

**Supplement No. 22 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 20 October 2005,

concerning the issue of

[Call] [Put] Warrants, HIT [Call] [Put] Warrants, Lock Out [Call] [Put] Warrants, Double Lock Out Warrants, [Turbo Long-] [Turbo Short-] Warrants, Digital [Call] [Put] Warrants and Hamster Warrants

at the same time

**Supplement No. 20 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 20 October 2005,

concerning the issue of

[Discount] [Discount PLUS] [Sprint] [Multibloc] Certificates

at the same time

**Supplement No. 23 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 5 January 2006,

concerning the issue of

UBS [Performance Certificates without settlement formula] [Performance-Certificates with settlement formula] [Outperformance Certificates] [Relative Performance Plus Certificates] [Open-End Certificates without settlement formula] [Open-End Certificates with settlement formula] [S<sup>2</sup>MART Certificates] [Super S<sup>2</sup>MART Certificates] [Bonus Certificates] [Bonus Plus Certificates] [Bonus Extra Plus Certificates] [Express Certificates] [Express Kick-In Certificates] [Express Plus Certificates] [Easy Express Certificates] [Express XL Certificates]

at the same time

**Supplement No. 21 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 1 March 2006,

concerning the issue of

UBS [Capital Protected] Gearing Certificates

at the same time

**Supplement No. 19 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 28 March 2006,

concerning the issue of

A(lternative) I(nvestment) S(trategies) Index - Certificates

at the same time

**Supplement No. 20 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 11 July 2006,

concerning the issue of

UBS [TWIN-WIN] [•] Certificates

at the same time

**Supplement No. 20 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 11 July 2006,

concerning the issue of

UBS Reverse [(Capped)] Bonus Certificates

at the same time

**Supplement No. 21 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 16 November 2006,

concerning the issue of

UBS [[Call] [or, as the case may be,] [Put] Warrants] [Hit [Call] [or, as the case may be,] [Put] Warrants] [Lock Out [Call] [or, as the case may be,] [Put] Warrants] [Double Lock Out Warrants] [[Turbo Long-] [or, as the case may be,] [Turbo Short-] Warrants] [Digital [Call] [or, as the case may be,] [Put] Warrants] [Hamster Warrants]

at the same time

**Supplement No. 22 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 November 2006,

concerning the issue of

UBS [Discount Certificates] [Discount PLUS Certificates] [Sprint [PLUS] Certificates] [Multibloc Certificates] [[Easy] [Outperformance [(Capped)]] Express [Kick-In] [PLUS] [XL] [Bonus] Certificates] [Callable Yield Certificates]

at the same time

**Supplement No. 25 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 25 January 2007,

concerning the issue of

UBS [[Performance] [PERLES] [(Capped)] Certificates [without] [with] settlement formula] [Outperformance [(Capped)] Certificates] [Relative Performance Plus Certificates] [Open-End [(Capped)] Certificates [without] [with] settlement formula] [[Super] S<sup>2</sup>MART Certificates] [[Lock-In] Bonus [(Capped)] [Extra] [Plus] [Flex] Certificates]

at the same time

### **Supplement No. 21 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, London Branch, dated 20 March 2007,

concerning the issue of

- Series 2007-[●] Up to CHF [●] 100% Principal Protected Type A Notes linked to the [●] CHF Protected Index
- Series 2007-[●] Up to CHF [●] 100% Principal Protected Type B Notes linked to the [●] CHF Protected Index ((i) and (ii) together, the CHF Notes) (for marketing purposes these securities are known as "[●] CHF Index Notes")
- Series 2007-[●] Up to EUR [●] 100% Principal Protected Type A Notes linked to the [●] EUR Protected Index
- Series 2007-[●] Up to EUR [●] 100% Principal Protected Type B Notes linked to the [●] EUR Protected Index ((iii) and (iv) together, the EUR Notes) (for marketing purposes these securities are known as the "[●] EUR Index Notes")
- Series 2007-[●] Up to USD [●] 100% Principal Protected Type A Notes linked to the [●] USD Protected Index
- Series 2007-[●] Up to USD [●] 100% Principal Protected Type B Notes linked to the [●] USD Protected Index ((v) and (vi) together, the USD Notes and, together with the CHF Notes and the EUR Notes, the Notes) (for marketing purposes these securities are known as "[●] USD Index Notes")

as well as for the

- Series 2007-[●] Up to CHF [●] Type A Certificates linked to the [●] CHF Index
- Series 2007-[●] Up to CHF [●] Type B Certificates linked to the [●] CHF Index ((vii) and (viii) together, the CHF Certificates) (for marketing purposes these securities are known as "[●] CHF Index Certificates")
- Series 2007-[●] Up to EUR [●] Type A Certificates linked to the [●] EUR Index
- Series 2007-[●] Up to EUR [●] Type B Certificates linked to the [●] EUR Index ((ix) and (x) together, the EUR Certificates) (for marketing purposes these securities are known as "[●] EUR Index Certificates")
- Series 2007-[●] Up to USD [●] Type A Certificates linked to the [●] USD Index
- Series 2007-[●] Up to USD [●] Type B Certificates linked to the [●] USD Index ((xi) and (xii) together, the USD Certificates) (for marketing purposes these securities are known as "[●] USD Certificates")

at the same time

### **Supplement No. 25 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 12 April 2007,

concerning the issue of

UBS [Capital Protected] [Gearing] [●] [(Capped)] Certificates

at the same time

**Supplement No. 21 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 April 2007,

concerning the issue of

UBS [Capital Protected] [A(ternative) I(nvestment) S(trategies)] [●] Index [(Capped)]-Certificates

at the same time

**Supplement No. 19 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 August 2007

concerning the issue of

UBS [Capital Protected] [A(ternative) I(nvestment) S(trategies)] [●] [Portfolio] [(Capped)] Certificates

at the same time

**Supplement No. 24 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London][Jersey] Branch, dated 13 November 2007,

concerning the issue of

UBS [Capital Protected] [[Call] [or, as the case may be,] [Put]] [Hit [Call] [or, as the case may be,] [Put]] [Lock Out [Call] [or, as the case may be,] [Put]] [Double Lock Out] [[Turbo Long-] [or, as the case may be,] [Turbo Short-]] [Digital [Call] [or, as the case may be,] [Put]] [Hamster] [●] [(Capped)] Warrants

at the same time

**Supplement No. 23 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 23 November 2007,

concerning the issue of

UBS [Capital Protected] [Discount [PLUS]] [Sprint [PLUS]] [Multibloc] [[Easy] [Outperformance [Express]] [Kick-In] [PLUS] [XL] [Bonus]] [Callable Yield] [●] [(Capped)] Certificates

at the same time

**Supplement No. 21 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 20 December 2007,

concerning the issue of

UBS [Capital Protected] [Bonus] [Express] [Reverse] [Lock-in] [(Capped)] Certificates

at the same time

**Supplement No. 21 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 21 January 2008,

concerning the issue of

UBS [Capital Protected] [[Performance] [PERLES]] [Outperformance] [Relative Performance Plus] [Open-End] [[Super] S<sup>2</sup>MART] [[Lock-In] Bonus [Extra] [Plus] [Flex]] [(Capped)] Certificates [[without] [with] settlement formula]

at the same time

**Supplement No. 19 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG [Zurich], [London] [Jersey] Branch, dated 29 February 2008,

concerning the issue of

UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [Reverse] [Performance] [Tracker] [(Capped)] Certificates

at the same time

**Supplement No. 18 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG [London] [Jersey] Branch, dated 18 April 2008,

concerning the issue of

UBS [Capital Protected] [Gearing] [(Capped)] Certificates

at the same time

**Supplement No. 18 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 the already published (single document) Base Prospectus of UBS AG [Zurich], [London] [Jersey] Branch, dated 2 May 2008,

concerning the issue of

UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [●] [Portfolio] [(Capped)] Certificates

at the same time

**Supplement No. 18 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 27 May 2008,

concerning the issue of

UBS [Capital Protected] [Kick-In] [GOAL] [(Capped)] Notes

at the same time

**Supplement No. 15 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 16 June 2008,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 17 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 14 July 2008,

concerning the issue of

UBS [Capital Protected] [Champion] [Express] [(Capped)] Certificates

at the same time]

**Supplement No. 15 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 25 November 2008,

concerning the issue of

UBS [Capital Protected] [Discount [PLUS]] [Sprint [PLUS]] [Multibloc] [[Easy] [Outperformance [Express] [Kick-In] [PLUS] [XL] [Bonus]] [Callable Yield] [Reverse] [Champion] [Express] [(Capped)] Certificates

at the same time

**Supplement No. 15 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 17 December 2008,

concerning the issue of

UBS [Capital Protected] [Bonus] [Twin-Win] [Express] [Reverse] [Lock-In] [Basket] [Select] [(Capped)] [Certificates] [Notes]

at the same time

**Supplement No. 14 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] Branch, dated 29 January 2009,

concerning the issue of

UBS [Capital Protected] [[Performance] [Express] [Reverse] [PERLES]] [Outperformance] [Relative Performance Plus] [Open-End] [[Super] S2MART] [[Lock-In] [Bonus] [Extra Plus] [Flex]] [(Capped)] Certificates

at the same time

**Supplement No. 13 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 21 April 2009,

concerning the issue of  
UBS [CAPITAL PROTECTED] [GEARING] [(CAPPED)] [Certificates] [Notes]

at the same time

**Supplement No. 13 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 15 June 2009,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 14 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 21 October 2009,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 13 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 26 April 2010,

concerning the issue of  
UBS [Capital Protected] [Gearing] [Capital Yield] [Champion] [Outperformance] [Easy] [Express] [Kick-In] [PLUS] [XL] [Bonus] [(Capped)] [Certificates] [Notes]

at the same time

**Supplement No. 12 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 19 August 2010,

concerning the issue of  
Securities

at the same time

**Supplement No. 13 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 22 October 2010,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 13 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 3 December 2010,

concerning the issue of  
Securities

at the same time

**Supplement No. 10 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 14 October 2011,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 9 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 28 November 2011,

concerning the issue of  
Securities

at the same time

**Supplement No. 7 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 20 June 2012,

in relation to the  
Structured Warrant Programme

at the same time

**Supplement No. 7 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 20 June 2012,

concerning the issue of  
Securities

at the same time

**Supplement No. 6 pursuant to § 16 (1) of the German Securities Prospectus Act**

dated 16 May 2013 to the already published (single document) Base Prospectus of UBS AG,



London Branch, dated 25 June 2012,

concerning the issue of  
Open End Index Certificates

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

**Publication of the first quarter report of UBS AG as per 31 March 2013 on 30 April 2013.**

**The attention of the investors is in particular drawn to the following: Investors who have already agreed to purchase or subscribe for the Notes, Certificates, Bonds or Securities, as the case may be, before this supplement is published have, pursuant to § 16 (3) of the German Securities Prospectus Act, the right, exercisable within a time limit of two working days after the publication of this supplement, to withdraw their acceptances, provided that the new circumstances or the incorrectness causing the supplement occurred before the closing of the public offering and before the delivery of the securities. A withdrawal, if any, of an order must be communicated in writing to the Issuer at its registered office specified in the address list hereof.**

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- 1a)** In relation to the Base Prospectuses as listed introductory on pages 1 to 9 except for the Base Prospectuses dated 22 October 2010, 14 October 2011, 28 November 2011 and 20 June 2012, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
- UBS Annual Report 2012, in English; page 35 - 51	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2012, in English; pages 441 – 442 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2012, in English; pages 225 – 227 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2012 (Financial Information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 289,		(i) Income Statement,
(ii) page 291,		(ii) Balance Sheet,
(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 316,		(v) Accounting Standards and Policies,
(vi) pages 321 - 322 (inclusive).		(vi) Report of the Group Auditors
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2012:
(i) page 323,		(i) Income Statement,
(ii) page 325,		(ii) Balance Sheet,
(iii) page 462,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 463 - 482 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 457 - 459,		(v) Parent Bank Review,
(vi) page 316 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 483 - 484 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Annual Report 2011, in English; pages 30 - 46 (inclusive)	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2011, in English; pages 394 – 397 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2011, in English; pages 199 – 203 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2011 (Financial information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 289,		(i) Income Statement,
(ii) page 291,		(ii) Balance Sheet,

(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 282,		(v) Accounting Standards and Policies,
(vi) pages 287 - 288 (inclusive).		(vi) Report of the Group Auditors.
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2011:
(i) page 414,		(i) Income Statement,
(ii) page 415,		(ii) Balance Sheet,
(iii) page 416,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 417 – 434 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 411 – 413 (inclusive),		(v) Parent Bank Review,
(vi) page 282,		(vi) Accounting Standards and Policies,
(vii) pages 435 – 436 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Quarterly Report 31 March 2013	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Information on the Issuer as of 31 March 2013
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares

- (a) the Quarterly Report of UBS AG as of 31 March 2013 has been filed with the BaFin as appendix to the Short Form Prospectus dated 10 May 2013;
- (b) the Annual Report 2012 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 3 April 2013 in relation to various Structured Note Programmes;
- (c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various Base Prospectuses.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus."

**1b)** In relation to the Base Prospectus dated 22 October 2010, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
- UBS Annual Report 2012, in English; page 35 - 51	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2012, in English; pages 441 – 442 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2012, in English; pages 225 – 227 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2012 (Financial Information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 289,		(i) Income Statement,
(ii) page 291,		(ii) Balance Sheet,
(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 316,		(v) Accounting Standards and Policies,
(vi) pages 321 - 322 (inclusive).		(vi) Report of the Group Auditors
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2012:
(i) page 323,		(i) Income Statement,
(ii) page 325,		(ii) Balance Sheet,
(iii) page 462,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 463 - 482 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 457 - 459,		(v) Parent Bank Review,
(vi) page 316 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 483 - 484 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Annual Report 2011, in English; pages 30 - 46 (inclusive)	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2011, in English; pages 394 – 397 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2011, in English; pages 199 – 203 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2011 (Financial information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 289,		(i) Income Statement,
(ii) page 291,		(ii) Balance Sheet,
(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial

		Statements,
(v) page 282,		(v) Accounting Standards and Policies,
(vi) pages 287 - 288 (inclusive).		(vi) Report of the Group Auditors.
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2011:
(i) page 414,		(i) Income Statement,
(ii) page 415,		(ii) Balance Sheet,
(iii) page 416,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 417 – 434 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 411 – 413 (inclusive),		(v) Parent Bank Review,
(vi) page 282,		(vi) Accounting Standards and Policies,
(vii) pages 435 – 436 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Quarterly Report 31 March 2013	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Information on the Issuer as of 31 March 2013
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares

- (a) the Quarterly Report of UBS AG as of 31 March 2013 has been filed with the BaFin as appendix to the Short Form Prospectus dated 10 May 2013;
- (b) the Annual Report 2012 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 3 April 2013 in relation to various Structured Note Programmes;
- (c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various Base Prospectuses.

In addition, the sections "Terms and Conditions of the Warrants" on pages 50 to 186 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 21 October 2009, as approved by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "**BaFin**"), shall be incorporated in, and form part of, the Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of the Base Prospectus.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus."

