

**Supplement No. 3 pursuant to the Financial Instruments Trading Act (SFS 1991:980) chapter 2 section 34**

Dated 13 June 2017 to the Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 27 September 2016,

in relation to Certificates, Notes or Warrants.

The Base Prospectus was approved and registered by the Swedish Financial Supervisory Authority ("**SFSA**"). Registration number at the SFSA is 16-12482. This Supplement is a part of the Base Prospectus and shall be read in conjunction with the Base Prospectus and the previous supplements.

Supplement No. 1 was approved by the SFSA on 16 December 2016. The Supplement was published by UBS AG on 16 December 2016. Registration number at the SFSA is 16-18523.

Supplement No. 2 was approved by the SFSA on 22 May 2017. The Supplement was published by UBS AG on 22 May 2017. Registration number at the SFSA is 17-3509.

This Supplement No. 3 was approved by the SFSA on 13 June 2017. This Supplement was published by UBS AG on 13 June 2017. Registration number at the SFSA is 17-8897.

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

Publication of the first quarter 2017 financial report as per 31 March 2017 of UBS Group AG on 28 April 2017 and of UBS AG on 3 May 2017 and the Annual General Meeting of Shareholders of UBS Group AG on 4 May 2017.

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

**The attention of the investors is in particular drawn to the following: Investors who have already agreed to purchase or subscribe for the Notes, Certificates, or Warrants, as the case may be, before this supplement is published have, pursuant to the Financial Instruments Trading Act (SFS 1991:980) chapter 2 section 34, the right, exercisable within a time limit of two working days after the publication of this supplement, to withdraw their acceptances, provided that the new circumstances or the incorrectness causing the supplement occurred before the closing of the public offering and before the delivery of the securities. This means that the last day to withdrawal is before close of business on 15 June 2017. A withdrawal, if any, of an order must be communicated in writing to the Issuer at its registered office specified in the address list hereof.**

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

**In the section headed "D. RISK FACTORS" the following changes shall be made:**

**In the section headed "2. Security specific Risks", in the subsection entitled "6. UBS has announced its intention to make certain structural changes in light of regulatory trends and requirements and the Conditions of the Securities do not contain any restrictions on the Issuer's or UBS's ability to restructure its business" the fourth paragraph is completely replaced by the following text:**

"In the second half of 2015, UBS transferred the ownership of the majority of its existing service subsidiaries outside the US to UBS Business Solutions AG. As of 1 January 2017, UBS completed the transfer of the shared service employees in the US to the US service company, UBS Business Solutions US LLC, a subsidiary of UBS AG. In the second quarter of 2017, UBS has begun the transfer of shared services functions in Switzerland and the UK from UBS AG to UBS Business Solutions AG. Following the transfer, UBS Business Solutions AG will charge other legal entities within the Group for services provided, including a markup on costs incurred. The transfer is not expected to materially affect the UBS Group AG consolidated financial statements. However, it is expected to decrease UBS AG consolidated and standalone operating profit before tax. The transfer is not expected to have a significant effect on RWA and the LRD of UBS Group AG consolidated, UBS AG consolidated and UBS AG standalone."

**In the section headed "J. INFORMATION ABOUT UBS AG" the following changes are made:**

**In the section entitled "1. General Information on UBS AG" the second and the third paragraphs are completely replaced by the following text:**

"On 31 March 2017, UBS Group's common equity tier 1 ("CET1") capital ratio<sup>1</sup> was 14.1% on a fully applied basis and 15.6% on a phase-in basis and the CET1 leverage ratio was 3.6% on a fully applied basis and 3.9% on a phase-in basis, the gone concern loss-absorbing capacity ratio was 15.0% on a fully applied basis and 11.1% on a phase-in basis, and the gone concern leverage ratio was 3.8% on a fully applied basis and 2.8% on a phase-in basis. On the same date, invested assets stood at CHF 2,934 billion, equity attributable to UBS Group AG shareholders was CHF 53,661 million and market capitalisation was CHF 61,736 million. On the same date, UBS employed 59,416 people<sup>2</sup>.

On 31 March 2017, UBS AG (consolidated) CET1 capital ratio<sup>1</sup> was 14.9% on a fully applied basis and 16.4% on a phase-in basis and the CET1 leverage ratio was 3.8% on a fully applied basis and 4.1% on a phase-in basis, the gone concern loss-absorbing capacity ratio was 15.4% on a fully applied basis and 11.6% on a phase-in basis, and the gone concern leverage ratio was 3.9% on a fully applied basis and 2.9% on a phase-in basis. On the same date, invested assets stood at CHF 2,934 billion and equity attributable to UBS AG shareholders was CHF 51,990 million. On the same date, UBS AG Group employed 55,972 people<sup>2</sup>."

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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 Basel III framework includes prudential filters for the calculation of capital. As these filters are being phased in between 2014 and 2018, their effects are gradually factored into the calculations of capital, RWA and capital ratios on a phase-in basis and are entirely reflected in the capital, RWA and capital ratios on a fully applied basis. For information as to how UBS Group AG (consolidated) and UBS AG (consolidated) common equity tier 1 capital is calculated, refer to the table "Reconciliation IFRS equity to Swiss SRB common equity tier 1 capital" in the "Capital management" sections respectively of the UBS Group First Quarter 2017 Report and UBS AG First Quarter 2017 Report, as defined herein.

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

**In the section entitled “2. Business Overview” the subsection entitled “Asset Management” is completely replaced as follows:**

**“Asset Management**

Asset Management provides investment management products and services, platform solutions and advisory support to institutions, wholesale intermediaries and wealth management clients around the world, with an onshore presence in 22 countries. Asset Management's global investment capabilities include all major traditional and alternative asset classes.”

**In the section entitled “2. Business Overview” the subsection entitled “Recent Developments” is completely replaced as follows:**

**“Recent Developments**

*1. UBS AG (consolidated) key figures*

UBS AG derived the selected consolidated financial information included in the table below for the years ended 31 December 2016, 2015 and 2014, except where indicated, from the Annual Report 2016, which contains the audited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the year ended 31 December 2016 and comparative figures for the years ended 31 December 2015 and 2014. The selected consolidated financial information included in the table below for the quarters ended 31 March 2017 and 31 March 2016 was derived from the UBS AG first quarter 2017 report, published on 3 May 2017 (“**UBS AG First Quarter 2017 Report**”), which contains UBS AG interim consolidated financial statements (unaudited), as well as additional unaudited consolidated financial information, for the quarter ended 31 March 2017 and comparative figures for the quarter ended 31 March 2016.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”) and are stated in Swiss francs (“**CHF**”). Information for the years ended 31 December 2016, 2015 and 2014 which is indicated as being unaudited in the table below was included in the Annual Report 2016, but has not been audited on the basis that the respective disclosures are not required under IFRS, and therefore are not part of the audited financial statements. The Annual Report 2016 and the UBS AG First Quarter 2017 Report are incorporated by reference herein.

The Group and business divisions are managed on the basis of a key performance indicator framework, which identifies profit and growth financial measures, in the context of sound risk and capital management objectives. When determining variable compensation, both Group and business division key performance indicators are taken into account. UBS AG reviews the key performance indicators framework on a regular basis, considering the company's strategy and the market environment in which the company operates. Key performance indicators are disclosed in UBS AG's quarterly and annual reporting to allow comparison of the company's performance over the reporting periods. The company's key performance indicators are designed to be assessed on an over-the-cycle basis and are subject to seasonal patterns. The section “*Measurement of performance*” of the Annual Report 2016 contains an explanation of the use by UBS Group AG of the information contained under the heading “*Key performance indicators*” in the table below and the definitions of each of these key performance indicators. Please also see below in the respective footnotes. In addition, the table “Key performance indicators – definitions and reason for use” below contains a description and the reason for the use of each key performance indicator, except those disclosed in accordance with applicable legislation.

Prospective investors should read the whole of this Prospectus and the documents incorporated by reference herein and should not rely solely on the summarized information set out below:

CHF million, except where indicated	As of or for the quarter ended		As of or for the year ended		
	31.3.17	31.3.16	31.12.16	31.12.15	31.12.14
	unaudited		audited, except where indicated		
<b>Results</b>					
Operating income	7,560	6,855	28,421	30,605	28,026
Operating expenses	5,919	5,876	24,352	25,198	25,557
Operating profit / (loss) before tax	1,641	979	4,069	5,407	2,469
Net profit / (loss) attributable to shareholders	1,231	713	3,207	6,235	3,502
<b>Key performance indicators</b>					
<b>Profitability</b>					
Return on tangible equity (%) <sup>1</sup>	10.8	6.0	6.9*	13.5*	8.2*
Cost / income ratio (%) <sup>2</sup>	78.3	85.7	85.6*	82.0*	90.9*
<b>Growth</b>					
Net profit growth (%) <sup>3</sup>	72.7	(64.8)	(48.6)*	78.0*	10.4*
Net new money growth for combined wealth management businesses (%) <sup>4</sup>	3.9	5.9	2.1*	2.2*	2.5*
<b>Resources</b>					
Common equity tier 1 capital ratio (fully applied, %) <sup>5,6</sup>	14.9	14.9	14.5*	15.4*	14.2*
Going concern leverage ratio (fully applied, %) <sup>7,8</sup>	4.2	-	4.2*	-	-
<b>Additional information</b>					
<b>Profitability</b>					
Return on equity (RoE) (%) <sup>9</sup>	9.3	5.1	5.9*	11.7*	7.0*
Return on risk-weighted assets, gross (%) <sup>10</sup>	13.6	13.0	13.2*	14.3*	12.6*
Return on leverage ratio denominator, gross (%) <sup>11</sup>	3.4	3.0	3.2*	-	-
<b>Resources</b>					
Total assets	910,924	968,158	935,353	943,256	1,062,327
Equity attributable to shareholders	51,990	55,660	53,662	55,248	52,108
Common equity tier 1 capital (fully applied) <sup>6</sup>	33,137	32,118	32,447	32,042	30,805
Common equity tier 1 capital (phase-in) <sup>6</sup>	36,629	38,762	39,474	41,516	44,090
Risk-weighted assets (fully applied) <sup>6</sup>	222,207	214,973	223,232*	208,186*	217,158*
Common equity tier 1 capital ratio (phase-in, %) <sup>5,6</sup>	16.4	17.8	17.5*	19.5*	19.9*
Going concern capital ratio (fully applied, %) <sup>8</sup>	16.6	-	16.3*	-	-
Going concern capital ratio (phase-in, %) <sup>8</sup>	21.2	-	22.6*	-	-
Going concern loss-absorbing capacity ratio (fully applied, %) <sup>8</sup>	15.4	-	13.3*	-	-
Leverage ratio denominator (fully applied) <sup>12</sup>	882,670	907,277	870,942*	898,251*	999,124*
Common equity tier 1 leverage ratio (fully applied, %) <sup>12</sup>	3.8	3.5	3.7*	3.6*	3.1*
Going concern leverage ratio (phase-in, %) <sup>7,8</sup>	5.4	-	5.8*	-	-
Going concern leverage ratio (fully applied, %) <sup>8</sup>	3.9	-	3.4*	-	-
<b>Other</b>					
Invested assets (CHF billion) <sup>13</sup>	2,934	2,618	2,821	2,689	2,734
Personnel (full-time equivalents)	55,972	58,053	56,208*	58,131*	60,155*

\* unaudited

<sup>1</sup> Net profit attributable to shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable)

/ average equity attributable to shareholders less average goodwill and intangible assets.

<sup>2</sup> Operating expenses / operating income before credit loss (expense) or recovery.

<sup>3</sup> Change in net profit attributable to shareholders from continuing operations between current and comparison periods / net profit attributable to 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>4</sup> Net new money growth for combined wealth management businesses is calculated as the aggregate of the net new money for the period (annualized as applicable) of the business divisions Wealth Management and Wealth Management Americas / aggregate invested assets at the beginning of the period of the business divisions Wealth Management and Wealth Management Americas. Net new money and invested assets are each derived from the "Wealth Management" and "Wealth Management Americas" sections of the management report contained in the UBS Group First Quarter 2017 Report, under "UBS business divisions and Corporate Center", and in the Annual Report 2016, under "Financial and operating performance". Net new money growth for combined wealth management businesses is based on adjusted net new money, which excludes the negative effect on net new money in 2015 of CHF 9.9 billion in Wealth Management from UBS's balance sheet and capital optimization program.

<sup>5</sup> Common equity tier 1 capital / risk-weighted assets.

<sup>6</sup> Based on the Basel III framework as applicable for Swiss systemically relevant banks.

<sup>7</sup> Total going concern capital / leverage ratio denominator.

<sup>8</sup> Based on the revised Swiss SRB framework that became effective on 1 July 2016. Figures for prior periods are not available.

<sup>9</sup> Net profit attributable to shareholders (annualized as applicable) / average equity attributable to shareholders.

<sup>10</sup> Based on fully applied risk-weighted assets. Figures as of 31 December 2015 and 31 December 2014 were derived from the UBS Group 2016 Form 20-F and do not correspond to the figures contained in the UBS Group 2015 Form 20-F, which were calculated based on phase-in risk-weighted assets.

<sup>11</sup> Based on the fully applied leverage ratio denominator. From 31 December 2015 onward, the leverage ratio denominator calculation is aligned with the Basel III rules. For periods prior to 31 December 2015 the leverage ratio denominator is calculated in accordance with former Swiss SRB rules. Therefore the figures for the periods ended on 31 December 2015 and 31 December 2014 are not presented as they are not available on a fully comparable basis.

<sup>12</sup> Calculated in accordance with Swiss SRB rules. From 31 December 2015 onward, the leverage ratio denominator calculation is aligned with the Basel III rules. Figures for periods prior to 31 December 2015 are calculated in accordance with former Swiss SRB rules and are therefore not fully comparable.

<sup>13</sup> Includes invested assets for Personal & Corporate Banking.

Key performance indicators – definitions and reason for use		
Key performance indicator	Definition	Reason for use
Return on tangible equity	Net profit attributable to shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) divided by average equity attributable to shareholders less average goodwill and intangible assets	This metric is used because it provides information on the profitability of the business in relation to tangible equity.
Cost / income ratio	Operating expenses divided by operating income before credit loss (expense) or recovery	This metric is used to provide information on the efficiency of the business by comparing operating expenses with gross income.
Net profit growth	Change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of comparison period	This profitability metric provides information on profit growth in comparison with prior period.
Net new money growth for combined wealth management business	Net new money for combined wealth management businesses for the period (annualized as applicable) divided by Invested assets at the beginning of the period	This growth metric is used to provide information on the wealth management business growth by comparing net new money intakes during the reporting period with invested assets at the beginning of the period.

## 2. Regulatory and legal developments

### FDJ and FINMA consult on implementation of net stable funding ratio in Switzerland

In January 2017, the Swiss Federal Department of Finance ("**FDJ**") and FINMA launched a consultation on changes to the Liquidity Ordinance and the Circular "Liquidity risks – banks." The consultation period ended on 10 April 2017. The proposal aims to implement in Switzerland the net stable funding ratio ("**NSFR**"), which was introduced as part of the Basel III framework along with the liquidity coverage ratio. The draft specifies requirements relating to the implementation of the NSFR at both the group and standalone legal entity level. If implemented as proposed, the new requirements are expected to have a moderate negative impact on UBS's Group NSFR ratio and could result in a significant increase in long-term funding requirements on a legal entity level.

