Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of UBS AG, acting through its London branch, the Index (as defined below) or the Certificates.

20,000,000 European Style Cash Settled Short Certificates

relating to the Dow Jones Industrial Average Total Return Index

with a Daily Leverage of -7x

UBS AG
(Incorporated with limited liability in Switzerland)
acting through its London Branch

Issue Price: S$1.30 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the "**Certificates**") to be issued by UBS AG (the "**Issuer**") acting through its London branch, and is supplemental to and should be read in conjunction with a base listing document dated 28 June 2023 (the "**Base Listing Document**"), including its supplements and addenda as executed from time to time, for the purpose of giving information with regard to the Issuer and the Certificates. Information relating to the Dow Jones Industrial Average Total Return Index (the "**Index**") is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer. Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in the United States, the United Kingdom, the European Economic Area, Singapore and Hong Kong (see "Placing and Sale" contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer and/or any of its affiliates may from time to time purchase the Certificates or sell additional

Certificates on the market, the Issuer and/or any of its affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Index, or the securities or derivatives comprised in the Index and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Index, or the securities or derivatives comprised in the Index.

For the purpose of section 309B(1) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that the Certificates are classified as capital markets products other than prescribed capital markets products[1] and Specified Investment Products (SIPs)[2], and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

Prospective purchasers should therefore ensure that they understand the nature of the Certificates and carefully study the risk factors set out in the Base Listing Document and pages 5 to 13 of this document before they invest in the Certificates.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 24 January 2024.

As at the date hereof, the Issuer's long term credit rating by S&P Global Ratings Europe Limited is A+, by Moody's Investors Service Ltd. is Aa3 and by Fitch Ratings Ireland Limited is A+.

The Issuer is regulated by, among others, the Swiss Federal Banking Commission. In the United Kingdom, it is authorised by the Prudential Regulatory Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulatory Authority.

23 January 2024

[1] As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.
[2] As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer accepts full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to itself and the Certificates. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which it accepts responsibility (subject as set out below in respect of the information contained herein with regard to the Index) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Index as set out herein is extracted from publicly available information. The Issuer accepts responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer.

No persons have been authorised to give any information or to make any representation save as contained in this document or otherwise authorised by the Issuer in connection with the Certificates and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer or its subsidiaries and associates since the date hereof.

This document does not constitute an offer or solicitation by or on behalf of the Issuer to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer requires persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer and/or any of its affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer and/or any of its affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

Table of Contents

RISK FACTORS

The following risk factors are relevant to the Certificates:-

(a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer will be unable to satisfy its obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;

(b) the Certificates constitute direct, general and unsecured contractual obligations of the Issuer and if you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against any other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against the sponsor of the Index or any companies forming part of the Index to which the Certificates relate. The Issuer has substantially no obligation to a Certificate Holder (as defined in the Conditions) other than to pay amounts in accordance with the terms thereof as set forth herein and in the Base Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Certificate. Any profit or loss realised by a Certificate Holder in respect of a Certificate upon exercise or otherwise due to changes in the value of such Certificate or the Index is solely for the account of such Certificate Holder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in connection with any Certificate or the Index or any securities or derivatives related to the Index. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Certificates;

(c) since the Certificates relate to the level of an index, certain events relating to the Index or Index components may cause adverse movements in the value and the level of the Index or Index components, as a result of which, the Certificate Holders may, in extreme circumstances, sustain a significant loss of their investment if the level of the index has risen sharply;

(d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the level of the Index, the time remaining to expiry and the creditworthiness of the Issuer;

(e) given only the futures contracts over the Index (but not the constituents of the Index) are trading during the SGX-ST trading hours, the market price of the Certificates may be affected by the price of such futures contract (which may deviate from the published levels of the Index). Consequentially the market price of the Certificates during SGX-ST trading hours may deviate from the published levels of the Index and/or the Air Bag Trigger Levels (as defined below) during the US trading hours on the same day;

(f) fluctuations in the Index level or the price of the components of the Index or related securities or derivatives will affect the price of the Certificates but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase Certificates to hedge their market risk associated with investing in the components of the Index or related securities or derivatives which may be specified herein, should recognise the complexities of utilising the Certificates in this manner;

(g) a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

(h) if, whilst any of the Certificates remain unexercised, trading in the securities or derivatives relating to or constituting the Index is suspended, trading of options or futures relating to the relevant Index or the PR Index, as the case may be, on any options or futures exchanges is suspended, or options or futures generally on any options and/or futures exchanges on which options or futures relating to the relevant Index or the PR Index are traded is suspended, or if the relevant Index or the PR Index for whatever reason is not calculated, published and disseminated, trading in the Certificates may be suspended for a similar period;

(i) investors should note that the Issuer's obligations to pay amounts in accordance with the terms thereof as set forth herein shall be discharged by delivery of the aggregate Cash Settlement Amount (if positive) to all Certificate Holders in accordance with the agreement with the Warrant Agent;

(j) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;

(k) certain events relating to the PR Index or the Index or PR Index components or Index components permit the Issuer to make certain determinations in respect of the PR Index or the Index or PR Index components or Index components and thus, permit the Issuer to make certain adjustments or amendments to the Conditions;

(l) a level for the Index may be published by the Index Sponsor at a time when one or more securities or derivatives comprised in the Index are not trading. If this occurs on a Valuation Date (as defined below) or an Observation Date (as defined below), as the case may be, and there is no Market Disruption Event under the terms of the relevant Certificates then the value of such securities or derivatives may not be included in the closing level of the Index. In addition, certain events relating to the Index (including a material change in the formula or the method of calculating the Index or a failure to publish the Index) permits the Issuer to determine the level of the Index on the basis of the formula or method last in effect prior to such change of formula;

(m) the Certificates are only exercisable on the expiry date and may not be exercised by Certificate Holders prior to such expiry date. Accordingly, if on such expiry date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

(n) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);

(o) investors holding their position beyond market close of the SGX-ST should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and the Rebalancing Cost (as defined below). Due to the difference in trading hours of the SGX-ST and the Relevant Stock Exchange(s) for the Index, unless investors exit their position within the same SGX-ST trading day, they would bear the annualised costs;

(p) investors should note that there may be an exchange rate risk where the Cash Settlement Amount may be converted from a foreign currency into Singapore dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Certificates. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies;

(q) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the securities or derivatives comprised in the Index and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the securities or derivatives comprised in the Index;

(r) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 7 times the inverse performance of the securities or derivatives comprised in the Index over a period longer than one day. This difference may be amplified in a volatile market with a sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(s) the Index and the PR Index to which the Certificates relate are only quoted during US trading hours. This means that the Air Bag Mechanism (as defined below) can only be triggered when the SGX-ST is not open for trading. There is therefore a specific risk that overnight, investors in the Certificates incur a significant or even entire loss of the amounts invested in the Certificates, without being able to exit their investments in the Certificates;

(t) the Leverage Inverse Strategy underlying the Certificates refers to both the Index and the PR Index. Index providers generally publish several versions of the same index, with various mechanisms to take into account the impact of dividends distributed by index constituents. Under the Certificates, “PR Index” refers to a so-called “price return” version of the Index, which does not take into account the ordinary dividends distributed by the constituents of the index. The Index, on the other hand, considers a theoretical reinvestment of the dividends distributed by the Index constituents, such reinvestment being with or without taking into account a theoretical withholding tax. Although the Index and the PR Index should exhibit the same intraday performance, investors in the Certificates should note that the Issuer cannot guarantee that they will always correspond. This falls under the responsibility of the index sponsor;

(u) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the PR Index rises further, but will also maintain a reduced exposure to the Index in the event the Index starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

(v) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment. In particular, a total loss may occur, (i) if the Index or the PR Index increases an approximately 14% or more of its value within a short period of time or (ii) there is an approximately 14% or greater gap between the previous day closing level and the opening level of the Index or the PR Index the following trading day of the Relevant Stock Exchange(s) for the Index. Investors should note that the Air Bag Mechanism may only be triggered during the trading of the Relevant Stock Exchange(s) for the Index. Investors may refer to pages 42 to 43 of this document for more information;

(w) investors should note that the Certificates are issued over an Index and/or a PR Index the constituents of which are listed on an exchange with different trading hours from the SGX-ST. There may be a risk arising from the time difference between the calculation hours of the Index and/or PR Index and the trading hours of the SGX-ST. As such, (i) the Index calculation may not be available during the trading of the Certificates on SGX-ST; (ii) Air Bag Mechanism may be triggered during the calculation hours of the Index and/or PR Index, which would not be during SGX-ST trading hours; and (iii) the trigger of an Air Bag Mechanism, when the Certificates are not open for trading, will lead to a different Leverage Inverse Strategy Level, i.e. the value of the Certificates subsequently during the SGX-ST trading hours will be based on a different Leverage Inverse Strategy Level reference for the purpose of the Leveraged Return calculation compared to a case where no Air Bag Mechanism would have been triggered. There is therefore a specific risk that investors in the Certificates may incur a significant or even entire loss of the amounts invested in the Certificates, without being able to exit their investments in the Certificates. Investors may refer to pages 38 to 43 of this document for more information;

(x) certain events may, pursuant to the terms and conditions of the Certificates, trigger (A) the implementation of methods of adjustment or (B) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (A) general market conditions and (B) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to Condition 11 on pages 29 to 30 of this document for more information;

(y) investors should note that it is not possible to predict the price at which the Certificates will trade in the secondary market or whether such market will be liquid or illiquid. To the extent Certificates of a particular issue are exercised, the number of Certificates of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Certificates of such issue. A decrease in the liquidity of an issue of Certificates may cause, in turn, an increase in the volatility associated with the price of such issue of Certificates. The Issuer may, but is not obligated to, at any time, purchase Certificates at any price in the open market or by tender or private agreement. Any Certificates so purchased may be held or resold or surrendered for cancellation. To the extent that an issue of Certificates becomes illiquid, an investor may have to exercise such Certificates to realise value;

(z) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;

(aa) investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors should refer to the Taxation Section in the Base Listing Document;

(bb) investors should note that the Issuer may enter into discount, commission or fee arrangements with brokers and/or any of its subsidiaries or affiliates with respect to the primary or secondary market in the Certificates. The arrangements may result in the benefit to investors in Certificates buying and selling Certificates through nominated brokers by reducing or eliminating the commission payable by such Certificate Holders. In the event that the commission payable by Certificate Holders is eliminated, fee arrangements between the Issuer and brokers and/or any of its subsidiaries or affiliates will continue to apply. Investors in the Certificates should note that any brokers with whom the Issuer has a commission arrangement does not, and cannot be expected to, deal exclusively in the Certificates, therefore any broker and/or any of its subsidiaries or affiliates may from time to time engage in transactions involving the securities or derivatives related to the Index and/or structured products of other issuers over the same underlying Index as the Certificates for their proprietary accounts and/or accounts of their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Certificates and present certain conflicts of interests;

(cc) various potential and actual conflicts of interest may arise from the overall activities of the Issuer and any of its subsidiaries and affiliates.

The Issuer and any of its subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer and any of its subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the securities or derivatives related to the Index, and/or the Index. Such activities and information may involve or otherwise affect issuers of the securities or derivatives related to the Index, and/or the Index in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer and any of its subsidiaries and affiliates have no obligation to disclose such information about the securities or derivatives related to the Index, and/or the Index or such activities. The Issuer and any of its subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

(dd) in the ordinary course of their business, including without limitation in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer and any of its respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the components of the Index or related securities or derivatives. In addition, in connection with the offering of any Certificates, the Issuer and any of its respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the components of the Index or related securities or derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its respective subsidiaries and its affiliates, the Issuer and any of its respective subsidiaries and affiliates may enter into transactions in the components of the Index or related securities or derivatives which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

(ee) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;

(ff) certain risks relating to the Issuer's operating environment and strategy, including those as set out in Appendix 2 of the Base Listing Document, may impact the Issuer's ability to execute its strategy and directly affect its business activities, financial condition, results of operations and prospects. As a broad-based international financial services firm, the Issuer is inherently exposed to risks that become apparent only with the benefit of hindsight, risks of which it is not presently aware or which it currently does not consider to be material could also materially affect its business activities, financial condition, results of operations and prospects. The sequence in which the risk factors are set out in Appendix 2 of the Base Listing Document is not indicative of their likehood of occurrence or the potential magnitude of their financial consequences;

(gg) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):-

  (i) investors should note that no definitive certificate will be issued in relation to the Certificates;

  (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;

  (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and

  (iv) notices to such Certificate Holders will be published on the website of the SGX-ST. Investors will need to check the website of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

(hh) Generally, investing in the Certificates may involve risks related to the discontinuance, changes or adjustments to benchmarks generally

Discontinuance of, or changes to, benchmarks may require adjustments to the Issuer's agreements, systems and processes. The interbank offered rate(s) ("**IBOR**") and other interest rate, equity, commodity, foreign exchange and other types of indices which are deemed to be "benchmarks", are the subject of national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be or may be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Certificates referencing such a benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks or any of the international or national reforms in making any investment decision with respect to any Certificates referencing a benchmark; and

(ii) United States federal income taxation

Section 871(m). A 30% withholding tax (which may be reduced by an applicable income tax treaty) is imposed under Section 871(m) of the U.S. Internal Revenue Code (the “**Code**”) on certain “dividend equivalents” paid or deemed paid to a non-U.S. holder with respect to a “specified equity-linked instrument” that references one or more dividend-paying U.S. equity securities or indices containing U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. Treasury regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one (“**delta-one specified equity-linked instruments**”) issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018. However, the U.S. Internal Revenue Service (“**IRS**”) has issued guidance that states that the Treasury and the IRS intend to amend the effective dates of the Treasury regulations to provide that withholding on dividend equivalents paid or deemed paid will not apply to specified equity-linked instruments that are not delta-one specified equity-linked instruments and are issued before January 1, 2023.

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

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

Nevertheless, Certificates issued subsequent to the initial issuance at a time when the level of the Index is significantly greater than the Strike Level may be treated as delta one specified equity-linked instruments. In addition, it is possible that, after the date the terms are set and the Certificates are issued, the Certificates could be deemed to be reissued for U.S. federal income tax purposes upon the occurrence of certain events affecting the Index, the underlying Index constituents or the Certificates, and following such occurrence the Certificates could be treated as delta-one specified equity-linked instruments that are subject to withholding on dividend equivalents. It is also possible that withholding tax or other tax under Section 871(m) of the Code could apply to the Certificates under these rules if a non-U.S. holder enters, or has entered, into certain other transactions in respect of the underlying Index, any underlying Index constituents or the Certificates. A non-U.S. holder that enters, or has entered, into other transactions in respect of the underlying Index, any underlying Index constituents or the Certificates should consult its tax advisor regarding the application of Section 871(m) of the Code to the Certificates in the context of its other transactions. If withholding pursuant to Section 871(m) of the Code is required or made by a withholding agent, UBS AG, UBS Group AG or any other person will not be required under the terms of the Certificates to pay additional amounts as a result of the withholding.

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

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

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

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

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon an investor's particular situation. Prospective investors should consult their own tax advisers with respect to the tax consequences to them of the ownership and disposition of the Certificates **and**

any related transactions, including the tax consequences under state, local, non-U.S. and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

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

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	20,000,000 European Style Cash Settled Short Certificates relating to the Index
ISIN:	CH1227876633
Index/Underlying:	Dow Jones Industrial Average Total Return Index (RIC: .DJITR)
Index Sponsor:	S&P Dow Jones Indices LLC
Calculation Agent:	UBS AG acting through its London Branch
PR Index:	Dow Jones Industrial Average Price Index as published on Thomson Reuters page .DJI or any successor page
Strike Level:	Zero
Daily Leverage:	-7x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 1.30
Management Fee (p.a.)[3]:	0.40%
Gap Premium (p.a.)[4]:	5.80%, is a hedging cost against extreme market movements beyond US market close on the same trading day.
Stock Borrowing Cost[5]:	The annualised costs for borrowing stocks in order to take an inverse exposure on the Index.
Rebalancing Cost[5]:	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Index.
Launch Date:	16 January 2024
Closing Date:	23 January 2024

[3] Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to "Fees and Charges" below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

[4] Please note that the Gap Premium is calculated on a 360-day basis.

[5] These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Expected Listing Date:	24 January 2024
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 14 December 2026
Expiry Date:	The Business Day immediately following the Valuation Date, currently being 21 December 2026
Board Lot:	100 Certificates
Valuation Date:	18 December 2026 or if such day is not an Index Business Day, the immediately following Index Business Day and subject to the Market Disruption Event provisions. The "**Index Business Day**" means a day on which the value of the Index is published by the Index Sponsor or, as the case may be, the successor Index Sponsor and the Relevant Stock Exchange(s) for the Index is (are) open for dealings in the United States of America during its (their) normal trading hours.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the "Information relating to the European Style Cash Settled Short Certificates" section on pages 34 to 43 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from Expected Listing Date to Valuation Date) of (1 –

Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)), where:

"**t**" refers to "**Observation Date**" which means each Index Business Day (subject to Market Disruption Event) from (and including) the Index Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Index Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

Please refer to the "Information relating to the European Style Cash Settled Short Certificates" section on pages 34 to 43 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the "Specific Definitions relating to the Leverage Inverse Strategy" section on pages 18 to 22 below.

Initial Exchange Rate: 1.3394

Final Exchange Rate: The rate for the conversion of United States Dollar to Singapore Dollar as at 5:00pm (Singapore Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time.

Air Bag Mechanism: The "**Air Bag Mechanism**" refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Index during extreme market conditions. If the PR Index rises by 10% or more ("**Air Bag Trigger Level**") during the trading day of the Relevant Stock Exchange(s) for the Index (which represents approximately 70% loss after a 7 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day during the trading hours of the Relevant Stock Exchange(s) for the Index. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the PR Index rises further, but will also maintain a reduced exposure to the Index in the event the Index starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

	The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the "Air Bag Mechanism" section on page 22 below and the "Description of Air Bag Mechanism" section on pages 40 to 41 of this document for further information of the Air Bag Mechanism.
Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events including the following take place: if the Index or the PR Index, as the case may be, is calculated and published by a successor to the Index Sponsor, if the Index or the PR Index, as the case may be, is replaced or modified or if the Index Sponsor fails to calculate and publish the Index or the PR Index on or prior to the Valuation Date (other than as a result of a Market Disruption Event) (as more specifically set out in the terms and conditions of the Certificates). For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Reference Currency:	United States Dollar
Settlement Currency:	Singapore Dollar
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited ("**SGX-ST**")
Relevant Stock Exchange(s) for the Index:	New York Stock Exchange ("**NYSE**") and National Association of Securities Dealers Automated Quotations (NASDAQ)
Related Exchange:	Each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for options or futures relating to the Index or the PR Index
Business Day and Settlement Business Day:	A "**Business Day**" or a "**Settlement Business Day**" is a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited ("**CDP**")
Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers.

	In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors holding position beyond market close of the SGX-ST would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and the Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET. Due to the difference in trading hours of the SGX-ST and the Relevant Stock Exchange(s) for the Index, unless investors exit their position within the same SGX-ST trading day, they would bear such annualised costs.
Further Information:	Please refer to the website at http://dlc.ubs.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing level of the Index on the previous trading day, the Air Bag Trigger Level for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 7 times daily leveraged inverse exposure to the Index.

At the end of each trading day of the Index, the exposure of the Leverage Inverse Strategy to the Index is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 7 times the inverse performance of the Index (excluding costs) regardless of the performance of the Index on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Index during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

$\mathbf{LSL_t}$ means, the Leverage Inverse Strategy Level as at the Leverage Reset Time (t), calculated in accordance with the following formulae:

On Leverage Reset Time (1):

$$\mathrm{LSL_1} = 1000$$

On each subsequent Leverage Reset Time (t):

$$\mathrm{LSL_t} = \mathrm{Max}\left[\mathrm{LSL_{r(t)}} \times \left(1 + \mathrm{LR_{r(t),t}} - \mathrm{FC_{r(t),t}} - \mathrm{SB_{r(t),t}} - \mathrm{RC_{r(t),t}}\right), 0\right]$$

Leverage Reset Time (t)

means

1) the scheduled closing time for the Relevant Stock Exchange(s) for the Index (or any successor thereto) on any Observation Date; and

2) end of any Intraday Restrike Event Observation Period.

Leverage Reset Time (1) is the scheduled close for the Relevant Stock Exchange(s) for the Index on Issue Date.

Leverage Reset Time r(t)

means the Leverage Reset Time immediately preceding the Leverage Reset Time (t).

$\mathbf{LR_{r(t),t}}$

means the Leveraged Return of the Index between Leverage Reset Time r(t) and Leverage Reset Time (t), calculated as follows :

$$\mathbf{LR_{r(t),t}} = \text{Leverage} \times \left(\frac{TR_t}{TR_{r(t)}} - 1\right)$$

$\mathbf{FC_{r(t),t}}$

means, the Funding Cost between the Leverage Reset Time r(t) (included) and the Leverage Reset Time (t) (excluded), calculated as follows:

If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange(s) for the Index (or any successor thereto) on any Observation Date,

$$FC_{r(t),t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{r(t)} \times \text{ACT}(r(t), t)}{\text{DayCountBasisRate}}$$

Otherwise, $FC_{r(t),t} = 0$

$\mathbf{SB_{r(t),t}}$

means the Stock Borrowing Cost between Leverage Reset Time r(t) (included) and Leverage Reset Time (t) (excluded) calculated as follows:

If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange(s) for the Index (or any successor thereto) on any Observation Date,

$$SB_{r(t),t} = -\text{Leverage} \times \frac{CB \times \text{ACT}(r(t), t)}{\text{DayCountBasisRate}}$$

Otherwise, $SB_{r(t),t} = 0$

CB

means the Cost of Borrowing applicable that is equal to :

1.00%

$\mathbf{RC_{r(t),t}}$

means the Rebalancing Cost of the Leverage Inverse Strategy as at Leverage Reset Time (t), calculated as follows:

$$RC_{r(t),t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left|\frac{TR_t}{TR_{r(t)}} - 1\right|\right) \times TC$$

TC

means the Transaction Costs applicable as determined by the Calculation Agent (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant

Stock Exchange(s) for the Index by the applicable regulatory authorities from time to time) that are currently equal to:

0.02%

"Stamp Duty" refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange(s) for the Index, which may be changed by the applicable regulatory authorities from time to time.

Leverage -7

$\mathbf{TR_t}$ means the level of the Index as of Leverage Reset Time (t) computed as follows, subject to the adjustments and provisions of the Conditions:

If the Leverage Reset Time (t) is at the scheduled closing time for the Relevant Stock Exchange(s) for the Index (or any successor thereto) on any Observation Date,

$\mathrm{TR_t}$ is the Closing Level of the Index as of such Observation Date.

Otherwise,

$$\mathrm{TR_t} = \mathrm{TR_{D(t)}} \times \frac{\mathrm{PR_t}}{\mathrm{PR_{D(t)}} - \mathrm{Div_{C(t)}}}$$

Where:

D(t) means the immediately preceding scheduled closing time prior to the Leverage Reset Time (t);

$\mathrm{TR_{D(t)}}$ is the Closing Level of the Index as of the Observation Date of D(t);

$\mathrm{PR_{D(t)}}$ is the Closing Level of the PR Index as of the Observation Date of D(t);

$\mathrm{Div_{C(t)}}$ represents the dividend to be paid out on the Observation Date of the Leverage Rest Time (t) and is computed as follows:

$$\mathrm{Div_{C(t)}} = \mathrm{PR_{D(t)}} - \frac{\mathrm{TR_{D(t)}} \times \mathrm{PR_{C(t)}}}{\mathrm{TR_{C(t)}}}$$

C(t) means the scheduled closing time of the Observation Date as of the Leverage Rest Time (t)

$\mathbf{PR_t}$ means the level of the PR Index as of Leverage Reset Time (t) computed as follows:

If the Leverage Reset Time (t) is at the scheduled closing time for the Relevant Stock Exchange for the PR Index (or any successor thereto) on any Observation Date,

$\mathbf{PR_t}$ is the Closing Level of the PR Index as of such Observation Date.

Otherwise,

$\mathbf{PR_t}$ is the highest level of the PR Index during the respective Intraday Restrike Observation Period, subject to the adjustments and provisions of the Conditions.

Rate_t means, in respect of each Observation Date(t), the US SOFR Secured Overnight Financing Rate, as published on Bloomberg Screen SOFRRATE Index page or any successor page, being the rate as of such Observation Date (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Bloomberg page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Benchmark Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

Benchmark Event means:

(a) the relevant reference rate has ceased to be published on the relevant screen page as a result of such benchmark ceasing to be calculated or administered; or

(b) a public statement by the administrator of the relevant reference rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such reference rate) it has ceased publishing such reference rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

(c) a public statement by the supervisor of the administrator of the relevant reference rate that such reference rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the relevant reference rate as a consequence of which Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used, or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Certificates; or

(e) a public statement by the supervisor of the administrator of the relevant reference rate that, in the view of such supervisor, such reference rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market or the methodology to calculate such reference rate has materially changed; or

(f) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any holder of the Certificates using the relevant reference rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (b), (c), (d) or (e) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark

Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

ACT(r(t),t)	ACT (r(t),t)means the number of calendar days between the Observation Date of the Leverage Reset Time r(t) (included) and the Observation Date of the Leverage Reset Time (t) (excluded).
DayCountBasisRate	365

Air Bag Mechanism

Intraday Restrike Event	means in respect of an Observation Date, the increase at any Calculation Time of the PR Index level by 10% or more compared with the level of $\mathrm{PR}_{\mathrm{r(t)}}$, where r(t) means the immediately preceding Leverage Reset Time prior to such Calculation Time.
Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.
TimeReferenceOpening	means the scheduled opening time (including pre-opening session) for the Relevant Stock Exchange(s) for the Index (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange(s) for the Index (or any successor thereto).
Intraday Restrike Event Observation Period	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes of continuous trading after the Intraday Restrike Event Time and (2) the TimeReferenceClosing. Where, during such period, the Calculation Agent determines that (1) the level of the PR Index is not disseminated by the Index Sponsor or, the Index Calculation Agent, as the case may be or (2) the Relevant Stock Exchange(s) for the Index is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the level of the PR Index is calculated and disseminated by the Index Sponsor or, the Index Calculation Agent, as the case may be and (2) the Relevant Stock Exchange(s) for the Index is open for continuous trading.
Intraday Restrike Event Time	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF

THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES

1. Form, Status, Transfer and Title

(a) *Form*. The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 10) are issued subject to and with the benefit of:-

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 28 June 2023, made by UBS AG (the "**Issuer**") acting through its London Branch; and

(ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time on or before the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Certificate Holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

(b) *Status*. The Certificates constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise and, in particular, the Certificates will not be secured by any underlying assets.

(c) *Transfer*. The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

2. Certificate Rights and Exercise Expenses

(a) *Certificate Rights*. Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{Final\,Reference\,Level \times Final\,Exchange\,Rate}{Initial\,Reference\,Level \times Initial\,Exchange\,Rate} - Strike\,Level\right) \times Hedging\,Fee\,Factor$$

(b) *Exercise Expenses*. Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

(a) *Exercise*. Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).

(b) *Automatic Exercise*. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

(c) *Settlement*. In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the Warrant Agent who will then pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise

Expenses) shall be dispatched by the Warrant Agent as soon as practicable and no later than five Settlement Business Days (as defined in the relevant Supplemental Listing Document) following the Expiry Date (subject to extension upon the occurrence of a Market Disruption Event (as defined below)) by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Index Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Index Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

(i) that fifth Index Business Day shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and

(ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Index Business Day but for the Market Disruption Event provided that the Issuer, if applicable, may, but shall not be obliged to, determine such Final Reference Level or the relevant closing level by having regard to the manner in which futures contracts relating to the Leveraged Index/Underlying Reference Index/Index/PR Index are calculated.

"**Market Disruption Event**" means:

(i) the occurrence or existence of any of:-

  (A) the suspension or limitation of the trading of a material number of securities/commodities from time to time comprising the Leveraged Index/Underlying Reference Index/Index/PR Index; or

  (B) the suspension or limitation of the trading of securities/commodities (1) on the SGX-ST or the Relevant Stock Exchange or (2) generally; or

  (C) the suspension or limitation of the trading of (1) options or futures relating to the Leveraged Index/Underlying Reference Index/Index/PR Index on any options or futures exchanges or (2) options or futures generally on any options and/or futures exchanges on which options or futures relating to the Leveraged Index/Underlying Reference Index/Index/PR Index are traded; or

  (D) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount; or

(E) failure from the Leveraged Index/Underlying Reference Index/Index/PR Index Sponsor to compute, publish and disseminate the level of the Leveraged Index/Underlying Reference Index/Index/PR Index, or material limitation to access the level of Leveraged Index/Underlying Reference Index/Index/PR Index.

(ii) a limitation or closure of the SGX-ST or the Relevant Stock Exchange due to any unforeseen circumstances.

For the purposes of this definition, (aa) the limitation on the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any exchange, and (bb) a limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of the movements in price exceeding the levels permitted by any relevant exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise due to any unforeseen circumstances) on the relevant exchange will constitute a Market Disruption Event.

The Issuer’s obligations to pay the Cash Settlement Amount shall be discharged by payment to the Warrant Agent in accordance with the Master Warrant Agent Agreement or Warrant Agent Agreement.

(d) *CDP not liable*. CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a "**Business Day**" shall be a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore and an "**Index Business Day**" shall be a day on which the Leveraged Index or the Index, as the case may be, is published by the Index Sponsor or, as the case may be, the Successor Index Sponsor (as defined below) and where the Leveraged Index or the Index closes at the normal trading hours.

5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

(a) *Successor Sponsor Calculates and Reports Leveraged Index, Underlying Reference Index, Index or PR Index.* If the Leveraged Index, the Underlying Reference Index, the Index or the PR Index, as the case may be, is (i) not calculated and announced by the relevant Index Sponsor but is calculated and published by a successor to the relevant Index Sponsor (the "**Successor Index Sponsor**") acceptable to the Issuer or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Leveraged Index, the Underlying Reference Index, the Index or the PR Index, as the case may be, then the Leveraged Index, the Underlying Reference Index, the Index or the PR Index, as the case may be, will be deemed to be the index so calculated and announced by the relevant Successor Index Sponsor or that successor index, as the case may be.

(b) *Modification and Cessation of Calculation of the Leveraged Index/Underlying Reference Index/Index/PR Index*. If:-

(i) on or prior to the Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor makes a material change in the formula for or the method of calculating the Leveraged Index, the Underlying Reference Index, the Index or the PR Index, as the case may be, or in any other way materially modifies the Leveraged Index, the Underlying Reference Index, the Index or the PR Index, as the case may be, (other than a modification prescribed in that formula or method to maintain the Leveraged Index, the Underlying Reference Index, the Index or the PR Index, as the case may be, in the event of changes in constituent stocks, contracts or commodities and other routine events); or

(ii) on or prior to the Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and publish the Leveraged Index, the Underlying Reference Index, the Index or the PR Index, as the case may be, (other than as a result of a Market Disruption Event),

then the Issuer shall determine the closing level of the Leverage Strategy/Leverage Inverse Strategy/Leveraged Index on any Observation Date using, in lieu of a published level for the Leveraged Index, the Underlying Reference Index, the Index or the PR Index, as the case may be, the level for the Leveraged Index, the Underlying Reference Index, the Index or the PR Index, as the case may be, as at that Observation Date as determined by the Issuer in accordance with the formula for and method of calculating the Leveraged Index, the Underlying Reference Index, the Index or the PR Index, as the case may be, last in effect prior to that change or failure, but using only those securities/commodities that comprised the Underlying Reference Index or the PR Index, as the case may be, immediately prior to that change or failure (other than those securities that have since ceased to be listed on the relevant exchange).

