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This document, for which we accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Rules**”) for the purpose of giving information with regard to us. We, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

This document is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the CBBCs.

The CBBCs are complex products. Investors should exercise caution in relation to them. Investors are warned that the price of the CBBCs may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the CBBCs and carefully study the risk factors set out in the Base Listing Document (as defined below) and this document and, where necessary, seek professional advice, before they invest in the CBBCs.

The CBBCs constitute general unsecured contractual obligations of us as the Issuer and of no other person and will rank equally among themselves and with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the CBBCs, you are relying upon the creditworthiness of us, and have no rights under the CBBCs against the Index Compiler or any other person. If we become insolvent or default on our obligations under the CBBCs, you may not be able to recover all or even part of the amount due under the CBBCs (if any).

Non-collateralised Structured Products

Launch Announcement and Supplemental Listing Document for Callable Bull/Bear Contracts over Index



Issuer: UBS AG
(incorporated with limited liability in Switzerland)
acting through its London Branch

Sponsor: UBS Securities Asia Limited

Key Terms

CBBCs Stock code	49687
Liquidity Provider broker ID	9696
Issue size	100,000,000 CBBCs
Style / Category	European style cash settled category R
Type	Bear
Index	Nasdaq-100 Index
Board Lot	10,000 CBBCs
Issue Price per CBBC	HKD 0.250
Funding Cost per CBBC as of Launch Date¹	HKD 0.2041
	The funding cost will fluctuate throughout the life of the CBBCs
Strike Level	12,850.00
Call Level	12,600.00
Cash Settlement Amount per Board Lot (if any) payable at expiry	<p>Subject to no occurrence of a Mandatory Call Event:</p> <p>For a series of bull CBBCs: $\frac{(\text{Closing Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$ (converted into the Settlement Currency at the Exchange Rate)</p> <p>For a series of bear CBBCs: $\frac{(\text{Strike Level} - \text{Closing Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$ (converted into the Settlement Currency at the Exchange Rate)</p>
Closing Level	The final settlement price for settling the E-mini Nasdaq-100 Futures Contracts that are scheduled to expire during the month in which the Expiry Date of the relevant series of the CBBCs is scheduled to fall (the “ Index Futures Contracts ”) on the Chicago Mercantile Exchange (or its successor or assign) (the “ Index Futures Exchange ”) ²
Index Exchange	The NASDAQ Stock Market
Index Compiler	NASDAQ, Inc.
Index Currency Amount	USD1.00
Divisor	156,000
Launch Date	2 March 2023
Issue Date	6 March 2023
Listing Date³	7 March 2023
Observation Commencement Date^{3,4}	7 March 2023
Valuation Date (New York time)⁵	20 December 2024
Expiry Date⁶	20 December 2024
Settlement Date	The third CCASS Settlement Day after (i) the end of the MCE Valuation Period or (ii) the later of: (a) the Expiry Date; and (b) the day on which the Closing Level is determined in accordance with the Conditions (as the case may be)
Settlement Currency	Hong Kong Dollars
Exchange Rate	The rate of exchange between United States dollars (“USD”) and Hong Kong dollars (“HKD”) (expressed as the number of units of HKD per 1 unit of USD) (i) (if the Mandatory Call Event occurs) at or about 4:00 p.m. New York time on the last Index Business Day of the MCE Valuation Period; or (ii) (if no Mandatory Call Event occurs) at or about 10:00 a.m. New York time on the Valuation Date, as determined by the Issuer by reference to the mid quote as per the rate “USDHKD” on Bloomberg page BFIX. If such screen rate is not available for any reasons at such time on such date, the Issuer shall determine the exchange rate in a commercially reasonable manner.
Effective Gearing⁷	2.40x
Gearing⁷	2.40x
Premium⁷	33.98%

In addition, the following amendments shall be made to Condition 2:

- (i) A new definition of “Day of Notification” shall be added as follows:

“**Day of Notification**” means the Trading Day immediately following the MCE Termination Date;”

- (ii) A new definition of “MCE Termination Date” shall be added as follows:

“**MCE Termination Date**” means:

- (1) where a Mandatory Call Event occurs on an Index Business Day, the Trading Day immediately following the Index Business Day on which the Mandatory Call Event occurs; and
- (2) notwithstanding paragraph (1), where a Mandatory Call Event is deemed to have occurred as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date, the Observation Commencement Date;”

- (iii) The definition of “Spot Level” shall be deleted in its entirety and replaced with the following:

“**Spot Level**” means the spot level of the Index as compiled and published by the Index Compiler (expressed in the nearest 2 decimal places), provided that for the purpose of determining the Spot Level as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date, the closing level of the Index as compiled and published by the Index Compiler in respect of the Index Business Day immediately preceding the Observation Commencement Date (expressed in the nearest 2 decimal places) will be deemed as the relevant Spot Level as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date. For the avoidance of doubt, in rounding the spot level of the Index as compiled and published by the Index Compiler, if the relevant figure is 0.005 or above, it will be rounded up to 0.01. If the relevant figure is below 0.005, it will be rounded down to 0.00.”

¹ The funding cost is calculated in accordance with the following formula:

$$\text{Funding Cost} = \frac{\text{Strike Level} \times \text{funding rate} \times n / 365 \times \text{Index Currency Amount}}{\text{Divisor}}$$

(converted into HKD at the prevailing exchange rate)

Where,

- (i) “n” is the number of days remaining to expiration; initially, “n” is the number of days from (and including) the Launch Date to (and including) the Trading Day immediately preceding the Expiry Date;
- (ii) the funding rate will fluctuate throughout the term of the CBBCs as further described in the “Key Risk Factors” section in this document. As of the Launch Date, the funding rate was 17.4867%; and
- (iii) the prevailing exchange rate is the rate of exchange between USD and HKD (expressed as the number of units of HKD per 1 unit of USD) as of the relevant time as determined by the Issuer by reference to the mid quote as per the rate “USDHKD” on Bloomberg page BFIX. If such screen rate is not available for any reasons at such time on such date, the Issuer shall determine the exchange rate in a commercially reasonable manner.

² Subject to our right to determine the Closing Level in good faith on the Valuation Date upon the occurrence of a Market Disruption Event as described further in Condition 4(G).

³ During the period between the Launch Date and the scheduled Listing Date (both dates exclusive), if any severe weather occurs on any Business Day which either results in the Stock Exchange (i) being closed for trading for the entire day; or (ii) being closed prior to its regular time for close of trading for the relevant day, the Listing Date will be postponed (without any further notice or announcement) such that there is a period of two Business Days not affected by the aforementioned event(s) between the Launch Date and the postponed Listing Date (both dates exclusive). In such case, the Observation Commencement Date will also be postponed to the postponed Listing Date.

⁴ The closing level of the Index as compiled and published by the Index Compiler in respect of the Index Business Day immediately preceding the Observation Commencement Date will be deemed as the Spot Level of the Index as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date.

⁵ If such day is not the day on which the relevant Index Futures Contracts expire on the Index Futures Exchange, the day on which the relevant Index Futures Contracts will expire on the Index Futures Exchange.

⁶ If such day is not a Business Day, the immediately following Business Day. “**Business Day**” is defined in the Conditions to mean a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong.

⁷ This data may fluctuate during the life of the CBBCs and may not be comparable to similar information provided by other issuers of callable bull/bear contracts. Each issuer may use different pricing models.

IMPORTANT INFORMATION

The CBBCs are listed structured products which involve derivatives. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.

What documents should you read before investing in the CBBCs?

You must read this document together with our base listing document dated 23 March 2022 (the “**Base Listing Document**”), as supplemented by any addendum thereto (together, the “**Listing Documents**”), in particular the section “Terms and Conditions of Cash Settled Callable Bull/Bear Contracts over an Index” (the “**Conditions**”) set out in our Base Listing Document. This document (as read in conjunction with our Base Listing Document and each addendum referred to in the section headed “**Product Summary Statement**”) is accurate as at the date of this document. You should carefully study the risk factors set out in the Listing Documents. You should also consider your financial position and investment objectives before deciding to invest in the CBBCs. We cannot give you investment advice. You must decide whether the CBBCs meet your investment needs before investing in the CBBCs.

Is there any guarantee or collateral for the CBBCs?

No. Our obligations under the CBBCs are neither guaranteed by any third party, nor collateralised with any of our assets or other collaterals. When you purchase our CBBCs, you are relying on our creditworthiness only, and of no other person. If we become insolvent or default on our obligations under the CBBCs, you can only claim as an unsecured creditor of the Issuer. In such event, you may not be able to recover all or even part of the amount due under the CBBCs (if any).

What are the Issuer’s credit ratings?

The Issuer’s long term credit ratings are:

<i>Rating agency</i>	<i>Rating as of the Launch Date</i>
Moody’s Investors Service Ltd.	Aa3 (stable outlook)
S&P Global Ratings Europe Limited, Frankfurt branch	A+ (stable outlook)

Rating agencies usually receive a fee from the companies that they rate. When evaluating our creditworthiness, you should not solely rely on our credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the CBBCs;
- ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence;
- a high credit rating is not necessarily indicative of low risk. Our credit ratings as of the Launch Date are for reference only. Any downgrading of our credit ratings could result in a reduction in the value of the CBBCs;
- a credit rating is not an indication of the liquidity or volatility of the CBBCs; and
- a credit rating may be downgraded if our credit quality declines.

The CBBCs are not rated.

The Issuer’s credit ratings are subject to change or withdrawal at any time within each rating agency’s sole discretion. You should conduct your own research using publicly available sources to obtain the latest information with respect to the Issuer’s ratings from time to time.

Is the Issuer regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission referred to in Rule 15A.13(3)?

We are a licensed bank regulated by the Hong Kong Monetary Authority. We are also authorised and regulated by the Financial Market Supervisory Authority in Switzerland, and authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom.

Is the Issuer subject to any litigation?

Save as disclosed in the Listing Documents, we and our subsidiaries are not aware of any litigation or claims of material importance pending or threatened against us or them.

Has our financial position changed since last financial year-end?

There has been no material adverse change in our financial or trading position since 31 December 2021.

PRODUCT SUMMARY STATEMENT

The CBBCs are listed structured products which involve derivatives. This statement provides you with key information about the CBBCs. You should not invest in the CBBCs based on the information contained in this statement alone. You should read and understand the remaining sections of this document, together with the other Listing Documents, before deciding whether to invest.

Overview of the CBBCs

- **What is a CBBC?**

A CBBC linked to an index is an instrument which tracks the performance of the underlying index.

The trading price of the CBBCs tends to follow closely the movement of the Index level in dollar value.

Similar to a derivative warrant, a CBBC may provide a leveraged return to you. Conversely, such leverage could also magnify your losses.

A bull CBBC is designed for an investor holding a view that the level of the underlying index will increase during the term of the CBBC.

A bear CBBC is designed for an investor holding a view that the level of the underlying index will decrease during the term of the CBBC.

- **How do the CBBCs work?**

The CBBCs are European style cash settled callable bull/bear contracts linked to the Index. Subject to no occurrence of a Mandatory Call Event (see “Mandatory call feature” below), the CBBCs can only be exercised on the Expiry Date.

Mandatory call feature

A Mandatory Call Event occurs if the Spot Level is at or below (in respect of a series of bull CBBCs) or at or above (in respect of a series of bear CBBCs) the Call Level at any time during an Index Business Day in the Observation Period.

The Observation Period commences from the Observation Commencement Date up to and including the close of trading of the Stock Exchange (Hong Kong time) on the Trading Day immediately preceding the Expiry Date (both dates inclusive). “**Trading Day**” means any day on which the Stock Exchange is scheduled to open for trading for its regular trading sessions.

