

**Supplement No. 1 pursuant to the Financial Instruments Trading Act (SFS 1991:980) chapter 2 section 34**

dated 8 July 2015 to the Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 17 April 2015,

in relation to Certificates, Notes or Warrants.

The Base Prospectus was approved and registered by the Swedish Financial Supervisory Authority (“**SFSA**”). Registration number at the SFSA is 15-3606. This Supplement is a part of the Base Prospectus and shall be read in conjunction with the Base Prospectus.

This Supplement No. 1 was approved by the SFSA on 8 July 2015. This Supplement was published by UBS AG on 8 July 2015. Registration number at the SFSA is 15-9442.

**This supplement serves as update to the Base Prospectus in connection to the following occurrence:**

Publication of the first quarter report of UBS AG and of UBS Group AG as per 31 March 2015 on 5 May 2015, the change of the outlook of UBS AG's long-term counterparty credit rating from Standard & Poor's on 9 June 2015, and the transfer of UBS AG's Retail & Corporate and Wealth Management business booked in Switzerland to UBS Switzerland AG on 14 June 2015.

In the course of supplementing the Base Prospectus, as mentioned above, UBS AG has also taken the occasion to update in this Supplement certain updated information that has become available after the date of the Base Prospectus, as mentioned above.

**The attention of the investors is in particular drawn to the following: Investors who have already agreed to purchase or subscribe for the Notes, Certificates, or Warrants, as the case may be, before this supplement is published have, pursuant to the Financial Instruments Trading Act (SFS 1991:980) chapter 2 section 34, the right, exercisable within a time limit of two working days after the publication of this supplement, to withdraw their acceptances, provided that the new circumstances or the incorrectness causing the supplement occurred before the closing of the public offering and before the delivery of the securities. This means that the last day to withdrawal is before close of business on 10 July 2015. A withdrawal, if any, of an order must be communicated in writing to the Issuer at its registered office specified in the address list hereof.**

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- 1) In relation to the Base Prospectus referred to above, the following adjustments have been made:

**In the section headed "D. Risk Factors" the following changes shall be made:**

**In the section headed "1. Issuer specific Risks", after the risk factor "Regulatory and legal changes may adversely affect the Group's business and ability to execute its strategic plans", the following risk factor is added:**

**"UBS has announced its intention to make certain structural changes in light of regulatory trends and requirements and the Conditions do not contain any restrictions on the Issuer's or UBS's ability to restructure its business.**

UBS has announced a series of measures to improve its resolvability in response to too big to fail requirements.

On 14 June 2015 (the "asset transfer date") UBS AG transferred its Retail & Corporate and Wealth Management business booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. In connection with the transfer, the UBS Group has increased the capitalization of UBS Switzerland AG. Under the Swiss Merger Act, UBS AG is jointly liable for obligations existing on the asset transfer date that have been transferred to UBS Switzerland AG. Under the terms of the asset transfer agreement, UBS Switzerland AG is jointly liable for the contractual obligations of UBS AG existing on the asset transfer date. Neither UBS AG nor UBS Switzerland AG have any liability for new obligations incurred by the other entity after the asset transfer date. If obligations otherwise covered by the joint liability are amended or modified by one joint obligor in a manner detrimental to the other joint obligor, the latter's liability may be limited to the original terms of the obligation under Swiss law. Under certain circumstances, the Swiss Banking Act and FINMA's bank insolvency ordinance authorize FINMA to modify, extinguish or convert to common equity the liabilities of a bank in connection with a resolution or insolvency of such bank. Securities of any series originally issued after the asset transfer date will not benefit from the joint liability of UBS Switzerland AG.

In the UK, UBS is implementing a revised business and operating model for UBS Limited, which will enable UBS Limited to bear and retain a larger proportion of the risk and reward in its business activities. UBS has increased the capitalization of UBS Limited accordingly. To comply with new rules for foreign banks in the US under the Dodd-Frank Wall Street Reform and Consumer Protection Act, UBS will designate an intermediate holding company by 1 July 2016 that will own all of its US operations except US branches of UBS AG.

UBS is considering further changes to its legal structure in response to regulatory requirements, including to further improve the resolvability of the Group, to respond to capital requirements, to seek any reduction in capital requirements to which the Group may be entitled, and to meet any other regulatory requirements regarding its legal structure. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, the transfer of shared service and support functions to service companies, and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with FINMA and other regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.

The Conditions contain no restrictions on change of control events or structural changes, such as consolidations or mergers or demergers of the Issuer or the sale, assignment, spin-off, contribution, distribution, transfer or other disposal of all or any portion of the Issuer's or its subsidiaries' properties or assets in connection with the announced changes to its legal structure or otherwise and no event of default, requirement to repurchase the Securities or other event will be triggered under the Conditions as a result of such changes. There can be no assurance that such changes, should they occur, would not adversely affect the credit rating of the Issuer and/or increase the likelihood of the occurrence of an event of default. Such changes, should they occur, may adversely affect the Issuer's ability to pay interest on the Securities and/or lead to circumstances in which the Issuer may elect to cancel such interest (if applicable)."

**In the section headed “1. Issuer specific Risks” the risk factor entitled “As UBS Group is a holding company, its operating results, financial condition and ability to pay dividends other distributions or to pay its obligations in the future is dependent on funding, dividends and other distributions received from UBS AG or any other future direct subsidiary, which may be subject to restrictions” is completely replaced by the following text:**

**“UBS AG's operating results, financial condition and ability to pay obligations in the future may be affected by funding, dividends and other distributions received from UBS Switzerland AG or any other direct subsidiary, which may be subject to restrictions**

UBS AG's ability to pay its obligations in the future may be affected by the level of funding, dividends and other distributions, if any, received from UBS Switzerland AG and any other subsidiaries currently existing or established by UBS AG in the future. 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 laws and regulatory and fiscal or other restrictions. UBS AG's subsidiaries, including UBS Switzerland AG, UBS Limited and the US IHC (when designated) are subject to laws that restrict dividend payments, authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS AG, or limit or prohibit transactions with affiliates. Restrictions and regulatory action of this kind could impede access to funds that UBS AG may need to make payments.

In addition, UBS AG's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization 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. Additionally, in connection with the transfer of the Retail & Corporate and Wealth Management business booked in Switzerland from UBS AG to UBS Switzerland AG, which has become effective in June 2015, under the Swiss Merger Act UBS AG is jointly liable for obligations existing on the asset transfer date that have been transferred to UBS Switzerland AG. 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.”

**In the section headed "J. Information about UBS AG" the following changes are made:**

**In the section "1. General Information on UBS AG" the first four paragraphs are replaced by the following text:**

"UBS AG ("**Issuer**") with its subsidiaries (together, "**UBS AG (consolidated)**" or "**UBS AG Group**"; together with the holding company of UBS AG, UBS Group AG, "**UBS Group**" "**Group**", "**UBS**" or "**UBS Group AG (consolidated)**") is committed to providing private, institutional and corporate clients worldwide, as well as retail clients in Switzerland with superior financial advice and solutions while generating attractive and sustainable returns for shareholders. UBS's strategy centers on its Wealth Management and Wealth Management Americas businesses and its leading (in its own opinion) universal bank in Switzerland, complemented by its Global Asset Management business and its Investment Bank. In UBS's opinion, these businesses share three key characteristics: they benefit from a strong competitive position in their targeted markets, are capital-efficient, and offer a superior structural growth and profitability outlook. UBS's strategy builds on the strengths of all of its businesses and focuses its efforts on areas in which UBS excels, while seeking to capitalize on the compelling growth prospects in the businesses and regions in which it operates. Capital strength is the foundation of UBS's success. The operational structure of the Group is comprised of the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Retail & Corporate, Global Asset Management and the Investment Bank.

On 31 March 2015, UBS AG (consolidated) common equity tier 1 capital ratio<sup>1</sup> was 14.6 % on a fully applied basis and 19.1 % on a phase-in basis, invested assets stood at CHF 2,708 billion and equity attributable to UBS AG shareholders was CHF 53,815 million. On the same date, UBS AG Group employed 60,113 people<sup>2</sup>.

On 31 March 2015, UBS Group AG (consolidated) common equity tier 1 capital ratio<sup>1</sup> was 13.7 % on a fully applied basis and 18.6 % on a phase-in basis, invested assets stood at CHF 2,708 billion, equity attributable to UBS Group AG shareholders was CHF 52,359 million and market capitalization was CHF 68,508 million. On the same date, UBS employed 60,113 people<sup>2</sup>.

The rating agencies Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"), Fitch Ratings Limited ("**Fitch Ratings**") and Moody's Investors Service, Inc., ("**Moody's**") have published credit ratings reflecting their assessment of the creditworthiness of UBS AG, i.e. its ability to fulfill 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 Ratings and Standard & Poor's 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 long-term counterparty credit rating of A (stable outlook) from Standard & Poor's, long-term senior debt rating of A2 (under review for possible downgrade) from Moody's and long-term issuer default rating of A (stable outlook) from Fitch Ratings."

**In the section "1. General Information on UBS AG", in the subsection entitled "Corporate Information", the fourth paragraph is replaced by the following text:**

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<sup>1</sup> Based on the Basel III framework as applicable to Swiss systemically relevant banks. The common equity tier 1 capital ratio is the ratio of common equity tier 1 capital to risk-weighted assets. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. For information as to how common equity tier 1 capital is calculated, refer to the section "Capital management" in the first quarter 2015 report of UBS Group AG.

<sup>2</sup> Full-time equivalents.

"According to article 2 of the 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 enterprise 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 provide loans, guarantees and other kinds of financing and security for Group companies and borrow and invest money on the money and capital markets."

**In the section "2. Business Overview" the subsection entitled "Corporate Center" is completely replaced by the following text:**

#### **"Corporate Center**

The Corporate Center comprises three units: Corporate Center – Services, Corporate Center – Group Asset and Liability Management ("**Group ALM**") and Corporate Center – Non-core and Legacy Portfolio. Corporate Center – Services provides Group-wide control functions such as finance, risk control (including compliance) and legal. In addition, it provides all logistics and support services, including operations, information technology, human resources, regulatory relations and strategic initiatives, communications and branding, corporate services, physical security, information security as well as outsourcing, nearshoring and offshoring. Corporate Center – Group ALM provides services such as liquidity, funding, balance sheet and capital management. Corporate Center – Non-core and Legacy Portfolio comprises the non-core businesses and legacy positions that were part of the Investment Bank prior to its restructuring."

**In the section "2. Business Overview" the subsection entitled "Recent Developments" is completely replaced by the following text:**

#### **"Recent Developments**

##### *1. UBS participates in resolutions of industry-wide FX matter*

As announced on 20 May 2015, UBS has entered into resolutions with the US Department of Justice ("DOJ"), the Board of Governors of the Federal Reserve System ("Federal Reserve Board") and the Connecticut Department of Banking ("CT DOB") in their investigations of the global foreign exchange ("FX") markets. This follows the firm's resolutions last November with the Swiss Financial Market Supervisory Authority, UK Financial Conduct Authority and the US Commodity Futures Trading Commission. The bank continues to cooperate with ongoing investigations by other authorities in this matter, which include investigations of individuals.

As a result of the resolutions of 20 May 2015, UBS was not criminally charged for FX conduct. The DOJ will also not file any charges concerning its investigations into the firm's V10 FX-related structured products and its precious metals business. In resolving the FX matter with the DOJ, UBS received conditional immunity from prosecution for Euro/USD collusion from the Antitrust Division, which will also not prosecute UBS for any other FX conduct. This immunity reflects UBS's role as the firm that first reported potential misconduct to the DOJ, and the full cooperation provided to the DOJ and other authorities throughout the world.

The DOJ used its sole discretion to terminate its 2012 Non-Prosecution Agreement with UBS related to LIBOR. As a consequence, UBS AG has plead guilty to one count of wire fraud for conduct in the LIBOR matter, and will pay a USD 203 million fine and accept a three-year term of probation. This guilty plea for LIBOR by UBS AG relates to the same conduct that was the basis of the plea by the firm's Japanese subsidiary when the firm resolved its LIBOR issues in 2012.

The Federal Reserve Board and the CT DOB jointly issued a cease and desist order finding that UBS engaged in unsafe and unsound business practices relating to its FX business. UBS

has paid a penalty of USD 342 million to the Fed and has agreed to undertake a series of remedial measures.

The firm is fully provisioned for these resolutions. As a consequence, they will have no financial impact on second quarter 2015 results.

## 2. UBS AG (consolidated) key figures

UBS AG derived the selected consolidated financial information included in the table below for the years 2012, 2013 and 2014 from its Annual Report 2014, which contains the audited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the year ended 31 December 2014 and comparative figures for the years ended 31 December 2013 and 2012. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and stated in Swiss francs ("**CHF**"). The selected consolidated financial information included in the table below for the quarters ended 31 March 2015 and 31 March 2014 was derived from the first quarter 2015 report of UBS AG, which contains the unaudited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the quarter ended 31 March 2015 and comparative figures for the quarter ended 31 March 2014. The Annual Report 2014 and the first quarter 2015 report of UBS AG are incorporated by reference herein. In the opinion of management, all necessary adjustments were made for a fair presentation of the UBS AG consolidated financial position and results of operations. Prospective investors should read the whole of this document and the documents incorporated by reference herein and should not rely solely on the summarized information set out below:

CHF million, except where indicated	As of or for the quarter ended		As of or for the year ended		
	31.3.15	31.3.14	31.12.14	31.12.13	31.12.12
	unaudited		audited, except where indicated		
<b>Results</b>					
Operating income	8,860	7,258	28,026	27,732	25,423
Operating expenses	6,167	5,865	25,557	24,461	27,216
Operating profit/(loss) before tax	2,693	1,393	2,469	3,272	(1,794)
Net profit / (loss) attributable to UBS AG shareholders	2,023	1,054	3,502	3,172	(2,480)
Diluted earnings per share (CHF)	0.53	0.27	0.91	0.83	(0.66)
<b>Key performance indicators</b>					
<b>Profitability</b>					
Return on tangible equity (%) <sup>1</sup>	17.7	10.2	8.2*	8.0*	1.6*
Return on assets, gross (%) <sup>2</sup>	3.4	2.9	2.8*	2.5*	1.9*
Cost / income ratio (%) <sup>3</sup>	69.5	81.1	90.9*	88.0*	106.6*
<b>Growth</b>					
Net profit growth (%) <sup>4</sup>	126.5	14.9	10.4*	-	-
Net new money growth for combined wealth management businesses (%) <sup>5</sup>	3.8	2.9	2.5*	3.4*	3.2*
<b>Resources</b>					
Common equity tier 1 capital ratio (fully applied, %) <sup>6, 7</sup>	14.6	13.2	14.2*	12.8*	9.8*
Swiss SRB leverage ratio (phase-in, %) <sup>8</sup>	5.3	5.0	5.4*	4.7*	3.6*
<b>Additional information</b>					
<b>Profitability</b>					
Return on equity (RoE) (%) <sup>9</sup>	15.3	8.7	7.0*	6.7*	(5.1)*
Return on risk-weighted assets, gross (%) <sup>10</sup>	16.1	12.6	12.4*	11.4*	12.0*
<b>Resources</b>					
Total assets	1,050,122	982,530	1,062,327	1,013,355	1,259,797
Equity attributable to UBS AG shareholders	53,815	49,023	52,108	48,002	45,949
Common equity tier 1 capital (fully applied) <sup>7</sup>	31,725	29,937	30,805	28,908	25,182*
Common equity tier 1 capital (phase-in) <sup>7</sup>	41,808	41,187	44,090	42,179	40,032*
Risk-weighted assets (fully applied) <sup>7</sup>	216,893	226,805	217,158*	225,153*	258,113*
Risk-weighted assets (phase-in) <sup>7</sup>	219,376	229,879	221,150*	228,557*	261,800*
Common equity tier 1 capital ratio (phase-in, %) <sup>6, 7</sup>	19.1	17.9	19.9*	18.5*	15.3*
Total capital ratio (fully applied, %) <sup>7</sup>	19.3	16.8	19.0*	15.4*	11.4*



Total capital ratio (phase-in, %) <sup>7</sup>	24.5	22.7	25.6*	22.2*	18.9*
Swiss SRB leverage ratio (fully applied, %) <sup>8</sup>	4.3	3.8	4.1*	3.4*	2.4*
Swiss SRB leverage ratio denominator (fully applied) <sup>11</sup>	978,709	987,899	999,124*	1,015,306*	1,206,214*
Swiss SRB leverage ratio denominator (phase-in) <sup>11</sup>	983,822	993,970	1,006,001*	1,022,924*	1,216,561*
<b>Other</b>					
Invested assets (CHF billion) <sup>12</sup>	2,708	2,424	2,734	2,390	2,230
Personnel (full-time equivalents)	60,113	60,326	60,155*	60,205*	62,628*
Market capitalization	70,355	70,180	63,243*	65,007*	54,729*
Total book value per share (CHF)	14.03	13.07	13.56*	12.74*	12.26*
Tangible book value per share (CHF)	12.33	11.41	11.80*	11.07*	10.54*

\* unaudited

<sup>1</sup> Net profit / loss attributable to UBS AG shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to UBS AG shareholders less average goodwill and intangible assets. <sup>2</sup> Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets. <sup>3</sup> Operating expenses / operating income before credit loss (expense) or recovery. <sup>4</sup> Change in net profit attributable to UBS AG shareholders from continuing operations between current and comparison periods / net profit attributable to UBS AG shareholders from continuing operations of comparison period. Not meaningful and not included if either the reporting period or the comparison period is a loss period. <sup>5</sup> Combined Wealth Management's and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. <sup>6</sup> Common equity tier 1 capital / risk-weighted assets. <sup>7</sup> Based on the Basel III framework as applicable to Swiss systemically relevant banks (SRB), which became effective in Switzerland on 1 January 2013. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. Numbers for 31 December 2012 are calculated on an estimated basis described below and are referred to as "pro-forma". Some of the models applied when calculating 31 December 2012 pro-forma information required regulatory approval and included estimates (as discussed with UBS's primary regulator) of the effect of new capital charges. These figures are not required to be presented, because Basel III requirements were not in effect on 31 December 2012. They are nevertheless included for comparison reasons. <sup>8</sup> Swiss SRB Basel III common equity tier 1 capital and loss-absorbing capital / total adjusted exposure (leverage ratio denominator). The Swiss SRB leverage ratio came into force on 1 January 2013. Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above). <sup>9</sup> Net profit / loss attributable to UBS AG shareholders (annualized as applicable) / average equity attributable to UBS AG shareholders. <sup>10</sup> Based on Basel III risk-weighted assets (phase-in) for 2014 and 2013, and on Basel 2.5 risk-weighted assets for 2012. <sup>11</sup> Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above). <sup>12</sup> Includes invested assets for Retail & Corporate.

### 3. The new legal structure of UBS Group and future structural changes

During 2014, UBS established UBS Group AG as the holding company of UBS Group.

UBS Group AG was incorporated on 10 June 2014 as a wholly owned subsidiary of UBS AG. On 29 September 2014, UBS Group AG launched an offer to acquire all the issued ordinary shares of UBS AG in exchange for registered shares of UBS Group AG on a one-for-one basis. Following the exchange offer and subsequent private exchanges on a one-for-one basis with various shareholders and banks in Switzerland and elsewhere outside the United States, UBS Group AG acquired 96.68% of UBS AG shares by 31 December 2014. Further private exchanges have reduced the amount of outstanding UBS AG shares and as a result UBS Group held 97.46% of UBS AG shares by 31 March 2015.

UBS Group AG has filed a request with the Commercial Court of the Canton of Zurich for a procedure under article 33 of the Swiss Stock Exchanges and Securities Trading Act (the "SESTA procedure"). If the SESTA procedure is successful, the shares of the remaining minority shareholders of UBS AG will be automatically exchanged for UBS Group AG shares, and UBS Group AG will become the 100% owner of UBS AG. At their Annual General Meeting on 7 May 2015, shareholders of UBS AG approved the distribution of a cash or share (title) dividend (COTD). Each UBS AG shareholder was able to elect to receive either CHF 0.50 per share in cash or a number of new shares to be determined so as to be of substantially equivalent value to CHF 0.50 per share. UBS Group AG elected to receive shares for 560,999,997 (after rounding down) of the existing UBS AG shares held by it and the remainder in cash. The aim of the COTD was to reasonably ensure that UBS Group AG holds at least 98% of the registered share capital in UBS AG, irrespective of the manner of calculation, that is required to successfully complete the SESTA procedure, pursuant to which the UBS AG shares of the remaining minority shareholders will be automatically exchanged for UBS Group AG shares. Following receipt of the new UBS AG shares, UBS Group AG holds more than 98% of the UBS AG share capital as currently registered in the commercial register. UBS expects to successfully conclude the SESTA procedure and delist the shares of UBS AG from the SIX Swiss Exchange in the second half of 2015. After completion of the SESTA procedure, UBS Group AG will hold 100% of UBS AG.

UBS Group AG may continue to acquire additional UBS AG shares using any method permitted under applicable law, including through dividend distributions, purchases of UBS AG shares or share equivalents or exchanges of UBS AG shares with UBS Group AG shares on a one for one basis.

The establishment of a group holding company is intended, along with other measures already announced, to substantially improve the resolvability of UBS Group in response to evolving too big to fail regulatory requirements.

Effective 14 June 2015 (the asset transfer date), UBS AG transferred its Retail & Corporate and Wealth Management business booked in Switzerland to UBS Switzerland AG. In connection with the transfer, UBS has increased the capitalization of UBS Switzerland AG. UBS Switzerland AG has total assets of more than CHF 300 billion and more than 11,000 employees. Under the terms of the asset transfer agreement, UBS Switzerland AG is jointly liable for the contractual obligations of UBS AG existing on the asset transfer date. Under the Swiss Merger Act, UBS AG is jointly liable for obligations existing on the asset transfer date that have been transferred to UBS Switzerland AG. Neither UBS AG nor UBS Switzerland AG has any liability for new obligations incurred by the other entity after the asset transfer date. Accordingly, any new contractual obligations of UBS AG, including in connection with debt instruments of any kind with a settlement date occurring only after the asset transfer date, are not covered by UBS Switzerland AG's contractual joint liability. Under certain circumstances, the Swiss Banking Act and FINMA's bank insolvency ordinance authorize FINMA to modify, extinguish or convert to common equity the liabilities of a bank in connection with a resolution or insolvency of such bank.

In the UK, UBS is implementing a revised business and operating model for UBS Limited, which will enable UBS Limited to bear and retain a larger proportion of the risk and reward in its business activities.

In the US, to comply with new rules for foreign banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act, by 1 July 2016 UBS will designate an intermediate holding company that will own all of UBS's US operations except US branches of UBS AG.

UBS's strategy, its business and the way UBS serves its clients are not affected by these changes. These plans do not require UBS to raise additional common equity capital and are not expected to materially affect the firm's capital-generating capability.

UBS is confident that the establishment of UBS Group AG as the holding company of the Group along with its other announced measures will substantially enhance the resolvability of the Group. UBS expects that the Group will qualify for a rebate on the progressive buffer capital requirements, which should result in lower overall capital requirements. FINMA has confirmed that UBS's proposed measures are in principle suitable to warrant a rebate, although the amount and timing will depend on the actual execution of these measures and can therefore only be specified once all measures are implemented.

UBS is considering further changes to the Group's legal structure in response to regulatory requirements, including to further improve the resolvability of the Group, to respond to capital requirements, to seek any reduction in capital requirements to which the Group may be entitled, and to meet any other regulatory requirements regarding its legal structure. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, the transfer of shared service and support functions to service companies and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with FINMA and other regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.

#### *4. FINMA provides further guidance on the internal ratings-based multiplier*

During 2012, FINMA began requiring banks using the internal ratings-based ("IRB") approach to apply a bank-specific IRB multiplier when calculating risk-weighted assets ("RWA") for owner-occupied Swiss residential mortgages. The entire owner-occupied Swiss residential mortgage portfolio is subject to this multiplier, which is being phased in through 2019.

The Basel Committee on Banking Supervision ("BCBS") is considering substantive changes to the standardized approach and a capital requirement floor based on the standardized approach. Against this background, FINMA has extended the multiplier approach to Swiss income-producing residential and commercial real estate ("IPRE"), as well as to credit exposure in the Basel II asset class "corporate" for the Investment Bank. The multipliers are designed to be applied to the corresponding exposures starting with the first quarter of 2015 for IPRE and the second quarter of 2015 for investment bank corporates, and will increase over time and reach full implementation by December 2018.

Assuming no change in portfolio size or other characteristics, UBS expects these multipliers to result in an aggregate increase in RWA of CHF 5 to 6 billion each year from 2015 through 2018 and CHF 2 billion in 2019. Furthermore, FINMA has introduced a model moratorium under which it will restrict the approval of adjustments to IRB models. FINMA has requested that UBS discloses further information about standardized approach and internal model-based RWA calculations from year-end 2015."

**The section "3. Organisational Structure of the Issuer" is completely replaced by the following text:**

### **"3. Organisational Structure of the Issuer**

UBS AG is a Swiss bank. It is the sole subsidiary of UBS Group AG. It is also the parent company of the UBS AG Group. UBS Group held 97.46 per cent. of UBS AG shares by 31 March 2015. Upon the successful completion of the squeeze-out procedure, UBS Group AG will own all the shares of UBS AG and is expected to directly acquire certain other Group companies over time. Refer to "*Recent Developments – The new legal structure of UBS Group and future structural changes*" for more information.

UBS's legal entity structure is designed to support its businesses with an efficient legal, tax and funding framework considering regulatory restrictions in the countries where UBS operates. UBS operates as a group with five business divisions and a Corporate Center.

