

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

dated 21 August 2014 to the Base Prospectus of UBS AG, [London] [Jersey] [Branch], dated 23 June 2014,

in relation to Certificates, Notes or Warrants.

The Base Prospectus was approved and registered by the Swedish Financial Supervisory Authority ("SFSA"). Registration number at the SFSA is 14-8082. This Supplement is a part of the Base Prospectus and shall be read in conjunction with the Base Prospectus.

This Supplement No. 1 was approved and registered by the SFSA on 21 August 2014. This Supplement No. 1 was published by UBS AG on 21 August 2014. Registration number at the SFSA is 14-11674.

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

Publication of the second quarter report of UBS AG as per 30 June 2014 on 29 July 2014.

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

The following table shows the updated information that has become available after the date of the Base Prospectus, as mentioned above, and the revisions that have been made as a result thereof.

Updated information	Revisions
Certain information regarding the Issuer has been updated.	The information in Elements B.4b, B.5, B.12 and B.17 of the Summary has been updated pursuant to the second quarterly report.
The holding of the shareholders registered in UBS AG's share register with more than 3% has changed over time.	The information in Element B.16 of the Summary as well as in the section "Major Shareholders of UBS AG" of the Base Prospectus has been updated accordingly.

The attention of the investors is in particular drawn to the following: Investors who have already agreed to purchase or subscribe for the Notes, Certificates, or Warrants, as the case may be, before this supplement is published have, pursuant to the Financial Instruments Trading Act (SFS 1991:980) chapter 2 section 34, the right, exercisable within a time limit of two working days after the publication of this supplement, to withdraw their acceptances, provided that the new circumstances or the incorrectness causing the supplement occurred before the closing of the public offering and before the delivery of the securities. This means that the last day to withdrawal is before close of business on 25 August 2014. 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.

TABLE OF CONTENTS OF THIS SUPPLEMENT

	Page
1) Base Prospectus	4
2) Summary English Language	25
3) Summary Swedish Language	30
4) Summary Danish Language	35
5) Documents incorporated by reference	40
Signatories	41

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

In the section headed "G. Information about UBS AG", the second paragraph is replaced by the following text:

"On 30 June 2014 UBS's common equity tier 1 capital ratio¹ was 13.5% on a fully applied basis and 18.2% on a phase-in basis, invested assets stood at CHF 2,507 billion, equity attributable to UBS shareholders was CHF 49,532 million and market capitalization was CHF 62,542 million. On the same date, UBS employed 60,087 people²."

In the section headed "G. Information about UBS AG", in the third paragraph "Fitch Ratings Limited" in the first sentence is replaced by "Fitch France S.A.S." and in the third paragraph the last sentence is replaced by the following sentence:

"UBS AG has long-term senior debt ratings of A (negative outlook) from Standard & Poor's, A2 (negative outlook) from Moody's and A (stable outlook) from Fitch Ratings."

In the sub-section "Business Overview" the following changes are made:

In the subparagraph headed "Corporate Center" the terms "corporate development" and "procurement" have been deleted. Consequently the paragraph reads as follows:

"The Corporate Center comprises Corporate Center – Core Functions and Corporate Center – Non-core and Legacy Portfolio. Corporate Center – Core Functions provides Group-wide control functions including finance, risk control (including compliance) and legal. In addition, it provides all logistics and support functions including operations, information technology, human resources, regulatory relations and strategic initiatives, communications and branding, corporate real estate and administrative services, physical security, information security, offshoring and treasury services such as funding, balance sheet and capital management. Corporate Center – Core Functions allocates most of its treasury income, operating expenses and personnel associated with the abovementioned activities to the businesses. Corporate Center – Non-core and Legacy Portfolio comprises the non-core businesses and legacy positions previously part of the Investment Bank."

The subparagraph headed "Recent Developments" is completely replaced by the following text:

"UBS's results as of and for the quarter and six months ended 30 June 2014, as presented in UBS AG's second quarter 2014 report (including unaudited consolidated financial statements of UBS Group)

2Q14 vs 1Q14

UBS Group: Net profit attributable to UBS shareholders for the second quarter of 2014 was CHF 792 million compared with CHF 1,054 million in the first quarter of 2014. Operating profit before

¹ Based on the Basel III framework, as applicable to Swiss systemically relevant banks. The common equity tier 1 capital ratio is the ratio of common equity tier 1 capital to risk-weighted assets. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. For information as to how common equity tier 1 capital is calculated, refer to the "Capital management" section of UBS AG's second quarter 2014 report.

² Full-time equivalents.

tax was CHF 1,218 million compared with CHF 1,393 million. Operating income decreased by CHF 111 million, mainly due to a decline in net interest and trading income, partly offset by higher net fee and commission income as well as higher other income. Operating expenses increased by CHF 64 million, mainly due to an increase in general and administrative expenses, partly offset by lower personnel expenses. UBS recorded a net tax expense of CHF 314 million compared with a net tax expense of CHF 339 million in the prior quarter. Net profit attributable to preferred noteholders was CHF 111 million compared with zero in the prior quarter. On an adjusted basis³, profit before tax was CHF 1,191 million compared with CHF 1,486 million in the prior quarter. Adjusted operating income decreased by CHF 116 million to CHF 7,031 million, reflecting a decrease of CHF 324 million in adjusted net interest and trading income, partly offset by an increase of CHF 184 million in net fee and commission income as well as CHF 66 million higher adjusted other income. Adjusted operating expenses increased by CHF 179 million to CHF 5,840 million, reflecting CHF 61 million higher charges for provisions for litigation, regulatory and similar matters and an increase of CHF 138 million in other non-personnel expenses, mainly as the second quarter included an impairment charge of CHF 78 million in Corporate Center - Non-core and Legacy Portfolio related to certain disputed receivables. This was partly offset by CHF 20 million lower personnel expenses.

Wealth Management: Profit before tax was CHF 355 million in the second quarter of 2014, a decrease of CHF 264 million compared with the first quarter. Adjusted³ for restructuring charges, profit before tax decreased by CHF 266 million to CHF 393 million, mainly due to an increase in charges for provisions for litigation, regulatory and similar matters to CHF 291 million from CHF 86 million. In addition, operating income declined by CHF 22 million, largely as a result of decreased transaction-based income, partly offset by higher recurring income. The gross margin on invested assets decreased 3 basis points to 84 basis points. Net new money was CHF 10.7 billion compared with CHF 10.9 billion in the prior quarter.

Wealth Management Americas: Profit before tax was USD 238 million in the second quarter of 2014 compared with a profit before tax of USD 272 million in the first quarter. Adjusted³ for restructuring charges, profit before tax decreased to USD 246 million from USD 284 million, mainly due to increased operating expenses, partly offset by higher operating income. Net new money outflows were USD 2.5 billion compared with net inflows of USD 2.1 billion in the prior quarter, primarily reflecting client withdrawals associated with seasonal income tax payments.

Retail & Corporate: Profit before tax was CHF 354 million in the second quarter of 2014 compared with CHF 386 million in the first quarter. Adjusted³ for restructuring charges, profit before tax decreased by CHF 34 million to CHF 367 million, mainly due to a CHF 37 million increase in charges for provisions for litigation, regulatory and similar matters, partly offset by slightly higher operating income. The annualized net new business volume growth rate for the retail business was 2.5% compared with 4.3% in the prior quarter.

Global Asset Management: Profit before tax was CHF 105 million in the second quarter of 2014 compared with CHF 122 million in the first quarter. Adjusted³ for restructuring charges, profit before tax was CHF 107 million compared with CHF 126 million, mainly due to charges for provisions for litigation, regulatory and similar matters of CHF 33 million relating to a single matter, partly offset by higher operating income. Excluding money market flows, net new money inflows were CHF 11.6 billion compared with CHF 13.0 billion in the prior quarter.

Investment Bank: Profit before tax was CHF 579 million in the second quarter of 2014 compared with CHF 425 million in the first quarter. Adjusted³ for restructuring charges in both quarters and for a gain of CHF 43 million from the partial sale of a financial investment available-for-sale in

³ Unless otherwise indicated, second-quarter 2014 "adjusted" figures exclude each of the following items, to the extent applicable, on a Group and business division level: an own credit gain of CHF 72 million, gains of CHF 1 million on sales of real estate, a gain of CHF 43 million from the partial sale of the investment, held as a financial investment available-for-sale, in the financial information services company Markit following its initial public offering and net restructuring charges of CHF 89 million. For the first quarter of 2014, the items excluded were an own credit gain of CHF 88 million, gains of CHF 23 million on sales of real estate and net restructuring charges of CHF 204 million.

the second quarter, profit before tax was CHF 563 million compared with CHF 549 million. This increase was mainly due to higher Corporate Client Solutions revenues, partly offset by lower revenues in Investor Client Services. Swiss SRB Basel III fully applied risk-weighted assets increased to CHF 68 billion as of 30 June 2014 from CHF 62 billion as of 31 March 2014.

Corporate Center – Core Functions recorded a profit before tax of CHF 25 million in the second quarter of 2014 compared with a loss of CHF 176 million in the prior quarter. The second quarter included an own credit gain of CHF 72 million, partly offset by treasury income remaining in Corporate Center – Core Functions of negative CHF 55 million. Total operating expenses remaining in Corporate Center – Core Functions after service allocations were negative CHF 2 million and included a release of CHF 141 million of provisions for litigation, regulatory and similar matters.

Corporate Center – Non-core and Legacy Portfolio recorded a loss before tax of CHF 412 million in the second quarter of 2014 compared with a loss of CHF 225 million in the prior quarter. Total operating income declined by CHF 196 million, mainly due to a loss of CHF 97 million in Non-core resulting from the exit of the majority of the correlation trading portfolio. Total operating expenses decreased slightly. The second quarter included a net release of CHF 27 million of provisions for litigation, regulatory and similar matters compared with charges of CHF 54 million in the prior quarter. The second quarter also included an impairment charge of CHF 78 million related to certain disputed receivables. Swiss SRB Basel III fully applied risk-weighted assets decreased by CHF 8 billion to CHF 52 billion.

Risk management and control

Overall, the credit risk profile of the Group was broadly unchanged over the second quarter, although the Group continued to see increases in credit risk exposures arising from growth in lending in the wealth management businesses. Net credit loss expense remained low. Market risks remained at a low level and risks in Corporate Center – Non-core and Legacy Portfolio continued to be managed down, including the execution of a series of risk transfers to substantially exit the Non-core correlation trading portfolio market risk.

Balance sheet

As of 30 June 2014, UBS's balance sheet assets stood at CHF 983 billion, broadly unchanged from 31 March 2014, as continued reductions in positive replacement values, in both Corporate Center – Non-core and Legacy Portfolio and the Investment Bank, and lower cash balances in Corporate Center – Core Functions were offset by increases in trading portfolio assets in the Investment Bank, an increase in due from banks in Corporate Center – Core Functions and increased lending in the wealth management businesses. Funded assets, which represent total assets excluding positive replacement values and collateral delivered against over-the-counter derivatives, increased by CHF 7 billion to CHF 749 billion. Excluding currency effects, funded assets increased by approximately CHF 4 billion.