For the purpose of determining if the Mandatory Call Event has occurred on the Observation Commencement Date, the closing level of the Index as compiled and published by the Index Compiler in respect of the Index Business Day immediately preceding the Observation Commencement Date will be deemed as the Spot Level of the Index as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date. The Mandatory Call Event will be deemed to have occurred as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date if the relevant Spot Level is at or below (in respect of a series of bull CBBCs) or at or above (in respect of a series of bear CBBCs) the Call Level.

Except for the Spot Level determination as at 9:00am (Hong Kong time) on the Observation Commencement Date as described above, the time at which the Mandatory Call Event occurs will be determined by reference to the time the relevant Index level is published by the Index Compiler. The Index level is calculated and published during the trading hours of the Index Exchange. The trading days and hours of the Index Exchange (based on Hong Kong time) is different from that of the Stock Exchange. The Mandatory Call Event will only be triggered during non-trading hours of the Stock Exchange if the Spot Level is at or below (in respect of a series of bull CBBCs) or at or above (in respect of a series of bear CBBCs) the Call Level during the Observation Period.

Upon the occurrence of a Mandatory Call Event:

- (i) trading in the CBBCs will be suspended before the commencement of the continuous trading session of the Stock Exchange immediately following the Mandatory Call Event (for the avoidance of doubt, where the Mandatory Call Event is deemed to have occurred as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date, trading in the CBBCs will be suspended before the commencement of the continuous trading session of the Stock Exchange on the Observation Commencement Date); and
- (ii) subject to the limited circumstances set out in the Conditions in which a Mandatory Call Event may be reversed, the CBBCs will be terminated and all Post MCE Trades will be invalid and will be cancelled and will not be recognised by us or the Stock Exchange. The term “**Post MCE Trades**” means, subject to such modification and amendment prescribed by the Stock Exchange from time to time, all trades concluded after the Mandatory Call Event.

Residual Value calculation

The CBBCs are Category R as the Call Level is different from the Strike Level. Upon the occurrence of a Mandatory Call Event, the holder may be entitled to a cash amount called the “**Residual Value**” net of any Exercise Expenses (as defined under the heading “Exercise Expenses” in the sub-section titled “What are the fees and charges?” below).

The Residual Value will be calculated in accordance with a formula by reference to the lowest Spot Level (in respect of a series of bull CBBCs) or the highest Spot Level (in respect of a series of bear CBBCs) of the Index in the trading session during which a Mandatory Call Event occurs and in the following session, subject to potential extension as further described in Condition 2.

The Residual Value per Board Lot (if any) payable is calculated as follows:

In respect of a series of bull CBBCs:

$$\frac{(\text{Minimum Index Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

(converted into the Settlement Currency at the Exchange Rate)

In respect of a series of bear CBBCs:

$$\frac{(\text{Strike Level} - \text{Maximum Index Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

(converted into the Settlement Currency at the Exchange Rate)

Where:

“**Minimum Index Level**” means, in respect of a series of bull CBBCs, the lowest Spot Level of the Index during the MCE Valuation Period;

“**Maximum Index Level**” means, in respect of a series of bear CBBCs, the highest Spot Level of the Index during the MCE Valuation Period;

“**MCE Valuation Period**” means, subject to any extension (as described in further detail in the Conditions), the period commencing from and including the moment upon which the Mandatory Call Event occurs and up to the end of the following trading session on the Index Exchange. For the avoidance of doubt, if the Mandatory Call Event is deemed to have occurred as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date, the MCE Valuation Period means the period commencing from and including the moment upon which the Mandatory Call Event occurs (i.e. 9:00a.m. (Hong Kong time) on the Observation Commencement Date) and up to the end of the following trading session on the Index Exchange; and

“**Spot Level**” means the spot level of the Index as compiled and published by the Index Compiler (expressed in the nearest 2 decimal places), provided that for the purpose of determining the Spot Level as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date, the closing level of the Index as compiled and published by the Index Compiler in respect of the Index Business Day immediately preceding the Observation Commencement Date (expressed in the nearest 2 decimal places) will be deemed as the relevant Spot Level as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date. For the avoidance of doubt, in rounding the spot level of the Index as compiled and published by the Index Compiler, if the relevant figure is 0.005 or above, it will be rounded up to 0.01. If the relevant figure is below 0.005, it will be rounded down to 0.00.

If the Residual Value is equal to or less than the Exercise Expenses (if any), you will lose all of your investment.

At expiry

If a Mandatory Call Event has not occurred during the Observation Period, the CBBCs will be terminated on the Expiry Date.

A bull CBBC will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Closing Level is above the Strike Level. The more the Closing Level is above the Strike Level, the higher the payoff at expiry. If the Closing Level is at or below the Strike Level, you will lose all of your investment in the bull CBBC.

A bear CBBC will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Closing Level is below the Strike Level. The more the Closing Level is below the Strike Level, the higher the payoff at expiry. If the Closing Level is at or above the Strike Level, you will lose all of your investment in the bear CBBC.

Upon the automatic exercise of the CBBCs, the holder is entitled to a cash amount called the “**Cash Settlement Amount**” net of any Exercise Expenses (as defined under the heading “Exercise Expenses” in the sub-section titled “What are the fees and charges?” below) according to the terms and conditions in the Listing Documents. **If the Cash Settlement Amount is equal to or less than the Exercise Expenses (if any), you will lose all of your investment in the CBBCs.**

Can you sell the CBBCs before the Expiry Date?

- Yes. We have made an application for listing of, and permission to deal in, the CBBCs on the Stock Exchange. All necessary arrangements have been made to enable the CBBCs to be admitted into the Central Clearing and Settlement System (“CCASS”). Issue of the CBBCs is conditional upon listing approval being granted. From the Listing Date up to the Trading Day immediately preceding the Expiry Date (both dates inclusive), you may sell or buy the CBBCs on the Stock Exchange. No application has been made to list the CBBCs on any other stock exchange.

The CBBCs may only be transferred in a Board Lot (or integral multiples thereof). Where a transfer of CBBCs takes place on the Stock Exchange, currently settlement must be made not later than two CCASS Settlement Days after such transfer.

The Liquidity Provider will make a market in the CBBCs by providing bid and/or ask prices. See the section headed “Liquidity” below.

- **What is your maximum loss?**

The maximum loss in the CBBCs will be your entire investment amount plus any transaction costs.

- **What are the factors determining the price of a CBBC?**

The price of a CBBC linked to an index generally depends on the level of the underlying index (being the Index for the CBBCs). However, throughout the term of the CBBCs, the price of the CBBCs will be influenced by a number of factors, including:

- the Strike Level and Call Level of the CBBCs;
- the likelihood of the occurrence of a Mandatory Call Event;
- the probable range of Residual Value (if any) upon the occurrence of a Mandatory Call Event;
- the time remaining to expiry;
- the interim interest rates and expected dividend payments or other distributions on any components comprising the Index;
- the liquidity of the futures contracts relating to the Index;
- the supply and demand for the CBBCs;
- the prevailing exchange rates;
- the probable range of the Cash Settlement Amount;
- our related transaction costs and taxes (including any applicable withholding tax); and
- the creditworthiness of the Issuer.

Although the price of the CBBCs tends to follow closely the movement of the Index level in dollar value, movements in the price of the CBBCs are affected by a number of factors (including those as set out above) and may not always follow closely the movements in the Index level, especially when the Spot Level is close to the Call Level or there may be expected dividend payments or other distributions on any components comprising the Index during the life of the CBBCs. It is possible that the price of the CBBCs does not increase as much as the increase (in respect of the bull CBBCs) or decrease (in respect of the bear CBBCs) in the level of the Index.

Risks of investing in the CBBCs

You must read the section headed “Key Risk Factors” in this document together with the risk factors set out in our Base Listing Document. You should consider all these factors collectively when making your investment decision.

Liquidity

- **How to contact the Liquidity Provider for quotes?**

Liquidity Provider:	UBS Securities Hong Kong Limited
Address:	52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
Telephone Number:	+ 852 2971 6628

The Liquidity Provider is regulated by the Stock Exchange and the Securities and Futures Commission. It is an affiliate of the Issuer and will act as our agent in providing quotes. You can request a quote by calling the Liquidity Provider at the telephone number above.

- **What is the Liquidity Provider’s maximum response time for a quote?**

The Liquidity Provider will respond within 10 minutes and the quote will be displayed on the Stock Exchange’s designated stock page for the CBBCs.

- **Maximum spread between bid and ask prices: 20 spreads**

- **Minimum quantity for which liquidity will be provided: 20 Board Lots**

- **What are the circumstances under which the Liquidity Provider is not obliged to provide liquidity?**

There will be circumstances under which the Liquidity Provider is not obliged to provide liquidity. Such circumstances include:

- upon the occurrence of a Mandatory Call Event;
- during the first 5 minutes of each morning trading session or the first 5 minutes after trading commences for the first time on a Trading Day;
- during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Stock Exchange;
- when the CBBCs are suspended from trading for any reason;
- if there occurs or exists any suspension of or limitation imposed on trading of options or futures contracts relating to the Index or if the Index level is not calculated or published as scheduled for any reason;
- when there are no CBBCs available for market making activities. In such event, the Liquidity Provider shall continue to provide bid prices. CBBCs held by us or any of our affiliates in a fiduciary or agency capacity are not CBBCs available for market making activities;

- (vii) when there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;
- (viii) if the stock market experiences exceptional price movement and high volatility over a short period of time which materially affects the Liquidity Provider's ability to source a hedge or unwind an existing hedge; or
- (ix) if the theoretical value of the CBBCs is less than HKD0.01. If the Liquidity Provider chooses to provide liquidity under this circumstance, both bid and ask prices will be made available.

You should read the sub-section entitled "Possible limited secondary market" under the "Key Risk Factors" section for further information on the key risks when the Liquidity Provider is not able to provide liquidity.

How can you obtain further information?

- **Information about the Index**

You may obtain information on the Index by visiting the Index Compiler's website at <https://www.nasdaq.com/nasdaq-100>.

- **Information about the CBBCs after issue**

You may visit the Stock Exchange's website at

https://www.hkex.com.hk/products/securities/structured-products/overview?sc_lang=en or our website at <http://warrants.ubs.com/en> to obtain information on the CBBCs or any notice given by us or the Stock Exchange in relation to the CBBCs.

- **Information about us**

You should read the section "Updated Information about Us" in this document. You may visit <http://www.ubs.com> to obtain general corporate information about us.

We have included references to websites in this document to indicate how further information may be obtained. Information appearing on those websites does not form part of the Listing Documents. We accept no responsibility for the accuracy or completeness of the information appearing on those websites. You should conduct your own due diligence (including without limitation web searches) to ensure that you are viewing the most up-to-date information.

What are the fees and charges?

- **Trading Fees and Levies**

For each transaction effected on the Stock Exchange, the following trading fees and levies calculated on the value of the consideration for the CBBCs will be payable by each of the seller and the buyer:

- (i) a trading fee of 0.00565 per cent. charged by the Stock Exchange;
- (ii) a transaction levy of 0.0027 per cent. charged by the Securities and Futures Commission; and
- (iii) a transaction levy of 0.00015 per cent. charged by the Financial Reporting Council.

The levy for the investor compensation fund is currently suspended.

- **Exercise Expenses**

You are responsible for any Exercise Expenses. Exercise Expenses mean any charges or expenses including any taxes or duties which are incurred in respect of the early termination of the CBBCs upon the occurrence of a Mandatory Call Event or the exercise of the CBBCs at expiry. Any Exercise Expenses will be deducted from the Residual Value or the Cash Settlement Amount payable at expiry (if any, as the case may be). If the Residual Value or the Cash Settlement Amount payable at expiry (as the case may be) is equal to or less than the Exercise Expenses, no amount is payable. As at the date of this document, no Exercise Expenses are payable for cash settled callable bull/bear contracts (including the CBBCs).

- **Stamp Duty**

No stamp duty is currently payable in Hong Kong on transfer of cash settled callable bull/bear contracts (including the CBBCs).

You should note that any transaction cost will reduce your gain or increase your loss under your investment in the CBBCs.

