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UBS Bank (Canada)

Basel Pillar III Disclosures Calendar Year 2017

CCID Corporate Identifier: 89266472

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1. Background

The Office of the Superintendent of Financial Institutions ('OSFI') advisory on Basel Pillar 3 Disclosure Requirements sets out the disclosure requirements for financial institutions operating under the Basel framework. The Pillar 3 disclosures are designed to complement the minimum capital requirements in Pillar 1 and the supervisory review process in Pillar 2. The aim of Pillar 3 is to promote market discipline by allowing market participants to access information on risk exposures and risk management policies and processes adopted by UBS Bank (Canada) ('the Bank').

The OSFI advisory for the disclosures required under Pillar 3 is contained in the OSFI Pillar 3 Roadmap. The following disclosures are made in conformance with the Pillar 3 Roadmap. All quantitative disclosures are made in \$ '000 CAD, unless otherwise indicated.

2. Disclosures

Table 1. Scope of application

(a) The name of the top corporate entity in the group to which the Framework applies.

UBS Bank (Canada), referred to herein as "the Bank".

(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group:

(i) that are fully consolidated;

The Bank has a fully owned subsidiary UBS Investment Management Canada Inc. ("UBSIM"). UBSIM is an OSC registrant as a Portfolio Manager and Exempt Market Dealer.

(ii) that are pro-rata consolidated;

None.

(iii) that are given a deduction treatment;

None.

(iv) from which surplus capital is recognized 125 plus

None.

(v) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).

None.

(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.

The Bank does not have any restrictions, or other major impediments, on transfer of funds or regulatory capital to UBSIM.

(d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.

The Bank does not have any insurance subsidiaries.

- (e) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and the name(s) of such subsidiaries.**

Not applicable.

- (f) The aggregate amounts (e.g. current book value) of the firm's total interests in insurance entities, which are risk-weighted rather than deducted from capital or subjected to an alternate group-wide method , as well as their name, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities. In addition, indicate the quantitative impact on regulatory capital of using this method versus using the deduction or alternate group-wide method.**

Not applicable.

Table 2. Capital structure

(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of innovative, complex or hybrid capital instruments.

The Bank's capital is comprised of Tier 1 capital which is made up of common shares, contributed surplus, Accumulated Other Comprehensive Income ["AOCI"] and accumulated deficit.

(b) The amount of Tier 1 capital, with separate disclosure of:

- paid-up share capital/common stock;
- reserves;
- minority interests in the equity of subsidiaries;
- innovative instruments;
- other capital instruments;
- surplus capital from insurance companies;
- regulatory calculation differences deducted from Tier 1 capital; and
- other amounts deducted from Tier 1 capital, including goodwill and investments.

The breakdown of capital is as follows:

Description	December 31, 2017 \$	December 31, 2016 \$
Common shares	28,485	18,485
Contributed surplus	154,713	154,713
Accumulated deficit	(73,919)	(78,865)
Accumulated Other comprehensive income	427	521
Total capital (Tier 1)	109,706	94,854

(c) The total amount of tier 2 and tier 3 capital.

The Bank does not have any tier 2 or tier 3 capital.

(d) Other deductions from capital.

The Bank does not have any other deductions. Deductions under Basel will be reflected in line with the transitional provisions.

(e) Total eligible capital

\$109,706 as at December 31, 2017 as per above (\$94,854 – December 31, 2016).

Table 3. Capital adequacy

(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.

The regulatory capital guidelines prescribed by OSFI require the Bank to meet capital adequacy standards. Capital adequacy provides from a supervisory perspective the safeguard that enables the Bank to absorb losses without adversely affecting the interests of its clients. For this purpose, OSFI has established two tests: the leverage ratio [LR] and risk-based capital ratio [RBC]. The first test provides an overall measure of the adequacy of an institution's capital. The second measure focuses on the specific on- and off-balance sheet asset categories.

(b) Capital requirements for credit risk:

- **Portfolios subject to standardized or simplified standardized approach, disclosed separately for each portfolio;**

The Bank uses the standardized approach to Credit Risk. The risk weighting of the client loan portfolio also uses Credit Risk Mitigation techniques.

- **Portfolios subject to the IRB approaches, disclosed separately for each portfolio under the foundation IRB approach and for each portfolio under the advanced IRB approach:**
 - **Corporate (including SL not subject to supervisory slotting criteria), sovereign and bank;**
 - **Residential mortgage;**
 - **Qualifying revolving retail; and**
 - **Other retail;**
- **Securitization exposures**

The Bank does not use the IRB approach, it uses the standardized approach.

(c) Capital requirements for equity exposures in the IRB approach:

- **Equity portfolios subject to the market-based approaches;**
 - **Equity portfolios subject to simple risk weight method; and**
 - **Equities in the banking book under the internal models approach (for banks using IMA for banking book equity exposures)**
- **Equity portfolios subject to PD/LGD approaches**

The Bank does not use the IRB approach, it uses the standardized approach.

(d) Capital requirements for market risk:

- **Standardized approach;**

The Bank's available for sale instruments are not eligible for trading book capital treatment because these are not held with trading intent. Therefore, the capital charge for the interest rate position risk does not apply to the Bank.

- **Internal models approach – Trading book.**

Not applicable.

(e) Capital requirements for operational risk:

- **Basic indicator approach;**

For capital underpinning, the Bank uses the simplified approach for Operational Risk, which is called the Basic Indicator Approach. Under this approach, a percentage of the previous three years' average gross income is used to calculate the capital charge.

The calculation is based on the average of the last 3 years income of the Bank multiplied by 15%:

The December 31, 2017 operational risk capital requirement is:

\$4,679 (December 31, 2016: \$4,231)

- **Standardized approach;**

Not applicable.

