Bank of America Merrill Lynch Financials Conference

John Cryan, Chief Financial Officer UBS

September 30, 2010

Cautionary statement regarding forward-looking statements

This presentation 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. Additional information about those factors is set forth in documents furnished and filings made by UBS with the US Securities and Exchange Commission, including UBS's financial report for second quarter 2010 and UBS's Annual Report on Form 20-F for the year ended 31 December 2009. 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.

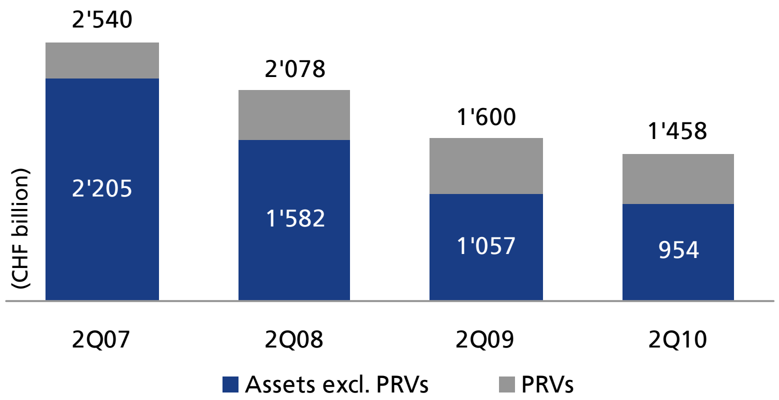
Overview

1. Management response to the crisis: we made substantial progress in transforming the firm - de-risked, deleveraged, returned to profitability, improved risk management and control, improved governance
2. Regulatory response to the crisis: still ongoing and new requirements are being set. There are consequences for the industry and our businesses
3. We do not intend to raise equity to meet new capital requirements
4. We do not expect to be able to pay dividends for some time to come

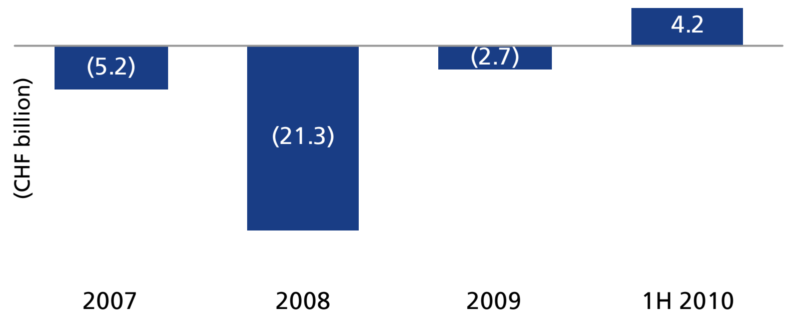
Management response to the crisis

Substantial progress in transforming the firm

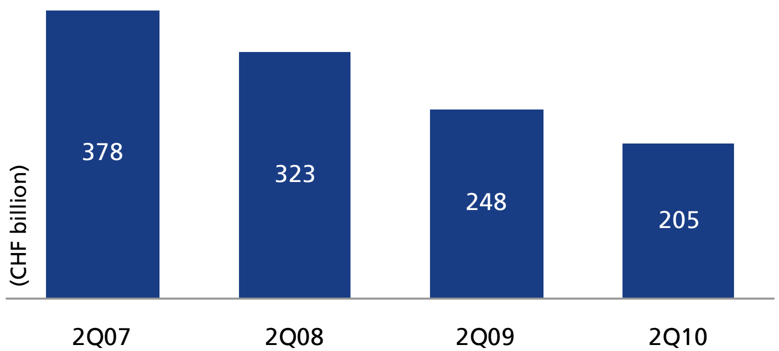
Balance sheet



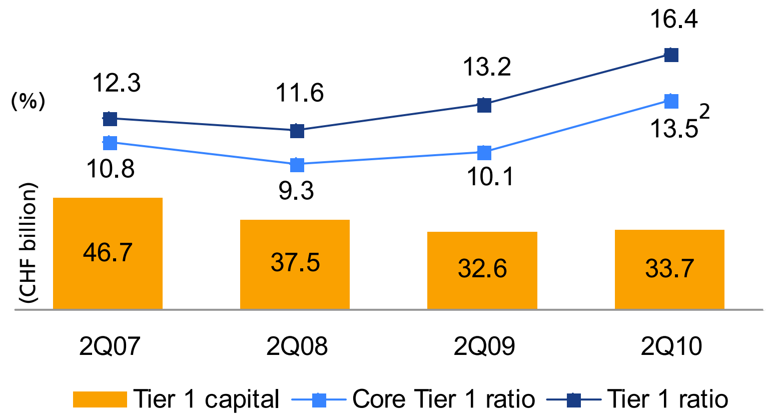
Net profit



Risk weighted assets[1]