What is the legal form of the CBBCs?

Each series of the CBBCs will be represented by a global certificate in the name of HKSCC Nominees Limited that is the only legal owner of the CBBCs. We will not issue definitive certificates for the CBBCs. You may arrange for your broker to hold the CBBCs in a securities account on your behalf, or if you have a CCASS Investor Participant securities account, you may arrange for the CBBCs to be held in such account. You will have to rely on the records of CCASS and/or the statements you receive from your brokers as evidence of your beneficial interest in the CBBCs.

Can we adjust the terms or early terminate the CBBCs?

The occurrence of certain events (including, without limitation, a succession of the Index or Index Compiler, modification or cessation of calculation of the Index) may entitle us to adjust the terms and conditions of the CBBCs. However, we are not obliged to adjust the terms and conditions of the CBBCs for every event that affects the Index.

We may early terminate the CBBCs if it becomes illegal or impracticable for us (i) to perform our obligations under the CBBCs as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the CBBCs due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the CBBCs less our cost of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero.

Please refer to Conditions 3 and 6 for details about adjustments or early termination events. Such events may negatively affect your investment and you may suffer a loss.

Mode of settlement for the CBBCs

Subject to early termination upon the occurrence of a Mandatory Call Event, the CBBCs will be automatically exercised on the Expiry Date in integral multiples of the Board Lot if the Cash Settlement Amount is positive. If the Cash Settlement Amount is zero or negative, or is equal to or less than the Exercise Expenses, you will lose all of your investment.

Upon the occurrence of a Mandatory Call Event, the CBBCs will be early terminated and the holder is entitled to the Residual Value (if any) net of any Exercise Expenses.

We will deliver a cash amount in the Settlement Currency equal to the Residual Value or the Cash Settlement Amount payable at expiry net of any Exercise Expenses (if any) no later than the Settlement Date to HKSCC Nominees Limited (as the registered holder of the CBBCs), which will then distribute such amount to the securities account of your broker (and if applicable, its custodian) or to your CCASS Investor Participant securities account (as the case may be). You may have to rely on your broker (and if applicable, its custodian) to ensure that the Residual Value or the Cash Settlement Amount payable at expiry (if any) is credited to your account maintained with your broker. Once we make the payment to HKSCC Nominees Limited, who operates CCASS, you will have no further right against us for that payment, even if CCASS or your broker (and if applicable, its custodian) does not transfer your share of payment to you, or is late in making such payment transfer.

Payment of the Residual Value or the Cash Settlement Amount payable at expiry (if any) may be delayed if a Settlement Disruption Event occurs on the Settlement Date, as a result of which we are unable to deliver such amount through CCASS on such day. See Condition 4(G) for further information.

Where can you read the relevant documents of the CBBCs?

Copies of the following documents are available on the website of the HKEX at www.hkexnews.hk and our website at <http://warrants.ubs.com/en>:

- each of the Listing Documents (in separate English and Chinese versions), including:
 - this document
 - our Base Listing Document
 - the addendum to the Base Listing Document dated 25 November 2022which include our latest audited consolidated financial statements and any interim or quarterly financial statements; and
- the consent letter of our Auditors.

以上各文件可於香港交易所披露易網站(www.hkexnews.hk) 以及本公司網站 <http://warrants.ubs.com/ch/> 瀏覽。

Are there any dealings in the CBBCs before the Listing Date?

It is possible that there may have been dealings in the CBBCs before the Listing Date. If there are any dealings in the CBBCs by us or any of our subsidiaries or associated companies from the Launch Date prior to the Listing Date, we will report those dealings to the Stock Exchange by the Listing Date and such report will be released on the website of the Stock Exchange.

Have the auditors consented to the inclusion of their report to the Listing Documents?

Our auditors (“**Auditors**”) have given and have not since withdrawn their written consent to the inclusion of their report dated 4 March 2022 and/or the references to their name in our Base Listing Document, in the form and context in which they are included. Their report was not prepared for incorporation into our Base Listing Document. The Auditors do not own any of our shares or shares in any member of our group, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities or securities of any member of our group.

Authorisation of the CBBCs

The issue of the CBBCs was authorised by our board of directors on 19 September 2001.

Selling restrictions

The CBBCs have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and will not be offered, sold, delivered or traded, at any time, indirectly or directly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in the Securities Act).

The offer or transfer of the CBBCs is also subject to the selling restrictions specified in our Base Listing Document.

United States federal income taxation

Section 871(m). A 30% withholding tax (which may be reduced by an applicable income tax treaty) is imposed under Section 871(m) of the U.S. Internal Revenue Code (the “**Code**”) on certain “dividend equivalents” paid or deemed paid to a non-U.S. holder with respect to a “specified equity-linked instrument” that references one or more dividend-paying U.S. equity securities or indices containing U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. Treasury regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one (“**delta-one specified equity-linked instruments**”) issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018. However, the U.S. Internal Revenue Service (“**IRS**”) has issued guidance that states that the Treasury and the IRS intend to amend the effective dates of the Treasury regulations to provide that withholding on dividend equivalents paid or deemed paid will not apply to specified equity-linked instruments that are not delta-one specified equity-linked instruments and are issued before January 1, 2025.

In addition, the dividend equivalent withholding tax generally will not apply to specified equity-linked instruments that reference certain “qualified indexes” (as defined under U.S. Treasury Department regulations). A qualified index is generally a passive index that is based on a diverse basket of publicly-traded securities and that are widely used by numerous market participants.

Based on our determination, as of the date of this document, that the Index referenced by the CBBCs is a qualified index and that the CBBCs are not “delta-one” with respect to any underlying asset or any underlying constituents, we believe that the CBBCs should not be delta-one specified equity-linked instruments and thus should not be subject to withholding on dividend equivalents. Our determination is not binding on the IRS, and the IRS may disagree with this determination. Furthermore, the application of Section 871(m) of the Code will depend on determinations on the date the terms of the CBBCs are set or when such CBBCs are issued.

Nevertheless, CBBCs issued subsequent to the initial issuance at a time when the level of the Index is significantly greater than the Strike Level may be treated as delta one specified equity-linked instruments. In addition, it is possible that, after the date the terms are set and the CBBCs are issued, the CBBCs could be deemed to be reissued for U.S. federal income tax purposes upon the occurrence of certain events affecting the Index, the underlying Index constituents or the CBBCs, and following such occurrence the CBBCs could be treated as delta-one specified equity-linked instruments that are subject to withholding on dividend equivalents. It is also possible that withholding tax or other tax under Section 871(m) of the Code could apply to the CBBCs under these rules if a non-U.S. holder enters, or has entered, into certain other transactions in respect of the underlying Index, any underlying Index constituents or the CBBCs. A non-U.S. holder that enters, or has entered, into other transactions in respect of the underlying Index, any underlying Index constituents or the CBBCs should consult its tax advisor regarding the application of Section 871(m) of the Code to the CBBCs in the context of its other transactions.

If withholding pursuant to Section 871(m) of the Code is required or made by a withholding agent, UBS AG, UBS Group AG or any other person will not be required under the terms of the CBBCs to pay additional amounts as a result of the withholding.

Because of the uncertainty regarding the application of the 30% withholding tax on dividend equivalents to the CBBCs, you are urged to consult your tax advisor regarding the potential application of Section 871(m) of the Code and the 30% withholding tax to an investment in the CBBCs.

Foreign Account Tax Compliance Act. The Foreign Account Tax Compliance Act (“**FATCA**”) was enacted on March 18, 2010, and imposes a 30% U.S. withholding tax on “withholdable payments” (i.e., certain U.S.-source payments, including interest (and original issue discount), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce U.S.-source interest or dividends) and “passthru payments” (i.e., certain payments attributable to withholdable payments) made to certain foreign financial institutions (and certain of their affiliates) unless the payee foreign financial institution agrees (or is required), among other things, to disclose the identity of any U.S. individual with an account of the institution (or the relevant affiliate) and to annually report certain information about such account. FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or do not certify that they do not have any substantial U.S. owners) to withhold tax at a rate of 30%. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

Pursuant to final and temporary Treasury regulations and other IRS guidance, the withholding and reporting requirements under FATCA will generally apply to certain “withholdable payments”, will not apply to gross proceeds on a sale or disposition, and will apply to certain foreign passthru payments only to the extent that such payments are made after the date that is two years after final regulations defining the term “foreign passthru payment” are published. While CBBCs issued on or prior to such date may be grandfathered for purposes of FATCA withholding on foreign passthru payments unless materially modified after such date or classified as equity for U.S. federal income tax purposes, if additional CBBCs that are not distinguishable from previously issued CBBCs are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all CBBCs, including the CBBCs offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

If withholding is required, we (or the applicable paying agent) will not be required to pay additional amounts with respect to the amounts so withheld. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon an investor's particular situation. Prospective investors should consult their own tax advisers with respect to the tax consequences to them of the ownership and disposition of the CBBCs and any related transactions, including the tax consequences under state, local, non-U.S. and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

The above information is of a general nature only and is not intended to be a comprehensive description of all potential relevant tax considerations. We do not provide any tax advice for the CBBCs. Tax treatment depends on the individual circumstances of each client and clients must therefore seek their own tax advice from a reputable service provider. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgment and advice from those advisors you consider necessary.

Capitalised terms and inconsistency

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the Conditions. If this document is inconsistent with our Base Listing Document, this document shall prevail.

INFORMATION ON THE INDEX

The information on the Index set out below is extracted from or based on the English version of publicly available information and, in particular, information from the Index Compiler at its website. We do not give any representation whatsoever as to the truth, accuracy, completeness, adequacy or reasonableness of any of the information contained therein whether as at the date of this document or any other time, save that we have taken reasonable care to correctly extract, summarise and/or reproduce such information.

Who is the Index Compiler?

The Index is compiled and published by NASDAQ, Inc. (the “**Index Compiler**”).

How is the Index level disseminated?

The Index level is disseminated through the website of the Index Compiler at <https://www.nasdaq.com/nasdaq-100> and various information vendors. You should contact your stockbroker for further information.

Description of the Index

The Index is a modified market capitalization-weighted index of 100 of the largest non-financial domestic and international issuers listed on The NASDAQ Stock Market. No single security can have more than a 24% weighting of the Index. The Index was developed with a base value of 125 as of 31 January 1985.

Constituent stocks of the Index

The Index includes 100 of the largest non-financial securities listed on The NASDAQ Stock Market based on market capitalization. It does not contain securities of financial companies including investment companies. An updated list of the constituent stocks comprising the Index is available at <https://www.nasdaq.com/market-activity/quotes/nasdaq-ndx-index>.

How is the Index calculated?

The Index is a modified market capitalization-weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index Shares, of each of the Index Securities multiplied by each security’s last sale price, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for Index reporting purposes. If trading in an Index Security is halted on its primary listing market, the most recent last sale price for that security is used for all index computations until trading on such market resumes. Likewise, the most recent last sale price is used if trading in a security is halted on its primary listing market before the market is open. The Index began on 31 January 1985 at a base value of 125.00, as adjusted.

The formula for index value is as follows:

Aggregate Adjusted Market Value/Divisor

The formula for the divisor is as follows:

(Market Value after Adjustments/Market Value before Adjustments) x Divisor before Adjustments

What are the arrangements if the Index is not published by the Index Compiler?

If the Index Compiler fails to calculate and publish the index level, we shall determine the index level of the Index using, in lieu of a published level for the Index, the level for the Index as at the relevant day as determined by us in accordance with the formula for and method of calculating the Index last in effect prior to such failure, but using only those constituent securities that comprised the Index immediately prior to such failure (other than those constituent securities that have since ceased to be listed on the relevant exchange).

What are the historic highs and lows of the Index for the last 5 years?

