

**Supplement No. 5**

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 22 February 2013

to the already published (single document) Base Prospectus of UBS AG,  
[London] [Jersey] [Branch,]

dated 22 June 2012, as supplemented by a Supplement from time to time  
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

**at the same time****Supplement No. 7**

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 22 February 2013

to the already published (single document) Base Prospectus of UBS AG,  
[London] [Jersey] [Branch,]

dated 15 November 2011, as supplemented by a Supplement from time to time  
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

**at the same time****Supplement No. 10**

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 22 February 2013

to the already published (single document) Base Prospectus of UBS AG,  
[London] [Jersey] [Branch,]

dated 30 November 2010, as supplemented by a Supplement from time to time  
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

**at the same time****Supplement No. 12**

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 22 February 2013

to the already published (single document) Base Prospectus of UBS AG,  
[London] [Jersey] [Branch,]

dated 30 November 2009, as supplemented by a Supplement from time to time  
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

**at the same time**

**Supplement No. 12\***

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 22 February 2013

to the already published (single document) Base Prospectus of UBS AG,  
[London] [Jersey] [Branch,]

dated 6 April 2009, as supplemented by a Supplement from time to time  
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

**at the same time**

**Supplement No. 12**

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 22 February 2013

to the already published (single document) Base Prospectus of UBS AG,  
[London] [Jersey] [Branch,]

dated 10 April 2008, as supplemented by a Supplement from time to time  
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

**at the same time**

**Supplement No. 13**

pursuant to § 16 (1) of the German Securities Prospectus Act

dated 22 February 2013

to the already published (single document) Base Prospectus of UBS AG,  
[London] [Jersey] [Branch,]

dated 10 April 2007, as supplemented by a Supplement from time to time  
(together, the "Base Prospectus")

in relation to the

UBS Structured Note Programme

\*Supplement No. 4 does not exist

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

**Publication of the fourth quarter report of UBS AG as per 31 December 2012 on 5 February 2013<sup>1</sup>.**

**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.**

<sup>1</sup> UBS's fourth quarter 2012 report includes unaudited consolidated financial statements.

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- 1) In the section entitled "Summary of the Base Prospectus of the Programme", the sub-section entitled "C. Summary of the Description of UBS AG" in relation to the Base Prospectuses, as listed introductory on pages 1 to 3, as supplemented from time to time, shall be replaced in its entirety by the following wording:

#### "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 December 2012 UBS's Basel 2.5 tier 1<sup>2</sup> capital ratio was 21.3%, invested assets stood at CHF 2,230 billion, equity attributable to UBS shareholders was CHF 45,895 million and market capitalization was CHF 54,729 million. On the same date, UBS employed 62,628 people<sup>3</sup>.

#### Selected Consolidated Financial Data

CHF million, except where indicated	For the quarter ended		For the year ended			
	31.12.12	31.12.11	31.12.12	31.12.11	31.12.10	31.12.09
	<i>unaudited</i>		<i>audited, except where indicated</i>			
<b>Group results</b>						
Operating income	6,222	5,862	25,443	27,788	31,994	22,601
Operating expenses	8,044	5,381	27,216	22,482 <sup>1*</sup>	24,650 <sup>1*</sup>	25,128 <sup>1*</sup>
Operating profit from continuing operations before tax	(1,823)	481	(1,774)	5,307 <sup>1*</sup>	7,345 <sup>1*</sup>	(2,527) <sup>1*</sup>
Net profit attributable to UBS shareholders	(1,890)	323	(2,511)	4,138 <sup>1*</sup>	7,452 <sup>1*</sup>	(2,700) <sup>1*</sup>
Diluted earnings per share (CHF)	(0.50)	0.08	(0.67)	1.08 <sup>1*</sup>	1.94 <sup>1*</sup>	(0.74) <sup>1*</sup>

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

<b>Performance</b>						
Return on equity (RoE) (%) <sup>2</sup>			(5.2)	9.1 <sup>1*</sup>	18.0 <sup>1*</sup>	(7.9) <sup>1*</sup>
Return on tangible equity (%) <sup>3</sup>			1.6	11.9 <sup>*</sup>		
Return on risk-weighted assets, gross (%) <sup>4</sup>			12.0	13.7 <sup>*</sup>	15.5 <sup>*</sup>	9.9 <sup>*</sup>
Return on assets, gross (%) <sup>5</sup>			1.9	2.1 <sup>*</sup>	2.3 <sup>*</sup>	1.5 <sup>*</sup>
<b>Growth</b>						
Net profit growth (%) <sup>6</sup>	N/A	(68.0)	N/A	(44.5) <sup>1*</sup>	N/A <sup>*</sup>	N/A <sup>*</sup>
Net new money growth (%) <sup>7</sup>	1.2	1.1	1.6	1.9 <sup>*</sup>		
<b>Efficiency</b>						
Cost / income ratio (%) <sup>8</sup>	128.8	91.6	106.5	80.7 <sup>1*</sup>	76.9 <sup>1*</sup>	102.8 <sup>1*</sup>

<sup>2</sup> The Basel 2.5 tier 1 capital ratio is the ratio of eligible Basel 2.5 tier 1 capital to Basel 2.5 risk-weighted assets. Eligible Basel 2.5 tier 1 capital can be calculated by starting with IFRS equity attributable to shareholders, adding treasury shares at cost and equity classified as obligation to purchase own shares, reversing out certain items, and then deducting certain other items. The most significant items reversed out for capital purposes are unrealized gains/losses on cash flow hedges and own credit gains/losses on liabilities designated at fair value. The largest deductions are treasury shares and own shares, goodwill and intangibles and certain securitization exposures.

<sup>3</sup> Full-time equivalents.

As of

<i>CHF million, except where indicated</i>	31.12.12	31.12.11	31.12.10	31.12.09
<b>Capital strength</b>				
BIS tier 1 capital ratio (%) <sup>9,10</sup>	21.3	15.9*	17.8*	15.4*
FINMA leverage ratio (%) <sup>9,11</sup>	6.3	5.41*	4.51*	3.91*
<b>Balance sheet and capital management</b>				
Total assets	1,259,232	1,416,962 <sup>1*</sup>	1,314,813 <sup>1*</sup>	1,338,239 <sup>1*</sup>
Equity attributable to UBS shareholders	45,895	48,530 <sup>1*</sup>	43,728 <sup>1*</sup>	37,704 <sup>1*</sup>
Total book value per share (CHF)	12.25	12.95 <sup>1*</sup>	11.53 <sup>1*</sup>	10.71 <sup>1*</sup>
Tangible book value per share (CHF)	10.52	10.36 <sup>1*</sup>	8.94 <sup>1*</sup>	7.58 <sup>1*</sup>
BIS core tier 1 capital ratio (%) <sup>9</sup>	19.0	14.1*	15.3*	
BIS total capital ratio (%) <sup>9</sup>	25.2	17.2*	20.4*	19.8*
BIS risk-weighted assets <sup>9</sup>	192,505	240,962*	198,875*	206,525*
BIS tier 1 capital <sup>9</sup>	40,982	38,370	35,323	31,798
<b>Invested assets (CHF billion) <sup>12</sup></b>				
Invested assets (CHF billion) <sup>12</sup>	2,230	2,088*		
Personnel (full-time equivalents)	62,628	64,820*	64,617*	65,233*
Market capitalization	54,729	42,843*	58,803*	57,108*

\*unaudited

<sup>1</sup> During the fourth quarter of 2012, UBS adopted revisions to the International Accounting Standard 19 Employee Benefits retrospectively. Prior period information has been restated and is therefore different from the information reported in the annual report 2011. <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 on a year-to-date basis before amortization and impairment of goodwill and intangible assets / average equity attributable to UBS shareholders less goodwill and intangible assets on a year-to-date basis. The information on "Return on tangible equity" has been introduced commencing in the fourth quarter of 2012. The relevant data is included in this table to the extent available in the fourth quarter 2012 report. <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 Basel 2.5 risk-weighted assets for 2012. Based on Basel II risk-weighted assets for 2011, 2010 and 2009. <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. Commencing in the first quarter of 2012, UBS has replaced the key performance indicator "net new money" with "net new money growth". The relevant data is included in this table to the extent available in the fourth quarter 2012 report. <sup>8</sup> Operating expenses / operating income before credit loss (expense) or recovery. <sup>9</sup> Capital management data as of 31 December 2012 and 31 December 2011 is disclosed in accordance with the Basel 2.5 framework. Comparative data under the Basel 2.5 framework is not reported for 31 December 2010 and 31 December 2009. The comparative information under the Basel II framework is therefore provided, to the extent reported in the annual report 2011. <sup>10</sup> BIS tier 1 capital / BIS risk-weighted assets. <sup>11</sup> FINMA tier 1 capital / average adjusted assets as per definition by the Swiss Financial Market Supervisory Authority (FINMA). <sup>12</sup> In the first quarter of 2012, UBS refined the definition of invested assets. Prior periods have been adjusted accordingly and are included in this table to the extent reported in the fourth quarter 2012 report. Group invested assets includes invested assets for Retail & Corporate.

