

<p><b>Supplement No. 3 pursuant to § 16 (1) of the German Securities Prospectus Act</b></p> <p>dated 19 February 2014 to the Registration Document of UBS AG dated 22 May 2013</p>
<p><b>Supplement No. 4 pursuant to § 16 (1) of the German Securities Prospectus Act</b></p> <p>dated 19 February 2014 to the already published tripartite Base Prospectus dated 12 June 2013 comprising the Summary and Securities Note of UBS AG, [London] [Jersey] [Branch], dated 12 June 2013 and the Registration Document dated 22 May 2013</p> <p>in relation to Warrants</p>
<p><b>Supplement No. 3 pursuant to § 16 (1) of the German Securities Prospectus Act</b></p> <p>dated 19 February 2014 to the already published tripartite Base Prospectus dated 4 July 2013 comprising the Summary and Securities Note of UBS AG, [London] [Jersey] [Branch], dated 4 July 2013 and the Registration Document dated 22 May 2013</p> <p>in relation to Securities</p>
<p><b>Supplement No. 3 pursuant to § 16 (1) of the German Securities Prospectus Act</b></p> <p>dated 19 February 2014 to the already published Base Prospectus dated 23 July 2013 for the issuance of Money Market Switch Notes</p>
<p><b>Supplement No. 2 pursuant to § 16 (1) of the German Securities Prospectus Act</b></p> <p>dated 19 February 2014 to the already published tripartite Prospectus comprising the Summary and Securities Note dated 12 September 2013 for the issuance of up to 500,000 Open-End Certificates based on the Solactive 3D Printing Total Return Index (ISIN DE000UBS13D0) and the Registration Document dated 22 May 2013</p>
<p><b>Supplement No. 2 pursuant to § 16 (1) of the German Securities Prospectus Act</b></p> <p>dated 19 February 2014 to the already published Base Prospectus dated 18 October 2013 for the Issuance of Fixed Income Securities (Cash)</p>
<p><b>Supplement No. 2 pursuant to § 16 (1) of the German Securities Prospectus Act</b></p> <p>dated 19 February 2014 to the already published tripartite Prospectus comprising the Summary and Securities Note dated 25 October 2013 for the issuance of up to 100,000 Global FX/Income Opportunities Certificates (ISIN CH0202050081) and the Registration Document dated 22 May 2013</p>
<p><b>Supplement No. 1 pursuant to § 16 (1) of the German Securities Prospectus Act</b></p> <p>dated 19 February 2014 to the already published Base Prospectus dated 14 January 2014 for the Issuance of Fixed Income Securities (Rates)</p>

**This supplement serves as update to the Registration Document ,the Base Prospectuses and the Prospectuses mentioned above in connection to the following occurrence:**

Publication of the fourth quarter report of UBS AG as per 31 December 2013 on 4 February 2014.

In the course of supplementing the Registration Document, Base Prospectus or Summary and Securities Note as mentioned above, UBS AG has also taken the occasion to reflect in this Supplement certain updated information that has become available after the date of the relevant Supplement, the Base Prospectus or the Summary and Securities Note, as mentioned above.

The following table shows the updated information that has become available after the date of the relevant Supplement, the Base Prospectus or the Summary and Securities Note, as mentioned above.

Updated information	Revisions
The holding of the shareholders registered in UBS AG's share register with more than 3% has changed over time.	The information in Element B.16 of the Summary as well as in the section "Major Shareholders of UBS AG" of the Registration Document has been updated accordingly.
Certain information in the Curricula Vitae of members of the Board of Directors has changed over time.	The information in the table in the section "VII. Administrative, Management and Supervisory Bodies of UBS AG" of the Registration Document headed "Members of the Board of Directors" has been updated accordingly and the curricula vitae of the relevant members in the same section of the Registration Document has been replaced.
The composition of the Group Executive Board changed on 1 January 2014.	The information in the table in the section "VII. Administrative, Management and Supervisory Bodies of UBS AG" of the Registration Document headed "Members of the Group Executive Board" has been updated accordingly.

**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, Bonds or Securities, as the case may be, before this supplement is published have, pursuant to § 16 (3) of the German Securities Prospectus Act, 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. 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 Registration Document as listed introductory on page 1 the following adjustments have been made:

**In the section headed "IV. Information about UBS AG" (page 17 of the Registration Document) the second paragraph is replaced by the following text:**

"On 31 December 2013 UBS's common equity tier 1 capital ratio<sup>1</sup> was 18.5% on a phase-in basis and 12.8% on a fully applied basis, invested assets stood at CHF 2,390 billion, equity attributable to UBS shareholders was CHF 48,002 million and market capitalization was CHF 65,007 million. On the same date, UBS employed 60,205 people<sup>2</sup>."

**In the section headed "V. Business Overview" (page 18 of the Registration Document) the paragraph headed "Recent Developments" (page 19) is replaced by the following text:**

**"Recent Developments:**

*UBS' results as of and for the quarter ended 31 December 2013, as presented in UBS AG's fourth quarter report 2013 (including unaudited consolidated financial statements of UBS Group)*

UBS Group: Net profit attributable to UBS shareholders for the fourth quarter of 2013 was CHF 917 million compared with CHF 577 million in the third quarter of 2013. Operating profit before tax was CHF 449 million compared with CHF 356 million in the prior quarter. On an adjusted basis<sup>3</sup>, profit before tax was CHF 755 million compared with CHF 484 million in the third quarter of 2013. Operating income increased by CHF 46 million, mainly due to an increase in net fee and commission income, primarily in the Investment Bank, as well as higher net interest and trading revenues, partly offset by lower other income. Operating expenses decreased by CHF 48 million, largely as a result of a reduction in charges for provisions for litigation, regulatory and similar matters, partly offset by increases in other non-personnel expenses and, to a lesser extent, personnel expenses. Furthermore, UBS recorded a net tax benefit of CHF 470 million compared with a net tax benefit of CHF 222 million in the prior quarter.

Wealth Management: profit before tax was CHF 471 million in the fourth quarter of 2013, a decrease of CHF 84 million compared with CHF 555 million in the third quarter. Adjusted<sup>3</sup> for restructuring charges, profit before tax decreased to CHF 512 million from CHF 617 million. Operating income increased by CHF 22 million to CHF 1,859 million, mainly reflecting higher net fee and commission income. Operating expenses increased by CHF 107 million to CHF 1,389 million as lower charges for provisions for litigation, regulatory and similar matters were more than offset by seasonally higher other general and administrative expenses and higher variable compensation expenses. The gross margin on invested assets was stable at 85 basis points. Net new money was CHF 5.8 billion compared with CHF 5.0 billion in the prior quarter.

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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 "Capital management" section of UBS AG's fourth quarter 2013 report.

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

<sup>3</sup> Unless otherwise indicated, fourth-quarter "adjusted" figures exclude each of the following items, to the extent applicable, on a Group and business division level: own credit loss of CHF 94 million, gains on sales of real estate of CHF 61 million, a net loss of CHF 75 million related to the buyback of debt in a public tender offer and net restructuring charges of CHF 198 million. For the third quarter the items excluded were an own credit loss of CHF 147 million, gains on sales of real estate of CHF 207 million and net restructuring charges of CHF 188 million.

Wealth Management Americas: profit before tax was USD 254 million in the fourth quarter of 2013 compared with a profit of USD 218 million in the third quarter. Adjusted<sup>3</sup> for restructuring charges, profit before tax increased to USD 283 million from USD 232 million. The reported result reflected a 6% increase in operating income due to higher recurring income and higher transaction-based revenue. This was partly offset by a 4% increase in operating expenses, mainly due to higher financial advisor compensation and restructuring charges. Net new money inflows increased to USD 4.9 billion from USD 2.1 billion in the prior quarter, mainly due to higher inflows from financial advisors employed with UBS for more than one year.

Retail & Corporate: profit before tax was CHF 332 million in the fourth quarter of 2013 compared with CHF 402 million in the third quarter. Adjusted<sup>3</sup> for restructuring charges, profit before tax decreased to CHF 344 million from CHF 417 million. Operating income declined by CHF 27 million, mainly due to higher credit loss expenses, and adjusted operating expenses increased by CHF 46 million, mainly due to higher charges for provisions for litigation, regulatory and similar matters. The annualized net new business volume growth rate was 3.8%.

Global Asset Management: profit before tax in the fourth quarter of 2013 was CHF 130 million compared with CHF 118 million in the third quarter, with the increase primarily due to higher performance fees, partly offset by higher operating expenses. Adjusted<sup>3</sup> for restructuring charges, profit before tax was CHF 143 million compared with CHF 130 million. Excluding money market flows, net new money outflows were CHF 1.5 billion from third parties and CHF 3.2 billion from clients of UBS' wealth management businesses.

