



Bank of America Merrill Lynch Financials Conference

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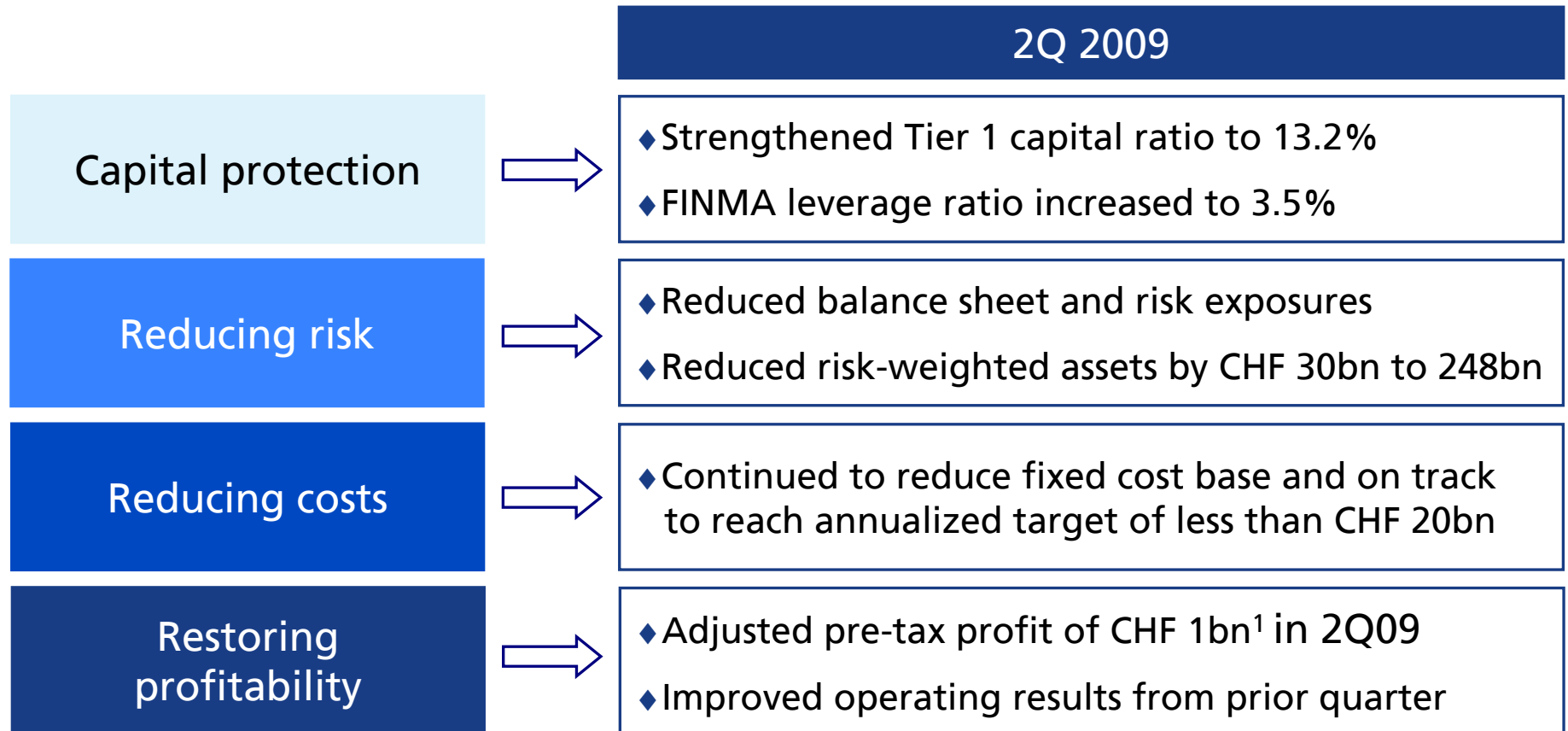
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SECTION 1

Overview

Stabilized financial position



¹ Reported pre-tax result, a loss of CHF 1.3bn was adjusted for own credit losses of CHF 1.2bn, restructuring charges of CHF 0.6bn and a goodwill impairment charge of CHF 0.5bn related to the announced sale of UBS Pactual.

