



# Rest assured at UBS Bank USA

## How we safeguard your cash

If you have deposits at UBS Bank USA, you can feel confident that UBS is a safe place to hold your assets. A series of safeguards work together to give you greater peace of mind. UBS Bank USA is a wholly owned indirect subsidiary of the parent company UBS Group AG.

- Security and stability of UBS Bank USA deposits with protection provided by:
  - The Federal Deposit Insurance Corporation (FDIC)
  - The capital strength of UBS Bank USA
  - Fitch credit rating of AA-/F1+, as of September 12, 2022<sup>1</sup>
  - FedFis rating of 1.54 out of five, with one being the best rating, as of December 31, 2022<sup>2</sup>
- 150 years in demonstrated financial strength of our parent company, UBS Group AG, through ever-changing climates
  - Top credit rating among Fitch, Moody's and Standard & Poor's<sup>3</sup>
  - One of the world's best-capitalized banks in its peer group as witnessed by BIS Basel III Common Equity Tier 1 (CET1) capital ratio of 14.2% as of September 30, 2022<sup>4</sup>

### FDIC insurance

Insurance through the FDIC plays a big role in the protection of your cash at UBS Bank USA. Balances in all types of deposit accounts at UBS Bank USA are eligible for up to \$250,000 of FDIC insurance (including principal and accrued interest) for each [insurable ownership capacity](#) in which you hold the deposits. Examples of insurable capacities include individual accounts, IRAs, joint accounts, trusts and employee benefit plans.

For purposes of calculating the maximum FDIC insurance, the sum of all your deposits in the same insurable capacity is combined with all deposit balances at UBS Bank USA, including any Certificates of Deposit, deposits through UBS Bank USA Core Savings and deposits through the UBS Bank Sweep Programs and UBS FDIC-insured Deposit Program. While you are responsible for monitoring your level of FDIC insurance, your Financial Advisor can help. You can also use the FDIC Calculator from the FDIC ([here](#)) to learn more about the FDIC coverage.

### UBS cash sweep programs

UBS Bank USA offers two sweep programs: UBS Bank Sweep Programs and the UBS FDIC-insured Deposit Program. Balances in deposit accounts in both programs are eligible for FDIC insurance but are not eligible for protection by the Securities Investor Protection Corporation (SIPC).

For many clients, available "cash" in their UBS Financial Services Inc. securities account is "swept" daily to these two programs. Generally, most retail and business accounts including IRAs, UBS Business Services Accounts BSAs, individual and joint UBS Resource Management Accounts, sweep to bank deposit accounts through one of the UBS Bank Sweep Programs. For more information see the UBS Bank Sweep Programs section below and refer to the [UBS Bank Sweep Programs Disclosure statement](#). Retail trust accounts sweep to the UBS FDIC-insured Deposit Program.

Please note that certain accounts such as 403(b) plans, qualified pooled plans and corporate cash management accounts will sweep into a sweep Money Market Fund (MMF). Sweep MMFs are not insured by the FDIC but are covered by SIPC. Also, certain accounts sweep to deposit accounts at UBS AG Stamford Branch for balances over \$250,000 (or \$500,000 for joint accounts).

Sweep deposits held at UBS AG, Stamford Branch are not insured by the FDIC, SIPC or any governmental agency of the United States, Switzerland or any other jurisdiction. They are obligations of the UBS AG Stamford Branch only, and are not obligations of UBS Bank USA or of any of its other affiliates. Therefore, they are subject to the creditworthiness of UBS AG. In the unlikely event of the failure of the UBS AG Stamford Branch, you will be a general unsecured creditor of UBS AG.

### **UBS Bank Sweep Programs**

There are three sub-programs available: the UBS Deposit Account Sweep Program (the Deposit Program), the UBS Business Account Sweep Program (the Business Program) and the UBS Insured Sweep Program (UBS-ISP). The program available to you will be based upon your eligibility. If you are enrolled in the Deposit Program or Business Program, free cash balances will be automatically swept daily to a deposit account at UBS Bank USA and become eligible for FDIC insurance (up to applicable limits).

If you are enrolled in the UBS-ISP, free cash balances in your UBS account will automatically be swept daily to a deposit account at UBS Bank USA up to a "Deposit Limit," which is \$249,000 for individuals (\$498,000 for joint accounts). If you have an individual or joint retail account, any additional free cash balances are swept into one or more deposit accounts at up to four (4) FDIC-insured banks (each a Bank), each up to the Deposit Limit, in the order in which the Banks appear on your [Bank Priority List](#) (Priority List). UBS Bank USA will be the first Bank on each Priority List. The UBS-ISP makes available up to \$1.245 million for individuals (\$2.49 million for joint accounts)—the Program Limit—of potential FDIC insurance coverage, subject to certain limitations. If you have any other type of account enrolled in the UBS-ISP, free cash balances will sweep without limit to deposit accounts at UBS Bank USA.

