UBS

Third quarter 2014 results

October 28, 2014

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. These factors include, but are not limited to: (i) the degree to which UBS is successful in executing its announced strategic plans, including its efficiency initiatives and its planned further reduction in its Basel III risk-weighted assets (RWA) and leverage ratio denominator (LRD); (ii) 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; (iii) changes in the availability of capital and funding, including any changes in UBS's credit spreads and ratings, or arising from requirements for bail-in debt or loss-absorbing capital; (iv) changes in or the implementation of financial legislation and regulation in Switzerland, the US, the UK and other financial centers that may impose more stringent capital (including leverage ratio), liquidity and funding requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration or other measures; (v) uncertainty as to when and to what degree the Swiss Financial Market Supervisory Authority (FINMA) will approve reductions to the incremental RWA resulting from the supplemental operational risk capital analysis mutually agreed to by UBS and FINMA, or will approve a limited reduction of capital requirements due to measures to reduce resolvability risk; (vi) the degree to which UBS is successful in executing the announced creation of a new Swiss banking subsidiary, a holding company for the UBS Group (including the pending offer to exchange shares of UBS AG for shares of such holding company), a US intermediate holding company, changes in the operating model of UBS Limited and other changes which UBS may make in its legal entity structure and operating model, including the possible consequences of such changes, and the potential need to make other changes to the legal structure or booking model of UBS Group in response to legal and regulatory requirements, including capital requirements, resolvability requirements and proposals in Switzerland and other countries for mandatory structural reform of banks; (vii) 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; (viii) 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; (ix) 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; (x) 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; (xi) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xii) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xiii) whether UBS will be successful in keeping pace with competitors in updating its technology, particularly in trading businesses; (xiv) the occurrence of operational failures, such as fraud, unauthorized trading and systems failures; and (xv) 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. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. 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 2013. 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.

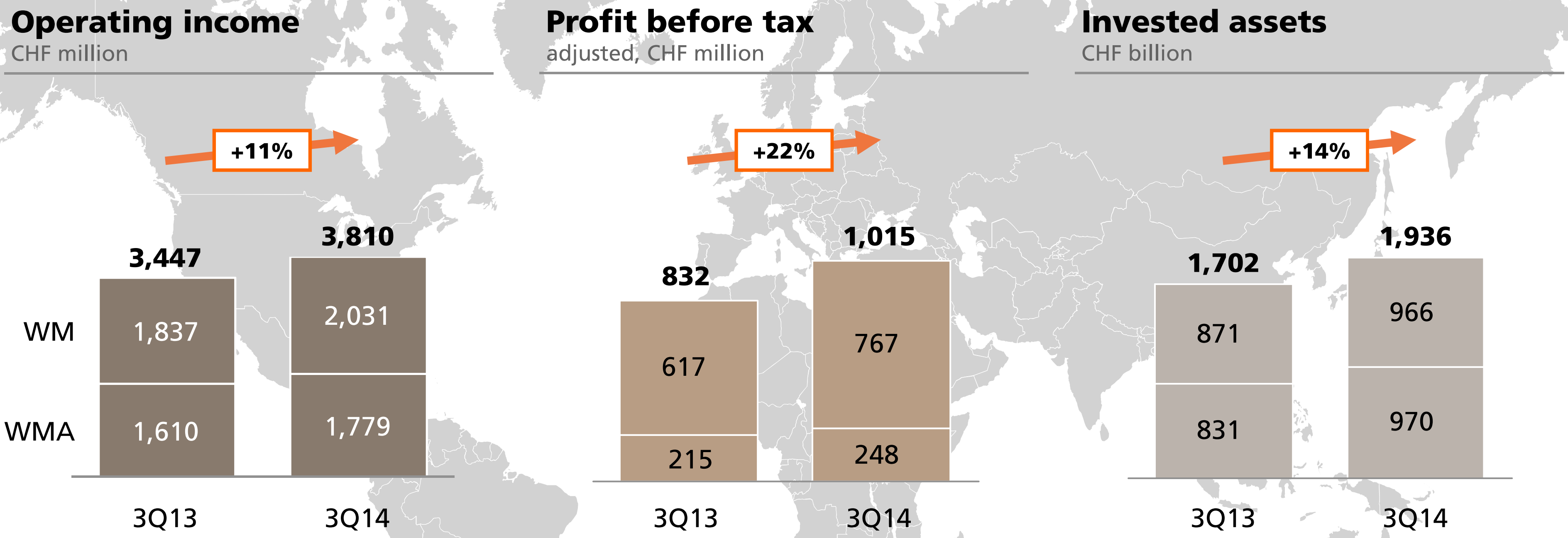
3Q14 highlights—Group

Strong underlying results; significant DTA write-up and litigation provisions

- Underlying profit before tax (PBT) CHF 1.7 billion
- Net profit attributable to UBS shareholders CHF 762 million, diluted EPS CHF 0.20
  - Provisions for litigation, regulatory and similar matters CHF 1,836 million
  - Net upward revaluation of deferred tax assets CHF 1,420 million
- PBT negative CHF 554 million, adjusted PBT negative CHF 424 million
- WM, WMA, R&C and Global AM all reported higher PBT QoQ and YoY
- Strong net new money CHF 14.4 billion from our wealth management businesses
- Basel III fully applied CET1 ratio 13.7%, post-stress ratio remained above 10%, fully applied Swiss SRB leverage ratio 4.2%, CHF 7 billion reduction in RWA

Our wealth management franchise is unrivaled

CHF 1.9 trillion invested assets; combined adjusted PBT >CHF 1 billion



Leading global franchise with superior growth prospects and a unique global footprint

Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation

3Q14 highlights—business divisions[1]

Strong performance with underlying PBT up YoY in all businesses

Wealth Management: Highest PBT since 2Q09 CHF 767 million

– NNM CHF 9.8 billion, positive in all regions

Wealth Management Americas: Strong performance, PBT USD 267 million and NNM USD 4.9 billion

– Record income on record FA productivity with USD 1.1 million in annualized revenues per FA

Retail & Corporate: Highest PBT since 3Q10 CHF 446 million

– All KPIs within target ranges for 3Q14 and 9M14

Global Asset Management: Strong performance, PBT CHF 151 million and NNM CHF 3.8 billion ex-MM

– PBT up 41% QoQ and 16% YoY

Investment Bank: Strong underlying PBT CHF 494 million, up 47% YoY

– Provisions for litigation, regulatory and similar matters CHF 1,687 million

Corporate Center: Reported pre-tax loss CHF 793 million; CHF 252 million net loss resulting from the implementation of FVA[2]

– Non-core and Legacy Portfolio RWA decreased 19%

Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation

1 Figures on an adjusted basis unless otherwise stated; 2 Refer to page 118 of the 3Q14 report for details on funding valuation adjustments (FVA)

Key messages

The fundamental earnings power of our unrivaled franchise is evident

- WM/WMA combined adjusted PBT >CHF 1 billion
- Strong performance in Retail & Corporate with all KPIs within target ranges
- Solid Investment Bank and Global AM performance despite challenging market conditions

Results include provisions for litigation, regulatory and similar matters

- We continue to seek resolution of open issues
- Timing of full resolution of complex industry-wide issues is difficult to predict

We will continue executing our strategy and are well positioned for growth

- Seizing current revenue opportunities and positioned for future economic recovery
- Improving efficiency will release resources to invest for growth
- Continued reduction in the Non-core and Legacy Portfolio

Our capital position is strong and our businesses are highly capital accretive

- Continued capital strength in an evolving regulatory environment
- Share-for-share exchange offer in progress creating eligibility for capital rebate
- Committed to payout ratio of at least 50% subject to maintaining our capital targets[1]

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1 Payout ratio of at least 50% conditional on both fully applied CET1 ratio of minimum 13% and fully applied CET1 ratio of minimum 10% post-stress

Group results

CHF million	3Q13	2Q14	**3Q14**
Total operating income	6,261	7,147	6,876
Total operating expenses	5,906	5,929	7,430
Profit before tax as reported	**356**	**1,218**	**(554)**
of which: own credit on financial liabilities designated at fair value	(147)	72	61
of which: gains on sales of real estate	207	1	0
of which: gain on disposals	0	43	0
of which: impairment of a financial investment available-for-sale	0	0	(48)
of which: net restructuring charges	(188)	(89)	(176)
of which: credit related to changes to a retiree benefit plan in the US	0	0	33
Adjusted profit before tax	**484**	**1,191**	**(424)**
of which: provisions for litigation, regulatory and similar matters	(586)	(254)	(1,836)
of which: impairment of certain disputed receivables and other items	0	(53)	26
of which: net loss associated with implementation of FVA[1]	-	-	(267)
Underlying profit before tax	**1,070**	**1,498**	**1,653**

Profit before tax as reported	**356**	**1,218**	**(554)**
Tax (expense)/benefit	222	(314)	1,317
Net profit attributable to preferred noteholders/non-controlling interests	(1)	(112)	(1)
Net profit attributable to UBS shareholders	**577**	**792**	**762**
Diluted EPS (CHF)	0.15	0.21	0.20
Return on Equity (RoE) (%)	4.9	6.4	6.1
Total book value per share (CHF)	12.58	13.20	13.54
Tangible book value per share (CHF)	10.89	11.54	11.78

Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation

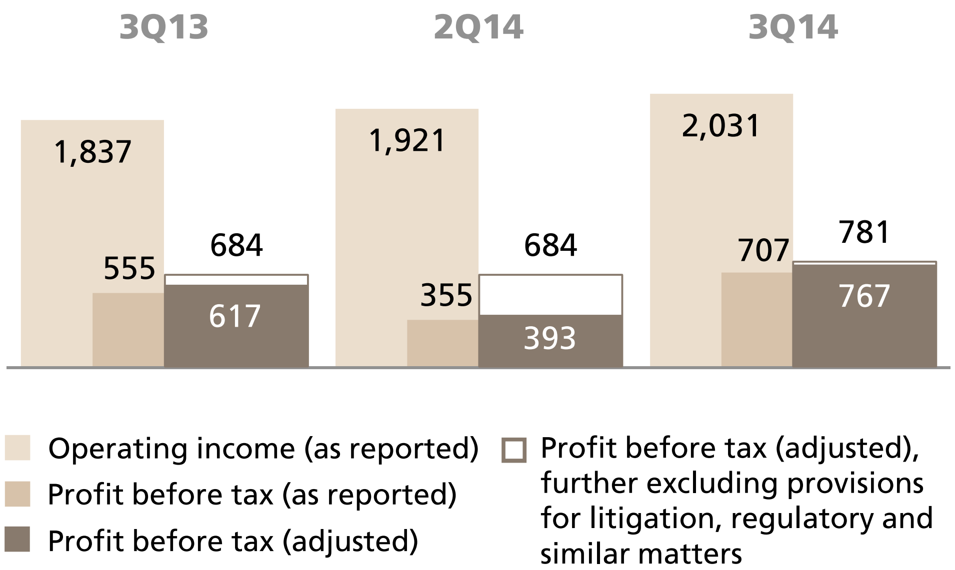
1 Refer to page 118 of the 3Q14 report for details on funding valuation adjustments (FVA)

Wealth Management

Highest adjusted PBT since 2Q09; NNM CHF 9.8 billion, positive in all regions

Operating income and profit before tax

CHF million



Net new money

CHF billion

Operating income up 6%

- Recurring income up 8% to CHF 1,548 million on higher recurring net fee income and higher net interest income
- Transaction-based income up 1% to CHF 479 million

Adjusted cost/income ratio 62%

- Adjusted expenses CHF 1,264 million, down 17% following lower charges for litigation, regulatory and similar matters of CHF 14 million in 3Q14, down from CHF 291 million in 2Q14
- Excluding charges for litigation, regulatory and similar matters, the business exercised good expense control in the quarter

Strong net new money at CHF 9.8 billion

- Positive NNM in all regions, CHF 7.8 billion from APAC
- Balanced NNM inflows, UHNW share of NNM at 58%
- Annualized NNM growth rate of 4.2%

Mandate penetration

- CHF 7.3 billion in net mandate sales, penetration up from 24.2% to 24.5%

Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation

Wealth Management—revenue by source

Increased gross margin on highest quarterly operating income since 3Q08

	3Q13	4Q13	1Q14	2Q14	3Q14
Wealth Management – Income (CHF million)	1,837	1,859	1,943	1,919	2,031
Gross margin (bps)	85	85	87	84	86[1]
Recurring income as a % of income	77%	77%	72%	75%	76%
Net interest income – Income (CHF million)	517	513	496	518	569
Gross margin component (bps)	24	23	22	23	24
Recurring net fee income – Income (CHF million)	891	911	897	922	978
Gross margin component (bps)	41	41	40	40	41
Transaction-based and other income – Income (CHF million)	429	434	551	479	484
Gross margin component (bps)	20	20	25	21	20
Invested assets CHF billion	**871**	**886**	**899**	**928**	**966**

