Fourth quarter 2010 results

February 8, 2011

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 2010 and UBS's Annual Report on Form 20-F for the year ended 31 December 2009. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

2010 highlights

CHF 7.2 billion net profit attributable to UBS shareholders / FY09: CHF 2.7 billion loss
- Diluted EPS CHF 1.87
- Return on equity 15.9%
- CHF 5.7 billion of equity capital accretion in 2010

Revenues excluding own credit[1] of CHF 32.6 billion, +23% YoY
- 55% of revenues excluding own credit generated in 1H10 and 45% in 2H10
- 2H10 was marked by low levels of client activity and the strengthening of the Swiss franc

Operating expenses of CHF 24.6 billion, (2%) YoY
- We achieved our 2010 fixed cost target of less than CHF 20 billion
- Bonus pool reduced by 10%

Industry-leading tier 1 capital ratio of 17.7%
- Core tier 1 capital ratio increased to 15.3%
- Risk-weighted assets down 4% YoY to CHF 199 billion

Net new money stabilized, indicating growing client confidence in our business

UBS

1 Own credit on financial liabilities designated at fair value

4Q10 highlights

CHF 1.3 billion net profit attributable to shareholders, diluted EPS CHF 0.33

Pre-tax profit of CHF 1.2 billion includes own credit[1] charges of CHF 0.5 billion

Operating income up 7% on increased client activity levels, partly offset by higher credit loss expenses

Operating expenses increased 2%, mainly due to higher litigation provisions

The Investment Bank recorded a pre-tax profit excluding own credit of CHF 0.6 billion; IBD revenues rose significantly

Wealth Management revenues up 2%; increase in client activity partly offset by the strenghtening of the Swiss franc

Net new money stabilized

Tier 1 capital ratio increased to 17.7% and core tier 1 capital ratio to 15.3%

Balance sheet decreased 10% and risk-weighted assets down 5% over the quarter

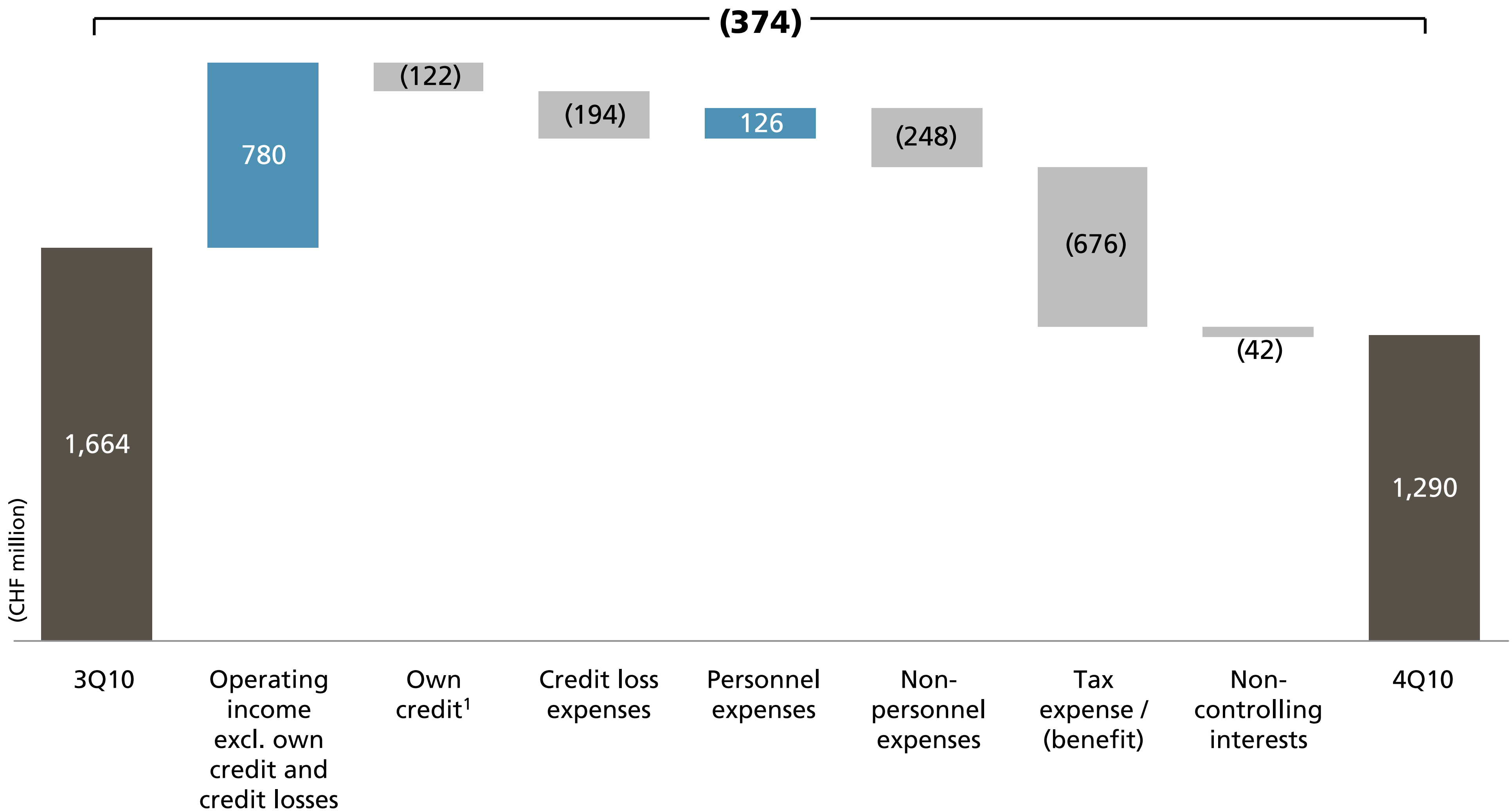
1 Own credit on financial liabilities designated at fair value

4Q10 – performance by business division

(CHF million)	WM&SB	WMA	Global AM	IB	CC[1]	UBS
Income	2,790	1,380	542	2,775	308	**7,795**
Credit loss (expense) / recovery	(56)	(1)		(108)		**(164)**
Own credit[2]				(509)		**(509)**
Total operating income	2,734	1,379	542	2,158	308	**7,122**
Personnel expenses	1,207	1,003	286	1,262	94	**3,851**
Non-personnel expenses	652	409	121	821	106	**2,111**
Total operating expenses	1,859	1,412	407	2,084	200	**5,962**
Pre-tax profit / (loss)[3]	**875**	**(33)**	**135**	**75**	**109**	**1,161**
Tax expense / (benefit)						**(149)**
Net profit from continuing operations						**1,310**
Net profit from discontinued operations						**0**
Net profit attributable to non-controlling interests						**21**
Net profit attributable to UBS shareholders						**1,290**
Diluted EPS (CHF)						**0.33**
Headcount (FTE)	27,752	16,330	3,481	16,860	194	**64,617**

1 Treasury activities and other corporate items
2 Own credit on financial liabilities designated at fair value
3 Operating profit from continuing operations before tax

Net profit attributable to shareholders 4Q10 vs. 3Q10

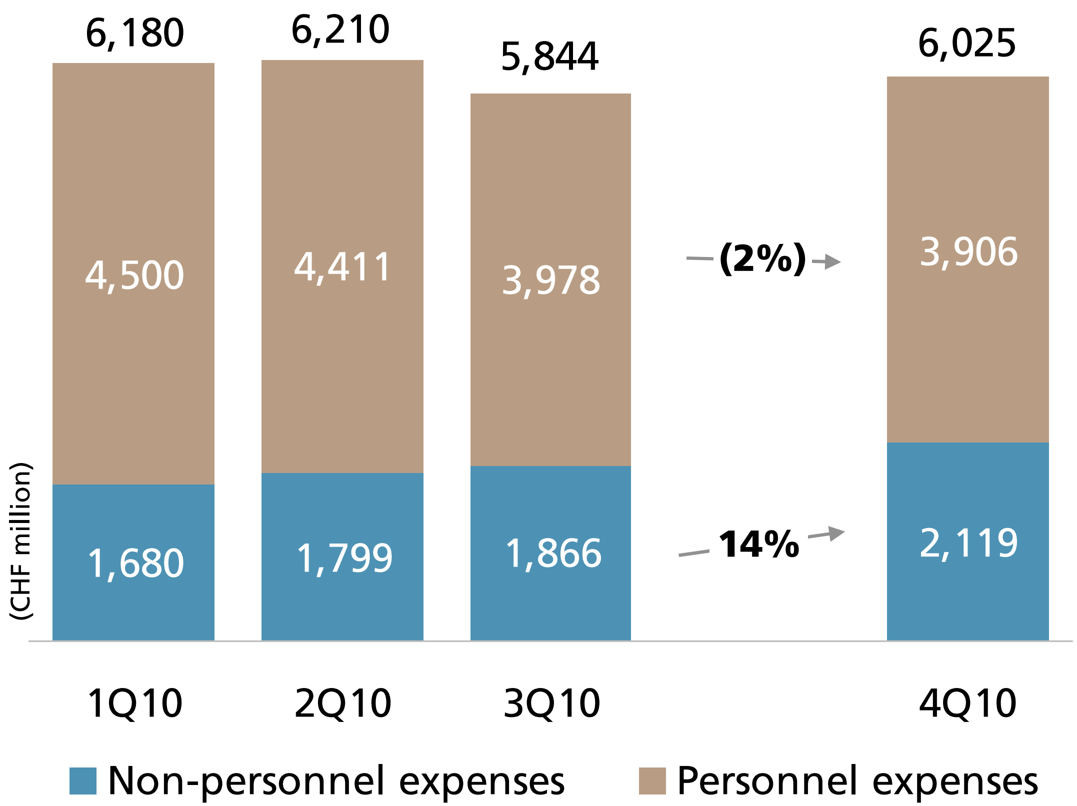


1 Own credit on financial liabilities designated at fair value

4Q10 operating expenses

Higher litigation provisions more than offset reduced personnel expenses

Operating expenses (adjusted)[1]



- Adjusted 4Q10 personnel expenses[1] decreased 2%
- Adjusted 4Q10 non-personnel expenses[1] increased 14%, mainly due to higher litigation provisions in WM Americas

1 Adjustment items excluded from expenses as reported:
1Q10: personnel restructuring charges CHF 21 million
2Q10: personnel restructuring charges CHF 8 million credit, non-personnel restructuring charges CHF 127 million, UK Bank Payroll Tax CHF 242 million
3Q10: personnel restructuring charges CHF 1 million credit, non-personnel restructuring charges CHF 3 million credit
4Q10: personnel restructuring charges CHF 13 million credit, non-personnel restructuring charges CHF 8 million credit, UK Bank Payroll Tax CHF 42 million credit

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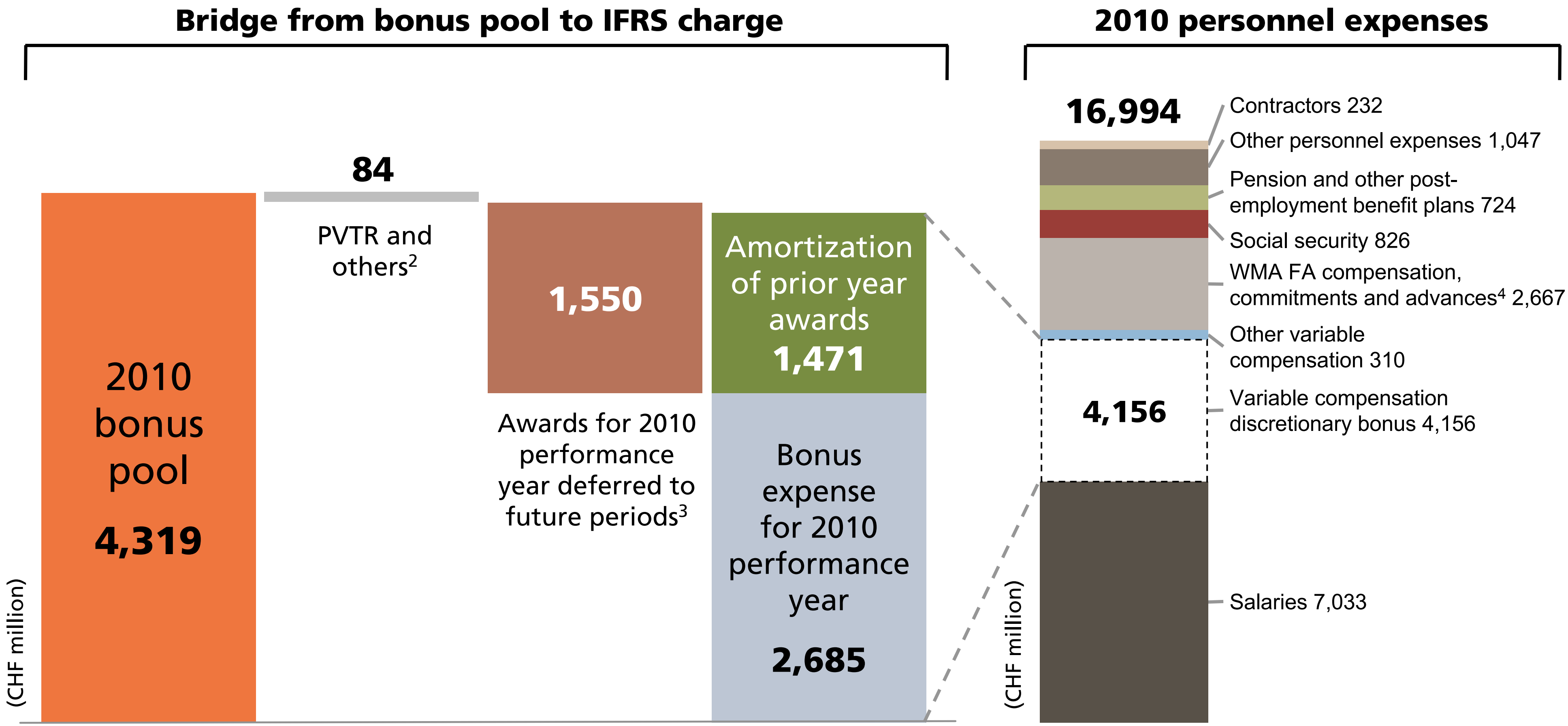
FY10 personnel expenses