- 1c) In relation to the Base Prospectus dated 14 October 2011, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

Incorporated document	Referred to in	Information
- UBS Annual Report 2012, in English; page 35 - 51	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2012, in English; pages 441 – 442 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2012, in English; pages 225 – 227 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2012 (Financial Information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 289,		(i) Income Statement,
(ii) page 291,		(ii) Balance Sheet,
(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 316,		(v) Accounting Standards and Policies,
(vi) pages 321 - 322 (inclusive).		(vi) Report of the Group Auditors
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2012:
(i) page 323,		(i) Income Statement,
(ii) page 325,		(ii) Balance Sheet,
(iii) page 462,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 463 - 482 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 457 - 459,		(v) Parent Bank Review,
(vi) page 316 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 483 - 484 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Annual Report 2011, in English; pages 30 - 46 (inclusive)	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2011, in English; pages 394 – 397 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2011, in English; pages 199 – 203 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2011 (Financial information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 289,		(i) Income Statement,
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(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
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(v) page 282,		(v) Accounting Standards and Policies,
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(v) pages 411 – 413 (inclusive),		(v) Parent Bank Review,
(vi) page 282,		(vi) Accounting Standards and Policies,
(vii) pages 435 – 436 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Quarterly Report 31 December 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Information on the Issuer as of 31 December 2012
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Quarterly Report 31 March 2013	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Information on the Issuer as of 31 March 2013
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- (a) the Quarterly Report of UBS AG as of 31 March 2013 has been filed with the BaFin as appendix to the Short Form Prospectus dated 10 May 2013;
- (b) the Annual Report 2012 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 3 April 2013 in relation to various Structured Note Programmes;
- (c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various Base Prospectuses.

In addition, (i) the sections "Terms and Conditions of the Warrants" on pages 50 to 186 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 21 October 2009, as approved by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "**BaFin**"), and (ii) the sections "Terms and Conditions of the Warrants" on pages 81 to 245 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 22 October 2010, as approved by BaFin, shall be incorporated in, and form part of, the Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of the Base Prospectus.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus."

**1d)** In relation to the Base Prospectus dated 28 November 2011, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
- UBS Annual Report 2012, in English; page 35 - 51	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2012, in English; pages 441 – 442 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2012, in English; pages 225 – 227 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2012 (Financial Information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year :
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(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,
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(v) page 457 - 459,		(v) Parent Bank Review,
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(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial

		Statements,
(v) page 282,		(v) Accounting Standards and Policies,
(vi) pages 287 - 288 (inclusive).		(vi) Report of the Group Auditors.
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	- Major Shareholders of the Issuer	- Further details on UBS shares
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	- Major Shareholders of the Issuer	- Further details on UBS shares

- (a) the Quarterly Report of UBS AG as of 31 March 2013 has been filed with the BaFin as appendix to the Short Form Prospectus dated 10 May 2013;
- (b) the Annual Report 2012 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 3 April 2013 in relation to various Structured Note Programmes;
- (c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various Base Prospectuses.

In addition, the sections "Terms and Conditions of the Securities" on pages 84 to 380 (including) of the base prospectus of UBS AG for the issue of Securities, dated 3 December 2010, as approved by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "**BaFin**"), shall be incorporated in, and form part of, the Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of the Base Prospectus.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus."

**1e)** In relation to the Base Prospectus dated 20 June 2012 for the issue of Warrants, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
- UBS Annual Report 2012, in English; page 35 - 51	- Business Overview	- Description of the Issuer's business groups
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- UBS Annual Report 2012, in English; pages 225 – 227 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
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(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 316,		(v) Accounting Standards and Policies,
(vi) pages 321 - 322 (inclusive).		(vi) Report of the Group Auditors
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2012:
(i) page 323,		(i) Income Statement,
(ii) page 325,		(ii) Balance Sheet,
(iii) page 462,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 463 - 482 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 457 - 459,		(v) Parent Bank Review,
(vi) page 316 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 483 - 484 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Annual Report 2011, in English; pages 30 - 46 (inclusive)	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2011, in English; pages 394 – 397 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2011, in English; pages 199 – 203 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
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(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,

(v) page 282,		(v) Accounting Standards and Policies,
(vi) pages 287 - 288 (inclusive).		(vi) Report of the Group Auditors.
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(i) page 414,		(i) Income Statement,
(ii) page 415,		(ii) Balance Sheet,
(iii) page 416,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 417 – 434 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 411 – 413 (inclusive),		(v) Parent Bank Review,
(vi) page 282,		(vi) Accounting Standards and Policies,
(vii) pages 435 – 436 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Quarterly Report 31 March 2013	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Information on the Issuer as of 31 March 2013
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares

The sections "Terms and Conditions of the Warrants" on pages 50 to 186 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 21 October 2009, as approved by the Federal Financial Supervisory Authority ( <i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> – " <b>BaFin</b> ") are incorporated by reference in this Prospectus.
The sections "Terms and Conditions of the Warrants" on pages 81 to 245 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 22 October 2010, as approved by BaFin, are incorporated by reference in this Prospectus.
The sections "Terms and Conditions of the Warrants" on pages 86 to 262 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 14 October 2011, as approved by the BaFin, are incorporated by reference in this Prospectus.

- (a) the Quarterly Report of UBS AG as of 31 March 2013 has been filed with the BaFin as appendix to the Short Form Prospectus dated 10 May 2013;
- (b) the Annual Report 2012 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 3 April 2013 in relation to various Structured Note Programmes;
- (c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various Base Prospectuses.

(i) The sections "Terms and Conditions of the Warrants" on pages 50 to 186 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 21 October 2009, as approved by the BaFin,

(ii) the sections "Terms and Conditions of the Warrants" on pages 81 to 245 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 22 October 2010, as approved by the BaFin, and

(iii) the sections "Terms and Conditions of the Warrants" on pages 86 to 262 (including) of the base prospectus of UBS AG for the issue of Warrants, dated 14 October 2011, as approved by the BaFin, shall be incorporated in, and form part of, the Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus.

Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus.”

- 1f)** In relation to the Base Prospectus dated 20 June 2012 for the issue of Securities, the section following the heading "Documents incorporated by Reference" is completely replaced as follows:

"The following documents shall be incorporated in, and form part of, this Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
- UBS Annual Report 2012, in English; page 35 - 51	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2012, in English; pages 441 – 442 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2012, in English; pages 225 – 227 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2012 (Financial Information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year :
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(ii) page 291,		(ii) Balance Sheet,
(iii) pages 295 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 297 - 410 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 316,		(v) Accounting Standards and Policies,
(vi) pages 321 - 322 (inclusive).		(vi) Report of the Group Auditors
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2012:
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(ii) page 325,		(ii) Balance Sheet,
(iii) page 462,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 463 - 482 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 457 - 459,		(v) Parent Bank Review,
(vi) page 316 (inclusive),		(vi) Accounting Standards and Policies,
(vii) pages 483 - 484 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Annual Report 2011, in English; pages –0 - 46 (inclusive)	- Business Overview	- Description of the Issuer's business groups
- UBS Annual Report 2011, in English; pages 394 – 397 (inclusive)	- Organisational Structure of the Issuer	- Illustration of the key subsidiaries
- UBS Annual Report 2011, in English; pages 199 – 203 (inclusive)	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS Annual Report 2011 (Financial information Section), in English:	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Statements of UBS AG (Group) for the financial year:
(i) page 289,		(i) Income Statement,
(ii) page 291,		(ii) Balance Sheet,
(iii) pages 2–5 - 296 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 2–7 - 410 (inclusive),		(iv) Notes to the Financial

		Statements,
(v) page 282,		(v) Accounting Standards and Policies,
(vi) pages 2–7 - 288 (inclusive).		(vi) Report of the Group Auditors.
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2011:
(i) page 414,		(i) Income Statement,
(ii) page 415,		(ii) Balance Sheet,
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(iv) pages 417 – 434 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 411 – 413 (inclusive),		(v) Parent Bank Review,
(vi) page 282,		(vi) Accounting Standards and Policies,
(vii) pages 435 – 436 (inclusive).		(vii) Report of the Statutory Auditors.
- UBS Quarterly Report 31 March 2013	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial Information on the Issuer as of 31 March 2013
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares

The sections "Terms and Conditions of the Certificates" on pages 62 to 148 (including) and "Terms and Conditions of the Reference Portfolio linked Certificates" on pages 149 to 199 (including) of the base prospectus of UBS AG for the issue of Securities under the UBS A(lternative) I(nvestment) S(trategies) Programme dated 19 August 2010, as approved by the Federal Financial Supervisory Authority ( <i>Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"</i> ) are incorporated by reference in this Prospectus.
The sections "Terms and Conditions of the Securities" on pages 84 to 380 (including) of the base prospectus of UBS AG for the issue of Securities, dated 3 December 2010, as approved by the BaFin are incorporated by reference in this Prospectus.
The sections "Terms and Conditions of the Securities" on pages 91 to 400 (including) of the base prospectus of UBS AG for the issue of Securities, dated 28 November 2011, as approved by the BaFin, are incorporated by reference in this Prospectus.

- (a) the Quarterly Report of UBS AG as of 31 March 2013 has been filed with the BaFin as appendix to the Short Form Prospectus dated 10 May 2013;
- (b) the Annual Report 2012 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 3 April 2013 in relation to various Structured Note Programmes;
- (c) the Annual Report 2011 of UBS AG has been filed with the BaFin as appendix to the Supplement dated 19 April 2012 in relation to various Base Prospectuses.

(i) The sections "Terms and Conditions of the Certificates" on pages 62 to 148 (including) and "Terms and Conditions of the Reference Portfolio linked Certificates" on pages 149 to 199 (including) of the base prospectus of UBS AG for the issue of Securities under the UBS A(lternative) I(nvestment) S(trategies) Programme dated 19 August 2010, as approved by the BaFin, (ii) the sections "Terms and Conditions of the Securities" on pages 84 to 380 (including) of the base prospectus of UBS AG for the issue of Securities, dated 3 December 2010, as approved by the BaFin and (iii) the sections "Terms and Conditions of the Securities" on pages 91 to 400 (including) of the base prospectus of UBS AG for the issue of Securities, dated 28 November 2011, as approved by the BaFin, shall be incorporated in, and form part of, the Base Prospectus and may be obtained free of charge at the registered offices of the Issuer for a period of twelve months after the publication of this Base Prospectus.



Any information not listed above but contained in the documents incorporated by reference is either not relevant to investors or is covered elsewhere in the Base Prospectus.”

- 2) In relation to the Base Prospectuses as listed introductory on pages 1 to 9 except for the Base Prospectuses as specified below in this section 2), the subparagraphs headed
- Overview and
  - Selected Consolidated Financial Data

under the following bullet points in the section "Summary"

- "*Who is the Issuer*",
- "*What is the Issuer's financial situation?*"

and in relation to the Base Prospectus dated 20 March 2007 the subparagraphs headed

- Overview and
- Selected Consolidated Financial Data

under the following bullet points in the section "Summary"

- "*Issuer*",
- "*Issuer's financial situation*"

and in relation to the Base Prospectuses dated 16 June 2008, 15 June 2009, 21 October 2009, 26 April 2010, 19 August 2010, 22 October 2010, 3 December 2010, 14 October 2011, 28 November 2011, 20 June 2012, and 25 June 2012 the subparagraphs headed

- Overview and
- Selected Consolidated Financial Data

In the section headed "Who is the Issuer?" of the section "Summary" shall be replaced by the following:

## **"Who is the Issuer?"**

### ***Overview***

UBS AG (UBS AG also "**Issuer**") with its subsidiaries (together with the Issuer, "**UBS Group**", "**Group**" or "**UBS**") draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. UBS's business strategy is centered on its pre-eminent global wealth management businesses and its leading universal bank in Switzerland. These businesses, together with a client-focused Investment Bank and a strong, well-diversified Global Asset Management business, will enable UBS to expand its premier wealth management franchise and drive further growth across the Group. Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centers.

On 31 March 2013 UBS's BIS Basel III common equity tier 1 capital ratio<sup>1</sup> was 15.3% on a phase-in basis and 10.1% on a fully applied basis, invested assets stood at CHF 2,373 billion, equity attributable to UBS shareholders was CHF 47,239 million and market capitalization was CHF 55,827 million. On the same date, UBS employed 61,782 people<sup>1</sup>.

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<sup>1</sup> The BIS Basel III common equity tier 1 capital ratio is the ratio of BIS Basel III common equity tier 1 capital to BIS Basel III risk-weighted assets. The information provided on a fully applied basis does not consider the effects of the transition period, during which new capital deductions are phased in and ineligible capital instruments are phased out. For information as to how BIS Basel III common equity tier 1 capital is calculated, refer to the "Capital management" section of UBS's first quarter 2013 report.

<sup>1</sup> Full-time equivalents.

## Selected Consolidated Financial Data

UBS derived the following selected consolidated financial data from (i) its annual report 2012 containing the audited consolidated financial statements for the fiscal year ended 31 December 2012 (including comparative figures for the fiscal years ended 31 December 2011 and 2010) and (ii) its unaudited consolidated financial statements for the quarter ended 31 March 2013 (from which comparative figures for the quarter ended 31 March 2012 as well as selected comparative figures as of 31 December 2012 have been derived). UBS's consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and stated in Swiss francs (CHF).