UBS AG has transferred its Retail & Corporate and Wealth Management business booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland, effective on 14 June 2015 (the asset transfer date). In connection with the transfer, UBS has increased the capitalization of UBS Switzerland AG. Under the terms of the asset transfer agreement, UBS Switzerland AG is jointly liable for the contractual obligations of UBS AG existing on the asset transfer date. Under the Swiss Merger Act, UBS AG is jointly liable for obligations existing on the asset transfer date that have been transferred to UBS Switzerland AG. Neither UBS AG nor UBS Switzerland AG has any liability for new obligations incurred by the other entity after the asset transfer date. Accordingly, any new contractual obligations of UBS AG, including in connection with debt instruments of any kind with a settlement date occurring only after the asset transfer date, are not covered by UBS Switzerland AG's contractual joint liability.

In the UK, UBS is implementing a revised business and operating model for UBS Limited, which will enable UBS Limited to bear and retain a larger proportion of the risk and reward in its business activities. UBS has increased the capitalization of UBS Limited accordingly.

In the US, to comply with new rules for foreign banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act, by 1 July 2016 UBS will designate an intermediate holding company that will own all of UBS's US operations except US branches of UBS AG.

UBS is considering further changes to the Group's legal structure in response to regulatory requirements, including to further improve the resolvability of the Group, to respond to capital requirements, to seek any reduction in capital requirements to which the Group may be entitled, and to meet any other regulatory requirements regarding its legal structure. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, the transfer of shared service and support functions to service companies and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with the FINMA and other

regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.

UBS AG's interests in subsidiaries and other entities as of 31 December 2014, including information on UBS AG's significant subsidiaries, are discussed in the UBS Group AG and UBS AG annual report as of 31 December 2014 in the English language version published on 13 March 2015 (the "**Annual Report 2014**") on pages 691-699 (inclusive)."

**Section "4. Trend Information" is completely replaced by the following text:**

**"4. Trend Information**

As stated in the First Quarter 2015 Financial Report of UBS Group AG issued on 5 May 2015, at the start of the second quarter of 2015, many of the underlying macroeconomic challenges and geopolitical issues that UBS has previously highlighted remain and are unlikely to be resolved in the foreseeable future. UBS is implementing initiatives to improve the pricing of some Wealth Management accounts in light of the interest rate environment in Switzerland and parts of Europe. Excluding potential outflows associated with these initiatives, UBS expects its wealth management businesses will continue to deliver positive net new money in the second quarter. Thus, despite ongoing and new challenges, UBS continues to be committed to the disciplined execution of its strategy in order to ensure the firms long-term success and to deliver sustainable returns for shareholders."

**In section "5. Administrative, Management and Supervisory Bodies of UBS AG" the table headed "Members of the Board of Directors" is completely replaced as follows:**

**"Members of the Board of Directors**

Member and business address	Title	Term of office	Current principal positions outside UBS AG
Axel A. Weber  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Chairman	2016	Member of the Board of Directors of UBS Group AG. Member of the board of the Swiss Bankers Association, the Swiss Finance Council, the Institute of International Finance, the International Monetary Conference, and the Financial Services Professional Board, Kuala Lumpur. Member of the Group of Thirty, Washington, D.C. and the Board of Trustees of Avenir Suisse; member of the IMD Foundation Board, Lausanne; member of the European Financial Services Roundtable and the European Banking Group. Advisory board member of the Department of Economics at the University of Zurich; advisory board member of the German Market Economy Foundation. Member of the European Money and Finance Forum in Vienna and of the Monetary Economics and International Economics Councils of the Verein für Socialpolitik. Senior research fellow at the Center for Financial Studies in Frankfurt am Main; research fellow at the Center for Economic Policy Research, London.
Michel Demaré  Syngenta International AG, Schwarzwaldallee 215, CH-4058 Basel	Independent Vice Chairman	2016	Member of the Board of Directors of UBS Group AG. Chairman of the board of Syngenta; board member of Louis-Dreyfus Commodities Holdings BV; Supervisory Board member of IMD, Lausanne; Chairman of SwissHoldings, Berne; Chairman of the Syngenta Foundation for Sustainable Agriculture. Member of the advisory board of the Department of Banking and Finance, University of Zurich.
David Sidwell  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Senior Independent Director	2016	Member of the Board of Directors of UBS Group AG. Director and Chairperson of the Risk Policy and Capital Committee of Fannie Mae, Washington D.C.; Senior Advisor at Oliver Wyman, New York; board member of Ace Limited; board member of GAVI Alliance; Chairman of the board of Village Care, New York; Director of the National Council on Aging, Washington D.C.
Reto Francioni  Deutsche Börse AG, D-60485 Frankfurt am Main	Member	2016	Member of the Board of Directors of UBS Group AG. Professor, University of Basel; member of the Strategic Advisory Group of VHV Insurance and of the Strategic Advisory Group of VSUD (Association of Swiss companies in Germany).
Ann F. Godbehere	Member	2016	Member of the Board of Directors of UBS Group AG. Board member and Chairperson of the Audit Committee of Prudential plc, Rio Tinto plc and Rio Tinto Limited. Member of the board of British American Tobacco plc.

UBS AG, Bahnhofstrasse 45, CH-8001 Zurich			
Axel P. Lehmann  Zurich Insurance Group, Mythenquai 2, CH-8002 Zurich	Member	2016	Member of the Board of Directors of UBS Group AG. Member of the Group Executive Committee, Group Chief Risk Officer and Regional Chairman Europe, Middle East and Africa of Zurich Insurance Group, Zurich; Chairman of the board of Farmers Group, Inc., Los Angeles; Chairman of Zurich Insurance plc., Dublin; Chairman of the Board of Trustees of the Pension Plans 1 and 2 of the Zurich Insurance Group; member of the supervisory board of Zurich Beteiligungs-AG, Frankfurt am Main; member of the board of Economiesuisse; Chairman of the Global Agenda Council on the Global Financial System of World Economic Forum (WEF); Chairman of the Board of the Institute of Insurance Economics of University of St. Gallen; member of the International and Alumni Advisory Board of University of St. Gallen; former chairman and member of the Chief Risk Officer Forum.
William G. Parrett  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2016	Member of the Board of Directors of UBS Group AG. Member of the board and Chairperson of the Audit Committee of the Eastman Kodak Company; board member of the Blackstone Group LP (chairman of audit committee and chairman of the conflicts committee); board member of Thermo Fisher Scientific Inc. (chairman of audit committee); member of the board of IGATE Corporation; member of the Committee on Capital Markets Regulation; member of the Carnegie Hall Board of Trustees; Past Chairman of the Board of the United States Council for International Business; Past Chairman of United Way Worldwide.
Isabelle Romy  Froiep, Bellerivestrasse 201, CH-8034 Zurich	Member	2016	Member of the Board of Directors of UBS Group AG. Partner at Froiep, Zurich; associate professor at the University of Fribourg and at the Federal Institute of Technology, Lausanne; Vice Chairman of the Sanction Commission of SIX Swiss Exchange; Member of the Supervisory board of the Swiss national committee for UNICEF.
Jes Staley  Blue Mountain Capital Management LLC, 280 Park Avenue, New York, NY 10017	Member	2016	Member of the Board of Directors of UBS Group AG. Managing Partner at BlueMountain Capital Management LLC. Board member of Robin Hood Foundation and of CODE Advisors; member of the board of trustees of Bowdoin College; member of the Investor Advisory Committee on Financial Markets of the Federal Reserve Bank of New York and member of the Council on Foreign Relations.
Beatrice Weder di Mauro  Johannes Gutenberg- University Mainz, Jakob Welder-Weg 4, D-55099 Mainz	Member	2016	Member of the Board of Directors of UBS Group AG. Professor at the Johannes Gutenberg University, Mainz; member of the board of Roche Holding Ltd., Basel, and supervisory board of Robert Bosch GmbH, Stuttgart. Member of the economic advisory board of Fraport AG; member of the advisory board of Deloitte Germany. Deputy Chairman of the University Council of the University of Mainz. Member of the Corporate Governance Commission of the German Government; member of the Senate of the Max Planck Society; member of the Global Agenda Council on Sovereign Debt of the WEF.
Joseph Yam  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2016	Member of the Board of Directors of UBS Group AG. Executive Vice President of the China Society for Finance and Banking. Member of the board of Johnson Electric Holdings Limited, of UnionPay International Co., Ltd. and of The Community Chest of Hong Kong. International Advisory Council member of China Investment Corporation; Distinguished Research Fellow at the Institute of Global Economics and Finance at the Chinese University of Hong Kong.

”

**Section “6. Major Shareholders” is completely replaced by the following text:**

**“6. Major Shareholders**

Following the exchange offer mentioned above and subsequent private exchanges on a one-for-one basis with various shareholders and banks in Switzerland and elsewhere outside the United States, UBS Group AG acquired 96.68% of UBS AG shares by 31 December 2014. Further private exchanges have reduced the amount of outstanding UBS AG shares and as a result UBS Group held 97.46% of UBS AG shares by 31 March 2015.

UBS Group AG has filed a request with the Commercial Court of the Canton of Zurich for the SESTA procedure. If the SESTA procedure is successful, the shares of the remaining minority shareholders of UBS AG will be automatically exchanged for UBS Group AG shares, and UBS Group AG will become the 100% owner of UBS AG. The timing and success of the SESTA procedure are dependent on the court. UBS currently expects that the SESTA procedure will be completed in the second half of 2015.”

**Section “7. Financial Information concerning the Issuer’s Assets and Liabilities, Financial Position and Profits and Losses” is completely replaced by the following text:**

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

A description of UBS AG and UBS AG (consolidated) assets and liabilities, financial position and profits and losses for financial year 2013 is available in the financial information section of the annual report of UBS AG as of 31 December 2013 in the English language (“**Annual Report 2013**”), and for financial year 2014 in the financial information section of the Annual Report 2014. UBS AG’s financial year is the calendar year.

**Historical Financial Information**

With respect to the financial year 2013, reference is made to the following parts of the Annual Report 2013 (within the Financial information section, English version):

- (i) the Consolidated Financial Statements of UBS AG, in particular to the Income Statement on page 350, the Balance Sheet on page 353, the Statement of Cash Flows on pages 357-358 (inclusive) and the Notes to the Consolidated Financial Statements on pages 359-505 (inclusive); and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement on page 510, the Balance Sheet on page 511, the Statement of Appropriation of Retained Earnings on page 512, the Notes to the Parent Bank Financial Statements on pages 513-531 (inclusive) and the Parent Bank Review on pages 507-509 (inclusive); and
- (iii) the section entitled “Introduction and accounting principles” on page 344.

With respect to the financial year 2014, reference is made to the following parts of the Annual Report 2014 (within the Financial information section, English version):

- (i) the UBS AG consolidated financial statements, in particular to the Income statement on page 554, the Balance sheet on page 557, the Statement of cash flows on pages 563-564 (inclusive) and the Notes to the consolidated financial statements on pages 565-724 (inclusive); and
- (ii) the UBS AG standalone financial statements, in particular to the Income statement on page 748, the Balance sheet on page 749, the Statement of appropriation of retained earnings and proposed distribution of capital contribution reserve on page 750, the Notes to the UBS AG standalone financial statements on pages 751-760 (inclusive) and the Financial review on pages 745-747 (inclusive).

As described in the Annual Report 2014 (Note 1b to the UBS AG consolidated financial statements) UBS AG has made certain adjustments in 2014 to the consolidated historical financial statements for the year ended 31 December 2013 due to (i) the adoption of Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32, Financial Instruments: Presentation) and (ii) removing exchange-traded derivative client cash balances from UBS AG’s balance sheet. The comparative balance sheet as of 31 December 2013 was restated to reflect the effects of adopting these changes. These restatements had no impact on total equity, net profit, earnings per share or on UBS AG’s Basel III capital. Additionally, as described in the first quarter 2015 report of UBS AG (Note 1 to the UBS AG interim consolidated financial statements), UBS AG has made certain adjustments in 2015 to the consolidated historical financial statements for the years ended 31 December 2014 and 31 December 2013 due to the refinement of the definition of cash and cash equivalents presented in the statement of cash flows to exclude cash collateral receivables on derivative instruments with bank counterparties.

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, and the audited standalone financial statements of UBS AG, prepared in order to meet Swiss regulatory requirements and in accordance with Swiss GAAP. The Financial information section of the annual reports also includes certain additional disclosures required under US Securities and Exchange Commission regulations. The annual reports also include discussions and analysis of the consolidated financial and business results of UBS, its business divisions and the Corporate Center.

#### **Auditing of Historical Annual Financial Information**

The consolidated financial statements of UBS AG and the standalone financial statements of UBS AG for financial years 2013 and 2014 were audited by Ernst & Young. The reports of the auditors on the consolidated financial statements can be found on pages 348-349 (inclusive) of the Annual Report 2013 and on pages 552-553 (inclusive) of the Annual Report 2014 (in both cases, within the Financial information section, English version). The reports of the auditors on the standalone financial statements of UBS AG can be found on pages 532-533 (inclusive) of the Annual Report 2013 and on pages 761-762 (inclusive) of the Annual Report 2014 (in both cases, within the Financial information section, English version).

#### **Interim Financial Information**

Reference is also made to the first quarter 2015 report of UBS Group AG, which contains information on the financial condition and results of operations of UBS AG (consolidated) as of and for the quarter ended 31 March 2015, and the first quarter 2015 report of UBS AG, which contains the interim consolidated financial statements of UBS AG for the period ended 31 March 2015 and certain supplemental information. The interim consolidated financial statements of UBS AG, contained in the first quarter 2015 report of UBS AG, are not audited."

#### **Section "8. Litigation, Regulatory and Similar Matters" is completely replaced by the following text:**

##### **"8. 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 (which for purposes of this section may refer to UBS AG and / or one or more of its subsidiaries, as applicable) 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 is 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. 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 select matters could be significant.

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 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, UBS states that it has established a provision, and for the other matters it makes no such statement. When UBS makes this statement and it expects disclosure of the amount of a provision to prejudice seriously its position with other

parties in the matter, because it would reveal what UBS believes to be the probable and reliably estimable outflow, UBS does not disclose that amount. In some cases UBS is subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which UBS does not state whether it has established a provision, either (a) it has not established a provision, in which case the matter is treated as a contingent liability under the applicable accounting standard or (b) it has established a provision but expects disclosure of that fact to prejudice seriously its 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 UBS has established provisions, UBS is able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which it is able to estimate expected timing is immaterial relative to its 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 Note 16a to the unaudited consolidated financial statements of UBS AG. It is not practicable to provide an aggregate estimate of liability for UBS's 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, which 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 the class of litigation, regulatory and similar matters, it 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. For example, the non-prosecution agreement ("NPA") described in paragraph 6 of this section, which UBS entered into with the US Department of Justice ("DOJ"), Criminal Division, Fraud Section in connection with UBS's submissions of benchmark interest rates, including among others the British Bankers' Association London Interbank Offered Rate ("LIBOR"), was terminated by the DOJ based on its determination that UBS had committed a US crime in relation to foreign exchange matters. As a consequence, UBS AG has plead guilty to one count of wire fraud for conduct in the LIBOR matter, and will pay a USD 203 million fine and accept a three-year term of probation. A guilty plea to, or conviction of, a crime (including as a result of termination of the NPA) 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 UBS's capital requirements. Information concerning UBS's capital requirements and the calculation of operational risk for this purpose is included in the "Capital management" section of the First Quarter 2015 Financial Report of UBS Group AG.

**Provisions for litigation, regulatory and similar matters by business division and Corporate Center unit<sup>1, 2</sup>**

CHF million	WM	WMA	R&C	GI AM	IB	CC – Services	CC – Group ALM	CC - NCLP	UBS
<b>Balance as of 31 December 2014</b>	188	209	92	53	1,258	312	0	941	<b>3,053</b>
Increase in provisions recognized in the income statement	17	17	0	0	10	9	0	70	<b>123</b>
Release of provisions recognized in the income statement	(2)	(1)	(3)	0	(1)	0	0	(49)	<b>(56)</b>
Provisions used in conformity with designated	(2)	(19)	0	(1)	(153)	(13)	0	(123)	<b>(311)</b>



purpose									
Foreign currency translation / unwind of discount	(19)	(5)	(2)	(3)	(23)	(4)	0	(25)	<b>(82)</b>
<b>Balance as of 31 March 2015</b>	<b>182</b>	<b>202</b>	<b>87</b>	<b>50</b>	<b>1,091</b>	<b>303</b>	<b>0</b>	<b>814</b>	<b>2,727</b>

<sup>1</sup> WM = Wealth Management; WMA = Wealth Management Americas; R&C = Retail & Corporate; GI AM = Global Asset Management; IB = Investment Bank; CC-Services = Corporate Center – Services; CC – Group ALM = Corporate Center – Group Asset and Liability Management; CC-NcLP = Corporate Center - Non-core and Legacy Portfolio. <sup>2</sup> Provisions, if any, for the matters described in this section are recorded in Wealth Management (item 3), Wealth Management Americas (item 5), Investment Bank (items 9 and 10), Corporate Center – Services (item 8) and Corporate Center – Non-core and Legacy Portfolio (items 2 and 4). Provisions, if any, for the matters described in items 1 and 7 are allocated between Wealth Management and Retail & Corporate, and provisions for the matter described in item 6 are allocated between the Investment Bank and Corporate Center– Services.

## 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. It is possible that implementation of automatic tax information exchange and other measures relating to cross-border provision of financial services could give rise to further inquiries in the future.

As a result of investigations in France, in 2013, UBS (France) S.A. and UBS AG were put under formal examination ("*mise en examen*") for complicity in having illicitly solicited clients on French territory, and were declared witness with legal assistance ("*témoin assisté*") regarding the laundering of proceeds of tax fraud and of banking and financial solicitation by unauthorized persons. In 2014, UBS AG was placed under formal examination with respect to the potential charges of laundering of proceeds of tax fraud, and the investigating judges ordered UBS to provide bail ("*caution*") of EUR 1.1 billion. UBS AG appealed the determination of the bail amount, but both the appeal court ("*Cour d'Appel*") and the French Supreme Court ("*Cour de Cassation*") upheld the bail amount and rejected the appeal in full in late 2014. UBS AG intends to challenge the judicial process in the European Court of Human Rights. In March 2015, UBS (France) S.A. was placed under formal examination for complicity regarding the laundering of proceeds of tax fraud and of banking and financial solicitation by unauthorized persons for the years 2004 until 2008 and declared witness with legal assistance for the years 2009 to 2012. A bail of EUR 40 million was imposed.

In addition, the investigating judges have sought to issue arrest warrants against three Swiss-based former employees of UBS AG who did not appear when summoned by the investigating judge. Separately, in 2013, the French banking supervisory authority's disciplinary commission reprimanded UBS (France) S.A. for having had insufficiencies in its control and compliance framework around its cross-border activities and "know your customer" obligations. It imposed a penalty of EUR 10 million, which was paid.

In January 2015, UBS received inquiries from the US Attorney's Office for the Eastern District of New York and from the US Securities and Exchange Commission ("SEC"), which are investigating potential sales to US persons of bearer bonds and other unregistered securities in possible violation of the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") and the registration requirements of the US securities laws. UBS is cooperating with the authorities in these investigations.

UBS's balance sheet at 31 March 2015 reflected provisions with respect to matters described in this item 1 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has 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 UBS has recognized.

## 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. A subsidiary of UBS, UBS Real Estate Securities Inc. ("UBS RESI"), acquired pools of residential mortgage loans from originators and (through an affiliate) deposited them into securitization trusts. In this manner, from 2004 through 2007, UBS RESI sponsored approximately USD 80 billion in RMBS, based on the original principal balances of the securities issued.

UBS RESI also sold pools of loans acquired from originators to third-party purchasers. These whole loan sales during the period 2004 through 2007 totaled approximately USD 19 billion in original principal balance.

UBS was not a significant originator of US residential loans. A subsidiary of UBS originated approximately USD 1.5 billion in US residential mortgage loans during the period in which it was active from 2006 to 2008, and securitized less than half of these loans.

*RMBS-related lawsuits concerning disclosures:* UBS is named as a defendant relating to its role as underwriter and issuer of RMBS in a large number of lawsuits related to approximately USD 10 billion in original face amount of RMBS underwritten or issued by UBS. Of the USD 10 billion in original face amount of RMBS that remains at issue in these cases, approximately USD 3 billion was issued in offerings in which a UBS subsidiary transferred underlying loans (the majority of which were purchased from third-party originators) into a securitization trust and made representations and warranties about those loans ("UBS-sponsored RMBS"). The remaining USD 7 billion of RMBS to which these cases relate was issued by third parties in securitizations in which UBS acted as underwriter ("third-party RMBS").

In connection with certain of these lawsuits, UBS has indemnification rights against surviving third-party issuers or originators for losses or liabilities incurred by UBS, but UBS cannot predict the extent to which it will succeed in enforcing those rights. A class action in which UBS was named as a defendant was settled by a third-party issuer and received final approval by the district court in 2013. The settlement reduced the original face amount of third-party RMBS at issue in the cases pending against UBS by approximately USD 24 billion. The third-party issuer will fund the settlement at no cost to UBS. In 2014, certain objectors to the settlement filed a notice of appeal from the district court's approval of the settlement.

UBS is also named as a defendant in several cases asserting fraud and other claims brought by entities that purchased collateralized debt obligations that had RMBS exposure and that were arranged or sold by UBS.

UBS is a defendant in two lawsuits brought by the National Credit Union Administration ("NCUA"), as conservator for certain failed credit unions, asserting misstatements and omissions in the offering documents for RMBS purchased by the credit unions. Both lawsuits were filed in US District Courts, one in the District of Kansas and the other in the Southern District of New York ("Southern District of New York"). The Kansas court partially granted UBS's motion to dismiss in 2013 and held that the NCUA's claims for ten of the 22 RMBS certificates on which it had sued were time-barred. As a result, the original principal balance at issue in that case was reduced from USD 1.15 billion to approximately USD 400 million. The original principal balance at issue in the Southern District of New York case is approximately USD 400 million. In March 2015, the US Court of Appeals for the Tenth Circuit ("Tenth Circuit") issued a ruling in a similar case filed by the NCUA against Barclays Capital, Inc. that substantially endorsed the Kansas Court's reasoning in dismissing certain of the NCUA's claims as time-barred. However, the Tenth Circuit nevertheless held that the NCUA's claims against Barclays could proceed because Barclays had contractually agreed not to assert certain statute of limitations defenses against the NCUA. Barclays petitioned the Tenth Circuit for rehearing en banc in March 2015, but the petition was denied in April 2015. Following the Tenth Circuit's ruling, the NCUA filed a motion for reconsideration seeking to have the Kansas court reconsider its dismissal of claims asserted against UBS for the ten certificates that the Kansas court had found to be time-barred. That motion is pending.

*Loan repurchase demands related to sales of mortgages and RMBS:* When UBS acted as an RMBS sponsor or mortgage seller, it generally made certain representations relating to the

characteristics of the underlying loans. In the event of a material breach of these representations, UBS was in certain circumstances contractually obligated to repurchase the loans to which they related or to indemnify certain parties against losses. UBS has received demands to repurchase US residential mortgage loans as to which UBS made certain representations at the time the loans were transferred to the securitization trust. UBS has been notified by certain institutional purchasers of mortgage loans and RMBS of their contention that possible breaches of representations may entitle the purchasers to require that UBS repurchase the loans or to other relief. The table "Loan repurchase demands by year received – original principal balance of loans" summarizes repurchase demands received by UBS and UBS's repurchase activity from 2006 through 30 April 2015. In the table, repurchase demands characterized as Demands resolved in litigation and Demands rescinded by counterparty are considered to be finally resolved. Repurchase demands in all other categories are not finally resolved.

**Loan repurchase demands by year received – original principal balance of loans <sup>1</sup>**

<i>USD million</i>	2006-2008	2009	2010	2011	2012	2013	2014	2015, through 30 April	<b>Total</b>
<b>Resolved demands</b>									
Actual or agreed loan repurchases / make whole payments by UBS	12	1							<b>13</b>
Demands rescinded by counterparty	110	104	19	303	237				<b>773</b>
Demands resolved in litigation	1	21							<b>21</b>
<b>Demands expected to be resolved by third parties</b>									
Demands resolved or expected to be resolved through enforcement of indemnification rights against third-party originators		77	2	45	107	99	72		<b>403</b>
<b>Demands in dispute</b>									
Demands in litigation			346	732	1,041				<b>2,118</b>
Demands in review by UBS				2					<b>3</b>
Demands rebutted by UBS but not yet rescinded by counterparty		1	2	1	18	519	260		<b>801</b>
<b>Total</b>	<b>122</b>	<b>205</b>	<b>368</b>	<b>1,084</b>	<b>1,404</b>	<b>618</b>	<b>332</b>	<b>0</b>	<b>4,133</b>

<sup>1</sup> Loans submitted by multiple counterparties are counted only once.

Payments that UBS has made to date to resolve repurchase demands equate to approximately 62% of the original principal balance of the related loans. Most of the payments that UBS has made to date have related to so-called "Option ARM" loans; severity rates may vary for other types of loans with different characteristics. Losses upon repurchase would typically reflect the estimated value of the loans in question at the time of repurchase, as well as, in some cases, partial repayment by the borrowers or advances by servicers prior to repurchase.