### **UBS FDIC-insured Deposit Program**

Retail trust accounts are eligible for the UBS FDIC-insured Deposit Program, in which free cash balances in the UBS account are automatically swept daily into deposit accounts at UBS Bank USA up to a "Deposit Limit," which is \$249,000 for individuals (\$498,000 for joint accounts), and any additional free cash balances are swept into one or more deposit accounts in up to 10 different FDIC-insured banks, each up to the Deposit Limit, in the order in which the Banks appear on your [Priority List](#). UBS Bank USA will be the first Bank on each Priority List. The UBS FDIC-Insured Deposit Program makes available up to \$2.49 million for individuals (\$4.98 million for joint accounts)—the Program Limit—of potential FDIC insurance coverage, subject to certain limitations. Free cash balances over \$2.49 million will sweep without limit to deposit accounts at UBS Bank USA.

## Examples of how maximum FDIC insurance for the UBS Insured Sweep Program and the UBS FDIC-Insured Deposit Program add up

FDIC separate insurable capacities (account types)	Client's current UBS Bank USA holdings	Maximum FDIC coverage per bank (FDIC rules)
Mary, single account	<ul style="list-style-type: none"> <li>UBS-ISP: \$747,000 <ul style="list-style-type: none"> <li>\$249,000 at UBS Bank USA</li> <li>\$498,000 at external banks</li> </ul> </li> <li>UBS Bank USA CDs: \$250,000</li> <li><b>Total at UBS Bank USA: \$499,000</b></li> <li><b>Total at external banks:* \$498,000</b></li> </ul>	<p>\$250,000 per owner = \$250,000 \$498,000 insured at external banks</p> <p>Total amount insured at UBS Bank USA = \$250,000 Total amount uninsured at UBS Bank USA = \$249,000</p>
Mary and John, joint account	<ul style="list-style-type: none"> <li>UBS Bank USA Core Savings: \$1,000,000</li> <li>UBS-ISP: \$1,494,000 <ul style="list-style-type: none"> <li>\$498,000 at UBS Bank USA</li> <li>\$996,000 at external banks</li> </ul> </li> <li><b>Total at UBS Bank USA: \$1,498,000</b></li> <li><b>Total at external banks:* \$996,000</b></li> </ul>	<p>\$250,000 per owner = \$500,000 \$996,000 insured at external banks</p> <p>Total amount insured at UBS Bank USA = \$500,000 Total amount uninsured at UBS Bank USA = \$998,000</p>
Mary, retirement account	<ul style="list-style-type: none"> <li>UBS Bank USA Core Savings: \$500,000</li> <li>UBS Bank USA CDs: \$500,000</li> <li><b>Total at UBS Bank USA: \$1,000,000</b></li> </ul>	<p>\$250,000 per owner = \$250,000</p> <p>Total amount insured at UBS Bank USA = \$250,000 Total amount uninsured at UBS Bank USA = \$750,000</p>
Mary, business account (LLC)	<ul style="list-style-type: none"> <li>UBS-ISP: \$250,000</li> <li>UBS Bank USA CDs: \$500,000</li> <li><b>Total at UBS Bank USA: \$750,000</b></li> </ul>	<p>\$250,000 per owner = \$250,000</p> <p>Total amount insured at UBS Bank USA = \$250,000 Total amount uninsured at UBS Bank USA = \$500,000</p>
Mary and John, revocable retail trust account with two beneficiaries <i>[Example can also be used for POD (Payable on death**) and ITF (in trust for) accounts.]</i>	<ul style="list-style-type: none"> <li>UBS Bank USA Core Savings: \$1,000,000</li> <li>UBS Bank USA CDs: \$1,000,000</li> <li>UBS FDIC-Insured Deposit Program: \$1,000,000</li> <li><b>Total at UBS Bank USA: \$2,249,000</b></li> <li><b>Total at external banks:*** \$751,000</b></li> </ul>	<p>\$250,000 for each unique beneficiary per owner = \$1,000,000 \$751,000 insured at external banks</p> <p>Total amount insured at UBS Bank USA = \$1,000,000 Total amount uninsured at UBS Bank USA = \$1,249,000</p>
<b>Total household</b>	<b>\$5,996,000 in UBS Bank USA \$2,245,000 in external banks through UBS FDIC-insured Deposit Program and UBS-ISP</b>	<p><b>\$2,250,000 in total FDIC insurance through UBS Bank USA</b> <b>\$2,245,000 in FDIC insurance through external banks</b></p> <p><b>Total amount uninsured at UBS Bank USA = \$3,746,000</b></p>

\* The UBS-ISP is the sweep option available to individuals; custodial accounts (if none of the beneficiaries is a business entity); business entities such as corporations, partnerships, limited liability companies, associations and business trusts; nonprofit organizations; estates; revocable and irrevocable trusts owned by US residents (if one or more of the beneficiaries is a business entity); and trusts owned by non-US residents.

\*\* Payable on Death (POD) can also be referred to as Transfer on Death (TOD).

\*\*\* The UBS FDIC-Insured Deposit Program is available to any domestic account owned by a Revocable or Irrevocable Trust, in which all beneficiaries consist of individuals and/or nonprofit organizations. Cash balances in an eligible UBS account are swept to deposit accounts at 10 FDIC insured institutions providing up to \$2.49 million in FDIC Insurance (subject to FDIC rules). For more information, please review the [UBS FDIC-Insured Deposit program Disclosure Statement](#).

### **FedFis Rating<sup>2</sup>**

In addition to eligibility for FDIC Insurance, UBS Bank USA has a 1.54 FedFis rating as of December 31, 2022.

The FedFis rating system ranges from one to five, where one is the highest and five the lowest rating. Banks with a FedFis score above a 3.25 are considered riskier.

FedFis is a financial institutions data analytics and strategy system, which tracks financial data and M&A activity on every bank and credit union in the US. It uses a comprehensive proprietary rating system that considers factors such as liquidity, asset quality, capital adequacy and earnings to determine overall creditworthiness.

### **Risks for cash held at UBS Bank USA**

All of the FDIC-insured banks in the waterfall of our UBS FDIC-insured Deposit Program and the UBS-ISP are well-capitalized. Under federal law uninsured depositors have a preference over the claims of all other creditors even if a bank were to fail. Cash above the FDIC limit carries limited credit risk due to the high credit quality of UBS Bank USA.

### **Frequently Asked Questions:**

- **I'm concerned about how the market may affect my UBS Bank USA account.**
  - Sweep and UBS Banks USA Core Savings deposits have no market risk
  - CDs have no market risk if held to maturity. However, if you are able to sell your CD prior to maturity, the price you receive will reflect prevailing market conditions and your sales proceeds may be less than the amount you paid for your CD.<sup>3</sup>
- **Will I be able to access my cash?**
  - Sweep and UBS Bank USA Core Savings deposits have no liquidity risk, but may have terms and conditions for withdrawals
  - CDs are most suitable for purchasing and holding to maturity. Our affiliate UBS Financial Services Inc. may maintain a secondary market in the CDs, though is not obligated to do so and any price will reflect prevailing market conditions as discussed above.<sup>3</sup>

To learn more, review the disclosure statements available on [ubs.com/sweepyields](https://ubs.com/sweepyields).

### **Questions**

UBS deeply values the trust you place in us and our ability to help you grow and protect your assets. You can feel confident that UBS is a safe place to hold your assets. To learn more, please review the [Account Protection Quickcard](#).

<sup>1</sup> Source: [fitchratings.com/entity/ubs-bank-usa-88480260](https://www.fitchratings.com/entity/ubs-bank-usa-88480260).

<sup>2</sup> Source: FedFis.com—FedFis is a financial institutions data analytics and strategy system, which tracks financial data and M&A activity on every bank and credit union in the US. It uses a comprehensive proprietary rating system that considers factors such as liquidity, asset quality, capital adequacy and earnings to determine overall creditworthiness. The FedFis rating system ranges from one to five, where one is the highest and five the lowest rating. Banks with a FedFis score above a 3.25 are considered riskier.

<sup>3</sup> UBS Credit Ratings—[ubs.com/global/en/investor-relations/investors/bondholder-information/ratings](https://ubs.com/global/en/investor-relations/investors/bondholder-information/ratings).

<sup>4</sup> 14.2% CET capital ratio—UBS Financial Services Inc. Reporting as of December 31, 2022.

This material has been prepared for informational purposes only and is not an offer to buy or sell, or a solicitation to buy or sell, a CD or to participate in any trading strategy. The CDs discussed may not be suitable for all investors and will depend on individual investors' circumstances and objectives. You should review the Certificates of Deposit Disclosure Statement, which is available from your Financial Advisor.

For more information about FDIC insurance, please visit the FDIC website at [fdic.gov/deposit/deposits](https://fdic.gov/deposit/deposits).

The Resource Management Account (RMA), Business Services Account BSA and International Resource Management Account (IRMA) are brokerage accounts with UBS Financial Services Inc., a registered broker-dealer, and a member of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available upon request or at [sipc.org](https://sipc.org). The RMA and Business Services Account BSA accounts provide access to banking services and products through arrangements with affiliated banks and other third-party banks and provide access to insurance and annuity products issued by unaffiliated third-party insurance companies through insurance agency subsidiaries of UBS Financial Services Inc. UBS Bank USA Core Savings is a deposit account, not a security, and is not protected by SIPC.

#### **Important information about brokerage and advisory services.**

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business, and that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. For more information, please review the client relationship summary provided at [ubs.com/relationshipsummary](https://ubs.com/relationshipsummary), or ask your UBS Financial Advisor for a copy.

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