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29 October 2013

News Release

UBS's third-quarter adjusted[1] profit before tax of CHF 484 million achieved in a challenging environment

Net profit attributable to UBS shareholders CHF 577 million; diluted EPS CHF 0.15

Fully applied Basel III[2] common equity tier 1 (CET1) ratio increased to 11.9%, above 2013 target[3]

Group Basel III fully applied risk-weighted assets (RWA) down CHF 20 billion to CHF 219 billion, below UBS's 2013 and 2015 targets[3]

Exercise of StabFund option expected to add CHF 2.5 billion of CET1 capital with immaterial balance sheet and RWA impact

Zurich/Basel, 29 October 2013 - As UBS indicated in its second quarter outlook statement, the operating environment in the third quarter remained challenging. Despite this, the firm delivered an adjusted[1] profit before tax of CHF 484 million. On a reported basis, profit before tax was CHF 356 million. The result included charges for provisions of CHF 586 million for litigation, regulatory and similar matters, and a net tax benefit of CHF 222 million. UBS remains the best-capitalized bank in its peer group and its BIS Basel III fully applied CET1 ratio increased to 11.9%. Group fully applied Basel III RWA were reduced by CHF 20 billion to CHF 219 billion, below the firm's 2013 and 2015 targets[3]. UBS continued to make significant progress in its Non-core and Legacy Portfolio, reducing RWA by CHF 9 billion to CHF 69 billion and its balance sheet by CHF 45 billion.

All of UBS's businesses contributed positively to the result. **Wealth Management** delivered an adjusted[1] profit before tax of CHF 617 million and net new money inflows of CHF 5.0 billion, with positive inflows from all regions. Recognizing the business's leading position and compelling growth prospects, Private Banker International awarded Wealth Management the top spot as the largest private bank in Asia Pacific, "Outstanding Global Private Bank", "Outstanding Global Private Bank - Asia Pacific" and "Outstanding Private Bank for UHNW Clients". **Wealth Management Americas** delivered an adjusted[1] profit before tax of USD 232 million and net new money inflows totaled USD 2.1 billion. **Retail & Corporate's** adjusted[1] profit before tax was CHF 417 million, its highest adjusted quarterly profit in three years, achieved despite ongoing interest margin pressure. The **Investment Bank** recorded returns in line with its adjusted annualized return on attributed equity (RoaE) target[3] of greater than 15%, even in a seasonally slower quarter, with an adjusted[1] profit before tax of CHF 335 million. It continued to operate well below its risk and balance sheet targets[3]. **Global Asset Management** delivered an adjusted[1] profit before tax of CHF 130 million.

- Adjusted[1] Group profit before tax CHF 484 million; net profit attributable to UBS shareholders CHF 577 million; diluted earnings per share CHF 0.15.
- Adjusted[1] Group operating income CHF 6,201 million compared with CHF 7,232 million in the prior quarter, primarily reflecting lower net interest and trading income and lower net fee and commission income.

- Adjusted[1] Group operating expenses CHF 5,718 million compared with CHF 6,229 million in the prior quarter mainly due to lower personnel, litigation and general and administrative costs.
- Fully applied BIS Basel III CET1 ratio up 70 basis points to 11.9%; phase-in BIS Basel III CET1 ratio up 130 basis points to 17.5%.
- Continued successful deleveraging of Group balance sheet, down CHF 80 billion to CHF 1,049 billion.
- Swiss Systemically Relevant Banks (SRB) leverage ratio increased to 4.2%; leverage, funding and liquidity ratios all comfortably above regulatory requirements.

Commenting on UBS's third-quarter results, Group Chief Executive Officer Sergio P. Ermotti said, "Our results this quarter provide more evidence that our business model works in a variety of market conditions. One year into the acceleration of our strategy we are ahead of plan on execution. We will remain disciplined to deliver the best of UBS to our clients and fulfill our commitments to our shareholders."