CHF million, except where indicated	As of or for the quarter ended		As of or for the year ended		
	31.03.13	31.03.12	31.12.12 <sup>1</sup>	31.12.11	31.12.10
	<i>unaudited</i>		<i>audited, except where indicated</i>		
<b>Group results</b>					
Operating income	7,775	6,523	25,423*	27,788	31,994
Operating expenses	6,327	4,956	27,216	22,482	24,650
Operating profit / (loss) before tax	1,447	1,567	(1,794)*	5,307	7,345
Net profit / (loss) attributable to UBS shareholders	988	1,035	(2,480)*	4,138	7,452
Diluted earnings per share (CHF)	0.26	0.27	(0.66)*	1.08	1.94

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

<b>Performance</b>					
Return on equity (RoE) (%) <sup>2</sup>	8.5	8.5	(5.1)*	9.1*	18.0*
Return on tangible equity (%) <sup>3</sup>	10.1	10.8	1.6*	11.9*	24.7*
Return on risk-weighted assets, gross (%) <sup>4</sup>	11.9	11.5	12.0*	13.7*	15.5*
Return on assets, gross (%) <sup>5</sup>	2.5	1.9	1.9*	2.1*	2.3*
<b>Growth</b>					
Net profit growth (%) <sup>6</sup>	N/A	220.4	N/A*	(44.5)*	N/A*
Net new money growth (%) <sup>7</sup>	3.7	0.6	1.6*	1.9*	(0.8)*
<b>Efficiency</b>					
Cost / income ratio (%) <sup>8</sup>	81.2	76.4	106.6*	80.7*	76.9*
<b>Capital strength</b>					
BIS Basel III common equity tier 1 capital ratio (% , phase-in) <sup>9,10</sup>	15.3		15.3*		
BIS Basel III common equity tier 1 capital ratio (% , fully applied) <sup>9,10</sup>	10.1		9.8*		
Swiss SRB leverage ratio (%) <sup>9,11</sup>	3.8		3.6*		

<b>Balance sheet and capital management</b>					
Total assets	1,213,844	1,364,036	1,259,797*	1,416,962	1,314,813
Equity attributable to UBS shareholders	47,239	48,792	45,949*	48,530	43,728
Total book value per share (CHF)	12.57	12.92	12.26*	12.95*	11.53*
Tangible book value per share (CHF)	10.79	10.45	10.54*	10.36*	8.94*
BIS Basel III common equity tier 1 capital (phase-in) <sup>12</sup>	40,235		40,032*		
BIS Basel III common equity tier 1 capital (fully applied) <sup>12</sup>	26,176		25,182*		
BIS Basel III risk-weighted assets (phase-in) <sup>12</sup>	262,454		261,800*		
BIS Basel III risk-weighted assets (fully applied) <sup>12</sup>	258,701		258,113*		
BIS Basel III total capital ratio (% , phase-in) <sup>12</sup>	18.9		18.9*		
BIS Basel III total capital ratio (% , fully applied) <sup>12</sup>	11.8		11.4*		
<b>Additional information</b>					
Invested assets (CHF billion) <sup>13</sup>	2,373	2,115	2,230	2,088	2,075
Personnel (full-time equivalents)	61,782	64,243	62,628*	64,820*	64,617*
Market capitalization	55,827	48,488	54,729*	42,843*	58,803*

\*unaudited

<sup>1</sup> On 1 January 2013, UBS adopted IASB October 2012 amendments to IFRS 10 *Consolidated Financial Statements*. The comparative 2012 periods included in UBS' first quarter report 2013 have been adjusted to reflect the effect of adopting IFRS 10. Under IFRS 10, periods prior to 2012 are not required to be restated in 2013 reports. <sup>2</sup> Net profit attributable to UBS shareholders on a year-to-date basis (annualized as applicable) / average equity attributable to UBS shareholders (year-to-date basis). <sup>3</sup> Net profit attributable to UBS shareholders before amortization and impairment of goodwill and intangible assets / average equity attributable to UBS shareholders less average goodwill and intangible assets. <sup>4</sup> Operating income before credit loss (expense) or recovery on a year-to-date basis (annualized as applicable) / average risk-weighted assets (year-to-date basis). Based on BIS Basel III risk-weighted assets (phase-in) for 2013, on Basel 2.5 risk-weighted assets for 2012 and on Basel II risk-weighted assets for 2011 and 2010. <sup>5</sup> Operating income before credit loss (expense) or recovery on a year-to-date basis (annualized as applicable) / average total assets (year-to-date basis). <sup>6</sup> Change in net profit attributable to UBS shareholders from continuing operations between current and comparison periods / net profit attributable to UBS shareholders from continuing operations of comparison period. Not meaningful and not included if either the reporting period or the comparison period is a loss period. <sup>7</sup> Net new money for the period (annualized as applicable) / invested assets at the beginning of the period. Group net new money includes net new money for Retail & Corporate and excludes interest and dividend income. <sup>8</sup> Operating expenses / operating income before credit loss (expense) or recovery. <sup>9</sup> On 1 January 2013 the BIS Basel III requirements became effective in Switzerland. In order to align its key performance indicators framework, in the first quarter of 2013 UBS replaced the key performance indicators "BIS tier 1 ratio (%)" and "FINMA leverage ratio (%)" with "BIS Basel III common equity tier 1 capital ratio (% , phase in / fully applied)" and "Swiss SRB (systemically relevant banks) leverage ratio (%)". BIS Basel III numbers for 31 December 2012 are on a pro-forma basis. <sup>10</sup> BIS Basel III common equity tier 1 capital / BIS Basel III risk-weighted assets. The information provided on a fully applied basis does not consider the effects of the transition period, during which new capital deductions are phased in and ineligible capital instruments are phased out. <sup>11</sup> Total capital / IFRS assets, based on a capital adequacy scope of consolidation, adjusted for replacement value netting and other adjustments, including off-balance sheet items. Formerly referred to as FINMA Basel III leverage ratio. <sup>12</sup> On 1 January 2013 the Basel III requirements became effective in Switzerland. BIS Basel III numbers for 31 December 2012 are on a pro-forma basis. <sup>13</sup> Group invested assets includes invested assets for Retail & Corporate.

## Trend Information

(Outlook statement as presented in UBS's first quarter 2013 report, including unaudited consolidated financial statements, issued on 30 April 2013)

While market participants showed renewed interest early in the first quarter, events in Europe served as a reminder that many of the underlying challenges related to structural issues remain unsolved. The absence of further sustained and credible improvements to the eurozone sovereign debt situation, European banking system issues, ongoing geopolitical risks, and the outlook for growth in the global economy together with an increasing focus on unresolved US fiscal issues would continue to exert a strong influence on client confidence, and thus activity levels, in the second quarter of 2013. It would make further improvements in prevailing market conditions unlikely and would consequently generate headwinds for revenue growth, net interest margins and net new money. Nevertheless, UBS remains confident that its asset-gathering businesses as a whole will continue to attract net new money, reflecting its clients' steadfast trust in the firm. UBS is confident that the actions it has taken will ensure the firm's long-term success and will deliver sustainable returns for its shareholders going forward.

## Auditors

Based on section 31 of the Articles of Association, UBS AG shareholders elect the auditors for a term of office of one year. At the AGM of 28 April 2011, 3 May 2012 and 2 May 2013, Ernst & Young Ltd.,

Aeschengraben 9, CH-4002 Basel were elected as auditors for the financial statements of UBS AG and the consolidated financial statements of the UBS Group for a one-year term, respectively.

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

- 3) In relation to
- (a) the Base Prospectus dated 28 March 2006 concerning the issue of A(lternative) I(nvestment) S(trategies) Index – Certificates,
  - (b) the Base Prospectus dated 17 April 2007 concerning the issue of UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [•] Index [(Capped)]-Certificates,
  - (c) the Base Prospectus dated 17 August 2007 concerning the issue of UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [•] [Portfolio] [(Capped)] Certificates,
  - (d) the Base Prospectus dated 29 February 2008 for the issue of UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [Reverse] [Performance] [Tracker] [(Capped)] Certificates,
  - (e) the Base Prospectus dated 2 May 2008 concerning the issue of UBS [Capital Protected] [A(lternative) I(nvestment) S(trategies)] [•] [Portfolio] [(Capped)] Certificates,
  - (f) the Base Prospectus dated 25 November 2008 concerning the issue of UBS [Capital Protected] [Discount [PLUS]] [Sprint [PLUS]] [Multibloc] [[Easy] [Outperformance [Express] [Kick-In] [PLUS] [XL] [Bonus]] [Callable Yield] [Reverse] [Champion] [Express] [(Capped)] Certificates,
  - (g) the Base Prospectus dated 17 December 2008 concerning the issue of UBS [Capital Protected] [Bonus] [Twin-Win] [Express] [Reverse] [Lock-In] [Basket] [Select] [(Capped)] [Certificates] [Notes]
  - (h) the Base Prospectus dated 29 January 2009 concerning the issue of UBS [Capital Protected] [[Performance] [Express] [Reverse] [PERLES]] [Outperformance] [Relative Performance Plus] [Open-End] [[Super] S2MART] [[Lock-In] [Bonus] [Extra Plus] [Flex]] [(Capped)] Certificates, and
  - (i) the Base Prospectus dated 21 April 2009 concerning the issue of UBS [Capital Protected] [Gearing] [(Capped)] [Certificates] [Notes],

the subparagraphs headed

- *"Überblick"* and
- *"Ausgewählte konsolidierte Finanzdaten"*

under the following bullet points in the section *"Zusammenfassung"*

- *"Wer ist die Emittentin",*
- *"Wie ist die finanzielle Situation der Emittentin?"*

and in relation to the Base Prospectus dated 20 March 2007, under the following bullet points in the section *"Zusammenfassung"*

- *"Emittentin",*
- *"Vermögenslage der Emittentin"*

and in relation to the Base Prospectuses dated 16 June 2008, 15 June 2009, 21 October 2009, 19 August 2010, 22 October 2010, 3 December 2010, 14 October 2011, 28 November 2011, 20 June 2012, and 25 June 2012 the subparagraphs headed

- *"Überblick"* and
- *"Ausgewählte konsolidierte Finanzdaten"*

in the section headed *"Wer ist die Emittentin?"* in the section *"Zusammenfassung"* shall be replaced by the following:

### **„Überblick**

Die UBS (UBS AG ebenso die „**Emittentin**“ und zusammen mit ihren Tochtergesellschaften „**UBS Gruppe**“, „**Gruppe**“ oder „**UBS**“) bringt ihr 150-jähriges Erbe ein, um weltweit Privat-, Firmen- und institutionelle Kunden sowie Schweizer Kleinkunden zu dienen. Die Strategie der UBS konzentriert sich auf ihr herausragendes globales Wealth-Management-Geschäft und ihre führende Universalbank in der Schweiz. Diese Geschäftseinheiten, zusammen mit einer kundenfokussierten Investmentbank und einem starken, breit abgestützten globalen Asset-Management-Geschäft, werden es UBS ermöglichen ihr herausragendes Wealth-Management-Geschäft auszuweiten und weiteres Wachstum konzernweit anzustreben. Mit Hauptsitz in Zürich und Basel, Schweiz, besitzt UBS Geschäftsstellen in mehr als 50 Ländern, einschliesslich allen grossen Finanzmetropolen.

Am 31. März 2013 betrug die BIZ-Harte Kernkapitalquote gemäß Basel III (CET1 Common Equity Tier1)<sup>2</sup> auf Basis einer vollständigen Umsetzung 10,1% und auf Basis einer stufenweisen Umsetzung 15,3%, das verwaltete Vermögen lag bei CHF 2.373 Mrd., das den UBS-Aktionären zurechenbare Eigenkapital betrug CHF 47.239 Mio. und die Marktkapitalisierung betrug CHF 55.827 Mio. Zum gleichen Datum beschäftigte UBS 61.782 Mitarbeiter.<sup>3</sup>

### Ausgewählte konsolidierte Finanzdaten

UBS hat die nachstehenden ausgewählten konsolidierten Finanzdaten aus (i) dem Geschäftsbericht für das Geschäftsjahr 2012, der die geprüften konsolidierten Finanzangaben für das am 31. Dezember 2012 endende Geschäftsjahr enthält (einschließlich der Vergleichszahlen zum 31. Dezember 2011 und 2010) und (ii) den ungeprüften konsolidierten Finanzangaben für das Quartal endend zum 31. März 2013 (aus denen Vergleichszahlen zum 31. März 2012 und ausgewählte Vergleichszahlen per 31. Dezember 2012 entnommen bzw. abgeleitet wurden) entnommen bzw. abgeleitet. Die konsolidierten Finanzangaben der UBS wurden nach den vom International Accounting Standards Board ("**IASB**") herausgegebenen International Financial Reporting Standards ("**IFRS**") erstellt und in Schweizer Franken (CHF) aufgeführt.

Mio. CHF (Ausnahmen sind angegeben)	Für das Quartal endend am oder per		Für das Jahr endend am oder per		
	31.03.13	31.03.12	31.12.12 <sup>1</sup>	31.12.11	31.12.10
	ungeprüft		geprüft (Ausnahmen sind angegeben)		
<b>UBS-Konzern</b>					
Geschäftsertrag	7.775	6.523	25.423*	27.788	31.994
Geschäftsaufwand	6.327	4.956	27.216	22.482	24.650
Ergebnis vor Steuern	1.447	1.567	(1.794)*	5.307	7.345
Den UBS-Aktionären zurechenbares Konzernergebnis	988	1.035	(2.480)*	4.138	7.452
Verwässertes Ergebnis pro Aktie (CHF)	0,26	0,27	(0,66)*	1,08	1,94

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

<b>Performance</b>					
Eigenkapitalrendite (RoE) (%) <sup>2</sup>	8,5	8,5	(5,1)*	9,1*	18,0*
Rendite auf Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte (%) <sup>3</sup>	10,1	10,8	1,6*	11,9*	24,7*
Rendite auf risikogewichteten Aktiven, brutto (%) <sup>4</sup>	11,9	11,5	12,0*	13,7*	15,5*
Rendite auf Aktiven, brutto (%) <sup>5</sup>	2,5	1,9	1,9*	2,1*	2,3*
<b>Wachstum</b>					
Wachstum des Ergebnisses (%) <sup>6</sup>	N/A	220,4	N/A*	(44,5)*	N/A*
Wachstum der Nettoneugelder (%) <sup>7</sup>	3,7	0,6	1,6*	1,9*	(0,8)*
<b>Effizienz</b>					
Verhältnis von Geschäftsaufwand / Geschäftsertrag (%) <sup>8</sup>	81,2	76,4	106,6*	80,7*	76,9*
<b>Kapitalkraft</b>					
BIZ-Harte Kernkapitalquote (CET1) gemäss Basel III (% stufenweise umgesetzt) <sup>9, 10</sup>	15,3		15,3*		
BIZ-Harte Kernkapitalquote (CET1) gemäss Basel III (% vollständig umgesetzt) <sup>9, 10</sup>	10,1		9,8*		
Schweizer Leverage Ratio (%) für SRB <sup>9, 11</sup>	3,8		3,6*		

<sup>2</sup> Die BIZ-Harte Kernkapitalquote gemäß Basel III (CET1 Common Equity Tier1) gibt das Verhältnis von Hartem Kernkapital (CET1) gemäss Basel III zu den Risikogewichtete Aktiven gemäss Basel III wieder. Die Informationen auf eine vollständig umgesetzte Basis berücksichtigen keine Effekte der Übergangsphase, während der allmählich die Verlustabsorptionsfähigkeit eingeführt wird sowie ungeeignete Eigenkapitalinstrumente abgeschafft werden. Für weitere Informationen über die Berechnung der BIZ-Harte Kernkapitalquote gemäß Basel III (CET1 Common Equity Tier1) wird auf den Abschnitt "Capital management" im ersten Quartalsbericht 2013 der UBS AG verwiesen.

<sup>3</sup> Mitarbeiter auf Vollzeitbasis.

