UBS

First quarter 2011 results

April 26, 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 first quarter 2011 and UBS's Annual Report on Form 20-F for the year ended 31 December 2010. 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.

1Q11 highlights

CHF 1.8 billion net profit attributable to shareholders

Diluted EPS CHF 0.47; return on equity 15.5%

Over CHF 20 billion net new money for the Group; CHF 11.1 billion for Wealth Management

CHF 1.0 billion pre-tax profit excluding own credit[1] for the Investment Bank

CHF 1.8 billion FICC revenues; significant contribution from credit trading

Wealth Management revenues up 7% on increased client activity and higher interest income

Wealth Management gross margin improved to 98 basis points

CHF 111 million pre-tax profit for Wealth Management Americas

Tier 1 capital ratio increased to 17.9% and core tier 1 capital ratio to 15.6% (Basel 2)

Balance sheet down 2%; risk-weighted assets increased 2% to CHF 203 billion

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1 Own credit on financial liabilities designated at fair value

1Q11 – performance by business division

(CHF million)	WM&SB	WMA	Global AM	IB	CC	UBS
Income	2,891	1,346	496	3,577	163	**8,473**
Credit loss (expense) / recovery	2	1		1	(1)	**3**
Own credit[1]				(133)		**(133)**
Total operating income	2,893	1,347	496	3,445	163	**8,344**
Personnel expenses	1,285	1,005	259	1,871	(13)	**4,407**
Non-personnel expenses	559	231	113	740	60	**1,703**
Total operating expenses	1,844	1,236	373	2,610	46	**6,110**
Pre-tax profit / (loss)[2]	**1,049**	**111**	**124**	**835**	**116**	**2,235**
Tax expense / (benefit)						**426**
Net profit from continuing operations						**1,809**
Net profit from discontinued operations						**0**
Net profit attributable to non-controlling interests						**2**
Net profit attributable to UBS shareholders						**1,807**
Diluted EPS (CHF)						**0.47**
Headcount (FTE)	27,542	16,234	3,789	17,628	203	**65,396**

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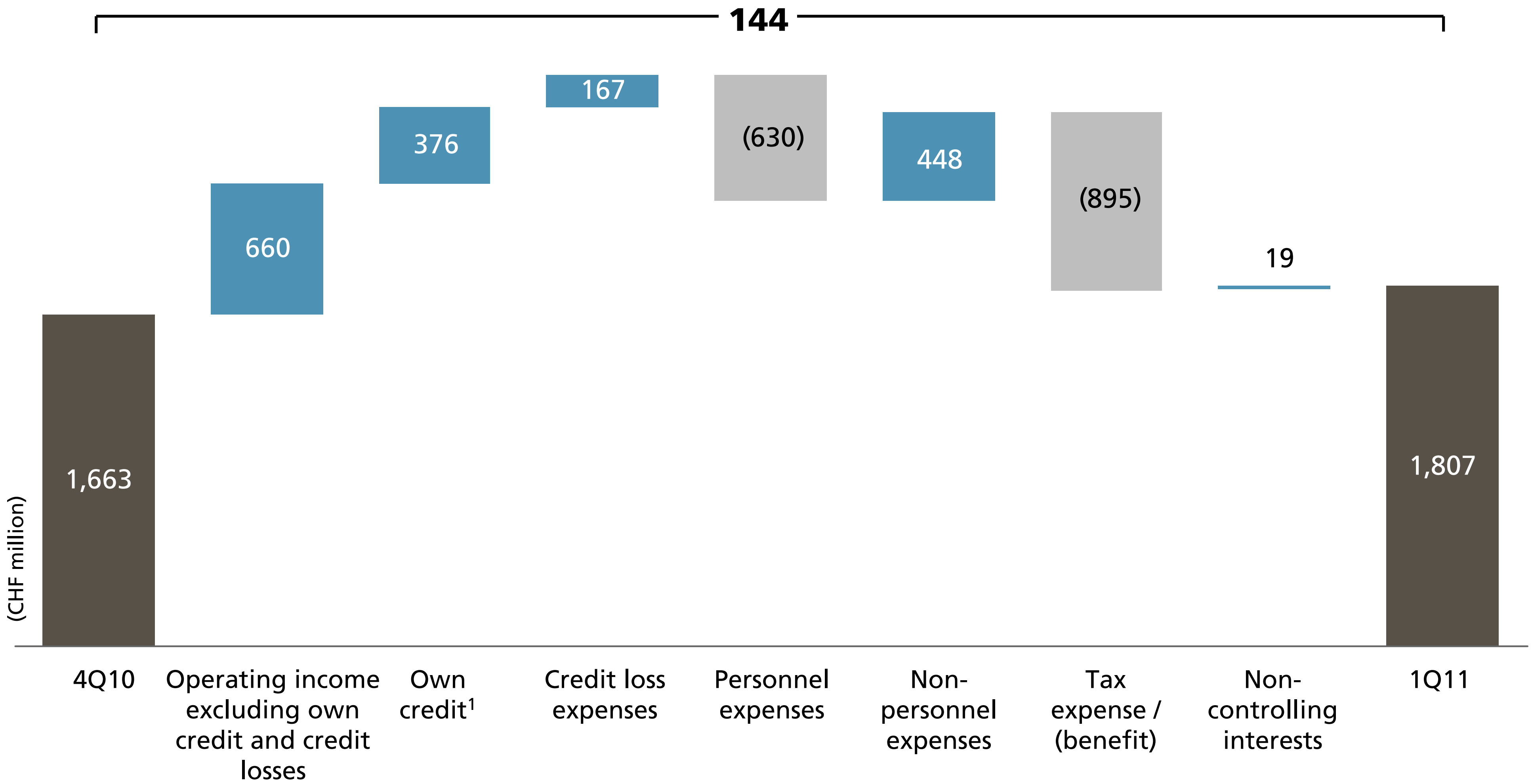
1 Own credit on financial liabilities designated at fair value
2 Operating profit from continuing operations before tax

