UBS

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News Release

UBS second-quarter pre-tax profit CHF 951 million; wealth management businesses' net new money inflows increased to CHF 13.2 billion; industry-leading Basel 2.5 tier 1 ratio strengthened further to 19.2%; phase-in Basel III tier 1 ratio[1] target of 13% already surpassed; Basel III RWA[1] reduced by CHF 45 billion; Group and Investment Bank RWA targets lowered

In challenging conditions marked by increased volatility and greater client caution, UBS continued to execute its strategy and to deliver on its enduring commitment to clients, achieving pre-tax profit of CHF 951 million. Costs were managed prudently, keeping UBS on track to deliver its entire planned savings by the end of 2013.

UBS again delivered on its key strategic objective of lowering Basel III risk-weighted assets[1] (RWA), with reductions of CHF 45 billion in the second quarter. The firm has already surpassed its RWA reduction targets for 2012 in the Investment Bank and the Group as a whole, and is accelerating towards its 2013 targets. On a fully applied basis, the firm's Basel III tier 1 ratio increased to 8.8% from 7.5%. UBS has reduced its 2016 Group target for Basel III RWA by CHF 30 billion to less than CHF 240 billion. The Investment Bank RWA target for 2016 has been lowered by CHF 15 billion to less than CHF 135 billion, as UBS believes the business can operate successfully within its target performance ranges with lower RWA. UBS is confident it can achieve its targeted RWA and capital ratios without diluting shareholder equity.

Wealth Management attracted increased net new money inflows of CHF 9.5 billion, and Wealth Management Americas delivered resilient net new money inflows of CHF 3.7 billion in addition to recording its highest ever pre-tax profit. Group client deposits increased by CHF 19 billion, partly due to favorable currency effects and including higher levels of deposit inflows in Retail & Corporate: a sign of our clients' continuing trust in UBS. The Investment Bank continued to execute its focused strategy, with pro-forma estimated Basel III RWA[1] lowered further to CHF 170 billion.

- **Pre-tax profit** CHF 951 million; net profit attributable to UBS shareholders CHF 425 million; diluted earnings per share CHF 0.11
- **Group operating income** CHF 6.4 billion
- **Capital, liquidity and funding positions remain strong:**
  - **Basel 2.5 tier 1 ratio** rose to 19.2% from 18.7%
  - **Basel III RWA**[1] reduced by a further estimated CHF 45 billion to around CHF 305 billion on a fully applied basis, achieving 2012 target of CHF 340 billion ahead of schedule
  - **Basel III RWA targets** reduced to around CHF 270 billion from CHF 290 billion for 2013 and to less than CHF 240 billion from around CHF 270 billion for 2016
  - **Basel III common equity tier 1 ratio**[1] rose to 13.1% from 11.8 % on a phase-in basis, reaching this milestone well in advance of the more stringent capital requirements' implementation in 2013
  - **Basel III common equity tier 1 ratio**[1] rose to 8.8% from 7.5% on a fully applied basis, maintaining UBS's position as the best capitalized bank in its peer group

- **Invested assets** CHF 2,163 billion, up CHF 48 billion, including CHF 13.2 billion net new money inflows in the wealth management businesses
- **Customer deposits** increased by CHF 19 billion to CHF 362 billion, as wealth management businesses and Retail & Corporate continued to attract client money in current accounts as well as personal and savings accounts
- **UBS recognized as Best Global Wealth Manager and Best Bank in Switzerland**, just two of UBS's six Euromoney Awards for Excellence in 2012
- **Wealth Management** pre-tax profit CHF 502 million; net new money increased by CHF 2.8 billion to CHF 9.5 billion on strong inflows in Asia Pacific, emerging markets and Switzerland, as well as on a global basis from ultra high net worth clients; annualized net new money growth improved to 4.9%, at upper end of target range
- **Wealth Management Americas** pre-tax profit increased to a record USD 211 million; net new money inflows USD 3.8 billion; cost/income ratio improved to 86.6%, within target range
- **Investment Bank** pre-tax loss CHF 130 million, reflecting lower revenues amidst challenging market conditions; Basel III RWA[1] reduced to CHF 170 billion, achieving adjusted 2012 target of CHF 175 billion ahead of schedule; RWA targets reduced from around CHF 150 billion to CHF 135 billion for 2013 and 2016
- **Global Asset Management** pre-tax profit CHF 118 million; CHF 3.4 billion third-party net new money inflows, excluding money market flows
- **Retail & Corporate** pre-tax profit resilient at CHF 399 million; executed strongly against all its target ranges; net interest margin increased to 161 basis points; strong net new business volume growth; cost base well under control