<b>Bilanz- und Kapitalbewirtschaftung</b>					
Total Aktiven	1.213.844	1.364.036	1.259.797*	1.416.962	1.314.813
Den UBS-Aktionären zurechenbares Eigenkapital	47.239	48.792	45.949*	48.530	43.728
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals pro Aktie (CHF)	12,57	12,92	12,26*	12,95*	11,53*
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals abzüglich Goodwill und anderer immaterieller Vermögenswerte pro Aktie (CHF)	10,79	10,45	10,54*	10,36*	8,94*
BIZ-Hartes Kernkapital (CET1) gemäss Basel III (stufenweise umgesetzt) <sup>12</sup>	40.235		40.032*		
BIZ-Hartes Kernkapital (CET1) gemäss Basel III (vollständig umgesetzt) <sup>12</sup>	26.176		25.182*		
BIZ-Risikogewichtete Aktiven gemäss Basel III (stufenweise umgesetzt) <sup>12</sup>	262.454		261.800*		
BIZ-Risikogewichtete Aktiven gemäss Basel III (vollständig umgesetzt) <sup>12</sup>	258.701		258.113*		
BIZ-Gesamtkapitalquote gemäss Basel III (% , stufenweise umgesetzt) <sup>12</sup>	18,9		18,9*		
BIZ-Gesamtkapitalquote gemäss Basel III (% , vollständig umgesetzt) <sup>12</sup>	11,8		11,4*		

#### **Zusätzliche Informationen**

Verwaltete Vermögen (Mrd. CHF) <sup>13</sup>	2.373	2.115	2.230	2.088	2.075
Personalbestand (auf Vollzeitbasis)	61.782	64.243	62.628*	64.820*	64.617*
Börsenkaptalisierung	55.827	48.488	54.729*	42.843*	58.803*

\* ungeprüft

<sup>1</sup> Per 1. Januar 2013 wendete UBS die vom IASB im Oktober 2012 veröffentlichten Änderungen zu IFRS 10 an. Die im Finanzbericht für das erste Quartal 2013 enthaltenen Vergleichsperioden für 2012 wurden angepasst, um den Effekt der Anwendung von IFRS 10 widerzuspiegeln. Unter IFRS 10 müssen die Perioden vor 2012 in den Finanzberichten für 2013 nicht angepasst werden. <sup>2</sup> Das den UBS-Aktionären zurechenbare Konzernergebnis seit Jahresbeginn (gegebenenfalls annualisiert) / Das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital (seit Jahresbeginn). <sup>3</sup> Das den UBS-Aktionären zurechenbare Konzernergebnis vor Abschreibung und Wertminderung auf Goodwill und andere immaterielle Vermögenswerte / das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte. <sup>4</sup> Geschäftsertrag vor Wertberichtigungen für Kreditrisiken seit Jahresbeginn (gegebenenfalls annualisiert) / Durchschnittliche risikogewichtete Aktiven (seit Jahresbeginn). Für 2013 basieren die risikogewichteten Aktiven (stufenweise umgesetzt) auf den Basel-III-Richtlinien. Für 2012 basieren die risikogewichteten Aktiven auf den Basel-2.5-Richtlinien. Für 2011 und 2010 basieren die risikogewichteten Aktiven auf den Basel-II-Richtlinien. <sup>5</sup> Geschäftsertrag vor Wertberichtigungen für Kreditrisiken seit Jahresbeginn (gegebenenfalls annualisiert) / Total durchschnittliche Aktiven (seit Jahresbeginn). <sup>6</sup> Veränderung des aktuellen den UBS-Aktionären zurechenbaren Konzernergebnisses aus fortzuführenden Geschäftsbereichen gegenüber einer Vergleichsperiode / Das den UBS-Aktionären zurechenbare Konzernergebnis aus fortzuführenden Geschäftsbereichen in einer Vergleichsperiode. Besitzt keine Aussagekraft und wird nicht ausgewiesen, falls für die laufende Periode oder die Vergleichsperiode ein Verlust verzeichnet wird. <sup>7</sup> Nettoneugelder seit Periodesbeginn (gegebenenfalls annualisiert) / verwaltete Vermögen zu Beginn der Periode. Nettoneugelder des Konzerns beinhalten Nettoneugelder von Retail & Corporate und schliessen Zins- und Dividendenerträge aus. <sup>8</sup> Geschäftsaufwand / Geschäftsertrag vor Wertberichtigungen für Kreditrisiken. <sup>9</sup> Die BIZ-Rahmenregelungen gemäss Basel III traten in der Schweiz per 1. Januar 2013 in Kraft. Im ersten Quartal 2013 hat die UBS die Kennzahlen zur Leistungsmessung "BIZ-Kernkapitalquote (%)" und "FINMA Leverage Ratio (%)" durch die "harte Kernkapitalquote (CET1) gemäss Basel III (% , stufenweise umgesetzt / vollständig umgesetzt)" und die "Schweizer Leverage Ratio (%)" für SRB (systemrelevante Banken)" ersetzt, um ihres Rahmenwerk für Kennzahlen zur Leistungsmessung zu angleichen. Die Zahlen gemäss Basel III zum 31. Dezember 2012 sind Pro-forma-basiert. <sup>10</sup> Hartes Kernkapital (CET1) gemäss Basel III / Risikogewichtete Aktiven gemäss Basel III. Die Informationen auf eine vollständig umgesetzte Basis berücksichtigen keine Effekte der Übergangsphase, während der allmählich die Verlustabsorptionsfähigkeit eingeführt wird sowie ungeeignete Eigenkapitalinstrumente abgeschafft werden. <sup>11</sup> Total Kapital / IFRS-Aktiven, basierend auf Eigenmittelunterlegung gemäss Konsolidierungskreis, adjustiert für das Netting von Wiederbeschaffungswerten und andere Anpassungen, inklusive Ausserbilanzpositionen. Vormals als FINMA Basel III Leverage Ratio ausgewiesen. <sup>12</sup> Die BIZ-Rahmenregelungen gemäss Basel III traten in der Schweiz per 1. Januar 2013 in Kraft. Die Zahlen gemäss Basel III zum 31. Dezember 2012 sind Pro-forma-basiert. <sup>13</sup> Verwaltete Vermögen des Konzerns beinhalten Vermögen unter der Verwaltung von Retail & Corporate.



### ***Trendinformationen***

(Ausblick wie im am 30. April 2013 publizierten ersten Quartalsbericht von UBS (einschließlich ungeprüfter konsolidierter Finanzangaben) dargestellt)

Das Interesse der Marktteilnehmer nahm zu Beginn des ersten Quartals wieder zu. Die Ereignisse in Europa erinnerten aber daran, dass viele strukturelle Probleme nach wie vor ungelöst sind. Folgende Faktoren werden das Vertrauen der Kunden und damit die Kundenaktivität auch im zweiten Quartal 2013 stark beeinflussen: fehlende Fortschritte bei der nachhaltigen und glaubwürdigen Verbesserung der Verschuldungssituation in der Eurozone, die Probleme im europäischen Bankensystem, die anhaltenden geopolitischen Risiken, die Wachstumsaussichten für die globale Wirtschaft und die zunehmend in den Mittelpunkt rückenden ungelösten Haushaltsprobleme in den USA. Weitere Verbesserungen wären unter solchen Marktbedingungen unwahrscheinlich. Dies wiederum würde bedeuten, dass das Ertragswachstum, die Nettozinsmargen sowie die Nettoneugeldentwicklung unter Druck geraten. Dessen ungeachtet bleibt die UBS zuversichtlich, dass ihre Vermögensverwaltungs-Bereiche als Ganzes auch weiterhin Nettoneugeldzuflüsse generieren werden – als Ausdruck des ungebrochenen Vertrauens ihrer Kunden in das Unternehmen. Die UBS ist überzeugt, dass die von ihr ergriffenen Massnahmen den langfristigen Erfolg des Unternehmens sicherstellen und in Zukunft nachhaltige Renditen für ihre Aktionäre generieren werden.

### ***Abschlussprüfer***

Gemäß Artikel 31 der Statuten der UBS AG, wählen die Aktionäre der UBS AG die Abschlussprüferin für den Zeitraum eines Jahres. Ernst & Young AG, Aeschengraben 9, 4002 Basel, Schweiz, wurde auf der Generalversammlung der UBS AG am 28. April 2011, 3. Mai 2012 und 2. Mai 2013 als Revisionsstelle für die Jahresrechnung der UBS AG (Stammhaus) bzw. für die Konzernrechnung des UBS-Konzerns für den Zeitraum eines Jahres gewählt.

Ernst & Young AG, Basel, ist Mitglied der Treuhänder-Kammer der Schweiz mit Sitz in Zürich, Schweiz.“

- 4) In relation to the Base Prospectuses as listed introductory on pages 1 to 9, the section headed "Description of the Issuer" or in relation to the Base Prospectus dated 20 March 2007, the section headed "Description of UBS AG" is completely replaced by the following:

## **"DESCRIPTION OF THE ISSUER"**

The following description contains general information on UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.

### **Overview**

UBS AG (UBS AG also "**Issuer**") with its subsidiaries (together with the Issuer, "**UBS Group**", "**Group**" or "**UBS**") draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. UBS's business strategy is centered on its pre-eminent global wealth management businesses and its universal bank in Switzerland. These businesses, together with a client-focused Investment Bank and a strong, well-diversified Global Asset Management business, will enable UBS to expand its premier wealth management franchise and drive further growth across the Group. Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centers.

On 31 March 2013 UBS's BIS Basel III common equity tier 1 capital ratio<sup>4</sup> was 15.3% on a phase-in basis and 10.1% on a fully applied basis, invested assets stood at CHF 2,373 billion, equity attributable to UBS shareholders was CHF 47,239 million and market capitalization was CHF 55,827 million. On the same date, UBS employed 61,782 people<sup>5</sup>.

The rating agencies Standard & Poor's ("**Standard & Poor's**"), Fitch Ratings ("**Fitch**") and Moody's ("**Moody's**") have published credit ratings reflecting their assessment of the creditworthiness of UBS AG, i.e. its ability to fulfill in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch Ratings and Standard & Poor's may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS AG has long-term senior debt ratings of A (stable outlook) from Standard & Poor's, A2 (stable outlook) from Moody's and A (stable outlook) from Fitch Ratings.

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

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<sup>4</sup> The BIS Basel III common equity tier 1 capital ratio is the ratio of BIS Basel III common equity tier 1 capital to BIS Basel III risk-weighted assets. The information provided on a fully applied basis does not consider the effects of the transition period, during which new capital deductions are phased in and ineligible capital instruments are phased out. For information as to how BIS Basel III common equity tier 1 capital is calculated, refer to the "Capital management" section of UBS's first quarter 2013 report.

<sup>5</sup> Full-time equivalent

Moody's		S&P		Fitch		
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		
Aa3		AA-		AA-		
A1		A+	A-1	A+	F1	Upper medium grade
<b>A2</b>		<b>A</b>		<b>A</b>		
A3	P-2	A-	A-2	A-	F2	
Baa1		BBB+		BBB+		Lower medium grade
Baa2	P-3	BBB	A-3	BBB	F3	
Baa3		BBB-		BBB-		
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative
Ba2		BB		BB		
Ba3		BB-		BB-		
B1		B+		B+		Highly speculative
B2		B		B		
B3		B-		B-		
Caa1		CCC+	C	CCC	C	Substantial risks
Caa2		CCC				Extremely speculative
Caa3		CCC-				In default with little prospect for recovery
Ca		CC				
		C				
C		D	/	DDD	/	In default
/				DD		
/				D		

The rating from Fitch Ratings has been issued by Fitch Ratings Limited, and the rating from Standard & Poor's has been issued by Standard & Poor's Credit Market Services Europe Limited. Both are registered as credit rating agencies under Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011 (the "CRA Regulation"). The rating from Moody's has been issued by Moody's Investors Service, Inc., which is not established in the EEA and is not certified under the CRA Regulation, but the rating it has issued is endorsed by Moody's Investors Service Ltd., a credit rating agency established in the EEA and registered under the CRA Regulation.

### I. Corporate Information

The legal and commercial name of the Issuer is UBS AG. The company was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December 1997, the company changed its name to UBS AG. The company in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CH-270.3.004.646-4.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations and Swiss Federal Banking Law as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors.

According to Article 2 of the Articles of Association of UBS AG ("**Articles of Association**") the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad.

UBS AG shares are listed on the SIX Swiss Exchange and the New York Stock Exchange.

The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 61 288 5050.

## **II. Business Overview**

### **Business Divisions and Corporate Center**

UBS operates as a group with five business divisions (Wealth Management, Wealth Management Americas, the Investment Bank, Global Asset Management and Retail & Corporate) and a Corporate Center. Each of the business divisions and the Corporate Center are described below. A description of the Group's strategy can be found in the Annual Report 2012, on pages 24-31 (inclusive) of the English version; a description of the businesses, strategies, clients, organizational structures, products and services of the business divisions and the Corporate Center can be found in the annual report as of 31 December 2012 published on 14 March 2013 (the "**Annual Report 2012**"), on pages 35-51 (inclusive) of the English version.

### **Wealth Management**

Wealth Management provides comprehensive financial services to wealthy private clients around the world - except to those served by Wealth Management Americas. Its clients benefit from the entire spectrum of UBS resources, ranging from investment management to estate planning and corporate finance advice, in addition to specific wealth management products and services. An open product platform provides clients with access to a wide array of products from third-party providers that complement UBS's own product lines.

### **Wealth Management Americas**

Wealth Management Americas provides advice-based solutions through financial advisors who deliver a fully integrated set of products and services specifically designed to address the needs of ultra high net worth and high net worth individuals and families. It includes the domestic US business, the domestic Canadian business and international business booked in the US.

### **Investment Bank**

The Investment Bank provides corporate, institutional and wealth management clients with expert advice, innovative financial solutions, outstanding execution and comprehensive access to the world's capital markets. It offers investment banking and capital markets, research, equities, foreign exchange, precious metals and tailored fixed income services in rates and credit through its two business units, Corporate Client Solutions and Investor Client Services. The Investment Bank is an active participant in capital markets flow activities, including sales, trading and market-making across a range of securities.

### **Global Asset Management**

Global Asset Management is, in its own opinion, a large-scale asset manager with businesses diversified across regions, capabilities and distribution channels. It offers investment capabilities and styles across all major traditional and alternative asset classes including equities, fixed income, currencies, hedge funds, real estate, infrastructure and private equity that can also be combined in multi-asset strategies. The fund services unit provides professional services, including fund set-up, accounting and reporting for both traditional investment funds and alternative funds.

### **Retail & Corporate**

Retail & Corporate provides comprehensive financial products and services to retail, corporate and institutional clients in Switzerland and maintains, in its own opinion, a leading position in these client segments. It constitutes a central building block of UBS's universal bank model in Switzerland, delivering growth to UBS's other businesses. It supports them by cross-selling products and services provided by UBS's asset-gathering and investment banking businesses, by referring clients to them and by transferring private clients to Wealth Management when client wealth increases.

## Corporate Center

The Corporate Center provides control functions for the business divisions and the Group in such areas as risk control, legal and compliance as well as finance, which includes treasury services, funding, balance sheet and capital management. Corporate Center – Core Functions provides all logistics and support functions including information technology, human resources, corporate development, Group regulatory relations and strategic initiatives, communications and branding, corporate real estate and administrative services, procurement, physical and information security, offshoring and Group-wide operations. It allocates most of its treasury income, operating expenses and personnel associated with these activities to the businesses based on capital and service consumption levels. Corporate Center – Non-core and Legacy Portfolio comprises the non-core businesses previously part of the Investment Bank and the Legacy Portfolio, including certain centrally managed positions such as the SNB StabFund option.