Liquidity and funding management

UBS's liquidity position remained strong during the second quarter. UBS further strengthened its funding profile through the issuance of USD 2.5 billion of low-trigger, loss-absorbing, Basel III-compliant subordinated notes and a EUR 1.0 billion 7-year covered bond.

Capital management

UBS's fully applied common equity tier 1 (CET1) capital ratio⁴ improved 0.3 percentage points to 13.5% as of 30 June 2014. Fully applied CET1 capital increased by CHF 0.7 billion to CHF 30.6 billion, mainly due to the second quarter net profit. On a phase-in basis, UBS's CET1 capital ratio also increased 0.3 percentage points to 18.2%, mainly due to a CHF 0.7 billion increase in phase-in CET1 capital to CHF 41.9 billion. Risk-weighted assets decreased slightly by CHF 0.1 billion to CHF 226.7 billion on a fully applied basis and were stable at CHF 229.9 billion on a phase-in basis.

⁴ Unless otherwise indicated, all information in this paragraph is based on the Based on the Basel III framework, as applicable to Swiss systemically relevant banks.

UBS's Swiss SRB leverage ratio improved 0.4 percentage points to 4.2% on a fully applied basis and 0.3 percentage points to 5.3% on a phase-in basis. These improvements were both almost entirely due to the issuance of USD 2.5 billion of low-trigger, loss-absorbing, Basel III-compliant subordinated notes.

UBS Group – 6M₁₄ vs 6M₁₃: Net profit attributable to UBS shareholders was CHF 1,846 million in the first half of 2014 compared with CHF 1,678 million in the same period a year earlier. Operating profit before tax was CHF 2,611 million compared with CHF 2,467 million.

For the first half of 2014, adjusting items were an own credit gain of CHF 160 million, gains on sales of real estate of CHF 24 million, a gain of CHF 43 million from the aforementioned partial sale of a financial investment available-for-sale and net restructuring charges of CHF 293 million. For the first half of 2013, adjusting items were an own credit loss of CHF 43 million, gains on sales of real estate of CHF 19 million, a net loss related to the buyback of debt in a public tender offer of CHF 92 million, a gain on the sale of Global Asset Management's Canadian domestic business of CHF 34 million, a net gain on the sale of the remaining proprietary trading business of CHF 31 million and net restructuring charges of CHF 386 million. On an adjusted basis, profit before tax decreased by CHF 227 million to CHF 2,677 million, largely due to a decline of CHF 1,037 million in operating income, partly offset by a decline of CHF 810 million in operating expenses.

Adjusted operating income was CHF 14,178 million compared with CHF 15,215 million, mainly reflecting a decrease of CHF 1,329 million in adjusted net interest and trading income, largely in Corporate Center – Non-core and Legacy Portfolio, the Investment Bank and, to a lesser extent, Wealth Management, partly offset by an increase in Corporate Center – Core Functions. Net interest and trading income in Wealth Management declined by CHF 128 million, mainly due to lower foreign exchange and precious metals trading revenues as well as reduced net interest income. Investment Bank net interest and trading revenues declined by CHF 702 million. Investor Client Services net interest and trading income decreased by CHF 509 million to CHF 1,877 million, mainly as equities derivatives revenues declined, across all regions, primarily as a result of a reduction in client activity levels, lower volatility levels and trading revenues. Foreign exchange, rates and credit revenues also decreased, with lower revenues across most products as client activity levels decreased significantly, reflecting the ongoing macroeconomic uncertainty. Corporate Client Solutions net interest and trading income declined by CHF 193 million, largely due to lower equity capital markets revenues as well as lower revenues in financing solutions, partly offset by higher debt capital markets and risk management revenues. The first half of 2013 included revenues from a large private transaction in equity capital markets. Non-core and Legacy Portfolio net interest and trading income decreased by CHF 719 million, primarily as Legacy Portfolio revenues in the first half of 2013 included a gain of CHF 359 million from the revaluation of the option to acquire the SNB StabFund's equity. Furthermore, Non-core revenues declined by CHF 314 million. Credit revenues were negative CHF 45 million compared with positive CHF 42 million, mainly as the first half of 2014 included a loss of CHF 97 million in structured credit resulting from the exit of the majority of the correlation trading portfolio. Revenues in rates were negative CHF 57 million in the first half of 2014, mainly due to novation and unwind activity, compared with positive CHF 73 million in the same period in the prior year. Both rates and credit revenues in the first half of 2013 benefited from favorable market conditions at the beginning of the year ahead of any material unwind activity. In addition, debit valuation adjustments were negative CHF 63 million compared with positive CHF 16 million. These decreases were partly offset by CHF 237 million higher adjusted net interest and trading revenues in Corporate Center – Core Functions, mainly due to a gain of CHF 62 million related to the macro cash flow hedges compared with a loss of CHF 90 million in the first half of 2013 and gains of CHF 54 million from cross-currency basis swaps which are held as economic hedges compared with a loss of CHF 85 million in the first half of 2013. Adjusted other income increased by CHF 211 million and net fee and commission income increased by CHF 48 million.

Adjusted operating expenses decreased by CHF 810 million to CHF 11,501 million, due to a CHF 589 million decline in charges for provisions for litigation, regulatory and similar matters and CHF 225 million lower personnel expenses, largely due to lower salary costs.

Legal and regulatory risk environment

Recent resolution of enforcement matters involving other financial institutions starkly illustrates the continued increase in the financial and other penalties, reputational risk and other consequences of regulatory matters in major jurisdictions, particularly the US, and the resulting difficulty in predicting in this environment the financial and other terms of resolutions of pending government investigations and similar proceedings. In recent months, Credit Suisse AG ("CS") and BNP Paribas ("BNPP") each pleaded guilty to criminal charges in the United States and simultaneously entered into settlement with other US agencies, including the Board of Governors of the Federal Reserve System and the New York Department of Financial Services ("DFS"). These resolutions involved the payment of substantial penalties (USD 1.8 billion in the case of CS and USD 8.8 billion in the case of BNPP), agreements with respect to future operation of their business and actions with respect to relevant personnel. In the case of BNPP, the DFS suspended for a one-year period BNPP's ability to conduct through its New York branch business activity related to the business line that gave rise to the illegal conduct, namely US dollar clearing for specified BNPP business units. In addition, the US Department of Justice ("DOJ") recently announced a USD 7 billion settlement with Citigroup, including a USD 4 billion civil penalty, to resolve federal and state claims relating to Citigroup's conduct in packaging, marketing, issuing and selling residential mortgage-backed securities. Under the settlement, Citigroup is also required to provide relief to consumers who were harmed by its conduct.

UBS is subject to a large number of claims, disputes, legal proceedings and government investigations and expects that its operations will continue to give rise to such proceedings in the future. The extent of UBS's financial and other exposure to these and other matters could be material and could substantially exceed the level of provisions that UBS has established for litigation, regulatory and similar matters.

Creation of a group holding company

UBS announced in May 2014 that it intends to create a group holding company, UBS Group AG, through a share for share exchange offer subject to regulatory approvals. UBS expects that UBS Group AG, currently a wholly owned subsidiary of UBS, will commence in the third quarter of 2014 an offer to exchange its shares on a one-for-one basis for all of the outstanding ordinary shares of UBS AG. The exchange offer will be made through an offer under Swiss law open to all holders of UBS shares, wherever located, and a separate exchange offer open to holders of UBS shares located in the US. The offers will be conducted on substantially identical terms and will have the same conditions. Upon completion of the offer, UBS Group AG will become the holding company for UBS and its subsidiaries and will be listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

The offer is expected to take up to three months, and its successful completion is subject to a number of conditions, including regulatory approvals and a condition that at least 90% of outstanding shares have been tendered. Following completion of the offer, UBS expects that UBS Group AG will squeeze out any untendered UBS AG shares through either a proceeding under the Swiss Act on Stock Exchanges and Securities Trading or through a squeeze-out merger under Swiss law, depending on the level of ownership achieved in the exchange offer. Completion of the squeeze-out phase of the transaction could take several additional months.

Establishment of a group holding company is intended, along with other measures UBS has announced, to substantially improve the resolvability of UBS in response to Swiss and other key jurisdictions' "too-big-to-fail" ("TBTF") requirements. UBS anticipates that the establishment of a group holding company, coupled with the other measures it has announced, will allow UBS to qualify for a reduction in the progressive buffer capital requirements applicable to UBS as a systemically relevant bank. This would result in lower overall capital requirements for UBS.

Following completion of the exchange offer and the squeeze-out, UBS expects to propose a supplementary capital return of at least CHF 0.25 per share to shareholders of UBS Group AG.

Purchase of UBS AG shares by UBS Group AG pursuant to the exchange offer is expected to cause a triggering event which results in accruals for future distributions to preferred noteholders. Assuming the acceptance date for the exchange offer is in the fourth quarter of 2014, UBS expects to attribute further net profit to preferred noteholders of up to approximately CHF 80 million in that period.

A new business operating model for UBS Limited

In May 2014, in response to regulatory developments and consultations with the UK and Swiss regulators, UBS Limited, UBS's UK bank subsidiary, implemented a modified business operating model under which UBS Limited bears and retains a greater degree of risk and reward in its business activities. This principally involves: (i) UBS Limited retaining and managing credit risk as well as some market and other risks, (ii) UBS Limited taking a more independent role in managing its funding and liquidity requirements and (iii) an increase in UBS Limited's total regulatory capital to GBP 4.9 billion from GBP 3.4 billion.

New banking subsidiary in Switzerland

UBS continues to progress its plans to establish a new banking subsidiary of UBS AG in Switzerland and expects to file a formal application for a banking license in the third quarter of 2014. The subsidiary, which will be named UBS Switzerland AG, will include UBS's Retail & Corporate business division and the Swiss-booked business within the Wealth Management business division. UBS continues to expect to implement this change in a phased approach starting in mid-2015. This structural change remains subject to a number of uncertainties that may affect its feasibility, scope and timing."

In the sub-section "Organisational Structure of the Issuer" the second and third paragraphs are replaced by the following text:

"UBS has announced that it intends to establish a group holding company through a share for share exchange offer, which is expected to commence in the third quarter of 2014, subject to regulatory approvals. UBS has also announced that it intends to establish a banking subsidiary in Switzerland in a phased approach starting in mid-2015. The subsidiary, which will be named UBS Switzerland AG, will include UBS's Retail & Corporate business division and the Swiss-booked business within the Wealth Management business division. UBS expects to file a formal application for a banking license in the third quarter of 2014.