Net profit attributable to shareholders 1Q11 vs. 4Q10

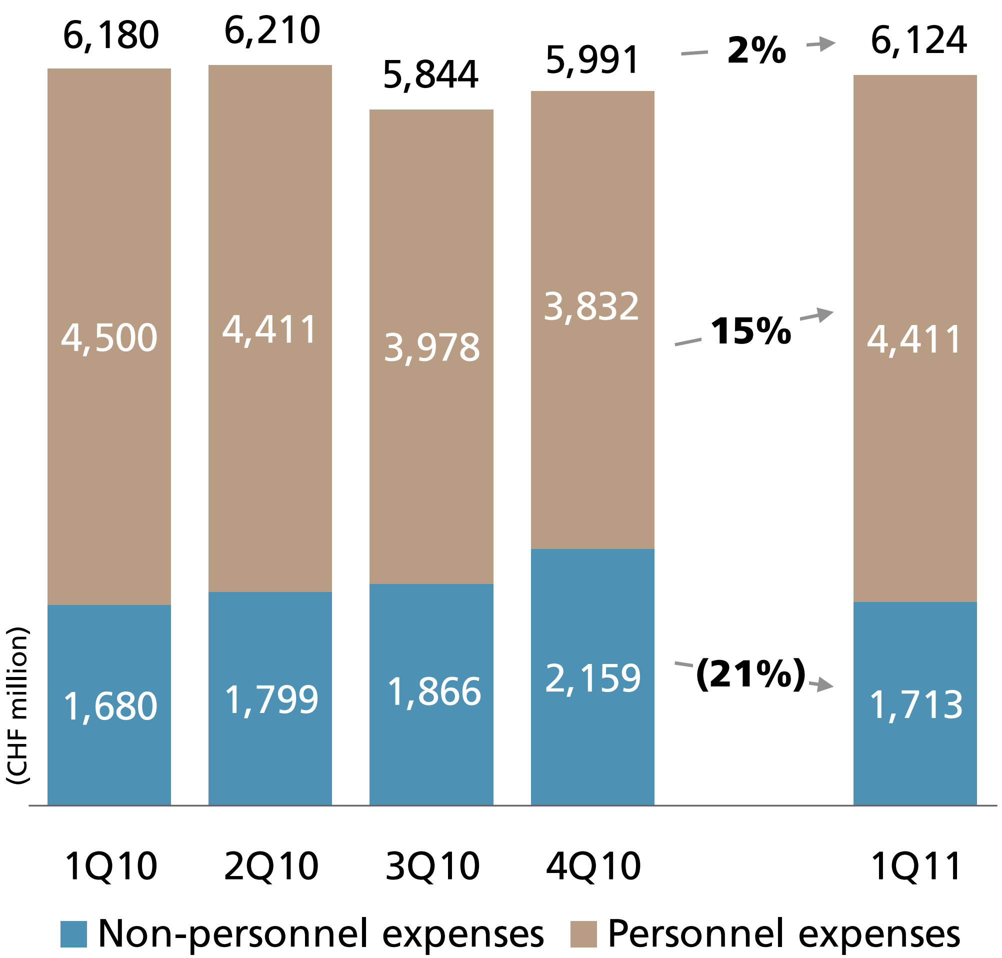


1 Own credit on financial liabilities designated at fair value

1Q11 operating expenses

Higher personnel expenses more than offset reduced litigation provisions

Operating expenses (adjusted)[1]



- Personnel costs comparable to 1Q10 levels
  - 1Q11 personnel expenses include CHF 467 million related to the amortization of bonus awards granted in prior periods
  - Annual salary increases (effective 1 March) will have a greater impact in 2Q11
- Non-personnel costs decreased 21%
  - Litigation provision charges decreased to CHF 107 million from CHF 270 million
  - 4Q10 included a CHF 40 million charge to reimburse the Swiss Government for costs incurred in connection with the US cross-border matter
  - Lower professional fees and marketing costs
  - Lower depreciation of IT equipment

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
1Q11: personnel restructuring charges CHF 4 million credit, non-personnel restructuring charges CHF 10 million credit

Changes to reporting – effective 1Q11[1]

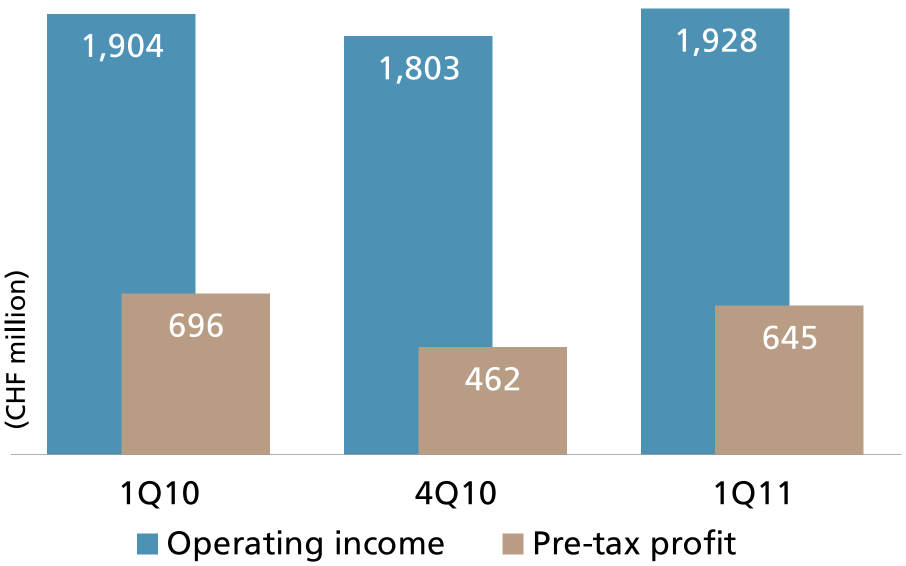
Income lines split into interest, fees, trading and other income	WM&SB, WMA
Additional information on loans and customer deposits	WM&SB, WMA
Comparison with the prior year quarter	IB
Certain commodities businesses moved from Equities to FICC	IB
Risk management premium charges fully allocated to IBD	IB
Corporate Center section re-introduced in MD&A	CC
Total litigation provision charges shown separately	Notes to the financial statements

1 Refer to the "Accounting and reporting structure changes" section and "Note 1 Basis of accounting" in the "Financial information" section of UBS's 1Q11 for the full list of reporting changes and additional information

Wealth Management

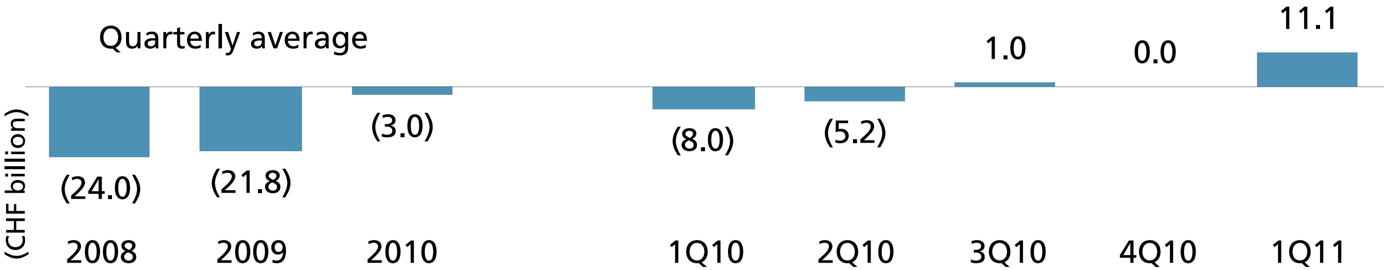
Pre-tax profit increased 40% on higher income and lower expenses

