



Fourth quarter 2012 results



February 5, 2013

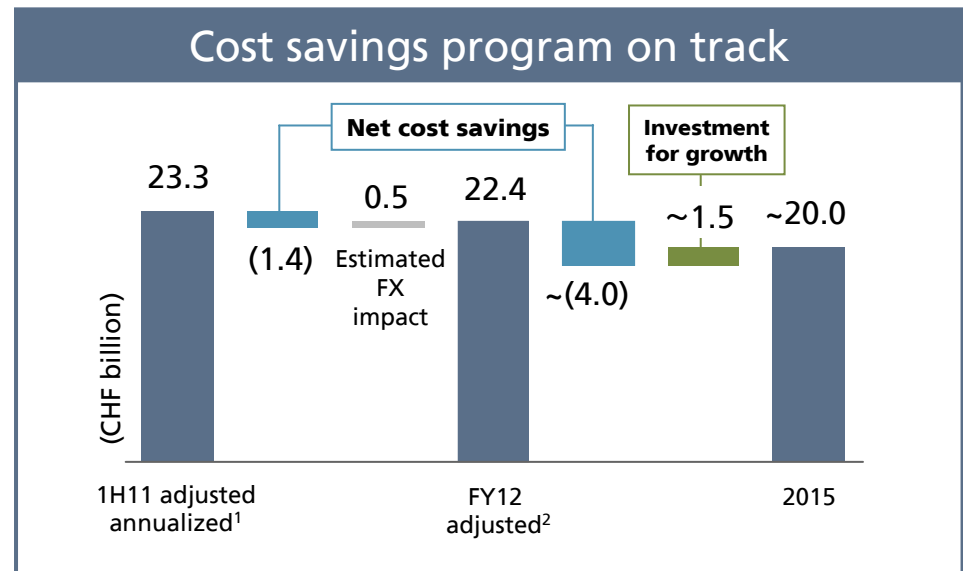
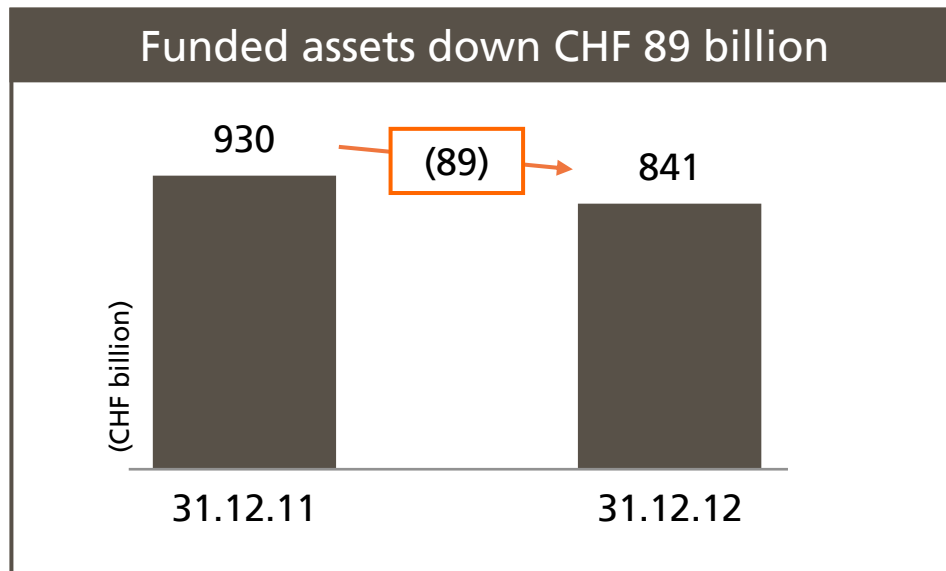
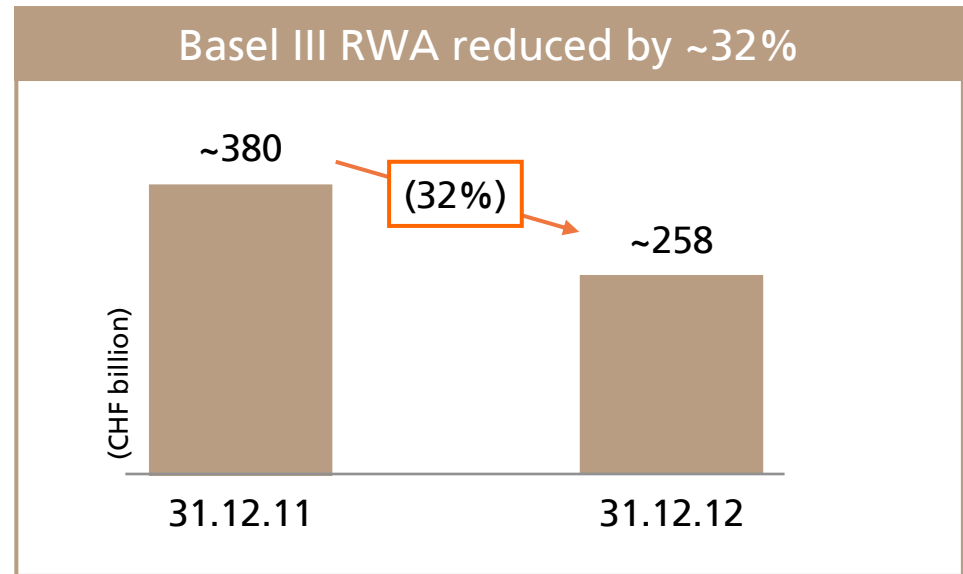
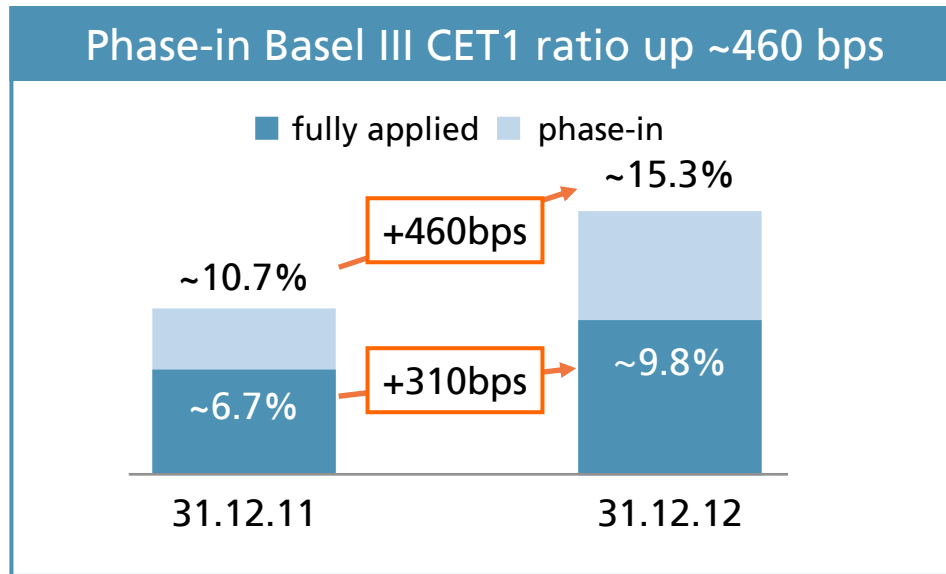
Cautionary statement regarding forward-looking statements

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 or filed by UBS with the US Securities and Exchange Commission, including UBS’s financial report for fourth quarter 2012 and UBS’s Annual Report on Form 20-F for the year ended 31 December 2011. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

2012: Significant progress in executing our strategy.....

- Capital – exceeded our capital and RWA reduction targets
- Costs – CHF 1.4 billion net savings achieved since 1H11
- Operational risk – substantial progress in our risk remediation programs
- Solid progress across business divisions
- Enhanced compensation systems to drive sustainable performance culture
- Accelerated transformation on track
- Increasing our recommended dividend by 50%

Exceeded our capital and RWA targets, on track on costs

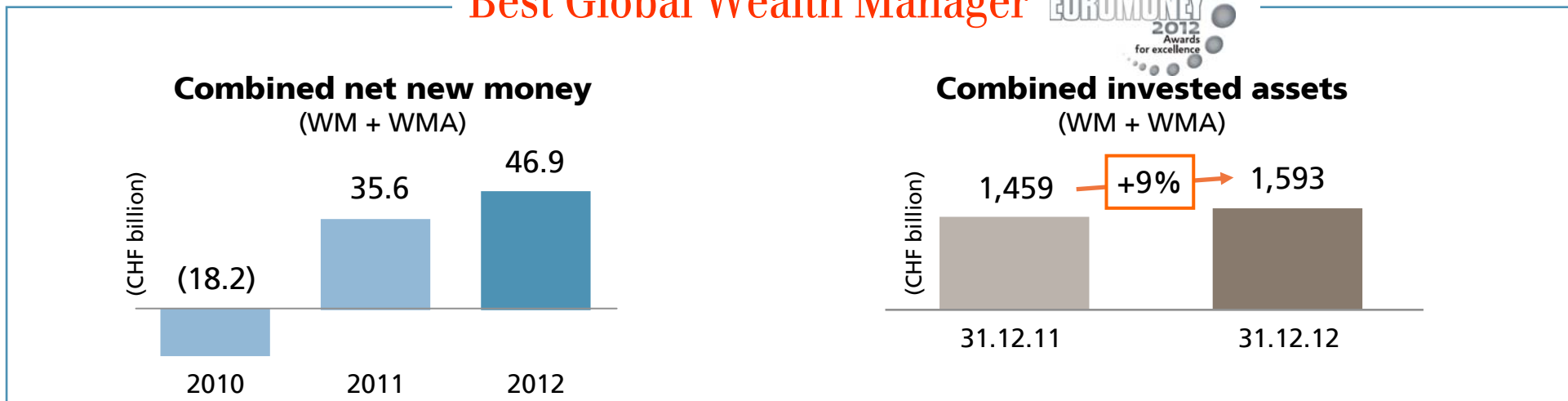


Refer to slide 61 for details about adjusted numbers, IAS 19R, pro-forma Basel III estimates and FX rates in this presentation
 1 1H11 costs run rate represents the starting point for the CHF 2 billion cost elimination program announced in July 2011
 2 Excludes changes in provisions for litigation, regulatory and similar matters

Solid progress in our unrivaled wealth management businesses

Combined adjusted pre-tax profit increased to CHF 2.9 billion

Best Global Wealth Manager



Wealth Management

Continued strong growth in APAC and Emerging Markets

- Over 4,000 advisors in > 40 countries
- CHF 2.1 billion adjusted pre-tax profit in 2012
- Strong business momentum in our growth areas of APAC, EM and UHNW

Wealth Management Americas

Record pre-tax profit and financial advisor productivity

- Over 7,000 advisors in > 320 branches
- USD 0.9 billion adjusted pre-tax profit in 2012
- Record FA productivity > USD 1 million / FA

World's leading high net worth and ultra high net worth wealth manager; unrivaled in scope and scale

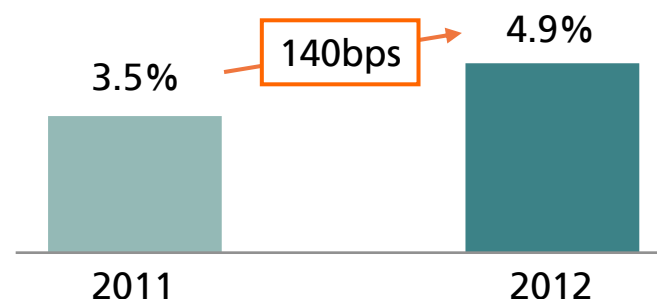
Retail & Corporate – Strong momentum, winning back market share

Resilient performance with CHF 1.5 billion adjusted pre-tax profit in 2012

The leading universal bank in Switzerland

- ➔ Highest net new client assets from retail customers since 2001
- ➔ Servicing every 3rd household in Switzerland
- ➔ Serving ~50% of all corporates in Switzerland
- ➔ Extensive network of ~300 branches

4.9% net new business volume growth in 2012



We are making significant investments in our home market

... in our **branches**

- Ongoing, significant investment in branch refurbishments
- 60% of branches completed
- ~25% increase in new client relationships in refurbished locations

... in our **products and channels**

- New transaction banking products and payment solutions
- Mobile & online banking

... in our **community**

- Over 600 'UBS Kids Cup' events in 2012 with more than 81,000 participants
- Swiss education initiative
- Switzerland Tourism partnership

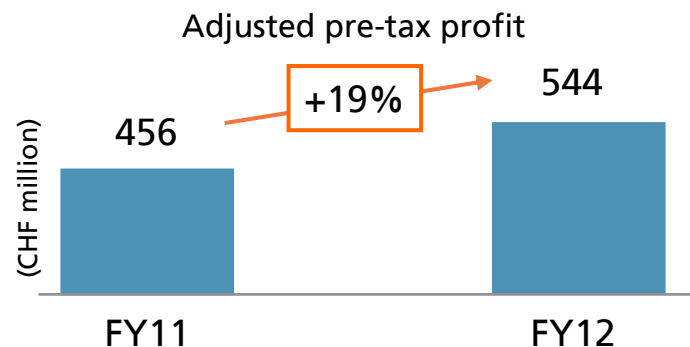
Best bank in Switzerland



Progress in Global Asset Management and the Investment Bank

Global Asset Management

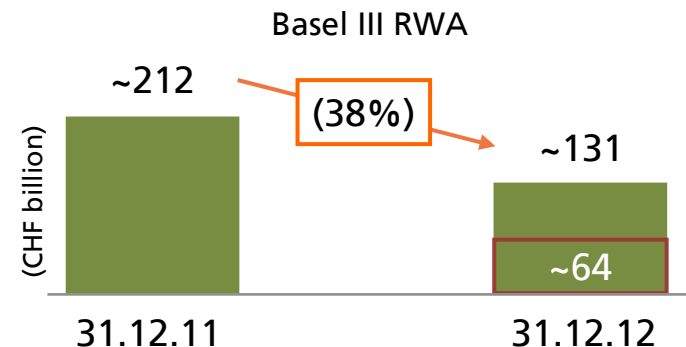
Stronger performance fees and good cost control



- Delivered stronger investment performance to our clients
 - Especially in Fixed Income and Alternatives
 - Collective funds stronger vs. peers¹: 62% of fund assets in first or second quartile over one year vs. 54% a year ago
- Profit growth driven by increased performance fees especially in A&Q

Investment Bank

Maintaining client focus while reshaping our business



■ Core Investment Bank from 1.1.13

- IBD: 16% revenue growth, increased market share in DCM, ECM and GSF; attracting top tier talent
- Equities: exchange market share stable
- FX & precious metals: investments in e-trading led to market share gains in lower volume markets
- Credit revenues up 27% and steady Rates performance
- Basel III RWA reduced by ~CHF 81 billion
- Headcount down more than 1,100

Delivering sustainable performance

Rewards structures aligned with our strategy and the interests of shareholders

- Designed to reward sustainable performance with clear link to financial targets
- Longer vesting periods
- Introduction of high trigger loss absorbing capital compensation program
 - Basel III CET1 ratio of 7% or less (or non-viability event) would affect deferred compensation balances before low trigger loss-absorbing notes
- Reduced cash cap for each performance year
- Increased shareholding requirements for GEB members
- Performance award pool reduced by 7% YoY; IFRS expense down 15% YoY

Our strategy supports an attractive capital returns program

- 50% increase in dividend proposed for 2012
- Progressive capital returns as we work towards our capital targets
- Targeting a total payout ratio of more than 50% when we reach our capital targets

**We intend to pay a cash dividend of CHF 0.15 per share
for the financial year 2012**

4Q12—Key messages

CHF 1.2 billion adjusted pre-tax loss including CHF 2.1 billion litigation expenses

→ Net loss attributable to shareholders of CHF 1.9 billion and diluted EPS of (0.50)

Further increased industry leading capital position, reduced risk and balance sheet

→ Basel III RWA of ~CHF 258 billion, reduced by ~CHF 43 billion in 4Q12

→ Basel III phase-in CET1 ratio of ~15.3% and Basel III fully applied CET1 ratio of ~9.8%

→ Funded assets reduced by CHF 76 billion

→ Tender offers to repurchase up to ~CHF 5 billion of debt

Strong momentum across business divisions

→ Wealth Management Americas continued strong performance; USD 8.8 billion highest 4Q NNM since 2007 and adjusted pre-tax profit of USD 219 million

→ Global Asset Management adjusted pre-tax profit up 30% to CHF 164 million

→ Retail & Corporate resilient adjusted pre-tax profit of CHF 362 million and strong net new business volumes

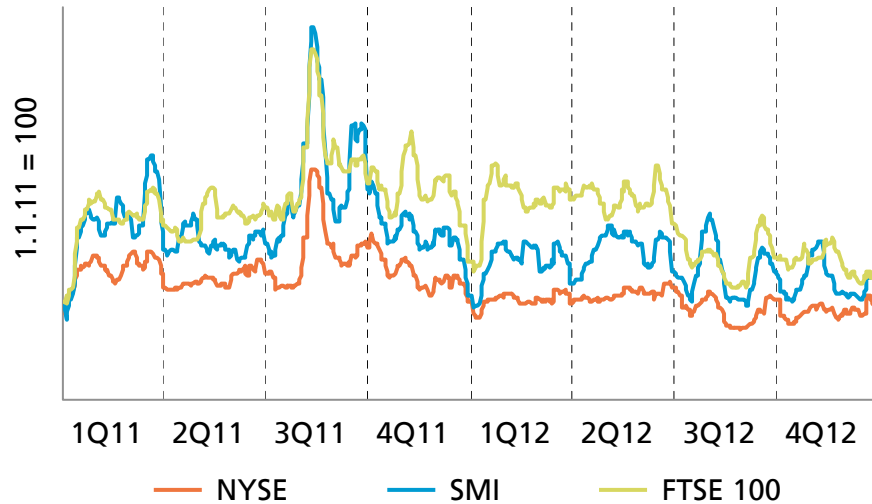
Restructuring on track

→ Investment Bank Basel III RWA reduced 19%; core Investment Bank at ~CHF 64 billion

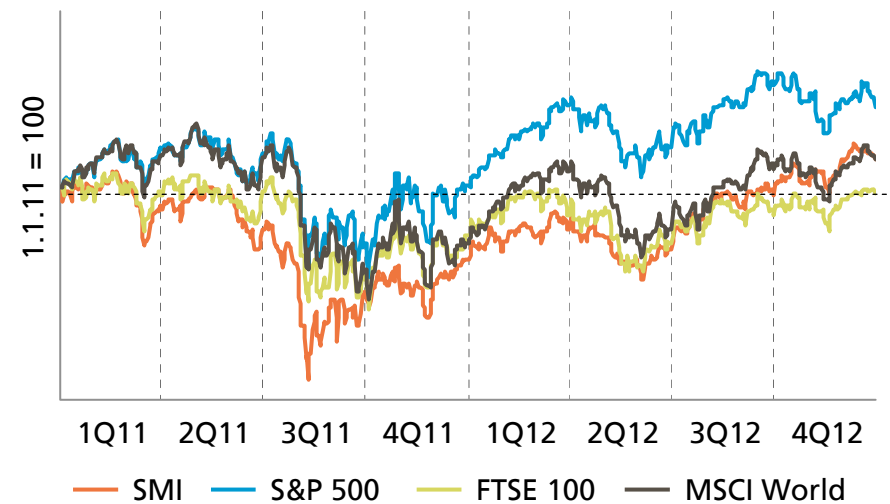
→ Group headcount reduction of more than 1,100 of which ~800 in the Investment Bank

Market environment¹

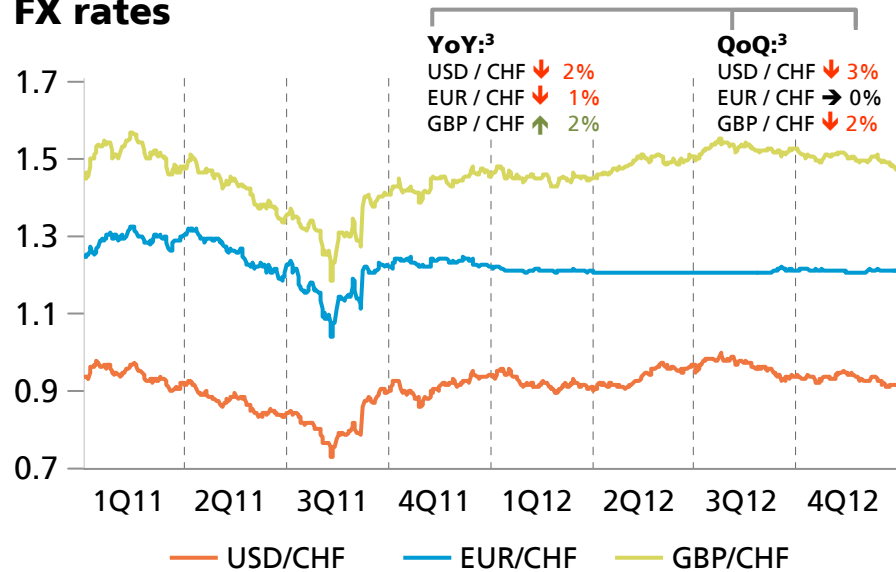
Equity trading volumes²



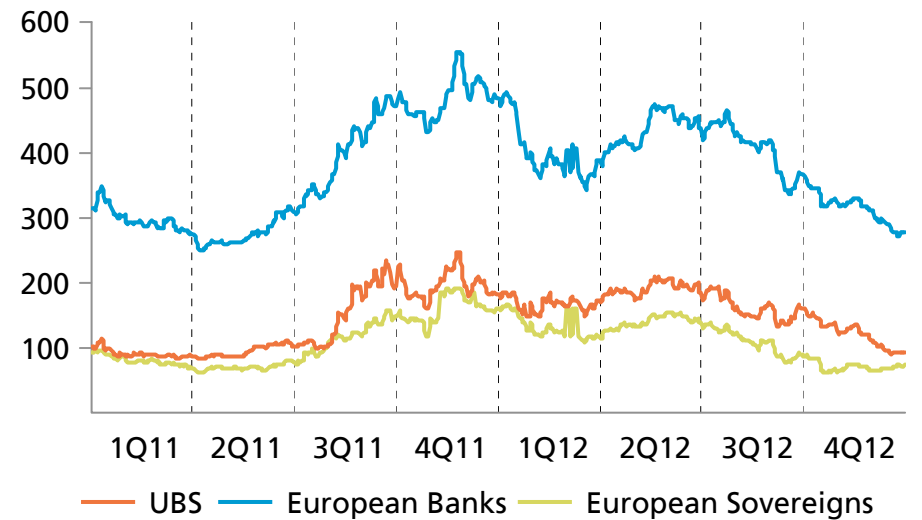
Equity market performance



FX rates



CDS spreads



1 Source: Bloomberg
 2 10-day trailing average
 3 Based on spot FX rates

4Q12 results

(CHF million)	WM	WMA	IB	Global AM	R&C	CC	Group
Income	1,747	1,629	1,684	492	953	155	6,660
Credit loss (expense) / recovery	1	(15)	(2)		(20)	11	(24)
Own credit gain / (loss)						(414)	(414)
Total operating income	1,748	1,614	1,682	492	933	(248)	6,222
Personnel expenses	864	1,084	1,389	236	354	88	4,014
<i>of which restructuring charges / (provision releases)</i>	<i>13</i>	<i>3</i>	<i>231</i>	<i>15</i>	<i>1</i>	<i>(4)</i>	<i>257</i>
Non-personnel expenses ¹	486	330	850	107	218	2,039	4,031
<i>of which restructuring charges / (provision releases)</i>	<i>4</i>	<i>(1)</i>	<i>(6)</i>	<i>0</i>	<i>0</i>	<i>4</i>	<i>1</i>
Total operating expenses	1,350	1,414	2,239	343	572	2,127	8,044
Adjusted pre-tax profit / (loss) <i>(Excluding own credit and restructuring charges)</i>	415	203	(333)	164	362	(1,961)	(1,151)
Pre-tax profit / (loss) as reported	398	201	(557)	149	361	(2,375)	(1,823)
Tax (expense) / benefit							(66)
Net profit attributable to non-controlling interests							(1)
Net profit attributable to UBS shareholders							(1,890)
Diluted EPS (CHF)							(0.50)



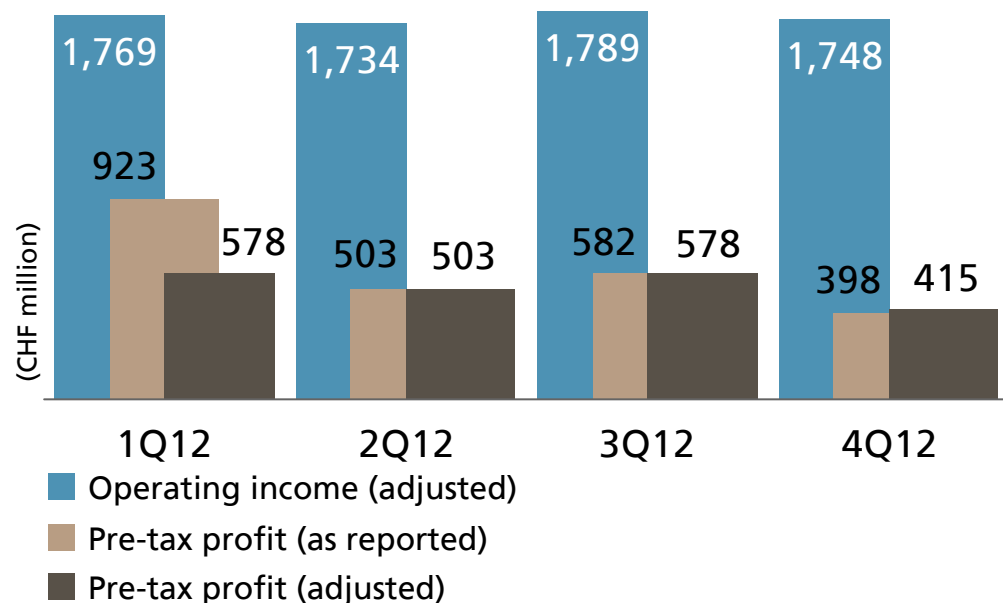
Refer to slide 61 for details about adjusted numbers, IAS 19R, pro-forma Basel III estimates and FX rates in this presentation