In the UK, and in consultation with the UK and Swiss regulators, in May 2014 UBS Limited, UBS's UK bank subsidiary, implemented a modified business operating model under which UBS Limited bears and retains a greater degree of risk and reward in its business activities. UBS expects to commence the implementation of a revised business and operating model for UBS Limited in the second quarter of 2014. This principally involves: (i) UBS Limited retaining and managing credit risk as well as some market and other risks, (ii) UBS Limited taking a more independent role in managing its funding and liquidity requirements and (iii) an increase in UBS Limited's total regulatory capital to GBP 4.9 billion from GBP 3.4 billion."

In the sub-section "Trend Information" the information is completely replaced by the following text:

"As stated in the outlook statement presented in UBS AG's second quarter 2014 report, including unaudited consolidated financial statements of UBS Group and issued on 29 July 2014, at the start of the third quarter of 2014, many of the underlying challenges and geopolitical issues that

UBS has previously highlighted remain. The mixed outlook for global growth, the absence of sustained and credible improvements to unresolved issues in Europe, continuing US fiscal and monetary policy issues, increasing geopolitical instability and the seasonal decline in activity levels traditionally associated with the summer holiday season would make improvements in prevailing market conditions unlikely. Despite these ongoing challenges, UBS will continue to execute on its strategy in order to ensure the firm's long-term success and to deliver sustainable returns for shareholders."

In the sub-section "Administrative, Management and Supervisory Bodies of UBS AG", the following changes are made:

In the section headed "4.1 Board of Directors" the following sentence is inserted after the third sentence:

"Shareholders also elect the Chairman and the members of the Human Resources and Compensation Committee."

In the table headed "Members of the Board of Directors" the following sections have been replaced:

David Sidwell UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Senior Independent Director	2015	Director and Chairperson of the Risk Policy and Capital Committee of Fannie Mae, Washington D.C.; Senior Advisor at Oliver Wyman, New York; Board member of Ace Limited; Chairman of the board of Village Care, New York; Director of the National Council on Aging, Washington D.C.
Reto Francioni Deutsche Börse AG, D-60485 Frankfurt am Main	Member	2015	CEO of Deutsche Börse AG and holding various mandates on the boards of Deutsche Börse Group subsidiaries; professor at the University of Basel. Member of the Shanghai International Financial Advisory Committee, of the Advisory Board of Moscow International Financial Center, of the International Advisory Board of Instituto de Empresa, of the Board of Trustees of the Goethe Business School, of the Steering Committee of the Project "Role of Financial Services in Society", World Economic Forum, of the Franco-German Roundtable, and of the Strategic Advisory Group of VHV Insurance. Chairman of the Supervisory Board of Eurex Zürich AG and Eurex Frankfurt AG, as well as member of the Supervisory Board of Clearstream Holding AG.
Isabelle Romy Froriep, Bellerivestrasse 201, CH-8034 Zurich	Member	2015	Partner at Froriep, 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	2015	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, and Robert Bosch GmbH, Stuttgart. Member of the Corporate Governance Commission of the German Government; Vice-Chair Global Agenda Council on Sovereign Debt of the World Economic Forum.

In the subparagraph headed "Organizational principles and structure": the wording "(other than the members of the Human Resources and Compensation Committee)" is inserted after "..., the BoD committees members". Consequently the first paragraph reads as follows:

"Following each AGM, the BoD meets to appoint its Vice Chairmen, Senior Independent Director, the BoD committee members (other than the members of the Human Resources and Compensation Committee) and their respective Chairpersons. At the same meeting, the BoD appoints a Company Secretary, who acts as secretary to the BoD and its committees."

In the sub-section "Major Shareholders", the fourth and fifth subparagraphs are replaced as follows:

"As of 30 June 2014, 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 (11.39%); GIC Private Limited, Singapore (6.39%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (6.39%); and Nortrust Nominees Ltd., London (3.65%)."

UBS holds UBS AG shares primarily to hedge employee share and option participation plans. In addition, the Investment Bank holds a limited number of UBS AG shares in its capacity as a liquidity provider to the equity index futures market and as a market-maker in UBS AG shares and derivatives on UBS AG shares. Furthermore, to meet client demand, UBS has issued structured debt instruments linked to UBS AG shares, which are economically hedged by cash-settled derivatives and, to a limited extent, own shares held by the Investment Bank. As of 30 June 2014, UBS held 91,236,602 UBS AG shares, corresponding to less than 3% of the total share capital of UBS AG. As 31 December 2013, UBS had disposal positions relating to 284,975,843 voting rights of UBS AG, corresponding to 7.4% of the total voting rights of UBS AG. 7.0% of this consisted of voting rights on shares deliverable in respect of employee awards."

In the sub-section "Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses" the following changes are made:

The references relating to the "First Quarterly Report" in the first and fourth paragraphs shall be replaced by references to "UBS AG's second quarter 2014 report".

The last sentence under the sub-heading "Auditing of Historical Annual Financial Information" is deleted and consequently the section shall read as follows:

"The consolidated financial statements of UBS Group and the financial statements of UBS AG (Parent Bank) for financial years 2012 and 2013 were audited by Ernst & Young. The reports of the auditors on the consolidated financial statements can be found on pages 321-322 (inclusive) of the Annual Report 2012 and on pages 348-349 (inclusive) of the Annual Report 2013 (Financial information section, English version). The reports of the auditors on the financial statements of UBS AG (Parent Bank) can be found on pages 483-484 (inclusive) of the Annual Report 2012 and on pages 532-533 (inclusive) of the Annual Report 2013 (Financial information section, English version)."

The information under the sub-heading "Interim Financial Information" is completely replaced by the following:

"Reference is also made to UBS AG's first and second quarter 2014 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 2014 and as of and for the quarter ended on 30 June 2014, respectively. The interim financial statements are not audited."

The information in the sub-section "Legal and Arbitration Proceedings" shall be completely replaced by the following information:

"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. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to select matters could be significant.

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

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

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

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in Note 14a to the unaudited consolidated financial statements included in UBS AG's second quarter 2014 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. Although UBS therefore cannot provide a numerical estimate of the future losses

that could arise from the class of litigation, regulatory and similar matters, it can confirm that it believes that the aggregate amount of possible future losses from this class that are more than remote substantially exceeds the level of current provisions.

The risk of loss associated with litigation, regulatory and similar matters is a component of operational risk for purposes of determining UBS's capital requirements. Information concerning UBS's capital requirements and the calculation of operational risk for this purpose is included in the "Capital management" section of UBS AG's second quarter 2014 report.

Provisions for litigation, regulatory and similar matters by segment ^{1, 2}

<i>CHF million</i>	WM	WMA	R&C	GI AM	IB	CC-CF	CC-NcLP	UBS
Balance as of 31 December 2013	165	56	82	3	22	488	808	1,622
Balance as of 31 March 2014	239	92	90	3	19	483	853	1,778
Increase in provisions recognized in the income statement	295	54	48	33	11	0	0	441
Release of provisions recognized in the income statement	(4)	(10)	0	0	0	(167)	(27)	(207)
Provisions used in conformity with designated purpose	(20)	(5)	0	0	(5)	0	(7)	(38)
Reclassifications	0	0	0	0	0	0	0	0
Foreign currency translation / unwind of discount	0	0	0	0	0	3	3	6
Balance as of 30 June 2014	510	131	137	36	25	319	823	1,980

1 WM = Wealth Management; WMA = Wealth Management Americas; R&C = Retail & Corporate; GI AM = Global Asset Management; IB = Investment Bank; CC-CF = Corporate Center – Core Functions; CC-NcLP = Corporate Center - Non-core and Legacy Portfolio. 2 Provisions, if any, for the matters described in (a) item 4 of this section are recorded in Wealth Management, (b) item 7 of this section are recorded in Wealth Management Americas, (c) item 11 and 12 of this section are recorded in the Investment Bank, (d) items 3 and 10 of this section are recorded in Corporate Center – Core Functions and (e) items 2 and 6 of this section are recorded in Corporate Center – Non-core and Legacy Portfolio. Provisions, if any, for the matters described in items 1 and 9 of this section are allocated between Wealth Management and Retail & Corporate, provisions for the matter described in item 5 of this section are allocated between the Investment Bank and Corporate Center – Non-core and Legacy Portfolio, and provisions for the matter described in item 8 of this section are allocated between the Investment Bank and Corporate Center – Core Functions.

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 investigations in France, in May and June 2013, respectively, UBS (France) S.A. and UBS AG were put under formal examination ("mise en examen") for complicity in having illicitly solicited clients on French territory, and were declared witness with legal assistance ("témoin assisté") regarding the laundering of proceeds of tax fraud and of banking and financial solicitation by unauthorized persons. In July 2014, UBS AG was placed under formal examination with respect to the potential charges of laundering of proceeds of tax fraud, for which it had been previously declared witness with legal assistance, and the court ordered UBS to provide bail ("caution") of Euro 1.1 billion. UBS has appealed the determination of the bail amount. Separately, 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 in that amount is reflected on UBS's balance sheet at 30 June 2014.

In Germany, two different authorities have been conducting investigations against UBS Deutschland AG and UBS AG, respectively, and against certain employees of these entities concerning certain matters relating to the past cross-border business. UBS is cooperating with these authorities within the limits of financial privacy obligations under Swiss and other applicable laws. UBS reached a settlement in July 2014 with the authorities in Bochum, concluding those proceedings. The settlement includes a payment of approximately EUR 302 million, and a provision in that amount is reflected on UBS's balance sheet at 30 June 2014. The proceedings by the authorities in Mannheim have not revealed sufficient evidence supporting the allegations being investigated.

In June 2014 the Belgian authorities searched the offices of UBS (Luxembourg) S.A. Belgium Branch.

UBS's balance sheet at 30 June 2014 reflected provisions with respect to matters described in this item 1 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

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

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

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

UBS was not a significant originator of US residential loans. A 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 is named as a defendant relating to its role as underwriter and issuer of RMBS in a large number of lawsuits related to approximately USD 13 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 13 billion in original face amount of RMBS that remains at issue in these cases, approximately USD 3 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 10 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 class action in which UBS was named as a defendant was settled by a third-party issuer and received final approval by the district court in 2013. The settlement reduced the original face amount of third-party RMBS at issue in the cases pending against UBS by approximately USD 24 billion. The third-

party issuer will fund the settlement at no cost to UBS. In January 2014, certain objectors to the settlement filed a notice of appeal from the district court's approval of the settlement.

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 of mortgage loans and RMBS 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 "Loan repurchase demands by year received – original principal balance of loans" summarizes repurchase demands received by UBS and UBS's repurchase activity from 2006 through 22 July 2014. 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 loans¹

<i>USD million</i>	2006-2008	2009	2010	2011	2012	2013	2014, through 22 July	Total
Resolved demands								
Actual or agreed loan repurchases / make whole payments by UBS	12	1						13
Demands rescinded by counterparty	110	104	19	303	237			773
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	107	99	72	403
Demands in dispute								
Demands in litigation			346	732	1,041			2,118
Demands in review by UBS				2	0	0		3
Demands rebutted by UBS but not yet rescinded by counterparty		1	2	1	18	519	259	801
Total	122	205	368	1,084	1,404	618	332	4,132

¹ Loans submitted by multiple counterparties are counted only once.

