15 March 2021

Hong Kong Exchanges and Clearing Limited ("**HKEX**"), The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

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 Company which has issued the underlying Shares 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 Single Equities

UBS

Issuer: UBS AG

(incorporated with limited liability in Switzerland)

acting through its London Branch

Sponsor: UBS Securities Asia Limited

Key Terms

CBBCs Stock code	**57956**
Liquidity Provider broker ID	9695
Issue size	150,000,000 CBBCs
Style / Category	European style cash settled category R
Type	Bull
Company	HSBC Holdings plc
Shares	Existing issued ordinary shares of the Company
Board Lot	4,000 CBBCs
Issue Price per CBBC	HKD 0.250
Funding Cost per CBBC as of Launch Date[1]	HKD 0.2310 The funding cost will fluctuate throughout the life of the CBBCs
Strike Price	HKD 45.000
Call Price	HKD 46.000
Cash Settlement Amount per Board Lot (if any) payable at expiry	Subject to no occurrence of a Mandatory Call Event: **For a series of bull CBBCs:** $\frac{\text{Entitlement x (Closing Price - Strike Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$ **For a series of bear CBBCs:** $\frac{\text{Entitlement x (Strike Price - Closing Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$
Closing Price[2]	The official closing price of the relevant Share (as derived from the Daily Quotation Sheet of the Stock Exchange) on the Valuation Date.
Entitlement	1 Share
Number of CBBC(s) per Entitlement	100 CBBC(s)
Maximum number of Shares to which the CBBCs relate	1,500,000 Shares
Launch Date	12 March 2021
Issue Date	16 March 2021
Listing Date[3]	17 March 2021
Observation Commencement Date[3]	17 March 2021
Valuation Date[4]	The Trading Day (being a day on which the Stock Exchange is scheduled to open for trading for its regular trading sessions) immediately preceding the Expiry Date.
Expiry Date[5]	30 November 2021
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 Price is determined in accordance with the Conditions (as the case may be)
Settlement Currency	Hong Kong Dollars
Effective Gearing[6]	1.88x
Gearing[6]	1.88x
Premium[6]	49.25%

In addition, the following amendment shall be made to the Conditions (as defined below). Condition 8 shall be deleted in its entirety and replaced with the following:

"8. Global Certificate

A Global Certificate representing the CBBCs will be deposited with CCASS in the name of HKSCC Nominees Limited. No definitive certificate will be issued."

---

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

$$\text{Funding Cost} = \frac{\text{Entitlement x (Strike Price x funding rate x n / 365)}}{\text{Number of CBBC(s) per Entitlement}}$$

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; and

(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 70.9722%.

[2] Subject to any adjustment to such closing price as may be necessary to reflect any event as contemplated in Condition 6 such as capitalisation, rights issue, distribution or the like.

[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] Subject to any potential postponement upon the occurrence of a Market Disruption Event. Please see Condition 2 for details.

[5] If such day is a Saturday, Sunday or public holiday in Hong Kong, the immediately succeeding day which is not a Saturday, Sunday or public holiday in Hong Kong.

[6] 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 2020 (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 Single Equities" (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:

Rating agency	*Rating as of the Launch Date*
Moody's Deutschland GmbH	Aa3 (stable outlook)
S&P Global Ratings Europe Limited	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 2019.

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 the shares of a company is an instrument which tracks the performance of the underlying shares.

The trading price of the CBBCs tends to mirror the movement in the price of the underlying Shares 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 price of the underlying shares will increase during the term of the CBBC.

A bear CBBC is designed for an investor holding a view that the price of the underlying shares 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 underlying Shares. 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 Price 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 Price at any time during a Trading Day in the Observation Period.

The Observation Period commences from the Observation Commencement Date to 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.

Upon the occurrence of a Mandatory Call Event, trading in the CBBCs will be suspended immediately and, 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, (a) in the case where the Mandatory Call Event occurs during a continuous trading session, all trades in the CBBCs concluded via auto-matching or manually after the time of the occurrence of a Mandatory Call Event, and (b) in the case where the Mandatory Call Event occurs during a pre-opening session or a closing auction session (if applicable), all auction trades in the CBBCs concluded in such session and all manual trades concluded after the end of the pre-order matching period in such session.

The time at which a Mandatory Call Event occurs will be determined by reference to the Stock Exchange's automatic order matching and execution system time at which the Spot Price 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 Price.

Residual Value calculation

The CBBCs are Category R as the Call Price is different from the Strike Price. 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 Price (in respect of a series of bull CBBCs) or the highest Spot Price (in respect of a series of bear CBBCs) of the underlying Shares 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:

$$\frac{\text{Entitlement x (Minimum Trade Price - Strike Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

In respect of a series of bear CBBCs:

$$\frac{\text{Entitlement x (Strike Price - Maximum Trade Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

Where:

"**Minimum Trade Price**" means, in respect of a series of bull CBBCs, the lowest Spot Price of the underlying Shares (subject to any adjustment to such Spot Price as may be necessary to reflect any event as contemplated in Condition 6 such as capitalisation, rights issue, distribution or the like) during the MCE Valuation Period;

"**Maximum Trade Price**" means, in respect of a series of bear CBBCs, the highest Spot Price of the underlying Shares (subject to any adjustment to such Spot Price as may be necessary to reflect any event as contemplated in Condition 6 such as capitalisation, rights issue, distribution or the like) 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 Stock Exchange; and

"**Spot Price**" means:

(i) in respect of a continuous trading session of the Stock Exchange, the price per Share concluded by means of automatic order matching on the Stock Exchange as reported in the official real-time dissemination mechanism for the Stock Exchange during such continuous trading session in accordance with the Rules of the Exchange (the "**Trading Rules**"), excluding direct business (as defined in the Trading Rules); and

(ii) in respect of a pre-opening session or a closing auction session (if applicable) of the Stock Exchange (as the case may be), the final Indicative Equilibrium Price (as defined in the Trading Rules) of the Share (if any) calculated at the end of the pre-order matching period of such pre-opening session or closing auction session (if applicable) (as the case may be) in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules),

subject to such modification and amendment prescribed by the Stock Exchange from time to time.

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 Price is above the Strike Price. The more the Closing Price is above the Strike Price, the higher the payoff at expiry. If the Closing Price is at or below the Strike Price, 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 Price is below the Strike Price. The more the Closing Price is below the Strike Price, the higher the payoff at expiry. If the Closing Price is at or above the Strike Price, 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 the shares of a company generally depends on the price of the underlying shares (being the underlying Shares 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 Price and Call Price 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 the underlying Shares;
  - the supply and demand for the CBBCs;
  - the probable range of the Cash Settlement Amount;
  - the depth of the market and liquidity of the underlying Shares;
  - our related transaction costs; and
  - the creditworthiness of the Issuer.

  Although the price of the CBBCs tends to mirror the movement in the price of the underlying Shares in dollar value, movements in the price of the CBBCs may not always correspond with the movements in the price of the underlying Shares, especially when the Spot Price is close to the Call Price. 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 price of the underlying Shares.

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:

(i) upon the occurrence of a Mandatory Call Event;

(ii) 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;

(iii) during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Stock Exchange;

(iv) when the CBBCs or the underlying Share are suspended from trading for any reason;

(v) 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;

(vi) when there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;

(vii) if the underlying Shares or 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

(viii) if the theoretical value of the CBBCs is less than HK$0.01. 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 underlying Company and the underlying Shares**

You may obtain information on the underlying Shares (including the underlying Company's financial statements) by visiting the Stock Exchange's website at *www.hkex.com.hk* or (if applicable) the underlying Company's website(s) as follows:

Underlying Company	***Website***
HSBC Holdings plc	*www.hsbc.com*

- **Information about the CBBCs after issue**

You may visit the Stock Exchange's website at *www.hkex.com.hk/products/securities/callable-bull-bear-contracts?sc_lang=en* or our website at *http://warrants.ubs.com/home/html/cbbc_e.html* 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**

  The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.0027 per cent. for each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the CBBCs. 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 rights issue, bonus issue or cash distribution by the Company, a subdivision or consolidation of the underlying Share or a restructuring event affecting the Company) 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 underlying Shares.