### UK triggers Article 50 and begins process of leaving the EU

On 29 March 2017, the UK prime minister formally notified the European Council of the UK's intention to withdraw from the EU under Article 50 of the Treaty on European Union. This has triggered a two-year period during which the UK will negotiate its withdrawal agreement with the EU. It is currently expected that the UK will formally leave the EU in March 2019. The nature of the UK's future relationship with the EU remains unclear, although the prime minister has stated that the UK will leave the EU single market and will instead seek a free trade agreement with the EU, which could cover financial services. The UK will also seek a "phased period of implementation" for the new relationship.

Any future limitations on providing financial services into the EU from UBS's UK operations could require UBS to make potentially significant changes to its operations in the UK and its legal structure. Potential effects of a UK exit from the EU and potential mitigating actions may vary considerably depending on the timing of withdrawal and the nature of any transition or successor arrangements.

### US Department of Labor postpones applicability date of fiduciary rule

In April 2016, the US Department of Labor ("**DOL**") adopted a rule that expands the definition of "fiduciary" under the Employee Retirement Income Security Act of 1974. On 7 April 2017, the DOL extended the planned 10 April 2017 applicability date of the fiduciary rule and its exemptions by 60 days to 9 June 2017, while also extending certain requirements of the rule to 1 January 2018. The delay gives the DOL time to undertake an examination of the rule called for by a memorandum issued by President Donald Trump in February 2017. The memorandum directs the DOL to rescind or revise the fiduciary rule if it determines that the rule adversely affects the ability of American citizens to gain access to retirement information and financial advice. Under the terms of the original 2016 rule, Wealth Management Americas and Asset Management would be required to materially change some of their business processes.

Refer to "*Regulatory and legal developments*" in the UBS Group AG first quarter 2017 report, published on 28 April 2017, ("**UBS Group First Quarter 2017 Report**") for information on further recent regulatory and legal developments."

**The section entitled "3. Organisational Structure of the Issuer" is completely replaced as follows:**

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

UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100% owned by UBS Group AG, which is the holding company of the UBS Group. UBS operates as a group with five business divisions (Wealth Management, Wealth Management Americas, Personal & Corporate Banking, Asset Management and the Investment Bank) and a Corporate Center.

Since 2014, UBS has undertaken a series of measures to improve the resolvability of the Group in response to too big to fail requirements in Switzerland and other countries in which the Group operates.

In December 2014, UBS Group AG completed an exchange offer for the shares of UBS AG and became the holding company of the UBS Group. During 2015, UBS Group AG completed a court procedure under the Swiss Stock Exchange and Securities Trading Act resulting in the cancellation of the shares of the remaining minority shareholders of UBS AG. As a result, UBS Group AG owns 100% of the outstanding shares of UBS AG.

In June 2015, UBS AG transferred its Personal & Corporate Banking and Wealth Management businesses booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. Also in 2015, UBS implemented a more self-sufficient business and operating model for UBS Limited, UBS's investment banking subsidiary in the UK, and established UBS Business Solutions AG as a direct subsidiary of UBS Group AG to act as the Group service company. The purpose of the service company structure is to improve the resolvability of the Group by enabling UBS to maintain operational continuity of critical services should a recovery or resolution event occur.

In the second half of 2015, UBS transferred the ownership of the majority of its existing service subsidiaries outside the US to UBS Business Solutions AG. As of 1 January 2017, UBS completed the transfer of the shared service employees in the US to the US service company, UBS Business Solutions US LLC, a subsidiary of UBS AG. In the second quarter of 2017, UBS has begun the transfer of shared services functions in Switzerland and the UK from UBS AG to UBS Business Solutions AG. Following the transfer, UBS Business Solutions AG will charge other legal entities within the Group for services provided, including a markup on costs incurred. The transfer is not expected to materially affect the UBS Group AG consolidated financial statements. However, it is expected to decrease UBS AG consolidated and standalone operating profit before tax. The transfer is not expected to have a significant effect on RWA and the LRD of UBS Group AG consolidated, UBS AG consolidated and UBS AG standalone.

As of 1 July 2016, UBS Americas Holding LLC was designated as intermediate holding company for UBS's US subsidiaries as required under the enhanced prudential standards regulations pursuant to the Dodd-Frank Act. UBS Americas Holding LLC holds all of UBS's US subsidiaries and is subject to US capital requirements, governance requirements and other prudential regulation.

In addition, UBS transferred the majority of the operating subsidiaries of Asset Management to UBS Asset Management AG during 2016. Furthermore, UBS merged its Wealth Management subsidiaries in Italy, Luxembourg (including its branches in Austria, Denmark and Sweden), the Netherlands and Spain into UBS Deutschland AG, which was renamed to UBS Europe SE, to establish UBS's new European legal entity which is headquartered in Frankfurt, Germany.

UBS continues to consider further changes to the Group's legal structure in response to regulatory requirements and other external developments, including the anticipated exit of the United Kingdom from the European Union. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, further consolidation of operating subsidiaries in the EU and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") and other regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing. Refer to the section "C. RISK FACTORS – 2. Security specific Risks – 6. UBS has announced its intention to make certain structural changes in light of regulatory trends and requirements and the Conditions of the Securities do not contain any restrictions on the Issuer's or UBS's ability to restructure its business".

UBS Group AG's interests in subsidiaries and other entities as of 31 December 2016, including interests in significant subsidiaries, are discussed in "*Note 28 Interests in subsidiaries and other entities*" to the UBS Group AG's consolidated financial statements

included in the UBS Group AG and UBS AG Annual Report 2016 published on 10 March 2017 ("**Annual Report 2016**").

UBS AG's interests in subsidiaries and other entities as of 31 December 2016, including interests in significant subsidiaries, are discussed in "*Note 28 Interests in subsidiaries and other entities*" to the UBS AG's consolidated financial statements included in the Annual Report 2016."

**The section entitled "4. Trend Information" is completely replaced as follows:**

#### **"4. Trend Information**

As indicated in the UBS Group First Quarter 2017 Report, improved investor sentiment and enhanced confidence have not yet fully translated into a sustained increase in client activity levels. While the global recovery is likely to continue, macroeconomic uncertainty, geopolitical tensions and divisive politics pose risks that may affect client sentiment and transaction volumes. Low and negative interest rates, particularly in Switzerland and the eurozone, continue to present headwinds to net interest margins. These may be partially offset by the effect of higher US dollar interest rates and a further normalization of monetary policy. Implementing Switzerland's new bank capital standards and the proposed further changes to the international regulatory framework for banks will result in increased capital requirements, interest and operating costs. UBS is well positioned to mitigate these challenges and benefit from further improvements in market conditions.

Refer to "*Current market climate and industry trends*" and "*Risk factors*" in the "*Operating environment and strategy*" section of the Annual Report 2016 for more information."

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

#### **"Members of the Board of Directors**

<b>Member and business address</b>	<b>Title</b>	<b>Term of office</b>	<b>Current principal positions outside UBS AG</b>
Axel A. Weber  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Chairman	2018	Chairman of the Board of Directors of UBS Group AG; board member of the Swiss Bankers Association; member of the Board of Trustees of Avenir Suisse; Advisory Board member of the "Beirat Zukunft Finanzplatz"; board member of the Swiss Finance Council; Chairman of the board of the Institute of International Finance; President of the International Monetary Conference; member of the European Financial Services Round Table; member of the European Banking Group; member of the Monetary Economics and International Advisory Panel, Monetary Authority of Singapore; member of the Group of Thirty, Washington, D.C.; Chairman of the DIW Berlin Board of Trustees; Advisory Board member of the Department of Economics at the University of Zurich.
Michel Demaré  Syngenta International AG, Schwarzwaldallee 215, CH-4058 Basel	Independent Vice Chairman	2018	Independent Vice-Chairman of the board of directors of UBS Group AG; Chairman of the board of Syngenta; board member of Louis-Dreyfus Commodities Holdings BV; Vice Chairman of the Supervisory Board of IMD, Lausanne; Chairman of the Syngenta Foundation for Sustainable Agriculture; Advisory Board member of the Department of Banking and Finance at the University of Zurich.
David Sidwell  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2018	Senior Independent Director of the board of directors of UBS Group AG; Senior Advisor at Oliver Wyman, New York; board member of Chubb Limited; board member of GAVI Alliance; Chairman of the Board of Village Care, New York; Director of the National Council on Aging, Washington D.C.
Reto Francioni  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2018	Member of the board of directors of UBS Group AG; professor, University of Basel; board member of Coca-Cola HBC AG; Chairman of the board of Swiss International Air Lines AG; board member of Francioni AG; board member of MedTech Innovation Partners AG.

Ann F. Godbehere  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2018	Member of the Board of Directors of UBS Group AG; board member of Prudential plc (chairman of the audit committee); board member of Rio Tinto plc (chairman of the audit committee); board member of Rio Tinto Limited (chairman of the audit committee); board member of British American Tobacco plc
William G. Parrett  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2018	Member of the Board of Directors of UBS Group AG; board member of the Eastman Kodak Company (chairman of the audit and finance committee); board member of the Blackstone Group LP (chairman of the audit committee and chairman of the conflicts committee); board member of Thermo Fisher Scientific Inc. (chairman of the audit committee); Chairman of the Board of Conduent Inc; member of the Committee on Capital Markets Regulation; member of the Carnegie Hall Board of Trustees; Past Chairman of the board of the United States Council for International Business; Past Chairman of United Way Worldwide.
Julie G. Richardson  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2018	Member of the Board of Directors of UBS Group AG; board member of The Hartford Financial Services Group, Inc. (chairman of the audit committee); Board member of Yext (chairman of the audit committee); board member of Arconic Inc.; board member of Vereit, Inc. (chairman of the compensation committee).
Isabelle Romy  Froiep Legal AG, Bellerivestrasse 201, CH- 8034 Zurich	Member	2018	Member of the Board of Directors of UBS Group AG; partner at Froiep Legal AG, Zurich; associate professor at the University of Fribourg and at the Federal Institute of Technology, Lausanne; vice chairman of the Sanction Commission of SIX Swiss Exchange; member of the Fundraising Committee of the Swiss National Committee for UNICEF.
Robert W. Scully  UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2018	Member of the Board of Directors of UBS Group AG; board member of Chubb Limited; board member of Zoetis Inc.; board member of KKR & Co LP; board member of the Dean's Advisors of Harvard Business School.
Beatrice Weder di Mauro  Johannes Gutenberg- University Mainz, Jakob Welder-Weg 4, D-55099 Mainz	Member	2018	Member of the Board of Directors of UBS Group AG; distinguished fellow at INSEAD in Singapore (on leave from the University of Mainz); Supervisory Board member of Robert Bosch GmbH; board member of Bombardier Inc.; member of the ETH Zurich Foundation Board of Trustees; Economic Advisory Board member of Fraport AG; Advisory Board member of Deloitte Germany; Deputy Chairman of the University Council of the University of Mainz; member of the Senate of the Max Planck Society.
Dieter Wemmer  Allianz SE, Königinstr. 28, 80802 Munich, Germany	Member	2018	Member of the Board of Directors of UBS Group AG; CFO at Allianz SE; Administrative Board member of Allianz Asset Management AG and Allianz Investment Management SE, both Allianz Group mandates; member of the CFO Forum; member of the Systemic Risk Working Group of the European Central Bank and the Bank for International Settlements; Chairman of the Economic & Finance Committee of Insurance Europe; member of the Berlin Center of Corporate Governance.

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**In the section headed “5. Administrative, Management and Supervisory Bodies of UBS AG” in the subsection entitled “Audit Committee” the fourth paragraph is completely replaced as follows:**

“Together with the external auditors and Internal Audit, the AC in particular reviews the annual financial statements of UBS AG and, where applicable, the quarterly financial statements as well as the consolidated annual and quarterly financial statements and consolidated annual report of UBS AG, as proposed by management, in order to recommend their approval to the BoD or propose any adjustments the AC considers appropriate.”

**In the section headed “5. Administrative, Management and Supervisory Bodies of UBS AG” in the subsection entitled “Members of the Executive Board” the table rows relating to Sergio P. Ermotti, Markus U. Diethelm and Ulrich Körner are completely replaced as follows:**

“

Sergio P. Ermotti	President of the Executive Board	Member of the Group Executive Board and Group Chief Executive Officer of UBS Group AG; Member of the Board of Directors of UBS Switzerland AG; Chairman of the Board of Directors of UBS Business Solutions AG; Chairman of the UBS Optimus Foundation board; Chairman of the Fondazione Ermotti, Lugano; Chairman and President of the board of the Swiss-American Chamber of
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UBS AG, Bahnhofstrasse 45, CH-8001 Zurich		Commerce; board member of the Fondazione Lugano per il Polo Culturale, Lugano; board member of the Global Apprenticeship Network; member of the Institut International D'Etudes Bancaires.
Markus U. Diethelm	General Counsel	Member of the Group Executive Board and Group General Counsel of UBS Group AG; board member of UBS Business Solutions AG; Chairman of the Swiss-American Chamber of Commerce's legal committee; Chairman of the Swiss Advisory Council of the American Swiss Foundation; member of the Foundation Council of the UBS International Center of Economics in Society; Foundation Board member of the International Red Cross and Red Crescent Museum; member of the Professional Ethics Commission of the Association of Swiss Corporate Lawyers.
UBS AG, Bahnhofstrasse 45, CH-8001 Zurich		
Ulrich Körner	President Asset Management and President UBS Europe, Middle East and Africa	Member of the Group Executive Board and President Asset Management and President UBS Europe, Middle East and Africa of UBS Group AG; member of the Supervisory Board of UBS Europe SE; Chairman of the Foundation Board of the UBS Pension Fund; Chairman of the Widder Hotel, Zurich; Vice President of the board of Lyceum Alpinum Zuoz; member of the Financial Service Chapter Board of the Swiss-American Chamber of Commerce; Advisory Board member of the Department of Banking and Finance at the University of Zurich; member of the business advisory council of the Laureus Foundation Switzerland.
UBS AG, Bahnhofstrasse 45, CH-8001 Zurich		

“

**In the section headed “5. Administrative, Management and Supervisory Bodies of UBS AG” the subsection entitled “Potential Conflicts of Interest” is completely replaced as follows:**

**“Potential Conflicts of Interest**

Members of the BoD and the EB may act as directors or executive officers of other companies (for current principal positions outside UBS AG, if any, of BoD and EB members, please see sections *Members of the Board of Directors* and *Members of the Executive Board* above, respectively) and may have economic or other private interests that differ from those of UBS AG. Conflicts of interest may potentially arise from these positions or interests. For example, it cannot be excluded that a member of the BoD or EB has or will have a function within a company, the shares of which are or will be traded by UBS AG or which has or will have a business relationship with UBS AG. UBS AG is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including through disclosure when appropriate.”

**In the section entitled “7. Financial Information concerning the Issuer’s Assets and Liabilities, Financial Position and Profits and Losses” after the subsection headed “Auditing of Historical Annual Financial Information” another subsection is added as follows:**

**“Interim Financial Information**

Reference is also made to (i) the UBS Group First Quarter 2017 Report and the UBS AG First Quarter 2017 Report, which contain information on the financial condition and results of operations, including the interim consolidated financial statements, of UBS Group AG (consolidated) and UBS AG (consolidated), respectively, as of and for the period ended 31 March 2017. The interim consolidated financial statements are not audited.”