Payments that UBS has made 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 to date have related to so-called "Option ARM" loans; severity rates may vary for other types of loans with different characteristics. Losses upon repurchase would typically 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.

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

repurchase demands made against UBS for which UBS would be entitled to indemnity, and has asserted that such demands should be resolved directly by the originator and the party making the demand.

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

Lawsuits related to contractual representations and warranties concerning mortgages and RMBS: In 2012, certain RMBS trusts filed an action in the Southern District of New York ("**Trustee Suit**") seeking to enforce UBS RESI's obligation to repurchase loans in the collateral pools for three RMBS securitizations ("**Transactions**") with an original principal balance of approximately USD 2 billion for which Assured Guaranty Municipal Corp. ("**Assured Guaranty**"), a financial guaranty insurance company, had previously demanded repurchase. Plaintiffs in the Trustee Suit have recently indicated that they intend to seek damages beyond the loan repurchase demands identified in the complaint, specifically for all loans purportedly in breach of representations and warranties in any of the three Transactions. With respect to the loans subject to the Trustee Suit that were originated by institutions still in existence, UBS intends to enforce its indemnity rights against those institutions. Related litigation brought by Assured Guaranty was resolved in 2013.

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 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 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 subsequently filed an amended complaint, which UBS moved to dismiss. The motion remains pending.

In 2013, Residential Funding Company LLC ("**RFC**") filed a complaint in New York Supreme Court against UBS RESI asserting claims for breach of contract and indemnification in connection with loans purchased from UBS RESI with an original principal balance of at least USD 460 million that were securitized by an RFC affiliate. This is the first case filed against UBS seeking damages allegedly arising from the securitization of whole loans purchased from UBS. Damages are unspecified.

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 "Provision for claims related to sales of residential mortgage-backed securities and mortgages", UBS's balance sheet at 30 June 2014 reflected a provision of USD 817 million with respect to matters described in this item 2. 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.

UBS has received requests from both the Special Inspector General for the Troubled Asset Relief Program ("**SIGTARP**") (who is working in conjunction with the US Attorney's Office for Connecticut and the US Department of Justice, Criminal Division, Fraud Section), the SEC and other governmental authorities for information relating to its practices in connection with purchases and sales of mortgage-backed securities. UBS is cooperating with the authorities in these matters, which are in an early stage. Numerous other banks reportedly have received similar requests.

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

<i>USD million</i>	
Balance as of 31 December 2013	807
Balance as of 31 March 2014	819
Increase in provision recognized in the income statement	0
Release of provision recognized in the income statement	0
Provision used in conformity with designated purpose	(2)
Balance as of 30 June 2014	817

3. 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 crossborder 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. In May 2014, the Second Circuit upheld the dismissal of the complaint. 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. In 2013, the district court granted UBS's motion to dismiss the complaint in its entirety. Plaintiffs have filed an appeal.

4. 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 filed claims in 2010 against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2 billion. Following a motion by UBS, in 2011, the 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 2013, the Second Circuit Court of Appeals affirmed the District Court's decision and, in June 2014, the US Supreme Court denied the BMIS Trustee's petition seeking review of the Court of Appeals ruling. 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.

5. 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 imposed against UBS Limited, which are not effective until appeals are exhausted, were 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 Limited and the individuals appealed that judgment, and in March 2014, the Milan Court of Appeal overturned all findings of liability against UBS Limited and convictions of the UBS individuals and acquitted them. It issued a full judgment setting out the reasons for its rulings in June 2014. The appellate prosecutor did not pursue a further appeal and the acquittals are now final.

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. In 2013, a settlement of all civil and administrative disputes was reached with the City of Florence. In May 2014, UBS closed a civil settlement with Calabria.

6. Kommunale Wasserwerke Leipzig GmbH ("KWL")

In 2006, KWL entered into a single-tranche collateralized debt obligation/credit default swap ("STCDO/CDS") transaction with UBS, with latter legs being intermediated in 2006 and 2007 by Landesbank Baden-Württemberg ("LBBW") and Depfa Bank plc ("Depfa"). KWL retained UBS Global Asset Management to act as portfolio manager under the STCDO/CDS. UBS and the intermediating banks terminated the STCDO/CDS following non-payment by KWL under the STCDOs. UBS claims payment of approximately USD 319.8 million, plus interest, from KWL, Depfa and LBBW, which remains unpaid.

In 2010, UBS (UBS AG, UBS Limited and UBS Global AM) issued proceedings in London against KWL, Depfa and LBBW seeking declarations and/or to enforce the terms of the STCDO/CDS contracts. Each of KWL, Depfa and LBBW filed counterclaims which UBS has been defending. KWL amended its pleading in June 2014 and LBBW and Depfa also amended their pleadings to allege fraudulent misrepresentation. UBS has denied these claims. Trial began in April 2014 and is scheduled to finish at the end of July 2014.

In separate proceedings brought by KWL against LBBW in Leipzig, Germany, the court ruled in LBBW's favor in June 2013 and upheld the validity of the STCDO as between LBBW and KWL. KWL has appealed against that ruling and, in May 2014, the appeal court ruled that further evidence be taken on two issues, which is likely to take several months.

UBS's balance sheet at 30 June 2014 reflected provisions with respect to matters described in this item 6 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

In 2011, the former managing director of KWL and two financial advisers were convicted in Leipzig, Germany, on criminal charges related to certain KWL transactions, including swap transactions with UBS and other banks. Following further criminal proceedings brought against them in Dresden, Germany, relating to the same transactions, they were each convicted of embezzlement in 2013 and given longer sentences. All three have lodged appeals.

Since 2011, the SEC has been conducting an investigation focused on, among other things, the suitability of the KWL transaction, and information provided by UBS to KWL. UBS has provided documents and testimony to the SEC and is continuing to cooperate with the SEC.

7. Puerto Rico

Declines in the market prices of Puerto Rico municipal bonds and of UBS Puerto Rico sole-managed and co-managed closed-end funds (the funds) since August 2013 have led to multiple regulatory inquiries, as well as customer complaints and arbitrations with aggregate claimed damages exceeding USD 600 million filed by clients in Puerto Rico who own those securities. A shareholder derivative action also was filed in February 2014 against various UBS entities and current and certain former directors of the funds, alleging hundreds of millions in losses in the funds. In May 2014, a federal class action complaint was filed against various UBS entities, certain members of UBS Puerto Rico senior management, and the co-manager of certain of the funds seeking damages for investor losses in the funds during the period from May 2008 through May 2014.

An internal review also disclosed that certain clients, many of whom acted at the recommendation of one financial advisor, invested proceeds of non-purpose loans in closed-end fund securities in contravention of their loan agreements.

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 USD 3 billion 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 2013, the case was dismissed by the Puerto Rico Court of First Instance on the grounds that plaintiffs did not have standing to bring the claim. That dismissal was subsequently overturned by the Puerto Rico Court of Appeals. UBS's petitions for appeal and reconsideration have been denied by the Supreme Court of Puerto Rico. Also, in 2013, an SEC Administrative Law Judge dismissed a case brought by the SEC against two UBS executives, finding no violations. The charges had stemmed from the SEC's investigation of UBS's sale of closed-end funds in 2008 and 2009, which UBS settled in 2012.

UBS's balance sheet at 30 June 2014 reflected provisions with respect to matters described in this item 7 in amounts that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provisions that UBS has recognized.

8. Foreign exchange, LIBOR, and benchmark rates

Foreign exchange-related regulatory matters: Following an initial media report in 2013 of widespread irregularities in the foreign exchange markets, UBS immediately commenced an internal review of its foreign exchange business, which includes UBS's precious metal and related structured products businesses. Since then, various authorities reportedly have commenced investigations concerning possible manipulation of foreign exchange markets, including FINMA, the Swiss Competition Commission ("WEKO"), the US Department of Justice ("DOJ"), the US Commodity Futures Trading Commission ("CFTC"), 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") and the Hong Kong Monetary Authority ("HKMA"). WEKO stated in March 2014 that it had reason to believe that certain banks may have colluded to manipulate foreign exchange rates. A number of authorities also reportedly are investigating potential manipulation of precious metal prices. UBS and other financial institutions have received requests from various authorities relating to their foreign exchange businesses, and UBS is cooperating with the authorities. UBS has taken and will take appropriate action with respect to certain personnel as a result of its ongoing review.

Foreign exchange-related civil litigation: Several putative class actions have been filed since November 2013 in US federal courts against UBS and other banks. These actions are on behalf of putative classes of persons who engaged in foreign currency transactions. They allege collusion by the defendants and assert claims under the antitrust laws and for unjust enrichment. The defendants (including UBS) have filed motions to dismiss.

LIBOR and other benchmark-related regulatory matters: Numerous government agencies, including the SEC, the CFTC, the DOJ, the FCA, the SFO, the Monetary Authority of Singapore ("MAS"), the HKMA, FINMA, the various state attorneys general in the US, and competition authorities in various jurisdictions have conducted or are continuing to conduct investigations regarding submissions with respect to 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 2012, UBS reached settlements with the FSA, the CFTC and the Criminal Division of the DOJ in connection with their investigations of benchmark interest rates. At the same time FINMA issued an order concluding its formal proceedings with respect to UBS relating to benchmark interest rates. UBS has paid a total of approximately CHF 1.4 billion in fines and disgorgement – including GBP 160 million in fines to the FSA, USD 700 million in fines to the CFTC, USD 500 million in fines to the DOJ, and CHF 59 million in disgorgement to FINMA. UBS Securities Japan Co. Ltd. (“**UBSSJ**”) entered into a plea agreement with the DOJ under which it entered a plea to one count of wire fraud relating to the manipulation of certain benchmark interest rates, including Yen LIBOR. UBS entered into a non-prosecution agreement (“**NPA**”) with the DOJ, which (along with the plea agreement) covered conduct beyond the scope of the conditional leniency / immunity grants described below, required UBS to pay the USD 500 million fine to DOJ after the sentencing of UBSSJ, and provided that any criminal penalties imposed on UBSSJ at sentencing 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. In addition, under the NPA, UBS has agreed, among other things, that for two years from 18 December 2012 UBS will not commit any US crime, and it will advise DOJ of any potentially criminal conduct by UBS or any of its employees relating to violations of US laws concerning fraud or securities and commodities markets. Any failure to comply with these obligations could result in termination of the NPA and potential criminal prosecution in relation to the matters covered by the NPA. The MAS, HKMA, the Australian Securities and Investments Commission (“**ASIC**”) and the Japan Financial Services Agency have all resolved investigations of UBS (and in some cases other banks). The orders or undertakings in connection with these investigations generally require UBS to take remedial actions to improve its processes and controls, impose monetary penalties or other measures. Investigations by the CFTC, ASIC and other governmental authorities remain ongoing notwithstanding these resolutions.

