

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

Dated 5 December 2017 to the Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 21 June 2017,

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 17-7308. This Supplement is a part of the Base Prospectus and shall be read in conjunction with the Base Prospectus and the previous supplement.

Supplement No. 1 was approved by the SFSA on 4 September 2017. The Supplement was published by UBS AG on 4 September 2017. Registration number at the SFSA is 17-14273.

This Supplement No. 2 was approved by the SFSA on 5 December 2017. This Supplement was published by UBS AG on 5 December 2017. Registration number at the SFSA is 17-20091.

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

Upgrade of the issuer rating and adjustment of the rating outlook by Scope Ratings on 25 September 2017, upgrade of the long-term issuer default rating by Fitch Ratings on 28 September 2017 and publication of the third quarter 2017 financial report as per 30 September 2017 of UBS Group AG on 27 October 2017 and of UBS AG on 1 November 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 7 December 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 "C. RISK FACTORS" the following changes are made:

In the section headed "1. Issuer specific Risks" the third paragraph is completely replaced as follows:

"As a global financial services provider, the business activities of UBS AG ("**Issuer**") with its subsidiaries (together, "**UBS AG consolidated**" or "**UBS AG Group**"; together with UBS Group AG, which is the holding company of UBS AG, and its subsidiaries, "**UBS Group**" "**Group**", "**UBS**" or "**UBS Group AG consolidated**") are affected by certain risks, including those described below, which may affect UBS's ability to execute its strategy or its business activities, financial condition, results of operations and prospects. Because a broad-based international financial services firm such as UBS is inherently exposed to multiple risks many of which become apparent only with the benefit of hindsight, risks of which UBS is not presently aware or which UBS currently does not consider to be material could also adversely affect UBS. The order of presentation of the risk factors below does not indicate the likelihood of their occurrence or the potential magnitude of their consequences."

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

The section entitled "1. General Information on UBS AG" is, with the exception of the sub-sections entitled "Corporate Information" and "Share Capital", completely replaced by the following text:

"UBS AG with its subsidiaries (together, "**UBS AG consolidated**", or "**UBS AG Group**"; together with UBS Group AG, which is the holding company of UBS AG, and its subsidiaries, "**UBS Group**", "**Group**", "**UBS**" or "**UBS Group AG consolidated**") provides financial advice and solutions to private, institutional and corporate clients worldwide, as well as private clients in Switzerland. The operational structure of the Group is comprised of the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Personal & Corporate Banking, Asset Management and the Investment Bank. UBS's strategy is centered on its leading wealth management businesses and its premier universal bank in Switzerland, which are enhanced by Asset Management and the Investment Bank. UBS focuses on businesses that, in its opinion, have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook.

On 30 September 2017, UBS Group's common equity tier 1 ("**CET1**") capital ratio was 13.7% on a fully applied basis and 15.1% on a phase-in basis and the CET1 leverage ratio was 3.7% on a fully applied basis and 4.1% on a phase-in basis, the gone concern loss-absorbing capacity ratio was 15.5% on a fully applied basis and 12.1% on a phase-in basis, and the gone concern leverage ratio was 4.2% on a fully applied basis and 3.3% on a phase-in basis.¹ On the same date, invested assets stood at CHF 3,067 billion, equity attributable to UBS Group AG shareholders was CHF 53,493 million and market capitalization was CHF 63,757 million. On the same date, UBS employed 60,796 people².

On 30 September 2017, UBS AG consolidated CET1 capital ratio was 14.0% on a fully applied basis and 15.4% 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 15.9% on a fully applied basis and 12.6% on a phase-in basis, and the gone concern leverage ratio was 4.3% on a fully applied basis and 3.4% on a phase-in basis.¹ On the same date, invested assets stood at CHF 3,067 billion and equity attributable to UBS AG

¹ All figures based on the Basel III framework as applicable to Swiss systemically relevant banks. Refer to the "*Capital management*" section of the Annual Report 2016, the UBS Group Third Quarter 2017 Report and the UBS AG Third Quarter 2017 Report, as defined herein, for more information.

² Full-time equivalents.

shareholders was CHF 53,246 million. On the same date, UBS AG Group employed 48,949 people².

The rating agencies Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"), Moody's Deutschland GmbH ("**Moody's**"), Fitch Ratings Limited ("**Fitch Ratings**"), and Scope Ratings AG ("Scope Ratings") have published solicited credit ratings reflecting their assessment of the creditworthiness of UBS AG, i.e. its ability to fulfil in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch Ratings, Standard & Poor's and Scope Ratings may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS AG has a long-term counterparty credit rating of A+ (outlook: stable) from Standard & Poor's, long-term senior debt rating of A1 (outlook: stable) from Moody's, long-term issuer default rating of AA- (outlook: stable) from Fitch Ratings and issuer rating of AA- (outlook: stable) from Scope Ratings.

The following table gives an overview of the rating classes as used by the above rating agencies and their respective meaning. UBS AG's rating is indicated by the red box.

Standard & Poor's		Moody's		Fitch Ratings		Scope Ratings	
Long-Term counterparty credit rating		Long-Term senior debt rating		Long-Term Issuer Default Rating		Issuer Rating	
AAA	Extremely strong capacity to meet financial commitments	Aaa	Highest quality	AAA	Highest credit quality	AAA	The safest, most stable and sustainable risk characteristics across the credit spectrum, extremely strong financial and business fundamentals
AA+	Very strong capacity to meet financial commitments	Aa1	High quality	AA+	Very high credit quality	AA+	Very strong and well-rounded business franchises, as well as viable, well-tested and sustainable business models
AA		Aa2		AA			
AA-		Aa3		AA-			
A+	Strong capacity to meet its financial commitments	A1	Upper-medium grade	A+	High credit quality	A+	Attractive franchises, although in some instances some areas of activity in the business mix may be less convincing than others, potentially situations of weaker macroeconomic factors affecting some banks' performance, but overall viability is not threatened, as this relative weakness is well mitigated by good financial fundamentals, reliable management and risk-averse strategies
A		A2		A			
A-		A3		A-			
BBB+	Adequate capacity to meet its financial commitments	Baa1	Medium grade	BBB+	Good credit quality	BBB+	For some banks in the BBB range, macroeconomic weakness affects performance, Overall prudential metrics are acceptable and risks are generally well managed and currently under control, Some institutions at the lower end of the BBB range may remain anchored in challenged franchises
BBB		Baa2		BBB			
BBB-		Baa3		BBB-			
BB+	Less vulnerable in the near term than other lower-rated obligors	Ba1	Speculative, subject to substantial credit risk	BB+	Speculative	BB+	A mix of intrinsic weakness of several key risk indicators – asset quality, revenue generation and/or prudential metrics – and stressed macroeconomic factors
BB		Ba2		BB			
BB-		Ba3		BB-			