Investment Bank: recorded a profit before tax of CHF 297 million in the fourth quarter of 2013 compared with CHF 251 million in the third quarter. Adjusted<sup>3</sup> for restructuring charges, profit before tax was CHF 386 million compared with CHF 335 million. This increase was mainly due to higher revenues in Corporate Client Solutions, partly offset by an increase in operating expenses. Fully applied Basel III risk-weighted assets (RWA) increased to CHF 62 billion from CHF 59 billion. The increase was primarily due to the incremental RWA resulting from the supplemental operational risk capital analysis mutually agreed to by UBS and FINMA, partly offset by reductions in credit risk and market risk RWA.

Corporate Center – Core Functions: recorded a loss before tax of CHF 565 million in the fourth quarter of 2013 compared with a loss of CHF 479 million in the third quarter. The fourth quarter loss was mainly due to treasury income remaining in Corporate Center – Core Functions of negative CHF 343 million, an own credit loss of CHF 94 million and operating expenses remaining in Corporate Center – Core Functions of CHF 200 million. These negative effects were partly offset by gains of CHF 61 million on sales of real estate.

Corporate Center – Non-core and Legacy Portfolio: recorded a loss before tax of CHF 446 million in the fourth quarter of 2013 compared with a loss of CHF 693 million in the third quarter. Total operating expenses were CHF 317 million and included a charge of CHF 68 million for the annual UK bank levy. Operating income was negative CHF 130 million, mainly due to a negative debit valuation adjustment (DVA) as well as unwind and novation activity in Non-core. Fully applied RWA decreased by CHF 5 billion to CHF 64 billion as a CHF 12 billion combined reduction in credit risk and market risk RWA was partly offset by a CHF 7 billion increase in operational RWA, mainly resulting from the supplemental operational risk capital analysis mutually agreed to by UBS and FINMA.

Balance sheet: As of 31 December 2013, UBS' balance sheet assets stood at CHF 1,010 billion, a decrease of CHF 39 billion from 30 September 2013, primarily due to a continued reduction in positive replacement values in Non-core and Legacy Portfolio. Funded assets, which represent total assets excluding positive replacement values and collateral delivered against over-the-counter (OTC) derivatives, decreased by CHF 3 billion to CHF 739 billion, mainly due to reductions in lending assets as well as currency effects, partly offset by increases in both collateral trading and other assets. Excluding currency effects, funded assets increased by approximately CHF 4 billion.

Capital management: UBS' phase-in common equity tier 1 (CET1) ratio 1 stood at 18.5% as of 31 December 2013, an improvement of 1.0 percentage point from 30 September 2013. Phase-in CET1 capital increased by CHF 3.2 billion to CHF 42.2 billion, mainly due to the

exercise of UBS' option to acquire the SNB StabFund's equity and the fourth quarter net profit. Phase-in RWA rose by CHF 6.3 billion to CHF 228.6 billion. This increase primarily reflects incremental RWA of CHF 22.5 billion resulting from the supplemental operational risk capital analysis mutually agreed to by UBS and FINMA, which was partly offset by reductions in credit and market risk RWA, mainly due to UBS' continued efforts to reduce exposures within Non-core and Legacy Portfolio. On a fully applied basis, the CET1 ratio improved 0.9 percentage points to 12.8%. The Swiss SRB leverage ratio improved 49 basis points to 4.65% on a phase-in basis, partly due to the exercise of the SNB StabFund option, which contributed 23 basis points to the increase.

Invested assets: Group invested assets stood at CHF 2,390 billion at the end of the fourth quarter, an increase of CHF 51 billion on the prior quarter. Invested assets in Wealth Management increased by CHF 15 billion to CHF 886 billion as of 31 December 2013, supported by positive market performance of CHF 12 billion and net new money inflows of CHF 6 billion, partly offset by negative currency translation effects of CHF 2 billion. Invested assets in Wealth Management Americas increased by CHF 34 billion to CHF 865 billion as of 31 December 2013. In US dollar terms, invested assets increased by USD 51 billion to USD 970 billion, reflecting positive market performance of USD 46 billion as well as continued net new money inflows. Invested assets in Global Asset Management increased by CHF 3 billion to CHF 583 billion as of 31 December 2013. Positive market performance of CHF 16 billion was partly offset by net new money outflows of CHF 7 billion and negative currency translation effects of CHF 6 billion."

**The paragraph headed "VII. Trend Information" (page 22 of the Registration Document) is replaced by the following text:**

**"VII. Trend Information**

**Outlook**

As stated in the outlook statement presented in UBS AG's fourth quarter 2013 report, including unaudited consolidated financial statements of UBS Group and issued on 4 February 2014, at the start of the first quarter of 2014, many of the underlying challenges and geopolitical issues that UBS has previously highlighted remain. The continued absence of sustained and credible improvements to unresolved issues in Europe, continuing US fiscal and monetary policy issues, emerging markets fragility and the mixed outlook for global growth would make improvements in prevailing market conditions unlikely. This could cause traditional improvements in first quarter activity levels and trading volumes to fail to materialize fully and would generate headwinds for revenue growth, net interest margin and net new money. Despite possible headwinds, UBS expects that its wealth management businesses will continue to attract net new money, reflecting new and existing clients' steadfast trust in the firm. UBS will continue to execute on its strategy in order to ensure the firm's long-term success and to deliver sustainable returns for shareholders."

**In the section headed "VIII. Administrative, Management and Supervisory Bodies of UBS AG" (page 23 of the Registration Document) in the table headed "Members of the Board of Directors" the following sections have been replaced:**

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Members and business addresses	Title	Term of office	Current principal positions outside UBS AG
Axel A. Weber  UBS AG, Bahnhofstrasse CH-8098 Zurich	Chairman	2014	Member of the board of the Institute of International Finance, and the International Monetary Conference; member of the European Banking Group, the European Financial Services Roundtable and the Group of Thirty, Washington, D.C.; research fellow at the Center for Economic Policy Research, London, and the Center for Financial Research, Cologne; senior research fellow at the Center for Financial Studies, Frankfurt/Main; member of the Monetary Economics and International Economics Councils of the leading association of German-speaking economists, the <i>Verein für Socialpolitik</i> ; member of the Advisory Board of the German Market Economy Foundation and of the Advisory Board of the

			Department of Economics at the University of Zurich; member of the IMD Foundation, Lausanne and of the International Advisory Panel of the Monetary Authority of Singapore.
Michel Demaré UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Independent Vice Chairman	2014	Chairman of the board of Syngenta, a member of the IMD Supervisory Board, Lausanne, and Chairman of SwissHoldings, Berne.
David Sidwell UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Senior Independent Director	2014	Director and Chairperson of the Risk Policy and Capital Committee of Fannie Mae, Washington D.C.; Senior Advisor at Oliver Wyman, New York; Chairman of the board of Village Care, New York; Director of the National Council on Aging, Washington D.C.
Reto Francioni  Deutsche Börse AG, Mergenthalerallee 61, D-65760 Eschborn	Member	2014	CEO of Deutsche Börse AG and holding various mandates in boards of subsidiaries within the Deutsche Börse Group; professor at the University of Basel. Member of the Shanghai International Financial Advisory Committee, the Advisory Board of Moscow International Financial Center; the International Advisory Board of Instituto de Empresa; the Board of Trustees of the Goethe Business School; the Steering Committee of the Project "Role of Financial Services in Society", World Economic Forum; the German-Franco Round Table; the Strategic Advisory Group of VHV Insurance.
Rainer-Marc Frey Office of Rainer-Marc Frey, Seeweg 39, CH-8807 Freienbach	Member	2014	Founder of Horizon21 AG; Chairman of Horizon21 AG, its holding company and related entities and subsidiaries; member of the board of DKSH Group, Zurich, and of the Frey Charitable Foundation, Freienbach; Chairman of Lonrho Holdings Ltd. and Vice Chairman of its operating company.
Ann F. Godbehare UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2014	Board member and Chairperson of the Audit Committee of Prudential plc, Rio Tinto plc, Rio Tinto Limited, Atrium Underwriters Ltd., and Atrium Underwriting Group Ltd., London. Member of the board of Arden Holdings Ltd., Bermuda, and British American Tobacco plc.
Axel P. Lehmann  Zurich Insurance Group, Mythenquai 2, CH-8002 Zurich	Member	2014	Member of the Group Executive Committee, Group Chief Risk Officer and Regional Chairman Europe of Zurich Insurance Group, Zurich; Chairman of the board of Farmers Group, Inc.; Chairman of the board of the Institute of Insurance Economics at the University of St. Gallen; former Chairman and member of the Chief Risk Officer Forum; member of the board of Economiesuisse.
William G. Parrett  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2014	Member of the board and Chairperson of the Audit Committee of the Eastman Kodak Company, the Blackstone Group LP and Thermo Fisher Scientific Inc.; member of the board of iGATE. Past Chairman of the board of the United States Council for International Business and of United Way Worldwide; member of the Carnegie Hall Board of Trustees.
Isabelle Romy  Froriep, Bellerivestrasse 201, CH-8034 Zurich	Member	2014	Partner at Froriep, Zurich; associate professor at the University of Fribourg and at the Federal Institute of Technology, Lausanne; member and Vice Chairman of the Sanction Commission of the SIX Swiss Exchange.
Beatrice Weder di Mauro  Johannes Gutenberg- University Mainz, Jakob Welder-Weg 4, D-55099 Mainz	Member	2014	Professor at the Johannes Gutenberg University, Mainz; research fellow at the Center for Economic Policy Research, London; member of the board of Roche Holding Ltd., Basel, and Robert Bosch GmbH, Stuttgart. Member of the Corporate Governance Commission of the German Government and the Expert Group of European Commission on Debt Redemption Fund and Eurobills.
Joseph Yam  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2014	Executive Vice President of the China Society for Finance and Banking; member of the international advisory councils of a number of government and academic institutions. Member of the board of Johnson Electric Holdings Limited and of UnionPay International Co., Ltd.

