	12,404	991	12,317	985

Capital ratios

The table below provides the key capital ratios of UBS Limited. They represent the capital position of UBS Limited based upon the Pillar 1 requirements defined by CRD IV.

Capital ratios

<i>In %</i>	30.6.16	31.3.16	31.12.15
CET1 capital ratio	19.9	20.6	20.8
Tier 1 capital ratio	21.7	22.5	22.8
Total capital ratio	26.9	27.5	27.5

Leverage ratio

The table below sets out the required disclosure for the leverage ratio of UBS Limited. The leverage ratio is calculated in accordance with the regulations defined by CRD IV.

Leverage ratio

<i>GBP million, except where indicated</i>	30.6.16	31.3.16	31.12.15
Tier 1 capital	2,773	2,794	2,803
Leverage ratio denominator	42,744	40,472	37,807
Leverage ratio %	6.5	6.9	7.4

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Rounding | Numbers presented throughout this document 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 derived based on 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.