

4 January 2022

# News Release

## Benchmark replacement determination for UBS Group AG CHF Tier 1 capital notes

Zurich/Basel, 4 January 2022 – On 1 November 2021, UBS announced its intention to have an independent adviser determine an alternative benchmark rate that will be at the independent adviser's discretion and in accordance with the specifications provided in the terms and conditions included in the listing prospectus relating to certain Tier 1 capital notes (ISIN: CH0506668869).

The instrument in scope, which is listed on the SIX Swiss Exchange, was issued by UBS Group AG on 13 November 2019 and has an annual fixed interest rate of 3% until the first call date on 13 November 2025, after which, under the current terms, would reset to a rate that would be indirectly based on Swiss franc LIBOR.

UBS Group AG has appointed Conv-Ex Advisors Limited as Independent Adviser. In view of the determinations made by the Investment Adviser, the following amendments were made to the Terms and Conditions as communicated in UBS Group AG's Official Notice dated 4 January 2022:

1. The definition of the term "Adjustment Spread" in Condition 1 (*Definitions*) of the Terms and Conditions was deleted in its entirety and replaced with the following text:

**"Adjustment Spread"** means (i) with respect to the Mid Market Swap Rate, 0.0031 per cent., and (ii) with respect to any Alternative Benchmark Rate determined in accordance with the provisions of clause (c) of Condition 4 (*Interest*) after the Amendment Effective Date, a spread (which may be positive or negative), or a formula or methodology for calculating such a spread, applied to such Alternative Benchmark Rate in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Existing Benchmark Rate with such Alternative Benchmark Rate.

2. Condition 1 (*Definitions*) of the Terms and Conditions was amended by adding the following definition in the appropriate alphabetical order:

**"Amendment Effective Date"** means 4 January 2022.

3. The definition of the term "Mid Market Swap Rate" in Condition 1 (*Definitions*) of the Terms and Conditions was deleted in its entirety and replaced with the following text:

**"Mid Market Swap Rate"** means, in relation to a Reset Interest Period and the Reset Determination Date in relation to such Reset Interest Period:

- a) the sum of (x) the annual-mid rate for Swiss franc swaps with a term of five years and a floating leg based on SARON (Swiss Average Rate Overnight) that appears on the Relevant Page as of the Relevant Time on such Reset Determination Date, and (y) the Adjustment Spread; or

- b) if the rate described in subclause (a)(x) does not appear on the Relevant Page at the Relevant Time on such Reset Determination Date, the sum of (x) the Reset Reference Bank Rate on such Reset Determination Date and (y) the Adjustment Spread.
4. The definition of the term “Mid Market Swap Rate Quotations” in Condition 1 (*Definitions*) of the Terms and Conditions was deleted in its entirety and replaced with the following text:
- “**Mid Market Swap Rate Quotations**” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on an Actual/360 day count basis) of a fixed-for-floating Swiss franc interest rate swap transaction that:
- a) has a term of five years commencing on the relevant Reset Date; and
  - b) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
  - c) has a floating leg based on SARON (Swiss Average Rate Overnight) (calculated on the day count basis customary for floating rate payments in Swiss francs).
5. References to “these Terms and Conditions” in the Terms and Conditions shall refer to the Terms and Conditions as amended by UBS Group AG's Official Notice dated 4 January 2022.

Please refer to the notice to investors published on the Official Notices page of SIX Swiss Exchange for more information. The Official Notices page is accessible here: <https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html>.

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