Operating income and pre-tax profit



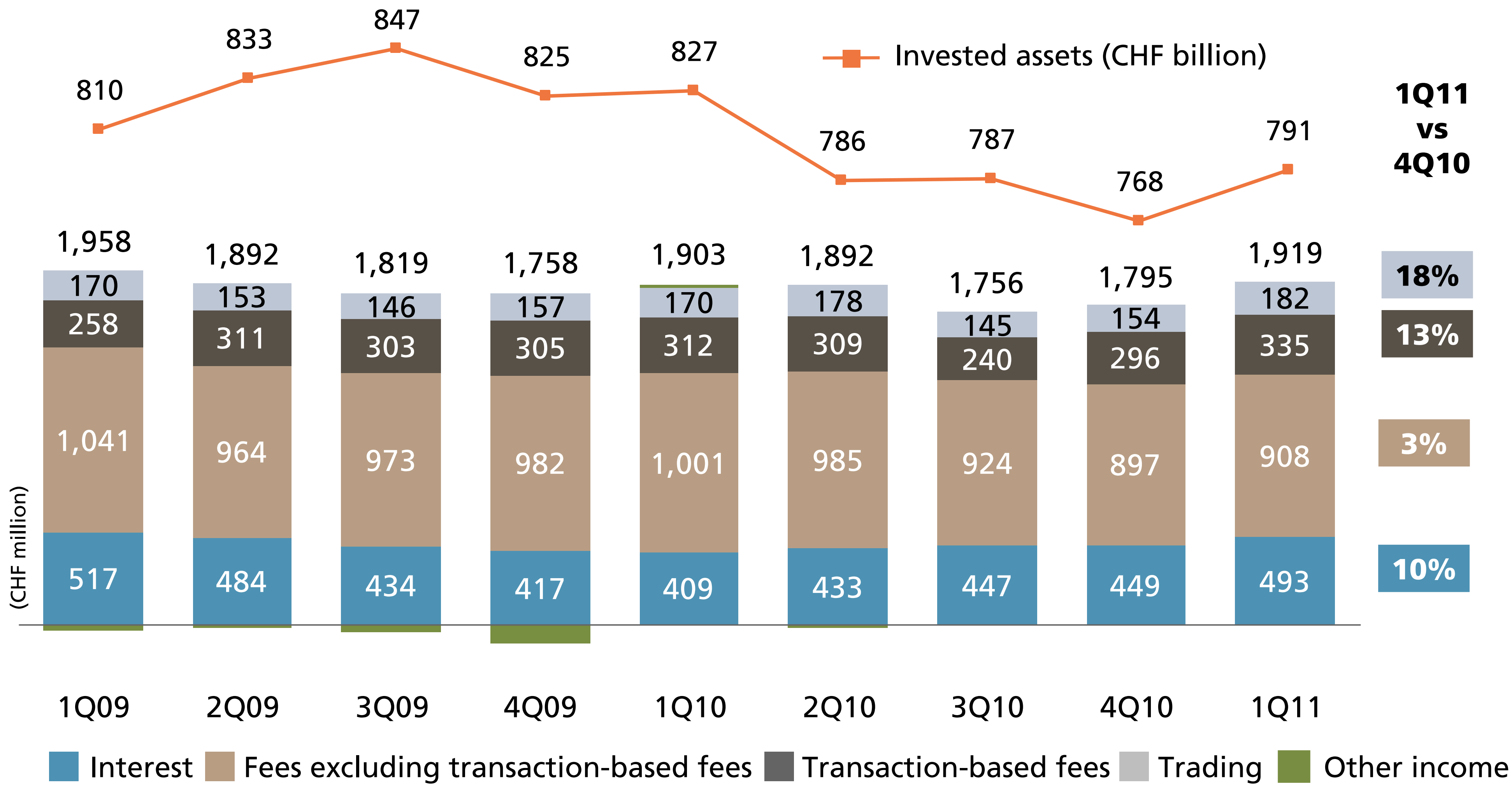
- Operating income up 7% on improved client activity and higher interest income
- Reported costs down 4% mainly due to lower G&A expenses
  - 4Q10 included CHF 40 million charge to reimburse the Swiss Government for costs incurred in connection with the US cross-border matter
  - 4Q10 included a CHF 40 million litigation provision
- Client advisors increased by 22 to 4,194
- CHF 11.1 billion net new money
  - Positive NNM in all regions except Europe
  - Gross outflows have stabilized

Net new money



Wealth Management – revenues

Revenues up 7% on higher interest income and increased client activity



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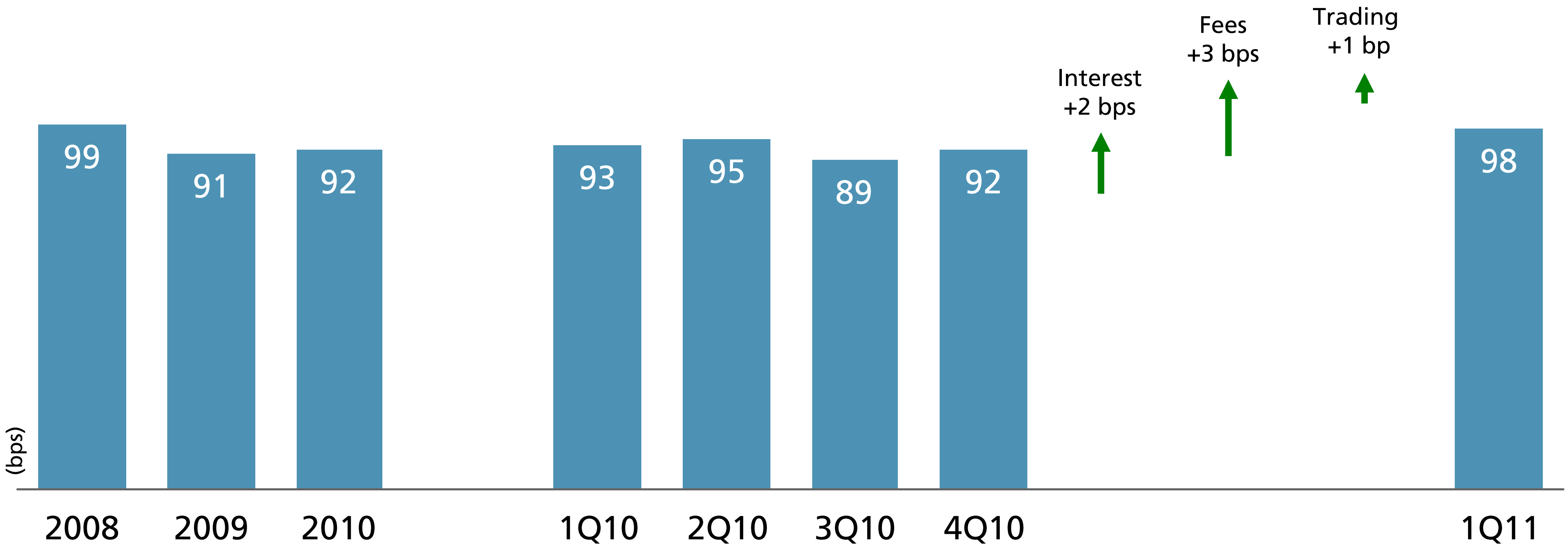
Wealth Management – gross margin[1]

Significant improvement in the quarter



Pricing
Pricing realization and price grid realignment efforts continued

Lending
Significant increase in loan volume

Brokerage
Brokerage revenues increased due to higher client activity

Mandates
The proportion of assets invested in mandates increased slightly

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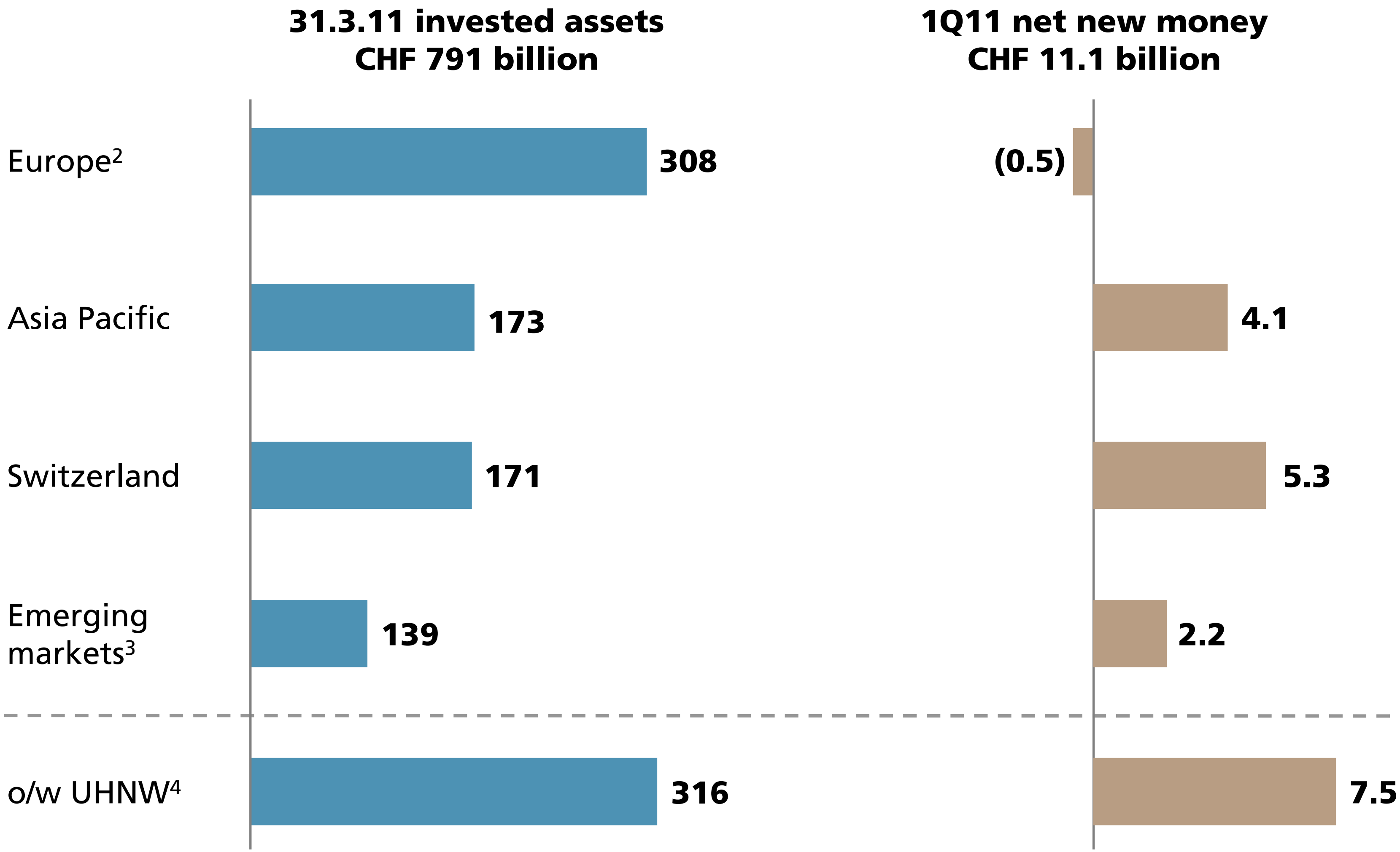
1 Operating income before credit loss (expense) or recovery (annualized) / average invested assets; gross margin excludes valuation adjustments on a property fund of CHF 17 million in 2Q10, CHF 28 million in 1Q10, CHF 155 million in FY09 and CHF 9 million in FY08