## Competition

The financial services industry is characterized by intense competition, continuous innovation, detailed (and sometimes fragmented) regulation and ongoing consolidation. UBS faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to UBS in their size and breadth. Barriers to entry in individual markets are being eroded by new technology. UBS expects these trends to continue and competition to increase in the future.

## Recent Developments:

Results as of and for the quarter ended 31 March 2013, as presented in UBS's first quarter report 2013 (including unaudited consolidated financial statements)

On 30 April 2013, UBS published its report for the first quarter of 2013. First-quarter 2013 net profit attributable to UBS shareholders was CHF 988 million compared with a loss of CHF 1,904 million in fourth quarter 2012. On an adjusted basis<sup>6</sup>, excluding in the first quarter of 2013 an own credit loss of CHF 181 million, a net loss of CHF 92 million incurred on the buyback of debt in a public tender offer, a gain of CHF 34 million on the disposal of Global Asset Management's Canadian domestic business, a net gain of CHF 31 million on the sale of UBS's remaining proprietary trading business and net restructuring charges of CHF 246 million, and excluding in the fourth quarter of 2012 an own credit loss of CHF 414 million and net restructuring charges of CHF 258 million, the first quarter profit before tax was CHF 1,901 million compared with a loss before tax of CHF 1,165 million in the prior quarter. On a reported basis, profit before tax was CHF 1,447 million compared with a loss before tax of CHF 1,837 million in the prior quarter. Operating income increased by CHF 1,567 million, primarily due to higher net interest and trading income. Operating expenses declined by CHF 1,717 million, predominantly as a result of reduced net charges for provisions for litigation, regulatory and similar matters. In the first quarter, UBS recorded a tax expense of CHF 458 million compared with CHF 66 million in the prior quarter.

Wealth Management's profit before tax in the first quarter was CHF 664 million compared with CHF 398 million. Adjusted profit before tax was CHF 690 million compared with CHF 415 million in the prior quarter. The gross margin on invested assets increased 6 basis points to 91 basis points, mainly reflecting an upturn in transaction-based income. Operating expenses decreased to CHF 1,250 million from CHF 1,350 million, mainly due to seasonally lower general and administrative expenses. Net new money inflows of CHF 15.0 billion represented the highest quarterly net inflows since 2007. The cost/income ratio decreased to 64.9% from 77.3%. On an adjusted basis excluding restructuring charges of CHF 26 million compared with CHF 17 million in the previous quarter, the cost/income ratio improved 12.7 percentage points to 63.6% from 76.3%.

Wealth Management Americas profit before tax was USD 251 million compared with a profit before tax of USD 216 million in the prior quarter. It reported an adjusted quarterly profit before tax of USD 262 million in the first quarter of 2013 compared with an adjusted profit before tax of USD 219 million in the prior quarter. The improvement reflected a 3% decrease in operating expenses, mainly due to lower charges for provisions for litigation, regulatory and similar matters. Net new money continued to be strong and improved to USD 9.2 billion. In US dollar terms, the gross margin on invested assets decreased 4 basis points to 80 basis points. The gross margin from recurring income decreased 4 basis points due to lower

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<sup>6</sup> In the remainder of this section "adjusted" figures exclude each of the adjustment items mentioned at UBS Group level, to the extent applicable at business division level. For information as to the impact of such adjustment items at business division level, refer to the "Group results" section of UBS's report for the first quarter of 2013.

mutual fund and annuity fee income, while the gross margin from non-recurring income remained unchanged from the prior quarter. The cost/income ratio decreased to 85.5% from 86.8% in the prior quarter. On an adjusted basis excluding restructuring charges, the cost/income ratio decreased to 84.9% from 86.6%.

The Investment Bank recorded a profit before tax of CHF 977 million in the first quarter of 2013 compared with a loss before tax of CHF 243 million in the fourth quarter of 2012. Adjusted profit before tax was CHF 928 million compared with a loss before tax of CHF 70 million. Return on attributed equity was 49.5%. Both Corporate Client Solutions and Investor Client Services reported higher revenues. Total operating expenses decreased 2% to CHF 1,806 million from CHF 1,847 million. On an adjusted basis, operating expenses increased 8% to CHF 1,800 million from CHF 1,674 million, mainly due to higher variable compensation accruals. Fully applied BIS Basel III risk-weighted assets increased by CHF 5 billion to CHF 69 billion as of 31 March 2013, compared with pro-forma CHF 64 billion as of 31 December 2012. Funded assets were CHF 193 billion as of 31 March 2013, unchanged from 31 December 2012. The cost/income ratio improved to 64.8% from 114.7%. On an adjusted basis, the cost/income ratio improved to 65.9% from 104.0%.

Global Asset Management's profit before tax in the first quarter of 2013 was CHF 190 million compared with CHF 148 million in the fourth quarter of 2012. Adjusted profit before tax was CHF 160 million compared with CHF 163 million. First quarter operating income included a gain of CHF 34 million from the disposal of the Canadian domestic business. Total operating expenses were CHF 327 million compared with CHF 343 million in the fourth quarter. Excluding money market flows, net new money inflows were CHF 5.1 billion compared with net outflows of CHF 3.8 billion in the prior quarter. The total gross margin was 35 basis points compared with 34 basis points in the fourth quarter of 2012. Excluding the abovementioned gain on disposal, the gross margin was 33 basis points. The cost/income ratio was 63.2% compared with 69.9% in the fourth quarter. Adjusted for restructuring charges and the abovementioned gain on disposal, the cost/income ratio was 66.9%, compared with 66.8%.

Retail & Corporate's profit before tax was CHF 347 million in the first quarter of 2013 compared with CHF 361 million in the prior quarter. Adjusted for restructuring charges, profit before tax was unchanged at CHF 362 million as lower income was offset by lower operating expenses and credit loss expenses. Net new business volume growth was 4.7%, compared with 4.4%. Net new business volume growth was positive for both retail and corporate businesses as well as for net new client assets and to a lesser extent for loans. The net interest margin decreased 8 basis points to 154 basis points, reflecting lower net interest income and a slightly higher average loan volume. The cost/income ratio increased 2.2 percentage points to 62.2%, reflecting lower income. On an adjusted basis, excluding restructuring charges, the cost/income ratio increased to 60.6% from 59.9%.

Corporate Center – Core Functions recorded a loss before tax of CHF 719 million compared with a loss before tax of CHF 1,886 million in the previous quarter. On an adjusted basis, the loss before tax was CHF 398 million compared with a loss before tax of CHF 1,472 million. The first quarter included lower charges for provisions for litigation, regulatory and similar matters and an own credit loss of CHF 181 million compared with a loss of CHF 414 million in the fourth quarter of 2012. Treasury income remaining in Corporate Center – Core Functions after allocations to the business divisions was negative CHF 255 million compared with positive CHF 94 million in the prior quarter.

Corporate Center – Non-core and Legacy Portfolio recorded a loss before tax of CHF 245 million in the first quarter of 2013 compared with a loss before tax of CHF 816 million in the previous quarter. On an adjusted basis, the loss before tax was CHF 84 million compared with an adjusted loss before tax of CHF 765 million. This was mainly due to a positive debit valuation adjustment on the derivatives portfolio, lower charges for provisions for litigation, regulatory and similar matters, as well as a higher gain from the revaluation of the option to acquire the SNB StabFund's equity.

*Balance sheet:* As of 31 March 2013, UBS's balance sheet stood at CHF 1,214 billion, a decrease of CHF 46 billion from 31 December 2012. Funded assets, which represent total assets excluding positive replacement values, were reduced by CHF 9 billion to CHF 832 billion, primarily due to a reduction in trading portfolio assets, and to a lesser extent reduced financial investments available-for-sale and collateral trading activities, partially offset by an increase in lending assets. Excluding currency effects, funded assets were reduced by CHF 21 billion, mainly in Corporate Center – Non-core and Legacy Portfolio.

*Capital management:* The BIS Basel III framework came into effect in Switzerland on 1 January 2013. UBS's phase-in BIS Basel III common equity tier 1 (CET1) ratio was 15.3% as of 31 March 2013, unchanged from

the end of the previous quarter. UBS's phase-in BIS Basel III CET1 capital increased slightly by CHF 0.2 billion to CHF 40.2 billion at the end of the first quarter of 2013. UBS's phase-in Basel III risk-weighted assets increased by CHF 0.7 billion to CHF 262.5 billion. On a fully applied basis, UBS's BIS Basel III CET 1 ratio increased 0.3 percentage points to 10.1% and the fully applied risk-weighted assets were CHF 258.7 billion.

*Invested assets:* Group invested assets stood at CHF 2,373 billion at the end of the first quarter, an increase of CHF 143 billion on the prior quarter. Of these, invested assets in Wealth Management increased by CHF 49 billion to CHF 870 billion, supported by positive market performance of CHF 24 billion, strong net new money inflows of CHF 15 billion and positive currency translation effects of CHF 10 billion. In Wealth Management Americas, invested assets increased by CHF 73 billion to CHF 845 billion. In US dollar terms, invested assets increased by USD 48 billion to USD 891 billion, reflecting positive market performance of USD 39 billion and continued strong net new money inflows of USD 9 billion. Global Asset Management's invested assets increased by CHF 18 billion to CHF 599 billion, mainly as a result of positive market movements of CHF 19 billion and positive currency translation effects of CHF 10 billion, partially offset by the disposal of the Canadian domestic business, which reduced invested assets by CHF 7 billion, and net new money outflows of CHF 3 billion.

### **III. Organisational Structure of the Issuer**

UBS AG is the parent company of the UBS Group. The objective of the UBS's group structure is to support the business activities of the parent company within an efficient legal, tax, regulatory and funding framework. None of the individual business divisions of UBS or the Corporate Center are legally independent entities; instead, they primarily perform their activities through the domestic and foreign offices of the parent bank.

In cases where it is impossible or inefficient to operate via the parent bank, due to local legal, tax or regulatory provisions, or where additional legal entities join the Group through acquisition, the business is operated on location by legally independent Group companies. UBS AG's significant subsidiaries as of 31 December 2012 are listed in its Annual Report 2012, on pages 441-442 (inclusive) of the English version.

### **IV. Trend Information**

(Outlook statement as presented in UBS's first quarter 2013 report, including unaudited consolidated financial statements, issued on 30 April 2013)

While market participants showed renewed interest early in the first quarter, events in Europe served as a reminder that many of the underlying challenges related to structural issues remain unsolved. The absence of further sustained and credible improvements to the eurozone sovereign debt situation, European banking system issues, ongoing geopolitical risks, and the outlook for growth in the global economy together with an increasing focus on unresolved US fiscal issues would continue to exert a strong influence on client confidence, and thus activity levels, in the second quarter of 2013. It would make further improvements in prevailing market conditions unlikely and would consequently generate headwinds for revenue growth, net interest margins and net new money. Nevertheless, UBS remains confident that its asset-gathering businesses as a whole will continue to attract net new money, reflecting its clients' steadfast trust in the firm. UBS is confident that the actions it has taken will ensure the firm's long-term success and will deliver sustainable returns for its shareholders going forward.

### **V. Administrative, Management and Supervisory Bodies of the Issuer**

UBS AG is subject to, and in compliance with, all relevant Swiss legal and regulatory requirements regarding corporate governance. In addition, as a foreign company with shares listed on the New York Stock Exchange ("**NYSE**"), UBS AG is in compliance with all relevant corporate governance standards applicable to foreign listed companies.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. This structure establishes checks and balances and preserves the institutional independence of the Board of Directors ("**BoD**") from the day-to-day management of the firm, for which responsibility is delegated to the Group Executive Board ("**GEB**") under the leadership of the Group Chief Executive Officer ("**Group CEO**"). The BoD decides on the strategy of the Group upon the recommendation of the Group CEO, and supervises

and monitors the business, whereas the GEB, headed by the Group CEO, has executive management responsibility. The functions of Chairman of the BoD and Group CEO are assigned to two different people, ensuring a separation of power. The supervision and control of the GEB remains with the BoD. No member of one board may be a member of the other.

The Articles of Association and the Organization Regulations of UBS AG with their annexes govern the authorities and responsibilities of the two bodies.

### Board of Directors

The BoD is the most senior body of UBS AG. The BoD consists of at least six and a maximum of 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. The BoD's proposal for election must be such that three quarters of the BoD members will be independent. Independence is determined in accordance with the Swiss Financial Market Supervisory Authority ("**FINMA**") circular 08/24, the NYSE rules and the rules and regulations of other securities exchanges on which UBS shares are listed, if any, applying the strictest standard. The Chairman is not required to be independent.

The BoD has ultimate responsibility for the success of the UBS Group and for delivering sustainable shareholder value within a framework of prudent and effective controls. It decides on UBS Group's strategic aims and the necessary financial and human resources upon recommendation of the Group CEO and sets the UBS Group's values and standards to ensure that its obligations to its shareholders and others are met.

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

### Members of the Board of Directors

Members and business addresses	Title	Term of office	Current principal positions outside UBS AG
Axel A. Weber  UBS AG, Bahnhofstrasse 45, CH-8098, Zurich	Chairman	2014	Member of the Group of Thirty, Washington, D.C.; research fellow at the Center for Economic Policy Research, London, and the Center for Financial Research, Cologne; member of the board of the Institute of International Finance and senior research fellow at the Center for Financial Studies, Frankfurt/Main; member of the Monetary Economics and International Economics Councils of the <i>Verein für Socialpolitik</i> ; member of the Advisory Board of the German Market Economy Foundation; member of the Advisory Council of the Goethe University, Frankfurt/Main.
Michel Demaré  UBS AG, Bahnhofstrasse 45, CH-8098, Zurich	Independent Vice Chairman	2014	Chairman of the board of Syngenta, a member of the IMD Foundation, Lausanne, and of SwissHoldings, Berne.
David Sidwell  UBS AG, Bahnhofstrasse 45, CH-8098, Zurich	Senior Independent Director	2014	Director and Chairperson of the Risk Policy and Capital Committee of Fannie Mae, Washington D.C.; Senior Advisor at Oliver Wyman, New York; Chairman of the board of Village Care, New York; Director of the National Council on Aging, Washington D.C.
Reto Francioni  Deutsche Börse AG, Mergenthalerallee 61, D-65760 Eschborn	Member	2014	CEO of Deutsche Börse AG (holding different mandates in boards of subsidiaries within the Deutsche Börse Group); professor at the University of Basel. Member of the Shanghai International Financial Advisory Committee; member of the Advisory Board of the Moscow International Financial Center (MIFIC); member of the Advisory Board of Instituto de Empresa; member of the Strategic Advisory Group of VHV Insurance; member of the Board of Trustees of the Goethe Business School; Vice President of the <i>Deutsches Aktieninstitut</i>
Rainer-Marc Frey  Office of Rainer-Marc Frey, Seeweg 39, CH-8807 Freienbach	Member	2014	Founder of Horizon21 AG; Chairman of Horizon21 AG, its holding company and related entities and subsidiaries; member of the board of DKSH Group, Zurich, and of the Frey Charitable Foundation, Freienbach.