Standard & Poor's			Moody's		Fitch Ratings		Scope Ratings	
B+	More vulnerable than the obligors rated 'BB'	Significant speculative characteristics	B1	Speculative, subject to high credit risk	B+	Highly speculative	B+	Generally affected by weak financial and business metrics, likely accompanied by borderline prudential metrics
B			B2		B			
B-			B3		B-			
CCC+	Currently vulnerable	Significant speculative characteristics	Caa1	Speculative, of poor standing and subject to very high credit risk	CCC	Substantial credit risk	CCC	Severely eroded financial metrics, very possibly inadequate prudential indicators, potentially can no longer pursue business activities as a going concern, range may be very close to or already are in resolution, or close to insolvency proceedings for non-resolvable banks
CCC			Caa2		CC		CC	
CCC-			Caa3		C		C	
CC	Currently highly vulnerable		Ca	Highly speculative, likely in, or very near, default with some prospect of recovery of principal and interest	RD	Restricted default		
R	Under regulatory supervision		C	Typically in default, with little prospect for recovery of principal or interest	D	Default	D	Default-like event
SD	Selective Default							
D	Default							

All the above-mentioned rating agencies are registered as credit rating agencies under Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011.

Any statements regarding the competitive position of UBS AG, UBS AG Group or the Group contained in this document are made on the basis of the opinion of UBS AG or the Group."

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 nine months ended 30 September 2017 and 30 September 2016 was derived from the UBS AG Third Quarter 2017 Report, which contains UBS AG interim consolidated financial statements (unaudited), as well as additional unaudited consolidated financial information, for the nine months ended 30 September 2017 and comparative figures for the nine months ended 30 September 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 Third 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 nine months ended		As of or for the year ended		
	30.9.17	30.9.16	31.12.16	31.12.15	31.12.14
	<i>unaudited</i>		<i>audited, except where indicated</i>		
Results					
Operating income	22,237	21,303	28,421	30,605	28,026
Operating expenses	17,993	17,979	24,352	25,198	25,557
Operating profit / (loss) before tax	4,244	3,324	4,069	5,407	2,469
Net profit / (loss) attributable to shareholders	3,257	2,568	3,207	6,235	3,502
Key performance indicators					
Profitability					
Return on tangible equity (%) ¹	9.6	7.3	6.9*	13.5*	8.2*
Cost / income ratio (%) ²	80.8	84.3	85.6*	82.0*	90.9*
Growth					
Net profit growth (%) ³	26.8	(51.4)	(48.6)*	78.0*	10.4*
Net new money growth for combined wealth management businesses (%) ⁴	1.9	3.2	2.1*	2.2*	2.5*
Resources					
Common equity tier 1 capital ratio (fully applied, %) ^{5, 6}	14.0	14.8	14.5*	15.4*	14.2*
Going concern leverage ratio (fully applied, %) ^{7, 8}	4.2	4.1	4.2*	-	-
Additional information					
Profitability					
Return on equity (RoE) (%) ⁹	8.3	6.3	5.9*	11.7*	7.0*
Return on risk-weighted assets, gross (%) ¹⁰	12.9	13.3	13.2*	14.3*	12.6*
Return on leverage ratio denominator, gross (%) ¹¹	3.4	3.2	3.2*	-	-
Resources					

Total assets	914,551	935,683	935,353	943,256	1,062,327
Equity attributable to shareholders	53,246	53,556	53,662	55,248	52,108
Common equity tier 1 capital (fully applied) ⁶	33,337	32,110	32,447	32,042	30,805
Common equity tier 1 capital (phase-in) ⁶	36,736	38,994	39,474	41,516	44,090
Risk-weighted assets (fully applied) ⁶	237,322	217,297	223,232*	208,186*	217,158*
Common equity tier 1 capital ratio (phase-in, %) ^{5,6}	15.4	17.7	17.5*	19.5*	19.9*
Going concern capital ratio (fully applied, %) ⁸	15.6	16.5	16.3*	-	-
Going concern capital ratio (phase-in, %) ⁸	19.7	23.0	22.6*	-	-
Gone concern loss-absorbing capacity ratio (fully applied, %) ⁸	15.9	12.6	13.3*	-	-
Leverage ratio denominator (fully applied) ¹²	885,896	877,926	870,942*	898,251*	999,124*
Common equity tier 1 leverage ratio (fully applied, %) ¹²	3.8	3.7	3.7*	3.6*	3.1*
Going concern leverage ratio (phase-in, %) ^{7,8}	5.3	5.7	5.8*	-	-
Gone concern leverage ratio (fully applied, %) ⁸	4.3	3.1	3.4*	-	-
Other					
Invested assets (CHF billion) ¹³	3,067	2,747	2,821	2,689	2,734
Personnel (full-time equivalents)	48,949	57,012	56,208*	58,131*	60,155*

* unaudited

¹ 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.

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

³ 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.

⁴ 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 Third 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.

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

⁶ Based on the Basel III framework as applicable for Swiss systemically relevant banks.

⁷ Total going concern capital / leverage ratio denominator.

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

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

¹⁰ 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.

¹¹ 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.

¹² 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.

¹³ 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	This metric is used because it provides information on the profitability of the business in relation to tangible equity.