The highest and lowest closing levels of the Index from the year 2018 to 2023 (up to the latest practicable date) are:

Year	Highest closing level	Lowest closing level
2018	7,660.18	5,899.35
2019	8,778.31	6,147.13
2020	12,888.28	6,994.29
2021	16,573.34	12,299.08
2022	16,501.77	10,679.34
2023 (as at the latest practicable date)	12,803.14	10,741.22

What is the closing level of the Index on the latest practicable date?

According to information published on the Index Compiler's website, the closing level of the Index as at the close of business on the latest practicable date was 12,044.87.

Index disclaimer

Nasdaq®, NASDAQ Stock Market® and NASDAQ-100® Index are registered trademarks of Nasdaq, Inc. (which with its affiliates is referred to as the "Nasdaq Corporation").

The CBBCs are not sponsored, endorsed, sold or promoted by the Nasdaq Corporation. The Nasdaq Corporation has not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the CBBCs. The Nasdaq Corporation makes no warranty or representation, express or implied, to the owners of the CBBCs or any member of the public regarding the advisability of investing in securities generally or in the CBBCs particularly, or the ability of the Index to track general stock market performance. The Nasdaq Corporation's only relationship to the Issuer (the "Licensee") is in the licensing of the Nasdaq® and certain trade names of the Nasdaq Corporation and the use of the Index which is determined, composed and calculated by the Nasdaq Corporation without regard to the Licensee or the CBBCs. The Nasdaq Corporation has no obligation to take the needs of the Licensee or the owners of the CBBCs into consideration in determining, composing or calculating the Index. The Nasdaq Corporation is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the CBBCs to be issued or in the determination or calculation of the equation by which the CBBCs are to be converted into cash. The Nasdaq Corporation has no liability in connection with the administration, marketing or trading of the CBBCs.

THE NASDAQ CORPORATION DOES NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE NASDAQ CORPORATION MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE LICENSEE, OWNERS OF THE CBBCs, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE NASDAQ CORPORATION MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE NASDAQ CORPORATION HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

For more information on the Index, please visit the Index website, <https://www.nasdaq.com/nasdaq-100>.

KEY RISK FACTORS

You must read these key risk factors together with the risk factors set out in our Base Listing Document. These key risk factors do not necessarily cover all risks related to the CBBCs. If you have any concerns or doubts about the CBBCs, you should obtain independent professional advice.

Non-collateralised structured products

The CBBCs are not secured on any of our assets or any collateral.

Credit risk

If you invest in the CBBCs, you are relying on our creditworthiness and of no other person. If we become insolvent or default on our obligations under the CBBCs, you can only claim as our unsecured creditor regardless of the performance of the Index and may not be able to recover all or even part of the amount due under the CBBCs (if any). You have no rights under the terms of the CBBCs against the Index Compiler or any company which has issued any constituent securities of the Index.

Resolution and recovery regime

We, UBS AG, are incorporated in Switzerland. Under the Swiss Banking Act, the Swiss Financial Market Supervisory Authority FINMA is able to exercise broad statutory powers with respect to Swiss banks and Swiss parent companies of financial groups, such as UBS AG and UBS Group AG (i.e. our holding company), if there is justified concern that the entity is over-indebted, has serious liquidity problems or, after the expiration of any relevant deadline, no longer fulfils capital adequacy requirements. These powers include powers to (i) transfer all or some of our liabilities under the CBBCs to another entity and (ii) convert into equity or write down our liabilities under the CBBCs. The exercise of any resolution power by the relevant resolution authorities in respect of UBS AG could materially adversely affect the value of, or your potential return under, the CBBCs. In the worst case scenario, you may get nothing back and you could lose all of your investment.

Financial Institutions (Resolution) Ordinance

The Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (the “**FIRO**”) was enacted by the Legislative Council of Hong Kong in June 2016. The FIRO (except Part 8, section 192 and Division 10 of Part 15 thereof) came into operation on 7 July 2017.

The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The FIRO seeks to provide the relevant resolution authorities with a range of powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution in Hong Kong. In particular, it is envisaged that subject to certain safeguards, the relevant resolution authority would be provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution, including but not limited to powers to write off, or convert into equity, all or a part of the liabilities of the failing financial institution.

As an authorised institution regulated by the Hong Kong Monetary Authority, we are subject to and bound by the FIRO. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of us may have a material adverse effect on the value of the CBBCs, and as a result, you may not be able to recover all or any amount due under the CBBCs.

CBBCs are not principal protected and may become worthless

Given the gearing effect inherent in the CBBCs, a small change in the Index level may lead to a substantial price movement in the CBBCs.

Unlike stocks, the CBBCs have a limited life and will be early terminated upon the occurrence of a Mandatory Call Event or expire on the Expiry Date. In the worst case, the CBBCs may be early terminated or expire with no value and you will lose all of your investment. The CBBCs may only be suitable for experienced investors who are willing to accept the risk that they may lose all their investment.

The CBBCs can be volatile

Prices of the CBBCs may rise or fall rapidly. You should carefully consider, among other things, the following factors before dealing in the CBBCs:

- (i) the Strike Level and Call Level of the CBBCs;
- (ii) the likelihood of the occurrence of a Mandatory Call Event;
- (iii) the probable range of Residual Value (if any) upon the occurrence of a Mandatory Call Event;
- (iv) the time remaining to expiry;
- (v) the interim interest rates and expected dividend payments or other distributions on any components comprising the Index;
- (vi) the liquidity of the futures contracts relating to the Index;
- (vii) the supply and demand for the CBBCs;
- (viii) the probable range of the Cash Settlement Amount;
- (ix) the related transaction cost (including the Exercise Expenses, if any) and taxes (including any applicable withholding tax);
- (x) the prevailing exchange rates; and
- (xi) the creditworthiness of the Issuer.

The value of the CBBCs may not follow closely the movements in the level of the Index. If you buy the CBBCs with a view to hedge against your exposure to any futures contract relating to the Index, it is possible that you could suffer loss in your investment in that futures contract and the CBBCs.

In particular, you should note that when the Spot Level of the Index is close to the Call Level, the trading price of the CBBCs will be more volatile. The change in the trading price of the CBBCs may not be comparable and may be disproportionate with the change in the Index level. In such case, a small change in the Index level may lead to a substantial price movement in the CBBCs.

Mandatory Call Event is irrevocable

A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

- (i) system malfunction or other technical errors of HKEX (such as the setting up of wrong Call Level or other parameters); or
- (ii) manifest errors caused by the relevant third party price source where applicable,

and provided that the relevant event is communicated to the other party by 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Day of Notification and we agree with the Stock Exchange that such Mandatory Call Event is to be revoked.

In such case, the Mandatory Call Event so triggered will be reversed and all trades cancelled (if any) will be reinstated and the trading of the CBBCs will resume.

Delay in Mandatory Call Event notification

We will notify the market as soon as reasonably practicable after the occurrence of a Mandatory Call Event. You should be aware that there may be a delay in our announcement of a Mandatory Call Event due to technical errors, system failures and other factors that are beyond the reasonable control of the Stock Exchange and us. In addition, the Index level is calculated and published during the trading hours of the Index Exchange. The trading days and hours of the Index Exchange (based on Hong Kong time) is different from that of the Stock Exchange. Except for the Spot Level as at 9:00am (Hong Kong time) on the Observation Commencement Date, the Mandatory Call Event will only be triggered during non-trading hours of the Stock Exchange if the Spot Level is at or below (in respect of a series of bull CBBCs) or at or above (in respect of a series of bear CBBCs) the Call Level during the Observation Period. In such event, we will notify the market as soon as reasonably practicable on the next Trading Day.

Non-Recognition of Post MCE Trades

The Stock Exchange and its recognised exchange controller, HKEX, will not incur any liability (whether based on contract, tort, (including, without limitation, negligence), or any other legal or equitable grounds and without regard to the circumstances giving rise to any purported claim except in the case of wilful misconduct on the part of the Stock Exchange and/or HKEX) for, any direct, consequential, special, indirect, economic, punitive, exemplary or any other loss or damage suffered or incurred by us or any other party arising from or in connection with the Mandatory Call Event or the suspension of trading (“**Trading Suspension**”) or the non-recognition of trades after a Mandatory Call Event (“**Non-Recognition of Post MCE Trades**”), including without limitation, any delay, failure, mistake or error in the Trading Suspension or Non-Recognition of Post MCE Trades.

We and our affiliates shall not have any responsibility for any losses suffered as a result of the Trading Suspension and/or Non-Recognition of Post MCE Trades in connection with the occurrence of a Mandatory Call Event, notwithstanding that such Trading Suspension or Non-Recognition of Post MCE Trades may have occurred as a result of an error in the observation of the event.

You may lose your entire investment when a Mandatory Call Event occurs

Unlike warrants, CBBCs has a mandatory call feature and trading in the CBBCs will be suspended when the Spot Level reaches the Call Level (subject to the circumstances in which a Mandatory Call Event will be reversed as set out in the sub-section titled “Mandatory Call Event is irrevocable” below). For the purpose of determining if the Mandatory Call Event has occurred on the Observation Commencement Date, the closing level of the Index as compiled and published by the Index Compiler in respect of the Index Business Day immediately preceding the Observation Commencement Date will be deemed as the Spot Level of the Index as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date. The Mandatory Call Event will be deemed to have occurred as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date if the relevant Spot Level is at or below (in respect of a series of bull CBBCs) or at or above (in respect of a series of bear CBBCs) the Call Level. No investors can sell the CBBCs after the occurrence of a Mandatory Call Event. Even if the level of the Index bounces back in the right direction, the CBBCs which have been terminated as a result of the Mandatory Call Event will not be revived and investors will not be able to profit from the bounce-back. Investors may receive a Residual Value after the occurrence of a Mandatory Call Event but such amount may be zero.

Residual Value will not include residual Funding Cost

The Residual Value (if any) payable by us following the occurrence of a Mandatory Call Event will not include the residual Funding Cost for the CBBCs. When a Mandatory Call Event occurs, the investors will lose the Funding Cost for the full period.

Our hedging activities

Our trading and/or hedging activities or those of our related parties related to the CBBCs and/or other financial instruments issued by us from time to time may have an impact on the Index level and may trigger a Mandatory Call Event.

In particular, when the Spot Level of the Index is close to the Call Level, our unwinding activities in relation to the Index may cause a fall or rise (as the case may be) in the Index level leading to a Mandatory Call Event as a result of such unwinding activities.

Before the occurrence of a Mandatory Call Event, we or our related party may unwind our hedging transactions relating to the CBBCs in proportion to the amount of the CBBCs we repurchase from the market from time to time. Upon the occurrence of a Mandatory Call Event, we or our related party may unwind any hedging transactions relating to the CBBCs. Such unwinding activities after the occurrence of a Mandatory Call Event may affect the Index level and consequently the Residual Value for the CBBCs.

Time decay

All other factors being equal, the value of a CBBC is likely to decrease over time. Therefore, the CBBCs should not be viewed as a product for long term investments.

Fluctuation in the Funding Cost

The Issue Price of the CBBCs is set by reference to the difference between the initial reference spot level of the Index and the Strike Level, plus the applicable Funding Cost as of the Launch Date. The initial Funding Cost applicable to the CBBCs is specified in the section headed “Key Terms” in this document. It will fluctuate throughout the life of the CBBCs as the funding rate may change from time to time. The funding rate is a rate determined by us based on one or more of the following factors, including but not limited to the Strike Level, the prevailing interest rate, the prevailing exchange rate, the expected life of the CBBCs, any expected notional dividends in respect of any securities comprising the Index and the margin financing provided by us.

Less public information about the Index and such information may not be available in Chinese

There may be less publicly available information about the Index than those about Hong Kong indices and some of that information may not be available in Chinese. If you do not understand any such information, you should obtain independent advice.