**The section entitled "8. Litigation, Regulatory and Similar Matters" is completely replaced as follows:**

**"8. Litigation, Regulatory and Similar Matters**

UBS operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS (which for purposes of this section may refer to UBS AG and / or one or more of its subsidiaries, as applicable) is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations.

Such matters are subject to many uncertainties and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. There are also situations where UBS may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which UBS believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. UBS makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that UBS has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Where these factors are otherwise satisfied, a provision may be established for claims that have not yet been asserted against UBS, but are nevertheless expected to be, based on UBS's experience with similar asserted claims. If any of those conditions is not met, such matters result in contingent liabilities. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to select matters could be significant.

Specific litigation, regulatory and other matters are described below, including all such matters that management considers to be material and others that management believes to be of significance due to potential financial, reputational and other effects. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

In the case of certain matters below, UBS states that it has established a provision, and for the other matters, it makes no such statement. When UBS makes this statement and it expects disclosure of the amount of a provision to prejudice seriously its position with other parties in the matter because it would reveal what UBS believes to be the probable and reliably estimable outflow, UBS does not disclose that amount. In some cases UBS is subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which UBS does not state whether it has established a provision, either (a) it has not established a provision, in which case the matter is treated as a contingent liability under the applicable accounting standard or (b) it has established a provision but expects disclosure of that fact to prejudice seriously its position with other parties in the matter because it would reveal the fact that UBS believes an outflow of resources to be probable and reliably estimable.

With respect to certain litigation, regulatory and similar matters for which UBS has established provisions, UBS is able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which it is able to estimate expected timing is immaterial relative to its current and expected levels of liquidity over the relevant time periods.

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in "Note 13a Provisions" to the UBS AG's interim consolidated financial statements included in UBS AG First Quarter 2017 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, that 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 it therefore cannot provide a numerical estimate of the future losses that could arise from litigation, regulatory and similar matters, UBS believes that the aggregate amount of possible future losses from this class that are more than remote substantially exceeds the level of current provisions. Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. For example, the Non-Prosecution Agreement (“NPA”) described in item 5 of this section, which UBS entered into with the US Department of Justice (“DOJ”), Criminal Division, Fraud Section in connection with its submissions of benchmark interest rates, including, among others, the British Bankers’ Association London Interbank Offered Rate (“LIBOR”), was terminated by the DOJ based on its determination that UBS had committed a US crime in relation to foreign exchange matters. As a consequence, UBS AG pleaded guilty to one count of wire fraud for conduct in the LIBOR matter, paid a USD 203 million fine and is subject to a three-year term of probation. A guilty plea to, or conviction of, a crime (including as a result of termination of the NPA) could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations and may permit financial market utilities to limit, suspend or terminate UBS’s participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

The risk of loss associated with litigation, regulatory and similar matters is a component of operational risk for purposes of determining UBS’s capital requirements. Information concerning its capital requirements and the calculation of operational risk for this purpose is included in the “Capital management” section of UBS Group First Quarter 2017 Report.

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

CHF million	Wealth Management	Wealth Management Americas	Personal & Corporate Banking	Asset Management	Investment Bank	CC – Services	CC – Group ALM	CC – Non-core and Legacy Portfolio	UBS
<b>Balance as of 31 December 2016</b>	292	425	78	5	616	259	0	1,585	3,261
Increase in provisions recognized in the income statement	5	38	0	0	0	0	0	1	<b>45</b>
Release of provisions recognized in the income statement	(2)	(5)	(1)	0	0	(4)	0	0	<b>(11)</b>
Provisions used in conformity with designated purpose	(53)	(68)	0	(1)	(206)	0	0	(13)	<b>(341)</b>
Foreign currency translation / unwind of discount	2	(7)	0	0	(7)	0	0	(24)	<b>(36)</b>
<b>Balance as of 31 March 2017</b>	<b>244</b>	<b>385</b>	<b>77</b>	<b>4</b>	<b>404</b>	<b>255</b>	<b>0</b>	<b>1,550</b>	<b>2,918</b>

<sup>1</sup> Provisions, if any, for the matters described in this section are recorded in Wealth Management (item 3), Wealth Management Americas (item 4), the Investment Bank (item 8), CC – Services (item 7) and CC – Non-core and Legacy Portfolio (item 2). Provisions, if any, for the matters described in this section in items 1 and 6 are allocated between Wealth Management and Personal & Corporate Banking, and provisions, if any, for the matters described in this section in item 5 are allocated between the Investment Bank, CC – Services and CC – Non-core and Legacy Portfolio.

1. Inquiries regarding cross-border wealth management businesses

Tax and regulatory authorities in a number of countries have made inquiries, served requests for information or examined employees located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. It is possible that implementation of automatic tax information exchange and other measures relating to cross-border provision of financial services could give rise to further inquiries in the future. UBS has received disclosure orders from the Swiss Federal Tax Administration (“FTA”) to transfer information based on requests for international administrative assistance in tax matters. The requests concern a number of UBS account numbers pertaining to current and former clients and are based on data from 2006 and 2008. UBS has taken steps to inform affected clients about the administrative assistance proceedings and their procedural rights, including the right to appeal. The requests are based on data received from the German authorities, who seized certain data related to UBS clients booked in

Switzerland during their investigations and have apparently shared this data with other European countries. UBS expects additional countries to file similar requests. In addition, the Swiss Federal Supreme Court ruled in 2016 that the double taxation agreement between the Netherlands and Switzerland provides a sufficient legal basis for an administrative assistance group request without specifying the names of the targeted taxpayers, which makes it more likely that similar requests for administrative assistance will be granted by the FTA.

The Swiss Federal Administrative Court ruled in 2016 that in the administrative assistance proceedings related to a French bulk request, UBS has the right to appeal all final FTA client data disclosure orders.

Since 2013, UBS (France) S.A. and UBS AG and certain former employees have been under investigation in France for alleged complicity in having illicitly solicited clients on French territory and regarding the laundering of proceeds of tax fraud and of banking and financial solicitation by unauthorized persons. In connection with this investigation, the investigating judges ordered UBS AG to provide bail ("*caution*") of EUR 1.1 billion and UBS (France) S.A. to post bail of EUR 40 million, which was reduced on appeal to EUR 10 million.

In February 2016, the investigating judges notified UBS AG and UBS (France) S.A. that they have closed their investigation. In July 2016, UBS AG and UBS (France) S.A. received the National Financial Prosecutor's recommendation ("*réquisitoire*"). In March 2017, the investigating judges issued the trial order ("*ordonnance de renvoi*") that charges UBS AG and UBS (France) S.A., as well as various former employees, with illicit solicitation of clients on French territory and with participation in the laundering of the proceeds of tax fraud, and which transfers the case to court.

UBS has been notified by the Belgian investigating judge that it is under formal investigation ("*inculpé*") regarding the laundering of proceeds of tax fraud and of banking, financial solicitation by unauthorized persons and serious tax fraud.

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

UBS has, and reportedly numerous other financial institutions have, received inquiries from authorities concerning accounts relating to the Fédération Internationale de Football Association ("**FIFA**") and other constituent soccer associations and related persons and entities. UBS is cooperating with authorities in these inquiries.

UBS's balance sheet at 31 March 2017 reflected provisions with respect to matters described in this item 1 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

## 2. Claims related to sales of residential mortgage-backed securities and mortgages

From 2002 through 2007, prior to the crisis in the US residential loan market, UBS was a substantial issuer and underwriter of US residential mortgage-backed securities ("**RMBS**") and was a purchaser and seller of US residential mortgages. A subsidiary of UBS, UBS Real Estate Securities Inc. ("**UBS RESI**"), acquired pools of residential mortgage loans from originators and (through an affiliate) deposited them into securitization trusts. In this manner, from 2004 through 2007, UBS RESI sponsored approximately USD 80 billion in RMBS, based on the original principal balances of the securities issued.

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

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

*RMBS-related lawsuits concerning disclosures:* UBS is named as a defendant relating to its role as underwriter and issuer of RMBS in lawsuits related to approximately USD 1.3 billion in original face amount of RMBS underwritten or issued by UBS. Of the USD 1.3 billion in original face amount of RMBS that remains at issue in these cases, approximately USD 506 million 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 807 million of RMBS to which these cases relate was issued by third parties in securitizations in which UBS acted as underwriter ("**third-party RMBS**").

UBS is a defendant in a lawsuit brought by the National Credit Union Administration ("**NCUA**") as conservator for certain failed credit unions, asserting misstatements and omissions in the offering documents for RMBS purchased by the credit unions. The lawsuit was filed in the US District Court for the District of Kansas. The original principal balance at issue in the case is approximately USD 1.15 billion. In April 2017, UBS and the NCUA settled this matter. In the second quarter of 2016, UBS resolved a similar case brought by the NCUA in the US District Court for the Southern District of New York ("**SDNY**") relating to RMBS with an original principal balance of approximately USD 400 million, for a total of approximately USD 69.8 million, in addition to reasonable attorneys' fees incurred by the NCUA.

UBS has indemnification rights against surviving third-party issuers or originators for losses or liabilities incurred by UBS in connection with this and other matters. UBS cannot predict the extent to which it will succeed in enforcing those rights.

*Lawsuits related to contractual representations and warranties concerning 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 the representations 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 aggregating approximately USD 4.1 billion in original principal balance. Of this amount, UBS considers claims relating to approximately USD 2 billion in original principal balance to be resolved, including claims barred by the statute of limitations. Substantially all of the remaining claims are in litigation, including the matters described in the next paragraph. UBS believes that new demands to repurchase US residential mortgage loans are time-barred under a decision rendered by the New York Court of Appeals.

In 2012, certain RMBS trusts filed an action ("**Trustee Suit**") in the SDNY seeking to enforce UBS RESI's obligation to repurchase loans in the collateral pools for three RMBS securitizations with an original principal balance of approximately USD 2 billion, for which Assured Guaranty Municipal Corp., a financial guaranty insurance company, had previously demanded repurchase. Approximately 9,000 loans were at issue in a bench trial in the SDNY in 2016, following which the court issued an order ruling on numerous legal and factual issues and applying those rulings to 20 exemplar loans. The court further ordered that a lead master be appointed to apply the court's rulings to the loans that remain at issue following the trial. 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.

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.

*Mortgage-related regulatory matters:* In 2014, UBS received a subpoena from the US Attorney's Office for the Eastern District of New York issued pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("**FIRREA**"), which seeks

documents and information related to UBS's RMBS business from 2005 through 2007. In 2015, the Eastern District of New York identified a number of transactions that are the focus of their inquiry, and has subsequently provided a revised list of transactions. UBS has provided and continues to provide information. UBS continues to respond to the FIRREA subpoena and to subpoenas from the New York State Attorney General and other state attorneys general relating to its RMBS business. In addition, UBS has also been responding to inquiries from both the Special Inspector General for the Troubled Asset Relief Program ("**SIGTARP**") (who is working in conjunction with the US Attorney's Office for Connecticut and the DOJ) and the SEC relating to trading practices in connection with purchases and sales of mortgage-backed securities in the secondary market from 2009 through 2014. UBS is cooperating with the authorities in these matters.

UBS's balance sheet at 31 March 2017 reflected a provision with respect to 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. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC ("**BMIS**") investment fraud, UBS AG, UBS (Luxembourg) S.A. (now UBS Europe SE, Luxembourg branch) 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 Europe SE, Luxembourg branch, 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 trustee for the liquidation of BMIS ("**BMIS Trustee**"). These amounts claimed by the liquidator are approximately EUR 564 million and EUR 370 million, respectively.

In addition, a large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff scheme. The majority of these cases are pending in Luxembourg, where appeals were filed by the claimants against the 2010 decisions of the court in which the claims in a number of test cases were held to be inadmissible. The Luxembourg Court of Appeal has found in favor of UBS and dismissed all of these test case appeals, confirming that the claims are inadmissible. The Luxembourg Supreme Court has also dismissed a further appeal brought by the claimant in one of the test cases.

In the US, the BMIS Trustee filed claims in 2010 against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2 billion. Following a motion by UBS, in 2011, the SDNY dismissed all of the BMIS Trustee's claims other than claims for recovery of fraudulent conveyances and preference payments that were allegedly transferred to UBS on the ground that the BMIS Trustee lacks standing to bring such claims.

In 2013, the Second Circuit affirmed the District Court's decision and, in 2014, the US Supreme Court denied the BMIS Trustee's petition seeking review of the Second Circuit ruling. In 2016, the bankruptcy court issued an opinion dismissing the remaining claims for recovery of subsequent transfers of fraudulent conveyances and preference payments on the ground that the US Bankruptcy Code does not apply to transfers that occurred outside the US, and judgment was entered in March 2017. The BMIS Trustee has appealed that ruling. In 2014, several claims, including a purported class action, were filed in the US by BMIS customers against UBS entities, asserting claims similar to the ones made by the BMIS Trustee, seeking unspecified damages. One claim was voluntarily withdrawn by the plaintiff. In 2015, following a motion by UBS, the SDNY dismissed the two remaining claims on the basis that the New York courts did not have jurisdiction to hear the claims against the UBS entities. The plaintiff in one of those claims has appealed the dismissal.

In Germany, certain clients of UBS are exposed to Madoff-managed positions through third-party funds and funds administered by UBS entities in Germany. A small number of claims have been filed with respect to such funds. In 2015, a court of appeal ordered UBS to pay EUR 49 million, plus interest of approximately EUR 15.3 million.

#### 4. Puerto Rico

Declines since August 2013 in the market prices of Puerto Rico municipal bonds and of closed-end funds ("**the funds**") that are sole-managed and co-managed by UBS Trust Company of Puerto Rico and distributed by UBS Financial Services Incorporated of Puerto Rico ("**UBS PR**") have led to multiple regulatory inquiries, as well as customer complaints and arbitrations with aggregate claimed damages of approximately USD 2 billion, of which claims with aggregate claimed damages of approximately USD 990 million have been resolved through settlements, arbitration or withdrawal of the claim. The claims are filed by clients in Puerto Rico who own the funds or Puerto Rico municipal bonds and / or who used their UBS account assets as collateral for UBS non-purpose loans; customer complaint and arbitration allegations include fraud, misrepresentation and unsuitability of the funds and of the loans. A shareholder derivative action was filed in 2014 against various UBS entities and current and certain former directors of the funds, alleging hundreds of millions of US dollars in losses in the funds. In 2015, defendants' motion to dismiss was denied. Defendants' requests for permission to appeal that ruling were denied by the Puerto Rico Court of Appeals and the Puerto Rico Supreme Court. In 2014, a federal class action complaint also was filed against various UBS entities, certain members of UBS PR senior management and the co-manager of certain of the funds, seeking damages for investor losses in the funds during the period from May 2008 through May 2014. In 2016, defendants' motion to dismiss was granted in part and denied in part. In 2015, a class action was filed in Puerto Rico state court against UBS PR seeking equitable relief in the form of a stay of any effort by UBS PR to collect on non-purpose loans it acquired from UBS Bank USA in December 2013 based on plaintiffs' allegation that the loans are not valid. The trial court denied defendants' motion to dismiss the action based on a forum selection clause in the loan agreements; the Puerto Rico Supreme Court has stayed the action pending its review of defendants' appeal from that ruling.