Zurich/Basel, 31 July 2012 – Commenting on UBS's second-quarter results, **Group CEO Sergio P. Ermotti** said, "Our strong capital, liquidity and funding positions, as well as our transparency and consistency in communicating these strengths, clearly speak in favor of UBS and reassure our clients in an otherwise adverse environment. Clients recognize this and continue to entrust us with their assets. We reached a key milestone in our strategic execution and we are determined to extend our advantage as the best capitalized bank in our peer group under current and future regulatory requirements. We expect our Basel III tier 1 ratio to be comfortably above 9% by the end of 2012. Continued vigilance on costs is keeping us firmly on track to deliver our entire planned cost savings by the end of 2013 and we continue to explore avenues to improve efficiency. Looking ahead, we will continue to focus on prudent liquidity management, further reducing risk-weighted assets and delivering the best possible service to our clients. I have the utmost confidence in our ability to deliver on our firm's strategy by adapting our execution in a changing environment."

Second-quarter net profit attributable to UBS shareholders CHF 425 million
Net profit attributable to UBS shareholders was CHF 425 million in the second quarter of 2012 compared with CHF 827 million in the first quarter. Pre-tax profit declined to CHF 951 million from CHF 1,304 million, primarily reflecting lower trading revenues, excluding own credit, as well as a decline in net fee and commission income and higher operating expenses. These declines were partly offset by an own credit gain of CHF 239 million compared with a loss of CHF 1,164 million in the prior quarter. Tax expense was CHF 253 million compared with CHF 476 million in the prior quarter. In addition, CHF 273 million of the second quarter net profit was attributable to non-controlling interests, mostly reflecting dividends on trust preferred securities, compared with CHF 1 million in the prior quarter. Operating expenses increased by CHF 236 million to CHF 5,457 million. The second quarter included a credit to personnel expenses of CHF 84 million related to changes to a retiree medical and life insurance benefit plan in the US, while the prior quarter included a credit to personnel expenses of CHF 485 million related to changes to our Swiss pension plan. In addition, the second quarter included net restructuring charges of CHF 9 million compared with net restructuring charges of CHF 126 million in the prior quarter. Excluding these items, operating expenses decreased by CHF 48 million to CHF 5,532 million. We employed 63,520 personnel as of 30 June 2012 compared with 64,243 personnel as of 31 March 2012.

The decrease of 723 during the second quarter mainly related to our continued focus on cost reduction across most business divisions.

Wealth Management pre-tax profit was CHF 502 million in the second quarter of 2012 compared with CHF 803 million in the previous quarter, primarily as the first quarter included a credit to personnel expenses of CHF 237 million related to changes to our Swiss pension plan. Adjusted for this item and restructuring charges, pre-tax profit decreased by CHF 75 million to CHF 503 million. Total operating income decreased by CHF 35 million to CHF 1,734 million from CHF 1,769 million, due to a decline in non-recurring fees and trading income, reflecting lower client activity levels. Operating expenses increased to CHF 1,232 million from CHF 966 million. The gross margin on invested assets decreased by 4 basis points to 89 basis points, mainly reflecting lower client activity levels. Net new money improved to CHF 9.5 billion from CHF 6.7 billion in the previous quarter. Invested assets increased to CHF 783 billion. The annualized net new money growth rate was 4.9% compared with 3.6% in the previous quarter.

Wealth Management Americas pre-tax profit in the second quarter of 2012 was USD 211 million, a slight increase from the prior quarter's record profit of USD 209 million, as a 1% rise in operating income was only partially offset by an increase in operating expenses. The second quarter's result included USD 63 million of realized gains in the investment portfolio, an increase over the prior quarter, and an increase in net fee and commission income that offset the combined effect of reduced net interest and trading income and higher operating expenses. Operating income increased by USD 19 million to USD 1,587 million from USD 1,568 million. Total operating expenses increased by USD 16 million to USD 1,375 million from USD 1,359 million, primarily due to a 7% increase in non-personnel expenses. Net new money totaled USD 3.8 billion compared with USD 4.6 billion. The annualized net new money growth rate for the second quarter was 1.9%, down from 2.4% in the prior quarter. The gross margin on invested assets decreased by 1 basis point to 79 basis points.