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**In the section headed "VIII. Administrative, Management and Supervisory Bodies of UBS AG" (page 25 of the Registration Document) in the table headed "Members of the Group Executive Board" the following section has been replaced:**

Ulrich Körner	Chief Executive Officer Global Asset Management, Chief Executive Officer UBS Group EMEA
Tom Naratil	Group Chief Financial Officer, Group Chief Operating Officer

*(Ulrich Körner became CEO Global Asset Management in January 2014. Additionally he has been CEO of UBS Group Europe, Middle East and Africa since December 2011.*

*Tom Naratil was appointed Group Chief Operating Officer in January 2014. In addition to this role he was appointed Group Chief Financial Officer (Group CFO) and became a member of the GEB in June 2011.)*

**In the section headed "IX. Major Shareholders" the second, and the third paragraph (page 26 of the Registration Document) is replaced by the following text:**

"As of 31 December 2013, the following shareholders (acting in their own name or in their capacity as nominees for other investors or beneficial owners) were registered in the share register with 3% or more of the total share capital of UBS AG: Chase Nominees Ltd., London (11.73%); GIC Private Limited, Singapore (6.39%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (5.89%); and Nortrust Nominees Ltd., London (3.75%).

UBS holds UBS AG shares primarily to hedge employee share and option participation plans. A smaller number is held by the Investment Bank for hedging related derivatives and for market-making in UBS AG shares. As of 31 December 2013, UBS held a stake of UBS AG's shares, which corresponded to less than 3% of UBS AG's total share capital. On 12 October 2013, UBS AG notified in accordance with the Swiss Stock Exchange Act a reduction in its disposal positions to 274,501,778 (from 422,236,769 on 31 December 2012) voting rights, corresponding to 7.16% of the total voting rights of UBS AG, due to the cancellation of the warrants that had been granted to the Swiss National Bank ("SNB") in connection with the transfer of certain illiquid securities and other positions to a fund owned and controlled by the SNB."

**In the section headed "X. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses" the subparagraph headed "Interim Financial Information" (page 27 of the Registration Document) is replaced by the following text:**

**"Interim Financial Information**

Reference is also made to UBS AG's first, second, third and fourth quarter 2013 reports, which contain information on the financial condition and the results of operation of the UBS Group as of and for the quarter ended on 31 March 2013, 30 June 2013, 30 September 2013 and 31 December 2013, respectively. The interim financial statements are not audited."

**The section headed "XI. Legal and Arbitration Proceedings" (starting on page 27 of the Registration Document) is completely replaced by the following text:**

**"XI. Legal and Arbitration Proceedings**

The Group 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 the Group 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 the Group 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. The Group 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 the Group 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.

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 as to 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 15a to the unaudited consolidated financial statements included in UBS AG's fourth quarter 2013 report. 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 can confirm that 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.

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" and "Risk management and control" sections of UBS AG's fourth quarter 2013 report.

## Provisions for litigation, regulatory and similar matters by segment<sup>1</sup>

<i>CHF million</i>	Wealth Management	Wealth Management Americas	Retail & Corporate	Global Asset Management	Investment Bank	CC – Core Functions	CC – Non-core and Legacy Portfolio	<b>UBS</b>
<b>Balance as of 31 December 2012</b>	130	170	29	7	28	338	732	<b>1,432</b>
<b>Balance as of 30 September 2013</b>	176	162	33	2	13	531	818	<b>1,736</b>
Increase in provisions recognized in the income statement	15	21	45	0	10	0	12	<b>103</b>
Release of provisions recognized in the income statement	(9)	(8)	0	0	0	(34)	(2)	<b>(53)</b>
Provisions used in conformity with designated purpose	(10)	(117)	(3)	0	(1)	(3)	(8)	<b>(143)</b>
Reclassifications	(7)	0	7	0	0	0	0	<b>0</b>
Foreign currency translation / unwind of discount	0	(3)	0	0	0	(5)	(12)	<b>(21)</b>
<b>Balance as of 31 December 2013</b>	165	56	82	3	22	488	808	<b>1,622</b>

<sup>1</sup> Provisions, if any, for the matters described in (i) item 5 of this section are recorded in Wealth Management, (ii) items 2 and 8 of this section are recorded in Wealth Management Americas, (iii) item 12 of this section is recorded in the Investment Bank, (iv) items 4, 9 and 11 of this section are recorded in Corporate Center – Core Functions and (v) items 3 and 7 of this section are recorded in Corporate Center – Non-core and Legacy Portfolio. Provisions for the matter described in items 1 and 10 of this section are allocated between Wealth Management and Retail & Corporate, and provisions for the matters described in item 6 of this section are allocated between the Investment Bank and Corporate Center – Non-core and Legacy Portfolio.

Besides the proceedings specified below under (1) through (12) no governmental, legal or arbitration proceedings, which may have, or have had in the recent past, significant effects on UBS AG's and/or UBS' financial position or profitability, are or have been pending during the last twelve months until the date of this document, nor is the Issuer aware that any such governmental, legal or arbitration proceedings are threatened.

### 1. Inquiries regarding cross-border wealth management businesses

Following the disclosure and the settlement of the US cross-border matter, tax and regulatory authorities in a number of countries have made inquiries and served requests for information located

in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. As a result of investigations in France, in May and June 2013, respectively, 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 the proceeds of tax fraud and of banking and financial solicitation by unauthorized persons. In June 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, and a provision in that amount is reflected on UBS' balance sheet at 31 December 2013. In Germany, several authorities have been conducting investigations against UBS Deutschland AG, UBS AG, and against certain employees of UBS AG concerning certain matters relating to the cross-border business. UBS is cooperating with these authorities within the limits of financial privacy obligations under Swiss and other applicable laws. Settlement discussions have commenced with respect to one of the German investigations.

## 2. Lehman principal protection notes

From March 2007 through September 2008, UBS Financial Services Inc. (UBSFS) sold approximately USD 1 billion face amount of structured notes issued by Lehman Brothers Holdings Inc. (Lehman), a majority of which were referred to as “principal protection notes,” reflecting the fact that while the notes’ return was in some manner linked to market indices or other measures, some or all of the investor’s principal was an unconditional obligation of Lehman as issuer of the notes. Based on its role as an underwriter of Lehman structured notes, UBSFS was named as a defendant in a putative class action asserting violations of disclosure provisions of the federal securities laws. In August 2013, UBSFS agreed to a proposed USD 120 million settlement of the case, which was approved by the Court in December 2013. Previously, certain of the other underwriter defendants and the former officers and directors of Lehman reached separate settlements regarding the same case. UBSFS also has been named in numerous individual civil suits and customer arbitrations, a small number of which were pending as of 31 December 2013. The individual customer claims, some of which have resulted in awards payable by UBSFS, relate primarily to whether UBSFS adequately disclosed the risks of these notes to its customers.

UBS’ balance sheet at 31 December 2013 reflected a provision with respect to pending arbitration matters described in this item 2 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 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.

## 3. 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.

*Securities lawsuits concerning disclosures in RMBS offering documents:* 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 13 billion in original face amount of RMBS underwritten or issued by UBS. Some of the lawsuits are in their early stages and have not advanced beyond the motion to dismiss phase; others are in varying stages of discovery. Of the USD 13 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 10 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 settlement announced in April 2013 by a third-party issuer received final approval by the

district court in December 2013. The settlement, which is subject to appeal, reduced the original face amount of RMBS at issue in these cases from USD 37 billion to USD 13 billion, and the original face amount of RMBS at issue in cases involving third-party issuers from USD 34 billion to USD 10 billion, as noted above. The third-party issuer will fund the settlement at no cost to UBS. In January 2014, certain objectors to the settlement filed a notice of appeal from the district court's approval of the settlement.

In 2012 a federal court in New Jersey dismissed with prejudice on statute of limitations grounds a putative class action lawsuit that asserted violations of the federal securities laws against various UBS entities, among others, in connection with USD 2.6 billion in original face amount of UBS-sponsored RMBS. In September 2013, the US Court of Appeals for the Third Circuit affirmed the district court's dismissal with prejudice, and in October 2013 the Court of Appeals denied plaintiffs' petition for en banc review.