In most instances in which UBS would be required to repurchase loans due to misrepresentations, UBS would be able to assert demands against third-party loan originators who provided representations when selling the related loans to UBS. However, many of these third parties are insolvent or no longer exist. UBS estimates that, of the total original principal balance of loans sold or securitized by UBS from 2004 through 2007, less than 50% was purchased from surviving third-party originators. In connection with approximately 60% of the loans (by original principal balance) for which UBS has made payment or agreed to make payment in response to demands received in 2010, UBS has asserted indemnity or repurchase demands against originators. Since 2011, UBS has advised

certain surviving originators of repurchase demands made against UBS for which UBS would be entitled to indemnity, and has asserted that such demands should be resolved directly by the originator and the party making the demand.

UBS cannot reliably estimate the level of future repurchase demands, and does not know whether its rebuttals of such demands will be a good predictor of future rates of rebuttal. UBS also cannot reliably estimate the timing of any such demands.

*Lawsuits related to contractual representations and warranties concerning mortgages and RMBS:* In 2012, certain RMBS trusts filed an action ("Trustee Suit") in the Southern District of New York seeking to enforce UBS RESI's obligation to repurchase loans in the collateral pools for three RMBS securitizations ("Transactions") with an original principal balance of approximately USD 2 billion for which Assured Guaranty Municipal Corp. ("Assured Guaranty"), a financial guaranty insurance company, had previously demanded repurchase. In January 2015, the court rejected plaintiffs' efforts to seek damages for all loans purportedly in breach of representations and warranties in any of the three Transactions and limited plaintiffs to pursuing claims based solely on alleged breaches of loans identified in the complaint or other breaches that plaintiffs can establish were independently discovered by UBS. In February 2015, the court denied plaintiffs' motion seeking reconsideration of its ruling. With respect to the loans subject to the Trustee Suit that were originated by institutions still in existence, UBS intends to enforce its indemnity rights against those institutions. Related litigation brought by Assured Guaranty was resolved in 2013.

In 2012, the Federal Housing Finance Agency, on behalf of the Federal Home Loan Mortgage Corporation ("Freddie Mac"), filed a notice and summons in New York Supreme Court initiating suit against UBS RESI for breach of contract and declaratory relief arising from alleged breaches of representations and warranties in connection with certain mortgage loans and UBS RESI's alleged failure to repurchase such mortgage loans. The lawsuit seeks, among other relief, specific performance of UBS RESI's alleged loan repurchase obligations for at least USD 94 million in original principal balance of loans for which Freddie Mac had previously demanded repurchase; no damages are specified. In 2013, the Court dismissed the complaint for lack of standing, on the basis that only the RMBS trustee could assert the claims in the complaint, and the complaint was unclear as to whether the trustee was the plaintiff and had proper authority to bring suit. The trustee subsequently filed an amended complaint, which UBS moved to dismiss. The motion remains pending.

UBS also has tolling agreements with certain institutional purchasers of RMBS concerning their potential claims related to substantial purchases of UBS-sponsored or third-party RMBS.

As reflected in the table "*Provision for claims related to sales of residential mortgage-backed securities and mortgages*," UBS's balance sheet at 31 March 2015 reflected a provision of USD 732 million with respect to matters described in this item 2. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of this matter 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 UBS has recognized.

**Provision for claims related to sales of residential mortgage-backed securities and mortgages**

<i>USD million</i>	
<b>Balance as of 31 December 2014</b>	<b>849</b>
Increase in provision recognized in the income statement	<b>67</b>
Release of provision recognized in the income statement	<b>(59)</b>
Provision used in conformity with designated purpose	<b>(125)</b>
<b>Balance as of 31 March 2015</b>	<b>732</b>

*Mortgage-related regulatory matters:* In 2014, UBS received a subpoena from the US Attorney's Office for the Eastern District of New York issued pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), which seeks documents and information related to UBS's RMBS business from 2005 through 2007. UBS has also been responding to a subpoena from the New York State Attorney General ("NYAG") relating to its RMBS business. In addition, UBS has also been responding to inquiries from both the Special Inspector General for the Troubled Asset Relief Program ("SIGTARP") (who is working in conjunction with the US Attorney's Office for Connecticut and the DOJ) and the SEC relating to trading practices in connection with purchases and sales of mortgage-backed securities in the secondary market from 2009 through the present. UBS is cooperating with the authorities in these matters. Numerous other banks reportedly are responding to similar inquiries from these authorities.

### 3. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC ("BMIS") investment fraud, UBS AG, UBS (Luxembourg) SA and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including the FINMA and the Luxembourg Commission de Surveillance du Secteur Financier ("CSSF"). 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 now face severe losses, and the Luxembourg funds are in liquidation. The last reported net asset value of the two Luxembourg funds before revelation of the Madoff scheme was approximately USD 1.7 billion in the aggregate, although that figure likely includes fictitious profit reported by BMIS. 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. UBS (Luxembourg) SA and certain other UBS subsidiaries are responding to inquiries by Luxembourg investigating authorities, without however being named as parties in those investigations. In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims on behalf of the funds against UBS entities, non-UBS entities and certain individuals including current and former UBS employees. The amounts claimed are approximately EUR 890 million and EUR 305 million, respectively. The liquidators have filed supplementary claims for amounts that the funds may possibly be held liable to pay the BMIS Trustee. These amounts claimed by the liquidator are approximately EUR 564 million and EUR 370 million, respectively. In addition, a large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff scheme. The majority of these cases are pending in Luxembourg, where appeals were filed by the claimants against the 2010 decisions of the court in which the claims in a number of test cases were held to be inadmissible. In the US, the BMIS Trustee filed claims in 2010 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 2 billion. Following a motion by UBS, in 2011, the US District Court for the Southern District of New York dismissed all of the BMIS Trustee's claims other than claims for recovery of fraudulent conveyances and preference payments that were allegedly transferred to UBS on the ground that the BMIS Trustee lacks standing to bring such claims. In 2013, the Second Circuit affirmed the District Court's decision and, in June 2014, the US Supreme Court denied the BMIS Trustee's petition seeking review of the Second Circuit ruling. In December 2014, several claims, including a purported class action, were filed in the US by BMIS customers against UBS entities, asserting claims similar to the ones made by the BMIS Trustee, seeking unspecified damages. In Germany, certain clients of UBS are exposed to Madoff-managed positions through third-party funds and funds administered by UBS entities in Germany. A small number of claims have been filed with respect to such funds. In January 2015, a court of appeal reversed a lower court decision in favor of UBS in one such case and ordered UBS to pay EUR 49 million, plus interest. UBS has filed an application for leave to appeal the decision.

#### 4. Kommunale Wasserwerke Leipzig GmbH ("KWL")

In 2006, KWL entered into a single-tranche collateralized debt obligation/credit default swap ("STCDO/CDS") transaction with UBS, with latter legs being intermediated in 2006 and 2007 by Landesbank Baden-Württemberg ("LBBW") and Depfa Bank plc ("Depfa"). KWL retained UBS Global Asset Management to act as portfolio manager under the STCDO/CDS. UBS and the intermediating banks terminated the STCDO/CDS following non-payment by KWL under the STCDOs. UBS initiated proceedings against KWL, Depfa and LBBW seeking declarations and/or to enforce the terms of the STCDO/CDS contracts, and each of KWL, Depfa and LBBW filed counterclaims. Following trial, the Court ruled that UBS cannot enforce the STCDO/CDS entered into with KWL, LBBW or Depfa, which have been rescinded, granted the fraudulent misrepresentation claims of LBBW and Depfa against UBS, ruled that UBS Global Asset Management breached its duty in the management of the underlying portfolios and dismissed KWL's monetary counterclaim against UBS. These rulings have been implemented and additional claims relating to interest on collateral and the costs of separate proceedings in Germany have been deferred. UBS sought leave to appeal the judgment. The court has denied leave to appeal on written submissions and oral argument to reconsider the denial is scheduled for October 2015. UBS has also been ordered to pay part of the other parties' costs in the proceedings, which have not been fully determined.

Since 2011, the SEC has been conducting an investigation focused on, among other things, the suitability of the KWL transaction, and information provided by UBS to KWL. UBS has provided documents and testimony to the SEC and is continuing to cooperate with the SEC.

UBS's balance sheet at 31 March 2015 reflected provisions with respect to matters described in this item 4 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has 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 UBS has recognized.

#### 5. Puerto Rico

Declines since August 2013 in the market prices of Puerto Rico municipal bonds and of closed-end funds (the "funds") that are sole-managed and co-managed by UBS Trust Co. of Puerto Rico and distributed by UBS Financial Services Inc. of Puerto Rico ("UBS PR") have led to multiple regulatory inquiries, as well as customer complaints and arbitrations with aggregate claimed damages exceeding USD 1.1 billion. The claims are filed by clients in Puerto Rico who own the funds or Puerto Rico municipal bonds and/or who used their UBS account assets as collateral for UBS non-purpose loans; customer complaint and arbitration allegations include fraud, misrepresentation and unsuitability of the funds and of the loans. A shareholder derivative action was filed in 2014 against various UBS entities and current and certain former directors of the funds, alleging hundreds of millions in losses in the funds. In 2014, a federal class action complaint also was filed against various UBS entities, certain members of UBS PR senior management, and the co-manager of certain of the funds seeking damages for investor losses in the funds during the period from May 2008 through May 2014. In March 2015 a class action was filed in Puerto Rico state court against UBS PR seeking equitable relief in the form of a stay of any effort by UBS PR to collect on non-purpose loans it acquired from UBS Bank USA in December 2013 based on plaintiffs' allegation that the loans are not valid.

An internal review also disclosed that certain clients, many of whom acted at the recommendation of one financial advisor, invested proceeds of non-purpose loans in closed-end fund securities in contravention of their loan agreements.

In 2014 UBS reached a settlement with the Office of the Commissioner of Financial Institutions for the Commonwealth of Puerto Rico ("OCFI") in connection with OCFI's examination of UBS's operations from January 2006 through September 2013. Pursuant to the settlement, UBS contributed USD 3.5 million to an investor education fund, offered USD 1.68 million in restitution to certain investors and, among other things, committed to undertake an additional review of certain client accounts to determine if additional restitution would be appropriate.

In 2011, a purported derivative action was filed on behalf of the Employee Retirement System of the Commonwealth of Puerto Rico ("System") against over 40 defendants, including UBS PR and other consultants and underwriters, trustees of the System, and the President and Board of the Government Development Bank of Puerto Rico. The plaintiffs alleged that defendants violated their purported fiduciary duties and contractual obligations in connection with the issuance and underwriting of approximately USD 3 billion of bonds by the System in 2008 and sought damages of over USD 800 million. UBS is named in connection with its underwriting and consulting services. In 2013, the case was dismissed by the Puerto Rico Court of First Instance on the grounds that plaintiffs did not have standing to bring the claim. That dismissal was subsequently overturned by the Puerto Rico Court of Appeals. UBS's petitions for appeal and reconsideration have been denied by the Supreme Court of Puerto Rico.

Also, in 2013, an SEC Administrative Law Judge dismissed a case brought by the SEC against two UBS executives, finding no violations. The charges had stemmed from the SEC's investigation of UBS's sale of closed-end funds in 2008 and 2009, which UBS settled in 2012. Beginning in 2012 two federal class action complaints, which were subsequently consolidated, were filed against various UBS entities, certain of the funds, and certain members of UBS PR senior management, seeking damages for investor losses in the funds during the period from January 2008 through May 2012 based on allegations similar to those in the SEC action. Plaintiffs' motion to consolidate that action with the federal class action filed in 2014 described above was denied and a motion for class certification is now pending.

UBS's balance sheet at 31 March 2015 reflected provisions with respect to matters described in this item 5 in amounts that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has 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 provisions that UBS has recognized.

## 6. Foreign exchange, LIBOR, and benchmark rates

*Foreign exchange-related regulatory matters:* Following an initial media report in 2013 of widespread irregularities in the foreign exchange markets, UBS immediately commenced an internal review of its foreign exchange business, which includes UBS's precious metals and related structured products businesses. Since then, various authorities have commenced investigations concerning possible manipulation of foreign exchange markets, including FINMA, the Swiss Competition Commission ("WEKO"), the DOJ, the SEC, the US Commodity Futures Trading Commission ("CFTC"), the Federal Reserve Board, the UK Financial Conduct Authority ("FCA") (to which certain responsibilities of the UK Financial Services Authority ("FSA") have passed), the UK Serious Fraud Office ("SFO"), the Australian Securities and Investments Commission ("ASIC") and the Hong Kong Monetary Authority ("HKMA"). WEKO stated in 2014 that it had reason to believe that certain banks may have colluded to manipulate foreign exchange rates. A number of authorities also reportedly are investigating potential manipulation of precious metals prices. UBS and other financial institutions have received requests from various authorities relating to their foreign exchange businesses, and UBS is cooperating with the authorities. UBS has taken and will take appropriate action with respect to certain personnel as a result of its ongoing review.

In 2014, UBS reached settlements with the FCA and the CFTC in connection with their foreign exchange investigations, and FINMA issued an order concluding its formal proceedings with respect to UBS relating to its foreign exchange and precious metals businesses. UBS has paid a total of approximately CHF 774 million to these authorities, including GBP 234 million in fines to the FCA, USD 290 million in fines to the CFTC, and CHF 134 million to FINMA representing confiscation of costs avoided and profits. The conduct described in the settlements and the FINMA order includes certain UBS personnel: engaging in efforts, alone or in cooperation/collusion with traders at other banks, to manipulate foreign exchange benchmark rates involving multiple currencies, attempts to trigger client stop-loss orders for UBS's benefit, and inappropriate sharing of confidential client information. UBS has ongoing obligations to cooperate with these authorities and to undertake certain remediation, including actions to improve processes and controls and requirements imposed by FINMA to apply compensation restrictions for certain employees

and to automate at least 95% of UBS's global foreign exchange and precious metals trading by 31 December 2016. In 2014, the HKMA announced the conclusion of its investigation into foreign exchange trading operations of banks in Hong Kong. The HKMA found no evidence of collusion among the banks or of manipulation of foreign exchange benchmark rates in Hong Kong. The HKMA also found that banks had internal control deficiencies with respect to their foreign exchange trading operations.

On May 20, 2015, the DOJ's Criminal Division ("Criminal Division") terminated the NPA with UBS. As a result, UBS entered into a plea agreement with the Criminal Division pursuant to which UBS agreed to and did plead guilty to a one-count criminal information filed in the U.S. District Court for the District of Connecticut charging UBS AG with one count of wire fraud in violation of 18 USC Sections 1343 and 1342. Under the plea agreement, UBS agreed to pay a USD 203 million penalty and to accept a sentence that includes a three-year term of probation. The criminal information charges that between approximately 2001 and 2010, the UBS AG engaged in a scheme to defraud counterparties to interest rate derivatives transactions by manipulating benchmark interest rates, including Yen LIBOR. The Criminal Division terminated the NPA based on its determination, in its sole discretion, that certain of UBS AG's employees committed criminal conduct that violated the NPA, including fraudulent and deceptive currency trading and sales practices in conducting certain foreign exchange market transactions with customers and collusion with other participants in certain FX markets.

On May 20, 2015, the Board of Governors of the Federal Reserve System issued an Order to Cease and Desist and Order of Assessment of a Civil Monetary Penalty Issued upon Consent (the "Federal Reserve Order") to UBS AG. As part of the Federal Reserve Order, the UBS AG paid a USD 342 million civil monetary penalty. The Federal Reserve's Order is based on the Federal Reserve's findings that UBS AG had deficient policies and procedures that prevented the UBS AG from detecting and addressing unsafe and unsound conduct by foreign exchange traders and salespeople, including disclosures to traders of other institutions of confidential customer information, agreements with traders of other institutions to coordinate foreign exchange trading in a manner to influence the WM/R and ECB foreign exchange benchmarks fixes and market prices, and trading strategies that raised potential conflicts of interest, possible agreements with traders of other institutions regarding bid/offer spreads offered to foreign exchange customers, the provision of information to customers regarding price quotes, and the provision of information to customers about how a customer's foreign exchange order is filled.

UBS has been granted conditional immunity by the Antitrust Division of the DOJ ("Antitrust Division") from prosecution for Euro/USD collusion and entered into a non-prosecution agreement covering other currency pairs. As a result, UBS AG will not be subject to prosecutions, fines or other sanctions for antitrust law violations by the Antitrust Division, subject to UBS AG's continuing cooperation. However, the conditional immunity grant does not bar government agencies from asserting other claims and imposing sanctions against UBS AG, as evidenced by the settlements and ongoing investigations referred to above.

Investigations relating to foreign exchange matters by numerous authorities, including the SEC and CFTC, remain ongoing notwithstanding these resolutions.

*Foreign exchange-related civil litigation:* Putative class actions have been filed since November 2013 in US federal courts against UBS and other banks. These actions are on behalf of putative classes of persons who engaged in foreign currency transactions with any of the defendant banks. They allege collusion by the defendants and assert claims under the antitrust laws and for unjust enrichment. In March 2015, UBS entered into a settlement agreement to resolve those actions. The agreement, which is subject to court approval, requires among other things that UBS pay USD 135 million and provide cooperation to the settlement class. In 2015, UBS has been added to putative class actions pending against other banks in federal court in New York on behalf of putative classes of persons who bought or sold physical precious metals and various precious metal products and derivatives. The complaints in these lawsuits assert claims under the US antitrust laws and the US Commodity Exchange Act ("CEA") and for unjust enrichment. Since February 2015, putative class actions have been filed in federal court in New York against UBS and other banks on behalf of a putative class of persons who entered into or held any foreign exchange futures



contracts and options on foreign exchange futures contracts since January 1, 2003. The complaints assert claims under the CEA and the US antitrust laws.

*LIBOR and other benchmark-related regulatory matters:* Numerous government agencies, including the SEC, the CFTC, the DOJ, the FCA, the SFO, the Monetary Authority of Singapore ("MAS"), the HKMA, FINMA, the various state attorneys general in the US, and competition authorities in various jurisdictions have conducted or are continuing to conduct investigations regarding submissions with respect to LIBOR and other benchmark rates, including the Hong Kong Interbank Offered Rate ("HIBOR") and ISDAFIX, a benchmark rate used for various interest rate derivatives and other financial instruments. These investigations focus on whether there were improper attempts by UBS (among others), either acting on its own or together with others, to manipulate LIBOR and other benchmark rates at certain times.

In 2012, UBS reached settlements with the FSA, the CFTC and the Criminal Division of the DOJ in connection with their investigations of benchmark interest rates. At the same time FINMA issued an order concluding its formal proceedings with respect to UBS relating to benchmark interest rates. UBS has paid a total of approximately CHF 1.4 billion in fines and disgorgement – including GBP 160 million in fines to the FSA, USD 700 million in fines to the CFTC, USD 500 million in fines to the DOJ, and CHF 59 million in disgorgement to FINMA. UBS Securities Japan Co. Ltd. ("UBSSJ") entered into a plea agreement with the DOJ under which it entered a plea to one count of wire fraud relating to the manipulation of certain benchmark interest rates, including Yen LIBOR. UBS entered into an NPA with the DOJ, which (along with the plea agreement) covered conduct beyond the scope of the conditional leniency / immunity grants described below, required UBS to pay the USD 500 million fine to DOJ after the sentencing of UBSSJ, and provided that any criminal penalties imposed on UBSSJ at sentencing be deducted from the USD 500 million fine. The conduct described in the various settlements and the FINMA order includes certain UBS personnel: engaging in efforts to manipulate submissions for certain benchmark rates to benefit trading positions; colluding with employees at other banks and cash brokers to influence certain benchmark rates to benefit their trading positions; and giving inappropriate directions to UBS submitters that were in part motivated by a desire to avoid unfair and negative market and media perceptions during the financial crisis. The benchmark interest rates encompassed by one or more of these resolutions include Yen LIBOR, GBP LIBOR, Swiss franc ("CHF") LIBOR, Euro LIBOR, USD LIBOR, EURIBOR (Euro Interbank Offered Rate) and Euroyen TIBOR (Tokyo Interbank Offered Rate). UBS has ongoing obligations to cooperate with authorities with which it has reached resolutions and to undertake certain remediation with respect to benchmark interest rate submissions. Under the NPA, UBS agreed, among other things, that for two years from December 18, 2012 UBS AG will not commit any U.S. crime, and we will advise DOJ of any potentially criminal conduct by UBS AG or any of its employees relating to violations of U.S. laws concerning fraud or securities and commodities markets. On May 20, 2015, the DOJ's Criminal Division terminated the NPA based on its determination, in its sole discretion, that certain of UBS AG's employees committed criminal conduct that violated the NPA. As a result, UBS entered into a plea agreement with the DOJ under which it entered a guilty plea to one count of wire fraud relating to the manipulation of certain benchmark interest rates, including Yen LIBOR and agreed to pay a fine of USD 203 million and accept a three year term of probation. The MAS, HKMA, ASIC and the Japan Financial Services Agency have all resolved investigations of UBS (and in some cases other banks). The orders or undertakings in connection with these investigations generally require UBS to take remedial actions to improve its processes and controls, impose monetary penalties or other measures. Investigations by the CFTC, ASIC and other governmental authorities remain ongoing notwithstanding these resolutions. In 2014, UBS reached a settlement with the European Commission ("EC") regarding its investigation of bid-ask spreads in connection with Swiss franc interest rate derivatives and has paid a EUR 12.7 million fine, which was reduced to this level based in part on UBS's cooperation with the EC.

UBS has been granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ, WEKO and the EC, in connection with potential antitrust or competition law violations related to submissions for Yen LIBOR and Euroyen TIBOR. WEKO has also granted UBS conditional immunity in connection with potential competition law violations related to submissions for CHF LIBOR and certain transactions related to Swiss franc LIBOR. The Canadian Competition Bureau ("Bureau") had granted UBS conditional immunity in connection with potential competition

law violations related to submissions for Yen LIBOR, but in January 2014, the Bureau discontinued its investigation into Yen LIBOR for lack of sufficient evidence to justify prosecution under applicable laws. As a result of these conditional grants, UBS will not be subject to prosecutions, fines or other sanctions for antitrust or competition law violations in the jurisdictions where it has conditional immunity or leniency in connection with the matters covered by the conditional grants, subject to its continuing cooperation. However, the conditional leniency and conditional immunity grants UBS has received do not bar government agencies from asserting other claims and imposing sanctions against UBS, as evidenced by the settlements and ongoing investigations referred to above. In addition, as a result of the conditional leniency agreement with the DOJ, UBS is eligible for a limit on liability to actual rather than treble damages were damages to be awarded in any civil antitrust action under US law based on conduct covered by the agreement and for relief from potential joint and several liability in connection with such civil antitrust action, subject to UBS satisfying the DOJ and the court presiding over the civil litigation of its cooperation. The conditional leniency and conditional immunity grants do not otherwise affect the ability of private parties to assert civil claims against UBS.

*LIBOR and other benchmark-related civil litigation:* A number of putative class actions and other actions are pending in, or expected to be transferred to, 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 linked directly or indirectly to US dollar LIBOR, Yen LIBOR, Euroyen TIBOR, EURIBOR and US Dollar ISDAFIX. Also pending are actions asserting losses related to various products whose interest rate was linked to US dollar LIBOR, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. All of the complaints allege manipulation, through various means, of various benchmark interest rates, including LIBOR, Euroyen TIBOR, EURIBOR or US Dollar ISDAFIX rates and seek unspecified compensatory and other damages, including treble and punitive damages, under varying legal theories that include violations of the CEA, the federal racketeering statute, federal and state antitrust and securities laws and other state laws. In February 2015, a putative class action was filed in federal court in New York against UBS and other financial institutions on behalf of parties who entered into interest rate derivatives linked to CHF LIBOR. Plaintiffs allege that defendants conspired to manipulate CHF LIBOR and the prices of CHF LIBOR-based derivatives from 1 January 2005 through 31 December 2009 in violation of US antitrust laws and the CEA, among other theories, and seek unspecified compensatory damages, including treble damages. In 2013, a federal court in New York dismissed the federal antitrust and racketeering claims of certain US dollar LIBOR plaintiffs and a portion of their claims brought under the CEA and state common law. The court has granted certain plaintiffs permission to assert claims for unjust enrichment and breach of contract against UBS and other defendants, and limited the CEA claims to contracts purchased between 15 April 2009 and May 2010. Certain plaintiffs have also appealed the dismissal of their antitrust claims. UBS and other defendants in other lawsuits including the one related to Euroyen TIBOR have filed motions to dismiss. In 2014, the court in the Euroyen TIBOR lawsuit dismissed the plaintiff's federal antitrust and state unfair enrichment claims, and dismissed a portion of the plaintiff's CEA claims. Discovery is currently stayed.

Since September 2014, putative class actions have been filed in federal court in New York and New Jersey against UBS and other financial institutions, among others, on behalf of parties who entered into interest rate derivative transactions linked to ISDAFIX. The complaints, which have since been consolidated into an amended complaint, allege that the defendants conspired to manipulate ISDAFIX rates from 1 January 2006 through January 2014, in violation of US antitrust laws and the CEA, among other theories, and seeks unspecified compensatory damages, including treble damages.

With respect to additional matters and jurisdictions not encompassed by the settlements and order referred to above, UBS's balance sheet at 31 March 2015 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 UBS has 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 UBS has recognized.

## 7. Swiss retrocessions

The Swiss Supreme Court ruled in 2012, in a test case against UBS, that distribution fees paid to a bank 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 bank, absent a valid waiver.

FINMA has issued a supervisory note to all Swiss banks in response to the Supreme Court decision. The note sets forth the measures Swiss banks are to adopt, which include informing all affected clients about the Supreme Court decision and directing them to an internal bank contact for further details. UBS has met the FINMA requirements and has notified all potentially affected clients.