Tier 1 capital and capital ratios[1]



1 As reported. 2Q07 under Basel I, 2Q08 onwards under Basel II
2 Adjusted to include CHF 1 billion of reserve taken against hybrid capital in 2Q10

UBS

The consequences of regulatory changes / industry responses

Higher capital requirements	Industry challenges
Encourages flow based investment bank model	Substantially increased risk from adverse operating leverage
Increasing competition in flow driven investment banks	Lower barriers to entry
Reduced ability to pass on costs to customer	Shareholders will pick up the bill
Lowering RoEs in investment banks	Pressure to increase risk
Encouraging diversification in to less capital intensive businesses	Increases pressure on margins
Increasing competition in Wealth and Asset management	Significant staff cost inflation

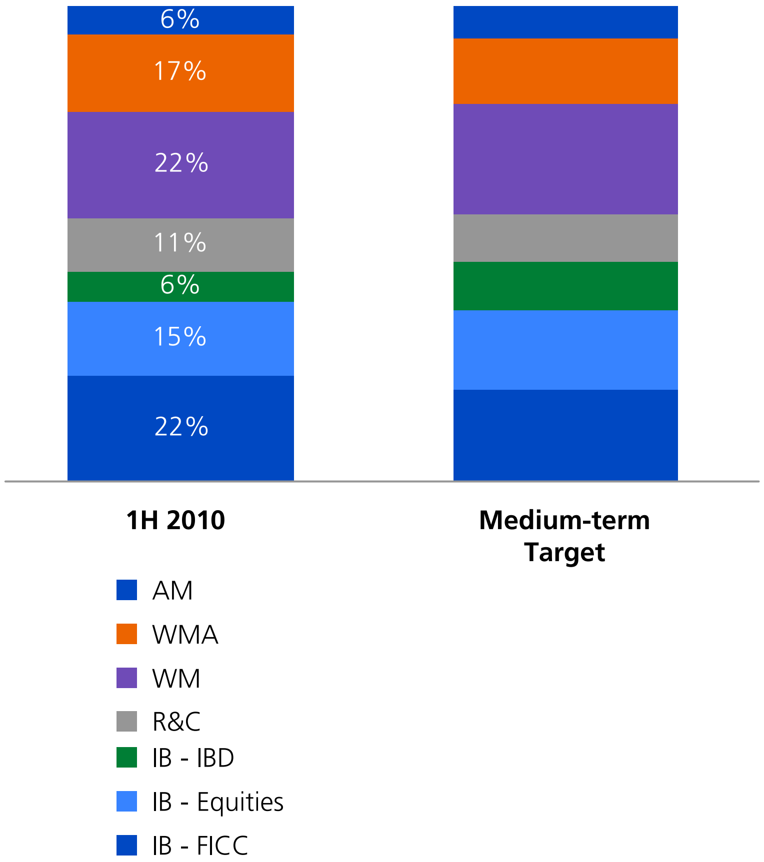
UBS is well positioned to meet these challenges relative to peers

UBS

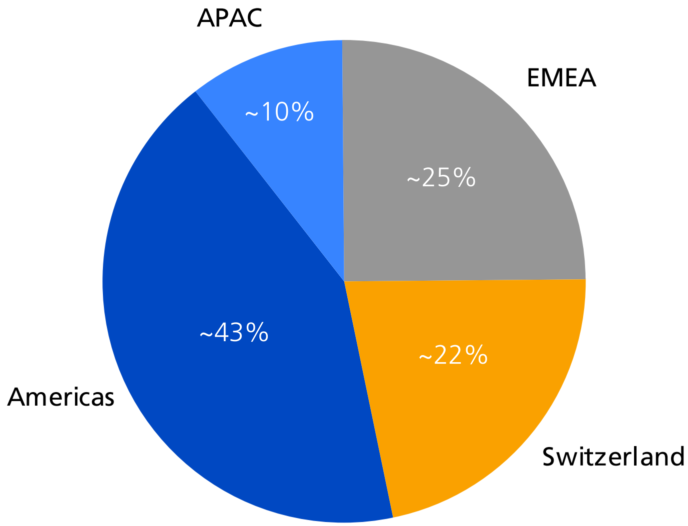
Our businesses

Well diversified by products and geography

Revenue mix



Invested assets[1]