## Corporate Information

The legal and commercial name of the company 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 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.

### **Organizational 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 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.

### **Trend Information**

(Outlook statement as presented in UBS's fourth quarter 2012 report issued on 5 February 2013<sup>4</sup>)

While progress was made on many issues during 2012, many of the underlying challenges remain at the start of the new year. Failure to achieve further sustained and credible improvements to the eurozone sovereign debt situation, European banking system issues, unresolved US fiscal issues, ongoing geopolitical risks and the outlook for growth in the global economy would continue to exert a strong influence on client confidence and, thus, activity levels in the first 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, and despite the lack of progress on certain bilateral tax treaties, 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.

### **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 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 to the authorities and responsibilities of the two bodies.

### **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 14 April 2010, 28 April 2011 and 3 May 2012, Ernst & Young Ltd., Aeschengraben 9, CH-4002 Basel, Switzerland ("**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.

<sup>4</sup> UBS's fourth quarter 2012 report includes unaudited consolidated financial statements.



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

- 2) In the section entitled "Deutsche Übersetzung der Zusammenfassung des Basisprospekts des Programms" the sub-section entitled "C. Zusammenfassung der Beschreibung der UBS AG", in relation to the Base Prospectuses, as listed introductory on pages 1 to 3, as supplemented from time to time, shall be replaced in its entirety by the following wording:

### 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 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. Dezember 2012 betrug die Basel 2.5-Kernkapitalquote (Tier1)<sup>5</sup> der UBS 21,3%, das verwaltete Vermögen lag bei CHF 2.230 Mrd., das den UBS-Aktionären zurechenbare Eigenkapital betrug CHF 45.895 Mio. und die Marktkapitalisierung betrug CHF 54.729 Mio. Zum gleichen Datum beschäftigte UBS 62.628 Mitarbeiter.<sup>6</sup>

### Ausgewählte konsolidierte Finanzdaten

Mio. CHF (Ausnahmen sind angegeben)	Für das Quartal endend am		Für das Jahr endend am			
	31.12.12	31.12.11	31.12.12	31.12.11	31.12.10	31.12.09
	<i>ungeprüft</i>		<i>geprüft (Ausnahmen sind angegeben)</i>			
<b>UBS-Konzern</b>						
Geschäftsertrag	6.222	5.862	25.443	27.788	31.994	22.601
Geschäftsaufwand	8.044	5.381	27.216	22.482 <sup>1*</sup>	24.650 <sup>1*</sup>	25.128 <sup>1*</sup>
Ergebnis aus fortzuführenden Geschäftsbereichen vor Steuern	(1.823)	481	(1.774)	5.307 <sup>1*</sup>	7.345 <sup>1*</sup>	(2.527) <sup>1*</sup>
Den UBS-Aktionären zurechenbares Konzernergebnis	(1.890)	323	(2.511)	4.138 <sup>1*</sup>	7.452 <sup>1*</sup>	(2.700) <sup>1*</sup>
Verwässertes Ergebnis pro Aktie (CHF)	(0,50)	0,08	(0,67)	1,08 <sup>1*</sup>	1,94 <sup>1*</sup>	(0,74) <sup>1*</sup>

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

#### Performance

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

#### Wachstum

<sup>5</sup> Die Basel 2.5 Kernkapitalquote (Tier 1) gibt das Verhältnis von nach Basel 2.5 anrechenbarem Tier 1 Kernkapital zu den risikogewichteten Aktiven Basel 2.5 wieder. Das nach Basel 2.5 anrechenbare Tier 1 Kernkapital kann ausgehend vom nach IFRS ermittelten den Aktionären zustehenden Eigenkapital errechnet werden, zu dem eigene Aktien zu Anschaffungskosten sowie Eigenkapital, das als Verpflichtung zum Kauf eigener Aktien eingestuft wird, hinzugerechnet werden, das um bestimmte Positionen bereinigt wird und von dem dann bestimmte weitere Positionen abgezogen werden. Die wesentlichen Bereinigungsgrößen für Kapitalzwecke sind unrealisierte Gewinne/Verluste aus Cash Flow Hedges sowie Gewinne/Verluste aus dem eigenen Kreditrisiko betreffend zum Marktwert ausgewiesene Verbindlichkeiten. Die wesentlichen Abzugsgrößen sind Abzüge für eigene Aktien, Goodwill und immaterielle Vermögenswerte sowie Positionen aus gewissen Verbriefungstransaktionen.

<sup>6</sup> Mitarbeiter auf Vollzeitbasis.

Wachstum des Ergebnisses (%) <sup>6</sup>	N/A	(68,0)	N/A	(44,5) <sup>1*</sup>	N/A*	N/A*
Wachstum der Nettoneugelder (%) <sup>7</sup>	1,2	1,1	1,6	1,9*		
<b>Effizienz</b>						
Verhältnis von Geschäftsaufwand / Geschäftsertrag (%) <sup>8</sup>	128,8	91,6	106,5	80,7 <sup>1*</sup>	76,9 <sup>1*</sup>	102,8 <sup>1*</sup>

	Per					
Mio. CHF (Ausnahmen sind angegeben)			31.12.12	31.12.11	31.12.10	31.12.09
<b>Kapitalkraft</b>						
BIZ-Kernkapitalquote (Tier 1) (%) <sup>9, 10</sup>			21,3	15,9*	17,8*	15,4*
FINMA Leverage Ratio (%) <sup>9, 11</sup>			6,3	5,4 <sup>1*</sup>	4,5 <sup>1*</sup>	3,9 <sup>1*</sup>
<b>Bilanz- und Kapitalbewirtschaftung</b>						
Total Aktiven			1.259.232	1.416.962 <sup>1*</sup>	1.314.813 <sup>1*</sup>	1.338.239 <sup>1*</sup>
Den UBS-Aktionären zurechenbares Eigenkapital			45.895	48.530 <sup>1*</sup>	43.728 <sup>1*</sup>	37.704 <sup>1*</sup>
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals pro Aktie (CHF)			12,25	12,95 <sup>1*</sup>	11,53 <sup>1*</sup>	10,71 <sup>1*</sup>
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals abzüglich Goodwill und anderer immaterieller Vermögenswerte pro Aktie (CHF)			10,52	10,36 <sup>1*</sup>	8,94 <sup>1*</sup>	7,58 <sup>1*</sup>
BIZ-«harte» Kernkapitalquote (Tier 1) (%) <sup>9</sup>			19,0	14,1*	15,3*	
BIZ-Gesamtkapitalquote (Tier 1 und 2) (%) <sup>9</sup>			25,2	17,2*	20,4*	19,8*
BIZ-Risikogewichtete Aktiven <sup>9</sup>			192.505	240.962*	198.875*	206.525*
BIZ-Kernkapital (Tier 1) <sup>9</sup>			40.982	38.370	35.323	31.798
<hr/>						
Verwaltete Vermögen (Mrd. CHF) <sup>12</sup>			2.230	2.088*		
Personalbestand (auf Vollzeitbasis)			62.628	64.820*	64.617*	65.233*
Börsenkaptalisierung			54.729	42.843*	58.803*	57.108*