The **Investment Bank** recorded a pre-tax loss of CHF 130 million in the second quarter of 2012 compared with a pre-tax profit of CHF 730 million in the first quarter of 2012. Revenues declined significantly in the securities business amid challenging market conditions. In addition, revenues were impacted by a loss of CHF 349 million related to the Facebook initial public offering. Pro-forma Basel III RWA[1] decreased to CHF 170 billion. Total operating income decreased by 40% to CHF 1,736 million in the second quarter of 2012 from CHF 2,903 million in the previous quarter. Total operating expenses decreased 14% to CHF 1,867 million from CHF 2,173 million. In the investment banking division, total revenues decreased by 6% to CHF 372 million from CHF 396 million, as a reduction in fees was partially offset by lower risk management premiums. Equities revenues decreased 75% to CHF 247 million from CHF 992 million, with declines across most businesses. Results were impacted by the abovementioned loss related to the Facebook initial public offering and the adverse effect of an improvement in the own credit calculation methodology and the correction of own credit items relating to prior periods. Fixed income, currencies and commodities revenues decreased 27% to CHF 1,099 million from CHF 1,501 million as escalating eurozone fears and slower growth in the US created challenging market conditions.

Due to the gross mishandling of Facebook's market debut by NASDAQ we recorded a loss of CHF 349 million in our US Equities business as a result of our efforts to provide best execution for our clients. As a market maker in one of the largest IPOs in US history, we received significant orders from clients, including clients of our wealth management businesses. Due to multiple operational failures by NASDAQ, UBS's pre-market orders were not confirmed for several hours after the stock had commenced trading. As a result of system protocols that we had designed to ensure our clients' orders were filled consistent with regulatory guidelines and our own standards, orders were entered multiple times before the necessary confirmations from NASDAQ were received and our systems were able to process them. NASDAQ ultimately filled all of these orders, exposing UBS to far more shares than our clients had ordered. UBS's loss resulted from NASDAQ's multiple failures to carry out its obligations, including both opening the Facebook stock for trading and not halting trading in the stock during the day. We will take appropriate legal action against NASDAQ to address its gross mishandling of the offering and its substantial failures to perform its duties. Although as in all such matters there can be no assurance as to the amount of any recovery we may obtain, we intend to pursue compensation for the full extent of our losses.

Global Asset Management pre-tax profit in the second quarter of 2012 was CHF 118 million compared with CHF 156 million in the first quarter, primarily due to lower performance fees, especially in alternative and quantitative investments. Total operating income was CHF 446 million compared with CHF 478 million in the first quarter. Total operating expenses were CHF 328 million compared with CHF 322 million in the first quarter. The annualized net new money growth rate was negative 2.5% compared with negative 5.7% in the first quarter. Excluding money market flows, net new money inflows from third parties were CHF 3.4 billion compared with outflows of CHF 2.9 billion in the first quarter as the level of client portfolio re-alignments seen in the first quarter abated and third party inflows rebounded in the second quarter. The inflows were mainly into traditional investments, particularly indexed equity. Total net new money flows, excluding money market funds, were positive in the second quarter at CHF 1.2 billion. The total gross margin was 32 basis points compared with 34 basis points in the first quarter, mainly due to lower performance fees in alternative and quantitative investments.

Retail & Corporate pre-tax profit was CHF 399 million compared with CHF 575 million in the previous quarter, which included a credit to personnel expenses of CHF 190 million related to changes to our Swiss pension plan. Adjusted for this item and restructuring charges, pre-tax profit increased by CHF 3 million to CHF 395 million. Both our retail and corporate businesses continued to record strong net new business volume growth. Total operating income decreased by CHF 9 million to CHF 927 million from CHF 936 million in the prior quarter. Operating expenses increased to CHF 527 million from CHF 361 million in the previous quarter, which included a credit to personnel expenses of CHF 190 million related to changes to our Swiss pension plan. Adjusted for these changes and restructuring charges, operating expenses were down by CHF 13 million. Annualized net new business volume growth was 3.3% compared with 4.2% in the previous quarter. Both our retail and corporate businesses recorded net inflows, mainly in client assets, but also from loans, in line with our strategy to grow our business in high-quality loans.