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, 6 and 13 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 inspect the relevant documents of the CBBCs?

The following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) until the Expiry Date at 52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong:

- 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 20 November 2020
- our latest audited consolidated financial statements and any interim or quarterly financial statements;
- the consent letter of our Auditors; and
- the instrument executed by us on 10 April 2006.

The Listing Documents are also available on the website of the HKEX at *www.hkexnews.hk* and our website at *http://warrants.ubs.com/home/html/cbbc_e.html*.

各上市文件亦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/home/html/cbbc_c.html*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 27 February 2020 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 exclusively 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.

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.

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 underlying Shares 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 Company.

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 price of the underlying Shares 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 Price and Call Price 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 the underlying Shares;
(vi) the supply and demand for the CBBCs;
(vii) the probable range of the Cash Settlement Amount;
(viii) the depth of the market and liquidity of the underlying Shares;
(ix) the related transaction cost (including the Exercise Expenses, if any); and
(x) the creditworthiness of the Issuer.

The value of the CBBCs may not correspond with the movements in the price of the underlying Shares. If you buy the CBBCs with a view to hedge against your exposure to the underlying Shares, it is possible that you could suffer loss in your investment in the underlying Shares and the CBBCs.

In particular, you should note that when the Spot Price of the underlying Shares is close to the Call Price, 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 price of the underlying Shares. In such case, a small change in the price of the underlying Shares may lead to a substantial price movement in the CBBCs.

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 Price reaches the Call Price (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). No investors can sell the CBBCs after the occurrence of a Mandatory Call Event. Even if the price of the underlying Shares 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.

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) report of system malfunction or other technical errors of HKEX (such as the setting up of wrong Call Price or other parameters) by the Stock Exchange to us; or
(ii) report of manifest errors caused by the relevant third party price source where applicable by us to the Stock Exchange,

and we agree with the Stock Exchange that such Mandatory Call Event is to be revoked provided that such mutual agreement must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Trading Day of the Stock Exchange immediately following the day on which the Mandatory Call Event occurs, or such other time as prescribed by the Stock Exchange from time to time.

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.

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.

Fluctuation in the Funding Cost

The Issue Price of the CBBCs is set by reference to the difference between the initial reference spot price of the underlying Shares and the Strike Price, 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 Price, the prevailing interest rate, the expected life of the CBBCs, any expected notional dividends in respect of the underlying Shares and the margin financing provided by us.

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 price of the underlying Shares and may trigger a Mandatory Call Event.

In particular, when the Spot Price of the underlying Shares is close to the Call Price, our unwinding activities in relation to the underlying Shares may cause a fall or rise (as the case may be) in the price of the underlying Shares 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 price of the underlying Shares 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.

Not the same as investing in the underlying Shares

Investing in the CBBCs is not the same as investing in the underlying Share. You have no rights in the underlying Share throughout the term of the CBBCs. Changes in the market value of the CBBCs may not correspond with the movements in the price of the underlying Share, especially when the theoretical value of the CBBCs is at HK$0.01 or below. If you buy the CBBCs with a view to hedge against your exposure to the underlying Share, it is possible that you could suffer loss in your investment in the underlying Share and the CBBCs.

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.

Adjustment related risk
The occurrence of certain events (including, without limitation, a rights issue, bonus issue or cash distribution by the Company, a subdivision or consolidation of the underlying Share and a restructuring event affecting the Company) 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 underlying Shares. Any adjustment or decision not to make any adjustment may adversely affect the value of the CBBCs. Please refer to Conditions 6 and 13 for details about adjustments.

Possible early termination
The CBBCs will lapse and cease to be valid in the event of liquidation of the Company. We may also 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 11 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.

Suspension of trading
If trading in the underlying Shares is suspended on the Stock Exchange, trading in the CBBCs will 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.

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 Company and/or the underlying Shares or issue or update research reports on the Company and/or the underlying Shares. Such activities, information and/or research reports may involve or affect the Company and/or the underlying Shares 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 Company and/or the underlying Shares 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 the underlying Shares.

Updated Information about Us

1 Our holding company, UBS Group AG, released its fourth quarter 2020 results for the quarterly period ended on 31 December 2020 on 26 January 2021. 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 2020 results. Please refer to Annex A of this document for the extract of UBS Group AG's fourth quarter 2020 report.

2 Please refer to Annex B of this document for the updated corporate information about UBS AG and UBS Group AG.

3 We, UBS AG, and our holding company, UBS Group AG, released a joint annual report 2020 for the period ended 31 December 2020 on 5 March 2021. You may visit the website at *https://www.ubs.com/global/en/investor-relations/financial-information/annual-reporting.html* to access such annual report. Please refer to Annex C of this document for the extract of UBS AG's annual financial statements.

ANNEX A

The information set out after this page has been extracted without adjustment from UBS Group AG's fourth quarter 2020 report. Page references in the following extract refer to pages in such report.

Comparison between UBS Group AG consolidated and UBS AG consolidated

	As of or for the quarter ended 31.12.20		
USD million, except where indicated	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)
Income statement			
Operating income	8,117	8,220	(103)
Operating expenses	6,060	6,252	(192)
Operating profit / (loss) before tax	2,057	1,968	89
of which: Global Wealth Management	*936*	*926*	*9*
of which: Personal & Corporate Banking	*353*	*353*	*(1)*
of which: Asset Management	*401*	*401*	*0*
of which: Investment Bank	*529*	*528*	*1*
of which: Group Functions	*(161)*	*(241)*	*79*
Net profit / (loss)	1,717	1,644	73
of which: net profit / (loss) attributable to shareholders	*1,708*	*1,635*	*73*
of which: net profit / (loss) attributable to non-controlling interests	*9*	*9*	*0*
Statement of comprehensive income			
Other comprehensive income	83	54	29
of which: attributable to shareholders	*65*	*36*	*29*
of which: attributable to non-controlling interests	*18*	*18*	*0*
Total comprehensive income	1,799	1,697	102
of which: attributable to shareholders	*1,773*	*1,671*	*102*
of which: attributable to non-controlling interests	*27*	*27*	*0*
Balance sheet			
Total assets	1,125,765	1,125,327	438
Total liabilities	1,065,928	1,067,182	(1,254)
Total equity	59,836	58,145	1,691
of which: equity attributable to shareholders	*59,517*	*57,825*	*1,691*
of which: equity attributable to non-controlling interests	*319*	*319*	*0*
Capital information			
Common equity tier 1 capital	39,966	38,192	1,773
Going concern capital	56,254	52,622	3,632
Risk-weighted assets	289,101	286,743	2,358
Common equity tier 1 capital ratio (%)	13.8	13.3	0.5
Going concern capital ratio (%)	19.5	18.4	1.1
Total loss-absorbing capacity ratio (%)	35.2	34.2	1.0
Leverage ratio denominator	1,037,150	1,036,771	379
Leverage ratio denominator (with temporary FINMA exemption)[1]	944,323	969,396	(25,073)
Common equity tier 1 leverage ratio (%)	3.85	3.68	0.17
Common equity tier 1 leverage ratio (%) (with temporary FINMA exemption)[1]	4.23	3.94	0.29
Going concern leverage ratio (%)	5.4	5.1	0.3
Going concern leverage ratio (%) (with temporary FINMA exemption)[1]	6.0	5.4	0.5
Total loss-absorbing capacity leverage ratio (%)	9.8	9.5	0.3

1 Refer to the "Recent developments" section of our second quarter 2020 report and the "Capital management" section of this report for further details about the temporary FINMA exemption.