In 2014, UBS reached a settlement with the Office of the Commissioner of Financial Institutions for the Commonwealth of Puerto Rico ("**OCFI**") in connection with OCFI's examination of UBS's operations from January 2006 through September 2013, pursuant to which UBS is paying up to an aggregate of USD 7.7 million in investor education contributions and restitution.

In 2015, the SEC and the Financial Industry Regulatory Authority ("**FINRA**") announced settlements with UBS PR of their separate investigations stemming from the 2013 market events. Without admitting or denying the findings in either matter, UBS PR agreed in the SEC settlement to pay USD 15 million and USD 18.5 million in the FINRA matter. UBS also understands that the DOJ is conducting a criminal inquiry into the impermissible reinvestment of non-purpose loan proceeds. UBS is cooperating with the authorities in this inquiry.

In 2011, a purported derivative action was filed on behalf of the Employee Retirement System of the Commonwealth of Puerto Rico ("**System**") against over 40 defendants,

including UBS PR, which was named in connection with its underwriting and consulting services. Plaintiffs alleged that defendants violated their purported fiduciary duties and contractual obligations in connection with the issuance and underwriting of approximately USD 3 billion of bonds by the System in 2008 and sought damages of over USD 800 million. In December 2016, the court granted the System's request to join the action as a plaintiff, but ordered that plaintiffs must file an amended complaint. In March 2017, the court denied defendants' motion to dismiss the amended complaint.

Also, in 2013, an SEC Administrative Law Judge dismissed a case brought by the SEC against two UBS executives, finding no violations. The charges had stemmed from the SEC's investigation of UBS's sale of closed-end funds in 2008 and 2009, which UBS settled in 2012. Beginning in 2012, two federal class action complaints, which were subsequently consolidated, were filed against various UBS entities, certain of the funds and certain members of UBS PR senior management, seeking damages for investor losses in the funds during the period from January 2008 through May 2012 based on allegations similar to those in the SEC action. In 2016, the court denied plaintiffs' motion for class certification. In March 2017, the US Court of Appeals for the First Circuit denied plaintiffs' petition seeking permission to bring an interlocutory appeal challenging the denial of their motion for class certification.

Beginning in 2015, agencies and public corporations of the Commonwealth of Puerto Rico (Commonwealth) have defaulted on certain interest payments, and in 2016, the Commonwealth defaulted on payments on its general obligation debt. Executive orders of the Governor that have diverted funds to pay for essential services instead of debt payments and stayed any action to enforce creditors' rights on the Puerto Rico bonds continue to be in effect. In 2016, US federal legislation created an oversight board with power to oversee Puerto Rico's finances and to restructure its debt. The oversight board is authorized to impose, and has imposed, a stay on exercise of creditors' rights. These events, further defaults, any further legislative action to create a legal means of restructuring Commonwealth obligations or to impose additional oversight on the Commonwealth's finances, or any restructuring of the Commonwealth's obligations may increase the number of claims against UBS concerning Puerto Rico securities, as well as potential damages sought. UBS's balance sheet at 31 March 2017 reflected provisions with respect to matters described in this item 4 in amounts that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provisions that UBS has recognized.

#### 5. Foreign exchange, LIBOR, and benchmark rates, and other trading practices

*Foreign exchange-related regulatory matters:* Following an initial media report in 2013 of widespread irregularities in the foreign exchange markets, UBS immediately commenced an internal review of its foreign exchange business, which includes its precious metals and related structured products businesses. Since then, various authorities have commenced investigations concerning possible manipulation of foreign exchange markets, including FINMA, the Swiss Competition Commission ("**WEKO**"), the DOJ, the SEC, the US Commodity Futures Trading Commission ("**CFTC**"), the Board of Governors of the Federal Reserve System ("**Federal Reserve Board**"), the California State Attorney General, the UK Financial Conduct Authority ("**FCA**") (to which certain responsibilities of the UK Financial Services Authority ("**FSA**") have passed), the UK Serious Fraud Office ("**SFO**"), the Australian Securities and Investments Commission ("**ASIC**"), the Hong Kong Monetary Authority ("**HKMA**"), the Korea Fair Trade Commission ("**KFTC**") and the Brazil Competition Authority ("**CADE**"). In addition, WEKO is, and a number of other authorities reportedly are, investigating potential manipulation of precious metals prices.

In 2014, UBS reached settlements with the FCA and the CFTC in connection with their foreign exchange investigations, and FINMA issued an order concluding its formal proceedings with respect to UBS relating to its foreign exchange and precious metals businesses. In 2015, the Federal Reserve Board and the Connecticut Department of Banking issued an Order to Cease and Desist and Order of Assessment of a Civil Monetary Penalty Issued upon Consent ("**Federal Reserve Order**") to UBS AG.

In 2015, the DOJ's Criminal Division ("**Criminal Division**") terminated the December 2012 Non-Prosecution Agreement ("**NPA**") with UBS AG related to UBS's submissions of benchmark interest rates. As a result, UBS AG entered into a plea agreement with the Criminal Division pursuant to which UBS AG pleaded guilty to a one-count criminal information filed in the US District Court for the District of Connecticut charging UBS AG with one count of wire fraud in violation of 18 USC Sections 1343 and 2. Sentencing occurred in January 2017. Under the plea agreement, UBS AG has paid a USD 203 million fine and is subject to a three-year term of probation starting on the sentencing date. The criminal information charges that, between approximately 2001 and 2010, UBS AG engaged in a scheme to defraud counterparties to interest rate derivatives transactions by manipulating benchmark interest rates, including Yen LIBOR. The Criminal Division terminated the NPA based on its determination, in its sole discretion, that certain UBS AG employees committed criminal conduct that violated the NPA in certain foreign exchange market transactions.

UBS has ongoing obligations to cooperate with these authorities and to undertake certain remediation, including actions to improve UBS's processes and controls.

UBS has been granted conditional leniency or conditional immunity by the Antitrust Division of the DOJ ("**Antitrust Division**") from prosecution for EUR / USD collusion and entered into a non-prosecution agreement covering other currency pairs. As a result, UBS AG will not be subject to prosecutions, fines or other sanctions for antitrust law violations by the Antitrust Division, subject to UBS AG's continuing cooperation. However, the conditional leniency and conditional immunity grant does not bar government agencies from asserting other claims and imposing sanctions against UBS AG. UBS has also been granted conditional immunity by authorities in certain jurisdictions, including WEKO, in connection with potential competition law violations relating to foreign exchange and precious metals businesses and, as a result, will not be subject to prosecutions, fines or other sanctions for antitrust or competition law violations in those jurisdictions, subject to UBS AG's continuing cooperation as the leniency applicant.

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

*Foreign exchange-related civil litigation:* Putative class actions have been filed since November 2013 in US federal courts and in other jurisdictions against UBS and other banks on behalf of putative classes of persons who engaged in foreign currency transactions with any of the defendant banks. They allege collusion by the defendants and assert claims under the antitrust laws and for unjust enrichment. In 2015, additional putative class actions were filed in federal court in New York against UBS and other banks on behalf of a putative class of persons who entered into or held any foreign exchange futures contracts and options on foreign exchange futures contracts since 1 January 2003. The complaints assert claims under the Commodity Exchange Act ("**CEA**") and the US antitrust laws. In 2015, a consolidated complaint was filed on behalf of both putative classes of persons covered by the US federal court class actions described above. UBS has entered into a settlement agreement that would resolve all of these US federal court class actions. The agreement, which has been preliminarily approved by the court and is subject to final court approval, requires, among other things, that UBS pay an aggregate of USD 141 million and provide cooperation to the settlement classes.

A putative class action has been filed in federal court in New York against UBS and other banks on behalf of participants, beneficiaries, and named fiduciaries of plans qualified under the Employee Retirement Income Security Act of 1974 ("**ERISA**") for whom a defendant bank provided foreign currency exchange transactional services, exercised discretionary authority or discretionary control over management of such ERISA plan, or authorized or permitted the execution of any foreign currency exchange transactional services involving such plan's assets. The complaint asserts claims under ERISA. The parties filed a stipulation to dismiss the case with prejudice. The plaintiffs have appealed the dismissal.

In 2015, a putative class action was filed in federal court against UBS and numerous other banks on behalf of a putative class of persons and businesses in the US who directly

purchased foreign currency from the defendants and their co-conspirators for their own end use. That action has been transferred to federal court in New York. In March 2017, the court granted UBS's (and the other banks') motions to dismiss the complaint.

In 2016, a putative class action was filed in federal court in New York against UBS and numerous other banks on behalf of a putative class of persons and entities who had indirectly purchased FX instruments from a defendant or co-conspirator in the US. The complaint asserts claims under federal and state antitrust laws. In response to defendants' motion to dismiss, plaintiffs have sought to amend their complaint.

In 2015, UBS was added to putative class actions pending against other banks in federal court in New York and other jurisdictions on behalf of putative classes of persons who had bought or sold physical precious metals and various precious metal products and derivatives. The complaints in these lawsuits assert claims under the antitrust laws and the CEA, and other claims. In October 2016, the court in New York granted UBS's motions to dismiss the putative class actions relating to gold and silver. Plaintiffs in those cases are seeking to amend their complaints to add new allegations about UBS. In March 2017, the court in New York granted UBS's motion to dismiss the platinum and palladium action.

*LIBOR and other benchmark-related regulatory matters:* Numerous government agencies, including the SEC, the CFTC, the DOJ, the FCA, the SFO, the Monetary Authority of Singapore ("**MAS**"), the HKMA, FINMA, the various state attorneys general in the US and competition authorities in various jurisdictions have conducted or are continuing to conduct investigations regarding submissions with respect to LIBOR and other benchmark rates. 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 in connection with these resolutions. UBS Securities Japan Co. Ltd. ("**UBSSJ**") entered into a plea agreement with the DOJ under which it entered a plea to one count of wire fraud relating to the manipulation of certain benchmark interest rates, including Yen LIBOR. UBS entered into an NPA with the DOJ, which (along with the plea agreement) covered conduct beyond the scope of the conditional leniency / immunity grants described below. Under the NPA, UBS agreed, among other things, that for two years from 18 December 2012 it would not commit any US crime and would advise the DOJ of any potentially criminal conduct by UBS or any of its employees relating to violations of US laws concerning fraud or securities and commodities markets. The term of the NPA was extended by one year to 18 December 2015. In 2015, the Criminal Division terminated the NPA based on its determination, in its sole discretion, that certain UBS AG employees committed criminal conduct that violated the NPA.

In 2014, UBS reached a settlement with the European Commission ("**EC**") regarding its investigation of bid-ask spreads in connection with Swiss franc interest rate derivatives and paid a EUR 12.7 million fine, which was reduced to this level based in part on UBS's cooperation with the EC. In 2016, UBS reached a settlement with WEKO regarding its investigation of bid-ask spreads in connection with Swiss franc interest rate derivatives and received full immunity from fines. The MAS, HKMA and the Japan Financial Services Agency have also resolved investigations of UBS (and in some cases, other banks). UBS has ongoing obligations to cooperate with the authorities with whom UBS has reached resolutions and to undertake certain remediation with respect to benchmark interest rate submissions.

Investigations by the CFTC, ASIC and other governmental 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 WEKO, in connection with potential antitrust or competition law violations related to submissions for Yen LIBOR and Euroyen TIBOR. 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 UBS has conditional immunity in connection with the matters covered by the conditional grants, subject to UBS's continuing cooperation as leniency applicant. However, since the Secretariat of WEKO has asserted that UBS does not qualify for full immunity, UBS has been unable to reach a settlement with WEKO, and therefore the investigation will continue. Furthermore, the conditional leniency and conditional immunity grants UBS has received do not bar government agencies from asserting other claims and imposing sanctions against it. In addition, as a result of the conditional leniency agreement with the DOJ, UBS is eligible for a limit on liability to actual rather than treble damages were damages to be awarded in any civil antitrust action under US law based on conduct covered by the agreement and for relief from potential joint and several liability in connection with such civil antitrust action, subject to UBS satisfying the DOJ and the court presiding over the civil litigation of its cooperation. The conditional leniency and conditional immunity grants do not otherwise affect the ability of private parties to assert civil claims against UBS.

*LIBOR and other benchmark-related civil litigation:* A number of putative class actions and other actions are pending in the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending in the US and in other jurisdictions are actions asserting losses related to various products whose interest rates were linked to LIBOR and other benchmarks, 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 USD LIBOR, Euroyen TIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, GBP LIBOR, USD ISDAFIX rates and other benchmark rates, and seek unspecified compensatory and other damages under varying legal theories.

In 2013, the US district court in the USD LIBOR action dismissed the federal antitrust and racketeering claims of certain USD LIBOR plaintiffs and a portion of their claims brought under the CEA and state common law. Certain plaintiffs appealed the decision to the Second Circuit, which, in 2016, vacated the district court's ruling finding no antitrust injury and remanded the case back to the district court for a further determination on whether plaintiffs have antitrust standing. In 2016, the district court again dismissed plaintiffs' antitrust claims, this time for lack of personal jurisdiction over UBS and other foreign banks. In 2014, the court in one of the Euroyen TIBOR lawsuits dismissed certain of the plaintiff's claims, including federal antitrust claims. In 2015, the same court dismissed plaintiff's federal racketeering claims and affirmed its previous dismissal of plaintiff's antitrust claims. In 2017, the court also dismissed the other Yen LIBOR / Euroyen TIBOR action in its entirety on standing grounds. Also in 2017, the court in the EURIBOR lawsuit dismissed the case as to UBS and certain other foreign defendants for lack of personal jurisdiction. UBS and other defendants in other lawsuits including those related to CHF LIBOR, GBP LIBOR and USD and SGD SIBOR and Australian BBSW have filed motions to dismiss. In 2016, UBS entered into an agreement with representatives of a class of bondholders to settle their USD LIBOR class action. The agreement is subject to court approval.

Since September 2014, putative class actions have been filed in federal court in New York and New Jersey against UBS and other financial institutions, among others, on behalf of parties who entered into interest rate derivative transactions linked to ISDAFIX. The complaints, which have since been consolidated into an amended complaint, allege that the defendants conspired to manipulate ISDAFIX rates from 1 January 2006 through June 2013, in violation of US antitrust laws and certain state laws, and seek unspecified compensatory damages, including treble damages. In 2016, the court in the ISDAFIX action denied in substantial part defendants' motion to dismiss, holding that plaintiffs have stated Sherman Act, breach-of-contract and unjust-enrichment claims against defendants, including UBS AG.

*Government bonds:* Putative class actions have been filed in US federal courts against UBS and other banks on behalf of persons who participated in markets for US Treasury securities since 2007. The complaints generally allege that the banks colluded with respect to, and manipulated prices of, US Treasury securities sold at auction. They assert claims under the antitrust laws and the CEA and for unjust enrichment. The cases have been consolidated in the SDNY. Following filing of these complaints, UBS and reportedly other banks are responding to investigations and requests for information from various authorities regarding

US Treasury securities and other government bond trading practices. As a result of its review to date, UBS has taken appropriate action.

With respect to additional matters and jurisdictions not encompassed by the settlements and order referred to above, UBS's balance sheet at 31 March 2017 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

#### 6. Swiss retrocessions

The Federal Supreme Court of Switzerland ruled in 2012, in a test case against UBS, that distribution fees paid to a firm 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 firm, absent a valid waiver.