- **Advanced measurement approach (AMA).**

Not applicable.

(f) Total and Tier 1 capital ratio:

- **For the top consolidated group; and**

48.4% for 2017 (2016: 43.7%)

- **For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)**

Not applicable.

Table 4 . Credit risk: general disclosures for all banks

(a) The general qualitative disclosure requirements with respect to credit risk, including:

- **Definitions of past due and impaired (for accounting purposes);**
 - **Description of approaches followed for specific and general allowances and statistical methods;**
- **Discussion of the Bank's credit risk management policy;**

Credit risk is the potential risk of loss resulting from client or counterparty default and arises on credit exposure in all forms, including settlement risk.

The Bank classifies a loan as impaired when, in the opinion of management, there is significant doubt as to collectability, either in whole or in part, of principal or interest. Loans for which interest is contractually past due 90 days are automatically classified as impaired, unless management determines that there is no reasonable doubt as to the ultimate collectability of principal and interest.

The Bank extends uncommitted and secured loan limits, foreign exchange forward limits and precious metal forward limits to high net worth individuals and their investment companies. The Bank is exposed to the credit risk of the related borrowers.

As at December 31, 2017 and 2016, the Bank did not have any past due or impaired loans or any material shortfall in the collateral lending values. There was no indication of any material deficiency in the loan book as credit exposures remained fully secured by eligible collateral.

- **For banks that have partly, but not fully adopted either the foundation IRB or the advanced IRB approach, a description of the nature of exposures within each portfolio that are subject to the 1) standardized, 2) foundation IRB, and 3) advanced IRB approaches and of management's plans and timing for migrating exposures to full implementation of the applicable approach**

The Bank does not follow the IRB approach.

(b) Total gross credit risk exposures, plus average gross exposure over the period broken down by major types of credit exposure

The gross credit risk exposures broadly comprise client loan portfolio, sovereign T-bills and deposits with other banks (including Banker's Acceptances).

The year-end risk position varies from the average position over the period. The average credit risk exposure for due from banks, money market paper and sovereign T-bills was \$889,624 during 2017 (2016 - \$774,613).

Deposits with other banks include both non-interest bearing and interest bearing balances including BAs classified as AFS at fair value. Interest bearing deposits pay interest at fixed rates and have maturities of up to one year. An analysis of deposits with other banks by type of exposure is as follows:

	December 31, 2017	December 31, 2016
	\$	\$
Non-interest bearing	57,331	47,054
Interest bearing	256,718	236,683
	314,049	283,737
Average effective yield	0.83%	0.35%

The average loan exposure was \$417,725 in 2017 (\$415,085 in 2016). The composition of the loan portfolio, net of the allowance for credit losses, by type of exposure is as follows:

	December 31, 2017	December 31, 2016
	\$	\$
Individuals	371,358	290,843
Private corporations related to individuals	121,580	114,434
Total loans, net	492,938	405,277

(c) Geographic distribution of exposures, broken down in significant areas by major types of credit exposure

The composition of the deposits with other banks by geographical region is as follows:

	December 31, 2017	December 31, 2016
	\$	\$
Canada	170,010	131,893
International		
Americas [excluding Canada]	100,938	118,152
Europe	39,472	31,221
Other	3,629	2,471
	314,049	283,737

The composition of the loan portfolio by geographical region based on location of the borrower is as follows:

	December 31, 2017	December 31, 2016
	\$	\$
Canada	477,292	394,483
International		
Americas [excluding Canada]	11,573	8,002
Europe	4,073	2,288
Other	-	504
	492,938	405,277

(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure

Please refer to section 4(b) above.

(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure

The following table provides an analysis of the Bank's interest rate sensitivity position at December 31, 2017 based on maturity and repricing dates of assets:

	Non-rate sensitive	Variable rate	Within 3 months	3 to 6 Months	6 to 12 month	1 to 5 years	Total
	\$	\$	\$	\$	\$	\$	\$
Cash and due from banks on demand	57,416	-	-	-	-	-	57,416
<i>Effective interest rate</i>							
Time deposits with banks	-	-	255,208	1,510	-	-	256,718
<i>Effective interest rate</i>			<i>1.14%</i>	<i>1.20%</i>			
Securities available-for-sale	-	-	555,018	-	-	-	555,018
<i>Effective interest rate</i>			<i>1.09%</i>				
Loans	-	1,316	462,524	1,079	-	28,019	492,938
<i>Effective interest rate</i>		<i>6.51%</i>	<i>2.09%</i>	<i>3.35%</i>		<i>3.59%</i>	
Other assets	20,070	-	-	-	-	-	20,070
Total Assets	77,486	1,316	1,272,750	2,589	-	28,019	1,382,160

The following table provides an analysis of the Bank's interest rate sensitivity position at December 31, 2016 based on maturity and repricing dates of assets:

	Non-rate sensitive	Variable rate	Within 3 months	3 to 6 months	6 to 12 month	1 to 3 years	Total
	\$	\$	\$	\$	\$	\$	\$
Cash and due from banks on demand	47,087	-	-	-	-	-	47,087
<i>Effective interest rate</i>							
Time deposits with banks	-		236,682	-	-	-	236,682
<i>Effective interest rate</i>			0.41%				
Securities available -for-sale	-		442,933	-	-	-	442,933
<i>Effective interest rate</i>			0.30%				
Loans	-	640	395,596	9,041	-	-	405,277
<i>Effective interest rate</i>		2.22%	2.33%	2.17%			
Other assets	29,447	-	-	-	-	-	29,447
Total Assets	76,534	640	1,075,211	9,041	-	-	1,161,426

(f) By major industry or counterparty type:

- Amount of impaired loans and if available, past due loans, provided separately;
- Specific and general allowances; and
- Charges for specific allowances and charge-offs during the period

The Bank did not have any impaired loans as at December 31, 2017 and December 31, 2016. The Bank has assessed the loan portfolio and determined that no allowance for credit loss was required as at December 31, 2017 and 2016.