Ann F. Godbehere  UBS AG, Bahnhofstrasse 45, CH-8098 Zurich	Member	2014	Board member and Chairperson of the Audit Committee of Prudential plc, Rio Tinto plc, Rio Tinto Limited, Atrium Underwriters Ltd., and Atrium Underwriting Group Ltd., London. Member of the board of Arden Holdings Ltd., Bermuda, and British American Tobacco plc.
Axel P. Lehmann  Zurich Insurance Group, Mythenquai 2, CH-8002 Zurich	Member	2014	Member of the Group Executive Committee, Group Chief Risk Officer and Regional Chairman Europe of Zurich Insurance Group, Zurich; Chairman of the board of Farmers Group, Inc.; Chairman of the board of the Institute of Insurance Economics at the University of St. Gallen; member of the Chief Risk Officer Forum; member of the board of Economiesuisse.
Helmut Panke  BMW AG, Petuelring 130, D-80788 Munich	Member	2014	Member of the board and Chairperson of the Regulatory and Public Policy Committee of Microsoft Corporation; member of the board and Chairperson of the Safety & Risk Committee of Singapore Airlines Ltd.; member of the Supervisory Board of Bayer AG.
William G. Parrett  UBS AG, Bahnhofstrasse 45, CH-8098, Zurich	Member	2014	Member of the board and Chairperson of the Audit Committee of the Eastman Kodak Company, the Blackstone Group LP and Thermo Fisher Scientific Inc.; Past Chairman of the board of the United States Council for International Business and of United Way Worldwide; member of the Carnegie Hall Board of Trustees.
Isabelle Romy  Froriep Renggli, Bellerivestrasse 201, CH-8034 Zurich	Member	2014	Partner at Froriep Renggli, Zurich; associate professor at the University of Fribourg and at the Federal Institute of Technology, Lausanne; member and Vice Chairman of the Sanction Commission of the SIX Swiss Exchange.
Beatrice Weder di Mauro  Johannes Gutenberg- University Mainz, Jakob Welder-Weg 4, D-55099 Mainz	Member	2014	Professor at the Johannes Gutenberg University, Mainz; research fellow at the Center for Economic Policy Research, London; member of the board of Roche Holding Ltd., Basel; member of the Supervisory Board of ThyssenKrupp AG, Essen, and of Robert Bosch GmbH, Stuttgart.
Joseph Yam  UBS AG, Bahnhofstrasse 45, CH-8098, Zurich	Member	2014	Executive Vice President of the China Society for Finance and Banking; member of the international advisory councils of a number of government and academic institutions. Board member and Chairperson of the Risk Committee of China Construction Bank. Member of the board of Johnson Electric Holdings Limited and of UnionPay International Co., Ltd.

### ***Organizational principles and structure***

Following each AGM, the BoD meets to appoint its Chairman, Vice Chairmen, Senior Independent Director, the BoD committee members and their respective Chairpersons. At the same meeting, the BoD appoints a Company Secretary, who acts as secretary to the BoD and its committees.

The BoD committees comprise the Audit Committee, the Corporate Responsibility Committee, the Governance and Nominating Committee, the Human Resources and Compensation Committee and the Risk Committee. The BoD has also established a Special Committee in connection with the unauthorized trading incident announced in September 2011, as well as, in 2012, an ad-hoc committee on strategy to discuss details of the acceleration of UBS's strategy with the senior management.

### ***Audit Committee***

The Audit committee ("**AC**") comprises at least three BoD members, with all members having been determined by the BoD to be fully independent and financially literate.

The AC itself does not perform audits, but monitors the work of the external auditors who in turn are responsible for auditing UBS AG's and the Group's financial statements and for reviewing the quarterly financial statements. The function of the AC is to serve as an independent and objective body with oversight of: (i) the Group's accounting policies, financial reporting and disclosure controls and procedures, (ii) the quality, adequacy and scope of external audit, (iii) the Group's compliance with financial reporting

requirements, (iv) management's approach to internal controls with respect to the production and integrity of the financial statements and disclosure of the financial performance, and (v) the performance of UBS's Group Internal Audit in conjunction with the Chairman of the BoD and the Risk Committee.

The AC reviews the annual and quarterly financial statements of UBS AG and the Group, as proposed by management, with the external auditors and Group Internal Audit in order to recommend their approval, (including any adjustments the AC considers appropriate), to the BoD. Periodically, and at least annually, the AC assesses the qualifications, expertise, effectiveness, independence and performance of the external auditors and their lead audit partner, in order to support the BoD in reaching a decision in relation to the appointment or dismissal of the external auditors and the rotation of the lead audit partner. The BoD then submits these proposals to the AGM.

The members of the AC are William G. Parrett (Chairperson), Michel Demaré, Ann F. Godbehere, Isabelle Romy and Beatrice Weder di Mauro.

### **Group Executive Board**

Under the leadership of the Group CEO, the GEB has executive management responsibility for the UBS Group and its business. It assumes overall responsibility for the development of the UBS Group and business division strategies and the implementation of approved strategies. All GEB members (with the exception of the Group CEO) are proposed by the Group CEO. The appointments are made by the BoD.

The business address of the members of the GEB is UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, Switzerland.

### **Members of the Group Executive Board**

Sergio P. Ermotti	Group Chief Executive Officer
Markus U. Diethelm	Group General Counsel
John A. Fraser	Chairman and Chief Executive Officer Global Asset Management
Lukas Gähwiler	Chief Executive Officer UBS Switzerland, Chief Executive Officer Retail & Corporate
Ulrich Körner	Group Chief Operating Officer, Chief Executive Officer UBS Group EMEA
Philip J. Loftis	Group Chief Risk Officer
Robert J. McCann	Chief Executive Officer Wealth Management Americas, Chief Executive Officer UBS Group Americas
Tom Naratil	Group Chief Financial Officer
Andrea Orcel	Chief Executive Officer Investment Bank
Chi-Won Yoon	Chief Executive Officer UBS Group Asia Pacific
Jürg Zeltner	Chief Executive Officer Wealth Management

No member of the GEB has any significant business interests outside UBS AG.

### **Potential conflicts of interest**

Members of the BoD and GEB may act as directors or executive officers of other companies (for current positions outside UBS AG (if any) please see above under "Members of the Board of Directors") and may have economic or other private interests that differ from those of UBS AG. Potential conflicts of interest may arise from these positions or interests. UBS is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including through disclosure when appropriate.

## **VI. Auditors**

Based on section 31 of the Articles of Association, UBS AG shareholders elect the auditors for a term of office of one year. At the AGM of 28 April 2011, 3 May 2012 and 2 May 2013, Ernst & Young Ltd., Aeschengraben 9, CH-4002 Basel ("**Ernst & Young**") were elected as auditors for the financial statements of UBS AG and the consolidated financial statements of the UBS Group for a one-year term, respectively.

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

#### **VII. Major Shareholders of the Issuer**

Under the Federal Act on Stock Exchanges and Securities Trading of 24 March 1995, as amended (the "**Swiss Stock Exchange Act**"), anyone holding shares in a company listed in Switzerland, or derivative rights related to shares of such a company, must notify the company and the SIX Swiss Exchange if the holding attains, falls below or exceeds one of the following thresholds: 3, 5, 10, 15, 20, 25, 33 1/3, 50, or 66 2/3% of the voting rights, whether they are exercisable or not.

The following are the most recent notifications of holdings in UBS AG's share capital filed in accordance with the Swiss Stock Exchange Act, based on UBS AG's registered share capital at the time of the disclosure:

- 30 September 2011: Norges Bank (the Central Bank of Norway), 3.04%;
- 12 March 2010: Government of Singapore Investment Corp., 6.45%;
- 17 December 2009: BlackRock Inc., New York, USA, 3.45%.

Voting rights may be exercised without any restrictions by shareholders entered into UBS's share register, if they expressly render a declaration of beneficial ownership according to the provisions of the Articles of Association. Special provisions exist for the registration of fiduciaries and nominees. Fiduciaries and nominees are entered in the share register with voting rights up to a total of 5% of all shares issued, if they agree to disclose upon UBS AG's request beneficial owners holding 0.3% or more of all UBS AG shares. An exception to the 5% voting limit rule exists for securities clearing organizations such as The Depository Trust Company in New York.

As of 31 March 2013, the following shareholders (acting in their own name or in their capacity as nominees for other investors or beneficial owners) were registered in the share register with 3% or more of the total share capital of UBS AG: Chase Nominees Ltd., London (11.57%); Government of Singapore Investment Corp., Singapore (6.40%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (5.40%); and Nortrust Nominees Ltd., London (4.02%).

UBS holds UBS AG shares primarily to hedge employee share and option participation plans. A smaller number is held by the Investment Bank for hedging related derivatives and for market-making in UBS AG shares. As of 31 March 2013, UBS held a stake of UBS AG's shares, which corresponded to less than 3.00% of UBS AG's total share capital. As of 31 December 2012, UBS had disposal positions relating to 422,236,769 voting rights, corresponding to 11.02% of the total voting rights of UBS AG. 8.20% of this consisted of voting rights on shares deliverable in respect of employee awards. The year-end disposal positions also included the number of shares that may be issued, upon certain conditions, out of conditional capital to the Swiss National Bank ("**SNB**") in connection with the transfer of certain illiquid securities and other positions to a fund owned and controlled by the SNB.

Further details on the distribution of UBS AG's shares, also by region and shareholders' type, and on the number of shares registered, not registered and carrying voting rights as of 31 December 2012 can be found in the Annual Report 2012, on pages 225-227 (inclusive) of the English version.

#### **VIII. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses**

A description of UBS AG's and UBS Group's assets and liabilities, financial position and profits and losses for financial year 2011 is available in the Financial information section of the annual report of UBS AG as of 31 December 2011 ("**Annual Report 2011**"), and for financial year 2012 is available in the Financial information section of the Annual Report 2012. The Issuer's financial year is the calendar year.

With respect to the financial year 2011, reference is made to the following parts of the Annual Report 2011 (Financial information section, English version):

- (i) the Consolidated Financial Statements of UBS Group, in particular to the Income Statement on page 289, the Balance Sheet on page 291, the Statement of Cash Flows on pages 295-296 (inclusive) and the Notes to the Consolidated Financial Statements on pages 297-410 (inclusive); and

- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement on page 414, the Balance Sheet on page 415, the Statement of Appropriation of Retained Earnings on page 416, the Notes to the Parent Bank Financial Statements on pages 417–434 (inclusive) and the Parent Bank Review on pages 411-413 (inclusive); and
- (iii) the section entitled "Introduction and accounting principles" on page 282.

With respect to the financial year 2012, reference is made to the following parts of the Annual Report 2012 (within the Financial information section, English version):

- (i) the Consolidated Financial Statements of UBS Group, in particular to the Income Statement on page 323, the Balance Sheet on page 325, the Statement of Cash Flows on pages 329-330 (inclusive) and the Notes to the Consolidated Financial Statements on pages 331-455 (inclusive); and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement on page 460, the Balance Sheet on page 461, the Statement of Appropriation of Retained Earnings on page 462, the Notes to the Parent Bank Financial Statements on pages 463-482 (inclusive) and the Parent Bank Review on pages 457-459 (inclusive); and
- (iii) the section entitled "Introduction and accounting principles" on page 316.

The annual financial reports form an essential part of UBS's reporting. They include the audited consolidated financial statements of UBS Group, prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and the audited financial statements of UBS AG (Parent Bank), prepared in order to meet Swiss regulatory requirements and in compliance with Swiss Federal Banking Law. The Financial information section of the annual reports also includes certain additional disclosures required under US Securities and Exchange Commission regulations. The annual reports also include discussions and analysis of the financial and business results of UBS, its business divisions and the Corporate Center.

The consolidated financial statements of UBS Group and the financial statements of UBS AG (Parent Bank) for financial years 2011 and 2012 were audited by Ernst & Young. The reports of the auditors on the consolidated financial statements can be found on pages 287-288 (inclusive) of the Annual Report 2011 (Financial information section, English version) and on pages 321-322 (inclusive) of the Annual Report 2012 (Financial information section, English version). The reports of the auditors on the financial statements of UBS AG (Parent Bank) can be found on pages 435-436 (inclusive) of the Annual Report 2011 (Financial information section, English version) and on pages 483-484 (inclusive) of the Annual Report 2012 (Financial information section, English version).

Reference is also made to UBS's first quarter 2013 report, which contains information on the financial condition and the results of operation of the UBS Group as of and for the quarter ended on 31 March 2013. The interim financial statements are not audited.

Parts of the UBS Annual Report 2011, the Annual Report 2012 and the first quarter 2012 report form an integral part of this Base Prospectus, and are therefore, to the extent indicated in the table "Documents incorporated by Reference" of this Base Prospectus, incorporated in this Base Prospectus.

## **1. Litigation, Regulatory and Similar Matters**

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

Such matters are subject to many uncertainties and the outcome is often difficult to predict, particularly in the earlier stages of a case. There are also situations where the Group may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which the Group believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent

liabilities. The Group makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. If any of those conditions is not met, such matters result in contingent liabilities.

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

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

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in Note 17a) to the unaudited consolidated financial statements of UBS's first quarter 2013 report. It is not practicable to provide an aggregate estimate of liability for UBS's litigation, regulatory and similar matters as a class of contingent liabilities. Doing so would require UBS to provide speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, which have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants.

#### Provisions for litigation, regulatory and similar matters by segment

	Wealth Management	Wealth Management Americas	Investment Bank	Global Asset Management	Retail & Corporate	CC – Core Functions	CC – Non-core and Legacy Portfolio	Total
<i>CHF million</i>								
<b>Balance as of 31 December 2012</b>	130	170	28	7	29	338	732	<b>1,432</b>
Additions from acquired companies			8					<b>8</b>
Increase in provisions recognized in the income statement	8	12	1	0	0	27	346	<b>395</b>
Release of provisions recognized in the income statement	(4)	(6)	(2)	0	(1)	0	0	<b>(13)</b>
Provisions used in conformity with designated purpose	(19)	(11)	(0)		(2)	(0)	(30)	<b>(62)</b>
Foreign currency translation / unwind of discount	0	6	1	0	0	5	26	<b>38</b>
<b>Balance as of 31 March 2013</b>	114	172	35	7	26	370	1,074	<b>1,797</b>

#### 1. Auction rate securities

In 2008, UBS entered into settlements with the SEC, the New York Attorney General ("NYAG") and the Massachusetts Securities Division whereby UBS agreed to offer to buy back Auction Rate Securities ("ARS") from eligible customers, and to pay penalties of USD 150 million. UBS has since finalized settlements with all of the states. The settlements resolved investigations following the industry-wide disruption in the markets for ARS and related auction failures beginning in early 2008. The SEC continues to investigate individuals affiliated with UBS regarding the trading in ARS and disclosures. UBS was also named in (i) several putative class actions, which were thereafter dismissed by the court and/or settled; (ii) arbitration and litigation claims asserted by investors relating to ARS; and (iii) arbitration and litigation claims asserted

by ARS issuers, including a pending litigation under state common law and a state racketeering statute seeking at least USD 40 million in compensatory damages, plus exemplary and treble damages, and several pending arbitration claims filed in 2012 and 2013 alleging violations of state and federal securities law that seek compensatory and punitive damages, among other relief. In November 2012, UBS settled a consequential damages claim brought by a former customer for USD 45 million.