FINMA has issued a supervisory note to all Swiss banks in response to the Supreme Court decision. UBS has met the FINMA requirements and has notified all potentially affected clients.

The Supreme Court decision has resulted, and may continue to result, in a number of client requests for UBS to disclose and potentially surrender retrocessions. Client requests are assessed on a case-by-case basis. Considerations taken into account when assessing these cases include, among others, the existence of a discretionary mandate and whether or not the client documentation contained a valid waiver with respect to distribution fees.

UBS's balance sheet at 31 March 2017 reflected a provision with respect to matters described in this item 6 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.

#### 7. 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 2.7 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 challenged in administrative and judicial proceedings. The majority of these assessments relate to the deductibility of goodwill amortization in connection with UBS's 2006 acquisition of Pactual and payments made to Pactual employees through various profit-sharing plans. In 2015, an intermediate administrative court issued a decision that was largely in favour of the tax authority with respect to the goodwill amortization assessment. In 2016, the highest level of the administrative court agreed to review this decision on a number of the significant issues.

#### 8. Investigation of UBS's role in initial public offerings in Hong Kong

The Hong Kong Securities and Futures Commission ("**SFC**") has been conducting investigations into UBS's role as a sponsor of certain initial public offerings listed on the Hong Kong Stock Exchange. In 2016, the SFC informed UBS that it intends to commence action against UBS and certain UBS employees with respect to sponsorship work in those offerings, which could result in financial ramifications for UBS, including fines and obligations to pay investor compensation, and suspension of UBS's ability to provide corporate finance advisory services in Hong Kong for a period of time. In January 2017, a writ was filed by the SFC with Hong Kong's High Court in which UBS is named as one of six

defendants from whom the SFC is seeking compensation in an unspecified amount for losses incurred by certain shareholders of China Forestry Holdings Company Limited, for whom UBS acted as a sponsor in connection with their 2009 listing application.

The specific litigation, regulatory and other matters described above under items (1) to (8) include all such matters that management considers to be material and others that management believes to be of significance due to potential financial, reputational and other effects as described in "Note 13 Provisions and contingent liabilities" to the UBS AG interim consolidated financial statements included in the UBS AG First Quarter 2017 Report. The proceedings indicated below are matters that have recently been considered material, but are not currently considered material, by UBS. Besides the proceedings described above and those described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which UBS AG is aware) which may have, or have had in the recent past, significant effects on UBS AG Group's and/or UBS AG's financial position or profitability and are or have been pending during the last twelve months until the date of this document.

*Matters relating to the CDS market.*

In 2013, the EC issued a Statement of Objections against 13 credit default swap ("CDS") dealers including UBS, as well as data service provider Markit and the International Swaps and Derivatives Association ("ISDA"). The Statement of Objections broadly alleges that the dealers infringed European Union antitrust rules by colluding to prevent exchanges from entering the credit derivatives market between 2006 and 2009. In 2015, the EC issued a statement that it had decided to close its investigation against all 13 dealers, including UBS. In July 2016, the EC issued a statement that it had resolved its investigation regarding Markit and ISDA. Starting in 2009, the Antitrust Division of the DOJ investigated whether multiple dealers, including UBS, conspired with each other and with Markit to restrain competition in the markets for CDS trading, clearing and other services. In September 2016, DOJ advised that it had closed its investigation. In 2014, putative class action plaintiffs filed consolidated amended complaints in the SDNY against 12 dealers, including UBS, as well as Markit and ISDA, alleging violations of the US Sherman Antitrust Act and common law. Plaintiffs allege that the defendants unlawfully conspired to restrain competition in and / or monopolize the market for CDS trading in the US in order to protect the dealers' profits from trading CDS in the over-the-counter market. In 2015, UBS and the other defendants entered into settlement agreements to resolve the litigation, pursuant to which UBS has paid USD 75 million out of a total settlement amount paid by all defendants of approximately USD 1.865 billion. The agreements have received final court approval."

**In the section entitled "9. Significant Changes in the Financial or Trading Position; Material Adverse Change in Prospects" the first paragraph is completely replaced as follows:**

"There has been no significant change in the financial or trading position of UBS AG or UBS AG Group since 31 March 2017, which is the end of the last financial period for which interim financial information has been published."

**In the section entitled "11. Statutory Auditors" the first paragraph is completely replaced as follows:**

"Based on article 31 of the Articles of Association, UBS AG shareholders elect the auditors for a term of office of one year. At the AGM of 7 May 2015, 4 May 2016 and 2 March 2017, Ernst & Young Ltd., Aeschengraben 9, CH-4002 Basel ("**Ernst & Young**") were elected as auditors for the consolidated and standalone financial statements of UBS AG for a one-year term."

**In the section entitled "M. GENERAL INFORMATION" the subsection entitled "6. Availability of the Base Prospectus and other documents" is completely replaced as follows:**

**"6. Availability of the Base Prospectus and other documents**

So long as any of the Securities are outstanding copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the registered offices of the Issuer:

- (a) the Articles of Association of UBS AG;
- (b) the annual report of UBS Group AG and UBS AG as of 31 December 2016, comprising the introductory section, as well as the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Financial statements (including the "Statutory auditor's report on the audit of the consolidated financial statements" and the "Report of Independent Registered Public Accounting Firm"), (6) Additional regulatory information, and the Appendix;
- (c) the UBS AG standalone financial statements and regulatory information for the year ended 31 December 2016 (including the "Report of the statutory auditor on the financial statements");
- (d) the the annual report of UBS Group AG and UBS AG as of 31 December 2015, comprising the introductory section, as well as the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Consolidated financial statements (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements"), (6) Legal entity financial and regulatory information (including the "Report of the statutory auditor on the financial statements"), (7) Additional regulatory information, and the Appendix;
- (e) the quarterly result materials of UBS AG and UBS Group AG; and
- (f) the Base Prospectus, as supplemented from time to time.

Copies of the above documents shall, as long as any of the Securities are outstanding, also be maintained in printed format, for free distribution, at the registered offices of the Issuer. In addition, any annual reports and quarterly result materials of UBS AG and UBS Group AG are published on the UBS website, at ([www.ubs.com/investors](http://www.ubs.com/investors)) or a successor address.

**In the section entitled "M. GENERAL INFORMATION" in the subsection entitled "7. Documents incorporated by Reference" a new paragraph (d) is inserted and the numbering of the successive paragraphs is adjusted accordingly. Consequently, the section 7. reads as follows:**

**"7. Documents incorporated by Reference**

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

- (a) The annual report of UBS Group AG and UBS AG as of 31 December 2016, comprising the introductory section, as well as the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5)

Financial statements (including the "Statutory auditor's report on the audit of the consolidated financial statements" and the "Report of Independent Registered Public Accounting Firm"), (6) Additional regulatory information, and the Appendix (published on the UBS website, at [https://www.ubs.com/global/en/about\\_ubs/investor\\_relations/annualreporting/2016.html](https://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting/2016.html));

- (b) The UBS AG standalone financial statements and regulatory information for the year ended 31 December 2016 (including the "Report of the statutory auditor on the financial statements") (published on the UBS website, at [https://www.ubs.com/global/en/about\\_ubs/investor\\_relations/annualreporting/2016.html](https://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting/2016.html));
- (c) the annual report of UBS Group AG and UBS AG as of 31 December 2015, comprising the introductory section, as well as the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Consolidated financial statements (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements"), (6) Legal entity financial and regulatory information (including the "Report of the statutory auditor on the financial statements"), (7) Additional regulatory information, and the Appendix (published on the UBS website, at [https://www.ubs.com/global/en/about\\_ubs/investor\\_relations/annualreporting/2015.html](https://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting/2015.html));
- (d) the UBS Group First Quarter 2017 Report and the UBS AG First Quarter 2017 Report (published on the UBS website, at [https://www.ubs.com/global/en/about\\_ubs/investor\\_relations/quarterly\\_reporting/2017.html](https://www.ubs.com/global/en/about_ubs/investor_relations/quarterly_reporting/2017.html));
- (e) the Conditions of the Securities as contained on pages 157 to 241 of the Base Prospectus dated 23 June 2014 of UBS AG as filed with SFSA (published on the UBS website, at <http://keyinvest-eu.ubs.com/base-prospectus>);
- (f) the Conditions of the Securities as contained on pages 212 to 318 of the Base Prospectus dated 17 April 2015 of UBS AG as filed with SFSA (published on the UBS website, at <http://keyinvest-eu.ubs.com/base-prospectus>); and
- (g) the Conditions of the Securities as contained on pages 192 to 289 of the Base Prospectus dated 8 January 2016 of UBS AG as filed with SFSA (published on the UBS website, at <http://keyinvest-eu.ubs.com/base-prospectus>).

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

- 2) In relation to the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 27 September 2016 in the section headed "A. Summary of the Base Prospectus (in the English language)" the following changes shall be made:

**In the section headed "Section B – Issuer":**

**Element B.4b is completely replaced as follows:**

<b>B.4b</b>	A description of any known trends affecting the issuer or the industries in which it operates.	<p><b>Trend Information</b></p> <p>As indicated in the UBS Group AG first quarter 2017 report published on 28 April 2017 ("<b>UBS Group First Quarter 2017 Report</b>"), improved investor sentiment and enhanced confidence have not yet fully translated into a sustained increase in client activity levels. While the global recovery is likely to continue, macroeconomic uncertainty, geopolitical tensions and divisive politics pose risks that may affect client sentiment and transaction volumes. Low and negative interest rates, particularly in Switzerland and the eurozone, continue to present headwinds to net interest margins. These may be partially offset by the effect of higher US dollar interest rates and a further normalization of monetary policy. Implementing Switzerland's new bank capital standards and the proposed further changes to the international regulatory framework for banks will result in increased capital requirements, interest and operating costs. UBS is well positioned to mitigate these challenges and benefit from further improvements in market conditions.</p>
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**Element B.5 is completely replaced as follows:**

<b>B.5</b>	Description of the group and the issuer's position within the group.	<p>UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100% owned by UBS Group AG, which is the holding company of the UBS Group. UBS operates as a group with five business divisions (Wealth Management, Wealth Management Americas, Personal &amp; Corporate Banking, Asset Management and the Investment Bank) and a Corporate Center.</p> <p>Since 2014, UBS has undertaken a series of measures to improve the resolvability of the Group in response to too big to fail requirements in Switzerland and other countries in which the Group operates.</p> <p>In December 2014, UBS Group AG completed an exchange offer for the shares of UBS AG and became the holding company of the UBS Group. During 2015, UBS Group AG completed a court procedure under the Swiss Stock Exchange and Securities Trading Act resulting in the cancellation of the shares of the remaining minority shareholders of UBS AG. As a result, UBS Group AG owns 100% of the outstanding shares of UBS AG.</p> <p>In June 2015, UBS AG transferred its Personal &amp; Corporate Banking and Wealth Management businesses booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. Also in 2015, UBS implemented a more self-sufficient business and operating model for UBS Limited, UBS's investment banking subsidiary in the UK, and established UBS Business Solutions AG as a direct subsidiary of UBS Group AG to act as the Group service company. The purpose of the service company structure is to improve the resolvability of the Group by enabling UBS to maintain operational continuity of critical services should a recovery or resolution event occur.</p> <p>In the second half of 2015, UBS transferred the ownership of the majority of</p>
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		<p>its existing service subsidiaries outside the US to UBS Business Solutions AG. As of 1 January 2017, UBS completed the transfer of the shared service employees in the US to the US service company, UBS Business Solutions US LLC, a subsidiary of UBS AG. In the second quarter of 2017, UBS has begun the transfer of shared services functions in Switzerland and the UK from UBS AG to UBS Business Solutions AG. Following the transfer, UBS Business Solutions AG will charge other legal entities within the Group for services provided, including a markup on costs incurred. The transfer is not expected to materially affect the UBS Group AG consolidated financial statements. However, it is expected to decrease UBS AG consolidated and standalone operating profit before tax. The transfer is not expected to have a significant effect on RWA and the LRD of UBS Group AG consolidated, UBS AG consolidated and UBS AG standalone.</p> <p>As of 1 July 2016, UBS Americas Holding LLC was designated as intermediate holding company for UBS's US subsidiaries as required under the enhanced prudential standards regulations pursuant to the Dodd-Frank Act. UBS Americas Holding LLC holds all of UBS's US subsidiaries and is subject to US capital requirements, governance requirements and other prudential regulation.</p> <p>In addition, UBS transferred the majority of the operating subsidiaries of Asset Management to UBS Asset Management AG during 2016. Furthermore, UBS merged its Wealth Management subsidiaries in Italy, Luxembourg (including its branches in Austria, Denmark and Sweden), the Netherlands and Spain into UBS Deutschland AG, which was renamed to UBS Europe SE, to establish UBS's new European legal entity which is headquartered in Frankfurt, Germany.</p> <p>UBS continues to consider further changes to the Group's legal structure in response to regulatory requirements and other external developments, including the anticipated exit of the United Kingdom from the European Union. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, further consolidation of operating subsidiaries in the EU and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with the Swiss Financial Market Supervisory Authority FINMA ("<b>FINMA</b>") and other regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.</p>
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**Element B.12 is completely replaced as follows:**

<b>B.12</b>	Selected historical key financial information.	<p>UBS AG derived the selected consolidated financial information included in the table below for the years ended 31 December 2016, 2015 and 2014, except where indicated, from the Annual Report 2016, which contains the audited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the year ended 31 December 2016 and comparative figures for the years ended 31 December 2015 and 2014. The selected consolidated financial information included in the table below for the quarters ended 31 March 2017 and 31 March 2016 was derived from the UBS AG first quarter 2017 report, published on 3 May 2017 ("<b>UBS AG First Quarter 2017 Report</b>"), which contains UBS AG interim consolidated financial statements (unaudited), as well as additional unaudited consolidated financial information, for the quarter ended 31 March 2017 and comparative figures for the quarter ended 31 March 2016.</p> <p>The consolidated financial statements were prepared in accordance with</p>
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International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and are stated in Swiss francs ("CHF"). Information for the years ended 31 December 2016, 2015 and 2014 which is indicated as being unaudited in the table below was included in the Annual Report 2016, but has not been audited on the basis that the respective disclosures are not required under IFRS, and therefore are not part of the audited financial statements.

The Group and business divisions are managed on the basis of a key performance indicator framework, which identifies profit and growth financial measures, in the context of sound risk and capital management objectives. When determining variable compensation, both Group and business division key performance indicators are taken into account. UBS AG reviews the key performance indicators framework on a regular basis, considering the company's strategy and the market environment in which the company operates. Key performance indicators are disclosed in UBS AG's quarterly and annual reporting to allow comparison of the company's performance over the reporting periods. The company's key performance indicators are designed to be assessed on an over-the-cycle basis and are subject to seasonal patterns. Please refer to the footnotes to the table below for the definitions of the key performance indicators. In addition, the table "Key performance indicators – definitions and reason for use" below contains a description and the reason for the use of each key performance indicator, except those disclosed in accordance with applicable legislation.

