

Supplement No. 1 pursuant to the Financial Instruments Trading Act (SFS 1991:980) chapter 2 section 34

dated 28 August 2013 to the already published tripartite Base Prospectus dated 16 August 2013 comprising the Summary and Securities Note of UBS AG, [London] [Jersey] [Branch], dated 16 August 2013 and the Registration Document dated 16 August 2013,

in relation to Certificates, Notes or Warrants.

The Base Prospectus has been approved and registered by the Swedish Financial Supervisory Authority ("SFSA"). Registration number at the SFSA is 13-8188. This Supplement is a part of the Base Prospectus and shall be read in conjunction with the Base Prospectus.

This Supplement has been approved and registered by the SFSA on 28 August 2013. This Supplement has been published by UBS AG on 28 August 2013. Registration number at the SFSA is 13-9196.

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

Omission not to incorporate by reference the publication of the second quarter report of UBS AG as per 30 June 2013 on 30 July 2013

Factual error regarding the date of the Registration Document and the Summary and Security Note

UBS has also taken the occasion to reflect in this supplement revisions to the wording of the Registration Document and the Base Prospectus as mentioned above as originally drafted, as well as certain updated information that has become available after the date of the Registration Document or the Base Prospectus as mentioned above.

The following table shows the necessary correction and the updated information that has become available after the date of the Registration Document or the Base Prospectus, as the case may be, as mentioned above and the revisions that have been made as a result thereof:

Corrections / Updated information	Revisions
V. Business Overview, paragraph headed 'Corporate Center'	The section has been updated.
VI. Organisational Structure of the Issuer	The section has been updated.
Certain information in the CVs of Board of Directors and Group Executive Board members has changed over time.	The relevant information has been updated.
<u>VIII. Administrative, Management and Supervisory Bodies of UBS AG</u>	The section has been updated.
Potential conflicts of interest	The section has been updated.
XIII. Material Contracts	The section has been updated.
B.5 Organisational Structure	Element B.5 has been updated.
B.14 Dependence upon other entities within the group	Element B.14 has been updated.
B.15 Issuer's principal activities	Element B.15 has been updated.

The attention of the investors is in particular drawn to the following: Investors who have already agreed to purchase or subscribe for the Notes, Certificates, or Warrants, as the case may be, before this supplement is published have, pursuant to the Financial Instruments Trading Act (SFS 1991:980) chapter 2 section 34, the right, exercisable within a time limit of two working days after the publication of this supplement, to withdraw their acceptances, provided that the new circumstances or the incorrectness causing the supplement occurred before the closing of the public offering and before the delivery of the securities. This means that the last day to withdrawal is before close of business 30 August 2013. A withdrawal, if any, of an order must be communicated in writing to the Issuer at its registered office specified in the address list hereof.

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- 1) In relation to the Registration Document as listed introductory on page 1 the following adjustments have been made:

On the first page the date of the Registration Document is replaced by the following date:

August 16, 2013

The reason for this change is that the date 23 July, 2013, is a factual error. The SFSA approved the Registration Document on August 16, 2013 and consequently the correct date on the Registration Document should read August 16, 2013.

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

"On 30 June 2013 UBS's BIS Basel III common equity tier 1 capital ratio was 16.2% on a phase-in basis and 11.2% on a fully applied basis, invested assets stood at CHF 2,348 billion, equity attributable to UBS shareholders was CHF 47,073 million and market capitalization was CHF 61,737 million. On the same date, UBS employed 60,754 people."

In the section headed "V. Business Overview" (page 19 of the Registration Document) the paragraph headed "Corporate Center" is replaced by the following text:

"Corporate Center

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

In the section headed "V. Business Overview" (page 19 of the Registration Document) the paragraph headed "Recent Developments" (page 20) is replaced by the following text:

"Recent Developments:

Results as of and for the quarter ended 30 June 2013, as presented in UBS's second quarter report 2013 (including unaudited consolidated financial statements)

Second-quarter 2013 net profit attributable to UBS shareholders was CHF 690 million compared with CHF 988 million in the first quarter of 2013. On an adjusted basis, the second-quarter profit before tax was CHF 1,022 million compared with CHF 1,901 million in the prior quarter. On a reported basis, profit before tax was CHF 1,020 million compared with CHF 1,447 million in the prior quarter. Operating income decreased by CHF 386 million, primarily due to lower net interest and trading income. Operating expenses increased by CHF 42 million, predominantly as a result of higher general and administrative expenses, partly offset by decreased variable compensation performance awards. In the second quarter, UBS recorded a tax expense of CHF 125 million compared with CHF 458 million in the

prior quarter. Net profit attributable to preferred noteholders was CHF 204 million compared with zero in the first quarter.

Wealth Management's profit before tax in the second quarter was CHF 557 million compared with CHF 664 million in the prior quarter. Adjusted profit before tax decreased by CHF 83 million to CHF 607 million and included a charge of CHF 104 million in relation to the Swiss-UK tax agreement. Excluding also this charge, profit before tax was CHF 711 million, an increase of CHF 21 million from the previous quarter. Operating income was CHF 1,953 million compared with CHF 1,913 million in the prior quarter. The gross margin on invested assets decreased 1 basis point to 90 basis points as average invested assets increased faster than income. Operating expenses increased by CHF 146 million to CHF 1,396 million, mainly due to the charge in relation to the Swiss-UK tax agreement. All regions contributed to net new money inflows of CHF 10.1 billion. The cost / income ratio increased to 71.5% from 64.9%. Adjusted for restructuring costs of CHF 50 million in the second quarter and CHF 26 million in the prior quarter, the cost / income ratio increased to 69.0% from 63.6%.

Wealth Management Americas' profit before tax was USD 258 million compared with USD 251 million in the prior quarter. Adjusted for restructuring charges, profit before tax increased by USD 7 million to USD 269 million from USD 262 million. Operating income was USD 1,792 million compared with USD 1,737 million in the prior quarter. Operating expenses were USD 1,534 million compared with USD 1,486 million. Net new money inflows declined to USD 2.8 billion from USD 9.2 billion, partly reflecting client withdrawals of around USD 2.5 billion associated with annual income tax payments. The gross margin on invested assets was unchanged at 80 basis points. The gross margin from recurring income increased 3 basis points due to higher managed account fees and interest income, while the gross margin from non-recurring income decreased 3 basis points due to lower transaction-based revenue and lower realized gains from sales of financial investments held in the available-for-sale portfolio. The cost / income ratio was 85.6%, broadly in line with 85.5% in the prior quarter. On an adjusted basis, the cost / income ratio was 85.0% compared with 84.9% in the prior quarter.

The Investment Bank recorded a profit before tax of CHF 775 million compared with CHF 977 million in the prior quarter. Adjusted profit before tax was CHF 806 million compared with CHF 928 million. Adjusted return on attributed equity for the quarter was 38% compared with 47% in the prior quarter. Operating income was CHF 2,250 million compared with CHF 2,783 million in the prior quarter. Both Corporate Client Solutions and Investor Client Services reported lower revenues. Total operating expenses decreased 18% to CHF 1,475 million from CHF 1,806 million, mainly due to lower variable compensation accruals. Adjusted for restructuring charges of CHF 31 million in the second quarter compared with CHF 6 million in the first quarter, operating expenses decreased 20% to CHF 1,444 million from CHF 1,800 million. Fully applied Basel III RWA decreased slightly to CHF 67 billion as of 30 June 2013 from CHF 69 billion as of 31 March 2013. Funded assets, which represent total assets excluding positive replacement values and collateral delivered against over-the-counter derivatives, decreased to CHF 179 billion as of 30 June 2013 from CHF 186 billion as of 31 March 2013. The cost / income ratio increased to 65.7% from 64.8%. On an adjusted basis, the cost / income ratio improved to 64.3% from 65.9%.