(g) Amount of impaired loans and, if available, past due loans provided separately broken down by significant geographic areas including, if practical, the amounts of specific and general allowances related to each geographical area

Not applicable.

(h) Reconciliation of changes in the allowances for loan impairment

Not applicable.

(i) For each portfolio, the amount of exposures (for IRB banks, drawn plus EAD on undrawn) subject to the 1) standardised, 2) foundation IRB, and 3) advanced IRB approaches

	December 31, 2017	December 31, 2016
	\$	\$
Total deposits with banks	314,049	283,737
Total loans, net of allowance for credit losses	492,938	405,277

Table 5. Credit risk: disclosures for portfolios subject to the standardized approach and supervisory risk weights in the IRB approaches

(a) For portfolios under the standardised approach:

- Names of ECAs and ECAs used, plus reasons for any changes;
- Types of exposure for which each agency is used;
 - A description of the process used to transfer public issue ratings onto comparable assets in the banking book; and
 - The alignment of the alphanumeric scale of each agency used with risk buckets.

All exposures subject to the Standardized Approach are risk weighted based on the exposure class and the external credit assessment associated with the exposure.

External ratings by S&P are used to risk weight the exposure to third party banks.

(b)

- For exposure amounts after risk mitigation subject to the standardised approach, amount of a bank's outstandings (rated and unrated) in each risk bucket as well as those that are deducted; and

As at December 31st, 2017:

	Gross Exposure	CRM (Comprehensive Approach)	Net Exposure
Deposits with other Banks	\$314,049	NIL	\$314,049
Drawn:	\$492,938	(\$411,952)	\$80,986
OTC Derivatives	\$20,385	NIL	\$20,385
Other off balance sheet	NIL	NIL	NIL
Positive replacement value of Foreign Exchange Commodity Contracts	\$10,687	NIL	\$10,687

As at December 31st, 2016:

	Gross Exposure	CRM (Comprehensive Approach)	Net Exposure
Deposits with other Banks	\$283,737	NIL	\$283,737
Drawn:	\$405,277	(\$333,316)	\$71,961
OTC Derivatives	\$27,611	NIL	\$27,611
Other off balance sheet	NIL	NIL	NIL
Positive replacement value of Foreign Exchange Commodity Contracts	\$20,011	NIL	\$20,011

- For exposures subject to the supervisory risk weights in IRB (HVCRE, any SL products subject to supervisory slotting criteria and equities under the

**simple risk weight method) the aggregate amount of a bank's outstandings
in each risk bucket.**

Not applicable.

Table 6. Credit risk: disclosures for portfolios subject to IRB approaches**(a) Supervisor's acceptance of approach/ supervisory approved transition**

Not applicable.

(b) Explanation and review of the:

- **structure of internal rating systems and relation between internal and external ratings;**
- **use of internal estimates other than for IRB capital purposes;**
- **process for managing and recognising credit risk mitigation; and**
- **control mechanisms for the rating system including discussion of independence, accountability, and rating systems review.**

Not applicable.

(c) Description of the internal ratings process, provided separately for five distinct portfolios:

- **Corporate (including SMEs, specialised lending and purchased corporate receivables), sovereign and bank;**
- **Equities;**
- **Residential mortgages;**
- **Qualifying revolving retail; and**
- **Other retail**

Not applicable.

The description should include, for each portfolio:

- **the types of exposure included in the portfolio;**
- **the definitions, methods and data for estimation and validation of PD, and (for portfolios subject to the IRB advanced approach) LGD and/or EAD, including assumptions employed in the derivation of these variables; and**
- **description of deviations as permitted under paragraph 456 and footnote 82 from the reference definition of default where determined to be material including the broad segments of the portfolio(s) affected by such deviations.**

Not applicable.

(d) For each portfolio (as defined above) except retail, present the following information across a sufficient number of PD grades (including default) to allow for a meaningful differentiation of credit risk:

- **Total exposures (for corporate, sovereign and bank, outstanding loans and EAD on undrawn commitments, for equities, outstanding amount);**
- **For banks on the IRB advanced approach, exposure-weighted average LGD (percentage); and**

- **Exposure weighted-average risk-weight.**

Not applicable.

For banks on the IRB advanced approach, amount of undrawn commitments and exposure-weighted average EAD for each portfolio;

Not applicable.

For each retail portfolio (as defined above), either:

- **Disclosures as outlined above on a pool basis (i.e. same as for non-retail portfolios); or**
- **Analysis of exposures on a pool basis (outstanding loans and EAD on commitments) against a sufficient number of EL grades to allow for a meaningful differentiation of credit risk**

Not applicable.

- (e) **Actual losses (e.g. charge-offs and specific provisions) in the preceding period for each portfolio (as defined above) and how this differs from past experience. A discussion of the factors that impacted on the loss experience in the preceding period – for example, has the bank experienced higher than average default rates, or higher than average LGDs and EADs**

Not applicable.

- (f) **Banks' estimates against actual outcomes over a longer period. At a minimum, this should include information on estimates of losses against actual losses in each portfolio (as defined above) over a period sufficient to allow for a meaningful assessment of the performance of the internal rating processes for each portfolio. Where appropriate, banks should further decompose this to provide analysis of PD and, for banks on the advanced IRB approach, LGD and EAD outcomes against estimates provided in the quantitative risk assessment disclosures above.**

Not applicable.