The bonus pool for 2010 was CHF 4,319 million, down 10% from 2009[1]



- The total amount of unrecognized awards related to all discretionary bonus on 31.12.10, including awards to be granted in 1Q11 for the performance year 2010, was CHF 2.8 billion.[3] We expect that approximately CHF 1.6 billion of this amount will be amortized in 2011[3]

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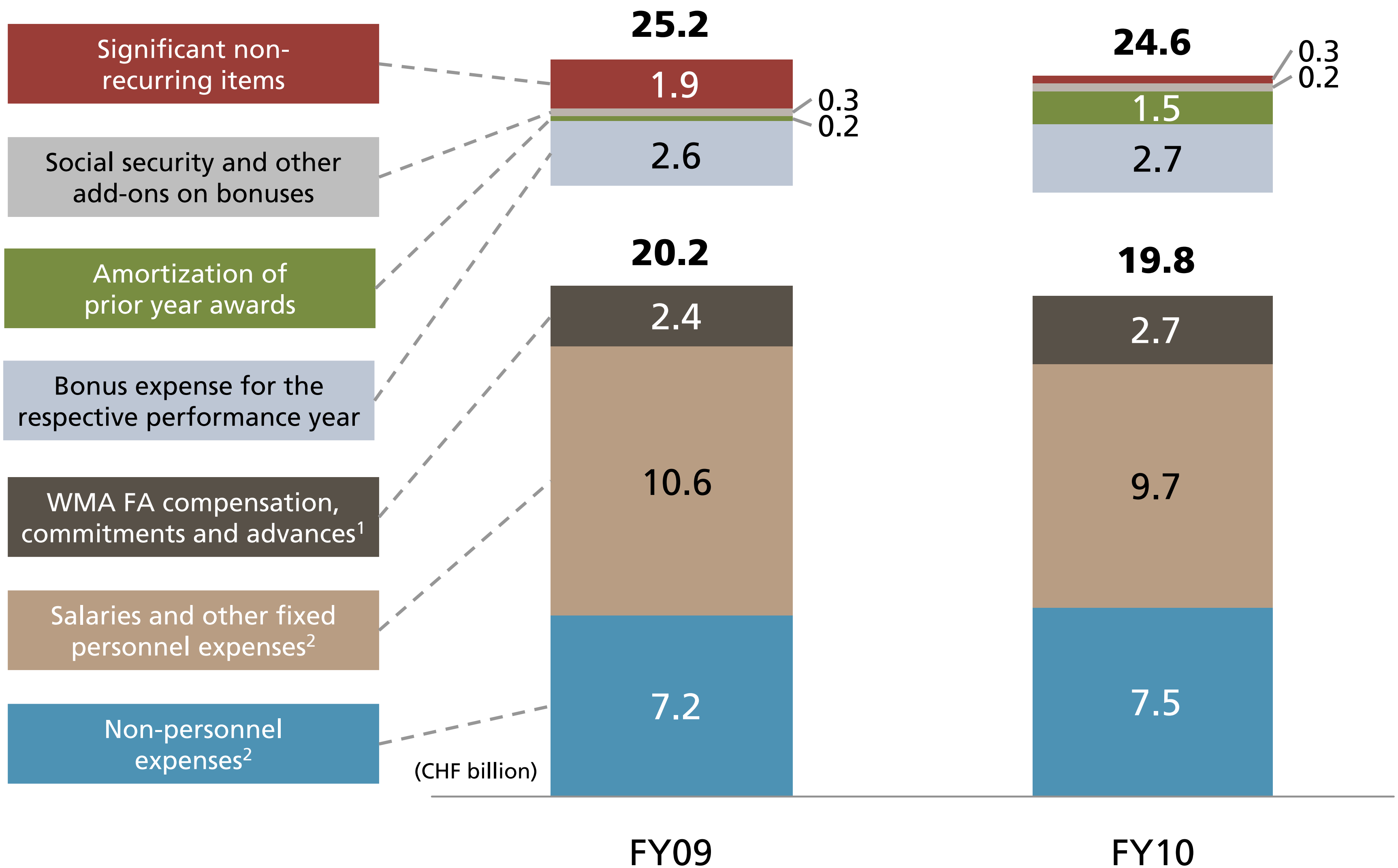
1 Excluding bonus add-ons such as social security
2 Post vesting transfer restrictions and adjustments related to performance conditions
3 Estimate. The actual amount to be expensed in future years may vary, for example due to forfeitures
4 Includes grid-based financial advisor (FA) compensation, other formulaic FA compensation and commitments and advances related to recruited FAs

FY10 operating expenses

We achieved our fixed cost target of less than CHF 20 billion in 2010



1 Includes grid-based financial advisor (FA) compensation, other formulaic FA comp and commitments and advances related to recruited FAs
2 Excluding significant non-recurring items:
FY09: Personnel restructuring charges CHF 491 million, non-personnel restructuring charges CHF 300 million; goodwill impairment charges CHF 1,123 million
FY10: Personnel restructuring charges CHF 2 million credit, non-personnel restructuring charges CHF 116 million, UK Bank Payroll Tax CHF 200 million

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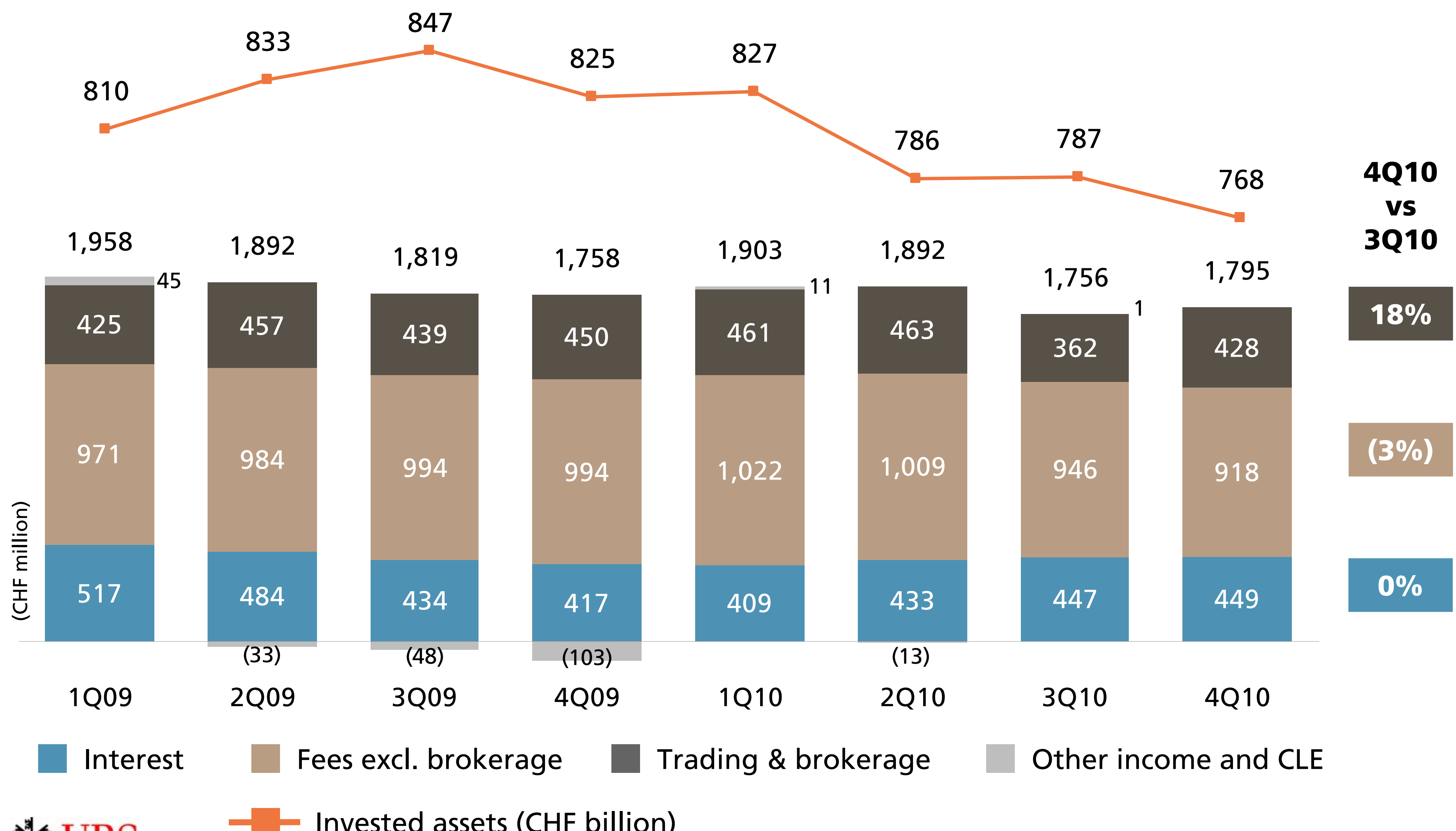
Wealth Management – revenues

Increased revenues on improved client trading activity, partly offset by further strengthening of the Swiss franc



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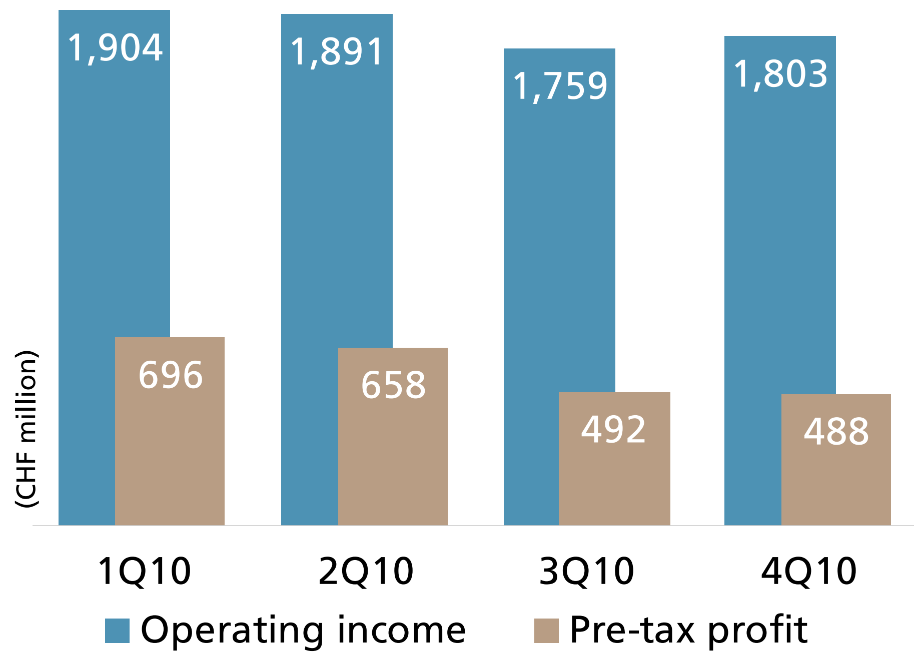
Wealth Management