	(annualized as applicable) divided by average equity attributable to shareholders less average goodwill and intangible assets	
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

Postponed implementation of NSFR and revision of LCR in Switzerland

In September 2017, the Swiss Federal Department of Finance informed banks that the net stable funding ratio (NSFR) requirements will not be finalized in 2017. Taking international developments into account, the Swiss Federal Council is expected to decide on next steps at the end of 2018.

UBS expects that proposed changes to liquidity coverage ratio (LCR) requirements will take effect on 1 January 2018, subject to approval by the Swiss Federal Council; however, the final version of the changes has not yet been published.

Increase in gone concern requirement rebate

Under the Swiss SRB framework, banks are eligible for a rebate of up to 2% of the leverage ratio denominator ("LRD")-based gone concern capital requirement if they take actions that facilitate recovery and resolvability beyond the minimum requirement. FINMA has communicated its annual assessment and has increased UBS's rebate to approximately one-third of the maximum based on actions UBS completed in 2016 to improve resolvability. The rebate will be phased in until 1 January 2020. As UBS completes additional measures to improve the resolvability of the Group, it expects to qualify for a larger rebate and therefore aims to operate with a gone concern ratio of less than 4% of the LRD on completion of the phase-in period.

Refer to "Regulatory and legal developments" in the UBS Group AG third quarter 2017 report, published on 27 October 2017, ("**UBS Group Third Quarter 2017 Report**") for information on further recent regulatory and legal developments."

In the section entitled "3. Organisational Structure of the Issuer" the fifth paragraph is completely replaced as follows:

"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 transferred shared services functions in Switzerland from UBS AG to UBS Business Solutions AG. UBS expects to complete the transfer of shared services functions in the UK in the fourth quarter of 2017."

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

"4. Trend Information

As indicated in the UBS Group Third Quarter 2017 Report, UBS expects the global economic recovery to strengthen further, but geopolitical tensions and macroeconomic uncertainty still pose risks to client sentiment. In particular, high asset prices, uncertainty over central bank balance sheet and interest rate policies, seasonality factors and the persistence of low volatility may continue to affect overall client activity. Low and negative interest rates, particularly in Switzerland and the eurozone, put pressure on net interest margins, which may be partly offset by the effect of a further normalization of US monetary policy. Implementing Switzerland's new bank capital standards and further changes to national and international regulatory frameworks for banks will result in increased capital requirements, funding 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 "Board of Directors" is completely replaced as follows:

"Board of Directors

The BoD is the most senior body of UBS AG. The BoD consists of at least five and no more than twelve members. All the members of the BoD are elected individually by the Annual General Meeting of Shareholders ("AGM") for a term of office of one year, which expires after the completion of the next AGM. Shareholders also elect the Chairman upon proposal of the BoD.

The BoD meets as often as business requires, and at least six times a year."

In the section headed "5. Administrative, Management and Supervisory Bodies of UBS AG" in the subsection entitled "Members of the Board of Directors" the table rows relating to Reto Francioni and Julie G. Richardson are completely replaced as follows:

"

Reto Francioni UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2018	Member of the Board of Directors of UBS Group AG; professor at the 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.
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).

"

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, Sabine Keller-Busse, Ulrich Körner, Axel P. Lehmann and Kathryn Shih are completely replaced as follows:

“

<p>Sergio P. Ermotti</p> <p>UBS AG, Bahnhofstrasse 45, CH-8001 Zurich</p>	<p>President of the Executive Board</p>	<p>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 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. Member of the Saïd Business School Global Leadership Council, University of Oxford.</p>
<p>Sabine Keller-Busse</p> <p>UBS AG, Bahnhofstrasse 45, CH-8001 Zurich</p>	<p>Head Human Resources</p>	<p>Member of the Group Executive Board and Group Head Human Resources of UBS Group AG; vice-chairman of the Board of Directors of SIX Group (Chairman of the nomination & compensation committee); Foundation Board member of the UBS Pension Fund; Foundation Board member of the University Hospital Zurich.</p>
<p>Ulrich Körner</p> <p>UBS AG, Bahnhofstrasse 45, CH-8001 Zurich</p>	<p>President Asset Management and President UBS Europe, Middle East and Africa</p>	<p>Member of the Group Executive Board, 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 AG, Zurich; member of the UBS Optimus Foundation Board; 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.</p>
<p>Axel P. Lehmann</p> <p>UBS AG, Bahnhofstrasse 45, CH-8001 Zurich</p>	<p>Chief Operating Officer</p>	<p>Member of the Group Executive Board and Group Chief Operating Officer of UBS Group AG; board member and President of the Executive Board of UBS Business Solutions AG; Co-Chair of the Global Future Council of the Future of Financial and Monetary Systems of the World Economic Forum; Chairman of the board of the Institute of Insurance Economics at the University of St. Gallen; member of the International and Alumni Advisory Board at the University of St. Gallen; member of the Swiss-American Chamber of Commerce Chapter Doing Business in USA; Adjunct Professor of Business Administration and Service Management at the University of St. Gallen.</p>
<p>Kathryn Shih</p> <p>UBS AG, 2 International Finance Centre, 8 Finance Street, Central, Hong Kong</p>	<p>President UBS Asia Pacific</p>	<p>Member of the Group Executive Board of UBS Group AG and President UBS Asia Pacific; board member of Kenford International Ltd.; board member of Shih Co Charitable Foundation Ltd.; member of the Hong Kong Trade Development Council (Financial Services Advisory Committee).</p>

”

In the section entitled “7. Financial Information concerning the Issuer’s Assets and Liabilities, Financial Position and Profits and Losses” in the subsection headed “Historical Annual Financial Information” the first sentence is completely replaced as follows:

“Detailed information about UBS AG consolidated and UBS AG assets and liabilities, financial position and profits and losses for financial year 2016 is available in the section “*UBS AG consolidated financial statements*” of the Annual Report 2016 and in the UBS AG’s standalone financial statements for the year ended 31 December 2016 (the “Standalone Financial Statements”), respectively; and for financial year 2015 it is available in the “Consolidated financial statements” and “Legal entity financial and regulatory information”

sections of the UBS Group AG and UBS AG annual report 2015, in English, published on 18 March 2016 ("**Annual Report 2015**")."