\* ungeprüft

<sup>1</sup> Im vierten Quartal 2012 hat UBS entschieden, rückwirkend Änderungen des Rechnungslegungsstandard IAS 19 Leistungen an Arbeitnehmer anzuwenden. Die Angaben zu früheren Geschäftsjahren wurden neu berechnet und weichen daher von den im Geschäftsbericht für das Geschäftsjahr 2011 enthaltenen Angaben ab. <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, seit Jahresbeginn (gegebenenfalls annualisiert) / das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte (seit Jahresbeginn). Die Angaben zur „Rendite auf Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte“ wurden ab dem vierten Quartal 2012 eingeführt. Diese Angaben sind, soweit im vierten Quartalsbericht 2012 ausgewiesen, in dieser Tabelle wiedergegeben. <sup>4</sup> Geschäftsertrag vor Wertberichtigungen für Kreditrisiken seit Jahresbeginn (gegebenenfalls annualisiert) / Durchschnittliche risikogewichtete Aktiven (seit Jahresbeginn). Für 2012 basieren die risikogewichteten Aktiven auf den Basel-2.5-Richtlinien. Für 2011, 2010 und 2009 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 Beginn der Periode (gegebenenfalls annualisiert) / verwaltete Vermögen zum Beginn der Periode. Nettoneugelder des Konzerns beinhalten Nettoneugelder von Retail & Corporate und schliessen Zins- und Dividendenerträge aus. Mit Beginn des ersten Quartals 2012 hat die UBS die Kennzahl zur Leistungsbemessung „Nettoneugelder“ in „Wachstum der Nettoneugelder“ geändert. Die relevanten Zahlen sind in dieser Tabelle miteinbezogen, soweit sie im vierten Quartalsbericht 2012 ausgewiesen wurden. <sup>8</sup> Geschäftsaufwand / Geschäftsertrag vor Wertberichtigungen für Kreditrisiken. <sup>9</sup> Die Zahlen zur Kapitalbewirtschaftung zum 31. Dezember 2012 und 31. Dezember 2011 werden in Einklang mit den Basel-2.5-Richtlinien offengelegt. Vergleichswerte unter den Basel-2.5-Richtlinien sind für den 31. Dezember 2010 und den 31. Dezember 2009 nicht verfügbar. Daher werden die Vergleichsinformationen gemäß Basel-II-Richtlinien offengelegt, soweit sie im Jahresbericht 2011 ausgewiesen wurden. <sup>10</sup> BIZ-Kernkapital / Risikogewichtete Aktiven gemäß BIZ. <sup>11</sup> FINMA-Kernkapital / Durchschnitt der adjustierten Bilanzsumme gemäß der Eidgenössischen Finanzmarktaufsicht (FINMA). <sup>12</sup> Im ersten Quartal 2012 hat die UBS ihre Definition für verwaltete Vermögen weiterentwickelt. Die Vorperioden wurden entsprechend angepasst und sind in dieser Tabelle miteinbezogen, soweit sie im vierten Quartalsbericht 2012 ausgewiesen wurden. Verwaltete Vermögen des Konzerns beinhalten Vermögen unter der Verwaltung von Retail & Corporate.

Der rechtliche und kommerzielle Name der Emittentin lautet UBS AG. Die Bank wurde am 28. Februar 1978 unter dem Namen SBC AG für eine unbegrenzte Dauer gegründet und am gleichen Tag im Handelsregister des Kantons Basel-Stadt eingetragen. Am 8. Dezember 1997 änderte die Bank ihren Namen in UBS AG. In seiner heutigen Form entstand das Unternehmen am 29. Juni 1998 durch die Fusion der 1862 gegründeten Schweizerischen Bankgesellschaft und des 1872 gegründeten Schweizerischen Bankvereins. UBS AG ist in den Handelsregistern des Kantons Zürich und des Kantons Basel-Stadt eingetragen. Die Handelsregisternummer lautet CH-270.3.004.646-4.

UBS AG hat ihren Sitz in der Schweiz, wo sie als Aktiengesellschaft nach schweizerischem Aktienrecht und den schweizerischen bankengesetzlichen Bestimmungen eingetragen ist. Als AG hat UBS Namenaktien an Investoren ausgegeben.

Gemäß Artikel 2 der Statuten der UBS AG ("**Statuten**") ist der Zweck der UBS AG der Betrieb einer Bank. Ihr Geschäftskreis umfasst alle Arten von Bank-, Finanz-, Beratungs-, Dienstleistungs- und Handelsgeschäften im In- und Ausland.

Die Aktien der UBS AG sind an der SIX Swiss Exchange sowie an der Börse in New York kotiert.

Die Adressen und Telefonnummern der beiden Satzungs- und Verwaltungssitze der UBS AG lauten: Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, Telefon +41 44 234 1111, und Aeschenvorstadt 1, CH-4051 Basel, Schweiz, Telefon +41 61 288 5050.

### ***Organisationsstrukturen der Emittentin***

Die UBS AG ist das Stammhaus des UBS-Konzerns. Die Konzernstruktur von UBS hat zum Ziel, die Geschäftstätigkeiten des Stammhauses innerhalb eines effizienten rechtlichen, steuerlichen, regulatorischen und finanziellen Rahmens zu unterstützen. Weder die einzelnen Unternehmensbereiche von UBS noch das Corporate Center sind rechtlich unabhängige Einheiten, stattdessen wickeln sie ihre Geschäfte primär über die in- und ausländischen Niederlassungen des Stammhauses ab.

In Fällen, in denen das Agieren über das Stammhaus aufgrund lokaler Rechtsvorschriften, steuerrechtlicher oder regulatorischer Bestimmungen oder neu erworbener Gesellschaften unmöglich oder ineffizient ist, wird die Geschäftstätigkeit vor Ort von rechtlich eigenständigen Konzerngesellschaften übernommen.

### ***Trendinformationen***

(Ausblick wie im vierten Quartalsbericht 2012<sup>7</sup> von UBS dargestellt und am 5. Februar 2013 publiziert)

Das Jahr 2012 brachte in vielen Punkten Fortschritte, doch viele der zugrunde liegenden Probleme blieben auch Anfang des neuen Jahres bestehen. Wie bereits in den vergangenen Quartalen werden folgende Faktoren das Vertrauen der Kunden und damit die Kundenaktivitäten auch im ersten Quartal 2013 stark beeinflussen: die weiteren Fortschritte im Hinblick auf eine nachhaltige und glaubwürdige Verbesserung der Verschuldungssituation in der Eurozone, die Probleme im europäischen Bankensystem und die ungelöste US-Haushaltsfrage, die anhaltenden geopolitischen Risiken sowie der globale Konjunkturausblick. Wenn in diesen Punkten keine Fortschritte erzielt werden, sind weitere Ergebnisverbesserungen unter den herrschenden Marktbedingungen unwahrscheinlich. Dies wiederum würde bedeuten, dass das Ertragswachstum, die Nettozinsmargen sowie die Nettoneugeldentwicklung unter Druck geraten. Dessen ungeachtet und trotz der fehlenden Fortschritte bei bestimmten bilateralen Steuerabkommen bleibt UBS zuversichtlich, dass ihre Vermögensverwaltungs-Einheiten als Ganzes auch weiterhin Nettoneugelder anziehen werden – als Ausdruck des anhaltenden Vertrauens ihrer Kunden in das Unternehmen. UBS ist überzeugt, dass die von ihr ergriffenen Massnahmen den langfristigen Erfolg des Unternehmens gewährleisten und in Zukunft nachhaltige Renditen für ihre Aktionäre generieren werden.

<sup>7</sup> Der vierte Quartalsbericht der UBS AG enthält ungeprüfte konsolidierte Finanzinformationen.

3) In the Base Prospectuses, as listed introductory on pages 1 to 3, the section 'Description of UBS AG' is completely replaced as follows:

**"Description of UBS AG"**

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 December 2012 UBS's Basel 2.5 tier 1<sup>8</sup> capital ratio was 21.3%, invested assets stood at CHF 2,230 billion, equity attributable to UBS shareholders was CHF 45,895 million and market capitalization was CHF 54,729 million. On the same date, UBS employed 62,628 people<sup>9</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.