(c) *Subdivision or Consolidation of the Certificates*. The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

(d) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer or its related corporations may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

(a) *Meetings of Certificate Holders*. The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

(a) *Documents*. All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

(b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the website of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the website of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates.

11. Early Termination

(a) *Early Termination for Illegality etc.* The Issuer shall have the right to terminate the Certificates if it shall have determined in its absolute discretion that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power ("**Applicable Law**").

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or any of its affiliates involved in the issue of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such

Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"**Change in Law**" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

(b) *Early Termination for not being able to find a successor to the index sponsor or a successor to the Leveraged Index or the Index, as the case may be.* If (i) the index sponsor is not able to calculate and announce the Leveraged Index or the Index, as the case may be, and the Issuer is not able to find an acceptable successor to the index sponsor or (ii) the Leveraged Index or the Index, as the case may be, becomes unavailable and the Issuer is not able to find a successor to the Leveraged Index or the Index, the Issuer may at its sole discretion and without obligation terminate the Certificates in accordance with Condition 11(d).

(c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 11(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction).

(d) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by the Applicable Law, pay to each Certificate Holder in respect of each Certificate held by such Certificate Holder an amount calculated by it as the fair market value of the Certificate immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Certificate Holder in such manner as shall be notified to the Certificate Holder in accordance with Condition 9.

12. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

13. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

14. Contracts (Rights of Third Parties) Act 2001 of Singapore

Unless otherwise expressly provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	UBS AG, acting through its London Branch
Index:	Dow Jones Industrial Average Total Return Index
The Certificates:	European Style Cash Settled Short Certificates relating to the Index
Number:	20,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 28 June 2023 (the "**Master Instrument**") and executed by the Issuer and a master warrant agent agreement dated 27 February 2008 (the "**Master Warrant Agent Agreement**") and made between the Issuer and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	Singapore Dollar
Board Lot:	100 Certificates
Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.

Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 24 January 2024.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 4 Shenton Way #02-01 SGX Centre 2 Singapore 068807
Further Issues:	Further issues which will form a single series with the Certificates will be permitted.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES

What are European Style Cash Settled Short Certificates?

European style cash settled short certificates (the "**Certificates**") are structured products relating to the Dow Jones Industrial Average Total Return Index (the "**Index**") and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates" for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the level of the Index will fall and are seeking short-term leveraged inverse exposure to the Index.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

(i) <u>For Certificate Holders who trade the Certificates intraday</u>: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and

(ii) <u>For Certificate Holders who hold the Certificates beyond market close of the SGX-ST</u>: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and the Rebalancing Cost. Due to the difference in trading hours of the SGX-ST and the Relevant Stock Exchange(s) for the Index, unless investors exit their position within the same SGX-ST trading day, they would bear the annualised costs.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees

Daily Fees	=	**Daily Management Fee Adjustment**
		1 – Management Fee x ACT (t-1;t) / 360
		x
		Daily Gap Premium Adjustment
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

		t[6]=0		t=1		t=2		t=i
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance[7] x Daily Fees	x	Leverage Inverse Strategy daily performance x Daily Fees	x …	Leverage Inverse Strategy Daily performance x Daily Fees

		t=0		**Product of the daily Leverage Inverse Strategy Performance**		**Product of the Daily Fees (Hedging Fee Factor)**
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance	x	Daily Fees x Daily Fees

		t=0				
Final Value of Certificates	=	Notional Amount	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday within SGX-ST trading hours, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

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[6] "t" refers to "**Observation Date**" which means each Index Business Day (subject to Market Disruption Event) from (and including) the Index Business Day immediately preceding the Expected Listing Date to the Valuation Date on which no Market Disruption Event occurs.

[7] Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Level on Business Day (t) divided by the Leverage Inverse Strategy Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Index:	Dow Jones Industrial Average Total Return Index
Expected Listing Date:	**01/02/2021**
Expiry Date:	**16/02/2021**
Initial Reference Level:	**1,000**
Initial Exchange Rate:	**1**
Final Reference Level:	**1,200**
Final Exchange Rate:	**1**
Issue Price:	**1.30 SGD**
Notional Amount per Certificate:	**1.30 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**5.80%**
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Index Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

HFF(0) = 100%

On Next Calendar Day (assuming it is an Index Business Day):

$$\text{HFF (1)} = \text{HFF (0)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t} - 1\text{; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t} - 1\text{; t)}}{360}\right)$$

$$\text{HFF (1)} = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 5.80\% \times \frac{1}{360}\right)$$

$$\text{HFF (1)} = 100\% \times 99.9989\% \times 99.9839\% \approx 99.9828\%$$

Assuming 2^{nd} Index Business Day falls 3 Calendar Days after 1^{st} Index Business Day:

$$\text{HFF (2)} = \text{HFF (1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t-1;t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t-1;t)}}{360}\right)$$

$$\text{HFF}(2) = 99.9828\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 5.80\% \times \frac{3}{360}\right)$$

$$\text{HFF}(2) = 99.9828\% \times 99.9967\% \times 99.9517\% \approx 99.9311\%$$

The same principle applies to the following Index Business Days:

$$\text{HFF}(n) = \text{HFF}(n-1) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1;t)}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.7420% as illustrated below

Date	HFF
2/1/2021	100.0000%
2/2/2021	99.9828%
2/3/2021	99.9656%
2/4/2021	99.9483%
2/5/2021	99.9311%
2/8/2021	99.8795%
2/9/2021	99.8623%
2/10/2021	99.8451%
2/11/2021	99.8279%
2/12/2021	99.8107%
2/15/2021	99.7591%
2/16/2021	99.7420%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

= [(1200 x 1) / (1000 x 1) – 0] x 99.7420%

= 119.69%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

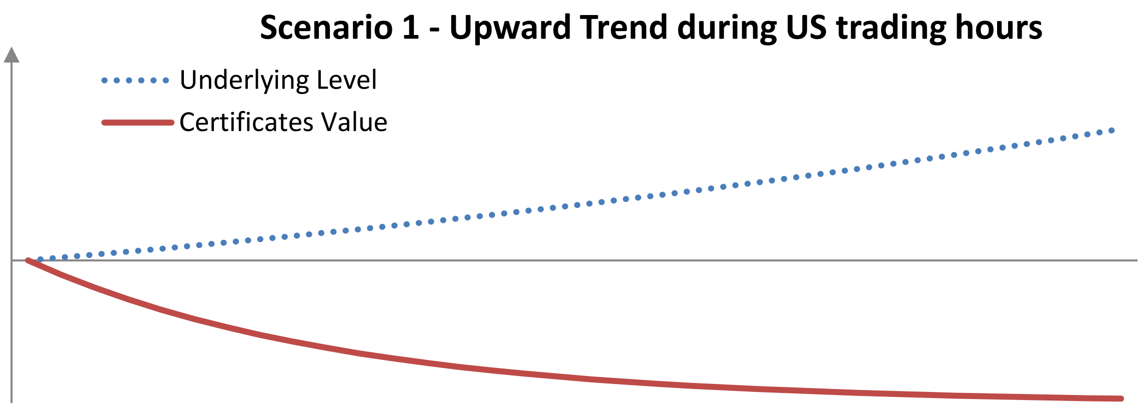
= 119.69% x 1.30 SGD

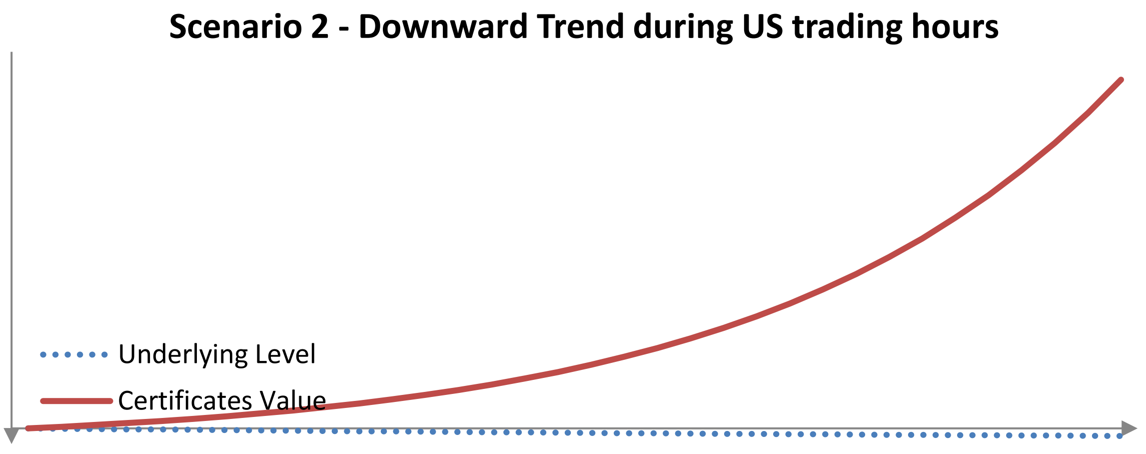
= **1.556 SGD**

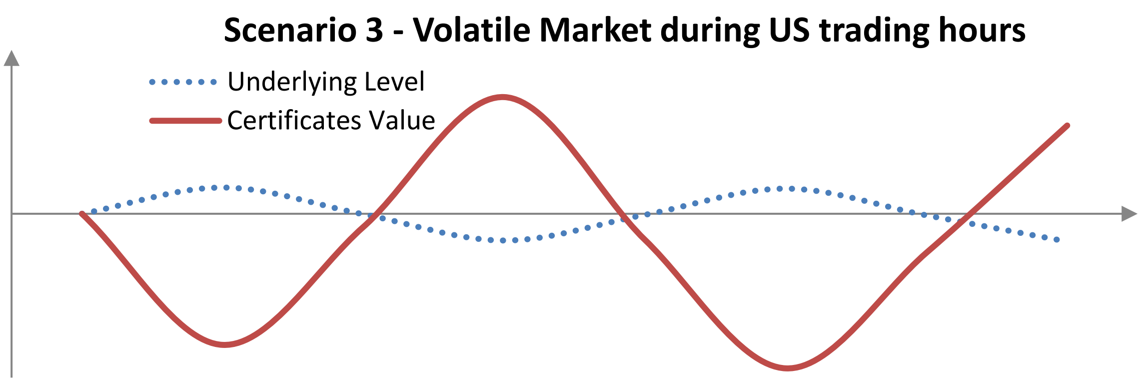
Illustration on how returns and losses can occur under different scenarios

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Index performance on the value of the Certificates and do not take into account the possible influence of fees or any other market parameters.

1. <u>Illustrative examples</u>







2. Numerical Examples

Scenario 1 – Upward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	2.00%	2.00%	2.00%	2.00%
Value at end of US trading day	10,000.00	10,200.00	10,404.00	10,612.08	10,824.32	11,040.81
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-14.00%	-14.00%	-14.00%	-14.00%	-14.00%
Value at end of US trading day	1.30	1.12	0.96	0.83	0.71	0.61
Accumulated Return		-14.00%	-26.04%	-36.39%	-45.30%	-52.96%

Scenario 2 – Downward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Value at end of US trading day	10,000.00	9,800.00	9,604.00	9,411.92	9,223.68	9,039.21
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		14.00%	14.00%	14.00%	14.00%	14.00%
Value at end of US trading day	1.30	1.48	1.69	1.93	2.20	2.50
Accumulated Return		14.00%	29.96%	48.15%	68.90%	92.54%

Scenario 3 – Volatile Market

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	-2.00%	-2.00%	2.00%	2.00%
Value at end of US trading day	10,000.00	10,200.00	9,996.00	9,796.08	9,992.00	10,191.84
Accumulated Return		2.00%	-0.04%	-2.04%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-14.00%	14.00%	14.00%	-14.00%	-14.00%
Value at end of US trading day	1.30	1.12	1.27	1.45	1.25	1.07
Accumulated Return		-14.00%	-1.96%	11.77%	-3.88%	-17.34%

Description of Air Bag Mechanism

The Certificates integrate an "Air Bag Mechanism" which is designed to reduce exposure to the Index during extreme market conditions.

In accordance with the Air Bag Mechanism timeline below, when the Air Bag triggers, the following typically occurs:

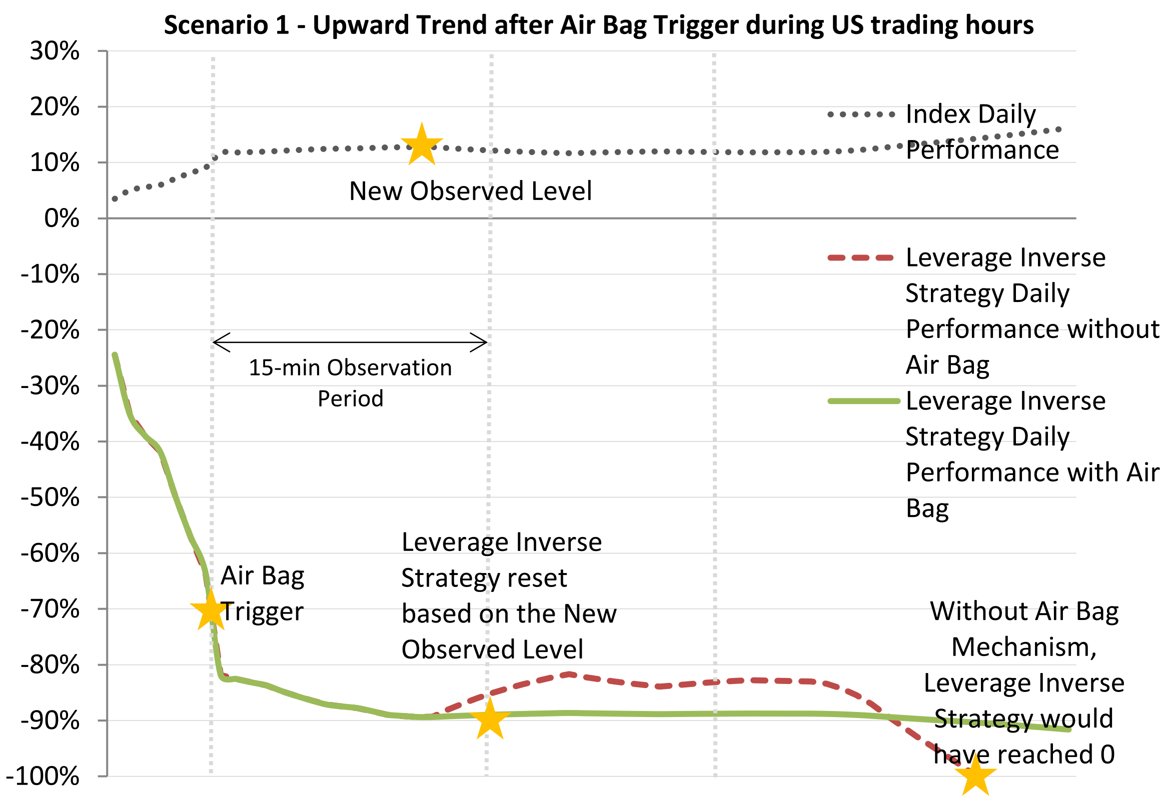
- Observation Period: the level of the Index is observed and its maximum level is recorded (i) during 15 minutes of continuous trading after the Air Bag is triggered, or (ii) until Market Close if there is 15 minutes (or less) of continuous trading until Market Close when the Air Bag is triggered; and
- Reset Period: thereafter, the Leverage Inverse Strategy is reset using the maximum level of the Index during the Observation Period as the New Observed Level. The New Observed Level replaces the last closing level of the Index in order to compute the performance of the Leverage Inverse Strategy.

The performance of the Leverage Inverse Strategy will be the inverse of the Index.

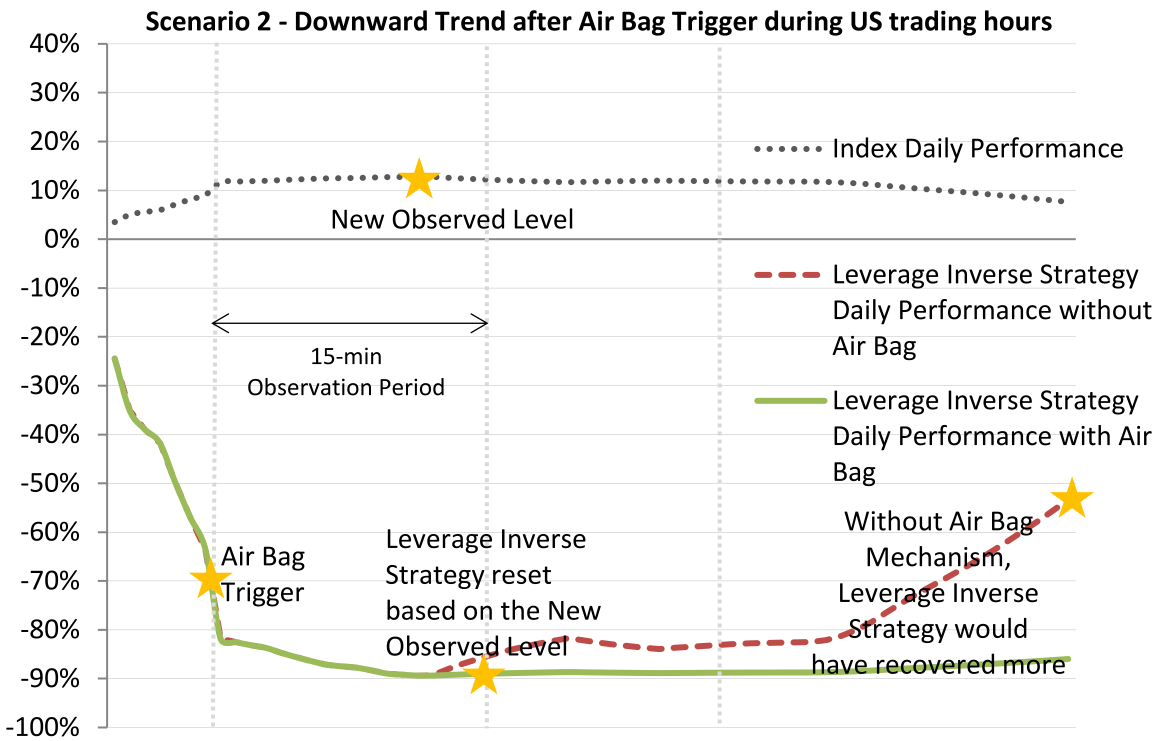
With **Market Close** defined as:

- Index closing time with respect to the Observation Period including the closing auction session

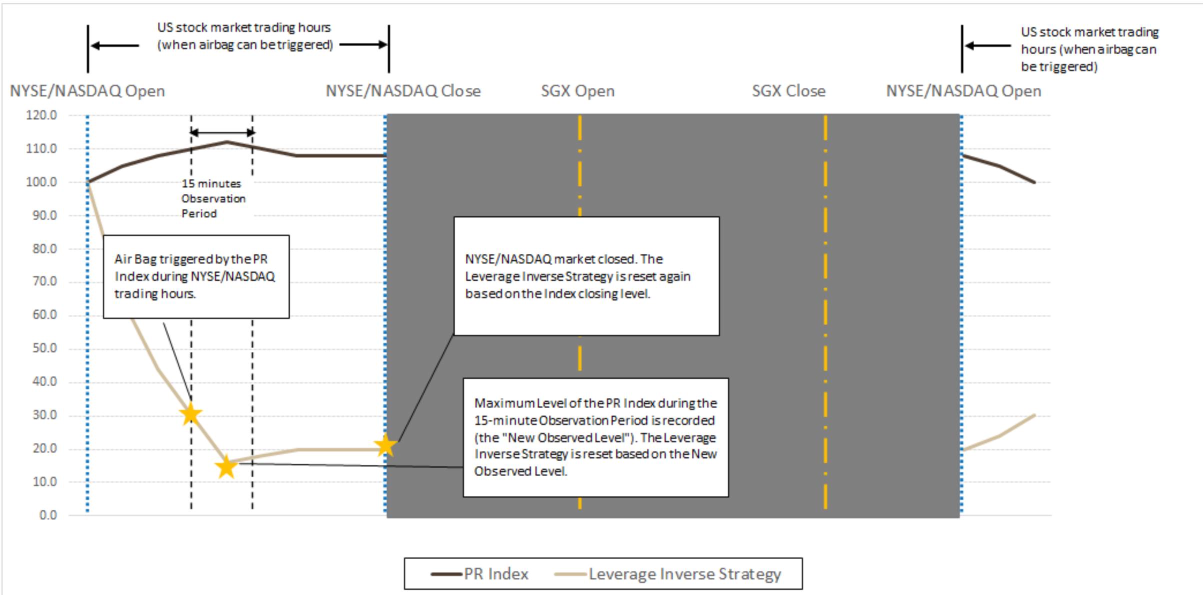
Illustrative examples of the Air Bag Mechanism[8]



[8] The illustrative examples are not exhaustive. The illustrative examples are designed to illustrate the impact of the Air Bag Mechanism on the assumption that there will be a residual value in the Certificates following the Air Bag triggers. Please refer to "Scenarios where the investor may lose the entire value of the investment" on pages 42 to 43 on hypothetical scenarios when investors may lose their entire value of the investment.



- **The Air Bag Mechanism can only be triggered during trading hours of the Relevant Stock Exchange(s) for the Index**

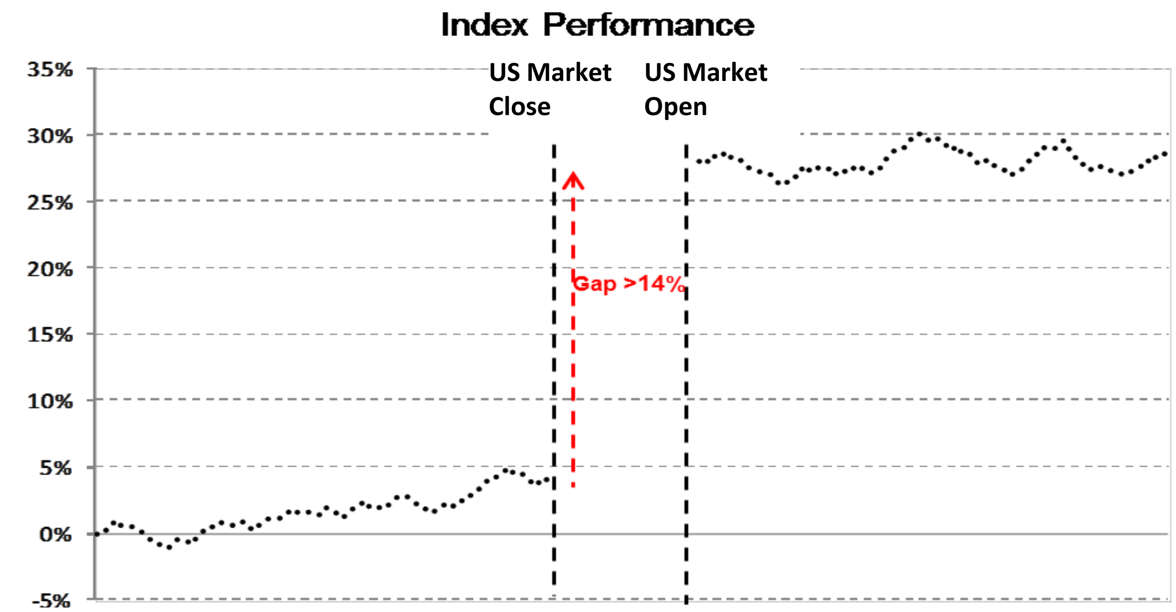


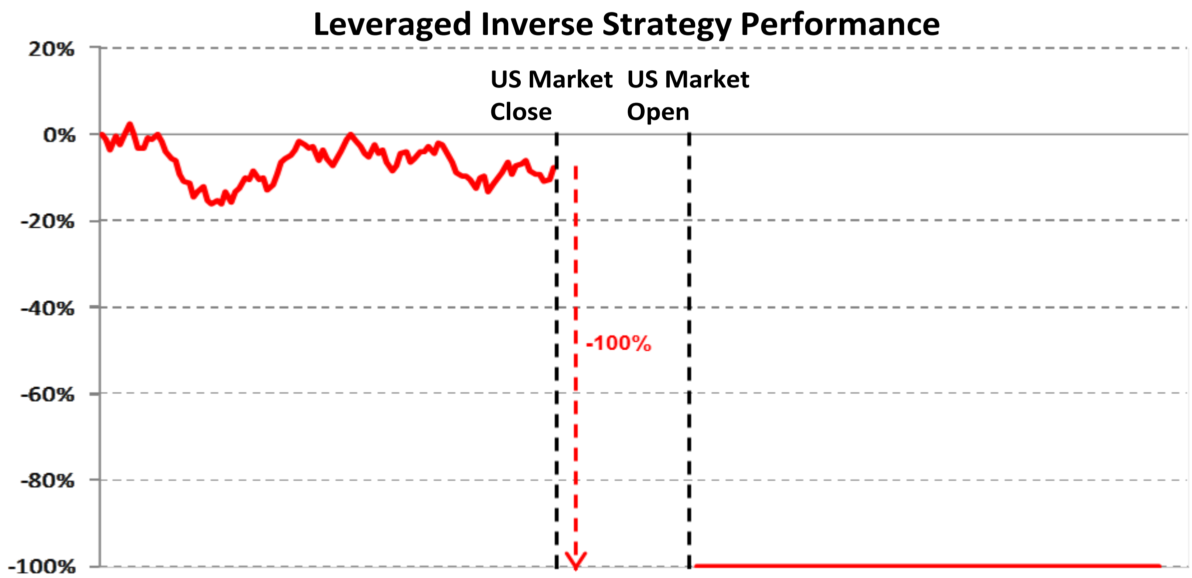
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

Scenario 1 – Rise of the Index or the PR Index outside of US trading hours

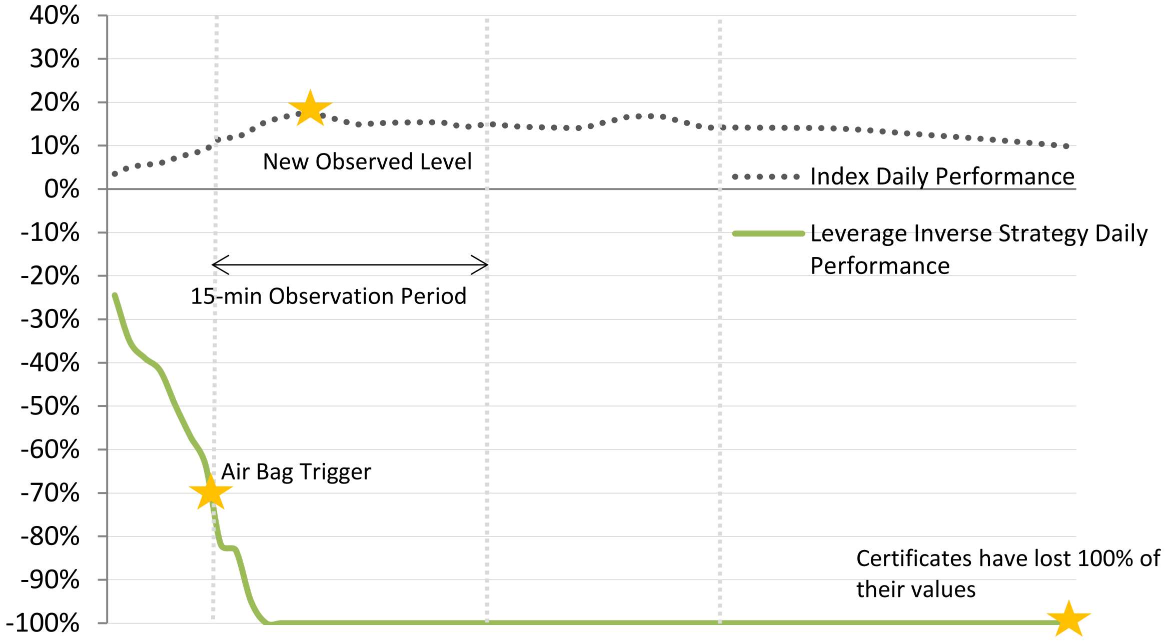
On any business day, the opening level of the Index or the PR Index may be higher or lower than the closing level on the previous trading day of the Relevant Stock Exchange(s) for the Index. The difference between the previous closing level and the opening level of the Index or the PR Index is termed a "gap". If the opening level of the Index or the PR Index is approximately 14% or more above the closing level on the previous trading day of the Relevant Stock Exchange(s) for the Index, the Air Bag Mechanism may only be triggered during the trading of the Relevant Stock Exchange(s) for the Index, and the Certificates would lose their entire value in such event. In such case, as the Certificates became valueless during the US trading hours, at subsequent SGX-ST open, the DMM may not provide any quotation on the Certificates and the Issuer may apply to suspend trading of the Certificates.





<u>Scenario 2 – Sharp intraday rise of the Index or the PR Index during US trading hours</u>

Although the Air Bag Mechanism is designed to reduce the exposure to the Index or the PR Index during extreme market conditions, the Certificates can lose 100% of their value in the event the Index or the PR Index increases approximately 14% or more of its value within a short period of time. The Certificates would lose their entire value in such event. In such case, as the Certificates became valueless during the US trading hours, at subsequent SGX-ST open, the DMM may not provide any quotation on the Certificates and the Issuer may apply to suspend trading of the Certificates.



INFORMATION RELATING TO THE INDEX

All information contained in this document regarding the Index is derived from publicly available information. The Issuer has not independently verified any of such information which appears on the website of S&P Dow Jones Indices LLC at https://www.spglobal.com/spdji/en/.

Description of the Index

The Index is a price-weighted measure of 30 U.S. blue-chip companies. The Index covers all industries except transportation and utilities.