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

Following the disclosure and the settlement of the US cross-border matter, tax and regulatory authorities in a number of countries have made inquiries and served requests for information located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. In France, a criminal investigation into allegations of illicit cross-border activity has been initiated with the appointment of a "Juge d'instruction". UBS has also received inquiries from German authorities concerning certain matters relating to its cross-border business. UBS is cooperating with these inquiries, requests and investigations within the limits of financial privacy obligations under Swiss and other applicable laws.

## 3. Matters related to the financial crisis

UBS is responding to a number of governmental inquiries and investigations and is involved in a number of litigations, arbitrations and disputes related to the financial crisis of 2007 to 2009 and in particular mortgage-related securities and other structured transactions and derivatives. In February 2013, the SEC advised UBS that it is terminating its investigation of UBS's valuation of super senior tranches of collateralized debt obligations ("**CDO**") during the third quarter of 2007 without recommending any enforcement action. UBS is in discussions with the SEC concerning UBS's structuring and underwriting of one CDO in 2007. UBS has also communicated with and has responded to other inquiries by various governmental and regulatory authorities concerning various matters related to the financial crisis. These matters concern, among other things, UBS's (i) disclosures and writedowns, (ii) interactions with rating agencies, (iii) risk control, valuation, structuring and marketing of mortgage-related instruments, and (iv) role as underwriter in securities offerings for other issuers.

UBS is a defendant in several lawsuits filed by institutional purchasers of CDOs structured by UBS in which plaintiffs allege, under various legal theories, that UBS misrepresented the quality of the collateral underlying the CDOs. Plaintiffs in these suits collectively seek to recover several hundred million dollars in claimed losses. In April 2013, the trial court dismissed with prejudice one of these suits in which plaintiffs claimed losses of at least USD 331 million.

UBS's balance sheet at 31 March 2013 reflected a provision with respect to matters described in this item 3 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.

## 4. Lehman principal protection notes

From March 2007 through September 2008, UBS Financial Services Inc. ("**UBSFS**") sold approximately USD 1 billion face amount of structured notes issued by Lehman Brothers Holdings Inc. ("**Lehman**"), a majority of which were referred to as "principal protection notes," reflecting the fact that while the notes' return was in some manner linked to market indices or other measures, some or all of the investor's principal was an unconditional obligation of Lehman as issuer of the notes. Based on its role as an underwriter of Lehman structured notes, UBSFS has been named as a defendant in a putative class action asserting violations of disclosure provisions of the federal securities laws. In January 2013, plaintiffs' motion to certify the case as a class action, which UBS opposed, was granted with respect to certain claims. UBS's petition to appeal that ruling was denied by the Second Circuit and discovery has commenced. Firms that underwrote other non-structured Lehman securities have been named as defendants in the same purported class action, and those underwriters have entered into settlements. In 2011, UBSFS entered into a settlement with the Financial Industry Regulatory Authority ("**FINRA**") related to the sale of these notes, pursuant to which UBSFS agreed to pay a USD 2.5 million fine and up to USD 8.25 million in restitution and interest to a limited number of investors in the US. UBSFS has also been named in numerous individual civil suits and customer arbitrations, which proceedings are at various stages. The individual customer claims, some of which have resulted in awards payable by UBSFS, relate primarily to whether UBSFS adequately disclosed the risks of these notes to its customers.

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

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

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

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

*Securities Lawsuits Concerning Disclosures in RMBS Offering Documents:* UBS has been named as a defendant relating to its role as underwriter and issuer of RMBS in a large number of lawsuits. These suits relate to approximately USD 44 billion in original face amount of RMBS underwritten or issued by UBS. Some of the lawsuits are in their early stages, and have not advanced beyond the motion to dismiss phase; others are in varying stages of discovery. Of the original face amount of RMBS at issue in these cases, approximately USD 11 billion was issued in offerings in which a UBS subsidiary transferred underlying loans (the majority of which were purchased from third-party originators) into a securitization trust and made representations and warranties about those loans ("**UBS-sponsored RMBS**"). The remaining USD 33 billion of RMBS to which these cases relate was issued by third parties in securitizations in which UBS acted as underwriter ("**third-party RMBS**").

In connection with certain of these lawsuits, UBS has indemnification rights against surviving third-party issuers or originators for losses or liabilities incurred by UBS, but UBS cannot predict the extent to which it will succeed in enforcing those rights. A settlement announced in April 2013 by a third-party issuer could, upon court approval and finalization, reduce the original face amount of RMBS at issue in these cases from USD 44 billion to USD 21 billion, and the original face amount of RMBS at issue in cases involving third-party issuers from USD 33 billion to USD 10 billion. UBS cannot make any assurance that this third-party issuer settlement, to which UBS is not required or expected to make a financial contribution, will receive court approval and be finalized.

These lawsuits include actions brought by the Federal Housing Finance Agency ("**FHFA**"), as conservator for the Federal National Mortgage Association ("**Fannie Mae**") and the Federal Home Loan Mortgage Corporation ("**Freddie Mac**" and collectively with Fannie Mae, the "**GSEs**"), in connection with the GSEs' investments in USD 4.5 billion in original face amount of UBS-sponsored RMBS and USD 1.8 billion in original face amount of third-party RMBS. These suits assert claims for damages and rescission under federal and state securities laws and state common law and allege losses of at least USD 1.2 billion plus interest. The court denied UBS's motion to dismiss in May 2012. In April 2013, the court's decision with respect to two legal issues that were the subject of UBS's motion to dismiss was affirmed on appeal by the US Court of Appeals for the Second Circuit. The FHFA also filed suits in 2011 against UBS and other financial institutions relating to their role as underwriters of third-party RMBS purchased by the GSEs asserting claims under various legal theories, including violations of the federal and state securities laws and state common law.

In July 2012 a federal court in New Jersey dismissed with prejudice on statute of limitations grounds a putative class action lawsuit that asserted violations of the federal securities laws against various UBS entities, among others, in connection with USD 2.6 billion in original face amount of UBS-sponsored RMBS. The named plaintiff's appeal of the dismissal is pending.

*Loan repurchase demands related to sales of mortgages and RMBS:* When UBS acted as an RMBS sponsor or mortgage seller, it generally made certain representations relating to the characteristics of the underlying loans. In the event of a material breach of these representations, UBS was in certain circumstances contractually obligated to repurchase the loans to which they related or to indemnify certain parties against losses. UBS has received demands to repurchase US residential mortgage loans as to which UBS made

certain representations at the time the loans were transferred to the securitization trust. UBS has been notified by certain institutional purchasers and insurers of mortgage loans and RMBS, including Freddie Mac, of their contention that possible breaches of representations may entitle the purchasers to require that UBS repurchase the loans or to other relief. The table below summarizes repurchase demands received by UBS and UBS's repurchase activity from 2006 through 23 April 2013. In the table, repurchase demands characterized as Demands resolved in litigation and Demands rescinded by counterparty are considered to be finally resolved. Repurchase demands in all other categories are not finally resolved.

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

<i>USD million</i>	2006-2008	2009	2010	2011	2012	through 23 April 2013	<b>Total</b>
<b>Resolved demands</b>							
Actual or agreed loan repurchases / make whole payments by UBS	12	1	0				<b>13</b>
Demands rescinded by counterparty	110	100	19	8			<b>238</b>
Demands resolved in litigation	1	21					<b>21</b>
<b>Demands expected to be resolved by third parties</b>							
Demands resolved or expected to be resolved through enforcement of indemnification rights against third-party originators		77	2	45	142	1	<b>267</b>
<b>Demands in dispute</b>							
Demands in litigation			346	732	1,041		<b>2,118</b>
Demands in review by UBS		2	0	9	12	6	<b>29</b>
Demands rebutted by UBS but not yet rescinded by counterparty		3	2	290	244		<b>539</b>
<b>Total</b>	<b>123</b>	<b>205</b>	<b>368</b>	<b>1,084</b>	<b>1,438</b>	<b>7</b>	<b>3,225</b>

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

Assured Guaranty Municipal Corp. ("**Assured Guaranty**"), a financial guaranty insurance company, made additional loan repurchase demands totaling approximately USD 182 million in original principal balance in November and December 2012, and it is not clear when or to what extent additional demands may be made by Assured Guaranty, Freddie Mac or others.

Payments that UBS has made or agreed to make to date to resolve repurchase demands equate to approximately 62% of the original principal balance of the related loans. Most of the payments that UBS has made or agreed to make to date have related to so-called "Option ARM" loans; severity rates may vary for other types of loans or for Option ARMs with different characteristics. Actual losses upon repurchase will reflect the estimated value of the loans in question at the time of repurchase as well as, in some cases, partial repayment by the borrowers or advances by servicers prior to repurchase. It is not possible to predict future losses upon repurchase for reasons including timing and market uncertainties.

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

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

*Lawsuits related to contractual representations and warranties concerning mortgages and RMBS:* In February 2012, Assured Guaranty filed suit against UBS RESI in New York State Court asserting claims for breach of contract and declaratory relief based on UBS RESI's alleged failure to repurchase allegedly defective mortgage loans with an original principal balance of at least USD 997 million that serve as collateral for UBS-sponsored RMBS insured in part by Assured Guaranty. Assured Guaranty also claims that UBS RESI breached representations and warranties concerning the mortgage loans and breached certain obligations under commitment letters. Assured Guaranty seeks unspecified damages that include payments



on current and future claims made under Assured Guaranty insurance policies totaling approximately USD 308 million at the time of the filing of the complaint, as well as compensatory and consequential losses, fees, expenses and pre-judgment interest. The case was removed to federal court, and in August 2012, the Court granted UBS RESI's motion to dismiss Assured Guaranty's claims for breach of UBS RESI's contractual repurchase obligations, holding that only the trustee for the securitization trust has the contractual right to enforce those obligations. The Court also granted UBS RESI's motion to dismiss Assured Guaranty's claims for declaratory relief. The Court denied UBS RESI's motion to dismiss Assured Guaranty's claims for breach of representation and warranty and breach of the commitment letters. The case is now in discovery.

In October 2012, following the Court's holding that only the trustee may assert claims seeking to enforce UBS RESI's repurchase obligations, the RMBS trusts at issue in the Assured Guaranty litigation filed a related action in the Southern District of New York seeking to enforce UBS RESI's obligation to repurchase loans with an original principal balance of approximately USD 2 billion for which Assured Guaranty had previously demanded repurchase. UBS's motion to dismiss the suit filed by the trusts is pending. With respect to the portion of the loans subject to the suits filed by Assured Guaranty and the trusts that were originated by institutions still in existence, UBS is enforcing its indemnity rights against those institutions. At this time, UBS does not expect that it will be required to make payment for the majority of loan repurchase demands at issue in the suit brought by the RMBS trusts for at least the following reasons: (1) UBS reviewed the origination file and/or servicing records for the loan and concluded that the allegations of breach of representations and warranties are unfounded, or (2) a surviving originator is contractually liable for any breaches of representations and warranties with respect to loans that it originated. UBS has indemnification rights in connection with approximately half of the USD 2 billion in original principal balance of loans at issue in this suit (reflected in the "In litigation" category in the accompanying table). Additionally, in its motion to dismiss the suit filed by the trusts, UBS has asserted that, under governing transaction documents, UBS is not required to repurchase liquidated loans that were the subject of repurchase demands now at issue in this suit.

In April 2012, Freddie Mac filed a notice and summons in New York Supreme Court initiating suit against UBS RESI for breach of contract and declaratory relief arising from alleged breaches of representations and warranties in connection with certain mortgage loans and UBS RESI's alleged failure to repurchase such mortgage loans. The complaint for this suit was filed in September 2012. Freddie Mac seeks, among other relief, specific performance of UBS RESI's alleged loan repurchase obligations for at least USD 94 million in original principal balance of loans for which Freddie Mac had previously demanded repurchase; no damages are specified.

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

As reflected in the table below, UBS's balance sheet at 31 March 2013 reflected a provision of USD 962 million with respect to matters described in this item 5. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of this matter cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

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

<i>USD million</i>	
<b>Balance as of 31 December 2012</b>	<b>658</b>
Increase in provision recognized in the income statement	311
Release of provision recognized in the income statement	0
Provision used in conformity with designated purpose	(7)
<b>Balance as of 31 March 2013</b>	<b>962</b>

6. Claims related to UBS disclosure

A putative consolidated class action has been filed in the United States District Court for the Southern District of New York against UBS, a number of current and former directors and senior officers and certain banks that underwrote UBS's May 2008 Rights Offering (including UBS Securities LLC) alleging violation of the US securities laws in connection with UBS's disclosures relating to UBS's positions and losses in mortgage-related securities, UBS's positions and losses in auction rate securities, and UBS's US cross-border business. In 2011, the court dismissed all claims based on purchases or sales of UBS ordinary shares made outside the US, and, in September 2012, the court dismissed with prejudice the remaining claims based on purchases or sales of UBS ordinary shares made in the US for failure to state a claim. Plaintiffs have

appealed the court's decision. UBS, a number of senior officers and employees and various UBS committees have also been sued in a putative consolidated class action for breach of fiduciary duties brought on behalf of current and former participants in two UBS Employee Retirement Income Security Act ("**ERISA**") retirement plans in which there were purchases of UBS stock. In 2011, the court dismissed the ERISA complaint. In March 2012, the court denied plaintiffs' motion for leave to file an amended complaint. On appeal, the Second Circuit upheld the dismissal of all counts relating to one of the retirement plans. With respect to the second retirement plan, the Court upheld the dismissal of some of the counts, and vacated and remanded for further proceedings with regard to the counts alleging that defendants had violated their fiduciary duty to prudently manage the plan's investment options, as well as the claims derivative of that duty.

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

#### 7. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC ("**BMIS**") investment fraud, UBS AG, UBS (Luxembourg) SA and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including the Swiss Financial Market Supervisory Authority ("**FINMA**") and the Luxembourg Commission de Surveillance du Secteur Financier ("**CSSF**"). Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds now face severe losses, and the Luxembourg funds are in liquidation. The last reported net asset value of the two Luxembourg funds before revelation of the Madoff scheme was approximately USD 1.7 billion in the aggregate, although that figure likely includes fictitious profit reported by BMIS. The documentation establishing both funds identifies UBS entities in various roles including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees serve as board members. UBS (Luxembourg) SA and certain other UBS subsidiaries are responding to inquiries by Luxembourg investigating authorities, without however being named as parties in those investigations. In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims on behalf of the funds against UBS entities, non-UBS entities and certain individuals including current and former UBS employees. The amounts claimed are approximately EUR 890 million and EUR 305 million, respectively. The liquidators have filed supplementary claims for amounts that the funds may possibly be held liable to pay the BMIS Trustee. These amounts claimed by the liquidator are approximately EUR 564 million and EUR 370 million, respectively. In addition, a large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff scheme. The majority of these cases are pending in Luxembourg, where appeals have been filed by the claimants against the 2010 decisions of the court in which the claims in a number of test cases were held to be inadmissible. In the US, the BMIS Trustee has filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. A claim was filed in 2010 against 23 defendants, including UBS entities, the Luxembourg and offshore funds concerned and various individuals, including current and former UBS employees. The total amount claimed against all defendants in this action was not less than USD 2 billion. A second claim was filed in 2010 against 16 defendants including UBS entities and the Luxembourg fund concerned. The total amount claimed against all defendants was not less than USD 555 million. Following a motion by UBS, in 2011 the District Court dismissed all of the BMIS Trustee's claims other than claims for recovery of fraudulent conveyances and preference payments that were allegedly transferred to UBS on the ground that the BMIS Trustee lacks standing to bring such claims. The BMIS Trustee has appealed the District Court's decision. 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.