Table 7. Credit risk mitigation: disclosures for standardised and IRB approaches,

(a) The general qualitative disclosure requirement with respect to credit risk mitigation including:

- **policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting;**

The Bank does not use on or off-balance sheet netting.

- **policies and processes for collateral valuation and management;**

Credit management policy:

In general, the Bank adopts the global credit policies of its Parent bank as its guidance and the credit exposure is monitored on a daily basis through an independent credit risk control function. Borrowers are required to maintain sufficient lending value to cover the exposure and are subject to margin calls from the Bank. The lending value of the eligible collateral and the haircuts applied thereon are determined at the sole discretion of the Bank. The credit quality of other financial assets is managed by the Bank by either investing in securities issued or guaranteed by the Government of Canada and other sovereigns rated AA- or better and/or by investing in financial institutions rated A+ or higher. For determining the credit rating, Standard & Poor's rating scale is used. For 2017, there has been no material change in lending policies or practices from the previous periods.

- **a description of the main types of collateral taken by the bank;**

The composition of the loan portfolio by type of collateral is as follows:

	December 31, 2017 \$	December 31, 2016 \$
Cash, bank guarantees and letters of credit	1,051	640
Marketable securities	491,887	404,637
	492,938	405,277

- **the main types of guarantor/credit derivative counterparty and their creditworthiness;**

The Bank does not use credit derivatives in mitigating credit risk in view of the offering of secured credit line.

The Bank will accept guarantees from the related party of the borrower. The guarantors are required to maintain sufficient lending value to cover the exposure and are subject to margin calls from the Bank.

- **information about (market or credit) risk concentrations within the mitigation taken**

The credit exposure is mostly secured by well diversified portfolios comprised of cash, equities, mutual funds, fixed income and structured products.

- (b) For each separately disclosed credit risk portfolio under the standardised and/or foundation IRB approach, the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by:**

- **eligible financial collateral; and**

\$411,952 as at December 31, 2017 eligible financial collateral (\$333,316 – 2016).

- **other eligible IRB collateral;**

The Bank does not use the IRB approach.

after the application of haircuts.

- (c) For each separately disclosed portfolio under the standardised and/or IRB approach, the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives.**

Please see table 5b above.

Table 8. General disclosure for exposures related to counterparty credit risk

(a) The general qualitative disclosure requirement with respect to derivatives and CCR, including:

- **Discussion of methodology used to assign economic capital and credit limits for counterparty credit exposures**

Counterparty Credit exposure arises from the placement of client deposits with third party banks. The Bank manages this exposure by investing client deposits with such banks having a credit rating of AA+ or better, for this purpose S&P's ratings are used. For operational flexibility, the Bank permits investments with counterparties rated A+. The individual counterparty exposure is required to be maintained within 30% to 35% range of gross exposure for counterparties rated AA- or better and within 25% to 30% of gross exposure for counterparties rated A+. In order to ensure compliance with Liquidity Coverage Ratio (LCR) norm the Bank places funds in High Quality Liquid Assets (HQLAs) such as sovereign T-bills with sovereigns rated AA+ or better. Counterparty credit exposures on loan portfolios are unrated and managed in terms of the Bank's credit management policy explained in table 7(a) above.

- **Discussion of policies for securing collateral and establishing credit reserves**

Credit risk exposure

The Bank accepts the following financial instruments as collateral:

- Eligible marketable collateral defined as assets [such as cash, precious metals and money market instruments] and securities [such as bonds and equities], which are liquid, negotiable, actively traded and for which current prices are available;
- Eligible non-marketable collateral [such as standby letters of credit issued by acceptable third-party providers] as pledged collateral to secure the credit exposure of the borrower.
- **Discussion of policies with respect to wrong-way risk exposures**

The Bank does not have any wrong-way risk exposures

- **Discussion of the impact of the amount of collateral the bank would have to provide given a credit rating downgrade**

The Bank does not actively borrow from external sources.

(b) Gross positive fair value of contracts, netting benefits, netted current credit exposure, collateral held (including type, e.g. cash, government securities, etc.),

and net derivatives credit exposure. Also report measures for exposure at default, or exposure amount, under the IMM, SM or CEM, whichever is applicable. The notional value of credit derivative hedges, and the distribution of current credit exposure by types of credit exposure.

The Bank does not use netting. Table 5B is reproduced below to depict gross positive fair values per exposure type.

As at December 31st, 2017:

	Gross Exposure	CRM (Comprehensive Approach)	Net Exposure
Deposits with other Banks	\$314,049	NIL	\$314,049
Drawn:	\$492,938	(\$411,952)	\$80,986
OTC Derivatives	\$20,385	NIL	\$20,385
Other off balance sheet Positive replacement value of Foreign Exchange	NIL	NIL	NIL
Commodity Contracts	\$10,687	NIL	\$10,687

As at December 31st, 2016:

	Gross Exposure	CRM (Comprehensive Approach)	Net Exposure
Deposits with other Banks	\$283,737	NIL	\$283,737
Drawn:	\$405,277	(\$333,316)	\$71,961
OTC Derivatives	\$27,611	NIL	\$27,611
Other off balance sheet Positive replacement value of Foreign Exchange	NIL	NIL	NIL
Commodity Contracts	\$20,011	NIL	\$20,011

(c) Credit derivative transactions that create exposures to CCR (notional value), segregated between use for the institution's own credit portfolio, as well as in its intermediation activities, including the distribution of the credit derivatives products used, broken down further by protection bought and sold within each product group.