As of or for the quarter ended 30.9.20			As of or for the quarter ended 31.12.19		
UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)	UBS Group AG consolidated	UBS AG consolidated	Difference (absolute)
8,935	9,038	(103)	7,052	7,145	(93)
6,357	6,560	(203)	6,124	6,332	(207)
2,578	2,478	100	928	814	114
1,057	*1,042*	*14*	*766*	*754*	*12*
335	*335*	*0*	*310*	*311*	*(1)*
739	*739*	*0*	*180*	*180*	*0*
632	*623*	*9*	*(22)*	*(18)*	*(4)*
(184)	*(261)*	*77*	*(306)*	*(413)*	*107*
2,094	2,018	76	727	628	100
2,093	*2,018*	*76*	*722*	*622*	*100*
0	*0*	*0*	*6*	*6*	*0*
86	70	16	(2,295)	(1,475)	(819)
80	*64*	*16*	*(2,299)*	*(1,479)*	*(819)*
6	*6*	*0*	*4*	*4*	*0*
2,180	2,088	92	(1,567)	(847)	(720)
2,173	*2,081*	*92*	*(1,577)*	*(857)*	*(720)*
7	*7*	*0*	*10*	*10*	*0*
1,065,153	1,064,621	532	972,194	971,927	267
1,005,409	1,006,868	(1,459)	917,519	918,031	(512)
59,744	57,753	1,991	54,675	53,896	779
59,451	*57,461*	*1,991*	*54,501*	*53,722*	*779*
293	*293*	*0*	*174*	*174*	*0*
38,197	38,652	(454)	35,535	35,233	302
54,396	53,004	1,392	51,842	47,191	4,650
283,133	281,442	1,691	259,208	257,831	1,376
13.5	13.7	(0.2)	13.7	13.7	0.0
19.2	18.8	0.4	20.0	18.3	1.7
34.5	34.2	0.3	34.6	33.9	0.7
994,366	994,015	352	911,322	911,228	94
907,181	931,978	(24,797)			
3.84	3.89	(0.05)	3.90	3.87	0.03
4.21	4.15	0.06			
5.5	5.3	0.1	5.7	5.2	0.5
6.0	5.7	0.3			
9.8	9.7	0.1	9.8	9.6	0.2

UBS AG consolidated key figures

	As of or for the quarter ended			As of or for the year ended	
USD million, except where indicated	31.12.20	30.9.20	31.12.19	31.12.20	31.12.19
Results					
Operating income	8,220	9,038	7,145	32,780	29,307
Operating expenses	6,252	6,560	6,332	25,009	24,138
Operating profit / (loss) before tax	1,968	2,478	814	7,770	5,169
Net profit / (loss) attributable to shareholders	1,635	2,018	622	6,267	3,965
Profitability and growth[1]					
Return on equity (%)	11.3	14.3	4.6	11.1	7.4
Return on tangible equity (%)	12.8	16.1	5.2	12.5	8.5
Return on common equity tier 1 capital (%)	17.0	21.2	7.1	16.8	11.3
Return on risk-weighted assets, gross (%)	11.7	12.9	11.0	11.9	11.2
Return on leverage ratio denominator, gross (%)[2]	3.3	3.7	3.2	3.4	3.2
Cost / income ratio (%)	75.5	71.9	88.5	74.7	82.1
Net profit growth (%)	162.9	108.5	128.4	58.1	(3.4)
Resources[1]					
Total assets	1,125,327	1,064,621	971,927	1,125,327	971,927
Equity attributable to shareholders	57,825	57,461	53,722	57,825	53,722
Common equity tier 1 capital[3]	38,192	38,652	35,233	38,192	35,233
Risk-weighted assets[3]	286,743	281,442	257,831	286,743	257,831
Common equity tier 1 capital ratio (%)[3]	13.3	13.7	13.7	13.3	13.7
Going concern capital ratio (%)[3]	18.4	18.8	18.3	18.4	18.3
Total loss-absorbing capacity ratio (%)[3]	34.2	34.2	33.9	34.2	33.9
Leverage ratio denominator[3]	1,036,771	994,015	911,228	1,036,771	911,228
Leverage ratio denominator (with temporary FINMA exemption)[4]	969,396	931,978		969,396	
Common equity tier 1 leverage ratio (%)[3]	3.68	3.89	3.87	3.68	3.87
Common equity tier 1 leverage ratio (%) (with temporary FINMA exemption)[4]	3.94	4.15		3.94	
Going concern leverage ratio (%)[3]	5.1	5.3	5.2	5.1	5.2
Going concern leverage ratio (%) (with temporary FINMA exemption)[4]	5.4	5.7		5.4	
Total loss-absorbing capacity leverage ratio (%)[3]	9.5	9.7	9.6	9.5	9.6
Other					
Invested assets (USD billion)[5]	4,187	3,807	3,607	4,187	3,607
Personnel (full-time equivalents)	47,546	47,584	47,005	47,546	47,005

1 Refer to the "Performance targets and measurement" section of our Annual Report 2019 for more information about our performance measurement. 2 The leverage ratio denominators used for the return calculations relating to the respective periods in 2020 do not reflect the effects of the temporary exemption that has been granted by FINMA in connection with COVID-19. Refer to the "Recent developments" section of our second quarter 2020 report for more information. 3 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. 4 Refer to the "Recent developments" section of our second quarter 2020 report and the "Capital management" section of this report for further details about the temporary FINMA exemption. 5 Includes invested assets for Global Wealth Management, Asset Management and Personal & Corporate Banking.

ANNEX B

The information set out after this page shall replace the section headed “Information in relation to us” on pages 14-17 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 company is UBS AG.

The company 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 company changed its name to UBS AG. The company 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 "Balance sheet, liquidity and funding management" in the "Treasury management" section of the UBS Group AG and UBS AG Annual Report 2019 published on 28 February 2020 ("**Annual Report 2019**").

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 to improve the resolvability of the Group in response to too big to fail requirements in Switzerland and recovery and resolution regulation in other countries in which the Group operates. In December 2014, UBS Group AG became the holding company of the Group.

In 2015, UBS AG transferred its personal & corporate banking and wealth management businesses booked in Switzerland to the newly established UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. In 2016, UBS Americas Holding LLC was designated as the intermediate holding company for UBS's subsidiaries in the United States ("**US**") and UBS merged its wealth management subsidiaries in various European countries into UBS Europe SE, UBS's German-headquartered European subsidiary. Additionally, UBS transferred the majority of Asset Management's operating subsidiaries to UBS Asset Management AG. Effective 1 April 2019, the portion of the Asset Management business in Switzerland conducted by UBS AG was transferred from UBS AG to its indirect subsidiary, UBS Asset Management Switzerland AG.

UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was established in 2015 and acts as the Group service company. In 2017, UBS's shared services functions in Switzerland and the United Kingdom ("**UK**") were transferred from UBS AG to UBS Business Solutions AG. UBS also completed the transfer of shared services functions in the US to its US service company, UBS Business Solutions US LLC, a wholly owned subsidiary of UBS Americas Holding LLC.

In March 2019, UBS Limited, UBS's UK headquartered subsidiary, was merged into UBS Europe SE prior to the UK's then scheduled departure from the European Union ("**EU**"). Former clients and other counterparties of UBS Limited who can be serviced by UBS AG's London Branch were migrated to UBS AG's London Branch prior to the merger.

UBS continues to consider further changes to the Group's legal structure in response to regulatory requirements and other external developments. Such changes may include further consolidation of operating subsidiaries in the EU and adjustments to the booking entity or location of products and services.

UBS Group AG's interests in subsidiaries and other entities as of 31 December 2019, including interests in significant subsidiaries, are discussed in "*Note 31 Interests in subsidiaries and other entities*" to the UBS Group AG's consolidated financial statements included in the Annual Report 2019.

UBS AG's interests in subsidiaries and other entities as of 31 December 2019, including interests in significant subsidiaries, are discussed in "*Note 31 Interests in subsidiaries and other entities*" to the UBS AG's consolidated financial statements included in the Annual Report 2019.