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-		

<sup>8</sup> The Basel 2.5 tier 1 capital ratio is the ratio of eligible Basel 2.5 tier 1 capital to Basel 2.5 risk-weighted assets. Eligible Basel 2.5 tier 1 capital can be calculated by starting with IFRS equity attributable to shareholders, adding treasury shares at cost and equity classified as obligation to purchase own shares, reversing out certain items, and then deducting certain other items. The most significant items reversed out for capital purposes are unrealized gains/losses on cash flow hedges and own credit gains/losses on liabilities designated at fair value. The largest deductions are treasury shares and own shares, goodwill and intangibles and certain securitization exposures.

<sup>9</sup> Full-time equivalent

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 full description of their businesses, strategies and clients, organizational structures, products and services can be found in the annual report 2011 of UBS AG published on 15 March 2012 (the "**Annual Report 2011**"), on pages 30-46 (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 a range of products and services in equities, fixed income, foreign exchange and commodities to corporate and institutional clients, sovereign and government bodies, financial intermediaries, alternative asset managers and UBS's wealth management clients. The Investment Bank is an active participant in capital markets flow activities, including sales, trading and market-making across a broad range of securities. It provides financial solutions to its clients, and offers advisory and analytics services in all major capital markets.

### **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 fund, 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 traditional investments funds and alternative funds.

### **Retail & Corporate**

Retail & Corporate provides comprehensive financial products and services to retail, corporate and institutional clients in Switzerland. It is an integral part of the universal bank model in Switzerland and delivers 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 transferring clients to Wealth Management due to increased client wealth.

### **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 including treasury services, funding, balance sheet and capital management. It also provides all logistics and support functions including operations, information technology, human resources, communications and branding, corporate development, real estate, procurement, physical and information security as well as offshoring. It allocates most of the treasury income, operating expenses and personnel costs associated with these activities, which we refer to collectively as Corporate Center – Core Functions, to the businesses based on capital and service consumption levels. The Corporate Center also encompasses certain centrally managed positions, including the SNB StabFund option, the Legacy Portfolio and, starting with reporting for the first quarter of 2013, non-core businesses following the accelerated implementation of UBS's strategy announced in October 2012.

## 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, for the fourth quarter ended 31 December 2012, as presented in UBS's fourth quarter 2012 report (including unaudited consolidated financial statements) issued on 5 February 2013)

On 5 February 2013, UBS published its fourth quarter 2012 report and announced a fourth-quarter net loss attributable to UBS shareholders of CHF 1,890 million compared with a loss of CHF 2,137 million in the third quarter. The pre-tax loss was CHF 1,823 million compared with a loss of CHF 2,529 million in the prior quarter. The fourth quarter loss was primarily due to net charges for provisions for litigation, regulatory and similar matters of CHF 2,081 million as well as net restructuring charges of CHF 258 million and an own credit loss on financial liabilities designated at fair value of CHF 414 million. The third-quarter result was mainly due to impairment losses of CHF 3,064 million on goodwill and other non-financial assets as well as an own credit loss of CHF 863 million. Total operating income for the fourth quarter was CHF 6,222 million compared with CHF 6,287 million in the prior quarter. Excluding the impact of own credit, operating income decreased by CHF 514 million to CHF 6,636 million. Total operating expenses decreased by CHF 772 million to CHF 8,044 million. In the fourth quarter, UBS recorded a tax expense of CHF 66 million compared with a tax benefit of CHF 394 million in the prior quarter. For the full year 2012 UBS recorded a net loss attributable to UBS shareholders of CHF 2,511 million, compared with a profit of CHF 4,138 million in the previous year, mostly reflecting goodwill impairments and restructuring costs as UBS executes its strategy, as well as own credit losses and provisions for litigation, regulatory and similar matters.

Wealth Management's pre-tax profit in the fourth quarter of 2012 was CHF 398 million compared with CHF 582 million in the previous quarter. The gross margin on invested assets declined by 4 basis points to 85 basis points, mainly reflecting lower interest income resulting from the continuing low interest rate environment and lower transactional revenues due to reduced client activity. Net new money was CHF 2.4 billion compared with CHF 7.7 billion in the previous quarter. Net inflows in Asia Pacific and emerging markets further increased, while Europe saw net outflows mainly from clients domiciled in Western Europe accelerating towards the end of the quarter. Ultra high net worth clients reported strong net new money inflows on a global basis of CHF 5.6 billion compared with CHF 4.8 billion in the previous quarter. Invested assets increased by CHF 5 billion to CHF 821 billion, primarily due to positive market performance and net new money inflows, partly offset by negative currency effects. Total operating income decreased by CHF 41 million to CHF 1,748 million from CHF 1,789 million, mainly reflecting lower interest income and transaction-based revenues. Total operating expenses increased to CHF 1,350 million from CHF 1,207 million and included restructuring costs of CHF 17 million.

Wealth Management Americas' pre-tax profit in the fourth quarter of 2012 was USD 216 million compared with a pre-tax profit of USD 232 million in the prior quarter. Total operating income was USD 1,746 million, an increase of USD 115 million from USD 1,631 million, due to growth in managed account fees, higher mutual fund and annuities fees resulting from changes in accounting estimates as well as higher net interest income. This increase was partly offset by a loan loss allowance and lower realized gains on sales of financial investments held in the available-for-sale portfolio. Total operating expenses increased by USD 129 million to USD 1,529 million, primarily due to a USD 87 million increase in charges for provisions for litigation, regulatory and similar matters. Net new money totaled USD 8.8 billion in the fourth quarter compared with USD 4.8 billion in the prior quarter, mainly due to stronger inflows from financial advisors employed with UBS for more than one year. Including interest and dividend income, net new money increased to USD 16.7 billion, which included seasonally higher dividend payments in the quarter. In US dollar terms, the gross margin on invested assets increased 4 basis points to 84 basis points.

The Investment Bank recorded a pre-tax loss of CHF 557 million in the fourth quarter of 2012 compared with a pre-tax loss of CHF 2,856 million in the third quarter of 2012. The third quarter included impairment losses of CHF 3,064 million on goodwill and other non-financial assets. Adjusted for impairment losses and the effects of restructuring (charges of CHF 224 million in the fourth quarter; releases of CHF 16 million in the third quarter), the Investment Bank recorded a pre-tax loss of CHF 333 million compared with a pre-tax profit of CHF 192 million in the prior quarter. The decrease was due to lower revenues in the securities business, partly as a result of the accelerated implementation of the strategy announced in October 2012.



Total operating income declined 26% to CHF 1,682 million from CHF 2,277 million in the prior quarter. Total operating expenses decreased 56% to CHF 2,239 million compared with CHF 5,132 million, mainly due to impairment losses of CHF 3,064 million on goodwill and other non-financial assets in the third quarter. On an adjusted basis, excluding the impairment losses and restructuring releases in the third quarter and restructuring charges in the fourth quarter, operating expenses decreased 3% to CHF 2,015 million from CHF 2,084 million. Risk-weighted assets measured on a Basel 2.5 basis decreased by CHF 13 billion to CHF 89 billion at the end of the fourth quarter.

Global Asset Management's pre-tax profit in the fourth quarter of 2012 was CHF 149 million compared with CHF 126 million in the third quarter, primarily due to higher net management and performance fees. Total operating income was CHF 492 million compared with CHF 468 million in the third quarter. Net management fees were higher, especially in global real estate. Performance fees were also higher, reflecting increases in alternative and quantitative investments and global real estate. Total operating expenses were CHF 343 million compared with CHF 342 million in the third quarter. Excluding money market flows, net new money outflows from third parties were CHF 1.4 billion in the fourth quarter compared with net inflows of CHF 0.3 billion in the third quarter. Net inflows, notably from sovereign clients, were largely offset by net outflows, particularly from clients in the Americas. The total gross margin was 34 basis points compared with 32 basis points in the third quarter.

Retail & Corporate's pre-tax profit was CHF 361 million in the fourth quarter of 2012 compared with CHF 395 million in the prior quarter. Total operating income increased by CHF 1 million to CHF 933 million, as higher income was almost offset by higher credit loss expenses. Total operating expenses increased to CHF 572 million from CHF 537 million in the previous quarter, mainly due to higher general and administrative expenses. Annualized growth rate for net new business volume was 4.4% compared with 7.2% in the previous quarter. Strong net new client asset inflows from institutional clients as well as positive net new client deposits were recorded, while net new loan flows were slightly negative, in line with the strategy to grow the business selectively in high-quality loans.