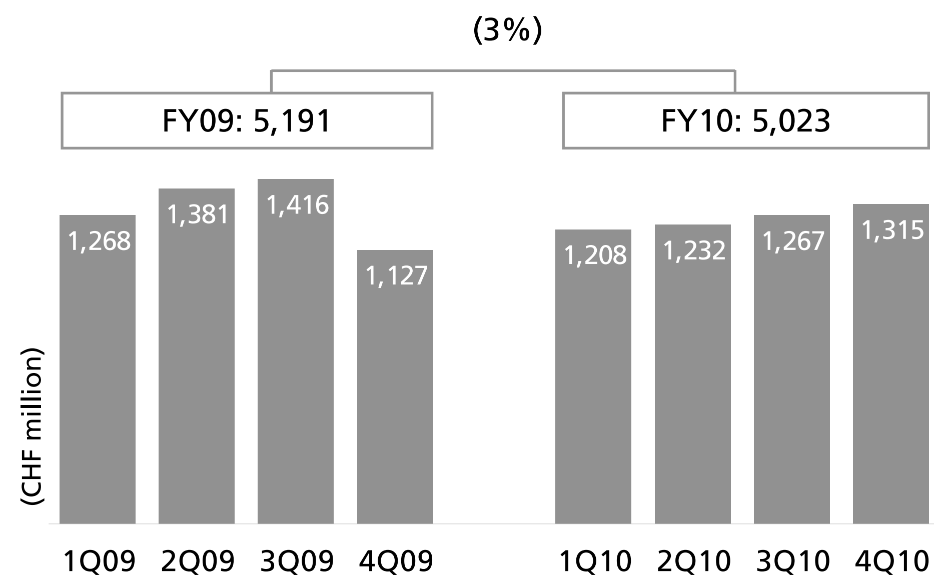
Pre-tax profit up 7% excluding one-off cost item

Operating income and pre-tax profit

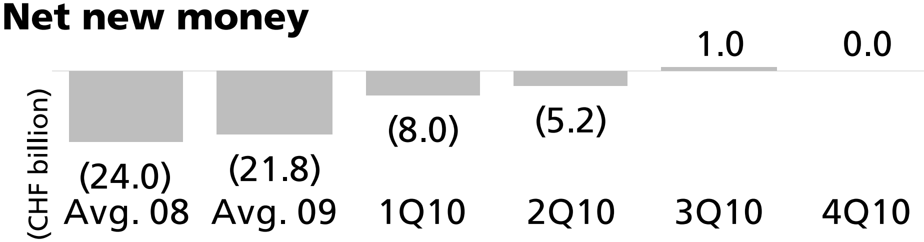


- 4Q10 expenses include a CHF 40 million charge to reimburse the Swiss government for costs incurred in connection with the US cross-border matter
  - Excluding this item, pre-tax profit would have increased 7% vs. 3Q10

Operating expenses



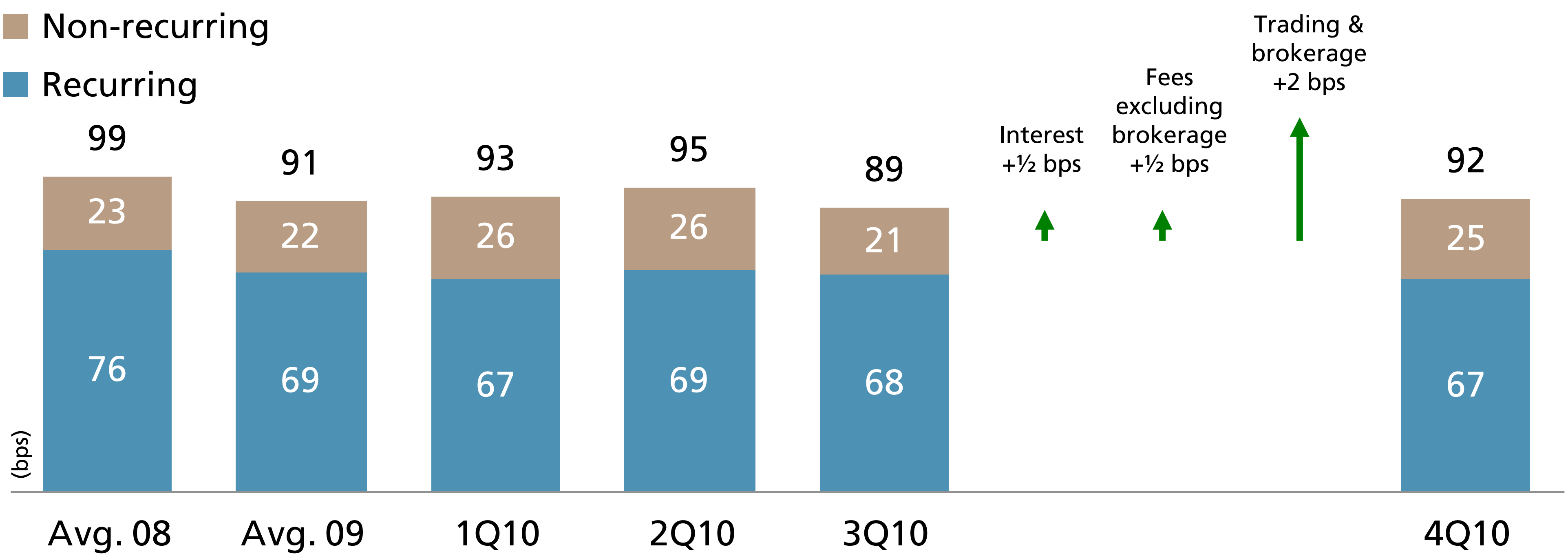
Net new money



- Continued NNM inflows from UHNW clients and Asia Pacific region with each recording > CHF 10 billion NNM in 2010[1]; NNM outflows in Europe

1 Some overlap between the Asia Pacific and UHNW categories

Wealth Management – gross margin[1]



Pricing
Pricing realization and price grid realignment efforts continued

Lending
Slight increase in loan volume

Brokerage
Brokerage revenues increased due to higher client activity

Mandates
The proportion of assets invested in mandates decreased slightly

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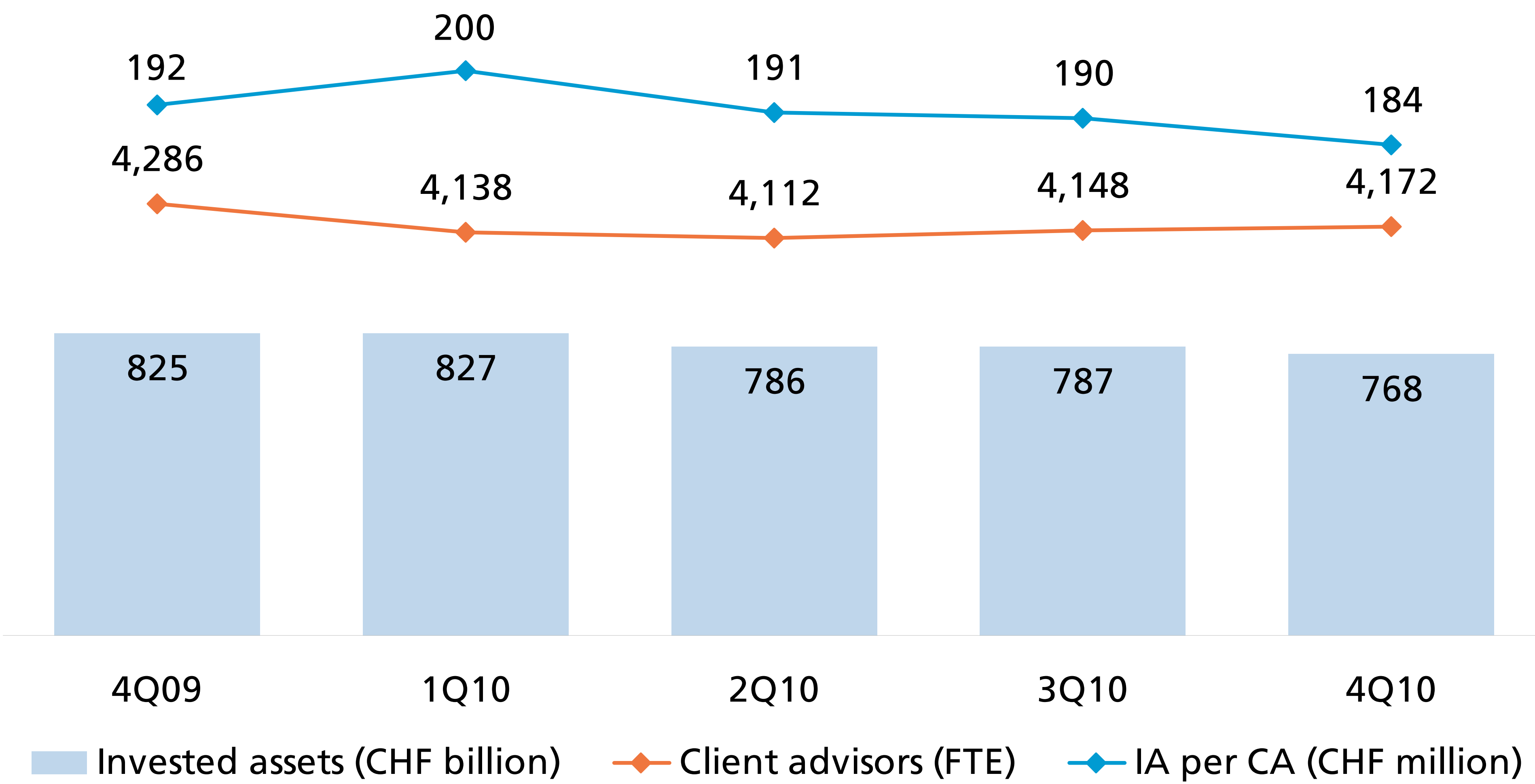
1 Operating income before credit loss (expense) or recovery (annualized) / average invested assets. Gross margin excludes valuation adjustments on a property fund of zero in 4Q10 and 3Q10, CHF 17 million in 2Q10, CHF 28 million in 1Q10, CHF 155 million in FY09 and CHF 9 million in FY08

Wealth Management – client advisors and invested assets

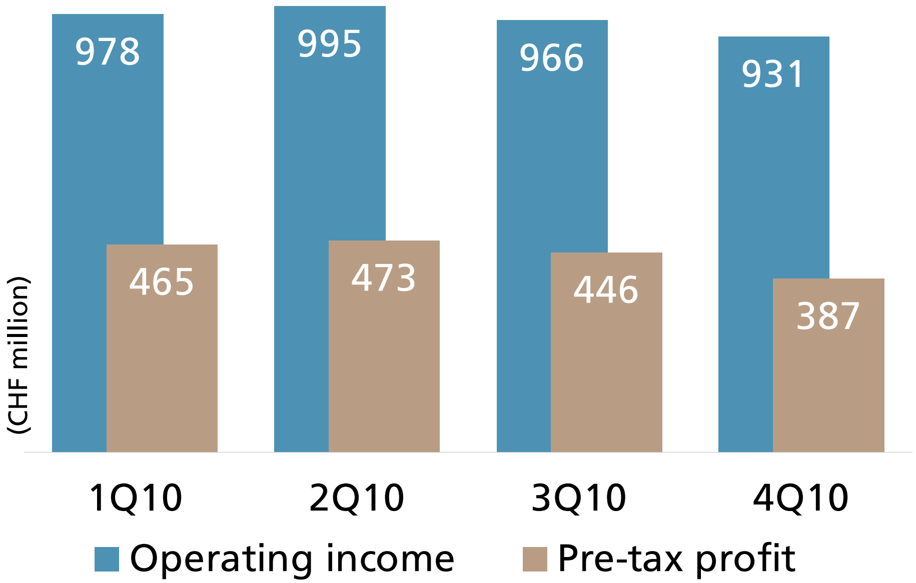


- Medium-term target remains 4,700 client advisors

Retail & Corporate

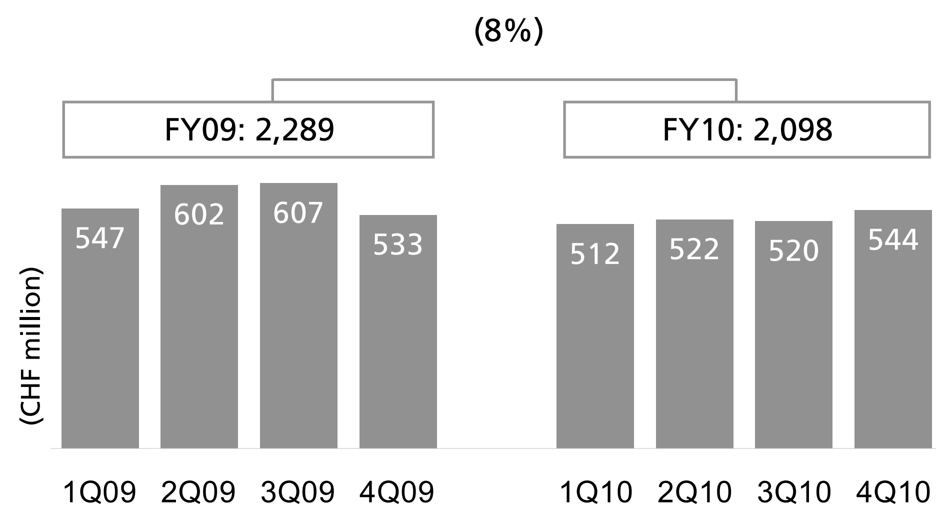
Higher interest and trading income; higher credit losses