Group highlights over the last twelve months include:
- UBS strengthened its industry-leading Basel III CET1 fully applied ratio by 260 basis points to 11.9%, and has already achieved its 2013 and 2015 targets[3].
- RWA reduced by over CHF 80 billion, or 27%, putting the firm well ahead of its year-end target; improvement due to continued steady progress in Corporate Center – Non-core and Legacy Portfolio, predominantly driven by disposals and other exposure reduction strategies and executed to maximize shareholder value.
- Successful balance sheet deleveraging, down over CHF 300 billion; leverage, liquidity and funding positions strong and above regulatory requirements.
- UBS achieved its CHF 2 billion run-rate cost saving target announced in August 2011.

Business highlights in 2013 include:
- Invested assets in wealth management businesses up 7% to CHF 1.7 trillion; UBS is again both the largest and fastest growing large-scale wealth manager in the world[4].
- Wealth Management achieved its highest net new money inflows for six years in the first quarter and its highest adjusted quarterly profit before tax for four years in the second quarter.
- Year-to-date net new money in wealth management businesses over CHF 43 billion, up approximately 20% compared to the same period in 2012.
- Profits in Wealth Management Americas hit new highs as its adjusted year-to-date profit before tax reached over USD 700 million, which already represents a record adjusted[1] full year profit for the business.
- Retail & Corporate delivered steady profits and continued to attract strong deposit inflows, achieving its best quarterly result in three years in the third quarter.
- Global Asset Management's year-to-date adjusted pre-tax profits up by 16% on the same period last year.
- Investment Bank delivered significantly higher profitability while operating below strict balance sheet and RWA targets, exceeding its annualized RoaE target of greater than 15%, with annualized adjusted RoaE of 34.1% for the first nine months of 2013[3].
- Numerous domestic and international industry awards are a testament to the enduring strength of UBS's franchise.

Developments affecting the fourth quarter 2013

UBS expects the exercise of the SNB StabFund option in the fourth quarter of 2013 to boost its industry-leading fully applied and phase-in BIS Basel III CET1 capital ratios by approximately 100 basis points (bps) in the fourth quarter, an increase on the previous guidance of 70-90 bps and 55-80 bps respectively. UBS expects the exercise of the SNB StabFund option to result in a 25 bps increase in its Swiss SRB leverage ratio. It is expected that the remaining assets in the SNB StabFund will be immaterial, amounting to less than CHF 1 million and CHF 3 million RWA.

At the end of the quarter, UBS received an order from FINMA announcing the imposition, with effect from 1 October 2013, of a temporary 50% add-on to our advanced measurement approach-based operational risk-related RWA in relation to known or unknown litigation, compliance and other operational risk matters. FINMA informed UBS that its decision was based on a comparison of recent loss history with the capital underpinning for operational risks. Its assessment is not based upon and does not correspond to the approach required under IFRS for litigation, regulatory and similar matters and other classes of provisions and contingent liabilities. FINMA will review this temporary add-on periodically for possible reduction considering the provisions established and the development of the relevant litigation and other matters over time.

Starting in the fourth quarter of 2013, this temporary FINMA add-on is expected to result in additional operational risk-related RWA of approximately CHF 28 billion on both a fully applied and a phase-in basis. Currently, UBS estimates the effect of this will be to reduce its fully applied Basel III CET1 ratios by 130 basis points. However, as UBS expects the exercise of the SNB StabFund option to add around 100 basis points to its fully applied ratio in the fourth quarter, the net effect will be a reduction of approximately 30 basis points.

- UBS's ability to absorb this event is a prime example of the benefits of its strong capital position and its emphasis on building best-in-class capital ratios.
- UBS continues to target a fully applied Basel III CET1 ratio of 13% in 2014, and reaffirms its commitment to a total payout ratio of greater than 50% after it has achieved this capital target.
- However, in the absence of the complete removal of the abovementioned temporary RWA add-on, UBS's ambition to achieve a Group return on equity of 15% by 2015 will be delayed by at least one year.