The Corporate Center – Core Functions' pre-tax result in the fourth quarter of 2012 was a loss of CHF 1,874 million compared with a loss of CHF 936 million in the previous quarter. The fourth quarter included charges for provisions for litigation, regulatory and similar matters of CHF 1,470 million, mainly arising from fines and disgorgement resulting from regulatory investigations concerning LIBOR and other benchmark rates, and an own credit loss of CHF 414 million compared with a loss of CHF 863 million in the prior quarter. Treasury income remaining in Corporate Center – Core Functions after allocations to the business divisions was CHF 63 million compared with CHF 125 million in the prior quarter.

The Legacy Portfolio's pre-tax result was a loss of CHF 501 million in the fourth quarter of 2012 compared with a pre-tax loss of CHF 62 million in the previous quarter. This was primarily due to higher charges for provisions for litigation, regulatory and similar matters as well as a smaller gain from the revaluation of the option to acquire the SNB StabFund's equity in the fourth quarter, partly offset by a credit loss recovery recorded in the fourth quarter compared with a credit loss expense incurred in the third quarter.

Balance sheet and capital position - As of 31 December 2012, the balance sheet stood at CHF 1,259 billion, a decrease of CHF 107 billion from 30 September 2012. UBS's Basel 2.5 tier 1 capital ratio continued to improve and stood at 21.3% on 31 December 2012, up 1.1 percentage point from 30 September 2012. Basel 2.5 tier 1 capital declined by CHF 1.4 billion due to the quarterly net loss and negative foreign currency effects. Basel 2.5 risk-weighted assets ("**RWA**") were CHF 17.8 billion lower at CHF 192.5 billion at the end of the fourth quarter compared with the third quarter mainly due to declines in credit-risk RWA of CHF 16.1 billion and market risk RWA of CHF 1.5 billion.

On 31 December 2012, UBS's Basel III<sup>10</sup> common equity tier 1 ("**CET1**") capital on a fully applied basis was CHF 25.2 billion, a decline of CHF 2.8 billion from 30 September 2012. The decline was due to the quarterly net loss, the impact of adopting the revised International Accounting Standard IAS 19 Employee Benefit ("**IAS 19R**") and other negative effects, offset by the reversal of own credit losses for the purpose of capital calculation. Pro-forma Basel III<sup>3</sup> RWA were estimated to be CHF 258 billion on a fully applied basis at the end of the fourth quarter, declining CHF 43 billion compared with the prior quarter mainly as a result

<sup>10</sup> The calculation of UBS's pro-forma Basel III RWA combines existing Basel 2.5 RWA, a revised treatment for low-rated securitization exposures that are no longer deducted from capital but are risk-weighted at 1250%, and new model-based capital charges. Some of these new models require final regulatory approval and therefore UBS's pro-forma calculations include estimates (discussed with UBS's primary regulator) of the effect of these new capital charges which will be refined as models and the associated systems are enhanced.

of the same factors that caused a decrease in Basel 2.5 RWA, a lower credit valuation adjustment charge and lower RWA on low-rated securitization exposures. The resulting Basel III<sup>3</sup> CET1 capital ratio on a fully applied basis stood at 9.8% on 31 December 2012, an increase of 0.5 percentage points from 9.3% on 30 September 2012. On a phase-in basis, UBS estimates its Basel III<sup>3</sup> CET1 capital ratio at 15.3% on 31 December 2012 compared with 13.6% on 30 September 2012. The regulatory capital effect of the adoption of IAS 19R, together with related changes in future periods, will be phased in annually from 1 January 2014 on an after-tax basis, such that regulatory capital becomes fully adjusted on 1 January 2018.

For 2012, UBS introduced a new compensation plan, the Deferred Contingent Capital Plan ("**DCCP**"). The DCCP strengthens UBS's capital position, as UBS's regulator (FINMA) recognizes DCCP awards as high-trigger loss-absorbing capital. Over the next five years, UBS could build approximately 100 basis points of high-trigger loss-absorbing capital due to awards under the DCCP.

For 2012, UBS's management is recommending a 50% increase in the dividend for shareholders to CHF 0.15 per share.

Invested assets - Invested assets were CHF 2,230 billion as of 31 December 2012 compared with CHF 2,242 billion as of 30 September 2012. Of the invested assets, CHF 821 billion were attributable to Wealth Management; CHF 772 billion were attributable to Wealth Management Americas; and CHF 581 billion were attributable to Global Asset Management.

#### *UBS to buy back outstanding bonds in public tender offers*

On 5 February 2013, UBS AG announced that it is making a cash tender offer in relation to certain euro and Italian lira denominated senior unsecured securities for a maximum aggregate principal amount of EUR 2.25 billion, and a cash tender offer in relation to certain US dollar denominated senior unsecured securities for a maximum aggregate principal amount of USD 2.5 billion. The offers correspond in total to approximately CHF 5 billion, based on the exchange rates as of 4 February 2013, and are subject to increase and other conditions as set out in the tender offer memoranda.

Following the announcement in October 2012 of the accelerated implementation of its strategy, UBS has reduced balance sheet and funding needs and has, therefore, generated capacity within its liquidity and funding position to be able to execute these tender offers.

UBS's actions to prudently manage the composition of its liabilities will lower interest expense in the future. These actions could lead to a tightening of UBS's credit spreads, and as a result, UBS could see significant own credit charges in the first quarter.

#### *UBS's strategy*

On 30 October 2012, UBS announced a significant acceleration in the implementation of its strategy to transform the firm and create the UBS of the future.

UBS's Investment Bank is now focused on its traditional strengths in advisory, research, equities, FX and precious metals, and consists of two core client segments. The first is Corporate Client Solutions, which includes all advisory and solutions businesses plus execution that involves corporate, financial institutions and sponsor clients. This is expected to generate around one-third of the Investment Bank's revenues and utilize around 15% of its Basel III RWAs. Investor Client Services includes execution, distribution and trading for institutional investors, and provides support to UBS's wealth management businesses. It comprises UBS's leading equities businesses as well as foreign exchange and precious metals. In flow rates and credit, UBS maintains risk facilitation capabilities aligned to UBS's Debt Capital Market and wealth management franchises. Investor Client Services is expected to generate two-thirds of the Investment Bank's revenues and utilize around 85% of its Basel III RWAs. UBS expects that the Investment Bank will deliver returns well in excess of its cost of capital.

The lines of business to be exited include many that do not meet their cost of capital sustainably or are in areas with high operational complexity or long tail risks likely to weigh on future returns. Businesses and positions to be exited have now been transferred to the Corporate Center and will be reported in the Corporate Center from the first quarter of 2013.

In addition to the changes in the Investment Bank, UBS is targeting total cost savings of CHF 5.4 billion including incremental cost savings of CHF 3.4 billion above the CHF 2 billion cost savings program announced in August 2011. These changes will take three years to fully implement, and UBS anticipates restructuring charges of CHF 3.3 billion over the same period. Savings will be achieved as a result of the actions UBS is taking in its Investment Bank, as well as further Group-wide efficiency measures. As a consequence, in 2015 UBS expects its headcount to be around 54,000 compared with approximately 64,000 today.

#### Key performance targets<sup>11</sup>

The following are goals developed for UBS Group, and each of its business divisions and its Legacy Portfolio, by UBS's management. They do not represent profit forecasts or estimates. They are forward-looking statements and a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from them.