Operating income and pre-tax profit

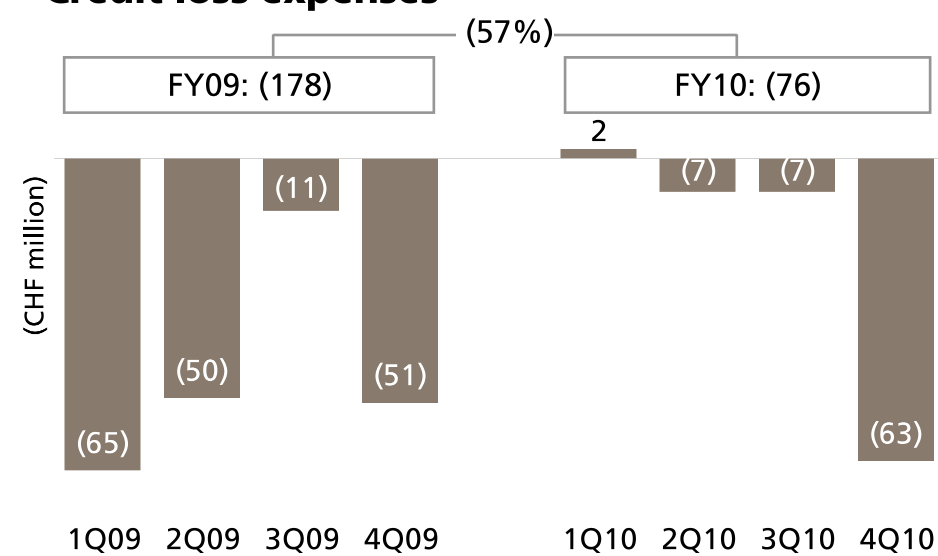


- Income before credit loss expenses increased 2% to CHF 995 million
  - Credit loss expenses totaled CHF 63 million due to charges for a small number of clients
- Increase in expenses mainly due to higher non-personnel expenses

Operating expenses



Credit loss expenses



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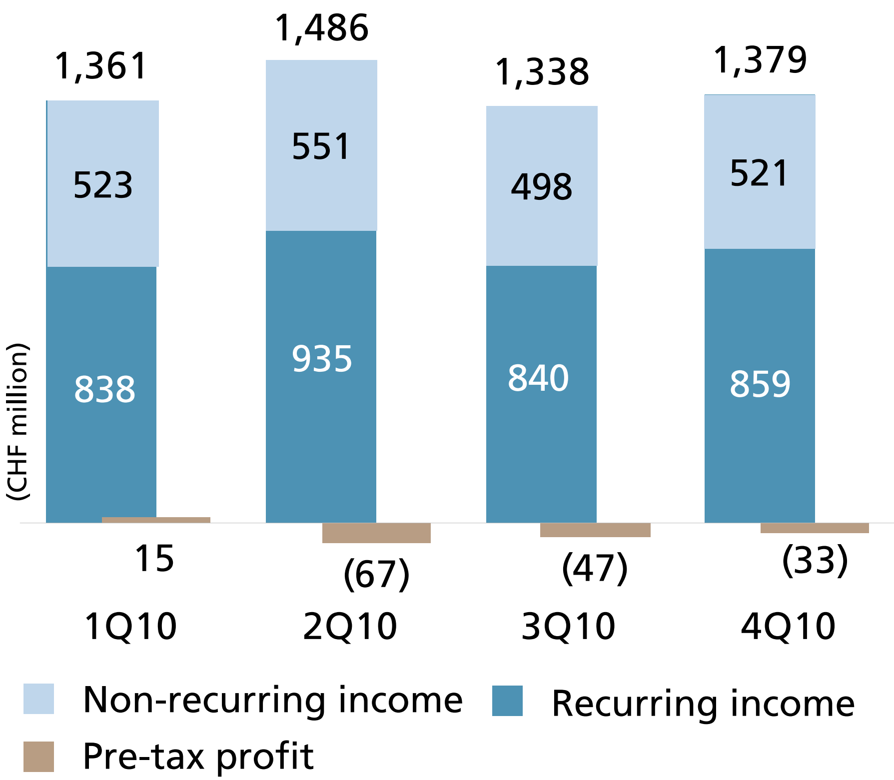
Wealth Management Americas

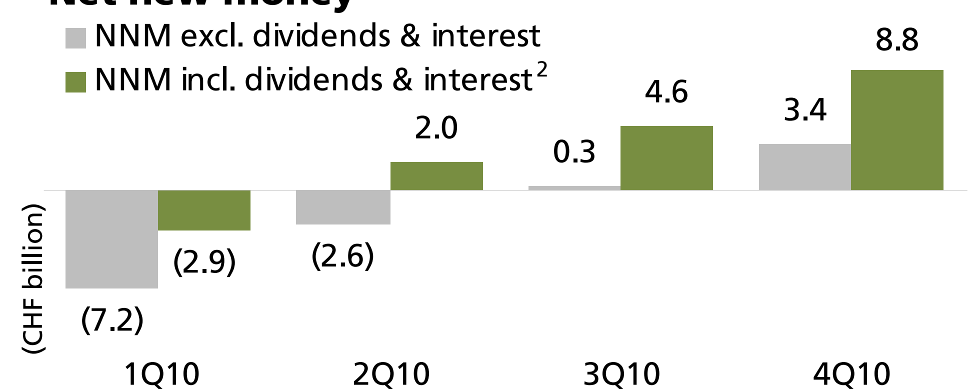
Higher revenues offset by increased litigation expenses

Operating income and pre-tax profit



- CHF 33 million pre-tax loss as increase in litigation provisions offset increase in revenues
  - Revenues up 3% (7% in USD terms) on higher managed account fees, net interest income and transaction revenues
  - Operating expenses increased 2% (6% in USD terms), mainly due to litigation provisions of CHF 152 million
- Financial advisors up by 13 at 6,796
- CHF 3.4 billion net new money inflows
  - CHF 8.8 billion NNM incl. dividends and interest
  - 'Same store'[1] NNM positive in all four quarters

Net new money



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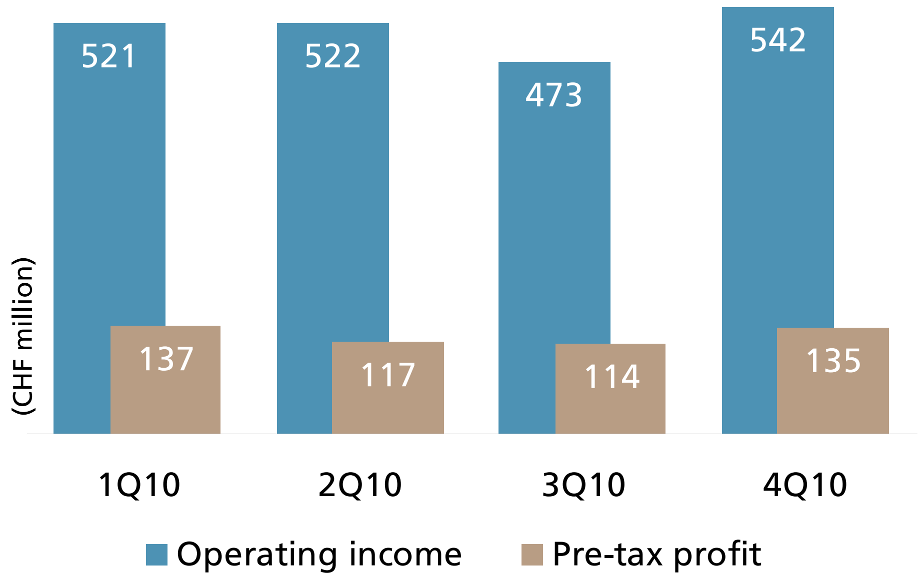
1 Financial advisors with UBS for more than 12 months
2 Includes dividends and interest for Wealth Management US only

Global Asset Management

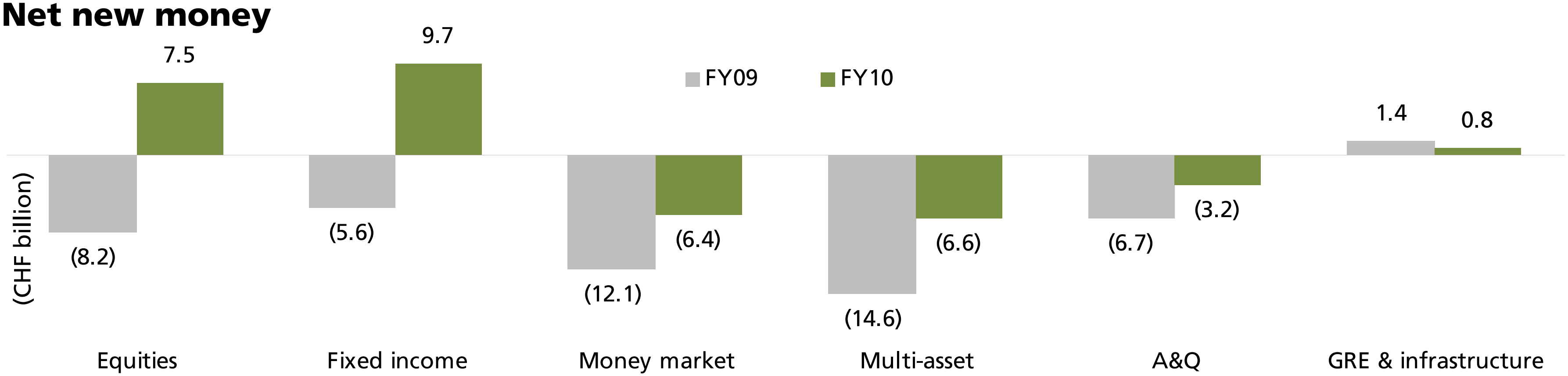
18% increase in pre-tax profit, mainly due to higher performance fees

Operating income and pre-tax profit



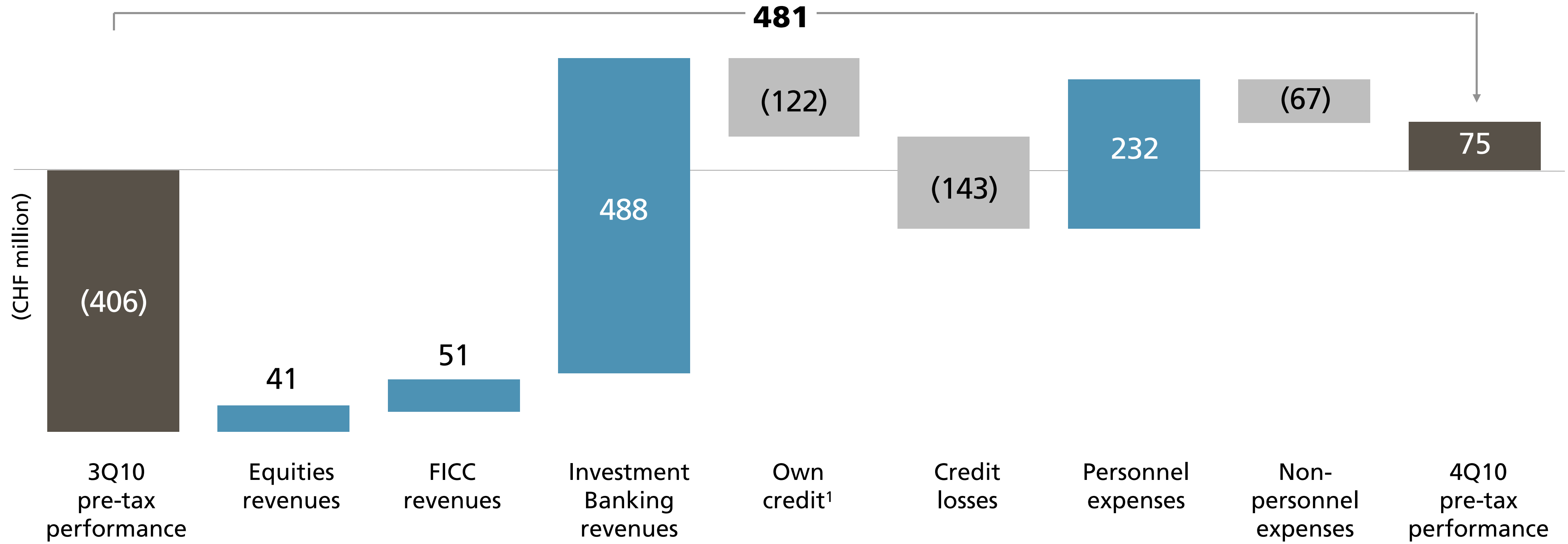
- Increase in revenues across all business lines
  - Higher performance fees, mainly in A&Q
- Expenses up on higher personnel expenses, in the context of higher performance fees
  - Includes CHF 9 million of severance costs