Global Asset Management's profit before tax was CHF 138 million compared with CHF 190 million in the prior quarter. Adjusted for a gain of CHF 34 million on the disposal of its Canadian domestic business in the first quarter and restructuring charges in both quarters, profit before tax was CHF 152 million compared with CHF 160 million, mainly due to higher operating expenses. Operating expenses were CHF 352 million compared with CHF 327 million in the first quarter. Operating income was CHF 489 million compared with CHF 517 million in the prior quarter. Excluding money market flows, net new money inflows from third parties were CHF 1.6 billion compared with CHF 4.2 billion in the prior quarter. Net new money outflows from clients of UBS's wealth management businesses, excluding money market flows, were CHF 3.0 billion compared with net inflows of CHF 0.9 billion in the first quarter. The total gross margin was 33 basis points compared with 35 basis points in the first quarter. Excluding the gain on disposal of the Canadian domestic business in the first quarter, the gross margin remained unchanged as the effect of higher net management fees due to higher average invested assets was offset by lower performance fees. The cost / income ratio was 72.0% compared with 63.2% in the first quarter. Adjusted for restructuring charges and the gain on disposal of the Canadian domestic business, the cost / income ratio was 69.1%, compared with 66.9% in the prior quarter.

Retail & Corporate's profit before tax was CHF 377 million compared with CHF 347 million in the prior quarter. Adjusted profit before tax increased to CHF 390 million from CHF 362 million, reflecting higher operating income and broadly stable operating expenses. Operating income was CHF 948 million compared with CHF 919 million in the prior quarter. Net new business volume growth was negative 2.7%, reflecting a small number of corporate outflows including an outflow related to the issuance of a banking license to Swiss PostFinance, compared with positive 4.7% in the previous quarter. The net interest margin increased 3 basis points to 157 basis points, reflecting 2% higher net interest income and a slightly higher average loan volume. The cost / income ratio improved by 2.2 percentage points to 60.0%, mainly reflecting higher income. Adjusted for restructuring charges, the cost / income ratio improved to 58.7% from 60.6%.

Corporate Center – Core Functions recorded a loss before tax of CHF 142 million compared with a loss before tax of CHF 719 million in the previous quarter. On an adjusted basis, the loss before tax was CHF 275 million compared with a loss before tax of CHF 398 million in the prior quarter. Treasury income remaining in Corporate Center – Core Functions after allocations to the business divisions was negative CHF 136 million compared with negative CHF 255 million in the prior quarter. Expenses remaining after allocations to the business divisions and Corporate Center – Non-core and Legacy Portfolio declined by CHF 113 million.

Corporate Center – Non-core and Legacy Portfolio recorded a loss before tax of CHF 927 million in the second quarter of 2013 compared with a loss before tax of CHF 245 million in the previous quarter. On an adjusted basis, the result before tax was a loss of CHF 909 million compared with an adjusted loss before tax of CHF 84 million in the prior quarter. This was mainly due to higher charges for provisions for litigation, regulatory and similar matters, lower revenues in rates and credit portfolios within Non-core, a lower gain from the revaluation of the option to acquire the SNB StabFund's equity, and an impairment charge related to certain disputed receivables as well as a negative debit valuation adjustment on UBS's derivatives portfolio. Balance sheet assets declined by CHF 82 billion. Fully applied BIS Basel III RWA decreased by CHF 17 billion to CHF 78 billion.

Balance sheet: As of 30 June 2013, UBS's balance sheet stood at CHF 1,129 billion, a decrease of CHF 85 billion from 31 March 2013. Funded assets, which represent total assets excluding positive replacement values and collateral delivered against over-the-counter derivatives, were reduced by CHF 32 billion to CHF 765 billion, mainly in the Corporate Center – Non-core and Legacy Portfolio and the Investment Bank, primarily due to a reduction in trading portfolio assets and reflecting the ongoing implementation of UBS's strategy.

Capital management: UBS's phase-in BIS Basel III common equity tier 1 (CET1) ratio was 16.2% as of 30 June 2013, an increase of 0.9 percentage points from 31 March 2013. The phase-in BIS Basel III CET1 capital decreased by CHF 0.8 billion to CHF 39.4 billion at the end of the second quarter of 2013. The phase-in Basel III RWA decreased by CHF 19.8 billion to CHF 242.6 billion. On a fully applied basis, the BIS Basel III CET1 ratio increased 1.1 percentage points to 11.2% and the fully applied RWA declined to CHF 239.2 billion. Consistent with what UBS has said previously, UBS expects to reach its 13% BIS Basel III fully applied CET1 ratio target in 2014.

UBS expects to exercise the option to acquire the SNB StabFund's equity in the fourth quarter of 2013, and estimates that this transaction will boost its fully applied BIS Basel III CET1 capital ratio by an additional 70-90 basis points in the fourth quarter.

Invested assets: Group invested assets stood at CHF 2,348 billion at the end of the second quarter, a decrease of CHF 25 billion on the prior quarter. Of these, invested assets in Wealth Management decreased by CHF 8 billion to CHF 862 billion as negative market performance of CHF 19 billion more than offset net new money inflows of CHF 10 billion and positive currency translation effects of CHF 1 billion. In Wealth Management Americas, invested assets decreased by CHF 2 billion to CHF 843 billion. In US dollar terms, invested assets increased by USD 1 billion to USD 892 billion, reflecting continued net new money inflows, mostly offset by negative market performance of USD 2 billion. Global Asset Management's invested assets decreased by CHF 13 billion to CHF 586 billion due to negative currency

translation effects of CHF 6 billion, negative market movements of CHF 5 billion and net new money outflows."

In the section headed "VI. Organisational Structure of the Issuer" (page 22 of the Registration Document) the first paragraph is replaced by the following text:

"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 is the parent company of the UBS Group. As such, to a certain extent, it is dependent on certain of its subsidiaries.!

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

"VII. Trend Information

Outlook

As stated in the outlook statement presented in UBS AG's second quarter 2013 report, including unaudited consolidated financial statements and issued on 30 July 2013, at the end of the second quarter, the market reaction to the eventual end of quantitative easing in the US served as a reminder that looser monetary policy across the globe has not resolved the underlying challenges related to structural fiscal and economic issues. For the first half of 2013, UBS's revenue growth and business flows evidence the fact that UBS continued to manage its businesses effectively in challenging market conditions. However, for the third quarter of 2013, client confidence and activity levels could be impacted further by the continued absence of sustained and credible improvements to unresolved European sovereign debt and banking system issues and US fiscal issues, and by the mixed outlook for global growth. This would make improvements in prevailing market conditions unlikely and, together with the seasonal decline in activity levels traditionally associated with the summer holiday season, would consequently generate headwinds for revenue growth, net interest margins and net new money. Nevertheless, UBS remains confident that its wealth management businesses will continue to attract net new money, reflecting new and existing clients' steadfast trust in the firm, and that the actions it has taken will ensure the firm's long-term success and will deliver sustainable returns for its shareholders going forward."

In the section headed "VIII. Administrative, Management and Supervisory Bodies of UBS AG" (page 22 of the Registration Document) the table headed "Members of the Board of Directors" is replaced as follows:

"Members of the Board of Directors

Members and business addresses	Title	Term of office	Current principal positions outside UBS AG
Axel A. Weber	Chairman	2014	Member of the Group of Thirty, Washington, D.C.; research fellow at the Center for Economic Policy Research, London, and the Center for Financial Research, Cologne; member of the board of the Institute of International Finance and senior research fellow at the Center for Financial Studies, Frankfurt/Main; member of the Monetary Economics and International Economics Councils of the <i>Verein für Socialpolitik</i> ; member of the Advisory Board of the