3.2. Recent Developments

3.2.1. Business and strategic developments

Effects of the COVID-19 pandemic on UBS's financial and capital position

Despite the uncertainties caused by the pandemic, the negative effects of the COVID-related crisis on UBS's financial and capital positions were limited in 2020. Although it experienced an increase in credit loss expenses under IFRS 9 in 2020, UBS maintained a strong capital and liquidity position in the face of the adverse economic developments, the sharp decline in market valuations and the increased levels of volatility. In the fourth quarter of 2020, credit loss expenses were at lower levels than those seen in prior quarters of 2020.

Overall, UBS expects elevated credit loss expenses to persist for at least as long as the COVID-19 containment measures continue, although at levels lower than in the first half of 2020. Due to the credit quality of its portfolio, UBS remains confident in its ability to maintain its overall strength and stability and to continue to support its clients.

Key developments in UBS's risk management and control – credit risk

Credit loss expense / release – Total net credit loss expenses were USD 66 million in the fourth quarter of 2020, reflecting a USD 33 million release of credit losses related to stage 1 and stage 2 positions and USD 99 million of credit loss expenses related to credit-impaired (stage 3) positions. Total net credit loss expenses included USD 64 million in the Investment Bank related to an exposure to a client in the travel sector that became impairedduring the quarter.

Overall banking products exposures – Overall banking products exposure increased by USD 28 billion to USD 639 billion as of 31 December 2020. USD 18 billion is due to loans and advances to customers, USD 9 billion due to balances at central banks and USD 1 billion due to loans and advances to banks, with a partly offsetting USD 1 billion reduction in loan commitments and guarantees.

Credit-impaired gross exposure increased by USD 198 million to USD 3,778 million as of 31 December 2020. The increase stemmed mainly from the same Investment Bank counterparty in the travel sector mentioned in the credit loss expense / release section above.

In Personal & Corporate Banking, loans and advances to customers increased by USD 5.7 billion, mainly driven by the effects of the US dollar depreciating against the Swiss franc on a mostly Swiss franc-denominated portfolio. In Global Wealth Management, the USD 11.4 billion increase in loans and advances to customers was mainly driven by higher volumes of Lombard loans in the US, Switzerland and Asia Pacific. In the Investment Bank, loans and advances to customers increased by USD 1.2 billion.

Exposure related to traded products remained mostly unchanged, with an increase of USD 0.5 billion during the fourth quarter of 2020.

Committed credit facilities – Committed credit facilities and client drawings against these remained stable in the fourth quarter of 2020. UBS manages its credit risk on the aggregate of drawn and committed undrawn credit facilities and model full drawing of committed facilities in UBS's stress testing framework.

Loan underwriting – In the Investment Bank, new loan underwriting activity levels and distributions continued to be robust during the fourth quarter of 2020. As of 31 December 2020, mandated loan underwriting commitments totalled USD 4.9 billion on a notional basis (compared with USD 7.0 billion as of 30 September 2020). As of 31 December 2020, USD 0.5 billion of commitments had not yet been distributed as originally planned. Loan underwriting exposures are held for trading, with fair values reflecting the market conditions at the end of the quarter. Credit hedges are in place to help protect against fair value movements in the portfolio.

Swiss mortgage portfolio – Of UBS's total Swiss real estate portfolio of USD 170 billion, USD 153 billion related to Swiss residential real estate, USD 6 billion to commercial retail and office real estate, and a further USD 10 billion to industrial and other real estate. The residential portfolio consists of USD 127 billion for single-family homes (average LTV of 54%) and USD 26 billion in residential income-producing real estate (average LTV of 52%). In addition, UBS is carefully monitoring the level of risk in its Swiss commercial retail and office real estate portfolio (average LTV of 45%) and its resilience to the economic impact of COVID-19.

Exposure to the Swiss economy and Swiss corporates – Within Personal & Corporate Banking, risks related to UBS's exposures to certain industry sectors have increased due to the measures taken in relation to the COVID-19 pandemic. Industries in focus with a negative outlook include tourism and media. Retail; culture, sports and education; and watches remain in focus but to a lesser degree. UBS's exposure to the tourism sector (including hotels, restaurants and transport) totalled USD 2.1 billion as of 31 December 2020, with hotels accounting for USD 1.0 billion of this exposure. UBS's other exposures included: USD 1.7 billion to the retail sector; USD 1.0 billion to the culture, sports and education sector; USD 0.3 billion to the media sector; and USD 0.2 billion to the watch sector. Apart from a few large counterparties, UBS's exposures within these sectors are highly diversified across Switzerland.

3.2.2. *Accounting, regulatory, legal and other developments*

Swiss COVID-19 loans

In March 2020, the Swiss Federal Council adopted provisional emergency legislation to provide Swiss companies with liquidity, which gave small and medium-sized entities (SMEs) access to government-guaranteed bank credit facilities. In December 2020, the Swiss Parliament approved the COVID-19 Joint and Several Guarantee Act, which became effective on 19 December 2020. This Act codified the measures adopted under emergency legislation into ordinary law and provides for regulation of the loan programs and guarantees over their life cycle. The new Act extends the standard amortization period of loans from five to eight years.

US CCAR and EU capital distributions

In December 2020, the Federal Reserve released the results of its second Comprehensive Capital Analysis and Review ("**CCAR**") of 2020. UBS Americas Holding LLC's projected stress capital ratios exceeded regulatory capital minima under the updated supervisory scenarios.

The Federal Reserve also maintained its limitations on capital distributions by supervised firms largely unchanged through the fourth quarter of 2020. As a result, UBS Americas Holding LLC could not distribute cash dividends on common equity in excess of the firm's average net income over the four preceding quarters

After having extended its recommendation in July 2020 for banks to refrain from making capital distributions and carrying out share repurchases until 1 January 2021, the European Central Bank (the "**ECB**") announced in December 2020 that EU banks under its supervision, including UBS Europe SE, should exercise extreme prudence with regard to dividends and share repurchases from 1 January until 30 September 2021.

Swiss Withholding Tax Act

Based on the results of a consultation that addressed amendments to the Withholding Tax Act, the Swiss Federal Council proposed in September 2020 to maintain the withholding tax on interest carried on bank accounts by natural persons with tax domicile in Switzerland and to abolish the tax on all other interest payments. As the next step, the Federal Council will submit a dispatch to Parliament in the second quarter of 2021.

Furthermore, the Swiss Federal Council proposed to extend the current withholding tax exemption for total loss-absorbing capacity and additional tier 1 instruments from 2021 until the end of 2026. This extension will be subject to parliamentary debate in 2021.

NSFR implementation

In September 2020, the Swiss Federal Council adopted an amendment to the Liquidity Ordinance for the implementation of the net stable funding ratio ("**NSFR**"). The NSFR regulation was finalized in the fourth quarter of 2020 with the release of the revised FINMA liquidity circular. The NSFR will become effective on 1 July 2021 and UBS is on schedule to operationalize it. The overall effect of the NSFR on UBS upon implementation is expected to be limited.

In October 2020, the US banking regulators finalized the NSFR rule for supervised firms to ensure a minimum level of stable funding. The rule becomes effective as of 1 July 2021 and will require semi-annual disclosure from 1 January 2023. As a Category III firm under the Federal Reserve's Tailoring Rule (2019), UBS's intermediate holding company, UBS Americas Holding LLC, and its subsidiary bank, UBS Bank USA, will be subject to a NSFR requirement of 85%.

Brexit

Following the UK's withdrawal from the EU on 31 January 2020, the negotiation on the Trade and Cooperation Agreement, which governs the relationship between the EU and the UK on free trade in goods and mutual market access, among other matters, was finalized on 24 December 2020.

In September 2020, the European Commission adopted a temporary equivalence decision for UK central counterparties ("**CCPs**") for the purpose of facilitating derivatives clearing. The temporary equivalence decision, applicable from 1 January 2021 until 30 June 2022, does not require UBS Europe SE to migrate its exposures to an EU CCP before the end of the transition period.

In March 2019, UBS completed a business transfer and cross-border merger of UBS Limited and UBS Europe SE in order to continue serving EEA clients following the end of the transition period and continues to align its Investment Bank activities to respond to ongoing regulatory guidance.