CHF million, except where indicated	As of or for the quarter ended		As of or for the year ended		
	31.3.17	31.3.16	31.12.16	31.12.15	31.12.14
	unaudited		audited, except where indicated		
<b>Results</b>					
Operating income	7,560	6,855	28,421	30,605	28,026
Operating expenses	5,919	5,876	24,352	25,198	25,557
Operating profit / (loss) before tax	1,641	979	4,069	5,407	2,469
Net profit / (loss) attributable to shareholders	1,231	713	3,207	6,235	3,502
<b>Key performance indicators</b>					
<b>Profitability</b>					
Return on tangible equity (%) <sup>1</sup>	10.8	6.0	6.9*	13.5*	8.2*
Cost / income ratio (%) <sup>2</sup>	78.3	85.7	85.6*	82.0*	90.9*
<b>Growth</b>					
Net profit growth (%) <sup>3</sup>	72.7	(64.8)	(48.6)*	78.0*	10.4*
Net new money growth for combined wealth management businesses (%) <sup>4</sup>	3.9	5.9	2.1*	2.2*	2.5*
<b>Resources</b>					
Common equity tier 1 capital ratio (fully applied, %) <sup>5,6</sup>	14.9	14.9	14.5*	15.4*	14.2*
Going concern leverage ratio (fully applied, %) <sup>7,8</sup>	4.2	-	4.2*	-	-
<b>Additional information</b>					
<b>Profitability</b>					
Return on equity (RoE) (%) <sup>9</sup>	9.3	5.1	5.9*	11.7*	7.0*
Return on risk-weighted assets, gross (%) <sup>10</sup>	13.6	13.0	13.2*	14.3*	12.6*
Return on leverage ratio denominator, gross (%) <sup>11</sup>	3.4	3.0	3.2*	-	-
<b>Resources</b>					

Total assets	910,924	968,158	935,353	943,256	1,062,327
Equity attributable to shareholders	51,990	55,660	53,662	55,248	52,108
Common equity tier 1 capital (fully applied) <sup>6</sup>	33,137	32,118	32,447	32,042	30,805
Common equity tier 1 capital (phase-in) <sup>6</sup>	36,629	38,762	39,474	41,516	44,090
Risk-weighted assets (fully applied) <sup>6</sup>	222,207	214,973	223,232*	208,186*	217,158*
Common equity tier 1 capital ratio (phase-in, %) <sup>5, 6</sup>	16.4	17.8	17.5*	19.5*	19.9*
Going concern capital ratio (fully applied, %) <sup>8</sup>	16.6	-	16.3*	-	-
Going concern capital ratio (phase-in, %) <sup>8</sup>	21.2	-	22.6*	-	-
Going concern loss-absorbing capacity ratio (fully applied, %) <sup>8</sup>	15.4	-	13.3*	-	-
Leverage ratio denominator (fully applied) <sup>12</sup>	882,670	907,277	870,942*	898,251*	999,124*
Common equity tier 1 leverage ratio (fully applied, %) <sup>12</sup>	3.8	3.5	3.7*	3.6*	3.1*
Going concern leverage ratio (phase-in, %) <sup>7, 8</sup>	5.4	-	5.8*	-	-
Going concern leverage ratio (fully applied, %) <sup>8</sup>	3.9	-	3.4*	-	-
<b>Other</b>					
Invested assets (CHF billion) <sup>13</sup>	2,934	2,618	2,821	2,689	2,734
Personnel (full-time equivalents)	55,972	58,053	56,208*	58,131*	60,155*

\* unaudited

<sup>1</sup> Net profit attributable to shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to shareholders less average goodwill and intangible assets.

<sup>2</sup> Operating expenses / operating income before credit loss (expense) or recovery.

<sup>3</sup> Change in net profit attributable to shareholders from continuing operations between current and comparison periods / net profit attributable to 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>4</sup> Net new money growth for combined wealth management businesses is calculated as the aggregate of the net new money for the period (annualized as applicable) of the business divisions Wealth Management and Wealth Management Americas / aggregate invested assets at the beginning of the period of the business divisions Wealth Management and Wealth Management Americas. Net new money and invested assets are each derived from the "Wealth Management" and "Wealth Management Americas" sections of the management report contained in the UBS Group First Quarter 2017 Report, under "UBS business divisions and Corporate Center", and in the Annual Report 2016, under "Financial and operating performance". Net new money growth for combined wealth management businesses is based on adjusted net new money, which excludes the negative effect on net new money in 2015 of CHF 9.9 billion in Wealth Management from UBS's balance sheet and capital optimization program.

<sup>5</sup> Common equity tier 1 capital / risk-weighted assets.

<sup>6</sup> Based on the Basel III framework as applicable for Swiss systemically relevant banks.

<sup>7</sup> Total going concern capital / leverage ratio denominator.

<sup>8</sup> Based on the revised Swiss SRB framework that became effective on 1 July 2016. Figures for prior periods are not available.

<sup>9</sup> Net profit attributable to shareholders (annualized as applicable) / average equity attributable to shareholders.

<sup>10</sup> Based on fully applied risk-weighted assets. Figures as of 31 December 2015 and 31 December 2014 were derived from the UBS Group 2016 Form 20-F and do not correspond to the figures contained in the UBS Group 2015 Form 20-F, which were calculated based on phase-in risk-weighted assets.

<sup>11</sup> Based on the fully applied leverage ratio denominator. From 31 December 2015 onward, the leverage ratio denominator calculation is aligned with the Basel III rules. For periods prior to 31 December 2015 the leverage ratio denominator is calculated in accordance with former Swiss SRB rules. Therefore the figures for the periods ended on 31 December 2015 and 31 December 2014 are not presented as they are not available on a fully comparable basis.

<sup>12</sup> Calculated in accordance with Swiss SRB rules. From 31 December 2015 onward, the leverage ratio denominator calculation is aligned with the Basel III rules. Figures for periods prior to 31 December 2015 are calculated in accordance with former Swiss SRB rules and are therefore not fully comparable.

<sup>13</sup> Includes invested assets for Personal & Corporate Banking.

Key performance indicators – definitions and reason for use		
Key performance indicator	Definition	Reason for use
Return on tangible equity	Net profit attributable to shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) divided by average equity attributable to shareholders less average goodwill and intangible assets	This metric is used because it provides information on the profitability of the business in relation to tangible equity.

	Cost / income ratio	Operating expenses divided by operating income before credit loss (expense) or recovery	This metric is used to provide information on the efficiency of the business by comparing operating expenses with gross income.
	Net profit growth	Change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of comparison period	This profitability metric provides information on profit growth in comparison with prior period.
	Net new money growth for combined wealth management business	Net new money for combined wealth management businesses for the period (annualized as applicable) divided by Invested assets at the beginning of the period	This growth metric is used to provide information on the wealth management business growth by comparing net new money intakes during the reporting period with invested assets at the beginning of the period.
	Material adverse change statement.	There has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2016.	
	Significant changes statement.	There has been no significant change in the financial or trading position of UBS AG or UBS AG Group since 31 March 2017, which is the end of the last financial period for which interim financial information has been published.	

- 3) In relation to the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 27 September 2016 in the section headed "B. Summary of the Base Prospectus (in the Swedish language)" the following changes shall be made:

**In the section headed "Avsnitt B – Emittent":**

**Element B.4b is completely replaced as follows:**

<b>B.4b</b>	En beskrivning av varje känd trend som påverkar emittenten eller de branscher där emittenten är verksam.	<p><b>Information om trender</b></p> <p>Som angetts i UBS Group AG:s första kvartalsrapport publicerad den 28 april 2017 ("<b>UBS-koncernens rapport för första kvartalet 2017</b>"), har investerarnas förbättrade inställning och ökade förtroende inte helt översatts till en fortsatt ökning på alla kundaktivitetsnivåer. Även om den globala återhämtningen sannolikt kommer att fortsätta, utgör makroekonomisk osäkerhet, geopolitiska spänningar och splittrande politik risker som kan påverka kundaktivitet och transaktionsvolym. Låga och negativa räntor, speciellt i Schweiz och euroområdet, fortsätter att skapa motvind för nettorentemarginaler. Dessa kan delvis uppvägas av effekten av en högre ränta på USA-dollar och fortsatt normalisering av den penningpolitiken. Implementering av Schweiz nya bankkapitalstandarder och de föreslagna fortsatta ändringarna i internationella regelverk för banker leder till ökade kapitalkrav, ränte- och driftskostnader. UBS är väl positionerat för att anta dessa utmaningar och att dra fördel av fortsatta förbättringarna i marknadsförhållanden.</p>
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**Element B.5 is completely replaced as follows:**

<b>B.5</b>	Beskrivning av koncernen och emittentens plats inom koncernen.	<p>UBS AG är en schweizisk bank och moderbolaget till UBS AG-koncernen. Det ägs till 100 % av UBS Group AG, som är holdingbolaget för UBS-koncernen. UBS bedrivs som en koncern med fem affärsdivisioner (Wealth Management, Wealth Management Americas, Personal &amp; Corporate Banking, Asset Management och Investment Bank) samt ett Corporate Center.</p> <p>Sedan 2014 har UBS vidtagit en rad åtgärder för att förbättra Koncernens förmåga till avveckling för att möta kraven i Schweiz och andra länder där Koncernen är verksam, avseende företag som anses för stora för att tillåtas fallera.</p> <p>I december 2014 avslutade UBS Group AG ett utbyteserbjudande för aktierna i UBS AG och etablerade UBS Group AG som holdingbolag för UBS Group. Under 2015 genomförde UBS Group AG ett domstolsförfarande enligt lagen för den schweiziska börsen (the Swiss Stock Exchange and Securities Trading Act) som resulterade i ett ogiltigförklarande av aktierna som ägdes av de kvarvarande minoritetsaktieägarna i UBS AG. Som ett resultat äger UBS Group AG nu 100 % av de utestående aktierna i UBS AG.</p> <p>I juni 2015 överförde UBS AG sin verksamhet inom Personal &amp; Corporate Banking och Wealth Management, som bokförs i Schweiz, till UBS Switzerland AG, ett bankdotterföretag till UBS AG i Schweiz. År 2015 avslutade UBS även genomförandet av en mer självförsörjande affärs- och verksamhetsmodell för UBS Limited, dess investeringsdotterföretag i Storbritannien, och etablerade UBS Business Solutions AG som ett direkt dotterföretag till UBS Group AG, för att agera som koncernens serviceföretag. Syftet med serviceföretagsstrukturen är att förbättra Koncernens förmåga till avveckling genom att möjliggöra för UBS att bibehålla operationell kontinuitet av kritiska tjänster om en rekonstruktions- eller avvecklingshändelse skulle inträffa.</p>
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		<p>Under den andra halvan av 2015, överförde UBS ägande för majoriteten av dess nuvarande servicedotterbolag utanför USA till UBS Business Solutions AG. Per den 1 januari 2017 har UBS genomfört överföringen av medarbetare inom delade tjänster i USA till det amerikanska serviceföretaget UBS Business Solutions US LLC, ett dotterbolag till UBS AG. Under andra kvartalet 2017, har UBS påbörjat överföringen av delade tjänstefunktioner i Schweiz och Storbritannien från UBS AG till UBS Business Solutions AG. Efter överföringen, debiterar UBS Business Solutions AG andra juridiska personer inom koncernen för tillhandahållna tjänster, inklusive en höjning av de kostnader som uppstår. Överföringen förväntas inte att väsentligt påverka UBS Group AG:s koncernredovisning. Dock, förväntas den minska UBS AG:s konsoliderade och fristående rörelseresultat innan skatt. Överföringen förväntas inte att ha en märkbar inverkan på RWA och LRD för UBS Group AG (konsolidering), UBS AG (konsolidering) och UBS AG (fristående).</p> <p>Per den 1 juli 2016 utsågs UBS Americas Holding LLC till mellanliggande holdingbolag för dess dotterföretag i USA, vilket krävs i de utökade reglerna rörande stabilitetstillsyn i enlighet med Dodd-Frank Act. UBS Americas Holding LLC äger alla UBS dotterföretag i USA, och lyder under amerikansk rätt avseende kapitalkrav, krav på företagsstyrning och annan stabilitetsreglering.</p> <p>Dessutom överförde UBS majoriteten av de rörelsedrivande dotterföretagen inom Asset Management AG under år 2016. Vidare slogs UBS dotterbolag för förmögenhetsförvaltning i Italien, Luxemburg (inklusive dess filialer i Österrike, Danmark och Sverige), Nederländerna och Spanien ihop till UBS Deutschland AG, som döptes om till UBS Europe SE, för att etablera UBS nya europeiska juridiska enhet, med huvudkontor i Frankfurt, Tyskland.</p> <p>UBS fortsätter att överväga ytterligare förändringar beträffande Koncernens juridiska struktur för att möta regulatoriska krav och andra externa utvecklingar, inklusive Storbritanniens förväntade utträde ur den Europeiska Unionen. Sådana förändringar kan inkludera överföringen av rörelsedrivande dotterföretag till UBS AG till att bli direkta dotterföretag till UBS Group AG, ytterligare konsolidering av rörelsedrivande dotterföretag i EU och justeringar beträffande bokförande enhet eller placeringen av produkter och tjänster. Dessa strukturella förändringar har diskuterats löpande med schweiziska tillsynsmyndigheten för finansmarknaden FINMA ("<b>FINMA</b>") och andra tillsynsmyndigheter och förblir föremål för ett antal osäkerheter som kan påverka deras genomförbarhet, omfattning eller tidsplan.</p>
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**Element B.12 is completely replaced as follows:**