Wealth Management – invested assets and NNM by region[1]

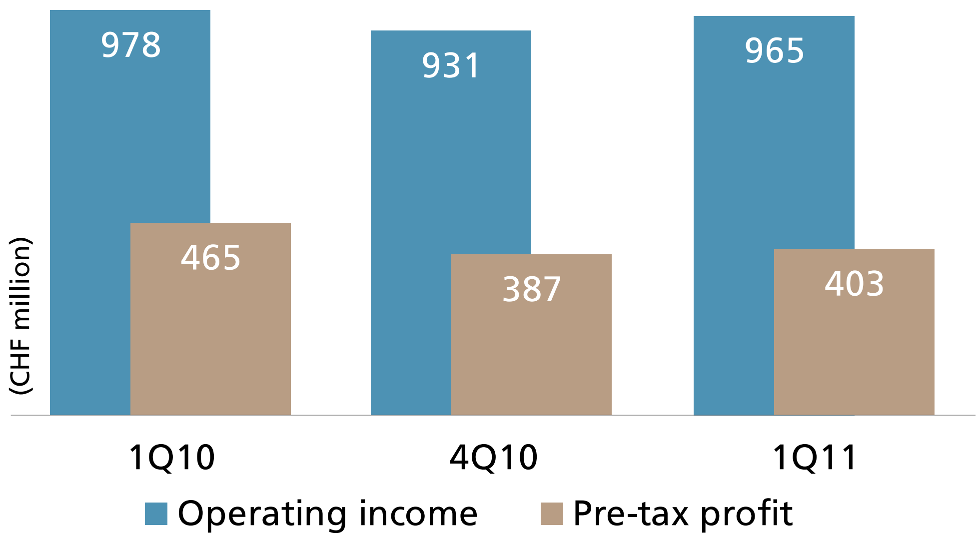


1 Invested assets and net new money based on client domicile
2 Includes Western Europe and all other countries not covered elsewhere
3 LatAm, Middle East & Africa and Central & Eastern Europe
4 UHNW clients are those with more than CHF 50 million in investable assets (whether or not booked at UBS)

Retail & Corporate

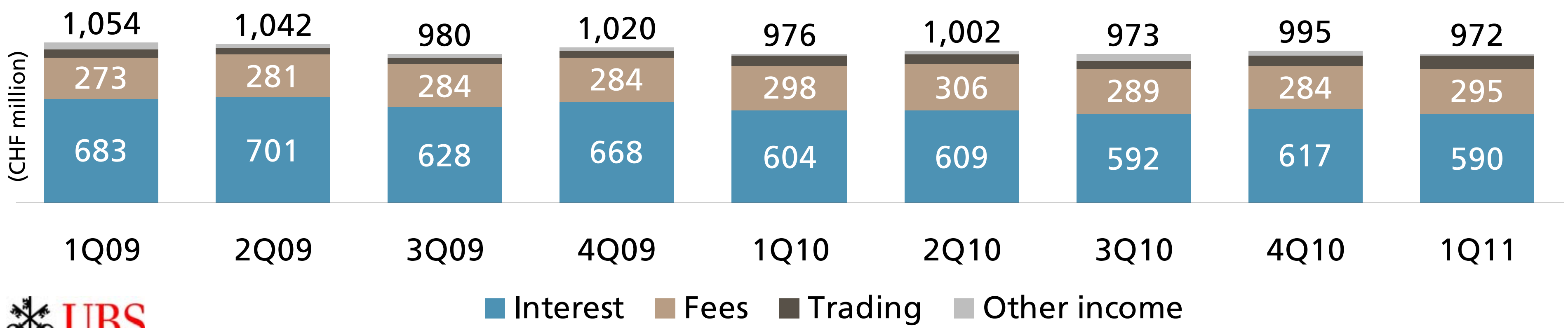
Stable profits, low credit loss expenses

Operating income and pre-tax profit



- Operating income up 4% as lower credit loss expenses offset lower revenues
  - Revenues down 2% as lower interest income was partly offset by higher transactional fees
  - Credit loss expenses totaled CHF 7 million compared with CHF 63 million in 4Q10
- Higher costs mainly due to higher personnel expenses

Revenues



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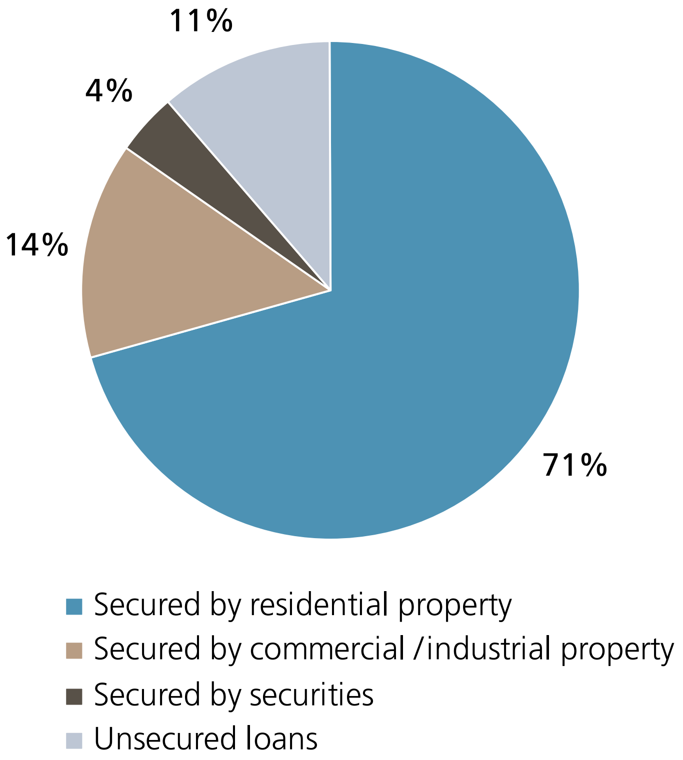
Retail & Corporate – loan portfolio