Corporate Center – Core Functions pre-tax result in the second quarter was a loss of CHF 19 million compared with a loss of CHF 1,239 million in the previous quarter. The second quarter included an own credit gain of CHF 239 million compared with a loss of CHF 1,164 million in the prior quarter. Treasury income remaining in Corporate Center - Core Functions after allocations to the business divisions was negative CHF 64 million compared with positive CHF 79 million in the prior quarter.

The **Legacy Portfolio** pre-tax result was a loss of CHF 119 million compared with a gain of CHF 89 million in the previous quarter. The two primary reasons for this were that the value of our option to acquire the SNB StabFund's equity increased by CHF 45 million, CHF 82 million less than the increase in the prior quarter, and that we recorded a loss of CHF 81 million in the remainder of the Legacy Portfolio compared with a gain of CHF 37 million in the prior quarter.

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Results by business division and Corporate Center

CHF million	Total operating income			Total operating expenses			Operating profit before tax		
For the quarter ended	**30.6.12**	31.3.12	% change	**30.6.12**	31.3.12	% change	**30.6.12**	31.3.12	% change
Wealth Management	**1,734**	1,769	(2)	**1,232**	966	28	**502**	803	(37)
Wealth Management Americas	**1,497**	1,425	5	**1,297**	1,235	5	**200**	190	5
Investment Bank	**1,736**	2,903	(40)	**1,867**	2,173	(14)	**(130)**	730	
Global Asset Management	**446**	478	(7)	**328**	322	2	**118**	156	(24)
Retail & Corporate	**927**	936	(1)	**527**	361	46	**399**	575	(31)
Corporate Center	**68**	(985)		**206**	165	25	**(138)**	(1,150)	88
UBS	**6,408**	6,525	(2)	**5,457**	5,221	5	**951**	1,304	(27)

Capital position and balance sheet
Our Basel 2.5 tier 1 capital ratio continued to improve and stood at 19.2% on 30 June 2012, an improvement of 50 basis points from 31 March 2012. Basel 2.5 tier 1 capital increased by CHF 1.6 billion, mainly due to lower tier 1 deductions, currency effects and net profit. Our pro-forma Basel III RWA[1] were estimated to be CHF 305 billion on a fully applied basis at the end of the second quarter, a CHF 45 billion decline from the prior quarter. This decrease was mainly due to a revised treatment of our option to acquire the SNB StabFund's equity, lower securitization uplift due to Legacy Portfolio asset sales and the reduction in credit value adjustment VaR RWA, partially offset by the revised treatment in deferred tax assets. Our balance sheet stood at CHF 1,412 billion on 30 June 2012, up from CHF 1,366 billion on 31 March 2012.

Invested assets
Invested assets were CHF 2,163 billion as of 30 June 2012 compared with CHF 2,115 billion as of 31 March 2012. Of the invested assets, CHF 783 billion were attributable to Wealth Management, CHF 757 billion were attributable to Wealth Management Americas, CHF 569 billion were attributable to Global Asset Management, and CHF 54 billion were attributable to Retail & Corporate.

Outlook
As in recent quarters, the degree of progress towards achieving sustained and material improvements to eurozone sovereign debt and European banking system issues, as well as the extent of uncertainty surrounding geopolitical tensions, the global economic outlook and the US fiscal "cliff", will continue to exert a strong influence on client confidence and, thus, activity levels in the third quarter of 2012. Failure to make progress on these key issues, accentuated by the reduction in market activity levels typically seen in the third quarter, would make further improvements in prevailing market conditions unlikely and would thus generate headwinds for revenue growth, net interest margins and net new money. Despite these challenges, we remain confident that our asset-gathering businesses as a whole will continue to attract net new money, reflecting our clients' steadfast trust in the firm and their recognition of our continuing efforts to strengthen UBS. We will strive to deliver on our strategy, which focuses on prudent liquidity management, reducing risk and complexity, and improving our position as one of the best capitalized banks in the world. We have the utmost confidence in our ability to deliver on our strategy by adapting our execution in a changing environment.

[1] The calculation of our pro-forma Basel III risk-weighted assets combines existing Basel 2.5 risk-weighted assets, a revised treatment for low-rated securitization exposures which are no longer deducted from capital but are risk-weighted with 1250%, and new capital charges based on models. Some of these new models still require regulatory approval and therefore our pro-forma calculations include estimates of the impact of these new capital charges which will be refined as models and the associated systems are enhanced.