Disclaimer of the Index Sponsor

The Dow Jones Industrial Average Index (the "**Index**") is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ("**SPDJI**") and has been licensed for use by the Issuer. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("**S&P**"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("**Dow Jones**"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the Issuer. It is not possible to invest directly in an index. The Daily Leveraged Certificates (the "**Securities**") are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, "**S&P Dow Jones Indices**"). S&P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the Securities or any member of the public regarding the advisability of investing in securities generally or in the Securities particularly or the ability of the Index to track general market performance. Past performance of an index is not an indication or guarantee of future results. S&P Dow Jones Indices' only relationship to the Issuer with respect to the Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices. The Index is determined, composed and calculated by S&P Dow Jones Indices without regard to the Issuer or the Securities. S&P Dow Jones Indices has no obligation to take the needs of the Issuer or the owners of the Securities into consideration in determining, composing or calculating the Index. S&P Dow Jones Indices is not responsible for and have not participated in the determination of the prices, and amount of the Securities or the timing of the issuance or sale of the Securities or in the determination or calculation of the equation by which the Securities are to be converted into cash, cash surrendered, redeemed, as the case may be. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of the Securities. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment or tax advisor. A tax advisor should be consulted to evaluate the impact of any tax-exempt securities on portfolios and the tax consequences of making any particular investment decision. Inclusion of a security within the Index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY THE ISSUER, OWNERS OF THE SECURITIES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY

AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND THE ISSUER, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

UBS AG, acting through its London Branch, has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

(a)	Maximum bid and offer spread	:	(i) when the best bid price of the Certificate is S$10 and below: 10 ticks or S$0.20 whichever is greater; and (ii) when the best bid price of the Certificate is above S$10: 5% of the best bid price of the Certificate.
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Certificates
(c)	Last Trading Day for Market Making	:	The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) when trading in the shares or securities relating to or constituting the Index is suspended or limited in a material way for any reason (including price quote limits activated by the Relevant Stock Exchange(s) for the Index or otherwise[9]), for the avoidance of doubt, the DMM is not obliged to provide quotations for the Certificates at any time when the shares or securities relating to or constituting the Index are not traded for any reason during the last trading session of the Relevant Stock Exchange(s) for the Index;

(iv) when trading of options or futures relating to the Index or PR Index on any Related Exchange is suspended or limited in a material way for any reason (including price quote limits activated by the Related Exchange on such options or futures or otherwise);

(v) where the Certificates are suspended from trading for any reason including, but without limitation, as a result of trading in the options or futures relating to the Index or PR Index on any Related Exchange being suspended, or options or futures generally on any Related Exchange being suspended;

(vi) market disruption events, including, without limitation, (i) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or the Relevant Stock Exchange(s) for the Index[9] or any Related Exchange on options or futures relating to the Index or the PR Index, or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in securities or derivatives relating to or constituting the Index, options or futures

[9] Price quote limits activated by the Relevant Stock Exchange(s) for the Index are not applicable to the market making of the Certificates (as defined herein).

relating to the Index or PR Index on any Related Exchange and (ii) any failure from the Index Sponsor to compute, publish and disseminate the level of the Index or the PR Index, or material limitation to access the level of the PR Index or Index, as the case may be;

(vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;

(viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;

(ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;

(x) if the SGX-ST, the Relevant Stock Exchange(s) for the Index or any Related Exchange experiences exceptional price movement and volatility;

(xi) when all Related Exchanges on options or futures relating to the Index or PR Index and the Relevant Stock Exchange for the Index are not open for dealings concurrently; and

(xii) when it is a public holiday in Singapore and the SGX-ST is not open for dealings.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

United Kingdom

In relation to each tranche of Certificates, the Issuer has represented, warranted and agreed that:

(a) No deposit-taking: in relation to any Certificates having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Certificates other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Certificates would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(b) Financial Promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not or would not, if the Issuer was not an authorised person, apply to the Issuer; and

(c) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available such Certificates to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in the United Kingdom except that it may make an offer of such Certificates to the public in the United Kingdom:

a) if the Supplemental Listing Document in relation to the Certificates specifies an offer of those Certificates may be made other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Certificates which either (i) has been approved by the UK Financial Conduct Authority ("**FCA**"), or (ii) is to be treated as if it had been approved by the FCA in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or

d) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Certificates to the public referred to in (a) to (c) above shall require the publication of a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Certificates to the public" in relation to any products in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United States of America

The Certificates have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. The Certificates will not be offered, sold or delivered within the United States or to U.S. persons. As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means (i) any citizen or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, (ii) any estate or trust the income of which is subject to United States income taxation regardless of its source, (iii) "U.S. person" as such term is defined in (a) Regulation S under the Securities Act or (b) the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the U.S. Commodity Futures Trading Commission ("**CFTC**") pursuant to the U.S. Commodity Exchange Act of 1936, as amended, or (iv) a person other than a "Non-United States Person" as defined in CFTC Rule 4.7, in each case, as such definition is amended, modified or supplemented from time to time.

Prohibition of Sales to European Economic Area

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

   (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

   (ii) a customer within the meaning of Directive 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

   (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS REGULATION

If the Supplemental Listing Document specifies "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", in relation to each member state of the European Economic Area (each, a "**Relevant State**"), the Issuer has represented, warranted and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in that Relevant State except that it may make an offer of such Certificates to the public in that Relevant State:

(a) Approved listing document: if the Supplemental Listing Document in relation to the Certificates specifies that an offer of those Certificates may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a listing document in relation to such Certificates which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such listing document has subsequently been completed by the Supplemental Listing Document contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such listing document or Supplemental Listing Document, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) Fewer than 150 offered: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Issuer for any such offer; or

(d) Other exempt offers: at any time in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a listing document pursuant to Article 3 of the Prospectus Regulation or supplement a listing document pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Certificates to the public**" in relation to any Certificates in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

Hong Kong

No person, other than a person permitted to do so under the securities laws of Hong Kong, has issued, or had in its possession for the purposes of issue, or will issue, or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Certificates, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and any rules made thereunder.

SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER

The information set out in Appendix I of this document relates to the risk factors relating to operating environment and strategy of the Issuer.

The information set out in Appendix II of this document relates to the recent developments in the Issuer's business.

The information set out in Appendix III of this document is an extract of the unaudited consolidated financial statements of UBS AG and its subsidiaries for the third quarter ended 30 September 2023.

The information set out in Appendix IV of this document is a reproduction of the media release published by the Issuer on 7 December 2023 relating to UBS AG and Credit Suisse AG entering into definitive merger agreement.

For more information on the Issuer, please see http://www.ubs.com/.

Queries regarding the Certificates may be directed to +852 2971 6668 or OL-HKWarrants@ubs.com.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 267 of the Base Listing Document.

1. Save as disclosed in the Base Listing Document and herein, there is no litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates to which the Issuer is a party nor, to the best of its knowledge and belief, is there any threatened litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates which would in either case jeopardise its ability to discharge its obligations in respect of the Certificates.

2. UBS AG, Singapore Branch at 9 Penang Road, Singapore 238459, has been authorised to accept, on behalf of the Issuer, service of process and any other notices required to be served on the Issuer. Any notices required to be served on the Issuer should be sent to UBS AG, Singapore Branch at the above address for the attention of Han-Kiat Tan, Legal & Compliance.

3. Settlement of trades done on a normal "ready basis" on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in board lots of 100 Certificates in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed "Summary of the Issue" above.

4. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.

5. There has been no adverse change, material in the context of the issue of the Certificates, in the financial position of the Issuer since 30 September 2023.

6. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and may be material to the issue of the Certificates:

   (a) the Master Instrument; and

   (b) the Master Warrant Agent Agreement.

   None of the directors of the Issuer has any direct or indirect interest in any of the above contracts.

7. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.

8. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the office of Allen & Gledhill LLP at One Marina Boulevard #28-00, Singapore 018989, during the period of 14 days from the date of this document:

   (a) the articles of association of the Issuer;

   (b) the latest financial reports (including the notes thereto) of the Issuer;

   (c) the Base Listing Document; and

   (d) this document.

APPENDIX I

RISK FACTORS RELATING TO

THE OPERATING ENVIRONMENT AND STRATEGY OF UBS AG

This section supersedes in its entirety Appendix 2 of the Base Listing Document.

UBS AG

Risks relating to UBS

Certain risks, including those described below, may affect UBS AG's ability to execute its strategy or its business activities, financial condition, results of operations and prospects. UBS AG is inherently exposed to multiple risks, many of which may become apparent only with the benefit of hindsight. As a result, risks that UBS AG does not consider to be material, or of which it is not currently aware, could also adversely affect UBS AG. Within each category, the risks that UBS AG considers to be most material are presented first.

[For EU Prospectus-regulation compliant add:]The Issuer has assessed materiality on a qualitative basis considering potential magnitude of the negative effects on the Issuer from the occurrence of a risk and the probability of occurrence of that risk. The Issuer believes the risk factors described below represent the principal risks inherent in investing in securities issued by UBS AG as Issuer, based on management's assessment of the information currently known.

Strategy, management and operational risks

UBS Group AG's acquisition of Credit Suisse Group AG exposes UBS to heightened litigation risk and regulatory scrutiny and entails significant additional costs, liabilities and business integration risks that affects UBS AG

UBS acquired the Credit Suisse Group under exceptional circumstances of volatile financial markets and the continued outflows and deteriorating overall financial position of Credit Suisse, in order to avert a failure of Credit Suisse and thus damage to the Swiss financial center and to global financial stability. The acquisition was effected through a merger of Credit Suisse Group AG with and into UBS Group AG, with UBS Group AG succeeding to all assets and all liabilities of Credit Suisse Group AG, becoming the direct or indirect shareholder of the former Credit Suisse Group AG's direct and indirect subsidiaries (the "Credit Suisse Group"). Therefore, on a consolidated basis, all assets, risks and liabilities of the Credit Suisse Group became a part of UBS. This includes all ongoing and future litigation, regulatory and similar matters arising out of the business of Credit Suisse Group, thereby materially increasing UBS's exposure to litigation and investigation risks, as described in further detail below.

UBS has incurred substantial transaction fees and costs in connection with the transaction and will continue to incur substantial integration and restructurings costs. In addition, UBS may not realize all of the expected cost reductions and other benefits of the transaction. UBS may not be able to successfully execute its strategic plans or to achieve the expected benefits of the acquisition of Credit Suisse Group. The success of the transaction, including anticipated benefits and cost savings, will depend, in part, on the ability to successfully integrate the operations of both firms rapidly and effectively, while maintaining stability of operations and high levels of service to customers of the combined franchise.

UBS's ability to successfully integrate Credit Suisse will depend on a number of factors, some of which are outside of its control, including UBS's ability to:

- Combine the operations of the two firms in a manner that preserves client service, simplifies infrastructure and results in operating cost savings.
- Reverse outflows of deposits and client invested assets at Credit Suisse, particularly in its Wealth Management and Switzerland and to attract additional deposits and other client assets to the combined firm.
- Achieve cost reductions at the levels and in the timeframe it plans.
- Enhance, integrate, and, where necessary, remediate risk management and financial control and other systems and frameworks, including to remediate the material weaknesses in Credit Suisse's internal controls over financial reporting.
- Simplify the legal structure of the combined firm in an expedited manner, including through mergers of UBS Switzerland AG and Credit Suisse Schweiz AG and the planned merger of UBS AG and Credit Suisse AG, as well as other mergers and asset dispositions, including obtaining regulatory approvals and licenses required to implement such changes.
- Retain staff and to reverse attrition of staff in certain of Credit Suisse's business areas.
- Successfully execute the wind-down of the assets and liabilities in its Non-core and legacy unit and release capital and resources for other purposes.

- Resolve outstanding litigation, regulatory and similar matters, including matters relating to Credit Suisse, on terms that are not significantly adverse to UBS Group, as well as to successfully remediate outstanding regulatory and supervisory matters and meet other regulatory commitments.

Further investigation and planning for integration is taking place, and risks that UBS AG does not currently consider to be material, or of which it is not currently aware, could also adversely affect UBS AG.

The level of success in the absorption of the Credit Suisse Group, in the integration of the two groups and their businesses, particularly in the area of the Swiss domestic bank, as well as domestic and international wealth management business, and in the execution of the planned strategy regarding cost reduction and divestment of any non-core assets, and the level of resulting impairments and write-downs, may impact the operational results, share price and credit rating of UBS AG. The past financial performance of each of UBS Group AG and Credit Suisse may not be indicative of their future financial performance. The combined group will be required to devote significant management attention and resources to integrating its business practices and support functions. The diversion of management's attention and any delays or difficulties encountered in connection with the transaction and the coordination of the two companies' operations could have an adverse effect on the business, financial results, financial condition or the share price of the combined group following the transaction. The coordination process may also result in additional and unforeseen expenses.

UBS AG's reputation is critical to its success

UBS AG's reputation is critical to the success of its strategic plans, business and prospects. Reputational damage is difficult to reverse, and improvements tend to be slow and difficult to measure. In the past, UBS AG Group's reputation has been adversely affected by its losses during the financial crisis, investigations into its cross-border private banking services, criminal resolutions of LIBOR-related and foreign exchange matters, as well as other matters. UBS AG believes that reputational damage as a result of these events was an important factor in its loss of clients and client assets across its asset-gathering businesses. Credit Suisse has more recently been subject significant litigation and regulatory matters and to financial losses that adversely affected its reputation and the confidence of clients, which played a significant role in the failure of Credit Suisse in March. These events, or new events that cause reputational damage could have a material adverse effect on its results of operation and financial condition, as well as its ability to achieve its strategic goals and financial targets.

Operational risks affect UBS AG's business

The UBS AG Group's businesses depend on its ability to process a large number of transactions, many of which are complex, across multiple and diverse markets in different currencies, to comply with requirements of many different legal and regulatory regimes to which it is subject and to prevent, or promptly detect and stop, unauthorised, fictitious or fraudulent transactions. The UBS AG Group also relies on access to, and on the functioning of, systems maintained by third parties, including clearing systems, exchanges, information processors and central counterparties. Any failure of its or third-party systems could have an adverse effect on UBS AG. These risks may be greater as the UBS AG Group deploys newer technologies, such as blockchain, or processes, platforms or products that rely on these technologies. The UBS AG Group's operational risk management and control systems and processes are designed to help ensure that the risks associated with its activities – including those arising from process error, failed execution, misconduct, unauthorised trading, fraud, system failures, financial crime, cyberattacks, breaches of information security, inadequate or ineffective access controls and failure of security and physical protection – are appropriately controlled. If the UBS AG Group's internal controls fail or prove ineffective in identifying and remedying these risks, it could suffer operational failures that might result in material losses, such as the substantial loss it incurred from the unauthorised trading incident announced in September 2011. The acquisition of the Credit Suisse Group may elevate these risks, particularly during the first phases of integration, as the firms have historically operated under different procedures, IT systems, risk policies and structures of governance.

As a significant proportion of its staff have been and will continue working from outside the office, the UBS AG Group has faced, and will continue to face, new challenges and operational risks, including maintenance of supervisory and surveillance controls, as well as increased fraud and data security risks. While the UBS AG Group has taken measures to manage these risks, such measures have never been tested on the scale or duration that UBS is currently experiencing, and there is risk that these measures will prove not to have been effective in the current unprecedented operating environment.

The UBS AG Group uses automation as part of its efforts to improve efficiency, reduce the risk of error and improve its client experience. The UBS AG Group intends to expand the use of robotic processing, machine learning and artificial intelligence to further these goals. Use of these tools presents their own risks, including the need for effective design and testing; the quality of the data used for development and operation of machine learning and artificial intelligence tools may adversely affect their functioning and result in errors and other operational risks.

Financial services firms have increasingly been subject to breaches of security and to cyber- and other forms of attack, some of which are sophisticated and targeted attacks intended to gain access to confidential information or systems, disrupt service or steal or destroy data, which may result in business disruption or the corruption or loss of data at UBS AG Group locations or those of third parties. Cyberattacks by hackers, terrorists, criminal organizations, nation states and extremists have also increased in frequency and sophistication. Current geopolitical tensions have led to increased risk of cyberattack from foreign state actors. In particular, the Russia–Ukraine war and the imposition of significant sanctions on Russia by Switzerland, the US, the EU, the UK and others has resulted and may continue to result in an increase in the risk of cyberattacks. Such attacks may occur on the UBS AG Group's own systems or on the systems that are operated by external service providers, may be attempted through the introduction of ransomware, viruses or malware, phishing and other forms of social engineering, distributed denial of service attacks and other means. These attempts may occur directly, or using equipment or security passwords of the UBS AG Group's employees, third-party service providers or other users. Cybersecurity risks also have increased due to the widespread use of digital technologies, cloud computing and mobile devices to conduct financial business and transactions. During the first quarter of 2023, a third-party vendor, ION XTP, suffered a ransomware attack, which resulted in some disruption to UBS AG Group exchange-traded derivatives clearing activities, although UBS AG Group restored UBS AG Group services within 36 hours, using an available alternative solution. In addition to external attacks, the UBS AG Group has experienced loss of client data from failure by employees and others to follow internal policies and procedures and from misappropriation of the UBS AG Group's data by employees and others.

The UBS AG Group may not be able to anticipate, detect or recognise threats to its systems or data and its preventative measures may not be effective to prevent an attack or a security breach. In the event of a security breach, notwithstanding its preventative measures, the UBS AG Group may not immediately detect a particular breach or attack. The acquisition of Credit Suisse may elevate and intensify these risks as would-be attackers have a larger potential target in the combined bank and differences in systems, policies, and platforms could make threat detection more difficult. Once a particular attack is detected, time may be required to investigate and assess the nature and extent of the attack, and to restore and test systems and data. If a successful attack occurs at a service provider, as the UBS AG Group has recently experienced, the UBS AG Group may be dependent on the service provider's ability to detect the attack, investigate and assess the attack and successfully restore the relevant systems and data. A successful breach or circumvention of security of the UBS AG Group's or a service provider's systems or data could have significant negative consequences for the UBS AG Group, including disruption of its operations, misappropriation of confidential information concerning the UBS AG Group or its clients, damage to its systems, financial losses for the UBS AG Group or its clients, violations of data privacy and similar laws, litigation exposure and damage to its reputation. The UBS AG Group may be subject to enforcement actions as regulatory focus on cybersecurity increases and regulators have announced new rules, guidance and initiatives on ransomware and other cybersecurity-related issues.

The UBS AG Group is subject to complex and frequently changing laws and regulations governing the protection of client and personal data, such as the EU General Data Protection Regulation. Ensuring that the UBS AG Group complies with applicable laws and regulations when it collects, uses and transfers personal information requires substantial resources and may affect the ways in which the UBS AG Group conducts its business. In the event that the UBS AG Group fails to comply with applicable laws, it may be exposed to regulatory fines and penalties and other sanctions. It may also incur such penalties if its vendors or other service providers or clients or counterparties fail to comply with these laws or to maintain appropriate controls over protected data. In addition, any loss or exposure of client or other data may adversely damage the UBS AG Group's reputation and adversely affect its business.

A major focus of US and other countries' governmental policies relating to financial institutions in recent years has been on fighting money laundering and terrorist financing. The UBS AG Group is required to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of its clients under the laws of many of the countries in which it operates. It is also subject to laws and regulations related to corrupt and illegal payments to government officials by others, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. The UBS AG Group has implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. Notwithstanding this, US regulators have found deficiencies in the design and operation of anti-money laundering programs in the UBS AG Group's US operations. The UBS AG Group has undertaken a significant program to address these regulatory findings with the objective of fully meeting regulatory expectations for its programs. Failure to maintain and implement adequate programs to combat money laundering, terrorist financing or corruption, or any failure of its programs in these areas, could have serious consequences both from legal enforcement action and from damage to the UBS AG Group's reputation. Frequent changes in sanctions imposed and increasingly complex sanctions imposed on countries, entities and individuals, as exemplified by the breadth and scope of the sanctions imposed in relation to the war in Ukraine, increase the UBS AG Group's cost of monitoring and complying with sanctions requirements and increase the risk that it will not identify in a timely manner client activity that is subject to a sanction.

As a result of new and changed regulatory requirements and the changes the UBS AG Group has made in its legal structure, the volume, frequency and complexity of its regulatory and other reporting has remained elevated. Regulators have also significantly increased expectations regarding the UBS AG Group's internal reporting and data aggregation, as well as management reporting. UBS has incurred, and continues to incur, significant costs to implement infrastructure to meet these requirements. The UBS AG Group to meet external reporting requirements accurately and in a timely manner or failure to meet regulatory expectations of internal reporting, data aggregation and management reporting could result in enforcement action or other adverse consequences for UBS AG.

In addition, despite the contingency plans that the UBS AG Group has in place, its ability to conduct business may be adversely affected by a disruption in the infrastructure that supports its businesses and the communities in which it operates. This may include a disruption due to natural disasters, pandemics, civil unrest, war or terrorism and involve electrical, communications, transportation or other services that the UBS AG Group uses or that are used by third parties with whom the UBS AG Group conducts business.

UBS AG depends on its risk management and control processes to avoid or limit potential losses in its businesses

Controlled risk-taking is a major part of the business of a financial services firm. Some losses from risk-taking activities are inevitable, but to be successful over time, the UBS AG Group must balance the risks it takes against the returns generated. Therefore, the UBS AG Group must diligently identify, assess, manage and control its risks, not only in normal market conditions but also as they might develop under more extreme, stressed conditions, when concentrations of exposures can lead to severe losses.

The UBS AG Group has not always been able to prevent serious losses arising from risk management failures and extreme or sudden market events. It recorded substantial losses on fixed-income trading positions in the 2008 financial crisis, in the unauthorised trading incident in 2011 and, more recently, positions resulting from the default of a US prime brokerage client. In the recent past, Credit Suisse has suffered very significant losses from the default of the US prime brokerage client, the losses in supply-chain finance funds managed by it, as well as other matters. As a result of these Credit Suisse is subject to significant regulatory remediation obligations to address deficiencies in its risk management and controls systems, that will continue following the merger.

The UBS AG Group regularly revises and strengthens its risk management and control frameworks to seek to address identified shortcomings. Nonetheless, it could suffer further losses in the future if, for example:

The UBS AG Group does not fully identify the risks in its portfolio, in particular risk concentrations and correlated risks;

- its assessment of the risks identified, or its response to negative trends, proves to be untimely, inadequate, insufficient or incorrect;
- its risk models prove insufficient to predict the scale of financial risks the bank faces;
- markets move in ways that the UBS AG Group does not expect – in terms of their speed, direction, severity or correlation – and its ability to manage risks in the resulting environment is, therefore, affected;
- third parties to whom the UBS AG Group has credit exposure or whose securities the UBS AG Group holds are severely affected by events and the UBS AG Group suffers defaults and impairments beyond the level implied by its risk assessment; or
- collateral or other security provided by its counterparties and clients proves inadequate to cover their obligations at the time of default.

The UBS AG Group also holds legacy risk positions, primarily in its Non-core and legacy, that, in many cases, are illiquid and may deteriorate in value. The acquisition of the Credit Suisse Group, and the planned integration of UBS AG with Credit Suisse AG, will increase, materially, the portfolio of business that are outside of UBS's risk appetite and subject to exit that will be managed in the Non-core and legacy segment.

The UBS AG Group also manages risk on behalf of its clients. The performance of assets the UBS AG Group holds for its clients may be adversely affected by the same aforementioned factors. If clients suffer losses or the performance of their assets held with the UBS AG Group is not in line with relevant benchmarks against which clients assess investment performance, the UBS AG Group may suffer reduced fee income and a decline in assets under management, or withdrawal of mandates.

Investment positions, such as equity investments made as part of strategic initiatives and seed investments made at the inception of funds that the UBS AG Group manages, may also be affected by market risk factors. These investments are often not liquid and generally are intended or required to be held beyond a normal trading horizon. Deteriorations in the fair value of these positions would have a negative effect on UBS AG's earnings.

UBS AG may be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees

The financial services industry is characterised by intense competition, continuous innovation, restrictive, detailed, and sometimes fragmented regulation and ongoing consolidation. The UBS AG Group faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to The UBS AG Group in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. The UBS AG Group expects these trends to continue and competition to increase. The UBS AG Group's competitive strength and market position could be eroded if it is unable to identify market trends and developments, does not respond to such trends and developments by devising and implementing adequate business strategies, does not adequately develop or update its technology, including its digital channels and tools, or is unable to attract or retain the qualified people needed.

The amount and structure of the UBS AG Group's employee compensation is affected not only by its business results, but also by competitive factors and regulatory considerations.

In response to the demands of various stakeholders, including regulatory authorities and shareholders, and in order to better align the interests of the UBS AG Group's staff with other stakeholders, the UBS AG Group has increased average deferral periods for stock awards, expanded forfeiture provisions and, to a more limited extent, introduced clawback provisions for certain awards linked to business performance. the UBS AG Group has also introduced individual caps on the proportion of fixed to variable pay for the Executive Board ("**EB**") members, as well as certain other employees. The UBS AG Group will also be required to introduce and enforce provisions requiring the UBS AG Group to recover from EB members and certain other executives a portion of performance-based incentive compensation in the event that the UBS AG or another entity with securities listed on a US national securities exchange, is required to restate its financial statements as a result of a material error.

Constraints on the amount or structure of employee compensation, higher levels of deferral, performance conditions and other circumstances triggering the forfeiture of unvested awards may adversely affect the UBS AG Group's ability to retain and attract key employees, particularly where the UBS AG Group competes with companies that are not subject to these constraints. The loss of key staff and the inability to attract qualified replacements could seriously compromise its ability to execute its strategy and to successfully improve its operating and control environment, and could affect its business performance. This risk is intensified by elevated levels of attrition among Credit Suisse employees. Swiss law requires that shareholders approve the compensation of the UBS Group AG Board of Directors (the "**Group Board**") and the Group Executive Board ("**GEB**") each year. If UBS Group AG's shareholders fail to approve the compensation for the GEB or the Group Board, this could have an adverse effect on UBS's ability to retain experienced directors and its senior management.

UBS AG's operating results, financial condition and ability to pay its obligations in the future may be affected by funding, dividends and other distributions received from UBS Switzerland AG, UBS Americas Holding LLC, UBS Europe SE and other subsidiaries, which may be subject to restrictions

UBS AG's ability to pay its obligations in the future will depend on the level of funding, dividends and other distributions, if any, received from UBS Switzerland AG and other subsidiaries. The ability of such subsidiaries to make loans or distributions, directly or indirectly, to UBS AG may be restricted as a result of several factors, including restrictions in financing agreements and the requirements of applicable law and regulatory, fiscal or other restrictions. In particular, UBS AG's direct and indirect subsidiaries, including UBS Switzerland AG, UBS Americas Holding LLC and UBS Europe SE, are subject to laws and regulations that require the entities to maintain minimum levels of capital and liquidity, restrict dividend payments, authorise regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS AG, or could affect their ability to repay any loans made to, or other investments in, such subsidiary by UBS AG or another member of the UBS AG Group. For example, in the early stages of the COVID-19 pandemic, the European Central Bank ordered all banks under its supervision to cease dividend distributions and the Board of Governors of the Federal Reserve System (the "**Federal Reserve Board**") has limited capital distributions by bank holding companies and intermediate holding companies. Restrictions and regulatory actions of this kind could impede access to funds that UBS AG may need to meet its obligations. In addition, UBS AG's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganisation is subject to all prior claims of the subsidiary's creditors.

Furthermore, UBS AG may guarantee some of the payment obligations of certain of its subsidiaries from time to time. These guarantees may require UBS AG to provide substantial funds or assets to subsidiaries or their creditors or counterparties at a time when UBS AG is in need of liquidity to fund its own obligations.

Market, credit and macroeconomic risks

Performance in the financial services industry is affected by market conditions and the macroeconomic climate

The UBS AG Group's businesses are materially affected by market and macroeconomic conditions. A market downturn and weak macroeconomic conditions can be precipitated by a number of factors, including geopolitical events, such as international armed conflicts, war, or acts of terrorism, the imposition of sanctions, global trade or global supply chain disruptions, including energy shortages and food insecurity, changes in monetary or fiscal policy, changes in trade policies or international trade disputes, significant inflationary or deflationary price changes, disruptions in one or more concentrated economic sectors, natural disasters, pandemics or local and regional civil unrest. Such developments can have unpredictable and destabilizing effects.

Adverse changes in interest rates, credit spreads, securities prices, market volatility and liquidity, foreign exchange rates, commodity prices, and other market fluctuations, as well as changes in investor sentiment, can affect the UBS AG Group's earnings and ultimately its financial and capital positions. As financial markets are global and highly interconnected, local and regional events can have widespread effects well beyond the countries in which they occur. Any of these developments may adversely affect the UBS AG Group's business or financial results.

As a result of significant volatility in the market, the UBS AG Group's businesses may experience a decrease in client activity levels and market volumes, which would adversely affect its ability to generate transaction fees, commissions and margins, particularly in Global Wealth Management and the Investment Bank. A market downturn would likely reduce the volume and valuation of assets that the UBS AG Group manages on behalf of its clients, which would reduce recurring fee income that is charged based on invested assets, primarily in Global Wealth Management and Asset Management, and performance-based fees in Asset Management. Such a downturn could also cause a decline in the value of assets that the UBS AG Group owns and accounts for as investments or trading positions. In addition, reduced market liquidity or volatility may limit trading opportunities and may therefore reduce transaction-based income and may also impede the UBS AG Group's ability to manage risks.

Geopolitical events: For example, the Russia–Ukraine war has led to one of the largest humanitarian crises in decades, with millions of people displaced, a mass exodus of businesses from Russia, and heightened volatility across global markets. In addition, as a result of the war, several jurisdictions, including the US, the EU, the UK, Switzerland and others, have imposed extensive sanctions on Russia and Belarus and certain Russian and Belarusian entities and nationals, as well as the Russian Central Bank. Among others, the financial sanctions include barring certain Russian banks from using the Society for Worldwide Interbank Financial Telecommunication (SWIFT) messaging system, asset freezes for sanctioned individuals and corporations, limits on financial transactions with sanctioned entities and individuals, and limitation of deposits in the EU and Switzerland from Russian persons not entitled to residency in the European Economic Area (the "**EEA**") or Switzerland. The scale of the conflict and the speed and extent of sanctions may produce many of the effects described in the paragraph above, including in ways that cannot now be anticipated.

If individual countries impose restrictions on cross-border payments or trade, or other exchange or capital controls, or change their currency (for example, if one or more countries should leave the Eurozone, as a result of the imposition of sanctions on individuals, entities or countries, or escalation of trade restrictions and other actions between the US, or other countries, and China), the UBS AG Group could suffer adverse effects on its business, losses from enforced default by counterparties, be unable to access its own assets or be unable to effectively manage its risks.

The UBS AG Group could be materially affected if a crisis develops, regionally or globally, as a result of disruptions in markets due to macroeconomic or political developments, trade restrictions, or the failure of a major market participant. Over time, the UBS AG Group's strategic plans have become more heavily dependent on its ability to generate growth and revenue in emerging markets, including China, causing the UBS AG Group to be more exposed to the risks associated with such markets.

Global Wealth Management derives revenues from all the principal regions, but has a greater concentration in Asia than many peers and a substantial presence in the US, unlike many European peers. The Investment Bank's business is more heavily weighted to Europe and Asia than its peers, while its derivatives business is more heavily weighted to structured products for wealth management clients, in particular with European and Asian underlyings. The UBS AG Group's performance may therefore be more affected by political, economic and market developments in these regions and businesses than some other financial service providers.

COVID-19 pandemic: The COVID-19 pandemic, the governmental measures taken to manage it, and related effects, such as labor market displacements, supply chain disruptions, and inflationary pressures, have adversely affected, and may still adversely affect, global and regional economic conditions, resulting in contraction in the global economy, substantial volatility in the financial markets, crises in markets for goods and services, as well as significant disruptions in certain regional real estate markets, increased unemployment, increased credit and counterparty risk, and operational challenges. While in most jurisdictions the pandemic-related governmental measures were reversed, resurgence of the pandemic, ineffectiveness of vaccines and continuance or imposition of new pandemic control measures may result in additional adverse effects on the global economy negatively affecting the UBS AG Group's results of operations and financial condition. Should inflationary pressures or other adverse global market conditions persist, or should the pandemic lead to additional economic or market disruptions, the UBS AG Group may experience reduced levels of client activity and demand for its products and services, increased utilisation of lending commitments, significantly increased client defaults, continued and increasing credit and valuation losses in its loan portfolios, loan commitments and other assets, and impairments of other financial assets. A fall in equity markets and a consequent decline in invested assets would also reduce recurring fee income in the UBS AG Group's Global Wealth Management and Asset Management businesses, as was experienced in the second quarter of 2022. These factors and other consequences of the COVID-19 pandemic may negatively affect the UBS AG Group's financial condition, including possible constraints on capital and liquidity, as well as a higher cost of capital, and possible downgrades to its credit ratings.

