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# News Release

## **UBS will appeal French court's judgment in cross-border matter**

Zurich/Basel, 20 February 2019 – The French trial court today issued its judgment on the cross-border matter finding UBS AG guilty and UBS (France) SA of illicit solicitation and laundering of the proceeds of tax fraud and assessed a penalty of EUR 3.7 billion and EUR 15 million respectively and civil damages of EUR 800 million.

UBS strongly disagrees with the verdict. The bank has consistently contested any criminal wrongdoing in this case throughout the investigation and during the trial. The conviction is not supported by any concrete evidence, but instead is based on the unfounded allegations of former employees who were not even heard at the trial. No evidence was provided that any French client was solicited on French soil by a UBS AG client advisor to open an account in Switzerland. As no offence in France was established, the decision effectively applies French law in Switzerland. This undermines the sovereignty of Swiss law and poses significant questions of territoriality. The judgement does not depart from preconceived notions, incriminating the bank based on the fact that it offered certain legitimate and standard services under Swiss law that are also common in other jurisdictions.

The verdict also lacks proof and a credible methodology for the calculation of the fine and damages. The charges of laundering the proceeds of tax fraud are without merit, as the predicate offence of an original tax fraud of French tax payers was not proven. UBS respected and followed its obligations under Swiss and French law as well as the European Tax Savings directive, which came into force in 2004.

UBS will appeal the verdict and evaluate whether the written decision requires any additional steps. Under French law, an appeal suspends the judgment of the trial court and leads to a transfer of the case to the Court of Appeals which then retries the case in its entirety.

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