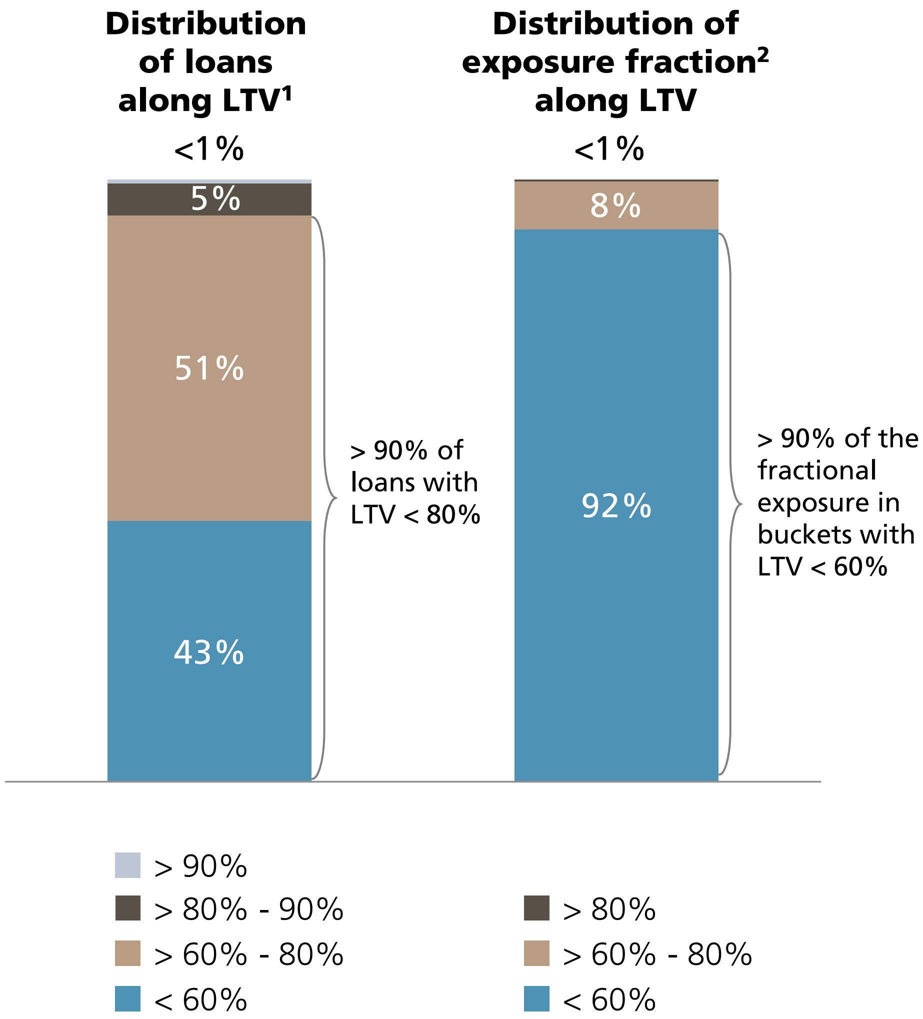
Over 70% of loans outstanding are secured by residential mortgages

Loans, gross (31.3.11)

100% = CHF 136 billion



Loans secured by residential property (31.3.11)



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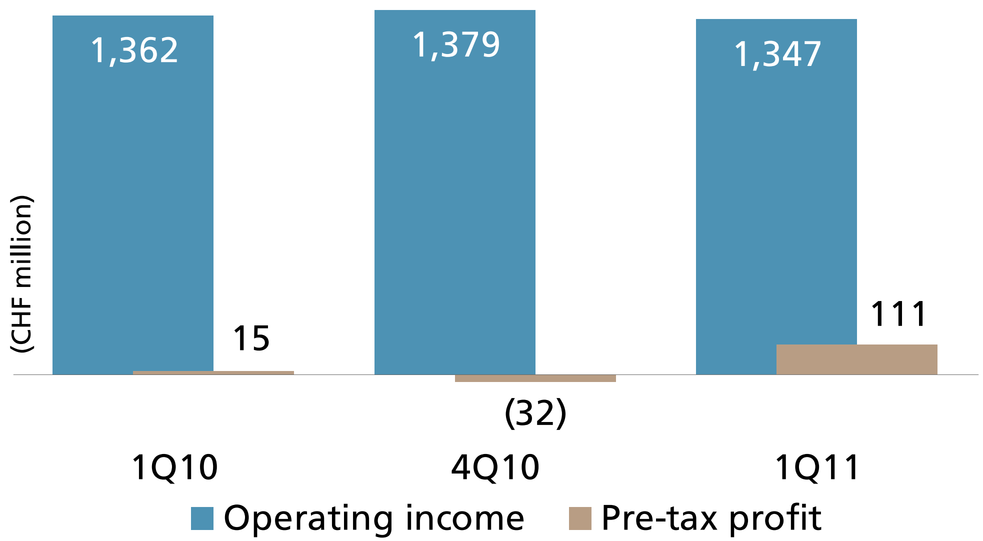
1 This distribution shows the loans in the respective LTV buckets. For example, a CHF 1 million mortgage with LTV = 80% is fully allocated to the "LTV >60-80%" bucket
2 This distribution shows the exposure along the LTV buckets. For example, a CHF 1 million mortgage with LTV= 80% will have its exposure proportionally allocated to respective buckets, e.g. CHF 0.75 million to the "<60%" bucket and CHF 0.25 million to the ">60-80%" bucket

Wealth Management Americas

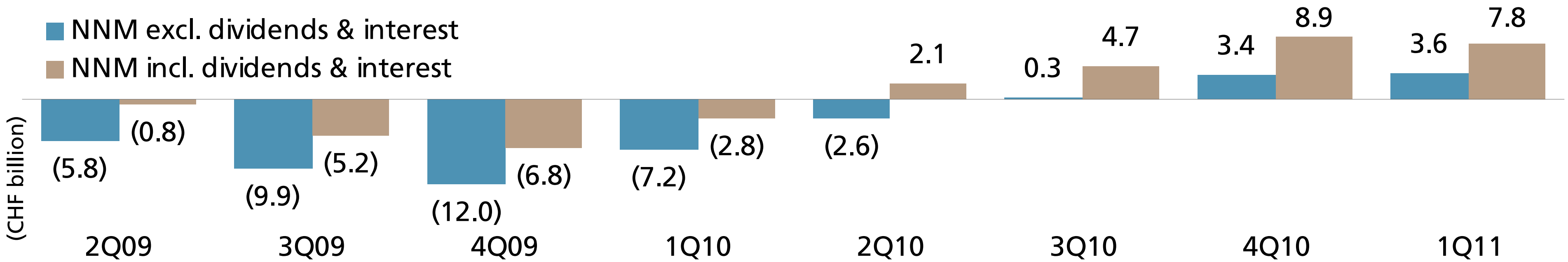
Pre-tax profit of CHF 111 million

Operating income and pre-tax profit



- Operating income down 2% (up 2% in USD terms) as currency effects offset higher fee and commission income
- Operating expenses decreased 12% (9% in USD terms), mainly due to lower litigation provisions
- Financial advisor attrition near historical lows
- CHF 3.6 billion net new money
  - CHF 7.8 billion NNM including dividends and interest
  - 'Same store'[1] NNM improved; positive for the fifth consecutive quarter