The extent to which the pandemic, the ongoing Russia–Ukraine war, and current inflationary pressures and related adverse economic conditions affect the UBS AG Group's businesses, results of operations and financial condition, as well as its regulatory capital and liquidity ratios, will depend on future developments, including the effects of the current conditions on its clients, counterparties, employees and third-party service providers.

UBS AG's credit risk exposure to clients, trading counterparties and other financial institutions would increase under adverse or other economic conditions

Credit risk is an integral part of many of the UBS AG Group's activities, including lending, underwriting and derivatives activities. Adverse economic or market conditions, or the imposition of sanctions or other restrictions on clients, counterparties or financial institutions, may lead to impairments and defaults on these credit exposures. Losses may be exacerbated by declines in the value of collateral securing loans and other exposures. In the UBS AG Group's prime brokerage, securities finance and Lombard lending businesses, it extends substantial amounts of credit against securities collateral, the value or liquidity of which may decline rapidly. Market closures and the imposition of exchange controls, sanctions or other measures may limit the UBS AG Group's ability to settle existing transactions or to realise on collateral, which may result in unexpected increases in exposures. The UBS AG Group's Swiss mortgage and corporate lending portfolios are a large part of its overall lending. It is therefore exposed to the risk of adverse economic developments in Switzerland, including property valuations in the housing market, the strength of the Swiss franc and its effect on Swiss exports, return to negative interest rates applied by the Swiss National Bank, economic conditions within the Eurozone or the European Union (the "**EU**"), and the evolution of agreements between Switzerland and the EU or EEA, which represent Switzerland's largest export market. The UBS AG Group has exposures related to real estate in various countries, including a substantial Swiss mortgage portfolio. Although it believes this portfolio is prudently managed, the UBS AG Group could nevertheless be exposed to losses if a substantial deterioration in the Swiss real estate market were to occur.

As the UBS AG Group experienced in 2020, under the IFRS 9 expected credit loss ("**ECL**") regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect the UBS AG Group's common equity tier 1 ("**CET1**") capital and regulatory capital ratios.

Interest rate trends and changes could negatively affect UBS AG's financial results

The UBS AG Group's businesses are sensitive to changes in interest rate trends. A prolonged period of low or negative interest rates, particularly in Switzerland and the Eurozone, adversely affected the net interest income generated by the UBS AG Group's Personal & Corporate Banking and Global Wealth Management businesses prior to 2022. Actions that the UBS AG Group took to mitigate adverse effects on income, such as the introduction of selective deposit fees or minimum lending rates, contributed to outflows of customer deposits (a key source of funding for the UBS AG Group), net new money outflows and a declining market share in its Swiss lending business.

During 2022, interest rates increased sharply in the US and most other markets, including a shift from negative to positive central bank policy rates in the Eurozone and Switzerland, as central banks responded to higher inflation. Higher interest rates generally benefit the UBS AG Group's net interest income. However, as returns on alternatives to deposits increase with rising interest rates, such as returns on money market funds, the UBS AG Group has experienced outflows from customer deposits and shifts of deposits from lower-interest account types to accounts bearing higher interest rates, such as savings and certificates of deposit, particularly in the US, where rates have rapidly increased. Customer deposit outflows may require the UBS AG Group to obtain alternative funding, which would likely be more costly than customer deposits.

Currency fluctuation may have an adverse effect on UBS AG's profits, balance sheet and regulatory capital

The UBS AG Group is subject to currency fluctuation risks. Although the change from the Swiss franc to the US dollar as its presentation currency in 2018 reduces the UBS AG Group's exposure to currency fluctuation risks with respect to the Swiss franc, a substantial portion of the UBS AG Group's assets and liabilities are denominated in currencies other than the US dollar. Additionally, in order to hedge its CET1 capital ratio, the UBS AG Group's CET1 capital must have foreign currency exposure, which leads to currency sensitivity. As a consequence, it is not possible to simultaneously fully hedge both the amount of capital and the capital ratio. Accordingly, changes in foreign exchange rates may adversely affect the UBS AG Group's profits, balance sheet, and capital, leverage and liquidity coverage ratios.

Regulatory and legal risks

Material legal and regulatory risks arise in the conduct of UBS AG's businesses

As a global financial services firm operating in more than 50 countries, the UBS AG Group is subject to many different legal, tax and regulatory regimes, including extensive regulatory oversight, and is exposed to significant liability risk. The UBS AG Group is subject to a large number of claims, disputes, legal proceedings and government investigations and expects that its ongoing business activities will continue to give rise to such matters in the future. The extent of the UBS AG Group's financial exposure to these and other matters is material and could substantially exceed the level of provisions established. UBS AG is not able to predict the financial and non-financial consequences these matters may have when resolved.

The UBS AG Group may be subject to adverse preliminary determinations or court decisions that may negatively affect public perception and its reputation, result in prudential actions from regulators, and cause the UBS AG Group to record additional provisions for such matters even when it believes it has substantial defences and expects to ultimately achieve a more favourable outcome. This risk is illustrated by the award of aggregate penalties and damages of EUR 4.5bn by the court of first instance in France. This award was reduced to an aggregate of EUR 1.8bn by the Court of Appeal, and UBS AG has further appealed this judgment.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Among other things, a guilty plea to, or conviction of, a crime (including as a result of termination of the Deferred Prosecution Agreement Credit Suisse entered into with the United States Department of Justice in 2021 to resolve its Mozambique matter) could have material consequences for us. Resolution of regulatory proceedings may require us 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 AG Group 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 us.

Resolution of regulatory proceedings may require the UBS AG Group to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorisations, and may permit financial market utilities to limit, suspend or terminate the UBS AG Group's participation in them. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorisations or participations, could have material adverse consequences for UBS AG.

The UBS AG Group's settlements with governmental authorities in connection with foreign exchange, London Interbank Offered Rates ("**LIBOR**") and other benchmark interest rates starkly illustrate the significantly increased level of financial and reputational risk now associated with regulatory matters in major jurisdictions. In connection with investigations related to LIBOR and other benchmark rates and to foreign exchange and precious metals, very large fines and disgorgement amounts were assessed against the UBS AG Group, and it was required to enter guilty pleas despite its full cooperation with the authorities in the investigations, and despite its receipt of conditional leniency or conditional immunity from anti-trust authorities in a number of jurisdictions, including the US and Switzerland.

For a number of years, the UBS AG Group has been, and continues to be, subject to a very high level of regulatory scrutiny and to certain regulatory measures that constrain its strategic flexibility. The UBS AG Group believes it has remediated the deficiencies that led to significant losses in the past and made substantial changes in its controls and it conducts risk frameworks to address the issues highlighted by the LIBOR-related, foreign exchange and precious metals regulatory resolutions. The UBS AG Group has also undertaken extensive efforts to implement new regulatory requirements and meet heightened expectations.

Credit Suisse and or UBS have become the target of lawsuits, and may become the target of further litigation, in connection with the merger transaction and/or the regulatory and other actions taken in connection with the merger transaction, all of which could result in substantial costs. As of June 5, 2023, Credit Suisse had incurred a net charge of USD 7.4 billion in respect of its supply chain finance funds ("**SCFF**") matter, and the ultimate cost of resolving the SCFF matter may be material to the operating results of the combined group.

Credit Suisse delayed its reporting for the year ending 2022 stating that it had identified material weaknesses in its internal controls over financial reporting as a result of which Credit Suisse management had concluded that, as of December 31, 2022, its internal controls over financial reporting were not effective, and for the same reasons, it reached the same conclusion regarding December 31, 2021. Since the acquisition, UBS has undertaken a review of the processes and systems giving rise to the material weaknesses and the remediation program undertaken. This review is ongoing and UBS expects to adopt and implement further controls and procedures following the completion of such review and discussions with its regulators. In the course of this review, UBS may become aware of facts that cause it to broaden the scope of the findings. This may affect UBS AG Group upon the planned integration with Credit Suisse AG.

The UBS AG Group continues to be in active dialogue with regulators concerning the actions it is taking to improve its operational risk management, risk control, anti-money laundering, data management and other frameworks, and otherwise seek to meet supervisory expectations, but there can be no assurance that its efforts will have the desired effects. As a result of this history, the UBS AG Group's level of risk with respect to regulatory enforcement may be greater than that of some of its peers.

Substantial changes in regulation may adversely affect UBS AG's businesses and its ability to execute its strategic plans

Since the financial crisis of 2008, the UBS AG Group has been subject to significant regulatory requirements, including recovery and resolution planning, changes in capital and prudential standards, changes in taxation regimes as a result of changes in governmental administrations, new and revised market standards and fiduciary duties, as well as new and developing environmental, social and governance ("**ESG**") standards and requirements. Notwithstanding attempts by regulators to align their efforts, the measures adopted or proposed for banking regulation differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution. In addition, Swiss regulatory changes with regard to such matters as capital and liquidity have often proceeded more quickly than those in other major jurisdictions, and Switzerland's requirements for major international banks are among the strictest of the major financial centres. This could put Swiss banks, such as UBS AG, at a disadvantage when competing with peer financial institutions subject to more lenient regulation or with unregulated non-bank competitors.

The UBS AG Group's implementation of additional regulatory requirements and changes in supervisory standards, as well as its compliance with existing laws and regulations, continues to receive heightened scrutiny from supervisors. If the UBS AG Group does not meet supervisory expectations in relation to these or other matters, or if additional supervisory or regulatory issues arise, it would likely be subject to further regulatory scrutiny, as well as measures that may further constrain its strategic flexibility.

Resolvability and resolution and recovery planning: UBS AG has moved significant operations into subsidiaries to improve resolvability and meet other regulatory requirements, and this has resulted in substantial implementation costs, increased its capital and funding costs and reduced operational flexibility. For example, UBS AG has transferred all of its US subsidiaries under a US intermediate holding company to meet US regulatory requirements and has transferred substantially all the operations of Personal & Corporate Banking and Global Wealth Management booked in Switzerland to UBS Switzerland AG to improve resolvability.

These changes create operational, capital, liquidity, funding and tax inefficiencies. UBS AG's operations in subsidiaries are subject to local capital, liquidity, stable funding, capital planning and stress testing requirements. These requirements have resulted in increased capital and liquidity requirements in affected subsidiaries, which limit UBS AG's operational flexibility and negatively affect its ability to benefit from synergies between business units and to distribute earnings to the UBS AG Group.

Under the Swiss too-big-to-fail ("**TBTF**") framework, UBS is required to put in place viable emergency plans to preserve the operation of systemically important functions in the event of a failure. Moreover, under this framework and similar regulations in the US, the UK, the EU and other jurisdictions in which it operates, UBS is required to prepare credible recovery and resolution plans detailing the measures that would be taken to recover in a significant adverse event or in the event of winding down the Group or the operations in a host country through resolution or insolvency proceedings. If a recovery or resolution plan that UBS produces is determined by the relevant authority to be inadequate or not credible, relevant regulation may permit the authority to place limitations on the scope or size of the UBS AG Group's business in that jurisdiction, or oblige the UBS AG Group to hold higher amounts of capital or liquidity or to change its legal structure or business in order to remove the relevant impediments to resolution.

Capital and prudential standards: As an internationally active Swiss systemically relevant bank (an "**SRB**"), UBS AG is subject to capital and total loss-absorbing capacity ("**TLAC**") requirements that are among the most stringent in the world. Moreover, many of UBS AG's subsidiaries must comply with minimum capital, liquidity and similar requirements and, as a result, UBS AG has contributed a significant portion of its capital and provide substantial liquidity to these subsidiaries. These funds are available to meet funding and collateral needs in the relevant entities, but are generally not readily available for use by the UBS AG Group as a whole.

UBS AG expects its risk-weighted assets ("**RWA**") to further increase as the effective date for additional capital standards promulgated by the Basel Committee on Banking Supervision (the "**BCBS**") draws nearer. In connection with the acquisition of Credit Suisse by UBS Group AG, FINMA has permitted Credit Suisse entities to continue to apply certain prior interpretations and has provided supervisory rulings on the treatment of certain items for RWA or capital purposes. In general, these interpretations require that UBS phase out the treatment over the next several years. In addition, FINMA has agreed that additional capital requirement applicable to Swiss systemically relevant banks, which is based on market share in Switzerland and LRD, will not increase as a result of acquisition of Credit Suisse before the end of 2025. The phase-out or end of these periods will likely increase the overall capital requirements of UBS Group (and of UBS AG Group upon the planned integration with Credit Suisse AG), which increase may be substantial.

Increases in capital and liquidity standards could significantly curtail the UBS AG Group's ability to pursue strategic opportunities or to return capital to shareholders.

Market regulation and fiduciary standards: the UBS AG Group's wealth and asset management businesses operate in an environment of increasing regulatory scrutiny and changing standards with respect to fiduciary and other standards of care and the focus on mitigating or eliminating conflicts of interest between a manager or advisor and the client, which require effective implementation across the global systems and processes of investment managers and other industry participants. For example, the UBS AG Group has made material changes to its business processes, policies and the terms on which it interacts with these clients in order to comply with SEC Regulation Best Interest, which is intended to enhance and clarify the duties of brokers and investment advisers to retail customers, the Volcker Rule, which limits the UBS AG Group's ability to engage in proprietary trading, as well as changes in European and Swiss market conduct regulation. Future changes in the regulation of its duties to customers may require the UBS AG Group to make further changes to its businesses, which would result in additional expense and may adversely affect its business. the UBS AG Group may also become subject to other similar regulations substantively limiting the types of activities in which it may engage or the way it conducts its operations.

In many instances, the UBS AG Group provides services on a cross-border basis, and it is therefore sensitive to barriers restricting market access for third-country firms. In particular, efforts in the EU to harmonise the regime for third-country firms to access the European market may have the effect of creating new barriers that adversely affect the UBS AG Group's ability to conduct business in these jurisdictions from Switzerland. In addition, a number of jurisdictions are increasingly regulating cross-border activities based on determinations of equivalence of home country regulation, substituted compliance or similar principles of comity. A negative determination with respect to Swiss equivalence could limit the UBS AG Group's access to the market in those jurisdictions and may negatively influence its ability to act as a global firm. For example, the EU declined to extend its equivalence determination for Swiss exchanges, which lapsed as of 30 June 2019.

The UBS AG Group experienced cross-border outflows over a number of years as a result of heightened focus by fiscal authorities on cross-border investment and fiscal amnesty programs, in anticipation of the implementation in Switzerland of the global automatic exchange of tax information, and as a result of the measures the UBS AG Group has implemented in response to these changes. Further changes in local tax laws or regulations and their enforcement, additional cross-border tax information exchange regimes, national tax amnesty or enforcement programs or similar actions may affect the ability or willingness of its clients to do business with the UBS AG Group and could result in additional cross-border outflows.

If UBS experiences financial difficulties, FINMA has the power to open restructuring or liquidation proceedings or impose protective measures in relation to UBS Group AG, UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on UBS's shareholders and creditors

Under the Swiss Banking Act, FINMA is able to exercise broad statutory powers with respect to Swiss banks and Swiss parent companies of financial groups, such as UBS Group AG, UBS AG, Credit Suisse AG, UBS Switzerland AG and Credit Suisse Schweiz AG, 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. Such powers include ordering protective measures, instituting restructuring proceedings (and exercising any Swiss resolution powers in connection therewith), and instituting liquidation proceedings, all of which may have a material adverse effect on shareholders and creditors or may prevent these entities from paying dividends or making payments on debt obligations.

UBS would have limited ability to challenge any such protective measures, and creditors and shareholders would also have limited ability under Swiss law or in Swiss courts to reject them, seek their suspension, or challenge their imposition, including measures that require or result in the deferment of payments.

If restructuring proceedings are opened with respect to UBS Group AG, UBS AG, Credit Suisse AG, UBS Switzerland AG or Credit Suisse Schweiz AG, the resolution powers that FINMA may exercise include the power to: (i) transfer all or some of the assets, debt and other liabilities, and contracts of the entity subject to proceedings to another entity; (ii) stay for a maximum of two business days (a) the termination of, or the exercise of rights to terminate, netting rights, (b) rights to enforce or dispose of certain types of collateral or (c) rights to transfer claims, liabilities or certain collateral, under contracts to which the entity subject to proceedings is a party; and / or (iii) partially or fully write down the equity capital and regulatory capital instruments and, if such regulatory capital is fully written down, write down or convert into equity the other debt instruments of the entity subject to proceedings. Shareholders and creditors would have no right to reject, or to seek the suspension of, any restructuring plan pursuant to which such resolution powers are exercised. They would have only limited rights to challenge any decision to exercise resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

Upon full or partial write-down of the equity and regulatory capital instruments of the entity subject to restructuring proceedings, the relevant shareholders and creditors would receive no payment in respect of the equity and debt that is written down, the write-down would be permanent, and the investors would likely not, at such time or at any time thereafter, receive any shares or other participation rights, or be entitled to any write-up or any other compensation in the event of a potential subsequent recovery of the debtor. If FINMA orders the conversion of debt of the entity subject to restructuring proceedings into equity, the securities received by the investors may be worth significantly less than the original debt and may have a significantly different risk profile. In addition, creditors receiving equity would be effectively subordinated to all creditors of the restructured entity in the event of a subsequent winding up, liquidation or dissolution of the restructured entity, which would increase the risk that investors would lose all or some of their investment.

FINMA has significant discretion in the exercise of its powers in connection with restructuring proceedings. Furthermore, certain categories of debt obligations, such as certain types of deposits, are subject to preferential treatment. As a result, holders of obligations of an entity subject to a Swiss restructuring proceeding may have their obligations written down or converted into equity even though obligations ranking on par with such obligations are not written down or converted.

Developments in sustainability, climate, environmental and social standards and regulations may affect UBS AG's business and impact its ability to fully realise its goals

The UBS AG Group has set ambitious goals for ESG matters. These goals include its ambitions for environmental sustainability in its operations, including carbon emissions, in the business it does with clients and in products that it offers. They also include goals or ambitions for diversity in the UBS AG Group's workforce and supply chain, and support for the United Nations Sustainable Development Goals. There is substantial uncertainty as to the scope of actions that may be required of the UBS AG Group, governments and others to achieve the goals it has set, and many of such goals and objectives are only achievable with a combination of government and private action. National and international standards and expectations, industry and scientific practices, and regulatory taxonomies and disclosure obligations addressing these matters are relatively immature and are rapidly evolving. In many cases, goals and standards are defined at a high level and can be subject to different interpretations. In addition, there are significant limitations in the data available to measure the UBS AG Group's climate and other goals. Although the UBS AG Group has defined and disclosed its goals based on the standards existing at the time of disclosure, there can be no assurance (i) that the various ESG regulatory and disclosure regimes under which the UBS AG Group operates will not come into conflict with one another, (ii) that the current standards will not be interpreted differently than the UBS AG Group's understanding or change in a manner that substantially increases the cost or effort for the UBS AG Group to achieve such goals or (iii) that additional data or methods, whether voluntary or required by regulation, may substantially change the UBS AG Group's calculation of its goals and aspirations. It is possible that such goals may prove to be considerably more difficult or even impossible to achieve. The evolving standards may also require the UBS AG Group to substantially change the stated goals and ambitions. If the UBS AG Group is not able to achieve the goals it has set, or can only do so at significant expense to its business, it may fail to meet regulatory expectations, incur damage to its reputation or be exposed to an increased risk of litigation or other adverse action.

While ESG regulatory regimes and international standards are being developed, including to require consideration of ESG risks in investment decisions, some jurisdictions, notably in the US, have developed rules restricting the consideration of ESG factors in investment and business decisions. Under these anti-ESG rules, companies that are perceived as boycotting or discriminating against certain industries may be restricted from doing business with certain governmental entities. the UBS AG Group's businesses may be adversely affected if the firm is considered as discriminating against companies based on ESG considerations, or if further anti-ESG rules are developed or broadened.

UBS AG's financial results may be negatively affected by changes to assumptions and valuations, as well as changes to accounting standards

UBS AG prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). The application of these accounting standards requires the use of judgment based on estimates and assumptions that may involve significant uncertainty at the time they are made. This is the case, for example, with respect to the measurement of fair value of financial instruments, the recognition of deferred tax assets ("**DTAs**"), the assessment of the impairment of goodwill, expected credit losses and estimation of provisions for litigation, regulatory and similar matters. Such judgments, including the underlying estimates and assumptions, which encompass historical experience, expectations of the future and other factors, are regularly evaluated to determine their continuing relevance based on current conditions. Using different assumptions could cause the reported results to differ. Changes in assumptions, or failure to make the changes necessary to reflect evolving market conditions, may have a significant effect on the financial statements in the periods when changes occur. Estimates of provisions may be subject to a wide range of potential outcomes and significant uncertainty. For example, the broad range of potential outcomes in the UBS AG Group's legal proceedings in France and in a number of Credit Suisse's legal proceedings increase the uncertainty associated with assessing the appropriate provision. If the estimates and assumptions in future periods deviate from the current outlook, the UBS AG Group's financial results may also be negatively affected.

Changes to IFRS or interpretations thereof may cause future reported results and financial position to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect UBS AG's regulatory capital and ratios. For example, the introduction of the ECL regime under IFRS 9 in 2018 fundamentally changed how credit risk arising from loans, loan commitments, guarantees and certain revocable facilities is accounted for. Under the ECL regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2, only gradually diminishing once the economic outlook improves. As UBS AG observed in 2020, this effect may be more pronounced in a deteriorating economic environment. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect the UBS AG Group's CET1 capital and regulatory capital ratios.

UBS AG may be unable to maintain its capital strength

Capital strength enables the UBS AG Group to grow its businesses and absorb increases in regulatory and capital requirements. UBS AG's ability to maintain its capital ratios is subject to numerous risks, including the financial results of its businesses, the effect of changes to capital standards, methodologies and interpretations that may adversely affect the calculation of its capital ratios, the imposition of risk add-ons or capital buffers, and the application of additional capital, liquidity and similar requirements to subsidiaries. UBS AG's capital and leverage ratios are driven primarily by RWA, the leverage ratio denominator and eligible capital, all of which may fluctuate based on a number of factors, some of which are outside of UBS AG's control. The results of the UBS AG Group's businesses may be adversely affected by events arising from other risk factors described herein. In some cases, such as litigation and regulatory risk and operational risk events, losses may be sudden and large.

The UBS AG Group's eligible capital may be reduced by losses recognised within net profit or other comprehensive income. Eligible capital may also be reduced for other reasons, including acquisitions that change the level of goodwill, changes in temporary differences related to DTAs included in capital, adverse currency movements affecting the value of equity, prudential adjustments that may be required due to the valuation uncertainty associated with certain types of positions, and changes in the value of certain pension fund assets and liabilities or in the interest rate and other assumptions used to calculate the changes in the UBS AG Group's net defined benefit obligation recognised in other comprehensive income.

RWA are driven by the UBS AG Group's business activities, by changes in the risk profile of its exposures, by changes in its foreign currency exposures and foreign exchange rates, and by regulation. For instance, substantial market volatility, a widening of credit spreads, adverse currency movements, increased counterparty risk, deterioration in the economic environment or increased operational risk could result in an increase in RWA. Changes in the calculation of RWA, the imposition of additional supplemental RWA charges or multipliers applied to certain exposures and other methodology changes, as well as the finalisation of the Basel III framework and Fundamental Review of the Trading Book promulgated by the BCBS, which are expected to increase the UBS AG Group's RWA.

The leverage ratio is a balance sheet-driven measure and therefore limits balance sheet-intensive activities, such as lending, more than activities that are less balance sheet intensive, and it may constrain the UBS AG Group's business even if the UBS AG Group satisfies other risk-based capital requirements. The UBS AG Group's leverage ratio denominator is driven by, among other things, the level of client activity, including deposits and loans, foreign exchange rates, interest rates and other market factors. Many of these factors are wholly or partly outside of the UBS AG Group's control.

The effect of taxes on UBS AG's financial results is significantly influenced by tax law changes and reassessments of its deferred tax assets

UBS AG's effective tax rate is highly sensitive to its performance, its expectation of future profitability and any potential increases or decreases in statutory tax rates, such as any potential increase in the US federal corporate tax rate. Furthermore, based on prior years' tax losses, UBS AG has recognised DTAs reflecting the probable recoverable level based on future taxable profit as informed by its business plans. If UBS AG's performance is expected to produce diminished taxable profit in future years, particularly in the US, it may be required to write down all or a portion of the currently recognised DTAs through the income statement in excess of anticipated amortisation. This would have the effect of increasing UBS AG's effective tax rate in the year in which any write-downs are taken. Conversely, if UBS AG expects the performance of entities in which it has unrecognised tax losses to improve, particularly in the US or the UK, UBS AG could potentially recognise additional DTAs. The effect of doing so would be to reduce its effective tax rate in years in which additional DTAs are recognised and to increase its effective tax rate in future years. UBS AG's effective tax rate is also sensitive to any future reductions in statutory tax rates, particularly in the US, which would cause the expected future tax benefit from items such as tax loss carry-forwards in the affected locations to diminish in value. This, in turn, would cause a write-down of the associated DTAs. Conversely, an increase in US corporate tax rates would result in an increase in the UBS AG Group's DTAs.

UBS AG generally revalues its DTAs in the fourth quarter of the financial year based on a reassessment of future profitability taking into account its updated business plans. UBS AG considers the performance of its businesses and the accuracy of historical forecasts, tax rates and other factors in evaluating the recoverability of its DTAs, including the remaining tax loss carry-forward period and its assessment of expected future taxable profits over the life of DTAs. Estimating future profitability is inherently subjective and is particularly sensitive to future economic, market and other conditions, which are difficult to predict.

UBS AG's results in past years have demonstrated that changes in the recognition of DTAs can have a very significant effect on its reported results. Any future change in the manner in which UBS AG remeasures DTAs could affect UBS AG's effective tax rate, particularly in the year in which the change is made.

UBS AG's full-year effective tax rate could change if aggregate tax expenses in respect of profits from branches and subsidiaries without loss coverage differ from what is expected, or if branches and subsidiaries generate tax losses that UBS AG cannot benefit from through the income statement. In particular, losses at entities or branches that cannot offset for tax purposes taxable profits in other UBS AG Group entities, and which do not result in additional DTA recognition, may increase UBS AG's effective tax rate. In addition, tax laws or the tax authorities in countries where the UBS AG Group has undertaken legal structure changes may cause entities to be subject to taxation as permanent establishments or may prevent the transfer of tax losses incurred in one legal entity to newly organised or reorganised subsidiaries or affiliates or may impose limitations on the utilisation of tax losses that relate to businesses formerly conducted by the transferor. Were this to occur in situations where there were also limited planning opportunities to utilise the tax losses in the originating entity, the DTAs associated with such tax losses may be required to be written down through the income statement.

Changes in tax law may materially affect UBS AG's effective tax rate, and, in some cases, may substantially affect the profitability of certain activities. In addition, statutory and regulatory changes, as well as changes to the way in which courts and tax authorities interpret tax laws, including assertions that UBS AG is required to pay taxes in a jurisdiction as a result of activities connected to that jurisdiction constituting a permanent establishment or similar theory, and changes in UBS AG's assessment of uncertain tax positions, could cause the amount of taxes it ultimately pays to materially differ from the amount accrued.

UBS AG may incur substantial tax liabilities in connection with the Credit Suisse AG's integration with UBS AG

In the past, Credit Suisse has made significant impairments of the tax value of its participations in subsidiaries below their tax acquisition costs. As a result of the transaction, tax acquisition costs of participations held by Credit Suisse may be transferred to UBS Group AG. Additionally, UBS may further impair its participations in former Credit Suisse subsidiaries after the closing of the transaction. UBS Group AG may become subject to additional Swiss tax on future reversals of such impairments for Swiss tax purposes. Reversals of prior impairments may occur to the extent that the net asset value of the previously impaired subsidiary increases, e.g., as a result of an increase in retained earnings. Although it is difficult to quantify this additional tax exposure, as various potential mitigants (e.g., transfers of assets and liabilities, business activities, subsidiary investments, as well as other restructuring measures within the UBS Group in the course of the integration) exist, such additional tax exposure may be material. This may affect UBS AG Group upon the planned integration with Credit Suisse AG.

Liquidity and funding risk

Liquidity and funding management are critical to UBS AG's ongoing performance

The viability of the UBS AG Group's business depends on the availability of funding sources, and its success depends on its ability to obtain funding at times, in amounts, for tenors and at rates that enable it to efficiently support its asset base in all market conditions. The UBS AG Group's funding sources have generally been stable, but could change in the future because of, among other things, general market disruptions or widening credit spreads, which could also influence the cost of funding. A substantial part of the UBS AG Group's liquidity and funding requirements are met using short-term unsecured funding sources, including retail and wholesale deposits and the regular issuance of money market securities. A change in the availability of short-term funding could occur quickly.

The addition of loss-absorbing debt as a component of capital requirements, the regulatory requirements to maintain minimum TLAC at UBS AG and at subsidiaries, as well as the power of resolution authorities to bail in TLAC instruments and other debt obligations, and uncertainty as to how such powers will be exercised, caused and may still cause further increase of the UBS AG Group's cost of funding, and could potentially increase the total amount of funding required, in the absence of other changes in its business.

Reductions in the UBS AG Group's credit ratings may adversely affect the market value of the securities and other obligations and increase its funding costs, in particular with regard to funding from wholesale unsecured sources, and could affect the availability of certain kinds of funding. In addition, as experienced in connection with Moody's downgrade of UBS AG's long-term debt rating in June 2012, rating downgrades can require UBS AG to post additional collateral or make additional cash payments under trading agreements. UBS AG's credit ratings, together with its capital strength and reputation, also contribute to maintaining client and counterparty confidence, and it is possible that rating changes could influence the performance of some of UBS AG's businesses. The acquisition of the Credit Suisse Group has elevated these risks and may cause these risks to intensify. Upon the close the acquisition of Credit Suisse Group AG by UBS Group AG in June 2023, Fitch Ratings downgraded the Long-Term Issuer Default Ratings (IDRs) of UBS AG to 'A+' from 'AA-'. Fitch also upgraded Credit Suisse AG's Long-Term IDR to 'A+' from 'BBB+'.

The requirement to maintain a liquidity coverage ratio of high-quality liquid assets to estimated stressed short-term net cash outflows, and other similar liquidity and funding requirements, oblige the UBS AG Group to maintain high levels of overall liquidity, limit its ability to optimise interest income and expense, make certain lines of business less attractive and reduce its overall ability to generate profits. In particular, UBS AG is subjected to increased liquidity coverage requirements under the direction of FINMA. The liquidity coverage ratio and net stable funding ratio requirements are intended to ensure that the UBS AG Group is not overly reliant on short-term funding and that it has sufficient long-term funding for illiquid assets. The relevant calculations make assumptions about the relative likelihood and amount of outflows of funding and available sources of additional funding in market-wide and firm-specific stress situations. In an actual stress situation, however, the UBS AG Group's funding outflows could exceed the assumed amounts.

APPENDIX II

RECENT DEVELOPMENTS IN THE ISSUER'S BUSINESS

This section supersedes in its entirety the section in the Base Listing Document entitled "Information Relating to UBS AG".