¹ Includes provisions for litigation, regulatory and similar matters of CHF 2,081 million: Wealth Management CHF 23 million, Wealth Management Americas CHF 84 million, Investment Bank CHF 37 million, Retail & Corporate CHF 18 million, Corporate Center – Core Functions CHF 1,470 million, Corporate Center – Legacy Portfolio CHF 449 million

Wealth Management

Accelerated NNM inflows in APAC and Emerging Markets

Operating income and pre-tax profit

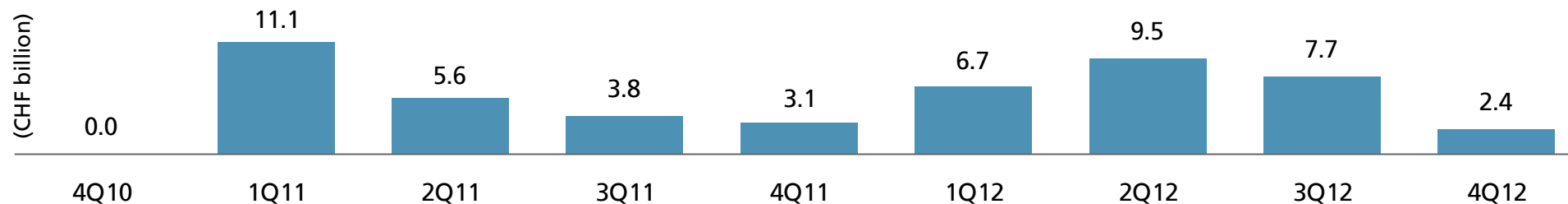


- **Operating income** declined slightly
 - Net interest income decreased on lower deposit margins especially in EUR and USD
 - Client activity decreased compared to 3Q12

- **Adjusted cost / income ratio of 76%**
 - Increased charges for legal provisions and higher personnel expenses following one-time credits in 3Q12

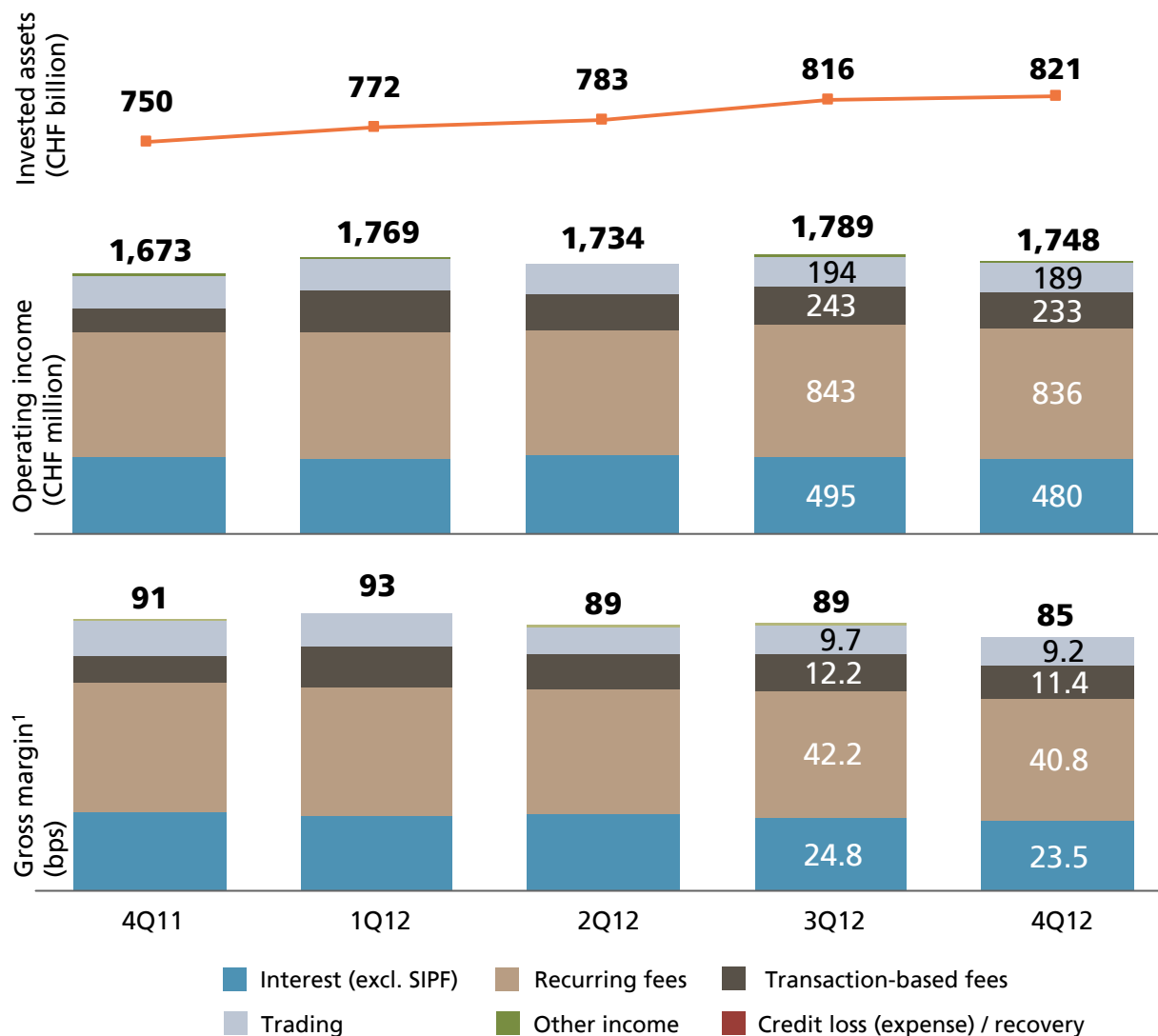
- **Continued net new money inflows**
 - Accelerated growth in Emerging Markets and APAC more than offset outflows in Europe
 - Strong growth in Ultra High Net Worth

Net new money



Wealth Management—Operating income and gross margin

Operating income down 2% with average invested assets up more than 2%



- **Trading and transaction-based revenues:** less volatile markets and lower activity levels, particularly in funds and structured products sales

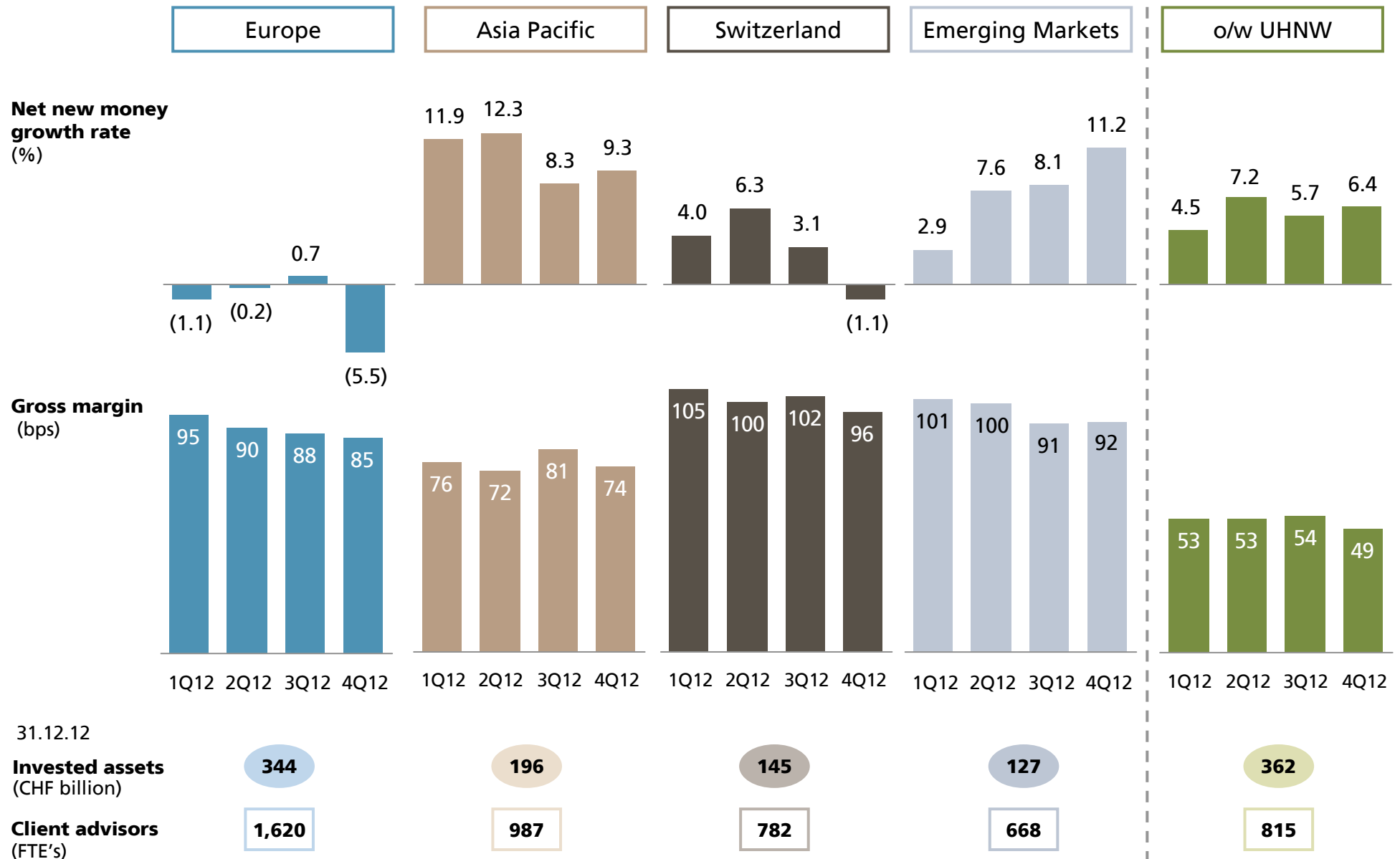
- **Recurring fees:** negative impact from growing asset base, combined with lower non-asset based recurring fees

- **Net interest income:** downward pressure on reference rates, particularly Euro and USD deposits, depressed interest income



¹ Operating income before credit loss (expense) or recovery (annualized) / average invested assets; gross margin excludes a realized gain due to a partial repayment of fund shares of CHF 2 million in 4Q12, CHF 2 million in 3Q12 and CHF 5 million in 4Q11

Wealth Management—by business area¹



31.12.12

Invested assets
(CHF billion)

Client advisors
(FTE's)

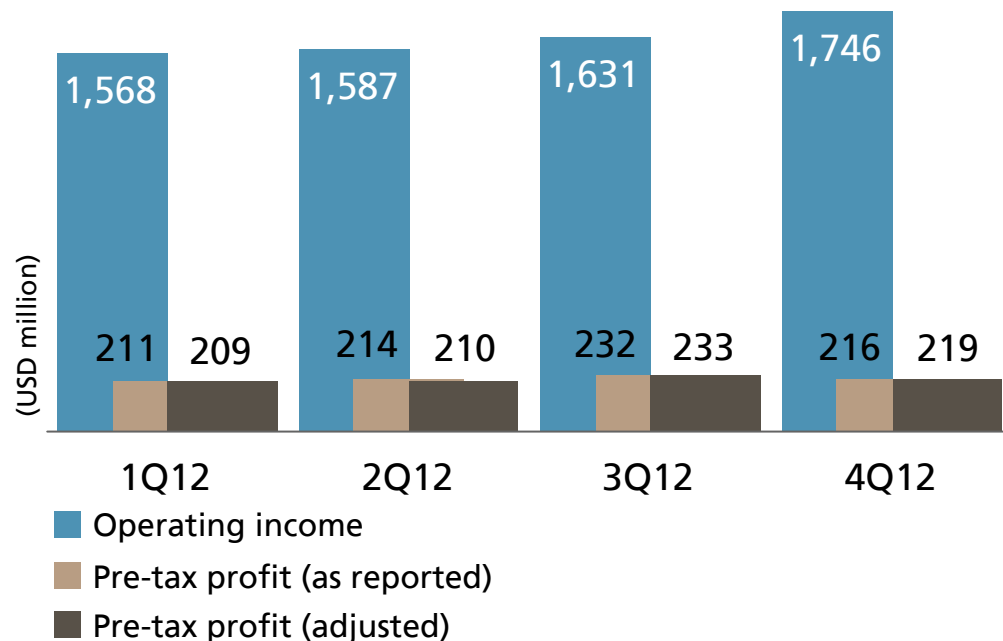


¹ Based on the Wealth Management business area structure, and excluding minor functions with 71 client advisors, and CHF 9 billion of invested assets, and CHF 0.3 billion of NNM outflows which are mainly attributable to the employee share and option plan service provided to corporate clients and their employees

Wealth Management Americas (USD)

Record full year 2012 adjusted pre-tax profit of USD 872 million; strong 4Q12

Operating income and pre-tax profit

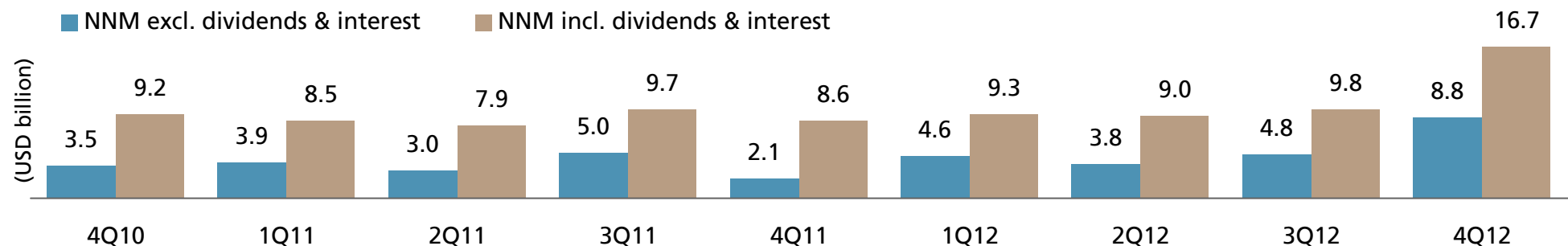


- **Operating income increased 7%**, recurring revenues up due to changes in accounting estimates, higher asset base and higher interest income
 - Record FA productivity > USD 1 million / FA
 - Credit loss expense of USD 16 million

- **Adjusted cost / income ratio 87%**
 - Higher litigation provisions

- **USD 8.8 billion NNM** mainly driven by strong inflows from “same store” advisors¹
 - Annualized NNM growth 4.2%
 - USD 16.7 billion NNM including dividends and interest

Net new money

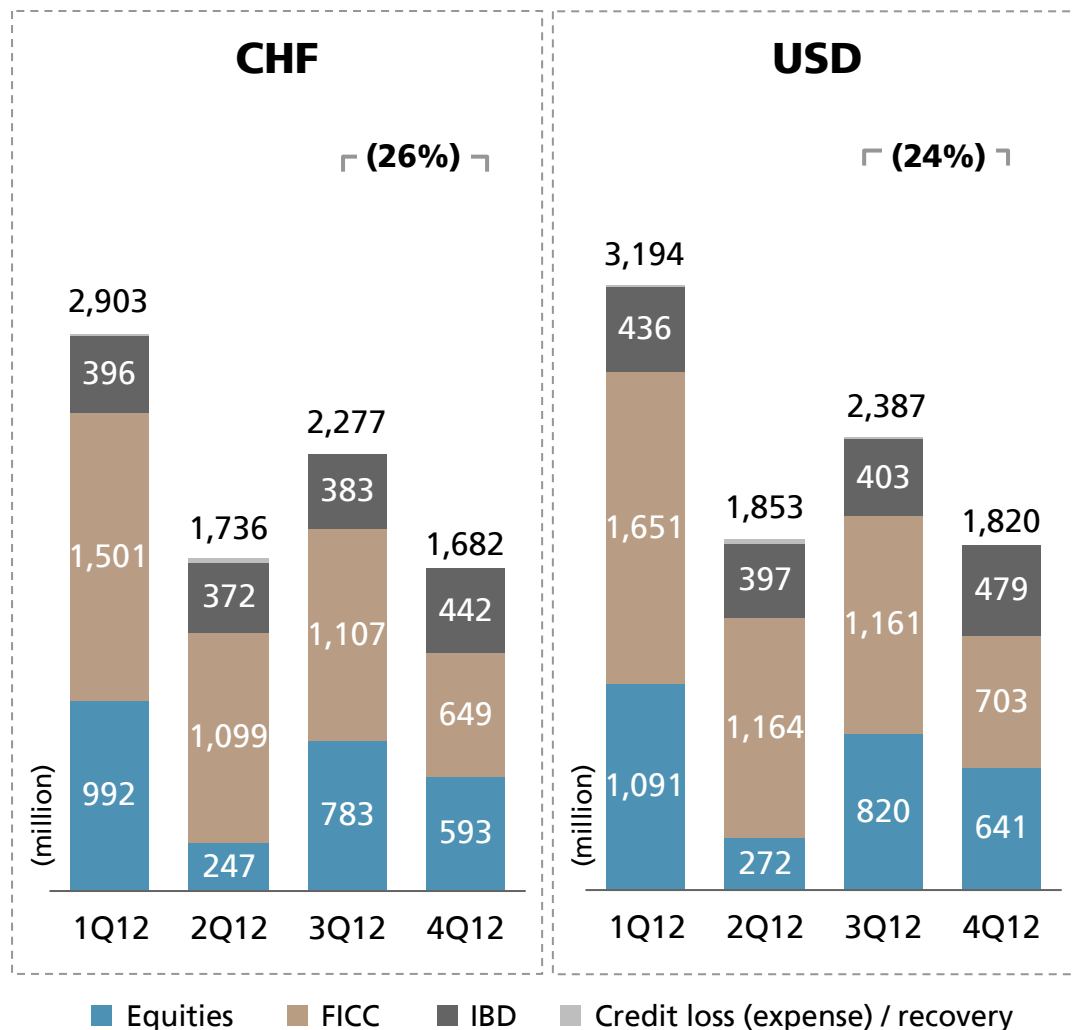


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 1 Financial advisors with UBS for more than 12 months

Investment Bank

Driving the Group strategy by exceeding Basel III RWA reduction target

Operating income



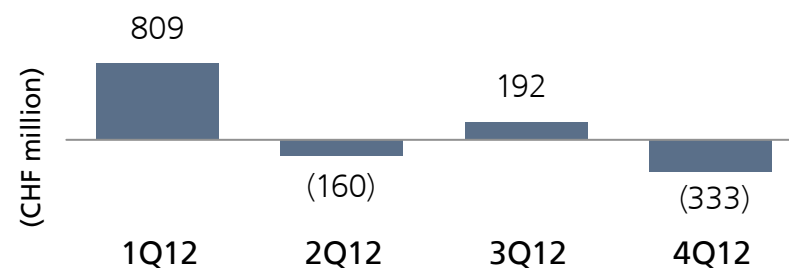
- **Basel III RWA ~CHF 131 billion, down ~CHF 31 billion**
 - Core Investment Bank CHF 64 billion, below CHF 70 billion target

- **Strong performance in IBD; lower revenues in FICC as we restructure**

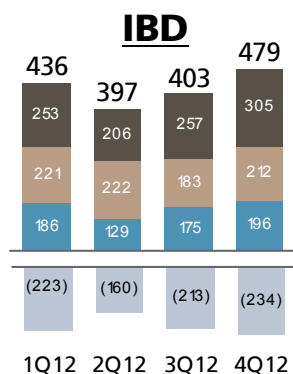
- **Adjusted costs down 3% QoQ**
 - Includes CHF 120 million for the annual UK bank levy

- **Headcount reduced by ~800**

Adjusted pre-tax profit

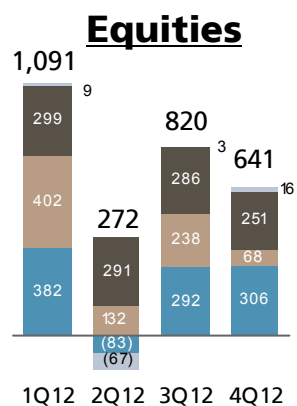


Investment Bank highlights¹



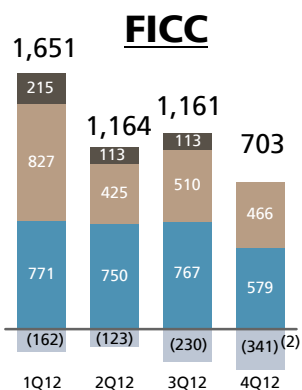
Revenues overall up 19% with increases in advisory and capital markets

- **Advisory** revenues up QoQ; participated in 3 of the top 10 global transactions
- **Equity capital markets** ranked #1 in APAC and increased market share QoQ; participated in 10 of the top 20 deals
- **Fixed income capital markets** revenues up on strong leveraged finance activity; participated in 3 of the top 10 leveraged capital market deals
- **Other** risk management premiums up on higher hedging costs as credit spreads tightened



Solid performance from Cash

- **Cash** revenues up with stable client activity and commission revenues; trading performance improved
- **Derivatives** results reflect lower revenues in APAC driven by losses in Japan
- **Prime services** growth in clients balances offset by tighter spreads



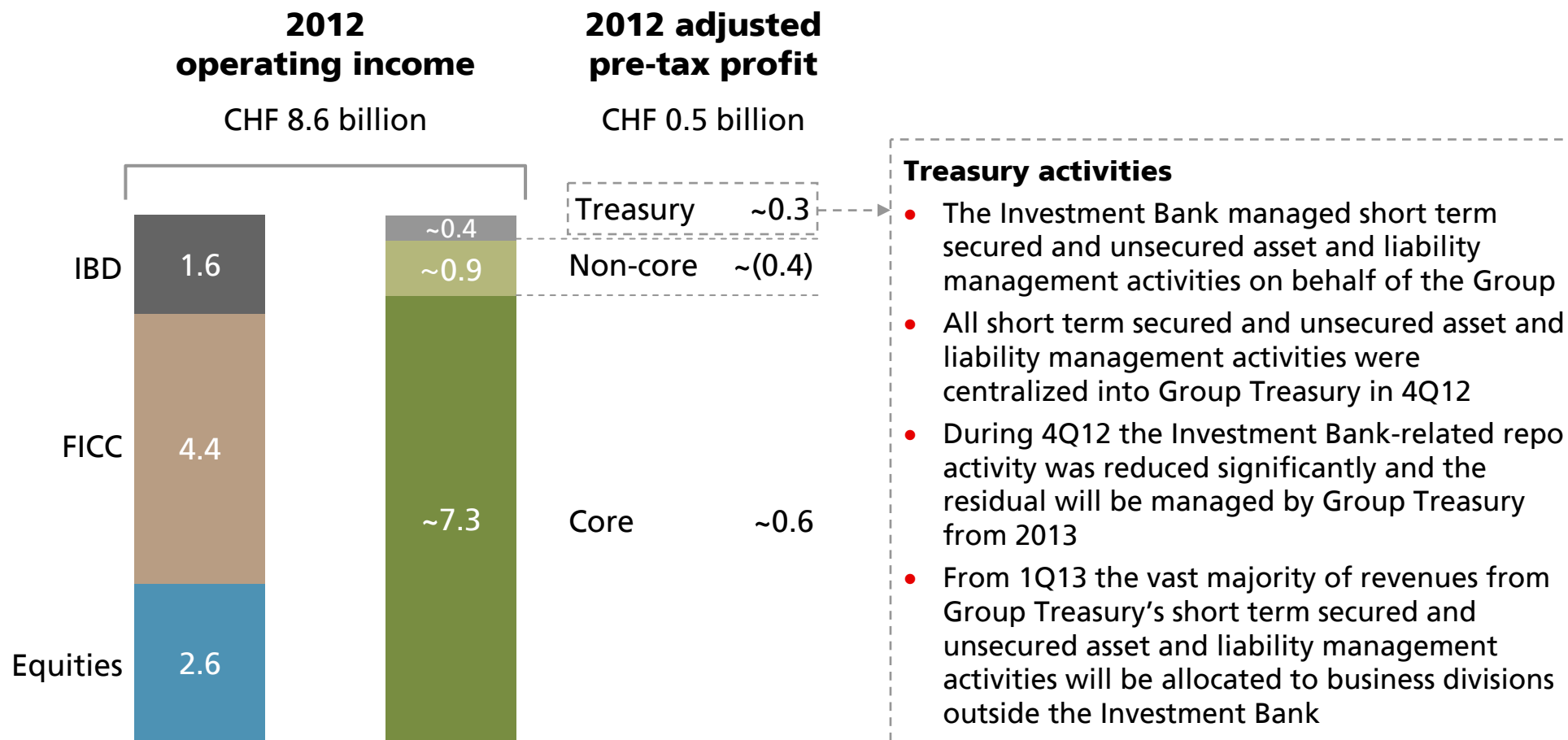
Further RWA reduction in 4Q12 and on track