Recent developments

- ◆ Settlement of US cross-border tax case announced on 19 Aug
 - No payment by UBS
 - Expectation is that information concerning approximately 4,450 accounts will be provided to the Swiss Federal Tax Administration
- ◆ The Swiss Confederation exited its investment in UBS
 - The placement of 332.2 million UBS shares from the conversion of MCNs was successfully completed on 20 Aug
 - The Confederation sold its future MCN coupon payments back to UBS for cash
- ◆ Further credit spreads tightening
 - As a result, losses on own credit expected in 3Q09
- ◆ Further risk reductions and risk-weighted assets decrease
- ◆ Covered bonds program completed
 - The bonds are covered by a part of UBS's Swiss mortgage portfolio and will provide UBS with a source of medium to long term financing (i.e. with terms of three and more years) at favorable conditions, further strengthening its broad financing base

SECTION 2

Key regulatory debates

Key regulatory debates

FINMA	Basel II Com & Central bankers	G20	Other Swiss concerns	International concerns
Higher Capital cushion	Improving quality of Tier 1	Capital /Leverage / Liquidity	SNB: Too big to fail	Local liquidity requirements
Leverage ratio ¹	Harmonize Leverage ratio	Cross border banks	Deposit insurance	
Liquidity	Funding Liquidity	Pay/ Governance		
	Across the cycle credit buffers	Co-ordinated regulation		
	Market risk framework ¹	Co-ordinated acc'ting standards		

Proposed regulatory changes: poor co-ordination

Duplication and conflicting demands

Timescales not aligned: Switzerland moving faster

No proper analysis of the economic consequences

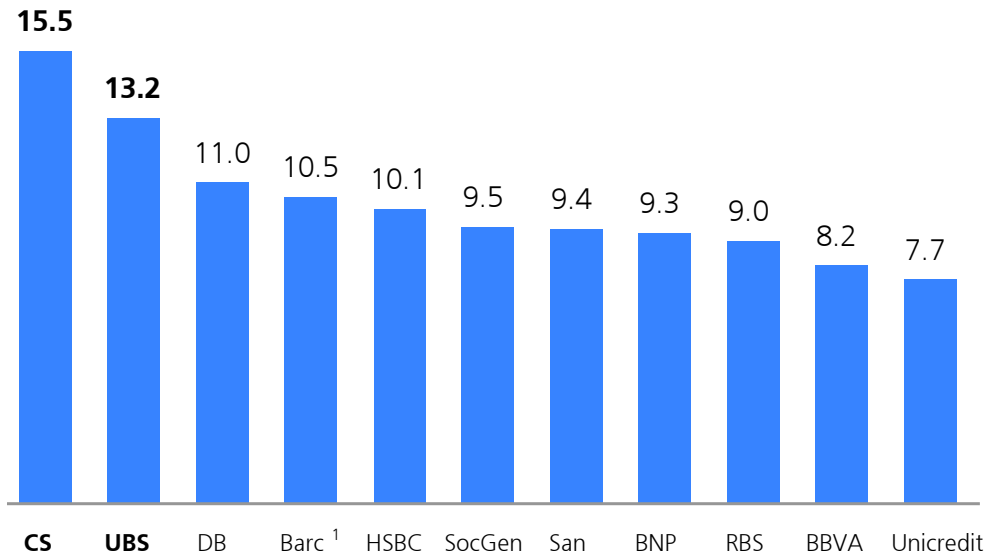
Credit crunch for Switzerland?

Impaired competitiveness of global banks?

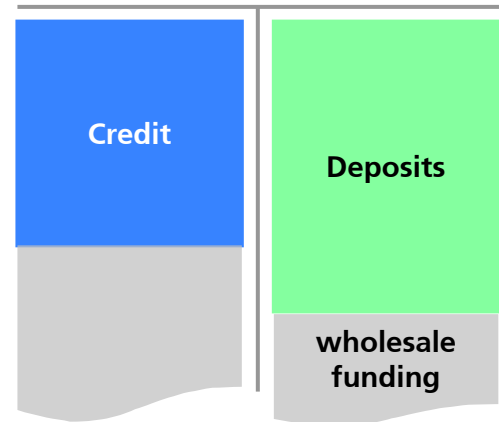
Global competitiveness comparison

Deposit insurance costs increase funding costs, encouraging use of wholesale funding, increasing funding risks.

Tier 1 Capital Ratio (per 30.6.09): Basel II reporters



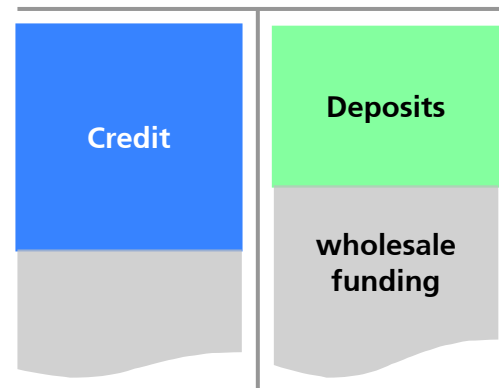
 UBS/CS (Average)