The Supreme Court decision has resulted, and may continue 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 others, the existence of a discretionary mandate and whether or not the client documentation contained a valid waiver with respect to distribution fees.

UBS's balance sheet at 31 March 2015 reflected a provision with respect to matters described in this item 7 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 UBS has 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 UBS has recognized.

## 8. Banco UBS Pactual tax indemnity

Pursuant to the 2009 sale of Banco UBS Pactual S.A. ("Pactual") by UBS to BTG Investments, LP ("BTG"), BTG has submitted contractual indemnification claims that UBS estimates amount to approximately BRL 2.4 billion, including interest and penalties, which is net of liabilities retained by BTG. The claims pertain principally to several tax assessments issued by the Brazilian tax authorities against Pactual relating to the period from December 2006 through March 2009, when UBS owned Pactual. The majority of these assessments relate to the deductibility of goodwill amortization in connection with UBS's 2006 acquisition of Pactual and payments made to Pactual employees through various profit sharing plans. These assessments are being challenged in administrative proceedings. In August 2014, UBS was notified that the administrative court had rendered a decision that was largely in favor of the tax authority with respect to the goodwill amortization assessment. UBS is awaiting written decisions from the administrative court for this matter, at which time an appeal will be taken.

## 9. Matters relating to the CDS market

In 2013, the EC issued a Statement of Objections against thirteen credit default swap ("CDS") dealers including UBS, as well as data service provider Markit and the International Swaps and Derivatives Association ("ISDA"). The Statement of Objections broadly alleges that the dealers infringed European Union antitrust rules by colluding to prevent exchanges from entering the credit derivatives market between 2006 and 2009. UBS submitted its response to the Statement of Objections and presented UBS's position in an oral hearing in 2014. Since mid-2009, the Antitrust Division of the DOJ has also been investigating whether multiple dealers, including UBS, conspired with each other and with Markit to restrain competition in the markets for CDS trading, clearing and other services. In 2014, putative class action plaintiffs filed consolidated amended complaints in the Southern District of New York against twelve dealers, including UBS, as well as Markit and ISDA, alleging violations of the US Sherman Antitrust Act and common law. Plaintiffs allege that the defendants unlawfully conspired to restrain competition in and / or monopolize the market for CDS trading in the US in order to protect the dealers' profits from trading CDS in the over-the-counter market. Plaintiffs assert claims on behalf of all purchasers and sellers of CDS that transacted directly with any of the dealer defendants since 1 January 2008, and seek

unspecified trebled compensatory damages and other relief. In 2014, the court granted in part and denied in part defendants' motions to dismiss the complaint.

#### 10. Equities trading systems and practices

UBS is responding to inquiries concerning the operation of UBS's alternative trading system ("ATS") (also referred to as a dark pool) and its securities order routing and execution practices from various authorities, including the SEC, the NYAG and the Financial Industry Regulatory Authority, who reportedly are pursuing similar investigations industry-wide. In January 2015, the SEC announced the resolution of its investigation concerning the operation of UBS's ATS between 2008 and 2012, which focused on certain order types and disclosure practices that were discontinued two years ago. Under the SEC settlement order, which charges UBS with, among other things, violations of Section 17(a)(2) of the Securities Act of 1933 and Rule 612 of Regulation NMS (known as the sub-penny rule), UBS has paid a total of USD 14.5 million, which includes a fine of USD 12 million and disgorgement of USD 2.4 million. UBS is cooperating in the ongoing regulatory matters, including by the SEC.

The specific litigation, regulatory and other matters described above include 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 as described in Note 16a to the unaudited consolidated financial statements included in the first quarter 2015 report of UBS AG. The proceedings indicated below are matters that have recently been considered material, but are not currently considered material, by UBS AG Group. Besides the proceedings described above and those described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which UBS AG is aware) which may have, or have had in the recent past, significant effects on UBS AG's and/or the UBS AG Group's financial position or profitability and are or have been pending during the last twelve months until the date of this document.

*Inquiries regarding cross-border wealth management businesses.* In Germany, two different authorities have been conducting investigations against UBS Deutschland AG and UBS AG, respectively, and against certain employees of these entities concerning certain matters relating to UBS's past cross-border business. UBS is cooperating with these authorities within the limits of financial privacy obligations under Swiss and other applicable laws. UBS reached a settlement in July 2014 with the authorities in Bochum, concluding those proceedings. The settlement included a payment of approximately EUR 302 million. The proceedings by the authorities in Mannheim have not revealed sufficient evidence supporting the allegations being investigated.

*Claims related to UBS disclosure.* A putative consolidated class action has been filed in the United States District Court for the Southern District of New York against UBS, a number of current and former directors and senior officers and certain banks that underwrote UBS's May 2008 Rights Offering (including UBS Securities LLC ("UBSS")) alleging violation of the US securities laws in connection with UBS's disclosures relating to UBS's positions and losses in mortgage-related securities, UBS's positions and losses in auction rate securities, and UBS's US cross-border business. In 2011, the court dismissed all claims based on purchases or sales of UBS ordinary shares made outside the US, and, in 2012, the court dismissed with prejudice the remaining claims based on purchases or sales of UBS ordinary shares made in the US for failure to state a claim. In May 2014, the Second Circuit upheld the dismissal of the complaint and the matter is now concluded. UBS, a number of senior officers and employees and various UBS committees have also been sued in a putative consolidated class action for breach of fiduciary duties brought on behalf of current and former participants in two UBS Employee Retirement Income Security Act ("ERISA") retirement plans in which there were purchases of UBS stock. In 2011, the court dismissed the ERISA complaint. In 2012, the court denied plaintiffs' motion for leave to file an amended complaint. On appeal, the Second Circuit upheld the dismissal of all counts relating to one of the retirement plans. With respect to the second retirement plan, the Court upheld the dismissal of some of the counts, and vacated and remanded for further proceedings with regard to the counts alleging that defendants had violated their fiduciary duty to prudently manage the plan's investment options, as well as the claims derivative of that duty. In September 2014, the trial court dismissed the remaining claims. Plaintiffs appealed that ruling and in April 2015, the Second Circuit affirmed the trial court's dismissal of the remaining claims.

In 2012, a consolidated complaint was filed in a putative securities fraud class action pending in federal court in Manhattan against UBS AG and certain of its current and former officers relating to the unauthorized trading incident that occurred in the Investment Bank and was announced in September 2011. The lawsuit was filed on behalf of parties who purchased publicly traded UBS securities on any US exchange, or where title passed within the US, during the period 17 November 2009 through 15 September 2011. In 2013, the district court granted UBS's motion to dismiss the complaint in its entirety, from which plaintiffs filed an appeal. In 2015, the appellate court affirmed the district court's dismissal of the action.

*Transactions with Italian public sector entities.* A number of transactions that UBS Limited and UBS AG respectively entered into with public sector entity counterparties in Italy have been called into question or become the subject of legal proceedings and claims for damages and other awards. In Milan, in 2012, civil claims brought by the City of Milan against UBS Limited, UBS Italia SIM Spa and three other international banks in relation to a 2005 bond issue and associated derivatives transactions entered into with Milan between 2005 and 2007 were settled without admission of liability. In 2012, the criminal court in Milan issued a judgment convicting two current UBS employees and one former employee, together with employees from the three other banks, of fraud against a public entity in relation to the same bond issue and the execution, and subsequent restructuring, of the related derivative transactions. In the same proceedings, the Milan criminal court also found UBS Limited and three other banks liable for the administrative offense of failing to have in place a business organizational model capable of preventing the criminal offenses of which its employees were convicted. The sanctions imposed against UBS Limited, which could only become effective after all appeals were exhausted, were confiscation of the alleged level of profit flowing from the criminal findings (EUR 16.6 million), a fine in respect of the finding of the administrative offense (EUR 1 million) and payment of legal fees. UBS Limited and the individuals appealed that judgment and, in March 2014, the Milan Court of Appeal overturned all findings of liability against UBS Limited and the convictions of the UBS individuals and acquitted them. It issued a full judgment setting out the reasons for its rulings in June 2014. The appellate prosecutor did not pursue a further appeal and the acquittals are now final.

Derivative transactions with the Regions of Calabria, Tuscany, Lombardy, Lazio and Campania, and the City of Florence have also been called into question or become the subject of legal proceedings and claims for damages and other awards. UBS AG and UBS Limited have settled all civil disputes with the Regions of Tuscany, Lombardy, Lazio and Calabria and the City of Florence without any admission of liability.

*Equities trading systems and practices:* UBS was among dozens of defendants, including broker dealers, trading exchanges, high frequency trading firms, and dark pool sponsors, named in putative class actions pending in New York federal court, which have been filed on behalf of purchasers and sellers of equity securities. The lawsuits allege principally that the defendants' equities order handling practices favored high frequency trading firms at the expense of other market participants, in violation of the federal securities laws. Plaintiffs filed a consolidated amended complaint in September 2014 in which UBS is no longer named as a defendant.

*Kommunale Wasserwerke Leipzig GmbH ("KWL"):* In proceedings brought by KWL against LBBW in Leipzig, Germany, which relate to the matters discussed in item 4 above, the court ruled in LBBW's favor in June 2013 and upheld the validity of the STCDO as between LBBW and KWL. KWL has appealed against that ruling and, in December 2014, the appeal court stayed the appeal proceedings following the judgment and UBS's request for permission to appeal in the proceedings in England discussed in item 4 above. KWL and LBBW have been given permission by the English trial judge to make applications to recover their costs in the German proceedings as damages from UBS in the English proceedings after the German proceedings conclude.

In 2011 and 2013, the former managing director of KWL and two financial advisers were convicted in Germany on criminal charges related to certain KWL transactions, including swap transactions with UBS. All three have lodged appeals.

*Banco UBS Pactual tax indemnity:* In May 2014, UBS was notified that the administrative court had rendered a decision in favor of the taxpayer, Pactual, in connection with a profit-sharing plan assessment relating to an affiliate company. That decision became final in October 2014.

From 2013 through 2015, approximately BRL 180 million in tax claims relating to the period for which UBS has indemnification obligations were submitted for settlement through amnesty programs announced by the Brazilian government.

Besides the proceedings specified in this section 8. no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which UBS AG is aware) which may have, or have had in the recent past, significant effects on UBS AG's and/or UBS Group's financial position or profitability, are or have been pending during the last twelve months until the date of this document."

**Section "9. Significant Changes in the Financial or Trading Position; Material Adverse Change in Prospects" is completely replaced by the following text:**

**"9. Significant Changes in the Financial or Trading Position; Material Adverse Change in Prospects**

There has been no significant change in the financial or trading position of UBS AG Group since 31 March 2015. Refer to "*Recent Developments – 3. The new legal structure of UBS Group and future structural changes*" above for more information on the transfer of the Retail & Corporate and Wealth Management business booked in Switzerland from UBS AG to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland, effective on 14 June 2015.

There has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2014."

**In section "10. Material Contracts" the following text is added after the first sentence:**

"Refer to "*Recent Developments – 3. The new legal structure of UBS Group and future structural changes*" above for more information on the transfer of the Retail & Corporate and Wealth Management business booked in Switzerland from UBS AG to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland, effective on 14 June 2015."

**Section "11. Statutory Auditors" is completely replaced by the following text:**

**"11. Statutory Auditors**

Based on article 39 of the Articles of Association of UBS AG dated 7 May 2015 ("**Articles of Association**"), UBS AG shareholders elect the auditors for a term of office of one year. At the Annual General Meeting of shareholders of UBS ("**AGM**") of 3 May 2012, 2 May 2013, 7 May 2014 and 7 May 2015, Ernst & Young Ltd., Aeschengraben 9, CH-4002 Basel ("**Ernst & Young**") were elected as auditors for the consolidated and standalone financial statements of UBS AG for a one-year term.

Ernst & Young is a member of the Swiss Institute of Certified Accountants and Tax Consultants based in Zurich, Switzerland."

**In the section entitled "M. General Information", section "7. Documents incorporated by Reference", is completely replaced as follows:**

**"7. Documents incorporated by Reference**

This Base Prospectus should be read and construed in conjunction with each supplement to this Base Prospectus and the documents incorporated by reference into this Base Prospectus. The information set forth in the documents listed in this section below, is hereby incorporated by reference into this Base Prospectus and as such deemed to form a part of this Base Prospectus:

- (a) the Annual Report of UBS AG as of 31 December 2013, comprising the sections (1) Operating environment and strategy on pages 17 to 64, (2) Financial and operating performance on pages 65 to 138, (3) Risk, treasury and capital management on pages 139 to 252, (4) Corporate governance, responsibility and compensation on pages 253 to 339, (5) Financial information (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements" and the "Report of the statutory auditor on the financial statements") on pages 341 to 606;
- (b) the Annual Report of UBS Group AG and UBS AG as of 31 December 2014, comprising the sections (1) UBS Group – Changes to our legal structure on pages 17 to 24 , (2) Operating environment and strategy on pages 25 to 78, (3) Financial and operating performance on pages 79 to 153, (4) Risk, treasury and capital management on pages 155 to 280, (5) Corporate governance, responsibility and compensation on pages 281 to 382, (6) Financial information (including the "Report of the Statutory Auditor and the Independent Registered Public Accounting Firm on the Consolidated Financial Statements" and the "Report of the Statutory Auditor on the Financial Statements") on pages 383 to 860;
- (c) The first quarter 2015 report of UBS Group AG and the first quarter 2015 report of UBS AG; and
- (d) the Conditions of the Securities as contained on pages 157 to 241 of the Base Prospectus dated 23 June 2014 of UBS AG as filed with SFSA.

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of any Securities. Any statement contained in a document, all or the relevant portion of which is incorporated by reference into this Base Prospectus, shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in this Base Prospectus or in any supplement to this Base Prospectus, including any documents incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise)."

- 2) In relation to the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 17 April 2015 in the section "I. Summary of the Base Prospectus" in the sub-section headed "A. Summary of the Base Prospectus (in the English language)"

a) in the section headed "Section B – Issuer":

**The Element B.1 is completely replaced as follows:**

Element	Section B – Issuer	
<b>B.1</b>	Legal and commercial name of the issuer.	The legal and commercial name of the Issuer is UBS AG (the " <b>Issuer</b> " and together with its subsidiaries " <b>UBS AG (consolidated)</b> ", or " <b>UBS AG Group</b> " and together with UBS Group AG, the holding company of UBS AG, " <b>UBS Group</b> ", " <b>Group</b> ", " <b>UBS</b> " or " <b>UBS Group AG (consolidated)</b> ").

**The Elements B.4b and B.5 are completely replaced as follows:**

<b>B.4b</b>	A description of any known trends affecting the issuer or the industries in which it operates.	<p><b>Trend Information</b></p> <p>As stated in the first quarter 2015 financial report of UBS Group AG issued on 5 May 2015, at the start of the second quarter of 2015, many of the underlying macroeconomic challenges and geopolitical issues that UBS has previously highlighted remain and are unlikely to be resolved in the foreseeable future. UBS is implementing initiatives to improve the pricing of some Wealth Management accounts in light of the interest rate environment in Switzerland and parts of Europe. Excluding potential outflows associated with these initiatives, UBS expects its wealth management businesses will continue to deliver positive net new money in the second quarter. Thus, despite ongoing and new challenges, UBS continues to be committed to the disciplined execution of its strategy in order to ensure the firms long-term success and to deliver sustainable returns for shareholders.</p>
<b>B.5</b>	Description of the group and the issuer's position within the group.	<p>UBS AG is a Swiss bank. It is the sole subsidiary of UBS Group AG. It is also the parent company of the UBS AG Group. The UBS Group operates as a group with five business divisions and a Corporate Center.</p> <p>UBS AG has transferred its Retail &amp; Corporate and Wealth Management business booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland, effective on 14 June 2015 (the asset transfer date). In connection with the transfer, UBS has increased the capitalization of UBS Switzerland AG. Under the terms of the asset transfer agreement, UBS Switzerland AG is jointly liable for the contractual obligations of UBS AG existing on the asset transfer date. Under the Swiss Merger Act, UBS AG is jointly liable for obligations existing on the asset transfer date that have been transferred to UBS Switzerland AG. Neither UBS AG nor UBS Switzerland AG has any liability for new obligations incurred by the other entity after the asset transfer date. Accordingly, any new contractual obligations of UBS AG, including in connection with debt instruments of any kind with a settlement date occurring only after the asset transfer date, are not covered by UBS Switzerland AG's contractual joint liability.</p> <p>In the UK, UBS is implementing a revised business and operating model for UBS Limited, which will enable UBS Limited to bear and retain a larger proportion of the risk and reward in its business</p>



	<p>activities. UBS has increased the capitalization of UBS Limited accordingly.</p> <p>In the US, to comply with new rules for foreign banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act, by 1 July 2016 UBS will designate an intermediate holding company that will own all of UBS's US operations except US branches of UBS AG.</p> <p>The UBS Group held 97.46% of UBS AG shares by 31 March 2015. UBS Group AG has filed a request with the Commercial Court of the Canton of Zurich for the SESTA procedure. Upon the successful completion of the squeeze-out procedure, UBS Group AG will own all the shares of UBS AG and is expected to directly acquire certain other UBS Group companies over time.</p> <p>UBS is considering further changes to its legal structure in response to regulatory requirements, including to further improve the resolvability of the Group, to respond to capital requirements, to seek any reduction in capital requirements to which it may be entitled, and to meet any other regulatory requirements regarding its legal structure. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, the transfer of shared service and support functions to service companies and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with the FINMA and other regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.</p>
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**The Element B.12 is completely replaced as follows:**

<b>B.12</b>	Selected historical key financial information.	UBS AG derived the selected consolidated financial information included in the table below for the years 2012, 2013 and 2014 from its Annual Report 2014, which contains the audited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the year ended 31 December 2014 and comparative figures for the years ended 31 December 2013 and 2012. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and stated in Swiss francs (" <b>CHF</b> "). The selected consolidated financial information included in the table below for the quarters ended 31 March 2015 and 31 March 2014 was derived from the first quarter 2015 report of UBS AG, which contains the unaudited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the quarter ended 31 March 2015 and comparative figures for the quarter ended 31 March 2014.																																																																	
<i>CHF million, except where indicated</i>		<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">As of or for the quarter ended</th> <th colspan="3">As of or for the year ended</th> </tr> <tr> <th>31.3.15</th> <th>31.3.14</th> <th>31.12.14</th> <th>31.12.13</th> <th>31.12.12</th> </tr> <tr> <th></th> <th colspan="2"><i>unaudited</i></th> <th colspan="3"><i>audited, except where indicated</i></th> </tr> </thead> <tbody> <tr> <td colspan="6"><b>Results</b></td> </tr> <tr> <td>Operating income</td> <td>8,860</td> <td>7,258</td> <td>28,026</td> <td>27,732</td> <td>25,423</td> </tr> <tr> <td>Operating expenses</td> <td>6,167</td> <td>5,865</td> <td>25,557</td> <td>24,461</td> <td>27,216</td> </tr> <tr> <td>Operating profit/(loss) before tax</td> <td>2,693</td> <td>1,393</td> <td>2,469</td> <td>3,272</td> <td>(1,794)</td> </tr> <tr> <td>Net profit / (loss) attributable to UBS AG shareholders</td> <td>2,023</td> <td>1,054</td> <td>3,502</td> <td>3,172</td> <td>(2,480)</td> </tr> <tr> <td>Diluted earnings per share (CHF)</td> <td>0.53</td> <td>0.27</td> <td>0.91</td> <td>0.83</td> <td>(0.66)</td> </tr> <tr> <td colspan="6"><b>Key performance indicators</b></td> </tr> <tr> <td colspan="6"><b>Profitability</b></td> </tr> </tbody> </table>		As of or for the quarter ended		As of or for the year ended			31.3.15	31.3.14	31.12.14	31.12.13	31.12.12		<i>unaudited</i>		<i>audited, except where indicated</i>			<b>Results</b>						Operating income	8,860	7,258	28,026	27,732	25,423	Operating expenses	6,167	5,865	25,557	24,461	27,216	Operating profit/(loss) before tax	2,693	1,393	2,469	3,272	(1,794)	Net profit / (loss) attributable to UBS AG shareholders	2,023	1,054	3,502	3,172	(2,480)	Diluted earnings per share (CHF)	0.53	0.27	0.91	0.83	(0.66)	<b>Key performance indicators</b>						<b>Profitability</b>					
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Return on tangible equity (%) <sup>1</sup>	17.7	10.2	8.2*	8.0*	1.6*
Return on assets, gross (%) <sup>2</sup>	3.4	2.9	2.8*	2.5*	1.9*
Cost / income ratio (%) <sup>3</sup>	69.5	81.1	90.9*	88.0*	106.6*
<b>Growth</b>					
Net profit growth (%) <sup>4</sup>	126.5	14.9	10.4*	-	-
Net new money growth for combined wealth management businesses (%) <sup>5</sup>	3.8	2.9	2.5*	3.4*	3.2*
<b>Resources</b>					
Common equity tier 1 capital ratio (fully applied, %) <sup>6,7</sup>	14.6	13.2	14.2*	12.8*	9.8*
Swiss SRB leverage ratio (phase-in, %) <sup>8</sup>	5.3	5.0	5.4*	4.7*	3.6*
<b>Additional information</b>					
<b>Profitability</b>					
Return on equity (RoE) (%) <sup>9</sup>	15.3	8.7	7.0*	6.7*	(5.1)*
Return on risk-weighted assets, gross (%) <sup>10</sup>	16.1	12.6	12.4*	11.4*	12.0*
<b>Resources</b>					
Total assets	1,050,122	982,530	1,062,327	1,013,355	1,259,797
Equity attributable to UBS AG shareholders	53,815	49,023	52,108	48,002	45,949
Common equity tier 1 capital (fully applied) <sup>7</sup>	31,725	29,937	30,805	28,908	25,182*
Common equity tier 1 capital (phase-in) <sup>7</sup>	41,808	41,187	44,090	42,179	40,032*
Risk-weighted assets (fully applied) <sup>7</sup>	216,893	226,805	217,158*	225,153*	258,113*
Risk-weighted assets (phase-in) <sup>7</sup>	219,376	229,879	221,150*	228,557*	261,800*
Common equity tier 1 capital ratio (phase-in, %) <sup>6,7</sup>	19.1	17.9	19.9*	18.5*	15.3*
Total capital ratio (fully applied, %) <sup>7</sup>	19.3	16.8	19.0*	15.4*	11.4*
Total capital ratio (phase-in, %) <sup>7</sup>	24.5	22.7	25.6*	22.2*	18.9*
Swiss SRB leverage ratio (fully applied, %) <sup>8</sup>	4.3	3.8	4.1*	3.4*	2.4*
Swiss SRB leverage ratio denominator (fully applied) <sup>11</sup>	978,709	987,899	999,124*	1,015,306*	1,206,214*
Swiss SRB leverage ratio denominator (phase-in) <sup>11</sup>	983,822	993,970	1,006,001*	1,022,924*	1,216,561*
<b>Other</b>					
Invested assets (CHF billion) <sup>12</sup>	2,708	2,424	2,734	2,390	2,230
Personnel (full-time equivalents)	60,113	60,326	60,155*	60,205*	62,628*
Market capitalization	70,355	70,180	63,243*	65,007*	54,729*
Total book value per share (CHF)	14.03	13.07	13.56*	12.74*	12.26*
Tangible book value per share (CHF)	12.33	11.41	11.80*	11.07*	10.54*

\* unaudited

<sup>1</sup> Net profit / loss attributable to UBS AG shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to UBS AG shareholders less average goodwill and intangible assets. <sup>2</sup> Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets. <sup>3</sup> Operating expenses / operating income before credit loss (expense) or recovery. <sup>4</sup> Change in net profit attributable to UBS AG shareholders from continuing operations between current and comparison periods / net profit attributable to UBS AG shareholders from continuing operations of comparison period. Not meaningful and not included if either the reporting period or the comparison period is a loss period. <sup>5</sup> Combined Wealth Management's and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. <sup>6</sup> Common equity tier 1 capital / risk-weighted assets. <sup>7</sup> Based on the Basel III framework as applicable to Swiss systemically relevant banks (SRB), which became effective in Switzerland on 1 January 2013. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. Numbers for 31 December 2012 are calculated on an estimated basis described below and are referred to as "pro-forma". Some of the models applied when calculating 31 December 2012 pro-forma information required regulatory approval and included estimates (as discussed with UBS's primary regulator) of the effect of new capital charges. These figures are not required to be presented, because Basel III requirements were not in effect on 31 December 2012. They are nevertheless included for comparison reasons. <sup>8</sup> Swiss SRB Basel III common equity tier 1 capital and loss-absorbing capital / total adjusted exposure (leverage ratio denominator). The Swiss SRB leverage ratio came into force on 1 January 2013. Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above). <sup>9</sup> Net profit / loss attributable to UBS AG shareholders (annualized as applicable) / average equity attributable to UBS AG shareholders. <sup>10</sup> Based on Basel III risk-weighted assets (phase-in) for 2014 and 2013, and on Basel 2.5 risk-weighted assets for 2012. <sup>11</sup> Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above). <sup>12</sup> Includes invested assets for Retail & Corporate.

Material adverse change statement.	There has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2014.
Significant changes statement.	There has been no significant change in the financial or trading position of UBS AG Group since 31 March 2015. Refer to B.5 above for more information on the transfer of the Retail & Corporate and Wealth Management business booked in Switzerland from UBS AG to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland, effective on 14 June 2015.