UBS has been granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ, the Swiss Competition Commission (“**WEKO**”) and the European Commission, 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 (“**Bureau**”) had granted UBS conditional immunity in connection with potential competition law violations related to submissions for Yen LIBOR, but in January 2014, the Bureau discontinued its investigation into Yen LIBOR for lack of sufficient evidence to justify prosecution under applicable laws. As a result of these conditional grants, UBS will not be subject to prosecutions, fines or other sanctions for antitrust or competition law violations in the jurisdictions where it has conditional immunity or leniency in connection with the matters covered by the conditional grants, subject to its continuing cooperation. However, the conditional leniency and conditional immunity grants UBS has received do not bar government agencies from asserting other claims and imposing sanctions against UBS, as evidenced by the settlements and ongoing investigations referred to above. In addition, as a result of the conditional leniency agreement with the DOJ, UBS is eligible for a limit on liability to actual rather than treble damages were damages to be awarded in any civil antitrust action under US law based on conduct covered by the agreement and for relief from potential joint and several

liability in connection with such civil antitrust action, subject to UBS satisfying the DOJ and the court presiding over the civil litigation of its cooperation. The conditional leniency and conditional immunity grants do not otherwise affect the ability of private parties to assert civil claims against UBS.

LIBOR and other benchmark-related civil litigation: A number of putative class actions and other actions are pending in, or expected to be transferred to, the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives 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, the federal racketeering statute, federal and state antitrust and securities laws and other state laws. In 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 ("CEA") and state common law. The court has granted certain plaintiffs permission to assert claims for unjust enrichment and breach of contract against UBS and other defendants and limited the CEA claims to contracts purchased between April 15, 2009 and May 2010. Certain plaintiffs have also appealed the dismissal of their antitrust claims, but the appellate court denied these appeals as premature, without prejudice to bringing the appeals again after final disposition of the LIBOR actions. UBS and other defendants in other lawsuits including the one related to Euroyen TIBOR have filed motions to dismiss. In March 2014, the court in the Euroyen TIBOR lawsuit dismissed the plaintiff's federal antitrust and state unfair enrichment claims, and dismissed a portion of the plaintiff's CEA claims.

With respect to additional matters and jurisdictions not encompassed by the settlements and order referred to above, UBS's balance sheet at 30 June 2014 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

9. 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.

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 2014 reflected a provision with respect to matters described in this item 9 in an amount that UBS believes to be appropriate under the applicable accounting standard. The ultimate exposure will depend on client requests and the resolution thereof, factors that are difficult to predict and assess. Hence as in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

10. 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, which is net of liabilities retained by BTG. The claims pertain principally to several tax assessments issued by the Brazilian tax authorities against Pactual relating to the period from December 2006 through March 2009, when UBS owned Pactual. These assessments are being 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. In 2013, approximately BRL 128 million in tax claims relating to the period for which UBS has indemnification obligations were submitted for settlement through amnesty programs announced by the Brazilian government in 2013.

UBS's balance sheet at 30 June 2014 reflected a provision with respect to matters described in this item 10 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.

11. Matters relating to the CDS market

In 2013 the 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**"). 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. UBS submitted its response to the Statement of Objections in January 2014 and presented UBS's position in an oral hearing in May 2014. 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 January and April 2014, putative class action plaintiffs filed consolidated amended complaints in the Southern District of New York against twelve dealers, including UBS, as well as Markit and ISDA, alleging violations of the US Sherman Antitrust Act and common law. Plaintiffs allege that the defendants unlawfully conspired to restrain competition in and / or monopolize the market for CDS trading in the US in order to protect the dealers' profits from trading CDS in the over-the-counter market. Plaintiffs assert claims on behalf of all purchasers and sellers of CDS that transacted directly with any of the dealer defendants since 1 January 2008, and seek unspecified trebled compensatory damages and other relief.

12. Equities trading systems and practices

UBS is responding to inquiries concerning the operation of UBS's alternative trading system (ATS) (also referred to as a dark pool) and its securities order routing and execution practices from various authorities, including the SEC, the New York Attorney General and FINRA, who

reportedly are pursuing similar investigations industry-wide. These inquiries include an SEC investigation that began in early 2012 concerning features of UBS's ATS, including certain order types and disclosure practices that were discontinued two years ago. UBS is cooperating in these matters. In addition, UBS is among dozens of defendants, including broker dealers, trading exchanges, high frequency trading firms, and dark pool sponsors, named in putative class actions pending in New York federal court, which have been filed on behalf of purchasers and sellers of equity securities. The lawsuits allege principally that the defendants' equities order handling practices favored high frequency trading firms at the expense of other market participants, in violation of the federal securities laws. The litigation is in the very early stages.

13. 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 was named as a defendant in a putative class action asserting violations of disclosure provisions of the federal securities laws. In August 2013, UBSFS agreed to a proposed USD 120 million settlement of the case, which was approved by the Court in December 2013. Previously, certain of the other underwriter defendants and the former officers and directors of Lehman reached separate settlements regarding the same case. UBSFS also has been named in numerous individual civil suits and customer arbitrations, a small number of which were pending as of 30 June 2014. 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.

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.

In the sub-section "Significant Changes in the Financial or Trading Position; Material Adverse Change in Prospects", the first sentence is replaced as follows:

"There has been no significant change in the financial or trading position of UBS Group or of UBS AG since 30 June 2014."

- 2) In relation to the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 23 June 2014 in the section "I. Summary of the Base Prospectus" in the sub-section headed "A. Summary of the Base Prospectus (in the English language)" in the section headed "Section B – Issuer":

The Elements B.4b, B.5 and B.12 are completely replaced as follows:

Element	Section B – Issuer	
B.4b	A description of any known trends affecting the issuer or the industries in which it operates.	<p>Trend Information</p> <p>As stated in the outlook statement presented in UBS AG's second quarter 2014 report, including unaudited consolidated financial statements of UBS Group and issued on 29 July 2014, at the start of the third quarter of 2014, many of the underlying challenges and geopolitical issues that UBS has previously highlighted remain. The mixed outlook for global growth, the absence of sustained and credible improvements to unresolved issues in Europe, continuing US fiscal and monetary policy issues, increasing geopolitical instability and the seasonal decline in activity levels traditionally associated with the summer holiday season would make improvements in prevailing market conditions unlikely. Despite these ongoing challenges, UBS will continue to execute on its strategy in order to ensure the firm's long-term success and to deliver sustainable returns for shareholders.</p>
B.5	Description of the Group and the issuer's position within the group	<p>UBS AG is the parent company of the Group. Neither the business divisions of UBS nor the Corporate Center are separate legal entities. Currently, they primarily operate out of UBS AG, through its branches worldwide. Businesses also operate through local subsidiaries where necessary or desirable.</p> <p>UBS has announced that it intends to establish a group holding company through a share for share exchange offer, which is expected to commence in the third quarter of 2014, subject to regulatory approvals. UBS has also announced that it intends to establish a banking subsidiary in Switzerland in mid-2015. The scope of this future subsidiary's business will include the Retail & Corporate business division and the Swiss-booked business within the Wealth Management business division.</p> <p>In the UK, and in consultation with the UK and Swiss regulators, in May 2014 UBS Limited, UBS's UK bank subsidiary, implemented a modified business operating model under which UBS Limited bears and retains a greater degree of risk and reward in its business activities. This principally involves: UBS Limited retaining and managing credit risk as well as some market and other risks, UBS Limited taking a more independent role in managing its funding and liquidity requirements and an increase in UBS Limited's total regulatory capital.</p> <p>In the US, UBS will comply with new rules for banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act that will require an intermediate holding company to own all of its operations other than US branches of UBS AG by 1 July 2016. As a</p>

		result, UBS will designate an intermediate holding company to hold all US subsidiaries of UBS.
B.12	Selected historical key financial information.	UBS AG derived the following selected consolidated financial data from (i) its annual report 2013 containing the audited consolidated financial statements of UBS Group, as well as additional unaudited consolidated financial data, as of or for the fiscal year ended 31 December 2013 (including comparative figures for the fiscal years ended 31 December 2012 and 2011), (ii) its report for the second quarter 2014, containing unaudited consolidated financial statements, as well as additional unaudited consolidated financial data, as of or for the six months ended 30 June 2014 (from which comparative figures as of or for the six months ended 30 June 2013 have been derived). UBS's consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and stated in Swiss francs (CHF).

CHF million, except where indicated	As of or for the six months ended		As of or for the year ended		
	30.6.14	30.6.13	31.12.13	31.12.12	31.12.11
	unaudited		audited, except where indicated		
Group results					
Operating income	14,405	15,164	27,732	25,423	27,788
Operating expenses	11,794	12,697	24,461	27,216	22,482
Operating profit / (loss) before tax	2,611	2,467	3,272	(1,794)	5,307
Net profit / (loss) attributable to UBS shareholders	1,846	1,678	3,172	(2,480)	4,138
Diluted earnings per share (CHF)	0.48	0.44	0.83	(0.66)	1.08
Key performance indicators					
Profitability					
Return on equity (RoE) (%) ¹	7.6	7.2	6.7*	(5.1)*	9.1*
Return on assets, gross (%) ²	2.9	2.5	2.5*	1.9*	2.1*
Cost / income ratio (%) ³	82.0	83.6	88.0*	106.6*	80.7*
Growth					
Net profit growth (%) ⁴	10.0	7.7	-	-	(44.5)*
Net new money growth for combined wealth management businesses (%) ⁵	2.4	4.6	3.4*	3.2*	2.4*
Resources					
Common equity tier 1 capital ratio (fully applied, %) ^{6,7}	13.5	11.2	12.8*	9.8*	-
Swiss SFRB leverage ratio (phase-in, %) ⁸	5.3	3.9	4.7*	3.6*	-
Additional information					
Profitability					
Return on tangible equity (%) ⁹	8.8	8.5	8.0*	1.6*	11.9*
Return on risk-weighted assets, gross (%) ¹⁰	12.5	11.8	11.4*	12.0*	13.7*
Resources					
Total assets	982,605	1,129,071	1,018,374* ¹¹	1,259,797	1,416,962
Equity attributable to UBS shareholders	49,532	47,073	48,002	45,949	48,530
Common equity tier 1 capital (fully applied) ⁷	30,590	26,817	28,908	25,182*	-
Common equity tier 1 capital (phase-in) ⁷	41,858	39,398	42,179	40,032*	-
Risk-weighted assets (fully applied) ⁷	226,736	239,182	225,153*	258,113*	-
Risk-weighted assets (phase-in) ⁷	229,908	242,626	228,557*	261,800*	-
Common equity tier 1 capital ratio (phase-in, %) ^{6,7}	18.2	16.2	18.5*	15.3*	-
Total capital ratio (fully applied, %) ⁷	18.1	13.5	15.4*	11.4*	-
Total capital ratio (phase-in, %) ⁷	23.9	20.6	22.2*	18.9*	-
Swiss SFRB leverage ratio (fully applied, %) ⁸	4.2	2.9	3.4*	2.4*	-
Swiss SFRB leverage ratio denominator (fully applied) ¹²	980,552	1,131,370	1,020,247*	1,206,214*	-
Swiss SFRB leverage ratio denominator (phase-in) ¹²	986,577	1,140,765	1,027,864*	1,216,561*	-
Other					
Invested assets (CHF billion) ¹³	2,507	2,348	2,390	2,230	2,088
Personnel (full-time equivalents)	60,087	60,754	60,205*	62,628*	64,820*
Market capitalization	62,542	61,737	65,007*	54,729*	42,843*
Total book value per share (CHF)	13.20	12.49	12.74*	12.26*	12.95*
Tangible book value per share (CHF)	11.54	10.73	11.07*	10.54*	10.36*