Net profit attributable to UBS shareholders for the third quarter of 2013 was CHF 577 million
Net profit attributable to UBS shareholders for the third quarter of 2013 was CHF 577 million compared with CHF 690 million in the second quarter of 2013. Operating profit before tax was CHF 356 million compared with CHF 1,020 million in the prior quarter. Operating income decreased by CHF 1,128 million, mainly due to declines in net interest and trading income and net fee and commission income, partly due to lower client activity. The decline in operating income was partly offset by a CHF 463 million decrease in operating expenses, primarily as a result of lower personnel expenses and decreased general and administrative expenses. Furthermore, we recorded a net tax benefit of CHF 222 million compared with an expense of CHF 125 million in the prior quarter and net profit attributable to preferred noteholders was zero compared with CHF 204 million in the prior quarter. The result included provisions of CHF 586 million for litigation, regulatory and similar matters. UBS expects elevated charges for litigation and regulatory matters to continue through 2014.

Wealth Management: Profit before tax was CHF 555 million in the third quarter of 2013, broadly unchanged compared with CHF 557 million in the prior quarter. Operating income declined by CHF 116 million to CHF 1,837 million, mainly reflecting lower transactional income due to lower client activity levels. Operating expenses declined by CHF 114 million to CHF 1,282 million as the second quarter included a charge in relation to the Swiss-UK tax agreement. In the third quarter, lower personnel costs were partially offset by an increase in charges for provisions for litigation, regulatory and similar matters. Adjusted for restructuring charges, profit before tax increased by CHF 10 million to CHF 617 million from CHF 607 million. The gross margin on invested assets declined by 5 basis points to 85 basis points, mainly reflecting the aforementioned lower transactional revenues. All regions contributed to net new money inflows of CHF 5.0 billion compared with CHF 10.1 billion in the previous quarter.

Wealth Management Americas: Profit before tax in the third quarter of 2013 was USD 218 million compared with a record profit before tax of USD 245 million in the prior quarter. Adjusted for restructuring charges, profit before tax decreased to USD 232 million from USD 256 million in the second quarter. The third quarter of 2013 was adversely affected by lower client activity, trading losses and credit loss expenses related to the Puerto Rico municipal market and a charge related to the partial settlement of a previously discontinued US defined benefit pension plan. Net new money inflows decreased to USD 2.1 billion from USD 2.8 billion in the prior quarter, mainly due to lower inflows from recruited financial advisors.

Investment Bank: The Investment Bank recorded a profit before tax of CHF 251 million in the third quarter of 2013 compared with a profit of CHF 775 million in the prior quarter. Adjusted for restructuring charges, profit before tax was CHF 335 million compared with CHF 806 million. Both Corporate Client Solutions and Investor Client Services experienced lower revenues, mainly reflecting the seasonal slowdown in market and client activity. Basel III risk-weighted assets (RWA) on a fully applied basis decreased to CHF 59 billion as of 30 September 2013 from CHF 67 billion as of 30 June 2013, consistent with our RWA target of less than CHF 70 billion.

Global Asset Management: Profit before tax in the third quarter of 2013 was CHF 118 million compared with CHF 138 million in the second quarter. Adjusted for restructuring charges, profit before tax was CHF 130 million compared with CHF 152 million. Lower revenues were only partly offset by lower operating expenses. Excluding money market flows, net new money outflows of CHF 3.7 billion from third parties and CHF 0.3 billion from clients of UBS's wealth management businesses resulted in net outflows of CHF 3.9 billion compared with net outflows of CHF 1.3 billion in the prior quarter.