<p><b>B.12</b></p>	<p>Utvald historisk finansiell nyckelinformation.</p>	<p>UBS AG erhöll utvald konsoliderad finansiell information, inkluderad i tabellen nedan för åren som slutade 31 december 2016, 2015 och 2014, förutom där det anges från årsredovisningen för 2016, vilken innehåller de reviderade konsoliderade finansiella räkenskaperna för UBS AG, liksom ytterligare oreviderad konsoliderad finansiell information, för året som slutade den 31 december 2016 och jämförelsesiffror för åren som slutade den 31 december 2015 och 2014. Den utvalda konsoliderade finansiella informationen i tabellen nedan för kvartalen som slutade den 31 mars 2017 och 31 mars 2016 har hämtats från UBS AG:s rapport för det första kvartalet 2017, publicerad den 3 maj ("<b>UBS AG:s rapport för första kvartalet 2017</b>"), vilken innehåller de konsoliderade finansiella räkenskaperna (oreviderade) för UBS AG, såväl som ytterligare oreviderad konsoliderad finansiell information, för kvartalet som slutade den 31 mars 2017 och jämförelsesiffror för kvartalet som slutade 31 mars 2016.</p> <p>De konsoliderade finansiella räkenskaperna har tagits fram i enlighet med International Financial Reporting Standards ("<b>IFRS</b>"), utfärdade av International Accounting Standards Board ("<b>IASB</b>"), och anges i schweiziska</p>
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	<p>franc ("CHF"). Information för åren som slutade 31 december 2016, 2015 och 2014 vilken indikeras som oreviderad i tabellen nedan, inkluderades i Årsredovisningen 2016 men har inte reviderats på grund av att de respektive beskrivningarna inte krävs enligt IFRS och därför inte utgör del av de reviderade finansiella räkenskaperna.</p> <p>Koncernen och affärsdivisionerna hanteras med utgångspunkt i viktiga nyckeltal, vilka identifierar finansiella indikatorer för vinst och tillväxt, inom ramen för sunda risk- och kapitalhanteringsmål. Vid fastställandet av variabeln kompensation tas både Koncernens och affärsdivisionens viktiga resultatindikatorer med i beräkningen. UBS AG granskar regelbundet nyckeltalen, och beaktar företagets strategi och marknadsmiljö i vilket företaget är verksamt. Viktiga nyckeltal ingår i UBS AG:s kvartalsmässiga och årliga rapportering för att tillåta jämförelse av företagets resultat över rapporteringsperioderna. Företagets viktiga nyckeltal har utformats för att utvärderas över bestämda cykler och följer vissa säsongsmönster. Se fotnoterna i tabellen nedan för definitioner av nyckeltalen. Dessutom innehåller tabellen "Nyckeltal - definitioner och anledning till användning" nedan en beskrivning och skäl för användning för varje nyckeltal, förutom de som gäller i enlighet med tillämplig lagstiftning.</p>
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	Per eller för kvartalet som slutade		Per eller för året som slutade		
	31.3.17	31.3.16	31.12.16	31.12.15	31.12.14
<i>CHF miljoner, förutom där indikerat</i>					
	<i>Oreviderat</i>		<i>Reviderat, förutom där indikerat</i>		
<b>Resultat</b>					
Rörelseintäkter	7 560	6 855	28 421	30 605	28 026
Rörelsekostnader	5,919	5 876	24 352	25 198	25 557
Rörelsevinst / (förlust) före skatt	1 641	979	4 069	5 407	2 469
Nettovinst / (förlust) hänförlig till UBS AG aktieägare	1 231	713	3 207	6 235	3 502
<b>Viktiga resultatindikatorer</b>					
<b>Lönsamhet</b>					
Avkastning på materiellt kapital (%) <sup>1</sup>	10,8	6,0	6,9*	13,5*	8,2*
Kostnads / intäktsrelation (%) <sup>2</sup>	78,3	85,7	85,6*	82,0*	90,9*
<b>Tillväxt</b>					
Nettovinsttillväxt (%) <sup>3</sup>	72,7	(64,8)	(48,6)*	78,0*	10,4*
Nettotillväxt av nya medel för kombinerade verksamheter inom Wealth Management-verksamheten (%) <sup>4</sup>	3,9	5,9	2,1*	2,2*	2,5*
<b>Resurser</b>					
Primärkapitalrelation (Common equity tier 1 capital ratio) (fullt tillämpad, %) <sup>5,6</sup>	14,9	14,9	14,5*	15,4*	14,2*
Hantering av bruttosoliditet (fullt tillämpad, %) <sup>7,8</sup>	4,2	-	4,2*	-	-
<b>Ytterligare information</b>					
<b>Lönsamhet</b>					
Avkastning på eget kapital (RoE) (%) <sup>9</sup>	9,3	5,1	5,9*	11,7*	7,0*
Avkastning på riskvägda tillgångar, brutto (%) <sup>10</sup>	13,6	13,0	13,2*	14,3*	12,6*
Avkastning på hävstångsrelationsnämna, brutto (%) <sup>11</sup>	3,4	3,0	3,2*	-	-
<b>Resurser</b>					
Totala tillgångar	910 924	968 158	935 353	943 256	1 062 327

Eget kapital hänförligt till aktieägare	51 990	55 660	53 662	55 248	52 108
Primärkapital (Common equity tier 1 capital) (fullt tillämpad) <sup>6</sup>	33 137	32 118	32 447	32 042	30 805
Primärkapital (Common equity tier 1 capital) (infasad) <sup>6</sup>	36 629	38 762	39 474	41 516	44 090
Riskvägda tillgångar (fullt tillämpad) <sup>6</sup>	222 207	214 973	223 232*	208 186*	217 158*
Primärkapitalrelation (Common equity tier 1 capital ratio) (infasad, %) <sup>5,6</sup>	16,4	17,8	17,5*	19,5*	19,9*
Kapitalrelation enligt going concern (fullt tillämpad, %) <sup>8</sup>	16,6	-	16,3*	-	-
Kapitalrelation enligt "going concern" (infasad, %) <sup>8</sup>	21,2	-	22,6*	-	-
Kapitalrelation enligt koncernförlust (fullt tillämpad, %) <sup>8</sup>	15,4	-	13,3*	-	-
Hävstångsrelationsnämnanne (fullt tillämpad) <sup>12</sup>	882 670	907 277	870 942*	898 251*	999 124*
Primärkapital (Common equity tier 1 capital) (infasad, %) <sup>12</sup>	3,8	3,5	3,7*	3,6*	3,1*
Hävstångsrelation enligt "going concern" (infasad, %) <sup>7,8</sup>	5,4	-	5,8*	-	-
Kapitalrelation enligt going concern (fullt tillämpad, %) <sup>8</sup>	3,9	-	3,4*	-	-

#### Övrigt

Investerade tillgångar (CHF miljarder) <sup>13</sup>	2 934	2 618	2 821	2 689	2 734
Anställda (motsvarande heltidstjänster)	55 972	58 053	56 208*	58 131*	60 155*

\* oreviderat

<sup>1</sup> Nettovinst hänförlig till aktieägare före nedskrivningar och reserveringar av goodwill och immateriella tillgångar (på årsbasis där tillämpligt) / genomsnittligt eget kapital hänförligt till aktieägare minskat med genomsnittlig goodwill och immateriella tillgångar.

<sup>2</sup> Rörelseutgifter/rörelseintäkter före kreditförlust (utgift) eller återhämtning.

<sup>3</sup> Förändring i nettovinst hänförlig till aktieägare från fortsatt bedrivna verksamheter mellan innevarande och jämförelseperioder/nettovinst hänförlig till aktieägare från fortsatt bedrivna verksamheter under jämförelseperiod. Ej meningsfullt och ej inkluderat om antingen rapporteringsperioden eller jämförelseperioden är en förlustperiod.

<sup>4</sup> Nettotillväxt för nya medel för kombinerade Wealth Managements-verksamheter beräknas som sammanlagda nya medel för perioden (på årsbasis där tillämpligt) för divisionerna Wealth Management och Wealth Management Americas / sammanlagda investerade tillgångar vid början av perioden för divisionerna Wealth Management och Wealth Management Americas. Netto nya medel och investerade tillgångar hämtas var och en från avsnittet "Wealth Management" och Wealth Management Americas" i rapporten som ingår i UBS-koncernens rapport för första kvartalet 2017 under avsnittet om UBS verksamhetsdivisioner och företagscenter, samt i årsrapporten 2016 under avsnittet "Ekonomiska resultat och verksamhetsresultat". Nettotillväxt för nya medel för de kombinerade Wealth Management-verksamheterna baseras på justerat netto av nya pengar, vilket exkluderar den negativa effekten på netto av nya pengar 2015 på CHF 9,9 miljarder inom Wealth Management från UBS:s program avseende balansräknings- och kapitaloptimering.

<sup>5</sup> Primärkapital (Common equity tier 1 capital) /riskvägda tillgångar.

<sup>6</sup> Baserat på Basel III-regelverket så som detta tillämpas på schweiziska systemviktiga banker (SRB).

<sup>7</sup> Totalt kapital/hävstångsdenominator enligt going concern.

<sup>8</sup> Baserat på de reviderade schweiziska SRB-regler som började tillämpas den 1 juli 2016. Siffror för tidigare perioder är inte tillgängliga.

<sup>9</sup> Nettovinst hänförlig till aktieägares vinst (på årsbasis där tillämpligt)/genomsnittligt eget kapital hänförligt till aktieägare.

<sup>10</sup> Baserat på fullt tillämpade riskvägda tillgångar. Siffror för 31 december 2015 och 31 december 2014, hämtades från UBS Group 2016 formulär 20-F och motsvarar inte siffrorna som finns i UBS Group 2015 formulär 20-F, som beräknades på basis av infasade riskvägda tillgångar.

<sup>11</sup> Baserar sig på fullt tillämpliga hävstångsnämnanne. Från och med 31 december 2015 är beräkningen av hävstångsrelationsnämnanne fullt lierad med Basel III-reglerna. För perioder innan 31 december 2015 är hävstångsnämnanne beräknad i enlighet med tidigare schweiziska SRB-regler. Därför presenteras inte siffrorna för perioder som avslutats 31 december 2015 och 31 december 2014 då de inte är tillgängliga på en fullt jämförbar basis.

<sup>12</sup> Beräknad i enlighet med schweiziska SRB-regler. Från och med 31 december 2015 är beräkningen av hävstångsrelationsnämnanne fullt lierad med Basel III-reglerna. Siffror för perioder före 31 december 2015 har beräknats i enlighet med tidigare schweiziska SRB-regler och är därför inte fullt jämförbara.

<sup>13</sup> Inkluderar investerade tillgångar inom Personal & Corporate Banking.

Nyckeltal – definition och skäl för användning		
Nyckeltal	Definition	Skäl för användning
Avkastning på synligt eget kapital	Nettovinst hänförlig till aktieägare före nedskrivningar och reserveringar av goodwill och immateriella tillgångar (på årsbasis där tillämpligt) delat med genomsnittligt eget kapital hänförligt till aktieägare minskat med genomsnittlig goodwill och	Detta mått används eftersom det tillhandahåller information om verksamhetens lönsamhet i förhållande till materiellt kapital.

		immateriella tillgångar	
	Kostnads / intäktrelation	Rörelseutgifter delat med rörelseintäkter före kreditförlust (utgift) eller återvinning	Detta mått används för att tillhandahålla information om företagets effektivitet genom att jämföra rörelseutgifter med bruttointäkt.
	Nettovinsttillväxt	Förändring i nettovinst hänförlig till aktieägare från fortsatt bedrivna verksamheter mellan innevarande och jämförelseperioder delat med nettovinst hänförlig till aktieägare från fortsatt bedrivna verksamheter under jämförelseperiod	Detta lönsamhetsmått tillhandahåller information om vinsttillväxt i relation till tidigare period.
	Nettotillväxt nya medel för kombinerade verksamheter inom förmögenhetsförvaltning	Netto av nya pengar för kombinerad hälsoförvaltning för perioden (årsbasis om möjligt) delat på investerade tillgångar i början av perioden.	Detta tillväxtmått används för att tillhandahålla information om tillväxt av förmögenhetsförvaltning genom att jämföra netto nya pengainflöden under rapporteringsperioden med investerade tillgångar i periodens början.
	Uttalande om väsentliga negativa förändringar.	Det har inte inträffat någon väsentlig negativ förändring i framtidsutsikterna för UBS AG eller UBS AG-koncernen sedan den 31 december 2016.	
	Uttalande om väsentliga förändringar.	Det har inte inträffat någon väsentlig förändring i den finansiella positionen eller handelspositionen för UBS AG eller UBS AG Group sedan den 31 mars 2017, vilket är slutet på den senaste finansiella perioden för vilken finansiell information har publicerats.	

- 4) In relation to the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 27 September 2016 in the section headed "C. Summary of the Base Prospectus (in the Danish language)" the following changes shall be made:

**In the section headed "Afsnit B – Udsteder":**

**Element B.4b is completely replaced as follows:**

<b>B.4b</b>	Kendte tendenser, der påvirker Udsteder, og brancher inden for hvilke, Udstederen driver virksomhed.	<p><b>Oplysninger om tendenser</b></p> <p>Ifølge den første kvartalsrapport for 2017 fra UBS-koncernen AG pr. 28. april 2017 ("<b>UBS-koncernens første kvartalsrapport for 2017</b>") har en forbedret indstilling og øget tillid hos investorerne endnu ikke medført en vedvarende stigning i klientaktivitetsniveauet. Mens det globale opsving ventes at fortsætte, udgør makroøkonomisk usikkerhed, geopolitiske spændinger og politisk splittelse risici, der kan påvirke klienternes indstilling og investeringsvolumener. Lave og negative renter, navnlig i Schweiz og eurozonen, fortsætter med at presse nettorentemarginalerne. Det kan delvist blive udlignet af effekten af højere US dollar-renter og yderligere pengepolitisk normalisering. Derudover vil implementeringen af de nye schweiziske bankkapitalstandarder og de forslåede yderligere regulatoriske ændringer for bankerne på internationalt plan medføre øgede kapitalkrav og rente- og driftsomkostninger. UBS er godt positioneret til at minimere disse udfordringer og udnytte yderligere forbedring i markedsforholdene.</p>
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**Element B.5 is completely replaced as follows:**

<b>B.5</b>	Beskrivelse af koncernen og Udstederens position inden for koncernen.	<p>UBS AG er en schweizisk bank og moderselskab for UBS AG-koncernen. Den er 100 % ejet af UBS-koncernen AG, som er holdingselskabet for UBS-koncernen. UBS fungerer som en koncern med fem forretningsafdelinger (Wealth Management, Wealth Management Americas, Personal &amp; Corporate Banking, Asset Management og Investment Bank) og et Koncerncenter (Corporate Center).</p> <p>Siden 2014 UBS har gennem truffet en række foranstaltninger til forbedring af koncernens afviklingsmuligheder som følge af de såkaldte "for store til at krakke"-krav (too big to fail) i Schweiz og andre lande, hvor koncernen driver virksomhed.</p> <p>I december 2014 gennemførte UBS-koncernen AG et ombytningstilbud for aktierne i UBS AG og blev holdingselskab for UBS-koncernen. I løbet af 2015 gennemførte UBS Group AG en domstolsbestemt annullering af de resterende minoritetsaktier i UBS AG i overensstemmelse med den schweiziske fondsbørs- og valutahandelslov. Samlet ejer UBS Group AG nu 100 % af de udestående aktier i UBS AG.</p> <p>I juni 2015 overdrog UBS AG den del af formueforvaltning Personal &amp; Corporate Banking og Wealth Management, som bogføres i Schweiz, til UBS Switzerland AG, som er et bankdatterselskab af UBS AG i Schweiz. UBS implementerede endvidere i 2015 en mere selvforsynende virksomheds- og driftsmodel for UBS Limited, som er UBS's investeringsbank og datterselskab i Storbritannien, og oprettede UBS Business Solutions AG som direkte datterselskab ejet af UBS Group AG til at fungere som koncernens servicevirksomhed. Formålet med struktureringen af serviceselskabet er at forbedre koncernens afviklingsmuligheder ved at sætte UBS i stand til at opretholde driften af kritiske aktiviteter i tilfælde af et behov for genopretning eller opløsning.</p>
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		<p>I andet halvår 2015 overdrog UBS sit ejerskab af størstedelen af sine eksisterende servicedatterselskaber uden for USA til UBS Business Solutions AG. Pr. 1. januar 2017 overførte UBS medarbejdere fra koncernfunktionerne i USA til det amerikanske serviceselskab UBS Business Solutions US LLC, som er et datterselskab ejet af UBS AG. I andet kvartal 2017 har UBS påbegyndt overførslen af koncernfunktionerne i Schweiz og Storbritannien fra UBS AG til UBS Business Solutions AG. Efter overførslen skal andre juridiske enheder i koncernen betale UBS Business Solutions AG for leverede ydelser inkl. en fortjenestemargin på de påløbne udgifter. Overførslen forventes ikke at påvirke UBS-koncernen AG's koncernregnskab i væsentlig grad. Men den forventes at reducere UBS AG's koncern- og selvstændige driftsoverskud før skat. Overførslen forventes ikke i væsentlig grad at påvirke de risikovægtede aktiver og gearingen for UBS-koncernen AG (konsolideret), UBS AG (konsolideret) og UBS AG (særskilt).</p> <p>Pr. 1. juli 2016 blev UBS Americas Holding LLC udpeget som direkte holdingselskab for UBS's amerikanske datterselskaber jf. de udvidede forsigtighedsregler i overensstemmelse med Dodd-Frank Act. UBS Americas Holding LLC ejer alle UBS' amerikanske datterselskaber og er underlagt amerikanske krav til kapital, selskabsledelse og anden tilsynsregulering.</p> <p>Endvidere har UBS overdraget størstedelen af kapitalforvaltningens driftsdatterselskaber til UBS Asset Management AG i 2016. Endvidere har UBS sammenlagt sine formueforvaltningsdatterselskaber i Italien, Luxembourg (samt afdelinger i Østrig, Danmark og Sverige), Holland og Spanien i UBS Deutschland AG, som har ændret navn til UBS Europe SE, med henblik på oprettelse af UBS's nye europæiske, juridiske enhed med hovedkontor i Frankfurt, Tyskland.</p> <p>UBS vil gennemføre yderligere ændringer af koncernens juridiske struktur for at opfylde myndighedskrav og håndtere eksterne forhold samt Storbritanniens forventede udtrædelse af EU. Sådanne ændringer kan eksempelvis omfatte en overdragelse af UBS AG's driftsdatterselskaber, således at de bliver direkte datterselskaber i UBS-koncernen AG, yderligere konsolidering af driftsdatterselskaber i EU og en ændring af bogføringsenheden eller placeringen af produkter og serviceydelser. Disse strukturændringer drøftes løbende med det schweiziske finanstilsyn ("<b>FINMA</b>") og andre tilsynsmyndigheder og er forbundet med en række usikkerheder, som kan indvirke på ændringernes gennemførlighed, omfang og tidsmæssige gennemførelse.</p>
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**Element B.12 is completely replaced as follows:**