UBS AG, Bahnhofstrasse 45, CH-8098, Zurich			German Market Economy Foundation; member of the Advisory Council of the Goethe University, Frankfurt/Main.
Michel Demaré UBS AG, Bahnhofstrasse 45, CH-8098, Zurich	Independent Vice Chairman	2014	Chairman of the board of Syngenta, a member of the IMD Foundation, Lausanne, and of SwissHoldings, Berne.
David Sidwell UBS AG, Bahnhofstrasse 45, CH-8098, Zurich	Senior Independent Director	2014	Director and Chairperson of the Risk Policy and Capital Committee of Fannie Mae, Washington D.C.; Senior Advisor at Oliver Wyman, New York; Chairman of the board of Village Care, New York; Director of the National Council on Aging, Washington D.C.
Reto Francioni Deutsche Börse AG, Mergenthalerallee 61, D-65760 Eschborn	Member	2014	CEO of Deutsche Börse AG (holding different mandates in boards of subsidiaries within the Deutsche Börse Group); professor at the University of Basel. Member of the Shanghai International Financial Advisory Committee; member of the Advisory Board of the Moscow International Financial Center; member of the Advisory Board of Instituto de Empresa; member of the Board of Trustees of the Goethe Business School; member of the Strategic Advisory Group of VHV Insurance; Vice President of the <i>Deutsche Aktieninstitut</i> .
Rainer-Marc Frey Office of Rainer-Marc Frey, Seeweg 39, CH-8807 Freienbach	Member	2014	Founder of Horizon21 AG; Chairman of Horizon21 AG, its holding company and related entities and subsidiaries; member of the board of DKSH Group, Zurich, and of the Frey Charitable Foundation, Freienbach.
Ann F. Godbehere UBS AG, Bahnhofstrasse 45, CH-8098 Zurich	Member	2014	Board member and Chairperson of the Audit Committee of Prudential plc, Rio Tinto plc, Rio Tinto Limited, Atrium Underwriters Ltd., and Atrium Underwriting Group Ltd., London. Member of the board of Arden Holdings Ltd., Bermuda, and British American Tobacco plc.
Axel P. Lehmann Zurich Insurance Group, Mythenquai 2, CH-8002 Zurich	Member	2014	Member of the Group Executive Committee, Group Chief Risk Officer and Regional Chairman Europe of Zurich Insurance Group, Zurich; Chairman of the board of Farmers Group, Inc.; Chairman of the board of the Institute of Insurance Economics at the University of St. Gallen; member of the Chief Risk Officer Forum; member of the board of Economiesuisse.
Helmut Panke BMW AG, Petuelring 130, D-80788 Munich	Member	2014	Member of the board and Chairperson of the Regulatory and Public Policy Committee of Microsoft Corporation; member of the board and Chairperson of the Safety & Risk Committee of Singapore Airlines Ltd.; member of the Supervisory Board of Bayer AG.
William G. Parrett UBS AG, Bahnhofstrasse 45, CH-8098, Zurich	Member	2014	Member of the board and Chairperson of the Audit Committee of the Eastman Kodak Company, the Blackstone Group LP and Thermo Fisher Scientific Inc.; Past Chairman of the board of the United States Council for International Business and of United Way Worldwide; member of the Carnegie Hall Board of Trustees.
Isabelle Romy Froriep Renggli, Bellerivestrasse 201, CH-8034 Zurich	Member	2014	Partner at Froriep Renggli, Zurich; associate professor at the University of Fribourg and at the Federal Institute of Technology, Lausanne; member and Vice Chairman of the Sanction Commission of the SIX Swiss Exchange.
Beatrice Weder di Mauro Johannes Gutenberg- University Mainz, Jakob Welder-Weg 4, D-55099 Mainz	Member	2014	Professor at the Johannes Gutenberg University, Mainz; research fellow at the Center for Economic Policy Research, London; member of the board of Roche Holding Ltd., Basel; member of the Supervisory Board of ThyssenKrupp AG, Essen, and of Robert Bosch GmbH, Stuttgart.

<p>Joseph Yam</p> <p>UBS AG, Bahnhofstrasse 45, CH- 8098, Zurich</p>	<p>Member</p>	<p>2014</p>	<p>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.</p>
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In the section headed "VIII. Administrative, Management and Supervisory Bodies of UBS AG" in the subparagraph headed "Group Executive Board" (page 25 of the Registration Document) the following sentence is replaced:

"The business address of the members of the GEB is UBS AG, Bahnhofstrasse 45, CH-8098 Zurich."

In the section headed "VIII. Administrative, Management and Supervisory Bodies of UBS AG" the subparagraph headed "Potential conflicts of interest" (page 26 of the Registration Document) is replaced by the following text:

Potential conflicts of interest

Members of the BoD and GEB may act as directors or executive officers of other companies (for current principal 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.

In the section headed "Major Shareholders" the third and the fourth paragraph (page 26 of the Registration Document) is replaced by the following text:

"As of 30 June 2013, the following shareholders (acting in their own name or in their capacity as nominees for other investors or beneficial owners) were registered in the share register with 3% or more of the total share capital of UBS AG: Chase Nominees Ltd., London (11.46%); Government of Singapore Investment Corp., Singapore (6.39%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (5.36%); and Nortrust Nominees Ltd., London (4.09%)."

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

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

"Interim Financial Information

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

The section headed "XI. Legal and Arbitration Proceedings" (page 28 of the Registration Document) is completely replaced by the following text:

"XI. Legal and Arbitration Proceedings

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

Such matters are subject to many uncertainties and the outcome is often difficult to predict, particularly in the earlier stages of a case. There are also situations where the Group may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which the Group believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. The Group makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. If any of those conditions is not met, such matters result in contingent liabilities.

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

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

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

Provisions for litigation, regulatory and similar matters by segment

<i>CHF million</i>	Wealth Management	Wealth Management Americas	Investment Bank	Global Asset Management	Retail & Corporate	CC – Core Functions	CC – Non-core and Legacy Portfolio	UBS
Balance as of 31 December 2012	130	170	28	7	29	338	732	1,432
Balance as of 31 March 2013	114	172	35	7	26	370	1,074	1,797
Increase in provisions recognized in the income statement	25	16	2	0	10	14	620	687
Release of provisions recognized in the income statement	(5)	(3)	(5)	0	0	0	(1)	(14)
Provisions used in conformity with designated purpose	(17)	(12)	(13)	(5)	(1)	0	(221)	(268)
Foreign currency translation / unwind of discount	0	(1)	(1)	0	0	(8)	(8)	(17)
Balance as of 30 June 2013	117	173	19	2	34	376	1,465	2,185

1. Inquiries regarding cross-border wealth management businesses

Following the disclosure and the settlement of the US cross-border matter, tax and regulatory authorities in a number of countries have made inquiries and served requests for information located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. As a result of the French investigations, in May and June 2013, respectively, UBS (France) S.A. and UBS AG have been put under formal examination ("*mise en examen*") for complicity in having illicitly solicited clients on French territory, and were declared witness with legal assistance ("*témoign assisté*") regarding the laundering of the proceeds of tax fraud and of banking and financial solicitation by unauthorized persons. In June 2013, the French banking supervisory authority's disciplinary commission reprimanded UBS (France) S.A. for having had insufficiencies in its control and compliance framework around its cross-border activities and "know your customer" obligations. It imposed a penalty of EUR 10 million, and a provision of that amount is reflected on UBS's balance sheet at 30 June 2013. 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.

2. Matters related to the financial crisis

UBS has responded 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. UBS is in discussions with the SEC concerning UBS's structuring and underwriting of one CDO in 2007.

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

in which plaintiffs claimed losses of at least USD 331 million. In July 2013 the plaintiffs filed a notice of appeal and also moved the trial court for reconsideration of the dismissal.

UBS's balance sheet at 30 June 2013 reflected a provision with respect to matters described in this item 2 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of this matter cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

3. Lehman principal protection notes

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

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

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

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

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

Securities Lawsuits Concerning Disclosures in RMBS Offering Documents: UBS has been named as a defendant relating to its role as underwriter and issuer of RMBS in a large number of lawsuits. As a result of the settlement with the Federal Housing Finance Agency ("**FHFA**") announced in July 2013 (addressed below), the remaining pending lawsuits relate to approximately USD 40 billion in original face amount of RMBS underwritten or issued by UBS. Some of the lawsuits are in their early stages and have not advanced beyond the motion to dismiss phase; others are in varying stages of discovery. Of the USD 40 billion in original face amount of RMBS at issue in these cases, approximately USD 6 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 34 billion of RMBS to which these cases relate was issued by third parties in securitizations in which UBS acted as underwriter ("**third-party RMBS**").