		<p>* unaudited</p> <p>¹ Net profit / loss attributable to UBS shareholders (annualized as applicable) / average equity attributable to UBS shareholders. ² Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets. ³ Operating expenses / operating income before credit loss (expense) or recovery. ⁴ 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. ⁵ Combined Wealth Management's and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. ⁶ Common equity tier 1 capital / risk-weighted assets. ⁷ Based on the Basel III framework as applicable to Swiss systemically relevant banks (SRB), which became effective in Switzerland on 1 January 2013. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. Numbers for 31 December 2012 are on a pro-forma basis. Information for 31 December 2011 is not available. ⁸ Swiss SRB Basel III common equity tier 1 capital and loss-absorbing capital / total adjusted exposure (leverage ratio denominator). The Swiss SRB leverage ratio came into force on 1 January 2013. Numbers for 31 December 2012 are on a pro-forma basis. Information for 31 December 2011 is not available. ⁹ Net profit / loss attributable to UBS shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to UBS shareholders less average goodwill and intangible assets. ¹⁰ Operating income before credit loss (expense) or recovery (annualized as applicable) / average risk-weighted assets. Based on Basel III risk-weighted assets (phase-in) for 2014 and 2013, on Basel 2.5 risk-weighted assets for 2012 and on Basel II risk-weighted assets for 2011. ¹¹ On 1 January 2014, UBS adopted <i>Offsetting Financial Assets and Financial Liabilities</i> (Amendments to IAS 32, <i>Financial Instruments: Presentation</i>). The prior period balance sheet as of 31 December 2013 was restated to reflect the effects of adopting these amendments to IAS 32. ¹² The leverage ratio denominator is also referred to as "total adjusted exposure" and is calculated in accordance with the Swiss SRB leverage ratio requirements. Data represents the average of the total adjusted exposure at the end of the three months preceding the end of the reporting period. Numbers for 31 December 2012 are on a pro-forma basis. Information for 31 December 2011 is not available. ¹³ Group invested assets includes invested assets for Retail & Corporate.</p>
	Material adverse change statement.	There has been no material adverse change in the prospects of UBS AG or UBS Group since 31 December 2013.
	Significant changes statement.	There has been no significant change in the financial or trading position of UBS Group or of UBS AG since 30 June 2014.

and the second paragraph of Element B.16 is replaced as follows:

B.16	Direct or indirect shareholdings or control agreements of the issuer	As of 30 June 2014, 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 (11.39%); GIC Private Limited, Singapore (6.39%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (6.39%); and Nortrust Nominees Ltd., London (3.65%).
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B.17:

In Element "B.17 – Credit Ratings assigned to the issuer or its debt securities" the term "Fitch Ratings Limited" is replaced by "Fitch France S.A.S."

In Element "B.17 – Credit Ratings assigned to the issuer or its debt securities" the second paragraph is replaced by the following:

"UBS AG has long-term senior debt ratings of A (negative outlook) from Standard & Poor's, A2 (negative outlook) from Moody's and A (stable outlook) from Fitch Ratings."

- 3) In relation to the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 23 June 2014 in the section "I. Summary of the Base Prospectus" in the sub-section headed "B. Summary of the Base Prospectus (in the Swedish language)" in the section headed "Avsnitt B – Emittenten":

The Elements B.4b, B.5 and B.12 are completely replaced as follows:

Punkt	Avsnitt B – Emittent	
B.4b	En beskrivning av varje känd trend som påverkar emittenten eller de branscher där emittenten är verksam.	<p>Information om trender</p> <p>Som beskrivs i uttalandet om framtidsutsikter som presenterades i UBS AG:s rapport för det andra kvartalet 2014, inklusive UBS-Koncernens konsoliderade finansiella räkenskaper och utfärdad den 29 juli 2014; vid starten av det tredje kvartalet 2014, kvarstår många av de underliggande utmaningar och geopolitiska frågor som UBS tidigare har lyft fram. De blandade utsikterna för global tillväxt, fortsatta frånvaron av ihållande och trovärdiga förbättringar av olösta frågor i Europa, fortsatta frågor om USA:s skatte- och monetära aspekter, ökande geopolitisk instabilitet och den säsongsmässiga nedgången i aktivitetsnivåer som traditionellt förknippas med sommarsemesterperioden, gör det osannolikt att förbättrade marknadsförhållanden skulle inträffa. Trots dessa utmaningar kommer UBS att fortsätta att verkställa sin strategi för att säkerställa företagets långsiktiga framgång och att leverera uthålliga avkastningsnivåer för aktieägare.</p>
B.5	Beskrivning av Koncernen och emittentens plats inom koncernen	<p>UBS AG är moderbolag i Koncernen. Varken verksamhetsgrenarna inom UBS eller dess Corporate Center är separata juridiska personer. För närvarande är de främst verksamma genom UBS AG, genom dess filialer världen över. Verksamheter bedrivs också genom lokala dotterföretag där detta är nödvändigt eller önskvärt.</p> <p>UBS AG har tillkännagivit att banken avser att etablera ett koncernholdingföretag genom ett aktie-för-aktie-utbyteserbjudande, vilket kommer förväntas påbörjas under det tredje kvartalet 2014, med förbehåll för regulatoriska godkännanden. UBS AB har också tillkännagivit att banken avser att etablera ett bankdotterföretag i Schweiz under mitten av år 2015. Omfattningen av denna framtida verksamhet hos dotterföretaget förväntas omfatta verksamhetsgrenen Privatkunds- & Företagsverksamhet (<i>Retail & Corporate</i>) och sannolikt den del av verksamhetsgrenen Förmögenhetsförvaltning (<i>Wealth Management</i>) som bokförs i Schweiz.</p> <p>I Storbritannien och, i samråd med de brittiska och schweiziska tillsynsmyndigheterna, implementerade i maj 2014 UBS Limited, UBS engelska bankdotterföretag, en förändrad affärsverksamhetsmodell under vilken UBS Limited får bära och behålla en större grad av riskerna i och avkastningen från dess affärsverksamheter. Detta innefattar huvudsakligen UBS Limited behåller och hanterar kreditrisker liksom vissa marknads- och</p>

		<p>andra risker, att UBS Limited tar en mer självständig roll i att hantera sina finansierings- och likviditetskrav och en höjning av UBS Limiteds totala regulatoriska kapital.</p> <p>I USA kommer UBS att efterleva de nya reglerna för banker enligt amerikansk lagstiftning (<i>Dodd-Frank Wall Street Reform and Consumer Protection Act</i>) som kommer att kräva ett mellanliggande holdingbolag för att äga alla sina verksamheter, förutom UBS AG:s filialer, till den 1 juli 2016. Som ett resultat kommer UBS att utse ett mellanliggande holdingbolag för att äga alla amerikanska dotterföretag till UBS.</p>
B.12	Utvald historisk finansiell nyckel-information.	<p>UBS AG har hämtat följande utvalda konsoliderade finansiella uppgifter från (i) dess årsredovisning 2013, som innehåller de reviderade konsoliderade finansiella räkenskaperna för UBS-Koncernen, liksom ytterligare oreviderade konsoliderade finansiella uppgifter för året som slutade den 31 december 2013 (inklusive jämförande siffror för åren som slutade 31 december 2012 och 2011) och (ii) dess rapport för det andra kvartalet 2014, som innehåller de oreviderade finansiella räkenskaperna för UBS-Koncernen, liksom ytterligare oreviderade konsoliderade finansiella uppgifter per eller för kvartalet som slutade den 30 juni 2014 (från vilken jämförande siffror per eller för kvartalet som slutade den 30 juni 2013 har hämtats). De konsoliderade finansiella räkenskaperna har tagits fram i enlighet med <i>International Financial Reporting Standards</i> ("IFRS") som utfärdats av International Accounting Standards Board ("IASB") och anges i schweiziska franc (CHF).</p>

	Per och för de sex månader som slutade		Per och för året som slutade		
	30.6.14	30.6.13	31.12.13	31.12.12	31.12.11
CHF miljoner, förutom där annat indikeras					
	oreviderat		Reviderat, förutom där så indikeras		
Koncernresultat					
Rörelseintäkter	14 405	15 164	27 732	25 423	27 788
Rörelsekostnader	11 794	12 697	24 461	27 216	22 482
Rörelsevinst / (förlust) före skatt	2 611	2 467	3 272	(1 794)	5 307
Nettovinst / (förlust) hänförlig till UBS aktieägare	1 846	1 678	3 172	(2 480)	4 138
Utspätt resultat per aktie (CHF)	0,48	0,44	0,83	(0,66)	1,08
Viktiga lönsamhetsindikatorer					
Lönsamhet					
Avkastning på eget kapital (RoE) (%) ¹	7,6	7,2	6,7*	(5,1)*	9,1*
Avkastning på tillgångar, brutto (%) ²	2,9	2,5	2,5*	1,9*	2,1*
Kostnads / intäktsrelation (%) ³	82,0	83,6	88,0*	106,6*	80,7*
Tillväxt					
Nettovinsttillväxt (%) ⁴	10,0	7,7	-	-	(44,5)*
Nettotillväxt nya medel för kombinerade verksamheter inom förmögenhetsförvaltning (%) ⁵	2,4	4,6	3,4*	3,2*	2,4*
Resurser					
Primärkapitalrelation (<i>Common equity tier 1 capital ratio</i>) (fullt tillämpad, %) ^{6,7}	13,5	11,2	12,8*	9,8*	-
Schweizisk SRB-hävtångsrelation (infasing, %) ⁸	5,3	3,9	4,7*	3,6*	-
Ytterligare information					
Lönsamhet					
Avkastning på synligt kapital (%) ⁹	8,8	8,5	8,0*	1,6*	11,9*
Avkastning på riskvägda tillgångar, brutto (%) ¹⁰	12,5	11,8	11,4*	12,0*	13,7*
Resurser					
Totala tillgångar	982 605	1 129 071	1 018 374* ¹¹	1 259 797	1 416 962