1. Overview

UBS AG ("**Issuer**") with its subsidiaries (together, "**UBS AG consolidated**", or "**UBS AG Group**"; and UBS Group AG (which is the holding company of the Issuer) and its subsidiaries (including the Issuer and its subsidiaries) is referred to herein as "UBS", the "**UBS Group**" or the "**Group**") 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 Items and five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank and Non-core and Legacy.

On 30 September 2023, UBS Group's common equity tier 1 ("**CET1**") capital ratio was 14.4%, the CET1 leverage ratio was 4.9%, and the total loss-absorbing capacity ratio was 35.7%.[1] On the same date, invested assets stood at USD 5,373 billion, equity attributable to shareholders was USD 84,856 million and market capitalisation was USD 85,768 million. On the same date, UBS employed 115,981 people.[2]

On 30 September 2023, UBS AG consolidated CET1 capital ratio was 13.5%, the CET1 leverage ratio was 4.2%, and the total loss-absorbing capacity ratio was 33.8%.[1] On the same date, invested assets stood at USD 4,227 billion and equity attributable to UBS AG shareholders was USD 52,836 million. On the same date, UBS AG Group employed 48,015 people.[2]

The rating agencies S&P Global Ratings Europe Limited ("**S&P**"), Moody's Investors Service Ltd. ("**Moody's**"), and Fitch Ratings Ireland Limited ("**Fitch**") have published solicited credit ratings reflecting their assessment of the creditworthiness of UBS AG, i.e. its ability to fulfil in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch and S&P may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS AG has a long-term counterparty credit rating of A+ from S&P, long-term senior debt rating of Aa3 from Moody's, and long-term issuer default rating of A+ from Fitch.

An explanation of the significance of ratings may be obtained from the rating agencies. Generally, rating agencies base their ratings on such material and information, and such of their own investigations, studies and assumptions, as they deem appropriate. The ratings of UBS AG should be evaluated independently from similar ratings of other entities, and from the rating, if any, of its securities. A credit rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency. Moody's is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**") and currently appears on the list of credit rating agencies registered or certified with the Financial Conduct Authority published on its website www.fca.org.uk/firms/credit-rating-agencies. Ratings given by Moody's are endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**") and currently appears on the list of credit ratings agencies published by ESMA on

[1] All figures based on the Swiss systemically relevant bank framework. Refer to the "Capital management" section of the Annual Report 2022 and of the UBS AG Third Quarter 2023 Report for more information.
[2] Full-time equivalents.

its website www.esma.europa.eu in accordance with the EU CRA Regulation. S&P and Fitch are established in the European Union and registered under the EU CRA Regulation and currently appear on the list of credit ratings agencies published by ESMA on its website in accordance with the EU CRA Regulation. Ratings given by S&P and Fitch are endorsed by Standard & Poor's Global Ratings UK Limited and Fitch Ratings Ltd, respectively, which are established in the UK and registered under the UK CRA Regulation and currently appear on the list of credit rating agencies registered or certified with the FCA published on its website.

No profit forecasts or estimates are included in this document.

No recent events particular to the Issuer have occurred which are to a material extent relevant to the evaluation of the Issuer's solvency.

2. Information about the Issuer

2.1 Corporate Information

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

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

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

According to article 2 of the articles of association of UBS AG dated as of 4 April 2023 ("**Articles of Association**"), 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, 8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, 4051 Basel, Switzerland, telephone +41 61 288 5050.

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

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

3. Business Overview

3.1 Organisational Structure of the Issuer

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 AG operates as a group with five business divisions and Group Items.

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

On 12 June 2023, Credit Suisse Group AG merged with and into UBS Group AG (Absorptionsfusion), with UBS Group AG becoming the holding company of Credit Suisse AG. UBS announced in August 2023 its plans to subsequently merge UBS AG with Credit Suisse AG, and UBS Switzerland AG with Credit Suisse Schweiz AG (a banking subsidiary of Credit Suisse AG in Switzerland).

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

UBS AG's interests in subsidiaries and other entities as of 31 December 2022, including interests in significant subsidiaries, are discussed in "Note 28 Interests in subsidiaries and other entities" to the UBS AG's consolidated financial statements included in the Annual Report 2022 ("**Annual Report 2022**").

3.2 Principal activities

UBS AG businesses are organised globally into five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. All five business divisions are supported by Group Items. Each of the business divisions and Group Items are described below. A description of the businesses, organisational structures, products and services and targeted markets of the Global Wealth Management, Personal & Corporate Banking, Asset Management and the Investment Bank, can be found under "Our businesses" in the "Our strategy, business model and environment" section of the Annual Report 2022. Starting with the third quarter 2023, Group Functions was renamed Group Items. The Non-core and Legacy Portfolio, which was previously reported within Group Functions, is now included in the new reportable segment Non-core and Legacy.

- *Global Wealth Management* provides financial services, advice and solutions to private wealth clients. Its offering ranges from investment management to estate planning and corporate finance advice, in addition to specific wealth management and banking products and services.

- *Personal & Corporate Banking* serves its private, corporate, and institutional clients' needs, from banking to retirement, financing, investments and strategic transactions, in Switzerland, through its branch network and digital channels.

- *Asset Management* is a global, large-scale and diversified asset manager. It offers investment capabilities and styles across all major traditional and alternative asset classes, as well as advisory support to institutions, wholesale intermediaries and wealth management clients.

- *The Investment Bank* provides a range of services to institutional, corporate and wealth management clients globally, to help them raise capital, grow their businesses, invest and manage risks. Its offering includes research, advisory services, facilitating clients raising debt and equity from the public and private markets and capital markets, cash and derivatives trading across equities and fixed income, and financing.

- *Non-core and Legacy* includes the Non-core and Legacy Portfolio, which was previously reported within Group Functions, and small amount of assets and liabilities of the legacy UBS business divisions that were assessed as not strategic in light of the acquisition of the Credit Suisse Group.
- *Group Items* is made up of the following major areas: Group Services (which consists of Group Operations and Technology Office, Communications & Branding, Compliance, Finance, Group Sustainability and Impact, Human Resources & Group Corporate Services, Group Legal, Regulatory & Governance, Risk Control, and Group Integration Office), and Group Treasury.

3.3 Competition

The financial services industry is characterised by intense competition, continuous innovation, restrictive, detailed, and sometimes fragmented regulation and ongoing consolidation. UBS AG faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to UBS AG in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. UBS expects these trends to continue and competition to increase.

Any statements regarding the competitive position of UBS AG, UBS AG Group or the Group contained in this document are made on the basis of the opinion of UBS AG or the Group.

3.4 Recent Developments

3.4.1 UBS AG consolidated key figures

UBS AG derived the selected consolidated financial information included in the table below for the years ended 31 December 2022, 2021, and 2020 from the Annual Report 2022, except where noted. The selected consolidated financial information included in the table below for the nine months ended 30 September 2023 and 30 September 2022 was derived from the UBS AG Third Quarter 2023 Report.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). Information for the years ended 31 December 2022, 2021, and 2020 which is indicated as being unaudited in the table below was included in the Annual Report 2022, but has not been audited on the basis that the respective disclosures are not required under IFRS, and therefore are not part of the audited financial statements. Prospective investors should read the whole of this document, the Annual Report 2022 and the UBS AG Third Quarter 2023 Report and should not rely solely on the summarized information set out below.

	As of or for the nine months ended		As of or for the year ended		
USD million, except where indicated	30.9.23	30.9.22	31.12.22	31.12.21	31.12.20
	unaudited		*audited, except where indicated*		
Results					
Income statement					
Total revenues [1]	25,661	26,838	34,915	35,828	33,474

Net interest income	3,678	4,946	6,517	6,605	5,788
Other net income from financial instruments measured at fair value through profit or loss	7,476	5,637	7,493	5,844	6,930
Net fee and commission income	13,883	14,664	19,023	22,438	19,207
Credit loss expense / (release)	80	22	29	(148)	695
Operating expenses	21,393	19,644	25,927	27,012	25,081
Operating profit / (loss) before tax	4,188	7,171	8,960	8,964	7,699
Net profit / (loss) attributable to shareholders	3,055	5,566	7,084	7,032	6,196
Balance sheet					
Total assets	1,097,536		1,105,436	1,116,145	1,125,327
Total financial liabilities measured at amortized cost	716,283		705,442	744,762	732,364
of which: customer deposits	521,540		527,171	544,834	527,929
of which: debt issued measured at amortized cost	65,285		59,499	82,432	85,351
of which: subordinated debt [2]	2,988		2,968	5,163	7,744
Total financial liabilities measured at fair value through profit or loss	319,962		333,382	300,916	325,080
of which: debt issued designated at fair value	83,601		71,842	71,460	59,868
Loans and advances to customers	386,315		390,027	398,693	380,977
Total equity	53,181		56,940	58,442	58,073
Equity attributable to shareholders	52,836		56,598	58,102	57,754
Profitability and growth					
Return on equity (%) [3]	7.4	13.2	12.6*	12.3*	10.9*
Return on tangible equity (%) [4]	8.3	14.8	14.2*	13.9*	12.4*
Return on common equity tier 1 capital (%) [5]	9.5	17.7	16.8*	17.6*	16.6*
Return on leverage ratio denominator, gross (%) [6, 7]	3.3	3.4	3.4*	3.4*	3.4*
Cost / income ratio (%) [8]	83.4	73.2	74.3*	75.4*	74.9*
Net profit growth (%) [9]	(45.1)	(3.6)	0.7*	13.5*	56.3*
Resources					
Common equity tier 1 capital [10]	43,378	42,064	42,929	41,594	38,181
Risk-weighted assets [10]	321,134	308,571	317,823*	299,005*	286,743*
Common equity tier 1 capital ratio (%) [10]	13.5	13.6	13.5*	13.9*	13.3*
Going concern capital ratio (%) [10]	17.1	18.1	17.2*	18.5*	18.3*
Total loss-absorbing capacity ratio (%) [10]	33.8	32.8	32.0*	33.3*	34.2*
Leverage ratio denominator [6, 10]	1,042,106	989,909	1,029,561*	1,067,679*	1,036,771*
Common equity tier 1 leverage ratio (%) [6, 10]	4.2	4.2	4.2*	3.9*	3.7*
Liquidity coverage ratio (%) [11, 12]	176.6	-	-	-	-
Net stable funding ratio (%) [11]	121.7	-	-	-	-
Other					

Invested assets (USD billion) [13]	4,227	3,731	3,981	4,614	4,197
Personnel (full-time equivalents)	48,015	47,429	47,628*	47,067*	47,546*

* unaudited

[1] Effective from the second quarter of 2022, *Operating income* has been renamed *Total revenues* and excludes *Credit loss expense / (release)*, which is now presented separately on the Income statement. Prior-period information reflects the new presentation structure, with no effect on *Operating profit / (loss) before tax* and *Net profit / (loss) attributable to shareholders*.
[2] Information for year ended 31 December 2020 is derived from the Annual Report 2021.
[3] Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders. This measure provides information about the profitability of the business in relation to equity.
[4] Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders less average goodwill and intangible assets. This measure provides information about the profitability of the business in relation to tangible equity.
[5] Calculated as annualized net profit attributable to shareholders divided by average common equity tier 1 capital. This measure provides information about the profitability of the business in relation to common equity tier 1 capital.
[6] Leverage ratio denominators and leverage ratios for year 2020 do not reflect the effects of the temporary exemption that applied from 25 March 2020 until 1 January 2021 which was granted by FINMA in connection with COVID-19.
[7] Calculated as annualized total revenues divided by average leverage ratio denominator. This measure provides information about the revenues of the business in relation to the leverage ratio denominator.
[8] Calculated as operating expenses divided by total revenues. This measure provides information about the efficiency of the business by comparing operating expenses with gross income.
[9] Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period. This measure provides information about profit growth since the comparison period.
[10] Based on the applicable Swiss systemically relevant bank framework as of 1 January 2020.
[11] Following the acquisition of Credit Suisse Group and the corresponding additional disclosure requirements according to FINMA Circular 2016/1 "Disclosure – banks", UBS AG disclosed the liquidity coverage ratio and the net stable funding ratio on a consolidated basis for the first time in the second quarter of 2023.
[12] The disclosed ratio represents a quarterly average and is calculated based on an average of 63 data points in the third quarter of 2023.
[13] Consists of invested assets for Global Wealth Management, Asset Management and Personal & Corporate Banking. Calculated as the sum of managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts. This measure provides information about the volume of client assets managed by or deposited with UBS for investment purposes. Starting with the second quarter of 2023, invested assets include invested assets from associates in the Asset Management business division, to better reflect the business strategy.
Comparative figures have been restated to reflect this change.

3.4.2 Regulatory, legal and other developments

Refer to "*Recent developments*" in the UBS AG Third Quarter 2023 Report and in the UBS AG Second Quarter 2023 Report, as well as to "*Our environment*" and "*Regulatory and legal* *developments*" in the Annual Report 2022, for further information on key regulatory, legal and other developments.

3.5 Trend Information

For information on trends, refer to "*Outlook*" under "*Group performance*" in the UBS AG Third Quarter 2023 Report, as well as to the "*Our environment*" section, and to "*Top and emerging risks*" in the "*Risk management and control*" section of the Annual Report 2022. In addition, please refer to the "*Risk factors*" and the "*Recent Developments*" sections of this document for more information.

4. Administrative, Management and Supervisory Bodies of the Issuer

UBS AG complies with all relevant Swiss legal and regulatory corporate governance requirements. As a foreign private issuer with debt securities listed on the New York Stock Exchange ("**NYSE**"), UBS AG also complies with the relevant NYSE corporate governance standards applicable to foreign private issuers.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. The Board of Directors of UBS AG ("**BoD**") exercises ultimate supervision over management, whereas the Executive Board of UBS AG ("**EB**"), headed by the President of the Executive Board ("**President of the EB**"), has executive management responsibility. The functions of Chairman of the BoD and President of the EB are assigned to two different people, leading to a separation of power. This structure establishes checks and balances and preserves the institutional independence of the BoD from the executive management of UBS AG Group, for which responsibility is delegated to the EB under the leadership of the President of the EB. No member of one board may simultaneously be a member of the other.

Supervision and control of the EB remain with the BoD. The authorities and responsibilities of the two bodies are governed by the Articles of Association and the Organization Regulations of UBS AG.

4.1 Board of Directors

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

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

4.1.1 Members of the Board of Directors

The current members of the BoD are listed below. In addition, UBS announced that Gail Kelly will be nominated for election to the BoD at the upcoming AGM. Dieter Wemmer will not stand for re-election.

Member	Title	Term of office	Current principal activities outside UBS AG
Colm Kelleher	Chairman	2024	Chairman of the Board of Directors of UBS Group AG; member of the board of Norfolk Southern Corporation (chair of the risk and finance committee); member of the Board of Directors of the Bretton Woods Committee; member of the board of the Swiss Finance Council; member of the International Advisory Council of the China Securities Regulatory Commission; member of the European Financial Services Round Table; member of the

			European Banking Group; member of the International Monetary Conference; ; member of the Chief Executive's Advisory Council (Hong Kong); member of the board of the Bank Policy Institute; member of the board of Americans for Oxford; Visiting Professor of Banking and Finance, Loughborough Business School.
Lukas Gähwiler	Vice Chairman	2024	Vice Chairman of the Board of Directors of UBS Group AG; vice chairman of the Board of Directors of Pilatus Aircraft Ltd; member of the Board of Directors of Ringier AG; chairman of the Board of Directors of Credit Suisse AG; member of the board and Board Committee of economiesuisse; chairman of the Employers Association of Banks in Switzerland; member of the Board of Directors of the Swiss Employers Association; member of the Board of Directors and the Board of Directors Committee of the Swiss Bankers Association; member of the board of the Swiss Finance Council; member of the Board of Trustees of Avenir Suisse.
Jeremy Anderson	Member	2024	Senior Independent Director of the Board of Directors of UBS Group AG; board member of Prudential plc; vice chairman of the Board of Directors of Credit Suisse AG; member of the board of Credit Suisse International; trustee of the UK's Productivity Leadership Group.
Claudia Böckstiegel	Member	2024	Member of the Board of Directors of UBS Group AG; General Counsel and member of the Enlarged Executive Committee of Roche Holding AG.
William C. Dudley	Member	2024	Member of the Board of Directors of UBS Group AG; member of the board of Treliant LLC; member of the Advisory Board of Suade Labs; senior advisor to the Griswold Center for Economic Policy Studies at Princeton University; member of the Group of Thirty; member of the Council on Foreign Relations; chairman of the Bretton Woods Committee board of directors; member of the board of the Council for Economic Education.
Patrick Firmenich	Member	2024	Member of the Board of Directors of UBS Group AG; vice chairman of the board of DSM-Firmenich (chair of the nomination committee); member of the board of Jacobs Holding AG; member of the board of INSEAD and INSEAD World Foundation; member of the Advisory Council of the Swiss Board Institute.
Fred Hu	Member	2024	Member of the Board of Directors of UBS Group AG; founder, chairman and CEO of Primavera Capital Group; non-executive chairman of the board of Yum China Holdings (chair of the nomination and governance committee); board member of Industrial and Commercial Bank of China; chairman of Primavera Capital Ltd; trustee of the China Medical Board; co-chairman of the Nature

			Conservancy Asia Pacific Council; member of the Board of Trustees of the Institute for Advanced Study; director and member of the Executive Committee of China Venture Capital and Private Equity Association Ltd.
Mark Hughes	Member	2024	Member of the Board of Directors of UBS Group AG; member of the Board of Directors of UBS Americas Holding LLC; member of the Board of Directors of Credit Suisse AG; chair of the Board of Directors of the Global Risk Institute; senior advisor to McKinsey & Company.
Nathalie Rachou	Member	2024	Member of the Board of Directors of UBS Group AG; member of the board of Euronext N.V. (chair of the remuneration committee); member of the board of Veolia Environnement SA (chair of the audit committee); member of the board of the African Financial Institutions Investment Platform; member of the Board of Directors of Fondation Leopold Bellan.
Julie G. Richardson	Member	2024	Member of the Board of Directors of UBS Group AG; member of the board of Yext (chair of the audit committee); member of the board of Datalog (chair of the audit committee); member of the board of Fivetran; member of the board of Coalition, Inc; member of the board of Checkout.com.
Dieter Wemmer	Member	2024	Member of the Board of Directors of UBS Group AG; board member of Ørsted A/S (chair of the audit and risk committee); chairman of Marco Capital Holdings Limited, Malta and subsidiaries.
Jeanette Wong	Member	2024	Member of the Board of Directors of UBS Group AG; member of the board of Prudential plc; member of the board of Singapore Airlines Limited; member of the Board Risk Committee of GIC Pte Ltd; board member of Jurong Town Corporation; board member of PSA International; board member of Pavilion Capital Holdings Pte Ltd; chairman of the CareShield Life Council; member of the Securities Industry Council; member of the Board of Trustees of the National University of Singapore.

4.2 Executive Board ("EB")

Under the leadership of the President of the EB, the EB has executive management responsibility for UBS AG and its business. All EB members (with the exception of the President of the EB) are proposed by the President of the EB. The appointments are made by the BoD.

4.2.1 Members of the Executive Board

The current members of the EB are listed below.

Member and business address	Function	Current principal activities outside UBS AG

Sergio P. Ermotti UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President of the Executive Board	Member of the Group Executive Board and Group Chief Executive Officer of UBS Group AG; member of the Board of Ermenegildo Zegna N.V. (Lead Non-Executive Director); member of the Board of Innosuisse – Swiss Innovation Agency.
Michelle Bereaux UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Integration Officer	Member of the Group Executive Board and Group Integration Officer of UBS Group AG; member of the Board of Directors of Credit Suisse AG.
Christian Bluhm UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Risk Officer	Member of the Group Executive Board and Group Chief Risk Officer of UBS Group AG; chairman of the Board of Christian Bluhm Photography AG; member of the Foundation Board of the UBS Pension Fund; member of the Foundation Board – International Financial Risk Institute.
Mike Dargan UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Operations and Technology Officer	Member of the Group Executive Board and Group Chief Operations and Technology Officer of UBS Group AG; President of the Executive Board and board member of UBS Business Solutions AG; member of the Board of Directors and President of the Executive Board of Credit Suisse Services AG; member of the Board of UBS Optimus Foundation.
Suni Harford UBS AG, 1285 Avenue of the Americas, New York, NY 10019 USA	President Asset Management	Member of the Group Executive Board and President Asset Management of UBS Group AG; chairman of the Board of Directors of UBS Asset Management AG; chair of the board of UBS Optimus Foundation; member of the Board of Directors of the Bob Woodruff Foundation.
Naureen Hassan UBS AG, 1285 Avenue of the Americas, New York, NY 10019 USA	President UBS Americas	Member of the Group Executive Board and President UBS Americas of UBS Group AG; CEO and member of the Board of Directors of UBS Americas Holding LLC; member of the board of the Securities Industry and Financial Markets Association; member of the board of Ownership Works; member of the board of the American Swiss Foundation.
Robert Karofsky UBS AG, 1285 Avenue of the Americas, New York, NY 10019, USA	President Investment Bank	Member of the Group Executive Board and President Investment Bank of UBS Group AG; member of the board of UBS Americas Holding LLC; member of the board of UBS Optimus Foundation; trustee of the UBS Americas Inc. Political Action Committee.
Iqbal Khan UBS AG,	President Global Wealth	Member of the Group Executive Board, President Global Wealth Management of UBS Group AG;

Bahnhofstrasse 45, 8001 Zurich, Switzerland	Management	member of the board of UBS Optimus Foundation.
Edmund Koh UBS AG, One Raffles Quay North Tower, Singapore 048583	President UBS Asia Pacific	Member of the Group Executive Board and President UBS Asia Pacific of UBS Group AG; member of the Board of Trustees of the Wealth Management Institute, Singapore; board member of Next50 Limited, Singapore; board member of Medico Suites (S) Pte Ltd; board member of Curbside Pte Ltd; member of a sub-committee of the Singapore Ministry of Finance's Committee on the Future Economy; member of the Financial Centre Advisory Panel of the Monetary Authority of Singapore; council member of the Asian Bureau of Finance and Economic Research; trustee of the Cultural Matching Fund, Singapore; member of University of Toronto's International Leadership Council for Asia.
Barbara Levi UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	General Counsel	Member of the Group Executive Board and Group General Counsel of UBS Group AG; member of the Board of Directors of the European General Counsel Association; member of the Legal Committee of the Swiss-American Chamber of Commerce.
Beatriz Martin Jimenez UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Head Non-Core and Legacy and President UBS Europe, Middle East and Africa	Member of the Group Executive Board, Head Non-Core and Legacy and President UBS Europe, Middle East and Africa of UBS Group AG; member of the Advisory Board of the Frankfurt School of Finance & Management, Frankfurt; member of the Leadership Council, TheCityUK, London.
Markus Ronner UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Compliance and Governance Officer	Member of the Group Executive Board and Group Chief Compliance and Governance Officer of UBS Group AG; chairman of the Board of Directors of UBS Switzerland AG.
Stefan Seiler UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Head Human Resources & Corporate Services	Member of the Group Executive Board and Head Group Human Resources & Corporate Services of UBS Group AG; member of the Foundation Board of the UBS Swiss Pension Fund; member of the Board of Directors of Credit Suisse AG; member of the UBS Center for Economics in Society at the University of Zurich Foundation Council; chairman of the Foundation Board of the Swiss Finance Institute; member of the Foundation Board of the UBS Swiss Pension Fund; Adjunct Professor for Leadership and Strategic Human Resource Management,

		Nanyang Business School, Singapore; member of the Program Board of EMBA, ETH Zurich and University of St. Gallen.
Todd Tuckner UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Financial Officer	Member of the Group Executive Board and Group Chief Financial Officer of UBS Group AG.

4.3 Potential Conflicts of Interest

Members of the BoD and the EB may act as directors or executive officers of other companies (for current principal positions outside UBS AG, if any, of BoD and EB members, please see sections 4.1.1 and 4.2.1 above, respectively) and may have economic or other private interests that differ from those of UBS AG. Conflicts of interest may potentially arise from these positions or interests. For example, it cannot be excluded that a member of the BoD or EB has or will have a function within a company, the shares of which are or will be traded by UBS AG or which has or will have a business relationship with UBS AG. UBS AG is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including through disclosure when appropriate.

Other than as indicated above, UBS is not aware of potential conflicts of interests between any duties to the Issuer of the members of the BoD and the EB and their private interests or other duties.

5. Auditors

Based on article 31 of the Articles of Association, UBS AG shareholders elect the auditors for a term of office of one year. At the AGMs of 7 April 2021, 5 April 2022 and 4 April 2023, Ernst & Young Ltd., Aeschengraben 27, 4051 Basel, Switzerland ("**Ernst & Young**") was elected as auditor for the consolidated and standalone financial statements of UBS AG for a one-year term.

Ernst & Young is a member of EXPERTsuisse, the Swiss Expert Association for Audit, Tax and Fiduciary. Ernst & Young is also registered with the Swiss Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals that provide audit services in Switzerland.

6. Major Shareholders of the Issuer

UBS Group AG owns 100% of the outstanding shares of UBS AG. UBS AG is a wholly owned subsidiary of UBS Group AG. While UBS has no specific corporate measures intended to prevent abuse of control to the detriment of minority shareholders, UBS has adopted a comprehensive and integrated governance framework which takes into account the specific requirements of each relevant jurisdiction. This governance framework includes separate articles of association and organizational regulations for UBS Group AG and UBS AG. In addition, as UBS AG is regulated as a bank in Switzerland, it is subject to capital regulation and close supervisory oversight. This includes the general requirement under Swiss law that contracts of UBS AG with affiliates are subject to an arm's length principle of negotiation.

7. Financial Information concerning the Issuer’s Assets and Liabilities, Financial Position and Profits and Losses

7.1 Historical Annual Financial Information

Detailed information about UBS AG consolidated and UBS AG assets and liabilities, financial position and profits and losses for financial year 2022 is available in the section "*UBS AG consolidated financial statements*" of the Annual Report 2022 and in the UBS AG's standalone financial statements for the year ended 31 December 2022 (the "**Standalone Financial Statements 2022**"), respectively; and for financial year 2021 it is available in the "*UBS AG consolidated financial statements*" section of the UBS Group AG and UBS AG annual report 2021, published on 7 March 2022 ("**Annual Report 2021**") and in the UBS AG's standalone financial statements for the year ended 31 December 2021 published on 7 March 2022 (the "**Standalone Financial Statements 2021**"). The consolidated and standalone financial accounts are closed on 31 December of each year.

The annual financial reports form an essential part of UBS AG’s reporting. They include the audited consolidated financial statements of UBS AG, prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. The annual reports also include discussions and analysis of the consolidated financial and business results of UBS, its business divisions and Group Functions. In addition, UBS AG prepares and publishes standalone financial statements in accordance with Swiss GAAP, as well as certain additional disclosures required under US Securities and Exchange Commission regulations.

7.2 Auditing of Historical Annual Financial Information

The consolidated financial statements and the standalone financial statements of UBS AG for the financial years 2022 and 2021 were audited by Ernst & Young. The reports of the auditors on the consolidated financial statements can be found on pages 422-428 (inclusive) of the Annual Report 2021 and on pages 377-382 (inclusive) of the Annual Report 2022. The reports of the auditors on the standalone financial statements of UBS AG can be found on pages 37-42 (inclusive) of the Standalone Financial Statements 2021 and on pages 35-39 (inclusive) of the Standalone Financial Statements 2022.

There are no qualifications in the auditors' reports on the consolidated financial statements of UBS AG and the standalone financial statements of UBS AG for the years ended on 31 December 2021 and 31 December 2022.

7.3 Interim Financial Information

Reference is also made to the UBS Group AG first quarter 2023 report published on 25 April 2023 ("**UBS Group First Quarter 2023 Report**"), and the UBS AG first quarter 2023 report published on 27 April 2023 ("**UBS AG First Quarter 2023 Report**"), which contain information on the financial condition and results of operations, including the interim financial statements, of UBS Group AG consolidated and UBS AG consolidated, respectively, as of and for the period ended 31 March 2023; the UBS AG second quarter 2023 report published on 31 August 2023 (“**UBS AG Second Quarter 2023 Report**”), which contain information on the financial condition and results of operations, including the interim financial statements, of UBS AG consolidated as of and for the period ended 30 June 2023; and the UBS AG third quarter 2023 report published on 7 November 2023 (“**UBS AG Third Quarter 2023 Report**”), which contain information on the financial condition and results of operations, including the interim financial statements, of UBS AG consolidated as of and for the period ended 30 September 2023. The interim consolidated financial statements are not audited, and no review report is included.

7.4 Litigation, Regulatory and Similar Matters

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

Specific litigation, regulatory and other matters, including all such matters that management considers to be material and others that management believes to be of significance due to potential financial, reputational and other effects, are described in "*Note 15 Provisions and contingent liabilities*" to the UBS AG unaudited interim consolidated financial statements included in the UBS AG Third Quarter 2023 Report (as updated by "Developments in litigation" below). 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.

Developments in litigation: In relation to the subsection "1. Inquiries regarding cross-border wealth management businesses" of "Note 15 Provisions and contingent liabilities" to the UBS AG unaudited interim consolidated financial statements included in the UBS AG Third Quarter 2023 Report, subsequent to the publication of the UBS AG Third Quarter 2023 Report, on 15 November 2023 the French Supreme Court upheld the previous court decision regarding unlawful client solicitation and aggravated laundering of the proceeds of tax fraud while overturning confiscation of EUR 1 billion, the fine of EUR 3.75 million and EUR 800 million in civil damages awarded to the French state. The case is being referred back to the Paris Court of Appeal, which will reconsider the overturned elements and deliver its judgment after a new trial. The disclosure relating to litigation, regulatory and other matters in the Base Prospectus/Base Listing Particulars is updated accordingly.

7.5 Material Contracts

Except as otherwise disclosed in this document (including the documents incorporated herein by reference), 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.

7.6 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 30 September 2023.

8. Share Capital

As reflected in the Articles of Association most recently registered with the Commercial Register of the Canton of Zurich and the Commercial Register of Basel-City, UBS AG has (i) fully paid and issued share capital of USD 385,840,846.60, divided into 3,858,408,466 registered shares with a par value of USD 0.10 each (article 4), and (ii) conditional capital in the amount of USD 38,000,000, comprising 380,000,000 registered shares with a par value of USD 0.10 each that can be issued upon the voluntary or mandatory exercise of conversion rights and/or warrants (article 4a).

9. Documents Available

The most recent Articles of Association of UBS AG are available on UBS's Corporate Governance website, at https://www.ubs.com/global/en/our-firm/governance/ubs-ag/articles-of-association.html. Save as otherwise indicated herein, information on or accessible through the Group's corporate website, www.ubs.com, does not form part of and is not incorporated into this document.