Income (CHF million)
Gross margin (bps)
Recurring income as a % of income

Net interest income: Increase mainly due to higher revenues allocated from Group Treasury and higher net interest income from Lombard lending

Recurring net fee income: Positive effect from invested asset growth, pricing measures and mandate sales more than offset impact of cross-border asset outflows

Transaction-based and other income: Higher FX related trading income partially offset by first-time fees paid to R&C for net client shifts and referral fees

Gross margin components (bps)

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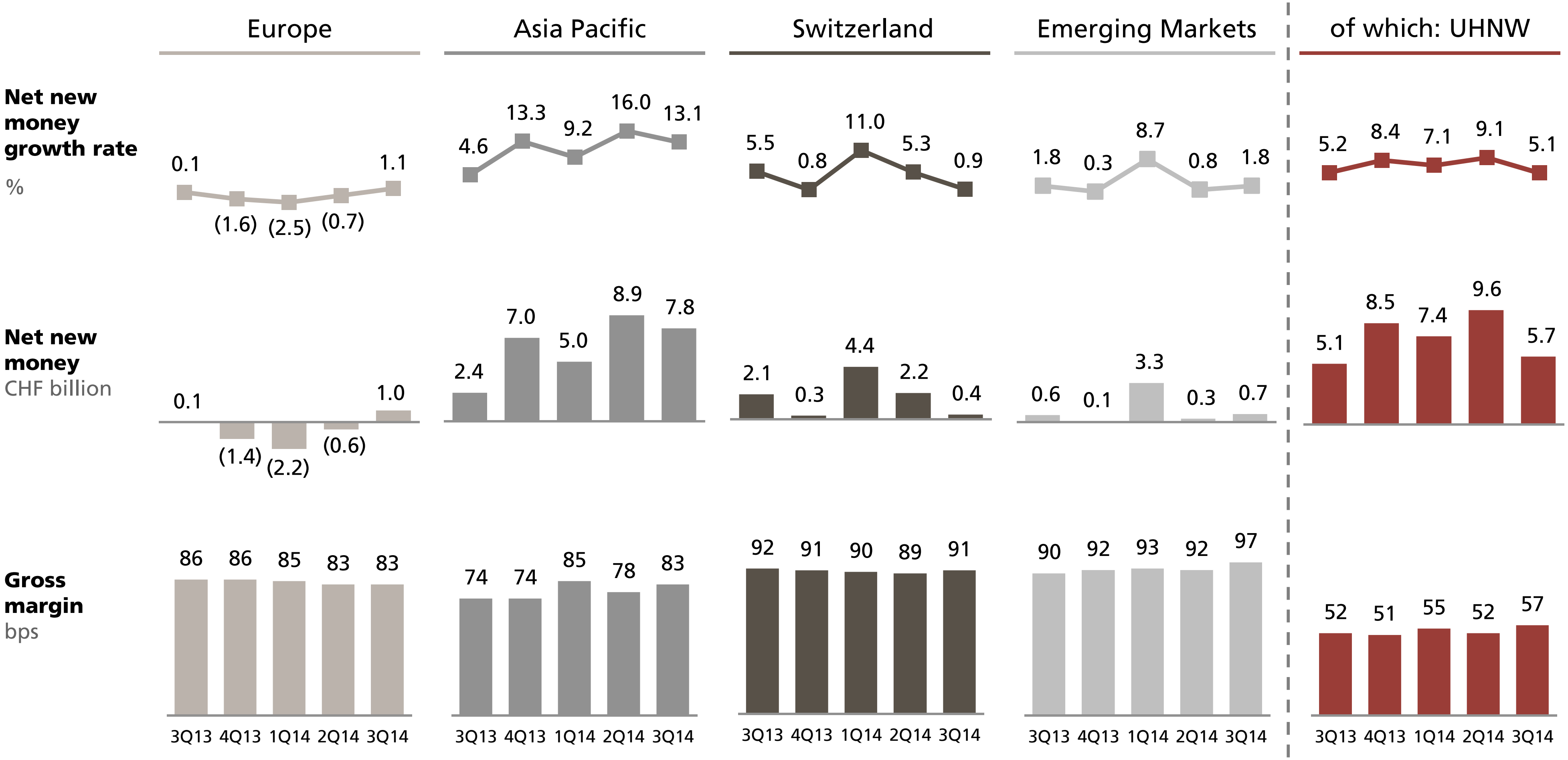
1 Gross margin components on the slide do not add up to total due to rounding

Wealth Management—by region[1]



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	Europe	Asia Pacific	Switzerland	Emerging Markets	of which: UHNW
Invested assets CHF billion	**358**	**258**	**174**	**165**	**478**
Client advisors FTE	**1,463**	**1,189**	**765**	**808**	**745**

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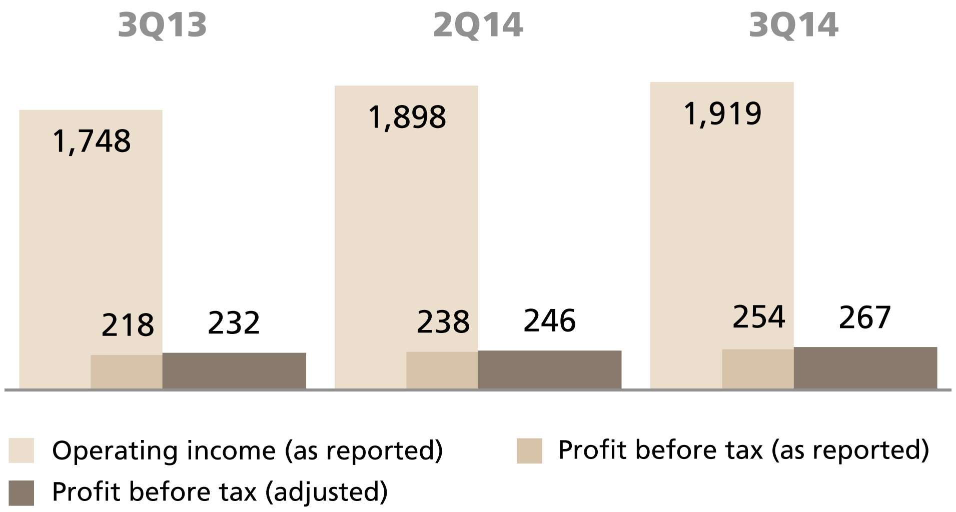
1 Based on the Wealth Management business area structure; refer to page 25 of the 3Q14 financial report for more information

Wealth Management Americas

Adjusted PBT USD 267 million on record income and record FA productivity

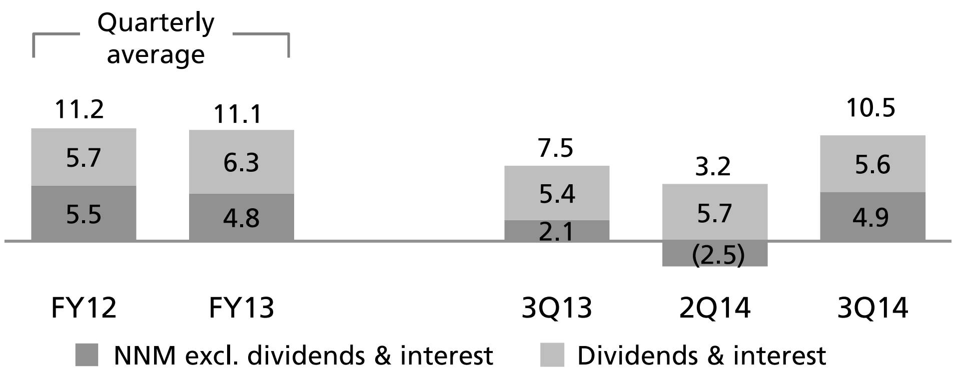
Operating income and profit before tax

USD million



Net new money

USD billion



Operating income up 1%

- Record recurring income as net interest income rose 6% to USD 276 million on continued growth in lending balances, recurring net fee income increased 3% to USD 1,197 million on higher managed account assets
- Transaction-based income decreased 5% on seasonally lower client activity

Adjusted cost/income ratio 86%

- Adjusted expenses decreased slightly to USD 1,651 million
- Charges for litigation, regulatory and similar matters remained elevated at USD 50 million

USD 4.9 billion net new money

- Strong same store NNM and improved net recruiting
- Annualized NNM growth rate of 1.9%

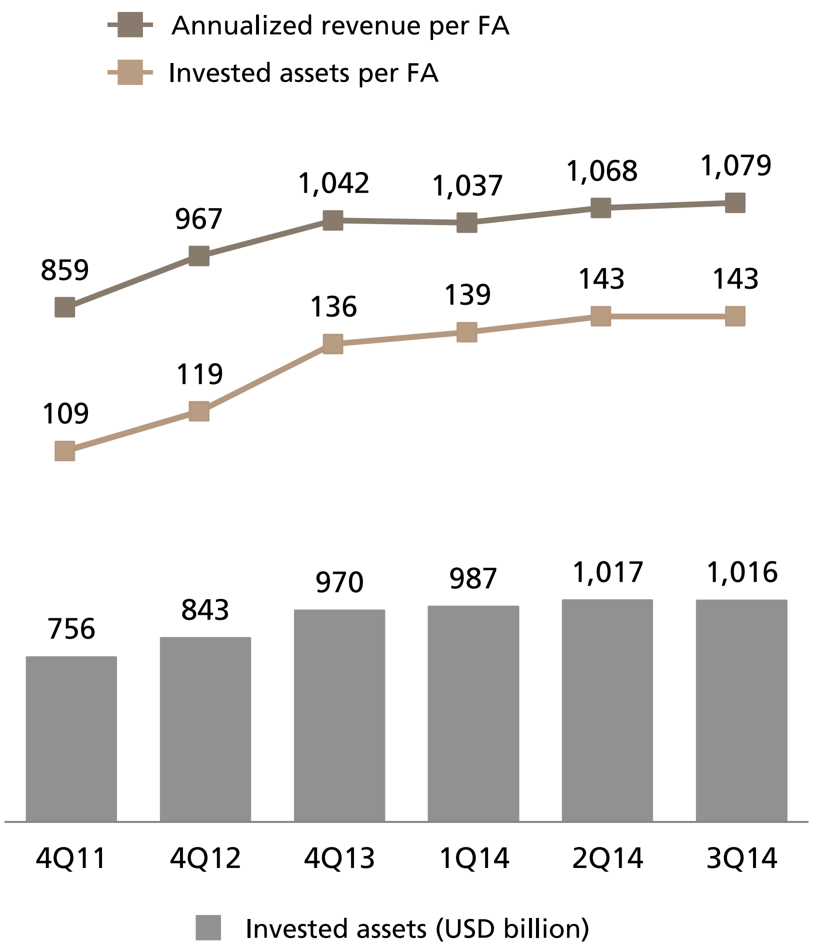
Continued strong FA productivity

- Record annualized revenue per FA of USD 1.1 million
- Invested assets per FA of USD 143 million

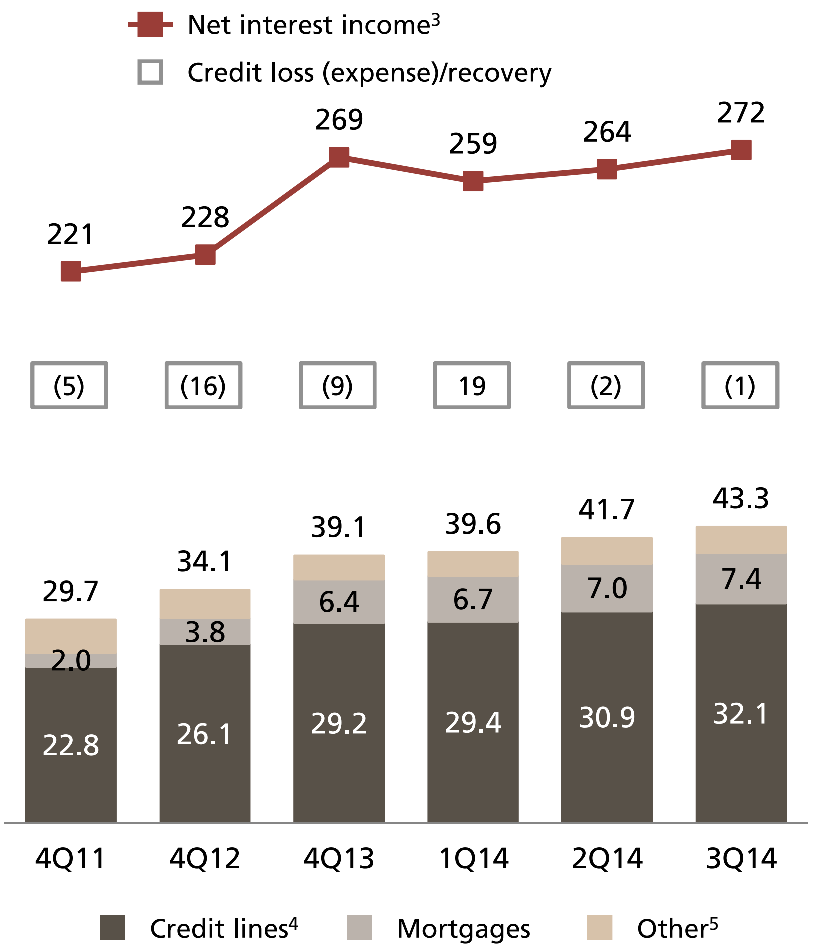
Wealth Management Americas—FA productivity and lending