#### Group

- Basel III<sup>3</sup> RWAs targeted to below CHF 250 billion by end 2013, below CHF 225 billion by end 2015 and below CHF 200 billion by end 2017
- Funded balance sheet<sup>12</sup> reduction: approximately CHF 300 billion by end of 2015
- Basel III common equity tier 1 ratio fully applied: 11.5% in 2013; 13% in 2014
- Cost / income ratio: 60-70% from 2015
- Return on equity: at least 15% from 2015

#### Wealth Management

- NNM growth rate: 3-5%
- Gross margin: 95-105 bps
- Cost / income ratio: 60-70%

#### Wealth Management Americas

- NNM growth rate: 2-4%
- Gross margin: 75-85 bps
- Const/income ratio: 80-90%

#### Retail & Corporate

- Net new business volume growth: 1-4%
- Net interest margin: 140-180 bps
- Cost / income ratio: 50-60%

#### Global Asset Management

- NNM growth rate: 3-5%
- Gross margin: 32-38 bps
- Cost / income ratio: 60-70%

#### Investment Bank

- Annual pre-tax return on attributed equity: more than 15% effective 1.1.13
- Cost / income ratio: 65-85% effective 1.1.13
- Basel III risk-weighted assets: less than CHF 70 billion effective 1.1.13

#### Legacy Portfolio - Basel III risk-weighted assets

- End 2013: approximately CHF 85 billion
- End 2015: approximately CHF 55 billion
- End 2017: approximately CHF 25 billion

<sup>11</sup> Excluding own credit and significant non-recurring items (e.g., restructuring costs) unless otherwise stated; targets assume constant FX rates; effective immediately unless otherwise stated.

<sup>12</sup> Funded balance sheet defined as total assets minus replacement values.

Significant additional disclosures

- UBS's Basel III total capital requirements are expected to decline to 17.5%, down from 19%<sup>13</sup> reflecting targeted reductions in risk-weighted assets and balance sheet<sup>14</sup>.
- Group RoE expected to average in the mid-single digits in 2013 and 2014<sup>15</sup>.

### 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 2011 are listed in its Annual Report 2011, on pages 394-397 (inclusive) of the English version.

### IV. Trend Information

(Outlook statement as presented in UBS's fourth quarter 2012 report issued on 5 February 2013<sup>16</sup>)

While progress was made on many issues during 2012, many of the underlying challenges remain at the start of the new year. Failure to achieve further sustained and credible improvements to the eurozone sovereign debt situation, European banking system issues, unresolved US fiscal issues, ongoing geopolitical risks and the outlook for growth in the global economy would continue to exert a strong influence on client confidence and, thus, activity levels in the first 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, and despite the lack of progress on certain bilateral tax treaties, 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 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.

<sup>13</sup> Based on Swiss capital adequacy ordinance.

<sup>14</sup> Balance sheet exposures net of specific provisions, derivative exposure netting and repurchase agreements; adjustments for OTC derivatives, off-balance sheet commitments and contingent liabilities; estimated total capital requirement of 17.5% does not take into account any potential rebate subject to measures taken to improve resolvability.

<sup>15</sup> As reported.

<sup>16</sup> UBS's fourth quarter 2012 report includes unaudited consolidated financial statements.

## 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 positions outside UBS AG
Axel A. Weber  UBS AG, Bahnhofstrasse 45, P.O. Box, CH-8001, Zurich, Switzerland	Chairman	2013	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 International Institute of 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  ABB Ltd., Affolternstrasse 44, P.O. Box 5009, CH-8050 Zurich, Switzerland	Independent Vice Chairman	2013	Member of the board of Syngenta, of the IMD Foundation, Lausanne, and of SwissHoldings, Berne.
David Sidwell  UBS AG, Bahnhofstrasse 45, P.O. Box, CH-8001, Zurich, Switzerland	Senior Independent Director	2013	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.
Rainer-Marc Frey  Office of Rainer-Marc Frey, Seeweg 39, CH-8807, Freienbach, Switzerland	Member	2013	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, P.O. Box, CH-8001, Zurich, Switzerland	Member	2013	Board member and Chairperson of the Audit Committee of Prudential plc, Rio Tinto plc, Rio Tinto Limited, Atrium Underwriters Ltd., Atrium Underwriting Group Ltd., London, and of Arden Holdings Ltd., Bermuda. Member of the board of British American Tobacco plc.
Axel P. Lehmann  Zurich Financial Services, Mythenquai 2, CH-8002, Zurich, Switzerland	Member	2013	Member of the Group Executive Committee, Group Chief Risk Officer and Regional Chairman Europe of Zurich Insurance Group; 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.
Wolfgang Mayrhuber  Deutsche Lufthansa AG,	Member	2013	Chairman of the Supervisory Board and Chairperson of the Mediation, the Nomination and the Executive Committees of Infineon Technologies AG, as well as member of the supervisory

<b>Members and business addresses</b>	<b>Title</b>	<b>Term of office</b>	<b>Current positions outside UBS AG</b>
Flughafen Frankfurt am Main 302, D-60549, Frankfurt am Main, Germany			boards of Munich Re Group, BMW Group, Lufthansa Technik AG and Austrian Airlines AG; member of the board of HEICO Corporation, Hollywood, FL; member of the executive board of Acatech ( <i>Deutsche Akademie der Technikwissenschaften</i> ).
Helmut Panke BMW AG, Petuelring 130, D-80788, Munich, Germany	Member	2013	Member of the board and Chairperson of the Regulatory and Public Policy Committee of Microsoft Corporation; member of the board and Chairperson of the Board Safety & Risk Committee of Singapore Airlines Ltd.; member of the Supervisory Board of Bayer AG.
William G. Parrett UBS AG, Bahnhofstrasse 45, P.O. Box, CH-8001, Zurich, Switzerland	Member	2013	Independent Director 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, Switzerland	Member	2013	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, Germany	Member	2013	Professor at the Johannes Gutenberg University, Mainz; research fellow at the Centre 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 the <i>Deutsche Investitions- und Entwicklungsgesellschaft</i> , Cologne.
Joseph Yam 18 B South Bay Towers, 59 South Bay Rd., Hong Kong	Member	2013	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 Chairman, Senior Independent Director, the BoD committees 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.

### ***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 does not itself 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 Chief Executive Officer (“**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 Corporate Center, Chief Executive Officer UBS Group EMEA
Philip J. Lofts	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 UBS 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 14 April 2010, 28 April 2011 and 3 May 2012, Ernst & Young Ltd., Aeschengraben 9, CH-4002 Basel, Switzerland (“**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 December 2012, 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 (11.94%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (5.28%); Government of Singapore Investment Corp., Singapore (6.40%) and Nortrust Nominees Ltd., London (3.84%).

UBS holds UBS AG shares primarily to hedge employee share and option participation plans. A smaller number is held by the Investment Bank for hedging related derivatives and for market-making in UBS AG shares. As of 31 December 2012, 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 2011, UBS had disposal positions relating to 467,465,923 voting rights, corresponding to 12.20% of the total voting rights of UBS AG. They consisted mainly (9.12%) of voting rights on shares deliverable in respect of employee awards and 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 2011 can be found in the Annual Report 2011, on pages 199-203 (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 2010 is available in the Financial information section of the annual report of UBS AG as of 31 December 2010 ("**Annual Report 2010**"), and for financial year 2011 in the Financial information section of the Annual Report 2011. The Issuer's financial year is the calendar year.

With respect to the financial year 2010, reference is made to the following parts of the Annual Report 2010 (Financial information section, English version):



- (i) the Consolidated Financial Statements of UBS Group, in particular to the Income Statement on page 265, the Balance Sheet on page 267, the Statement of Cash Flows on pages 271-272 (inclusive) and the Notes to the Consolidated Financial Statements on pages 273-378 (inclusive); and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement on page 380, the Balance Sheet on page 381, the Statement of Appropriation of Retained Earnings on page 382, the Notes to the Parent Bank Financial Statements on pages 383-399 (inclusive) and the Parent Bank Review on page 379, and

the sections entitled "Introduction and accounting principles" on page 254 and "Critical accounting policies" on pages 255-258 (inclusive).

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.

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 2010 and 2011 were audited by Ernst & Young. The reports of the auditors on the Consolidated Financial Statements can be found on pages 262-263 (inclusive) of the Annual Report 2010 (Financial information section, English version) and on pages 287-288 (inclusive) of the Annual Report 2011 (Financial information section, English version). The reports of the auditors on the Financial Statements of UBS AG (Parent Bank) can be found on pages 400-401 (inclusive) of the Annual Report 2010 (Financial information section, English version) and on pages 435-436 (inclusive) of the Annual Report 2011 (Financial information section, English version).

Reference is also made to UBS's first, second, third and fourth quarter 2012 reports, which contain information on the financial condition and the results of operation of the UBS Group as of and for the quarter ended on 31 March 2012, as of, for the quarter and for the six months ended on 30 June 2012, as of, for the quarter and for the nine months ended on 30 September 2012, and as of, for the quarter and for the year ended on 31 December 2012. The interim financial statements are not audited.

Parts of the UBS Annual Report 2010, the Annual Report 2011 and the first, second, third and fourth quarter 2012 report form an integral part of this Base Prospectus, and are therefore, to the extent indicated in the table under "Incorporation by Reference" on page 38 ff. incorporated in this Base Prospectus.

## **2. 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 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 16a) to the interim consolidated financial statements of UBS' fourth quarter 2012 report. It is not practicable to provide an aggregate estimate of liability for 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 which 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.

Besides the proceedings specified above under (1) through (18) no governmental, legal or arbitration proceedings, which may significantly affect UBS's financial position, are or have been pending during the last twelve months until the date of this document, nor is the Issuer aware that any such governmental, legal or arbitration proceedings are threatened.

#### 1. Municipal bonds

In 2011, UBS announced a USD 140.3 million settlement with the US Securities and Exchange Commission ("**SEC**"), the Antitrust Division of the US Department of Justice ("**DOJ**"), the Internal Revenue Service ("**IRS**") and a group of state attorneys general relating to the investment of proceeds of municipal bond issuances and associated derivative transactions. The settlement resolves the investigations by those regulators which had commenced in November 2006. Several related putative class actions, which were filed in Federal District Courts against UBS and numerous other firms, remain pending. Approximately USD 63 million of the regulatory settlement was made available to potential claimants through a settlement fund, the majority of which has been claimed, thereby reducing the total monetary amount at issue in the class actions for UBS.

#### 2. 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, except for one antitrust class action which was dismissed by the court and remains pending on appeal; (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.

### 3. 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.

### 4. 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 particular, the SEC is investigating UBS's valuation of super senior tranches of collateralized debt obligations ("**CDO**") during the third quarter of 2007, and UBS's structuring and underwriting of certain CDOs during the first and second quarters of 2007. UBS has provided documents and testimony to the SEC and is continuing to cooperate with the SEC in its investigations. 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, including one case in which plaintiffs claim losses of at least USD 331 million.

UBS's balance sheet at 31 December 2012 reflected a provision with respect to matters described in this item 4 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of 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.

### 5. 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 is filing for an appeal of that decision with the Second Circuit. 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 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.

#### 6. 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 is 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 relating 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.

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 approximately USD 1.2 billion. The court denied UBS's motion to dismiss in May 2012, but UBS is awaiting a decision from the US Court of Appeals for the Second Circuit on an appeal with respect to two legal issues that were the subject of UBS's motion to dismiss. 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 filed a notice of appeal in August 2012.

**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 repurchases the loans or to other relief. The table below summarizes repurchase demands received by UBS and UBS's repurchase activity from 2006 through 29 January 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 29 January 2013	<b>Total</b>
Actual or agreed loan repurchases / make whole payments by UBS	11.7	1.4	0.1				<b>13.2</b>
Demands resolved or expected to be resolved through enforcement of UBS's indemnification rights against third-party originators		77.4	1.8	45.0	141.7		<b>265.9</b>
Demands resolved in litigation	0.6	20.7					<b>21.3</b>
Demands in litigation			345.6	731.7	1,041.1		<b>2,118.5</b>
Demands rebutted by UBS but not yet rescinded by counterparty		3.2	1.8	290.0	243.8		<b>538.7</b>
Demands rescinded by counterparty	110.2	100.4	18.8	8.3			<b>237.7</b>
Demands in review by UBS		2.1	0.1	9.1	11.7	0.6	<b>23.5</b>
<b>Total</b>	<b>122.5</b>	<b>205.1</b>	<b>368.2</b>	<b>1,084.1</b>	<b>1,438.3</b>	<b>0.6</b>	<b>3,218.8</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. Only a small number of UBS's demands have been resolved, and UBS has not recognized any asset on its balance sheet in respect of the unresolved demands. 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 will seek to enforce its indemnity rights against those institutions.

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.

UBS's balance sheet at 31 December 2012 reflected a provision of USD 658 million with respect to matters described in this item 6. 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.

#### 7. 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, on 28 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. Plaintiffs have appealed.

#### 8. 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.

#### 9. 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 2009, the City of Milan filed civil proceedings 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. In addition, in 2010 a criminal trial began against two current UBS employees and one former employee, together with employees from the three other banks, a former officer of Milan and a former adviser to Milan, for alleged fraud against a public entity in relation to the same bond issue and the execution, and subsequent restructuring, of the related derivative transactions. UBS Limited was also the subject (as were the three other banks) of an administrative charge, brought in the context of the criminal trial of the individuals, of failing to have in place a business organizational model to avoid the alleged misconduct by employees. In March 2012, UBS Limited and UBS Italia SIM Spa finalized a civil damages settlement agreement with Milan without any admission of liability. The settlement did not dispose of the ongoing criminal or administrative proceedings, nor did it dispose of a civil consumer group claim lodged in the criminal proceeding. On 19 December 2012 the Milan criminal court found UBS Limited liable for the administrative offense and convicted the three UBS employees (two current and one former) of fraud against a public entity. 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. Convictions have also been issued against some of the employees of the three other international banks and the banks themselves.

Derivative transactions with the Regions of Calabria, Tuscany, Lombardy and Lazio 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. Florence and Tuscany have also attempted to invoke Italian administrative law remedies which purport to allow a public entity to challenge its own decision to enter into the relevant contracts and avoid their obligations thereunder. In April 2012, UBS AG and UBS Limited settled the existing disputes with the Region of Tuscany without any admission of liability. In January 2013, the Tuscany criminal court dismissed without further consequence a related criminal investigation. In November 2012, UBS reached civil settlements with, respectively, the Regions of Lombardy and Lazio (the latter settlement is conditional upon Lazio making certain amendments to its pleading in ongoing litigation against third parties), again without any admission of liability. 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.

#### 10. HSH Nordbank AG ("**HSH**")

HSH has filed an action against UBS in New York State court relating to USD 500 million of notes acquired by HSH in a synthetic CDO transaction known as North Street Referenced Linked Notes, 2002-4 Limited

("NS4"). The notes were linked through a credit default swap between the NS4 issuer and UBS to a reference pool of corporate bonds and asset-backed securities. HSH alleges that UBS knowingly misrepresented the risk in the transaction, sold HSH notes with "embedded losses", and improperly profited at HSH's expense by misusing its right to substitute assets in the reference pool within specified parameters. HSH is seeking USD 500 million in compensatory damages plus pre-judgment interest. The case was initially filed in 2008. In March 2012, a New York state appellate court dismissed HSH's fraud claim and affirmed the trial court's dismissal of its negligent misrepresentation claim and punitive damages demand. As a result, the claims remaining in the case were for breach of contract and breach of the implied covenant of good faith and fair dealing. HSH has sought permission to appeal the appellate court's decision to the New York Court of Appeals.

#### 11. 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.

In 2011, the SEC commenced an inquiry regarding the KWL transactions and UBS is providing information to the SEC relating to those transactions.

#### 12. Puerto Rico

In 2011, UBS Financial Services Inc. of Puerto Rico ("UBS PR") and a large number of unrelated parties were named as defendants in a purported civil derivative action filed in Puerto Rico Superior Court. That case, in which the plaintiffs seek to bring claims on behalf of the Employee Retirement System of Puerto Rico, involves an allegation that defendants violated Puerto Rico law in connection with the issuance of billions of dollars of bonds underwritten by UBS PR and the investment of the proceeds of those bond issuances. UBS PR's motion to dismiss that action is pending. Separately, in late 2012, an SEC administrative hearing on securities law violation charges against two UBS PR executives concluded, with a



decision expected in the second quarter of 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 April 2012.