**The Elements B.14., B.15, B.16 and B.17 are completely replaced as follows:**

<p><b>B.14</b></p>	<p>Description of the group and the issuer's position within the group.</p> <p>Dependence upon other entities within the group.</p>	<p>Please see element B.5</p> <p>UBS AG is the parent company of the UBS AG Group. As such, to a certain extent, it is dependent on certain of its subsidiaries.</p>
<p><b>B.15</b></p>	<p>Issuer's principal activities.</p>	<p>UBS AG with its subsidiaries is committed to providing private, institutional and corporate clients worldwide, as well as retail clients in Switzerland with superior financial advice and solutions while generating attractive and sustainable returns for shareholders. UBS's strategy centers on its Wealth Management and Wealth Management Americas businesses and its leading (in its own opinion) universal bank in Switzerland, complemented by its Global Asset Management business and its Investment Bank. In UBS's opinion, these businesses share three key characteristics: they benefit from a strong competitive position in their targeted markets, are capital-efficient, and offer a superior structural growth and profitability outlook. UBS's strategy builds on the strengths of all of its businesses and focuses its efforts on areas in which UBS excels, while seeking to capitalize on the compelling growth prospects in the businesses and regions in which it operates. Capital strength is the foundation of UBS's success. The operational structure of the Group is comprised of the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Retail &amp; Corporate, Global Asset Management and the Investment Bank.</p> <p>According to article 2 of the Articles of Association of UBS AG, dated 7 May 2015 ("<b>Articles of Association</b>"), 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 enterprise 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 provide loans, guarantees and other kinds of financing and security for Group companies and borrow and invest money on the money and capital markets.</p>
<p><b>B.16</b></p>	<p>Direct or indirect shareholdings or control agreements of the issuer.</p>	<p>Following a share-for-share exchange offer to acquire all the issued ordinary shares of UBS AG in exchange for registered shares of UBS Group AG on a one-for-one basis, and subsequent private exchanges on a one-for-one basis with various shareholders and banks in Switzerland and elsewhere outside the United States, UBS Group AG acquired 96.68% of UBS AG shares by 31 December 2014. Further private exchanges have reduced the amount of outstanding UBS AG shares and as a result UBS Group held 97.46% of UBS AG shares by 31 March 2015.</p>
<p><i>[The following Element B.17 is only to be inserted in case of Securities where the Issuer has an obligation arising on issue to pay to the investor 100% of the nominal value:</i></p>		
<p><b>B.17</b></p>	<p>Credit ratings assigned to the issuer or its debt securities.</p>	<p>The rating agencies Standard &amp; Poor's Credit Market Services Europe Limited ("<b>Standard &amp; Poor's</b>"), Fitch Ratings Limited ("<b>Fitch Ratings</b>") and Moody's Investors Service, Inc., ("<b>Moody's</b>") have published 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-</p>

		<p>term loans, also known as debt servicing. The ratings from Fitch Ratings and Standard &amp; Poor's 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.</p> <p>UBS AG has long-term counterparty credit rating of A (stable outlook) from Standard &amp; Poor's, long-term senior debt rating of A2 (under review for possible downgrade) from Moody's and long-term issuer default rating of A (stable outlook) from Fitch Ratings.</p> <p>The rating from Fitch Ratings has been issued by Fitch Ratings Limited, and the rating from Standard &amp; Poor's has been issued by Standard &amp; Poor's Credit Market Services Europe Limited. Both are registered as credit rating agencies under Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011 (the "<b>CRA Regulation</b>"). The rating from Moody's has been issued by Moody's Investors Service, Inc., which is not established in the EEA and is not certified under the CRA Regulation, but the rating it has issued is endorsed by Moody's Investors Service Ltd., a credit rating agency established in the EEA and registered under the CRA Regulation.]</p>
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b) in the section headed "Section C – Securities":

**At the end of Element C.15 (after the paragraph entitled "Physical or Cash Settlement") the following text is added:**

General Early Redemption Right

The Issuer and the Securityholders will only have a general early redemption right in relation to the Securities prior to the Maturity Date, if so specified in the applicable Product Terms.

Issuer's Call Right

If so specified in the applicable Product Terms, the Issuer has a right to call the Securities for early redemption by giving notice to that effect on certain predefined dates. The redemption value can either be predefined or dependent on the Underlying(s) level, certain dates or other parameters.

Securityholder's Put Right

If so specified in the applicable Product Terms, the Securityholder has the right to put the Securities for early redemption. The redemption value can either be predefined or dependent on the Underlying(s) level, certain dates or other parameters."

c) in the section headed "Section D – Risks":

**The Element D.2 is completely replaced as follows:**

<b>D.2</b>	Key information on the key risks that is specific and individual to the issuer.	<p>The Securities entails an issuer risk, also referred to as debtor risk or credit risk for prospective investors. An issuer risk is the risk that UBS AG becomes temporarily or permanently unable to meet its obligations under the Securities.</p> <p><b>General insolvency risk</b></p> <p>Each investor bears the general risk that the financial situation of the Issuer could deteriorate. The debt or derivative securities of the Issuer will constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, in particular in the case of insolvency of the Issuer, rank pari passu with each other and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The Issuer's obligations relating to the Securities are not protected by any statutory or voluntary deposit guarantee system or compensation scheme. <b>In the event of</b></p>
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		<p><b>insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.</b></p> <p>UBS AG as Issuer is subject to various risks within its business activities. Such risks comprise in particular the following key types of risks, where all of these risks might have adverse effects on the value of the Securities:</p> <ul style="list-style-type: none"> <li>• Effect of downgrading of the Issuer’s rating: The general assessment of the Issuer’s creditworthiness may affect the value of the Securities. As a result, any downgrading of the Issuer’s rating by a rating agency may have a negative impact on the value of the Securities.</li> <li>• On 15 January 2015, the Swiss National Bank (SNB) discontinued the minimum targeted exchange rate for the Swiss franc versus the euro, which had been in place since September 2011. At the same time, the SNB lowered the interest rate on deposit account balances at the SNB that exceed a given exemption threshold by 50 basis points to negative 0.75%. It also moved the target range for three-month LIBOR to between negative 1.25% and negative 0.25%, (previously negative 0.75% to positive 0.25%). These decisions resulted in an immediate, considerable strengthening of the Swiss franc against the euro, US dollar, British pound, Japanese yen and several other currencies, as well as a reduction in Swiss franc interest rates. The longer-term rate of the Swiss franc against these other currencies is not certain, nor is the future direction of Swiss franc interest rates. Several other central banks have likewise adopted a negative-interest-rate policy. Fluctuation in foreign exchange rates and continuing low or negative interest rates may have a detrimental effect on UBS Group’s capital strength, UBS Group’s liquidity and funding position, and UBS Group’s profitability.</li> <li>• Regulatory and legislative changes may adversely affect UBS Group’s business and ability to execute its strategic plans. The planned and potential regulatory and legislative developments in Switzerland and in other jurisdictions in which UBS Group has operations may have a material adverse effect on UBS Group’s ability to execute its strategic plans, on the profitability or viability of certain business lines globally or in particular locations, and in some cases on UBS Group’s ability to compete with other financial institutions. They are likely to be costly to implement and could also have a negative impact on UBS Group’s legal structure or business model, potentially generating capital inefficiencies and affecting UBS Group’s profitability.</li> <li>• UBS has announced its intention to make certain structural changes in light of regulatory trends and requirements. On 14 June 2015 (the “asset transfer date”) UBS AG transferred its Retail &amp; Corporate and Wealth Management business booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. In connection with the transfer, the UBS Group has increased the capitalization of UBS Switzerland AG. Under the Swiss Merger Act, UBS AG is jointly liable for obligations existing on the asset transfer date that have been transferred to UBS Switzerland AG. Under the terms of the asset transfer agreement, UBS Switzerland AG is jointly liable for the contractual obligations of UBS AG existing on the asset transfer date. Neither UBS AG nor UBS Switzerland AG will have any liability for new obligations incurred by the other entity after the asset transfer date. If obligations otherwise covered by the joint liability are amended or modified by one joint obligor in a manner detrimental to the other joint obligor, the latter’s liability may be limited to the original terms of the obligation under Swiss law. Under certain circumstances, the Swiss Banking Act and FINMA’s bank insolvency ordinance authorize FINMA to modify, extinguish or convert to common equity the liabilities of UBS Switzerland AG in connection with resolution proceedings with respect to UBS Switzerland AG. In the</li> </ul>
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		<p>UK, UBS is implementing a revised business and operating model for UBS Limited. UBS has increased the capitalization of UBS Limited accordingly. To comply with new rules for foreign banks in the US under the Dodd-Frank Wall Street Reform and Consumer Protection Act, UBS will designate an intermediate holding company by 1 July 2016 that will own all of its US operations except US branches of UBS AG. UBS is considering further changes to its legal structure in response to regulatory requirements. The Conditions contain no restrictions on change of control events or structural changes, and no event of default, requirement to repurchase the Securities or other event will be triggered under the Conditions as a result of such changes. There can be no assurance that such changes, should they occur, would not adversely affect the credit rating of the Issuer and/or increase the likelihood of the occurrence of an event of default. Such changes, should they occur, may adversely affect the Issuer's ability to redeem or pay interest on the Securities and/or lead to circumstances in which the Issuer may elect to cancel such interest (if applicable).</p> <ul style="list-style-type: none"> <li>• UBS Group's capital strength is important in supporting its strategy, client franchise and competitive position. Any increase in risk-weighted assets or reduction in eligible capital could materially reduce UBS Group's capital ratios. Additionally, UBS Group is subject to a minimum leverage ratio requirement for Swiss SRB, which under certain circumstances could constrain UBS Group's business activities even if UBS Group satisfies other risk-based capital requirements.</li> <li>• UBS Group may not be successful in completing the execution of its announced strategic plans or its plans may be delayed or market events may adversely affect the implementation of the plan or the effects of its plans may differ from those intended. UBS Group is also exposed to possible outflows of client assets in its asset-gathering businesses and to changes affecting the profitability of its Wealth Management business division, and may not be successful in implementing changes in its businesses to meet changing market, regulatory and other conditions.</li> <li>• Material legal and regulatory risks arise in the conduct of UBS Group's business. UBS 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 UBS Group's financial exposure to these and other matters is material and could substantially exceed the level of provisions that UBS Group has established for litigation, regulatory and similar matters. Resolution of regulatory proceedings may require UBS Group 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 Group'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 Group.</li> <li>• Operational risks, including those arising from process error, failed execution, misconduct, unauthorized trading, fraud, system failures, financial crime, cyber-attacks, breaches of information security and failure of security and physical protection, may affect UBS Group's business. If UBS Group's internal controls fail or prove ineffective in identifying and remedying these risks UBS Group could suffer operational failures that might result in material losses.</li> <li>• UBS Group's reputation is critical to the success of its business. Reputational damage can have fundamental negative effects on UBS Group's business and prospects and a material adverse effect on UBS</li> </ul>
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		<p>Group's operational results and financial conditions and on UBS Group's ability to achieve its strategic goals and financial targets.</p> <ul style="list-style-type: none"> <li>• Performance in the financial services industry is affected by market conditions and the macroeconomic climate. An economic downturn, continued low interest rates or weak or stagnant economic growth in UBS Group's core markets, or a severe financial crisis can negatively affect UBS Group's revenues and ultimately its capital base.</li> <li>• The UBS Group holds legacy positions and other risk positions, including positions related to real estate in various countries that may be adversely affected by market conditions. In addition, legacy risk positions may be difficult to liquidate as the continued illiquidity and complexity of many of them could make it difficult to sell or otherwise exit these positions.</li> <li>• UBS Group's global presence subjects it to risk from currency fluctuations, which have an effect on UBS Group's reported income and expenses, and other reported figures such as other comprehensive income, invested assets, balance sheet assets, risk-weighted assets and Basel III common equity tier 1 capital.</li> <li>• UBS Group is dependent upon its risk management and control processes to avoid or limit potential losses in its counterparty credit and trading businesses and could suffer losses if, for example, it does not fully identify the risks in its portfolio or if its assessment of the risks identified or its response to negative trends proves to be untimely, inadequate, insufficient or incorrect.</li> <li>• Valuations of certain positions rely on models; models have inherent limitations and may use inputs which have no observable source; different assumptions and inputs would generate different results, and these differences could have a significant impact on UBS Group's financial results.</li> <li>• Liquidity and funding management are critical to UBS Group's ongoing performance. The volume of UBS Group's funding sources or the availability of funding of the types required could change due to, among other things, general market disruptions, widening credit spreads, changes in capital and liquidity requirements or reductions in UBS Group's credit ratings, which could also influence the cost of funding.</li> <li>• UBS Group might be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees. UBS Group's competitive strength and market position could be eroded if UBS Group is unable to identify market trends and developments, does not respond to them by devising and implementing adequate business strategies, adequately developing or updating technology, particularly in the trading businesses, or is unable to attract or retain the qualified people needed to carry them out.</li> <li>• UBS Group's financial results may be negatively affected by changes to accounting standards. Changes to IFRS or interpretations thereof may cause UBS Group's 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 Group's regulatory capital and ratios.</li> <li>• UBS Group's financial results may be negatively affected by changes to assumptions supporting the value of its goodwill. If assumptions in future periods deviate from the current outlook, the value of UBS Group's goodwill may become impaired in the future, giving rise to losses in the</li> </ul>
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		<p>income statement.</p> <ul style="list-style-type: none"> <li>• The effect of taxes on UBS Group's financial results is significantly influenced by reassessments of its deferred tax assets. UBS Group's full year effective tax rate could change significantly on the basis of such reassessments.</li> <li>• UBS AG's operating results, financial condition and ability to pay obligations in the future may be affected by funding, dividends and other distributions received from UBS Switzerland AG or any other direct subsidiary, which may be subject to restrictions. 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 and fiscal or other restrictions. Restrictions and regulatory action of this kind could impede access to funds that UBS Group may need to make payments. Furthermore, UBS AG may guarantee some of the payment obligations of certain of its subsidiaries from time to time. Additionally, in connection with the transfer of the Retail &amp; Corporate and Wealth Management business booked in Switzerland from UBS AG to UBS Switzerland AG, which has become effective in June 2015, under the Swiss Merger Act UBS AG is jointly liable for obligations existing on the asset transfer date that are have been transferred to UBS Switzerland AG. 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.</li> <li>• UBS Group's stated capital returns objective is based, in part, on capital ratios that are subject to regulatory change and may fluctuate significantly. UBS has committed to return at least 50% of its net profit to shareholders as capital returns, provided its fully applied CET1 capital ratio is at least 13% and its post-stress fully applied CET1 capital ratio is at least 10%. However, UBS's ability to maintain a fully applied CET1 capital ratio of at least 13% is subject to numerous risks, including the results of the UBS Group's business, changes to capital standards, methodologies and interpretation that may adversely affect the UBS Group's calculated fully applied CET1 capital ratio, imposition of risk add-ons or additional capital requirements such as additional capital buffers. Additionally, changes in the methodology, assumptions, stress scenario and other factors may result in material changes in UBS's post-stress fully applied CET1 capital ratio.</li> <li>• UBS Group may fail to realise the anticipated benefits of the exchange offer. UBS established UBS Group AG as a holding company for the UBS Group because it believes that it will, along with other measures already announced, substantially improve the resolvability of UBS Group in response to evolving regulatory requirements. UBS Group may, however, encounter substantial difficulties in achieving these anticipated benefits or these anticipated benefits may not materialize. UBS Group AG has acquired approximately 97 percent of the outstanding shares of UBS AG. Delay in acquiring full ownership of UBS AG could adversely affect the anticipated benefits of the exchange offer and the liquidity and market value of the UBS Group AG shares. The existence of minority shareholders in UBS AG may, among other things, make it more difficult or delay UBS Group's ability to implement changes to the legal structure of the UBS Group and interfere with its day-to-day business operations and its corporate governance.</li> <li>• If UBS Group conducts a squeeze-out merger under Swiss law, UBS AG will merge into a merger subsidiary of UBS Group, which will survive the transaction. Although UBS Group expects that the surviving entity will in most cases succeed to UBS AG's banking licenses, permits and other</li> </ul>
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		<p>authorizations, such entity may need to re-apply for or seek specific licenses, permits and authorizations, as well as third-party consents. Furthermore, under Swiss law, a minority shareholder subject to the squeeze-out merger could theoretically seek to claim that the consideration offered is "inadequate" and petition a Swiss competent court to determine what is "adequate" consideration. Each of these circumstances, if it were to happen, may generate costs, delay the implementation of the squeeze-out merger or disrupt or negatively impact the UBS Group's business.</p>
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- 3) In relation to the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 17 April 2015 in the section "I. Summary of the Base Prospectus" in the sub-section headed "B. Summary of the Base Prospectus (in the Swedish language)" in the section headed "Avsnitt B – Emittenten":

a) in the section headed "Avsnitt B – Emittenten":

**The Element B.1 is completely replaced as follows:**

<b>B.1</b>	Emittentens registrerade firma och handelsbeteckning.	Emittentens registrerade firma och handelsbeteckning är UBS AG (" <b>Emittenten</b> " och tillsammans med dess dotterföretag " <b>UBS AG (konsoliderat)</b> " eller " <b>UBS AG Koncernen</b> ", tillsammans med UBS Group AG, holdingbolaget till UBS AG, " <b>UBS Koncernen</b> ", " <b>Koncernen</b> ", " <b>UBS</b> " eller " <b>UBS AG (konsoliderat)</b> ").
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**The Element B.4.b and B.5 are completely replaced as follows:**

<b>B.4b</b>	En beskrivning av varje känd trend som påverkar emittenten eller de branscher där emittenten är verksam.	<p><b>Information om trender</b></p> <p>Som beskrivs i den finansiella rapporten för det första kvartalet 2015 för UBS Group AG utfärdad den 5 maj 2015, vid starten av det andra kvartalet 2015, kvarstår många av de underliggande makroekonomiska utmaningar och geopolitiska frågor som UBS tidigare har lyft fram och är osannolika att lösas inom den överskådliga framtiden. UBS implementerar initiativ för att förbättra prissättningen på vissa konton inom Förmögenhetsförvaltning (<i>Wealth Management</i>) mot bakgrund av räntemiljön i Schweiz och delar av Europa. Exkluderande potentiella utflöden förknippade med dessa initiativ, förväntar sig UBS att dess förmögenhetsförvaltande verksamheter kommer att fortsätta att leverera positivt netto för nya medel under det andra kvartalet. Följaktligen, trots bestående och nya utmaningar, är UBS fortsatt beslutet att genomföra ett disciplinerat verkställande av sin strategi för att säkerställa företagets långsiktiga framgång och att leverera uthålliga avkastningsnivåer för aktieägare.</p>
<b>B.5</b>	Beskrivning av koncernen och emittentens plats inom koncernen.	<p>UBS AG är en schweizisk bank och är företaget med den huvudsakliga verksamheten inom UBS Koncernen. Den är det enda dotterföretaget till UBS Group AG. Det är också moderbolaget till UBS AG Koncernen. UBS Koncernen bedriver verksamheten som en koncern med fem affärsområden och ett Corporate Center.</p> <p>UBS har överfört dess affärsområden för privatpersonskunder och företag (<i>Retail &amp; Corporate</i>) och den i Schweiz bokförda verksamheten för förmögenhetsförvaltning (<i>Wealth Management</i>) till UBS Switzerland AG, en bank som är dotterföretag till UBS AG i Schweiz, med verkan per den 14 juni 2015 (dagen för tillgångsoverföringen). I samband med överföringen ökade kapitaliseringen av UBS Switzerland AG. Enligt villkoren för tillgångsoverföringsavtalet är UBS Switzerland AG solidariskt ansvarigt för de kontraktuella förpliktelserna som existerade för UBS AG på dagen för tillgångsoverföringen. Enligt schweiziska rätt (Swiss Merger Act) är UBS AG solidariskt ansvarigt för förpliktelser som existerade på dagen för tillgångsoverföringen och vilka har överförts till UBS Switzerland AG. Varken UBS AG eller UBS Switzerland AG har något ansvar för nya förpliktelser som det andra företaget ådrar sig efter dagen för tillgångsoverföringen.</p>

		<p>Följaktligen, alla nya förpliktelser för UBS AG, inklusive i samband med skuldinstrument av vad slag det vara må med en avecklingsdag som infaller först efter dagen för tillgångsöverföringen, omfattas inte av UBS Switzerland AG:s solidariska ansvar.</p> <p>I Storbritannien implementerar UBS en förändrad affärs- och verksamhetsmodell för UBS Limited vilket kommer göra det möjligt för UBS Limited att bära och behålla en större del av riskerna i och avkastningen i dess affärsverksamheter. UBS har följaktligen ökat kapitaliseringen för UBS Limited.</p> <p>I USA, för att efterleva de nya reglerna för utländska banker enligt amerikansk lagstiftning (<i>Dodd-Frank Wall Street Reform and Consumer Protection Act</i>), kommer UBS den 1 juli 2016 att utse ett mellanliggande holdingbolag som kommer äga alla av UBS:s amerikanska verksamheter med undantag för amerikanska filialer till UBS AG.</p> <p>UBS Koncernen innehade 97,46% av aktierna i UBS AG per den 31 mars 2015. UBS Group AG har givit in en begäran hos domstol i Kantonen Zürich för SESTA-proceduren. Vid ett framgångsrikt slutförande av processen för att förvärva minoritetens aktier kommer UBS Group AG att äga samtliga aktier i UBS AG och förväntas över tid förvärva direkt ägande i vissa andra företag inom UBS Koncernen.</p> <p>UBS överväger ytterligare ändringar avseende dess juridiska struktur för att möta regulatoriska krav, inklusive för att ytterligare förbättra resolutionsmöjligheterna för Koncernen, för att möta kapitalkrav, för att försöka nå reduktion av kapitalkrav som den kan vara berättigad till och för att möta varje annat regulatoriskt krav avseende dess juridiska struktur. Sådana ändringar kan inkludera överlåtelse av rörelsedrivande dotterföretag hos UBS AG till att bli direktägda dotterföretag till UBS Group AG, överlåtelse av delade tjänste- och supportfunktioner till tjänsteföretag och justeringar avseende bokföringsenhet eller lokaliseringen av produkter och tjänster. Dessa strukturella förändringar diskuteras fortlöpande med FINMA och andra regulatoriska myndigheter och är föremål för ett antal osäkerhetsfaktorer som kan påverka dessas genomförbarhet, omfattning och tidpunkt.</p>
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**The Element B.12 is completely replaced as follows:**

<p><b>B.12</b></p>	<p>Utvald historisk finansiell nyckelinformation.</p>	<p>UBS har hämtat den utvalda konsoliderade finansiella informationen i tabellen nedan för åren 2012, 2013 och 2014 från dess Årsredovisning för 2014, som innehåller de reviderade konsoliderade finansiella räkenskaperna för UBS AG, liksom även ytterligare oreviderad konsoliderad finansiell information, för året som slutade den 31 december 2014 och jämförelsesiffror för åren som slutade den 31 december 2013 och 2012. De konsoliderade finansiella räkenskaperna har tagits fram i enlighet med International Financial Reporting Standards som har utfärdats av International Accounting Standards Board och anges i schweiziska franc ("<b>CHF</b>"). Den utvalda konsoliderade finansiella informationen i tabellen nedan för kvartalen som slutade den 31 mars 2015 och 31 mars 2014 har härletts från den första kvartalsrapporten 2015 för UBS AG, vilken innehåller de oreviderade konsoliderade finansiella räkenskaperna för UBS AG, liksom även ytterligare oreviderad konsoliderad finansiell information, för kvartalet som slutade den 31 mars 2015 och jämförelsetalen för kvartalet som slutade den 31 mars 2014.</p>
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CHF miljoner, förutom där annat indikeras	Per eller för kvartalet som slutade		Per eller för året som slutade		
	31.3.15	31.3.14	31.12.14	31.12.13	31.12.12
	oreviderat		Reviderat, förutom där annat indikeras		
<b>Resultat</b>					
Rörelseintäkter	8 860	7 258	28 026	27 732	25 423
Rörelsekostnader	6 167	5 865	25 557	24 461	27 216
Rörelsevinst/(förlust) före skatt	2 693	1 393	2 469	3 272	(1 794)
Nettovinst/(förlust) hänförlig till UBS AG:s aktieägare	2 023	1 054	3 502	3 172	(2 480)
Utspätt resultat per aktie (CHF)	0,53	0,27	0,91	0,83	(0,66)
<b>Viktiga utvecklingsindikatorer</b>					
<b>Lönsamhet</b>					
Avkastning på synligt eget kapital (%) <sup>1</sup>	17,7	10,2	8,2*	8,0*	1,6*
Avkastning på tillgångar, brutto (%) <sup>2</sup>	3,4	2,9	2,8*	2,5*	1,9*
Kostnads / intäktsrelation (%) <sup>3</sup>	69,5	81,1	90,9*	88,0*	106,6*
<b>Tillväxt</b>					
Nettovinsttillväxt (%) <sup>4</sup>	126,5	14,9	10,4*	-	-
Nettotillväxt nya medel för kombinerade verksamheter inom förmögenhetsförvaltning (%) <sup>5</sup>	3,8	2,9	2,5*	3,4*	3,2*
<b>Resurser</b>					
Primärkapitalrelation ( <i>Common equity tier 1 capital ratio</i> ) (fullt tillämpad, %) <sup>6,7</sup>	14,6	13,2	14,2*	12,8*	9,8*
Schweizisk SRB hävstångsrelation (infasing, %) <sup>8</sup>	5,3	5,0	5,4*	4,7*	3,6*
<b>Ytterligare information</b>					
<b>Lönsamhet</b>					
Avkastning på eget kapital (RoE) (%) <sup>9</sup>	15,3	8,7	7,0*	6,7*	(5,1)*
Avkastning på riskvägda tillgångar, brutto (%) <sup>10</sup>	16,1	12,6	12,4*	11,4*	12,0*
<b>Resurser</b>					
Totala tillgångar	1 050 122	982 530	1 062 327	1 013 355	1 259 797
Eget kapital hänförligt till UBS AG:s aktieägare	53 815	49 023	52 108	48 002	45 949
Primärkapital ( <i>Common equity tier 1 capital</i> ) (fullt tillämpad) <sup>7</sup>	31 725	29 937	30 805	28 908	25 182*
Primärkapital ( <i>Common equity tier 1 capital</i> ) (infasing) <sup>7</sup>	41 808	41 187	44 090	42 179	40 032*
Riskvägda tillgångar (fullt tillämpad) <sup>7</sup>	216 893	226 805	217 158*	225 153*	258 113*
Riskvägda tillgångar (infasing) <sup>7</sup>	219 376	229 879	221 150*	228 557*	261 800*
Primärkapitalrelation ( <i>Common equity tier 1 capital ratio</i> ) (infasing, %) <sup>6,7</sup>	19,1	17,9	19,9*	18,5*	15,3*
Totalkapitalrelation (fullt tillämpad, %) <sup>7</sup>	19,3	16,8	19,0*	15,4*	11,4*
Totalkapitalrelation (infasing, %) <sup>7</sup>	24,5	22,7	25,6*	22,2*	18,9*
Schweizisk SRB hävstångsrelation (fullt tillämpad, %) <sup>8</sup>	4,3	3,8	4,1*	3,4*	2,4*
Schweizisk SRB hävstångsrelationsnämndare (fullt tillämpad) <sup>11</sup>	978 709	987 899	999 124*	1 015 306*	1 206 214*
Schweizisk SRB hävstångsrelationsnämndare (infasing) <sup>11</sup>	983 822	993 970	1 006 001*	1 022 924*	1 216 561*
<b>Övrigt</b>					
Investerade tillgångar (CHF miljarder) <sup>12</sup>	2 708	2 424	2 734	2 390	2 230
Personal (motsvarande heltidstjänster)	60 113	60 326	60 155*	60 205*	62 628*
Marknadsvärde	70 355	70 180	63 243*	65 007*	54 729*
Totalt bokfört värde per aktie (CHF)	14,03	13,07	13,56*	12,74*	12,26*
Synligt bokfört värde per aktie (CHF)	12,33	11,41	11,80*	11,07*	10,54*