Developments related to the transition away from LIBOR

The UK Prudential Regulation Authority ("**PRA**") and the Financial Conduct Authority ("**FCA**") have confirmed the end-of-2021 deadline for transitioning away from the London inter-bank offered rate ("**LIBOR**") for most currencies. The ICE Benchmark Administration ("**IBA**"), the FCA-regulated and authorized administrator of LIBOR, is consulting on the timing of the cessation of USD LIBOR. IBA expects that one-week and two-month USD LIBOR settings will cease by the end of 2021, and that the remaining USD LIBOR settings will cease by the end of June 2023. The UK Government announced that the FCA will be given additional powers to ensure a smooth wind-down of LIBOR and deal with certain legacy contracts that cannot easily transition from LIBOR.

In October 2020, the International Swaps and Derivatives Association ("**ISDA**") launched the IBOR Fallbacks Supplement and IBOR Fallbacks Protocol, amending the ISDA standard definitions for interest-rate derivatives to incorporate fallbacks for derivatives linked to certain inter-bank offered rates ("**IBORs**"). The changes came into effect on 25 January 2021 and, from that date, all new cleared and non-cleared derivatives between adhering parties that reference the definitions now include these fallbacks. UBS has adhered to the protocol.

Sale of wealth management business in Austria

In its continuing effort to focus on core markets in Europe, UBS signed an agreement in December 2020 to sell its domestic wealth management business in Austria to LGT. The agreement includes the transition of employees, client relationships, products and services of the wealth management business of UBS Austria. The transaction is subject to customary closing conditions and is expected to close in the third quarter of 2021. UBS expects to record a pre-tax gain of approximately USD 0.1 billion upon closing of the transaction. UBS's asset management business in Austria is not part of this transaction.

3.3. Market and macroeconomic risks relating to the COVID-19 pandemic

The spread of the coronavirus disease (COVID-19) pandemic and the governmental measures taken to contain the pandemic have significantly adversely affected, and will likely continue to adversely affect, global eco-nomic conditions, resulting in meaningful contraction in the global economy, substantial volatility in the financial markets, increased unemployment, increased credit and counterparty risk, and operational challenges such as the temporary closures of businesses, sheltering-in-place directives and increased remote work proto-cols. Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, though it is unclear whether these or future actions will be successful in countering the economic disruption. If the pandemic is prolonged or the actions of governments and central banks are unsuccessful, the adverse impact on the global economy will deepen, and UBS AG's results of operations and financial condition in future quarters will be adversely affected.

The outlook for the global economy has deteriorated markedly as a result of the COVID-19 outbreak. COVID-19 and related lockdown measures have significantly impacted major economies across the world. Although economic and other measures taken to counteract the contraction have had a positive effect on economies, the resurgence of the pandemic and related control efforts mean that uncertainties are still at a high level, making predictions difficult and displaying several potential triggers for further negative developments. The COVID-19 pandemic affected all of UBS's businesses in the first half of 2020, and these effects could be greater in the future if conditions become more adverse. These effects included declines in asset prices, significantly in-creased volatility, lower or negative interest rates, widening of credit spreads and credit deterioration. These effects have resulted in decreases in the valuation of loans and commitments, an increase in the allowance for credit losses and lower valuations of certain classes of trading assets. These effects were offset by high levels of client trading activity in 2020 and a recovery in economic activity and asset prices in the second half of 2020, partly as a result of economic stimulus. However, there can be no assurance that economic recovery will continue or that client activity will remain at current levels.

Should these global market conditions be prolonged or worsen, or the pandemic lead to additional market disruptions, UBS AG may experience reduced client activity and demand for its products and services, increased utilization of lending commitments, more client defaults, higher credit and valuation losses in UBS AG's loan portfolios, loan commitments and other assets, and impairments of other financial assets. In addition, a sharp decline in interest rates would decrease net interest margins. A decline in invested assets would also reduce recurring fee income in the Global Wealth Management and Asset Management businesses. These factors and other consequences of the COVID-19 pandemic may negatively affect UBS AG's financial condition, including possible constraints on capital and liquidity, as well as a higher cost of capital, and possible changes or down-grades to our credit ratings.

Although UBS AG has moved a substantial portion of its workforce to work-from-home solutions, including client-facing and trading staff, if significant portions of its workforce, including key personnel, are unable to work effectively because of illness, government actions, or other restrictions in connection with the pandemic, the adverse effects of the pandemic on its businesses could be exacerbated. In addition, with staff working from outside the offices, UBS AG faces new challenges and operational risks, including maintenance of supervisory and surveillance controls, as well as increased fraud and data security risks. While UBS AG has taken measures to manage these risks, such measures have never been tested on the scale or duration that UBS AG is currently experiencing, and there is risk that these measures will not be effective in the current unprecedented operating environment.

The extent to which the pandemic, and the related economic distress, affect UBS AG's businesses, results of operations and financial condition, as well as its regulatory capital and liquidity ratios, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pan-demic and any recovery period, future actions taken by governmental authorities, central banks and other third parties in response to the pandemic, and the effects on UBS AG's customers, counterparties, employees and third-party service providers.

3.4. Trend Information

As indicated in the UBS fourth quarter 2020 report published on 26 January 2021 (the "**Fourth Quarter 2020 Report**"), investor sentiment improved in the fourth quarter of 2020, largely on the basis of the strong rebound in economic activity seen through the third quarter, combined with greater optimism regarding the availability and effective distribution of COVID-19 vaccines, as well as continued fiscal and monetary stimulus that contributed to generally more positive views on the timing and extent of a sustainable economic recovery. However, recent developments, including economic and political situations in some large economies and geopolitical tensions, have again raised questions around the shape and pace of the recovery. The growing numbers of COVID-19 infections and hospitalizations as well as lockdowns and similar measures imposed to control the pandemic add to existing concerns about the shape of the overall recovery and the severity and duration of the effects of the pandemic in certain economic sectors. In these uncertain times, UBS's clients particularly value expert guidance and UBS remains focused on supporting them with advice and solutions. UBS expects its revenues in the first quarter of 2021 to be positively influenced by seasonal factors such as higher client activity, compared with the fourth quarter of 2020. Higher asset prices should have a positive effect on recurring fee income in UBS's asset gathering businesses. However, the continued uncertainty in the environment could affect both asset prices and client activity. While supporting market sentiment, low and persistently negative interest rates and expectations of continuing easy monetary policy will remain headwinds to net interest income sequentially. With its balance sheet for all seasons and its diversified business model, UBS remains well positioned to drive sustainable long-term value for its clients and shareholders.

Refer to the "*Market and macroeconomic risks relating to the COVID-19 pandemic*", and the "*Recent Developments*" sections of this document, and the section headed "Risk factors" in the section "Our strategy, business model and environment" in the Annual Report 2019 for more information.

4. Board of Directors

The Board of Directors ("**BoD**") consists of at least five and no more than twelve members. All the members of the BoD are elected individually by the Annual General Meeting of Shareholders ("**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. In addition, the UBS announced that Beatrice Weder di Mauro has decided not to stand for re-election to the BoD, and that it intends to appoint Claudia Böckstiegel and Patrick Firmenich for election to the BoD at the next AGM.

Member	**Title**	**Term of office**	**Current principal activities outside UBS AG**
Axel A. Weber	Chairman	2021	Chairman of the Board of Directors of UBS Group AG; board member of the Swiss Bankers Association; Trustees Board member of Avenir Suisse; board member of the Swiss Finance Council; Chairman of the board of the Institute of International Finance; member of the European Financial Services Round Table; member of the European Banking Group; member of the International Advisory Councils of the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission; member of the International Advisory Panel, Monetary Authority of Singapore; member of the Group of Thirty, Washington, D.C.; Chairman of the Board of Trustees of DIW Berlin; Advisory Board member of the Department of Economics, University of Zurich; member of the Trilateral Commission.
Jeremy Anderson	Vice Chairman	2021	Vice-Chairman and 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.
William C. Dudley	Member	2021	Member of the Board of Directors of UBS Group AG; senior research scholar at the Griswold Center for Economic Policy Studies at Princeton University; member of the Board of Treliant LLC; member of the Group of Thirty; member of the Council on Foreign Relations; chair of the Bretton Woods Committee's Advisory Council.
Reto Francioni	Member	2021	Member of the Board of Directors of UBS Group AG; professor at the University of Basel; board member of Coca-Cola HBC AG (Senior Independent Non-Executive Director, chair of the nomination committee); Chairman of the board of Swiss International Air Lines AG; board member of MedTech Innovation Partners AG; executive director and member of myTAMAR GmBH.