Record invested assets and revenue per FA

Invested assets and FA productivity (USD)



NII[1] and lending balance[2] (USD)



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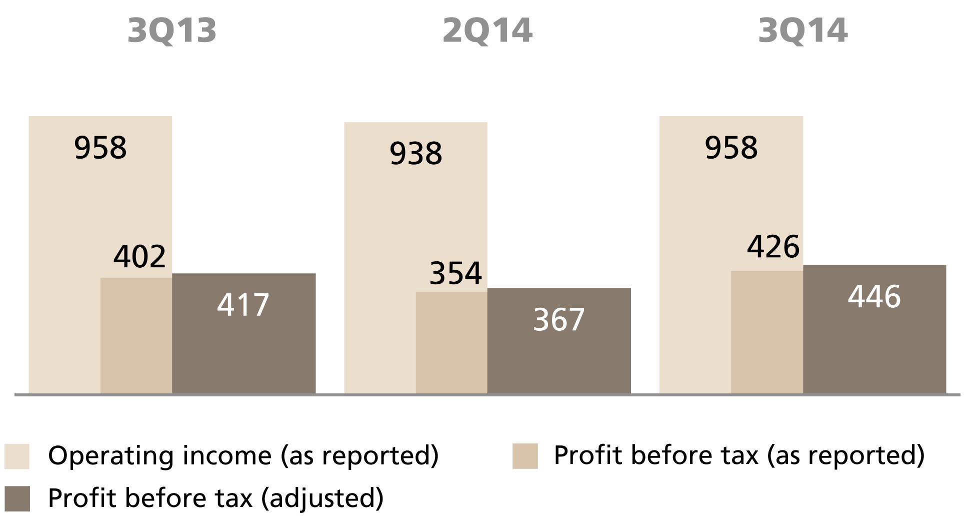
1 Net interest income 2 Period-end balances; 3 Total WMA net interest income excluding the following effective interest rate adjustments from mortgage-backed securities in the available-for-sale portfolio (USD): 4Q11 (3) million, 4Q12 2 million, 4Q13 7 million, 1Q14 (9) million, 2Q14 (3) million and 3Q14 4 million; 4 Mostly collateralized; 5 Mainly margin loans

Retail & Corporate

Highest adjusted PBT since third quarter 2010

Operating income and profit before tax

CHF million



NNBV[1] growth rate (retail business)

%, annualized

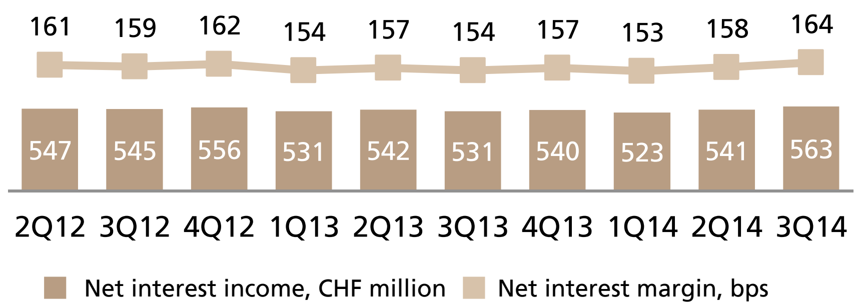
Operating income up 2%

- Net interest income increased on higher revenues from Group Treasury and improved loan margin
- Transaction-based income increased, driven by the implementation of client shift and referral fees from Wealth Management
- CHF 33 million net credit loss expense, up from CHF 8 million, partly due to seasonal effects mainly in corporates

Adjusted cost/income ratio 52%

- Decreased largely due to CHF 48 million lower charges for provisions for litigation, regulatory and similar matters and reduced professional fees

Net interest margin



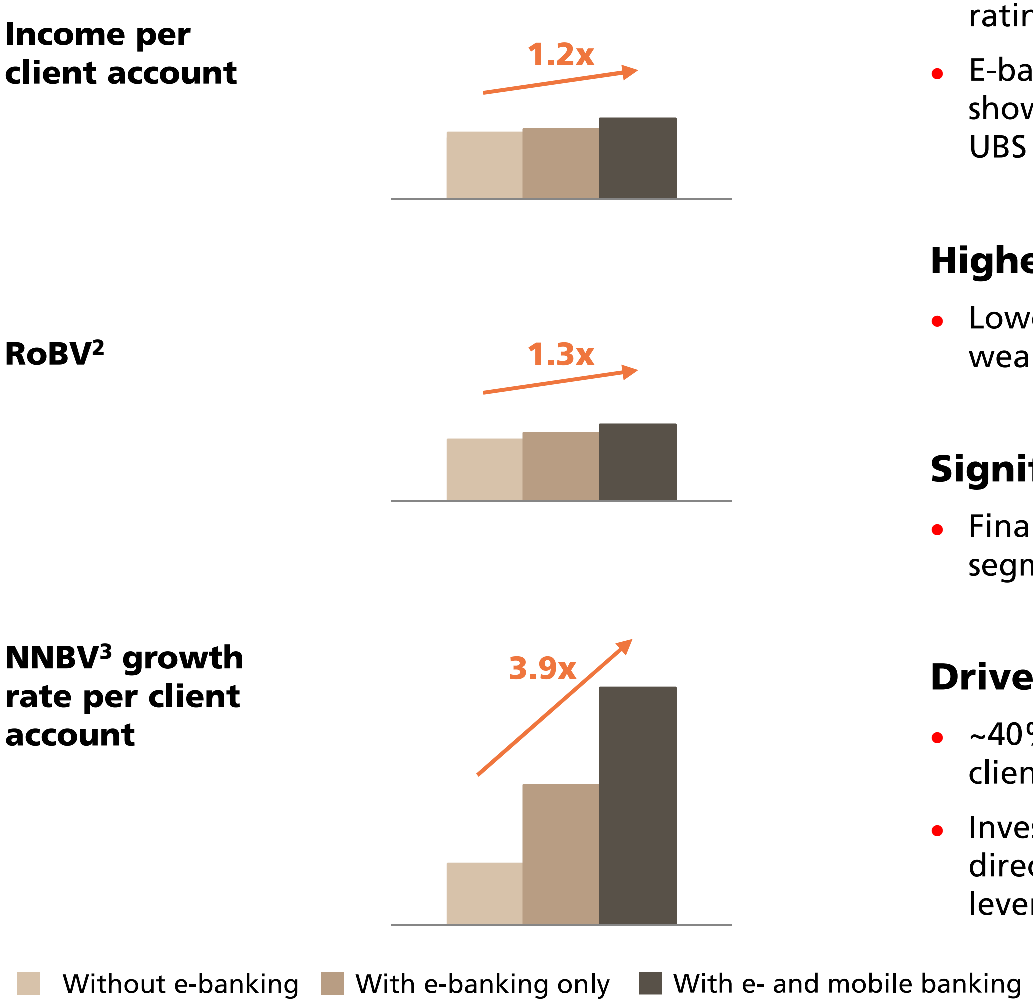
Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation

1 Net new business volume

Retail & Corporate

Investments in mobile and e-banking support business growth

Financials by client type[1]



Higher client satisfaction

- Excellent client feedback: continued 5-star Apple App store ratings, award recognition, positive press coverage
- E-banking and mobile banking clients have higher satisfaction, shown by a strong uplift of the net promoter score, driving UBS recommendation and new business

Higher client loyalty

- Lower attrition rate for e-banking clients, especially in higher wealth segments

Significant business growth rate

- Financial metrics all substantially higher across age groups and segments for e-banking and mobile banking customers

Driven by strategic investments

- ~40% of current R&C strategic IT investments focused on client-facing digital and multi-channel capabilities
- Investments in R&C platform also benefit our WM franchise: direct use by WM clients booked in Switzerland; Swiss platform leveraged by clients in other booking centers

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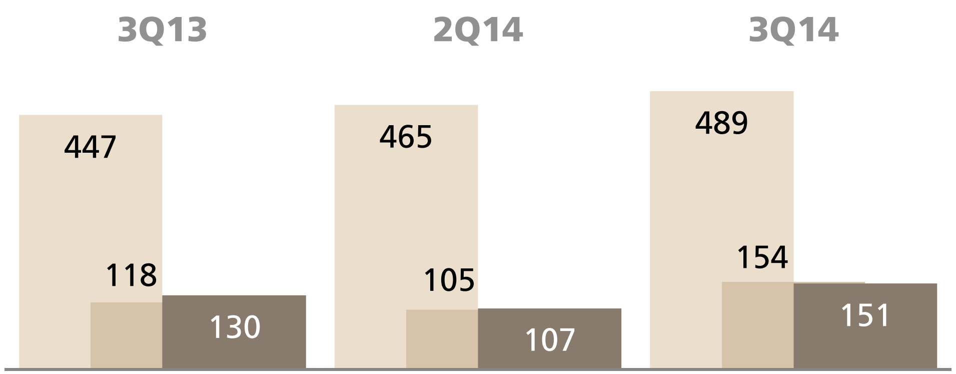
1 9M14, for Swiss private clients (retail and WM Switzerland's high net worth clients) active in both December 2013 and September 2014, excluding rental deposits and single-purpose accounts (e.g. mono-saver or mortgages only); 2 Return on business volume; 3 Net new business volume

Global Asset Management

PBT up 41% QoQ and 16% YoY; CHF 3.8 billion NNM excluding money markets

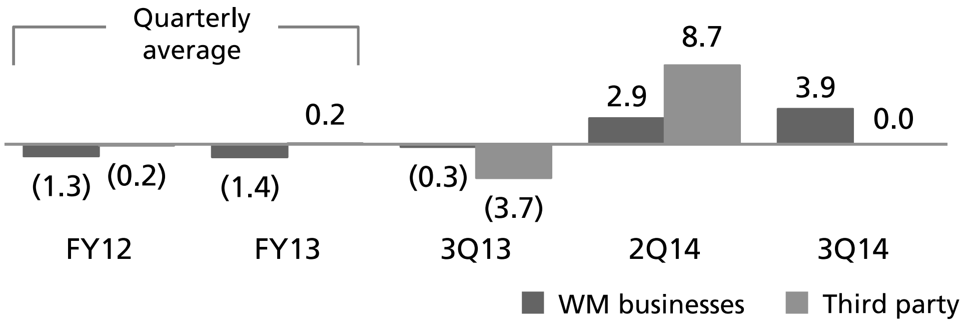
Operating income and profit before tax

CHF million



NNM by channel – excluding money market[1]

CHF billion



Operating income up 5%

- Net management fees up by CHF 35 million, driven by the sale of a co-investment in global real estate and increased fees on higher invested assets
- Performance fees of CHF 27 million, declined by CHF 11 million as a decrease in the O'Connor and A&Q business line were partly offset by increases in traditional investments and global real estate

Adjusted cost/income ratio 69%

- Adjusted operating expenses down 5%, as the prior quarter included CHF 33 million in charges for litigation, regulatory and similar matters

Gross margin 31 bps

- Unchanged as higher revenues were offset by the effect of a higher invested asset base

CHF 3.8 billion NNM ex-money market

- Increased NNM from WM businesses more than offset by lower contribution from third parties

Investment performance:

- Strong collective fund performance vs. peers with marked improvement in equity fund rankings

Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation

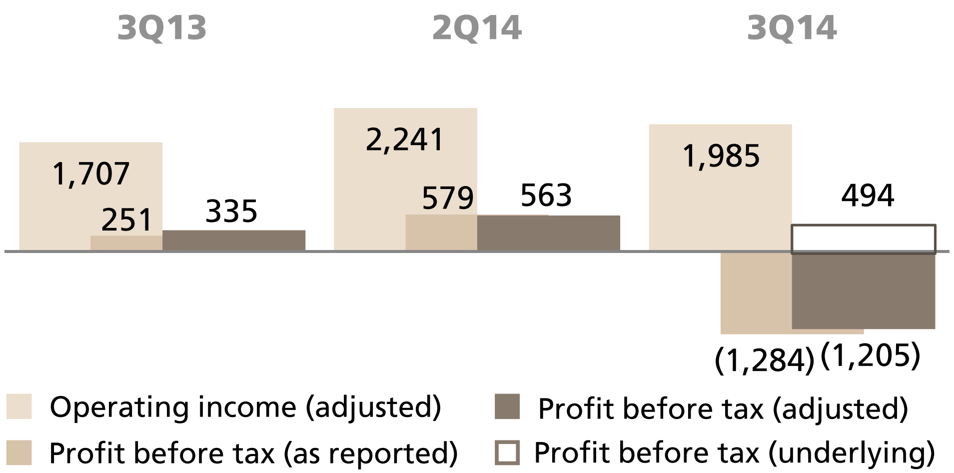
1 Individual NNM channel totals may not add up to total NNM due to rounding

Investment Bank

Underlying PBT CHF 494 million, up 47% YoY

Operating income and profit before tax[1]

CHF million



CHF million	3Q13	2Q14	**3Q14**
Profit before tax as reported	251	579	**(1,284)**
Adjusted profit before tax	335	563	**(1,205)**
of which: provisions for litigation, regulatory and similar matters	(2)	(11)	(1,687)
of which: net loss associated with implementation of FVA[2]	-	-	(12)
Underlying profit before tax	337	574	**494**

Adjusted operating income up 16% YoY

- Strong delivery in a seasonally slow quarter; up YoY on strong CCS and equities performance; FX, Rates and Credit impacted by challenging credit trading conditions

Adjusted cost/income ratio 161%

- Adjusted operating expenses up CHF 1,818 million YoY, driven by CHF 1,687 million in charges for litigation, regulatory and similar matters
- Underlying operating expenses up 9% YoY on higher personnel expenses

Focused resource utilization

	3Q13	2Q14	**3Q14**
Underlying cost/income ratio (%)	80	74	**75**
Underlying RoAE (%)	17	31	**27**
RWA (CHF billion)	59	68	**62**
RWA ex-operational risk (CHF billion)	46	47	**46**
RoRWA[1] (%, gross)	11	14	**12**
Funded assets (CHF billion)	172	182	**173**
Swiss SRB LRD (CHF billion)	-	278	**279**
Front office staff (FTE)	5,318	5,167	**5,285**

Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation
1 Based on phase-in Basel III RWA; 2 Refer to page 118 of the 3Q14 report for details on funding valuation adjustments (FVA)

Investment Bank

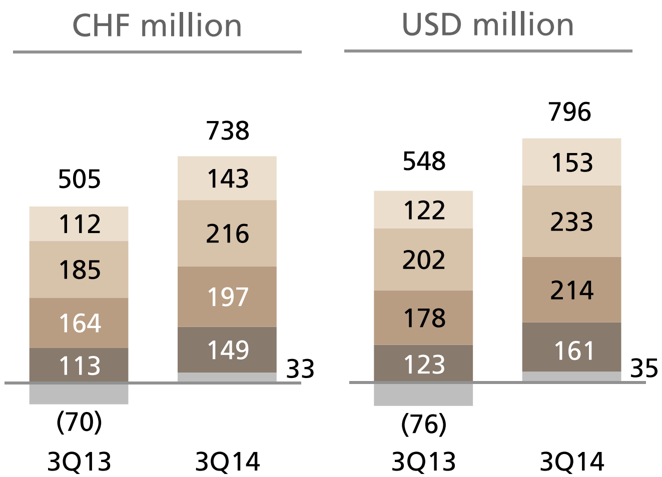
Highest 3Q revenues in equities since 2010; CCS up YoY in all regions

Adjusted income[1]

YoY comparison in USD terms

Corporate Client Solutions

Financing solutions
Debt capital markets
Equity capital markets
Advisory
Risk management

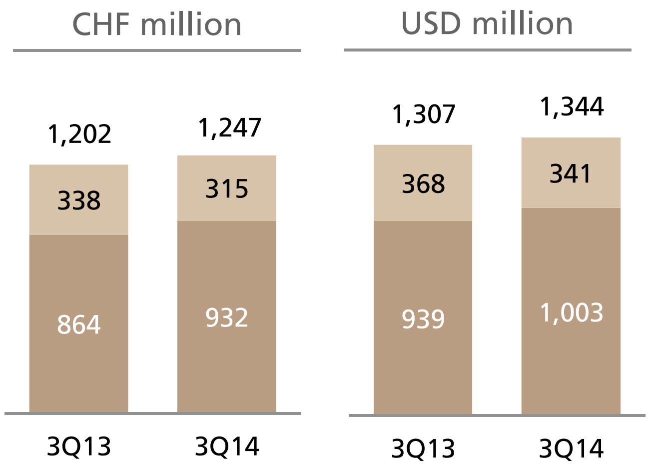


Corporate Client Solutions (CCS)

- **Advisory up 31%** with balanced mix of M&A and advisory revenues, strong performance from EMEA and APAC
- **Equity capital markets up 20%** with a strong participation in rights issues and IPOs
- **Debt capital markets up 15%** as DCM improved across all regions and LCM continued on its momentum from 1H14
- **Financing solutions up 25%** on an improved performance in the structured financing businesses

Investor Client Services

FX, Rates and Credit
Equities



Investor Client Services[2] (ICS)

- **Equities up 7%** driven by financing services; named "Structured Products House of the Year" and "Corporate Derivatives House of the Year" by Global Capital[3]
- **FX Rates and Credit down 7%** with slight improvement in FX, but was more than offset by weaker credit revenues

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Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation
1 3Q14 Equities results adjusted for a loss of CHF 48 million (USD 50 million) from an impairment of a financial investment available-for-sale; 2 Refer to the "Regulatory and legal developments and financial reporting changes" section of the 3Q14 report for more information on the shift of our exchange traded fixed income derivatives execution business from equities into foreign exchange, rates and credit; 3 September 2014

Corporate Center—Core Functions

Reported profit before tax of negative CHF 190 million

Operating income and profit before tax

CHF million

	3Q13	4Q13	1Q14	2Q14	3Q14
Treasury income remaining in CC-CF	(219)	(343)	(46)	(55)	(65)
Own credit gain/(loss)	(147)	(94)	88	72	61
Other	169	72	9	6	9
Operating income (as reported)	**(197)**	**(365)**	**51**	**23**	**5**
Own credit gain/(loss)	(147)	(94)	88	72	61
Gains on sales of real estate	207	61	23	1	0
Early redemption/buyback of UBS debt	0	(75)	0	0	0
Adjusted operating income	**(257)**	**(257)**	**(60)**	**(50)**	**(56)**
Operating expenses (as reported)	**282**	**200**	**227**	**(2)**	**194**
Net restructuring charges	(1)	(7)	2	4	16
Adjusted operating expenses	**283**	**207**	**225**	**(6)**	**178**
Profit before tax (as reported)	**(479)**	**(565)**	**(176)**	**25**	**(190)**
Profit before tax (adjusted)	**(540)**	**(464)**	**(285)**	**(44)**	**(235)**
Personnel (after allocation)	1,139	1,055	951	881	916

Operating income CHF 5 million

- Net treasury income remaining in Corporate Center – Core Functions included CHF 207 million of retained funding costs
- Retained funding costs partly offset by CHF 65 million in gains on cross-currency basis swaps, interest income CHF 29 million related to preferred securities and net gains CHF 25 million related to high-quality liquid asset portfolios

Operating expenses CHF 194 million

- Increase largely due to net release of CHF 141 million for provisions, for litigation, regulatory and similar matters in 2Q14 and CHF 69 million increase from the difference between actual costs incurred and the cost allocations charged

Corporate Center—Non-core and Legacy Portfolio

Reported profit before tax of negative CHF 603 million

Operating income and profit before tax

CHF million

	3Q13	4Q13	1Q14	2Q14	3Q14
Non-core	(120)	(104)	17	(151)	(233)
of which: DVA	(47)	(68)	(19)	(44)	-
of which: FVA/DVA	-	-	-	-	(188)
Legacy Portfolio	21	(36)	13	(15)	(92)
of which: SNB StabFund option	74	(28)	(1)	0	0
Credit loss (expense)/recovery	(1)	11	0	(2)	2
Total operating income	**(100)**	**(130)**	**29**	**(167)**	**(322)**
Adjusted operating income	**(100)**	**(130)**	**29**	**(167)**	**(322)**
Operating expenses (as reported)	**593**	**317**	**254**	**245**	**280**
Net restructuring charges	5	24	9	(2)	10
Credit related to changes to a retiree benefit plan in the US	0	0	0	0	(3)
Adjusted operating expenses	**588**	**293**	**245**	**247**	**273**
Profit before tax (as reported)	**(693)**	**(446)**	**(225)**	**(412)**	**(603)**
Profit before tax (adjusted)	**(688)**	**(422)**	**(216)**	**(414)**	**(596)**
Personnel (front office)	245	222	195	160	150

Operating income negative CHF 322 million

- Negative income in both Non-core and Legacy Portfolio largely driven by CHF 252 million net loss resulting from the implementation of FVA[1]
- **Non-core:** CHF 188 million net loss related to FVA/DVA, of which CHF 175 million was the net loss upon implementation of FVA[1]
- **Legacy Portfolio:** Negative income driven by CHF 77 million net loss upon implementation of FVA[1]

Operating expenses CHF 280 million

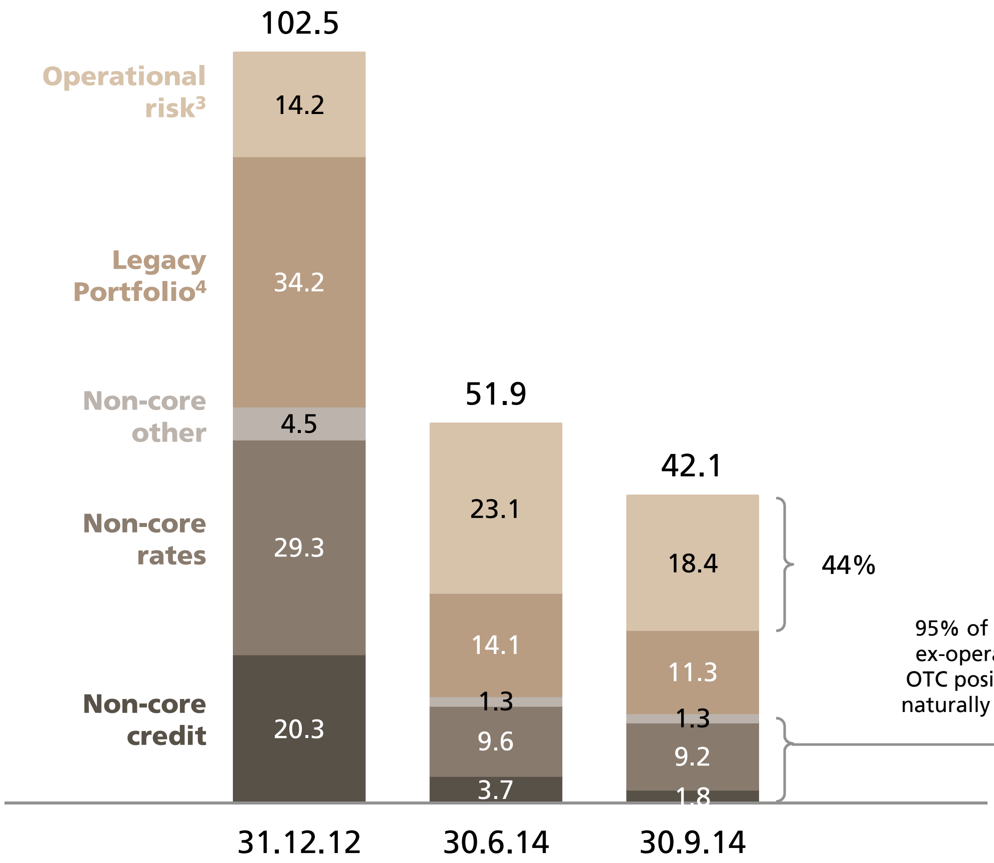
- Increase largely due to charges of CHF 89 million for provisions for litigation, regulatory and similar matters vs. a net release of 27 million in 2Q14
- 2Q14 included an impairment charge of CHF 78 million related to certain disputed receivables

Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation
1 Refer to page 118 of the 3Q14 report for details on funding valuation adjustments (FVA)

Corporate Center—Non-core and Legacy Portfolio[1]

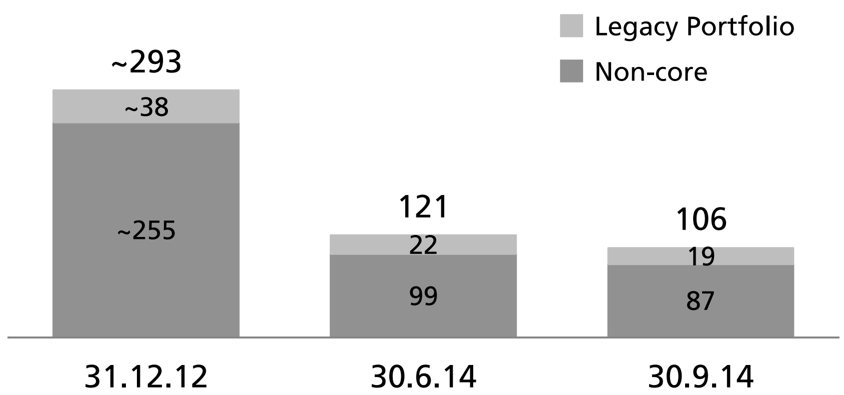
Market and credit risk RWA down 17%, LRD down 12% in the quarter

Non-core and Legacy Portfolio RWA
CHF billion

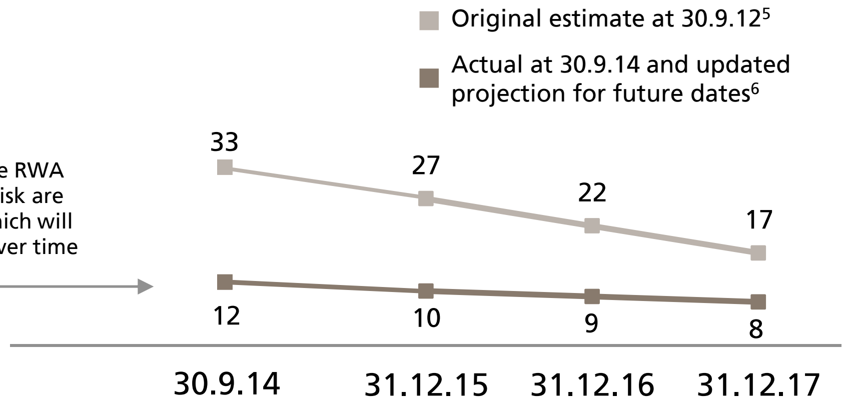


95% of Non-core RWA ex-operational risk are OTC positions which will naturally decay over time

Non-core and Legacy Portfolio Swiss SRB LRD[2]
CHF billion



Non-core OTC positions natural decay of RWA
CHF billion



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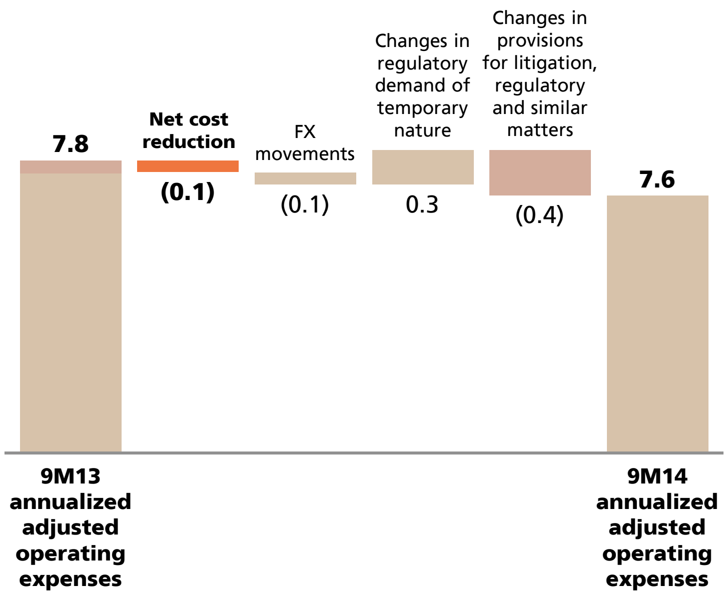
1 Refer to pages 68-70 of the 3Q14 report for more information; 2 Pro-forma estimate for 31.12.12 based on period ending balance; 3 Non-core and Legacy Portfolio operational risk; 4 Excluding operational risk; 5 Estimates disclosed in the 3Q12 presentation; 6 Estimates based on 30.9.14 data

Corporate Center cost reductions

~CHF 0.3 billion of net cost reductions achieved year-to-date

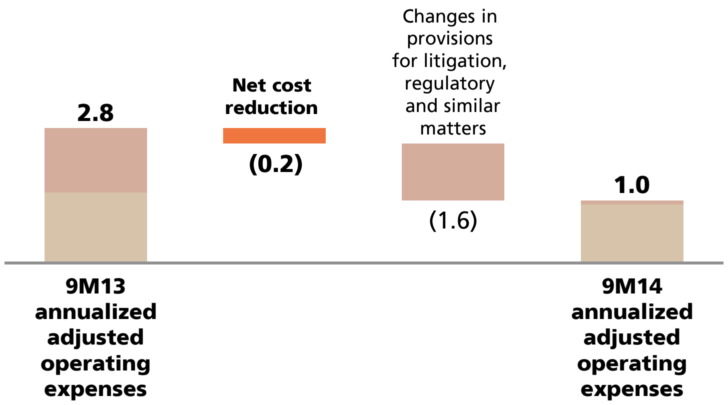
Core Functions:
CHF 1.0 billion net cost reduction target by 2015[1]
Adjusted operating expenses before allocations to business divisions
CHF billion

- Achieved net cost reduction of ~CHF 0.1 billion vs. 9M13
- Annualized 9M14 costs lower than previous year primarily due to decrease in litigation provisions



Non-core and Legacy Portfolio:
CHF 0.4 billion net cost reduction target by 2015[1]
Adjusted operating expenses
CHF billion

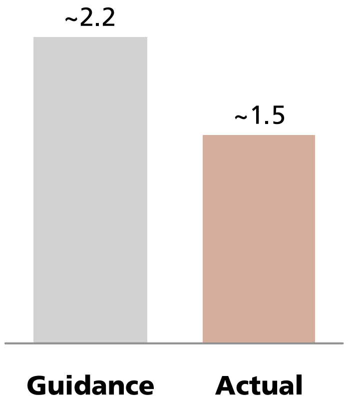
- Achieved net cost reduction of ~CHF 0.2 billion vs. 9M13
- Significantly lower provisions for litigation and regulatory matters



Refer to slide 34 in the appendix for details about adjusted numbers; charts illustrative only and bars not to scale
1 Refer to page 11 of the 2Q14 report for details on our cost reduction targets

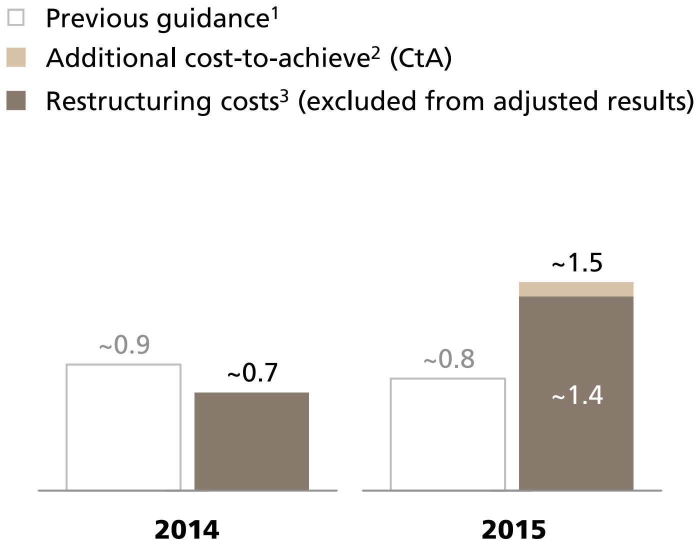
Updated restructuring cost guidance

2011-2013
CHF billion



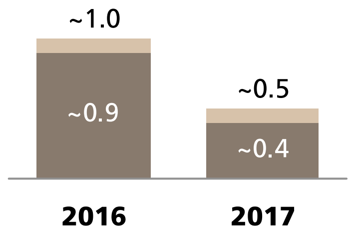
- Actual restructuring expenses have been lower than guidance[4]
- 2011-2013 restructuring costs ~CHF 0.6 billion below guidance

2014-2015
CHF billion



- Committed to our CHF 1.4 billion net cost reduction target for 2015 year-end run-rate[5]
- Revised restructuring guidance for 2014-2015
- IT infrastructure and simplification investment will account for ~50% of total restructuring costs and additional CtA in 2015-2017

2016-2017
CHF billion



- Committed to our CHF 0.7 billion net cost reduction target[5] as we fully exit the Non-core and Legacy Portfolio
- Guidance period extended to 2017 as we invest to offset ongoing incremental regulatory costs

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1 Initially announced 30.10.12; 2 Additional temporary costs that are necessary to effect our cost reduction program but not classified as restructuring charges; 3 Refer to page 154 of our 3Q14 report for the definition of restructuring charges; 4 Cumulative total initial guidance for 2011-2013 as announced 23.8.11 and 30.10.12; 5 Refer to page 11 of our 2Q14 report for details about our cost reduction targets

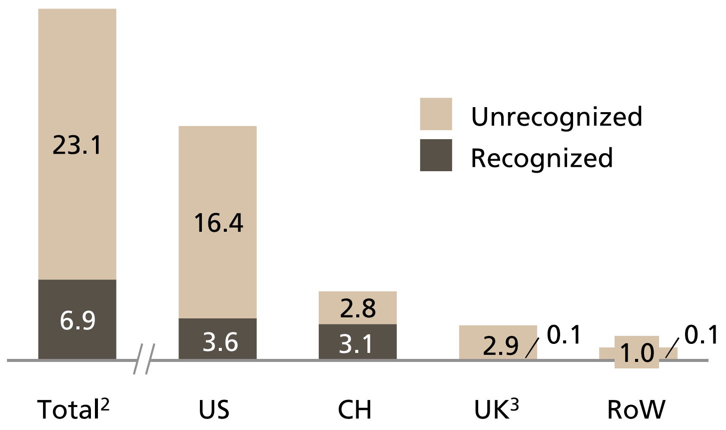
Net tax benefit and deferred tax assets

Net tax benefit of CHF 1,317 million; DTA potential remains significant

	CHF million
Net deferred tax benefit with respect to recognition of DTA	1,420
Other net tax expense in respect of 3Q14 taxable profits	(103)
Net tax benefit	**1,317**

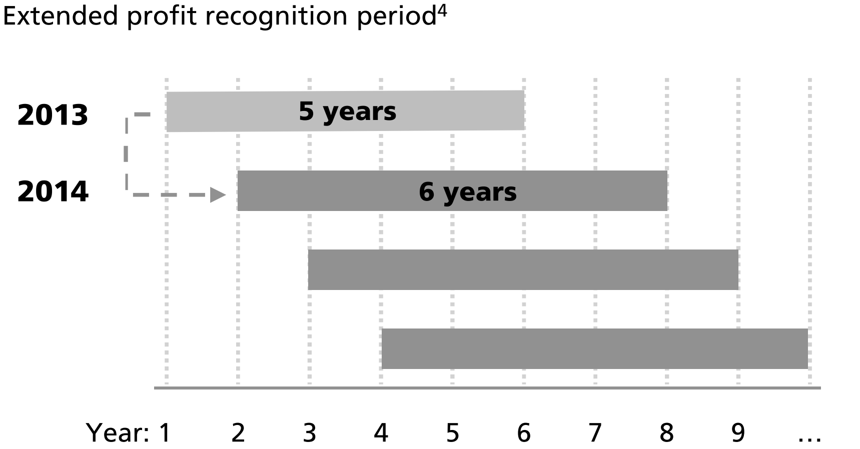
Tax loss DTA[1]

CHF billion



DTA revaluation[3]

Illustrative example



- Net upward revaluation of DTA for the Group of CHF 1,420 million recognized in 3Q14, additional ~CHF 0.4 billion expected to be recognized in 4Q14
- The future profit recognition period used for DTA revaluation was extended from 5 years to 6 years
- Average unrecognized tax loss DTA have a remaining life of ~16 years in the US and ~2 years in Switzerland; unrecognized tax losses have indefinite life in the UK