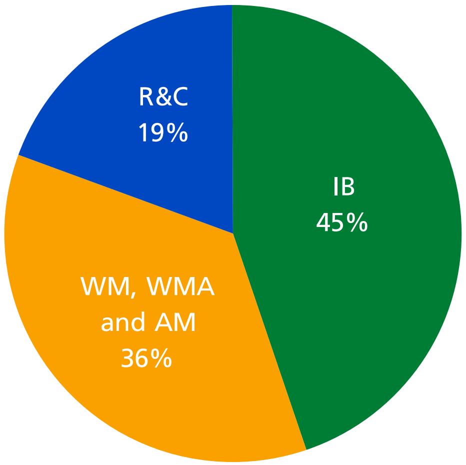


1 Asset gathering divisions, (WM – by client domicile, WMA, AM – by client servicing location), as reported in Annual Report 2009

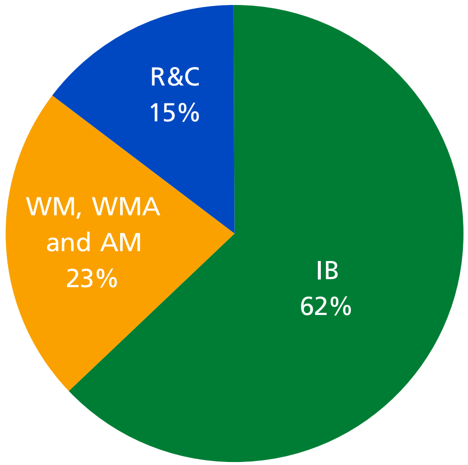
Business mix

- Approximately half of our profits come from capital light businesses
  - Retail & Corporate and FICC are the main users of capital
- Capital intensive businesses: Swiss credit books, FI credit books, complex structured products and increasingly OTC derivatives and CVA hedging

Profitability
1H 2010[1]



Risk-weighted assets
30 June 2010



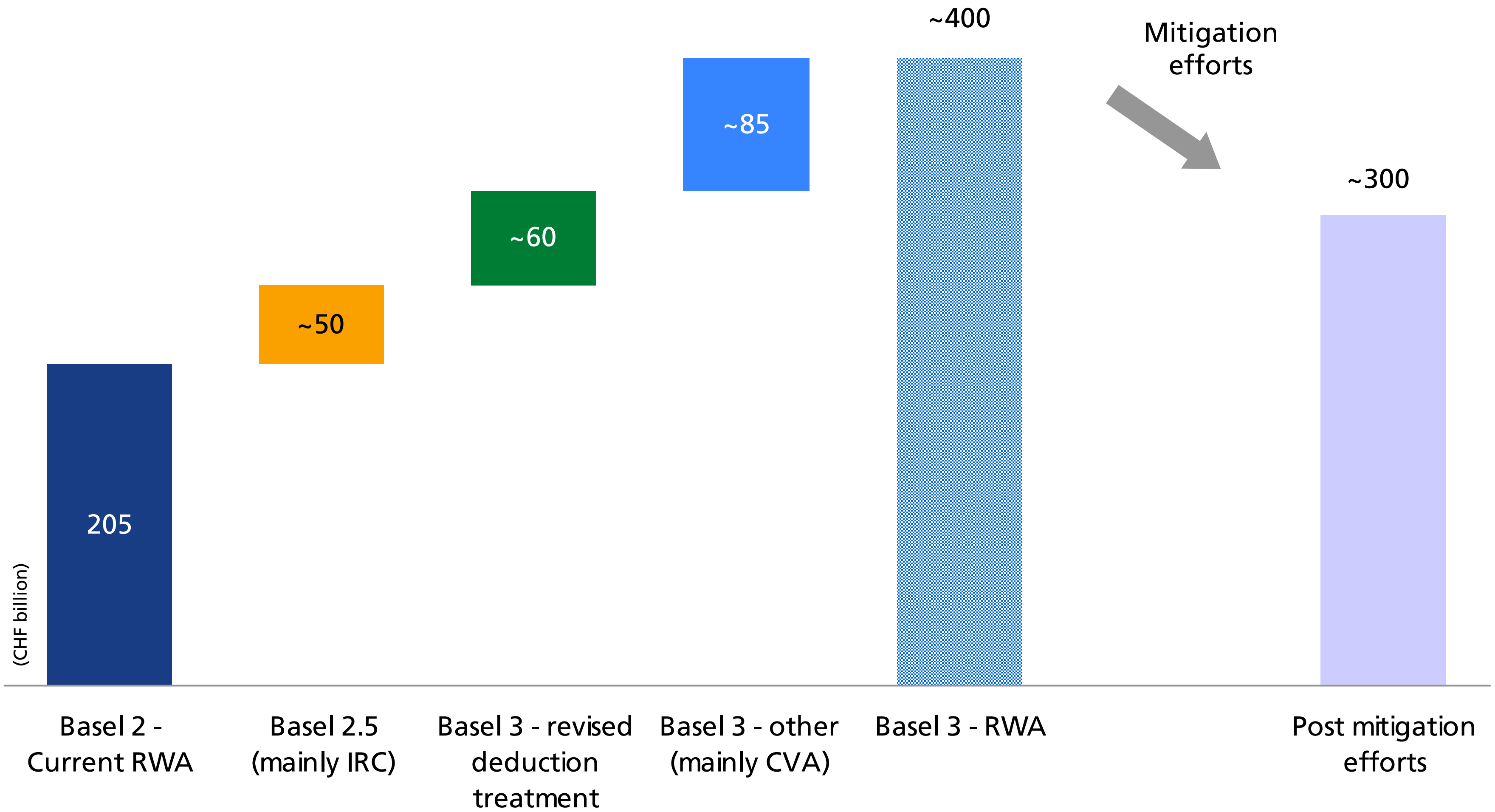
1 Pre-tax profit in 1H 2010 excluding own credit of CHF 348 million (IB) and restructuring charges of CHF 167 million (WMA)