APPENDIX III

EXTRACT OF

THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF

UBS AG AND ITS SUBSIDIARIES

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UBS AG interim consolidated financial statements (unaudited)

Income statement

		For the quarter ended			Year-to-date	
USD m	Note	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	3	5,974	5,483	3,081	16,272	7,607
Interest expense from financial instruments measured at amortized cost	3	(5,357)	(4,607)	(1,794)	(13,818)	(3,706)
Net interest income from financial instruments measured at fair value through profit or loss and other	3	368	430	278	1,224	1,045
Net interest income	3	984	1,305	1,565	3,678	4,946
Other net income from financial instruments measured at fair value through profit or loss		2,467	2,337	1,792	7,476	5,637
Fee and commission income	4	5,097	5,008	4,971	15,180	16,074
Fee and commission expense	4	(431)	(419)	(476)	(1,297)	(1,410)
Net fee and commission income	4	4,666	4,589	4,495	13,883	14,664
Other income		231	237	456	624	1,591
Total revenues		8,348	8,468	8,308	25,661	26,838
Credit loss expense / (release)	7	27	16	(3)	80	22
Personnel expenses	5	3,951	3,847	3,617	11,697	11,613
General and administrative expenses	6	2,585	2,443	2,077	8,011	6,674
Depreciation, amortization and impairment of non-financial assets		510	707	458	1,686	1,358
Operating expenses		7,047	6,997	6,152	21,393	19,644
Operating profit / (loss) before tax		1,275	1,456	2,159	4,188	7,171
Tax expense / (benefit)		339	332	551	1,115	1,577
Net profit / (loss)		936	1,124	1,608	3,072	5,594
Net profit / (loss) attributable to non-controlling interests		5	4	9	17	28
Net profit / (loss) attributable to shareholders		932	1,120	1,598	3,055	5,566

Statement of comprehensive income

	For the quarter ended			Year-to-date	
USD m	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
Comprehensive income attributable to shareholders[1]					
Net profit / (loss)	932	1,120	1,598	3,055	5,566
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	(646)	307	(1,097)	(114)	(2,556)
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax	292	(149)	467	18	1,113
Foreign currency translation differences on foreign operations reclassified to the income statement	2	(3)	24	(1)	32
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement	0	(1)	(3)	(3)	(7)
Income tax relating to foreign currency translations, including the effect of net investment hedges	4	(3)	6	(1)	14
Subtotal foreign currency translation, net of tax	(348)	151	(603)	(102)	(1,405)
Financial assets measured at fair value through other comprehensive income					
Net unrealized gains / (losses), before tax	(1)	(1)	(3)	0	(445)
Net realized (gains) / losses reclassified to the income statement from equity	0	0	0	1	0
Reclassification of financial assets to Other financial assets measured at amortized cost[2]					449
Income tax relating to net unrealized gains / (losses)	0	0	0	0	(3)
Subtotal financial assets measured at fair value through other comprehensive income, net of tax	(1)	(1)	(3)	1	0
Cash flow hedges of interest rate risk					
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax	(940)	(1,082)	(2,053)	(1,635)	(5,816)
Net (gains) / losses reclassified to the income statement from equity	479	413	16	1,241	(370)
Income tax relating to cash flow hedges	89	127	373	86	1,168
Subtotal cash flow hedges, net of tax	(372)	(542)	(1,664)	(308)	(5,018)
Cost of hedging					
Cost of hedging, before tax	(1)	11	17	5	114
Income tax relating to cost of hedging	0	0	(3)	0	(3)
Subtotal cost of hedging, net of tax	(1)	11	14	5	111
Total other comprehensive income that may be reclassified to the income statement, net of tax	(722)	(381)	(2,257)	(405)	(6,312)
Other comprehensive income that will not be reclassified to the income statement					
Defined benefit plans					
Gains / (losses) on defined benefit plans, before tax	6	(13)	146	26	401
Income tax relating to defined benefit plans	(17)	(37)	40	(49)	14
Subtotal defined benefit plans, net of tax	(12)	(50)	186	(23)	415
Own credit on financial liabilities designated at fair value					
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax	(312)	(212)	452	(455)	1,171
Income tax relating to own credit on financial liabilities designated at fair value	27	61	(116)	71	(142)
Subtotal own credit on financial liabilities designated at fair value, net of tax	(284)	(151)	335	(384)	1,029
Total other comprehensive income that will not be reclassified to the income statement, net of tax	(296)	(201)	521	(408)	1,444
Total other comprehensive income	(1,018)	(582)	(1,735)	(812)	(4,868)
Total comprehensive income attributable to shareholders	(86)	538	(137)	2,243	698
Comprehensive income attributable to non-controlling interests					
Net profit / (loss)	5	4	9	17	28
Total other comprehensive income that will not be reclassified to the income statement, net of tax	(11)	(3)	(17)	(9)	(27)
Total comprehensive income attributable to non-controlling interests	(6)	1	(8)	8	1
Total comprehensive income					
Net profit / (loss)	936	1,124	1,608	3,072	5,594
Other comprehensive income	(1,029)	(585)	(1,753)	(822)	(4,895)
of which: other comprehensive income that may be reclassified to the income statement	*(722)*	*(381)*	*(2,257)*	*(405)*	*(6,312)*
of which: other comprehensive income that will not be reclassified to the income statement	*(307)*	*(204)*	*504*	*(417)*	*1,416*
Total comprehensive income	(93)	539	(145)	2,251	699

1 Refer to the "UBS AG consolidated performance" section of this report for more information. 2 Effective 1 April 2022, a portfolio of assets previously classified as Financial assets measured at fair value through other comprehensive income was reclassified to Other financial assets measured at amortized cost. As a result, the related cumulative fair value losses of USD 449m before tax and USD 333m after tax, previously recognized in Other comprehensive income, have been removed from equity and adjusted against the value of the assets at the reclassification date.

Balance sheet

USD m	Note	30.9.23	30.6.23	31.12.22
Assets				
Cash and balances at central banks		161,720	159,425	169,445
Amounts due from banks		20,151	21,395	14,671
Receivables from securities financing transactions measured at amortized cost		61,284	61,977	67,814
Cash collateral receivables on derivative instruments	9	36,302	35,068	35,033
Loans and advances to customers	7	386,315	397,596	390,027
Other financial assets measured at amortized cost	10	52,923	52,180	53,389
Total financial assets measured at amortized cost		718,693	727,642	730,379
Financial assets at fair value held for trading	8	117,664	120,232	108,034
of which: assets pledged as collateral that may be sold or repledged by counterparties		*39,135*	*39,568*	*36,742*
Derivative financial instruments	8, 9	135,016	124,046	150,109
Brokerage receivables	8	24,431	21,218	17,576
Financial assets at fair value not held for trading	8	62,638	63,714	59,408
Total financial assets measured at fair value through profit or loss		339,749	329,210	335,127
Financial assets measured at fair value through other comprehensive income	8	2,213	2,217	2,239
Investments in associates		1,131	1,109	1,101
Property, equipment and software		10,876	11,193	11,316
Goodwill and intangible assets		6,240	6,281	6,267
Deferred tax assets		9,610	9,411	9,354
Other non-financial assets	10	9,024	9,254	9,652
Total assets		1,097,536	1,096,318	1,105,436
Liabilities				
Amounts due to banks		16,242	16,290	11,596
Payables from securities financing transactions measured at amortized cost		6,249	12,320	4,202
Cash collateral payables on derivative instruments	9	32,442	31,445	36,436
Customer deposits		521,540	521,657	527,171
Funding from UBS Group AG measured at amortized cost	11	63,412	61,445	56,147
Debt issued measured at amortized cost	13	65,285	62,561	59,499
Other financial liabilities measured at amortized cost	10	11,114	11,673	10,391
Total financial liabilities measured at amortized cost		716,283	717,392	705,442
Financial liabilities at fair value held for trading	8	31,990	35,616	29,515
Derivative financial instruments	8, 9	133,377	127,367	154,906
Brokerage payables designated at fair value	8	40,982	43,357	45,085
Debt issued designated at fair value	8, 12	83,601	78,741	71,842
Other financial liabilities designated at fair value	8, 10	30,011	31,425	32,033
Total financial liabilities measured at fair value through profit or loss		319,962	316,506	333,382
Provisions	15	2,318	3,817	3,183
Other non-financial liabilities	10	5,791	5,330	6,489
Total liabilities		1,044,355	1,043,044	1,048,496
Equity				
Share capital		386	386	338
Share premium		24,595	24,594	24,648
Retained earnings		28,410	27,806	31,746
Other comprehensive income recognized directly in equity, net of tax		(556)	136	(133)
Equity attributable to shareholders		52,836	52,922	56,598
Equity attributable to non-controlling interests		345	352	342
Total equity		53,181	53,274	56,940
Total liabilities and equity		1,097,536	1,096,318	1,105,436

Statement of changes in equity

USD m	Share capital and share premium	Retained earnings	OCI recognized directly in equity, net of tax[1]	*of which: foreign currency translation*	*of which: cash flow hedges*	Total equity attributable to shareholders
Balance as of 1 January 2023[2]	24,985	31,746	(133)	*4,098*	*(4,234)*	56,598
Premium on shares issued and warrants exercised	(5)[3]					(5)
Tax (expense) / benefit	0					0
Dividends		(6,000)				(6,000)
Translation effects recognized directly in retained earnings		18	(18)		*(18)*	0
Share of changes in retained earnings of associates and joint ventures		(1)				(1)
New consolidations / (deconsolidations) and other increases / (decreases)	0					0
Total comprehensive income for the period		2,648	(405)	*(102)*	*(308)*	2,243
of which: net profit / (loss)		*3,055*				*3,055*
of which: OCI, net of tax		*(408)*	*(405)*	*(102)*	*(308)*	*(812)*
Balance as of 30 September 2023[2]	24,981	28,410	(556)	*3,996*	*(4,560)*	52,836
Non-controlling interests as of 30 September 2023						345
Total equity as of 30 September 2023						53,181
Balance as of 1 January 2022[2]	24,991	27,912	5,200	*4,617*	*628*	58,102
Tax (expense) / benefit	6					6
Dividends		(4,200)				(4,200)
Translation effects recognized directly in retained earnings		(44)	44		*44*	0
Share of changes in retained earnings of associates and joint ventures		0				0
New consolidations / (deconsolidations) and other increases / (decreases)	4	3	(3)			4
Total comprehensive income for the period		7,010	(6,312)	*(1,405)*	*(5,018)*	698
of which: net profit / (loss)		*5,566*				*5,566*
of which: OCI, net of tax		*1,444*	*(6,312)*	*(1,405)*	*(5,018)*	*(4,868)*
Balance as of 30 September 2022[2]	25,001	30,681	(1,072)	*3,212*	*(4,346)*	54,610
Non-controlling interests as of 30 September 2022						330
Total equity as of 30 September 2022						54,941

1 Excludes other comprehensive income related to defined benefit plans and own credit that is recorded directly in Retained earnings. 2 Excludes non-controlling interests. 3 Includes decreases related to recharges by UBS Group AG for share-based compensation awards granted to employees of UBS AG or its subsidiaries.

Statement of cash flows

	Year-to-date	
USD m	*30.9.23*	*30.9.22*
Cash flow from / (used in) operating activities		
Net profit / (loss)	3,072	5,594
Non-cash items included in net profit and other adjustments:		
Depreciation, amortization and impairment of non-financial assets	1,686	1,358
Credit loss expense / (release)	80	22
Share of net (profit) / loss of associates and joint ventures and impairment related to associates	(79)	(31)
Deferred tax expense / (benefit)	(208)	553
Net loss / (gain) from investing activities	33	(934)
Net loss / (gain) from financing activities	(423)	(22,615)
Other net adjustments	1,333	14,674
Net change in operating assets and liabilities:[1]		
Amounts due from banks and amounts due to banks	(3,255)	1,808
Securities financing transactions measured at amortized cost	7,808	5,347
Cash collateral on derivative instruments	(5,375)	(5,320)
Loans and advances to customers and customer deposits	(3,067)	(17,474)
Financial assets and liabilities at fair value held for trading and derivative financial instruments	(15,217)	23,045
Brokerage receivables and payables	(10,726)	3,243
Financial assets at fair value not held for trading and other financial assets and liabilities	178	4,185
Provisions and other non-financial assets and liabilities	370	(4)
Income taxes paid, net of refunds	(1,321)	(1,230)
Net cash flow from / (used in) operating activities	(25,111)	12,219
Cash flow from / (used in) investing activities		
Purchase of subsidiaries, associates and intangible assets	(1)	0
Disposal of subsidiaries, associates and intangible assets	35	1,682
Purchase of property, equipment and software	(947)	(1,066)
Disposal of property, equipment and software	33	9
Net (purchase) / redemption of financial assets measured at fair value through other comprehensive income	25	(724)
Purchase of debt securities measured at amortized cost	(11,632)	(16,881)
Disposal and redemption of debt securities measured at amortized cost	7,227	8,653
Net cash flow from / (used in) investing activities	(5,260)	(8,329)
Cash flow from / (used in) financing activities		
Net issuance (repayment) of short-term debt measured at amortized cost	6,658	(16,249)
Distributions paid on UBS AG shares	(6,000)	(4,200)
Issuance of debt designated at fair value and long-term debt measured at amortized cost[2]	84,278	68,812
Repayment of debt designated at fair value and long-term debt measured at amortized cost[2]	(65,547)	(54,184)
Net cash flows from other financing activities	(369)	(460)
Net cash flow from / (used in) financing activities	19,020	(6,282)
Total cash flow		
Cash and cash equivalents at the beginning of the period	195,200	207,755
Net cash flow from / (used in) operating, investing and financing activities	(11,350)	(2,391)
Effects of exchange rate differences on cash and cash equivalents	(713)	(15,773)
Cash and cash equivalents at the end of the period[3]	183,136	189,592
of which: cash and balances at central banks[4]	*161,640*	*166,306*
of which: amounts due from banks[4]	*10,950*	*13,354*
of which: money market paper[4,5]	*10,545*	*9,932*
Additional information		
Net cash flow from / (used in) operating activities includes:		
Interest received in cash	23,579	10,197
Interest paid in cash	18,052	5,120
Dividends on equity investments, investment funds and associates received in cash[6]	1,812	1,556

1 Movements in this section exclude foreign currency translation and foreign exchange effects, which are presented within the Other net adjustments line. 2 Includes funding from UBS Group AG measured at amortized cost (recognized on the balance sheet in Funding from UBS Group AG) and measured at fair value (recognized on the balance sheet in Other financial liabilities designated at fair value). 3 USD 3,360m and USD 3,855m of cash and cash equivalents (mainly reflected in Amounts due from banks) were restricted as of 30 September 2023 and 30 September 2022, respectively. Refer to "Note 22 Restricted and transferred financial assets" in the "Consolidated financial statements" section of the Annual Report 2022 for more information. 4 Includes only balances with an original maturity of three months or less. 5 Money market paper is included on the balance sheet under Financial assets at fair value not held for trading (30 September 2023: USD 10,158m; 30 September 2022: USD 3,898m), Other financial assets measured at amortized cost (30 September 2023: USD 187m; 30 September 2022: USD 5,943m), and Financial assets at fair value held for trading (30 September 2023: USD 199m; 30 September 2022: USD 91m). 6 Includes dividends received from associates reported within Net cash flow from / (used in) investing activities.

Notes to the UBS AG interim consolidated financial statements (unaudited)

Note 1 Basis of accounting

Basis of preparation

The consolidated financial statements (the financial statements) of UBS AG and its subsidiaries (together, UBS AG) are prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (the IASB), and are presented in US dollars. These interim financial statements are prepared in accordance with IAS 34, *Interim Financial Reporting*.

In preparing these interim financial statements, the same accounting policies and methods of computation have been applied as in the UBS AG consolidated annual financial statements for the period ended 31 December 2022, except for the changes described in this Note. These interim financial statements are unaudited and should be read in conjunction with UBS AG's audited consolidated financial statements in the Annual Report 2022 and the "Management report" sections of this report. In the opinion of management, all necessary adjustments have been made for a fair presentation of UBS AG's financial position, results of operations and cash flows.

Preparation of these interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities. These estimates and assumptions are based on the best available information. Actual results in the future could differ from such estimates and differences may be material to the financial statements. Revisions to estimates, based on regular reviews, are recognized in the period in which they occur. For more information about areas of estimation uncertainty that are considered to require critical judgment, refer to "Note 1a Material accounting policies" in the "Consolidated financial statements" section of the Annual Report 2022.

IFRS 17, *Insurance Contracts*

Effective from 1 January 2023, UBS AG has adopted IFRS 17, *Insurance Contracts*, which sets out the accounting requirements for contractual rights and obligations that arise from insurance contracts issued and reinsurance contracts held. The adoption has had no effect on UBS AG's financial statements. UBS AG does not provide insurance services in any market.

Other amendments to IFRS

Effective from 1 January 2023, UBS AG has adopted a number of minor amendments to IFRS, which have had no significant effect on UBS AG.

Amendments to IAS 12, *Income Taxes*

In May 2023, the IASB issued amendments to IAS 12, *Income Taxes*, whereby, under an exception, deferred tax assets (DTAs) and deferred tax liabilities (DTLs) will not be recognized in respect of top-up tax on income under the Global Anti-Base Erosion Rules that is imposed under tax law that is enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. This exception applies immediately upon the issuance of the amendments and it is, therefore, potentially relevant to these financial statements and subsequent financial statements. Although countries are starting to implement the rules, UBS AG did not have any DTAs or DTLs on 30 September 2023 that had not been recognized as a result of the application of this exception. The exception is expected to be removed by the IASB in due course, although the timing of that has not been specified. The amendments also introduced new disclosure requirements in relation to top-up tax, which will first apply to UBS AG's financial statements for the year ended 31 December 2023.

Note 1 Basis of accounting (continued)

Currency translation rates

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

	Closing exchange rate				Average rate[1]				
	As of				For the quarter ended			Year-to-date	
	30.9.23	30.6.23	31.12.22	30.9.22	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
1 CHF	1.09	1.12	1.08	1.01	1.12	1.11	1.03	1.11	1.05
1 EUR	1.06	1.09	1.07	0.98	1.08	1.09	0.99	1.08	1.05
1 GBP	1.22	1.27	1.21	1.12	1.26	1.24	1.16	1.24	1.24
100 JPY	0.67	0.69	0.76	0.69	0.69	0.71	0.72	0.72	0.78

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

Note 2 Segment reporting

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy[1]	Group Items[1]	UBS AG
For the nine months ended 30 September 2023[2]							
Net interest income	4,235	2,327	(27)	(1,844)	23	(1,037)	3,678
Non-interest income	9,975	1,782	1,539	7,848	64	775	21,983
Total revenues	14,210	4,110	1,512	6,004	87	(262)	25,661
Credit loss expense / (release)	29	27	(1)	25	(1)	1	80
Operating expenses	10,872	2,118	1,243	5,480	861	819	21,393
Operating profit / (loss) before tax	**3,309**	**1,965**	**270**	**500**	**(774)**	**(1,082)**	**4,188**
Tax expense / (benefit)							1,115
Net profit / (loss)							**3,072**
As of 30 September 2023[2]							
Total assets	**359,657**	**237,396**	**17,909**	**370,306**	**13,573**	**98,693**	**1,097,536**

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy[1]	Group Items[1]	UBS AG
For the nine months ended 30 September 2022[2]							
Net interest income	3,775	1,559	(12)	(1)	(2)	(372)	4,946
Non-interest income	10,588	1,616	2,478	7,033	187	(9)	21,892
Total revenues	14,363	3,175	2,466	7,031	184	(382)	26,838
Credit loss expense / (release)	(3)	42	0	(20)	2	0	22
Operating expenses	10,518	1,867	1,192	5,320	84	664	19,644
Operating profit / (loss) before tax	**3,847**	**1,266**	**1,274**	**1,731**	**98**	**(1,045)**	**7,171**
Tax expense / (benefit)							1,577
Net profit / (loss)							**5,594**
As of 31 December 2022[2]							
Total assets	**388,624**	**235,330**	**16,971**	**391,495**	**13,367**	**59,649**	**1,105,436**

1 Starting with the third quarter of 2023, Non-core and Legacy (previously reported within Group Functions) represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been revised to reflect these presentational changes. 2 Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group third quarter 2023 report about UBS AG's reporting segments.

Note 3 Net interest income

	For the quarter ended			Year-to-date	
USD m	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
Interest income from loans and deposits[1]	5,279	4,804	2,523	14,228	6,071
Interest income from securities financing transactions measured at amortized cost[2]	894	833	415	2,492	742
Interest income from other financial instruments measured at amortized cost	291	276	148	826	338
Interest income from debt instruments measured at fair value through other comprehensive income	27	26	12	75	60
Interest income from derivative instruments designated as cash flow hedges	(517)	(457)	(17)	(1,350)	396
Total interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	5,974	5,483	3,081	16,272	7,607
Interest expense on loans and deposits[3]	4,090	3,452	1,226	10,451	2,272
Interest expense on securities financing transactions measured at amortized cost[4]	454	474	282	1,293	794
Interest expense on debt issued	788	656	265	2,000	576
Interest expense on lease liabilities	24	25	21	74	64
Total interest expense from financial instruments measured at amortized cost	5,357	4,607	1,794	13,818	3,706
Total net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	617	876	1,287	2,454	3,901
Net interest income from financial instruments measured at fair value through profit or loss and other	368	430	278	1,224	1,045
Total net interest income	984	1,305	1,565	3,678	4,946

1 Consists of interest income from cash and balances at central banks, loans and advances to banks and customers, and cash collateral receivables on derivative instruments, as well as negative interest on amounts due to banks, customer deposits, and cash collateral payables on derivative instruments. 2 Includes interest income on receivables from securities financing transactions and negative interest, including fees, on payables from securities financing transactions. 3 Consists of interest expense on amounts due to banks, cash collateral payables on derivative instruments, customer deposits, and funding from UBS Group AG, as well as negative interest on cash and balances at central banks, loans and advances to banks, and cash collateral receivables on derivative instruments. 4 Includes interest expense on payables from securities financing transactions and negative interest, including fees, on receivables from securities financing transactions.

Note 4 Net fee and commission income

	For the quarter ended			Year-to-date	
USD m	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
Underwriting fees	143	131	188	424	512
M&A and corporate finance fees	139	156	152	474	608
Brokerage fees	784	800	780	2,464	2,728
Investment fund fees	1,193	1,179	1,173	3,550	3,794
Portfolio management and related services	2,323	2,254	2,178	6,787	6,938
Other	515	487	500	1,482	1,494
Total fee and commission income[1]	5,097	5,008	4,971	15,180	16,074
of which: recurring	*3,573*	*3,496*	*3,453*	*10,483*	*10,905*
of which: transaction-based	*1,512*	*1,504*	*1,504*	*4,655*	*5,126*
of which: performance-based	*11*	*7*	*14*	*42*	*43*
Fee and commission expense	431	419	476	1,297	1,410
Net fee and commission income	4,666	4,589	4,495	13,883	14,664

1 Reflects third-party fee and commission income for the third quarter of 2023 of USD 3,212m for Global Wealth Management (second quarter of 2023: USD 3,134m; third quarter of 2022: USD 3,106m), USD 466m for Personal & Corporate Banking (second quarter of 2023: USD 465m; third quarter of 2022: USD 398m), USD 679m for Asset Management (second quarter of 2023: USD 673m; third quarter of 2022: USD 682m), USD 735m for the Investment Bank (second quarter of 2023: USD 731m; third quarter of 2022: USD 782m), USD 0m for Group Items (second quarter of 2023: USD 4m; third quarter of 2022: USD 2m) and USD 5m for Non-core and Legacy (second quarter of 2023: USD 0m; third quarter of 2022: USD 0m).

Note 5 Personnel expenses

	For the quarter ended			Year-to-date	
USD m	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
Salaries and variable compensation[1]	3,431	3,364	3,151	10,151	10,151
of which: variable compensation – financial advisors[2]	*1,150*	*1,110*	*1,093*	*3,372*	*3,436*
Contractors	24	24	29	74	87
Social security	216	176	179	612	571
Post-employment benefit plans	133	139	122	446	442
Other personnel expenses	147	144	136	413	361
Total personnel expenses	3,951	3,847	3,617	11,697	11,613

1 Includes role-based allowances. 2 Consists of cash and deferred compensation awards and is based on compensable revenues and firm tenure using a formulaic approach. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

Note 6 General and administrative expenses

	For the quarter ended			Year-to-date	
USD m	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
Outsourcing costs	117	121	109	362	331
Technology costs	142	128	122	403	370
Consulting, legal and audit fees	162	160	116	430	343
Real estate and logistics costs	210	134	119	462	371
Market data services	97	101	91	297	273
Marketing and communication	46	44	45	124	119
Travel and entertainment	44	51	39	145	101
Litigation, regulatory and similar matters[1]	8	55	21	784	298
Other	1,760	1,649	1,416	5,004	4,467
of which: shared services costs charged by UBS Group AG or its subsidiaries	*1,563*	*1,460*	*1,237*	*4,408*	*3,975*
Total general and administrative expenses	2,585	2,443	2,077	8,011	6,674

1 Reflects the net increase in provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to Note 15b for more information.

Note 7 Expected credit loss measurement

a) Credit loss expense / release

Total net credit loss expenses in the third quarter of 2023 were USD 27m, reflecting USD 20m net credit loss expenses related to stage 1 and 2 positions and USD 6m net credit loss expenses related to stage 3 positions.

Stage 1 and 2 net expenses included: scenario-related net expenses of USD 6m; net releases of USD 1m from model changes, mainly in Global Wealth Management and the Investment Bank; and additional net expenses of USD 15m from book quality and size changes.

Stage 3 net credit loss expenses were USD 6m, driven by net expenses of USD 15m in Global Wealth Management and USD 7m in the Investment Bank, partly offset by net releases of USD 15m in Personal & Corporate Banking on various corporate lending positions.

Credit loss expense / (release)

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy[1]	Group Items[1]	Total
For the quarter ended 30.9.23							
Stages 1 and 2	(7)	16	0	10	0	1	20
Stage 3	15	(15)	0	7	(1)	0	6
Total credit loss expense / (release)	8	1	0	17	(1)	1	27
For the quarter ended 30.6.23							
Stages 1 and 2	(4)	(11)	0	5	0	0	(10)
Stage 3	9	21	0	(4)	0	0	26
Total credit loss expense / (release)	**5**	**10**	**0**	**1**	**0**	**0**	**16**
For the quarter ended 30.9.22							
Stages 1 and 2	6	(6)	0	4	0	0	4
Stage 3	1	(9)	0	1	0	0	(7)
Total credit loss expense / (release)	**7**	**(15)**	**0**	**4**	**0**	**0**	**(3)**

1 Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been revised to reflect these changes.

b) Changes to ECL models, scenarios, scenario weights and post-model adjustments

Scenarios and weights

The expected credit loss (ECL) scenarios, along with their related macroeconomic factors and market data, were reviewed in light of the economic and political conditions prevailing in the third quarter of 2023 through a series of governance meetings, with input and feedback from UBS Risk and Finance experts across the business divisions and regions

Note 7 Expected credit loss measurement (continued)

The baseline scenario was updated with the latest macroeconomic forecasts as of 30 September 2023. The assumptions on a calendar-year basis are included in the table below and imply a more optimistic outlook for the US for the remainder of 2023 and 2024, while projections have become slightly more pessimistic for the Eurozone and Switzerland.

The mild debt crisis scenario, the stagflationary geopolitical crisis scenario and the asset price inflation scenario were updated based on the latest market data, but the assumptions remain broadly unchanged. UBS kept scenarios and scenario weights in line with those applied in the second quarter of 2023. Refer to the table below.

At the beginning of the second quarter of 2023, UBS replaced the global crisis scenario applied at year-end 2022 and at the end of the first quarter of 2023 with the mild debt crisis scenario.

Post-model adjustments

Total stage 1 and 2 allowances and provisions amounted to USD 561m as of 30 September 2023 and included post-model adjustments of USD 125m (30 June 2023: USD 131m). Overlays are to cover for uncertainty levels, including the geopolitical situation.

Comparison of shock factors

	Baseline		
Key parameters	2022	2023	2024
Real GDP growth (annual percentage change)			
US	1.9	2.1	0.5
Eurozone	3.4	0.5	0.7
Switzerland	2.7	0.7	0.9
Unemployment rate (%, annual average)			
US	3.6	3.6	4.9
Eurozone	6.7	6.6	6.9
Switzerland	2.2	2.0	2.3
Fixed income: 10-year government bonds (%, Q4)			
USD	3.9	4.6	4.5
EUR	2.6	2.8	2.8
CHF	1.6	1.1	1.1
Real estate (annual percentage change, Q4)			
US	7.5	1.2	0.5
Eurozone	2.9	(3.2)	1.7
Switzerland	3.9	0.5	(1.0)

Economic scenarios and weights applied

	Assigned weights in %		
ECL scenario	30.9.23	30.6.23	30.9.22
Asset price inflation	0.0	0.0	0.0
Baseline	60.0	60.0	55.0
Severe Russia–Ukraine conflict scenario	–	–	25.0
Mild debt crisis	15.0	15.0	–
Stagflationary geopolitical crisis	25.0	25.0	–
Global crisis	–	–	20.0

c) ECL-relevant balance sheet and off-balance sheet positions including ECL allowances and provisions

The following tables provide information about financial instruments and certain non-financial instruments that are subject to ECL requirements. For amortized-cost instruments, the carrying amount represents the maximum exposure to credit risk, taking into account the allowance for credit losses. Financial assets measured at fair value through other comprehensive income (FVOCI) are also subject to ECL; however, unlike amortized-cost instruments, the allowance for credit losses for FVOCI instruments does not reduce the carrying amount of these financial assets. Instead, the carrying amount of financial assets measured at FVOCI represents the maximum exposure to credit risk.

In addition to recognized financial assets, certain off-balance sheet financial instruments and other credit lines are also subject to ECL. The maximum exposure to credit risk for off-balance sheet financial instruments is calculated based on the maximum contractual amounts.