- **Macro** foreign exchange revenues increased marginally due to an improved precious metals performance; rates revenues reflect our decision to exit or downsize products
- **Credit** solid revenues in real estate finance and corporate lending in line with 3Q12; lower flow trading and structured credit revenues on lower client activity and decreased RWA
- **Emerging Markets** reduced volumes and client activity in all regions; mark-to-market losses in Latin America



Investment Bank—Indicative pro-forma results under new structure¹

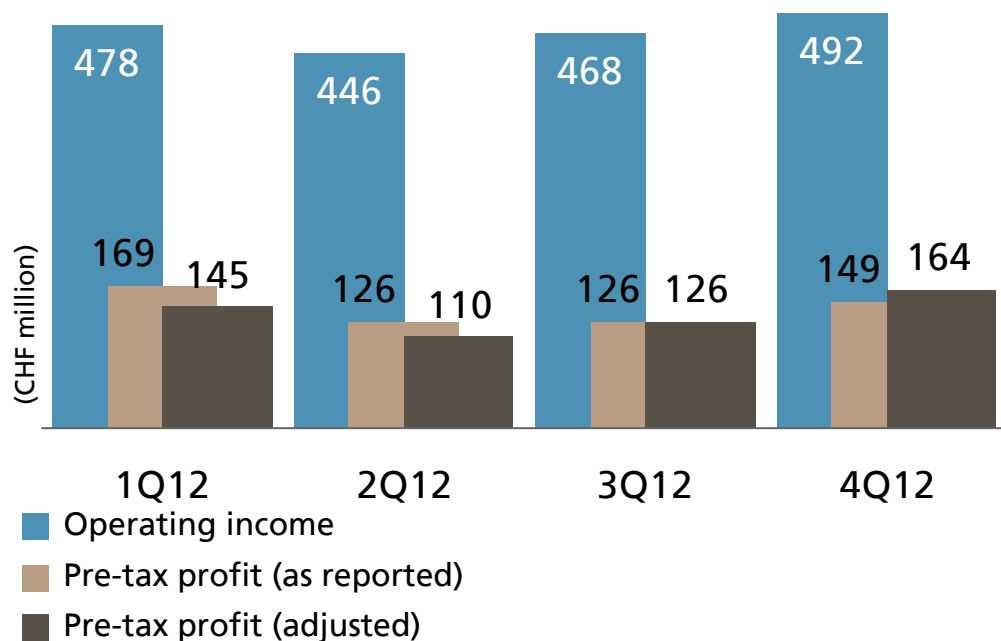
From 1Q13, Non-core and Treasury results will be reported in Corporate Center



Global Asset Management

Adjusted pre-tax profit up 30% to CHF 164 million

Operating income and pre-tax profit

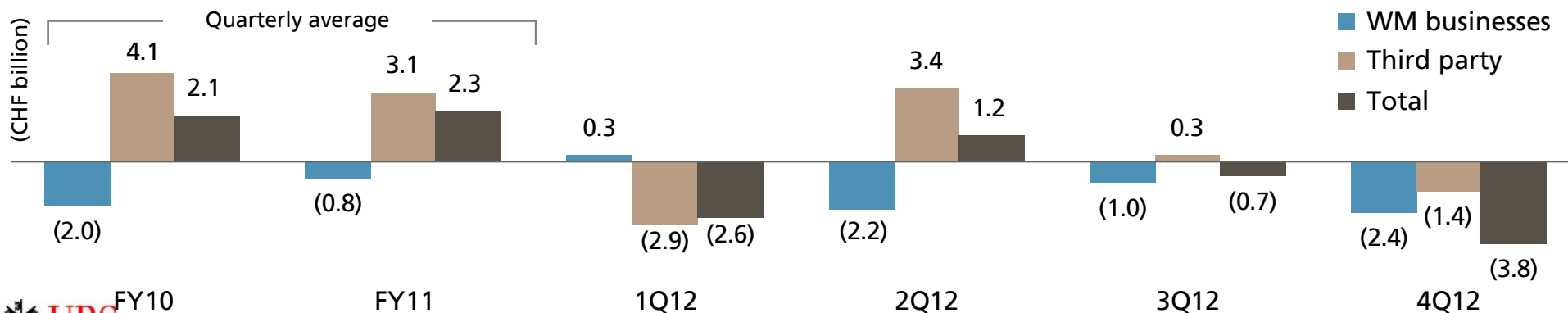


- **Operating income up 5%**
 - Higher management fees, mainly in Global Real Estate (GRE)
 - Performance fees up 14% to CHF 49 million, mainly in A&Q and GRE

- **Adjusted cost / income ratio 67%**
 - Adjusted expenses down on lower personnel expenses

- **Very good investment performance** for majority of Traditional strategies
- **Strong quarter for Alternatives**, notably A&Q single manager funds

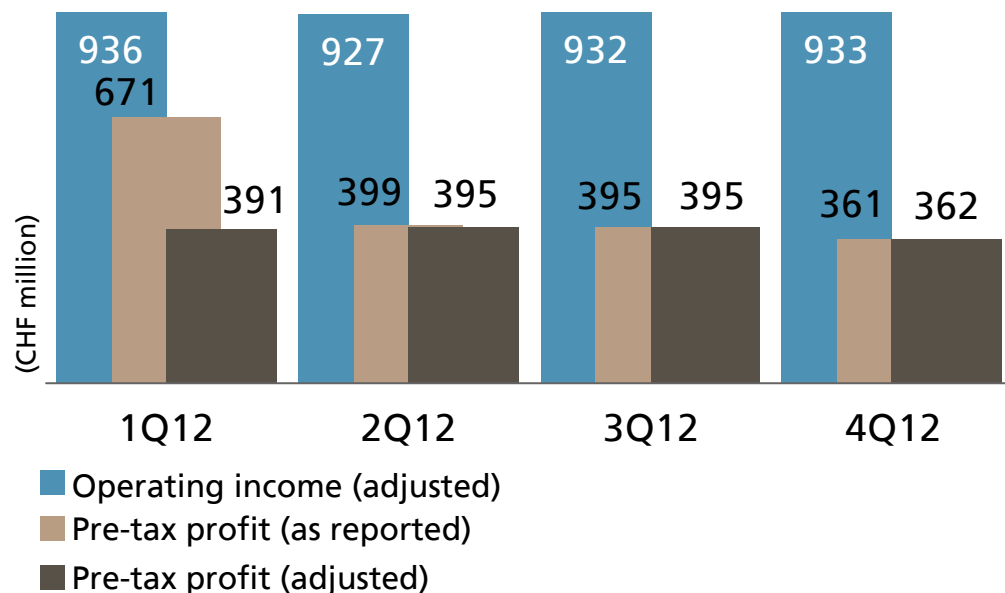
NNM by channel — excluding money market



Retail & Corporate

We continue to win back market share in our home market

Operating income and pre-tax profit

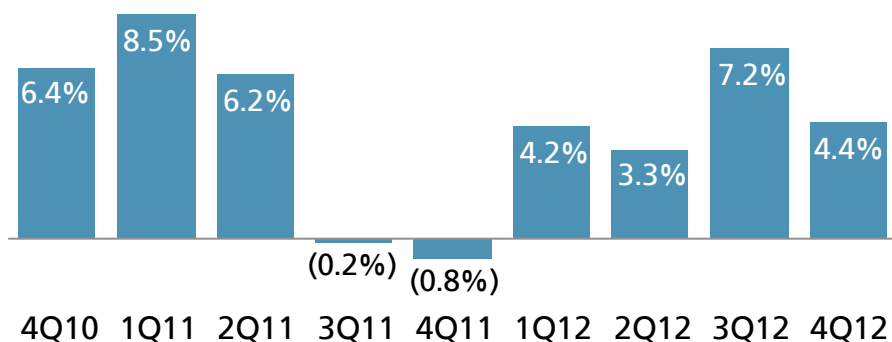


- **Stable operating income**
 - Higher net interest margin (up 3bps) and corporate finance activity offset by increased credit loss expenses

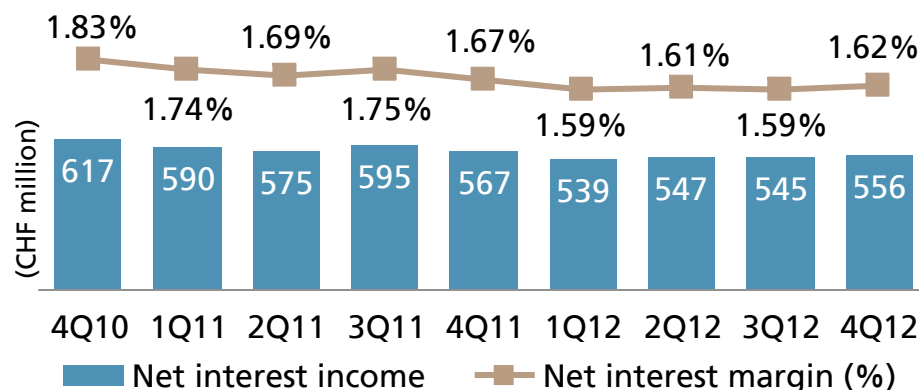
- **Adjusted cost / income ratio of 60%**
 - Higher legal provisions and other G&A costs

- **4.4% annualized NNBV growth**
 - Strong volume growth in both custody assets and client deposits

Net new business volume (NNBV) growth rate (annualized)



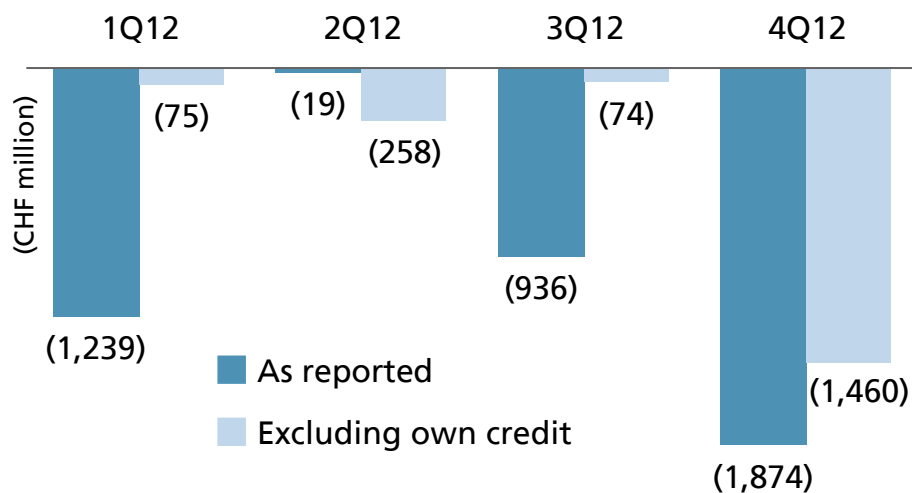
Net interest margin



Corporate Center—Core Functions

CHF 1,874 million pre-tax loss reflects litigation provisions related to the LIBOR matter

Pre-tax profit



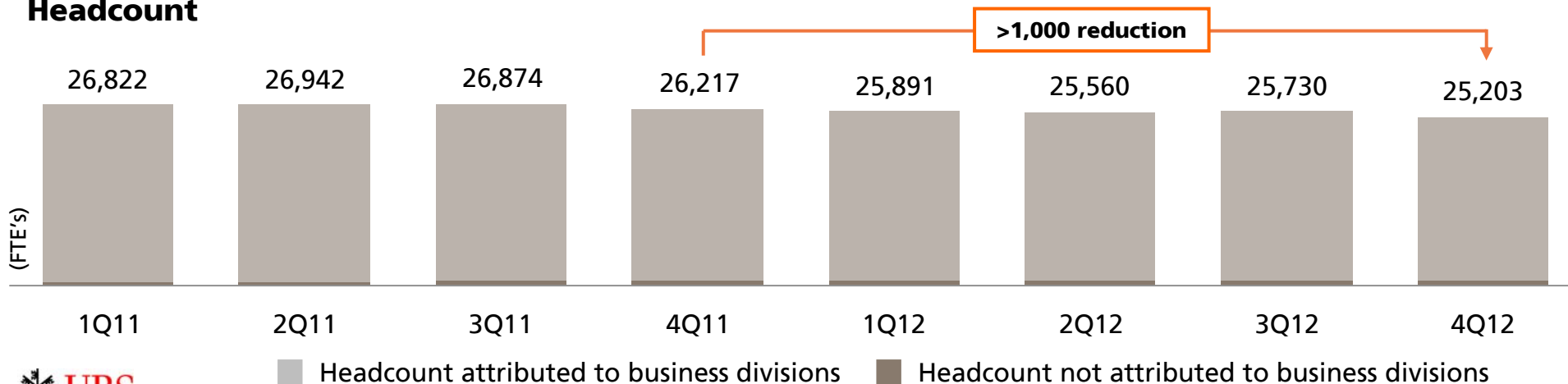
- **Operating income of negative CHF 271 million**

- CHF 414 million loss on own credit
- CHF 112 million gain on the sale of Swiss properties
- CHF 37 million hedge ineffectiveness gain

- **Operating expenses of CHF 1,603 million**

- Litigation provisions of CHF 1,470 million related to the LIBOR matter
- Other expenses not attributed to business divisions totaled CHF 133 million

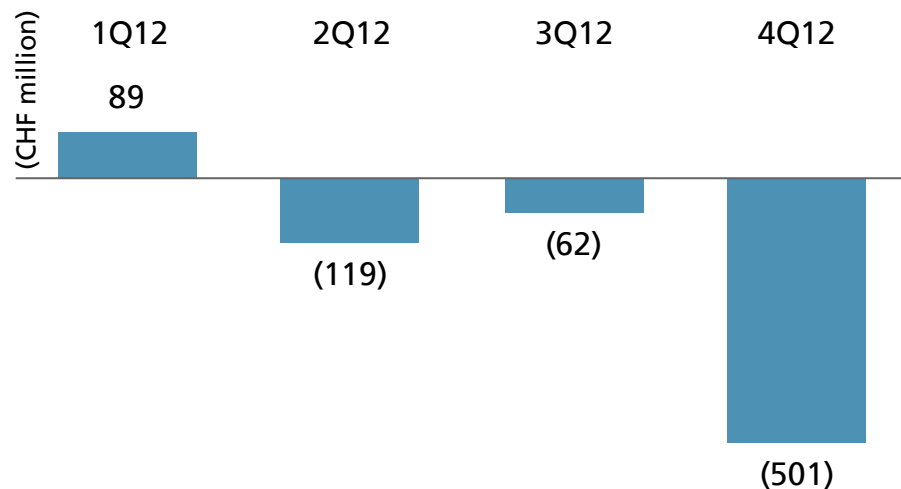
Headcount



Corporate Center—Legacy Portfolio

CHF 501 million pre-tax loss on higher litigation provisions

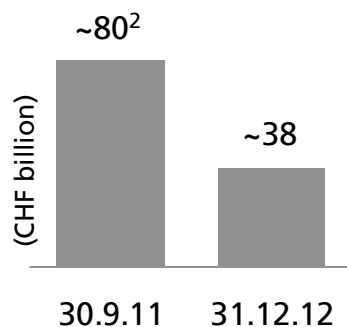
Pre-tax profit



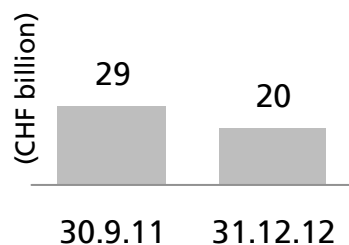
- **Operating income CHF 23 million**
 - CHF 91 million gain on the revaluation of SNB StabFund option¹
 - CHF 11 million of credit loss expense recovery

- **Operating expenses CHF 524 million**
 - Total litigation provisions of CHF 449 million, of which CHF 394 million related to mortgage-backed securities

Basel III RWA



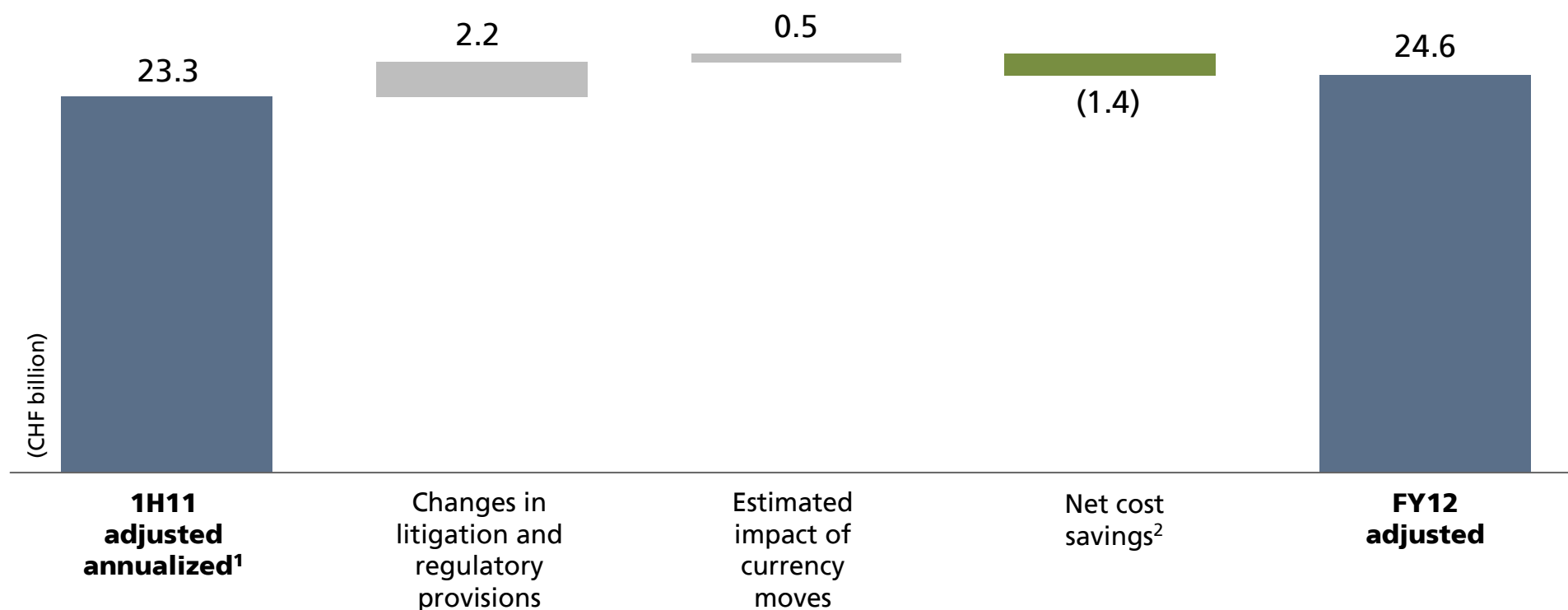
Funded balance sheet assets



- **Basel III RWA down >50%** since the creation of the Legacy Portfolio
 - Funded balance sheet down 29% over the same period

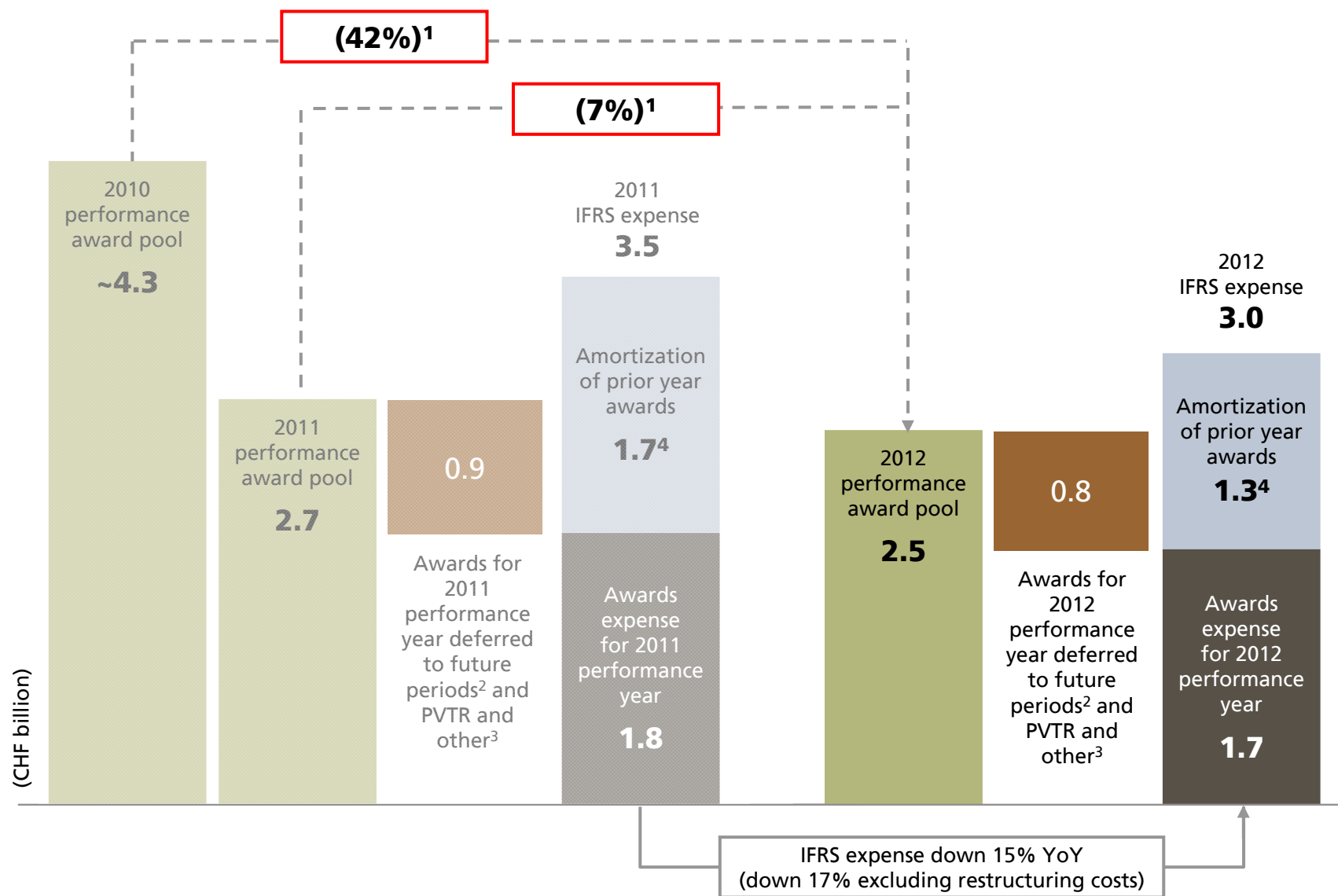
Adjusted operating expenses

CHF 1.4 billion net cost savings since the announcement of our cost reduction program



- Lower personnel expenses; headcount down ~3,100 since 30.6.11
- Higher non-personnel expenses driven by provisions for litigation, regulatory and similar matters

Variable compensation expenses



1 Excluding add-ons such as social security

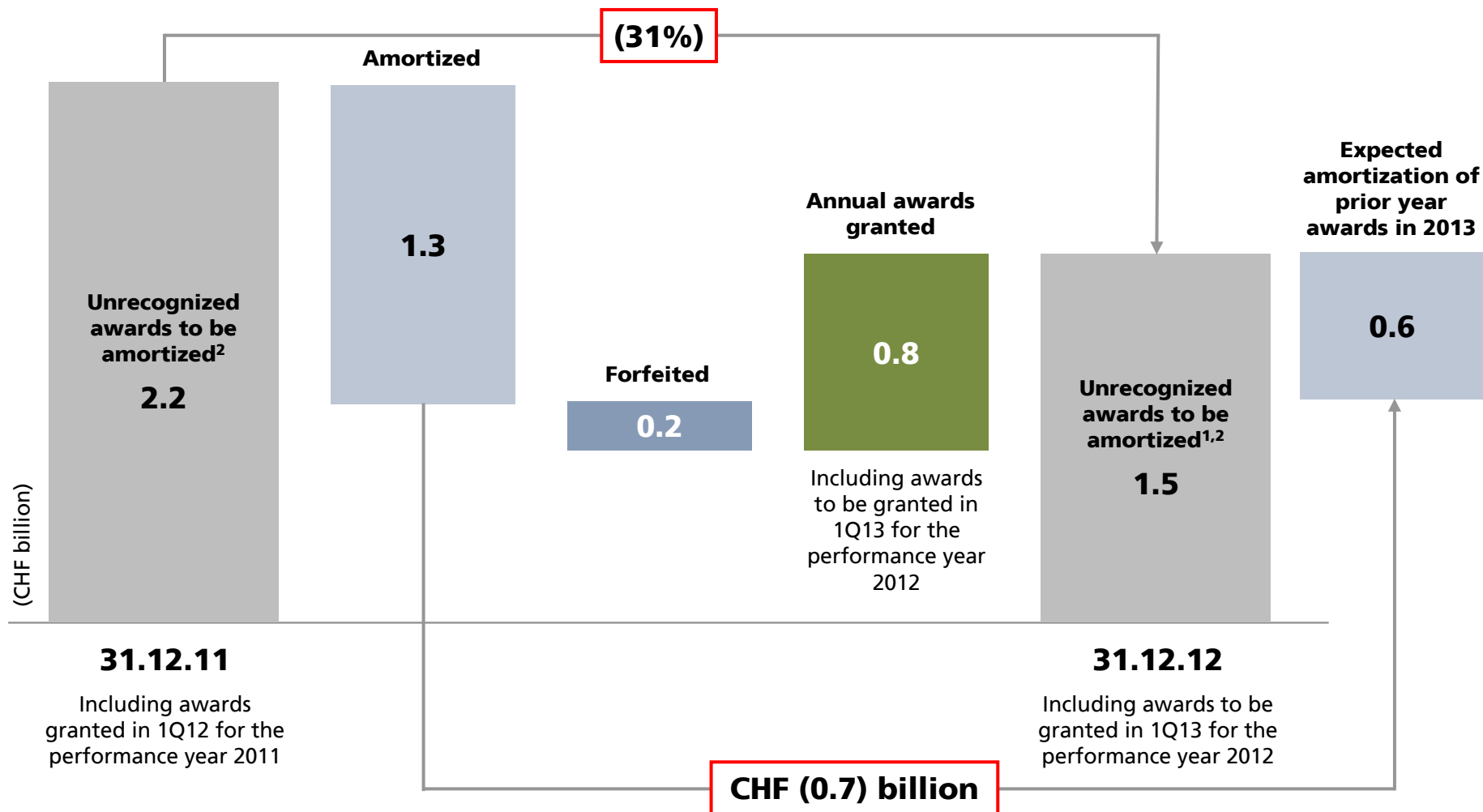
2 Estimate. The actual amount to be expensed in future periods may vary, for example due to forfeitures