\* oreviderat

**1** Nettovinst/förlust hänförlig till UBS AG:s aktieägare före nedskrivningar och reserveringar av goodwill och immateriella tillgångar (på årsbasis där tillämpligt) / genomsnittligt eget kapital hänförligt till UBS AG:s aktieägare minskat med genomsnittligt goodwill och immateriella tillgångar. **2** Rörelseintäkter före kreditförluster (utgift) eller återvinning (på årsbasis där tillämpligt) / genomsnittliga totala tillgångar. **3** Rörelseutgifter/rörelseintäkter före kreditförlust (utgift) eller återvinning. **4** Förändring i nettovinst hänförlig till UBS AG:s aktieägare från fortsatt bedrivna verksamheter mellan innevarande och jämförelseperioder/nettovinst hänförlig till UBS AG:s aktieägare från fortsatt bedrivna verksamheter under jämförelseperiod. Ej meningsfullt och ej inkluderat om antingen rapporteringsperioden eller jämförelseperioden är en förlustperiod. **5** Kombinerat för Wealth Managements och Wealth Management Americas netto nya medel för perioden (på årsbasis där tillämpligt) / investerade tillgångar vid början av perioden. **6** Primärkapital/riskvägda tillgångar. **7** Baserat på Basel III-regelverket så som detta tillämpas på schweiziska systemviktiga banker (SRB), vilket trädde i kraft i Schweiz den 1 januari 2013. Informationen som återges på fullt tillämpad basis återspeglar fullt ut effekterna av de nya kapitalavdragen och utfasningen av icke kvalificerande kapitalinstrument. Informationen som återges på infasad basis återspeglar gradvis dessa effekter under övergångsperioden. Siffror för 31 december 2012 beräknas på en uppskattad basis enligt beskrivning nedan och är på pro forma-basis. Vissa av modellerna som tillämpas vid beräkningen av pro forma informationen 31 december 2012 krävde regulatoriskt

godkännande och innefattar uppskattningar (enligt diskussion med UBS primära tillsynsmyndighet) av effekten av de nya kapitalkraven. Dessa siffror måste inte presenteras eftersom Basel III kraven inte var i kraft den 31 december 2012. Dessa är icke desto mindre inkluderade av jämförelseskäl. **8** Schweiziska SRB Basel III primärkapital och förlustabsorberande kapital/total justerad exponering (hävstångsrelationsnämndare). Den schweiziska SRB hävstångsrelationen trädde i kraft den 1 januari 2013. Siffror för 31 december 2012 är på pro forma basis (se fotnot 7 ovan). **9** Nettovinst / (förlust) hänförlig till UBS aktieägare (på årsbasis där tillämpligt) / genomsnittligt eget kapital hänförligt till UBS AG:s aktieägare. **10** Baserat på Basel III riskvägda tillgångar (infasning) för 2014 och 2013 och på Basel 2,5 riskvägda tillgångar för 2012. **11** Siffror för 31 december 2012 är på pro forma basis (se fotnot 7 ovan). **12** Inkluderar investerade tillgångar inom Retail & Corporate.

	Uttalande om väsentliga negativa förändringar.	Det har inte inträffat någon väsentlig negativ förändring i framtidsutsikterna för UBS AG eller UBS AG Koncernen sedan den 31 december 2014.
	Uttalande om väsentliga förändringar.	Det har inte inträffat någon väsentlig förändring i den finansiella- eller handelspositionen för UBS AG Koncernen eller för UBS AG sedan den 31 mars 2015. Vänligen se Punkt B.5 ovan för information om överföringen av affärsområdena för privatpersonskunder och företag ( <i>Retail &amp; Corporate</i> ) och den i Schweiz bokförda verksamheten för förmögenhetsförvaltning ( <i>Wealth Management</i> ) från UBS AG till UBS Switzerland AG, med verkan per den 14 juni 2015.

**The Element B.14, B.15, B.16 and B.17 are completely replaced as follows:**

<b>B.14</b>	Beskrivning av koncernen och av emittentens position inom koncernen.	Vänligen se Punkt B.5.
	Beroende av andra företag inom koncernen.	UBS AG är moderbolaget för UBS AG Koncernen. Som sådant är det i viss mån beroende av vissa av sina dotterföretag.
<b>B.15</b>	Emittentens huvudsakliga verksamhet.	<p>UBS AG och dess dotterföretag är beslutna att tillhandahålla privata, institutionella och företagskunder världen över, liksom även privatpersonskunder i Schweiz med bättre finansiell rådgivning och lösningar samtidigt som attraktiv och uthållig avkastning för aktieägarna genereras. UBS strategi är centrerad på dess verksamheter Wealth Management (förmögenhetsförvaltning) och Wealth Management Americas och dess ledande (enligt dess egen uppfattning) universalbank i Schweiz, kompletterat av dess verksamhet Global Asset Management (global tillgångsförvaltning) och dess Investmentbank. Enligt UBS uppfattning delar dessa verksamheter tre nyckeldrag: dessa drar fördel av en stark konkurrensmässig position inom dessas målmarknader, är kapitaleffektiva och erbjuder bättre strukturella tillväxt- och lönsamhetsutsikter. UBS strategi bygger på styrkorna inom alla dess verksamheter och fokuserar dess insatser till områden där UBS är framgångsrikt, samtidigt som den försöker kapitalisera från de tilltalande tillväxtutsikterna inom de verksamheter och regioner där den är verksam. Kapitalstyrka är basen för UBS framgång. Den operationella strukturen inom Koncernen består av Corporate Center (företagscenter) och fem verksamhetsdivisioner: Wealth Management, Wealth Management Americas, Retail &amp; Corporate (bankverksamhet för privatpersoner och företagskunder), Global Asset Management och dess Investmentbank.</p> <p>Enligt Artikel 2 i Bolagsordningen för UBS AG, daterad den 7 maj 2015 ("<b>Bolagsordningen</b>") är verksamhetsföremålet för UBS AG att bedriva bankverksamhet. Dess verksamhetsföremål sträcker sig över alla typer av</p>

		banktjänster, finansiella tjänster, rådgivningstjänster och handelsaktiviteter i Schweiz och utomlands. UBS AB kan etablera filialer och representationskontor liksom även banker, kreditmarknadsföretag och andra företag av varje slag i Schweiz och utomlands, inneha ägarintressen i dessa bolag och sköta dessas ledning. UBS AG är auktoriserat att köpa, in-teckna och sälja fast egendom och byggrätter i Schweiz och utomlands. UBS AG kan lämna lån, ställa garantier och andra typer av finansiering och säkerheter för Koncernföretag samt låna och investera medel på penning- och kapitalmarknaderna.
<b>B.16</b>	Direkt eller indirekt aktieäggande eller kontrollöverens-kommelser avseende emittenten.	Till följd av ett erbjudande "aktie-mot-aktie" att förvärva alla utfärdade, ordinarie aktier i UBS AG i utbyte mot registrerade aktier i UBS Group AG på en basis av "en-för-en" och ett efterföljande privat utbyte på basis av "en-för-en" med en mängd olika aktieägare och banker i Schweiz och på andra ställen utanför USA, förvärvade UBS Group AG 96,68% av UBS AG:s aktier per den 31 december 2014. Ytterligare privata utbyten har reducerat antalet utestående aktier i UBS AG, vilket resulterade i att UBS Koncernen innehade 97,46 % av aktierna i UBS AG per den 31 mars 2015.
<p><b>[Den följande Punkten B.17 ska endast infogas beträffande Värdepapper där Emittenten har en förpliktelse som uppkommer vid emissionstillfället att betala investeraren 100% av det nominella värdet:</b></p>		
<b>B.17</b>	Kreditvärdighets-betyg som tilldelats emittenten eller dess skuldvärdepapper.	<p>Kreditvärderingsinstitutet Standard &amp; Poor's Credit Market Services Europe Limited ("<b>Standard &amp; Poor's</b>"), Fitch Ratings Limited ("<b>Fitch Ratings</b>") och Moody's Investors Service, Inc., ("<b>Moody's</b>") har publicerat kreditvärdighetsbetyg som återspeglar deras bedömning av UBS AG:s kreditvärdighet, dvs. UBS förmåga att i tid fullgöra sina betalningsförpliktelser, så som amortering och räntebetalningar på långfristiga lån. Betygen från Fitch Ratings och Standard &amp; Poor's kan tillskrivas ett plus- eller minustecken och de från Moody's en siffra. Dessa tillkommande beteckningar indikerar den relativa positionen inom respektive betygsklass.</p> <p>UBS AG har långfristigt motpartskreditvärdighetsbetyg A (stabil utsikt) från Standard &amp; Poor's, för långfristig icke-säkerställd, icke efterställd skuldsättning kreditvärdighetsbetyget A2 (under granskning för möjlig nedvärdering) från Moody's och för långfristig emittentfallissemang kreditvärdighetsbetyget A (stabila utsikter) från Fitch Ratings.</p> <p>Kreditvärdighetsbetyget från Fitch har utfärdats av Fitch Ratings Limited och kreditvärdighetsbetyget från Standard &amp; Poor's har utfärdats av Standard &amp; Poor's Credit Market Services Europe Limited. Båda är registrerade som kreditvärderingsinstitut under Förordning (2009/1060/EG), så som denna ändrades genom Förordning (2011/513/EG) ("<b>KVI-Förordningen</b>"). Kreditvärdighetsbetyget från Moody's har utfärdats av Moody's Investors Service, Inc., som inte är etablerat inom EES och är inte certifierad under KVI-Förordningen, men kreditvärdighetsbetyget som Moody's utfärdat stöds av Moody's Investors Service Ltd., ett kreditvärderingsinstitut som är etablerat inom EES och registrerat under KVI-Förordningen.]</p>

b) in the section headed "Avsnitt C - Värdepapper":

At the end of Element C.15 (after the paragraph entitled "Fysisk eller Kontant Avveckling") the following text is added:

"Generell Rätt till Förtida Inlösen

Emittenten och Värdepappersinnehavarna kommer endast att ha en generell rätt till förtida inlösen avseende Värdepapperen före Förfallodagen om detta anges i de tillämpliga Produktvillkoren.

#### Emittentens Rätt till Förtida Inlösen

Om så anges i de tillämpliga Produktvillkoren har Emittenten en rätt att begära Värdepapperen inlösta i förtid genom att lämna meddelande om detta på vissa förutbestämda datum. Inlösenvärdet kan antingen vara förutbestämt eller beroende av nivån för de(n) Underliggande, vissa datum eller andra parametrar.

#### Värdepappersinnehavarnas Rätt till Förtida Inlösen

Om så anges i de tillämpliga Produktvillkoren har Värdepappersinnehavaren rätt att begära Värdepapperen inlösta i förtid. Inlösenvärdet kan antingen vara förutbestämt eller beroende av nivån för de(n) Underliggande, vissa datum eller andra parametrar.”

c) in the section headed "Avsnitt D – Risker":

#### **The Element D.2 is completely replaced as follows:**

<p><b>D.2</b></p>	<p>Nyckelinformation om väsentliga risker som är specifika och individuella för Emittenten.</p>	<p>Värdepapperen medför emittentrisk, även kallad gäldenärsrisk eller kreditrisk för potentiella investerare. En emittentrisk är risken att UBS AG tillfälligt eller varaktigt blir oförmögen att fullgöra dess förpliktelser under Värdepapperen.</p> <p><b>Generell risk för insolvens</b></p> <p>Varje Värdepappersinnehavare bär den generella risken att den finansiella situationen för Emittenten kan försämrats. Värdepapperen utgör direkta, icke säkerställda och icke efterställda förpliktelser för Emittenten och förpliktelserna kommer vid Emittentens insolvens att rangordnas lika med samtliga andra nuvarande och framtida icke säkerställda och icke efterställda förpliktelser för Emittenten, med undantag för de förpliktelser som har förmånsrätt enligt tvingande lagregler. Emittentens förpliktelser under Värdepapperen garanteras inte av något system av insättningsgarantier eller kompensationsplaner. <b>Om Emittenten blir insolvent kan följaktligen Värdepappersinnehavare lida en total förlust av sina investeringar i Värdepapperen.</b></p> <p>UBS är som Emittent utsatt för olika riskfaktorer i sin affärsverksamhet. Sådana risker består särskilt av följande typer av risker, där alla av dessa risker kan ha en negativ inverkan på värdet för Värdepapperen:</p> <ul style="list-style-type: none"> <li>• Inverkan av nedvärdering av Emittentens kreditvärdighetsbetyg: Den allmänna uppfattningen om Emittentens kreditvärdighet kan påverka värdet för Värdepapperen. Som en konsekvens kan varje nedvärdering av Emittentens kreditvärdighetsbetyg ha en negativ inverkan på värdet för Värdepapperen.</li> <li>• Den 15 januari 2015 avbröt den schweiziska centralbanken (SNB) den lägsta målsättningsväxelkursen för den schweiziska francen mot euron, vilken hade funnits på plats sedan september 2011. Vid samma tidpunkt sänkte SNB räntesatsen på saldon på insättningskonton hos SNB som överstiger en viss undantagströskel med 50 baspunkter till negativa 0,75%. Den flyttade också målsättningsintervallet för tremånaders LIBOR</li> </ul>
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		<p>till mellan negativa 1,25% och negativa 0,25% (tidigare negativa 0,75% till positiva 0,25%). Dessa beslut resulterade i en betydande stärkning av den schweiziska francen mot euron, US dollar, brittiska pund, japanska yen och flera andra valutor, liksom även en sänkning av räntesatser i schweiziska franc. Den långsiktiga kursen för den schweiziska francen mot dessa andra valutor är inte säker, inte heller är den framtida riktningen för räntesatser i den schweiziska francen. Flera andra centralbanker har på liknande sätt antagit policys om negativ ränta. Fluktuationer i valutakurser och fortsatt låga eller negativa räntesatser kan ha en mycket negativ inverkan på UBS Koncernens kapitalstyrka, UBS Koncernens likviditets- och finansieringsposition och UBS Koncernens lönsamhet.</p> <ul style="list-style-type: none"> <li>• Regulatoriska och lagstiftningsmässiga förändringar kan negativt inverka på UBS Koncernens verksamhet och förmåga att genomföra dess strategiska planer. De planerade och potentiella regulatoriska och lagstiftningsmässiga utvecklingarna i Schweiz och i andra jurisdiktioner där UBS Koncernen bedriver verksamhet kan ha väsentlig negativ inverkan på UBS Koncernens förmåga att genomföra dess strategiska planer, på lönsamheten eller livskraften för vissa affärsområden globalt eller i särskilda jurisdiktioner och, i vissa fall, på UBS Koncernens förmåga att konkurrera med andra finansiella institutioner. Dessa kommer sannolikt att vara kostsamma att implementera och kan också ha en negativ inverkan på UBS Koncernens juridiska struktur och affärsmodell, potentiellt genereras kapitalineffektiviteter och påverka UBS Koncernens lönsamhet.</li> <li>• UBS har tillkännagivit sin avsikt att vidta vissa strukturella förändringar i ljuset av regulatoriska trender och krav. Per den 14 juni 2015 ("dagen för tillgångsöverföringen") överförde UBS AG dess affärsområden Retail, Corporate och Wealth Management bokförda i Schweiz till UBS Switzerland AG, ett bankdotterföretag till UBS AG i Schweiz. I samband med överföringen har UBS Koncernen ökat kapitaliseringen av UBS Switzerland AG. Under schweizisk rätt (<i>Swiss Merger Act</i>) är UBS AG solidariskt ansvarigt för förpliktelser som existerade på dagen för tillgångsöverföringen och vilka förpliktelser har överförts till UBS Switzerland AG. UBS Enligt villkoren i tillgångsöverföringsavtalet är Switzerland AG solidariskt ansvarigt för de kontraktuella förpliktelser för UBS AG som existerade på dagen för tillgångsöverföringen. Varken UBS AG eller UBS Switzerland AG kommer att ha något ansvar för nya förpliktelser som det andra företaget ådrar sig efter dagen för tillgångsöverföringen. Om förpliktelser som annars omfattas av det solidariska ansvaret ändras eller modifieras av en av de solidariskt ansvariga parterna på ett sätt som är negativt för den andra solidariskt ansvariga parten, kan den senares ansvar begränsas till de ursprungliga villkoren för förpliktelsen enligt schweizisk rätt. Under vissa omständigheter bemyndigar schweizisk rätt (<i>Swiss Banking Act</i> och FINMA:s förordning vid bankinsolvens) FINMA att modifiera, utsläcka eller konvertera till eget kapital förpliktelserna för UBS Switzerland AG i samband med ett resolutionsförfarande avseende UBS Switzerland AG. I Storbritannien implementerar UBS en reviderat affärs och verksamhetsmodell för UBS Limited. UBS har ökat kapitaliseringen av UBS Limited på motsvarande sätt. För att efterleva nya regler för utländska banker i USA under amerikansk lagstiftning (<i>Dodd-Frank Wall Street Reform and Consumer Protection Act</i>) kommer UBS att utse ett mellanliggande holdingbolag till den 1 juli 2016 vilket kommer att äga samtliga av dess verksamheter i USA förutom de amerikanska filialerna till UBS AG. UBS överväger ytterligare förändringar avseende dess juridiska struktur för att möta regulatoriska krav. Villkoren innehåller inte någon begränsning beträffande händelser rörande ändrad kontroll eller strukturella förändringar och ingen uppsägningsgrundande händelse,</li> </ul>
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		<p>skyldighet att återköpa Värdepapperen eller annan händelse kommer att utlösas under Villkoren som en följd av sådana ändringar. Det kan inte lämnas någon försäkran att sådana förändringar, om dessa inträffar, inte skulle medföra en negativ inverkan på kreditvärdighetsbetyget för Emittenten och/eller öka sannolikheten för att en uppsägningsgrundande händelse inträffar. Sådana förändringar, om dessa inträffar, kan negativt inverka på Emittentens förmåga att betala ränta avseende Värdepapperen och/eller leda till omständigheter under vilka Emittenten kan välja att annullera sådan ränta (om tillämpligt).</p> <ul style="list-style-type: none"> <li>• UBS Koncernens kapitalstyrka är viktig för att stödja dess strategi, kunderbjudande och konkurrensmässiga position. Varje ökning i riskvägda tillgångar eller en reduktion i kvalificerande kapital skulle kunna väsentligt reducera UBS Koncernens kapitalrelationer. Vidare, UBS Koncernen är underkastad ett krav på lägsta hävstångsrelation för schweiziska SRB-banker, vilket under vissa omständigheter skulle kunna begränsa UBS Koncernens affärsverksamheter även om UBS Koncernen möter övriga riskbaserade kapitalkrav.</li> <li>• UBS Koncernen kanske inte är framgångsrik i att genomföra sina tillkännagivna strategiska planer eller dess planer kan bli försenade eller marknadshändelser kan negativt inverka på genomförandet av planen eller effekterna av dess planer kan skilja sig från de avsedda. UBS Koncernen är också exponerad mot potentiell utflöde av klienttillgångar inom dess tillgångssamlade verksamheter och mot förändringar som påverkar lönsamheten inom dess affärsområde Wealth Management och kanske inte är framgångsrik i att genomföra förändringar inom dess verksamheter för att möta ändrade marknads-, regulatoriska eller andra förhållanden.</li> <li>• Väsentliga juridiska och regulatoriska risker uppkommer vid driften av UBS Koncernens verksamhet. UBS Koncernen är föremål för ett stort antal krav, tvister, rättsliga förfaranden och statliga undersökningar och förväntar sig att dess pågående affärsverksamheter kommer att fortsätta att ge upphov till sådana saker i framtiden. Omfattningen av UBS Koncernens finansiella exponering mot dessa och andra saker är väsentlig och kan i betydande mån överstiga nivån av de reserveringar UBS Koncernen har etablerat för rättegångar, regulatoriska förfaranden och liknande aspekter. Lösningen på regulatoriska förfaranden kan kräva att UBS Koncernen erhåller undantag för regulatoriska avvikelse för att upprätthålla vissa verksamheter, kan berättiga regulatoriska myndigheter att begränsa, temporärt stänga ner eller avsluta tillstånd och regulatoriska godkännanden och kan tillåta att finansiella marknadsfunktioner att begränsa, temporärt stänga ner eller avsluta UBS Koncernens deltagande inom sådana funktioner. Misslyckande att erhålla sådana undantag, eller varje begränsning, temporär nedstängning eller avslutande av tillstånd, godkännanden eller deltaganden, skulle kunna ha väsentliga konsekvenser för UBS Koncernen.</li> <li>• Operationella risker, inklusive de som härrör från processfel, misslyckat utförande, obehörig handel, bedrägeri, systemfel, finansiell brottslighet, cyber-attacker, informationsintrång och misslyckanden inom säkerhet och fysiskt skydd, kan påverka UBS Koncernens verksamhet. Om UBS Koncernens interna kontroller misslyckas eller visar sig vara otillräckliga vad gäller identifiering och hantering av dessa risker, skulle UBS Koncernen kunna drabbas av operationella misslyckanden som kan resultera i väsentliga förluster.</li> </ul>
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		<ul style="list-style-type: none"> <li>• UBS Koncernens rykte är kritiskt för framgången för dess verksamhet. Renommeskada kan ha grundläggande negativ inverkan på UBS Koncernens verksamhet och framtidsutsikter och ha väsentlig negativ inverkan på UBS Koncernens verksamhetsresultat och finansiella omständigheter och på UBS Koncernens förmåga att uppnå dess strategiska mål och finansiella mål.</li> <li>• Utveckling inom den finansiella tjänsteindustrin påverkas av marknadsförhållanden och det markoekonomiska klimatet. En ekonomisk nedgång, fortsatt låga marknadsräntor eller svag eller stagnerande ekonomisk tillväxt på UBS Koncernens kärnmarknader eller en allvarlig finansiell kris kan negativt inverka på UBS Koncernens intäkter och ytterst dess kapitalbas.</li> <li>• UBS Koncernen innehar äldre positioner och andra riskpositioner, inklusive positioner hänförliga till fast egendom i olika länder som kan påverkas negativt av marknadsförhållanden. Dessutom äldre riskpositioner kan vara svåra att likvidera eftersom den fortsatta bristande likviditeten och komplexiteten för många av dessa kan göra det svårt att sälja eller på annat sätt gå ur dessa positioner.</li> <li>• UBS Koncernens globala närvaro utsätter den för risk från valutafluktuationer, vilket har inverkan på UBS Koncernens rapporterade intäkter och utgifter och andra rapporterade siffror såsom annan inkomst, investerade tillgångar, tillgångar på balansräkningen, riskvägda tillgångar och primärkapital enligt Basel III.</li> <li>• UBS Koncernen är beroende av dess riskhantering- och kontrollprocesser för att undvika eller begränsa potentiella förluster inom dess motpartskredits- och handelsverksamheter och skulle kunna drabbas av förluster om, till exempel, den inte till fullo identifierar riskerna inom dess portfölj eller om dess bedömning av riskerna som identifierats eller dess svar på negativa trender visar sig ske vid fel tidpunkt, olämpliga, otillräckliga eller felaktiga.</li> <li>• Värderingar av vissa positioner förlitar sig på modeller; modeller har inneboende begränsningar och kan använda ingångsvärden som inte har någon observerbar källa; andra antaganden och ingångsvärden skulle generera andra resultat och dessa skillnader skulle kunna ha en betydande inverkan på UBS Koncernens finansiella resultat.</li> <li>• Likviditets- och finansieringsförvaltning är kritiskt för UBS Koncernens pågående verksamhet. Volymen för UBS Koncernens finansieringskällor eller tillgången till finansiering av de slag som krävs, kan förändras på grund av, bland annat, allmänna marknadsstörningar, ökade kreditspreadar, förändringar i kapital och likviditetskrav eller nedvärderingar av UBS Koncernens kreditvärdighetsbetyg, vilket även kan inverka på kostnaden för finansiering.</li> <li>• UBS Koncernen kan vara oförmögen att identifiera eller tillvarata intäkter eller konkurrensförmågor eller att behålla och attrahera kvalificerade anställda. UBS Koncernens konkurrensförmåga och styrka och</li> </ul>
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		<p>marknadsställning skulle kunna erodera om UBS Koncernen är oförmögen att identifiera marknadstrender och utvecklingar, inte svarar på dessa genom att ta fram och genomföra lämpliga affärsstrategier, på lämpligt sätt ta fram eller uppdatera teknologi, särskilt inom handelsverksamheterna eller är oförmögen att attrahera eller behålla de kvalificerade personer som behövs för att utföra dessa.</p> <ul style="list-style-type: none"> <li>• UBS Koncernens finansiella resultat kan påverkas negativt av förändringar inom redovisningsstandarder. Förändringar i IFRS eller tolkningar därav kan föranleda att UBS Koncernens framtida rapporterade resultat och finansiella position skiljer sig från de som tidigare rapporterats på grund av införandet av redovisningsstandarder på retroaktiv basis. Sådana förändringar kan också påverka UBS Koncernens regulatoriska kapital och relationer.</li> <li>• UBS Koncernens finansiella resultat kan påverkas negativt av förändringar i antaganden för värderingen av dess goodwill. Om antaganden under framtida perioder skiljer sig från de nuvarande utsikterna, kan värdet av UBS Koncernens goodwill försämrats, vilket ger upphov till förluster över resultaträkningen.</li> <li>• Inverkan av skatter på UBS Koncernens finansiella resultat påverkas i väsentlig mån av omvärderingar av dess uppskjutna skattefordringar. UBS Koncernens effektiva skattekostnad på helårsbasis skulle kunna förändras väsentligt på basis av sådana omvärderingar.</li> <li>• UBS AG:s rörelseresultat, finansiella ställning och förmåga att betala sina förpliktelser i framtiden, kan påverkas av finansiering, utdelning och andra överföringar erhållna från UBS Switzerland AG eller varje annat direktägt dotterföretag, vilket kan vara föremål för begränsningar. Förmågan hos sådana dotterföretag att lämna lån eller överföringar (direkt eller indirekt) till UBS AG kan vara begränsad som en konsekvens av flera faktorer, inklusive restriktioner i finansieringsavtal och krav enligt tillämplig rätt samt regulatoriska och skattemässiga eller andra begränsningar. Begränsningar och regulatoriska åtgärder av detta slag kan försämra tillgången till medel som UBS Koncernen behöver för att göra betalningar. Vidare, UBS AG förväntar sig att det kan komma att garantera betalningsförpliktelserna för vissa av sina dotterföretag från tid till annan. Dessutom, i samband med överföringen av verksamheterna inom Retail &amp; Corporate och Wealth Management som bokförs i Schweiz från UBS AG till UBS Switzerland AG, vilken fick verkan i juni 2015, under schweizisk rätt (<i>Swiss Merger Act</i>) är UBS AG solidariskt ansvarigt för förpliktelser som existerade vid dagen för tillgångsöverföringen och vilka har överförts till UBS Switzerland AG. Dessa garantier kan kräva att UBS AG tillhandahåller betydande medel eller tillgångar till dotterföretag eller dessas borgenärer eller motparter vid en tidpunkt när UBS AG är i behov av likviditet för att finansiera sina egna förpliktelser.</li> <li>• UBS Koncernens angivna mål för avkastning från kapital baseras, delvis, på kapitalrelationer som är föremål för regulatoriska förändringar och kan fluktuera i betydande mån. UBS har beslutat att återföra åtminstone 50% av dess nettovinst till aktieägare som avkastning från kapital, förutsatt att dess fullt tillämpade primärkapitalrelation är minst 13% och dess fullt tillämpade primärkapitalrelation vid stresstest är minst 10%. Men UBS förmåga att upprätthålla en fullt tillämpad primärkapitalrelation om minst 13% är underkastad ett flertal risker, inklusive resultatet från UBS Koncernens verksamhet, förändringar i</li> </ul>
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		<p>kapitalstandarder, metodologier och tolkningar som kan negativt inverka på UBS Koncernens beräknade fullt tillämpade primärkapitalrelation, påförande av risktillägg, eller ytterligare kapitalkrav såsom ytterligare kapitalbuffertar. Vidare, förändringar i metodologin, antaganden, stressscenarier och andra faktorer kan resultera i väsentliga skillnader i UBS fullt tillämpade primärkapitalrelation vid stresstest.</p> <ul style="list-style-type: none"> <li>• UBS Koncernen kan misslyckas med att realisera de förväntade fördelarna med utbyteserbjudandet. UBS etablerade UBS Group AG som ett holdingbolag för Koncernen eftersom det anser att det kommer, tillsammans med andra åtgärder som redan har tillkännagivits, påtagligt komma att förbättra lösningsförmågan hos UBS Koncernen vid svarsåtgärder på utvecklingen av regulatoriska krav. UBS Koncernen kan dock möta påtagliga svårigheter i att uppnå dessa fördelar eller dessa förväntade fördelar kanske inte uppkommer. UBS Group AG har förvärvat ungefär 97 procent av de utestående aktierna i UBS AG. Försening i att förvärva fullt ägande av UBS AG skulle kunna negativt påverka de förväntade fördelarna av utbyteserbjudandet och likviditeten och marknadsvärdet för UBS Group AG:s aktier. Förekomsten av minoritetsaktieägare i UBS AG kan, bland annat, göra det svårare eller försena UBS Koncernens förmåga att genomföra förändringar i den juridiska strukturen för UBS Koncernen och störa dess dagliga verksamhetsdrift och företagsstyrning.</li> <li>• Om UBS Koncernen genomför en fusion för att tvinga ut minoriteten under schweizisk rätt, kommer UBS AG att fusionera in i ett fusionsdotterföretag till UBS Koncernen, som kommer att överleva transaktionen. Även om UBS Koncernen förväntar sig att den överlevande juridiska personen i de flesta fall kommer att överta UBS AG:s banktillstånd, licenser och andra godkännanden, kan en sådan juridisk person vara tvungen att åter-ansöka om eller söka särskilda tillstånd, licenser och auktorisationer, liksom även samtycke från tredje man. Vidare, enligt schweizisk rätt är kan en minoritetsaktieägare som blir utsatt för en fusion för att tvinga ut minoriteten teoretiskt sett göra gällande att det erbjudna vederlaget är "otillräckligt" och begära att schweizisk domstol fastställa vad som är "tillräckligt" vederlag. Var och en av dessa omständigheter, om de skulle inträffa, kan generera kostnader, försena genomförandet av en fusion för att tvinga ut minoriteten eller störa eller negativt inverka på UBS Koncernens verksamhet.</li> </ul>
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- 4) In relation to the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 23 June 2014 in the section "I. Summary of the Base Prospectus" in the sub-section headed "C. Summary of the Base Prospectus (in the Danish language)" in the section headed "Afsnit B – Udsteder":