### 13. 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 that UBS entered into with the DOJ ("NPA") 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 15 March 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. 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 federal courts in New York and California against UBS and numerous other banks on behalf of certain parties who transacted in LIBOR-based derivatives linked directly or indirectly to US dollar LIBOR, Yen LIBOR and Euroyen TIBOR. As to US dollar LIBOR, there is a pending motion to dismiss consolidated amended complaints which were filed by certain parties. Several complaints pending in New York federal courts are brought on behalf of consumers whose mortgage loans were linked to US dollar LIBOR. All of the complaints allege manipulation, through various means, of LIBOR 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.

With respect to additional matters and jurisdictions not encompassed by the settlements and order referred to above, UBS's balance sheet at 31 December 2012 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.

#### 14. SinoTech Energy Limited

Since 2011, multiple putative class action complaints have been filed and consolidated in federal court in Manhattan, against SinoTech Energy Limited ("**SinoTech**"), its officers and directors, its auditor at the time of its initial public offering ("**IPO**"), and its underwriters, including UBS. The second amended complaint filed in June 2012 alleges, with respect to the underwriters, that the registration statement and prospectus filed in connection with SinoTech's 2010 USD 168 million IPO of American Depositary Shares, of which UBS underwrote 70%, contained materially misleading statements and omissions, including allegations regarding the authenticity and accuracy of certain asset purchase contracts purportedly entered into between SinoTech and its vendors. Plaintiff asserts violations of the US federal securities laws and seeks unspecified compensatory damages, among other relief. UBS and several other defendants have reached an agreement to settle the lawsuit, which is subject to court approval.

#### 15. Swiss retrocessions

The Zurich High Court decided in January 2012, in a test case, that fees received by a bank for the distribution of financial products issued by third parties should be considered to be "retrocessions" unless they are received by the bank for genuine distribution services. Fees considered to be retrocessions would have to be disclosed to the affected clients and, absent specific client consent, surrendered to them. On appeal, the Swiss Supreme Court ruled on 30 October 2012 that distribution fees paid to UBS 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.

On 26 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 will be 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 December 2012 reflected a provision with respect to matters described in this item 15 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.

#### 16. Unauthorized trading incident

The trial in connection with the unauthorized trading incident that occurred in the Investment Bank and was announced in September 2011 concluded on 20 November 2012. The defendant was found guilty on two counts of fraud and not guilty on four counts of false accounting. On 26 November 2012, FINMA and the FSA announced the findings of their joint investigation. They also announced the actions they have taken, and the FSA imposed a fine of GBP 29.7 million on UBS.

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. 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. The complaint alleges that UBS misrepresented, through its public statements and financial disclosures, that its risk controls and procedures were effective, and that the falsity of these representations became apparent when UBS disclosed the unauthorized trading incident in September 2011, a disclosure that purportedly caused UBS's stock price to drop 10% in one day. The plaintiff seeks unspecified damages and interest, among other relief. UBS's motion to dismiss the complaint is pending.

#### 17. 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 1.2 billion, 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.

#### 18. 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. UBS's motion for summary judgment seeking dismissal of all claims against UBS is pending.

### **3. Significant Changes in the Financial or Trading Situation of the Issuer**

There has been no material change in the financial or trading position of UBS since the reporting date of UBS's fourth quarter 2012 report (including unaudited consolidated financial statements) for the period ending on 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 2010, comprising the sections (1) Strategy, performance and responsibility, (2) UBS business divisions and Corporate Center (3) Risk and treasury management, (4) Corporate governance 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 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 quarterly report of UBS AG as of 31 March 2012, 30 June 2012, 30 September 2012 and 31 December 2012; 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)."

**4) In the Base Prospectuses, as listed introductory on pages 1 to 3, in the section headed "GENERAL INFORMATION" the paragraph headed 'Incorporation by Reference' is 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 as well as UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main, Federal Republic of Germany, 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 AG quarterly report as of 31 March 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 31 March 2012
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS AG quarterly report as of 30 June 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- Financial information on the Issuer as of 30 June 2012
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares
- UBS AG quarterly report as of 30 September 2012	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	- UBS AG quarterly report as of 30 September 2012
	- Business Overview	- Description of the Issuer's business groups
	- Major Shareholders of the Issuer	- Further details on UBS shares
- 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 Annual Report 2011, in English; page 30 - 46	- 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	- Financial Statements of

(Financial Information Section), in English:	concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	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) page 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 Annual Report 2010 (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 265,		(i) Income Statement,
(ii) page 267,		(ii) Balance Sheet,
(iii) pages 271 - 272 (inclusive),		(iii) Statement of Cash Flows,
(iv) pages 273 - 378 (inclusive),		(iv) Notes to the Financial Statements,
(v) pages 254 - 258 (inclusive),		(v) Accounting Standards and Policies,
(vi) pages 262 - 263 (inclusive).		(vi) Report of the Group Auditors
		- Financial Statements of UBS AG (Parent Bank) for the financial year 2010:
(i) page 380,		(i) Income Statement,
(ii) page 381,		(ii) Balance Sheet,
(iii) page 382,		(iii) Statement of Appropriation of Retained Earnings,
(iv) pages 383 - 399 (inclusive),		(iv) Notes to the Financial Statements,
(v) page 379,		(v) Parent Bank Review,
(vi) pages 254 - 258 (inclusive),		(vi) Accounting Standards and Policies,

(vii) pages 400 - 401 (inclusive).		(vii) Report of the Statutory Auditors.
<b>Base Prospectus dated 30 November, 2009 as supplemented by a Supplement No. 1 dated 7 April, 2010 and by Supplement No. 2 dated 20 September, 2010 deposited and approved by BaFin</b>	Form of Final Terms (page 272 / 273 of this Base Prospectus)	- Terms and Conditions of the Notes/Certificates/Bonds and Related Information 73 – 383
<b>Base Prospectus dated 30 November, 2010 as supplemented by a Supplement No. 1 dated 20 April, 2011 and by Supplement No. 2 dated 11 October, 2011 deposited and approved by BaFin</b>	Form of Final Terms (page 272 / 273 of this Base Prospectus)	- Terms and Conditions of the Notes/Certificates/Bonds and Related Information 79 – 281
<b>Base Prospectus dated 15 November, 2011 (except for any supplements thereto)</b>	Form of Final Terms (page 272 / 273 of this Base Prospectus)	- Terms and Conditions of the Notes/Certificates/Bonds and Related Information 79 – 270
<b>Base Prospectus dated 22 June, 2012 (except for any supplements thereto)</b>	Form of Final Terms (page 275 / 276 of this Base Prospectus)	- Terms and Conditions of the Notes/Certificates/Bonds and Related Information 82 – 273

- (a) the Quarterly Report of UBS AG as of 31 December 2012 has been filed with the BaFin as appendix to the Supplement No. 4 as of 18 February 2013 to the Short Form Prospectus dated 11 May 2012;
- (b) the Quarterly Report of UBS AG as of 30 September 2012 has been filed with the BaFin as appendix to the Supplement No. 2 as of 6 November 2012 to the Short Form Prospectus dated 11 May 2012;
- (c) the Quarterly Report of UBS AG as of 30 June 2012 has been filed with the BaFin as appendix to the Supplement dated 6 August 2012;
- (d) the Quarterly Report of UBS AG as of 31 March 2012 has been filed with the BaFin as appendix to the Short Form Prospectus of UBS AG dated 11 May 2012;
- (e) 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;
- (f) the Annual Report 2010 of UBS AG has been filed with the BaFin as appendix to Supplement No. 1 dated 20 April 2011 to the Structured Note Programme dated 30 November 2010.

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.”

**ADDRESS LIST**

**ISSUER**

**REGISTERED HEAD OFFICE**

UBS AG  
Bahnhofstrasse 45  
8001 Zurich  
Switzerland

UBS AG  
Aeschenvorstadt 1  
4051 Basle  
Switzerland

**EXECUTIVE OFFICE OF  
UBS AG, JERSEY BRANCH**

UBS AG, Jersey Branch  
24 Union Street  
St. Helier JE2 3RF  
Jersey

**EXECUTIVE OFFICE OF  
UBS AG, LONDON BRANCH**

UBS AG, London Branch  
1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom



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, 22 February 2013

**UBS AG**



signed by Sigrid Kossatz



signed by Stefanie Zaromitidis