3 Post vesting transfer restrictions and adjustments related to performance conditions of CHF 54 million in 2011 and CHF 24 million in 2012

4 Includes restructuring costs of CHF 54 million in 2011 and CHF 115 million in 2012

Deferred compensation

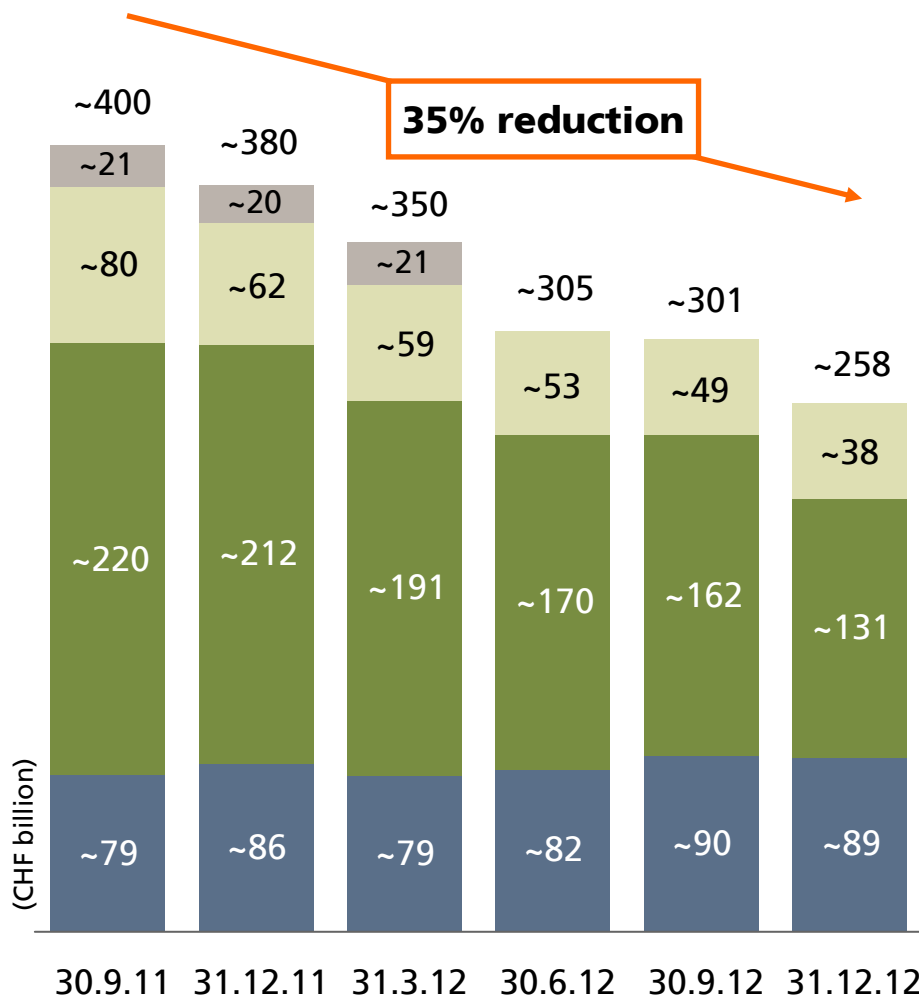
31% reduction in awards to be amortized over future periods



**2013 expected amortization of deferred compensation awards
~CHF 0.7 billion lower than in 2012**

Basel III – Risk-weighted assets

~CHF 43 billion reduction in Basel III RWA in 4Q12



- **Sales and reduced exposures contributed ~84% of RWA reduction** in the Investment Bank and the Legacy Portfolio since 30.9.11

- **Legacy Portfolio:** down ~CHF 11 billion QoQ
 - ~CHF 9 billion on sales and reduced exposure
 - ~CHF 2 billion on model changes

- **Investment Bank:** down ~CHF 31 billion QoQ
 - ~CHF 25 billion on reduced exposure
 - ~CHF 6 billion on model changes

- **Other businesses:** down ~CHF 1 billion QoQ
 - ~CHF 4 billion decrease in Wealth Management, Wealth Management Americas and Retail & Corporate
 - ~CHF 3 billion increase in Corporate Center – Core Functions

■ WM / WMA / R&C / Global AM / CC – Core Functions ■ Investment Bank ■ Legacy Portfolio ■ SNB StabFund¹

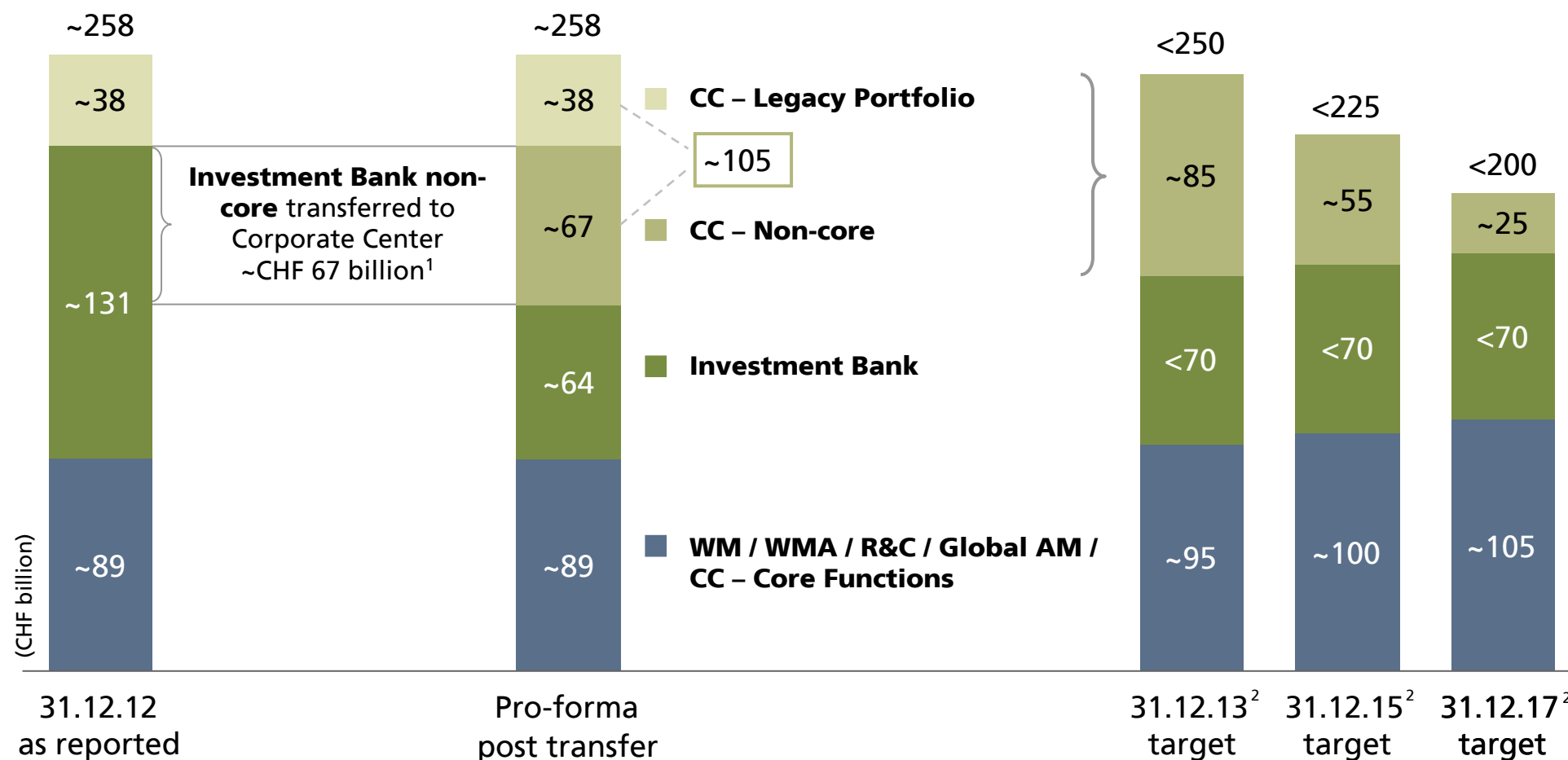


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 1 RWA associated with UBS's option to purchase the SNB StabFund's equity (treated as a participation with full deduction from CET1 capital starting 2Q12)

Basel III – Risk-weighted assets

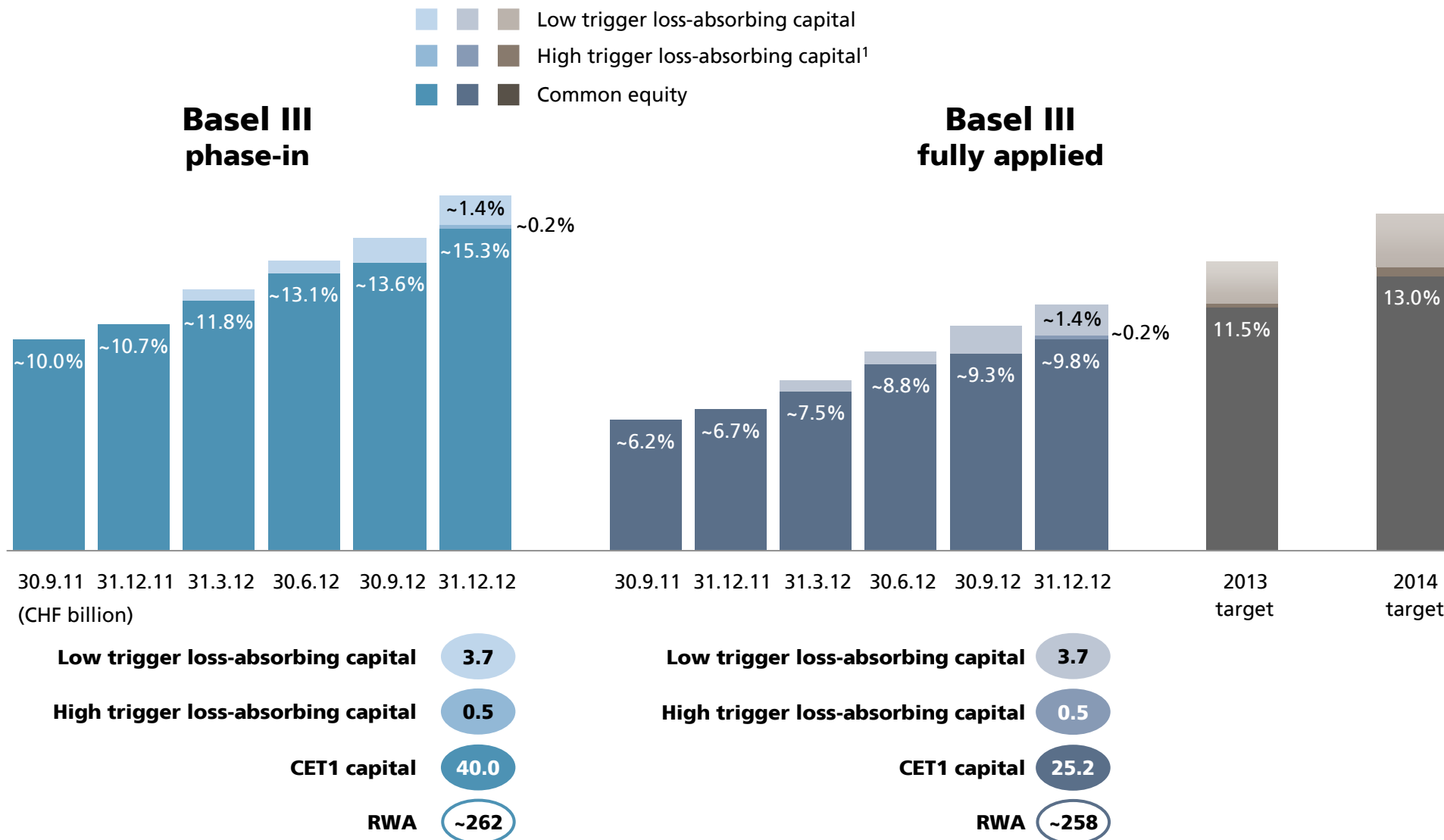
We are targeting Group RWA of less than CHF 200 billion by 2017

➔ ~CHF 67 billion Basel III RWA from Investment Bank non-core transferred to the Corporate Center



Basel III—Capital ratios

Targeting a 13% fully-applied CET1 ratio in 2014

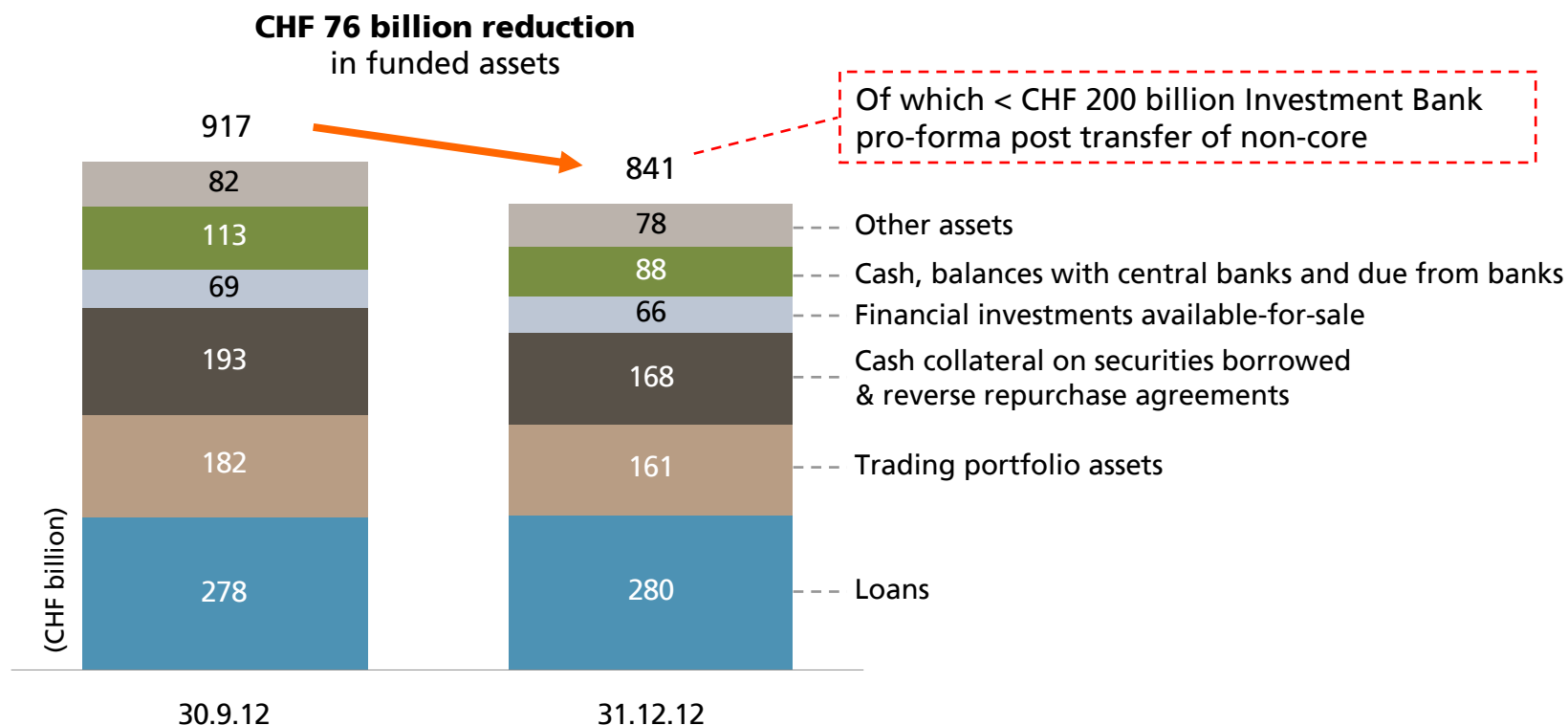


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¹ Debt issued as part of UBS's 2012 deferred compensation programs. We could build ~100 bps of high trigger loss-absorbing capital from these deferred compensation programs over the next 5 years

CHF 76 billion decrease in funded assets in 4Q12¹

Basel III Liquidity Coverage Ratio and Net Stable Funding Ratio >100%



➔ Regulatory Liquidity Coverage Ratio (LCR) 113%, Management LCR 159%²

➔ Net Stable Funding Ratio (NSFR) 108%²

➔ FINMA Basel III leverage ratio 3.6%^{2,3}



Refer to slide 61 for details about adjusted numbers, IAS 19R, pro-forma Basel III estimates and FX rates in this presentation

¹ Funded assets defined as total IFRS assets minus positive replacement values

² As of 31.12.12. Refer to the appendix for details about the calculation of UBS's Basel III LCR and NSFR

³ Refer to the appendix for more information about UBS's FINMA Basel III leverage ratio

Hybrid tier 1 instruments

We intend to call the EUR 995 million instrument with first call date 11.4.13

Hybrid tier 1 instruments outstanding as of 5 February 2013

Amount outstanding	Issue date	Interest rate	First call date
EUR 995 million perpetual	11.4.08	8.836% ¹	11.4.13
EUR 995 million perpetual	15.4.05	4.28% ¹	15.4.15
USD 1,000 million perpetual	12.5.06	6.243% ¹	15.5.16
EUR 600 million perpetual	21.12.07	7.152% ¹	21.12.17
USD 300 million perpetual	23.5.03	1-month LIBOR + 70bps	15.6.08 ²

→ Expected future attribution of profits to “preferred noteholders” interests:³

- No material attribution of profits in 1Q13
- ~CHF 200 million in 2Q13

→ Hybrid tier 1 instruments outstanding will continue to count towards regulatory capital (i.e. Basel III phase-in capital)⁴, but are not included in Basel III fully applied capital

¹ Fixed rate until first call date, floating rate coupon payment thereafter

² Retail preferred securities callable monthly since 15.6.08

³ Following the implementation of IFRS 10 effective 1.1.13, the entities issuing the preferred securities will be de-consolidated resulting in the Group reporting one hybrid tier 1 instrument as a liability with interest accrued on a straightline basis (estimated at CHF 13 million quarterly) and the remaining instruments being reported as 'preferred noteholder' interests within equity, with profit attribution recognized on the basis of dividend triggering events. Based on 31.12.12 numbers, equity attributable to non-controlling interests will decrease by CHF 4.3 billion, offset by an increase to liabilities of CHF 1.2 billion, with the balance in equity related to “preferred noteholder” interests

⁴ Subject to phase-in schedule and regulations on instruments with incentives to redeem upon a first call date

Tender offers to repurchase up to ~CHF 5 billion of outstanding debt

Our progress with balance sheet reduction enables us to launch these offers

We have generated capacity within our liquidity and funding position to be able to execute a tender which will reduce our net interest costs



Cash tender offers across 14 senior unsecured notes issued by UBS AG

- 7 denominated in USD, 6 in EUR and 1 originally denominated in Italian Lira
- Tenors between June 2013 and January 2027
- Total repurchase up to ~CHF 5 billion

**Aligned with our strategy and reduced funding needs
as we decrease the size and complexity of the Investment Bank**

UBS—Consistently executing on our strategy in 2012

→ Highest capital ratios in our peer group

→ Continued deleveraging and even stronger liquidity and funding

→ Resilient performances across our businesses

→ Successfully transforming our Investment Bank

→ 50% increase in capital returns to our shareholders

Appendix

2012 results

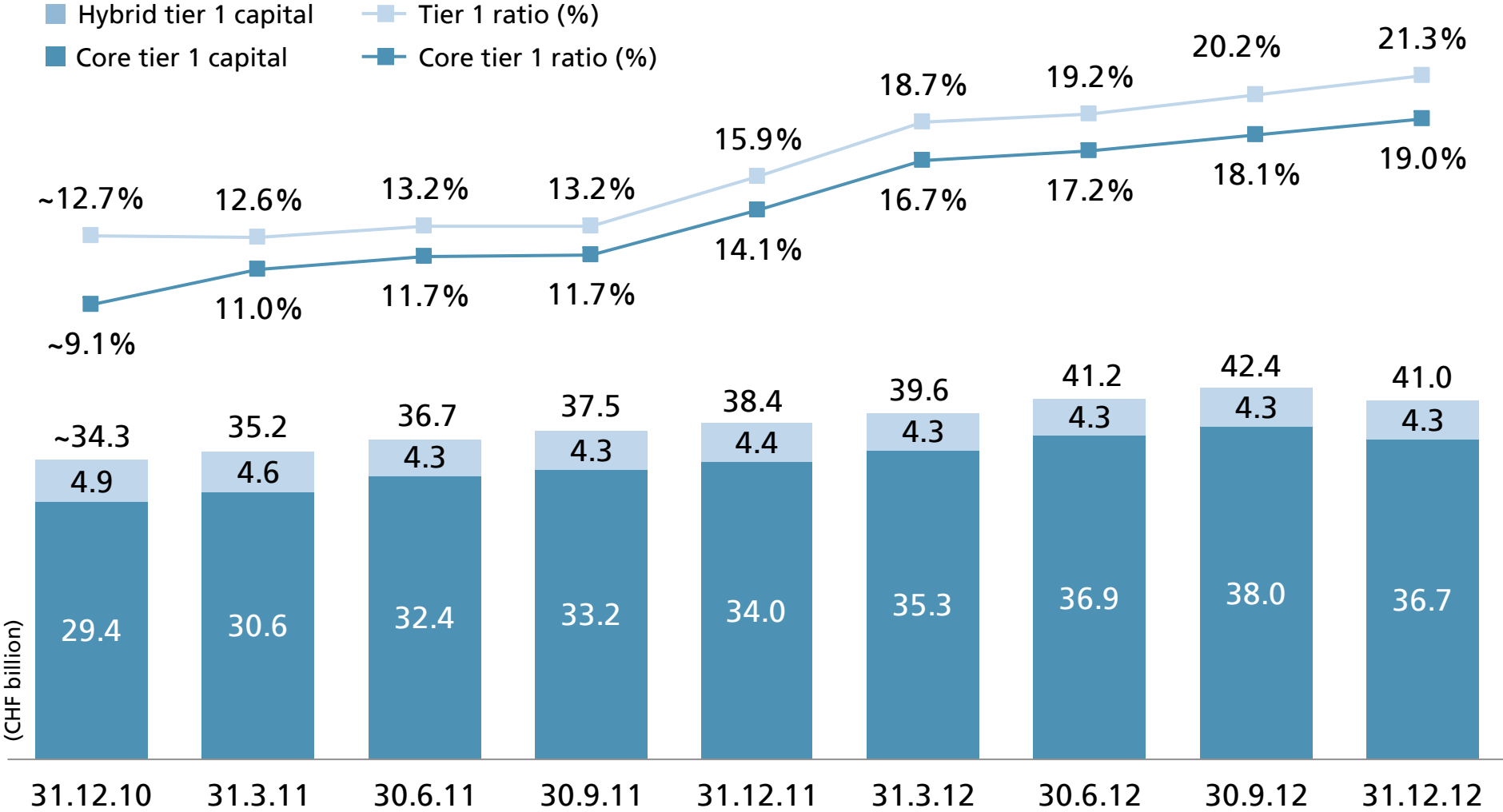
(CHF million)	WM	WMA	IB	Global AM	R&C	CC	Group
Income	7,040	6,110	8,564	1,884	3,756	409	27,763
Credit loss (expense) / recovery	1	(14)	34		(27)	(112)	(118)
Own credit gain / (loss)						(2,202)	(2,202)
Total operating income	7,041	6,097	8,598	1,884	3,728	(1,905)	25,443
Personnel expenses	2,865	4,252	5,141	885	1,287	308	14,737
<i>of which restructuring charges / (provision releases)</i>	25	3	312	20	3	(6)	358
<i>of which Swiss pension fund credit</i>	(357)		(56)	(30)	(287)		(730)
<i>of which US retiree benefit plan credit</i>	(1)	(2)	(98)	(16)			(116)
Non-personnel expenses ¹	1,768	1,029	6,190	429	615	2,447	12,479
<i>of which restructuring charges / (provision releases)</i>	0	(5)	19	0	0	(2)	14
<i>of which effect related to impairment testing of goodwill and other assets</i>			3,064				3,064
Total operating expenses	4,634	5,281	11,331	1,314	1,901	2,756	27,216
Adjusted pre-tax profit / (loss) (Excluding own credit, restructuring charges, Swiss pension fund credit, US retiree benefit plan credit and effect related to impairment testing of goodwill and other assets)	2,075	813	507	544	1,543	(2,467)	3,017
% of Group adjusted pre-tax profit	69%	27%	17%	18%	51%	(82%)	100%
Pre-tax profit / (loss) as reported	2,407	816	(2,734)	570	1,827	(4,661)	(1,774)
Tax (expense) / benefit							(461)
Net profit attributable to non-controlling interests							(276)
Net profit attributable to UBS shareholders							(2,511)
Diluted EPS (CHF)							(0.67)