The Bank does not use credit derivatives.

(d) The estimate of alpha if the bank has received supervisory approval to estimate alpha.

Not applicable.

Table 9. Securitization: disclosure for standardised and IRB approaches

- (a) The general qualitative disclosure requirement (paragraph 824) with respect to securitisation (including synthetics), including a discussion of:**
- the bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities;
 - the roles played by the bank in the securitisation process and an indication of the extent of the bank's involvement in each of them; and
 - the regulatory capital approaches (e.g. RBA, IAA and SFA) that the bank follows for its securitisation activities.
- (b) Summary of the bank's accounting policies for securitisation activities, including:**
- whether the transactions are treated as sales or financings;
 - recognition of gain on sale;
 - key assumptions for valuing retained interests, including any significant changes since the last reporting period and the impact of such changes; and
 - treatment of synthetic securitisations if this is not covered by other accounting policies (e.g. on derivatives).
- (c) Names of ECAs used for securitisations and the types of securitisation exposure for which each agency is used.**
- (d) The total outstanding exposures securitised by the bank and subject to the securitisation framework (broken down into traditional/synthetic), by exposure type**
- (e) For exposures securitised by the bank and subject to the securitisation framework:**
- amount of impaired/past due assets securitized
 - losses recognised by the bank during the current period broken down by exposure type.
- (f) Aggregate amount of securitisation exposures retained or purchased broken down by exposure type**
- (g) Aggregate amount of securitisation exposures retained or purchased¹⁷² and the associated IRB capital charges for these exposures broken down into a meaningful number of risk weight bands. Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from Total Capital, and other exposures deducted from total capital should be disclosed separately by type of underlying asset.**
- (h) For securitisations subject to the early amortisation treatment, the following items by underlying asset type for securitised facilities:**

- the aggregate drawn exposures attributed to the seller's and investors' interests;
 - the aggregate IRB capital charges incurred by the bank against its retained (i.e. the seller's) shares of the drawn balances and undrawn lines; and
 - the aggregate IRB capital charges incurred by the bank against the investor's shares of drawn balances and undrawn lines.
- (i) Banks using the standardised approach are also subject to disclosures (g) and (h), but should use the capital charges for the standardised approach.
- (j) Summary of current year's securitisation activity, including the amount of exposures securitised (by exposure type), and recognised gain or loss on sale by asset type.

Table 9 in its entirety is not applicable to the Bank.

Table 10. Market risk: disclosures for banks using the standardised approach

(a) The general qualitative disclosure requirement for market risk including the portfolios covered by the standardised approach

The Bank does not engage in proprietary trading and therefore does not create material market risk exposure.

(b) The capital requirements for:

- **interest rate risk**
- **equity position risk**
- **foreign exchange risk**
- **commodity risk**

The Bank is authorized to take minimal Interest Rate, Foreign Exchange and Precious Metal Risks, within prudent risk guidelines as approved by the Board, in order to facilitate the efficient management of the balance sheet. As a general principle, the Bank will operate, to the extent practically possible, on a risk-neutral basis, and always within approved limits. The Board reviews and approves the Bank's Risk Management policies and procedures on an annual basis. No specific capital is attributed to market risk under Pillar 1.

Table 11. Market risk: disclosures for banks using the internal models approach (IMA) for trading portfolios

- (a) **The general qualitative disclosure requirement for market risk including the portfolios covered by the IMA. In addition, a discussion of the extent of and methodologies for compliance with the “Prudent valuation guidance” for positions held in the trading book**
- (b) **The discussion should include an articulation of the soundness standards on which the bank’s internal capital adequacy assessment is based. It should also include a description of the methodologies used to achieve a capital adequacy assessment that is consistent with the soundness standards.**
- (c) **For each portfolio covered by the IMA:**
- **the characteristics of the models used;**
 - **a description of stress testing applied to the portfolio; and**
 - **a description of the approach used for back testing/validating the accuracy and consistency of the internal models and modeling processes**
- (d) **The scope of acceptance by the supervisor.**
- (e) **For the incremental risk capital charge and the comprehensive risk capital charge the methodologies used and the risks measured through the use of internal models. Included in the qualitative description should be:**
- **the approach used by the bank to determine liquidity horizons;**
 - **the methodologies used to achieve a capital assessment that is consistent with the required soundness standard; and**
 - **the approaches used in the validation of the models.**
- (f) **For trading portfolios under the IMA:**
- **The high, mean and low VaR values over the reporting period and period-end**
 - **The high, mean and low stressed VaR values over the reporting period and period-end**
 - **The high, mean and low incremental and comprehensive risk capital charges over the reporting period and period-end**
 - **A comparison of VaR estimates with actual gains/losses experienced by the bank, with analysis of important “outliers” in back test results**

Table 11 in its entirety is not applicable to the Bank.

Table 12. Operational risk

(a) In addition to the general qualitative disclosure requirement, the approach (es) for operational risk capital assessment for which the bank qualifies.

For capital underpinning, the Bank uses the simplified approach for Operational Risk, which is called the Basic Indicator Approach. Under this approach, a percentage of the previous three years' average gross income is used to calculate the capital charge. This calculation is shown in Table 3(e) above.

(b) Description of the AMA, if used by the bank, including a discussion of relevant internal and external factors considered in the bank's measurement approach. In the case of partial use, the scope and coverage of the different approaches used.

AMA is not used by the Bank.

(c) For banks using the AMA, a description of the use of insurance for the purpose of mitigating operational risk.

Not applicable.