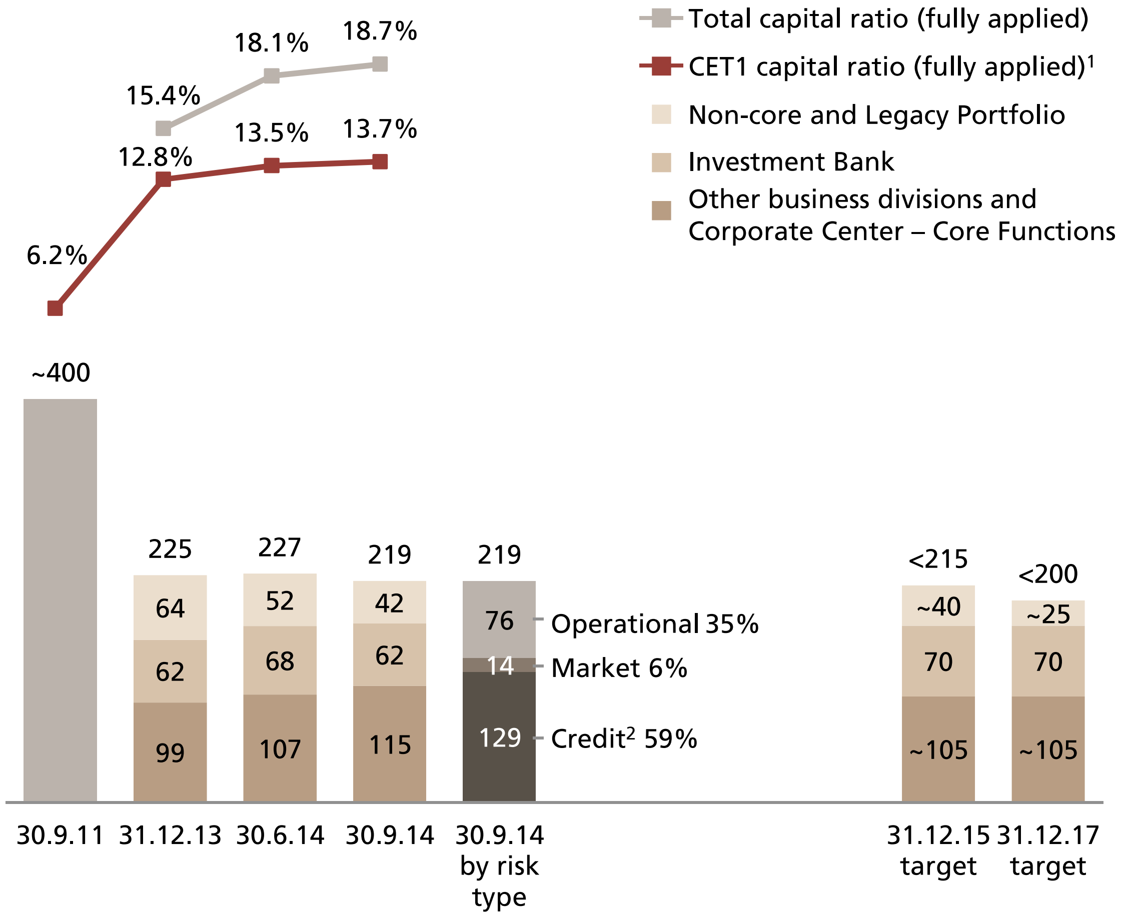
1 DTA figures are stated net of DTL; 2 As of 30.9.14, the net DTA recognized on UBS's balance sheet (CHF 10,074 million) includes a tax loss DTA (CHF 6,860 million) and a DTA for temporary differences (CHF 3,214 million); 3 DTA annual revaluations performed in 3Q14 but smaller revaluations can take place at different times for specific entities based on specific circumstances; 4 As disclosed on page 69 in our 2013 Annual Report, UBS may, depending on our financial performance, increase the future profit recognition period. Where appropriate, such an extended DTA profit recognition period was applied in 3Q14.

Swiss SRB capital and leverage ratios

Fully applied CET1 capital ratio of 13.7% and leverage ratio of 4.2%

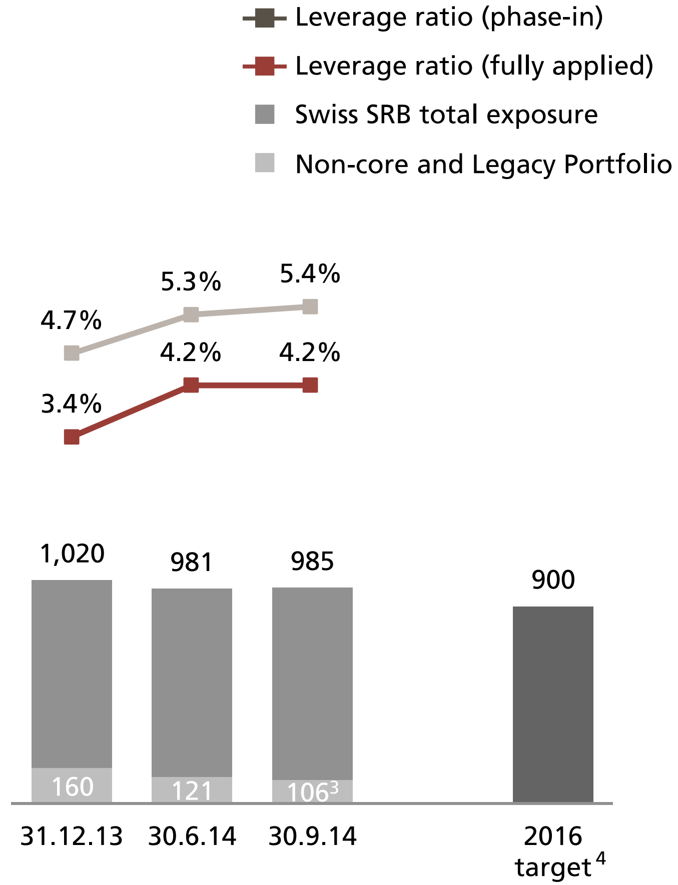
Swiss SRB RWA and capital ratios

CHF billion



Swiss SRB LRD and leverage ratio

CHF billion



Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation

1 At the end of the third quarter, our post-stress CET1 capital ratio exceeded our objective of achieving and maintaining a post-stress CET1 capital ratio of at least 10% on a fully applied basis. Refer to the "Capital management" section of the 3Q14 financial report for more detail; 2 Includes CHF 15 billion for non-counterparty-related risk; 3 Full exit of Non-core and Legacy Portfolio equivalent to ~45-55 bps increase in fully applied Swiss SRB leverage ratio based on current fully applied Swiss SRB leverage ratio numerator and denominator; 4 Based on the rules applicable as of the announcement of the target (6.5.14)

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Currency sensitivites

USD appreciation/CHF depreciation inflates RWA, balance sheet and LRD

Currency distribution of RWA and LRD

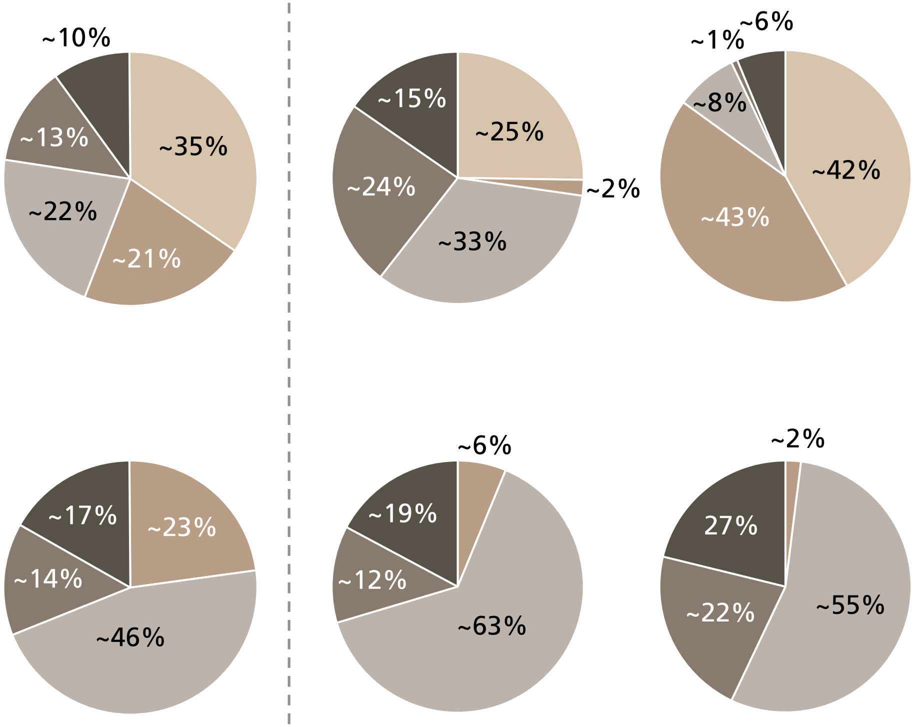
% of total

- Operational risk RWA (CHF)
- CHF
- USD
- EUR
- Other

	Group	Investment Bank	CC – Core Functions

RWA
Fully applied

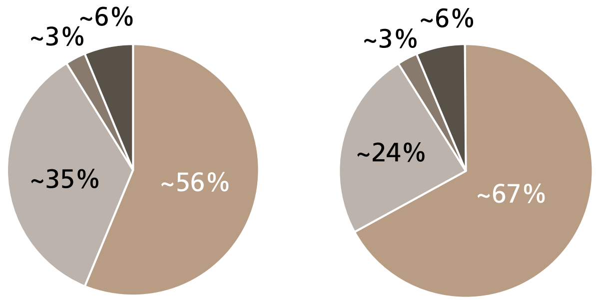
LRD[1]
Fully applied



Currency distribution of equity

% of total

Equity attributable to shareholders	Basel III CET1 (fully applied)



A 10% depreciation of the Swiss franc against other currencies would:

- Increase fully applied RWA by ~5%
- Increase fully applied LRD[1] by ~8%
- Increase IFRS equity by ~5%
- Increase Basel III fully applied CET1 capital by ~3%

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Percentages on charts may not add up to 100% due to rounding
1 Based on period ending balance as of 30.9.14

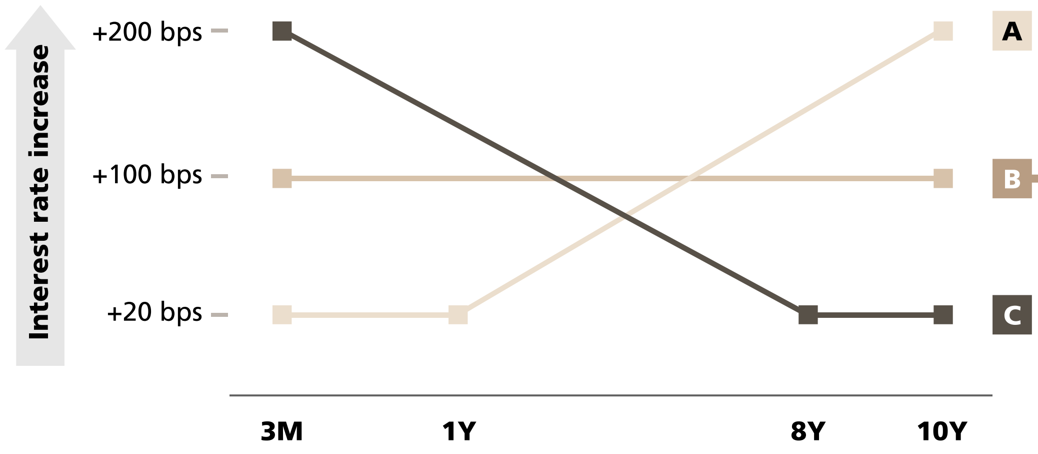
Interest rate sensitivities[1]

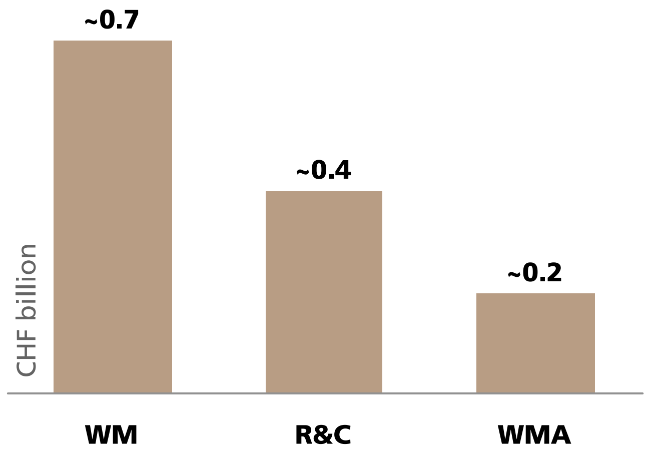
Our revenues are positively geared to rising interest rates