Eget kapital hänförligt till UBS aktieägare	49 532	47 073	48 002	45 949	48 530
Primärkapital (<i>Common equity tier 1 capital</i>) (fullt tillämpad) ⁷	30 590	26 817	28 908	25 182*	-
Primärkapital (<i>Common equity tier 1 capital</i>) (infasing) ⁷	41 858	39 398	42 179	40 032*	-
Riskvägda tillgångar (fullt tillämpad) ⁷	226 736	239 182	225 153*	258 113*	-
Riskvägda tillgångar (infasing) ⁷	229 908	242 626	228 557*	261 800*	-
Primärkapitalrelation (<i>Common equity tier 1 capital ratio</i>) (infasing, %) ^{6,7}	18,2	16,2	18,5*	15,3*	-
Totalkapitalrelation (fullt tillämpad, %) ⁷	18,1	13,5	15,4*	11,4*	-
Totalkapitalrelation (infasing, %) ⁷	23,9	20,6	22,2*	18,9*	-
Schweizisk SRB-hävtångsrelation (fullt tillämpad, %) ⁸	4,2	2,9	3,4*	2,4*	-
Schweizisk SRB-hävtångsrelation nämnare (fullt tillämpad) ¹²	980 552	1 131 370	1 020 247*	1 206 214*	-
Schweizisk SRB-hävtångsrelation nämnare (infasing) ¹²	986 577	1 140 765	1 027 864*	1 216 561*	-
Övrigt					
Investerade tillgångar (CHF miljarder) ¹³	2 507	2 348	2 390	2 230	2 088
Anställda (motsvarande heltidsanställda)	60 087	60 754	60 205*	62 628*	64 820*
Marknadskapitalisering	62 542	61 737	65 007*	54 729*	42 843*
Totalt bokfört värde per aktie (CHF)	13,20	12,49	12,74*	12,26*	12,95*
Synligt bokfört värde per aktie (CHF)	11,54	10,73	11,07*	10,54*	10,36*

* oreviderat

¹ Nettovinst / förlust hänförligt till UBS aktieägare (på årsbasis där tillämpligt) / genomsnittligt eget kapital hänförligt till UBS aktieägare. ² Rörelseintäkter före kreditförluster (utgift) eller återvinning (på årsbasis där tillämpligt) / genomsnitt totala tillgångar. ³ Rörelseutgifter / rörelseintäkter före kreditförluster (utgift) eller återvinning. ⁴ Förändring i nettovinst hänförligt till UBS aktieägare från fortsatt bedrivna verksamheter mellan nuvarande och jämförelseperioder / nettovinst hänförligt till UBS aktieägare från fortsatt bedrivna verksamheter från jämförelseperiod. Inte meningsfullt och inte inkluderat om antingen rapporteringsperioden eller jämförelseperioden är en förlustperiod. ⁵ Kombinerat för Wealth Management och Wealth Management Americas netto nya medel för perioden (på årsbasis där tillämpligt) / investerade tillgångar vid början av perioden. ⁶ Primärkapital / riskvägda tillgångar. ⁷ Baserat på Basel III regelverket så som detta tillämpas på schweiziska systemviktiga banker (SRB), vilket trädde i kraft i Schweiz den 1 januari 2013. Informationen som återges på fullt tillämpad basis återspeglar fullt ut effekterna av de nya kapitalavdragen och utfasningen av icke kvalificerande kapitalinstrument. Informationen som återges på infasad basis återspeglar gradvis dessa effekter under övergångsperioden. Siffror för 31 december 2012 är på pro forma-basis. Information för 31 december 2011 är inte tillgänglig. ⁸ Schweiziska SRB Basel III primärkapital och förlustabsorberande kapital / total justerad exponering (hävtångsrelation nämnare). Den schweiziska SRB-hävtångsrelationen trädde i kraft den 1 januari 2013. Siffror för 31 december 2012 är på pro forma-basis. Information för 31 december 2011 är inte tillgänglig. ⁹ Nettovinst / förlust hänförligt till UBS aktieägare före nedskrivning och försämrade goodwill och immateriella tillgångar (på årsbasis där tillämpligt) /

genomsnitt eget kapital hänförligt till UBS aktieägare minskat med genomsnitt goodwill och immateriella tillgångar.²⁰ Rörelseintäkter före kreditförluster (utgift) eller återvinning (på årsbasis där tillämpligt) / genomsnitt riskvägda tillgångar. Baserat på Basel III riskvägda tillgångar (infasat) för 2014 och 2013, på Basel 2.5 riskvägda tillgångar för 2012 och på Basel II riskvägda tillgångar för 2011.²¹ Den 1 januari 2014 införde UBS *Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32, Financial Instruments: Presentation)*. Balansräkningen för den föregående perioden per 31 december 2013 räknades om för att återspegla effekterna för att införa dessa förändringar av IAS 32.²² Nämnaren för hävstångsrelationen kallas också för "total justerad exponering" och beräknas i enlighet med de schweiziska kraven för SRB-hävstångsrelation. Uppgifterna representerar genomsnittet av den totala justerade exponeringen vid slutet av de tre månader som föregår slutet av rapportperioden. Siffror för 31 december 2012 är på pro forma-basis. Information för 31 december 2011 är inte tillgänglig.²³ Koncernens investerade tillgångar för Retail & Corporate.

	Uttalande om väsentliga negativa förändringar.	Det har inte inträffat någon väsentlig negativ förändring i framtidsutsikterna för UBS AG eller UBS-Koncernen sedan den 31 december 2013.
	Uttalande om väsentliga förändringar.	Det har inte inträffat någon väsentlig förändring i den finansiella positionen eller handelspositionen för UBS-Koncernen eller UBS AG sedan den 30 juni 2014.

and the second paragraph of Element B.16 is replaced as follows:

B.16	Direkt eller indirekt aktieäggande eller kontrollöverenskommelser avseende emittenten.	Per den 30 juni 2014 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 (11,39%); GIC Private Limited, Singapore (6,39%); den amerikanska värdepappersclearingorganisationen DTC (Cede & Co.) New York, "The Depository Trust Company" (6,39%); och Nortrust Nominees Ltd., London (3,65%).
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B.17:

In Element "B.17 – Kreditvärdighetsbetyg som tilldelats emittenten eller dess skuldvärdepapper" the term "Fitch Ratings Limited" is replaced by "Fitch France S.A.S."

In Element "B.17 – Kreditvärdighetsbetyg som tilldelats emittenten eller dess skuldvärdepapper" the second paragraph is replaced by the following:

"UBS AG har för långfristiga lån kreditvärdighetsbetyget A (negativa utsikter) från Standard & Poor's, A2 (negativa utsikter) från Moody's och A (stabila utsikter) från Fitch Ratings."

- 4) In relation to the Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 23 June 2014 in the section "I. Summary of the Base Prospectus" in the sub-section headed "C. Summary of the Base Prospectus (in the Danish language)" in the section headed "Afsnit B – Udsteder":

The Elements B.4b, B.5 and B.12 are completely replaced as follows:

Element	Afsnit – Udsteder	
B.4b	Kendte tendenser, der påvirker Udsteder, og brancher inden for hvilke, Udstederen driver virksomhed.	<p>Oplysninger om tendenser</p> <p>Som beskrevet i UBS AG's 2. kvartalsrapport 2014, herunder UBS-koncernens reviderede koncernregnskab, som blev offentliggjort den 29. juli 2014, er mange af de underliggende udfordringer og geografiske problemstillinger, som USB tidligere har fremhævet, stadig aktuelle i begyndelsen af tredje kvartal 2014. De blandede udsigter for global vækst, fraværet af vedvarende og troværdige forbedringer af uløste udfordringer i Europa, de fortsatte problemstillinger vedrørende USA's skattemæssige og monetære forhold, den stigende geopolitiske ustabilitet og det sæsonmæssige fald i aktivitetsniveauet for de områder, der traditionelt er forbundet med sommerferieperioden, gør det usandsynligt, at der skulle indtræffe forbedringer i de aktuelle markedsforhold. Til trods for disse fortsatte udfordringer agter UBS fortsat at iværksætte sin strategi for at sikre bankens langsigtede succes og for at levere holdbare afkast til aktionærerne.</p>
B.5	Beskrivelse af koncernen og Udstederens position inden for koncernen.	<p>UBS AG er moderselskab i Koncernen. Hverken UBS' forretningsdivisioner eller Koncerncentret (<i>Corporate Center</i>) er selvstændige juridiske enheder. På nuværende tidspunkt driver de primært virksomhed ud fra UBS AG gennem filialer verden over. Forretningsdivisionerne driver ligeledes virksomhed gennem lokale datterselskaber, hvor dette er nødvendigt eller hensigtsmæssigt.</p> <p>UBS har tilkendegivet, at banken agter at etablere et koncernholdingselskab gennem et aktie-for-aktie ombytningsudbud, som, med forbehold for opnåelse af myndighedsgodkendelser, forventes igangsat i tredje kvartal 2014. UBS har ligeledes tilkendegivet, at banken agter at etablere et bankdatterselskab i Schweiz medio 2015. Dette fremtidige datterselskabs aktiviteter forventes at komme til at omfatte forretningsdivisionen Privatkunder & Virksomheder (<i>Retail & Corporate</i>) og forretningsdivisionen Formueforvaltning (<i>Wealth Management</i>), som bogføres i Schweiz.</p> <p>I Storbritannien, og i samråd med tilsynsmyndighederne i Storbritannien og Schweiz, implementerede UBS Limited, UBS' engelske bankdatterselskab, i maj 2014 en revideret forretnings- og driftsmodel i henhold til hvilken UBS Limited bærer og</p>

		<p>beholder en større del af de risici henholdsvis det afkast, der er forbundet med bankens forretningsaktiviteter. Det indbefatter primært, at UBS Limited indtager en mere uafhængig rolle i forhold til at forvalte sine finanserings- og likviditetskrav samt en stigning i UBS Limiteds samlede lovpligtige kapital.</p> <p>I USA vil UBS efterleve de nye regler for banker i henhold til den amerikanske lov '<i>the Dodd-Frank Wall Street Reform and Consumer Protection Act</i>', som vil kræve, at et mellemliggende holdingselskab (<i>intermediate holding company</i>) senest den 1. juli 2016 skal eje alle sine virksomheder ud over UBS AG's amerikanske filialer. Som følge deraf vil UBS udpege et mellemliggende holdingselskab til at eje samtlige UBS' amerikanske datterselskaber.</p>
B.12	Udvalgte historiske finansielle nøgleoplysninger	<p>USB AG har hentet følgende udvalgte konsoliderede økonomiske data fra (i) sin årsrapport for 2013, som indeholder UBS-koncernens reviderede konsoliderede økonomiske data for året, som sluttede den 31. december 2013 (herunder sammenligningstal for årene, som sluttede henholdsvis 31. december 2012 og 2011), (ii) sin 2. kvartalsrapport for 2014, som indeholder UBS-koncernens ureviderede konsoliderede økonomiske data pr. eller for halvåret, som sluttede den 30. juni 2014 (hvoraf sammenligningstal pr. eller for halvåret, som sluttede den 30. juni 2013 er hentet). UBS' koncernregnskaber er udarbejdet i overensstemmelse med de internationale regnskabsstandarder (<i>International Financial Reporting Standards</i> ("IFRS")), som er udstedt af the International Accounting Standards Board ("IASB") og angivet i schweizerfranc (CHF).</p>