Net new money

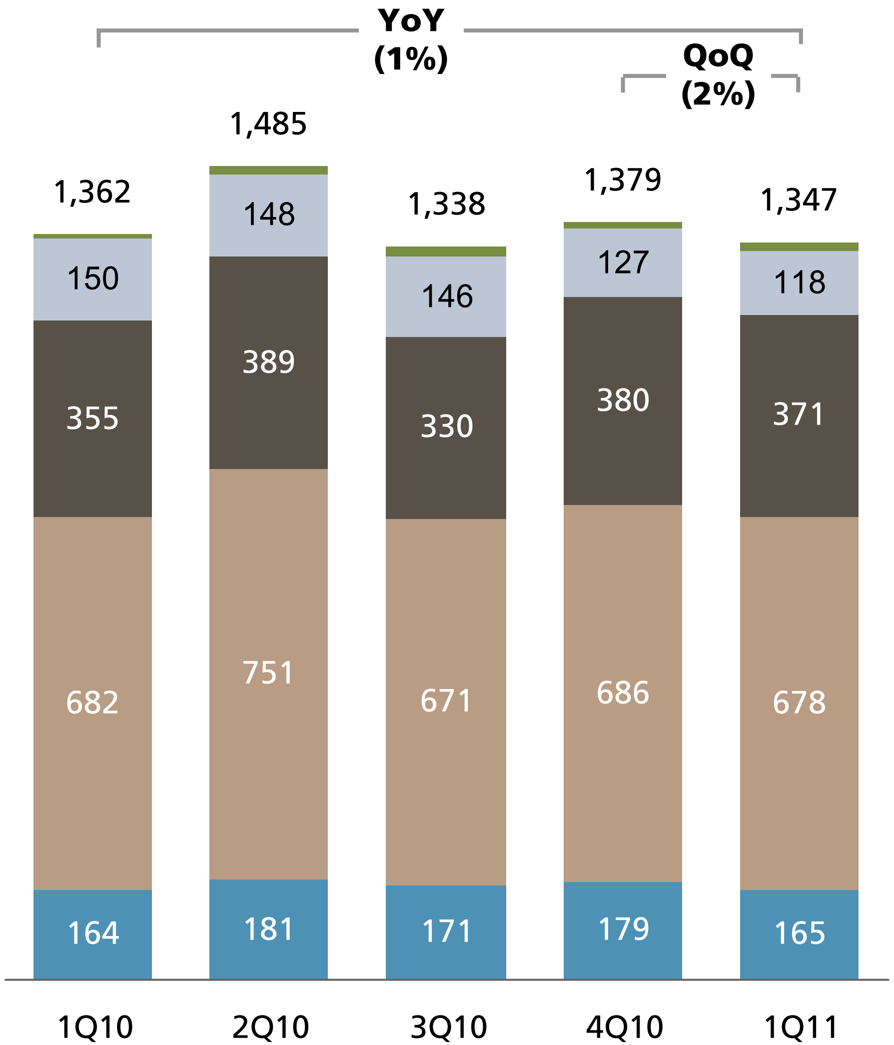


1 Financial advisors with UBS for more than 12 months

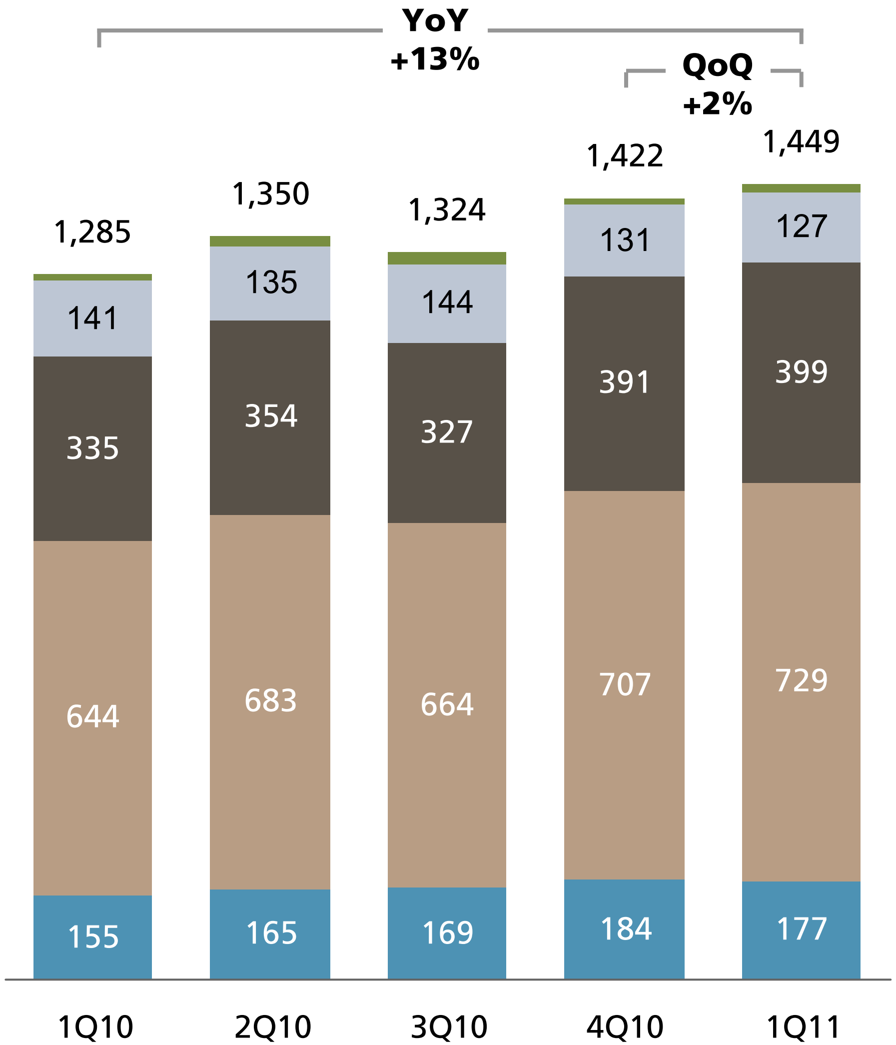
Wealth Management Americas – operating income

Currency effects offset increase in underlying USD fee & commission income

CHF million



USD million



Interest Fees Commissions Trading Other income & CLE

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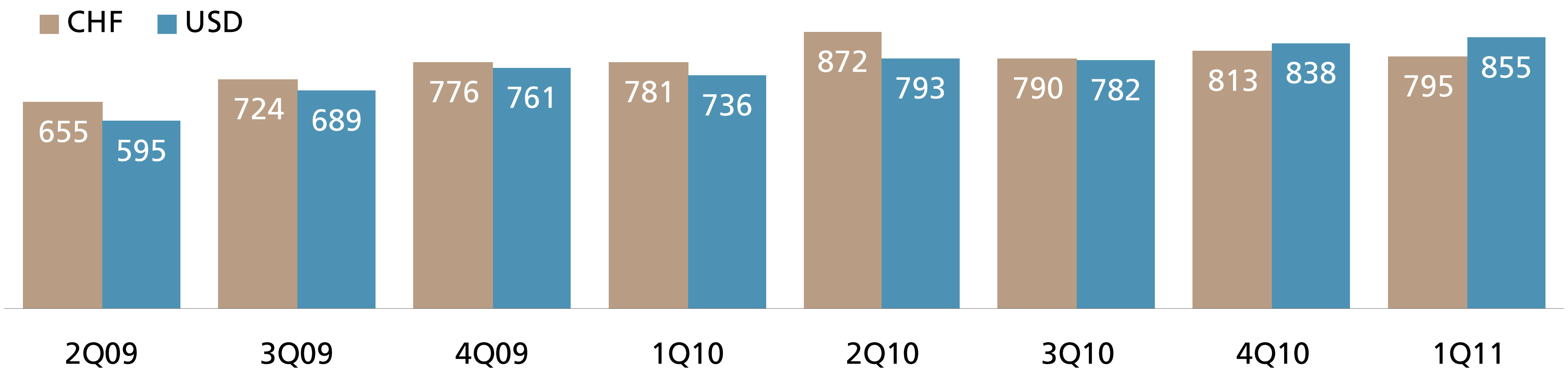
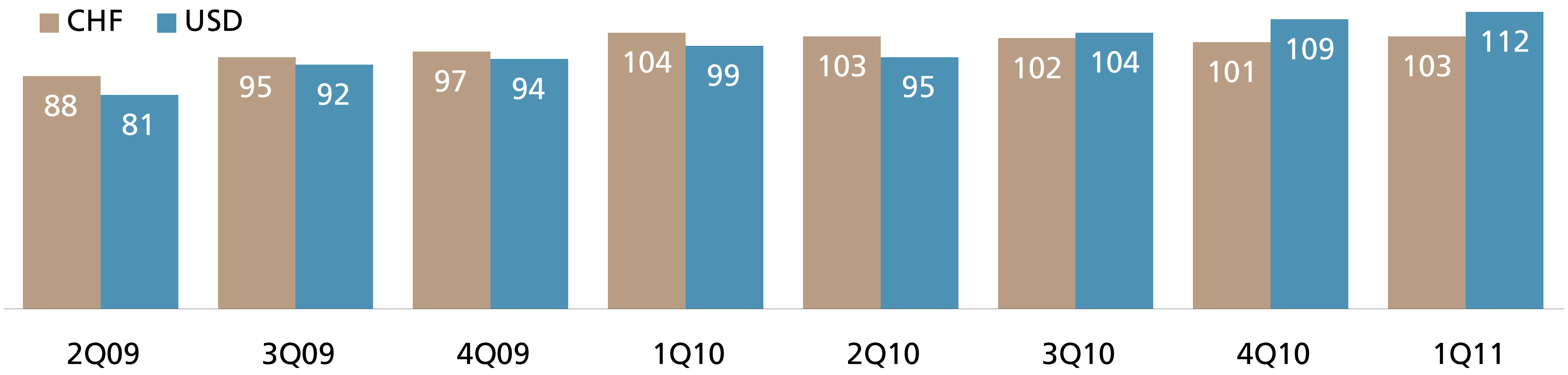
Wealth Management Americas – financial advisor productivity