Refer to slide 61 for details about adjusted numbers, IAS 19R, pro-forma Basel III estimates and FX rates in this presentation

¹ Includes provisions for litigation, regulatory and similar matters of CHF 2,549 million: Wealth Management CHF 74 million, Wealth Management Americas CHF 98 million, Investment Bank CHF 268 million, Global Asset Management CHF 5 million, Retail & Corporate CHF 17 million, Corporate Center – Core Functions CHF 1,470 million, Corporate Center – Legacy Portfolio CHF 616 million

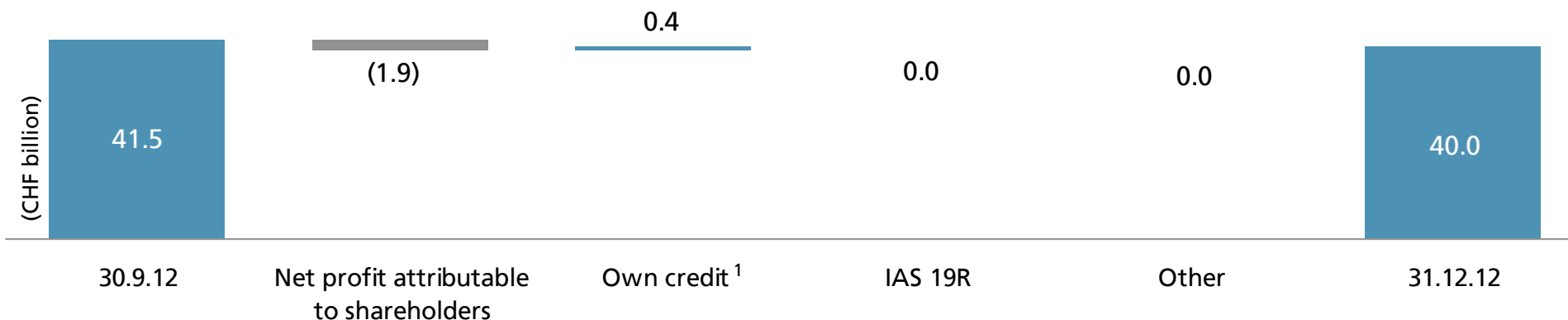
Basel 2.5 – Capital ratios



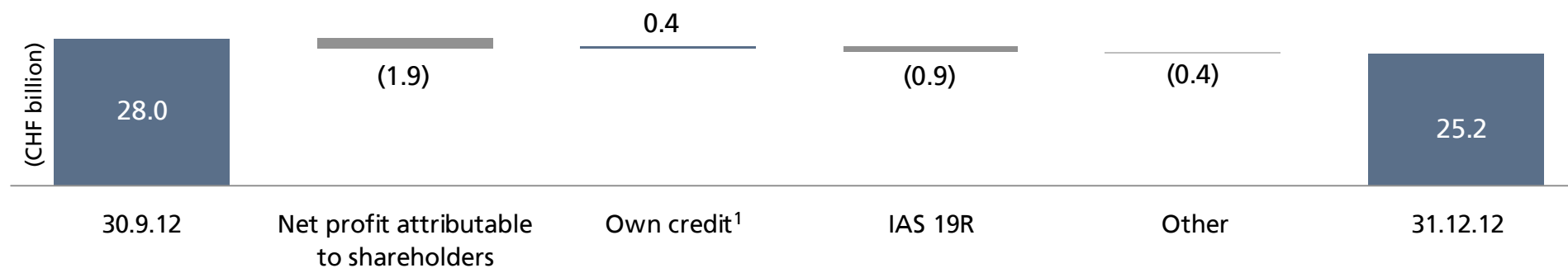
➔ Basel 2.5 RWA decreased CHF 18 billion in 4Q12 to CHF 193 billion

Basel III – Common equity tier 1 capital

Phase-in Basel III CET1 capital – QoQ change

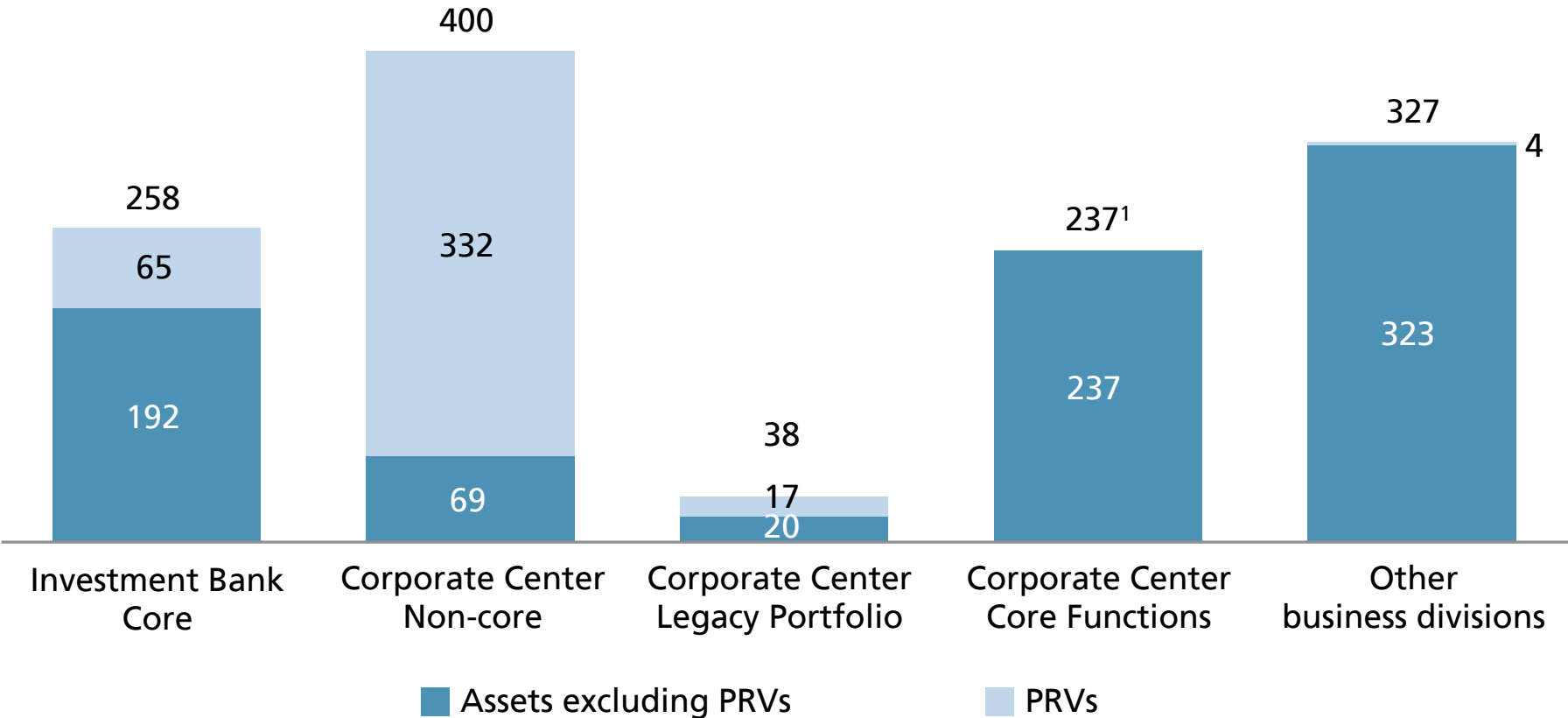


Fully applied Basel III CET1 capital – QoQ change



Balance sheet (31.12.12) – pro-forma post transfers from IB to CC

Total assets CHF 1,259 billion or CHF 841 billion excluding PRVs



¹ Approximately CHF 55 billion of assets related to Group Treasury activities and previously reported in the Investment Bank will be exited

Legacy Portfolio (31.12.12)

Total Basel III RWA ~CHF 38 billion, down ~CHF 11 billion QoQ

(CHF billion)	Basel III RWA	B/S excl. PRVs¹	PRVs	Comments on Basel III RWA:
CDOs	9.8	3.1	2.1	Reduced >60% since 30.9.11
Reference-linked notes	5.7	2.4	0.2	Reduced >50% since 30.9.11
Muni swaps & options	4.6	–	5.0	Including CHF 1.0 billion CVAs ²
Monolines	4.0	–	0.5	Including CHF 2.6 billion CVAs
Auction rate securities	3.2	7.1	–	Reduced >80% since 30.9.11
Real estate assets	2.4	0.5	2.0	Reduced >60% since 30.9.11
Blackrock loan	0.8	3.3	–	Loan balance USD 3.6 billion ³ (down 23% YoY), LTV <75%
SNB StabFund option	–	–	2.1	Option value (CHF 2.1 billion) directly deducted from equity
Other	3.7	3.8	5.3	No single position >CHF 1 billion
Operational risk	3.8	–	–	Operational risk RWA allocated to the Legacy Portfolio
Total	38.0	20.3	17.3	



Refer to slide 61 for details about adjusted numbers, IAS 19R, pro-forma Basel III estimates and FX rates in this presentation

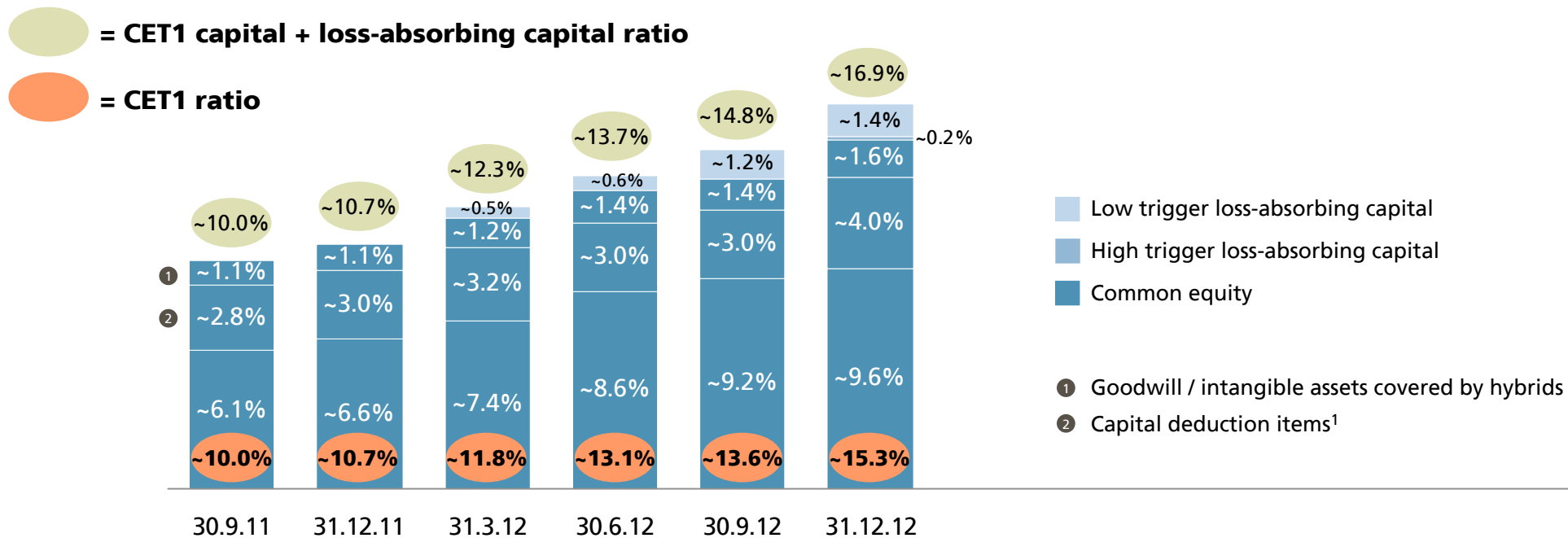
1 Positive replacement values

2 Credit valuation adjustments

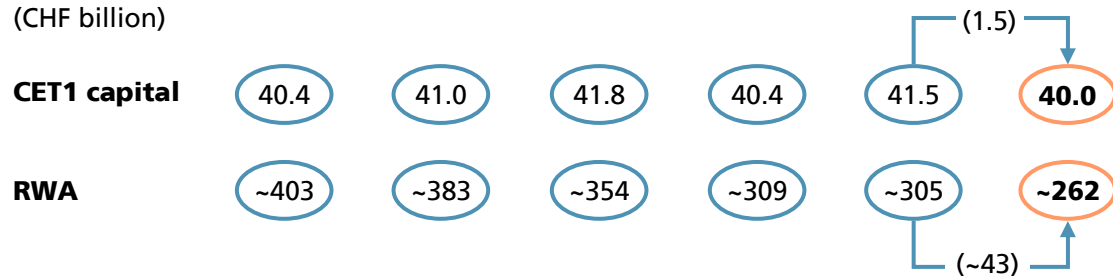
3 Including amounts held in escrow

Basel III phase-in CET1 ratio

Phase-in CET1 Basel III ratio increased to ~15.3%

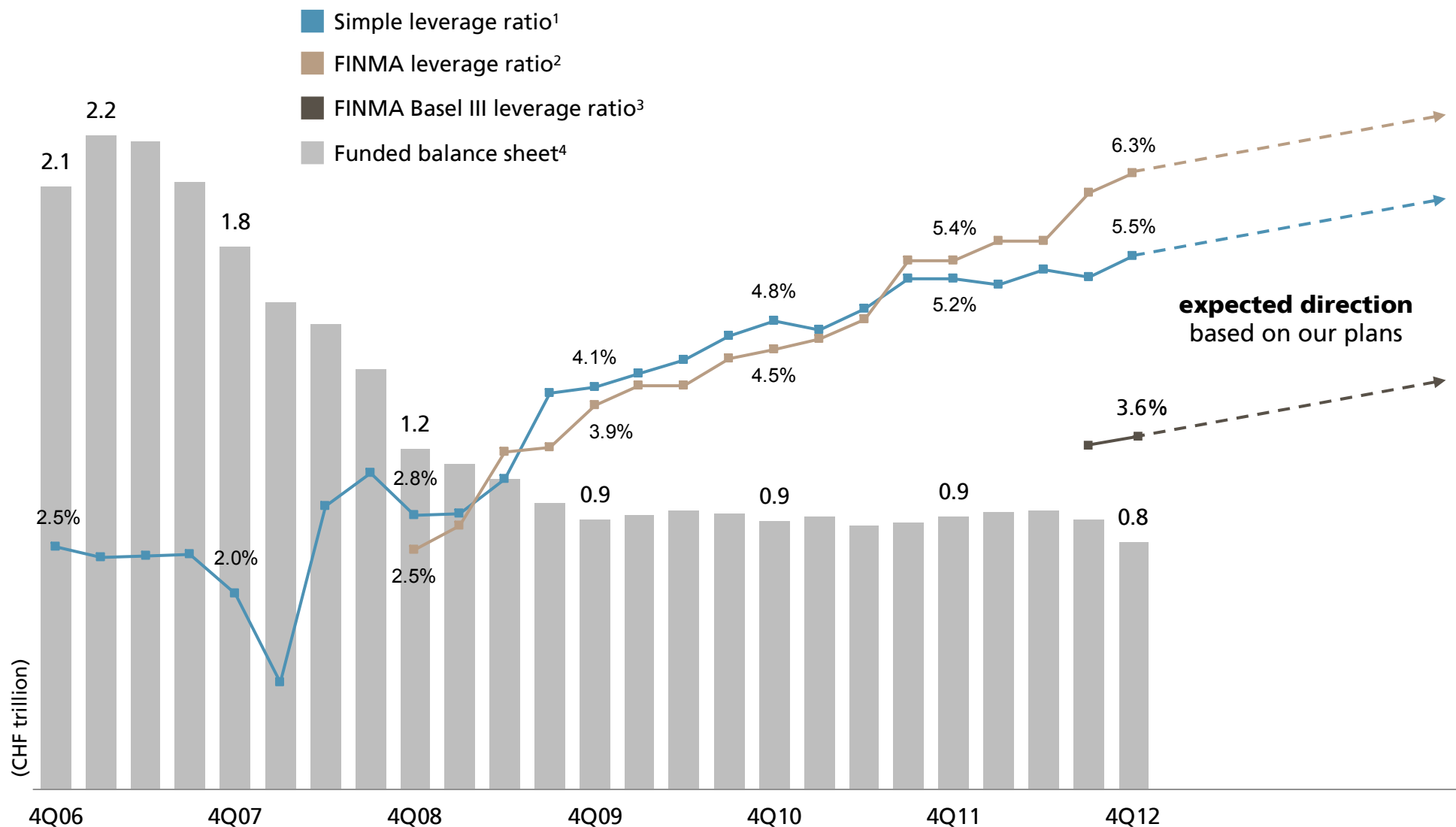


(CHF billion)



Leverage ratios

Our leverage ratios will improve substantially as we reduce our balance sheet



1 IFRS equity attributable to UBS shareholders / (total IFRS assets - positive replacement values)
 2 Refer to UBS's 4Q12 report for more information on UBS's FINMA leverage ratio
 3 Refer to next slide for more information about UBS's FINMA Basel III leverage ratio
 4 Total IFRS assets minus positive replacement values

FINMA Basel III leverage ratio

UBS's current FINMA Basel III leverage ratio is above minimum requirements

- UBS's FINMA Basel III leverage ratio of 3.6% on 31.12.12

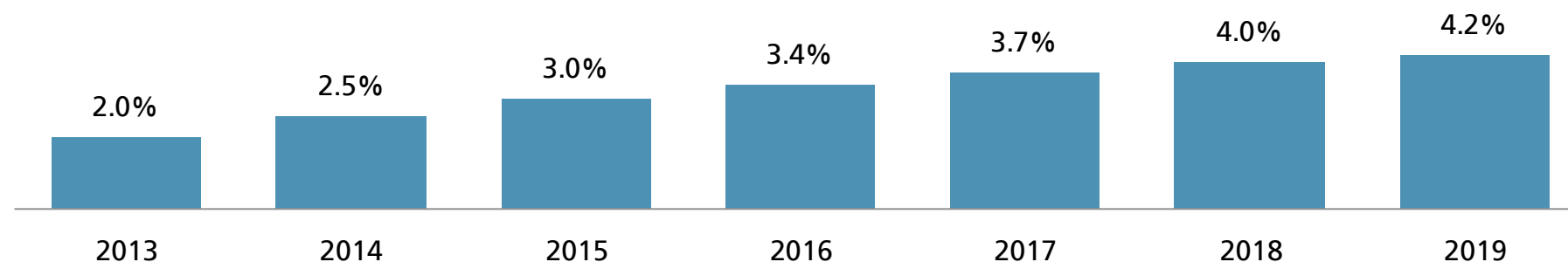
$$\begin{array}{l}
 \text{FINMA} \\
 \text{Basel III} \\
 \text{leverage} \\
 \text{ratio} \\
 = \\
 \frac{\text{Total capital} \\
 \text{Phase-in CET1 + loss absorbing capital}}{\text{Total exposure}^1 \\
 \text{Total IFRS assets + adjustments}} \\
 = \\
 \frac{\text{CHF 44.2 billion} \\
 = \text{CHF 40.0 billion} + \text{CHF 4.2 billion}}{\text{CHF 1,216 billion} \\
 = \text{CHF 1,271 billion} - \text{CHF 55 billion}} \\
 = 3.6\%
 \end{array}$$

Deducting CHF 375 billion: Derivatives (CHF 332 billion), repurchase agreements covered by eligible netting agreements under the Basel II framework (CHF 21 billion) and other factors (CHF 22 billion)

Adding CHF 320 billion: OTC derivatives (CHF 184 billion), off-balance sheet commitments and contingent liabilities (CHF 102 billion) and other factors (CHF 34 billion)

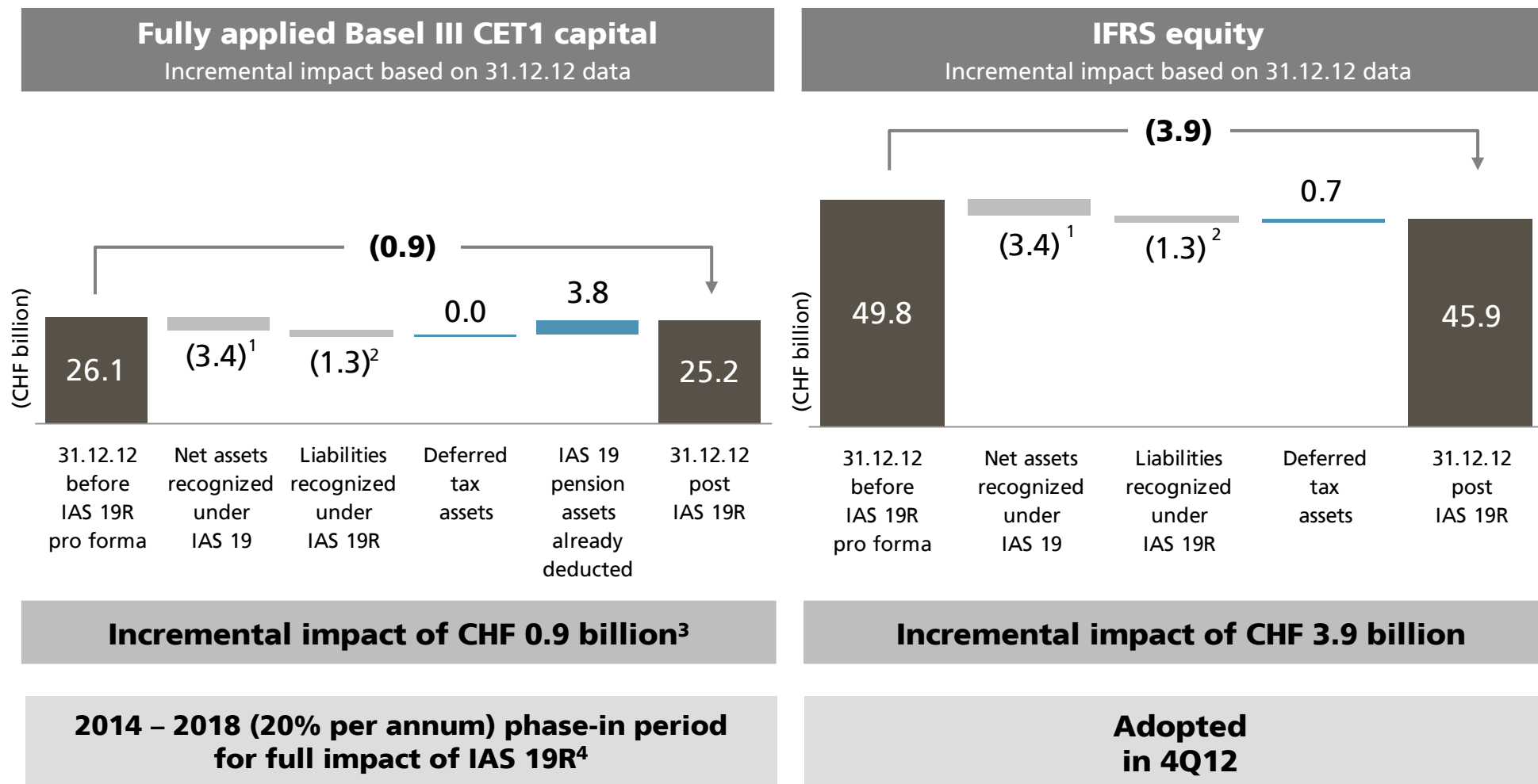
- The minimum leverage ratio is defined as the total capital requirements x 24%

FINMA Basel III minimum leverage ratio – illustrative example based on a 17.5% total capital requirement



Effect of the adoption of IAS 19R

Limited impact on pro-forma Basel III CET1 capital



Refer to slide 61 for details about adjusted numbers, IAS 19R, pro-forma Basel III estimates and FX rates in this presentation