<b>B.12</b>	Udvalgte historiske finansielle nøgleoplysninger.	<p>UBS AG har hentet følgende udvalgte konsoliderede regnskabsoplysninger for årene, der sluttede henholdsvis den 31. december 2016, 2015 og 2014, undtagen hvis andet fremgår, fra årsrapporten for 2016, som indeholder UBS AG's reviderede koncernregnskab samt yderligere ureviderede konsoliderede regnskabsoplysninger for året, der sluttede den 31. december 2016, og sammenligningstal for årene, der sluttede henholdsvis den 31. december 2015 og 2014. De udvalgte konsoliderede regnskabsoplysninger i tabellen nedenfor for kvartalerne, der sluttede den 31. marts 2017 og 31. marts 2016, stammer fra UBS AG's 1. kvartalsrapport 2017, der blev udgivet den 3. maj 2017 ("<b>UBS AG's første kvartalsrapport 2017</b>"), som indeholder UBS AG's foreløbige koncernregnskab (urevideret) og yderligere ureviderede konsoliderede regnskabsoplysninger for kvartalet, der sluttede den 31. marts 2017 og sammenligningstal for kvartalet, der sluttede den 31. marts 2016.</p>
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		<p>Koncernregnskabet er udarbejdet i overensstemmelse med International Financial Reporting Standards ("<b>IFRS</b>") udarbejdet af International Accounting Standards Board ("<b>IASB</b>") og angivet i schweiziske frank ("<b>CHF</b>"). Regnskabsoplysninger for årene, der sluttede henholdsvis den 31. december 2016, 2015 og 2014 og i forbindelse med hvilke, det i tabellen nedenfor står anført, at de er ureviderede, var indeholdt i årsrapporten for 2016, men er ureviderede af den årsag, at offentliggørelse deraf ikke er påkrævet i henhold til IFRS, og er således ikke indeholdt i det reviderede årsregnskab.</p> <p>Koncernen og forretningsafdelinger forvaltes på basis af en ramme for nøgletal, der identificerer finansielle foranstaltninger for overskud og vækst i forbindelse med hensigtsmæssige målsætninger for risiko- og kapitalforvaltning. Ved fastsættelsen af variabel kompensation tages der både højde for nøgletal for koncernen og forretningsafdelinger. UBS AG gennemgår regelmæssigt rammen for nøgletal, idet selskabets strategi og markedssituationen, hvorunder selskabet opererer, tages med i betragtning. Nøgletal offentliggøres i UBS AG's kvartals- og årsregnskab med henblik på at muliggøre sammenligning af selskabets resultater hen over regnskabsperioderne. Selskabets nøgletal er udformet til at blive vurderet på en "hen over perioderne"-basis, og de er genstand for sæsonbetingede mønstre. Definitionerne af nøgletallene er angivet i fodnoterne til tabellen nedenfor. Endvidere indeholder tabellen "Nøgletal – definitioner og baggrund for anvendelse" beskrivelse og forklaring til brugen af hvert nøgletal, undtagen de nøgletal, der fremgår i overensstemmelse med gældende lovgivning.</p>
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	Pr. eller for kvartalet, der sluttede		Pr. eller for året, der sluttede		
CHF mio., medmindre andet fremgår	31-03-2017	31-03-2016	31.12.16	31-12-2015	31-12-2014
	urevideret		revideret, medmindre andet fremgår		
<b>Resultat</b>					
Driftsindtægter	7.560	6.855	28.421	30.605	28.026
Driftsudgifter	5.919	5.876	24.352	25.198	25.557
Driftsoverskud/-(tab) før skat	1.641	979	4.069	5.407	2.469
Nettooverskud/ (nettotab) henførbart til aktionærer	1.231	713	3.207	6.235	3.502
<b>Nøgletal</b>					
<b>Rentabilitet</b>					
Afkast på synlig kapital (%) <sup>1</sup>	10,8	6,0	6,9*	13,5*	8,2*
Omkostninger i forhold til indtægter (%) <sup>2</sup>	78,3	85,7	85,6*	82,0*	90,9*
<b>Vækst</b>					
Nettovækst i overskud (%) <sup>3</sup>	72,7	(64,8)	(48,6)*	78,0*	10,4*
Nettovækst i nye midler for kombinerede formueforvaltningsvirksomheder (%) <sup>4</sup>	3,9	5,9	2,1*	2,2*	2,5*
<b>Ressourcer</b>					
Egentlig kernekapitaldækning (fuldt anvendt, %) <sup>5,6</sup>	14,9	14,9	14,5*	15,4*	14,2*
Gearingsforhold, virksomhed i drift (fuldt anvendt, %) <sup>7,8</sup>	4,2	-	4,2*	-	-
<b>Yderligere oplysninger</b>					
<b>Rentabilitet</b>					
Egenkapitalforrentning (RoE) (%) <sup>9</sup>	9,3	5,1	5,9*	11,7*	7,0*
Afkast på risikovægtede aktiver, brutto (%) <sup>10</sup>	13,6	13,0	13,2*	14,3*	12,6*

Afkast på gearingsforholdets nævner, brutto % <sup>11</sup>	3,4	3,0	3,2*	-	-
<b>Ressourcer</b>					
Aktiver i alt	910.924	968.158	935.353	943.256	1.062.327
Egenkapital henførbart til aktionærer	51.990	55.660	53.662	55.248	52.108
Egentlig kernekapital (fuldt anvendt) <sup>6</sup>	33.137	32.118	32.447	32.042	30.805
Egentlig kernekapital (indfaset) <sup>6</sup>	36.629	38.762	39.474	41.516	44.090
Risikovægtede aktiver (fuldt anvendt) <sup>6</sup>	222.207	214.973	223.232*	208.186*	217.158*
Egentlig kernekapitaldækning (indfaset, %) <sup>5,6</sup>	16,4	17,8	17,5*	19,5*	19,9*
Kapitaldækning, virksomhed i drift (fuldt anvendt, %) <sup>8</sup>	16,6	-	16,3*	-	-
Kapitaldækning, igangværende virksomhed (indfaset, %) <sup>8</sup>	21,2	-	22,6*	-	-
Tabssorberende kapacitetsforhold, gone concern (fuldt anvendt, %) <sup>8</sup>	15,4	-	13,3*	-	-
Gearingsforholdets nævner (fuldt anvendt) <sup>12</sup>	882.670	907.277	870.942*	898.251*	999.124*
Egentlig kernekapital, gearingsforhold (fuldt anvendt, %) <sup>12</sup>	3,8	3,5	3,7*	3,6*	3,1*
Gearingsforhold, virksomhed i drift (indfaset, %) <sup>7,8</sup>	5,4	-	5,8*	-	-
Gearingsforhold, gone concern (fuldt anvendt, %) <sup>8</sup>	3,9	-	3,4*	-	-
<b>Andet</b>					
Investerede aktiver (CHF mia.) <sup>13</sup>	2.934	2.618	2.821	2.689	2.734
Medarbejdere (årsværk)	55.972	58.053	56.208*	58.131*	60.155*

\* urevideret

<sup>1</sup> Nettooverskud, som kan henføres til aktionærer inden amortisering og værdiforringelser af goodwill og immaterielle aktiver (på årsbasis, hvor relevant) / gennemsnitlig egenkapital, der kan henføres til aktionærer minus gennemsnitlig goodwill og immaterielle aktiver.

<sup>2</sup> Driftsudgifter / driftsindtægter før kredittab (udgift) eller genindvinding.

<sup>3</sup> Ændring i nettooverskud, som kan henføres til aktionærer fra fortsættende aktiviteter mellem nuværende og jævnførelsesperioder / nettooverskud, som kan henføres til aktionærer fra fortsættende aktiviteter fra jævnførelsesperiode. Ikke meningsfuldt og ikke inkluderet, hvis enten rapporteringsperioden eller jævnførelsesperioden er en tabsperiode.

<sup>4</sup> Nettovæksten i nye midler for kombinerede formueforvaltningsvirksomheder beregnes som den samlede sum af netto nye midler for perioden (på årsbasis, hvor relevant) for virksomhedsdivisionerne Wealth Management og Wealth Management Americas / samlede investerede aktiver primo perioden for virksomhedsdivisionerne Wealth Management og Wealth Management Americas. Netto nye midler og investerede aktiver er afledt fra afsnittene "Wealth Management" og "Wealth Management Americas" i forvaltningsrapporten, der er inkluderet i UBS-koncernens første kvartalsrapport for 2017 under "UBS virksomhedsdivisioner og Corporate Center" henholdsvis årsrapporten for 2016, under "Finansielle resultater og driftsresultater". Nettovæksten i nye midler for de kombinerede formueforvaltningsvirksomheder er baseret på justerede netto nye midler ekskl. den negative virkning på netto nye midler i 2015 på CHF 9,9 mia. i Wealth Management fra UBS' balance og kapitaloptimeringsbestræbelser.

<sup>5</sup> Egentlig kernekapital / risikovægtede aktiver.

<sup>6</sup> Baseret på Basel III-regelsættet, således som dette gælder for schweiziske systemisk relevante banker (SRB).

<sup>7</sup> Samlet kapital for igangværende virksomhed / gearingsforholdets nævner.

<sup>8</sup> Baseret på de reviderede schweiziske SRB-regler, gældende pr. 1. juli 2016. Tal for tidligere perioder er ikke tilgængelige.

<sup>9</sup> Nettoresultat for aktionærerne (på årsbasis, hvor relevant) / gennemsnitlig egenkapital tilhørende aktionærerne.

<sup>10</sup> Baseret på fuldt ud anvendte risikovægtede aktiver. Tal pr. 31. december 2015 og 31. december 2014 stammer fra UBS-koncernens formular 20-F for 2016 og svarer ikke til tal indeholdt i UBS-koncernens formular 20-F for 2015, som er beregnet på grundlag af indfasede, risikovægtede aktiver.

<sup>11</sup> Baseret på gearingsforholdets nævner (fuldt anvendt). Fra 31. december 2015 og fremefter er beregningen af gearingsforholdets nævner på linje med Basel III-regelsættet. For perioder før 31. december 2015 beregnes gearingsforholdets nævner ifølge tidligere schweiziske SRB-regler. Derfor er tallene for perioderne, der sluttede den 31. december 2015 og 31. december 2014, ikke angivet, idet de ikke er tilgængelige på et fuldt sammenligneligt grundlag.

<sup>12</sup> Beregnet i overensstemmelse med schweiziske SRB-regler. Fra 31. december 2015 og fremefter er beregningen af gearingsforholdets nævner på linje med Basel III-regelsættet. Tal fra perioder forud for den 31. december 2015 er beregnet i overensstemmelse med tidligere schweiziske SRB-regler og er derfor ikke fuldt sammenlignelige.

<sup>13</sup> Inkluderer investerede aktiver for Personal & Corporate Banking.

#### Nøgletal – definitioner og baggrund for anvendelse

Nøgletal	Definition	Baggrund for anvendelse
Afkast på synlig kapital	Nettooverskud, som kan henføres til aktionærer inden amortisering og værdiforringelser af goodwill og immaterielle aktiver (på årsbasis, hvor relevant) delt	Denne metode anvendes, fordi den giver information om virksomhedens lønsomhed i forhold til den synlige kapital.

		med gennemsnitlig egenkapital, der kan henføres til aktionærer minus gennemsnitlig goodwill og immaterielle aktiver	
	Omkostninger i forhold til indtægter	Driftsudgifter delt med driftsindtægter før kredittab (udgift) eller genindvinding	Denne metode anvendes til at give information om virksomhedens effektivitet ved at sammenholde driftsudgifter med bruttoindtjening
	Nettovækst i overskud	Ændring i nettooverskud, som kan henføres til aktionærer fra fortsættende aktiviteter mellem nuværende og jävnførelsesperioder delt med nettooverskud, som kan henføres til aktionærer fra fortsættende aktiviteter fra jävnførelsesperiode. Ikke meningsfuldt og ikke inkluderet, hvis enten rapporteringsperioden eller jävnførelsesperioden er en tabsperiode	Denne lønsomhedsmetode giver information om overskudsvækst sammenholdt med forrige periode.
	Nettovækst i nye midler for kombinerede formueforvaltningsvirksomheder	Nettobeløb for ny likviditet fra de samlede formueforvaltningsaktiviteter i perioden (annualiseret efter behov) delt med investerede aktiver primo perioden	Denne vækstmetode anvendes til at give information om væksten for formueforvaltningsvirksomheder ved at sammenholde tilførsel af netto nye midler i rapporteringsperioden med investerede aktiver primo perioden.
	Erklæring vedrørende væsentlige negative ændringer.	Der er ikke siden den 31. december 2016 indtrådt nogen væsentlig negativ ændring i fremtidsudsigterne for UBS AG eller UBS AG-koncernen.	
	Erklæring vedrørende væsentlige ændringer.	Der er ikke siden den 31. marts 2017, som er slutningen af den sidste regnskabsperiode, for hvilken der er offentliggjort foreløbige regnskabsoplysninger, indtrådt nogen væsentlig ændring i den finansielle eller handelsmæssige stilling for USB AG eller UBS AG-koncernen.	

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The Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 27 September 2016 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 (<http://keyinvest-eu.ubs.com/base-prospectus>, or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest).

In addition, the annual reports and quarterly result materials of UBS Group AG and UBS AG are published on UBS's website, at (<http://ubs.com/investors> or a successor address notified by the Issuer to the Securityholders for this purpose by way of publication on [www.ubs.com](http://www.ubs.com).

Zurich, 13 June 2017

**UBS AG**