Political and economic risks relating to the Index

The Index level may be subject to political, economic, financial and social factors that apply in those geographical regions, which may differ favourably or unfavourably from those factors that apply to Hong Kong. Moreover, foreign economies may also differ favourably or unfavourably from the Hong Kong economy in important respects such as, including but not limited to, growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

Exchange rate risks

As the trading price of the constituent stocks comprising the Index is quoted in United States dollars but the CBBCs will be settled in HKD, there will be an exchange rate risk when we convert USD into HKD in the calculation of the Cash Settlement Amount and Residual Value (if any).

Possible delay in settlement

The Valuation Date could be postponed if such day is not the day on which the Index Futures Contracts expire on the Index Futures Exchange. Such postponement will in turn result in a delay for settlement of the CBBCs accordingly.

Change of calculation methodology or failure to publish the Index

If there is a material change in the calculation of the Index level or a failure to publish the Index, we may determine the Closing Level on the basis of the method last in effect prior to such change or failure.

Publication of Index level when component shares are not trading

The Index Compiler may publish the Index level at a time when one or more shares comprising the Index are not trading. In such case, the Index level may be calculated by the Index Compiler by reference to the remaining stocks comprising the Index. This may have an unforeseen adverse impact on the value of your investment.

Suspension of trading

If the calculation and/or publication of the Index level by the Index Compiler is suspended for whatever reasons, trading in the CBBCs may be suspended for a similar period. In such case, the price of the CBBCs may be subject to a significant impact of time decay due to such suspension and may fluctuate significantly upon resumption of trading, which may adversely affect your investment.

Possible limited secondary market

The Liquidity Provider may be the only market participant for the CBBCs and therefore the secondary market for the CBBCs may be limited. The more limited the secondary market, the more difficult it may be for you to realise the value in the CBBCs prior to expiry.

You should also be aware that the Liquidity Provider may not be able to provide liquidity when there are operational and technical problem hindering its ability to do so. Even if the Liquidity Provider is able to provide liquidity in such circumstances, its performance of liquidity provision may be adversely affected. For example:

- (i) the spread between bid and ask prices quoted by the Liquidity Provider may be significantly wider than its normal standard;
- (ii) the quantity for which liquidity will be provided by the Liquidity Provider may be significantly smaller than its normal standard; and/or
- (iii) the Liquidity Provider’s response time for a quote may be significantly longer than its normal standard.

Risks relating to difference in trading days and hours between the Index Exchange, the Index Futures Exchange and the Stock Exchange

The Index level is calculated and published during the trading hours of the Index Exchange. The trading days and hours of the Index Exchange (based on Hong Kong time) are different from that of the Stock Exchange, although the Index Futures Exchange and the Stock Exchange have overlapping trading hours. In assessing the price of the CBBCs, you should be aware of the differences in the time zone and the actual trading days and hours of the relevant exchanges in the U.S. and Hong Kong. For example:

- (i) the Index level may be volatile during a period which the Stock Exchange is not open for trading of the CBBCs. In particular, you will not be able to sell the CBBCs when the Spot Level is close to the Call Level during the trading hours of the Index Exchange;
- (ii) except for the potential deemed occurrence of the Mandatory Call Event as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date, the Mandatory Call Event will only be triggered during non-trading hours of the Stock Exchange if the Spot Level is at or below (in respect of a series of bull CBBCs) or at or above (in respect of a series of bear CBBCs) the Call Level outside the scheduled trading hours of the Stock Exchange during the Observation Period; and/or
- (iii) the price of the CBBCs may be volatile in response to the market movements in the price of the E-mini Nasdaq-100 Futures Contracts during the overlapping trading hours between the Stock Exchange and the Index Futures Exchange during which the Index Exchange is not open for trading and the Spot Level is not updated.

Adjustment related risk

The occurrence of certain events (including, without limitation, a succession of the Index or Index Compiler, modification or cessation of calculation of the Index) may entitle us to adjust the terms and conditions of the CBBCs. However, we are not obliged to adjust the terms and conditions of the CBBCs for every event that affects the Index. Any adjustment or decision not to make any adjustment may adversely affect the value of the CBBCs. Please refer to Condition 6 for details about adjustments.

Possible early termination

We may early terminate the CBBCs if it becomes illegal or impracticable for us (i) to perform our obligations under the CBBCs as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the CBBCs due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the CBBCs less our costs of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero. Please refer to Condition 3 for details about our early termination rights.

Time lag between early termination or exercise and settlement of the CBBCs

There is a time lag between the early termination or exercise of the CBBCs and payment of the Residual Value or the Cash Settlement Amount payable at expiry net of Exercise Expenses (if any). There may be delays in the electronic settlement or payment through CCASS.

Conflict of interest

We and our subsidiaries and affiliates engage in a wide range of commercial and investment banking, brokerage, funds management, hedging, investment and other activities and may possess material information about the Index or issue or update research reports on the Index. Such activities, information and/or research reports may involve or affect the Index and may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of the CBBCs. We have no obligation to disclose such information and may issue research reports and engage in any such activities without regard to the issue of the CBBCs.

In the ordinary course of our business, we and our subsidiaries and affiliates may effect transactions for our own account or for the account of our customers and may enter into one or more transactions with respect to the Index or related derivatives. This may indirectly affect your interests.

No direct contractual rights

The CBBCs are issued in global registered form and are held within CCASS. You will not receive any definitive certificate and your name will not be recorded in the register of the CBBCs. The evidence of your interest in the CBBCs, and the efficiency of the ultimate payment of the Residual Value or the Cash Settlement Amount payable at expiry net of Exercise Expenses (if any), are subject to the CCASS Rules. You will have to rely on your broker (or, if applicable, its direct or indirect custodians) and the statements you receive from it as evidence of your interest in the CBBCs. You do not have any direct contractual rights against us. To assert your rights as an investor in the CBBCs, you will have to rely on your broker (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your broker or, if applicable, its direct or indirect custodian:

- (i) fails to take action in accordance with your instructions;
- (ii) becomes insolvent; or
- (iii) defaults on its obligations,

you will need to take action against your broker in accordance with the terms of arrangement between you and your broker to establish your interest in the CBBCs first before you can assert your right of claim against us. You may experience difficulties in taking such legal proceedings. This is a complicated area of law and you should seek independent legal advice for further information.

The Listing Documents should not be relied upon as the sole basis for your investment decision

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing Documents should be construed as a recommendation by us or our affiliates to invest in the CBBCs or any futures contracts relating to the Index.

Updated Information about Us

- 1 Our holding company, UBS Group AG, released its fourth quarter 2022 results for the quarterly period ended on 31 December 2022 on 31 January 2023. You may visit the website <https://www.ubs.com/global/en/investor-relations/financial-information/quarterly-reporting.html> to access UBS Group AG's fourth quarter 2022 results. Please refer to Annex A of this document for the extract of UBS Group AG's fourth quarter 2022 report.
- 2 Please refer to Annex B of this document for the updated corporate information about UBS AG and UBS Group AG.
- 3 Please refer to Annex C of this document for updated information in relation to the provisions and contingent liabilities of UBS Group AG and its subsidiaries (including UBS AG).

ANNEX A

The information set out after this page has been extracted without adjustment from UBS Group AG's fourth quarter 2022 report. Page references in the following extract refer to pages in such report.

Comparison between UBS Group AG consolidated and UBS AG consolidated

USD m, except where indicated	As of or for the quarter ended 31.12.22		
	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)
Income statement			
Total revenues	8,029	8,078	(49)
Credit loss expense / (release)	7	7	0
Operating expenses	6,085	6,282	(198)
Operating profit / (loss) before tax	1,937	1,788	148
of which: Global Wealth Management	1,058	1,047	11
of which: Personal & Corporate Banking	529	525	4
of which: Asset Management	124	122	2
of which: Investment Bank	112	108	4
of which: Group Functions	114	(13)	127
Net profit / (loss)	1,657	1,522	135
of which: net profit / (loss) attributable to shareholders	1,653	1,518	135
of which: net profit / (loss) attributable to non-controlling interests	4	4	0
Statement of comprehensive income			
Other comprehensive income	551	499	52
of which: attributable to shareholders	538	485	52
of which: attributable to non-controlling interests	13	13	0
Total comprehensive income	2,208	2,020	187
of which: attributable to shareholders	2,190	2,003	187
of which: attributable to non-controlling interests	17	17	0
Balance sheet			
Total assets	1,104,364	1,105,436	(1,072)
Total liabilities	1,047,146	1,048,496	(1,349)
Total equity	57,218	56,940	278
of which: equity attributable to shareholders	56,876	56,598	278
of which: equity attributable to non-controlling interests	342	342	0
Capital information			
Common equity tier 1 capital	45,457	42,929	2,528
Going concern capital	58,321	54,770	3,551
Risk-weighted assets	319,585	317,823	1,762
Common equity tier 1 capital ratio (%)	14.2	13.5	0.7
Going concern capital ratio (%)	18.2	17.2	1.0
Total loss-absorbing capacity ratio (%)	33.0	32.0	0.9
Leverage ratio denominator	1,028,461	1,029,561	(1,100)
Common equity tier 1 leverage ratio (%)	4.42	4.17	0.25

As of or for the quarter ended 30.9.22			As of or for the quarter ended 31.12.21		
UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)
8,236	8,308	(73)	8,705	8,819	(114)
(3)	(3)	0	(27)	(27)	0
5,916	6,152	(236)	7,003	7,227	(224)
2,323	2,159	164	1,729	1,619	109
1,453	1,434	18	563	541	22
442	437	5	365	362	3
140	139	1	334	328	6
447	436	11	713	710	3
(158)	(287)	129	(246)	(321)	75
1,742	1,608	135	1,359	1,266	93
1,733	1,598	135	1,348	1,255	93
9	9	0	11	11	0
(1,791)	(1,753)	(38)	(181)	(197)	16
(1,773)	(1,735)	(38)	(177)	(194)	16
(17)	(17)	0	(4)	(4)	0
(48)	(145)	97	1,178	1,069	109
(40)	(137)	97	1,171	1,062	109
(8)	(8)	0	7	7	0
1,111,753	1,111,926	(172)	1,117,182	1,116,145	1,037
1,055,666	1,056,985	(1,319)	1,056,180	1,057,702	(1,522)
56,087	54,941	1,146	61,002	58,442	2,559
55,756	54,610	1,146	60,662	58,102	2,559
330	330	0	340	340	0
44,664	42,064	2,600	45,281	41,594	3,687
59,359	55,733	3,626	60,488	55,434	5,054
310,615	308,571	2,044	302,209	299,005	3,204
14.4	13.6	0.7	15.0	13.9	1.1
19.1	18.1	1.0	20.0	18.5	1.5
33.7	32.8	1.0	34.7	33.3	1.3
989,787	989,909	(122)	1,068,862	1,067,679	1,183
4.51	4.25	0.26	4.24	3.90	0.34

UBS AG consolidated key figures

USD m, except where indicated	As of or for the quarter ended			As of or for the year ended	
	31.12.22	30.9.22	31.12.21	31.12.22	31.12.21
Results					
Total revenues	8,078	8,308	8,819	34,915	35,828
Credit loss expense / (release)	7	(3)	(27)	29	(148)
Operating expenses	6,282	6,152	7,227	25,927	27,012
Operating profit / (loss) before tax	1,788	2,159	1,619	8,960	8,964
Net profit / (loss) attributable to shareholders	1,518	1,598	1,255	7,084	7,032
Profitability and growth					
Return on equity (%)	10.9	11.7	8.7	12.6	12.3
Return on tangible equity (%)	12.3	13.2	9.8	14.2	13.9
Return on common equity tier 1 capital (%)	14.3	15.2	12.1	16.8	17.6
Return on leverage ratio denominator, gross (%)	3.2	3.3	3.3	3.4	3.4
Cost / income ratio (%)	77.8	74.0	81.9	74.3	75.4
Net profit growth (%)	20.9	(25.8)	(19.7)	0.7	13.5
Resources					
Total assets	1,105,436	1,111,926	1,116,145	1,105,436	1,116,145
Equity attributable to shareholders	56,598	54,610	58,102	56,598	58,102
Common equity tier 1 capital ¹	42,929	42,064	41,594	42,929	41,594
Risk-weighted assets ¹	317,823	308,571	299,005	317,823	299,005
Common equity tier 1 capital ratio (%) ¹	13.5	13.6	13.9	13.5	13.9
Going concern capital ratio (%) ¹	17.2	18.1	18.5	17.2	18.5
Total loss-absorbing capacity ratio (%) ¹	32.0	32.8	33.3	32.0	33.3
Leverage ratio denominator ¹	1,029,561	989,909	1,067,679	1,029,561	1,067,679
Common equity tier 1 leverage ratio (%) ¹	4.17	4.25	3.90	4.17	3.90
Other					
Invested assets (USD bn) ²	3,957	3,706	4,596	3,957	4,596
Personnel (full-time equivalents)	47,628	47,429	47,067	47,628	47,067

¹ Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital management" section of this report for more information. ² Consists of invested assets for Global Wealth Management, Asset Management and Personal & Corporate Banking. Refer to "Note 32 Invested assets and net new money" in the "Consolidated financial statements" section of our Annual Report 2021 for more information.