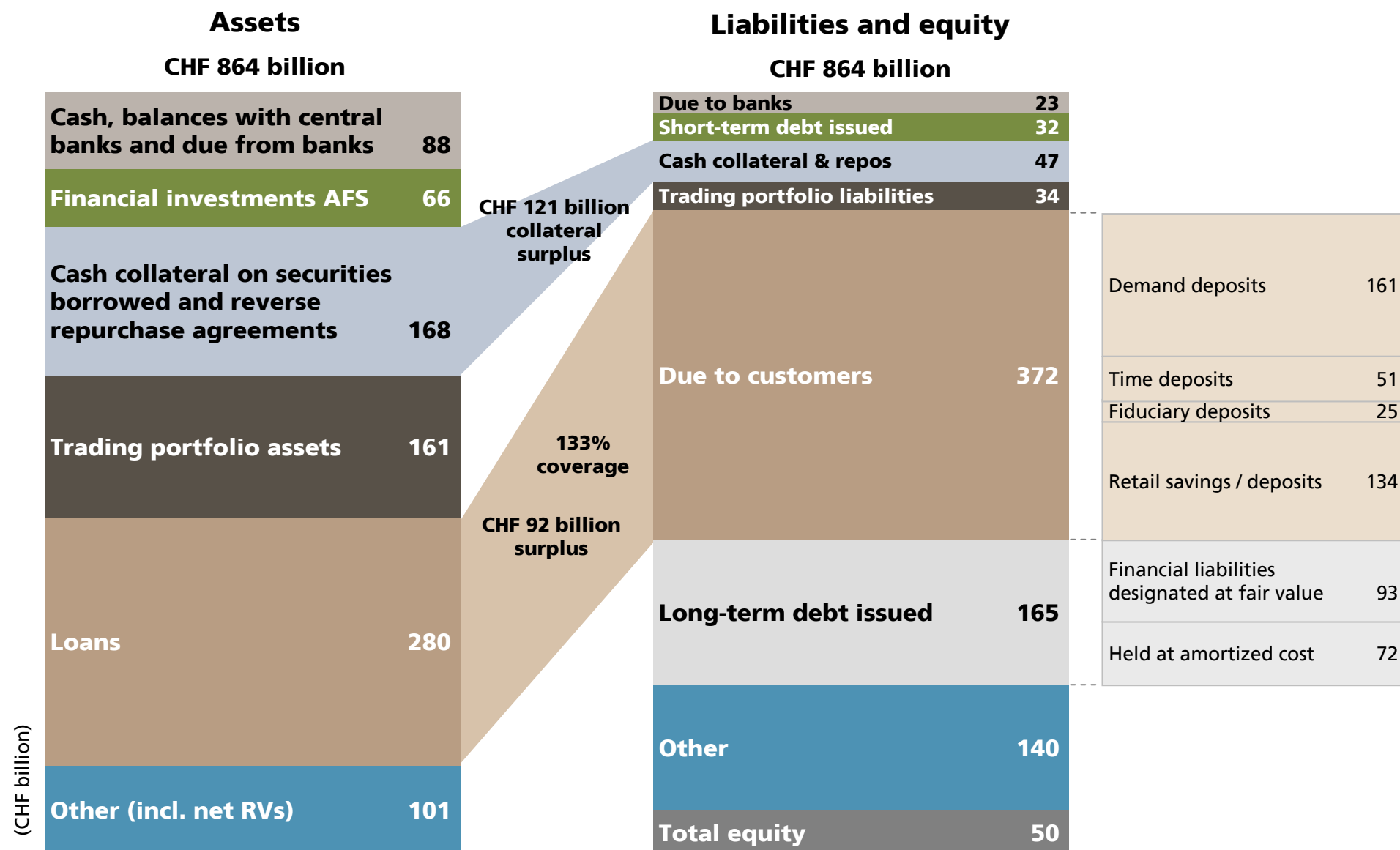
1 CHF 3.8 billion of deferred pension expenses minus CHF 0.4 billion of accrued pension liabilities under IAS 19

2 Represents accounting deficits of defined benefit plans

3 Incremental to the CHF 3.8 billion deferred pension expenses already deducted in the calculation of fully applied CET1 capital. The incremental impact of IAS 19R is reflected in the reported Basel III fully applied CET1 capital and CET1 capital ratios per 31 December 2012

4 Deferred pension expenses (CHF 3.8 billion on 31.12.12) and incremental after-tax impact of IAS 19R (CHF 0.9 billion on 31.12.12)

Asset funding (31.12.12)



Basel III Liquidity Coverage Ratio & Net Stable Funding Ratio

UBS's Basel III Liquidity Coverage Ratio and Net Stable Funding Ratio in excess of 100%¹

Liquidity Coverage Ratio (LCR)	
(CHF billion)	31.12.12
Cash outflows	260
Cash inflows	124
} under 30-day stress scenario ²	
Net cash outflows	136
Liquidity asset buffer ³	153
Regulatory LCR (= 153 / 136)	113%
Additional contingent funding sources ⁴	64
Management LCR (= (153 + 64) / 136)	159%

Net Stable Funding Ratio (NSFR)	
(CHF billion)	31.12.12
Available stable funding ⁵	362
Required stable funding ⁶	336
NSFR (= 362 / 336)	108%

Refer to slide 61 for details about adjusted numbers, IAS 19R, pro-forma Basel III estimates and FX rates in this presentation

1 Pro-forma: Based on current regulatory guidance; 100% = future requirement under the Basel III Liquidity Framework

2 Out- and in-flows up to 30 days under severe general market and firm-specific stress

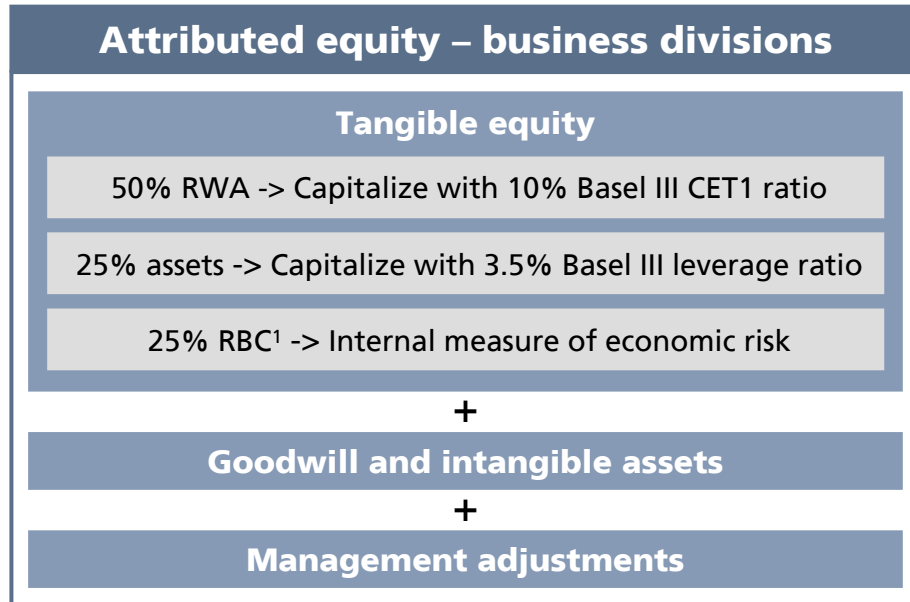
3 Assets eligible in Basel III LCR framework including dedicated group liquidity reserve, excess cash at major central banks, unencumbered collateral pledged to central banks

4 Additional contingent funding sources including dedicated local liquidity reserves and additional unutilized borrowing capacity

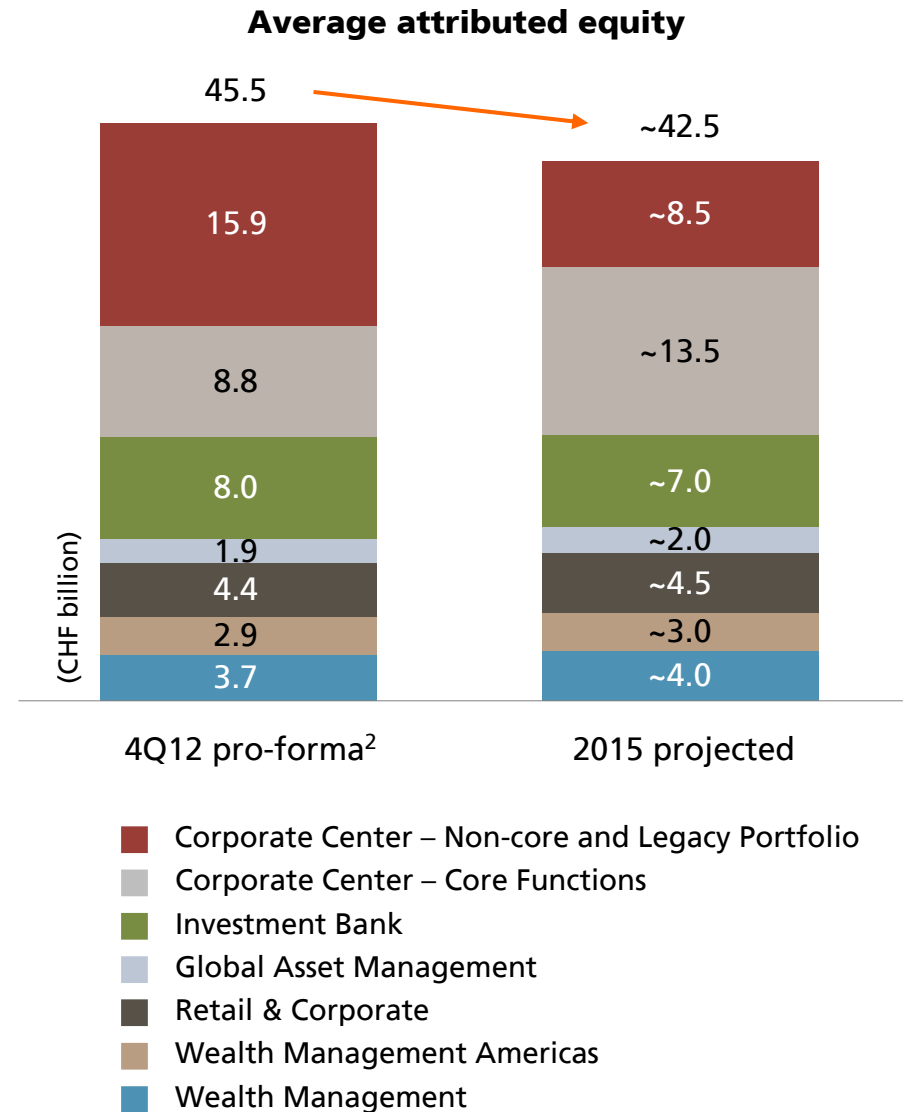
5 Consists mainly of client deposits from our wealth management businesses, long term debt issued and capital

6 Residential mortgages and other loans are the main consumers of stable funding

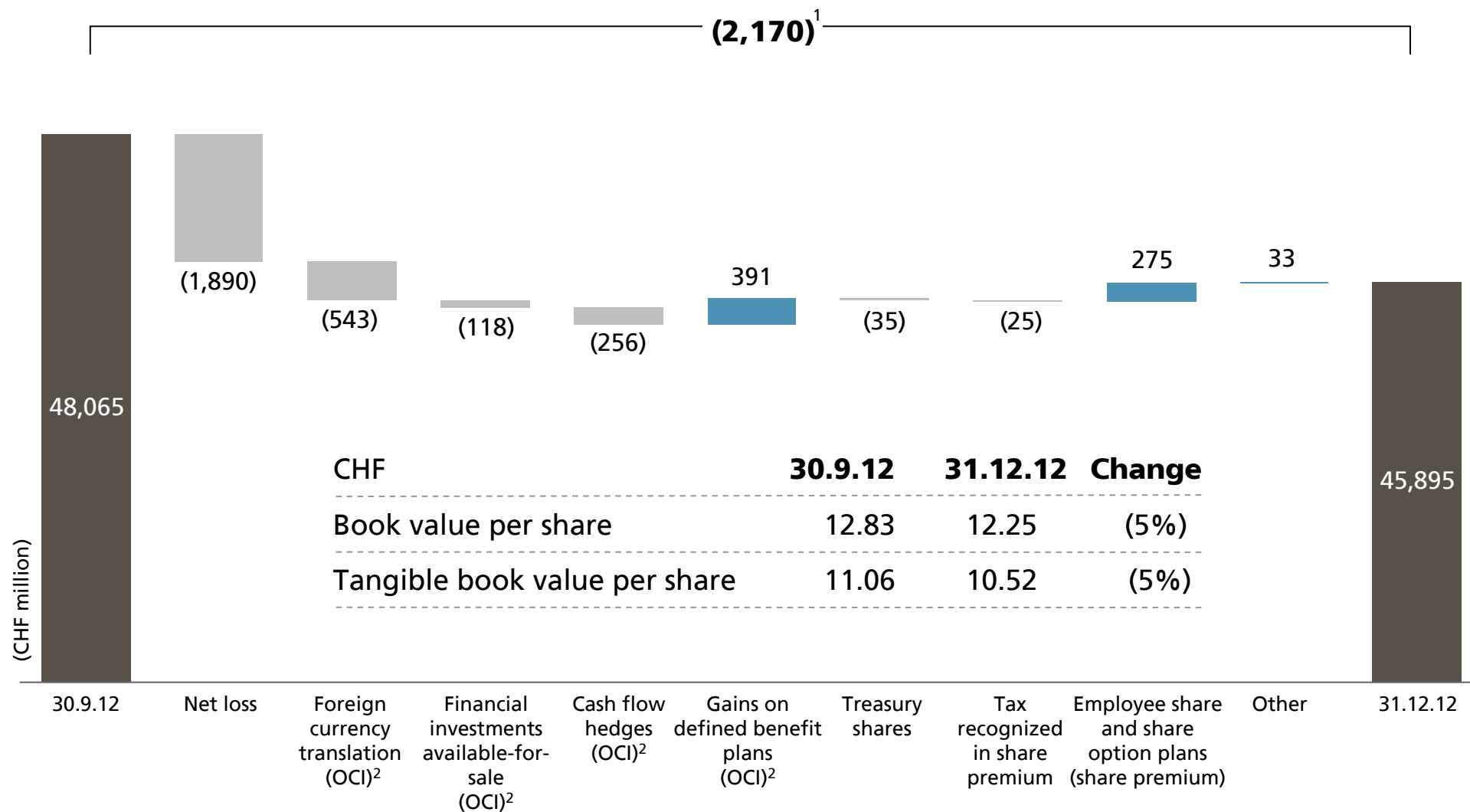
UBS's equity allocation framework



- ➔ Resources not under the direct control of the business divisions and allocated to the Corporate Center – Core (“central items”) include:
- Equity in excess of 10% of Basel III CET1 capital with regard to RWA driver
 - Deferred tax assets
 - Prepaid pension expenses



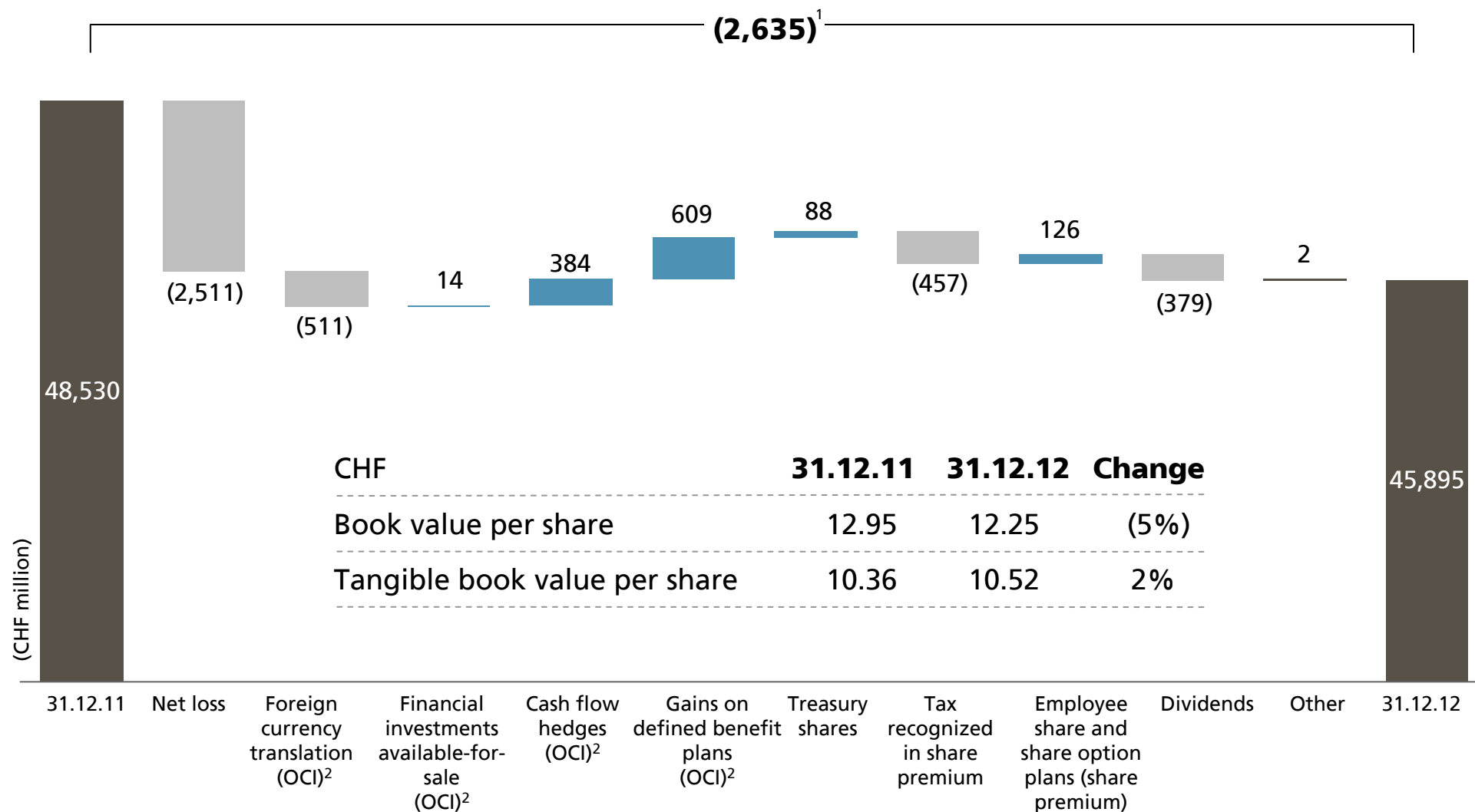
IFRS equity attributable to UBS shareholders¹ – QoQ



1 Due to the early adoption of IAS19R, IFRS equity attributable to UBS shareholders as of 30.9.12 was restated downwards by CHF 4,384 million (from CHF 52,449 million to CHF 48,065 million). Book value and tangible book value per share were also adjusted accordingly. Tangible shareholders' equity decreased by CHF 1,999 million from CHF 41,433 million on 30.9.12 to CHF 39,434 million on 31.12.12

2 Net of tax. Total income tax benefit recognized in OCI was CHF 26 million

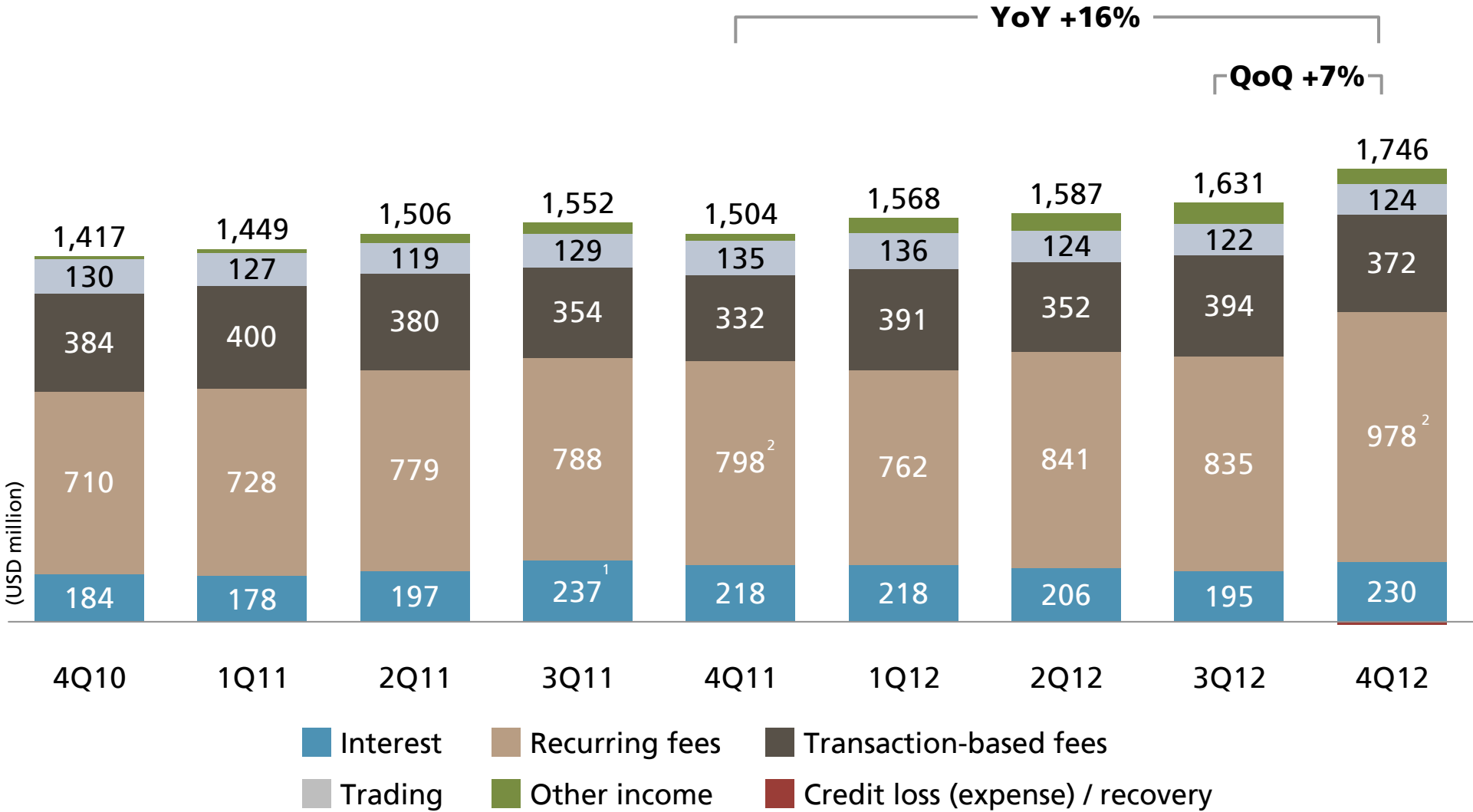
IFRS equity attributable to UBS shareholders¹ – YoY



¹ Due to the early adoption of IAS19R, IFRS equity attributable to UBS shareholders as of 31.12.11 was restated downwards by CHF 4,917 million (from CHF 53,447 million to CHF 48,530 million). Book value and tangible book value per share were also adjusted accordingly. Tangible shareholders equity increased by CHF 599 million from CHF 38,835 million on 31.12.11 to CHF 39,434 million on 31.12.12

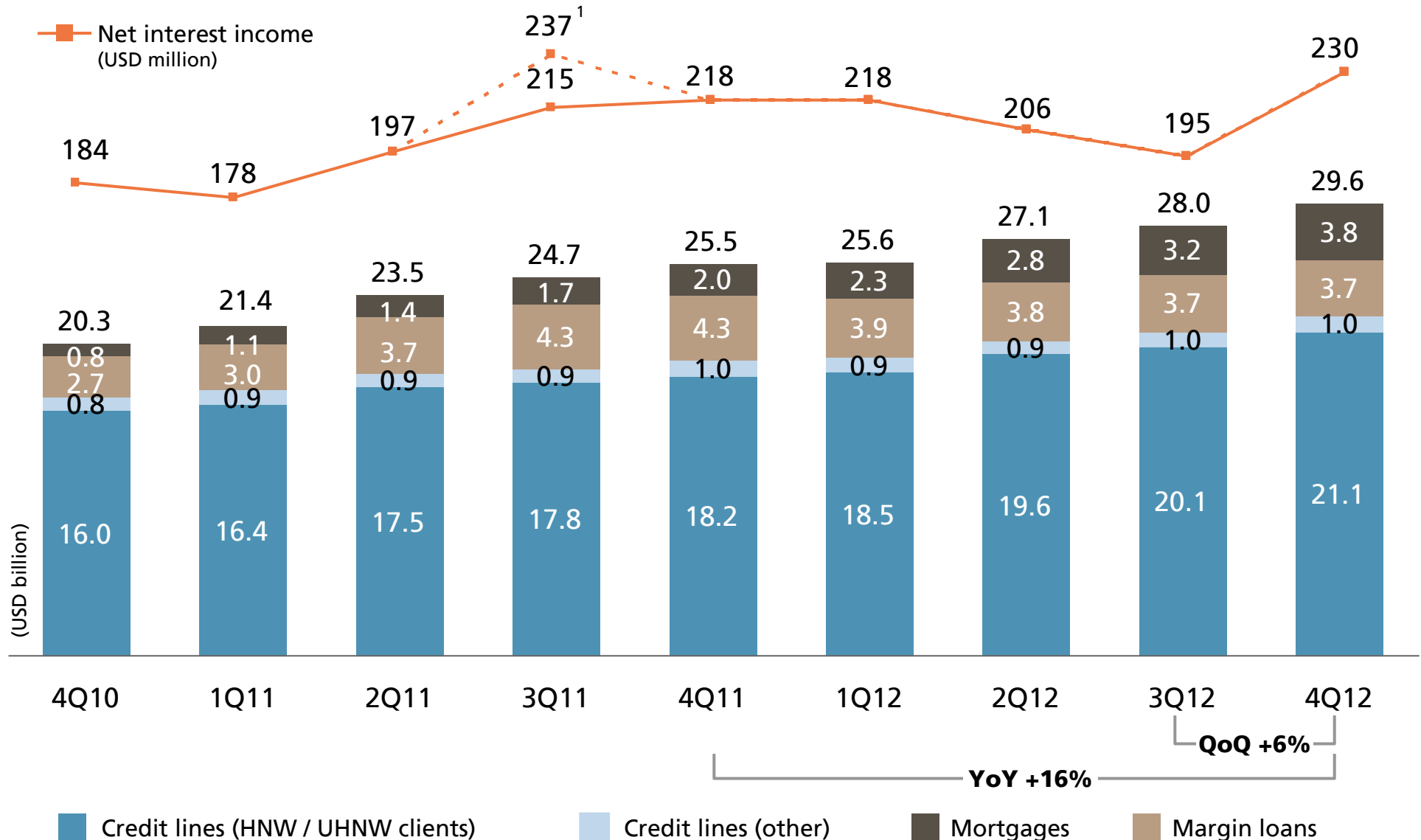
² Net of tax. Total income tax expense recognized in OCI was CHF 581 million