#### 8. Transactions with Italian public sector entities

A number of transactions that UBS Limited and UBS AG respectively entered into with public sector entity counterparties in Italy have been called into question or become the subject of legal proceedings and claims for damages and other awards. In Milan, in 2012, civil claims brought by the City of Milan against UBS Limited, UBS Italia SIM Spa and three other international banks in relation to a 2005 bond issue and associated derivatives transactions entered into with Milan between 2005 and 2007 were settled without admission of liability. In December 2012, the criminal court in Milan issued a judgment convicting two

current UBS employees and one former employee, together with employees from the three other banks, of fraud against a public entity in relation to the same bond issue and the execution, and subsequent restructuring, of the related derivative transactions. In the same proceedings, the Milan criminal court also found UBS Limited and three other banks liable for the administrative offense of failing to have in place a business organizational model capable of preventing the criminal offenses of which its employees were convicted. The sanctions against UBS Limited, which are not effective until appeals are exhausted, are confiscation of the alleged level of profit flowing from the criminal findings (EUR 16.6 million), a fine in respect of the finding of the administrative offense (EUR 1 million) and payment of legal fees. UBS has previously provided for this potential exposure in the amount of EUR 18.5 million.

Derivative transactions with the Regions of Calabria, Tuscany, Lombardy, Lazio and Campania, and the City of Florence have also been called into question or become the subject of legal proceedings and claims for damages and other awards. In 2012, UBS AG and UBS Limited settled all civil disputes with the Regions of Tuscany, Lombardy and Lazio without any admission of liability (the latter settlement is conditional upon Lazio making certain amendments to its pleading in ongoing litigation against third parties). An in-principle agreement has also been reached with the City of Florence and is expected to be formalized shortly. Provisions have been booked in respect of these agreed or prospective settlements.

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

In 2006 and 2007, KWL entered into a series of Credit Default Swap ("**CDS**") transactions with bank swap counterparties, including UBS. UBS entered into back-to-back CDS transactions with the other counterparties, Depfa Bank plc ("**Depfa**") and Landesbank Baden-Württemberg ("**LBBW**"), in relation to their respective swaps with KWL. Under the CDS contracts between KWL and UBS, the last of which were terminated by UBS in 2010, a net sum of approximately USD 138 million has fallen due from KWL but not been paid. Earlier in 2010, UBS issued proceedings in the English High Court against KWL seeking various declarations from the English court, in order to establish that the swap transaction between KWL and UBS is valid, binding and enforceable as against KWL. The English court ruled in 2010 that it has jurisdiction and will hear the proceedings and UBS issued a further claim seeking declarations concerning the validity of its early termination of the remaining CDS transactions with KWL. KWL withdrew its appeal from that decision and the civil dispute is now proceeding before the English court. UBS has added its monetary claim to the proceedings. KWL is defending against UBS's claims and has served a counterclaim which also joins UBS Limited and Depfa to the proceedings. As part of its assertions, KWL claims damages of at least USD 68 million in respect of UBS's termination of some of the CDS contracts, whilst disputing that any monies are owed to UBS pursuant to another CDS contract. UBS, UBS Limited and Depfa are defending against KWL's counterclaims, and Depfa has asserted additional claims against UBS and UBS Limited.

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

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

In 2011, the former managing director of KWL and two financial advisers were convicted on criminal charges related to certain KWL transactions, including swap transactions with UBS and other banks.

Since 2011, the SEC has been conducting an investigation concerning the KWL transactions and UBS is cooperating with the SEC.

#### 10. Puerto Rico

In 2011, a purported derivative action was filed on behalf of the Employee Retirement System of the Commonwealth of Puerto Rico ("**System**") against over 40 defendants, including UBS Financial Services Inc. of Puerto Rico ("**UBS PR**") and other consultants and underwriters, trustees of the System, and the President and Board of the Government Development Bank of Puerto Rico. The plaintiffs alleged that defendants violated their purported fiduciary duties and contractual obligations in connection with the issuance and underwriting of approximately three billion dollars of bonds by the System in 2008 and sought damages of over USD 800 million. UBS is named in connection with its underwriting and consulting services. In March 2013, the case was dismissed by the Puerto Rico court on the grounds that plaintiffs did not have standing to bring the claim. UBS is also cooperating with an SEC investigation into the bond offerings. Separately, in late 2012, an SEC administrative hearing on securities law violation charges against two UBS PR executives concluded, with a decision expected in late 2013. The charges stemmed from the SEC's investigation of UBS PR's sale of closed-end funds in 2008 and 2009, which UBS PR settled in May 2012.

#### 11. LIBOR and other benchmark rates

Numerous government agencies, including the SEC, the US Commodity Futures Trading Commission ("**CFTC**"), the DOJ, the UK Financial Services Authority ("**FSA**"), the UK Serious Fraud Office ("**SFO**"), the Monetary Authority of Singapore ("**MAS**"), the Hong Kong Monetary Authority ("**HKMA**"), FINMA, the various state attorneys general in the US, and competition authorities in various jurisdictions are conducting investigations regarding submissions with respect to British Bankers' Association LIBOR (London Interbank Offered Rate) and other benchmark rates. These investigations focus on whether there were improper attempts by UBS (among others), either acting on its own or together with others, to manipulate LIBOR and other benchmark rates at certain times. The UK Parliament is conducting an inquiry into "transparency, conflicts of interest and the culture and professional standards of the financial services industry including the interaction with the criminal law", and a narrower review by the FSA that concerns the LIBOR process is also ongoing.

In December 2012, UBS reached settlements with the FSA, the CFTC and the Criminal Division of the DOJ in connection with their investigations of benchmark interest rates. At the same time FINMA issued an order concluding its formal proceedings with respect to UBS relating to benchmark interest rates. UBS will pay a total of approximately CHF 1.4 billion in fines and disgorgement – including GBP 160 million in fines to the FSA, USD 700 million in fines to the CFTC, and CHF 59 million in disgorgement to FINMA. Under a non-prosecution agreement ("**NPA**") that UBS entered into with the DOJ, UBS has agreed to pay a fine of USD 500 million. Pursuant to a separate plea agreement between the DOJ and UBS Securities Japan Co. Ltd. ("**UBSSJ**"), UBSSJ has entered a plea to one count of wire fraud relating to the manipulation of certain benchmark interest rates, including Yen LIBOR, and the DOJ and UBSSJ have agreed to a sentence to be imposed on UBSSJ that would include a fine of USD 100 million, which is subject to the discretion of the sentencing court. The NPA requires UBS to pay the USD 500 million fine to DOJ within 10 days of the sentencing of UBSSJ, and provides that any criminal penalties imposed on UBSSJ at sentencing, which currently is scheduled for 27 June 2013, will be deducted from the USD 500 million fine. The conduct described in the various settlements and the FINMA order includes certain UBS personnel: engaging in efforts to manipulate submissions for certain benchmark rates to benefit trading positions; colluding with employees at other banks and cash brokers to influence certain benchmark rates to benefit their trading positions; and giving inappropriate directions to UBS submitters that were in part motivated by a desire to avoid unfair and negative market and media perceptions during the financial crisis. The benchmark interest rates encompassed by these resolutions include Yen LIBOR, GBP LIBOR, CHF LIBOR, Euro LIBOR, USD LIBOR, EURIBOR (Euro Interbank Offered Rate) and Euroyen TIBOR (Tokyo Interbank Offered Rate). UBS has ongoing obligations to cooperate with authorities with which it has reached resolutions and to undertake certain remediation with respect to benchmark interest rate submissions. Investigations by other government authorities remain ongoing notwithstanding these resolutions.

UBS has been granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ and the Swiss Competition Commission ("**WEKO**"), in connection with potential antitrust or competition law violations related to submissions for Yen LIBOR and Euroyen TIBOR. WEKO has also granted UBS conditional immunity in connection with potential competition law violations related to submissions for Swiss franc LIBOR and certain transactions related to Swiss franc LIBOR. The Canadian Competition Bureau has granted UBS conditional immunity in connection with potential competition law violations related to submissions for Yen LIBOR. As a result of these conditional grants, UBS will not be subject to prosecutions, fines or other sanctions for antitrust or competition law violations in the jurisdictions where it has conditional immunity or leniency in connection with the matters covered by the conditional grants, subject to its continuing cooperation. However, the conditional leniency

and conditional immunity grants UBS has received do not bar government agencies from asserting other claims and imposing sanctions against UBS, as evidenced by the settlements and ongoing investigations referred to above. In addition, as a result of the conditional leniency agreement with the DOJ, UBS is eligible for a limit on liability to actual rather than treble damages were damages to be awarded in any civil antitrust action under US law based on conduct covered by the agreement and for relief from potential joint and several liability in connection with such civil antitrust action, subject to UBS satisfying the DOJ and the court presiding over the civil litigation of its cooperation. The conditional leniency and conditional immunity grants do not otherwise affect the ability of private parties to assert civil claims against UBS.

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

A number of putative class actions and other actions are pending in the federal courts in New York and other jurisdictions against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives linked directly or indirectly to US dollar LIBOR, Yen LIBOR, Euroyen TIBOR and EURIBOR. Also pending are actions asserting losses related to various products whose interest rate was linked to US dollar LIBOR, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest bearing instruments. All of the complaints allege manipulation, through various means, of various benchmark interest rates, including LIBOR, Euroyen TIBOR or EURIBOR rates and seek unspecified compensatory and other damages, including treble and punitive damages, under varying legal theories that include violations of the US Commodity Exchange Act, federal and state antitrust laws and the federal racketeering statute. In March 2013, a federal court in New York dismissed the federal antitrust and racketeering claims of certain US dollar LIBOR plaintiffs and a portion of their claims brought under the Commodity Exchange Act. Plaintiffs will have the opportunity to replead certain claims that have been dismissed.

With respect to additional matters and jurisdictions not encompassed by the settlements and order referred to above, UBS's balance sheet at 31 March 2013 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.

## 12. Swiss retrocessions

The Swiss Supreme Court ruled in October 2012, in a test case against UBS, that distribution fees paid to a bank for distributing third party and intra-group investment funds and structured products must be disclosed and surrendered to clients who have entered into a discretionary mandate agreement with the bank, absent a valid waiver.

In November 2012, FINMA issued a supervisory note to all Swiss banks in response to the Supreme Court decision. The note sets forth the measures Swiss banks are to adopt, which include informing all affected clients about the Supreme Court decision and directing them to an internal bank contact for further details. UBS has met the FINMA requirements and has notified all potentially affected clients in the context of the mailing of the year-end account statements.

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

UBS's balance sheet at 31 March 2013 reflected a provision with respect to matters described in this item 12 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, particularly in view of the limited experience to date. 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.

### 13. Banco UBS Pactual tax indemnity

Pursuant to the 2009 sale of Banco UBS Pactual S.A. ("**Pactual**") by UBS to BTG Investments, LP ("**BTG**"), BTG has submitted contractual indemnification claims that UBS estimates amount to approximately USD 1.3 billion (increased from the previously disclosed estimate due to interest calculations and currency movements), including interest and penalties. The claims pertain principally to several tax assessments issued by the Brazilian tax authorities against Pactual relating to the period from December 2006 through March 2009, when UBS owned Pactual. These assessments are being or will be challenged in administrative proceedings. BTG has also provided notice to UBS of several additional Pactual-related inquiries by the Brazilian tax authorities that relate to the period of UBS's ownership of Pactual, but involving substantially smaller amounts.

### 14. Greater Southwestern Funding

In June 2010, UBS was named as a defendant in a putative class action complaint brought in federal court in Oklahoma relating to its role as underwriter and seller in a bond offering of USD 182 million in zero coupon bonds originally issued in 1984 by Greater Southwestern Funding Corporation ("**GSF**"). The complaint alleges that GSF breached its contractual obligation to make payments on the bonds and is liable for the principal and interest due on the bonds, and that UBS is liable for GSF's contract indebtedness under equitable theories, including a corporate "veil-piercing" claim. A class was certified in December 2011. On March 26, 2013, the court denied UBS's motion for summary judgment seeking dismissal of all claims against UBS. The case went to trial in April 2013, and the jury returned a unanimous verdict in UBS's favor on all claims.

Besides the proceedings specified above under (1) through (14) no governmental, legal or arbitration proceedings, which may significantly affect UBS AG's and/or UBS Group's financial position or profitability, are or have been pending during the last twelve months until the date of this document, nor is the Issuer aware that any such governmental, legal or arbitration proceedings are threatened.

## **2. Significant Changes in the Financial or Trading Position; Material Adverse Change in Prospects**

There has been no material change in the financial or trading position of UBS Group or of UBS AG since the reporting date of UBS's first quarter 2013 report (including unaudited consolidated financial statements) for the period ended on 31 March 2013.

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

### **IX. Material Contracts**

No material agreements have been concluded outside of the normal course of business which could lead to UBS being subjected to an obligation or obtaining a right, which would be of key significance to the Issuer's ability to meet its obligations to the investors in relation to the issued securities.

### **X. Documents on Display**

- The Annual Report of UBS AG as of 31 December 2011, comprising 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 information (including the "Report of the Statutory Auditor and the Independent Registered Public Accounting Firm on the Consolidated Financial Statements" and the "Report of the Statutory Auditor on the Financial Statements");
- The Annual Report of UBS AG as of 31 December 2012, comprising 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 information (including the "Report of the statutory auditor and the independent registered public accounting

firm on the consolidated financial statements" and the "Report of the statutory auditor on the financial statements");

- UBS's report for the quarter ended 31 March 2013 (including unaudited consolidated financial statements);; and
- The Articles of Association of UBS AG, as the Issuer,

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

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The Base Prospectus and all supplements thereto, shall be maintained in printed format, for free distribution, at the offices of the Issuer for a period of twelve months after the publication of this document and are published on the website [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest), or a successor website.

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

Zurich, 16 May 2013

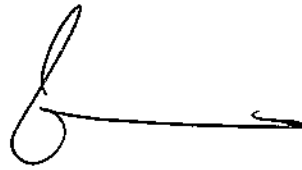
**UBS AG**

By:



\_\_\_\_\_  
(signed by Sigrid Kossatz)

By:



\_\_\_\_\_  
(signed by Stefanie Zaromitidis)