In connection with certain of these lawsuits, UBS has indemnification rights against surviving third-party issuers or originators for losses or liabilities incurred by UBS, but UBS cannot predict the extent to which it will succeed in enforcing those rights. A settlement announced in April 2013 by a third-party issuer could, upon court approval and finalization, reduce the original face amount of RMBS at issue in these cases from USD 40 billion to USD 16 billion, and the original face amount of RMBS at issue in cases involving third-party issuers from USD 34 billion to USD 10 billion. UBS cannot make any assurance that this third-party issuer settlement, to which UBS is not required or expected to make a financial contribution, will receive court approval and be finalized.

These lawsuits included actions brought by the 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 asserted claims for damages and rescission under federal and state securities laws and state common law and alleged losses of at least USD 1.2 billion plus interest. The court denied UBS's motion to dismiss in 2012. In April 2013, the court's decision with respect to two legal issues that were the subject of UBS's motion to dismiss was affirmed on appeal by the US Court of Appeals for the Second Circuit. The FHFA also filed suits in 2011 against UBS and other financial institutions relating to their role as underwriters of third-party RMBS purchased by the GSEs asserting claims under various legal theories, including violations of the federal and state securities laws and state common law. In July 2013, UBS entered into a settlement with the FHFA under which UBS will pay USD 885 million to resolve these lawsuits and certain other unasserted claims. More specifically, the FHFA has agreed to dismiss the pending lawsuits and release potential claims it could assert against UBS on behalf of the GSEs related to UBS-sponsored RMBS and third-party RMBS underwritten by UBS. The FHFA and the GSEs have also agreed that they will not take steps to cause third parties to assert loan repurchase demands or commence loan repurchase litigation in connection with UBS-sponsored RMBS. This settlement, however, will not resolve the two pending lawsuits described below under "Lawsuits related to contractual representations and warranties concerning mortgages and RMBS."

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

Loan repurchase demands related to sales of mortgages and RMBS: When UBS acted as an RMBS sponsor or mortgage seller, it generally made certain representations relating to the characteristics of the underlying loans. In the event of a material breach of these representations, UBS was in certain circumstances contractually obligated to repurchase the loans to which they related or to indemnify certain parties against losses. UBS has received demands to repurchase US residential mortgage loans as to which UBS made certain representations at the time the loans were transferred to the securitization trust. UBS has been notified by certain institutional purchasers and insurers of mortgage loans and RMBS, including Freddie Mac, of their contention that possible breaches of representations may entitle the purchasers to require that UBS repurchase the loans or to other relief. The table below summarizes repurchase demands received by UBS and UBS's repurchase activity from 2006 through 16 August 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 ¹

USD million	2006-2008	2009	2010	2011	2012	through 16 August 2013	Total
Resolved demands							
Actual or agreed loan repurchases / make whole payments by UBS	12	1					13
Demands rescinded by counterparty	110	104	19	301	237		772
Demands resolved in litigation	1	21					21
Demands expected to be resolved by third parties							
Demands resolved or expected to be resolved through enforcement of indemnification rights against third-party originators		77	2	45	142	1	267
Demands in dispute							
Demands in litigation			346	732	1,041		2,118
Demands in review by UBS				6	8	9	23
Demands rebutted by UBS but not yet rescinded by counterparty		1	2		10		14
Total	123	205	368	1,084	1,438	10	3,228

¹ Loans submitted by multiple counterparties are counted only once.

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

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

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

Lawsuits related to contractual representations and warranties concerning mortgages and RMBS: In 2012, Assured Guaranty Municipal Corp. ("**Assured Guaranty**"), a financial guaranty insurance company, filed suit against UBS RESI 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 claimed that UBS RESI breached representations and warranties concerning the mortgage loans and breached certain obligations under commitment

letters. In May 2013 UBS entered into a settlement agreement with Assured Guaranty that resolves all claims in this litigation, as well as unasserted claims related to RMBS issued, underwritten or sponsored by UBS. Pursuant to the settlement, UBS made a cash payment to Assured Guaranty and entered into a reinsurance agreement whereby UBS agreed to reimburse Assured Guaranty for a portion of future losses on certain RMBS transactions insured by Assured Guaranty. The pre-tax expense incurred by UBS as a result of its obligations under the settlement agreement, net of an indemnification payment received from a third party, was approximately USD 310 million, all of which had been accrued in UBS's litigation provisions in periods prior to the second quarter of 2013.

In 2012, certain RMBS trusts filed an 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 loans subject to the suit that were originated by institutions still in existence, UBS intends to enforce its indemnity rights against those institutions. At this time, UBS does not expect that it will be required to make payment for the majority of loan repurchase demands at issue in the suit brought by the RMBS trusts for at least the following reasons: (1) UBS reviewed the origination file and/or servicing records for the loan and concluded that the allegations of breach of representations and warranties are unfounded, or (2) a surviving originator is contractually liable for any breaches of representations and warranties with respect to loans that it originated. UBS has indemnification rights in connection with approximately half of the USD 2 billion in original principal balance of loans at issue in this suit (reflected in the "In litigation" category in the accompanying table). Additionally, in its motion to dismiss the suit filed by the trusts, UBS has asserted that, under governing transaction documents, UBS is not required to repurchase liquidated loans that were the subject of repurchase demands now at issue in this suit.

In 2012, the FHFA, on behalf of Freddie Mac, filed a notice and summons in New York Supreme Court initiating suit against UBS RESI for breach of contract and declaratory relief arising from alleged breaches of representations and warranties in connection with certain mortgage loans and UBS RESI's alleged failure to repurchase such mortgage loans. The complaint for this suit was filed in September 2012. The lawsuit seeks, among other relief, specific performance of UBS RESI's alleged loan repurchase obligations for at least USD 94 million in original principal balance of loans for which Freddie Mac had previously demanded repurchase; no damages are specified. In June 2013 the Court dismissed the complaint for lack of standing, on the basis that only the RMBS trustee could assert the claims in the complaint, and the complaint was unclear as to whether the trustee was the plaintiff and had proper authority to bring suit. The trustee filed an amended complaint in June 2013, which UBS moved to dismiss in July 2013. The motion remains pending.

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

As reflected in the table below, UBS's balance sheet at 30 June 2013 reflected a provision of USD 1.4 billion with respect to matters described in this item 4. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of this matter cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

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

<i>USD million</i>	
Balance as of 31 December 2012	658
Balance as of 31 March 2013	962
Increase in provision recognized in the income statement	653
Release of provision recognized in the income statement	(1)
Provision used in conformity with designated purpose	(213) ¹
Balance as of 30 June 2013	1,401

¹ Reflects usage of the provision in connection with the cash payment under the settlement with Assured Guaranty referred to above; reflects no usage of the provision in connection with the settlement with FHFA referred to above.

5. Claims related to UBS disclosure

A putative consolidated class action has been filed in the United States District Court for the Southern District of New York against UBS, a number of current and former directors and senior officers and certain banks that underwrote UBS's May 2008 Rights Offering (including UBS Securities LLC) alleging violation of the US securities laws in connection with UBS's disclosures relating to UBS's positions and losses in mortgage-related securities, UBS's positions and losses in auction rate securities, and UBS's US cross-border business. In 2011, the court dismissed all claims based on purchases or sales of UBS ordinary shares made outside the US, and, in 2012, the court dismissed with prejudice the remaining claims based on purchases or sales of UBS ordinary shares made in the US for failure to state a claim. Plaintiffs have appealed the court's decision. UBS, a number of senior officers and employees and various UBS committees have also been sued in a putative consolidated class action for breach of fiduciary duties brought on behalf of current and former participants in two UBS Employee Retirement Income Security Act ("ERISA") retirement plans in which there were purchases of UBS stock. In 2011, the court dismissed the ERISA complaint. In 2012, the court denied plaintiffs' motion for leave to file an amended complaint. On appeal, the Second Circuit upheld the dismissal of all counts relating to one of the retirement plans. With respect to the second retirement plan, the Court upheld the dismissal of some of the counts, and vacated and remanded for further proceedings with regard to the counts alleging that defendants had violated their fiduciary duty to prudently manage the plan's investment options, as well as the claims derivative of that duty.