USD m	30.9.23							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	161,720	161,703	17	0	(24)	0	(24)	0
Loans and advances to banks[2]	20,151	20,091	60	0	(6)	(6)	0	0
Receivables from securities financing transactions	61,284	61,284	0	0	(1)	(1)	0	0
Cash collateral receivables on derivative instruments	36,302	36,302	0	0	0	0	0	0
Loans and advances to customers	386,315	366,801	17,684	1,829	(849)	(172)	(181)	(496)
of which: Private clients with mortgages	*162,044*	*151,836*	*9,426*	*783*	*(155)*	*(42)*	*(90)*	*(23)*
of which: Real estate financing	*50,303*	*46,340*	*3,947*	*16*	*(45)*	*(21)*	*(24)*	*0*
of which: Large corporate clients	*13,119*	*11,190*	*1,418*	*511*	*(190)*	*(32)*	*(30)*	*(128)*
of which: SME clients	*12,088*	*10,163*	*1,530*	*395*	*(231)*	*(32)*	*(23)*	*(175)*
of which: Lombard	*118,660*	*118,621*	*0*	*39*	*(22)*	*(6)*	*0*	*(16)*
of which: Credit cards	*1,905*	*1,462*	*408*	*35*	*(38)*	*(6)*	*(10)*	*(21)*
of which: Commodity trade finance	*2,861*	*2,838*	*11*	*12*	*(110)*	*(6)*	*0*	*(103)*
Other financial assets measured at amortized cost	52,923	52,411	372	140	(86)	(15)	(6)	(64)
of which: Loans to financial advisors	*2,582*	*2,332*	*134*	*116*	*(54)*	*(4)*	*(2)*	*(48)*
Total financial assets measured at amortized cost	718,693	698,590	18,134	1,969	(966)	(194)	(211)	(560)
Financial assets measured at fair value through other comprehensive income	2,213	2,213	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements	720,906	700,804	18,134	1,969	(966)	(194)	(211)	(560)

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	24,590	23,577	889	124	(38)	(12)	(7)	(19)
of which: Large corporate clients	*3,286*	*2,608*	*587*	*91*	*(4)*	*(2)*	*(2)*	*0*
of which: SME clients	*1,371*	*1,141*	*197*	*32*	*(14)*	*(1)*	*(1)*	*(12)*
of which: Financial intermediaries and hedge funds	*15,516*	*15,467*	*48*	*0*	*(11)*	*(8)*	*(3)*	*0*
of which: Lombard	*1,995*	*1,995*	*0*	*0*	*(1)*	*0*	*0*	*(1)*
of which: Commodity trade finance	*1,668*	*1,661*	*7*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	42,309	40,287	1,951	70	(91)	(52)	(37)	(1)
of which: Large corporate clients	*24,149*	*22,446*	*1,656*	*46*	*(77)*	*(43)*	*(33)*	*(1)*
Forward starting reverse repurchase and securities borrowing agreements	10,431	10,431	0	0	0	0	0	0
Unconditionally revocable loan commitments	42,589	40,849	1,689	51	(44)	(35)	(9)	0
of which: Real estate financing	*8,486*	*8,098*	*389*	*0*	*(6)*	*(6)*	*0*	*0*
of which: Large corporate clients	*4,651*	*4,459*	*185*	*7*	*(5)*	*(3)*	*(2)*	*0*
of which: SME clients	*4,897*	*4,704*	*165*	*28*	*(19)*	*(16)*	*(3)*	*0*
of which: Lombard	*7,465*	*7,464*	*0*	*1*	*0*	*0*	*0*	*0*
of which: Credit cards	*9,654*	*9,183*	*467*	*4*	*(6)*	*(4)*	*(2)*	*0*
of which: Commodity trade finance	*564*	*564*	*0*	*0*	*0*	*0*	*0*	*0*
Irrevocable committed prolongation of existing loans	3,245	3,225	17	3	(3)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines	123,164	118,369	4,546	249	(176)	(102)	(53)	(21)
Total allowances and provisions					(1,142)	(297)	(265)	(581)

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Includes USD 7.6bn against Credit Suisse AG.

Note 7 Expected credit loss measurement (continued)

USD m	30.6.23							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	159,425	159,393	32	0	(10)	0	(10)	0
Loans and advances to banks[2]	21,395	21,239	157	0	(6)	(5)	(1)	0
Receivables from securities financing transactions	61,977	61,977	0	0	(1)	(1)	0	0
Cash collateral receivables on derivative instruments	35,068	35,068	0	0	0	0	0	0
Loans and advances to customers	397,596	378,647	17,204	1,746	(859)	(182)	(173)	(504)
of which: Private clients with mortgages	*163,560*	*153,443*	*9,358*	*758*	*(154)*	*(44)*	*(87)*	*(23)*
of which: Real estate financing	*50,054*	*45,959*	*4,088*	*7*	*(44)*	*(21)*	*(23)*	*0*
of which: Large corporate clients	*13,444*	*11,792*	*1,292*	*359*	*(179)*	*(37)*	*(29)*	*(113)*
of which: SME clients	*12,482*	*10,776*	*1,293*	*413*	*(256)*	*(32)*	*(21)*	*(203)*
of which: Lombard	*124,511*	*124,469*	*0*	*42*	*(26)*	*(9)*	*0*	*(17)*
of which: Credit cards	*1,939*	*1,502*	*403*	*34*	*(39)*	*(8)*	*(11)*	*(21)*
of which: Commodity trade finance	*2,193*	*2,179*	*0*	*15*	*(110)*	*(7)*	*0*	*(104)*
Other financial assets measured at amortized cost	52,180	51,650	377	153	(84)	(16)	(7)	(62)
of which: Loans to financial advisors	*2,588*	*2,287*	*174*	*126*	*(55)*	*(6)*	*(2)*	*(47)*
Total financial assets measured at amortized cost	**727,642**	**707,974**	**17,770**	**1,898**	**(961)**	**(205)**	**(190)**	**(566)**
Financial assets measured at fair value through other comprehensive income	**2,217**	**2,217**	**0**	**0**	**0**	**0**	**0**	**0**
Total on-balance sheet financial assets in scope of ECL requirements	**729,859**	**710,191**	**17,770**	**1,898**	**(961)**	**(205)**	**(190)**	**(566)**

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	23,469	22,430	921	118	(37)	(12)	(7)	(17)
of which: Large corporate clients	*3,367*	*2,598*	*690*	*79*	*(5)*	*(2)*	*(2)*	*0*
of which: SME clients	*1,423*	*1,218*	*167*	*38*	*(11)*	*(1)*	*(1)*	*(9)*
of which: Financial intermediaries and hedge funds	*12,874*	*12,859*	*15*	*0*	*(11)*	*(8)*	*(3)*	*0*
of which: Lombard	*3,019*	*3,019*	*0*	*1*	*(1)*	*0*	*0*	*(1)*
of which: Commodity trade finance	*2,008*	*2,008*	*0*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	40,074	37,920	2,076	78	(93)	(54)	(38)	(2)
of which: Large corporate clients	*23,220*	*21,436*	*1,731*	*52*	*(76)*	*(44)*	*(31)*	*(2)*
Forward starting reverse repurchase and securities borrowing agreements	4,972	4,972	0	0	0	0	0	0
Unconditionally revocable loan commitments	44,716	42,915	1,739	63	(43)	(34)	(9)	0
of which: Real estate financing	*8,929*	*8,671*	*258*	*0*	*(6)*	*(6)*	*0*	*0*
of which: Large corporate clients	*4,566*	*4,401*	*158*	*7*	*(6)*	*(3)*	*(3)*	*0*
of which: SME clients	*4,963*	*4,743*	*179*	*40*	*(19)*	*(16)*	*(3)*	*0*
of which: Lombard	*8,671*	*8,670*	*0*	*1*	*0*	*0*	*0*	*0*
of which: Credit cards	*9,762*	*9,274*	*484*	*4*	*(7)*	*(6)*	*(2)*	*0*
of which: Commodity trade finance	*534*	*534*	*0*	*0*	*0*	*0*	*0*	*0*
Irrevocable committed prolongation of existing loans	3,811	3,802	7	2	(3)	(2)	0	0
Total off-balance sheet financial instruments and other credit lines	**117,043**	**112,039**	**4,743**	**261**	**(175)**	**(102)**	**(54)**	**(19)**
Total allowances and provisions					**(1,136)**	**(307)**	**(244)**	**(585)**

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Includes USD 7.8bn against Credit Suisse AG.

Note 7 Expected credit loss measurement (continued)

USD m	31.12.22							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	169,445	169,402	44	0	(12)	0	(12)	0
Loans and advances to banks	14,671	14,670	1	0	(6)	(5)	(1)	0
Receivables from securities financing transactions	67,814	67,814	0	0	(2)	(2)	0	0
Cash collateral receivables on derivative instruments	35,033	35,033	0	0	0	0	0	0
Loans and advances to customers	390,027	372,903	15,587	1,538	(783)	(129)	(180)	(474)
of which: Private clients with mortgages	*156,930*	*147,651*	*8,579*	*699*	*(161)*	*(27)*	*(107)*	*(28)*
of which: Real estate financing	*46,470*	*43,112*	*3,349*	*9*	*(41)*	*(17)*	*(23)*	*0*
of which: Large corporate clients	*12,226*	*10,733*	*1,189*	*303*	*(130)*	*(24)*	*(14)*	*(92)*
of which: SME clients	*13,903*	*12,211*	*1,342*	*351*	*(251)*	*(26)*	*(22)*	*(203)*
of which: Lombard	*132,287*	*132,196*	*0*	*91*	*(26)*	*(9)*	*0*	*(17)*
of which: Credit cards	*1,834*	*1,420*	*382*	*31*	*(36)*	*(7)*	*(10)*	*(19)*
of which: Commodity trade finance	*3,272*	*3,261*	*0*	*11*	*(96)*	*(6)*	*0*	*(90)*
Other financial assets measured at amortized cost	53,389	52,829	413	147	(86)	(17)	(6)	(63)
of which: Loans to financial advisors	*2,611*	*2,357*	*128*	*126*	*(59)*	*(7)*	*(2)*	*(51)*
Total financial assets measured at amortized cost	**730,379**	**712,651**	**16,044**	**1,685**	**(890)**	**(154)**	**(199)**	**(537)**
Financial assets measured at fair value through other comprehensive income	**2,239**	**2,239**	**0**	**0**	**0**	**0**	**0**	**0**
Total on-balance sheet financial assets in scope of ECL requirements	**732,618**	**714,889**	**16,044**	**1,685**	**(890)**	**(154)**	**(199)**	**(537)**
	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	22,167	19,805	2,254	108	(48)	(13)	(9)	(26)
of which: Large corporate clients	*3,663*	*2,883*	*721*	*58*	*(26)*	*(2)*	*(3)*	*(21)*
of which: SME clients	*1,337*	*1,124*	*164*	*49*	*(5)*	*(1)*	*(1)*	*(3)*
of which: Financial intermediaries and hedge funds	*11,833*	*10,513*	*1,320*	*0*	*(12)*	*(8)*	*(4)*	*0*
of which: Lombard	*2,376*	*2,376*	*0*	*1*	*(1)*	*0*	*0*	*(1)*
of which: Commodity trade finance	*2,121*	*2,121*	*0*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	39,996	37,531	2,341	124	(111)	(59)	(52)	0
of which: Large corporate clients	*23,611*	*21,488*	*2,024*	*99*	*(93)*	*(49)*	*(45)*	*0*
Forward starting reverse repurchase and securities borrowing agreements	3,801	3,801	0	0	0	0	0	0
Unconditionally revocable loan commitments	43,677	41,809	1,833	36	(40)	(32)	(8)	0
of which: Real estate financing	*8,711*	*8,528*	*183*	*0*	*(6)*	*(6)*	*0*	*0*
of which: Large corporate clients	*4,578*	*4,304*	*268*	*5*	*(4)*	*(1)*	*(2)*	*0*
of which: SME clients	*4,723*	*4,442*	*256*	*26*	*(19)*	*(16)*	*(3)*	*0*
of which: Lombard	*7,855*	*7,854*	*0*	*1*	*0*	*0*	*0*	*0*
of which: Credit cards	*9,390*	*8,900*	*487*	*3*	*(7)*	*(5)*	*(2)*	*0*
of which: Commodity trade finance	*327*	*327*	*0*	*0*	*0*	*0*	*0*	*0*
Irrevocable committed prolongation of existing loans	4,696	4,600	94	2	(2)	(2)	0	0
Total off-balance sheet financial instruments and other credit lines	**114,337**	**107,545**	**6,522**	**270**	**(201)**	**(106)**	**(69)**	**(26)**
Total allowances and provisions					**(1,091)**	**(260)**	**(267)**	**(564)**

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances.

Note 7 Expected credit loss measurement (continued)

The table below provides information about the ECL gross exposure and the ECL coverage ratio for UBS AG's core loan portfolios (i.e., *Loans and advances to customers* and *Loans to financial advisors*) and relevant off-balance sheet exposures. *Cash and balances at central banks*, *Loans and advances to banks*, *Receivables from securities financing transactions*, *Cash collateral receivables on derivative instruments* and *Financial assets measured at fair value through other comprehensive income* are not included in the table below, due to their lower sensitivity to ECL.

ECL coverage ratios are calculated by dividing ECL allowances and provisions by the gross carrying amount of the related exposures.

Coverage ratios for core loan portfolio 30.9.23

	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	162,200	151,878	9,515	806	10	3	95	8	291
Real estate financing	50,348	46,361	3,971	16	9	5	60	9	11
Total real estate lending	212,547	198,239	13,486	822	9	3	84	8	286
Large corporate clients	13,309	11,222	1,448	639	143	29	204	49	2,007
SME clients	12,319	10,195	1,553	571	187	31	150	47	3,071
Total corporate lending	25,628	21,417	3,001	1,210	164	30	176	48	2,509
Lombard	118,682	118,626	0	56	2	0	0	0	2,953
Credit cards	1,942	1,468	418	56	195	41	251	87	3,808
Commodity trade finance	2,971	2,845	11	115	369	23	60	23	8,960
Other loans and advances to customers	25,394	24,378	949	67	23	11	43	12	4,233
Loans to financial advisors	2,636	2,336	136	164	206	19	142	25	2,925
Total other lending	151,625	149,653	1,514	457	19	3	110	4	4,744
Total[1]	389,800	369,309	18,001	2,490	23	5	102	9	2,185

	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	5,707	5,444	249	14	9	7	37	9	26
Real estate financing	10,152	9,743	409	0	7	8	0	7	0
Total real estate lending	15,859	15,187	658	14	8	8	5	8	26
Large corporate clients	32,193	29,621	2,428	144	27	16	151	27	107
SME clients	7,166	6,626	464	75	55	29	181	39	1,563
Total corporate lending	39,359	36,247	2,893	219	32	19	156	29	607
Lombard	11,006	11,005	0	1	1	1	0	1	0
Credit cards	9,654	9,183	467	4	6	5	36	6	0
Commodity trade finance	2,236	2,229	7	0	4	4	41	4	0
Financial intermediaries and hedge funds	17,917	17,685	232	0	7	5	149	7	0
Other off-balance sheet commitments	16,703	16,401	291	11	10	5	91	6	0
Total other lending	57,515	56,504	996	16	6	4	78	5	0
Total[2]	112,733	107,938	4,546	249	16	9	117	14	835
Total on- and off-balance sheet[3]	502,533	477,247	22,548	2,738	21	6	105	10	2,063

1 Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other assets measured at amortized cost. 2 Excludes Forward starting reverse repurchase and securities borrowing agreements. 3 Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Note 7 Expected credit loss measurement (continued)

Coverage ratios for core loan portfolio 30.6.23

	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	163,714	153,488	9,445	781	9	3	92	8	298
Real estate financing	50,098	45,980	4,111	7	9	5	55	9	26
Total real estate lending	213,812	199,468	13,556	788	9	3	80	8	296
Large corporate clients	13,622	11,829	1,320	472	131	31	217	50	2,391
SME clients	12,737	10,808	1,313	616	201	29	157	43	3,298
Total corporate lending	26,360	22,637	2,634	1,089	165	30	187	47	2,904
Lombard	124,537	124,478	0	59	2	1	0	1	2,873
Credit cards	1,978	1,510	413	55	199	53	255	97	3,821
Commodity trade finance	2,304	2,185	0	118	479	30	351	30	8,770
Other loans and advances to customers	29,466	28,550	773	142	17	9	47	10	1,642
Loans to financial advisors	2,643	2,293	177	173	208	24	140	33	2,707
Total other lending	160,927	159,017	1,363	547	18	3	122	4	3,872
Total[1]	**401,098**	**381,122**	**17,553**	**2,423**	**23**	**5**	**100**	**9**	**2,275**

	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	6,406	6,072	324	11	6	5	22	6	60
Real estate financing	9,757	9,477	280	0	6	8	0	6	0
Total real estate lending	16,163	15,549	603	11	6	7	0	6	60
Large corporate clients	31,238	28,520	2,580	138	28	17	141	28	132
SME clients	7,309	6,814	400	95	53	28	257	41	994
Total corporate lending	38,547	35,334	2,980	233	33	19	156	30	482
Lombard	13,912	13,910	0	1	1	1	0	1	0
Credit cards	9,762	9,274	484	4	7	6	37	8	0
Commodity trade finance	2,555	2,555	0	0	2	2	0	2	0
Financial intermediaries and hedge funds	18,519	18,139	380	0	7	5	90	7	0
Other off-balance sheet commitments	12,613	12,306	296	11	14	6	95	8	0
Total other lending	57,361	56,184	1,160	17	7	4	69	5	0
Total[2]	**112,071**	**107,067**	**4,743**	**261**	**16**	**10**	**114**	**14**	**737**
Total on- and off-balance sheet[3]	**513,169**	**488,189**	**22,296**	**2,684**	**21**	**6**	**103**	**10**	**2,125**

1 Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other assets measured at amortized cost. 2 Excludes Forward starting reverse repurchase and securities borrowing agreements. 3 Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Coverage ratios for core loan portfolio 31.12.22

	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	157,091	147,678	8,686	727	10	2	123	9	381
Real estate financing	46,511	43,129	3,372	9	9	4	70	9	232
Total real estate lending	203,602	190,807	12,059	736	10	2	108	9	379
Large corporate clients	12,356	10,757	1,204	395	105	22	120	32	2,325
SME clients	14,154	12,237	1,364	553	177	22	161	36	3,664
Total corporate lending	26,510	22,994	2,567	949	144	22	142	34	3,106
Lombard	132,313	132,205	0	108	2	1	0	1	1,580
Credit cards	1,869	1,427	393	50	190	46	256	91	3,779
Commodity trade finance	3,367	3,266	0	101	285	18	0	18	8,901
Other loans and advances to customers	23,149	22,333	748	68	18	6	38	7	3,769
Loans to financial advisors	2,670	2,364	130	176	221	28	124	33	2,870
Total other lending	163,368	161,595	1,270	503	16	3	114	3	4,016
Total[1]	**393,480**	**375,396**	**15,896**	**2,188**	**21**	**4**	**114**	**8**	**2,398**

	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	6,535	6,296	236	3	5	4	18	4	1,183
Real estate financing	10,054	9,779	275	0	6	7	0	6	0
Total real estate lending	16,589	16,075	511	3	6	6	2	6	1,288
Large corporate clients	32,126	28,950	3,013	163	38	18	165	32	1,263
SME clients	7,122	6,525	499	98	47	30	214	43	304
Total corporate lending	39,247	35,475	3,513	260	40	20	172	34	903
Lombard	12,919	12,918	0	1	2	1	0	1	0
Credit cards	9,390	8,900	487	3	7	5	36	7	0
Commodity trade finance	2,459	2,459	0	0	3	3	0	3	0
Financial intermediaries and hedge funds	18,128	16,464	1,664	0	7	6	25	7	0
Other off-balance sheet commitments	11,803	11,454	346	3	11	8	68	9	0
Total other lending	54,700	52,195	2,498	7	6	5	33	6	0
Total[2]	**110,537**	**103,745**	**6,522**	**270**	**18**	**10**	**106**	**16**	**980**
Total on- and off-balance sheet[3]	**504,016**	**479,140**	**22,418**	**2,458**	**21**	**5**	**112**	**10**	**2,242**

1 Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other assets measured at amortized cost. 2 Excludes Forward starting reverse repurchase and securities borrowing agreements. 3 Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Note 8 Fair value measurement

a) Fair value hierarchy

The fair value hierarchy classification of financial and non-financial assets and liabilities measured at fair value is summarized in the table below.

During the first nine months of 2023, assets and liabilities that were transferred from Level 2 to Level 1, or from Level 1 to Level 2, and were held for the entire reporting period were not material.

Determination of fair values from quoted market prices or valuation techniques[1]

	30.9.23				30.6.23				31.12.22			
USD m	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value on a recurring basis												
Financial assets at fair value held for trading	100,111	15,586	1,967	117,664	104,834	13,871	1,527	120,232	96,263	10,284	1,488	108,034
of which: Equity instruments	*84,831*	*395*	*117*	*85,342*	*90,318*	*453*	*130*	*90,901*	*83,095*	*789*	*126*	*84,010*
of which: Government bills / bonds	*7,986*	*2,069*	*20*	*10,074*	*7,500*	*2,119*	*12*	*9,631*	*5,496*	*950*	*18*	*6,464*
of which: Investment fund units	*6,316*	*781*	*8*	*7,105*	*6,123*	*726*	*10*	*6,859*	*6,673*	*596*	*61*	*7,330*
of which: Corporate and municipal bonds	*974*	*10,219*	*656*	*11,849*	*889*	*9,531*	*438*	*10,859*	*976*	*6,509*	*541*	*8,026*
of which: Loans	*0*	*2,029*	*1,063*	*3,092*	*0*	*941*	*821*	*1,763*	*0*	*1,179*	*628*	*1,807*
of which: Asset-backed securities	*4*	*94*	*102*	*200*	*4*	*101*	*115*	*220*	*22*	*261*	*114*	*397*
Derivative financial instruments	1,049	132,515	1,452	135,016	1,042	121,686	1,318	124,046	769	147,876	1,464	150,109
of which: Foreign exchange	*650*	*67,304*	*0*	*67,954*	*551*	*58,332*	*5*	*58,889*	*575*	*84,882*	*2*	*85,459*
of which: Interest rate	*0*	*40,753*	*571*	*41,324*	*0*	*38,982*	*492*	*39,474*	*0*	*39,345*	*460*	*39,805*
of which: Equity / index	*1*	*21,799*	*487*	*22,287*	*0*	*21,944*	*433*	*22,378*	*1*	*21,542*	*653*	*22,195*
of which: Credit	*0*	*968*	*372*	*1,340*	*0*	*1,001*	*361*	*1,362*	*0*	*719*	*318*	*1,038*
of which: Commodities	*0*	*1,602*	*22*	*1,623*	*0*	*1,371*	*24*	*1,394*	*0*	*1,334*	*30*	*1,365*
Brokerage receivables	0	24,431	0	24,431	0	21,218	0	21,218	0	17,576	0	17,576
Financial assets at fair value not held for trading	31,452	27,191	3,995	62,638	31,296	28,577	3,841	63,714	26,572	29,110	3,725	59,408
of which: Financial assets for unit-linked investment contracts	*13,966*	*0*	*0*	*13,966*	*14,740*	*164*	*0*	*14,904*	*13,071*	*1*	*0*	*13,072*
of which: Corporate and municipal bonds	*60*	*12,024*	*222*	*12,306*	*61*	*11,730*	*236*	*12,026*	*35*	*14,101*	*230*	*14,366*
of which: Government bills / bonds	*17,082*	*3,324*	*0*	*20,406*	*16,144*	*3,976*	*0*	*20,120*	*13,103*	*3,638*	*0*	*16,741*
of which: Loans	*0*	*3,531*	*1,113*	*4,644*	*0*	*3,766*	*819*	*4,585*	*0*	*3,602*	*736*	*4,337*
of which: Securities financing transactions	*0*	*8,076*	*104*	*8,180*	*0*	*8,751*	*105*	*8,856*	*0*	*7,590*	*114*	*7,704*
of which: Auction rate securities	*0*	*0*	*1,212*	*1,212*	*0*	*0*	*1,321*	*1,321*	*0*	*0*	*1,326*	*1,326*
of which: Investment fund units	*320*	*217*	*192*	*729*	*321*	*190*	*210*	*720*	*307*	*178*	*190*	*675*
of which: Equity instruments	*24*	*0*	*990*	*1,014*	*29*	*0*	*990*	*1,020*	*57*	*0*	*792*	*849*
Financial assets measured at fair value through other comprehensive income on a recurring basis												
Financial assets measured at fair value through other comprehensive income	64	2,149	0	2,213	65	2,152	0	2,217	57	2,182	0	2,239
of which: Commercial paper and certificates of deposit	*0*	*1,927*	*0*	*1,927*	*0*	*1,926*	*0*	*1,926*	*0*	*1,878*	*0*	*1,878*
of which: Corporate and municipal bonds	*64*	*193*	*0*	*257*	*65*	*217*	*0*	*282*	*57*	*278*	*0*	*335*
Non-financial assets measured at fair value on a recurring basis												
Precious metals and other physical commodities	4,312	0	0	4,312	4,426	0	0	4,426	4,471	0	0	4,471
Non-financial assets measured at fair value on a non-recurring basis												
Other non-financial assets[2]	0	0	14	14	0	0	16	16	0	0	21	21
Total assets measured at fair value	136,988	201,873	7,428	346,289	141,663	187,505	6,701	335,870	128,132	207,028	6,698	341,858

Note 8 Fair value measurement (continued)

Determination of fair values from quoted market prices or valuation techniques (continued)[1]

	30.9.23				30.6.23				31.12.22			
USD m	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value on a recurring basis												
Financial liabilities at fair value held for trading	26,219	5,673	98	31,990	29,147	6,330	139	35,616	23,578	5,823	114	29,515
of which: Equity instruments	*17,323*	*247*	*74*	*17,643*	*20,572*	*303*	*73*	*20,947*	*16,521*	*352*	*78*	*16,951*
of which: Corporate and municipal bonds	*33*	*4,671*	*19*	*4,724*	*31*	*5,217*	*61*	*5,308*	*36*	*4,643*	*27*	*4,707*
of which: Government bills / bonds	*7,875*	*638*	*0*	*8,512*	*7,487*	*737*	*0*	*8,224*	*5,880*	*706*	*1*	*6,587*
of which: Investment fund units	*989*	*73*	*3*	*1,064*	*1,057*	*45*	*3*	*1,106*	*1,141*	*84*	*3*	*1,229*
Derivative financial instruments	1,097	130,503	1,778	133,377	974	124,250	2,144	127,367	640	152,582	1,684	154,906
of which: Foreign exchange	*709*	*64,561*	*16*	*65,287*	*565*	*59,112*	*40*	*59,718*	*587*	*87,897*	*24*	*88,508*
of which: Interest rate	*0*	*39,770*	*146*	*39,916*	*0*	*37,861*	*133*	*37,994*	*0*	*37,429*	*116*	*37,545*
of which: Equity / index	*0*	*23,364*	*1,328*	*24,692*	*0*	*24,398*	*1,665*	*26,064*	*0*	*24,963*	*1,184*	*26,148*
of which: Credit	*0*	*1,125*	*249*	*1,375*	*0*	*1,267*	*260*	*1,527*	*0*	*920*	*279*	*1,199*
of which: Commodities	*0*	*1,511*	*18*	*1,529*	*0*	*1,511*	*30*	*1,541*	*0*	*1,309*	*52*	*1,361*
Financial liabilities designated at fair value on a recurring basis												
Brokerage payables designated at fair value	0	40,982	0	40,982	0	43,357	0	43,357	0	45,085	0	45,085
Debt issued designated at fair value	0	73,787	9,814	83,601	0	68,909	9,832	78,741	0	62,603	9,240	71,842
Other financial liabilities designated at fair value	0	27,949	2,062	30,011	0	29,204	2,221	31,425	0	30,055	1,978	32,033
of which: Financial liabilities related to unit-linked investment contracts	*0*	*14,109*	*0*	*14,109*	*0*	*15,055*	*0*	*15,055*	*0*	*13,221*	*0*	*13,221*
of which: Securities financing transactions	*0*	*11,433*	*1*	*11,434*	*0*	*11,344*	*0*	*11,344*	*0*	*15,333*	*0*	*15,333*
of which: Funding from UBS Group AG	*0*	*943*	*1,248*	*2,191*	*0*	*979*	*1,320*	*2,299*	*0*	*508*	*1,287*	*1,796*
of which: Over-the-counter debt instruments and others	*0*	*1,463*	*814*	*2,277*	*0*	*1,826*	*901*	*2,727*	*0*	*993*	*691*	*1,684*
Total liabilities measured at fair value	27,317	278,893	13,752	319,962	30,121	272,049	14,336	316,506	24,219	296,148	13,015	333,382

1 Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are not included in this table. The fair value of these derivatives was not material for the periods presented.
2 Other non-financial assets primarily consist of properties and other non-current assets held for sale, which are measured at the lower of their net carrying amount or fair value less costs to sell.

b) Valuation adjustments

The table below summarizes the changes in deferred day-1 profit or loss reserves during the relevant period.

Deferred day-1 profit or loss is generally released into *Other net income from financial instruments measured at fair value through profit or loss* when the pricing of equivalent products or the underlying parameters become observable or when the transaction is closed out.

Deferred day-1 profit or loss reserves

	For the quarter ended			Year-to-date	
USD m	30.9.23	30.6.23	30.9.22	30.9.23	30.9.22
Reserve balance at the beginning of the period	396	399	451	422	418
Profit / (loss) deferred on new transactions	34	71	84	196	245
(Profit) / loss recognized in the income statement	(39)	(75)	(108)	(227)	(235)
Foreign currency translation	(1)	(1)	(1)	(1)	(2)
Reserve balance at the end of the period	390	396	426	390	426

The table below summarizes other valuation adjustment reserves recognized on the balance sheet.

Other valuation adjustment reserves on the balance sheet

	As of		
USD m	30.9.23	30.6.23	31.12.22
Own credit adjustments on financial liabilities designated at fair value	92	405	556
of which: debt issued designated at fair value	*21*	*115*	*289*
of which: other financial liabilities designated at fair value	*72*	*290*	*266*
Credit valuation adjustments[1]	(30)	(34)	(33)
Funding and debit valuation adjustments	(74)	(98)	(46)
Other valuation adjustments	(714)	(726)	(839)
of which: liquidity	*(272)*	*(275)*	*(311)*
of which: model uncertainty	*(442)*	*(451)*	*(529)*

1 Amount does not include reserves against defaulted counterparties.

c) Level 3 instruments: valuation techniques and inputs

The table below presents material Level 3 assets and liabilities, together with the valuation techniques used to measure fair value, as well as the inputs used in a given valuation technique that are considered significant as of 30 September 2023 and unobservable, and a range of values for those unobservable inputs.

The range of values represents the highest- and lowest-level inputs used in the valuation techniques. Therefore, the range does not reflect the level of uncertainty regarding a particular input or an assessment of the reasonableness of UBS AG's estimates and assumptions, but rather the different underlying characteristics of the relevant assets and liabilities held by UBS AG.

The significant unobservable inputs disclosed in the table below are consistent with those included in "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the Annual Report 2022.

Valuation techniques and inputs used in the fair value measurement of Level 3 assets and liabilities

	Fair value						Range of inputs						
	Assets		Liabilities				30.9.23			31.12.22			
USD bn	30.9.23	31.12.22	30.9.23	31.12.22	Valuation technique(s)	Significant unobservable input(s)[1]	low	high	weighted average[2]	low	high	weighted average[2]	unit[1]
Financial assets and liabilities at fair value held for trading and Financial assets at fair value not held for trading													
Corporate and municipal bonds	*0.9*	*0.8*	*0.0*	*0.0*	Relative value to market comparable	Bond price equivalent	4	99	72	14	112	85	points
					Discounted expected cash flows	Discount margin	374	374		412	412		basis points
Traded loans, loans measured at fair value, loan commitments and guarantees	*2.3*	*1.7*	*0.0*	*0.0*	Relative value to market comparable	Loan price equivalent	6	100	99	30	100	97	points
					Discounted expected cash flows	Credit spread	200	275	252	200	200	200	basis points
					Market comparable and securitization model	Credit spread	152	1,763	326	145	1,350	322	basis points
Auction rate securities	*1.2*	*1.3*			Discounted expected cash flows	Credit spread	135	208	150	115	196	144	basis points
Investment fund units[3]	*0.2*	*0.3*	*0.0*	*0.0*	Relative value to market comparable	Net asset value							
Equity instruments[3]	*1.1*	*0.9*	*0.1*	*0.1*	Relative value to market comparable	Price							
Debt issued designated at fair value[4]			9.8	9.2									
Other financial liabilities designated at fair value			2.1	2.0	Discounted expected cash flows	Funding spread	25	175		23	175		basis points
Derivative financial instruments													
Interest rate	*0.6*	*0.5*	*0.1*	*0.1*	Option model	Volatility of interest rates	80	124		75	143		basis points
Credit	*0.4*	*0.3*	*0.2*	*0.3*	Discounted expected cash flows	Credit spreads	9	189		9	565		basis points
						Bond price equivalent	3	223		3	277		points
Equity / index	*0.5*	*0.7*	*1.3*	*1.2*	Option model	Equity dividend yields	0	9		0	20		%
						Volatility of equity stocks, equity and other indices	4	125		4	120		%
						Equity-to-FX correlation	(40)	70		(29)	84		%
						Equity-to-equity correlation	(25)	100		(25)	100		%

1 The ranges of significant unobservable inputs are represented in points, percentages and basis points. Points are a percentage of par (e.g., 100 points would be 100% of par). 2 Weighted averages are provided for most non-derivative financial instruments and were calculated by weighting inputs based on the fair values of the respective instruments. Weighted averages are not provided for inputs related to Other financial liabilities designated at fair value and Derivative financial instruments, as this would not be meaningful. 3 The range of inputs is not disclosed, as there is a dispersion of values given the diverse nature of the investments. 4 Debt issued designated at fair value primarily consists of UBS AG structured notes, which include variable maturity notes with various equity and foreign exchange underlying risks, as well as rates-linked and credit-linked notes, all of which have embedded derivative parameters that are considered to be unobservable. The equivalent derivative instrument parameters are presented in the respective derivative financial instruments lines in this table.

d) Level 3 instruments: sensitivity to changes in unobservable input assumptions

The table below summarizes those financial assets and liabilities classified as Level 3 for which a change in one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, and the estimated effect thereof.