Net new money



Investment Bank – pre-tax performance 4Q10 vs. 3Q10

Improvement in Investment Banking revenues and cost reduction partly offset by higher own credit[1] charges and credit loss expenses



- Investment Banking produced higher revenues, especially in equity capital markets
- Equities and FICC revenues improved modestly from the third quarter
- Own credit[1] charge of CHF 509 million in 4Q10 vs. charge of CHF 387 million in 3Q10
- Credit loss expenses mainly due to impairment charges on student loan ARS portfolio
- Personnel costs declined

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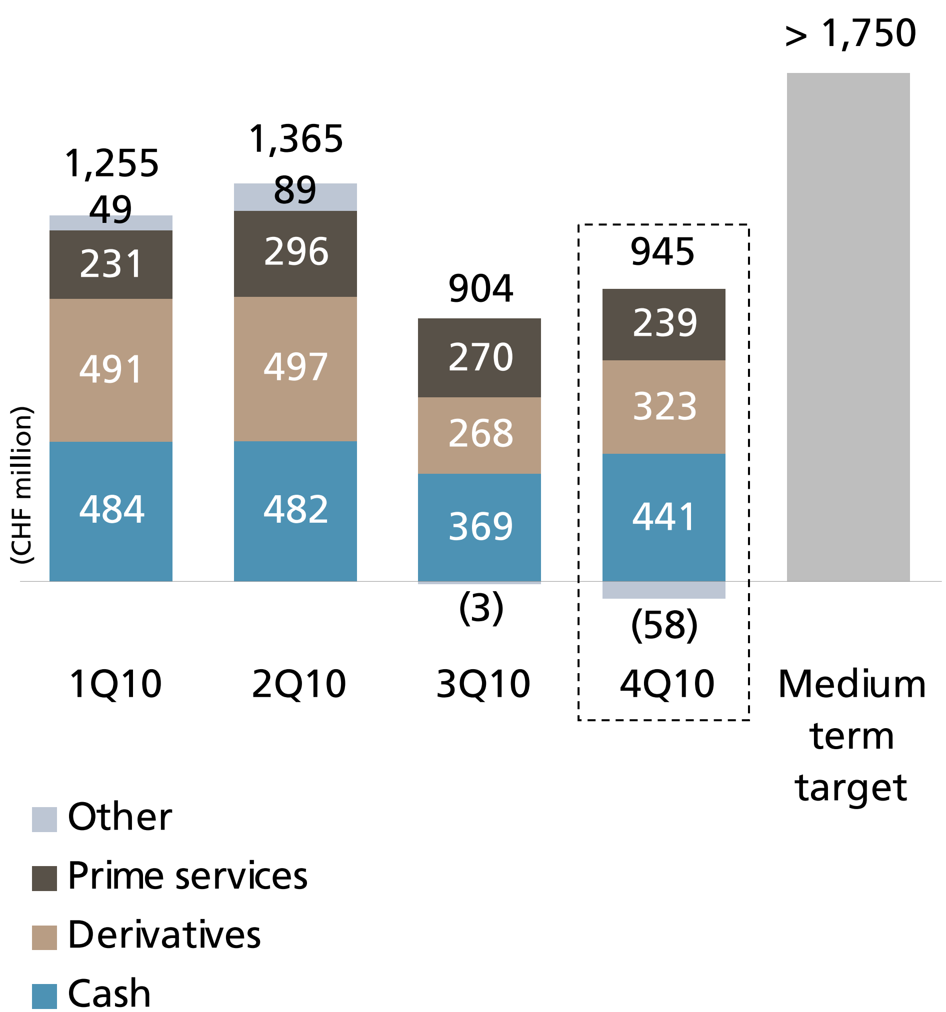
1 Own credit on financial liabilities designated at fair value

Equities revenues

Cash and derivatives revenues up on increased client activity



- **Cash:** higher commission income across all regions
- **Derivatives:**
  - Derivatives revenues improved with an increase in new business activity
  - Equity-linked revenues were broadly in line with the last quarter on slightly higher client activity
- **Prime services:**
  - Prime brokerage revenues were marginally down despite a slight increase in deposit balances
  - ETD revenues decreased slightly due to lower client volumes and spreads
- **Other:** negative revenues from a number of items including hedging costs

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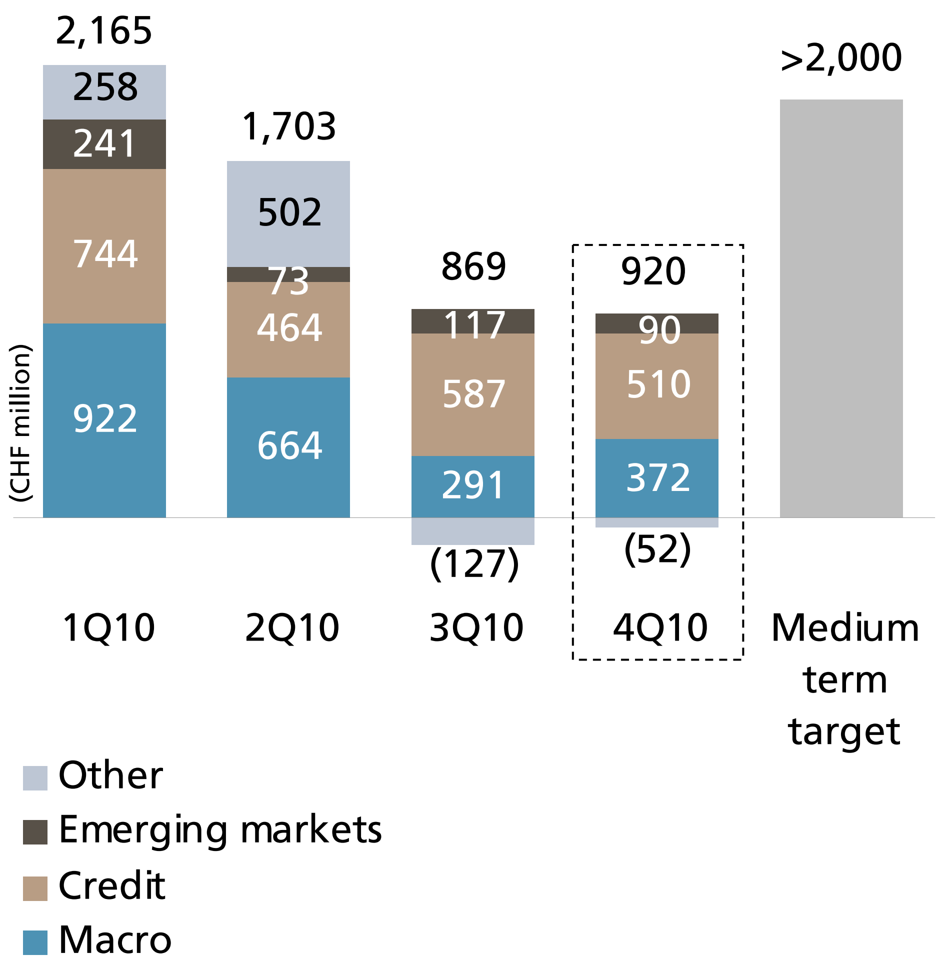
FICC revenues

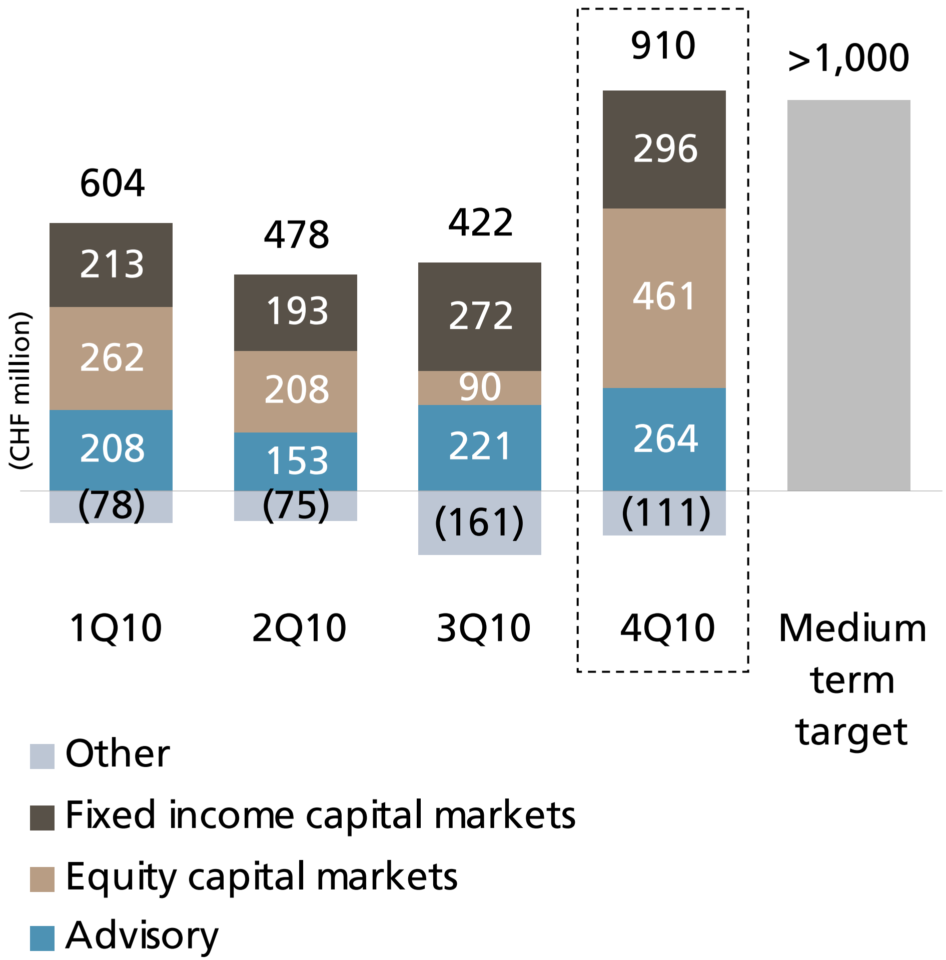
Improved revenues driven by FX; credit and emerging markets weaker in more challenging market conditions



- **Macro:**
  - FX revenues rose on improved customer activity
  - Rates revenues were largely in line with the prior quarter as gains in non-linear interest rates and unwinds of existing positions partially offset lower linear revenues
- **Credit:** revenues fell as continued good performance from flow credit trading was offset by reduced structured credit revenues
- **Emerging markets:** revenues decreased as all regions saw declines due to geopolitical and economic concerns and increased interest rate volatility
- **Other:**
  - Negative debit valuation adjustments on derivatives and other items including losses from counterparty exposure management
  - Residual risk positions continued to be reduced and contributed gains of CHF 98 million

Investment banking revenues

Stronger performance led by equity capital markets



- **Advisory:** 19% increase in revenues as the quarter included several large transactions
- **Capital markets:**
  - **Equities:** revenues increased fivefold, reflecting stronger deal activity across all regions and improved market share[1]
  - **FICC:** revenues increased slightly against a flat overall fee pool environment[1]
- **Other:** tightening of credit spreads led to mark-to-market losses on hedges against the loan book
- Overall UBS fee based market share[1] increased compared with 3Q10 (4.4% from 3.7%)
  - M&A: 4.9% (4.1%)
  - ECM: 5.4% (3.9%)
  - DCM: 3.6% (3.9%)