Retail & Corporate: Profit before tax was CHF 402 million in the third quarter of 2013 compared with CHF 377 million in the prior quarter. Adjusted for restructuring charges, profit before tax increased to CHF 417 million from CHF 390 million. The third quarter results showed higher operating income, including a gain on sale from the partial divestment of our participation in Euroclear, as well as lower operating expenses. The net new business volume growth rate was positive 1.3% and included net inflows from both corporate and retail clients.

Corporate Center – Core Functions: Profit before tax in the third quarter was negative CHF 479 million compared with negative CHF 131 million in the previous quarter. Adjusted for gains on sales of real estate, own credit and restructuring charges, profit before tax was negative CHF 540 million compared with negative CHF 283 million in the prior quarter. The third quarter included higher charges for provisions for litigation, regulatory and similar matters. Treasury income remaining in Corporate Center – Core Functions after allocations to the business divisions was negative CHF 219 million compared with negative CHF 124 million in the prior quarter.

Corporate Center – Non-core and Legacy Portfolio: Profit before tax was negative CHF 693 million in the third quarter compared with negative CHF 927 million in the previous quarter. The improved result was mainly due to lower charges for provisions for litigation, regulatory and similar matters in the third quarter and an impairment charge related to certain disputed receivables recorded in the prior quarter. Furthermore, the third quarter included a lower gain from the revaluation of our option to acquire the SNB StabFund's equity.

Results by business division and Corporate Center

CHF million	Total operating income			Total operating expenses			Operating profit / (loss) before tax		
For the quarter ended	**30.9.13**	30.6.13	% change	**30.9.13**	30.6.13	% change	**30.9.13**	30.6.13	% change
Wealth Management	**1,837**	1,953	(6)	**1,282**	1,396	(8)	**555**	557	0
Wealth Management Americas	**1,610**	1,680	(4)	**1,408**	1,449	(3)	**202**	232	(13)
Investment Bank	**1,707**	2,250	(24)	**1,456**	1,475	(1)	**251**	775	(68)
Global Asset Management	**447**	489	(9)	**329**	352	(7)	**118**	138	(14)
Retail & Corporate	**958**	948	1	**556**	571	(3)	**402**	377	7
Corporate Center	**(297)**	69		**875**	1,127	(22)	**(1,172)**	(1,058)	11
of which: Core Functions	*(197)*	*(5)*		*282*	*126*	*124*	*(479)*	*(131)*	*266*
of which: Non-core and Legacy Portfolio	*(100)*	*73*		*593*	*1,001*	*(41)*	*(693)*	*(927)*	*(25)*
UBS	**6,261**	7,389	(15)	**5,906**	6,369	(7)	**356**	1,020	(65)

Balance sheet: As of 30 September 2013, our balance sheet assets stood at CHF 1,049 billion, a decrease of CHF 80 billion from 30 June 2013. Funded assets, which represent total assets excluding positive replacement values and collateral delivered against negative replacement values for over-the-counter (OTC) derivatives, decreased by CHF 23 billion to CHF 742 billion, primarily due to a decline in collateral trading activities as well as currency movements.

Capital management: Our phase-in BIS Basel III common equity tier 1 (CET1) ratio was 17.5% as of 30 September 2013, an increase of 1.3 percentage points from 30 June 2013. Our phase-in BIS Basel III CET1 capital decreased by CHF 0.4 billion to CHF 39.0 billion and our risk-weighted assets (RWA) decreased by CHF 20.3 billion to CHF 222.3 billion, mainly due to a reduction in credit risk RWA. On a fully applied BIS Basel III basis, our CET1 ratio increased 0.7 percentage points to 11.9%, as CET1 capital decreased by CHF 0.8 billion to CHF 26.0 billion and RWA declined by CHF 20.3 billion to CHF 218.9 billion. Our phase-in Swiss SRB leverage ratio increased 0.3 percentage points to 4.2%.