Currency translation rates

The following table shows the rates of the main currencies used to translate the financial information of UBS's operations with a functional currency other than the US dollar into US dollars.

	Closing exchange rate			Average rate ¹				
	As of			For the quarter ended			For the year ended	
	31.12.22	30.9.22	31.12.21	31.12.22	30.9.22	31.12.21	31.12.22	31.12.21
1 CHF	1.08	1.01	1.10	1.05	1.03	1.09	1.05	1.09
1 EUR	1.07	0.98	1.14	1.04	0.99	1.14	1.05	1.18
1 GBP	1.21	1.12	1.35	1.19	1.16	1.35	1.23	1.37
100 JPY	0.76	0.69	0.87	0.73	0.72	0.88	0.76	0.91

¹ Monthly income statement items of operations with a functional currency other than the US dollar are translated into US dollars using month-end rates. Disclosed average rates for a quarter or a year represent an average of three month-end rates or an average of twelve month-end rates, respectively, weighted according to the income and expense volumes of all operations of the Group with the same functional currency for each month. Weighted average rates for individual business divisions may deviate from the weighted average rates for the Group.

ANNEX B

The information set out after this page shall replace the section headed “Information in relation to us” on pages 15-19 of our Base Listing Document in its entirety.

1. Overview

UBS AG with its subsidiaries (together, "**UBS AG consolidated**", or "**UBS AG Group**"; together with UBS Group AG, which is the holding company of UBS AG, and its subsidiaries, "**UBS Group**", "**Group**", "**UBS**" or "**UBS Group AG consolidated**") provides financial advice and solutions to private, institutional and corporate clients worldwide, as well as private clients in Switzerland. The operational structure of the Group is comprised of the Group Functions and four business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management and the Investment Bank.

2. Information about the Issuer

2.1. Corporate Information

The legal and commercial name of the Issuer is UBS AG.

The Issuer was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December 1997, the Issuer changed its name to UBS AG. The Issuer in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CHE-101.329.561.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an Aktiengesellschaft, a corporation limited by shares. UBS AG's Legal Entity Identifier (LEI) code is BFM8T61CT2L1QCEMIK50.

According to article 2 of the articles of association of UBS AG dated 26 April 2018, the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG may establish branches and representative offices as well as banks, finance companies and other enterprises of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management. UBS AG is authorized to acquire, mortgage and sell real estate and building rights in Switzerland and abroad. UBS AG may borrow and invest money on the capital markets. UBS AG is part of the group of companies controlled by the group parent company UBS Group AG. It may promote the interests of the group parent company or other group companies. It may provide loans, guarantees and other kinds of financing and security for group companies.

The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 61 288 5050.

2.2. UBS's borrowing and funding structure and financing of UBS's activities

For information on UBS's expected financing of its business activities, please refer to "*Liquidity and funding management*" in the "*Capital, liquidity and funding, and balance sheet*" section of the UBS Group AG and UBS AG Annual Report 2021 published on 7 March 2022 ("**Annual Report 2021**").

3. Business Overview

3.1. Organisational Structure of UBS AG

UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100% owned by UBS Group AG, which is the holding company of the UBS Group. UBS operates as a group with four business divisions and Group Functions.

In 2014, UBS began adapting its legal entity structure in response to too-big-to-fail requirements and other regulatory initiatives. First, UBS Group AG was established as the ultimate parent holding company for the Group. In 2015, UBS AG transferred its personal & corporate banking and Swiss-booked wealth management businesses to the newly established UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. That same year, UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was established and acts as the Group service company. In 2016, UBS Americas Holding LLC became the intermediate holding company for UBS's subsidiaries in the United States and UBS's wealth management subsidiaries across Europe were merged into UBS Europe SE, UBS's German-headquartered European subsidiary. In 2019, UBS Limited, UBS's United Kingdom ("UK") headquartered subsidiary, was merged into UBS Europe SE.

UBS Group AG's interests in subsidiaries and other entities as of 31 December 2021, including interests in significant subsidiaries, are discussed in "Note 29 Interests in subsidiaries and other entities" to the UBS Group AG's consolidated financial statements included in the Annual Report 2021.

UBS AG's interests in subsidiaries and other entities as of 31 December 2021, including interests in significant subsidiaries, are discussed in "Note 29 Interests in subsidiaries and other entities" to the UBS AG's consolidated financial statements included in the Annual Report 2021.

UBS AG is the parent company of, and conducts a significant portion of its operations through, its subsidiaries. UBS AG has contributed a significant portion of its capital and provides substantial liquidity to subsidiaries. In addition, UBS Business Solutions AG provides substantial services to group companies including UBS AG and its subsidiaries. To this extent, UBS AG is dependent on certain of the entities of the UBS AG Group and of the UBS Group.

3.2. Recent Developments

3.2.1. Regulatory, legal and other developments

Refer to "Recent developments" in the UBS Group first quarter 2022 report published on 26 April 2022, the UBS Group second quarter 2022 report published on 26 July 2022, the UBS Group third quarter 2022 report published on 25 October 2022 and the UBS Group fourth quarter 2022 report published on 31 January 2023 ("**UBS Group Fourth Quarter 2022 Report**"), as well as to "Our environment" and "Regulatory and legal developments" in the Annual Report 2021, for further information on key regulatory, legal and other developments.

3.3. Trend Information

For information on trends, refer to "Outlook" under "Group performance" and to "Country risk" and "Non-financial risk" under "Risk management and control" in the UBS Group Fourth Quarter 2022 Report, as well as to the "Our environment" section, and to "Top and emerging risks" and "Country risk" in the "Risk management and control" section of the Annual Report 2021. In addition, please refer to the "Recent Developments" section of this document for more information.

4. Board of Directors

The Board of Directors ("**BoD**") consists of between 5 and 12 members. All the members of the BoD are elected individually by the shareholders at the Annual General Meeting ("**AGM**") for a term of office of one year, which expires after the completion of the next AGM. Shareholders also elect the Chairman upon proposal of the BoD.

The BoD meets as often as business requires, and at least six times a year.

4.1.1. Members of the Board of Directors

The current members of the BoD are listed below.

Member	Title	Term of office	Current principal activities outside UBS AG
Colm Kelleher	Chairman	2023	Chairman of the Board of Directors of UBS Group AG; member of the board of Norfolk Southern Corporation (chair of the risk and finance committee); member of the Board of Directors of the Bretton Woods Committee; member of the board of the Swiss Finance Council; member of the board of Americans for Oxford; member of the Oxford Chancellor's Court of Benefactors; member of the Advisory Council of the British Museum; member of the International Advisory Council of the China Securities Regulatory Commission; member of the European Financial Services Round Table; member of the European Banking Group; member of the International Monetary Conference.
Lukas Gähwiler	Vice Chairman	2023	Vice Chairman of the Board of Directors of UBS Group AG; vice chairman of the Board of Directors of Pilatus Aircraft Ltd; member of the Board of Directors of Ringier AG; member of the Board of Directors of Opernhaus Zürich AG; vice chairman of the Swiss Bankers Association; chairman of the Employers Association of Banks in Switzerland; member of the Board of Directors of the Swiss Employers Association; member of the Board of economiesuisse; chairman of the Foundation Board of the UBS Pension Fund; member of the board of the Swiss Finance Council; member of the Board of Trustees of Avenir Suisse.
Jeremy Anderson	Member	2023	Senior Independent Director of the Board of Directors of UBS Group AG; board member of Prudential plc; trustee of the UK's Productivity Leadership Group; trustee of Kingham Hill Trust; trustee of St. Helen Bishopsgate.
Claudia Böckstiegel	Member	2023	Member of the Board of Directors of UBS Group AG; General Counsel and member of the Enlarged Executive Committee of Roche Holding AG.
William C. Dudley	Member	2023	Member of the Board of Directors of UBS Group AG; member of the board of Trelia LLC; senior advisor to the Griswold Center for Economic Policy Studies at Princeton University; member of the Group of Thirty; member of the Council on Foreign Relations; chair of the Bretton Woods Committee board of directors; member of the board of the Council for Economic Education.
Patrick Firmenich	Member	2023	Member of the Board of Directors of UBS Group AG; chairman of the board of Firmenich International SA; chairman of Firmenich SA; member of the board of Jacobs Holding AG; member of the Board of INSEAD and INSEAD World Foundation; member of the Advisory Council of the Swiss Board Institute.
Fred Hu	Member	2023	Member of the Board of Directors of UBS Group AG; founder, chairman and CEO of Primavera Capital Group; non-executive chairman of the board of Yum China Holdings (chair of the nomination and governance committee); board member of Industrial and Commercial Bank of China; chairman of Primavera Capital Ltd; trustee of the China Medical Board; Governor of the Chinese International School in Hong Kong SAR; co-chairman of the Nature Conservancy Asia Pacific Council; member of the Board of Trustees of the Institute for Advanced Study; director and member of the Executive Committee of China Venture Capital and Private Equity Association Ltd.
Mark Hughes	Member	2023	Member of the Board of Directors of UBS Group AG; chair of the Board of Directors of the Global Risk Institute; visiting lecturer at the University of Leeds; senior advisor to McKinsey & Company.

Nathalie Rachou	Member	2023	Member of the Board of Directors of UBS Group AG; member of the board of Euronext N.V. (chair of the remuneration committee); member of the board of Veolia Environnement SA (chair of the audit committee); member of the board of the African Financial Institutions Investment Platform.
Julie G. Richardson	Member	2023	Member of the Board of Directors of UBS Group AG; member of the board of Yext (chair of the audit committee); member of the board of Datalog (chair of the audit committee); member of the Board of Fivetran; member of the Board of Coalition, Inc.
Dieter Wemmer	Member	2023	Member of the Board of Directors of UBS Group AG; board member of Ørsted A/S (chair of the audit and risk committee); chairman of Marco Capital Holdings Limited, Malta and subsidiaries; member of the Berlin Center of Corporate Governance.
Jeanette Wong	Member	2023	Member of the Board of Directors of UBS Group AG; member of the board of Prudential plc; member of the board of Singapore Airlines Limited; member of the Board Risk Committee of GIC Pte Ltd; board member of Jurong Town Corporation; board member of PSA International; chairman of the CareShield Life Council; member of the Securities Industry Council; member of the Board of Trustees of the National University of Singapore.

5. Litigation, Regulatory and Similar Matters

UBS operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. A guilty plea to, or conviction of, a crime could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

Specific litigation, regulatory and other matters, including all such matters that management considers to be material and others that management believes to be of significance due to potential financial, reputational and other effects, are described in the “*Provisions and contingent liabilities*” section of the UBS Group Fourth Quarter 2022 Report. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

5.1. Material Contracts

No material contracts have been entered into outside of the ordinary course of UBS AG's or UBS AG Group's business which could result in any member of the UBS AG Group being under an obligation or entitlement that is material to UBS AG's ability to meet its obligations to the investors in relation to the issued securities.