Table 13. Equities: disclosures for banking book positions

(a) The general qualitative disclosure requirement (paragraph 824) with respect to equity risk, including:

- **differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons**
- **discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices**

(b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value

(c) The types and nature of investments, including the amount that can be classified as:

- **Publicly traded**
- **Privately held**

(d) The cumulative realised gains (losses) arising from sales and liquidations in the reporting period

(e) • Total unrealised gains (losses)
• Total latent revaluation gains (losses)
• any amounts of the above included in Tier 1 and/or Tier 2 capital.

(f) Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements.

Table 13 in its entirety is not applicable to the Bank.

Table 14. Interest rate risk in the banking book

(a) The general qualitative disclosure requirement, including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behaviour of non-maturity deposits, and frequency of IRRBB measurement

Interest rate risk is the impact that changes in interest rates could have on the Bank's margins, earnings and economic value. The Bank is authorized to take interest rate risks, within prudent risk guidelines as approved by the BoD, in order to facilitate the efficient management of the balance sheet. As a general principle, the Bank will operate, to the extent practically possible, on a risk-neutral basis, and always within approved limits. The BoD reviews and approves the Bank's Interest Rate Risk Management policies and procedures on an annual basis.

(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant)

The Bank's relevant reporting currency is \$ CAD.

Based on the Bank's maturity and repricing portfolio as at December 31, 2017, an immediate annualized 2% increase in the interest rates across all maturities, excluding non-interest sensitive assets and liabilities, would increase net income by approximately \$17.1 million [2016 - \$9.7 million] over the next 12 months, and increase shareholder's equity by approximately \$17.1 million [2016 - \$9.7 million].

Correspondingly, an immediate annualized 2% decrease in the interest rates across all maturities, excluding non-interest sensitive assets and liabilities, would decrease net income by approximately \$12.3 million [2016 - \$6.1 million] over the next 12 months, and decrease shareholder's equity by approximately \$12.3 million [2016 - \$6.1 million].

(c) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value

The Bank invests in Banker's Acceptances ("BAs") from time to time. As at December 31, 2017 the carrying amount for BAs was \$0 [2016 - \$0].

The Bank has investments in T-bills issued by the Government of Canada and other sovereigns. As at December 31, 2017 the carrying amount for these investments was \$555,018 [2016 - \$442,933].

(d) The types and nature of investments, including the amount that can be classified as:

- **Publicly traded; and**
- **Privately held.**

All BAs have maturities of less than one year and are traded over the counter ("OTC").

All T-bills have maturities of fewer than three months and are valued based on quoted prices in active markets.

(e) The cumulative realised gains (losses) arising from sales and liquidations in the reporting period

Investments in BAs is short term in nature and realized gains and losses if any, are booked to interest income.

- (f)**
- **Total unrealised gains (losses)**
 - **Total latent revaluation gains (losses)**
 - **any amounts of the above included in Tier 1 and/or Tier 2 capital.**

The unrealized loss on all available for sale investments is (\$43.1) in 2017 [2016 – (\$7.5)].

(g) Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements

The Bank does not engage in equity investments.

Table 15. Remuneration

The Bank is subject to the Parent Company ("UBSAG")'s compensation philosophy, policies and processes. UBSAG publishes an annual Compensation Report which covers points relevant for the disclosures required by OSFI under this table. Please refer to the attached UBS Compensation report. The relevant pages of this report have been indicated in each section below.

The annual compensation report for 2017 has been published and can be viewed at the following link. The link for the prior year's (2016) report is also given below.

2017 report:

https://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting/2017.html

2016 report:

https://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting/2016.html

(a) Information relating to the bodies that oversee remuneration. Disclosures should include:

- **Name, composition and mandate of the main body overseeing remuneration**

Page 22 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Page 22 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process**

Page 22 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Page 22 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches**

Pages 5 to 45 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 5 to 44 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group**

None of the Canadian employees are identified as material risk takers.

Pages 28 and 29 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 28 and 29 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

(b) Information relating to the design and structure of remuneration processes.

Disclosures should include:

- **An overview of the key features and objectives of remuneration policy**

Pages 4 and 5 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 4 and 5 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made**

Pages 2, 3 and 22 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 2 and 22 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee**

The risk and compliance bonus pool are independent of the market bonus pool.

Page 29 of the 2017 UBS Compensation Report at the attached link above contains the disclosures applicable to the Bank.

Page 29 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

(c) Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include:

- **An overview of the key risks that the bank takes into account when implementing remuneration measures**

Pages 7 and 8 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 7 and 8 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed)**

Pages 7 and 8 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 7 and 8 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **A discussion of the ways in which these measures affect remuneration**

Pages 7 and 8 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 7 and 8 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration**

Pages 7 and 8 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 7 and 8 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- (d) **Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include:**

- **An overview of main performance metrics for bank, top-level business lines and individuals**

Pages 4 to 24 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 4 to 24 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance**

Pages 4 to 35 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 4 to 35 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak**

The Bank's bonus pool is 100% discretionary. Management has the option to adjust the bonus pool based on performance.

The Bank's client advisors have a structured bonus plan based on performance results.

(e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance. Disclosures should include:

- **A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance**

Pages 2 to 5, 15 and 26 to- 33 of the 2017 UBS Compensation Report at the attached link above contains the disclosures applicable to the Bank.

Pages 2 to 6, 9, 11, 13, 15, 16, 18, 23, 25 to 31, 33 to 36, 38, 40 of the 2016 UBS Compensation Report at the attached link above contains the disclosures applicable to the Bank.