Improved financial advisor productivity in US dollar terms

Revenue per FA, annualized (thousand)



Invested assets per FA (million)



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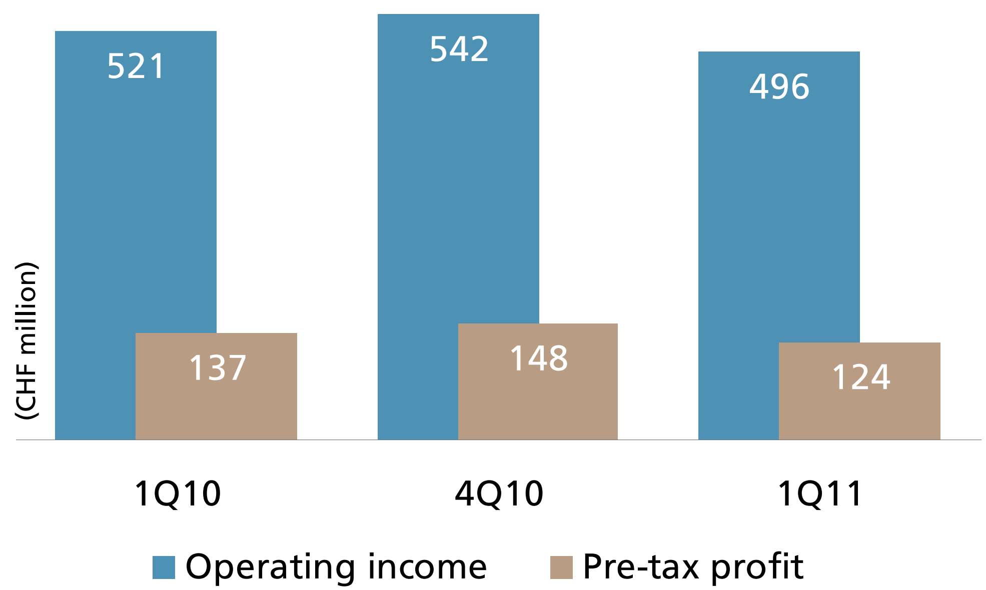
Global Asset Management

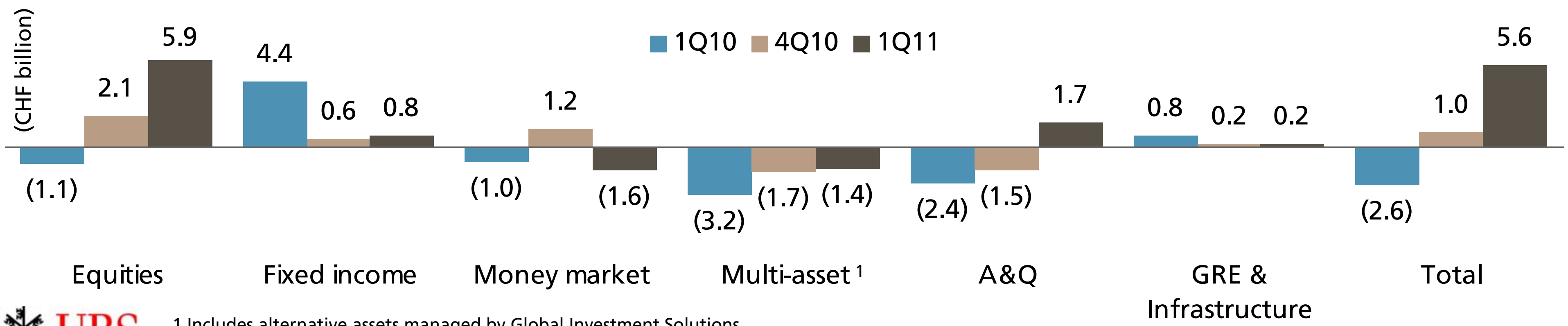
Strong net new money

Operating income and pre-tax profit



- Operating income decreased 8%
  - Net management fees decreased primarily in A&Q, Global Real Estate and Fund Services
  - Performance fees decreased by CHF 19 million compared with a very strong 4Q10
- Operating expenses down, mainly due to lower personnel expenses
- CHF 5.6 billion net new money
  - Highest level of NNM since 4Q06
  - NNM inflows principally to Equities

Net new money



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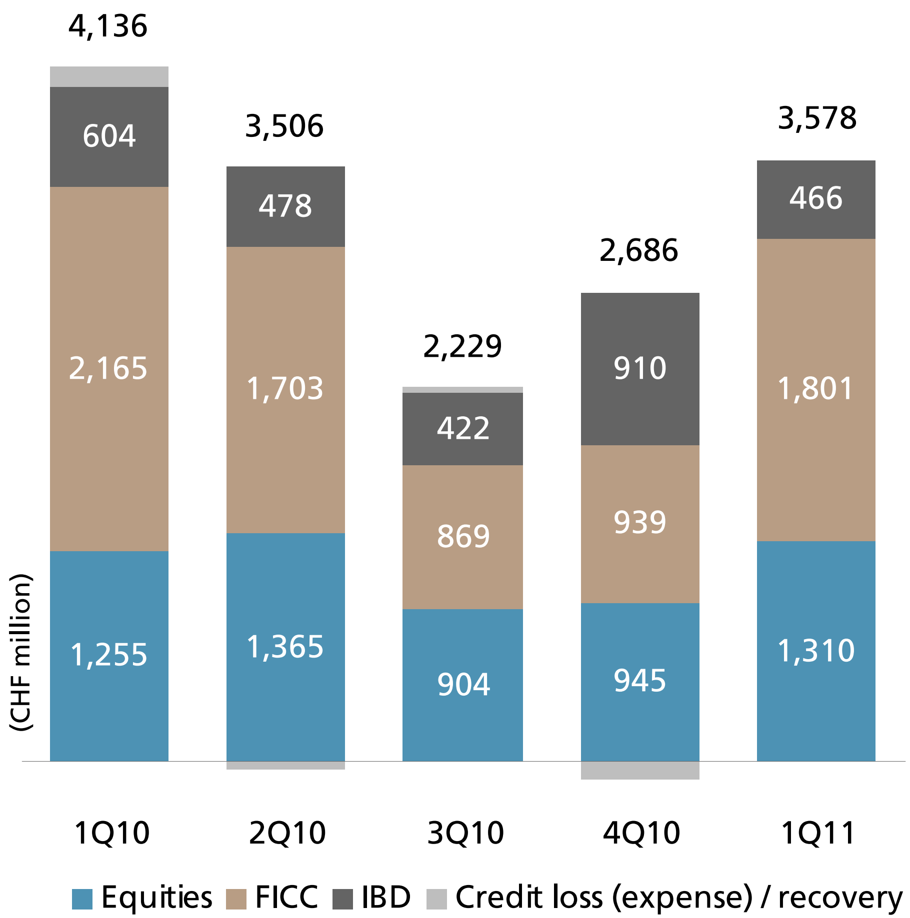
1 Includes alternative assets managed by Global Investment Solutions