5.2. Significant Changes in the Financial Position and Performance; Material Adverse Change in Prospects

Except as otherwise disclosed in this document (including in the documents incorporated herein by reference), there has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2021.

ANNEX C

The information in relation to the provisions and contingent liabilities of UBS Group AG and its subsidiaries (including UBS AG) set out after this page has been extracted without adjustment from UBS Group AG's fourth quarter 2022 results. Page references in the following extract refer to pages in such results.

Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions.

<i>USD m</i>	31.12.22	30.9.22	31.12.21
Provisions other than provisions for expected credit losses	3,042	3,099	3,322
Provisions for expected credit losses	201	182	196
Total provisions	3,243	3,281	3,518

The following table presents additional information for provisions other than provisions for expected credit losses.

<i>USD m</i>	Litigation, regulatory and similar matters ¹	Restructuring ²	Other ³	Total
Balance as of 31 December 2021	2,798	172	352	3,322
Balance as of 30 September 2022	2,678	109	313	3,099
Increase in provisions recognized in the income statement	88	75	23	186
Release of provisions recognized in the income statement	(38)	(6)	(20)	(64)
Provisions used in conformity with designated purpose	(263)	(55)	(8)	(326)
Foreign currency translation / unwind of discount	121	7	18	147
Balance as of 31 December 2022	2,586	130	326	3,042

¹ Consists of provisions for losses resulting from legal, liability and compliance risks. ² Consists of personnel-related restructuring provisions of USD 102m as of 31 December 2022 (30 September 2022: USD 75m; 31 December 2021: USD 125m) and provisions for onerous contracts of USD 28m as of 31 December 2022 (30 September 2022: USD 34m; 31 December 2021: USD 47m). ³ Mainly includes provisions related to real estate, employee benefits and operational risks.

Restructuring provisions relate to personnel-related provisions and onerous contracts. Personnel-related restructuring provisions are generally used within a short period of time. The level of personnel-related provisions can change when natural staff attrition reduces the number of people affected by a restructuring event, and therefore results in lower estimated costs. Onerous contracts for property are recognized when UBS is committed to pay for non-lease components, such as utilities, service charges, taxes and maintenance, when a property is vacated or not fully recovered from sub-tenants.

Information about provisions and contingent liabilities in respect of litigation, regulatory and similar matters, as a class, is included in part b). There are no material contingent liabilities associated with the other classes of provisions.

b) Litigation, regulatory and similar matters

The Group operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS (which for purposes of this Note may refer to UBS Group AG and/or one or more of its subsidiaries, as applicable) is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations.

Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. There are also situations where the Group may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which the Group believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. The Group makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Where these factors are otherwise satisfied, a provision may be established for claims that have not yet been asserted against the Group, but are nevertheless expected to be, based on the Group's experience with similar asserted claims. If any of those conditions is not met, such matters result in contingent liabilities. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to such matters could be significant. Developments relating to a matter that occur after the relevant reporting period, but prior to the issuance of financial statements, which affect management's assessment of the provision for such matter (because, for example, the developments provide evidence of conditions that existed at the end of the reporting period), are adjusting events after the reporting period under IAS 10 and must be recognized in the financial statements for the reporting period.

Provisions and contingent liabilities (continued)

Specific litigation, regulatory and other matters are described below, including all such matters that management considers to be material and others that management believes to be of significance due to potential financial, reputational and other effects. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

In the case of certain matters below, we state that we have established a provision, and for the other matters, we make no such statement. When we make this statement and we expect disclosure of the amount of a provision to prejudice seriously our position with other parties in the matter because it would reveal what UBS believes to be the probable and reliably estimable outflow, we do not disclose that amount. In some cases we are subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which we do not state whether we have established a provision, either: (a) we have not established a provision, in which case the matter is treated as a contingent liability under the applicable accounting standard; or (b) we have established a provision but expect disclosure of that fact to prejudice seriously our position with other parties in the matter because it would reveal the fact that UBS believes an outflow of resources to be probable and reliably estimable.

With respect to certain litigation, regulatory and similar matters for which we have established provisions, we are able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which we are able to estimate expected timing is immaterial relative to our current and expected levels of liquidity over the relevant time periods.

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in the "Provisions" table in part a) above. It is not practicable to provide an aggregate estimate of liability for our litigation, regulatory and similar matters as a class of contingent liabilities. Doing so would require UBS to provide speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, that have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Although UBS therefore cannot provide a numerical estimate of the future losses that could arise from litigation, regulatory and similar matters, UBS believes that the aggregate amount of possible future losses from this class that are more than remote substantially exceeds the level of current provisions.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. A guilty plea to, or conviction of, a crime could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations, and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

The risk of loss associated with litigation, regulatory and similar matters is a component of operational risk for purposes of determining capital requirements. Information concerning our capital requirements and the calculation of operational risk for this purpose is included in the "Capital management" section of this report.

Provisions for litigation, regulatory and similar matters by business division and in Group Functions¹

<i>USD m</i>	Global Wealth Manage- ment	Personal & Corporate Banking	Asset Manage- ment	Investment Bank	Group Functions	Total
Balance as of 31 December 2021	1,338	181	8	310	962	2,798
Balance as of 30 September 2022	1,195	158	8	378	937	2,678
Increase in provisions recognized in the income statement	64	2	0	22	0	88
Release of provisions recognized in the income statement	(11)	(15)	0	(2)	(11)	(38)
Provisions used in conformity with designated purpose	(158)	0	0	(105)	0	(263)
Foreign currency translation / unwind of discount	92	14	0	14	2	121
Balance as of 31 December 2022	1,182	159	8	308	928	2,586

¹ Provisions, if any, for the matters described in items 3 and 4 of this disclosure are recorded in Global Wealth Management, and provisions, if any, for the matters described in item 2 are recorded in Group Functions. Provisions, if any, for the matters described in items 1 and 6 of this disclosure are allocated between Global Wealth Management and Personal & Corporate Banking, provisions, if any, for the matters described in item 5 are allocated between the Investment Bank and Group Functions.

Provisions and contingent liabilities (continued)

1. Inquiries regarding cross-border wealth management businesses

Tax and regulatory authorities in a number of countries have made inquiries, served requests for information or examined employees located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions.

Since 2013, UBS (France) S.A., UBS AG and certain former employees have been under investigation in France in relation to UBS's cross-border business with French clients. In connection with this investigation, the investigating judges ordered UBS AG to provide bail ("*caution*") of EUR 1.1bn.

On 20 February 2019, the court of first instance returned a verdict finding UBS AG guilty of unlawful solicitation of clients on French territory and aggravated laundering of the proceeds of tax fraud, and UBS (France) S.A. guilty of aiding and abetting unlawful solicitation and of laundering the proceeds of tax fraud. The court imposed fines aggregating EUR 3.7bn on UBS AG and UBS (France) S.A. and awarded EUR 800m of civil damages to the French state. A trial in the French Court of Appeal took place in March 2021. On 13 December 2021, the Court of Appeal found UBS AG guilty of unlawful solicitation and aggravated laundering of the proceeds of tax fraud. The court ordered a fine of EUR 3.75m, the confiscation of EUR 1bn, and awarded civil damages to the French state of EUR 800m. UBS AG has filed an appeal with the French Supreme Court to preserve its rights. The notice of appeal enables UBS AG to thoroughly assess the verdict of the Court of Appeal and to determine next steps in the best interest of its stakeholders. The fine and confiscation imposed by the Court of Appeal are suspended during the appeal. The civil damages award has been paid to the French state (EUR 99m of which was deducted from the bail), subject to the result of UBS's appeal.

Our balance sheet at 31 December 2022 reflected provisions with respect to this matter in an amount of EUR 1.1bn (USD 1.2bn). The wide range of possible outcomes in this case contributes to a high degree of estimation uncertainty and the provision reflects our best estimate of possible financial implications, although actual penalties and civil damages could exceed (or may be less than) the provision amount.

Our balance sheet at 31 December 2022 reflected provisions with respect to matters described in this item 1 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

2. Claims related to sales of residential mortgage-backed securities and mortgages

From 2002 through 2007, prior to the crisis in the US residential loan market, UBS was a substantial issuer and underwriter of US residential mortgage-backed securities (RMBS) and was a purchaser and seller of US residential mortgages.

In November 2018, the DOJ filed a civil complaint in the District Court for the Eastern District of New York. The complaint seeks unspecified civil monetary penalties under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 related to UBS's issuance, underwriting and sale of 40 RMBS transactions in 2006 and 2007. UBS moved to dismiss the civil complaint on 6 February 2019. On 10 December 2019, the district court denied UBS's motion to dismiss.

Our balance sheet at 31 December 2022 reflected a provision with respect to matters described in this item 2 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of this matter cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

3. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC (BMIS) investment fraud, UBS AG, UBS (Luxembourg) S.A. (now UBS Europe SE, Luxembourg branch) and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including the Swiss Financial Market Supervisory Authority (FINMA) and the Luxembourg Commission de Surveillance du Secteur Financier. Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds faced severe losses, and the Luxembourg funds are in liquidation. The documentation establishing both funds identifies UBS entities in various roles, including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees serve as board members.

Provisions and contingent liabilities (continued)

In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims against UBS entities, non-UBS entities and certain individuals, including current and former UBS employees, seeking amounts totaling approximately EUR 2.1bn, which includes amounts that the funds may be held liable to pay the trustee for the liquidation of BMIS (BMIS Trustee).

A large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff fraud. The majority of these cases have been filed in Luxembourg, where decisions that the claims in eight test cases were inadmissible have been affirmed by the Luxembourg Court of Appeal, and the Luxembourg Supreme Court has dismissed a further appeal in one of the test cases.

In the US, the BMIS Trustee filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2bn. In 2014, the US Supreme Court rejected the BMIS Trustee's motion for leave to appeal decisions dismissing all claims except those for the recovery of approximately USD 125m of payments alleged to be fraudulent conveyances and preference payments. In 2016, the bankruptcy court dismissed these claims against the UBS entities. In February 2019, the Court of Appeals reversed the dismissal of the BMIS Trustee's remaining claims, and the US Supreme Court subsequently denied a petition seeking review of the Court of Appeals' decision. The case has been remanded to the Bankruptcy Court for further proceedings.

4. Puerto Rico

Declines since 2013 in the market prices of Puerto Rico municipal bonds and of closed-end funds (funds) that are sole-managed and co-managed by UBS Trust Company of Puerto Rico and distributed by UBS Financial Services Incorporated of Puerto Rico (UBS PR) led to multiple regulatory inquiries, which in 2014 and 2015, led to settlements with the Office of the Commissioner of Financial Institutions for the Commonwealth of Puerto Rico, the US Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority.

Since then, UBS clients in Puerto Rico who own the funds or Puerto Rico municipal bonds and/or who used their UBS account assets as collateral for UBS non-purpose loans filed customer complaints and arbitration demands seeking aggregate damages of USD 3.42bn, of which USD 3.37bn have been resolved through settlements, arbitration or withdrawal of claims. Allegations include fraud, misrepresentation and unsuitability of the funds and of the loans.

A shareholder derivative action was filed in 2014 against various UBS entities and current and certain former directors of the funds, alleging hundreds of millions of US dollars in losses in the funds. In 2021, the parties reached an agreement to settle this matter for USD 15m, subject to court approval.

In 2011, a purported derivative action was filed on behalf of the Employee Retirement System of the Commonwealth of Puerto Rico (System) against over 40 defendants, including UBS PR, which was named in connection with its underwriting and consulting services. Plaintiffs alleged that defendants violated their purported fiduciary duties and contractual obligations in connection with the issuance and underwriting of USD 3bn of bonds by the System in 2008 and sought damages of over USD 800m. In 2016, the court granted the System's request to join the action as a plaintiff. In 2022, a federal district court enjoined the plaintiffs from proceeding with the action on the grounds it impermissibly conflicted with Puerto Rico's approved Plan of Adjustment.