In the section entitled "7. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses" the subsection headed "Interim Financial Information" is completely replaced as follows:

"Interim Financial Information

Reference is also made to (i) the UBS Group AG first quarter 2017 report published on 28 April 2017 ("**UBS Group First Quarter 2017 Report**") and the UBS AG first quarter 2017 report, published on 3 May 2017 ("**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; to (ii) the UBS Group AG second quarter 2017 report, published on 28 July 2017 ("**UBS Group Second Quarter 2017 Report**") and the UBS AG second quarter 2017 report, published on 3 August 2017 ("**UBS AG Second 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 30 June 2017; and to (iii) the UBS Group Third Quarter 2017 Report and the UBS AG third quarter 2017 report, published on 1 November 2017 ("**UBS AG Third 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 30 September 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 such 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 the UBS AG Third 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 UBS's submissions of benchmark interest rates, including, among others, the British Bankers' Association London Interbank Offered Rate ("**LIBOR**"), was terminated by the DOJ based on its determination that UBS had committed a US crime in relation to foreign exchange matters. As a consequence, UBS AG 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 UBS's capital requirements and the calculation of operational risk for this purpose is included in the "Capital management" section of the UBS Group Third Quarter 2017 Report.

Provisions for litigation, regulatory and similar matters by business division and Corporate Center unit ¹

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
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Balance as of 31 December 2016	292	425	78	5	616	259	0	1,585	3,261
Balance as of 30 June 2017	249	361	77	5	391	253	0	1,110	2,446
Increase in provisions recognized in the income statement	20	10	0	0	2	248	0	31	310
Release of provisions recognized in the income statement	0	(3)	0	(5) ²	(47)	(1)	0	(7)	(63)
Provisions used in conformity with designated purpose	(1)	(46)	0	0	(5)	(259)	0	(1)	(313)
Foreign currency translation / unwind of discount	11	3	1	0	3	1	0	11	30
Balance as of 30 September 2017	279	325	78	0	344	241	0	1,144	2,410

1 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), Corporate Center – Services (item 7) and Corporate Center – Non-core and Legacy Portfolio (item 2). Provisions, if any, for the matters described in items 1 and 6 of this section 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, Corporate Center – Services and Corporate Center – Non-core and Legacy Portfolio. 2 In the third quarter of 2017, a release of CHF 5 million was recognized in Provisions for litigation, regulatory and similar matters, with a corresponding increase in Other provisions.

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.

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. The trial schedule has not yet been announced.

In 2016, UBS was 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 30 September 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 totaled 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.

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.

In 2012, certain RMBS trusts filed an action ("**Trustee Suit**") in the US District Court for the Southern District of New York ("**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. 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. In October 2017, UBS and certain holders of the RMBS in the Trustee Suit entered into an agreement under which UBS has agreed to pay an aggregate of USD 543 million into the relevant RMBS trusts, plus certain attorneys' fees. A portion of these settlement costs will be borne by other parties that indemnified UBS. The agreement is subject to the trustee for the RMBS trusts becoming a party thereto. The security holders who are parties to the settlement agreement have requested that the trustee conduct a vote of security holders to approve or reject the settlement, and each of these security holders has agreed to vote its securities in favor of the settlement. Giving effect to this settlement, UBS considers claims relating to substantially all loan repurchase demands to be resolved, and

believes that new demands to repurchase US residential mortgage loans are time-barred under a decision rendered by the New York Court of Appeals.

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 30 September 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. 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. The SDNY decision was affirmed on appeal and is now final. In 2016, the bankruptcy court issued an opinion dismissing the remaining claims for recovery of 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. 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, 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 2013 in the market prices of Puerto Rico municipal bonds and of closed-end funds ("**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 USD 2.2 billion, of which claims with aggregate claimed damages of USD 1.2 billion 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 defendant's motion to dismiss the action based on a forum selection clause in the loan agreements. The Puerto Rico Supreme Court reversed that decision and remanded the case back to the trial court for reconsideration.

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 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.

In 2015, certain agencies and public corporations of the Commonwealth of Puerto Rico ("**Commonwealth**") defaulted on certain interest payments, in 2016, the Commonwealth defaulted on payments on its general obligation debt ("**GO Bonds**"), and in 2017 the Commonwealth defaulted on payments on its debt backed by the Commonwealth's Sales and Use Tax ("**COFINA Bonds**") as well as on bonds issued by the Commonwealth's Employee Retirement System ("**ERS Bonds**"). The funds hold significant amounts of both COFINA and ERS Bonds and the defaults on interest payments are expected to adversely affect dividends from the funds. 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. In May and June 2017, the oversight board placed the GO, COFINA and ERS Bonds, among others, into a bankruptcy-like proceeding under the supervision of a Federal District Judge as authorized by the oversight board's enabling statute. 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 30 September 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 UBS's precious metals and related structured products businesses. Numerous authorities commenced investigations concerning possible manipulation of foreign exchange markets and precious metals prices. In 2014 and 2015, UBS reached settlements with the UK Financial Conduct Authority ("**FCA**") and the US Commodity Futures Trading Commission ("**CFTC**") in connection with their foreign exchange investigations, FINMA issued an order concluding its formal proceedings relating to UBS's foreign exchange and precious metals businesses, and the Board of Governors of the Federal Reserve System ("**Federal Reserve Board**") and the Connecticut

Department of Banking issued a Cease and Desist Order and assessed monetary penalties to UBS AG. In addition, 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 and UBS AG pleaded guilty to one count of wire fraud, paid a fine and is subject to probation through January 2020. UBS has ongoing obligations to cooperate with these authorities and to undertake certain remediation. UBS has also been granted conditional immunity by the Antitrust Division of the DOJ ("**Antitrust Division**") and by authorities in other jurisdictions in connection with potential competition law violations relating to foreign exchange and precious metals businesses. Refer to Note 20b in the "Consolidated financial statements" section of the Annual Report 2016 for more information on regulatory actions related to foreign exchange and precious metals and grants of conditional immunity or leniency. 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 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 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. The appeals court heard oral argument in June 2017.

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. The plaintiffs filed an amended complaint in August 2017.

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 agreed to dismiss their complaint. In April and June 2017, two new putative class actions were filed in federal court in New York against UBS and numerous other banks on behalf of different proposed classes of indirect purchasers of currency, and a consolidated complaint was filed in June 2017.

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 sought to amend their complaints to add new allegations about UBS, which the court granted. The plaintiffs filed their amended complaints in June 2017. In March 2017, the court in New York granted UBS's motion to dismiss the platinum and palladium action. In May 2017, plaintiffs in the platinum and palladium action filed an amended complaint that did not allege claims against UBS.

LIBOR and other benchmark-related regulatory matters: Numerous government agencies, including the SEC, the CFTC, the DOJ, the FCA, the UK Serious Fraud Office ("**SFO**"), the Monetary Authority of Singapore ("**MAS**"), the Hong Kong Monetary Authority ("**HKMA**"), FINMA, various state attorneys general in the US and competition authorities in various jurisdictions have conducted or are continuing to conduct investigations regarding potential improper attempts by UBS, among others, to manipulate LIBOR and other benchmark rates at certain times. In 2012, UBS reached settlements relating to benchmark interest rates with the FSA, the CFTC and the Criminal Division of the DOJ, and FINMA issued an order in its proceedings with respect to UBS relating to benchmark interest rates. In addition, UBS entered into settlements with the European Commission ("**EC**") and with the Swiss Competition Commission ("**WEKO**") regarding its investigation of bid-ask spreads in connection with Swiss franc interest rate derivatives. 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. 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 certain rates. However, UBS has not reached a final settlement with WEKO as the Secretariat of WEKO has asserted that UBS does not qualify for full immunity. Refer to Note 20b in the "Consolidated financial statements" section of the Annual Report 2016 for more information on regulatory actions relating to benchmark rates and grants of conditional immunity or leniency. Investigations by certain governmental authorities remain ongoing notwithstanding these resolutions.

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 and SGD SIBOR and SOR, Australian BBSW and USD ISDAFIX, 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 December 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, as did the court in the CHF LIBOR action. Also in 2017, the courts in the EURIBOR and the SIBOR and SOR lawsuits dismissed the cases as to UBS and certain other foreign defendants for lack of personal jurisdiction. UBS and other defendants in other lawsuits including those related to GBP LIBOR 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 has received preliminary court approval and remains subject to final approval. Since 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 January 2006 through June 2013, in violation of US antitrust laws and certain state laws, and seek unspecified compensatory damages, including treble damages. On 12 July 2017, the court overseeing the ISDAFIX class action preliminarily approved a settlement agreement between UBS AG and the plaintiffs, whereby UBS AG agreed to pay USD 14 million to settle the case in its entirety.

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 30 September 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 other things, 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 30 September 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. 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. In August 2017, UBS and BTG agreed to resolve the largest indemnification claim (UBS's portion of which was approximately BRL 2 billion) relating to a tax assessment that had disallowed goodwill amortization deductions. In connection with this resolution, UBS paid CHF 245 million to BTG, which then submitted the underlying tax assessment for resolution

in a Brazilian tax amnesty program. Of the remaining BRL 732 million in indemnification claims, administrative courts have ruled in favor of BTG in respect of BRL 455 million of assessments related to profit-sharing plans, with the remainder of the assessments pending at various levels of the administrative or judicial court system.

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 was named as one of six defendants from whom the SFC was seeking investor 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. In August 2017, the SFC filed an amended writ that did not name UBS and some of the other defendants, thereby discontinuing this action against UBS.

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 Third 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 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.

RMBS-related lawsuits concerning disclosures: UBS has been named as a defendant in lawsuits relating to its role as underwriter and issuer of RMBS. In April 2017, UBS reached a final settlement in a lawsuit brought in the US District Court for the District of Kansas by the National Credit Union Administration ("**NCUA**") as conservator for certain failed credit unions, asserting misstatements and omissions in the offering documents for USD 1.15 billion in original principal balance of RMBS purchased by the credit unions. UBS and the NCUA settled this matter for USD 445 million. A similar case brought by the NCUA in the SDNY was settled in 2016. UBS has indemnification rights against surviving third-party issuers or originators for losses or liabilities incurred by UBS in connection with certain of these matters."

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:

"As indicated in "*Note 17 Events after the reporting period*" to the UBS AG's interim consolidated financial statements included in the UBS AG Third Quarter 2017 Report, on 1 October 2017, UBS AG Group completed the sale of Asset Management's fund administration servicing units in Luxembourg and Switzerland to Northern Trust, resulting in a pre-tax gain on sale of approximately CHF 140 million. This gain will be recognized in the income statement within Asset Management in the fourth quarter of 2017. Other than this, there has been no significant change in the financial or trading position of UBS AG or UBS AG Group since 30 September 2017, which is the end of the last financial period for which interim financial information has been published."

In the section entitled "L. GENERAL INFORMATION" in the subsection entitled "7. Documents incorporated by Reference" a new paragraph (f) 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);
- (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);
- (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);
- (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);
- (e) the UBS Group Second Quarter 2017 Report and the UBS AG Second Quarter 2017 Report (published on the UBS website, at https://www.ubs.com/global/en/about_ubs/investor_relations/quarterly_reporting/2017.html);
- (f) the UBS Group Third Quarter 2017 Report and the UBS AG Third Quarter 2017 Report (published on the UBS website, at https://www.ubs.com/global/en/about_ubs/investor_relations/quarterly_reporting/2017.html);
- (g) 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>);

- (h) 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>);
- (i) 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>); and
- (j) the Conditions of the Securities as contained on pages 187 to 286 of the Base Prospectus dated 27 September 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 21 June 2017 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.1 is completely replaced as follows:

B.1	Legal and commercial name of the issuer.	The legal and commercial name of the Issuer is UBS AG (the "Issuer" and together with its subsidiaries "UBS AG consolidated", or "UBS AG Group"; together with UBS Group AG, which is the holding company of UBS AG, and its subsidiaries, "UBS Group", "Group", "UBS" or "UBS Group AG consolidated").
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Element B.4b is completely replaced as follows:

B.4b	A description of any known trends affecting the issuer or the industries in which it operates.	<p>Trend Information</p> <p>As indicated in the UBS Group Third Quarter 2017 Report, UBS expects the global economic recovery to strengthen further, but geopolitical tensions and macroeconomic uncertainty still pose risks to client sentiment. In particular, high asset prices, uncertainty over central bank balance sheet and interest rate policies, seasonality factors and the persistence of low volatility may continue to affect overall client activity. Low and negative interest rates, particularly in Switzerland and the eurozone, put pressure on net interest margins, which may be partly offset by the effect of a further normalization of US monetary policy. Implementing Switzerland's new bank capital standards and further changes to national and international regulatory frameworks for banks will result in increased capital requirements, funding and operating costs. UBS is well positioned to mitigate these challenges and benefit from further improvements in market conditions.</p>
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In Element B.5 the fifth paragraph is completely replaced. Consequently, Element B.5 reads as follows:

B.5	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 & 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 & Corporate Banking and Wealth Management businesses booked in Switzerland to UBS Switzerland</p>
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		<p>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 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 transferred shared services functions in Switzerland from UBS AG to UBS Business Solutions AG. UBS expects to complete the transfer of shared services functions in the UK in the fourth quarter of 2017.</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 ("FINMA") and other regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.</p>
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Element B.12 is completely replaced as follows:

B.12	Selected historical key financial information / Material adverse change statement / Significant changes statement.	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 nine months ended 30 September 2017 and 30 September 2016 was derived from the UBS AG Third Quarter 2017 Report, which contains UBS AG interim consolidated financial statements (unaudited), as well as additional unaudited consolidated financial information, for the nine months ended 30 September
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2017 and comparative figures for the nine months ended 30 September 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 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 nine months ended		As of or for the year ended		
	30.9.17	30.9.16	31.12.16	31.12.15	31.12.14
	<i>unaudited</i>		<i>audited, except where indicated</i>		
Results					
Operating income	22,237	21,303	28,421	30,605	28,026
Operating expenses	17,993	17,979	24,352	25,198	25,557
Operating profit / (loss) before tax	4,244	3,324	4,069	5,407	2,469
Net profit / (loss) attributable to shareholders	3,257	2,568	3,207	6,235	3,502
Key performance indicators					
Profitability					
Return on tangible equity (%) ¹	9.6	7.3	6.9*	13.5*	8.2*
Cost / income ratio (%) ²	80.8	84.3	85.6*	82.0*	90.9*
Growth					
Net profit growth (%) ³	26.8	(51.4)	(48.6)*	78.0*	10.4*
Net new money growth for combined wealth management businesses (%) ⁴	1.9	3.2	2.1*	2.2*	2.5*
Resources					
Common equity tier 1 capital ratio (fully applied, %) ^{5,6}	14.0	14.8	14.5*	15.4*	14.2*
Going concern leverage ratio (fully applied, %) ^{7,8}	4.2	4.1	4.2*	-	-

Additional information

Profitability

Return on equity (RoE) (%) ⁹	8.3	6.3	5.9*	11.7*	7.0*
Return on risk-weighted assets, gross (%) ¹⁰	12.9	13.3	13.2*	14.3*	12.6*
Return on leverage ratio denominator, gross (%) ¹¹	3.4	3.2	3.2*	-	-
Resources					
Total assets	914,551	935,683	935,353	943,256	1,062,327
Equity attributable to shareholders	53,246	53,556	53,662	55,248	52,108
Common equity tier 1 capital (fully applied) ⁶	33,337	32,110	32,447	32,042	30,805
Common equity tier 1 capital (phase-in) ⁶	36,736	38,994	39,474	41,516	44,090
Risk-weighted assets (fully applied) ⁶	237,322	217,297	223,232*	208,186*	217,158*
Common equity tier 1 capital ratio (phase-in, %) ^{5,6}	15.4	17.7	17.5*	19.5*	19.9*
Going concern capital ratio (fully applied, %) ⁸	15.6	16.5	16.3*	-	-
Going concern capital ratio (phase-in, %) ⁸	19.7	23.0	22.6*	-	-
Going concern loss-absorbing capacity ratio (fully applied, %) ⁸	15.9	12.6	13.3*	-	-
Leverage ratio denominator (fully applied) ¹²	885,896	877,926	870,942*	898,251*	999,124*
Common equity tier 1 leverage ratio (fully applied, %) ¹²	3.8	3.7	3.7*	3.6*	3.1*
Going concern leverage ratio (phase-in, %) ^{7,8}	5.3	5.7	5.8*	-	-
Going concern leverage ratio (fully applied, %) ⁸	4.3	3.1	3.4*	-	-
Other					
Invested assets (CHF billion) ¹³	3,067	2,747	2,821	2,689	2,734
Personnel (full-time equivalents)	48,949	57,012	56,208*	58,131*	60,155*

* unaudited

¹ 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.

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

³ 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.

⁴ 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 Third 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.

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

⁶ Based on the Basel III framework as applicable for Swiss systemically relevant banks.

⁷ Total going concern capital / leverage ratio denominator.

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

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

¹⁰ 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.

¹¹ 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.

¹² 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.

¹³ 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	This metric is used because it provides information on the profitability of the business in relation to tangible equity.

	impairment of goodwill and intangible assets (annualized as applicable) divided by average equity attributable to shareholders less average goodwill and intangible assets	
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. Significant changes statement.	There has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2016. On 1 October 2017, UBS AG Group completed the sale of Asset Management's fund administration servicing units in Luxembourg and Switzerland to Northern Trust, resulting in a pre-tax gain on sale of approximately CHF 140 million. This gain will be recognized in the income statement within Asset Management in the fourth quarter of 2017. Other than this, there has been no significant change in the financial or trading position of UBS AG or UBS AG Group since 30 September 2017, which is the end of the last financial period for which interim financial information has been published.