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UBS key figures

	For the quarter ended			Year-to-date	
CHF million, except where indicated	**30.6.12**	31.3.12	30.6.11	30.6.12	30.6.11
Group results					
Operating income	**6,408**	6,525	7,171	12,934	15,515
Operating expenses	**5,457**	5,221	5,516	10,678	11,626
Operating profit before tax	**951**	1,304	1,654	2,256	3,889
Net profit attributable to UBS shareholders	**425**	827	1,015	1,252	2,822
Diluted earnings per share (CHF) [1]	**0.11**	0.22	0.26	0.33	0.73
Key performance indicators, balance sheet and capital management [2]					
Performance					
Return on equity (RoE) (%)				4.7	12.0
Return on risk-weighted assets, gross (%) [3]				11.8	15.3
Return on assets, gross (%)				1.9	2.4
Growth					
Net profit growth (%)	**(48.6)**	159.2	(43.8)	(55.6)	(32.9)
Net new money growth (%) [4]	**1.8**	0.6	1.7	1.2	2.9
Efficiency					
Cost / income ratio (%)	**85.1**	80.5	77.1	82.8	75.0

	As of		
CHF million, except where indicated	**30.6.12**	31.3.12	31.12.11
Capital strength			
BIS tier 1 capital ratio (%) [5]	**19.2**	18.7	15.9
FINMA leverage ratio (%) [5]	**5.6**	5.6	5.4
Balance sheet and capital management			
Total assets	**1,412,043**	1,365,837	1,419,162
Equity attributable to UBS shareholders	**54,716**	53,226	53,447
Total book value per share (CHF) [6]	**14.60**	14.10	14.26
Tangible book value per share (CHF) [6]	**12.00**	11.62	11.68
BIS core tier 1 capital ratio (%) [5]	**17.2**	16.7	14.1
BIS total capital ratio (%) [5]	**21.8**	21.1	17.2
BIS risk-weighted assets [5]	**214,676**	211,092	240,962
BIS tier 1 capital [5]	**41,210**	39,570	38,370
Additional information			
Invested assets (CHF billion) [7]	**2,163**	2,115	2,088
Personnel (full-time equivalents)	**63,520**	64,243	64,820
Market capitalization [8]	**42,356**	48,488	42,843

1 Refer to "Note 8 Earnings per share (EPS) and shares outstanding" in the "Financial information" section of our second quarter 2012 report for more information. 2 For the definitions of our key performance indicators, refer to the "Measurement of performance" section of our Annual Report 2011. 3 Based on Basel 2.5 risk-weighted assets for 2012. Based on Basel II risk-weighted assets for 2011. 4 Group net new money includes net new money for Retail & Corporate and excludes interest and dividend income. 5 Capital management data is disclosed in accordance with the Basel 2.5 framework. Refer to the "Capital management" section of our second quarter 2012 report for more information. 6 Refer to the "Capital management" section of our second quarter 2012 report for more information. 7 In the first quarter of 2012, we have refined our definition of invested assets. Refer to the "Recent developments and financial reporting structure changes" section of our first quarter 2012 report for more information. Group invested assets includes invested assets for Retail & Corporate. 8 Refer to the appendix "UBS shares" of our second quarter 2012 report for more information.