a) in the section headed "Section B – Udsteder":

**The Element B.1 is completely replaced as follows:**

<b>B.1</b>	Udsteders juridiske navn og forretningsnavn.	Udsteders juridiske navn og forretningsnavn er UBS AG (" <b>Udsteder</b> ", og sammen med sine datterselskaber benævnt " <b>UBS AG-(konsolideret)</b> " eller " <b>UBS AG-koncernen</b> " og sammen med UBS-koncernen AG, holdingselskabet for UBS AG, benævnt " <b>UBS-koncernen</b> ", " <b>Koncernen</b> " " <b>UBS</b> " eller " <b>UBS AG-koncernen (Konsolideret)</b> ").
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**The Element B.4.b and B.5 are completely replaced as follows:**

<b>B.4b</b>	Kendte tendenser, der påvirker Udsteder, og brancher inden for hvilke, Udstederen driver virksomhed.	<p><b>Oplysninger om tendenser</b></p> <p>Som beskrevet i UBS Koncernen AG's første kvartalsrapport i 2015, som blev offentliggjort den 5. maj 2015, i begyndelsen af andet kvartal 2015, er mange af de underliggende makroøkonomiske udfordringer og geografiske problemstillinger, som UBS tidligere har fremhævet, stadig aktuelle og bliver sandsynligvis ikke løst i den nærmeste fremtid. UBS implementerer initiativer for at forbedre prissætningen af visse Wealth Management konti i lyset af rentemiljøet i Schweiz og dele af Europa. Uden at medregne potentielle afstrømninger i forbindelse med disse initiativer forventer UBS, at Wealth Management forretningen fortsat vil levere en tilgang i nye kunder, der vil medføre en vækst i aktiver under forvaltning i andet kvartal. Derfor, til trods for aktuelle og nye udfordringer, fortsætter UBS med at være engageret i den disciplinerede eksekvering af sin strategi for at sikre bankens langsigtede succes og for at levere holdbare afkast til aktionæerne.</p>
<b>B.5</b>	Beskrivelse af koncernen og Udstederens position inden for koncernen.	<p>UBS AG er en schweizisk bank. UBS AG er det eneste datterselskab i UBS-koncernen AG. Det er også moderselskab for UBS AG-koncernen. UBS-Koncernen fungerer som en koncern med fem forretningsafdelinger og et Koncerncenter (<i>Corporate Center</i>).</p> <p>UBS AG har overdraget Privatkunder &amp; Virksomheder (<i>Retail &amp; Corporate</i>) og den del af Formueforvaltning (<i>Wealth Management</i>), som bogføres i Schweiz til UBS Switzerland AG, som er et bankdatterselskab af UBS AG i Schweiz pr. 14. juni 2015 (aktivoverførselsdatoen) I forbindelse med overførslen forøgede UBS kapitaliseringen af UBS Switzerland AG.</p> <p>I henhold til betingelserne i aktivoverdragelsesaftalen er UBS Switzerland AG solidarisk ansvarlig for de forpligtelser, der udspringer af UBS AG's kontraktuelle forpligtelser, der eksisterer på aktivoverførselsdatoen. I henhold til den schweiziske lov om virksomhedsoverdragelser (Swiss Merger Act) hæfter UBS AG solidarisk for de forpligtelser, der eksisterer på aktivoverførselsdatoen, som er overført til UBS Switzerland AG.</p>

		<p>Hverken UBS AG eller UBS Switzerland AG er ansvarlige for nye forpligtelser pådraget af det andet selskab efter aktivoverførselsdatoen. Som følge heraf vil UBS AG's nye kontraktuelle forpligtelser, inklusive i forbindelse med gældsinstrumenter af enhver slags med et afviklingstidspunkt, der ligger efter aktivoverførselsdatoen, ikke være dækket af UBS Switzerland AG's kontraktuelle solidariske ansvar.</p> <p>I Storbritannien implementerer UBS af en revideret forretnings- og driftsmodel for UBS Limited, som vil gøre det muligt for UBS Limited at bære og beholde en større del af de risici henholdsvis det afkast, der er forbundet med bankens forretningsaktiviteter. UBS har forøget kapitaliseringen af UBS Limited som følge heraf.</p> <p>Med henblik på senest den 1. juli 2016 at efterleve de nye regler for udenlandske banker i henhold til den amerikanske lov '<i>the Dodd-Frank Wall Street Reform and Consumer Protection Act</i>', vil UBS i USA udpege et mellemliggende holdingselskab, som kommer til at eje UBS' amerikanske aktiviteter, bortset fra UBS AG's filialer.</p> <p>UBS-koncernen ejede 97,46 % af UBS AG's aktier pr. 31. marts 2015. UBS-koncernen AG har indgivet en anmodning til handelsretten for kantonen Zürich (Commercial Court of the Canton of Zurich) for SESTA-proceduren. Ved gennemførelsen af squeeze-out proceduren vil UBS Koncernen AG eje alle UBS AG-aktierne, og forventes at erhverve visse andre UBS Koncernselskaber direkte over tid.</p> <p>UBS overvejer, som følge af lovgivningsmæssige krav, at ændre Koncernens juridiske organisationsform yderligere, for fortsat at forbedre Koncernens beslutsomhed for at kunne reagere på kapitalkrav, for at søge mulige reduktioner i kapitalkrav og for at kunne imødegå andre regulatoriske krav i forhold til sin juridiske opbygning. Sådanne ændringer kan inkludere overdragelse af UBS AG's driftsdatterselskaber, således at de bliver direkte datterselskaber i UBS-koncernen AG, overdrage delte service- og supportfunktioner til servicevirksomheder samt ændre bogføringsenheden eller placeringen af produkter og serviceydelser. Disse strukturændringer drøftes løbende med FINMA, og andre tilsynsmyndigheder og er forbundet med en række usikkerheder, som kan indvirke på ændringernes gennemførlighed, omfang og tidsmæssige gennemførelse.</p>
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**The Element B.12 is completely replaced as follows:**

<p><b>B.12</b></p>	<p>Udvalgte historiske finansielle nøgleoplysninger.</p>	<p>UBS AG har hentet følgende udvalgte konsoliderede økonomiske data for årene 2012, 2013 og 2014 fra sin Årsrapport for 2014, som indeholder UBS AG's reviderede koncernregnskab såvel som supplerende ureviderede konsoliderede økonomiske data for året, der sluttede den 31. december 2014, og sammenligningstal for årene, der sluttede henholdsvis den 31. december 2013 og 2012. Koncernregnskaberne er udarbejdet i overensstemmelse med de Internationale Regnskabsstandarder, som er udstedt af the International Accounting Standards Board og er angivet i schweizerfranc ("<b>CHF</b>"). De udvalgte konsoliderede økonomiske data inkluderet i tabellen nedenfor for kvartalerne, der endte 31. marts 2015 og 31. marts 2014, stammer</p>
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	fra første kvartalsrapport 2015 for UBS AG som indeholder de ureviderede konsoliderede økonomiske data for UBS AG såvel som supplerende ureviderede konsoliderede økonomiske oplysninger for kvartalet, der endte 31. marts 2015 og sammenlignende tal for kvartalet, der endte 31. marts 2014.					
		Pr. eller for kvartalet der sluttede		Pr. eller for året, der sluttede		
	<i>CHF mio., medmindre andet fremgår</i>	31.3.15	31.3.14	31.12.14	31.12.13	31.12.12
		<i>urevideret</i>		<i>revideret, medmindre andet fremgår</i>		
<b>Resultat</b>						
Driftsindtægter		8,860	7,258	28,026	27,732	25,423
Driftsudgifter		6,167	5,865	25,557	24,461	27,216
Driftsoverskud (driftstab) før skat		2,693	1,393	2,469	3,272	(1,794)
Nettooverskud (nettotab) henførbart til UBS AG-aktionærer		2,023	1,054	3,502	3,172	(2,480)
Udvandet indtjening pr. aktie (CHF)		0.53	0.27	0.91	0.83	(0.66)
<b>Nøgleindikatorer</b>						
<b>Rentabilitet</b>						
Forrentning på synlig kapital (%) <sup>1</sup>		17.7	10.2	8.2*	8.0*	1.6*
Afkastningsgrad, brutto (%) <sup>2</sup>		3.4	2.9	2.8*	2.5*	1.9*
Omkostninger i forhold til indtægter (%) <sup>3</sup>		69.5	81.1	90.9*	88.0*	106.6*
<b>Vækst</b>						
Nettovækst i overskud (%) <sup>4</sup>		126.5	14.9	10.4*	-	-
Nettovækst nye midler for kombinerede formueforvaltningsvirksomheder (%) <sup>5</sup>		3.8	2.9	2.5*	3.4*	3.2*
<b>Ressourcer</b>						
Egentlig kernekapitaldækning (fuldt anvendt, %) <sup>6,7</sup>		14.6	13.2	14.2*	12.8*	9.8*
Schweizisk SRB gearingsforhold (indfaset, %) <sup>8</sup>		5.3	5.0	5.4*	4.7*	3.6*
<b>Yderligere oplysninger</b>						
<b>Rentabilitet</b>						
Afkast på synlig kapital (RoE) (%) <sup>9</sup>		15.3	8.7	7.0*	6.7*	(5.1)*
Afkast på risikovægtede aktiver, brutto (%) <sup>10</sup>		16.1	12.6	12.4*	11.4*	12.0*
<b>Ressourcer</b>						
Aktiver i alt		1,050,122	982,530	1,062,327	1,013,355	1,259,797
Egenkapital henførbart til UBS AG-aktionærer		53,815	49,023	52,108	48,002	45,949
Egentlig kernekapital (fuldt anvendt) <sup>7</sup>		31,725	29,937	30,805	28,908	25,182*
Egentlig kernekapital (indfaset) <sup>7</sup>		41,808	41,187	44,090	42,179	40,032*
Risikovægtede aktiver (fuldt anvendt) <sup>7</sup>		216,893	226,805	217,158*	225,153*	258,113*
Risikovægtede aktiver (indfaset) <sup>7</sup>		219,376	229,879	221,150*	228,557*	261,800*
Egentlig kernekapitaldækning (indfaset, %) <sup>6,7</sup>		19.1	17.9	19.9*	18.5*	15.3*
Kapitaldækning i alt (fuldt anvendt, %) <sup>7</sup>		19.3	16.8	19.0*	15.4*	11.4*
Kapitaldækning i alt (indfaset, %) <sup>7</sup>		24.5	22.7	25.6*	22.2*	18.9*
Schweizisk SRB gearingsforhold (fuldt anvendt, %) <sup>8</sup>		4.3	3.8	4.1*	3.4*	2.4*
Schweizisk SRB gearingsforholdets nævner (fuldt anvendt, %) <sup>11</sup>		978,709	987,899	999,124*	1,015,306*	1,206,214*
Schweizisk SRB gearingsforholdets nævner (indfaset) <sup>11</sup>		983,822	993,970	1,006,001*	1,022,924*	1,216,561*
<b>Andet</b>						
Investerede aktiver (CHF mia.) <sup>12</sup>		2,708	2,424	2,734	2,390	2,230
Medarbejdere (årsværk)		60,113	60,326	60,155*	60,205*	62,628*
Børsværdi		70,355	70,180	63,243*	65,007*	54,729*

Indre værdi pr. aktie i alt (CHF)	14.03	13.07	13.56*	12.74*	12.26*
Synlig indre værdi pr. aktie (CHF)	12.33	11.41	11.80*	11.07*	10.54*

\* urevideret

<sup>1</sup> Nettooverskud / nettotab, som kan henføres til UBS AG-aktionærer inden amortisering og værdiforringelser af goodwill og immaterielle aktiver (på årsbasis, hvor relevant) / gennemsnitlig egenkapital, der kan henføres til UBS AG-aktionærer minus gennemsnitlig goodwill og immaterielle aktiver. <sup>2</sup> Driftsindtægter før kredittab (udgift) eller genindvinding (på årsbasis, hvor relevant) / gennemsnitlig aktivsum i alt. <sup>3</sup> Driftsudgifter / driftsindtægter før kredittab (udgift) eller genindvinding. <sup>4</sup> Ændring i nettooverskud, som kan henføres til UBS AG-aktionærer fra fortsættende aktiviteter mellem nuværende og jävnførelsesperioder / nettooverskud, som kan henføres til UBS AG-aktionærer fra fortsættende aktiviteter fra jävnførelsesperiode. Ikke meningsfuldt og ikke inkluderet, hvis enten rapporteringsperioden eller jävnførelsesperioden er en tabsperiode. <sup>5</sup> Sammenlagt for Wealth Management og Wealth Management Americas' netto nye midler for perioden (på årsbasis, hvor relevant) / investerede aktiver ved periodens begyndelse. <sup>6</sup> Egentlig kernekapital / risikovægtede aktiver. <sup>7</sup> Baseret på Basel III-regelsættet således som dette gælder for schweiziske systemisk relevante banker (SRB), som trådte i kraft i Schweiz den 1. januar 2013. Oplysningerne, som er angivet på fuldt anvendt basis, afspejler fuldt ud virkningerne af de nye kapitalfradrag og afviklingen af ikke-kvalificerende kapitalinstrumenter. De oplysninger, der er angivet på indfaset basis, afspejler gradvist disse virkninger i overgangsperioden. Tallene pr. 31. december 2012 er beregnet på skønsmæssig basis som beskrevet nedenfor, og er angivet som "proformatal". Nogle af de metoder, der er anvendt ved beregningen af proforma-oplysningerne pr. 31. december 2012, krævede myndighedsgodkendelse og inkluderede skøn (som drøftet med UBS' primære tilsynsmyndighed) over virkningen af nye kapitalomkostninger. Disse tal kræves ikke fremlagt, da Basel III-kravene ikke var trådt i kraft den 31. december 2012. De er ikke desto mindre inkluderet af sammenligningsmæssige grunde. <sup>8</sup> Schweizisk SRB Basel III egentlig kernekapital og tabsabsorberende kapital / reguleret eksponering i alt (gearingsforholdets nævner). Det schweiziske SRB gearingsforhold trådte i kraft den 1. januar 2013. Tallene pr. 31. december 2012 er proformatal (se fodnote 7 ovenfor). <sup>9</sup> Nettooverskud / nettotab, der kan henføres til UBS AG-aktionærer aktiver (på årsbasis, hvor relevant) / gennemsnitlig egenkapital, som kan henføres til UBS AG-aktionærer. <sup>10</sup> Baseret på Basel III risikovægtede aktiver (indfaset) for 2014 og 2013 og på Basel 2.5 risikovægtede aktiver for 2012. <sup>11</sup> Tallene pr. 31. december 2012 er proformatal (se fodnote 7 ovenfor). <sup>12</sup> Inkluderer investerede aktiver for Retail & Corporate.

	Erklæring vedrørende væsentlige negative ændringer.	Der er ikke siden den 31. december 2014 indtrådt nogen væsentlig negativ ændring i fremtidsudsigterne for UBS AG eller UBS AG-koncernen.
	Erklæring vedrørende væsentlige ændringer.	Der er ikke indtrådt nogen væsentlig ændring i den finansielle eller handelsmæssige stilling for UBS AG-koncernen eller UBS AG siden 31. marts 2015. Se nærmere under B.5 ovenfor for yderligere information vedrørende overførslen af Retail & Corporate og Wealth Management forretningsdivisionerne, der bogføres i Schweiz fra UBS AG til UBS Switzerland AG, et UBS AG bankdatterselskab i Schweiz, der træder i kraft 14. juni 2015.