Element B.17, is completely replaced as follows:

B.17	Credit ratings assigned to the issuer or its debt securities.	<p>The rating agencies Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"), Moody's Deutschland GmbH. ("Moody's"), Fitch Ratings Limited ("Fitch Ratings") and Scope Ratings AG ("Scope Ratings") have published solicited credit ratings reflecting their assessment of the creditworthiness of UBS AG, <i>i.e.</i> its ability to fulfil in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch Ratings, Standard & Poor's and Scope Ratings may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS AG has a long-term counterparty credit rating of A+ (outlook: stable) from Standard & Poor's, long-term senior debt rating of A1 (outlook: stable) from Moody's, long-term issuer default rating of AA- (outlook: stable) from Fitch Ratings and issuer rating of AA- (outlook: stable) from Scope Ratings.</p> <p>All the above-mentioned rating agencies are registered as credit rating agencies under Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011.</p> <p>The Securities have [not] been rated [[insert rating] by [insert rating agency]].</p>
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- 3) In relation to the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 21 June 2017 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.1 is completely replaced as follows:

B.1	Emittentens registrerade firma och handelsbeteckning.	Emittentens registrerade firma och handelsbeteckning är UBS AG ("Emittenten" och tillsammans med dess dotterföretag "UBS AG konsoliderat", eller "UBS AG-koncernen"; tillsammans med UBS Group AG, holdingbolag till UBS AG, och dess dotterbolag, "UBS-koncernen", "Koncernen", "UBS" eller "UBS Group AG konsoliderat").
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Element B.4b is completely replaced as follows:

B.4b	En beskrivning av varje känd trend som påverkar emittenten eller de branscher där emittenten är verksam.	<p>Information om trender</p> <p>Som beskrivs i UBS-koncernens rapport för det tredje kvartalet 2017 förväntar sig UBS att den globala ekonomin ska fortsätta stärkas, men underliggande makroekonomisk och geopolitisk osäkerhet är fortfarande en risk för klienternas inställning. I synnerhet höga värdepapperskurser, osäkerhet kring centralbankernas balansräkning och räntepolitik, säsongsbundna faktorer och fortsatt låga volatilitetsnivåer kan komma att fortsätta påverka den totala kundaktiviteten. Låga och negativa räntesatser, särskilt i Schweiz och euroområdet, sätter press på nettoräntemarginalerna, vilket delvis kan kompenseras av effekten av en ytterligare normalisering av USA:s penningpolitik. Implementering av Schweiz nya bankkapitalstandarder och de fortsatta ändringarna i nationella och internationella regelverk för banker leder till ökade kapitalkrav, finansieringar och driftskostnader. UBS är väl positionerat för att lindra dessa utmaningar och att dra fördel av fortsatta förbättringar i marknadsförhållanden.</p>
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In Element B.5 the fifth paragraph is completely replaced. Consequently, Element B.5 reads as follows:

B.5	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 & 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 & Corporate Banking och Wealth Management, som bokförs i Schweiz, till UBS Switzerland</p>
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		<p>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 aveckling genom att möjliggöra för UBS att bibehålla operationell kontinuitet av kritiska tjänster om en rekonstruktions- eller avecklingshändelse skulle inträffa.</p> <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 överförde UBS delade tjänstefunktioner i Schweiz från UBS AG till UBS Business Solutions AG. UBS förväntar sig att vara klar med överföringen av delade servicefunktioner i Storbritannien under fjärde kvartalet 2017.</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 ("FINMA") 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.12</p>	<p>Utvald historisk finansiell nyckelinformation / Uttalande om väsentliga negativa förändringar / Uttalande om väsentliga förändringar.</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 de nio månaderna som slutade den 30 september 2017 och 30 september 2016 har hämtats från UBS AG:s rapport för det tredje kvartalet 2017, vilken innehåller de konsoliderade finansiella interimsräkenskaperna (oreviderade) för UBS AG, såväl som ytterligare oreviderad konsoliderad finansiell information, för de nio månader som slutade den 30 september 2017 och jämförelsesiffror för de nio månader som slutade 30 september 2016.</p>
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		<p>De konsoliderade finansiella räkenskaperna har tagits fram i enlighet med International Financial Reporting Standards ("IFRS"), utfärdade av International Accounting Standards Board ("IASB"), och anges i schweiziska franc ("CHF"). Information för åren som slutade 31 december 2016, 2015 och 2014 vilken indikeras som oreviderad i tabellen nedan, inkluderades i Årsredovisningen för 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 de nio månader som slutade		Per eller för året som slutade		
	30.6.17	30.6.16	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>		
Koncernresultat					
Rörelseintäkter	14 958	14 254	28 421	30 605	28 026
Rörelsekostnader	11 876	11 818	24 352	25 198	25 557
Rörelsevinst / (förlust) före skatt	3 082	2 436	4 069	5 407	2 469
Nettovinst / (förlust) hänförlig till UBS AG aktieägare	2 354	1 723	3 207	6 235	3 502
Viktiga resultatindikatorer					
Lönsamhet					
Avkastning på synligt eget kapital (%) ¹	10,4	7,3	6,9*	13,5*	8,2*
Kostnads / intäktsrelation (%) ²	79,2	82,9	85,6*	82,0*	90,9*
Tillväxt					
Nettovinsttillväxt (%) ³	36,6	(46,2)	(48,6)*	78,0*	10,4*
Nettotillväxt nya medel för kombinerade verksamheter inom förmögenhetsförvaltning (%) ⁴	2,7	3,8	2,1*	2,2*	2,5*
Resurser					
Primärkapitalrelation (Common equity tier 1 capital ratio) (fullt tillämpad, %) ^{5,6}	13,8	15,0	14,5*	15,4*	14,2*
Hävstångsrelation enligt "going concern" (infasad, %) ^{7,8}	4,2	-	4,2*	-	-
Ytterligare information					
Lönsamhet					
Avkastning på eget kapital (RoE) (%) ⁹	9,0	6,3	5,9*	11,7*	7,0*
Avkastning på riskvägda tillgångar, brutto (%) ¹⁰	13,3	13,4	13,2*	14,3*	12,6*