Member	Title	Term of office	Current principal activities outside UBS AG
Fred Hu	Member	2021	Member of the Board of Directors of UBS Group AG; non-executive chairman of the board of Yum China Holdings (chair of the nomination and governance committee); member of the Board of Ant Group; board member of Industrial and Commercial Bank of China; board member of Hong Kong Exchanges and Clearing Ltd.; founder and chairman of Primavera Capital Group; board member of China Asset Management; board member of Minsheng Financial Leasing Co.; trustee of the China Medical Board; Governor of the Chinese International School in Hong Kong; co-chairman of the Nature Conservancy Asia Pacific Council; director and member of the Executive Committee of China Venture Capital and Private Equity Association Ltd.; Global Advisory Board member of the Council on Foreign Relations.
Mark Hughes	Member	2021	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	2021	Member of the Board of Directors of UBS Group AG; member of the Board of Euronext N.V.; member of the Board of Veolia Environnement SA.
Julie G. Richardson	Member	2021	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 Vereit, Inc. (chair of the compensation committee); member of the board of Datalog (chair of the audit committee).
Beatrice Weder di Mauro	Member	2021	Member of the Board of Directors of UBS Group AG; professor of international economics at the Graduate Institute Geneva (IHEID); president of the Centre for Economic Policy Research in London; research professor and distinguished fellow at the Emerging Markets Institute at INSEAD in Singapore; Supervisory Board member of Robert Bosch GmbH; member of the Foundation Board of the International Center for Monetary and Banking Studies (ICMB); member of the Franco-German Council of Economic Experts; advisor to the Board of Directors of Unigestion.
Dieter Wemmer	Member	2021	Member of the Board of Directors of UBS Group AG; board member of Ørsted A/S (chair of the audit and risk committee); member of the Berlin Center of Corporate Governance.

Member	Title	Term of office	Current principal activities outside UBS AG
Jeanette Wong	Member	2021	Member of the Board of Directors of UBS Group AG; board member of EssilorLuxottica; board member of Jurong Town Corporation; board member of PSA International; board member of FFMC Holdings Pte. Ltd. and of Fullerton Fund Management Company Ltd.; member of the Management Advisory Board of NUS Business School; member of the Global Advisory Board, Asia, University of Chicago Booth School of Business; 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 (which for purposes of this section may refer to UBS 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 UBS 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 UBS 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. UBS 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 UBS 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 UBS, but are nevertheless expected to be, based on UBS'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.

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, UBS states that it has established a provision, and for the other matters, it makes no such statement. When UBS makes this statement and it expects disclosure of the amount of a provision to prejudice seriously its position with other parties in the matter because it would reveal what UBS believes to be the probable and reliably estimable outflow, UBS does not disclose that amount. In some cases UBS is subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which UBS does not state whether it has established a provision, either: (a) it has not established a provision, in which case the matter is treated as a contingent liability under the applicable accounting standard; or (b) it has established a provision but expects disclosure of that fact to prejudice seriously its 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 UBS has established provisions, UBS is able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which it is able to estimate expected timing is immaterial relative to its 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 and contingent liabilities*" section of the Fourth Quarter 2020 Report. It is not practicable to provide an aggregate estimate of liability for UBS's 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. For example, the non-prosecution agreement UBS entered into with the US Department of Justice ("**DOJ**"), Criminal Division, Fraud Section in connection with submissions of benchmark interest rates, including, among others, the British Bankers' Association London Interbank Offered Rate ("**LIBOR**"), was terminated by the DOJ based on its determination that UBS had committed a US crime in relation to foreign exchange matters. As a consequence, UBS AG pleaded guilty to one count of wire fraud for conduct in the LIBOR matter, paid a fine and was subject to probation, which ended in January 2020.

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 UBS's capital requirements and the calculation of operational risk for this purpose is included in the "*Capital management*" section of the Fourth Quarter 2020 Report.

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

USD million	**Global Wealth Management**	**Personal & Corporate Banking**	**Asset Management**	**Investment Bank**	**Group Functions**	**Total**
Balance as of 31 December 2019	782	113	0	255	1,325	2,475
Balance as of 30 September 2020	741	112	0	211	933	1,996
Increase in provisions recognized in the income statement	70	0	0	13	0	**83**
Release of provisions recognized in the income statement	(4)	0	0	0	0	**(4)**
Provisions used in conformity with designated purpose	(40)	(1)	0	(1)	(1)	**(43)**
Foreign currency translation / unwind of discount	22	5	0	5	0	**32**
Balance as of 31 December 2020	**789**	**115**	**0**	**227**	**932**	**2,063**

[1] Provisions, if any, for matters described in this disclosure are recorded in Global Wealth Management (item C and item D) and Group Functions (item B). Provisions, if any, for the matters described in items A and F of this disclosure are allocated between Global Wealth Management and Personal & Corporate Banking, and provisions, if any, for the matters described in this disclosure in item E are allocated between the Investment Bank and Group Functions.

A. 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. It is possible that the implementation of automatic tax information exchange and other measures relating to cross-border provision of financial services could give rise to further inquiries in the future. UBS has received disclosure orders from the Swiss Federal Tax Administration ("**FTA**") to transfer information based on requests for international administrative assistance in tax matters. The requests concern a number of UBS account numbers pertaining to current and former clients and are based on data from 2006 and 2008. UBS has taken steps to inform affected clients about the administrative assistance proceedings and their procedural rights, including the right to appeal. The requests are based on data received from the German authorities, who seized certain data related to UBS clients booked in Switzerland during their investigations and have apparently shared this data with other European countries. UBS expects additional countries to file similar requests.

The Swiss Federal Administrative Court ruled in 2016 that, in the administrative assistance proceedings related to a French bulk request, UBS has the right to appeal all final FTA client data disclosure orders. On 30 July 2018, the Swiss Federal Administrative Court granted UBS's appeal by holding the French administrative assistance request inadmissible. The FTA filed a final appeal with the Swiss Federal Supreme Court. On 26 July 2019, the Supreme Court reversed the decision of the Federal Administrative Court. In December 2019, the court released its written decision. The decision requires the FTA to obtain confirmation from the French authorities that transmitted data will be used only for the purposes stated in their request before transmitting any data. The stated purpose of the original request was to obtain information relating to taxes owed by account holders. Accordingly, any information transferred to the French authorities must not be passed to criminal authorities or used in connection with the ongoing case against UBS discussed in this item. In February 2020, the FTA ordered that UBS would not be granted party status in the French administrative assistance proceedings. UBS appealed this decision to the Federal Administrative Court. On 15 July, the Federal Administrative Court upheld the FTA's decision, holding that UBS will no longer have party status in these proceedings. The Swiss Federal Supreme Court has determined that it will not hear UBS's appeal of this decision.

Since 2013, UBS (France) S.A., UBS AG and certain former employees have been under investigation in France for alleged complicity in unlawful solicitation of clients on French territory, regarding the laundering of proceeds of tax fraud, and banking and financial solicitation by unauthorized persons. In connection with this investigation, the investigating judges ordered UBS AG to provide bail of EUR 1.1 billion and UBS (France) S.A. to post bail of EUR 40 million, which was reduced on appeal to EUR 10 million.