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

6. Madoff

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

against all defendants was not less than USD 555 million. Following a motion by UBS, in 2011 the District Court dismissed all of the BMIS Trustee's claims other than claims for recovery of fraudulent conveyances and preference payments that were allegedly transferred to UBS on the ground that the BMIS Trustee lacks standing to bring such claims. In June 2013, the Second Circuit Court of Appeals rejected the BMIS Trustee's appeal against that ruling and upheld the District Court's decision. The BMIS Trustee may seek to appeal to the US Supreme Court. 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.

7. Transactions with Italian public sector entities

A number of transactions that UBS Limited and UBS AG respectively entered into with public sector entity counterparties in Italy have been called into question or become the subject of legal proceedings and claims for damages and other awards. In Milan, in 2012, civil claims brought by the City of Milan against UBS Limited, UBS Italia SIM Spa and three other international banks in relation to a 2005 bond issue and associated derivatives transactions entered into with Milan between 2005 and 2007 were settled without admission of liability. In 2012, the criminal court in Milan issued a judgment convicting two current UBS employees and one former employee, together with employees from the three other banks, of fraud against a public entity in relation to the same bond issue and the execution, and subsequent restructuring, of the related derivative transactions. In the same proceedings, the Milan criminal court also found UBS Limited and three other banks liable for the administrative offense of failing to have in place a business organizational model capable of preventing the criminal offenses of which its employees were convicted. The sanctions against UBS Limited, which are not effective until appeals are exhausted, are confiscation of the alleged level of profit flowing from the criminal findings (EUR 16.6 million), a fine in respect of the finding of the administrative offense (EUR 1 million) and payment of legal fees. UBS has previously provided for this potential exposure in the amount of EUR 18.5 million. UBS Limited and the individuals filed their appeal in May 2013.

Derivative transactions with the Regions of Calabria, Tuscany, Lombardy, Lazio and Campania, and the City of Florence have also been called into question or become the subject of legal proceedings and claims for damages and other awards. In 2012, UBS AG and UBS Limited settled all civil disputes with the Regions of Tuscany, Lombardy and Lazio without any admission of liability. An in-principle agreement has also been reached with the City of Florence. Provisions have been booked in respect of these agreed or prospective settlements.

8. Kommunale Wasserwerke Leipzig GmbH ("KWL")

In 2006 and 2007, KWL entered into a series of credit default swap ("CDS") transactions with bank swap counterparties, including UBS. UBS entered into back-to-back CDS transactions with the other counterparties, Depfa Bank plc ("**Depfa**") and Landesbank Baden-Württemberg ("**LBBW**"), in relation to their respective swaps with KWL. As a result of the KWL CDS transactions and the back-to-back CDS transactions with Depfa and LBBW, UBS and UBS Limited are owed a total amount of USD 319.8 million, plus interest, which remains unpaid. Specifically, under the CDS contracts between KWL and UBS, the last of which were terminated by UBS in 2010, a net sum of approximately USD 137.6 million, plus interest, has fallen due from KWL but not been paid. Earlier in 2010, UBS issued proceedings in the English High Court against KWL seeking various declarations from the English court, in order to establish that the swap transaction between KWL and UBS is valid, binding and enforceable as against KWL. The English court ruled in 2010 that it has jurisdiction and will hear the proceedings and UBS issued a further claim seeking declarations concerning the validity of its early termination of the remaining CDS transactions with KWL. KWL withdrew its appeal from that decision and the civil dispute is now proceeding before the English court. UBS has added its monetary claim to the proceedings. KWL is defending against UBS'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 have continued in Leipzig, and in June 2013 the court in Leipzig ruled in LBBW's favor. 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 are defending against the claims and have also issued counterclaims. Additionally Depfa added a claim against KWL to the proceedings against it and KWL served a defense.

In 2011, the former managing director of KWL and two financial advisers were convicted on criminal charges related to certain KWL transactions, including swap transactions with UBS and other banks. They are all the subject of further ongoing criminal proceedings in Dresden relating to the transactions with UBS, LBBW and DEPFA.

In 2011, the SEC commenced an investigation concerning, among other things, the suitability of the KWL transactions. UBS is cooperating with the SEC.

9. Puerto Rico

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

10. LIBOR and other benchmark rates

Numerous government agencies, including the SEC, the US Commodity Futures Trading Commission ("**CFTC**"), the US Department of Justice ("**DOJ**"), the UK Financial Conduct Authority ("**FCA**") (to which certain responsibilities of the UK Financial Services Authority ("**FSA**") have passed), the UK Serious Fraud Office ("**SFO**"), the Monetary Authority of Singapore ("**MAS**"), the Hong Kong Monetary Authority ("**HKMA**"), FINMA, the various state attorneys general in the US, and competition authorities in various jurisdictions have conducted or are continuing to conduct investigations regarding submissions with respect to British Bankers' Association LIBOR (London Interbank Offered Rate) and other benchmark rates, including HIBOR (Hong Kong Interbank Offered Rate) and ISDAFIX. These investigations focus on whether there were improper attempts by UBS (among others), either acting on its own or together with others, to manipulate LIBOR and other benchmark rates at certain times.

In June 2013 the MAS announced the results of its investigation of benchmark submissions by twenty banks, including UBS. The investigation related to various benchmark submissions, including the

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

In 2012, UBS reached settlements with the FSA, the CFTC and the Criminal Division of the DOJ in connection with their investigations of benchmark interest rates. At the same time FINMA issued an order concluding its formal proceedings with respect to UBS relating to benchmark interest rates. UBS will pay a total of approximately CHF 1.4 billion in fines and disgorgement – including GBP 160 million in fines to the FSA, USD 700 million in fines to the CFTC, and CHF 59 million in disgorgement to FINMA. Under a non-prosecution agreement ("**NPA**") that UBS entered into with the DOJ, UBS has agreed to pay a fine of USD 500 million. Pursuant to a separate plea agreement between the DOJ and UBS Securities Japan Co. Ltd. ("**UBSSJ**"), UBSSJ has entered a plea to one count of wire fraud relating to the manipulation of certain benchmark interest rates, including Yen LIBOR, and the DOJ and UBSSJ have agreed to a sentence to be imposed on UBSSJ that would include a fine of USD 100 million, which is subject to the discretion of the sentencing court. The NPA requires UBS to pay the USD 500 million fine to DOJ within 10 days of the sentencing of UBSSJ, and provides that any criminal penalties imposed on UBSSJ at sentencing, which currently is scheduled for 18 September 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 one or more of these resolutions include Yen LIBOR, GBP LIBOR, CHF LIBOR, Euro LIBOR, USD LIBOR, EURIBOR (Euro Interbank Offered Rate) and Euroyen TIBOR (Tokyo Interbank Offered Rate). UBS has ongoing obligations to cooperate with authorities with which it has reached resolutions and to undertake certain remediation with respect to benchmark interest rate submissions. Investigations by the CFTC and other government authorities remain ongoing notwithstanding these resolutions.

UBS has been granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ and the Swiss Competition Commission ("**WEKO**"), in connection with potential antitrust or competition law violations related to submissions for Yen LIBOR and Euroyen TIBOR. WEKO has also granted UBS conditional immunity in connection with potential competition law violations related to submissions for Swiss franc LIBOR and certain transactions related to Swiss franc LIBOR. The Canadian Competition Bureau 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 UBS's 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 benefitting trading positions.

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

With respect to additional matters and jurisdictions not encompassed by the settlements and order referred to above, UBS's balance sheet at 30 June 2013 reflected a provision of an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

11. Swiss retrocessions

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

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

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

UBS's balance sheet at 30 June 2013 reflected a provision with respect to matters described in this item 11 in an amount that UBS believes to be appropriate under the applicable accounting standard. 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.