Loan-to-deposit ratio
2Q09

77%

 GB Average*





142%

Source: Companies reporting; Barc – Barclays, BNP – BNP Paribas, CS – Credit Suisse, DB – Deutsche Bank, RBS – Royal Bank of Scotland, San – Santander, SocGen – Societe Generale
¹ As reported, pro-forma tier 1 ratio taking into account the effects of sale of the Barclays Global Investors was 11.7%

Regulatory capital – 2Q09

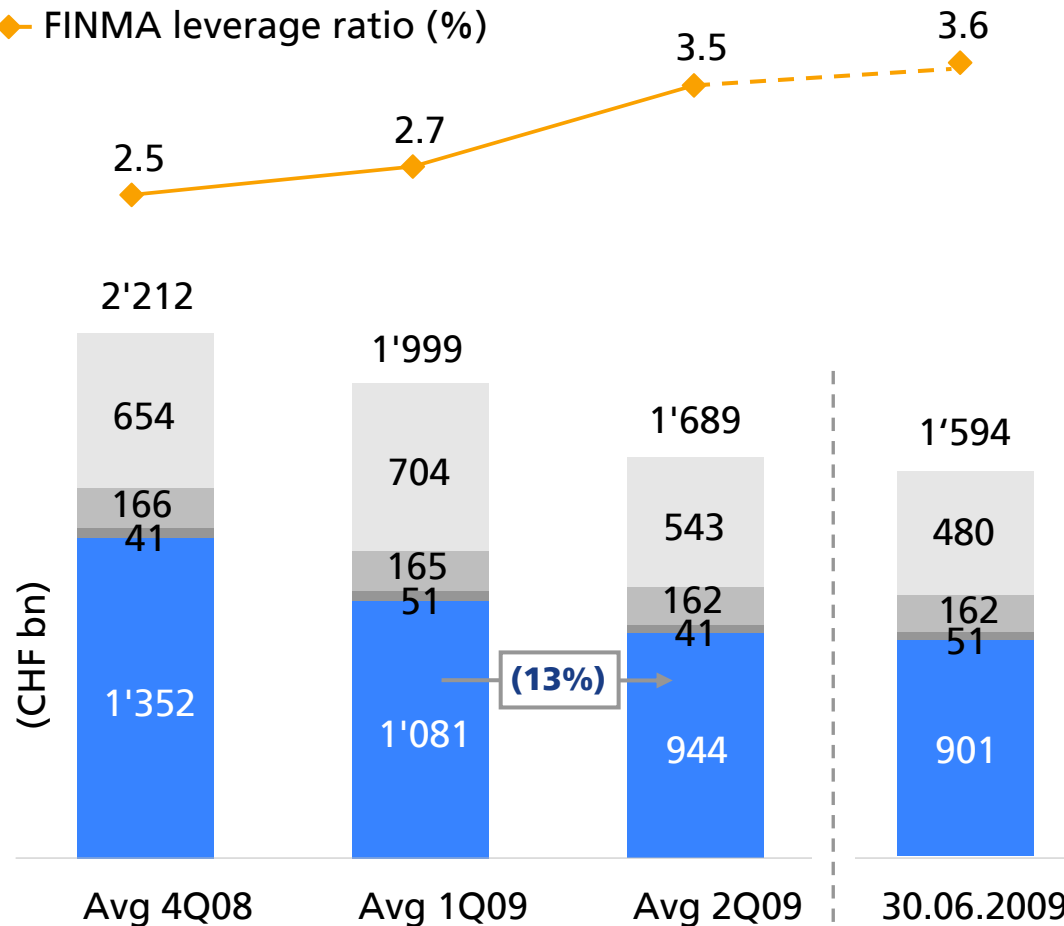
	Tier 1 capital	BIS RWA	Tier 1 ratio	Total capital	Total ratio
CHF billion					
31.03.09	29.2	278	10.5%	41.0	14.7%
Net P&L attr. to shareholders	(1.4)			(1.4)	
Net P&L not eligible for capital	1.2			1.2	
Share placement	3.8			3.8	
Other ¹	(0.2)			(0.2)	
Risk-weighted assets		(30)			
Impacts on Tier 2 capital				(0.5)	
30.06.09	32.6	248	13.2%	43.9	17.7%
Pro-forma for announced UBS Pactual sale	33.6	245	13.7%	44.9	18.3%
Pro-forma for MCN coupons buyback ²	32.2	245	13.2%	43.5	17.7%

 1 Includes effects of goodwill CHF 0.7bn, accrual for MCN coupons (CHF 0.5bn), own shares (CHF 0.3bn) and other (CHF 0.1bn)

 2 The approx. CHF 1.4 bn capital impact consists of approx. CHF 1.8 bn coupon consideration less approx. CHF 0.4 bn of charges that UBS had already accrued until end 2Q09.