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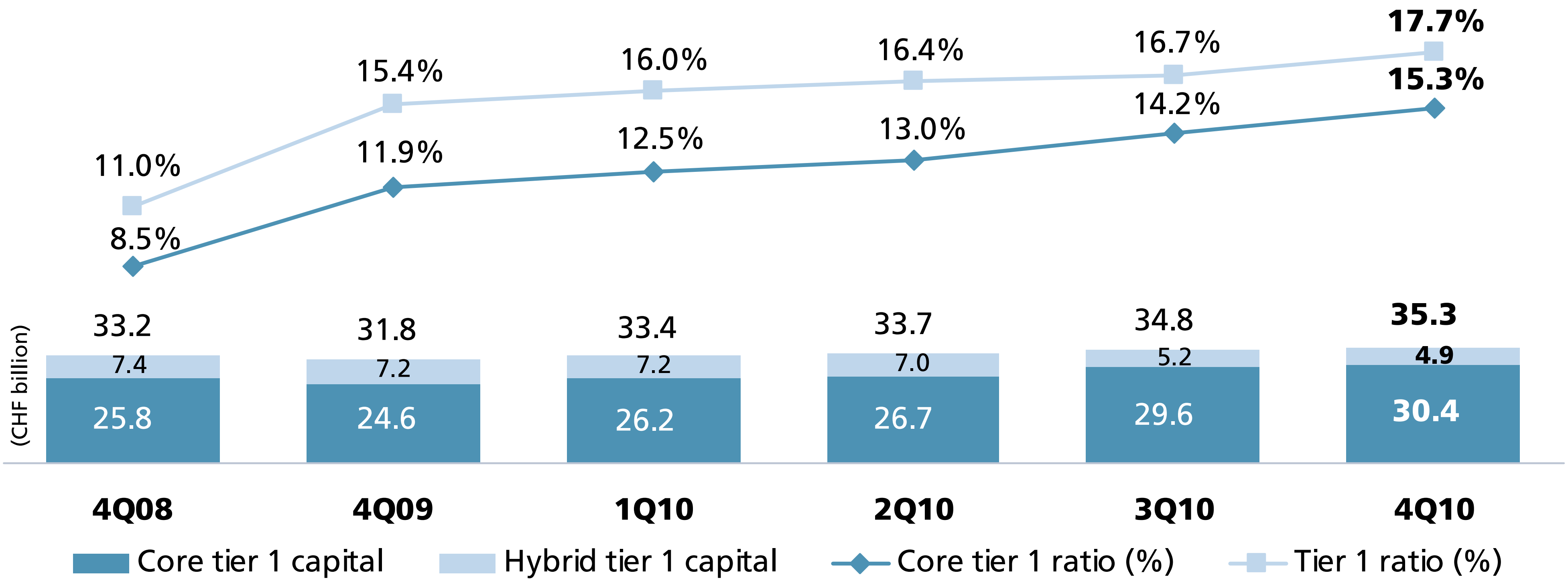
1 Source: Dealogic as of 3 February 2011

Capital position



- Basel 2 risk-weighted assets down CHF 9 billion to CHF 199 billion as at 31.12.10
- Pro-forma Basel 2.5 tier 1 ratio of approximately 12.7% as at 31.12.10:
  - Additional RWAs of approximately CHF 70 billion
  - Additional deductions to tier 1 capital of approximately CHF 1.0 billion
- 4Q10 FINMA leverage ratio unchanged at 4.4%

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Movements in IFRS equity

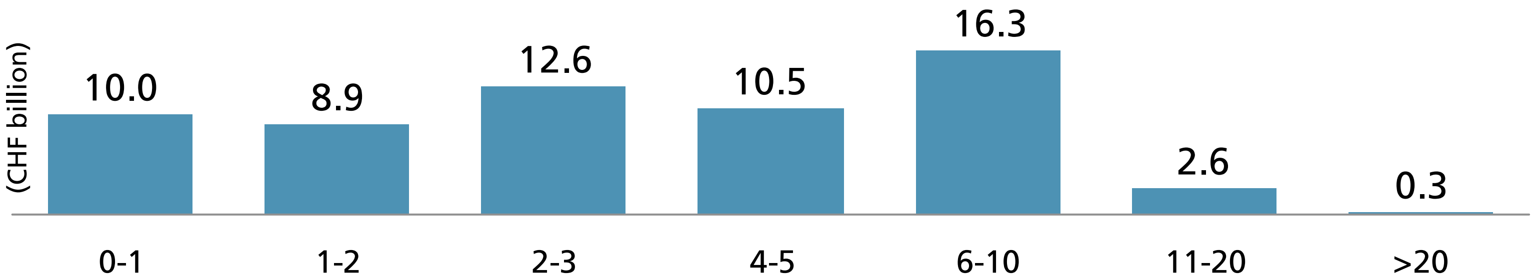
IFRS equity (CHF million)	Total	of which attributable to UBS shareholders	of which attributable to non-controlling interests
30.9.10	**53,291**	**47,713**	**5,578**
Net profit	1,310	1,290	21
Foreign currency translation of foreign operations (OCI)	(550)	(280)	(271)
Financial investments available-for-sale (OCI)	(605)	(603)	(2)
Cash flow hedges (OCI)	(1,175)	(1,175)	0
Deferred tax benefit on equity items (share premium)	(182)	(182)	0
Equity compensation plans (share premium)	91	91	0
Other	(376)	(93)	(283)
Total movements in 4Q10	**(1,488)**	**(953)**	**(535)**
31.12.10	**51,803**	**46,760**	**5,043**

Funding

We continue to benefit from ready access to diversified funding sources

- Over CHF 15 billion equivalent of public benchmark bonds raised in 2010
  - Average maturity of 5.5 years
  - This exceeded the CHF 11 billion of long-term straight debt (CHF 6 billion of which public) that matured during 2010 plus CHF 3 billion of subordinated and hybrid tier 1 debt that was redeemed during 2010
  - Similar volume (CHF 10 billion) of long-term straight debt due to mature in 2011

Straight senior debt – contractual maturities on 31.12.10 (years to maturity)



- We plan to issue up to CHF 15 billion of public benchmark bonds in 2011
  - 3-year USD 1.75 billion dual-tranche public senior note issued in January 2011
- In addition to public debt markets, we source a significant volume of medium- to long-term funding via deposits, commercial paper, MTNs, Swiss Pfandbriefe and Kassenobligationen
  - We expect to issue over CHF 50 billion of structured debt from our medium-term notes programs in 2011

Appendix

FY10 – performance by business division

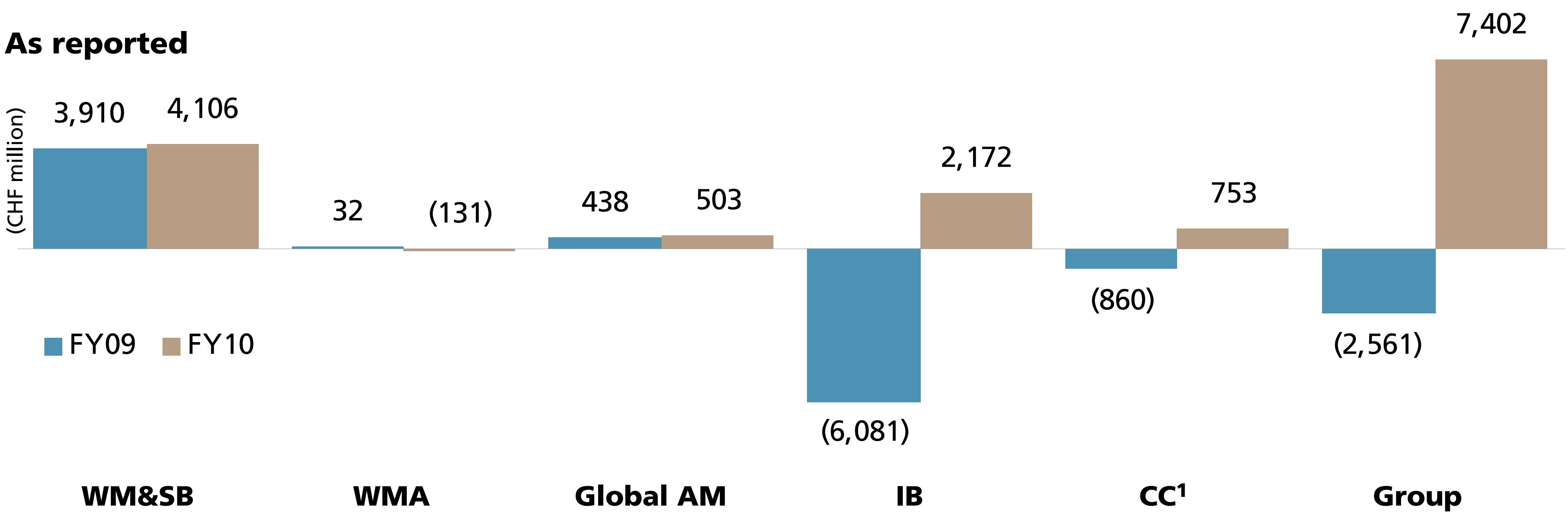
(CHF million)	WM&SB	WMA	Global AM	IB	CC[1]	UBS
Income	11,291	5,565	2,058	12,539	1,135	**32,588**
Credit loss (expense) / recovery	(64)	(1)		0		**(66)**
Own credit[2]				(548)		**(548)**
Total operating income	11,226	5,564	2,058	11,991	1,135	**31,975**
Personnel expenses	4,792	4,226	1,109	6,749	118	**16,994**
of which: UK Bank Payroll Tax	*10*			*190*		***200***
of which: restructuring charges	*(7)*	*35*		*(25)*	*(5)*	***(2)***
Non-personnel expenses	2,328	1,470	446	3,070	265	**7,579**
of which: restructuring charges	*(5)*	*127*	*1*		*(7)*	***116***
Total operating expenses	7,121	5,695	1,555	9,819	383	**24,573**
Pre-tax profit / (loss)[3]	**4,106**	**(131)**	**503**	**2,172**	**753**	**7,402**
Tax expense / (benefit)						**(61)**
Net profit from continuing operations						**7,463**
Net profit from discontinued operations						**2**
Net profit attributable to non-controlling interests						**304**
Net profit attr. to UBS shareholders						**7,161**
Diluted EPS (CHF)						**1.87**

UBS

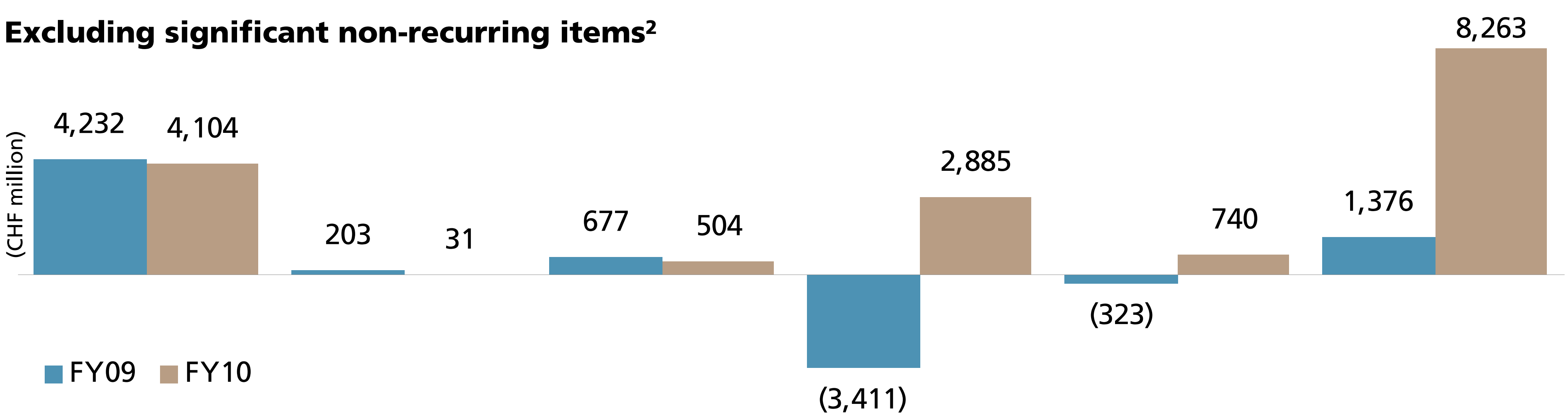
1 Treasury activities and other corporate items
2 Own credit on financial liabilities designated at fair value
3 Operating profit from continuing operations before tax