The sensitivity data shown below presents an estimation of valuation uncertainty based on reasonably possible alternative values for Level 3 inputs at the balance sheet date and does not represent the estimated effect of stress scenarios. Typically, these financial assets and liabilities are sensitive to a combination of inputs from Levels 1–3. Although well-defined interdependencies may exist between Level 1 / 2 parameters and Level 3 parameters (e.g., between interest rates, which are generally Level 1 or Level 2, and prepayments, which are generally Level 3), these have not been incorporated in the table. Furthermore, direct interrelationships between the Level 3 parameters are not a significant element of the valuation uncertainty.

Sensitivity of fair value measurements to changes in unobservable input assumptions[1]

	30.9.23		30.6.23		31.12.22	
USD m	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Traded loans, loans measured at fair value, loan commitments and guarantees	8	(10)	12	(6)	19	(12)
Securities financing transactions	25	(24)	27	(18)	33	(37)
Auction rate securities	66	(22)	44	(44)	46	(46)
Asset-backed securities	25	(24)	29	(28)	27	(27)
Equity instruments	185	(160)	193	(169)	183	(161)
Interest rate derivatives, net	13	(12)	5	(18)	18	(12)
Credit derivatives, net	2	(6)	4	(3)	3	(4)
Foreign exchange derivatives, net	4	(3)	6	(6)	10	(5)
Equity / index derivatives, net	279	(246)	350	(318)	361	(330)
Other	62	(59)	60	(56)	39	(62)
Total	669	(567)	730	(666)	738	(696)

1 Sensitivity of issued and over-the-counter debt instruments is reported with the equivalent derivative or Other.

e) Level 3 instruments: movements during the period

The table below presents additional information about material Level 3 assets and liabilities measured at fair value on a recurring basis. Level 3 assets and liabilities may be hedged with instruments classified as Level 1 or Level 2 in the fair value hierarchy and, as a result, realized and unrealized gains and losses included in the table may not include the effect of related hedging activity. Furthermore, the realized and unrealized gains and losses presented in the table are not limited solely to those arising from Level 3 inputs, as valuations are generally derived from both observable and unobservable parameters.

Assets and liabilities transferred into or out of Level 3 are presented as if those assets or liabilities had been transferred at the beginning of the year.

Note 8 Fair value measurement (continued)

Movements of Level 3 instruments

USD bn	Balance at the beginning of the period	Net gains / losses included in comprehensive income[1]	*of which: related to instruments held at the end of the period*	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Foreign currency translation	Balance at the end of the period
For the nine months ended 30 September 2023[2]											
Financial assets at fair value held for trading	1.5	(0.0)	*(0.1)*	0.4	(0.7)	1.0	0.0	0.1	(0.3)	(0.0)	2.0
of which: Investment fund units	*0.1*	*(0.0)*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.0*
of which: Corporate and municipal bonds	*0.5*	*(0.0)*	*(0.0)*	*0.4*	*(0.2)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.7*
of which: Loans	*0.6*	*0.0*	*(0.0)*	*0.0*	*(0.4)*	*1.0*	*0.0*	*0.0*	*(0.2)*	*(0.0)*	*1.1*
Derivative financial instruments – assets	1.5	(0.1)	*(0.0)*	0.0	(0.0)	0.5	(0.3)	0.1	(0.2)	0.0	1.5
of which: Interest rate	*0.5*	*0.1*	*0.1*	*0.0*	*0.0*	*0.1*	*(0.0)*	*0.0*	*(0.0)*	*(0.0)*	*0.6*
of which: Equity / index	*0.7*	*(0.1)*	*(0.0)*	*0.0*	*0.0*	*0.3*	*(0.2)*	*0.0*	*(0.2)*	*(0.0)*	*0.5*
of which: Credit	*0.3*	*(0.1)*	*(0.1)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.1*	*(0.0)*	*0.0*	*0.4*
Financial assets at fair value not held for trading	3.7	0.3	*0.3*	0.6	(0.6)	0.0	(0.0)	0.1	(0.1)	0.0	4.0
of which: Loans	*0.7*	*0.3*	*0.3*	*0.2*	*(0.0)*	*0.0*	*(0.0)*	*0.1*	*(0.1)*	*(0.0)*	*1.1*
of which: Auction rate securities	*1.3*	*0.0*	*0.0*	*0.0*	*(0.1)*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*1.2*
of which: Equity instruments	*0.8*	*0.0*	*(0.0)*	*0.4*	*(0.2)*	*0.0*	*0.0*	*0.0*	*0.0*	*(0.0)*	*1.0*
Derivative financial instruments – liabilities	1.7	(0.1)	*(0.1)*	0.0	(0.0)	1.1	(0.4)	0.1	(0.5)	(0.0)	1.8
of which: Interest rate	*0.1*	*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*(0.1)*	*0.0*	*(0.0)*	*(0.0)*	*0.1*
of which: Equity / index	*1.2*	*(0.1)*	*(0.1)*	*0.0*	*0.0*	*0.6*	*(0.3)*	*0.0*	*(0.1)*	*(0.0)*	*1.3*
of which: Credit	*0.3*	*(0.0)*	*(0.0)*	*0.0*	*0.0*	*0.3*	*0.0*	*0.0*	*(0.3)*	*(0.0)*	*0.2*
Debt issued designated at fair value	9.2	0.1	*0.0*	0.0	0.0	4.5	(2.9)	0.4	(1.5)	(0.1)	9.8
Other financial liabilities designated at fair value	2.0	(0.0)	*(0.0)*	0.0	0.0	0.1	(0.1)	0.0	(0.0)	(0.0)	2.1
For the nine months ended 30 September 2022											
Financial assets at fair value held for trading	2.3	(0.2)	*(0.2)*	0.3	(1.4)	0.3	0.0	0.3	(0.3)	(0.0)	1.3
of which: Investment fund units	*0.0*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*0.0*	*0.1*	*(0.0)*	*(0.0)*	*0.1*
of which: Corporate and municipal bonds	*0.6*	*(0.0)*	*(0.0)*	*0.2*	*(0.2)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.5*
of which: Loans	*1.4*	*(0.1)*	*(0.1)*	*0.0*	*(1.1)*	*0.3*	*0.0*	*0.0*	*(0.2)*	*(0.0)*	*0.5*
Derivative financial instruments – assets	1.1	0.8	*0.5*	0.0	0.0	0.6	(0.7)	0.1	(0.1)	(0.1)	1.7
of which: Interest rate	*0.5*	*0.2*	*0.2*	*0.0*	*0.0*	*0.0*	*(0.1)*	*0.1*	*(0.1)*	*(0.1)*	*0.5*
of which: Equity / index	*0.4*	*0.4*	*0.3*	*0.0*	*0.0*	*0.2*	*(0.3)*	*0.0*	*(0.0)*	*(0.0)*	*0.7*
of which: Credit	*0.2*	*0.1*	*(0.1)*	*0.0*	*0.0*	*0.2*	*(0.2)*	*0.0*	*0.0*	*0.0*	*0.4*
Financial assets at fair value not held for trading	4.2	0.1	*0.1*	0.6	(0.8)	0.1	(0.0)	0.1	(0.3)	(0.1)	3.9
of which: Loans	*0.9*	*(0.0)*	*(0.1)*	*0.4*	*(0.4)*	*0.1*	*0.0*	*0.0*	*(0.3)*	*(0.0)*	*0.7*
of which: Auction rate securities	*1.6*	*0.1*	*0.1*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*1.7*
of which: Equity instruments	*0.7*	*0.0*	*0.0*	*0.1*	*(0.1)*	*0.0*	*0.0*	*0.1*	*0.0*	*(0.0)*	*0.8*
Derivative financial instruments – liabilities	2.2	(0.8)	*(0.6)*	0.0	0.0	1.3	(0.8)	0.1	(0.2)	(0.2)	1.7
of which: Interest rate	*0.3*	*(0.2)*	*(0.1)*	*0.0*	*0.0*	*0.1*	*(0.0)*	*0.0*	*0.0*	*(0.1)*	*0.1*
of which: Equity / index	*1.5*	*(0.5)*	*(0.5)*	*0.0*	*0.0*	*1.0*	*(0.7)*	*0.0*	*(0.2)*	*(0.1)*	*1.2*
of which: Credit	*0.3*	*(0.1)*	*(0.1)*	*0.0*	*0.0*	*0.1*	*(0.0)*	*0.1*	*(0.0)*	*(0.0)*	*0.3*
Debt issued designated at fair value	11.9	(1.7)	*(1.4)*	0.0	0.0	4.4	(3.0)	0.5	(2.8)	(0.5)	8.6
Other financial liabilities designated at fair value	3.2	(1.0)	*(1.0)*	0.0	0.0	0.2	(0.3)	0.1	(0.2)	(0.1)	1.9

1 Net gains / losses included in comprehensive income are recognized in Net interest income and Other net income from financial instruments measured at fair value through profit or loss in the Income statement, and also in Gains / (losses) from own credit on financial liabilities designated at fair value, before tax in the Statement of comprehensive income. 2 Total Level 3 assets as of 30 September 2023 were USD 7.4bn (31 December 2022: USD 6.7bn). Total Level 3 liabilities as of 30 September 2023 were USD 13.8bn (31 December 2022: USD 13.0bn).

f) Financial instruments not measured at fair value

The table below reflects the estimated fair values of financial instruments not measured at fair value. Valuation principles applied when determining fair value estimates for financial instruments not measured at fair value are consistent with those described in "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the Annual Report 2022.

Financial instruments not measured at fair value

	30.9.23		30.6.23		31.12.22	
USD bn	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Cash and balances at central banks	161.7	161.7	159.4	159.4	169.4	169.4
Loans and advances to banks	20.2	20.1	21.4	21.4	14.7	14.6
Receivables from securities financing transactions measured at amortized cost	61.3	61.3	62.0	62.0	67.8	67.8
Cash collateral receivables on derivative instruments	36.3	36.3	35.1	35.1	35.0	35.0
Loans and advances to customers	386.3	374.0	397.6	385.1	390.0	377.7
Other financial assets measured at amortized cost	52.9	52.3	52.2	51.8	53.4	51.0
Liabilities						
Amounts due to banks	16.2	16.2	16.3	16.3	11.6	11.6
Payables from securities financing transactions measured at amortized cost	6.2	6.2	12.3	12.3	4.2	4.2
Cash collateral payables on derivative instruments	32.4	32.4	31.4	31.4	36.4	36.4
Customer deposits	521.5	521.6	521.7	521.4	527.2	526.9
Funding from UBS Group AG measured at amortized cost	63.4	63.1	61.4	60.3	56.1	55.7
Debt issued measured at amortized cost	65.3	64.9	62.6	62.0	59.5	58.9
Other financial liabilities measured at amortized cost[1]	8.1	8.1	8.6	8.6	7.2	7.2

1 Excludes lease liabilities.

Note 9 Derivative instruments

a) Derivative instruments

As of 30.9.23, USD bn	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities[1]	Other notional values[2]
Derivative financial instruments				
Interest rate	41.3	39.9	2,455	14,319
Credit derivatives	1.3	1.4	99	
Foreign exchange	68.0	65.3	6,437	106
Equity / index	22.3	24.7	1,046	80
Commodities	1.6	1.5	139	16
Other[3]	0.5	0.6	121	
Total derivative financial instruments, based on IFRS netting[4]	135.0	133.4	10,297	14,521
Further netting potential not recognized on the balance sheet[5]	(121.9)	(124.0)		
of which: netting of recognized financial liabilities / assets	*(99.0)*	*(99.0)*		
of which: netting with collateral received / pledged	*(23.0)*	*(25.0)*		
Total derivative financial instruments, after consideration of further netting potential	13.1	9.3		

As of 30.6.23, USD bn	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities[1]	Other notional values[2]
Derivative financial instruments				
Interest rate	39.5	38.0	2,356	15,180
Credit derivatives	1.4	1.5	90	
Foreign exchange	58.9	59.7	6,636	78
Equity / index	22.4	26.1	1,001	77
Commodities	1.4	1.5	141	16
Other[3]	0.5	0.5	121	
Total derivative financial instruments, based on IFRS netting[4]	124.0	127.4	10,345	15,351
Further netting potential not recognized on the balance sheet[5]	(114.0)	(116.0)		
of which: netting of recognized financial liabilities / assets	*(92.8)*	*(92.8)*		
of which: netting with collateral received / pledged	*(21.2)*	*(23.2)*		
Total derivative financial instruments, after consideration of further netting potential	10.1	11.4		

As of 31.12.22, USD bn	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities[1]	Other notional values[2]
Derivative financial instruments				
Interest rate	39.8	37.5	2,080	11,255
Credit derivatives	1.0	1.2	74	
Foreign exchange	85.5	88.5	6,080	40
Equity / index	22.2	26.1	886	63
Commodities	1.4	1.4	132	18
Other[3]	0.2	0.1	50	
Total derivative financial instruments, based on IFRS netting[4]	150.1	154.9	9,302	11,376
Further netting potential not recognized on the balance sheet[5]	(139.4)	(137.1)		
of which: netting of recognized financial liabilities / assets	*(110.9)*	*(110.9)*		
of which: netting with collateral received / pledged	*(28.5)*	*(26.2)*		
Total derivative financial instruments, after consideration of further netting potential	10.7	17.8		

1 In cases where derivative financial instruments are presented on a net basis on the balance sheet, the respective notional values of the netted derivative financial instruments are still presented on a gross basis. Notional amounts of client-cleared ETD and OTC transactions through central clearing counterparties are not disclosed, as they have a significantly different risk profile. 2 Other notional values relate to derivatives that are cleared through either a central counterparty or an exchange. The fair value of these derivatives is presented on the balance sheet net of the corresponding cash margin under Cash collateral receivables on derivative instruments and Cash collateral payables on derivative instruments and was not material for all periods presented. 3 Includes mainly Loan commitments measured at FVTPL, as well as unsettled purchases and sales of non-derivative financial instruments, for which the changes in the fair value between trade date and settlement date are recognized as derivative financial instruments. 4 Financial assets and liabilities are presented net on the balance sheet if UBS AG has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS AG or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. 5 Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 21 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the Annual Report 2022 for more information.

Note 9 Derivative instruments (continued)

b) Cash collateral on derivative instruments

USD bn	Receivables 30.9.23	Payables 30.9.23	Receivables 30.6.23	Payables 30.6.23	Receivables 31.12.22	Payables 31.12.22
Cash collateral on derivative instruments, based on IFRS netting[1]	36.3	32.4	35.1	31.4	35.0	36.4
Further netting potential not recognized on the balance sheet[2]	(23.1)	(19.6)	(22.9)	(18.8)	(22.9)	(21.9)
of which: netting of recognized financial liabilities / assets	*(20.6)*	*(16.7)*	*(20.3)*	*(16.1)*	*(20.9)*	*(20.0)*
of which: netting with collateral received / pledged	*(2.5)*	*(2.9)*	*(2.6)*	*(2.6)*	*(1.9)*	*(1.9)*
Cash collateral on derivative instruments, after consideration of further netting potential	13.2	12.9	12.1	12.7	12.1	14.5

1 Financial assets and liabilities are presented net on the balance sheet if UBS AG has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS AG or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. 2 Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 21 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the Annual Report 2022 for more information.

Note 10 Other assets and liabilities

a) Other financial assets measured at amortized cost

USD m	30.9.23	30.6.23	31.12.22
Debt securities	42,468	41,521	44,594
Loans to financial advisors	2,582	2,588	2,611
Fee- and commission-related receivables	1,726	1,822	1,803
Finance lease receivables	1,344	1,376	1,314
Settlement and clearing accounts	333	395	1,174
Accrued interest income	1,652	1,430	1,276
Other	2,819	3,048	618
Total other financial assets measured at amortized cost	52,923	52,180	53,389

b) Other non-financial assets

USD m	30.9.23	30.6.23	31.12.22
Precious metals and other physical commodities	4,312	4,426	4,471
Deposits and collateral provided in connection with litigation, regulatory and similar matters[1]	2,186	2,250	2,205
Prepaid expenses	1,021	1,019	709
VAT, withholding tax and other tax receivables	713	707	1,405
Properties and other non-current assets held for sale	87	111	279
Other	704	741	583
Total other non-financial assets	9,024	9,254	9,652

1 Refer to Note 15 for more information.

c) Other financial liabilities measured at amortized cost

USD m	30.9.23	30.6.23	31.12.22
Other accrued expenses	1,473	1,543	1,564
Accrued interest expenses	3,010	2,577	2,008
Settlement and clearing accounts	1,435	1,499	1,060
Lease liabilities	2,967	3,105	3,211
Other	2,229	2,948	2,549
Total other financial liabilities measured at amortized cost	11,114	11,673	10,391

d) Other financial liabilities designated at fair value

USD m	30.9.23	30.6.23	31.12.22
Financial liabilities related to unit-linked investment contracts	14,109	15,055	13,221
Securities financing transactions	11,434	11,344	15,333
Over-the-counter debt instruments and other	2,277	2,727	1,684
Funding from UBS Group AG	2,191	2,299	1,796
Total other financial liabilities designated at fair value	30,011	31,425	32,033

Note 10 Other assets and liabilities (continued)

e) Other non-financial liabilities

USD m	30.9.23	30.6.23	31.12.22
Compensation-related liabilities	3,808	3,248	4,424
of which: net defined benefit liability	*425*	*455*	*449*
Current tax liabilities	975	991	1,044
Deferred tax liabilities	179	212	233
VAT, withholding tax and other tax payables	517	514	472
Deferred income	282	280	233
Other	31	86	84
Total other non-financial liabilities	5,791	5,330	6,489

Note 11 Funding from UBS Group AG measured at amortized cost

USD m	30.9.23	30.6.23	31.12.22
Senior unsecured debt that contributes to total loss-absorbing capacity (TLAC)	50,612	48,546	42,073
Senior unsecured debt other than TLAC	1,141	1,180	236
Subordinated debt	11,660	11,719	13,838
of which: eligible as high-trigger loss-absorbing additional tier 1 capital instruments	*10,466*	*10,528*	*10,654*
of which: eligible as low-trigger loss-absorbing additional tier 1 capital instruments	*1,194*	*1,189*	*1,187*
Total funding from UBS Group AG measured at amortized cost[1]	63,412	61,445	56,147

1 UBS AG has also recognized funding from UBS Group AG that is designated at fair value. Refer to Note 10d for more information.

Note 12 Debt issued designated at fair value

USD m	30.9.23	30.6.23	31.12.22
Issued debt instruments			
Equity-linked[1]	45,888	45,475	41,901
Rates-linked and fixed-rate	28,827	24,323	22,814
Credit-linked	4,360	4,230	2,170
Commodity-linked	3,924	3,979	4,294
Other	603	734	663
Total debt issued designated at fair value	83,601	78,741	71,842

1 Includes investment fund unit-linked instruments issued.

Note 13 Debt issued measured at amortized cost

USD m	30.9.23	30.6.23	31.12.22
Short-term debt[1]	36,353	35,590	29,676
Senior unsecured debt	16,921	14,920	17,892
Subordinated debt	2,988	2,976	2,968
of which: eligible as low-trigger loss-absorbing tier 2 capital instruments	*0*	*0*	*2,422*
of which: eligible as non-Basel III-compliant tier 2 capital instruments	*536*	*539*	*536*
Debt issued through the Swiss central mortgage institutions	9,022	9,076	8,962
Long-term debt[2]	28,932	26,971	29,823
Total debt issued measured at amortized cost[3]	65,285	62,561	59,499

1 Debt with an original contractual maturity of less than one year, includes mainly certificates of deposit and commercial paper. 2 Debt with an original contractual maturity greater than or equal to one year. The classification of debt issued into short-term and long-term does not consider any early redemption features. 3 Net of bifurcated embedded derivatives, the fair value of which was not material for the periods presented.

Note 14 Interest rate benchmark reform

During 2023, UBS AG has largely completed the transition of the remaining USD London Interbank Offered Rate (LIBOR) contracts.

UBS AG has approximately USD 3bn equivalent of yen- and US dollar-denominated funding from UBS Group AG that, per current contractual terms, if not called on their respective call dates, would reset based directly on JPY LIBOR and USD LIBOR. In October 2023, notification was made that approximately USD 1bn of these instruments would be redeemed in November 2023. In addition, several contracts providing funding from UBS Group AG reference rates indirectly derived from IBORs, if they are not called on their respective call dates. These contracts have robust IBOR fallback language and the confirmation of interest rate calculation mechanics will be communicated in advance of any rate resets.

Note 15 Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions.

USD m	30.9.23	30.6.23	31.12.22
Provisions other than provisions for expected credit losses	2,142	3,641	2,982
Provisions for expected credit losses[1]	176	175	201
Total provisions	2,318	3,817	3,183

1 Refer to Note 7c for more information.

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

USD m	Litigation, regulatory and similar matters[1]	Other[2]	Total
Balance as of 31 December 2022	2,586	396	2,982
Balance as of 30 June 2023	3,289	353	3,641
Increase in provisions recognized in the income statement	19	88	107
Release of provisions recognized in the income statement	(11)	(6)	(16)
Provisions used in conformity with designated purpose	(1,518)	(21)	(1,539)
Foreign currency translation and other movements[3]	(45)	(7)	(51)
Balance as of 30 September 2023	1,735	407	2,142

1 Consists of provisions for losses resulting from legal, liability and compliance risks. 2 Mainly includes restructuring provisions and provisions related to real estate, employee benefits and operational risks. 3 Other movements include capitalized reinstatement costs and unwinding of discount.

Information about provisions and contingent liabilities in respect of litigation, regulatory and similar matters, as a class, is included in Note 15b. There are no material contingent liabilities associated with the other classes of provisions.

b) Litigation, regulatory and similar matters

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

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 to UBS due to potential financial, reputational and other effects. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

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

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

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in the "Provisions" table in Note 15a above. It is not practicable to provide an aggregate estimate of liability for our litigation, regulatory and similar matters as a class of contingent liabilities. Doing so would require UBS to provide speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, that have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Although UBS therefore cannot provide a numerical estimate of the future losses that could arise from litigation, regulatory and similar matters, UBS believes that the aggregate amount of possible future losses from this class that are more than remote substantially exceeds the level of current provisions.

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

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

Provisions for litigation, regulatory and similar matters by business division and in Group Items[1]

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy[2]	Group Items[2]	Total
Balance as of 31 December 2022	1,182	159	8	308	770	158	2,586
Balance as of 30 June 2023	1,196	162	8	327	1,435	160	3,289
Increase in provisions recognized in the income statement	19	0	0	0	0	0	19
Release of provisions recognized in the income statement	(2)	(9)	0	0	0	0	(11)
Provisions used in conformity with designated purpose	(26)	0	0	(56)	(1,435)	0	(1,518)
Foreign currency translation and other movements	(38)	(5)	0	(5)	4	(1)	(45)
Balance as of 30 September 2023	1,149	149	8	265	4	159	1,735

1 Provisions, if any, for the matters described in item 3 of this Note are recorded in Global Wealth Management, and provisions, if any, for the matters described in item 2 are recorded in Non-core and Legacy. Provisions, if any, for the matters described in items 1 and 5 of this Note are allocated between Global Wealth Management and Personal & Corporate Banking, and provisions, if any, for the matters described in item 4 are allocated between the Investment Bank and Group Items. 2 Starting with the third quarter of 2023, Non-core and Legacy represents a separate reportable segment and Group Functions has been renamed Group Items. Prior periods have been revised to reflect these changes.

1. Inquiries regarding cross-border wealth management businesses

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

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

In 2019, the court of first instance returned a verdict finding UBS AG guilty of unlawful solicitation of clients on French territory and aggravated laundering of the proceeds of tax fraud, and UBS (France) S.A. guilty of aiding and abetting unlawful solicitation and of laundering the proceeds of tax fraud. The court imposed fines aggregating EUR 3.7bn on UBS AG and UBS (France) S.A. and awarded EUR 800m of civil damages to the French state. A trial in the French Court of Appeal took place in March 2021. In December 2021, the Court of Appeal found UBS AG guilty of unlawful solicitation and aggravated laundering of the proceeds of tax fraud. The court ordered a fine of EUR 3.75m, the confiscation of EUR 1bn, and awarded civil damages to the French state of EUR 800m. UBS appealed the decision to the French Supreme Court. On 27 September 2023, the Supreme Court held a hearing on UBS's appeal. At the conclusion of the hearing the court stated that it will communicate its decision on 15 November 2023. The fine and confiscation imposed by the Court of Appeal are suspended during the appeal. The civil damages award has been paid to the French state (EUR 99m of which was deducted from the bail), subject to the result of UBS's appeal.

Our balance sheet at 30 September 2023 reflected provisions with respect to this matter in an amount of EUR 1.1bn (USD 1.2bn). The wide range of possible outcomes in this case contributes to a high degree of estimation uncertainty and the provision reflects our best estimate of possible financial implications, although actual penalties and civil damages could exceed (or may be less than) the provision amount.

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

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

In 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 in 2019. Later in 2019, the district court denied UBS's motion to dismiss. In August 2023, UBS reached a settlement with the DOJ, under which UBS paid USD 1.435bn to resolve all civil claims by the DOJ.

3. Madoff

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

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

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

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

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

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

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

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 2022, the court denied plaintiffs' motion for class certification. In March 2023, the court granted defendants' summary judgment motion, dismissing the case. Plaintiffs have appealed.

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

LIBOR and other benchmark-related civil litigation: A number of putative class actions and other actions are pending in the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending in the US and in other jurisdictions are a number of other actions asserting losses related to various products whose interest rates were linked to LIBOR and other benchmarks, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. The complaints allege manipulation, through various means, of certain benchmark interest rates, including USD LIBOR, Euroyen TIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, GBP LIBOR 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, Commodity Exchange Act claims, and state common law claims, and again dismissed the antitrust claims in 2016 following an appeal. In 2021, the Second Circuit affirmed the district court's dismissal in part and reversed in part and remanded to the district court for further proceedings. The Second Circuit, among other things, held that there was personal jurisdiction over UBS and other foreign defendants. Separately, in 2018, the Second Circuit reversed in part the district court's 2015 decision dismissing certain individual plaintiffs' claims and certain of these actions are now proceeding. In 2018, the district court denied plaintiffs' motions for class certification in the USD class actions for claims pending against UBS, and plaintiffs sought permission to appeal that ruling to the Second Circuit. The Second Circuit denied the petition to appeal. In 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. In September 2022, the court granted defendants' motion to dismiss the complaint in its entirety, while allowing plaintiffs the opportunity to file an amended complaint. Plaintiffs filed an amended complaint in October 2022, and defendants have moved to dismiss the amended complaint. In October 2023, the court dismissed the amended complaint with prejudice.

Other benchmark class actions in the US:
Yen LIBOR / Euroyen TIBOR – In 2017, the court dismissed one Yen LIBOR / Euroyen TIBOR action in its entirety on standing grounds. In 2020, the appeals court reversed the dismissal and, subsequently, plaintiffs in that action filed an amended complaint focused on Yen LIBOR. In 2022, the court granted UBS's motion for reconsideration and dismissed the case against UBS. The dismissal of the case against UBS could be appealed following the disposition of the case against the remaining defendant in the district court.

CHF LIBOR – In 2017, the court dismissed the CHF LIBOR action on standing grounds and failure to state a claim. Plaintiffs filed an amended complaint, and the court granted a renewed motion to dismiss in 2019. Plaintiffs appealed. In 2021, the Second Circuit granted the parties' joint motion to vacate the dismissal and remand the case for further proceedings. Plaintiffs filed a third amended complaint in November 2022 and defendants moved to dismiss the amended complaint in January 2023.

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

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

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

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

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, our balance sheet at 30 September 2023 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

5. Swiss retrocessions

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

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

Our balance sheet at 30 September 2023 reflected a provision with respect to matters described in this item 5 in an amount that UBS believes to be appropriate under the applicable accounting standard. The ultimate exposure will depend on client requests and the resolution thereof, factors that are difficult to predict and assess. Hence, as in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

APPENDIX IV

REPRODUCTION OF THE MEDIA RELEASE RELATING TO UBS AG AND CREDIT SUISSE AG ENTERING INTO DEFINITIVE MERGER AGREEMENT

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7 December 2023

News Release

UBS AG and Credit Suisse AG enter into definitive merger agreement

- **The Boards of Directors of UBS Group AG, UBS AG and Credit Suisse AG approved execution of a merger of UBS AG and Credit Suisse AG**
- **Completion of merger expected in 2024, subject to regulatory approvals**

Zurich, 7 December 2023 – Following the merger of the holding companies UBS Group AG and CS Group AG on 12 June 2023, the Board of Directors of UBS Group AG has approved the execution of a merger of UBS AG and Credit Suisse AG. Following approvals from their respective Boards, both entities have entered into a definitive merger agreement. The completion of the merger is subject to regulatory approvals and is expected to happen in 2024. Separately, UBS continues to prepare for the planned merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG also in 2024.

In connection with the planned merger, UBS AG is filing today with the US Securities and Exchange Commission (SEC) a Form 6-K containing unaudited pro forma condensed financial information giving effect to the merger. The pro forma financial information is presented for illustrative purposes only and reflects preliminary estimates and assumptions made by UBS's management. As such, these estimates and assumptions are subject to change. The proforma financial information will be available on the SEC's website at www.sec.gov and at www.ubs.com/investor.

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Notice to investors and cautionary statement regarding forward-looking statements
This document and the information contained herein is provided solely for information purposes and is not to be construed as a solicitation of an offer to buy or sell any securities or other financial instruments in Switzerland, the United States or any other jurisdiction. No investment decision relating to securities of or relating to UBS Group AG, UBS AG, Credit Suisse AG or their affiliates (collectively, "UBS") should be made on the basis of this document.

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This document contains statements that constitute "forward-looking statements, "including but not limited to management's outlook for UBS's financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development and goals or intentions to achieve climate, sustainability and other social objectives. While these forward-looking statements represent UBS's judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. UBS's business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including the Risk Factors filed on Form 6-K with the 2Q23 UBS Group AG report on 31 August 2023. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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