12. Banco UBS Pactual tax indemnity

Pursuant to the 2009 sale of Banco UBS Pactual S.A. ("Pactual") by UBS to BTG Investments, LP ("BTG"), BTG has submitted contractual indemnification claims that UBS estimates amount to approximately BRL 2.5 billion, including interest and penalties. 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.

13. EC investigation into CDS information market

In July 2013 the European Commission ("EC") issued a Statement of Objections against thirteen credit default swap ("CDS") dealers including UBS, as well as data service provider Markit and the International Swaps and Derivatives Association ("ISDA"). This followed an investigation into the CDS information market which commenced in 2011, with which UBS cooperated fully. The Statement of Objections broadly alleges that the dealers infringed EU antitrust rules by colluding to prevent exchanges from entering the credit derivatives market between 2006 and 2009. Since mid-2009, the Antitrust Division of the DOJ has also been investigating whether multiple dealers, including UBS, conspired with each other and with Markit to restrain competition in the markets for CDS trading, clearing and other services. In May and July 2013, two putative class action complaints were filed in the Northern District of Illinois against twelve dealers, including UBS, as well as Markit and ISDA, alleging violations of the US Sherman Antitrust Act. The complaints allege that the dealers unlawfully exercised collective control over Markit and other industry organizations to seek to ensure that CDS continued to trade over-the-counter rather than on an exchange platform. Plaintiffs seek unspecified trebled compensatory damages, among other relief.

Besides the proceedings specified above under (1) through (13) no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which UBS AG is aware) which may have, or have had in the recent past, significant effects on UBS AG's and/or UBS Group's financial position or profitability, are or have been pending during the last twelve months until the date of this document."

The section headed "XII. Significant Changes in the Financial or Trading Position; Material Adverse Change in Prospects" (page 38 of the Registration Document) is completely replaced by the following text:

"XII. Significant Changes in the Financial or Trading Position; Material Adverse Change in Prospects

There has been no significant change in the financial or trading position of UBS since 30 June 2013. There has been no material adverse change in the prospects of UBS since 31 December 2012."

The section headed "XIII. Material Contracts" (page 38 of the Registration Document) is replaced by the following text:

"XIII. Material Contracts

No material contracts have been entered into outside of the ordinary course of UBS AG's or UBS Group's business, which could result in any member of the UBS Group being under an obligation or entitlement that is material to UBS AG's ability to meet its obligations to the investors in relation to the issued securities."

In the section headed "XIV. Documents on Display and incorporated by reference" (page 38 of the Registration Document) the heading is changes to "Documents on Display" and the third bullet point is replaced by the following text:

"

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

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

"Incorporation by Reference

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

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

The Quarterly Report of UBS AG as of 30 June 2013 has been filed with the BaFin as appendix to Supplement No. 2 to the Short Form Prospectus dated 10 May 2013."

- 2) In relation to
 (i) the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 16 August 2013 in the section "I. Summary of the Base Prospectus" in the section headed "A. Summary of the Base Prospectus (in the English language)" in the section headed "Section B – Issuer", and

the elements B.4b, B.5, B.12, B.14 and B.15 are completely replaced as follows and the last paragraph in element B.16 has been replaced as follows:

Element	Section B – Issuer	
B.4b	Trends.	<p>Trend Information</p> <p>As stated in the outlook statement presented in UBS AG's second quarter 2013 report, including unaudited consolidated financial statements and issued on 30 July 2013, at the end of the second quarter, the market reaction to the eventual end of quantitative easing in the US served as a reminder that looser monetary policy across the globe has not resolved the underlying challenges related to structural fiscal and economic issues. For the first half of 2013, UBS's revenue growth and business flows evidence the fact that UBS continued to manage its businesses effectively in challenging market conditions. However, for the third quarter of 2013, client confidence and activity levels could be impacted further by the continued absence of sustained and credible improvements to unresolved European sovereign debt and banking system issues and US fiscal issues, and by the mixed outlook for global growth. This would make improvements in prevailing market conditions unlikely and, together with the seasonal decline in activity levels traditionally associated with the summer holiday season, would consequently generate headwinds for revenue growth, net interest margins and net new money. Nevertheless, UBS remains confident that its wealth management businesses will continue to attract net new money, reflecting new and existing clients' steadfast trust in the firm, and that the actions it has taken will ensure the firm's long-term success and will deliver sustainable returns for its shareholders going forward.</p>
B.5	Organisational structure.	<p>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.</p>
B.12	Selected historical key financial information.	<p>UBS derived the following selected consolidated financial data from (i) its annual report 2012 containing the audited consolidated financial statements for the fiscal year ended 31 December 2012 (including comparative figures for the fiscal years ended 31 December 2011 and 2010) and (ii) its unaudited consolidated financial statements for the quarter ended 30 June 2013 (from which comparative figures for the quarter ended 30 June 2012 as well as selected comparative figures as of 31 December 2012 have been derived). UBS's consolidated financial</p>

statements were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and stated in Swiss francs ("CHF").

	As of or for the quarter ended		As of or for the year ended		
<i>CHF million, except where indicated</i>	30.06.13	30.06.12 ¹	31.12.12 ¹	31.12.11	31.12.10
	<i>unaudited</i>		<i>audited, except where indicated</i>		
Group results					
Operating income	7,389	6,402	25,423*	27,788	31,994
Operating expenses	6,369	5,400	27,216	22,482	24,650
Operating profit / (loss) before tax	1,020	1,002	(1,794)*	5,307	7,345
Net profit / (loss) attributable to UBS shareholders	690	524	(2,480)*	4,138	7,452
Diluted earnings per share (CHF)	0.18	0.14	(0.66)*	1.08	1.94
Key performance indicators, balance sheet and capital management, and additional information					
Performance					
Return on equity (RoE) (%) ²	7.2	6.3	(5.1)*	9.1*	18.0*
Return on tangible equity (%) ³	8.5	8.1	1.6*	11.9*	24.7*
Return on risk-weighted assets, gross (%) ⁴	11.8	11.7	12.0*	13.7*	15.5*
Return on assets, gross (%) ⁵	2.5	1.9	1.9*	2.1*	2.3*
Growth					
Net profit growth (%) ⁶	(30.2)	(49.4)	N/A*	(44.5)*	N/A*
Net new money growth (%) ⁷	1.8	1.8	1.6*	1.9*	(0.8)*
Efficiency					
Cost / income ratio (%) ⁸	86.2	84.3	106.6*	80.7*	76.9*
Capital strength					
BIS Basel III common equity tier 1 capital ratio (% phase-in) ^{9,10}	16.2		15.3*		
BIS Basel III common equity tier 1 capital ratio (% fully applied) ^{9,10}	11.2		9.8*		
Swiss SRB leverage ratio (%) ^{9,11}	3.9		3.6*		
Balance sheet and capital management					
Total assets	1,129,071	1,410,233	1,259,797*	1,416,962	1,314,813
Equity attributable to UBS shareholders	47,073	50,503	45,949*	48,530	43,728
Total book value per share (CHF)	12.49	13.47	12.26*	12.95*	11.53*
Tangible book value per share (CHF)	10.73	10.87	10.54*	10.36*	8.94*

BIS Basel III common equity tier 1 capital (phase-in) ¹²	39,398		40,032*		
BIS Basel III common equity tier 1 capital (fully applied) ¹²	26,817		25,182*		
BIS Basel III risk-weighted assets (phase-in) ¹²	242,626		261,800*		
BIS Basel III risk-weighted assets (fully applied) ¹²	239,182		258,113*		
BIS Basel III total capital ratio (% phase-in) ¹²	20.5		18.9*		
BIS Basel III total capital ratio (% fully applied) ¹²	13.5		11.4*		
Additional information					
Invested assets (CHF billion) ¹³	2,348	2,163	2,230	2,088	2,075
Personnel (full-time equivalents)	60,754	63,520	62,628*	64,820*	64,617*
Market capitalization	61,737	47,356	54,729*	42,843*	58,803*

*unaudited

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

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

There has been no significant change in the financial or trading position of UBS since 30 June 2013.