Pre-tax profit from continuing operations – FY10 vs. FY09

As reported

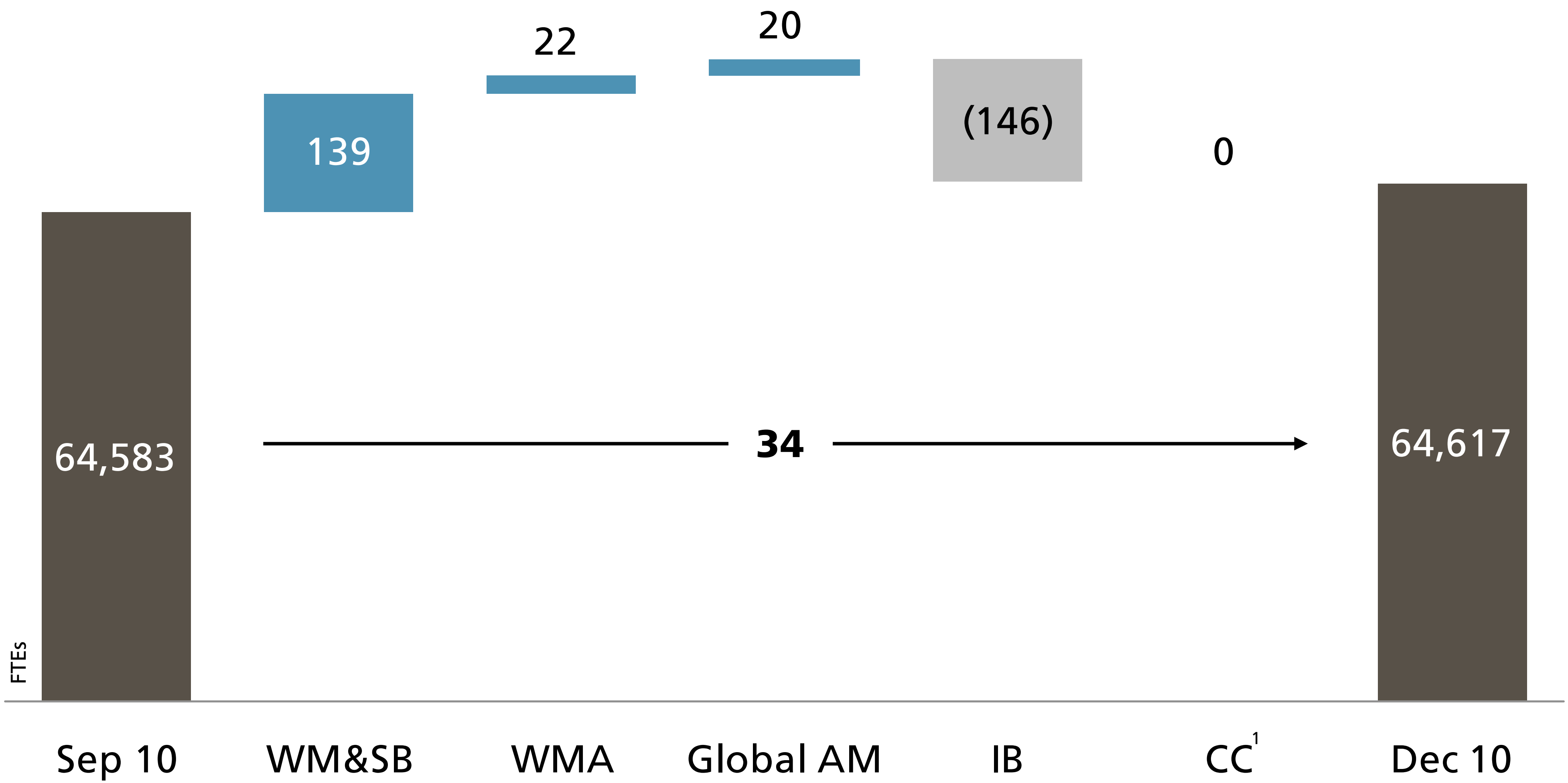


Excluding significant non-recurring items[2]



1 Treasury activities and other corporate items
2 Own credit on financial liabilities designated at fair value, goodwill impairment charges, restructuring charges and UK Bank Payroll Tax

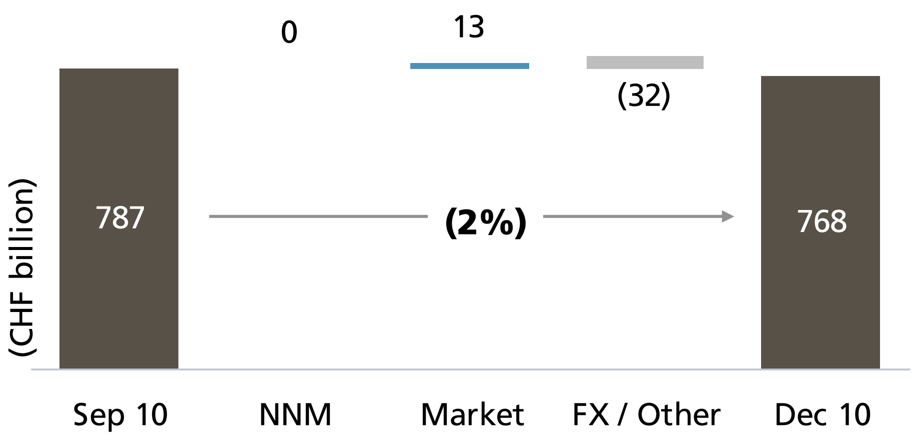
Headcount



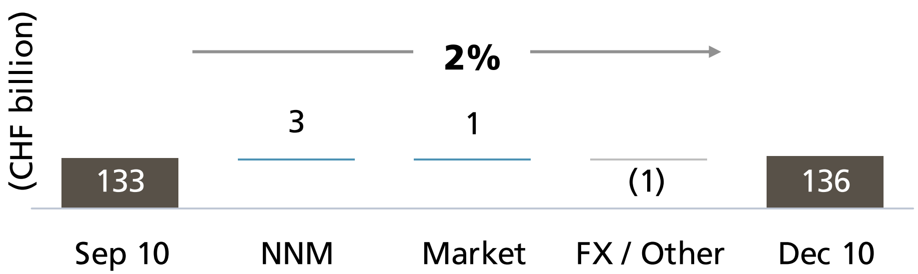
1 Treasury activities and other corporate items

Invested assets

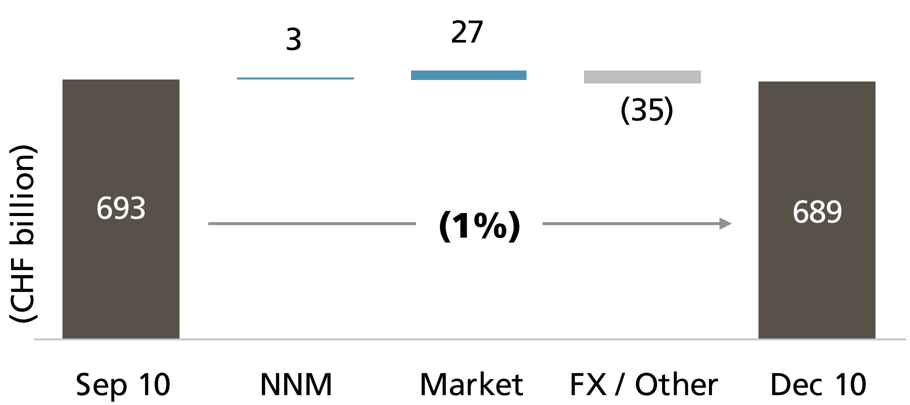
Wealth Management



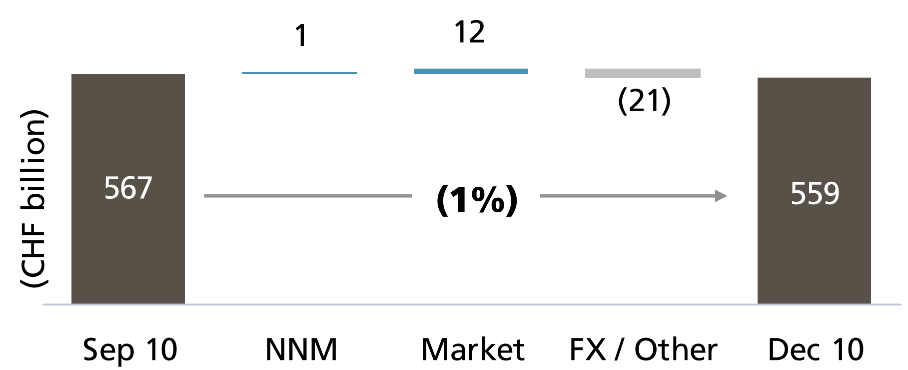
Retail & Corporate



Wealth Management Americas



Global Asset Management



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BIS regulatory capital (Basel 2)

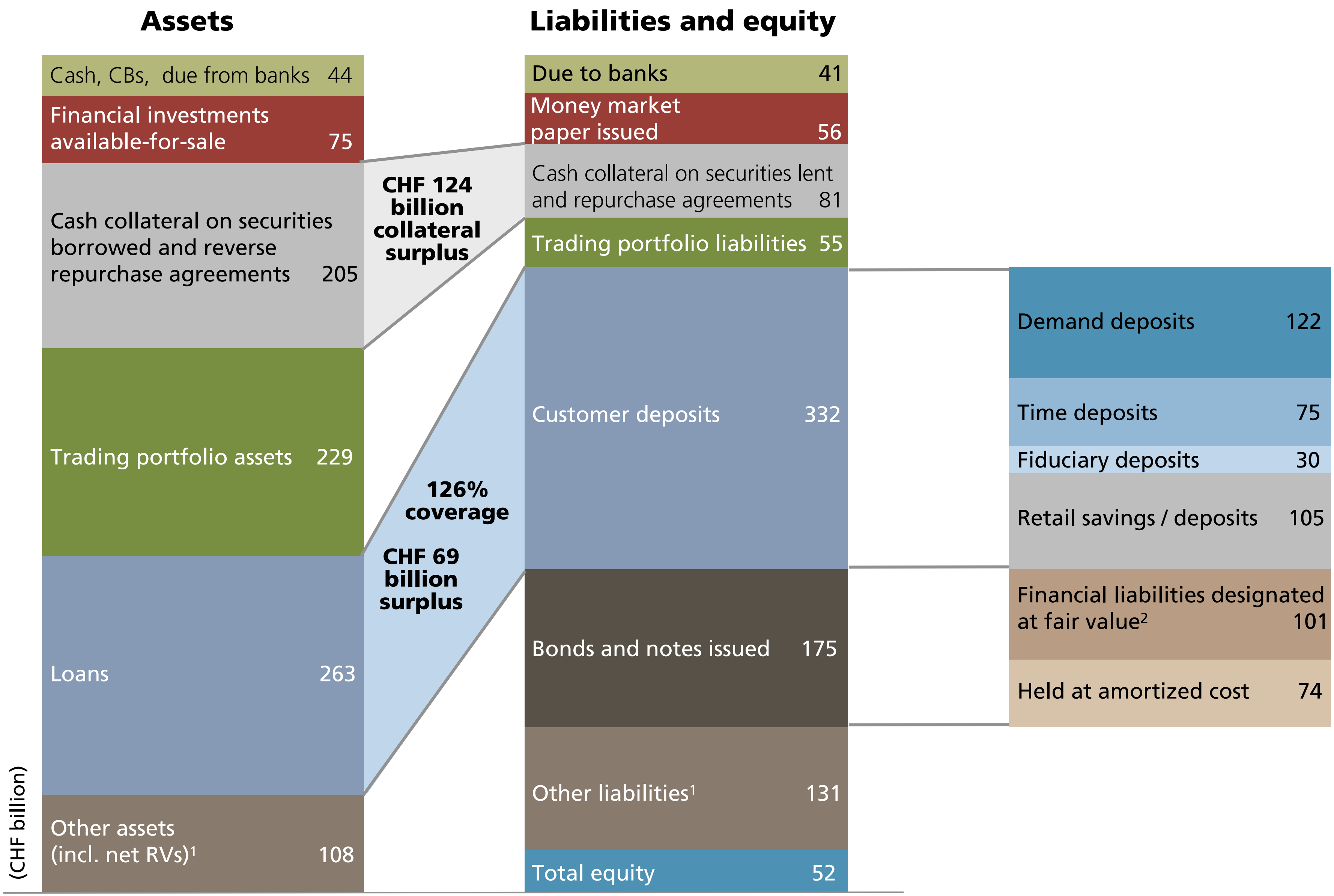
(CHF billion)	BIS RWA	Core tier 1 capital	Core tier 1 ratio	Tier 1 capital	Tier 1 ratio
30.9.10	208.3	29.6	14.2%	34.8	16.7%
Net P&L attributable to shareholders		1.3		1.3	
Own credit (not eligible for capital)		0.5		0.5	
FX / other		(1.0)[1]		(1.3)[2]	
Change in RWAs	(9.4)				
31.12.10	198.9	30.4[3]	15.3%	35.3[3]	17.7%

Hybrid tier 1 instruments outstanding[4]