Beginning in 2015, certain agencies and public corporations of the Commonwealth of Puerto Rico (Commonwealth) defaulted on certain interest payments on Puerto Rico bonds. In 2016, US federal legislation created an oversight board with power to oversee Puerto Rico's finances and to restructure its debt. The oversight board has imposed a stay on the exercise of certain creditors' rights. In 2017, the oversight board placed certain of the bonds into a bankruptcy-like proceeding under the supervision of a Federal District Judge.

In May 2019, the oversight board filed complaints in Puerto Rico federal district court bringing claims against financial, legal and accounting firms that had participated in Puerto Rico municipal bond offerings, including UBS, seeking a return of underwriting and swap fees paid in connection with those offerings. UBS estimates that it received approximately USD 125m in fees in the relevant offerings.

In August 2019, and February and November 2020, four US insurance companies that insured issues of Puerto Rico municipal bonds sued UBS and several other underwriters of Puerto Rico municipal bonds in three separate cases. The actions collectively seek recovery of an aggregate of USD 955m in damages from the defendants. The plaintiffs in these cases claim that defendants failed to reasonably investigate financial statements in the offering materials for the insured Puerto Rico bonds issued between 2002 and 2007, which plaintiffs argue they relied upon in agreeing to insure the bonds notwithstanding that they had no contractual relationship with the underwriters. Defendants' motions to dismiss have been granted in all three cases; those decisions are being appealed by the plaintiffs.

Provisions and contingent liabilities (continued)

Our balance sheet at 31 December 2022 reflected provisions with respect to matters described in this item 4 in amounts that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provisions that we have recognized.

5. Foreign exchange, LIBOR and benchmark rates, and other trading practices

Foreign exchange-related regulatory matters: Beginning in 2013, numerous authorities commenced investigations concerning possible manipulation of foreign exchange markets and precious metals prices. As a result of these investigations, UBS entered into resolutions with Swiss, US and United Kingdom regulators and the European Commission. UBS was granted conditional immunity by the Antitrust Division of the DOJ and by authorities in other jurisdictions in connection with potential competition law violations relating to foreign exchange and precious metals businesses.

Foreign exchange-related civil litigation: Putative class actions have been filed since 2013 in US federal courts and in other jurisdictions against UBS and other banks on behalf of putative classes of persons who engaged in foreign currency transactions with any of the defendant banks. UBS has resolved US federal court class actions relating to foreign currency transactions with the defendant banks and persons who transacted in foreign exchange futures contracts and options on such futures under a settlement agreement that provides for UBS to pay an aggregate of USD 141m and provide cooperation to the settlement classes. Certain class members have excluded themselves from that settlement and have filed individual actions in US and English courts against UBS and other banks, alleging violations of US and European competition laws and unjust enrichment.

In 2015, a putative class action was filed in federal court against UBS and numerous other banks on behalf of persons and businesses in the US who directly purchased foreign currency from the defendants and alleged co-conspirators for their own end use. In March 2017, the court granted UBS's (and the other banks') motions to dismiss the complaint. The plaintiffs filed an amended complaint in August 2017. In March 2018, the court denied the defendants' motions to dismiss the amended complaint. In March 2022, the court denied plaintiffs' motion for class certification.

LIBOR and other benchmark-related regulatory matters: Numerous government agencies conducted investigations regarding potential improper attempts by UBS, among others, to manipulate LIBOR and other benchmark rates at certain times. UBS reached settlements or otherwise concluded investigations relating to benchmark interest rates with the investigating authorities. UBS was granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ and the Swiss Competition Commission (WEKO), in connection with potential antitrust or competition law violations related to certain rates. However, UBS has not reached a final settlement with WEKO, as the Secretariat of WEKO has asserted that UBS does not qualify for full immunity.

LIBOR and other benchmark-related civil litigation: A number of putative class actions and other actions are pending in the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending in the US and in other jurisdictions are a number of other actions asserting losses related to various products whose interest rates were linked to LIBOR and other benchmarks, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. The complaints allege manipulation, through various means, of certain benchmark interest rates, including USD LIBOR, Euroyen TIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, GBP LIBOR, SGD SIBOR and SOR and Australian BBSW, and seek unspecified compensatory and other damages under varying legal theories.

Provisions and contingent liabilities (continued)

USD LIBOR class and individual actions in the US: In 2013 and 2015, the district court in the USD LIBOR actions dismissed, in whole or in part, certain plaintiffs' antitrust claims, federal racketeering claims, CEA claims, and state common law claims, and again dismissed the antitrust claims in 2016 following an appeal. In December 2021, the Second Circuit affirmed the district court's dismissal in part and reversed in part and remanded to the district court for further proceedings. The Second Circuit, among other things, held that there was personal jurisdiction over UBS and other foreign defendants based on allegations that at least one alleged co-conspirator undertook an overt act in the United States. Separately, in 2018, the Second Circuit reversed in part the district court's 2015 decision dismissing certain individual plaintiffs' claims and certain of these actions are now proceeding. In 2018, the district court denied plaintiffs' motions for class certification in the USD class actions for claims pending against UBS, and plaintiffs sought permission to appeal that ruling to the Second Circuit. In July 2018, the Second Circuit denied the petition to appeal of the class of USD lenders and in November 2018 denied the petition of the USD exchange class. In January 2019, a putative class action was filed in the District Court for the Southern District of New York against UBS and numerous other banks on behalf of US residents who, since 1 February 2014, directly transacted with a defendant bank in USD LIBOR instruments. The complaint asserts antitrust claims. The defendants moved to dismiss the complaint in August 2019. In March 2020 the court granted defendants' motion to dismiss the complaint in its entirety. Plaintiffs have appealed the dismissal. In March 2022, the Second Circuit dismissed the appeal because appellants, who had been substituted in to replace the original plaintiffs who had withdrawn, lacked standing to pursue the appeal. In August 2020, an individual action was filed in the Northern District of California against UBS and numerous other banks alleging that the defendants conspired to fix the interest rate used as the basis for loans to consumers by jointly setting the USD LIBOR rate and monopolized the market for LIBOR-based consumer loans and credit cards. Defendants moved to dismiss the complaint in September 2021. In September 2022, the court granted defendants' motion to dismiss the complaint in its entirety, while allowing plaintiffs the opportunity to file an amended complaint. Plaintiffs filed an amended complaint in October 2022, and defendants have moved to dismiss the amended complaint.

Other benchmark class actions in the US:

Yen LIBOR / Euroyen TIBOR – In 2014, 2015 and 2017, the court in one of the Yen LIBOR / Euroyen TIBOR lawsuits dismissed certain of the plaintiffs' claims, including the plaintiffs' federal antitrust and racketeering claims. In August 2020, the court granted defendants' motion for judgment on the pleadings and dismissed the lone remaining claim in the action as impermissibly extraterritorial. In October 2022, the appeals court affirmed the dismissal on multiple grounds. In 2017, the court dismissed the other Yen LIBOR / Euroyen TIBOR action in its entirety on standing grounds. In April 2020, the appeals court reversed the dismissal and in August 2020 plaintiffs in that action filed an amended complaint focused on Yen LIBOR. The court granted in part and denied in part defendants' motion to dismiss the amended complaint in September 2021. In August 2022, the court granted UBS's motion for reconsideration and dismissed the case against UBS.

CHF LIBOR – In 2017, the court dismissed the CHF LIBOR action on standing grounds and failure to state a claim. Plaintiffs filed an amended complaint, and the court granted a renewed motion to dismiss in September 2019. Plaintiffs appealed. In September 2021, the Second Circuit granted the parties' joint motion to vacate the dismissal and remand the case for further proceedings. Plaintiffs filed a third amended complaint in November 2022 and defendants have moved to dismiss the amended complaint.

EURIBOR – In 2017, the court in the EURIBOR lawsuit dismissed the case as to UBS and certain other foreign defendants for lack of personal jurisdiction. Plaintiffs have appealed.

SIBOR / SOR – In October 2018, the court in the SIBOR / SOR action dismissed all but one of plaintiffs' claims against UBS. Plaintiffs filed an amended complaint, and the court granted a renewed motion to dismiss in July 2019. Plaintiffs appealed. In March 2021, the Second Circuit reversed the dismissal. Plaintiffs filed an amended complaint in October 2021, which defendants have moved to dismiss. In March 2022, plaintiffs reached a settlement in principle with the remaining defendants, including UBS. The court granted final approval of the settlement in November 2022.

BBSW – In November 2018, the court dismissed the BBSW lawsuit as to UBS and certain other foreign defendants for lack of personal jurisdiction. Plaintiffs filed an amended complaint in April 2019, which UBS and other defendants moved to dismiss. In February 2020, the court granted in part and denied in part defendants' motions to dismiss the amended complaint. In August 2020, UBS and other BBSW defendants joined a motion for judgment on the pleadings, which the court denied in May 2021. In February 2022, plaintiffs reached a settlement in principle with the remaining defendants, including UBS. The court granted final approval of the settlement in November 2022.

Provisions and contingent liabilities (continued)

GBP LIBOR – The court dismissed the GBP LIBOR action in August 2019. Plaintiffs have appealed.

Government bonds: Putative class actions have been filed since 2015 in US federal courts against UBS and other banks on behalf of persons who participated in markets for US Treasury securities since 2007. A consolidated complaint was filed in 2017 in the US District Court for the Southern District of New York alleging that the banks colluded with respect to, and manipulated prices of, US Treasury securities sold at auction and in the secondary market and asserting claims under the antitrust laws and for unjust enrichment. Defendants' motions to dismiss the consolidated complaint were granted in March 2021. Plaintiffs filed an amended complaint, which defendants moved to dismiss in June 2021. In March 2022, the court granted defendants' motion to dismiss that complaint. Plaintiffs have appealed the dismissal. Similar class actions have been filed concerning European government bonds and other government bonds.

In May 2021, the European Commission issued a decision finding that UBS and six other banks breached European Union antitrust rules in 2007–2011 relating to European government bonds. The European Commission fined UBS EUR 172m. UBS is appealing the amount of the fine.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, our balance sheet at 31 December 2022 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

6. Swiss retrocessions

The Federal Supreme Court of Switzerland ruled in 2012, in a test case against UBS, that distribution fees paid to a firm for distributing third-party and intra-group investment funds and structured products must be disclosed and surrendered to clients who have entered into a discretionary mandate agreement with the firm, absent a valid waiver. FINMA issued a supervisory note to all Swiss banks in response to the Supreme Court decision. UBS has met the FINMA requirements and has notified all potentially affected clients.

The Supreme Court decision has resulted, and continues to result, in a number of client requests for UBS to disclose and potentially surrender retrocessions. Client requests are assessed on a case-by-case basis. Considerations taken into account when assessing these cases include, among other things, the existence of a discretionary mandate and whether or not the client documentation contained a valid waiver with respect to distribution fees.

Our balance sheet at 31 December 2022 reflected a provision with respect to matters described in this item 6 in an amount that UBS believes to be appropriate under the applicable accounting standard. The ultimate exposure will depend on client requests and the resolution thereof, factors that are difficult to predict and assess. Hence, as in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

PARTIES

OUR HEAD OFFICE

UBS AG
Bahnhofstrasse 45
CH-8001 Zurich
Switzerland

and

Aeschenvorstadt 1
CH-4051 Basel
Switzerland

OUR OFFICE

UBS AG, London Branch
5 Broadgate
London
EC2M 2QS
United Kingdom

OUR PLACE OF BUSINESS IN HONG KONG

52nd Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

SPONSOR

UBS Securities Asia Limited
52nd Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

AUDITORS

Ernst & Young Ltd
Aeschengraben 9
P.O. Box 2149 CH-4002 Basel
Switzerland

LIQUIDITY PROVIDER

UBS Securities Hong Kong Limited
52nd Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong