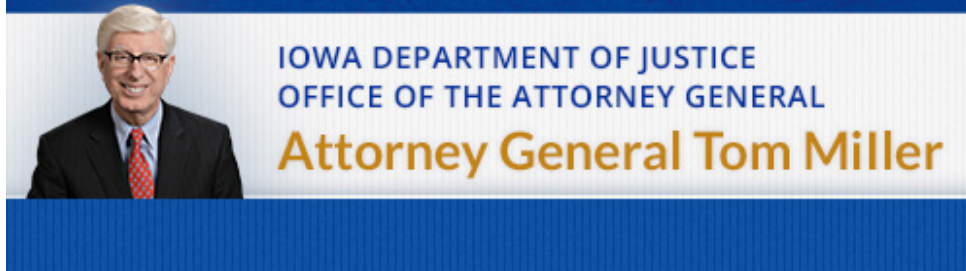


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December 21, 2018

Miller announces \$68 million multistate settlement with UBS for manipulating interest rates

LIBOR investigations have recovered \$488 million from four banks

Iowa Attorney General Tom Miller announced a \$68 million, 40-state settlement with UBS for fraudulent conduct involving the manipulation of LIBOR (the London Interbank Offered Rate). LIBOR is a benchmark interest rate that affects financial instruments worth trillions of dollars and has a far-reaching impact on global markets and consumers.

UBS is the fourth of several LIBOR-setting panel banks to resolve claims following investigation by state attorneys general. The attorneys general have collected \$488 million in payments from UBS, Citibank, Deutsche Bank and Barclays, almost all of which will be distributed to state and local government entities and nonprofits.

“The banks’ manipulation of rates cost school districts and state and city governments millions of dollars,” Miller said.

Banks use LIBOR to set rates on credit card, mortgage, student loan and other transactions, and to determine the cost of borrowing from one another.

In the [UBS settlement](#), the attorneys general allege that UBS misrepresented the integrity of the LIBOR benchmark by concealing, misrepresenting, and failing to disclose that UBS at times made USD LIBOR submissions to avoid negative publicity and protect the reputation of the bank, and that UBS made Yen LIBOR submissions to benefit its derivative trading positions.

As a result of its fraudulent conduct, UBS made millions in unjust gains when government entities and not-for-profit organizations entered into swaps and other financial instruments with UBS without knowing that UBS and other banks on the USD-LIBOR-setting panel were manipulating their LIBOR submissions.

Governmental and not-for-profit entities with LIBOR-linked swaps and other financial instruments with UBS will be notified if they are eligible to receive a distribution from the settlement fund.

Pursuant to the settlement agreement, UBS will continue to cooperate with the states' investigation; such cooperation helps facilitate civil enforcement efforts, including the distribution of funds to victims of the offense.

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