**The Element B.14, B.15, B.16 and B.17 are completely replaced as follows:**

<b>B.14</b>	Beskrivelse af koncernen og Udsteders plads i koncernen.	Jf. Element B.5.
	Afhængighed af andre enheder i koncernen.	UBS AG er moderselskab i UBS AG-Koncernen og er som sådan i en vis udstrækning afhængig af visse af sine datterselskaber.
<b>B.15</b>	Udstederens hovedaktiviteter.	Sammen med sine datterselskaber er det UBS AG's målsætning at levere økonomisk rådgivning og løsninger af højeste kvalitet til privatkunder, institutionelle kunder og erhvervs-kunder over hele verden samt til detailkunder i Schweiz, og derved generere stabile afkast til sine



		<p>aktionærer. UBS' forretningsstrategi er centreret omkring Wealth Management og Wealth Management Americas og dets (efter UBS' opfattelse) førende universalbankaktiviteter i Schweiz, kompletteret af dets aktiviteter inden for Global Asset Management og Investment Banking. Efter UBS' opfattelse er disse aktiviteter karakteriseret ved tre centrale egenskaber: De bygger på en stærk konkurrencemæssig position i deres fokusmarkeder, er kapitaleffektive og tilbyder overlegne udsigter for strukturel vækst og rentabilitet. UBS' strategi bygger på styrken fra alle dets aktiviteter og fokuserer sin indsats på områder inden for hvilke, UBS udmærker sig, samtidig med at banken søger at kapitalisere på sine overbevisende vækstudsigter inden for de aktivitetsområder og regioner, hvor UBS driver virksomhed. Kapitalstyrke er grundlaget for UBS' succes. Koncernens driftsstruktur er sammensat af Koncerncentret og fem forretningsdivisioner: Wealth Management, Wealth Management Americas, Retail &amp; Corporate, Global Asset Management og Investment Bank.</p> <p>I henhold til pkt. 2 i UBS AG's vedtægter dateret 7. maj 2015 ("<b>Vedtægter</b>") er UBS AG's formål at drive bankvirksomhed. Bankens virksomhedsformål strækker sig over alle typer af banktjenester, finansielle tjenester, rådgivningstjenester samt handels- og serviceydelser i Schweiz og udlandet. UBS AG kan etablere filialer og repræsentationskontorer såvel som banker, finansieringsselskaber og enhver anden type virksomhed i Schweiz og i udlandet, samt lede, og have kapitalandele, i disse virksomheder. UBS AG har tilladelse til at erhverve, belåne og sælge fast ejendom og byggeretter i Schweiz og i udlandet. UBS AG må yde lån, garantier og anden form for finansiering og sikkerhedsstillelse for Koncernselskaber og låne og investere penge på penge- og kapitalmarkederne.</p>
<b>B.16</b>	Beskrivelse af, om Udstederen er direkte eller indirekte ejet eller kontrolleret.	Efter gennemførelsen af et aktieombytningstilbud, som indebar tilbud om på en-til-en basis at erhverve alle udstedte ordinære aktier i UBS AG til gengæld for navnenoterede aktier i UBS Group AG og en efterfølgende privat ombytning på en-til-en basis med forskellige aktionærer og banker i Schweiz og andre lande uden for USA, erhvervede UBS-koncernen AG 96,68 % af aktierne i UBS AG pr. 31. december 2014. Yderligere private ombytninger har reduceret antallet af cirkulerende UBS AG-aktier, og som resultat heraf ejede UBS-koncernen 97,46 % af aktierne i UBS AG den 31. marts 2015.
<p><i>[Nedenstående Element B.17 skal alene indsættes ved Værdipapirer, hvor Udstederen er forpligtet til ved udstedelse at betale investor 100 % af den nominelle værdi:]</i></p>		
<b>B.17</b>	Den kreditvurdering, som Udstederen eller dens gældsværdipapirer har opnået.	Kreditvurderingsbureauet Standard & Poor's Credit Market Services Europe Limited (" <b>Standard &amp; Poor's</b> "), Fitch Ratings Limited (" <b>Fitch Ratings</b> ") og Moody's Investors Service, Inc. (" <b>Moody's</b> ") har offentliggjort kreditvurderinger, som afspejler deres vurdering af UBS AG's kreditværdighed, dvs. UBS' evne til at indfri sine forpligtelser i takt med at disse forfalder, såsom hovedstols- eller rentebetalinger på langfristede lån. De kreditvurderinger, som UBS opnår fra Fitch Ratings og Standard & Poor's, kan have et foranstillet plus- eller minustegn, og kreditvurderingerne fra Moody's et tal. Disse supplerende betegnelser indikerer den relative placering inden for den pågældende

		<p>kreditvurderingsklasse.</p> <p>UBS AG's langfristede modpartskreditgivningsaktiviteter har opnået en kreditvurdering på A (stabile fremtidsudsigter) fra Standard &amp; Poor's, UBS AG's langfristede foranstående gæld har opnået en kreditvurdering på A2 (evt. nedgradering under evaluering) fra Moody's og UBS AG's langsigtede udstederrating (<i>issuer default rating</i>) har opnået en kreditvurdering på A (stabile fremtidsudsigter) fra Fitch Ratings.</p> <p>Kreditvurderingen fra Fitch Ratings er udstedt af Fitch Ratings Limited, og kreditvurderingen fra Standard &amp; Poor's er udstedt af Standard &amp; Poor's Credit Market Services Europe Limited. Begge er registreret som kreditvurderingsbureauer i henhold til Forordning (EF) nr. 1060/2009 som ændret ved Forordning (EF) nr. 513/2011 ("<b>Forordning om kreditvurderingsbureauer</b>"). Kreditvurderingen fra Moody's er udstedt af Moody's Investors Service, Inc., som ikke er etableret i EØS og ikke er godkendt i henhold til Forordningen om kreditvurderingsbureauer, men den udstedte kreditvurdering er godkendt af Moody's Investors Service Ltd., et kreditvurderingsbureau, som er etableret i EØS og registeret i henhold til Forordningen om kreditvurderingsbureauer.】</p>
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b) in the section headed "Avsnitt C - Værdipapirer":

At the end of Element C.15 (after the paragraph entitled "Fysisk eller Kontant Afvikling") the following text is added:

"Generel førtidig indløsningsret

Udstederen og Værdipapirindehavere vil kun have en generel førtidig indløsningsret i relation til Værdipapirerne inden udløbsdatoen, hvis det fremgår af de relevante Betingelser for Værdipapirerne.

Udstederens Call-ret

Såfremt det er specificeret i de relevante Produktvilkår har Udstederen ret til at kræve førtidig indløsning af Værdipapirerne ved at give meddelelse herom på visse prædefinerede datoer. Indløsningsværdien kan enten være fastsat på forhånd eller være afhængig af de(t) Underliggende Aktiv(er), visse datoer eller andre parametre.

Værdipapirindehavernes Put-ret

Såfremt det er specificeret i de relevante Produktvilkår har Værdipapirindehaveren en ret til at indstille Værdipapirerne til førtidig indløsning. Indløsningsværdien kan enten være fastsat på forhånd eller være afhængig af de(t) Underliggende Aktiv(er), visse datoer eller andre parametre."

c) in the section headed "Section D – Risks":

**The Element D.2 is completely replaced as follows:**

<b>D.2</b>	Nøgleoplysning-er om de vigtigste risici, der er specifikke for Udstederen.	<p>Værdipapirerne indebærer en udstederrisiko, også kaldet en debitorrisiko eller kreditrisiko for potentielle investorer. En udstederrisiko er den risiko, at UBS AG midlertidigt eller varigt bliver ude af stand til at opfylde sine forpligtelser i henhold til Værdipapirerne.</p> <p><b>Generel insolvensrisiko</b></p> <p>Den enkelte investor bærer den generelle risiko for, at Udsteders finansielle</p>
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		<p>situation kan forværres. Gældsværdipapirerne eller derivaterne vil udgøre direkte, usikrede og ikke-efterstillede forpligtelser på Udstederen, som særligt i tilfælde af Udstederens insolvens vil være sideordnet med hinanden og med alle øvrige nuværende og fremtidige usikrede og ikke-efterstillede forpligtelser på Udstederen, bortset fra de forpligtelser som har fortrinsret i henhold til ufravigelige lovregler. Udstederens forpligtelser i henhold til Værdipapirerne er ikke beskyttet af obligatoriske eller frivillige indskudsgarantisystemer eller kompensationsordninger. <b>I tilfælde af Udstederens insolvens risikerer investorer således at miste hele deres investering i Værdipapirerne.</b></p> <p>UBS AG er som Udsteder eksponeret for forskellige brancherelaterede risici. Disse risici omfatter særligt følgende typer af risici, som alle kan have en negativ indvirkning på værdien af Værdipapirerne:</p> <ul style="list-style-type: none"> <li>• Konsekvensen af en nedgradering af Udstederens kreditvurdering: Den generelle vurdering af Udstederens kreditværdighed kan påvirke Værdipapirernes værdi. Et kreditvurderingsbureaus eventuelle nedgradering af Udstederens kreditvurdering kan således have en negativ indvirkning på Værdipapirernes værdi.</li> <li>• Den 15. januar 2015 fjernede den schweiziske nationalbank (SNB) kursloftet for schweizerfrancen over for euroen, som havde været en realitet siden september 2011. SNB sænkede samtidigt renten på indlån i SNB, som oversteg en given tærskel, med 50 basispoint til -0,75 %. SNB ændrede også målintervallet for 3 mdr. LIBOR til mellem -1,25 % og -0,25 % (tidligere -0,75 % til +0,25 %). Disse beslutninger resulterede i en betydelig styrkelse af schweizerfrancen over for euroen, den amerikanske dollar, det britiske pund, den japanske yen og adskillige andre valutaer samt i en sænkning af CHF-renten. Såvel CHF-kursens udvikling på længere sigt over for disse andre valutaer som CHF-rentens fremtidige udvikling er forbundet med usikkerhed. Adskillige andre banker har ligeledes indført en minusrente-politik. Valutakursudsving og fortsat lave eller negative renter kan have en skadelig indvirkning på UBS-koncernens konsolidering, UBS-koncernens stilling i forhold til likviditets- og kapitalfremskaffelse samt UBS-koncernens rentabilitet.</li> <li>• Ændringer i love og forskrifter kan have en negativ indvirkning på UBS-koncernens virksomhed og evne til at udføre sine virksomhedsstrategier. Planlagte og potentielle ændringer i love og forskrifter i Schweiz og andre lande, hvor UBS-koncernen driver virksomhed, kan have en væsentlig negativ indvirkning på UBS-koncernens evne til at udføre sine virksomhedsstrategier, på visse forretningsdivisioners lønsomhed eller rentabilitet på verdensplan eller specifikke steder og i visse tilfælde på UBS-koncernens konkurrenceevne i forhold til andre finansielle institutioner. Det kan indebære store omkostninger at udføre disse og kan ligeledes have en negativ indvirkning på UBS-koncernens juridiske organisationsform eller forretningsmodel, hvilket potentielt set kan medføre manglende kapitaleffektivitet med deraf følgende indvirkning på UBS-koncernens rentabilitet. <ul style="list-style-type: none"> <li>• UBS har annonceret sine intentioner om at lave visse strukturelle ændringer set i lyset af lovgivningsmæssige trends og krav. Den 14. juni 2015 ("aktivoverførselsdatoen") overførte UBS AG Retail &amp;</li> </ul> </li> </ul>
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		<p>Corporate og Wealth Management forretningsdivisionerne, der bogføres i Schweiz, til UBS Switzerland AG, et bankdatterselskab af UBS AG i Schweiz. I forbindelse med overførslen har UBS Koncernen forøget kapitaliseringen af UBS Switzerland AG. I henhold til den schweiziske lov om virksomhedsoverdragelser (Swiss Merger Act) hæfter UBS AG solidarisk for de forpligtelser, der eksisterer på aktivoverførselsdatoen, som er overført til UBS Switzerland AG. Under betingelser i aktivoverdragelsesaftalen er UBS Switzerland AG solidarisk ansvarlig for de forpligtelser, der udspringer af UBS AG's kontraktuelle forpligtelser, der eksisterer på aktivoverførselsdatoen. Hverken UBS AG eller UBS Switzerland AG vil være ansvarlige for nye forpligtelser pådraget af det andet selskab efter aktivoverførselsdatoen. Hvis forpligtelser, der ellers vil være omfattet af det solidariske ansvar, ændres af en af de solidarisk hæftende til skade for den anden solidarisk hæftende vil sidstnævntes ansvar begrænses til de oprindelige betingelser for forpligtelsen i henhold til Schweizisk ret. Under visse omstændigheder tillader den schweiziske banklov (Swiss Banking Act) og FINMA's bank insolvens vedtægter FINMA at ændre, annullere eller konvertere UBS Switzerland AG's gæld til egenkapital i forbindelse med en beslutning i relation til UBS Switzerland AG. I Storbritannien implementerer UBS en revideret forretnings- og operativ model for UBS Limited. Som følge heraf har UBS forøget kapitaliseringen af UBS Limited. For at efterleve de nye regler for udenlandske banker i henhold til den amerikanske lov 'the Dodd-Frank Wall Street Reform and Consumer Protection Act', vil UBS i USA udpege et mellemliggende holdingselskab, som pr. 1. juli 2016 kommer til at eje UBS' amerikanske aktiviteter, bortset fra UBS AG's filialer.. UBS overvejer yderligere ændringer til sin juridiske struktur for at imødegå regulatoriske krav. Betingelserne indeholder ingen restriktioner i relation til skift i kontrollen eller indflydelsen eller strukturelle ændringer og hverken misligholdelsestilfælde, krav om tilbagekøb af Værdipapirerne eller andre tilfælde vil blive udløst i henhold til Betingelserne grundet sådanne ændringer. Der kan ikke gives nogen forsikring for, at sådanne ændringer, skulle de opstå, ikke vil påvirke Udstederens kreditrating negativt og/eller forøge sandsynligheden for, at der opstår et misligholdelsestilfælde. Skulle sådanne ændringer opstå, kan disse have en negativ indvirkning på Udstederens evne til at indfri eller betale rente på Værdipapirerne og/eller føre til omstændigheder, hvor Udstederen kan vælge at annullere renten (hvis relevant)</p> <ul style="list-style-type: none"> <li>• UBS-koncernens konsolidering er et vigtigt bærende element i forhold til UBS-koncernens strategi, kundeførelse og konkurrencesituation. Enhver stigning i risikovægtede aktiver eller reduktion af kapitalgrundlaget kan reducere UBS-koncernens soliditetsprocent væsentligt. UBS-koncernen er desuden underlagt et mindstekrav i forhold til det schweiziske SRB gearingsforhold, som under visse omstændigheder kan begrænse UBS-koncernens forretningsaktiviteter, selvom UBS-koncernen opfylder andre risikobaserede kapitalkrav.</li> <li>• UBS-koncernen kan mislykkes med at gennemføre sine udmeldte strategiske planer, eller planerne kan blive forsinket, eller der kan</li> </ul>
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		<p>indtræffe markedsbegivenheder, som har en væsentlig negativ indvirkning på implementeringen deraf, eller effekten af planerne kan afvige fra, hvad der var tilsigtet. UBS-koncernen er ligeledes udsat for mulig udgående strøm af kundeaktiver i sine formueforvaltningsaktiviteter og ændringer, der påvirker rentabiliteten af UBS-koncernens forretningsdivision for formueforvaltning (<i>Wealth Management</i>), ligesom UBS-koncernen kan mislykkes med at gennemføre ændringer i sine aktiviteter for at opfylde ændrede markeds-mæssige, lovgivningsmæssige og andre betingelser.</p> <ul style="list-style-type: none"> <li>• Der opstår væsentlige juridiske og lovgivningsmæssige risici i udførelsen af UBS-koncernens aktiviteter. UBS-koncernen er udsat for risikoen for en lang række krav, tvister, søgsmål og offentlige undersøgelser og forventer, at dens løbende forretningsaktiviteter fortsat vil give anledning til sådanne risici også i fremtiden. UBS-koncernens finansielle eksponering over for disse og andre forhold kan være væsentlig og i væsentligt grad overstige det hensættelsesniveau, som UBS-koncernen har etableret til retssager, lovgivningsmæssige og lignende forhold. UBS-koncernen kan som følge af administrative afgørelser blive pålagt at indhente bindende tilsagn fra myndighederne for at opretholde visse aktiviteter, ligesom sådanne afgørelser kan give tilsynsmyndighederne ret til at begrænse, suspendere eller ophæve licenser og myndighedstilladelser og tillade specifikke finansielle institutioner (såkaldte <i>financial market utilities</i>) at begrænse, suspendere eller ophæve UBS-koncernens deltagelse i sådanne institutioner. Manglende indhentelse af sådanne afkald eller en evt. begrænsning, suspendering eller ophævelse af licenser, tilladelser eller deltagelser kan have væsentlige konsekvenser for UBS-koncernen.</li> <li>• Operationelle risici, herunder risici som følge af procesfejl, afviklingsfejl, uredelighed, uautoriseret handel, svig, systemfejl, finansiell kriminalitet, cyberangreb, brud på datasikkerheden samt sikkerhedssvigt og manglende fysisk beskyttelse, kan indvirke på UBS-koncernens aktiviteter. Hvis UBS-koncernens interne kontrolsystemer svigter eller viser sig at være mangelfulde i forhold til at identificere og imødegå sådanne risici, kan UBS-koncernen blive udsat for driftsforstyrrelser, der kan medføre væsentlige tab.</li> <li>• UBS-koncernens omdømme er væsentlig for fremgangen i UBS-koncernens aktiviteter. En negativ påvirkning af UBS-koncernens omdømme kan have en væsentlig negativ indvirkning på UBS-koncernens driftsresultater og finansielle stilling samt på UBS-koncernens evne til at opnå sine strategiske og finansielle målsætninger.</li> <li>• Udviklingen i branchen for finansielle serviceydelser påvirkes af markedsforhold og det makroøkonomiske klima. Økonomisk nedgang, et fortsat lavt renteniveau eller en svag eller stagnerende økonomisk vækst på UBS-koncernens kernemarkeder eller en alvorlig finansiell krise kan have en negativ indvirkning på UBS-koncernens indtjening og i yderste konsekvens UBS-koncernens ansvarlige kapital.</li> <li>• UBS-koncernen har ældre og andre risikopositioner, herunder positioner, der er forbundet med fast ejendom i forskellige lande, som kan påvirkes negativt af markedsforhold. Ældre risikopositioner kan desuden være</li> </ul>
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		<p>vanskelige at afvikle, idet en fortsat illikviditet og kompleksiteten i mange af dem kan gøre det vanskeligt at sælge eller på anden måde at afvikle disse positioner.</p> <ul style="list-style-type: none"> <li>• UBS-koncernens globale tilstedeværelse udsætter UBS-koncernen for risiko for valutaudsving, som indvirker på UBS-koncernens rapporterede indtægter og omkostninger samt andre regnskabstal så som anden totalindkomst, investerede aktiver, balanceaktiver, risikovægtede aktiver og Basel III egentlig kernekapital.</li> <li>• UBS-koncernen er afhængig af sine risikostyrings- og kontrolprocesser for at undgå eller begrænse potentielle tab på sin modpartskreditgivnings- og handelsaktiviteter og kan lide tab, hvis den fx ikke i fuld udstrækning identificerer risiciene i sin portefølje, eller hvis UBS-koncernens vurdering af de identificerede risici eller reaktion på negative tendenser viser sig at være forkert timet, utilstrækkelig, mangelfuld eller forkert.</li> <li>• Værdiansættelsen af visse positioner er baseret på modeller; modeller har indbyggede begrænsninger og kan være baseret på input, som ikke har en kontrollerbar kilde; forskellige forudsætninger og input genererer forskellige resultater, og disse forskelle kan have en væsentlig indvirkning på UBS-koncernens regnskabsresultat.</li> <li>• Likviditet og finansieringsstyring er kritisk for UBS-koncernens fortsatte resultater. Omfanget af UBS-koncernens finansieringskilder eller tilgængeligheden af de nødvendige finansieringstyper kan ændre sig bl.a. som følge af generelle markedsforstyrrelser, stigende kreditspænd, ændringer i kapital- og likviditetsbehov eller en nedgradering af UBS-koncernens kreditvurderinger, som også kan indvirke på finansieringsomkostningerne.</li> <li>• Det er ikke nødvendigvis muligt for UBS-koncernen at identificere eller udnytte indtjenings- eller konkurrencemuligheder eller fastholde eller tiltrække kvalificerede medarbejdere. UBS-koncernens konkurrencekraft og markedsposition kan svækkes, hvis UBS-koncernen ikke er i stand til at identificere konjunkturer og udviklingslinjer, ikke imødegår dem ved at udarbejde og implementere passende forretningsstrategier, ikke i tilstrækkelig grad udvikler og opdaterer teknologier, særligt inden for handelsaktiviteter, eller ikke er i stand til at tiltrække eller fastholde de kvalificerede medarbejdere, der er nødvendige for at udføre dem.</li> <li>• UBS-koncernens regnskabsresultat kan blive påvirket negativt af en ændring i regnskabsstandarder. Ændringer til IFRS eller fortolkninger deraf kan bevirke, at UBS-koncernens fremtidige regnskabsresultater og finansielle stilling afviger fra de aktuelle forventninger. Sådanne ændringer kan ligeledes indvirke på UBS-koncernens lovpligtige kapital og nøgletal.</li> <li>• UBS-koncernens regnskabsresultat kan blive påvirket negativt af en ændring i forudsætninger, der har betydning for værdien af UBS-koncernens goodwill. Hvis forudsætninger i fremtidige perioder afviger fra de aktuelle forventninger til fremtiden, kan værdien af UBS-koncernens goodwill blive forringet i fremtiden, hvilket kan give anledning til tab i resultatopgørelsen.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Virkningen af skatter på UBS-koncernens regnskabsresultat påvirkes væsentligt af ændringer i UBS-koncernens udskudte skatteaktiver. UBS-koncernens effektive skattesats for hele året kan ændre sig væsentligt på baggrund af sådanne ændringer.</li> <li>• UBS AG's driftsresultat, finansielle stilling og evne til at opfylde sine forpligtelser i fremtiden kan blive påvirket af midler, udbytter og øvrige udlodninger modtaget fra UBS Switzerland AG eller ethvert andet evt. direkte datterselskab, som kan være omfattet af begrænsninger. Sådanne datterselskabers evne til at give lån eller foretage udlodninger (direkte eller indirekte) til UBS AG kan være begrænset som følge af flere faktorer, herunder begrænsninger i henhold til låneaftaler og kravene i henhold til gældende lovgivning samt myndigheds- og skattemæssige eller øvrige begrænsninger. Begrænsninger og myndighedstiltag af denne art kan vanskeliggøre adgangen til den kapital, som UBS-koncernen måtte have brug for at opfylde sine betalingsforpligtelser. UBS AG kan garantere nogle af betalingsforpligtelserne for visse af UBS-koncernens datterselskaber til enhver tid. I forbindelse med overførslen af Retail &amp; Corporate og Wealth Management forretningsdivisionerne bogført i Schweiz fra UBS AG til UBS Switzerland AG, som blev gennemført i juni 2015, under den schweiziske lov om virksomhedsoverdragelser (Swiss Merger Act) hæfter UBS AG i øvrigt solidarisk for de forpligtelser, der eksisterer på aktivoverførselsdatoen, som er overført til UBS Switzerland AG. Disse garantier kan kræve, at UBS AG tilvejebringer væsentlige midler eller aktiver for datterselskaber eller deres kreditorer eller modparter på et tidspunkt, hvor UBS AG har brug for likviditet til at finansiere sine egne forpligtelser.</li> <li>• UBS-koncernens anførte målsætning for kapitalafkast er delvist baseret på en soliditetsprocent, der er omfattet af lovgivningsmæssige ændringer, og som kan svinge meget. UBS har givet tilsagn om et afkast til aktionærene på mindst 50 % af sit nettooverskud, forudsat at den fuldt anvendte egentlige kernekapitalprocent er på mindst 13 % og den fuldt anvendte egentlige kernekapitalprocent efter gennemførelse af stresstest er på mindst 10 %. UBS' evne til at opretholde en fuldt anvendt egentlig kernekapitalprocent på mindst 13 % er dog eksponeret for adskillige risici, herunder resultatet af UBS-koncernens virksomhed, ændringer i kapitalkrav, metoder og fortolkninger, som kan have en negativ indvirkning på UBS-koncernens beregnede fuldt anvendte egentlige kernekapitalprocent, indførelsen af risikotillæg eller yderligere kapitalkrav så som yderligere kapitalbuffere. Ændringer i metoder, forudsætninger, stressscenariet og øvrige faktorer kan desuden medføre væsentlige ændringer i UBS' fuldt anvendte egentlige kernekapitalprocent efter gennemførelse af stresstest.</li> <li>• UBS-koncernen kan mislykkes med at realisere de forventede fordele ved ombytningstilbuddet. UBS stiftede UBS-koncernen AG som et holdingselskab for UBS-koncernen, da det er af den opfattelse, at det sammen med andre allerede udmeldte tiltag i væsentlig grad vil forbedre UBS-koncernens afviklingsmuligheder som reaktion på nye myndighedskrav. UBS-koncernen kan dog stå over for betydelige vanskeligheder i forhold til at opnå disse forventede fordele, eller disse forventede fordele bliver evt. ikke til virkelighed. UBS-koncernen AG har</li> </ul>
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		<p>erhvervet ca. 97 % af UBS AG's udestående aktier. Forsinket opnåelse af 100 % ejerskab af UBS AG kan have en negativ indvirkning på de forventede fordele af ombytningstilbuddet og på likviditeten og kursværdien af UBS-koncernen AG's aktier. Eksistensen af minoritetsaktionærer i UBS AG kan blandt andet vanskeliggøre eller forsinke UBS-koncernens evne til at gennemføre ændringer til UBS-koncernens juridiske organisationsform og forstyrre de daglige forretningsmæssige aktiviteter og corporate governance.</p> <ul style="list-style-type: none"> <li>• Hvis UBS-koncernen gennemfører en såkaldt squeeze out-fusion i henhold til schweizisk ret, fusionerer UBS AG ind i et datterselskab til UBS-koncernen, som vil være det fortsættende selskab. Selvom UBS-koncernen forventer, at den fortsættende enhed i de fleste tilfælde vil overtage UBS AG's banklicenser, tilladelser og øvrige bemyndigelser, vil sådan enhed eventuelt skulle genansøge om eller indhente specifikke licenser, tilladelser og bemyndigelser samt samtykke fra tredjemand. I henhold til schweizisk lov kan en minoritetsaktionær, som er omfattet af squeeze out-fusionen, desuden teoretisk set søge at gøre gældende, at det tilbudte vederlag er "utilstrækkeligt" og begære en schweizisk kompetent domstol om at fastsætte et "tilstrækkeligt" vederlag. Hver af disse omstændigheder kan, hvis de skulle indtræffe, medføre omkostninger, forsinke gennemførelsen af squeeze out-fusionen eller forstyrre eller indvirke negativt på UBS-koncernens virksomhed.</li> </ul>
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The Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 17 April 2015 and all supplements thereto, shall be maintained in printed format, for free distribution, at the offices of the Issuer for a period of twelve months after the publication of this document and are published on the website [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest), or a successor website.

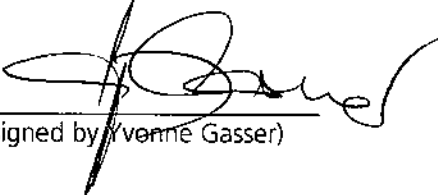
In addition, the annual and quarterly reports of UBS AG are published on UBS's website, at [www.ubs.com/investors](http://www.ubs.com/investors) or a successor address.



Zurich, 8 July 2015

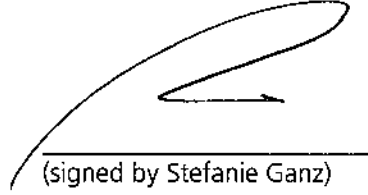
**UBS AG**

By:



(signed by Yvonne Gasser)

By:



(signed by Stefanie Ganz)