Basel 3

- Aim:
  - Reducing the incidence and severity of future financial crises
  - More stable banking system: moderated risk taking and better loss absorption
- Main characteristics:
  - Increased minimum capital requirements with additional capital buffers
  - Stronger definition of capital
  - More conservative risk-weighting of assets
  - Long transition period until 2019
  - The deductions to start in 2014 with 5 year phase in period
- UBS view:
  - We support the measures that make banking system more robust
  - In line with the management view on adequate capital levels
- FINMA will apply a “Swiss finish” to Basel 3

Basel 3 – Risk-weighted assets

~ CHF 400 billion of RWAs before mitigation efforts



UBS

Basel 3 – Illustrative example

Assumptions:

- Capital:
  - CHF 7 billion fully deducted from end of 2012 despite deductions commencing 2014 and a 5-year phase-in period thereafter
  - Approximately half of the deferred tax assets absorbed by 2013 (~CHF 8 billion at 2Q10)
- Earnings: analysts' estimates[1] between now and 2012, thereafter flat
- Risk-weighted assets: CHF 400 billion (before risk mitigation, for illustrative purposes only)

	Basel II				Basel III						
	2Q10	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Minimum common equity + capital conservation buffer					3.5%	4.0%	4.5%	5.1%	5.8%	6.4%	7.0%
Phase-in of deductions						20%	40%	60%	80%	100%	100%
UBS core capital before deductions[2]	27.7	27.7	30.6	38.5	47.5	56.5	65.5	74.5	83.5	92.5	101.5
Add (revised treatment for securitizations)				2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Deductions[3]				(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
UBS core capital after deductions	27.7	27.7	30.6	33.8	42.8	51.8	60.8	69.8	78.8	87.8	96.8
Projected earnings (analysts' estimates)[1]		2.9	7.9	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Return to shareholders		TO BE DETERMINED									
Core capital including future earnings	27.7	30.6	38.5	42.8	51.8	60.8	69.8	78.8	87.8	96.8	105.8
Risk-weighted assets	205			400	400	400	400	400	400	400	400
Core capital ratio	**13.5%**			**11%**	**13%**	**15%**	**17%**	**20%**	**22%**	**24%**	**26%**
Excess capital above the minimum (before returns to shareholders)					37.8	44.8	51.8	58.3	64.8	71.3	77.8

1 Analysts' estimates reflect consensus collected on 17 August 2010 from 25 sell-side analysts. The earnings shown are not endorsed or verified by UBS, but are used for illustrative purposes only.
2 Adjusted to include CHF 1 billion of reserve taken against hybrid capital in 2Q10.
3 Predominantly deferred tax assets and prepaid pension costs.

UBS

Regulatory uncertainty remains

Quantity of capital	♦ International minimum ♦ Conservation buffer ♦ Countercyclical buffer ♦ Additional buffer to be imposed by national regulators ♦ Additional loss absorbing capacity for systemically important banks
Quality of capital	♦ Stronger definition of capital ♦ Tangible common equity = main loss absorbing capital ♦ Hybrid capital in current form to be phased out ♦ Contingent capital
Location of capital	♦ Global banks face multiple regulators (FINMA, FSA, FED etc.) ♦ Increased local capital requirements
Too-big-to-fail problem	♦ Break-up ♦ Bail-in ♦ Bail-out ♦ Resolution authority ♦ Structural requirements

We are confident about our future

1. We have made substantial progress in transforming the firm
2. Right business model – client focused, well diversified businesses with global footprint
3. Well funded / capitalized banks are best positioned to take advantages of new business opportunities
4. We will run our businesses with the right level and type of capital needed to support them