Amount	Issue date	Interest rate	First call date	Coupon payment
USD 500m	26.6.01	7.247%[5]	26.6.11	Semi-annual (2Q, 4Q)[6]
EUR 995m	11.4.08	8.836%[5]	11.4.13	Annual (2Q)
EUR 995m	15.4.05	4.28%[5]	15.4.15	Annual (2Q)
USD 1,000m	12.5.06	6.243%[5]	12.5.16	Semi-annual (2Q, 4Q)
EUR 600m	21.12.07	7.152%[5]	21.12.17	Annual (2Q)
USD 300m	23.5.03	Libor + 70bps	[7]	Monthly

1 Includes CHF 0.7 billion due to changes in own share related components, CHF 0.1 billion due to net negative foreign currency effects and CHF 0.2 billion due to other tier 1 changes
2 Includes CHF 0.7 billion due to changes in own share related components, CHF 0.4 billion due to net negative foreign currency effects and CHF 0.2 billion due to other tier 1 changes
3 Includes IFRS deferred tax assets on net operating losses of CHF 8,935 million
4 All UBS hybrid tier 1 instruments are subject to phasing out for BIS tier 1 capital recognition purpose (10% per annum starting 1 January 2013) under Basel 3
5 Fixed rate until call date, floating rate coupon payment thereafter
6 If instrument called at first call date, last coupon payment in 2Q11
7 Retail Trust Preferred Securities callable monthly since June 2008

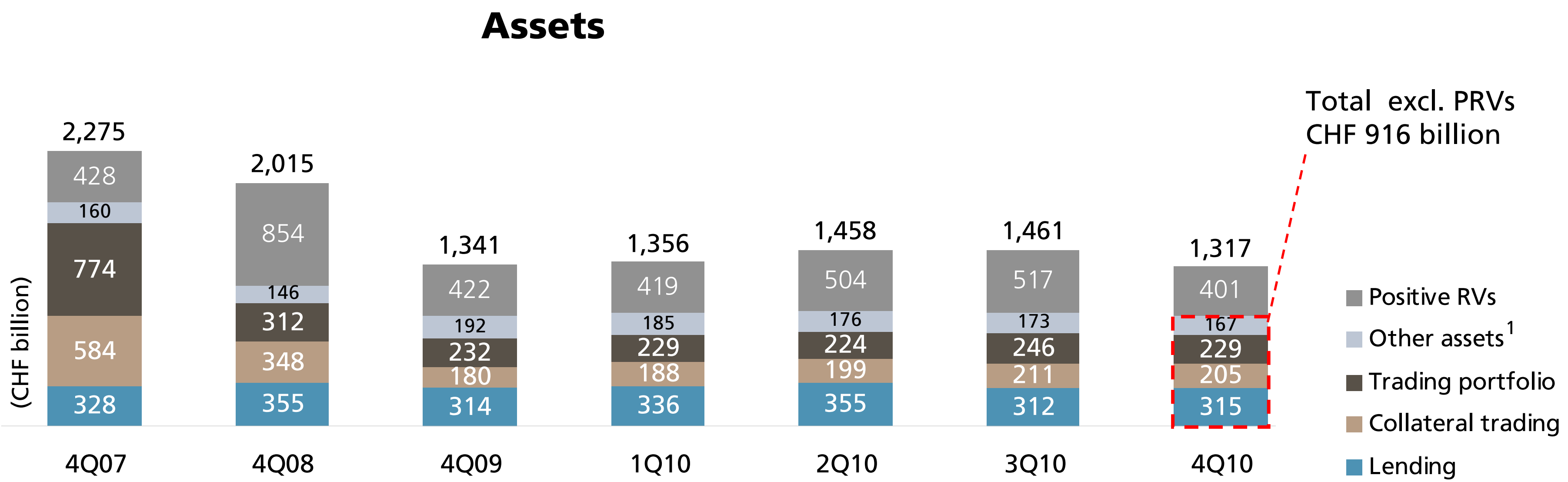
Asset funding – 31 December 2010

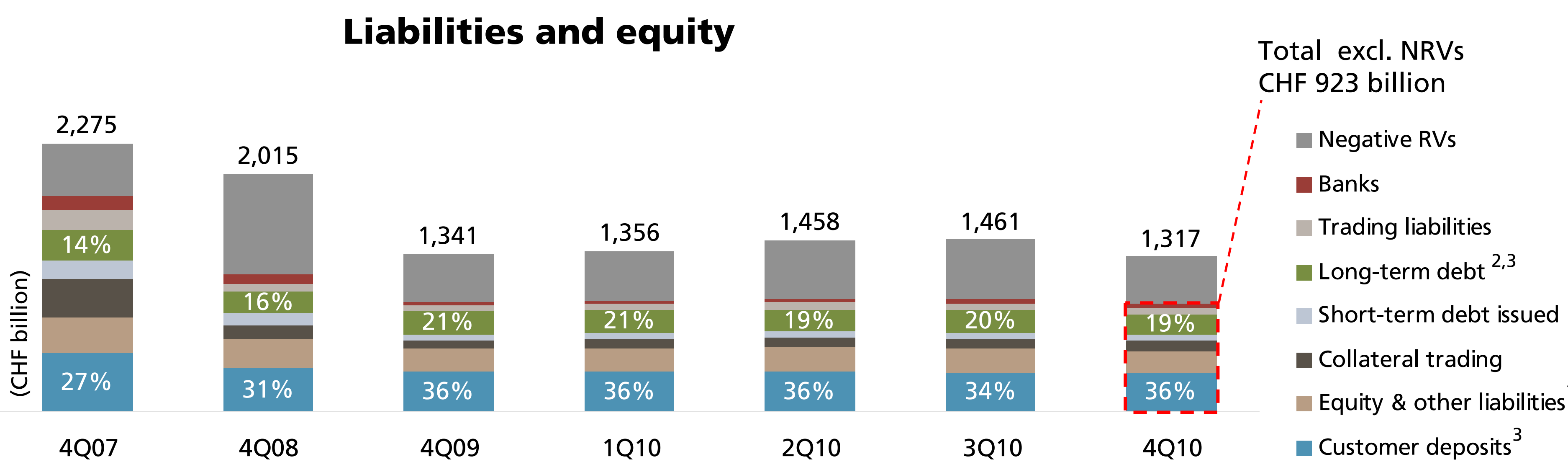


1 Including cash collateral on derivative transactions. Refer to the "Balance sheet" section UBS's 4Q10 report for information about changes made to the presentation of Other assets and Other liabilities

2 Including compound debt instruments - OTC

Balance sheet development





UBS

1 Including cash collateral on derivative transactions. Refer to the "Balance sheet" section UBS's 4Q10 report for information about changes made to the presentation of Other assets and Other liabilities
2 Including financial liabilities designated at fair value
3 Percentages based on total balance sheet size excluding negative replacement values

Exposure[1] to monoline insurers, by rating

(USD billion)	Notional amount[3]	Fair value of underlying assets	Fair value of CDSs[4] prior to CVA	Credit valuation adjustment as of 31.12.10	Fair value of CDSs after CVA
Credit protection on US sub-prime RMBS CDOs[2]	**0.8**	**0.2**	**0.5**	**0.4**	**0.2**
of which: from monolines rated investment grade (BBB and above)	0.0	0.0	0.0	0.0	0.0
of which: from monolines rated sub-investment grade (BB and below)	0.8	0.2	0.5	0.4	0.2
Credit protection on other assets[2]	**11.2**	**9.0**	**2.2**[5]	**0.7**	**1.5**
of which: from monolines rated investment grade (BBB and above)	2.3	1.9	0.4	0.1	0.3
of which: from monolines rated sub-investment grade (BB and below)	8.9	7.1	1.8	0.6	1.2
Total 31.12.10	**11.9**	**9.2**	**2.7**	**1.1**	**1.6**
Total 30.9.10	**12.1**	**9.0**	**3.1**	**1.3**	**1.8**

- Based on fair values, 73% of the remaining assets were collateralized loan obligations, the vast majority of which were rated AA and above
- Continued improvement in the fair value of the underlying assets contributed to the reduction in CVA levels in combination with a general tightening of monoline credit spreads

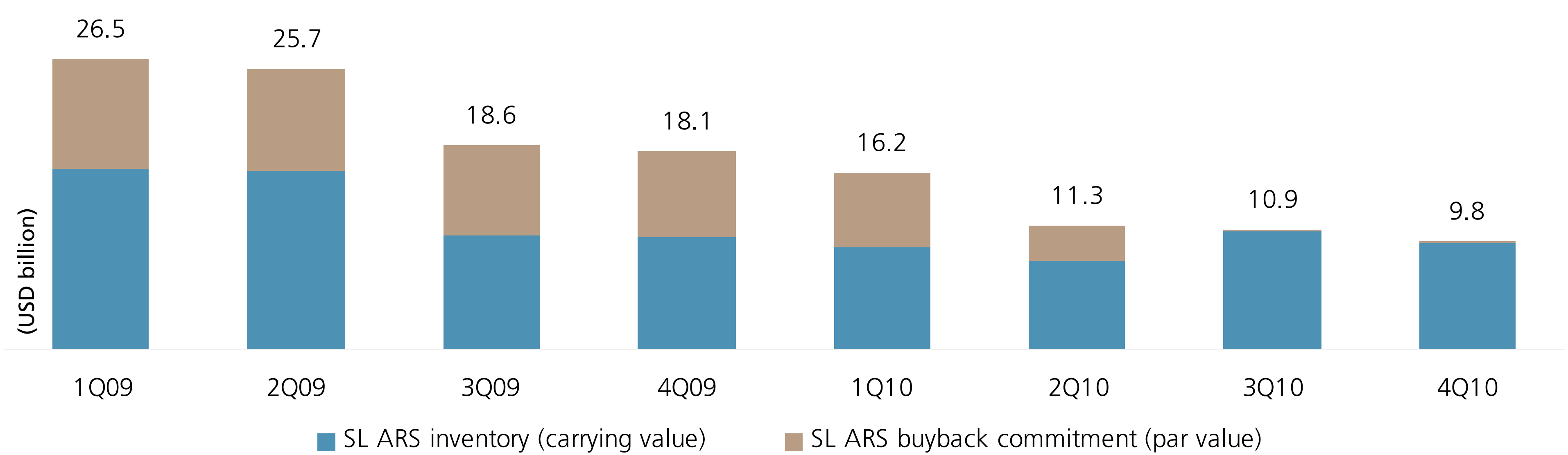
1 Excludes the benefit of credit protection purchased from unrelated third parties
2 Categorization based on the lowest insurance financial strength rating assigned by external rating agencies
3 Represents gross notional amount of credit default swaps (CDSs) purchased as credit protection
4 Credit default swaps (CDSs)
5 Includes USD 5.8 billion (CHF 5.4 billion) at fair value / USD 5.6 billion (CHF 5.3 billion) at carrying value of assets that were reclassified to “Loans and receivables” from “Held for trading” in fourth quarter 2008. Refer to "Note 12 Reclassification of financial assets" in the "Financial information" section of UBS’s 4Q10 report for more information

UBS

Student loan auction rate securities

(USD million)	Inventory: Carrying value as of 31.12.10	Inventory: Carrying value as of 30.9.10	Client holdings: Par value of maximum required purchase as of 31.12.10	Client holdings: Par value of maximum required purchase as of 30.9.10
US student loan auction rate securities	**9,784**[1]	10,769	**63**	103

Inventory + buyback commitment 1Q09 – 4Q10



1 Includes USD 4.5 billion (CHF 4.2 billion) at carrying value of student loan ARS that were reclassified to "Loans and receivables" from "Held for trading" in fourth quarter 2008. Refer to "Note 12 Reclassification of financial assets" in the "Financial information" section of UBS's 4Q10 report for more information

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Reclassified assets

31.12.10 (CHF billion)	Notional value	Fair value	Carrying value	Ratio of carrying to notional value
US student loan and municipal auction rate securities	5.1	4.4	4.5	88%
Monoline protected assets	6.1	5.4	5.3	86%
Leveraged finance	0.5	0.4	0.4	75%
CMBS / CRE (excl. interest-only strips)	0.2	0.1	0.1	81%
US reference linked notes	0.6	0.6	0.5	83%
Other assets	0.9	0.8	0.7	82%
Total (excl. CMBS interest-only strips)	13.5	11.7	11.6	86%
CMBS interest-only strips		0.4	0.3	
Total reclassified assets	13.5	12.1	11.9	

Sovereign exposures to selected European countries

- Our gross sovereign exposures to Greece, Ireland, Portugal and Spain are immaterial, and our gross sovereign exposure to Italy, while larger, is commensurate with its rating and the size of its economy
- On a net basis, our sovereign exposures to these countries are insignificant individually and in aggregate