- **A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements**

Pages 2 to 5, 15 and 26 to 33 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 2 to 6, 9, 11, 13, 15, 16, 18, 23, 25 to 31, 33 to 36, 38, 40 of the 2016 UBS Compensation Report at the attached link above contains the disclosures applicable to the Bank.

(f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures should include:

- **An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms)**

Pages 2, 4, 9, 10, 13 to 16, 18, 23 to 31, 34 to 38, 40, 41, 43 and 45 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 27 to 31 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- **A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.**

Pages 2, 4, 9, 10, 13 to 16, 18, 23 to 31, 34 to 38, 40, 41, 43 and 45 of the 2017 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

Pages 27 to 31 of the 2016 UBS Compensation Report at the attached link above contain the disclosures applicable to the Bank.

- (g) • **Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.**

Meetings are held annually at the functional level and top management level of the Bank.

- (h) • **Number of employees having received a variable remuneration award during the financial year.**

2017 - 91 employees (2016 - 91 employees).

- **Number and total amount of guaranteed bonuses awarded during the financial year.**

2017 - 0 employees (2016 - 0).

- **Number and total amount of sign-on awards made during the financial year**

2017 - 0 employees (2016 - 0).

- **Number and total amount of severance payments made during the financial year.**

1 severance payment was made in 2017 for \$31k total (2016 – 4 payments for \$232).

- (i) • **Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.**

- **Total amount of deferred remuneration paid out in the financial year.**

- (j) • **Breakdown of amount of remuneration awards for the financial year to show:**
- fixed and variable. - deferred and non-deferred. - different forms used (cash, shares and share-linked instruments, other forms)

The below table refers to i and j above for all employees of the Bank:

As at December 31, 2017

2017 Compensation for UBS Bank (Canada)

	Unrestricted	Restricted
<u>Fixed Remuneration</u>		
Cash Based	10,456,123	0
Shares and Share-linked Instruments	0	0
Taxable Benefits	96,625	0
<u>Variable Remuneration</u>		
Cash Based	5,103,457	0
Shares and Share-linked Instruments	350,593	1,918,763

As at December 31, 2016

2016 Compensation for UBS Bank (Canada)

	Unrestricted	Restricted
<u>Fixed Remuneration</u>		
Cash Based	9,613,853	0
Shares and Share-linked Instruments	0	0
Taxable Benefits	412,714	0
<u>Variable Remuneration</u>		
Cash Based	5,509,499	0
Shares and Share-linked Instruments	342,022	2,389,687

Key management personnel consists of members of the Operating Committee as well as the Board of Directors. The independent members of the Board of Directors do not have employment or service contracts with the Bank, and thus are not entitled to pension benefits or share based incentives from the Bank.

No individual would be considered a material risk taker within the Bank.

The below tables refer to h and j above for key management personnel of the Bank:

As at December 31, 2017

Type of Remuneration

Short-term employee benefits	4,262
Post-employment benefits	0
Termination benefits	35
Share-based payment	188
	4,485

As at December 31, 2016

Type of Remuneration

Short-term employee benefits	3,498
Post-employment benefits	0
Termination benefits	0
Share-based payment	177
	3,675

Shares and share options held by key management under share-based incentive plans have the following expiry dates and exercise prices:

As at December 31, 2017

Equity Holdings

Number of share options from equity participation plans	17,671
Number of shares held by key management personnel	89,469
	107,140

As at December 31, 2016

Equity Holdings

Number of share options from equity participation plans	59,659
Number of shares held by key management personnel	64,269
	123,928

Table 16. Interim Public Capital Disclosure Requirements related to Basel III Pillar 3

Modified Capital Disclosure Template as at December 31, 2017			
Common Equity Tier 1 capital: instruments and reserves			
		All-in	Transitional
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	183,198	
2	Retained earnings	(73,919)	
3	Accumulated other comprehensive income (and other reserves)	427	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	Nil	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	Nil	
6	Common Equity Tier 1 capital before regulatory adjustments	109,706	
Common Equity Tier 1 capital: regulatory adjustments			
28	Total regulatory adjustments to Common Equity Tier 1	Nil	
29	Common Equity Tier 1 capital (CET1)	109,706	109,716
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	Nil	
31	of which: classified as equity under applicable accounting standards	Nil	
32	of which: classified as liabilities under applicable accounting standards	Nil	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	Nil	
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 AT1)	Nil	
35	of which: instruments issued by subsidiaries subject to phase out	Nil	
36	Additional Tier 1 capital before regulatory adjustments	Nil	
Additional Tier 1 capital: regulatory adjustments			
43	Total regulatory adjustments to Additional Tier 1 capital	Nil	
44	Additional Tier 1 capital (AT1)	Nil	
45	Tier 1 capital (T1 = CET1 + AT1)	109,706	109,716
Tier 2 capital: instruments and allowances			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	N/A	
47	Directly issued capital instruments subject to phase out from Tier 2	N/A	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	N/A	
49	<i>of which instruments issued by subsidiaries subject to phase out</i>		
50	Collective allowances	N/A	
51	Tier 2 capital before regulatory adjustments	N/A	
Tier 2 capital: regulatory adjustments			

57	Total regulatory adjustments to Tier 2 capital	N/A	
58	Tier 2 capital (T2)	N/A	
59	Total capital (TC = T1 & T2)	109,706	109,716
60	Total risk weighted assets	226,798	226,798
60a	Common Equity Tier 1 (CET1) Capital RWA	226,574	226,798
60b	Tier 1 Capital RWA	226,614	226,798
60c	Total Capital RWA	226,646	226,798
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	48.42%	48.38%
62	Tier 1 (as a percentage of risk weighted assets)	48.41%	48.38%
63	Total capital (as a percentage of risk weighted assets)	48.40%	48.38%
OSFI all-in target			
69	Common Equity Tier 1 capital all-in target ratio	48.42%	
70	Tier 1 capital all-in target ratio	48.41%	
71	Total capital all-in target ratio	48.40%	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	N/A	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A	
82	Current cap on AT1 instruments subject to phase out arrangements	N/A	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/A	
84	Current cap on T2 instruments subject to phase out arrangements	N/A	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/A	