B.14	Dependence upon other entities within the group.	UBS AG is the parent company of the UBS Group. As such, to a certain extent, it is dependent on certain of its subsidiaries.
B.15	Issuer's principal activities.	<p>UBS AG with its subsidiaries (together, "UBS Group", "Group" or "UBS") draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. UBS's business strategy is centered on its pre-eminent global wealth management businesses and its leading universal bank in Switzerland. These businesses, together with a client-focused Investment Bank and a strong, well-diversified Global Asset Management business, will enable UBS to expand its premier wealth management franchise and drive further growth across the Group. Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centers.</p> <p>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.</p>
B.16	Controlling persons.	<p>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:</p> <p>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%.</p> <p>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.</p> <p>As of 30 June 2013, the following shareholders (acting in their own name or in their capacity as nominees for other investors or beneficial owners) were registered in the share register with 3% or more of the total share capital of UBS AG: Chase Nominees Ltd., London (11.46%); Government of Singapore Investment Corp., Singapore (6.39%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (5.36%); and Nortrust Nominees Ltd., London (4.09%).</p>

3) In relation to

- (i) the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 16 August 2013 in the section "I. Summary of the Base Prospectus" in the section headed "B. Summary of the Base Prospectus (in the Swedish language)" the section headed "Avsnitt B – Emittent", and

the elements B.4b, B.5, B.12, B.14 and B.15 are completely replaced as follows and the last paragraph in element B.16 has been replaced as follows:

Avsnitt	Avsnitt B – Emittent	
B.4b	Trender.	<p>Information om trender</p> <p>Såsom angavs i uttalandet om framtidsutsikter som presenterades i UBS andra kvartalsrapport 2013, inklusive oreviderad koncernredovisning, upprättad den 30 juli 2013, i slutet av det andra kvartalet, utgör marknadsreaktionen på ett eventuellt slut av kvantitativa försvagningar i USA en påminnelse om att firare penningpolitik på global nivå inte löst de underliggande utmaningarna relaterade till strukturella finansiella och ekonomiska problem. För det första halvåret av 2013 är UBS intäktsökning och affärsflöden bevis på det faktum att UBS fortsatte att bedriva sin verksamhet effektivt i utmanade marknadsklimat. För det tredje kvartalet 2013 kan dock kundförtroendet och aktivitetsnivån ytterligare påverkas av den fortsatta frånvaron av ihållande och troliga förbättringar av olösta frågor kring europeiska statspapper och banksystem, amerikansk finanspolitik, och av de osäkra framtidsutsikterna för global tillväxt. Detta medför att förbättringar under rådande marknadsförhållanden är osannolika och kommer, tillsammans med den säsongsbetonade nedgången i aktivitetsnivå som traditionellt sätt associeras med sommarsäsongen, följaktligen utgöra ett hinder för intäktstillväxt, nettoräntemarginaler och nya nettomedel. Likväl är UBS fortsatt övertygat om att dess tillgångssamlade verksamheter som helhet kommer att fortsätta att locka nya nettomedel, vilket speglar kundernas orubbliga förtroende för företaget och att de åtgärder som vidtagits kommer att säkerställa företagets långsiktiga framgång och kommer att leverera hållbar avkastning för sina aktieägare framöver.</p>
B.5	Koncernbeskrivning.	<p>UBS AG är moderbolag i UBS koncernen. Ändamålet med UBS koncernstruktur är att stödja moderbolagets affärsverksamhet inom ett effektivt rättsligt, fiskalt, regulatoriskt och finansiellt ramverk. Ingen av UBS enskilda verksamhetsgrenar eller UBS Corporate Center utgör juridiskt självständiga personer; istället, utför de framförallt sin verksamhet genom moderbankens kontor inrikes och utrikes. Vid de tillfällen då det är omöjligt eller ineffektivt att bedriva verksamhet genom moderbanken, på grund av lokala rättsliga, fiskala eller regulatoriska bestämmelser, eller då ytterligare juridiska personer ansluter koncernen genom förvärv, bedrivs verksamheten på plats genom juridiskt självständiga koncernbolag.</p>
B.12	Utvald central finansiell information.	<p>UBS har valt ut och tagit fram följande konsoliderade finansiell information på basis av (i) dess årsredovisning för 2012 innehållande reviderad koncernredovisning för räkenskapsåret som slutade den 31 december 2012 (inklusive jämförande siffror per den 31 december 2011 respektive 2010) och (ii) dess oreviderade koncernredovisning för kvartalet som slutade den 30 juni 2013 (inklusive jämförelsesiffror per den 30 juni 2012). UBS AG's koncernredovisning har tagits fram i enlighet med internationella redovisningsstandarder (<i>International Financial Reporting Standards (IFRS)</i>)</p>

utfärdade av International Accounting Standards Board (IASB)) och anges i schweiziska franc (CHF).

CHF miljoner, om inte annat anges	För kvartalet som slutade		För året som slutade		
	30.06.13	30.06.12 ¹	31.12.12 ¹	31.12.11	31.12.10
	Oreviderade		Reviderade, om inte annat anges		
Koncernresultat					
Rörelseintäkt	7,389	6,402	25,423*	27,788	31,994
Rörelsekostnad	6,369	5,400	27,216	22,482	24,650
Rörelseresultat från fortsatt löpande verksamhet före skatt	1,020	1,002	(1,794)*	5,307	7,345
Nettoresultat hänförligt till UBS aktieägare	690	524	(2,480)*	4,138	7,452
Resultat per aktie efter utspädning (CHF)	0.18	0.14	(0.66)*	1.08	1.94
Väsentliga resultatindikatorer, balansräkning och kapitalstruktur					
Resultat					
Avkastning på eget kapital (RoE) (%) ²	7.2	6.3	(5.1)*	9.1*	18.0*
Avkastning på eget kapital hänförligt till materiella tillgångar (ROTE) (%) ³	8.5	8.1	1.6*	11.9*	24.7*
Avkastning på riskvägda tillgångar, brutto (%) ⁴	11.8	11.7	12.0*	13.7*	15.5*
Avkastning på tillgångar, brutto (%) ⁵	2.5	1.9	1.9*	2.1*	2.3*
Tillväxt					
Tillväxt nettoresultat (%) ⁶	(30.2)	(49.4)	N/A*	(44.5)*	N/A*
Nya nettomedel tillväxt (%) ⁷	1.8	1.8	1.6*	1.9*	(0.8)*
Kapitalstyrka					
Kostnads- / intäktsratio (%) ⁸	86.2	84.3	106.6*	80.7*	76.9*
Kapitalstyrka					
Primärkapitaltäckning (BIS Basel III common equity tier 1 capital ratio) (% infasning) ^{9,10}	16.2		15.3*		
Primärkapitaltäckning (BIS Basel III common equity tier 1 capital ratio) (% fullt tillämpad) ^{9,10}	11.2		9.8*		
Hävtång (Swiss SRB leverage ratio) (%) ^{9,11}	3.9		3.6*		
Balansräkning och kapitalstruktur					
Totala tillgångar	1,129,071	1,410,233	1,259,797*	1,416,962	1,314,813
Eget kapital hänförligt till UBS aktieägare	47,073	50,503	45,949*	48,530	43,728
Totalt bokfört värde per aktie (CHF)	12.49	13.47	12.26*	12.95*	11.53*
Reellt bokfört värde per aktie (CHF)	10.73	10.87	10.54*	10.36*	8.94*
Kärnprimärkapital, BIS Basel III tier 1 capital (infasning) ¹²	39,398		40,032*		
Kärnprimärkapital, BIS Basel III tier 1 capital (fullt tillämpad) ¹²	26,817		25,182*		
Riskvägda tillgångar, BIS Basel III (infasning) ¹²	242,626		261,800*		
Riskvägda tillgångar, BIS Basel III (fullt tillämpad) ¹²	239,182		258,113*		
Kapitaltäckningsgrad, BIS Basel III (% infasning) ¹²	20.5		18.9*		
Kapitaltäckningsgrad BIS Basel III (% fullt tillämpad) ¹²	13.5		11.4*		
Ytterligare information					
Investerade tillgångar (CHF miljarder) ¹³	2,373	2,115	2,230	2,088	2,075