	Pr. eller for halvåret, der sluttede		Pr. eller for året, der sluttede		
	30.6.14	30.6.13	31.12.13	31.12.12	31.12.11
<i>CHF mio., medmindre andet fremgår</i>					
	<i>urevideret</i>		<i>revideret, medmindre andet fremgår</i>		
Koncernresultat					
Driftsindtægter	14.405	15.164	27.732	25.423	27.788
Driftsudgifter	11.794	12.697	24.461	27.216	22.482
Driftsoverskud (driftstab) før skat	2.611	2.467	3.272	(1.794)	5.307
Nettooverskud (nettotab) henførbart til UBS-aktionærer	1.846	1.678	3.172	(2.480)	4.138
Udvandet indtjening pr. aktie (CHF)	0,48	0,44	0,83	(0,66)	1,08
Nøgleindikatorer					
Rentabilitet					
Egenkapitalforrentning (RoE) (%) ¹	7,6	7,2	6,7*	(5,1)*	9,1*
Afkastningsgrad, brutto (%) ²	2,9	2,5	2,5*	1,9*	2,1*
Omkostninger i forhold til indtægter (%) ³	82,0	83,6	88,0*	106,6*	80,7*
Vækst					
Nettovækst i overskud (%) ⁴	10,0	7,7	-	-	(44,5)*
Nettovækst nye midler for kombinerede formueforvaltningsvirksomheder (%) ⁵	2,4	4,6	3,4*	3,2*	2,4*
Ressourcer					
Egentlig kernekapitaldækning (fuldt anvendt, %) ^{6,7}	13,5	11,2	12,8*	9,8*	-
Schweizisk SRB gearingsforhold (indfaset, %) ⁸	5,3	3,9	4,7*	3,6*	-
Yderligere oplysninger					
Rentabilitet					
Afkast på synlig kapital (%) ⁹	8,8	8,5	8,0*	1,6*	11,9*
Afkast på risikovægtede aktiver, brutto (%) ¹⁰	12,5	11,8	11,4*	12,0*	13,7*
Ressourcer					
Aktiver i alt	982.605	1.129.071	1.018.374* ¹¹	1.259.797	1.416.962
Egenkapital henførbart til UBS-aktionærer	49.532	47.073	48.002	45.949	48.530
Egentlig kernekapital (fuldt anvendt) ⁷	30.590	26.817	28.908	25.182*	-
Egentlig kernekapital (indfaset) ⁷	41.858	39.398	42.179	40.032*	-
Risikovægtede aktiver (fuldt anvendt) ⁷	226.736	239.182	225.153	258.113*	-
Risikovægtede aktiver (indfaset) ⁷	229.908	242.626	228.557	261.800*	-
Egentlig kernekapitaldækning (indfaset, %) ^{6,7}	18,2	16,2	18,5*	15,3*	-

Kapitaldækning i alt (fuldt anvendt, %) ⁷	18,1	13,5	15,4*	11,4*	-
Kapitaldækning i alt (indfaset, %) ⁷	23,9	20,6	22,2*	18,9*	-
Schweizisk SRB gearingsforhold (fuldt anvendt, %) ⁸	4,2	2,9	3,4*	2,4*	-
Schweizisk SRB gearingsforholdets nævner (fuldt anvendt, %) ¹²	980.552	1.131.370	1.020.247*	1.206.214*	-
Schweizisk SRB gearingsforholdets nævner (indfaset) ¹²	986.577	1.140.765	1.027.864*	1.216.561*	-
Andet					
Investerede aktiver (CHF mia.) ¹³	2.507	2.348	2.390	2.230	2.088
Medarbejdere (årsværk)	60.087	60.754	60.205*	62.628*	64.820*
Børsværdi	62.542	61.737	65.007*	54.729*	42.843*
Indre værdi pr. aktie i alt (CHF)	13,20	12,49	12,74*	12,26*	12,95*
Synlig indre værdi pr. aktie (CHF)	11,54	10,73	11,07*	10,54*	10,36*

* urevideret

¹ Nettooverskud / nettotab, som kan henføres til UBS-aktionærer (på årsbasis, hvor relevant) / gennemsnitlig egenkapital, der kan henføres til UBS-aktionærer. ² Driftsindtægter før kredittab (udgift) eller genindvinding (på årsbasis, hvor relevant) / gennemsnitlig aktivsum i alt. ³ Driftsudgifter / driftsindtægter før kredittab (udgift) eller genindvinding. ⁴ Ændring i nettooverskud, som kan henføres til UBS-aktionærer fra fortsættende aktiviteter mellem nuværende og jävnførelsesperioder / nettooverskud, som kan henføres til UBS-aktionærer fra fortsættende aktiviteter fra jävnførelsesperiode. Ikke meningsfuldt og ikke inkluderet, hvis enten rapporteringsperioden eller jävnførelsesperioden er en tabsperiode. ⁵ Sammenlagt for Wealth Management og Wealth Management Americas' netto nye midler for perioden (på årsbasis, hvor relevant) / investerede aktiver ved periodens begyndelse. ⁶ Egentlig kernekapital / risikovægtede aktiver. ⁷ Baseret på Basel III-regelsættet således som dette gælder for schweiziske systemisk vigtige banker (SIB), som trådte i kraft i Schweiz den 1. januar 2013. Oplysningerne, som er angivet på fuldt anvendt basis, afspejler fuldt ud virkningerne af de nye kapitalfradrag og afviklingen af ikke-kvalificerende kapitalinstrumenter. De oplysninger, der er angivet på indfaset basis, afspejler gradvist disse virkninger i overgangsperioden. Tal for 31. december 2012 er proformatal. Oplysninger pr. 31. december 2011 er ikke tilgængelige. ⁸ Schweizisk SRB Basel III egentlig kernekapital og tabsabsorberende kapital / reguleret eksponering i alt (gearingsforholdets nævner). Det schweiziske SRB gearingsforhold trådte i kraft den 1. januar 2013. Tal for 31. december 2012 er proformatal. Oplysninger pr. 31. december 2011 er ikke tilgængelige. ⁹ Nettooverskud / nettotab, der kan henføres til UBS-aktionærer før amortisering og værdiforringelse af goodwill og immaterielle anlægsaktiver (på årsbasis, hvor relevant) / gennemsnitlig egenkapital, som kan henføres til UBS-aktionærer minus gennemsnitlig goodwill og immaterielle anlægsaktiver. ¹⁰ Driftsindtægter før kredittab (udgift) eller genindvinding (på årsbasis, hvor relevant) / gennemsnitlig risikovægtede aktiver. Baseret på Basel III risikovægtede aktiver (indfaset) for 2014 og 2013, på Basel 2.5 risikovægtede aktiver for 2012 og på Basel II risikovægtede aktiver for 2011. ¹¹ Den 1. januar 2014 indførte UBS Modregning af Finansielle Aktiver og Finansielle Forpligtelser (Ændringer til IAS 32, Finansielle Instrumenter: Præsentation). Balancen for den foregående periode pr. 31. december 2013 blev tilpasset for at afspejle virkningerne af indførelsen af disse ændringer til IAS 32. ¹² Gearingsforholdets nævner benævnes ligeledes "reguleret eksponering i alt" og beregnes i overensstemmelse med kravene i henhold til det schweiziske SRB gearingsforhold. Tallene repræsenterer gennemsnittet af den regulerede eksponering i alt ved udgangen af den 3-måneders periode, der går forud for rapporteringsperiodens afslutning. Tallene pr. 31. december 2012 er proformatal. Oplysninger pr. 31. december 2011 er ikke tilgængelige. ¹³ Koncernens investerede aktiver inkluderer investerede aktiver for Retail & Corporate.

Erklæring vedrørende væsentlige	Der er ikke siden den 31. december 2013 indtrådt nogen væsentlig negativ ændring i fremtidsudsigterne for UBS AG
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	negative ændringer.	eller UBS-koncernen.
	Erklæring vedrørende væsentlige ændringer.	Der er ikke siden den 30. juni 2014 indtrådt nogen væsentlig ændring i den finansielle stilling eller handelsmæssige stilling for UBS-koncernen eller UBS AG.

and the second paragraph of Element B.16 is replaced as follows:

B.16	Beskrivelse af, om Udstederen er direkte eller indirekte ejet eller kontrolleret.	Pr. 30. juni 2014 blev følgende aktionærer (i eget navn eller som nominelle ejere for andre investorer eller egentlige ejere) registeret i ejerbogen med beholdninger på 3 % eller mere af den samlede aktiekapital i UBS AG: Chase Nominees Ltd., London (11,39 %), GIC Private Limited, Singapore (6,39 %), den amerikanske værdipapirclearingvirksomhed DTC (Cede & Co.) New York, "The Depository Trust Company" (6,39 %) og Nortrust Nominees Ltd., London (3,65 %).
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B.17:

In Element "B.17 – Den kreditvurdering, som Udstederen eller dens gældsværdipapirer har opnået" the term "Fitch Ratings Limited" is replaced by "Fitch France S.A.S."

In Element "B.17 – Den kreditvurdering, som Udstederen eller dens gældsværdipapirer har opnået" the second paragraph is replaced by the following:

"UBS AG's langfristede foranstående gæld har opnået en kreditvurdering på A (negative fremtidsudsigter) fra Standard & Poor's, A2 (negative fremtidsudsigter) fra Moody's og A (stabile fremtidsudsigter) fra Fitch Ratings."

5) Documents incorporated by reference

The additional document set out below is incorporated in, and form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein is modified or superseded for the purpose of the Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded does not, except as so modified or superseded, constitute a part of this Base Prospectus.

The following additional document shall be deemed to be incorporated in, and to form part of, the Base Prospectus:

- 1) **UBS AG's report for the quarter ended 30 June 2014** (including unaudited consolidated financial statements).

The Base Prospectus for Certificates, Notes or Warrants of UBS AG, [London] [Jersey] [Branch] dated 23 June 2014 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, 21 August 2014

UBS AG

By:



(signed by Sigrid Kossatz)

By:



(signed by Stefanie Zaromitidis)