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Dear Mr. Lamassoure,

On behalf of Mr. Pinho I would like to thank you for your follow-up questions.

We can provide the following additional information:

- As mentioned by Mr. Pinho in the hearing, the definition of "in scope" can be found in UBS's regular disclosure, including on the UBS website (https://www.ubs.com/global/en/about_ubs/investor_relations/eu-crd-iv-disclosures.html). It states that "Article 89 of the European Union (EU) Capital Requirements Directive IV (CRD IV) requires credit institutions and investment firms in the EU, which are regulated under CRD IV, as well as their subsidiaries and branches, to make certain disclosures on an annual basis by Member State and by third country in which they have an establishment." In-scope UBS entities are those regulated by CRD IV. Further information, including on the number of relevant entities in the EU, can be found in the reports provided on the UBS website. We would like to point out that the UK interpretation expressly concludes that UK branches of entities established outside the EU were not subject to the reporting.
- We assume that your second question relates to the recent Panama Papers leak. We can inform you that offshore corporations are fairly common and there are many legitimate reasons for their establishment. Such entities are used by companies, individuals and families in order to consolidate participations, real estate or shareholdings in different jurisdictions, for example for the purpose of estate and asset planning. Like many other banks, UBS maintains an in-house trust offering in full compliance with applicable laws and regulations. UBS proactively decided to discontinue services concerning the set-up and administration of offshore companies using third-party providers in 2010. This process happened in stages and has been completed. We took this step due to changes in regulation in some of the jurisdictions where offshore companies were held and due to a further tightening of UBS's internal policies.

In all cases, UBS knows the identity of the beneficial owners of the companies that its customers ask the bank to work with and we apply the same strict anti-money laundering rules to all of our bank and business relationships.

- Regarding your question on tax rulings, we can inform you that in the course of complying with its tax obligations in all member states UBS routinely engages with member state tax authorities to reach agreement as to the quantification of the tax liabilities of UBS companies, the interpretation of local tax laws and their application to the particular commercial circumstances of UBS group companies. UBS does not have any tax rulings with EU Member States which are of the type that constitute state aid or private law.

We trust that our responses meet your needs for additional information.

Yours sincerely,

Steve Hottiger

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