Income statement

	For the quarter ended			% change from		Year-to-date	
CHF million, except per share data	**30.6.12**	31.3.12	30.6.11	1Q12	2Q11	30.6.12	30.6.11
Interest income	**4,397**	4,130	4,880	6	(10)	8,527	9,457
Interest expense	**(3,004)**	(2,539)	(3,440)	18	(13)	(5,542)	(6,236)
Net interest income	**1,393**	1,591	1,440	(12)	(3)	2,984	3,221
Credit loss (expense) / recovery	**(1)**	37	16			35	19
Net interest income after credit loss expense	**1,392**	1,628	1,456	(14)	(4)	3,020	3,240
Net fee and commission income	**3,649**	3,843	3,879	(5)	(6)	7,492	8,119
Net trading income	**1,369**	961	1,724	42	(21)	2,330	3,928
Other income	**(1)**	93	112			92	228
Total operating income	**6,408**	6,525	7,171	(2)	(11)	12,934	15,515
Personnel expenses	**3,601**	3,643	3,925	(1)	(8)	7,244	8,332
General and administrative expenses	**1,652**	1,398	1,408	18	17	3,050	2,896
Depreciation of property and equipment	**179**	158	161	13	11	337	352
Amortization of intangible assets	**26**	23	22	13	18	48	46
Total operating expenses	**5,457**	5,221	5,516	5	(1)	10,678	11,626
Operating profit before tax	**951**	1,304	1,654	(27)	(43)	2,256	3,889
Tax expense / (benefit)	**253**	476	377	(47)	(33)	729	803
Net profit	**698**	828	1,278	(16)	(45)	1,526	3,087
Net profit attributable to non-controlling interests	**273**	1	263		4	274	265
Net profit attributable to UBS shareholders	**425**	827	1,015	(49)	(58)	1,252	2,822
Earnings per share (CHF)							
Basic earnings per share	**0.11**	0.22	0.27	(50)	(59)	0.33	0.74
Diluted earnings per share	**0.11**	0.22	0.26	(50)	(58)	0.33	0.73

Media release available at www.ubs.com/media and www.ubs.com/investors

Further information on UBS's quarterly results is available at www.ubs.com/investors:

- Second quarter 2012 financial report
- Second quarter 2012 results slide presentation
- Letter to shareholders (English, German, French and Italian)

Webcast
The results presentation with Sergio P. Ermotti, Group Chief Executive Officer, Tom Naratil, Group Chief Financial Officer, and Caroline Stewart, Global Head of Investor Relations, will be webcast live on www.ubs.com/media at the following time on 31 July 2012:

- 0900 CEST
- 0800 BST
- 0300 US EDT

Webcast playback will be available from 1400 CEST on 31 July 2012.

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Cautionary Statement Regarding Forward-Looking Statements
This report contains statements that constitute "forward-looking statements", including but not limited to management's outlook for UBS's financial performance and statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development. While these forward-looking statements represent UBS's judgments and expectations concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. These factors include, but are not limited to: (1) developments in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates and interest rates and the effect of economic conditions and market developments on the financial position or creditworthiness of UBS's clients and counterparties; (2) changes in the availability of capital and funding, including any changes in UBS's credit spreads and ratings; (3) the ability of UBS to reduce its Basel III risk-weighted assets in order to comply with future Swiss capital requirements without materially adversely affecting its profitability; (4) changes in financial legislation and regulation in Switzerland, the US, the UK and other major financial centers which may impose constraints on or necessitate changes in the scope and location of UBS's business activities and in its legal and booking structures, including the imposition of more stringent capital and liquidity requirements, incremental tax requirements and constraints on remuneration; (5) possible constraints or sanctions that regulatory authorities might impose on UBS, including as a consequence of the unauthorized trading incident announced in September 2011; (6) changes in UBS's competitive position, including whether differences in regulatory capital and other requirements among the major financial centers will adversely affect UBS's ability to compete in certain lines of business, (7) the liability to which UBS may be exposed due to litigation, contractual claims and regulatory investigations, including those stemming from the market events and losses incurred by clients and counterparties during the financial crisis of 2007 to 2009 and from the ongoing investigations relating to the setting of LIBOR and other reference rates; (8) the effects on UBS's cross-border banking business of tax treaties negotiated or under discussion between Switzerland and other countries and future tax or regulatory developments; (9) the degree to which UBS is successful in effecting organizational changes and implementing strategic plans, and whether those changes and plans will have the effects intended; (10) UBS's ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses; (11) changes in accounting standards or policies, and accounting determinations affecting the recognition of gain or loss, the valuation of goodwill and other matters; (12) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (13) whether UBS will be successful in keeping pace with competitors in updating its technology, particularly in trading businesses; (14) the occurrence of operational failures, such as fraud, unauthorized trading and systems failures, either within UBS or within a counterparty; and (15) the effect that these or other factors or unanticipated events may have on our reputation and the additional consequences that this may have on our business and performance. Our business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS's Annual Report on Form 20-F for the year ended 31 December 2011. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

Rounding
Numbers presented throughout this report may not add up precisely to the totals provided in the tables and text. Percentages and percent changes are calculated based on rounded figures displayed in the tables and text and may not precisely reflect the percentages and percent changes that would be derived based on figures that are not rounded.