*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 and insurers 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 below summarizes repurchase demands received by UBS and UBS' repurchase activity from 2006 through 28 January 2014, and includes purported demands received by UBS in the fourth quarter of 2013 seeking repurchase of approximately 431 loans with an original principal balance of approximately USD 247 million. Approximately one-third of the 431 loans had previously been put back to UBS by other counterparties and were already included in the table in previous quarters. 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, through 28 January	<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	304	237			<b>774</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	128	99		<b>351</b>
<b>Demands in dispute</b>								
Demands in litigation			346	732	1,041			<b>2,118</b>
Demands in review by UBS				2	2	3		<b>8</b>
Demands rebutted by UBS but not yet rescinded by counterparty		1	2	1	17	515		<b>537</b>
<b>Total</b>	<b>122</b>	<b>205</b>	<b>368</b>	<b>1,084</b>	<b>1,424</b>	<b>618</b>	<b>0</b>	<b>3,822</b>

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

Payments that UBS has made or agreed to make 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 or agreed to make to date have related to so-called "Option ARM" loans; severity rates may vary for other types of loans or for Option ARMs with different characteristics. Actual losses upon repurchase will 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. It is not possible to predict future losses upon repurchase for reasons including timing and market uncertainties.

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. Of the loan repurchase demands received in the fourth quarter of 2013 noted above, UBS has asserted its indemnification rights against surviving third-party originators in connection with 149 loans with an original principal balance of USD 92 million.

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 in the Southern District of New York (Trustee Suit) seeking to enforce UBS RESI's obligation to repurchase loans 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. The case is in discovery. Related litigation brought by Assured Guaranty was resolved in May 2013. 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. At this time, UBS does not expect that it will be required to make payment for the majority of loan repurchase demands at issue in the Trustee Suit for at least the following reasons: (1) UBS reviewed the origination file and/or servicing records for the loan and concluded that the allegations of breach of representations and warranties are unfounded, or (2) a surviving originator is contractually liable for any breaches of representations and warranties with respect to loans that it originated. UBS has indemnification rights in connection with approximately half of the USD 2 billion in original principal balance of loans at issue in this suit (reflected in the "Demands in litigation" category in the table above).

In 2012, the FHFA, on behalf of 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 complaint for this suit was filed in September 2012. 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 June 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 filed an amended complaint in June 2013, which UBS moved to dismiss in July 2013. The motion remains pending.

In December 2013, Residential Funding Company LLC (RFC) filed a complaint in New York Supreme Court against UBS RESI asserting claims for breach of contract and indemnification in connection with loans purchased from UBS RESI with an original principal balance of USD 460 million that were securitized by an RFC affiliate. This is the first case filed against UBS seeking damages allegedly arising from the securitization of whole loans purchased from UBS. Damages are unspecified.

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 below, UBS' balance sheet at 31 December 2013 reflected a provision of USD 807 million with respect to matters described in this item 3. 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.

UBS has received requests from the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and the SEC for information relating to its practices in connection with purchases and sales of RMBS and commercial mortgage-backed securities. UBS is cooperating with the authorities in these matters, which are in an early stage. Numerous other banks reportedly have received similar requests.

<b>Provision for claims related to sales of residential mortgage-backed securities and mortgages</b>	
<i>USD million</i>	
<b>Balance as of 31 December 2012</b>	<b>658</b>
<b>Balance as of 30 September 2013</b>	<b>803</b>
Increase in provision recognized in the income statement	<b>8</b>
Release of provision recognized in the income statement	<b>0</b>
Provision used in conformity with designated purpose	<b>(5)</b>
<b>Balance as of 31 December 2013</b>	<b>807</b>

#### 4. 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' May 2008 Rights Offering (including UBS Securities LLC) alleging violation of the US securities laws in connection with UBS' disclosures relating to UBS' positions and losses in mortgage-related securities, UBS' positions and losses in auction rate securities, and UBS' US crossborder 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. Plaintiffs have appealed the court's decision. 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 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 December 2013, the district court granted UBS' motion to dismiss the complaint in its entirety. Plaintiffs have filed a notice of appeal.

#### 5. 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 Swiss Financial Market Supervisory Authority (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 have been 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 has filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. A claim was filed in 2010 against 23 defendants, including UBS entities, the Luxembourg and offshore funds concerned and various individuals, including current and former UBS employees. The total amount claimed against all defendants in this action was not less than USD 2 billion. A second claim was filed in 2010 against 16 defendants including UBS entities and the Luxembourg fund concerned. The total amount claimed against all defendants was not less than USD 555 million. Following a motion by UBS, in 2011 the District Court 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 June 2013, the Second Circuit Court of Appeals rejected the BMIS Trustee's appeal against that ruling and upheld the District Court's decision. The BMIS Trustee has sought leave to appeal to the US Supreme Court, which has invited the Solicitor General of the United States to file a brief expressing the views of the United States as to whether review should be granted. 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.

#### 6. 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 against UBS Limited, which are not effective until appeals are exhausted, are 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 has previously provided for this potential exposure in the amount of EUR 18.5 million. UBS Limited and the individuals filed their appeal in May 2013.

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. In 2012, UBS AG and UBS Limited settled all civil disputes with the Regions of Tuscany, Lombardy and Lazio without any admission of liability. In August 2013, a settlement of all civil and administrative disputes was reached with the City of Florence. Provisions were booked in respect of these settlements.

## 7. Kommunale Wasserwerke Leipzig GmbH ("**KWL**")

In 2006 and 2007, KWL entered into a series of Credit Default Swap ("**CDS**") transactions with bank swap counterparties, including UBS. UBS entered into back-to-back CDS transactions with the other counterparties, Depfa Bank plc (Depfa) and Landesbank Baden-Württemberg ("**LBBW**"), in relation to their respective swaps with KWL. As a result of the KWL CDS transactions and the back-to-back CDS transactions with Depfa and LBBW, UBS and UBS Limited are owed a total amount of approximately USD 319.8 million, plus interest, which remains unpaid. Specifically, under the CDS contracts between KWL and UBS, the last of which were terminated by UBS in 2010, a net sum of approximately USD 137.6 million, plus interest, has fallen due from KWL but not been paid. Earlier in 2010, UBS issued proceedings in the English High Court against KWL seeking various declarations from the English court, in order to establish that the swap transaction between KWL and UBS is valid, binding and enforceable as against KWL. The English court ruled in 2010 that it has jurisdiction and will hear the proceedings and UBS issued a further claim seeking declarations concerning the validity of its early termination of the remaining CDS transactions with KWL. KWL withdrew its appeal from that decision and the civil dispute is now proceeding before the English court. UBS has added its monetary claim to the proceedings. KWL is defending against UBS' claims and has served a counterclaim which also joins UBS Limited and Depfa to the proceedings. As part of its assertions, KWL claims damages of at least USD 68 million in respect of UBS' termination of some of the CDS contracts, whilst disputing that any monies are owed to UBS pursuant to another CDS contract. UBS, UBS Limited and Depfa are defending against KWL's counterclaims, and Depfa has asserted additional claims against UBS and UBS Limited. The trial is due to start in April 2014.

In 2010, KWL issued proceedings in Leipzig, Germany against UBS, Depfa and LBBW, claiming that the swap transactions are void and not binding on the basis of KWL's allegation that KWL did not have the capacity or the necessary internal authorization to enter into the transactions and that the banks knew this. Upon and as a consequence of KWL withdrawing its appeal on jurisdiction in England, KWL also withdrew its civil claims against UBS and Depfa in the German courts, and no civil claim will proceed against either of them in Germany. The proceedings brought by KWL against LBBW have continued in Leipzig, and in June 2013 the court in Leipzig ruled in LBBW's favor. KWL has filed an appeal against that ruling, which will take place in spring 2014. The Leipzig court has also ruled that it is for the London court and not the Leipzig court to determine the validity and effect of a third party notice served by LBBW on UBS in the Leipzig proceedings.

The back-to-back CDS transactions were terminated in 2010. In 2010, UBS and UBS Limited issued separate proceedings in the English High Court against Depfa and LBBW seeking declarations as to the parties' obligations under the back-to-back CDS transactions and monetary claims. UBS Limited contends that it is owed USD 83.3 million, plus interest, by Depfa. UBS contends that it is owed EUR 75.5 million, plus interest, by LBBW. Depfa and LBBW are defending against the claims and have also issued counterclaims. Additionally Depfa added a claim against KWL to the proceedings against it and KWL served a defense.

In 2011, the former managing director of KWL and two financial advisers were convicted on criminal charges related to certain KWL transactions, including swap transactions with UBS and other banks. Following further criminal proceedings brought against them in Dresden relating to the same transactions, they were each convicted of embezzlement in December 2013 and given longer sentences. They have indicated that they will appeal.