Modified Capital Disclosure Template as at December 31, 2016			
Common Equity Tier 1 capital: instruments and reserves			
		All-in	Transitional
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	173,198	
2	Retained earnings	(78,865)	
3	Accumulated other comprehensive income (and other reserves)	521	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	Nil	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	Nil	
6	Common Equity Tier 1 capital before regulatory adjustments	94,854	
Common Equity Tier 1 capital: regulatory adjustments			
28	Total regulatory adjustments to Common Equity Tier 1	Nil	
29	Common Equity Tier 1 capital (CET1)	94,854	94,854
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	Nil	
31	of which: classified as equity under applicable accounting standards	Nil	
32	of which: classified as liabilities under applicable accounting standards	Nil	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	Nil	
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 AT1)	Nil	
35	of which: instruments issued by subsidiaries subject to phase out	Nil	
36	Additional Tier 1 capital before regulatory adjustments	Nil	
Additional Tier 1 capital: regulatory adjustments			
43	Total regulatory adjustments to Additional Tier 1 capital	Nil	
44	Additional Tier 1 capital (AT1)	Nil	
45	Tier 1 capital (T1 = CET1 + AT1)	94,854	94,854
Tier 2 capital: instruments and allowances			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	N/A	
47	Directly issued capital instruments subject to phase out from Tier 2	N/A	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	N/A	
49	<i>of which instruments issued by subsidiaries subject to phase out</i>		
50	Collective allowances	N/A	
51	Tier 2 capital before regulatory adjustments	N/A	
Tier 2 capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 capital	N/A	
58	Tier 2 capital (T2)	N/A	
59	Total capital (TC = T1 & T2)	94,854	94,854

60	Total risk weighted assets	217,950	217,950
60a	Common Equity Tier 1 (CET1) Capital RWA	216,969	217,950
60b	Tier 1 Capital RWA	217,160	217,950
60c	Total Capital RWA	217,324	217,950
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	43.72%	43.52%
62	Tier 1 (as a percentage of risk weighted assets)	43.68%	43.52%
63	Total capital (as a percentage of risk weighted assets)	43.65%	43.52%
OSFI all-in target			
69	Common Equity Tier 1 capital all-in target ratio	43.72%	
70	Tier 1 capital all-in target ratio	43.68%	
71	Total capital all-in target ratio	43.65%	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	N/A	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A	
82	Current cap on AT1 instruments subject to phase out arrangements	N/A	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/A	
84	Current cap on T2 instruments subject to phase out arrangements	N/A	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/A	

Note: From Q3 2014 to Q4 2018, institutions phasing in the CVA capital charge using Option #1 as per OSFI's CAR Guideline will be required to disclose rows 60a, 60b, and 60c, instead of row 60.

Table 17. 2017 Leverage ratio disclosure template for UBS Bank (Canada) on an “all-in” basis

	Item	Leverage Ratio Framework
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives, Securities Financing Transactions (SFTs) and grandfathered securitization exposures but including collateral)	1,371,473
2	(Asset amounts deducted in determining Basel III “all-in” Tier 1 capital)	0
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1,371,473
	Derivative exposures	
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	10,687
5	Add-on amounts for PFE associated with all derivative transactions	9,699
6	Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivative transactions)	0
8	(Exempted CCP-leg of client cleared trade exposures)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	Total derivative exposures (sum of lines 4 to 10)	20,386
	Securities financing transaction exposures	
12	Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	N/A
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	N/A
14	Counterparty credit risk (CCR) exposure for SFTs	N/A
15	Agent transaction exposures	N/A
16	Total securities financing transaction exposures (sum of lines 12 to 15)	N/A
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	0
18	(Adjustments for conversion to credit equivalent amounts)	0
19	Off-balance sheet items (sum of lines 17 and 18)	0
	Capital and Total Exposures	
20	Tier 1 capital	109,706
21	Total Exposures (sum of lines 3, 11, 16 and 19)	1,391,859
	Leverage Ratios	
22	Basel III leverage ratio	7.88198%

2016 Leverage ratio disclosure template for UBS Bank (Canada) on an “all-in” basis

	Item	Leverage Ratio Framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, Securities Financing Transactions (SFTs) and grandfathered securitization exposures but including collateral)	1,141,415
2	(Asset amounts deducted in determining Basel III “all-in” Tier 1 capital)	0
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1,141,415
Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	20,011
5	Add-on amounts for PFE associated with all derivative transactions	7600
6	Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivative transactions)	0
8	(Exempted CCP-leg of client cleared trade exposures)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	Total derivative exposures (sum of lines 4 to 10)	27,611
Securities financing transaction exposures		
12	Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	N/A
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	N/A
14	Counterparty credit risk (CCR) exposure for SFTs	N/A
15	Agent transaction exposures	N/A
16	Total securities financing transaction exposures (sum of lines 12 to 15)	N/A
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	0
18	(Adjustments for conversion to credit equivalent amounts)	0
19	Off-balance sheet items (sum of lines 17 and 18)	0
Capital and Total Exposures		
20	Tier 1 capital	94,854
21	Total Exposures (sum of lines 3, 11, 16 and 19)	1,169,026
Leverage Ratios		
22	Basel III leverage ratio	8.11393%