Avkastning på hävstångsrelationsnämnnare, brutto (%) ¹¹	3,4	3,2	3,2*	-	-
Resurser					
Totala tillgångar	891 763	990 135	935 353	943 256	1 062 327
Eget kapital hänförligt till aktieägare	51 735	53 353	53 662	55 248	52 108
Primärkapital (Common equity tier 1 capital) (fullt tillämpad) ⁶	32 558	32 184	32 447	32 042	30 805
Primärkapital (Common equity tier 1 capital) (infasad) ⁶	35 887	38 913	39 474	41 516	44 090
Riskvägda tillgångar (fullt tillämpad) ⁶	236 552	214 210	223 232*	208 186*	217 158*
Primärkapitalrelation (Common equity tier 1 capital ratio) (infasad, %) ^{5,6}	15,1	17,9	17,5*	19,5*	19,9*
Kapitalrelation enligt going concern (fullt tillämpad, %) ⁸	15,3	-	16,3*	-	-
Kapitalrelation enligt "going concern" (infasad, %) ⁸	19,5	-	22,6*	-	-
Kapitalrelation enligt koncernförlust (fullt tillämpad, %) ⁸	14,4	-	13,3*	-	-
Hävstångsrelationsnämnnare (fullt tillämpad) ¹²	861 919	899 075	870 942*	898 251*	999 124*
Primärkapital (Common equity tier 1 capital) (infasad, %) ¹²	3,8	3,6	3,7*	3,6*	3,1*
Hävstångsrelation enligt "going concern" (infasad, %) ^{7,8}	5,4	-	5,8*	-	-
Kapitalrelation enligt going concern (fullt tillämpad, %) ⁸	3,9	-	3,4*	-	-
Övrigt					
Investerade tillgångar (CHF miljarder) ¹³	2 922	2 677	2 821	2 689	2 734
Anställda (motsvarande heltidstjänster)	48 476	57 387	56 208*	58 131*	60 155*

* oreviderat

¹ 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.

² Rörelseutgifter/rörelseintäkter före kreditförlust (utgift) eller återvinning.

³ 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.

⁴ 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 avsnitten "Wealth Management" och "Wealth Management Americas" i rapporten som ingår i UBS-koncernens rapport för det tredje kvartalet 2017 under avsnittet om UBS verksamhetsdivisioner och företagscenter, samt i Årsredovisningen för 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.

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

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

⁷ Totalt kapital/hävstångsdenominator enligt going concern.

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

⁹ Nettovinst hänförlig till aktieägares profit (på årsbasis där tillämpligt)/genomsnittligt eget kapital hänförligt till aktieägare.

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

¹¹ Baserar sig på fullt tillämpliga hävstångsnämnnare. Från och med 31 december 2015 är beräkningen av hävstångsrelationsnämnnaren fullt lierad med Basel III-reglerna. För perioder innan 31 december 2015 är hävstångsnämnnaren 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.

¹² Beräknad i enlighet med schweiziska SRB-regler. Från och med 31 december 2015 är beräkningen av hävstångsrelationsnämnnaren 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.

¹³ 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	Detta mått används eftersom det tillhandahåller information om verksamhetens lönsamhet i förhållande till materiellt kapital.

		och immateriella tillgångar (på årsbasis där tillämpligt) delat med genomsnittligt eget kapital hänförligt till aktieägare minskat med genomsnittlig goodwill och 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.		Den 1 oktober 2017 slutförde UBS AG-koncernen försäljningen av Asset Managements tjänstenheter för fondadministration i Luxemburg och Schweiz till Northern Trust, vilket ledde till en försäljningsökning före skatt om cirka 140 miljoner CHF. Denna ökning kommer att redovisas i inkomstdeklarationen för Asset Management under fjärde kvartalet 2017. Härutöver har det inte inträffat någon väsentlig förändring i den finansiella positionen eller handelspositionen för UBS AG eller UBS AG-koncernen sedan den 30 september 2017, vilket är slutet på den senaste finansiella period för vilken finansiell information har publicerats.

Element B.17 is completely replaced as follows:

B.17	Kreditvärdighetsbetyg som tilldelats emittenten eller dess skuldvärdepapper.	<p>Kreditvärderingsinstitut Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"), Moody's Deutschland GmbH ("Moody's"), Fitch Ratings Limited ("Fitch Ratings") och Scope Ratings AG ("Scope Ratings") har på begäran publicerat kreditvärdighetsbetyg som återspeglar deras bedömning av UBS AG:s kreditvärdighet, dvs. UBS:s förmåga att i tid fullgöra sina betalningsförpliktelser, såsom amortering och räntebetalningar på långfristiga lån, även känt som fullgörande av skuldförpliktelser. Betygen från Fitch Ratings, Standard & Poor's och Scope Ratings kan tillskrivas ett plus- eller minustecken och de från Moody's en siffra. Dessa tilläggsbeteckningar indikerar den relativa positionen inom respektive betygsklass. UBS AG har långfristigt motpartskreditvärdighetsbetyget A+ (stabil utsikt) från Standard & Poor's, för långfristig icke-säkerställd, icke efterställd skuldsättning kreditvärdighetsbetyget A1 (stabil utsikt) från Moody's, långfristigt kreditvärdighetsbetyg för emittentfallissemang AA- (stabil utsikt) från Fitch Ratings och för emittent kreditvärdighetsbetyget AA- (stabil utsikt) från Scope Ratings.</p> <p>Alla kreditvärderingsinstitut som nämns ovan är registrerade som kreditvärderingsinstitut under Förordning (2009/1060/EG), så som denna ändrades genom Förordning (2011/513/EG).</p>
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		Värdepappren har [inte] betygsatts[[<i>infoga betyg</i>] av [<i>infoga kreditvärderingsinstitut</i>]].]
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The Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 21 June 2017 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.

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.

Zurich, 5 December 2017

UBS AG