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

## 8. Puerto Rico

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 Financial Services Inc. of Puerto Rico (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 three billion dollars 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 March 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 overturned by the Puerto Rico Court of Appeals in September 2013, and UBS is appealing that decision to the Supreme Court of Puerto Rico. Also, in October 2013, an SEC Administrative Law Judge dismissed a case brought by the SEC against two UBS PR executives following a hearing that took place in late 2012, finding no violations. The charges had stemmed from the SEC's investigation of UBS PR's sale of closed-end funds in 2008 and 2009, which UBS PR settled in May 2012. Additionally, declines in Puerto Rico municipal bond and closed-end fund prices since August 2013 have led to regulatory inquiries and customer complaints by clients in Puerto Rico who own those securities. 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. UBSFS also has received a request for information regarding sales of Puerto Rico municipal bonds to Massachusetts residents from the Massachusetts Securities Division.

#### 9. LIBOR, foreign exchange, and benchmark rates

*LIBOR and other benchmark-related regulatory matters:* Numerous government agencies, including the SEC, the US Commodity Futures Trading Commission (CFTC), the US Department of Justice (DOJ), 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 Monetary Authority of Singapore (MAS), the Hong Kong Monetary Authority (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 British Bankers' Association LIBOR (London Interbank Offered Rate) and other benchmark rates, including HIBOR (Hong Kong Interbank Offered Rate) and ISDAFIX. 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, and CHF 59 million in disgorgement to FINMA. Under a non-prosecution agreement (NPA) that UBS entered into with the DOJ, UBS agreed to pay a fine of USD 500 million. Pursuant to a separate plea agreement between the DOJ and UBS Securities Japan Co. Ltd. (UBSSJ), UBSSJ entered a plea to one count of wire fraud relating to the manipulation of certain benchmark interest rates, including Yen LIBOR. The NPA required UBS to pay the USD 500 million fine to DOJ after the sentencing of UBSSJ, and provides that any criminal penalties imposed on UBSSJ at sentencing be deducted from the USD 500 million fine. At the sentencing hearing held in September 2013, the court approved the proposed plea agreement and imposed a USD 100 million fine against UBSSJ, as agreed to by the DOJ and UBSSJ under the plea agreement. Since the sentencing, UBS has paid a fine of USD 400 million to the DOJ, and UBSSJ has paid the USD 100 million fine imposed by the sentencing court. 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, 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. Investigations by the CFTC and other government authorities remain ongoing notwithstanding these resolutions.

UBS has been granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ, and the Swiss Competition Commission (WEKO), 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 Swiss franc 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 announced the discontinuation of 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.

In December 2013, the European Commission (EC) announced a decision adopted in the Commission's Yen Interest Rate Derivatives (YIRD) investigation, under which UBS has received full immunity from fines for disclosing to the Commission the existence of infringements relating to YIRD.

In June 2013, the MAS announced the results of its investigation of benchmark submissions by twenty banks, including UBS. The investigation related to various benchmark submissions, including the Singapore Interbank Offered Rates and the Swap Offered Rates, and covered the period from 2007 to 2011. The MAS found deficiencies in the governance, risk management, internal controls and surveillance systems for the banks' benchmark submission processes and directed the banks to correct the deficiencies and set aside additional statutory reserves with MAS at zero interest for one year. The MAS also announced proposed changes to its regulatory framework for financial benchmarks that are designed to enhance the integrity of the process for setting benchmarks.

In December 2013, UBS entered into an enforceable undertaking in relation to an investigation by the Australian Securities and Investments Commission (ASIC) into conduct relating to Australian Bank Bill Swap Rate (BBSW) submissions. An independent expert engaged by UBS at ASIC's request concluded that, to the extent there may have been any impact of such conduct on the market as a whole, it would have been insignificant. The enforceable undertaking requires UBS to ensure that its participation in relation to the setting of Australian interest rate benchmarks upholds the integrity and reliability of those benchmarks and is in accordance with its obligations under the CFTC order. UBS also agreed to make a voluntary contribution of AUD 1 million to fund independent financial literacy projects in Australia. ASIC has the power to investigate, conduct further surveillance or pursue criminal prosecution of UBS or its representatives in relation to any contravention. ASIC acknowledged UBS' cooperation and the fact that it was the first bank to report this conduct to it. ASIC's inquiries in relation to the BBSW rate set are ongoing.

In 2011, the Japan Financial Services Agency (JFSA) commenced administrative actions and issued orders against UBS Securities Japan Ltd (UBS Securities Japan) and UBS AG, Tokyo Branch in connection with their investigation of Yen LIBOR and Euroyen TIBOR. These actions were based on findings by the Japan Securities and Exchange Surveillance Commission (SESC), and, in the case of UBS AG, Tokyo Branch, the JFSA, that a former UBS Securities Japan trader engaged in inappropriate conduct relating to Euroyen TIBOR and Yen LIBOR, including approaching UBS AG, Tokyo Branch, and other banks to ask them to submit TIBOR rates taking into account requests from the trader for the purpose of benefiting trading positions.

*LIBOR and other benchmark-related civil litigation:* A number of putative class actions and other actions are pending in the federal courts in New York and other jurisdictions 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 and EURIBOR. 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 or EURIBOR rates and seek unspecified compensatory and other damages, including treble and punitive damages, under varying legal theories that include violations of the US Commodity Exchange Act, the federal racketeering statute, federal and state antitrust and securities laws and other state laws. In March 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 Commodity Exchange Act (CEA) and state common law. In August 2013, the same court denied the parties' requests for reconsideration and plaintiffs' motion for interlocutory appeal and to amend the complaints to include additional antitrust and Commodity Exchange Act allegations. It granted certain plaintiffs permission to assert claims for unjust enrichment and breach of contract. Motions to dismiss these unjust enrichment and breach of contract claims are pending, as is a renewed motion to dismiss by UBS and other defendants that seeks dismissal of further CEA claims. Certain plaintiffs have also appealed the dismissal of their antitrust claims, but in October 2013 the appellate court denied these appeals as premature, without prejudice to bringing the appeals again after final disposition of the LIBOR actions. UBS and other defendants in other lawsuits including the one related to Euroyen TIBOR have filed motions to dismiss.

With respect to additional matters and jurisdictions not encompassed by the settlements and order referred to above, UBS' balance sheet at 31 December 2013 reflected a provision of 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.

*Foreign exchange-related regulatory matters:* Following an initial media report in June 2013 of widespread irregularities in the foreign exchange markets, UBS immediately commenced an internal review of its foreign exchange business. Since then, various authorities reportedly have commenced investigations concerning possible manipulation of foreign exchange markets, including FINMA, WEKO, the DOJ, the CFTC, and the FCA. 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 review, which is ongoing.

*Foreign exchange-related civil litigation:* Several putative class actions have been filed since November 2013 in federal court against UBS and other banks. These actions are on behalf of putative classes of persons who engaged in foreign currency transactions with the defendants. They allege collusion by the defendants and assert claims under the antitrust laws and for unjust enrichment. The defendants (including UBS) have not yet filed responsive pleadings.

## 10. 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.

It is expected that the Supreme Court decision will result in a significant number of client requests for UBS to disclose and potentially surrender retrocessions. Client requests are being assessed on a case-by-case basis. Considerations to be 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' balance sheet at 31 December 2013 reflected a provision with respect to matters described in this item 10 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.

#### 11. 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 2.5 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. These assessments are being or will be challenged in administrative proceedings. BTG has also provided notice to UBS of several additional Pactual-related inquiries by the Brazilian tax authorities that relate to the period of UBS' ownership of Pactual, but involving substantially smaller amounts. In November and December 2013, approximately BRL 128 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 in October 2013.

UBS' balance sheet at 31 December 2013 reflected a provision with respect to matters described in this item 11 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 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.

#### 12. Matters relating to the CDS market

In July 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 EU antitrust rules by colluding to prevent exchanges from entering the credit derivatives market between 2006 and 2009. UBS has submitted its response to the Statement of Objections. 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. Since May 2013, several putative class action complaints have been filed in the Northern District of Illinois and 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. The complaints allege that the dealers unlawfully exercised collective control over Markit and other industry organizations to seek to ensure that CDS continued to trade over-the-counter rather than on an exchange platform. Plaintiffs seek unspecified trebled compensatory damages, among other relief. In October 2013, the Judicial Panel on Multidistrict Litigation consolidated all of the pending CDS actions for pretrial purposes in the Southern District of New York.

Besides the proceedings specified above under (1) through (12) 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."

**The section headed "XII. Significant Changes in the Financial or Trading Position; Material Adverse Change in Prospects" (page 37 of the Registration Document) is completely replaced by the following text:**

**"XII. 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 Group or of UBS AG since 31 December 2013.

There has been no material adverse change in the prospects of UBS AG or UBS Group since 31 December 2012."