Interest rate scenarios: estimated impact on NII, OCI and regulatory capital CHF billion

	Annual incremental net interest income[2]	Negative impact on OCI[3]	Negative impact on regulatory capital
A **Steepener** (+20 bps to +200 bps)	~0.4	~2.1	~ 0.2 (all scenarios[4])
B **Parallel** (+100 bps)	~1.3	~2.8	
C **Flattener** (+200 bps to +20 bps)	~1.7	~2.3	

Scenario overview and incremental NII by business division (+100 bps parallel increase, scenario B)





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1 For all scenarios, interest rate increases are assumed to be equal across all currencies and relative to implied forward rates based on static balance sheet and constant FX rates; 2 The estimated impact is for the first year of the relevant interest rate scenario; 3 The estimated impact on OCI only applies to treasury portfolios and does not consider pension liabilities and assets; 4 Majority of the impact on OCI would be through cash flow hedges, which would not affect regulatory capital

Group holding company: share for share exchange timeline

Initial acceptance period ending on 11 November[1]

Indicative timetable of principal events[1]

Cooling-off period
30 Sept to 13 Oct

Initial acceptance period[1]
14 Oct to 11 Nov

Additional acceptance period[1]
17 Nov to 1 Dec

29 Sept: Swiss offer prospectus published; US offer to exchange / prospectus for offer published[2]

12 Nov: Publication of preliminary interim exchange offer results

17 Nov: Publication of definitive results

19 Nov: First settlement for UBS shares tendered in initial acceptance period, first trading day of UBS Group Shares on SIX Swiss Exchange and NYSE

2 Dec: Publication of preliminary interim exchange offer results

5 Dec: Publication of definitive results

9 Dec: Second settlement for UBS shares tendered in additional acceptance period

- The exchange offer may take up to three months from the publication of the Swiss and US prospectuses[3] to final settlement of the offer, any squeeze-out required thereafter could take several additional months
- Shareholders will be able to tender their shares in an initial and additional acceptance period
- A key condition for the successful completion of the offer is achieving a 90% acceptance level by shareholders
- Enhanced resolvability is expected to result in UBS qualifying for a capital rebate under Swiss Too-Big-To-Fail legislation
- Following successful completion of the transaction, we expect to propose a supplementary capital return of at least CHF 0.25 per share[4] from the Group holding company, which would be separate and in addition to our targeted capital return of at least 50% of net profit attributable to shareholders[5]

1 Dates and duration dependent on certain conditions, acceptance periods could be extended one or several times; 2 F-4 registration statement publicly filed; 3 Two simultaneous offers are being conducted in the USA and Switzerland (to include an international component via a EU prospectus); 4 Subject to shareholder approval through a General Meeting; 5 Payout ratio of at least 50% conditional on both fully applied CET1 ratio of minimum 13% and our objective of achieving and maintaining a post-stress CET1 capital ratio of at least 10%

Key messages

The fundamental earnings power of our unrivaled franchise is evident

- WM/WMA combined adjusted PBT >CHF 1 billion
- Strong performance in Retail & Corporate with all KPIs within target ranges
- Solid Investment Bank and Global AM performance despite challenging market conditions

Results include provisions for litigation, regulatory and similar matters

- We continue to seek resolution of open issues
- Timing of full resolution of complex industry-wide issues is difficult to predict

We will continue executing our strategy and are well positioned for growth

- Seizing current revenue opportunities and positioned for future economic recovery
- Improving efficiency will release resources to invest for growth
- Continued reduction in the Non-core and Legacy Portfolio

Our capital position is strong and our businesses are highly capital accretive

- Continued capital strength in an evolving regulatory environment
- Share-for-share exchange offer in progress creating eligibility for capital rebate
- Committed to payout ratio of at least 50% subject to maintaining our capital targets[1]

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1 Payout ratio of at least 50% conditional on both fully applied CET1 ratio of minimum 13% and fully applied CET1 ratio of minimum 10% post-stress

Appendix

UBS

Regional performance excluding charges for provisions for litigation, regulatory and similar matters[1]

CHF billion

		Americas		Asia Pacific		EMEA[2]		Switzerland		Corporate Center and global[3]		Total	
		2Q14	3Q14	2Q14	3Q14	2Q14	3Q14	2Q14	3Q14	2Q14	3Q14	2Q14	3Q14
Operating income	WM	0.1	0.1	0.4	0.5	1.0	1.0	0.4	0.4	0.0	(0.0)	1.9	2.0
	WMA	1.7	1.8	-	-	-	-	-	-	-	-	1.7	1.8
	R&C	-	-	-	-	-	-	0.9	1.0	-	-	0.9	1.0
	Global AM	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.5	0.5
	Investment Bank	0.7	0.6	0.6	0.6	0.7	0.6	0.3	0.2	0.0	(0.1)	2.3	1.9
	Corporate Center	-	-	-	-	-	-	-	-	(0.1)	(0.3)	(0.1)	(0.3)
	Group	**2.6**	**2.7**	**1.2**	**1.2**	**1.7**	**1.7**	**1.7**	**1.7**	**(0.1)**	**(0.4)**	**7.1**	**6.9**
Operating expenses	WM	0.1	0.1	0.3	0.3	0.7	0.7	0.2	0.2	0.0	(0.0)	1.3	1.3
	WMA	1.4	1.5	-	-	-	-	-	-	-	-	1.4	1.5
	R&C	-	-	-	-	-	-	0.5	0.5	-	-	0.5	0.5
	Global AM	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.3	0.3
	Investment Bank	0.5	0.5	0.5	0.4	0.5	0.5	0.2	0.2	0.0	0.0	1.7	1.5
	Corporate Center	-	-	-	-	-	-	-	-	0.4	0.4	0.4	0.4
	Group	**2.2**	**2.2**	**0.8**	**0.8**	**1.2**	**1.2**	**1.0**	**1.0**	**0.4**	**0.4**	**5.7**	**5.6**
Profit before tax	WM	0.0	0.0	0.1	0.2	0.3	0.3	0.2	0.2	0.0	0.0	0.6	0.7
	WMA	0.3	0.3	-	-	-	-	-	-	-	-	0.3	0.3
	R&C	-	-	-	-	-	-	0.4	0.4	-	-	0.4	0.4
	Global AM	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	(0.0)	(0.0)	0.1	0.2
	Investment Bank	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	(0.0)	(0.1)	0.6	0.4
	Corporate Center	-	-	-	-	-	-	-	-	(0.6)	(0.7)	(0.6)	(0.7)
	Group	**0.5**	**0.5**	**0.3**	**0.4**	**0.5**	**0.4**	**0.7**	**0.7**	**(0.6)**	**(0.8)**	**1.5**	**1.3**

1 The regional figures do not correspond precisely to the financial statements of the UBS subsidiaries and branches established in the regions because they reflect different allocation principles; 2 Europe, Middle East, and Africa excluding Switzerland; 3 Refers to items managed globally

Retained Treasury income in Corporate Center—Core Functions

We continue to expect retained funding costs to decline in the mid-term

Treasury income retained in Corporate Center – Core Functions

CHF million

	FY13	1Q14	2Q14	3Q14
Gross results (excluding accounting driven adjustments)	664	137	174	235
Allocations to business divisions	(921)	(206)	(243)	(341)
Net revenues (excluding accounting driven adjustments)	**(257)**	**(69)**	**(69)**	**(108)**
of which: retained funding costs	(510)	(165)	(182)	(207)
of which: profits retained in Treasury	253	96	113	99
Accounting asymmetry and other adjustments Mark-to-market losses from cross currency swaps, macro cash flow hedge ineffectiveness, Group Treasury FX, debt buyback and other	**(645)**	**23**	**16**	**42**
Net treasury income retained in CC-Core Functions	**(902)**	**(46)**	**(55)**	**(65)**

Credit spread compression will drive down costs of the Group's overall long term funding along with declining volumes as we reduce our balance sheet

We will continue to maintain a diversified funding profile and comfortable LCR and NSFR ratios

- Central funding costs retained in Group Treasury increased as a result of the issuance of CHF 8.8 billion in senior unsecured debt in 3Q14, the negative impact from the WM and R&C methodology change in the allocation of liquidity and funding costs, and as businesses continued to reduce their consumption of funding
- Retained funding costs expected to decrease to a negligible amount in FY16

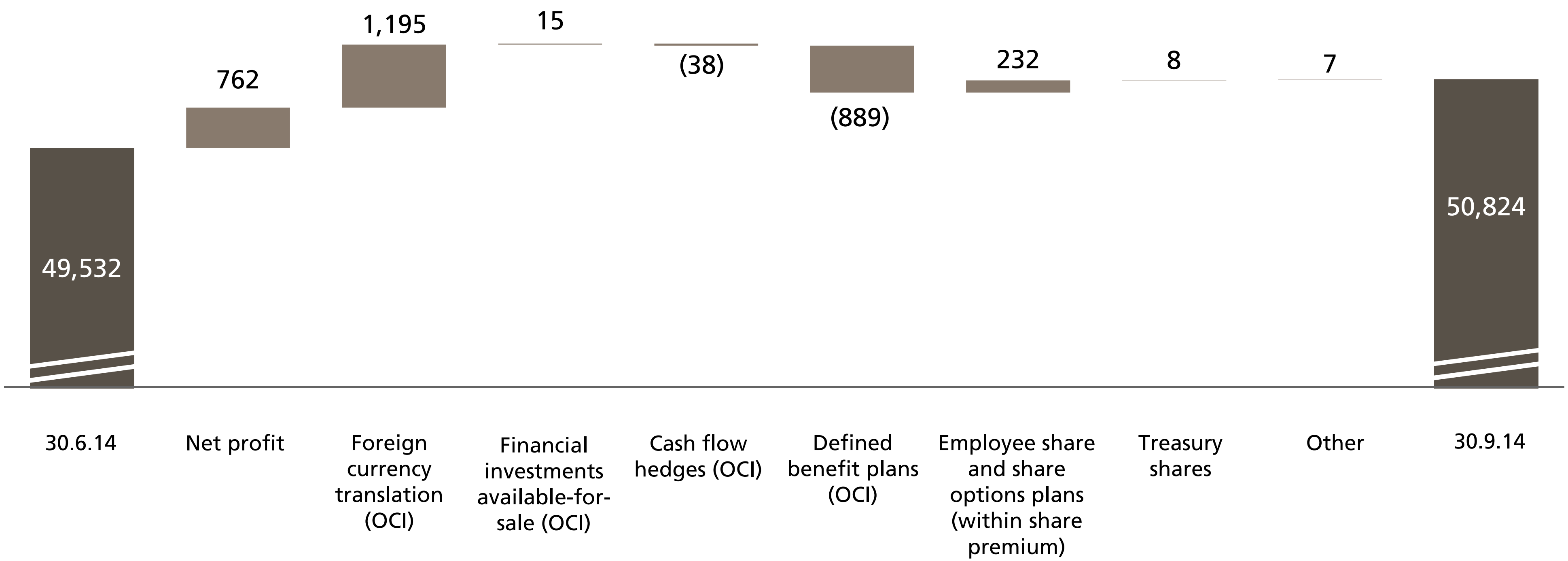
IFRS equity attributable to UBS shareholders

Equity attributable to UBS shareholders surpasses CHF 50 billion

QoQ movement

CHF millions, except for per share figures in CHF

	30.6.14		30.9.14
Total book value per share:	13.20	+2.6%	13.54
Tangible book value per share:	11.54	+2.1%	11.78