FINMA leverage ratio

◆ FINMA leverage ratio (%)

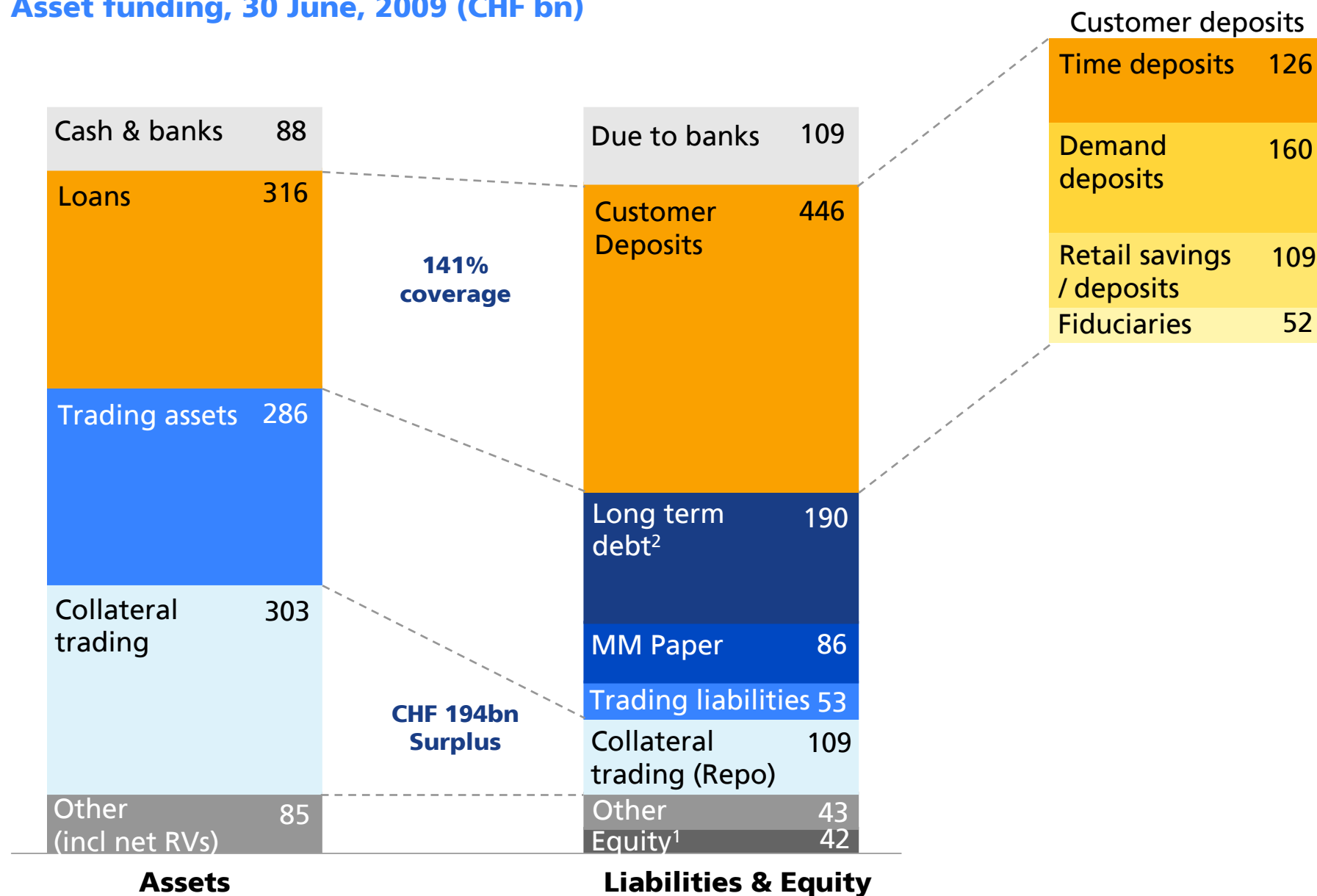


- Average adjusted assets decreased by CHF 137bn or 13% during 2Q09
- Pro-forma leverage ratio of 3.6% using:
 - 2Q09 ending adjusted assets of CHF 907bn
 - CHF 32.2bn of Tier 1 capital taking into account effects of announced sale of UBS Pactual and Swiss Govt MCN conversion and coupon buyback

- Netting of replacement value
 - Loans to Swiss clients
 - Other
 - Adjusted assets
- } FINMA deductions

UBS Balance Sheet Funding 2Q09

Asset funding, 30 June, 2009 (CHF bn)





UBS