Invested assets: Group invested assets stood at CHF 2,339 billion at the end of the third quarter, a decrease of CHF 9 billion on the prior quarter. Invested assets in Wealth Management increased by CHF 9 billion to CHF 871 billion due to positive market performance of CHF 17 billion and net new money inflows of CHF 5 billion, partly offset by negative currency translation effects of CHF 13 billion. Invested assets in Wealth Management Americas decreased by CHF 12 billion to CHF 831 billion. In US dollar terms, invested assets increased by USD 27 billion to USD 919 billion, reflecting positive market performance of USD 25 billion as well as continued net new money inflows. Invested assets in Global Asset Management decreased by CHF 6 billion to CHF 580 billion as of 30 September 2013 compared with CHF 586 billion as of 30 June 2013 due to negative currency translation effects of CHF 13 billion and net new money outflows, partly offset by positive market performance of CHF 13 billion.

Outlook: At the start of the fourth quarter, the fiscal debate in the US highlighted the fact that many of the underlying challenges related to structural fiscal and economic issues remain. Consequently, for the fourth quarter of 2013, client confidence and activity levels may continue to be impacted by the continued absence of sustained and credible improvements to unresolved European sovereign debt and banking system issues and US fiscal and monetary issues, and by the mixed outlook for global growth. This would once again make improvements in prevailing market conditions unlikely, and would consequently generate headwinds for revenue growth, net interest margins and net new money. Nevertheless, we expect that our wealth management businesses will continue to attract net new

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money, reflecting new and existing clients' steadfast trust in the firm, and that the actions we have taken will ensure the firm's long-term success and will deliver sustainable returns for our shareholders.

[1] Unless otherwise indicated, "adjusted" figures exclude each of the following items, to the extent applicable, on a Group and business division level: own credit loss on financial liabilities designated at fair value for the Group of CHF 147 million in 3Q13 (own credit gain of CHF 138 million in 2Q13), gains on sales of real estate for the Group of CHF 207 million (gains on sales of real estate of CHF 19 million in 2Q13), and net restructuring charges of CHF 188 million for the Group in 3Q13 (net restructuring charges of CHF 140 million in 2Q13). [2] Basel III numbers are BIS Basel III numbers unless otherwise stated.[3] For the definitions of our key performance indicators, refer to the "Measurement of performance" section of our Annual Report 2012. [4] The Scorpio Partnership Private Banking Benchmark 2013 – banks with assets under management of over USD 1 trillion.

Group results

	For the quarter ended			Year-to-date	
CHF million, except where indicated	**30.9.13**	30.6.13	30.9.12	30.9.13	30.9.12
Operating income	**6,261**	7,389	6,290	21,425	19,215
Operating expenses	**5,906**	6,369	8,816	18,602	19,172
Operating profit / (loss) before tax	**356**	1,020	(2,526)	2,823	43
Net profit / (loss) attributable to UBS shareholders	**577**	690	(2,134)	2,255	(576)
Diluted earnings per share (CHF) [1]	**0.15**	0.18	(0.57)	0.59	(0.15)

1 Refer to "Note 8 Earnings per share (EPS) and shares outstanding" in the "Financial information" section of the third quarter 2013 report for more information.

Key performance indicators [1], balance sheet and capital management, and additional information

	For the quarter ended			Year-to-date	
	30.9.13	30.6.13	30.9.12	30.9.13	30.9.12
Performance					
Return on equity (RoE) (%)	**4.9**	5.9	(17.3)	6.4	(1.6)
Return on tangible equity (%) [2]	**5.9**	7.0	9.1	7.6	8.4
Return on risk-weighted assets, gross (%) [3]	**10.8**	11.7	12.1	11.5	11.9
Return on assets, gross (%)	**2.3**	2.5	1.8	2.5	1.9
Growth					
Net profit growth (%) [4]	**(16.4)**	(30.2)	N/A	N/A	N/A
Net new money growth (%) [5]	**(0.2)**	1.8	2.5	1.8	1.7
Efficiency					
Cost / income ratio (%)	**94.1**	86.2	137.3	86.7	99.3
	As of			As of	
CHF million, except where indicated	**30.9.13**	30.6.13	31.12.12	30.9.13	30.9.12
Capital strength					
BIS Basel III common equity tier 1 capital ratio (%, phase-in) [6]	**17.5**	16.2	15.3	17.5	
BIS Basel III common equity tier 1 capital ratio (%, fully applied) [6]	**11.9**	11.2	9.8	11.9	
Swiss SRB leverage ratio (%) [6, 7]	**4.2**	3.9	3.6	4.2	
Balance sheet and capital management					
Total assets	**1,049,101**	1,129,071	1,259,797	1,049,101	1,366,776
Equity attributable to UBS shareholders	**47,403**	47,073	45,949	47,403	48,125
Total book value per share (CHF)	**12.58**	12.49	12.26	12.58	12.85
Tangible book value per share (CHF)	**10.89**	10.73	10.54	10.89	11.08
BIS Basel III common equity tier 1 capital (phase-in) [6]	**38,963**	39,398	40,032	38,963	
BIS Basel III common equity tier 1 capital (fully applied) [6]	**26,019**	26,817	25,182	26,019	
BIS Basel III risk-weighted assets (phase-in) [6]	**222,306**	242,626	261,800	222,306	
BIS Basel III risk-weighted assets (fully applied) [6]	**218,926**	239,182	258,113	218,926	
BIS Basel III total capital ratio (%, phase-in) [6]	**21.8**	20.5	18.9	21.8	
BIS Basel III total capital ratio (%, fully applied) [6]	**14.3**	13.5	11.4	14.3	

Additional information

	As of			As of	
CHF million, except where indicated	**30.9.13**	30.6.13	31.12.12	30.9.13	30.9.12
Invested assets (CHF billion)[8]	**2,339**	2,348	2,230	2,339	2,242
Personnel (full-time equivalents)	**60,635**	60,754	62,628	60,635	63,745
Market capitalization[9]	**71,066**	61,737	54,729	71,066	43,894

1 For the definitions of our key performance indicators, refer to the "Measurement of performance" section of our Annual Report 2012. In the third quarter of 2013, the definitions of certain key performance indicators were amended. Refer to the "Regulatory and legal developments and financial reporting changes" section of the third quarter 2013 report for more information. **2** Net profit attributable to UBS shareholders before amortization and impairment of goodwill and intangible assets / average equity attributable to UBS shareholders less average goodwill and intangible assets. **3** Based on BIS Basel III risk-weighted assets (phase-in) for 2013. Based on Basel 2.5 for 2012. **4** Not meaningful and not included if either the reporting period or the comparison period is a loss period. **5** Group net new money includes net new money for Retail & Corporate and excludes interest and dividend income. **6** Numbers for 31 December 2012 are on a pro-forma basis. Refer to the "Capital management" section of the third quarter 2013 report for more information. **7** SRB: systemically relevant banks. **8** Group invested assets includes invested assets for Retail & Corporate. **9** Refer to the "UBS shares" section of the third quarter 2013 report for more information.