A trial in the court of first instance took place from 8 October 2018 until 15 November 2018. On 20 February 2019, the court announced 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 laundering the proceeds of tax fraud. The court imposed fines aggregating EUR 3.7 billion on UBS AG and UBS (France) S.A. and awarded EUR 800 million of civil damages to the French state. UBS has appealed the decision. Under French law, the judgment is suspended while the appeal is pending. The trial originally scheduled for 2 June 2020 has been rescheduled to 8-24 March 2021. The Court of Appeal will retry the case de novo as to both the law and the facts, and the fines and penalties can be greater than or less than those imposed by the court of first instance. A subsequent appeal to the Cour de Cassation, France's highest court, is possible with respect to questions of law.

UBS believes that based on both the law and the facts the judgment of the court of first instance should be reversed. UBS believes it followed its obligations under Swiss and French law as well as the European Savings Tax Directive. Even assuming liability, which it contests, UBS believes the penalties and damage amounts awarded greatly exceed the amounts that could be supported by the law and the facts. In particular, UBS believes the court incorrectly based the penalty on the total regularized assets rather than on any unpaid taxes on those assets for which a fraud has been characterized and further incorrectly awarded damages based on costs that were not proven by the civil party. Notwithstanding that UBS believes it should be acquitted, UBS's balance sheet at 31 December 2020 reflected provisions with respect to this matter in an amount of EUR 450 million (USD 549 million at 31 December 2020). The wide range of possible outcomes in this case contributes to a high degree of estimation uncertainty. The provision reflected on UBS's balance sheet at 31 December 2020 reflects its best estimate of possible financial implications, although it is reasonably possible that actual penalties and civil damages could exceed the provision amount.

In 2016, UBS was notified by the Belgian investigating judge that it is under formal investigation regarding the laundering of proceeds of tax fraud, of banking and financial solicitation by unauthorized persons, and of serious tax fraud.

UBS's balance sheet at 31 December 2020 reflected provisions with respect to matters described in this item A in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has 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 UBS has recognized.

B. 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.

UBS's balance sheet at 31 December 2020 reflected a provision with respect to matters described in this item B in an amount that it believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has 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 UBS has recognized.

C. 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 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.

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 totalling approximately EUR 2.1 billion, 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 2 billion. 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 125 million 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.

D. 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 in relation to their examinations of UBS's operations.

Since that time UBS has received customer complaints and arbitrations with aggregate claimed damages of USD 3.4 billion, of which claims with aggregate claimed damages of USD 2.8 billion have been resolved through settlements, arbitration or withdrawal of the claim. The claims have been filed by 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; customer complaint and arbitration 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 2015, defendants' motion to dismiss was denied and a request for permission to appeal that ruling was denied by the Puerto Rico Supreme Court.

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 3 billion of bonds by the System in 2008 and sought damages of over USD 800 million. In 2016, the court granted the System's request to join the action as a plaintiff, but ordered that plaintiffs must file an amended complaint. In 2017, the court denied defendants' motion to dismiss the amended complaint. In 2020 the court denied plaintiffs' motion for summary judgment.

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 125 million 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. The actions collectively seek recovery of an aggregate of USD 955 million 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.

UBS's balance sheet at 31 December 2020 reflected provisions with respect to matters described in this item D in amounts that it believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has 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 UBS has recognized.

E. 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 the UK Financial Conduct Authority ("**FCA**"), the US Commodity Futures Trading Commission ("**CFTC**"), FINMA, the Board of Governors of the Federal Reserve System ("**Federal Reserve Board**") and the Connecticut Department of Banking, the DOJ's Criminal Division and the European Commission. UBS has ongoing obligations under the Cease and Desist Order of the Federal Reserve Board and the Office of the Comptroller of the Currency (as successor to the Connecticut Department of Banking), and to cooperate with relevant authorities and to undertake certain remediation measures. UBS has also been 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. Investigations relating to foreign exchange matters by certain authorities remain ongoing notwithstanding these resolutions.

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 141 million 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 2017, two putative class actions were filed in federal court in New York against UBS and numerous other banks on behalf of persons and entities who had indirectly purchased foreign exchange instruments from a defendant or co-conspirator in the US, and a consolidated complaint was filed in June 2017. In March 2018, the court dismissed the consolidated complaint. In October 2018, the court granted plaintiffs' motion seeking leave to file an amended complaint. UBS and 11 other banks have reached an agreement with the plaintiffs to settle the class action for a total of USD 10 million. The court approved the settlement in November 2020.

LIBOR and other benchmark-related regulatory matters: Numerous government agencies, including the SEC, the CFTC, the DOJ, the FCA, the UK Serious Fraud Office, the Monetary Authority of Singapore, the Hong Kong Monetary Authority, FINMA, various state attorneys general in the US and competition authorities in various jurisdictions, have 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 has ongoing obligations to cooperate with the authorities with whom UBS has reached resolutions and to undertake certain remediation measures with respect to benchmark interest rate submissions. UBS has been 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.

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. Although the Second Circuit vacated the district court's judgment dismissing antitrust claims, the district court again dismissed antitrust claims against UBS in 2016. Certain plaintiffs have appealed that decision to the Second Circuit. 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. UBS entered into an agreement in 2016 with representatives of a class of bondholders to settle their USD LIBOR class action. The agreement has received final court approval. 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 December 2019, UBS entered into an agreement with representatives of the class of USD lenders to settle their USD LIBOR class action. The agreement has received final court approval. 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. On 26 March 2020 the court granted defendants' motion to dismiss the complaint in its entirety. Plaintiffs have appealed the dismissal. 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.

Other benchmark class actions in the US: In 2014, 2015 and 2017, the court in one of the Euroyen TIBOR lawsuits dismissed certain of the plaintiffs' claims, including 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. Plaintiffs have appealed. 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. Defendants moved to dismiss the amended complaint in October 2020. In 2017, the court dismissed the CHF LIBOR action on standing grounds and failure to state a claim. Plaintiffs filed an amended complaint following the dismissal, and the court granted a renewed motion to dismiss in September 2019. Plaintiffs have appealed. Also 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. In October 2018, the court in the SIBOR / SOR action dismissed all but one of plaintiffs' claims against UBS. Plaintiffs filed an amended complaint following the dismissal, and the courts granted a renewed motion to dismiss in July 2019). Plaintiffs have appealed. In November 2018, the court in the BBSW lawsuit dismissed the case as to UBS and certain other foreign defendants for lack of personal jurisdiction. Following that dismissal, plaintiffs filed an amended complaint in April 2019, which UBS and other defendants named in the amended complaint moved to dismiss. In February 2020, the court in the BBSW action 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. 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 are pending. Similar class actions have been filed concerning European government bonds and other government bonds.

UBS and reportedly other banks are responding to investigations and requests for information from various authorities regarding government bond trading practices. As a result of its review to date, UBS has taken appropriate action.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, UBS's balance sheet at 31 December 2020 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 UBS has 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 UBS has recognized.

F. 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 may continue 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.

UBS's balance sheet at 31 December 2020 reflected a provision with respect to matters described in this item F in an amount that it 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 UBS has 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 UBS has recognized.

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 indicated in this document (including the documents incorporated herein by reference), no material changes have occurred in UBS AG's assets and liabilities, financial position or profits and losses since 31 December 2020.

There has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2019.

ANNEX C

The information set out after this page has been extracted without adjustment from the joint annual report 2020 of UBS Group AG and UBS AG. Page references in the following extract refer to pages in such annual report.