		Personal (motsvarande heltidstjänster)	61,782	64,243	62,628*	64,820*	64,617*
		Börsvärde	55,827	48,488	54,729*	42,843*	58,803*
		<p>*oreviderad</p> <p>¹ Den 1 januari 2013, antog UBS IASB oktober 2012-ändringarna av IFRS 10 <i>Consolidated Financial Statements</i>. De jämförande perioderna 2012 som är inkluderade i UBS:s första och andra kvartalsrapporter har justerats för att återspegla effekten av antagandet av IFRS 10. Enligt IFRS 10, är det inget krav att perioder före 2012 ska omräknas i rapporter avseende 2013. ² Nettoresultat hänförligt till UBSaktieägare uttryckt enligt år till aktuellt datum-basis (periodiserat där tillämpligt) / genomsnittligt eget kapital hänförligt till UBSaktieägare (enligt år till aktuellt datum-basis). ³ Rörelseintäkter hänförligt till UBSaktieägare före avskrivningar eller värdeminskning av goodwill och immateriella tillgångar/genomsnittligt eget kapital hänförligt till UBSaktieägare med avdrag för goodwill och immateriella tillgångar. ⁴ Rörelseintäkter före kreditförlust (kostnad) eller återvinning, enligt år till aktuellt datum-basis (periodiserat där tillämpligt) / genomsnittliga riskvägda tillgångar (enligt år till aktuellt datum-basis). Baserat på BIS Basel III riskvägda tillgångar (infasing) för 2013, på Basel 2.5 riskvägda tillgångar för 2012 och på Basel II riskvägda tillgångar för 2011 och 2010. ⁵ Rörelseintäkt före kreditförlust (kostnad) eller återvinning på år till aktuellt datum-basis (periodiserat där tillämpligt) / genomsnittliga totala tillgångar (enligt år till aktuellt datum-basis). ⁶ Förändring i nettoresultat hänförligt till UBSaktieägare från fortsatt löpande verksamhet mellan nuvarande och jämförelseperioder/nettovinst som kan hänföras till UBSaktieägare från fortsatt löpande verksamhet under en jämförelseperiod. Icke meningsfullt och inte inkluderat om antingen rapporteringsperioden eller jämförelseperioden är en förlustperiod. ⁷ Nya nettomedel för perioden (periodiserat såsom tillämpligt) / investerade tillgångar vid början av perioden. Koncernens nya nettomedel inkluderar nya nettomedel för Detaljhandeln & Bolag och exkluderar inkomst för ränta och utdelning. ⁸ Rörelsekostnader/rörelseintäkter före kreditförlust (kostnad) eller återvinning. ⁹ Den 1 januari 2013 trädde BIS Basel III i kraft i Schweiz. För att anpassa sin nyckeltalram ersatte UBS, under första kvartalet 2013, nyckeltalramarna "BIS tier 1 ratio (%)" och "FINMA leverage ratio (%)" med "BIS Basel III common equity tier 1 capital ratio (% infasing/fullt tillämpligt)" och "Swiss SRB (systemically relevant banks) leverage ratio (sv. nyckeltal för skuldsättningsgrad) (%)". BIS Basel III siffrorna avseende 31 december 2012 anges proforma.¹⁰ BIS Basel III common equity tier 1 capital/BIS Basel III riskvägda tillgångar. Den information som tillhandahålls på full basis tar inte hänsyn till den effekt som uppstår under övergångsperioden, under vilken nya kapitalavdrag fasas in samtidigt som icke-kvalificerade kapitalinstrument fasas ut. ¹¹ Totalt kapital/IFRS tillgångar, baserat på en kapitaltäckning lämpligt konsoliderad, justerat för återanskaffningsvärdet netto och andra justeringar, inklusive saker som ligger utanför balansräkningen. Tidigare kallad FINMA Basel III skuldsättningsgrad. ¹² Den 1 januari 2013 trädde BIS Basel III-reglerna i kraft i Schweiz. BIS Basel III siffrorna avseende 31 december 2012 anges proforma.¹³ Koncernens investerade medel inkluderar investerade medel avseende Detaljhandeln & Bolag.</p> <p>Inga väsentligt negativa förändringar vad gäller UBS AG:s framtidsutsikter har inträffat sedan datumet för den senaste publicerade reviderade årsredovisningen (den 31 december 2012).</p> <p>Inga väsentliga förändringar vad gäller UBS AG:s finansiella ställning sedan 30 juni 2013.</p>					
B.14	Koncernberoende.	USB AG är moderbolag i USB koncernen. Som sådant är bolaget, i viss mån, beroende av vissa dotterbolag i koncernen.					
B.15	Emittentens huvudsakliga verksamhet	<p>UBS AG, tillsammans med sina dotterbolag, (Gemensamt "UBS Koncernen", "Koncernen" eller "UBS") använder sig av sin 150 år långa erfarenhet av att betjäna privatpersoner, myndigheter och företagsklienter världen över, men även till retail kunder i Schweiz. UBS affärsstrategi är centrerad till sin mest framträdande verksamhet, global förmögenhetsförvaltning, samt dess ledande bank i Schweiz. De här verksamheterna, tillsammans med en klientfokuserad Investment Bank och en stark, väldiversifierad Global Asset Management verksamhet, kommer möjliggöra för UBS att expandera sin franchising av primär förmögenhetsförvaltning och möjliggöra en tillväxt i Koncernen. Med huvudkontor i Zürich och Basel, i Schweiz, har UBS dessutom kontor i mer än 50 länder, inklusive alla stora finansiella centra.</p> <p>Enligt Artikel 2 i Bolagsordningen för UBS AG ("Bolagsordningen") är verksamhetsföremålet för UBS AG att bedriva bankverksamhet. Dess verksamhetsföremål sträcker sig över alla typer av banktjänster, finansiella tjänster, rådgivningstjänster och handelsaktiviteter i Schweiz och utomlands.</p>					
B.16	Personer med direkt eller indirekt ägande /kontroll.	<p>Nedan följer de senaste anmälningarna som gjorts beträffande innehav i UBS AG:s aktiekapital som har registrerats i enlighet med den schweiziska lagen om värdepappersmarknaden (Swiss Stock Exchange Act) baserade på UBS AG:s registrerade aktiekapital vid tidpunkten för offentliggörandet:</p> <ul style="list-style-type: none"> • 30 september 2011: Norges Bank (den norska centralbanken), 3.04%; • 12 mars 2010: Government of Singapore Investment Corp., 6.45%; 					

		<ul style="list-style-type: none"> • 17 december 2009: BlackRock Inc., New York, USA, 3.45%. <p>Rösträtt får utövas utan restriktioner av aktieägare som har registrerats i UBS:s aktiebok, om de uttryckligen avger en deklARATION om faktiskt ägande i enlighet med bestämmelserna i bolagsordningen. Särskilda bestämmelser gäller för förvaltarregistrerade värdepapper.</p> <p>Den 30 juni 2013 var följande aktieägare (genom agerande i eget namn eller som förvaltare för andra investerare eller faktiska ägare) registrerade i aktieboken med ett aktieinnehav om 3% eller mer av det totala aktiekapitalet i UBS AG: Chase Nominees Ltd., London (11.46%); Government of Singapore Investment Corp., Singapore (6.39%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (5.36%); och Nortrust Nominees Ltd., London (4.09%).</p>
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4) In relation to

- (i) **the first page of the Summary and Security Note, the date of the Summary and Security Note, is replaced by the following date:**

August 16, 2013

The reason for this change is that the date 23 July, 2013, is a factual error. The SFSA approved the Summary and Security Note on August 16, 2013 and consequently the correct date on the Summary and Security Note should read August 16, 2013.

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The tripartite Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 16 August 2013 and the Registration Document dated 16 August 2013 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, or a successor website.

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

Zurich, 18 August 2013

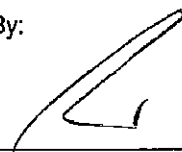
UBS AG

By:



(signed by Philippe Adam)

By:



(signed by Stefanie Ganz)