

UBS Limited standalone financial and regulatory information

Financial year 2016

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Income statement

<i>GBP million</i>	For the year ended		% change from
	31.12.16	31.12.15	31.12.15
Interest income	377	289	30
Interest expense	(394)	(289)	36
Net interest income	(17)	0	
Credit loss (expense) / recovery	(2)	2	
Net fee and commission income	699	667	5
Net trading income	68	42	62
Other income	12	16	(25)
Total operating income	760	727	5
Total operating expenses	563	538	5
Operating profit before tax	197	189	4
Tax expense / (benefit)	171	(52)	
Net profit	26	241	(89)

Statement of comprehensive income

<i>GBP million</i>	For the year ended		% change from
	31.12.16	31.12.15	31.12.15
Net profit	26	241	(89)

Other comprehensive income

Other comprehensive income that may be reclassified to the income statement

Financial investments available for sale

Net unrealized gains / (losses) on financial investments available for sale	0	(5)	(100)
Total other comprehensive income that may be reclassified to the income statement	0	(5)	(100)
Total comprehensive income	26	236	(89)

Balance sheet

<i>GBP million</i>	31.12.16	31.12.15	% change from 31.12.15
Assets			
Cash and balances with central banks	3	5	(42)
Due from banks	1,054	841	25
Cash collateral on securities borrowed	2,799	3,047	(8)
Reverse repurchase agreements	2,638	2,973	(11)
Trading portfolio assets	4,698	3,770	25
Positive replacement values	17,451	17,668	(1)
Cash collateral receivables on derivative instruments	6,490	6,027	8
Loans and advances to customers	1,054	791	33
Financial assets designated at fair value	3,931	666	490
Financial assets available for sale	123	3,163	(96)
Deferred tax asset	47	172	(73)
Other assets	333	319	4
Total assets	40,621	39,442	3
Liabilities			
Due to banks	2,715	2,309	18
Cash collateral on securities lent	228	4	
Repurchase agreements	3,472	4,021	(14)
Trading portfolio liabilities	5,780	4,787	21
Negative replacement values	17,904	18,040	(1)
Cash collateral payables on derivative instruments	6,153	5,966	3
Due to customers	385	230	67
Financial liabilities designated at fair value	724	728	(1)
Other liabilities	387	316	22
Total liabilities	37,748	36,400	4
Equity			
Share capital	227	227	0
Share premium	2,184	2,184	0
Retained earnings	226	396	(43)
Cumulative net income recognized directly in equity, net of tax	2	1	27
Other equity instruments	235	235	0
Total equity	2,874	3,042	(6)
Total liabilities and equity	40,622	39,442	3

Basis of accounting

The financial statements of UBS Limited are prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the EU, and are stated in British pounds (GBP), the functional currency of the entity. UBS Limited is wholly owned by UBS AG, which is wholly owned by UBS Group AG, the ultimate parent company of the UBS Group.

This financial information is unaudited and should be read in conjunction with the audited financial statements of UBS Limited. The full Annual Report and Financial Statements of UBS Limited for the year ended 31 December 2016 will be made available in April 2017 under "Disclosure for legal entities" at www.ubs.com/investors.

Capital information^{1,2,3,4}

GBP million, except where indicated

	31.12.16	31.12.15
Capital		
Common equity tier 1 capital before adjustment	2,596	2,807
Regulatory adjustments	(244)	(239)
Common equity tier 1 capital	2,352	2,568
Additional tier 1 capital	235	235
Total tier 1 capital	2,587	2,803
Tier 2 capital	687	587
Total capital	3,274	3,390

Risk-weighted assets and leverage ratio denominator

Risk-weighted assets	11,081	12,317
Leverage ratio denominator	35,794	37,807

Capital and leverage ratios

Common equity tier 1 capital ratio (%)	21.2	20.8
Tier 1 capital ratio (%)	23.3	22.8
Total capital ratio (%)	29.5	27.5
Leverage ratio (%)	7.2	7.4

¹ Capital information for UBS Limited has been prepared in accordance with Regulation (EU) No 575 / 2013 (as amended by Regulation (EU) 2015 / 62 in respect of the leverage ratio). ² There was no local disclosure requirement for the liquidity coverage ratio as of 31 December 2016. ³ Capital information presented for 31 December 2015 is based on UBS Limited's Pillar 3 – Supplementary Disclosures as of 31 December 2015. ⁴ Capital information presented for 31 December 2016 excludes 2016 net profit carried forward, which will become eligible for inclusion only after completion of the statutory audit.

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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.