Wealth Management Americas – Operating income (USD)



1 As reported; includes a USD 22 million (CHF 20 million) upward adjustment from OCI relating to mortgage-backed securities in our AFS portfolio
 2 Includes income related to a change to an accrual-based accounting for certain mutual fund and annuity fee income; 4Q12: USD 59 million, 4Q11: USD 48 million

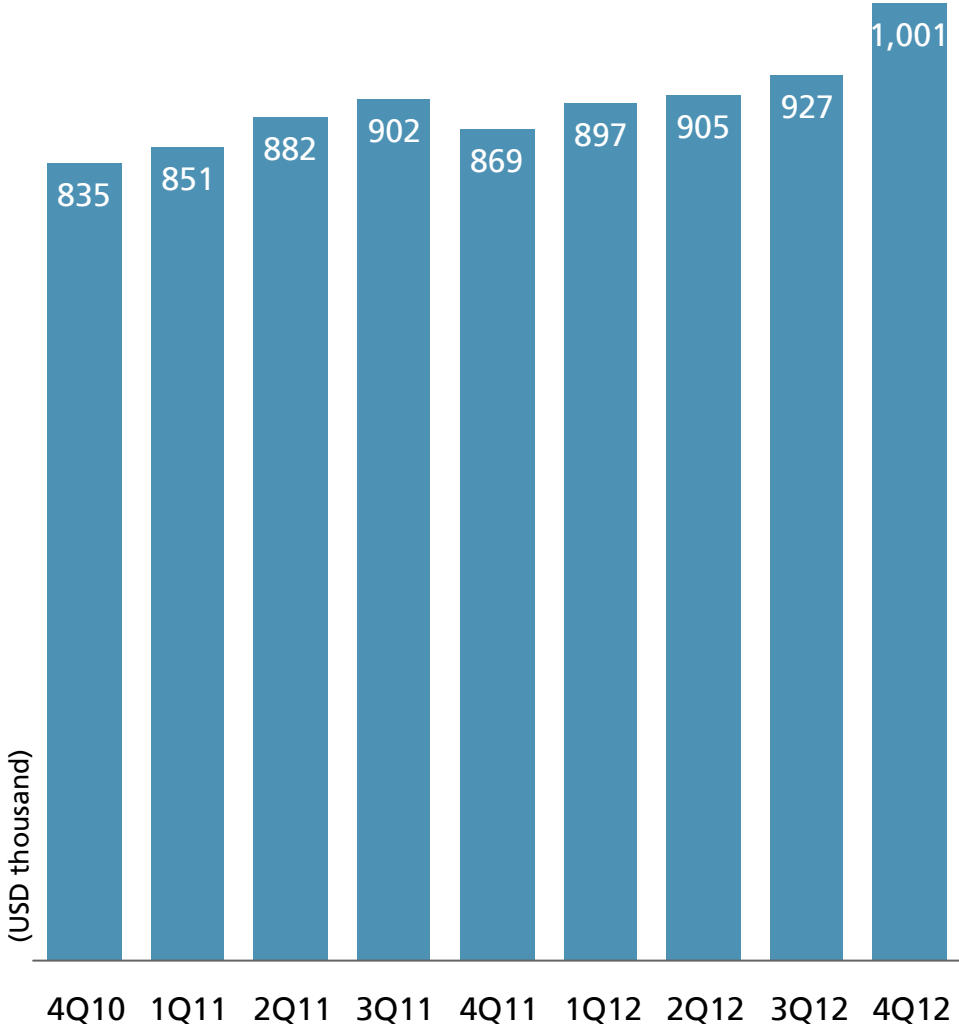
Wealth Management Americas – Lending balances (USD)



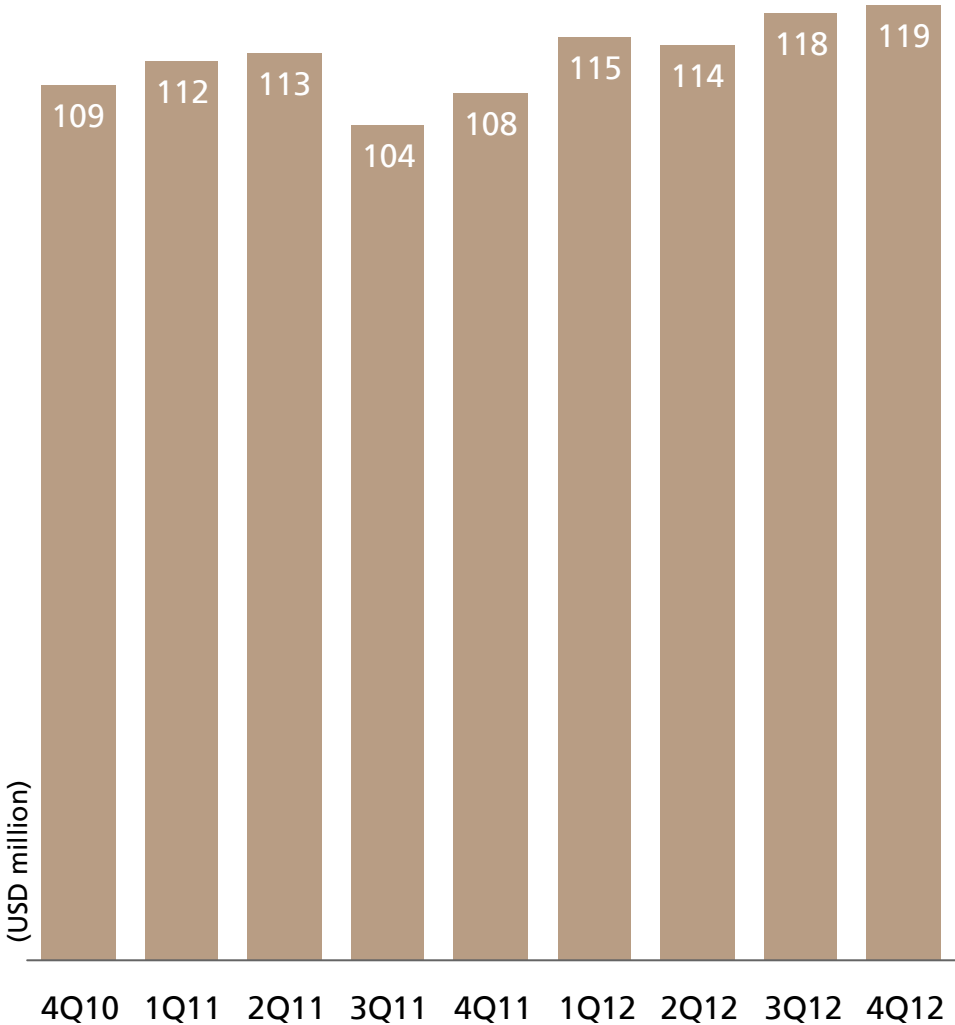
1 As reported; includes a USD 22 million (CHF 20 million) upward adjustment from OCI relating to mortgage-backed securities in our AFS portfolio

Wealth Management Americas – Financial advisor productivity (USD)

Revenue per FA, annualized



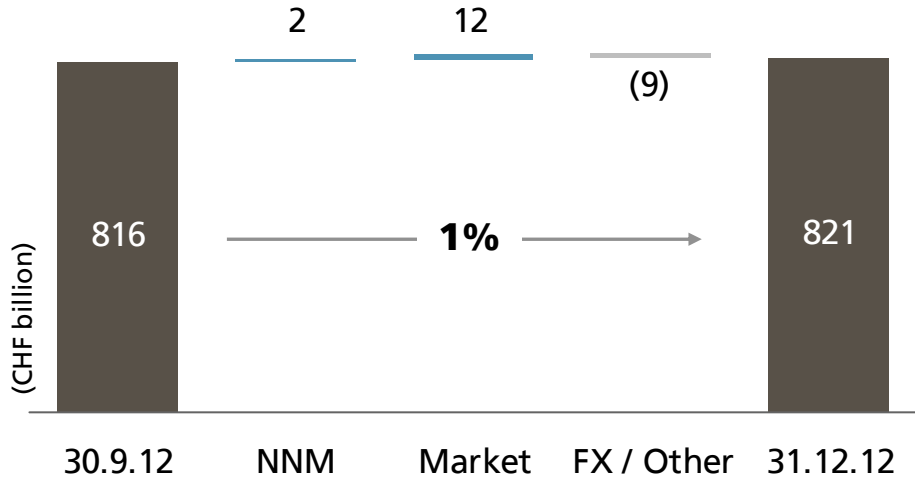
Invested assets per FA¹



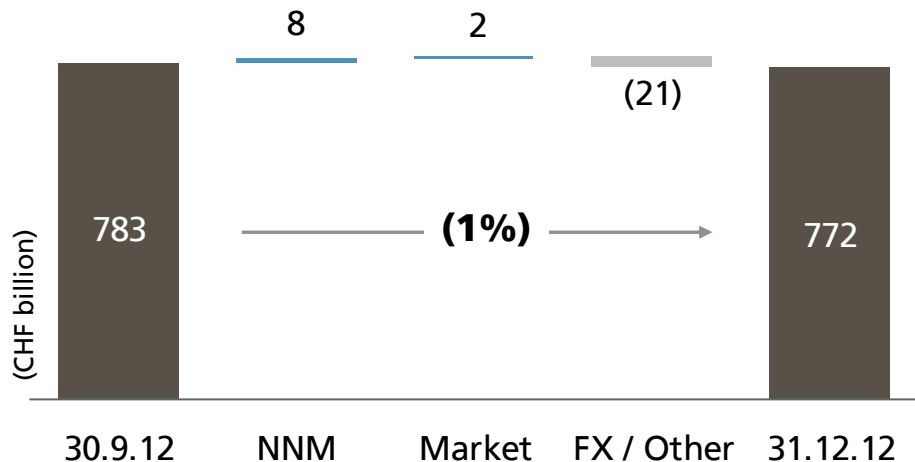
¹ Based on end-of-period invested assets and financial advisors

Invested assets – QoQ

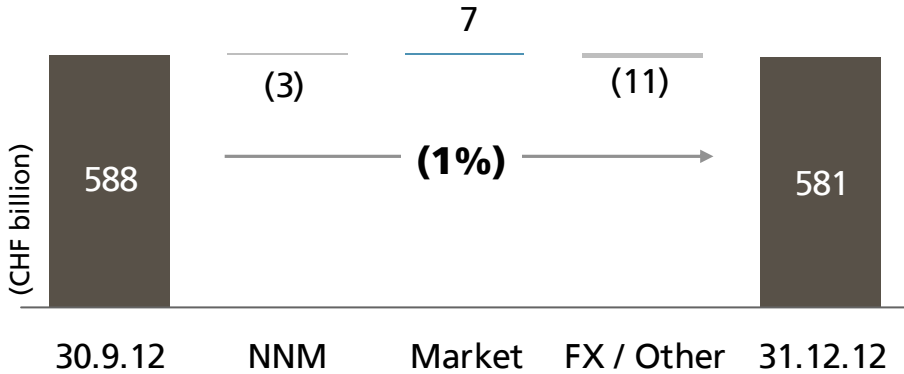
Wealth Management



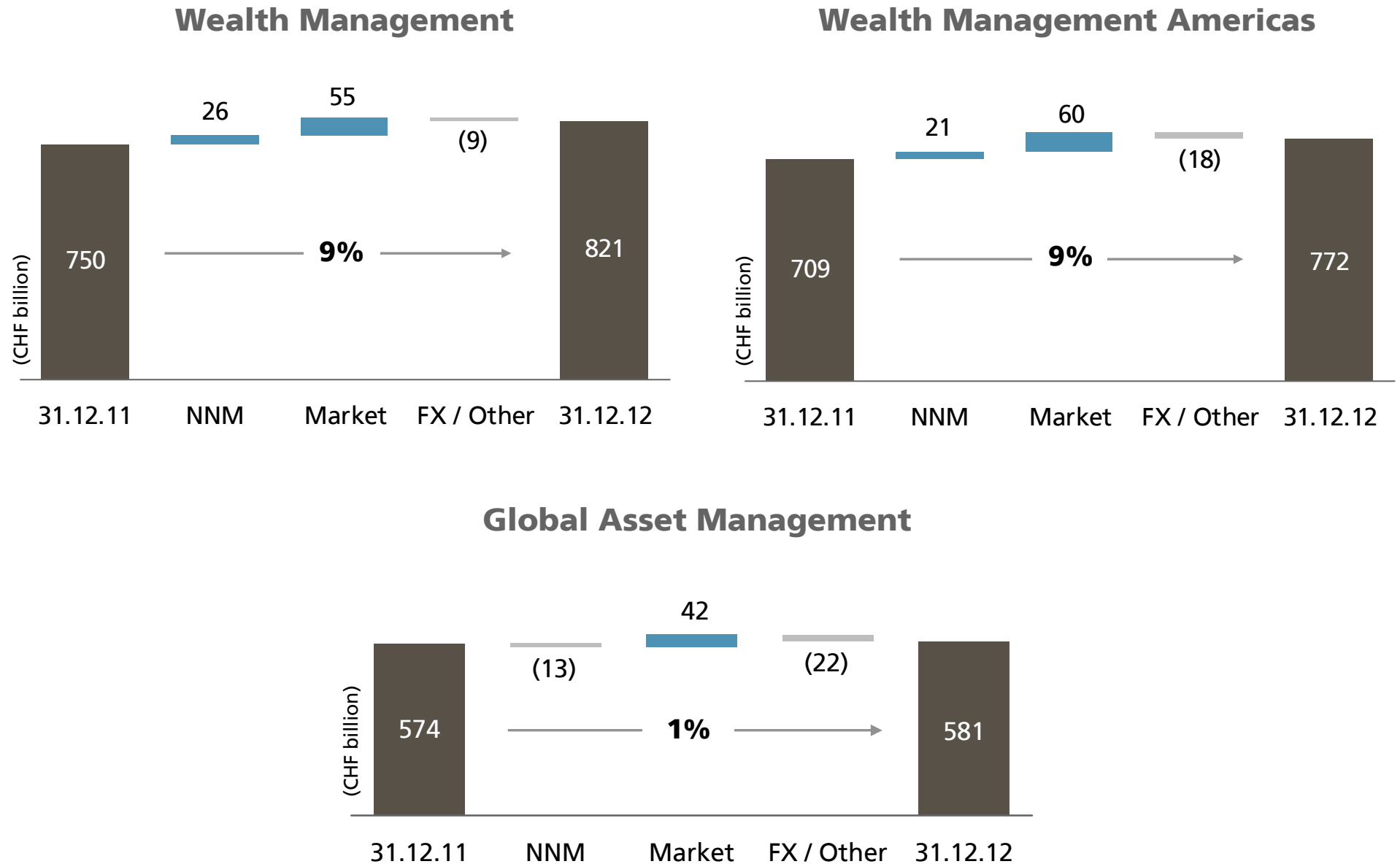
Wealth Management Americas



Global Asset Management

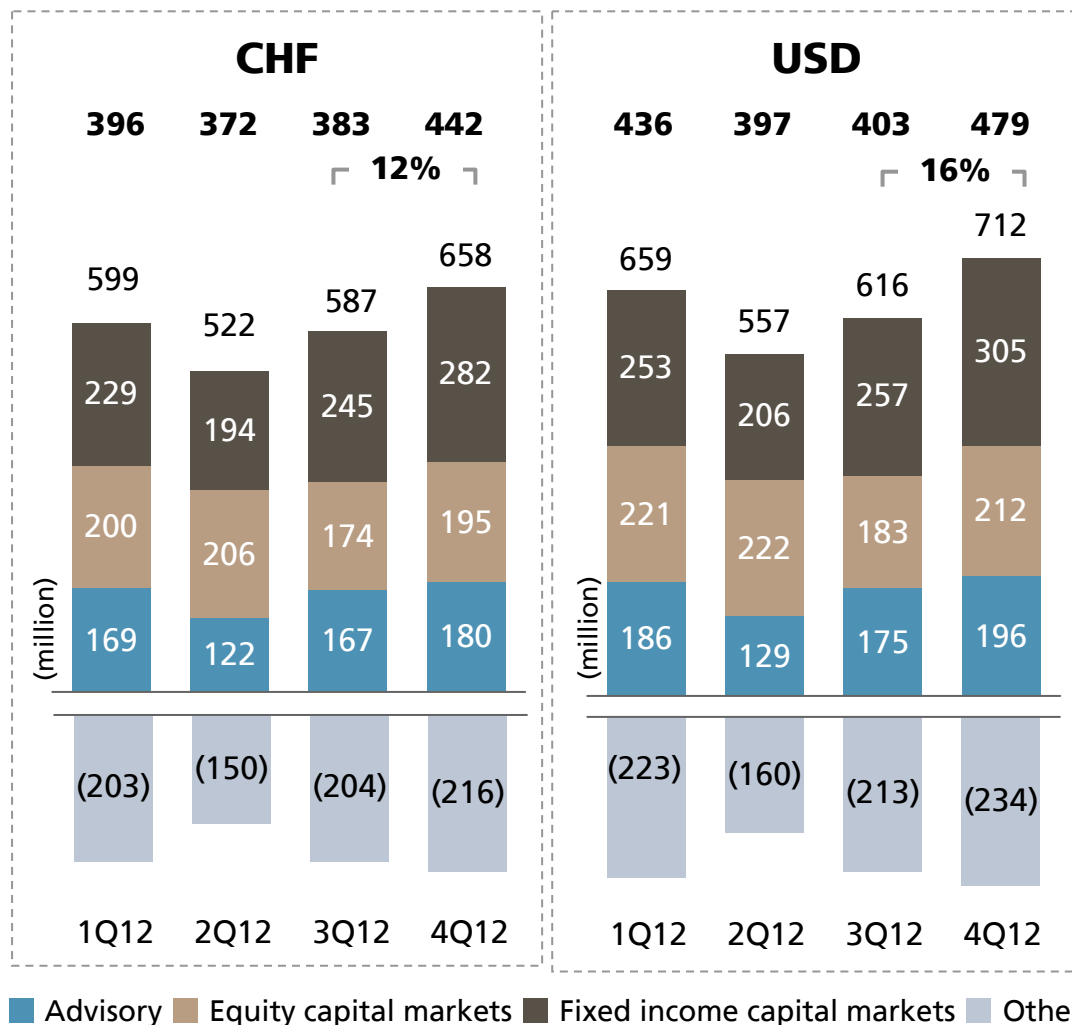


Invested assets – YoY



Investment Bank—IBD revenues

Revenues overall up 19% with increases in advisory and capital markets

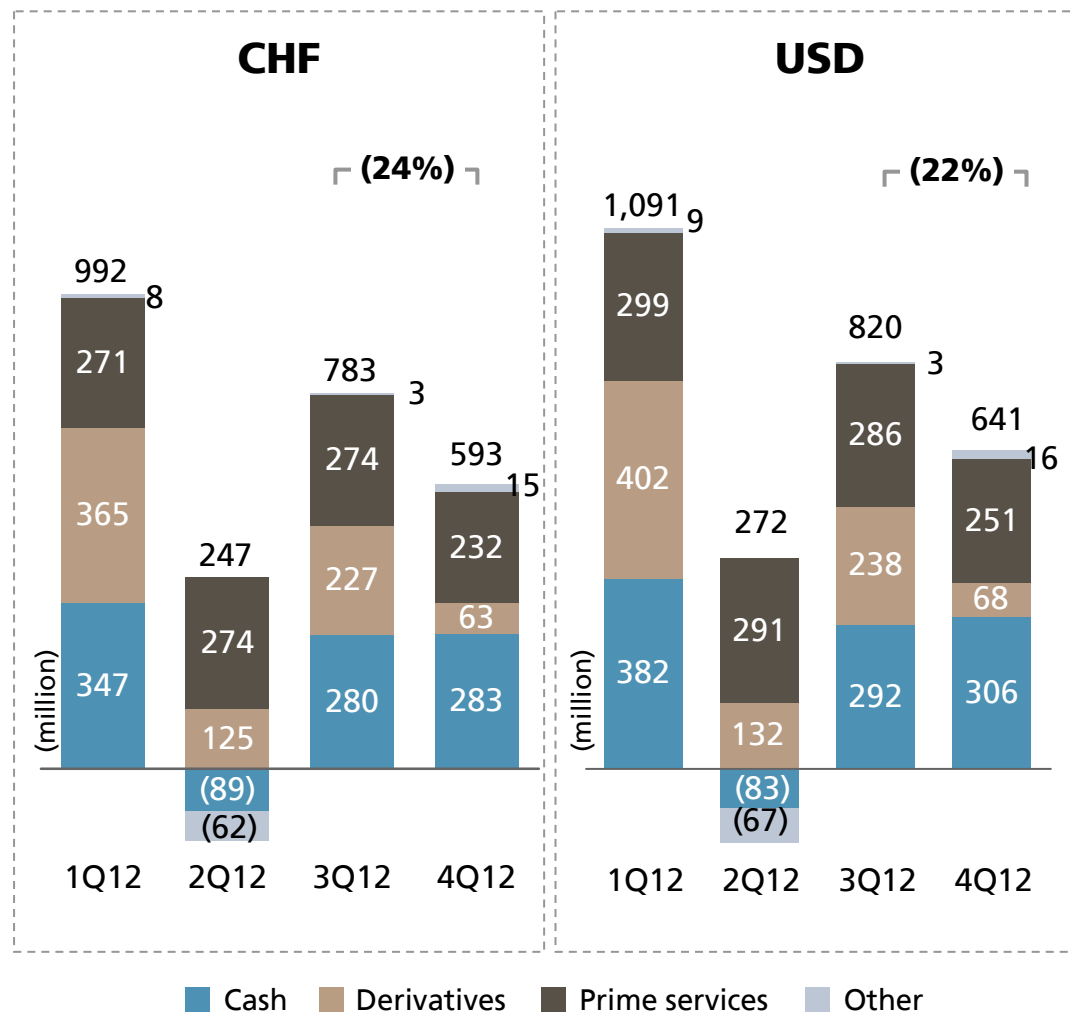


Comparison in USD terms

- Advisory +12%**
 - Participated in 3 of the top 10 global transactions
- Equity capital markets +16%**
 - Ranked #1 in APAC and increased market share
 - Participated in 10 of the top 20 deals
- Fixed income capital markets +19%**
 - Revenues up on strong leveraged finance activity
 - Participated in 3 of the top 10 LCM deals
- Other (10%)**
 - Risk management premiums up on higher hedging costs as credit spreads tightened