UBS AG consolidated financial statements

Primary financial statements and share information

Audited |

Income statement

		For the year ended		
USD million	Note	31.12.20	31.12.19	31.12.18
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	3	8,816	10,703	10,121
Interest expense from financial instruments measured at amortized cost	3	(4,333)	(7,303)	(6,494)
Net interest income from financial instruments measured at fair value through profit or loss	3	1,305	1,015	1,344
Net interest income	3	5,788	4,415	4,971
Other net income from financial instruments measured at fair value through profit or loss	3	6,930	6,833	6,953
Credit loss (expense) / release	20	(695)	(78)	(117)
Fee and commission income	4	20,982	19,156	19,632
Fee and commission expense	4	(1,775)	(1,696)	(1,703)
Net fee and commission income	4	19,207	17,460	17,930
Other income	5	1,549	677	905
Total operating income		32,780	29,307	30,642
Personnel expenses	6	14,686	13,801	13,992
General and administrative expenses	7	8,486	8,586	10,075
Depreciation and impairment of property, equipment and software	12	1,851	1,576	1,052
Amortization and impairment of goodwill and intangible assets	13	57	175	65
Total operating expenses		25,081	24,138	25,184
Operating profit / (loss) before tax		7,699	5,169	5,458
Tax expense / (benefit)	8	1,488	1,198	1,345
Net profit / (loss)		6,211	3,971	4,113
Net profit / (loss) attributable to non-controlling interests		15	6	7
Net profit / (loss) attributable to shareholders		**6,196**	**3,965**	**4,107**

Statement of comprehensive income

		For the year ended		
USD million	Note	31.12.20	31.12.19	31.12.18
Comprehensive income attributable to shareholders				
Net profit / (loss)		6,196	3,965	4,107
Other comprehensive income that may be reclassified to the income statement				
Foreign currency translation				
Foreign currency translation movements related to net assets of foreign operations, before tax		2,040	199	(701)
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax		(938)	(144)	181
Foreign currency translation differences on foreign operations reclassified to the income statement		(7)	52	4
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement		2	(14)	2
Income tax relating to foreign currency translations, including the effect of net investment hedges		(67)	(1)	(2)
Subtotal foreign currency translation, net of tax		1,030[1]	92	(515)
Financial assets measured at fair value through other comprehensive income	11			
Net unrealized gains / (losses), before tax		223	189	(56)
Realized gains reclassified to the income statement from equity		(40)	(33)	0
Realized losses reclassified to the income statement from equity		0	2	0
Income tax relating to net unrealized gains / (losses)		(48)	(41)	12
Subtotal financial assets measured at fair value through other comprehensive income, net of tax		136	117	(45)
Cash flow hedges of interest rate risk	25			
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax		2,012	1,571	(42)
Net (gains) / losses reclassified to the income statement from equity		(770)	(175)	(294)
Income tax relating to cash flow hedges		(231)	(253)	67
Subtotal cash flow hedges, net of tax		1,011[2]	1,143	(269)
Cost of hedging	25			
Change in fair value of cost of hedging, before tax		(46)		
Amortization of initial cost of hedging to the income statement		33		
Income tax relating to cost of hedging		0		
Subtotal cost of hedging, net of tax		(13)		
Total other comprehensive income that may be reclassified to the income statement, net of tax		2,165	1,351	(829)
Other comprehensive income that will not be reclassified to the income statement				
Defined benefit plans	26			
Gains / (losses) on defined benefit plans, before tax		(222)[3]	(129)	(70)
Income tax relating to defined benefit plans		88	(41)	245
Subtotal defined benefit plans, net of tax		(134)	(170)	175
Own credit on financial liabilities designated at fair value	21			
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax		(293)	(400)	517
Income tax relating to own credit on financial liabilities designated at fair value		0	8	(8)
Subtotal own credit on financial liabilities designated at fair value, net of tax		(293)	(392)	509
Total other comprehensive income that will not be reclassified to the income statement, net of tax		(427)	(562)	684
Total other comprehensive income		1,738	789	(145)
Total comprehensive income attributable to shareholders		7,934	4,754	3,961

Table continues on the next page.

Statement of comprehensive income (continued)

Table continued from previous page.

		For the year ended		
USD million	Note	31.12.20	31.12.19	31.12.18
Comprehensive income attributable to non-controlling interests				
Net profit / (loss)		15	6	7
Other comprehensive income that will not be reclassified to the income statement				
Foreign currency translation movements, before tax		21	(4)	(1)
Income tax relating to foreign currency translation movements		0	0	0
Subtotal foreign currency translation, net of tax		21	(4)	(1)
Total other comprehensive income that will not be reclassified to the income statement, net of tax		21	(4)	(1)
Total comprehensive income attributable to non-controlling interests		36	2	5
Total comprehensive income				
Net profit / (loss)		6,211	3,971	4,113
Other comprehensive income		1,759	785	(147)
of which: other comprehensive income that may be reclassified to the income statement		*2,165*	*1,351*	*(829)*
of which: other comprehensive income that will not be reclassified to the income statement		*(406)*	*(566)*	*682*
Total comprehensive income		7,970	4,756	3,967

1 Mainly driven by the strengthening of the Swiss franc (9%) and the euro (9%) against the US dollar. 2 Mainly reflects an increase in net unrealized gains on US dollar hedging derivatives resulting from decreases in the relevant long-term US dollar interest rates, partly offset by the reclassification of net gains on hedging instruments from OCI to the income statement as the hedged forecast cash flows affected profit or loss. 3 Mainly includes a net pre-tax OCI loss of USD 172 million related to the Swiss pension plan (primarily driven by an extraordinary employer contribution of USD 143 million that increased the gross plan assets, but led to an OCI loss as no net pension asset could be recognized on the balance sheet as of 31 December 2020 due to the asset ceiling) and a net pre-tax OCI loss of USD 61 million related to the UK pension plan (driven by an increase in the defined benefit obligation, mainly resulting from a lower discount rate). Refer to Note 26 for more information.

Balance sheet

USD million	Note	31.12.20	31.12.19
Assets			
Cash and balances at central banks		158,231	107,068
Loans and advances to banks	9	15,344	12,379
Receivables from securities financing transactions	9, 22	74,210	84,245
Cash collateral receivables on derivative instruments	9, 22	32,737	23,289
Loans and advances to customers	9	380,977	327,992
Other financial assets measured at amortized cost	9, 14a	27,219	23,012
Total financial assets measured at amortized cost		688,717	577,985
Financial assets at fair value held for trading	21	125,492	127,695
of which: assets pledged as collateral that may be sold or repledged by counterparties		*47,098*	*41,285*
Derivative financial instruments	10, 21, 22	159,618	121,843
Brokerage receivables	21	24,659	18,007
Financial assets at fair value not held for trading	21	80,038	83,636
Total financial assets measured at fair value through profit or loss		389,808	351,181
Financial assets measured at fair value through other comprehensive income	11, 21	8,258	6,345
Investments in associates	28b	1,557	1,051
Property, equipment and software	12	11,958	11,826
Goodwill and intangible assets	13	6,480	6,469
Deferred tax assets	8	9,174	9,524
Other non-financial assets	14b	9,374	7,547
Total assets		1,125,327	971,927
Liabilities			
Amounts due to banks	15	11,050	6,570
Payables from securities financing transactions	22	6,321	7,778
Cash collateral payables on derivative instruments	22	37,313	31,416
Customer deposits	15a	527,929	450,591
Funding from UBS Group AG and its subsidiaries	15b	53,979	47,866
Debt issued measured at amortized cost	17	85,351	62,835
Other financial liabilities measured at amortized cost	19a	10,421	10,373
Total financial liabilities measured at amortized cost		732,364	617,429
Financial liabilities at fair value held for trading	21	33,595	30,591
Derivative financial instruments	10, 21, 22	161,102	120,880
Brokerage payables designated at fair value	21	38,742	37,233
Debt issued designated at fair value	16, 21	59,868	66,592
Other financial liabilities designated at fair value	19b, 21	31,773	36,157
Total financial liabilities measured at fair value through profit or loss		325,080	291,452
Provisions	18a	2,791	2,938
Other non-financial liabilities	19c	7,018	6,211
Total liabilities		1,067,254	918,031
Equity			
Share capital		338	338
Share premium		24,580	24,659
Retained earnings		25,251	23,419
Other comprehensive income recognized directly in equity, net of tax		7,585	5,306
Equity attributable to shareholders		57,754	53,722
Equity attributable to non-controlling interests		319	174
Total equity		58,073	53,896
Total liabilities and equity		1,125,327	971,927

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