Income statement

	For the quarter ended			% change from		Year-to-date	
CHF million, except per share data	**30.9.13**	30.6.13	30.9.12	2Q13	3Q12	30.9.13	30.9.12
Interest income	**3,147**	3,541	3,891	(11)	(19)	10,172	12,418
Interest expense	**(1,596)**	(2,333)	(2,363)	(32)	(32)	(5,932)	(7,912)
Net interest income	**1,551**	1,208	1,528	28	2	4,240	4,506
Credit loss (expense) / recovery	**(17)**	(3)	(129)	467	(87)	(35)	(94)
Net interest income after credit loss expense	**1,534**	1,205	1,399	27	10	4,204	4,412
Net fee and commission income	**3,831**	4,236	3,917	(10)	(2)	12,190	11,404
Net trading income	**543**	1,760	808	(69)	(33)	4,526	3,148
Other income	**353**	188	166	88	113	505	250
Total operating income	**6,261**	7,389	6,290	(15)	0	21,425	19,215
Personnel expenses	**3,567**	3,855	3,802	(7)	(6)	11,522	10,723
General and administrative expenses	**2,126**	2,299	1,761	(8)	21	6,424	4,810
Depreciation and impairment of property and equipment	**191**	196	184	(3)	4	595	521
Impairment of goodwill	**0**	0	3,030		(100)	0	3,030
Amortization and impairment of intangible assets	**21**	20	39	5	(46)	61	87
Total operating expenses	**5,906**	6,369	8,816	(7)	(33)	18,602	19,172
Operating profit / (loss) before tax	**356**	1,020	(2,526)	(65)		2,823	43
Tax expense / (benefit)	**(222)**	125	(394)		(44)	361	394
Net profit / (loss)	**578**	895	(2,133)	(35)		2,462	(352)
Net profit / (loss) attributable to preferred noteholders	**0**	204	0	(100)		204	220
Net profit / (loss) attributable to non-controlling interests	**1**	1	1	0	0	3	4
Net profit / (loss) attributable to UBS shareholders	**577**	690	(2,134)	(16)		2,255	(576)
Earnings per share (CHF)							
Basic	**0.15**	0.18	(0.57)	(17)		0.60	(0.15)
Diluted	**0.15**	0.18	(0.57)	(17)		0.59	(0.15)

UBS's third quarter 2013 report, shareholders' letter, media release and slide presentation will be available from Tuesday 29 October, 06.45 CET at www.ubs.com/quarterlyreporting.

UBS will hold the presentation of its third quarter 2013 results on Tuesday 29 October. The results will be presented by Sergio P. Ermotti, Group Chief Executive Officer, Tom Naratil, Group Chief Financial Officer, Caroline Stewart, Global Head of Investor Relations, and Hubertus Kuelps, Group Head of Communications & Branding.

Time

- 09.00 CET
- 08.00 GMT
- 04.00 US EDT

Please note: The presentation and Q&A session will be broadcast via audio (NOT video) webcast with a simultaneous slideshow at www.ubs.com/quarterlyreporting.

Webcast playbacks: An audio playback of the webcast will be available from 12.00 CET on 29 October 2013. An indexed, on-demand version of the webcast will be available from 18.00 CET.

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Cautionary Statement Regarding Forward-Looking Statements l 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) the degree to which UBS is successful in executing its announced strategic plans and related organizational changes, its efficiency initiatives and its planned reduction in Basel III risk-weighted assets (RWA), and whether in each case those plans and changes will, when implemented, have the effects intended; (2) 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; (3) changes in the availability of capital and funding, including any changes in UBS's credit spreads and ratings; (4) changes in financial legislation and regulation in Switzerland, the US, the UK and other major financial centers which may impose more stringent capital and liquidity requirements, incremental tax requirements, additional levies or constraints on remuneration; (5) uncertainty as to when and to what degree the Swiss Financial Market Supervisory Authority (FINMA) will approve reductions to the temporary 50% add-on to UBS's operational risk-related RWA effective from the fourth quarter of 2013 or approve a limited reduction of capital requirements due to measures to reduce resolvability risk; (6) possible changes to the legal entity structure or booking model of UBS Group in response to enacted, proposed or future legal and regulatory requirements, including capital requirements, the proposal to require non-US banks to establish intermediate holding companies for their US operations, resolvability requirements and the pending Swiss parliamentary proposals for mandatory structural reform of banks; (7) 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; (8) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations; (9) the effects on UBS's cross-border banking business of tax or regulatory developments and of possible changes in UBS's policies and practices relating to this business; (10) UBS's ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors including differences in compensation practices; (11) changes in accounting standards or policies, and accounting determinations or interpretations 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; 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 2012. 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 l 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.