**In the section headed "XIV. Documents on Display" (page 37 of the Registration Document) the third bullet point is replaced by the following text:**

- "
- UBS AG's report for the quarters ended 31 March 2013, 30 June 2013, 30 September 2013 and 31 December 2013 (including unaudited consolidated financial statements); and"

**The following section headed "Incorporation by Reference" is inserted below the section headed "XIV. Documents on Display"**

**"Incorporation by Reference**

The following documents shall be incorporated in, and form part of, this document:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
- UBS Quarterly Report 30 June 2013	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Information on the Issuer as of 30 June 2013
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Quarterly Report 30 September 2013	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Information on the Issuer as of 30 September 2013
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Quarterly Report 31 December 2013	- Financial Information concerning the Issuer's Assets and Liabilities, Financial	- Financial Information on the Issuer as of 31 December 2013

	Position and Profits and Losses	
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares

- (a) The Quarterly Report of UBS AG as of 30 June 2013 has been filed with the BaFin as appendix to Supplement No. 2 dated 7 August 2013 to the Short Form Prospectus dated 10 May 2013.
- (b) The Quarterly Report of UBS AG as of 30 September 2013 has been filed with BaFin as appendix to Supplement No. 3 dated 6 November 2013 to the Short Form Prospectus dated 10 May 2013.
- (c) The Quarterly Report of UBS AG as of 31 December 2013 has been filed with BaFin as appendix to Supplement No. 5 dated 12 February 2014 to the Short Form Prospectus dated 10 May 2013."

2) In relation to

(i) the Base Prospectus for Warrants of UBS AG, [London] [Jersey] [Branch] dated 12 June 2013 in the section "I. Summary of the Base Prospectus" in the section headed "A. Summary of the Base Prospectus (in the English language)" in the section headed "Section B – Issuer", and

(ii) in relation to the Base Prospectus for Securities of UBS AG, [London] [Jersey] [Branch] dated 4 July 2013 in the section "I. Summary of the Base Prospectus" in the section headed "A. Summary of the Base Prospectus (in the English language)" the section headed "Section B – Issuer", and

(iii) in relation to the Base Prospectus dated 23 July 2013 for Money Market Switch Notes in the section "Summary of the Base Prospectus" in the section headed "Section B – Issuer"

(iv) in relation to the Base Prospectus dated 18 October 2013 for the Issuance of Fixed Income Securities (Cash) in the section "Summary" in the section headed "Section B – Issuer"

(v) in relation to the Prospectus dated 25 October 2013 for the Issuance of up to 100,000 Global FX/income Opportunities Certificates (ISIN CH020250081) in the section "Summary of the Prospectus" in the section headed "Section B – Issuer"

(vi) in relation to the Prospectus dated 12 September 2013 for the Issuance of up to 500,000 Open-End Certificates based on the Solactive 3D Printing Total Return Index (ISIN DE000UBS13D0) in the section "Summary of the Prospectus" in the section headed "Section B – Issuer"

(vii) in relation to the Base Prospectus dated 14 January 2014 for the Issuance of Fixed Income Securities (Rates) in the section "Summary" in the section headed "Section B – Issuer"

the elements B.4b and B.12 are completely replaced as follows:

Element	Section B – Issuer	
<b>B.4b</b>	Trends.	<p><b>Trend Information</b></p> <p>As stated in UBS AG's fourth quarter 2013 report issued on 4 February 2014 (including UBS Group unaudited consolidated financial statements), at the start of the first quarter of 2014, many of the underlying challenges and geopolitical issues that UBS has previously highlighted remain. The continued absence of sustained and credible improvements to unresolved issues in Europe, continuing US fiscal and monetary policy issues, emerging markets fragility and the mixed outlook for global growth would make improvements in prevailing market conditions unlikely. This could cause traditional improvements</p>

		in first quarter activity levels and trading volumes to fail to materialize fully and would generate headwinds for revenue growth, net interest margin and net new money. Despite possible headwinds, UBS expects that its wealth management businesses will continue to attract net new money, reflecting new and existing clients' steadfast trust in the firm. UBS will continue to execute on its strategy in order to ensure the firm's long-term success and to deliver sustainable returns for shareholders.
<b>B.12</b>	Selected historical key financial information.	UBS AG derived the following selected consolidated financial data from (i) its annual report 2012, containing the audited consolidated financial statements of UBS Group, as well as additional unaudited consolidated financial data for the year ended 31 December 2012 (including comparative figures for the years ended 31 December 2011 and 2010) and (ii) its fourth quarter 2013 report, containing the unaudited consolidated financial statements of UBS Group, as well as additional unaudited consolidated financial data for the quarter and the year ended 31 December 2013 (from which comparative figures for the quarter and the year ended 31 December 2012 have been derived). The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and stated in Swiss francs (CHF).

	For the quarter ended		For the year ended			
<i>CHF million, except where indicated</i>	31.12.13	31.12.12	31.12.13	31.12.12 <sup>1</sup>	31.12.11	31.12.10
	<i>unaudited</i>		<i>audited, except where indicated</i>			

#### Group results

Operating income	6,307	6,208	27,732	25,423* <sup>1</sup>	27,788	31,994
Operating expenses	5,858	8,044	24,461	27,216	22,482	24,650
Operating profit / (loss) before tax	449	(1,837)	3,272	(1,794)* <sup>1</sup>	5,307	7,345
Net profit / (loss) attributable to UBS shareholders	917	(1,904)	3,172	(2,480)* <sup>1</sup>	4,138	7,452
Diluted earnings per share (CHF)	0.24	(0.51)	0.83	(0.66)* <sup>1</sup>	1.08	1.94

#### Key performance indicators, balance sheet and capital management, and additional information

##### Performance

Return on equity (RoE) (%) <sup>2</sup>	7.7	(16.2)	6.7	(5.1)*	9.1*	18.0*
Return on tangible equity (%) <sup>3</sup>	9.1	(18.6)	8.0	1.6*	11.9*	24.7*
Return on risk-weighted assets, gross (%) <sup>4</sup>	11.2	12.4	11.4	12.0*	13.7*	15.5*
Return on assets, gross (%) <sup>5</sup>	2.5	1.9	2.5	1.9*	2.1*	2.3*

##### Growth

Net profit growth (%) <sup>6</sup>	58.9	N/A	N/A	N/A*	(44.5)*	N/A*
Net new money growth (%) <sup>7</sup>	0.3	1.2	1.4	1.6*	1.9*	(0.8)*

##### Efficiency

Cost / income ratio (%) <sup>8</sup>	92.7	129.1	88.0	106.6*	80.7*	76.9*
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	As of			
CHF million, except where indicated	31.12.13	31.12.12 <sup>1</sup>	31.12.11	31.12.10
	unaudited	audited, except where indicated		
<b>Capital strength</b>				
Common equity tier 1 capital ratio (% , phase-in) <sup>9,10</sup>	18.5	15.3*		
Common equity tier 1 capital ratio (% , fully applied) <sup>9,10</sup>	12.8	9.8*		
Swiss SRB leverage ratio (% , phase-in) <sup>9,11</sup>	4.7	3.6*		
<b>Balance sheet and capital management</b>				
Total assets	1,009,860	1,259,797* <sup>1</sup>	1,416,962	1,314,813
Equity attributable to UBS shareholders	48,002	45,949* <sup>1</sup>	48,530	43,728
Total book value per share (CHF)	12.74	12.26*	12.95*	11.53*
Tangible book value per share (CHF)	11.07	10.54*	10.36*	8.94*
Common equity tier 1 capital (phase-in) <sup>9</sup>	42,179	40,032*		
Common equity tier 1 capital (fully applied) <sup>9</sup>	28,908	25,182*		
Risk-weighted assets (phase-in) <sup>9</sup>	228,557	261,800*		
Risk-weighted assets (fully applied) <sup>9</sup>	225,153	258,113*		
Total capital ratio (% , phase-in) <sup>9</sup>	22.2	18.9*		
Total capital ratio (% , fully applied) <sup>9</sup>	15.4	11.4*		
<b>Additional information</b>				
Invested assets (CHF billion) <sup>12</sup>	2,390	2,230	2,088	2,075
Personnel (full-time equivalents)	60,205	62,628*	64,820*	64,617*
Market capitalization	65,007	54,729*	42,843*	58,803*