Investment Bank – Equities revenues

Solid Cash performance



Comparison in USD terms

- **Cash +5%**

- Stable client activity and commission revenues
- Trading performance improved

- **Derivatives (71%)**

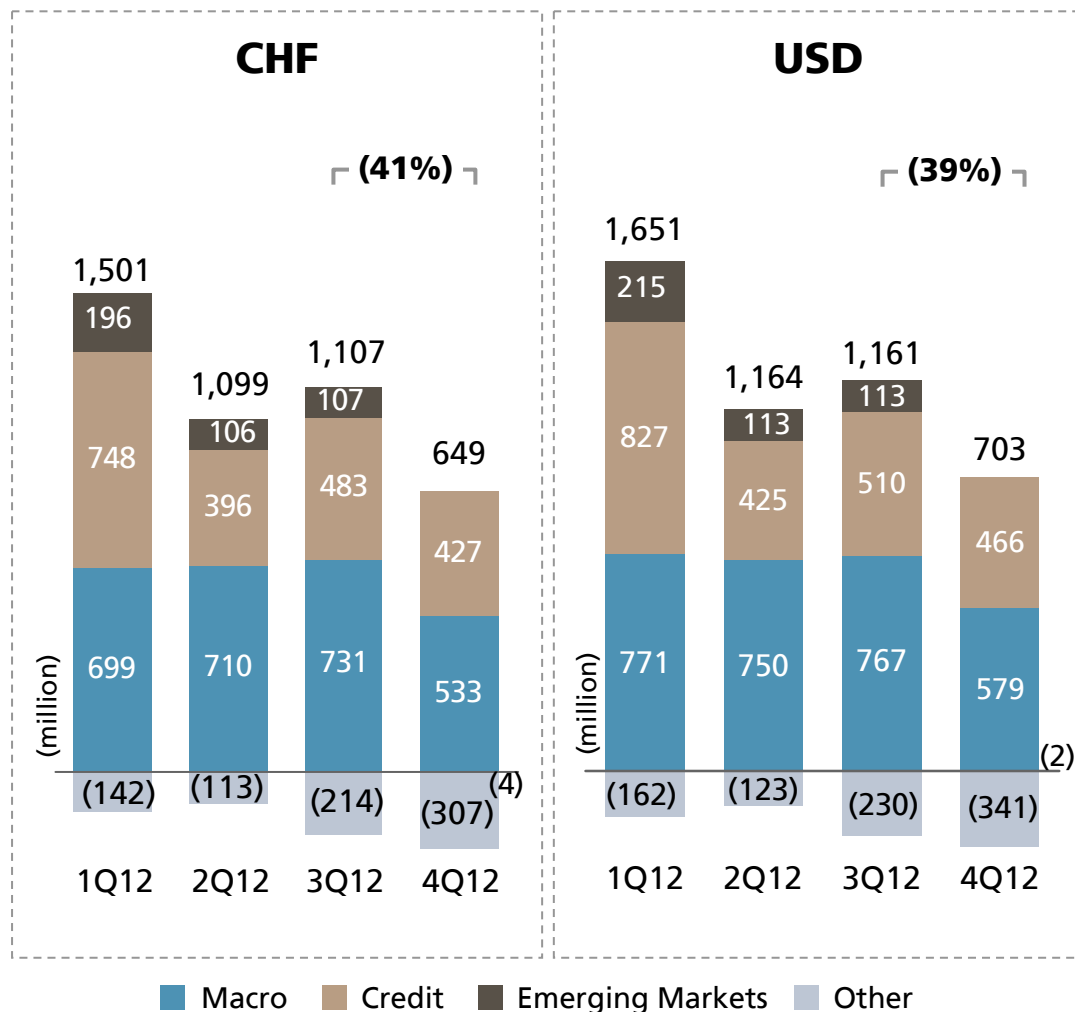
- Results reflect lower revenues in APAC driven by losses in Japan

- **Prime services (12%)**

- Growth in clients balances offset by tighter spreads

Investment Bank – FICC revenues

Further RWA reduction in 4Q12 and on track



Comparison in USD terms

- **Macro (25%)**

- Foreign exchange revenues increased marginally due to an improved precious metals performance
- Rates revenues reflecting our decision to exit or downsize products

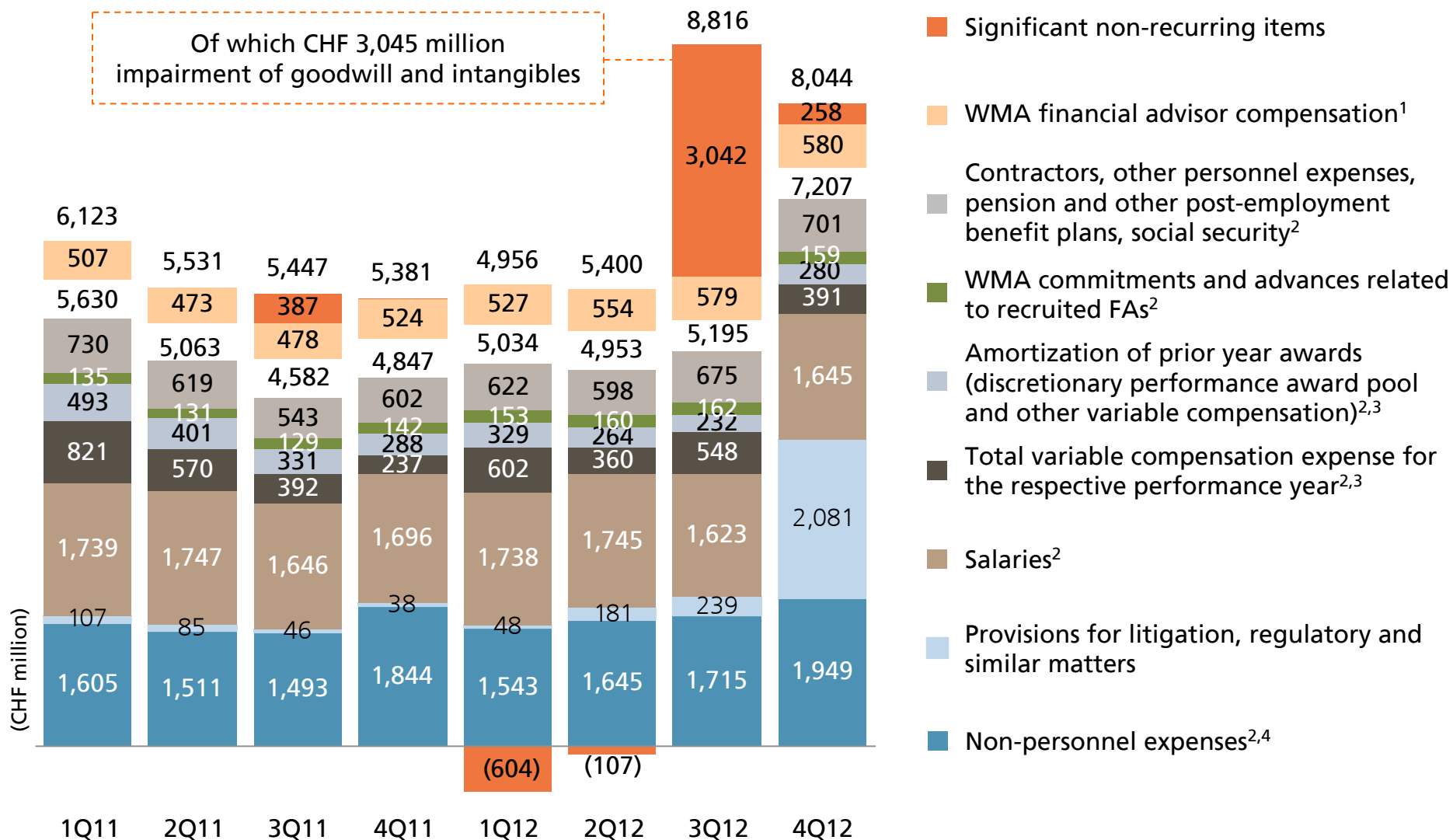
- **Credit (9%)**

- Solid revenues in real estate finance and corporate lending in line with 3Q12
- Lower flow trading and structured credit revenues on lower client activity and decreased RWA

- **Emerging markets, n/m**

- Reduced volumes and client activity in all regions
- Mark-to-market losses in Latin America

4Q12 operating expenses



Refer to slide 61 for details about adjusted numbers, IAS 19R, pro-forma Basel III estimates and FX rates in this presentation

1 Grid-based financial advisor (FA) compensation and other formulaic FA compensation

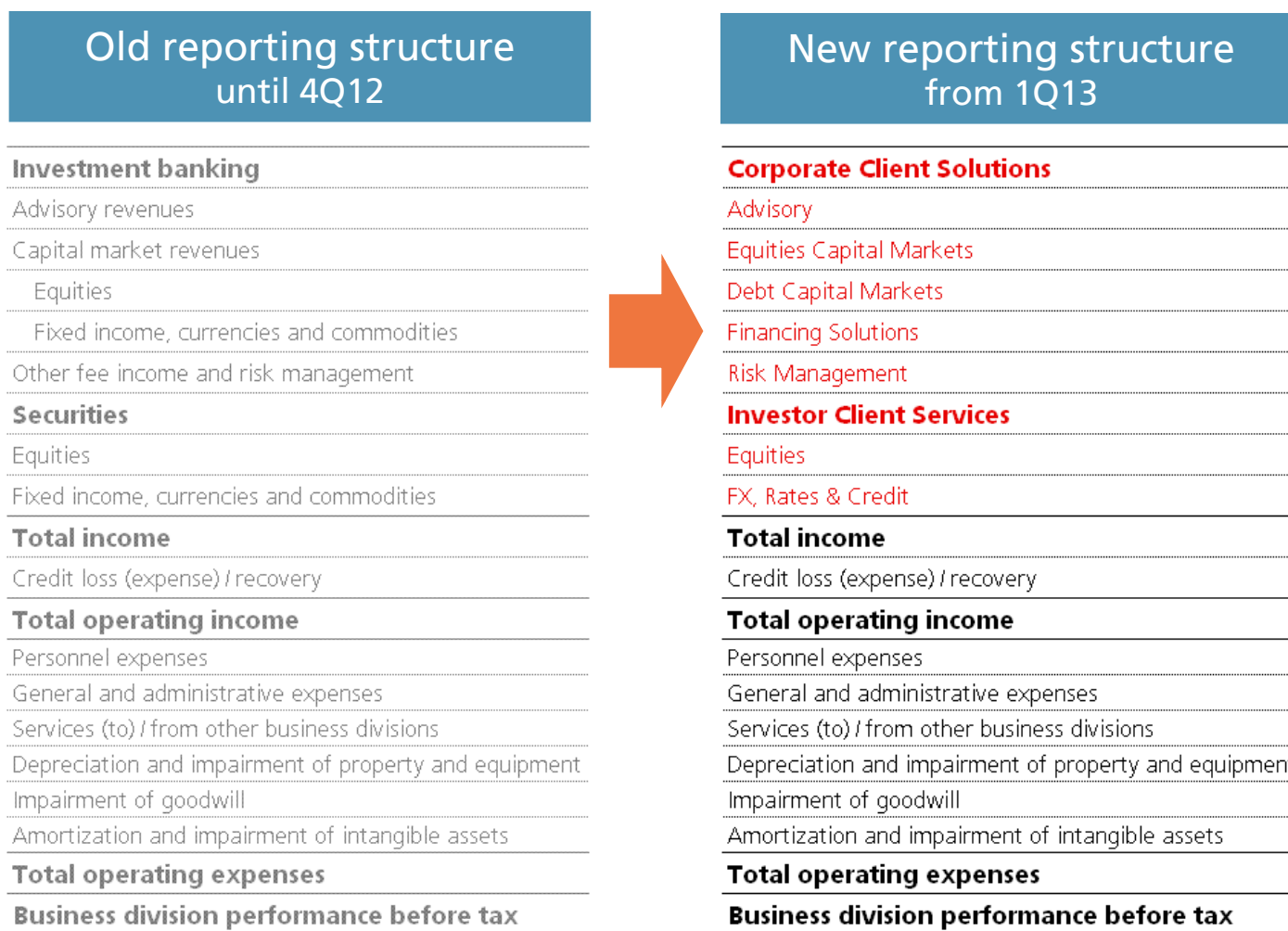
2 Excluding significant non-recurring items (restructuring charges and provision releases, 1Q12 Swiss pension fund credit, 2Q12 US retiree benefit plan credit, 3Q12 impairment of goodwill and intangibles)

3 Prior periods adjusted for refinement between the "amortization of prior year awards" and "total variable compensation for the respective performance year" categories 55

4 Excluding provisions for litigation, regulatory and similar matters

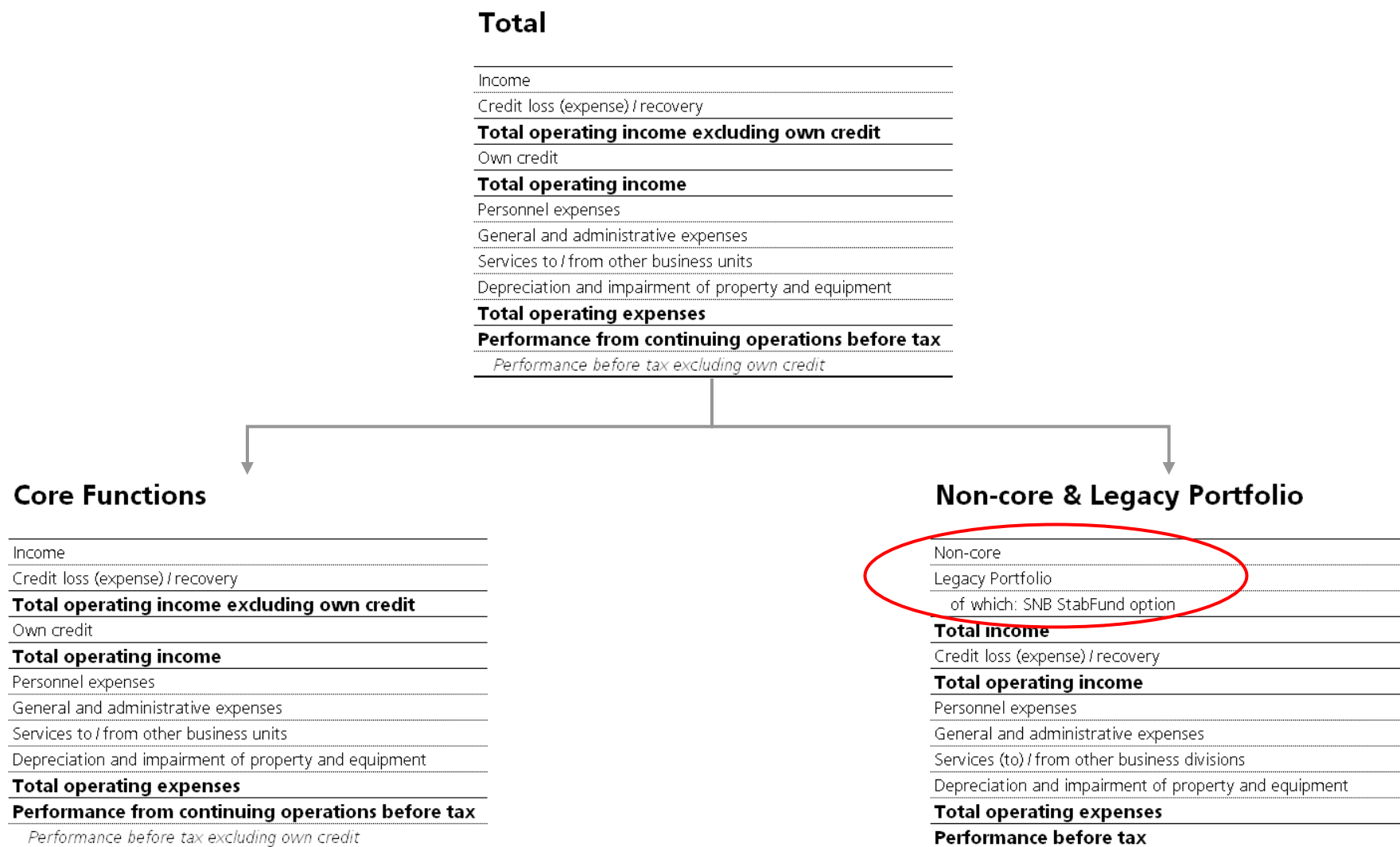
New reporting structure – Investment Bank

Starting 1Q13



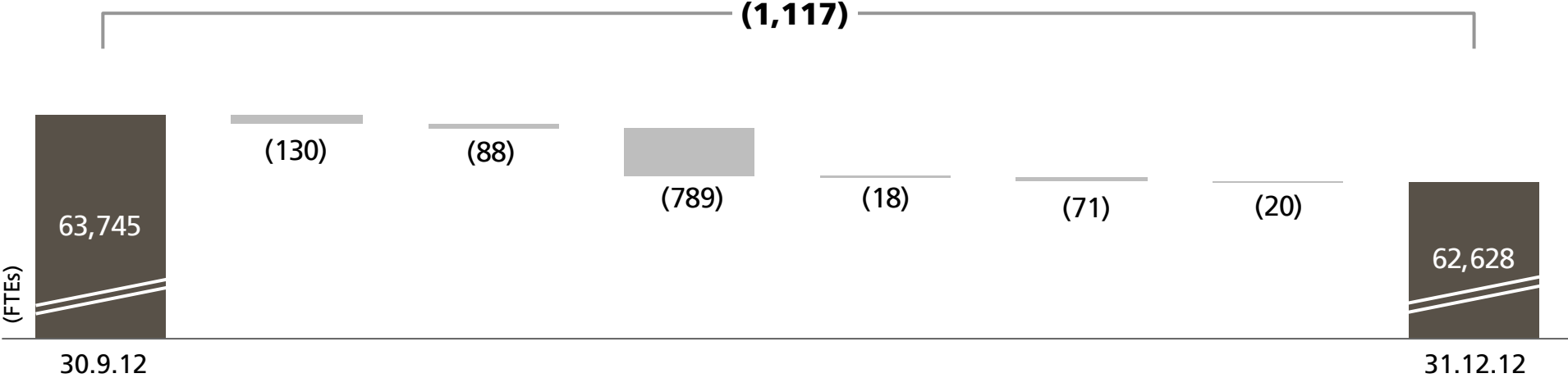
New reporting structure – Corporate Center

Starting 1Q13

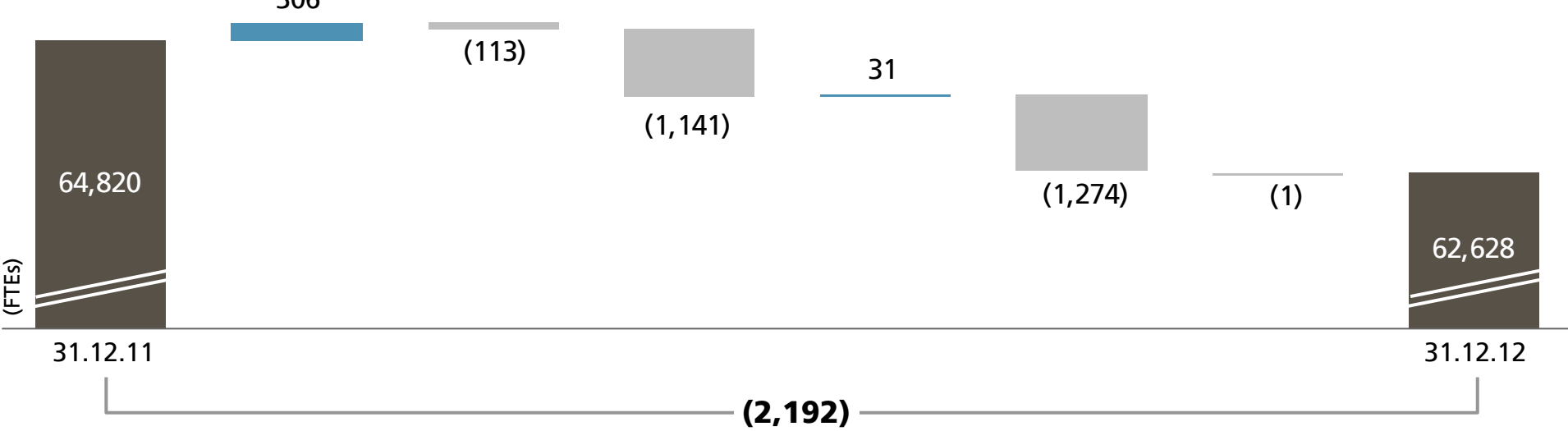


Headcount

QoQ



YoY¹



¹ In 3Q12 personnel allocations increased by approximately 800 in Wealth Management, 250 in the Investment Bank and 50 in Global Asset Management, with a corresponding decrease of 1,100 in Retail & Corporate. Refer to page 8 of UBS's 3Q12 report for more information

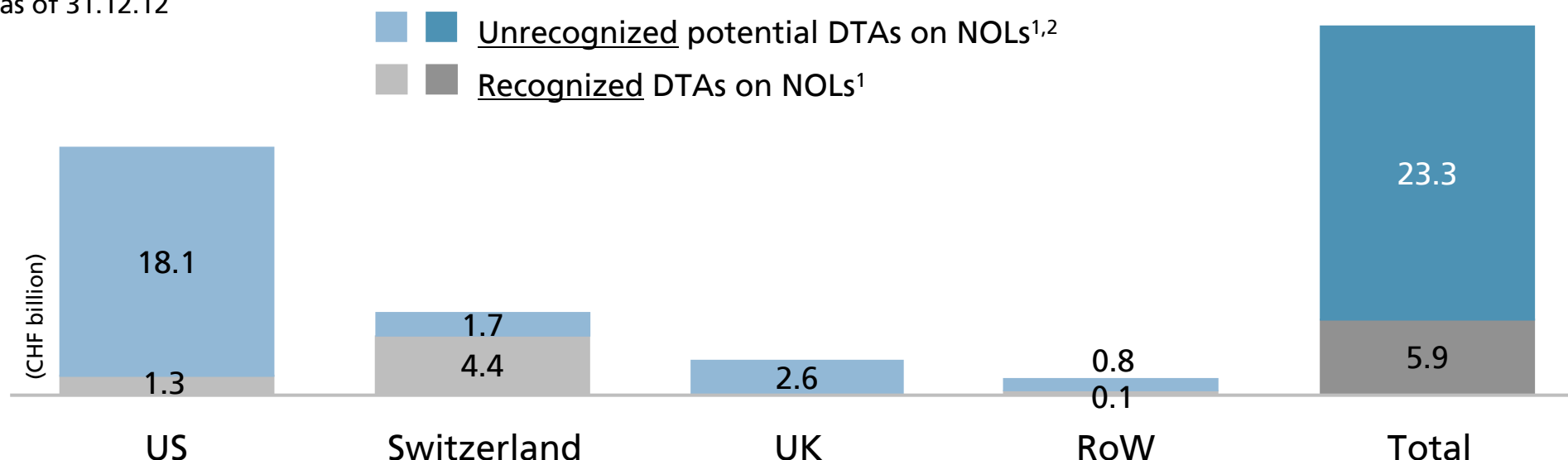
4Q12 tax expense

Pre-tax loss (as reported)	CHF 1,823 million
Net deferred tax benefit with respect to recognition of DTAs	CHF (4 million)
-----	-----
Other net tax expenses in respect of 4Q12 taxable profits	CHF 106 million
-----	-----
Tax benefits arising from the release of provisions in respect of tax positions that had previously been uncertain	CHF (36 million)
-----	-----
4Q12 net tax expense	CHF 66 million
4Q12 effective tax rate	(3.6%)

Deferred tax assets on net operating losses

The potential to recognize additional deferred tax assets remains significant

as of 31.12.12



- Unrecognized potential DTAs on NOLs^{1,2} of CHF 23.3 billion on 31.12.12
 - Tax losses have a remaining average life of approximately 16 years in the US; indefinite life in the UK
 - Profitability assumptions over a 5-year time horizon form the basis of the recognition of DTAs
- DTAs were remeasured in 3Q12 to reflect updated profitability assumptions, taking into account changes in the Investment Bank
- Additional Swiss DTAs have been recognized in respect of a tax loss arising in 2012

Important information related to numbers shown in this presentation

Use of adjusted numbers

Throughout this presentation, 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 CHF 414 million in 4Q12 (CHF 863 million loss in 3Q12, CHF 239 million gain in 2Q12, CHF 1,164 million loss 1Q12)
- Net restructuring provision charges CHF 258 million for the Group in 4Q12 (net release CHF 22 million in 3Q12, net charge of CHF 9 million in 2Q12, net charge of CHF 126 million in 1Q12)
- CHF 3,064 million charge related to impairment testing of goodwill and non-financial assets in 3Q12 in the Investment Bank
- Credit to personnel expenses related to changes to a US retiree medical life insurance benefit plan (CHF 116 million restated for IAS19R for the Group in 2Q12) and changes to UBS’s Swiss pension plan (CHF 730 million restated for IAS19R for the Group in 1Q12) and
- Gain on the sale of strategic investment portfolio (SIPF) of CHF 433 million in Wealth Management and CHF 289 million in Retail & Corporate in 3Q11

IAS 19R

As a result of the adoption of IAS 19R we have adjusted the opening balances of the earliest period presented for the cumulative effect of applying the revised standard and all comparative information included in this report, except where otherwise indicated, has been presented as if IAS 19R had been applied from the beginning of that earliest period.

Pro-forma Basel III RWA, Basel III capital ratios and Basel III liquidity ratios

Basel III risk-weighted assets in the presentation are calculated on the basis of Basel III fully applied unless otherwise stated.

The calculation of our pro-forma Basel III RWA combines existing Basel 2.5 RWA, a revised treatment for low-rated securitization exposures that are no longer deducted from capital but are risk-weighted at 1250%, and new model-based capital charges. Some of these new models require final regulatory approval and therefore our pro-forma calculations include estimates (discussed with our primary regulator) of the effect of these new capital charges which will be refined as models and the associated systems are enhanced. The calculation of our pro-forma Basel III liquidity ratios includes estimates of the impact of the rules and interpretation and will be refined as regulatory interpretations evolve and as new models and the associated systems are enhanced. Basel III capital numbers prior to 4Q12 do not include the effect of the implementation of IAS 19R or calculation refinements affecting 31.12.12 figures.

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 18 Currency translation rates” in UBS’s 4Q12 report for more information.