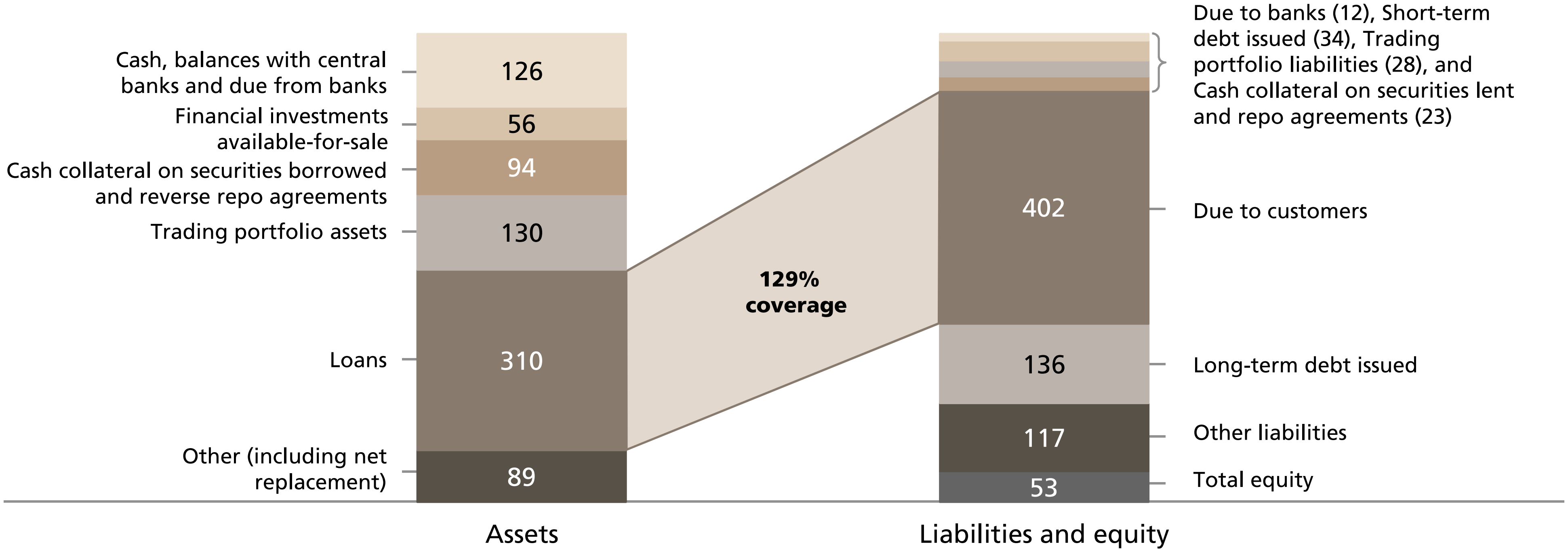
UBS

Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation

Our balance sheet, funding and liquidity positions are strong

Our balance sheet structure has many characteristics of a AA-rated bank

Asset funding[1]
CHF billion



Strong funding and liquidity

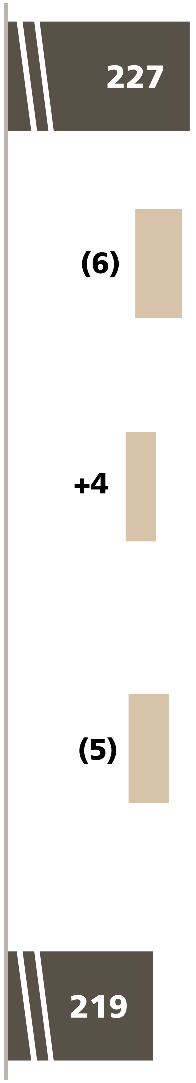
- Well diversified by market, tenor and currency with over 59% of funding from deposits
- Limited use of short-term wholesale funding
- 107% Basel III NSFR[2] and 128% Basel III LCR[2]

UBS

Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation
1 As of 30.9.14. Refer to liquidity and funding management section of the 3Q14 report for further detail; 2 As of 30.9.14. Pro-forma ratios using supervisory guidance from FINMA. Refer to the liquidity and funding management section of the 3Q14 financial report for details about the calculation of UBS's Basel III LCR and NSFR

Breakdown of changes in Group RWA

By type
CHF billion



30.6.14

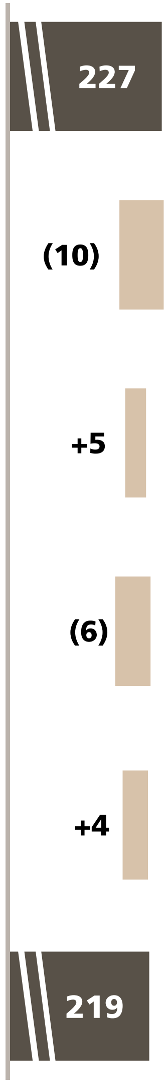
Methodology/model-driven
- CHF 6.7 billion decrease related to incremental operational risk RWA[1]
- CHF 1.3 billion increase in market risk RWA due to the annual recalibration of risks not in VaR
- CHF 1.0 billion decrease in credit risk RWA related to right way risk trades

FX impact

Book size and other
- CHF 4.9 billion reduction in credit risk RWA as the prior quarter included temporarily higher RWA related to aged trade settlements and the sale of certain collateralized loan obligation (CLO) bond positions in the current quarter
- CHF 1.0 billion reduction in market risk RWA, primarily comprehensive risk measure as a result of the exit of the majority of the correlation trading portfolio
- CHF 1.4 billion higher non-counterparty-related risk RWA, mainly related to deferred tax assets

30.9.14

By business division
CHF billion



30.6.14

Non-core and Legacy Portfolio[2]
- CHF 4.6 billion decrease in incremental operational risk RWA
- CHF 2.2 billion reduction in market risk RWA, primarily comprehensive risk measure as a result of the exit of the majority of the correlation trading portfolio
- CHF 2.8 billion reduction in credit risk RWA primarily due to the sale of certain collateralized loan obligation (CLO) bond positions and termination of derivative trades

Corporate Center – Core Functions
- CHF 3.0 billion increase in incremental operational risk RWA
- CHF 1.4 billion higher non-counterparty-related risk RWA mainly due to deferred tax assets

Investment Bank
- CHF 5.5 billion decrease related to incremental operational risk RWA
- CHF 2.0 billion lower credit risk RWA, as the prior quarter included temporarily higher RWA related to aged trade settlements
- CHF 1.0 billion increase in market risk RWA primarily due to the annual recalibration of risks not in VaR

All other businesses[3]
- CHF 1.4 billion increase in incremental operational risk RWA
- CHF 2.3 billion increase in credit risk RWA due resulting from the strengthening of the US dollar versus the Swiss franc and also reflecting higher RWA related to undrawn commitments

30.9.14

Refer to slide 36 for details about adjusted and underlying numbers, Basel III numbers and FX rates in this presentation
1 Incremental operational risk RWA based on the supplemental operational risk capital analysis mutually agreed to by UBS and FINMA; 2 Refer to pages 68-70 of the 3Q14 financial report for more information on Non-core and Legacy Portfolio; 3 Wealth Management, Wealth Management Americas, Retail & Corporate and Global Asset Management

Corporate Center adjusted operating expenses before service allocation

CC - Core Functions - adjusted expenses before service allocation to business divisions and CC - Non-core and Legacy Portfolio	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	9M13	9M14	FY13
CHF million										
Personnel expenses	1,101	1,006	955	1,007	959	904	875	3,063	2,739	4,070
General and administrative expense	910	849	1,022	970	947	806	1,014	2,781	2,767	3,750
Depreciation and impairment of property and equipment	161	180	170	185	179	184	178	511	542	696
Amortization and impairment of intangible assets	1	1	1	1	1	1	2	3	4	4
Total adjusted operating expenses before service allocation to business divisions and CC - Non-core and Legacy Portfolio	**2,173**	**2,036**	**2,148**	**2,163**	**2,087**	**1,895**	**2,069**	**6,357**	**6,051**	**8,520**
Net allocations to business divisions	(1,931)	(1,915)	(1,865)	(1,956)	(1,862)	(1,902)	(1,892)	(5,711)	(5,655)	(7,667)
of which: Wealth Management	*498*	*484*	*460*	*521*	*464*	*504*	*490*	*1,443*	*1,457*	*(1,964)*
of which: Wealth Management Americas	*274*	*267*	*264*	*268*	*250*	*264*	*265*	*806*	*778*	*(1,074)*
of which: Retail & Corporate	*316*	*306*	*305*	*319*	*275*	*282*	*268*	*927*	*825*	*(1,246)*
of which: Global Asset Management	*128*	*123*	*126*	*123*	*113*	*114*	*116*	*377*	*342*	*(499)*
of which: Investment Bank	*557*	*562*	*560*	*589*	*632*	*621*	*626*	*1,678*	*1,879*	*(2,267)*
of which: CC - Non-core and Legacy Portfolio	*157*	*173*	*150*	*136*	*129*	*117*	*126*	*480*	*372*	*(616)*
Total adjusted operating expenses	**242**	**121**	**283**	**207**	**225**	**(6)**	**178**	**646**	**397**	**853**

Adjusted results

Adjusting items	Business division / Corporate Center	3Q13	2Q14	3Q14	FY13
CHF million					
Operating income as reported (Group)		**6,261**	**7,147**	**6,876**	**27,732**
Of which:					
Own credit on financial liabilities designated at fair value	Corporate Center - Core Functions	(147)	72	61	(283)
Gains on sales of real estate	Corporate Center - Core Functions	207	1	0	288
Net loss related to the buyback of debt in public tender offer	Corporate Center - Core Functions	0	0	0	(194)
	Corporate Center - Non-core and Legacy Portfolio	0	0	0	27
Gain from the partial sale of our investment in Markit	Investment Bank	0	43	0	0
Impairment of financial investments available-for-sale	Investment Bank	0	0	(48)	34
Net gain on sale of remaining proprietary trading business	Investment Bank	0	0	0	55
	Corporate Center - Core Functions	0	0	0	(24)
Operating income adjusted (Group)		**6,201**	**7,031**	**6,863**	**27,829**
Operating expenses as reported (Group)		**5,906**	**5,929**	**7,430**	**24,461**
Of which:					
Net restructuring charges	Wealth Management	62	38	60	178
	Wealth Management Americas	13	7	15	59
	Retail & Corporate	15	13	20	54
	Global Asset Management	12	2	5	43
	Investment Bank	84	27	50	210
	Corporate Center - Core Functions	(1)	4	16	(6)
	Corporate Center - Non-core and Legacy Portfolio	5	(2)	10	235
Credit related to changes to a retiree benefit plan in the US	Wealth Management Americas	0	0	(3)	0
	Global Asset Management	0	0	(8)	0
	Investment Bank	0	0	(19)	0
	Corporate Center - Non-core and Legacy Portfolio	0	0	(3)	0
Operating expenses adjusted (Group)		**5,718**	**5,840**	**7,287**	**23,689**
Operating profit/(loss) before tax as reported		**356**	**1,218**	**(554)**	**3,272**
Operating profit/(loss) before tax adjusted		**484**	**1,191**	**(424)**	**4,141**

UBS

Important information related to numbers shown in this presentation

Use of adjusted numbers
Unless otherwise indicated, "adjusted" figures exclude the adjustment items listed on the previous slide, to the extent applicable, on a Group and business division level. Adjusted results are a non-GAAP financial measure as defined by SEC regulations. Refer to pages 12-13 of the 3Q14 financial report for an overview of adjusted numbers.

Use of underlying numbers
Unless otherwise indicated, "underlying" figures exclude the adjusting items listed on the previous slide as well as charges for provisions for litigation, regulatory and similar matters, net losses associated with the implementation of FVA, impairment charges related to certain disputed receivables and other expenses, to the extent applicable, on a Group and business division level. Adjusted results are a non-GAAP financial measure as defined by SEC regulations. Refer to the "Group Performance" and "Investment Bank" sections of the 3Q14 financial report for more information on underlying numbers.

Basel III RWA, Basel III capital and Basel III liquidity ratios
Basel III numbers are based on the BIS Basel III framework, as applicable for Swiss Systemically relevant banks (SRB). Numbers in the presentation are SRB Basel III numbers unless otherwise stated. Our fully applied and phase-in Swiss SRB Basel III and BIS Basel III capital components have the same basis of calculation, except for differences disclosed on page 84 of the 3Q14 financial report.

Basel III risk-weighted assets in the presentation are calculated on the basis of Basel III fully applied unless otherwise stated. Our RWA under BIS Basel III are the same as under Swiss SRB Basel III.

Leverage ratio and leverage ratio denominator in this presentation are calculated on the basis of fully applied Swiss SRB Basel III, unless otherwise stated.

From 1Q13 Basel III requirements apply. All Basel III numbers prior to 1Q13 are on a pro-forma basis. Some of the models applied when calculating pro-forma information required regulatory approval and included estimates (discussed with our primary regulator) of the effect of these new capital charges.

Refer to the "Capital Management" section in the 3Q14 financial report for more information.

Currency translation
Monthly income statement items of foreign operations with a functional currency other than Swiss francs are translated with month-end rates into Swiss francs. Refer to "Note 17 Currency translation rates" in the 3Q14 financial report for more information.

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