\* unaudited

<sup>1</sup> On 1 January 2013, UBS adopted IFRS 10 Consolidated Financial Statements. The comparative 2012 periods included in UBS' quarterly reports for 2013 have been restated to reflect the effect of adopting IFRS 10. Under IFRS 10, periods prior to 2012 were not required to be restated. As a result of adopting IFRS 10, the restated financial data as of or for the year ended 31 December 2012 included in this table are not the same as presented in the Annual Report 2012. As a further consequence, that financial data as of or for the year ended 31 December 2012 that would have been marked as audited, had they not been restated, are not audited and are marked in the table with this footnote 1. <sup>2</sup> Net profit / loss attributable to UBS shareholders (annualized as applicable) / average equity attributable to UBS shareholders. <sup>3</sup> Net profit / loss attributable to UBS shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to UBS shareholders less average goodwill and intangible assets. <sup>4</sup> Operating income before credit loss (expense) or recovery (annualized as applicable) / average risk-weighted assets. Based on Basel III risk-weighted assets (phase-in) for 2013, on Basel 2.5 risk-weighted assets for 2012 and on Basel II risk-weighted assets for 2011 and 2010. <sup>5</sup> Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets. <sup>6</sup> Change in net profit attributable to UBS shareholders from continuing operations between current and comparison periods / net profit attributable to UBS 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>7</sup> Net new money for the period (annualized as applicable) / invested assets at the beginning of the period. Group net new money includes net new money for Retail & Corporate and excludes interest and dividend income. <sup>8</sup> Operating expenses / operating income before credit loss (expense) or recovery. <sup>9</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 on a pro-forma basis. <sup>10</sup> Common equity tier 1 capital / risk-weighted assets. <sup>11</sup> Swiss SRB Basel III common equity tier 1 capital including loss-absorbing capital / IFRS assets, based on a capital adequacy scope of consolidation, adjusted by leverage ratio denominator specific objectives for securities financing transactions, derivatives, off-balance sheet items and capital deduction items. The Swiss SRB leverage ratio came into force on 1 January 2013. Numbers for 31 December 2012 are on a pro-forma basis. <sup>12</sup> Group invested assets 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 Group since 31 December 2012.
	Significant changes statement.	There has been no significant change in the financial or trading position of UBS Group or of UBS AG since 31 December 2013.

**And the second paragraph of element B.16 is replaced as follows:**

<b>"B.16</b>	Controlling persons.	As of 31 December 2013, the following shareholders (acting in their own name or in their capacity as nominees for other investors or beneficial owners) were registered in the share register with 3% or more of the total share capital of UBS AG: Chase Nominees Ltd., London (11.73%); GIC Private Limited, Singapore (6.39%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (5.89%); and Nortrust Nominees Ltd., London (3.75%)."
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**3) In relation to**

**(i)** the Base Prospectus for Warrants of UBS AG, [London] [Jersey] [Branch] dated 12 June 2013 in the section  
 "I. Summary of the Base Prospectus" in the section headed  
 "B. Summary of the Base Prospectus (in the German language)" the section headed  
 "Abschnitt B – Emittentin", and

**(ii)** the Base Prospectus for Securities of UBS AG, [London] [Jersey] [Branch] dated 4 July 2013 in the section  
 "I. Summary of the Base Prospectus" in the section headed  
 "B. Summary of the Base Prospectus (in the German language)" the section headed  
 "Abschnitt B – Emittentin", and

**(iii)** in relation to the Base Prospectus dated 23 July 2013 Money Market Switch Notes in the section  
 "Deutsche Übersetzung der Zusammenfassung des Basisprospekts" the section headed  
 "Abschnitt B – Emittentin"

**(iv)** in relation to the Base Prospectus dated 18 October 2013 for the Issuance of Fixed Income Securities (Cash) in the section  
 "German language translation of the Summary" in the section headed  
 "Abschnitt B – Emittentin "

**(v)** in relation to the Prospectus dated 25 October 2013 for the Issuance of up to 100,000 Global FX/Income Opportunities Certificates (ISIN CH020250081) in the section  
 "Summary of the Prospectus (in the German language)" in the section headed  
 "Abschnitt B – Emittentin"

**(vi)** in relation to the Prospectus dated 12 September 2013 for the Issuance of up to 500,000 Open-End Certificates based on the Solactive 3D Printing Total Return Index (ISIN DE000UBS13D0) in the section  
 "Summary of the Prospectus (in the German language)" in the section headed  
 "Abschnitt B – Emittentin"

**(vii)** in relation to the Base Prospectus dated 14 January 2014 for the Issuance of Fixed Income Securities (Rates) in the section  
 "Summary" in the section headed  
 "Section B – Issuer"

the elements B.4b and B.12 are completely replaced as follows:

Element	Abschnitt B – Emittentin	
<b>B.4b</b>	Trends.	<p><b>Trendinformation</b></p> <p>Wie im am 4. Februar 2014 publizierten vierten Quartalsbericht 2013 von UBS AG (einschließlich ungeprüften konsolidierten Finanzangaben) dargestellt, bestehen viele der schon früher angesprochenen Herausforderungen grundsätzlicher und geopolitischer Natur auch zu Beginn des ersten Quartals 2014 nach wie vor. Nachhaltige und glaubwürdige Fortschritte bei den ungelösten Problemen in Europa und den offenen Fragen in der amerikanischen Fiskal- und Geldpolitik blieben weiterhin aus. Hinzu kommen die fragile Situation in den Schwellenmärkten sowie durchgezogene Perspektiven für das globale Wachstum. All dies könnte weitere Ergebnisverbesserungen unter den herrschenden</p>

		<p>Marktbedingungen unwahrscheinlich machen. Dies wiederum könnte dazu führen, dass die im ersten Quartal normalerweise zu beobachtende Zunahme der Kundenaktivität und des Handelsvolumens womöglich nicht in vollem Umfang stattfinden wird. Das Ertragswachstum, die Nettozinsmargen und die Nettoneugelder würden dadurch unter Druck geraten. Trotz möglicher Schwierigkeiten geht die UBS davon aus, dass ihr Wealth Management und Wealth Management Americas auch zukünftig Nettoneugelder anziehen werden, gestützt auf das anhaltende Vertrauen bestehender und neuer Kunden. Die UBS wird mit der Umsetzung ihrer Strategie fortfahren, um so den langfristigen Erfolg des Unternehmens sicherzustellen und für die Aktionäre nachhaltige Renditen zu erwirtschaften.</p>
<b>B.12</b>	Ausgewählte wesentliche historische Finanzinformationen	<p>UBS AG hat die nachstehenden ausgewählten konsolidierten Finanzdaten (i) dem Geschäftsbericht für das Geschäftsjahr 2012 entnommen, der die geprüften konsolidierten Finanzangaben des UBS Konzerns sowie zusätzliche ungeprüfte konsolidierte Finanzdaten für das am 31. Dezember 2012 endende Geschäftsjahr enthält (einschließlich der Vergleichszahlen für die Geschäftsjahre endend am 31. Dezember 2011 und 2010), und (ii) dem vierten Quartalsbericht 2013, der die ungeprüften konsolidierten Finanzangaben des UBS Konzerns sowie zusätzliche ungeprüfte konsolidierte Finanzdaten für das Quartal und das Jahr endend am 31. Dezember 2013 enthält (aus denen Vergleichszahlen für das Quartal und das Jahr endend am 31. Dezember 2012 entnommen wurden). Die konsolidierten Finanzangaben wurden in Einklang mit den vom International Accounting Standards Board (IASB) herausgegebenen International Financial Reporting Standards (IFRS) erstellt und sind in Schweizer Franken (CHF) aufgeführt.</p>

Mio. CHF (Ausnahmen sind angegeben)	Für das Quartal endend am		Für das Jahr endend am			
	31.12.13	31.12.12	31.12.13	31.12.12 <sup>1</sup>	31.12.11	31.12.10
	ungeprüft		geprüft (Ausnahmen sind angegeben)			
<b>UBS-Konzern</b>						
Geschäftsertrag	6.307	6.208	27.732	25.423* <sup>1</sup>	27.788	31.994
Geschäftsaufwand	5.858	8.044	24.461	27.216	22.482	24.650
Ergebnis vor Steuern	449	(1.837)	3.272	(1.794)* <sup>1</sup>	5.307	7.345
Den UBS-Aktionären zurechenbares Konzernergebnis	917	(1.904)	3.172	(2.480)* <sup>1</sup>	4.138	7.452
Verwässertes Ergebnis pro Aktie (CHF)	0,24	(0,51)	0,83	(0,66)* <sup>1</sup>	1,08	1,94

### Kennzahlen zur Leistungsmessung, Bilanz- und Kapitalbewirtschaftung, und zusätzliche Informationen

#### Performance

Eigenkapitalrendite (RoE) (%) <sup>2</sup>	7,7	(16,2)	6,7	(5,1)*	9,1*	18,0*
Rendite auf Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte (%) <sup>3</sup>	9,1	(18,6)	8,0	1,6*	11,9*	24,7*
Rendite auf risikogewichteten Aktiven, brutto (%) <sup>4</sup>	11,2	12,4	11,4	12,0*	13,7*	15,5*
Rendite auf Aktiven, brutto (%) <sup>5</sup>	2,5	1,9	2,5	1,9*	2,1*	2,3*

#### Wachstum

Wachstum des Ergebnisses (%) <sup>6</sup>	58,9	N/A	N/A	N/A*	(44,5)*	N/A*
Wachstum der Nettoneugelder (%) <sup>7</sup>	0,3	1,2	1,4	1,6*	1,9*	(0,8)*

#### Effizienz

Verhältnis von Geschäftsaufwand / Geschäftsertrag (%) <sup>8</sup>	92,7	129,1	88,0	106,6*	80,7*	76,9*
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Per

Mio. CHF (Ausnahmen sind angegeben)	31.12.13	31.12.12 <sup>1</sup>	31.12.11	31.12.10
	ungeprüft	geprüft (Ausnahmen sind angegeben)		

#### Kapitalkraft

Harte Kernkapitalquote (CET1) (% , stufenweise umgesetzt) <sup>9,10</sup>	18,5	15,3*		
Harte Kernkapitalquote (CET1) (% , vollständig umgesetzt) <sup>9,10</sup>	12,8	9,8*		
Schweizer Leverage Ratio für SRB (% , stufenweise umgesetzt) <sup>9,11</sup>	4,7	3,6*		

#### Bilanz- und Kapitalbewirtschaftung

Total Aktiven	1.009.860	1.259.797* <sup>1</sup>	1.416.962	1.314.813
Den UBS-Aktionären zurechenbares Eigenkapital	48.002	45.949* <sup>1</sup>	48.530	43.728
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals pro Aktie (CHF)	12,74	12,26*	12,95*	11,53*
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals abzüglich Goodwill und anderer immaterieller Vermögenswerte pro Aktie (CHF)	11,07	10,54*	10,36*	8,94*
Hartes Kernkapital (CET1) (stufenweise umgesetzt) <sup>9</sup>	42.179	40.032*		
Hartes Kernkapital (CET1) (vollständig umgesetzt) <sup>9</sup>	28.908	25.182*		
Risikogewichtete Aktiven (stufenweise umgesetzt) <sup>9</sup>	228.557	261.800*		
Risikogewichtete Aktiven (vollständig umgesetzt) <sup>9</sup>	225.153	258.113*		
Gesamtkapitalquote (% , stufenweise umgesetzt) <sup>9</sup>	22,2	18,9*		
Gesamtkapitalquote (% , vollständig umgesetzt) <sup>9</sup>	15,4	11,4*		

#### Zusätzliche Informationen

Verwaltete Vermögen (Mrd. CHF) <sup>12</sup>	2.390	2.230	2.088	2.075
Personalbestand (auf Vollzeitbasis)	60.205	62.628*	64.820*	64.617*
Börsenkapitalisierung	65.007	54.729*	42.843*	58.803*

\* ungeprüft

<sup>1</sup> Per 1. Januar 2013 wandte UBS IFRS 10 Konzernabschlüsse an. Die in den Quartalfinanzberichten für 2013 enthaltenen Vergleichsperioden für 2012 wurden angepasst, um den Effekt der Anwendung von IFRS 10 widerzuspiegeln. Unter IFRS 10 mussten die Perioden vor 2012 nicht angepasst werden. Resultierend aus der Anwendung von IFRS 10 unterscheiden sich die angepassten Finanzdaten per oder für das Geschäftsjahr endend am 31. Dezember 2012, die in dieser Tabelle enthalten sind, von denen, die im Geschäftsbericht 2012 gezeigt werden. Als weitere Konsequenz sind diejenigen Finanzdaten per oder für das Geschäftsjahr endend am 31. Dezember 2012 nicht geprüft und mit dieser Fussnote eins versehen, die als geprüft gekennzeichnet wären, wären sie nicht angepasst worden. <sup>2</sup> Das den UBS-Aktionären zurechenbare Konzernergebnis (gegebenenfalls annualisiert) / Das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital. <sup>3</sup> Das den UBS-Aktionären zurechenbare Konzernergebnis vor Abschreibung und Wertminderung auf Goodwill und andere immaterielle Vermögenswerte (gegebenenfalls annualisiert) / das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte. <sup>4</sup> Geschäftsertrag vor Wertberichtigungen für Kreditrisiken (gegebenenfalls annualisiert) / Durchschnittliche risikogewichtete Aktiven. Für 2013 basieren die risikogewichteten Aktiven (stufenweise umgesetzt) auf den Basel-III-Richtlinien. Für 2012 basieren die risikogewichteten Aktiven auf den Basel-2.5-Richtlinien. Für 2011 und 2010 basieren die risikogewichteten Aktiven auf den Basel-II-Richtlinien. <sup>5</sup> Geschäftsertrag vor Wertberichtigungen für Kreditrisiken (gegebenenfalls annualisiert) / Total durchschnittliche Aktiven. <sup>6</sup> Veränderung des aktuellen den UBS-Aktionären zurechenbaren Konzernergebnisses aus fortzuführenden Geschäftsbereichen gegenüber einer Vergleichsperiode / Das den UBS-Aktionären zurechenbare Konzernergebnis aus fortzuführenden Geschäftsbereichen in einer Vergleichsperiode. Besitzt keine Aussagekraft und wird nicht ausgewiesen, falls für die laufende Periode oder die Vergleichsperiode ein Verlust verzeichnet wird. <sup>7</sup> Nettoneugelder seit Periodenbeginn (gegebenenfalls annualisiert) / Verwaltete Vermögen zu Beginn der Periode. Nettoneugelder des Konzerns beinhalten Nettoneugelder von Retail & Corporate und schliessen Zins- und Dividendenerträge aus. <sup>8</sup> Geschäftsaufwand / Geschäftsertrag vor Wertberichtigungen für Kreditrisiken. <sup>9</sup> Basiert auf den Basel-III-Richtlinien, soweit auf systemrelevante Banken (SRB) anwendbar, die am 1. Januar 2013 in der Schweiz in Kraft traten. Die Informationen, die auf vollständiger Umsetzung basieren, berücksichtigen die Effekte der neuen Kapitalabzüge und des stufenweisen Rückzugs der alten Kapitalinstrumente. Die Informationen, die auf stufenweiser Umsetzung basieren, berücksichtigen diese Effekte während der Übergangsphase entsprechend. Die Zahlen zum 31. Dezember 2012 sind Pro-forma-basiert. <sup>10</sup> Hartes Kernkapital (CET1) / Risikogewichtete Aktiven. <sup>11</sup> Schweizer SRB Hartes Kernkapital (CET1) gemäss Basel III inklusive verlustabsorbierendem Kapital / IFRS-Aktiven, basierend auf Eigenmittelunterlegung gemäss Konsolidierungskreis, adjustiert für Leverage Ratio-Nenner spezifische Zielvorgaben für Wertschriftenfinanzierungsgeschäfte, derivative Finanzinstrumente, Ausserbilanzpositionen und Kapitalabzugsposten. Das Schweizer Leverage Ratio für SRB trat am 1. Januar 2013 in der Schweiz in Kraft. Die Zahlen zum 31. Dezember 2012 sind Pro-forma-basiert. <sup>12</sup> Verwaltete Vermögen des Konzerns beinhalten Vermögen unter der Verwaltung von Retail & Corporate.“

	Erklärung hinsichtlich wesentlicher Verschlechterung.	Seit dem 31. Dezember 2012 sind keine wesentlichen Veränderungen in den Aussichten der UBS AG oder der UBS Gruppe eingetreten.
	Beschreibung wesentlicher Veränderungen der Finanzlage oder Handelsposition.	Seit dem 31. Dezember 2013 hat sich keine wesentliche Veränderung der Finanzlage oder der Handelsposition der UBS Gruppe oder der UBS AG ergeben

and the second paragraph of element B.16 is replaced as follows:

<b>B.16</b>	Beteiligungen oder Beherrschungsverhältnisse	Laut dem Aktienregister der UBS AG per 31. Dezember 2013 verfügten die folgende Aktionäre (die entweder in eigenem Namen oder als Nominees für andere Investoren oder wirtschaftlich Berechtigte handeln) über eine Beteiligung von mindestens 3% am gesamten Aktienkapital von UBS AG: Chase Nominees Ltd., London (11,73%); GIC Private Limited, Singapore (6,39%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (5,89%); and Nortrust Nominees Ltd., London (3,75%).
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## ADDRESS LIST

### ISSUER

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United Kingdom

The Registration Document dated 22 May 2013,

the tripartite Base Prospectus for Warrants of UBS AG, [London] [Jersey] [Branch] dated 12 June 2013,

the tripartite Base Prospectus for Securities of UBS AG, [London] [Jersey] [Branch] dated 4 July 2013,

the Base Prospectus for the issuance of Money Market Switch Notes of UBS AG dated 23 July 2013,

the tripartite Prospectus dated 12 September 2013 for the issuance of up to 500,000 Open-End Certificates based on the Solactive 3D Printing Total Return Index (ISIN DE000UBS13D0),

for the Issuance of Fixed Income Securities (Cash) dated 18 October 2013,

the tripartite Prospectus dated 25 October 2013 for the issuance of up to 100,000 Global FX/Income Opportunities Certificates (ISIN CH0202050081),

the Base Prospectus for the Issuance of Fixed Income Securities (Rates) dated 14 January 2014,

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' website, at [www.ubs.com/investors](http://www.ubs.com/investors) or a successor address.

Zurich, 19 February 2014

**UBS AG**

By:



(signed by René Scheidegger)

By:



(signed by Stefanie Ganz)