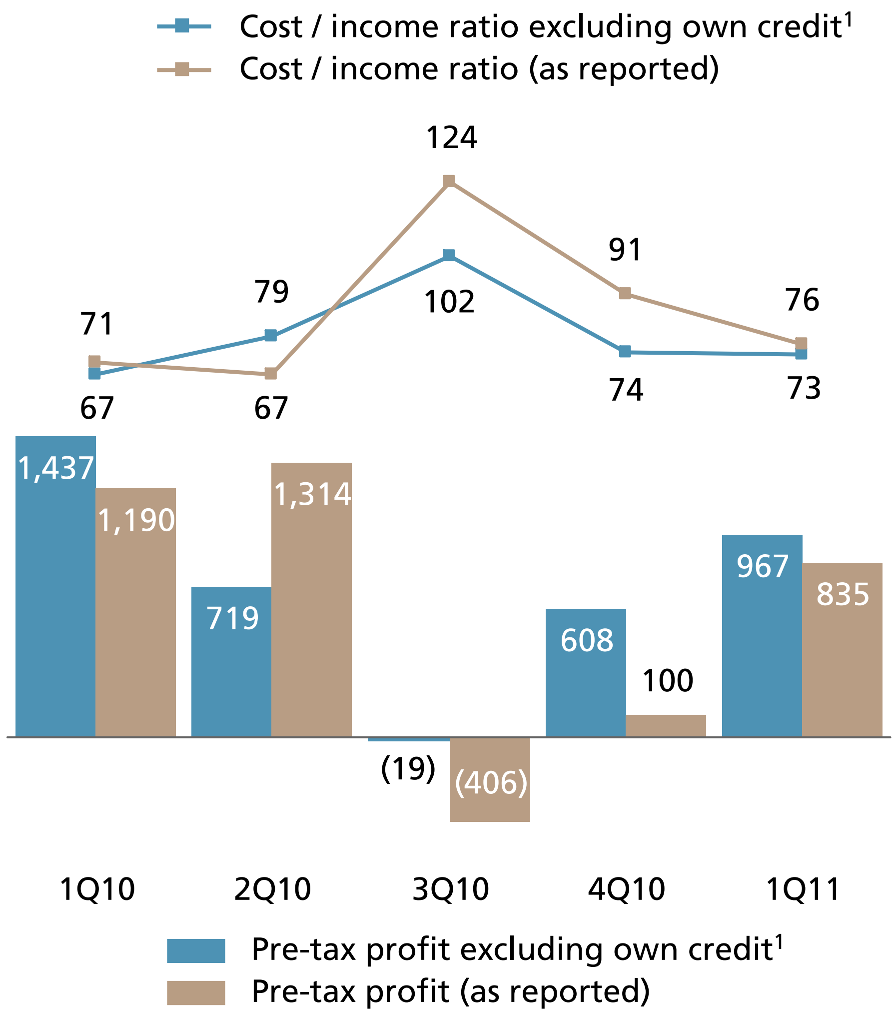
Investment Bank

CHF 1 billion pre-tax profit excluding own credit[1]

Operating income excluding own credit[1]



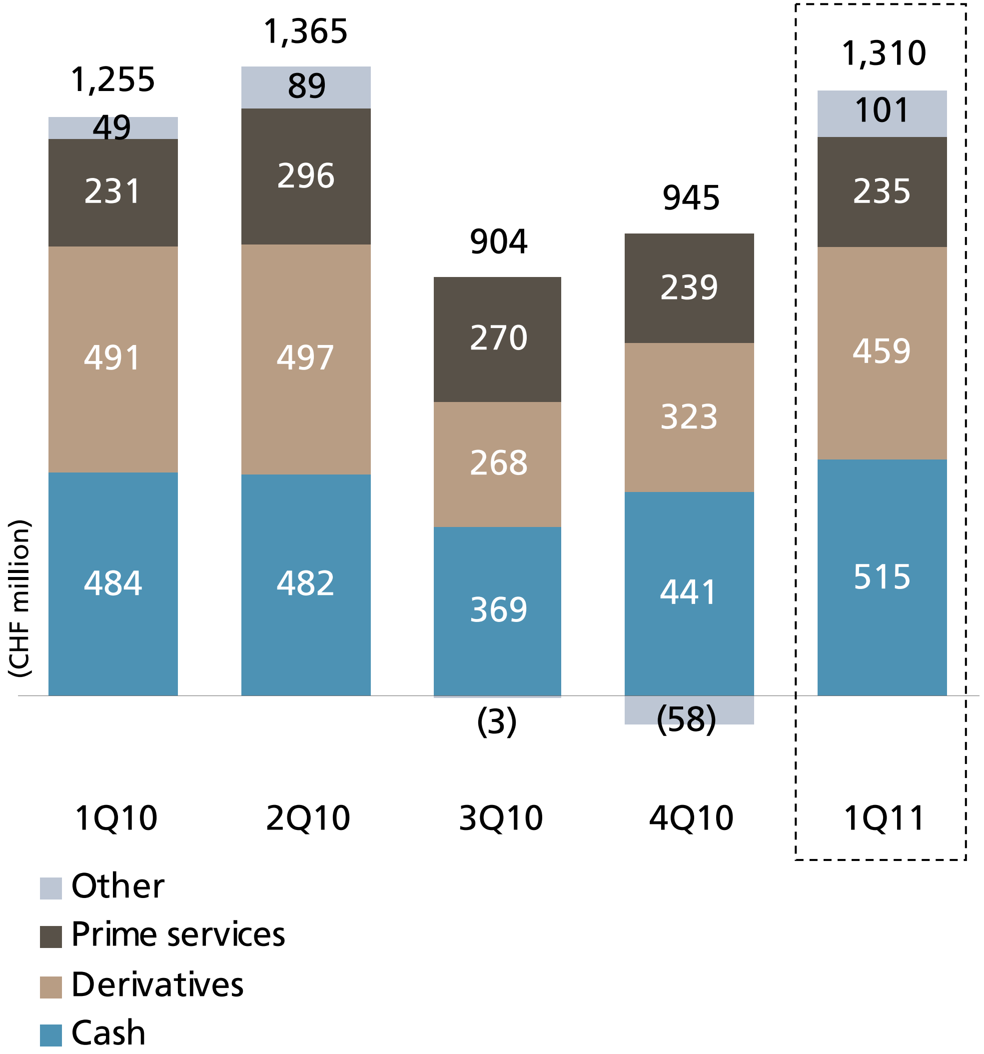
Pre-tax profit and cost / income ratio



1 Own credit on financial liabilities designated at fair value (CHF 133 million charge in 1Q11)

Equities revenues (vs. 1Q10)

Increase in cash and prime services revenues partly offset by lower derivatives revenues



- **Cash:** strong performance in Asia Pacific and the US partially offset by lower revenues in Europe, Middle East and Africa
- **Derivatives:**
  - Derivatives revenues decreased slightly despite a stronger performance in Asia Pacific; 1Q11 does not include commodities revenues now reported under FICC
  - Equity-linked revenues saw lower revenues in all regions against a strong 1Q10
- **Prime services:**
  - Prime brokerage revenues were up as higher client balances more than offset spread contraction
  - ETD commissions were down, partly offset by higher financing revenues
- **Other:** positive revenues from a number of items including improved proprietary trading revenues

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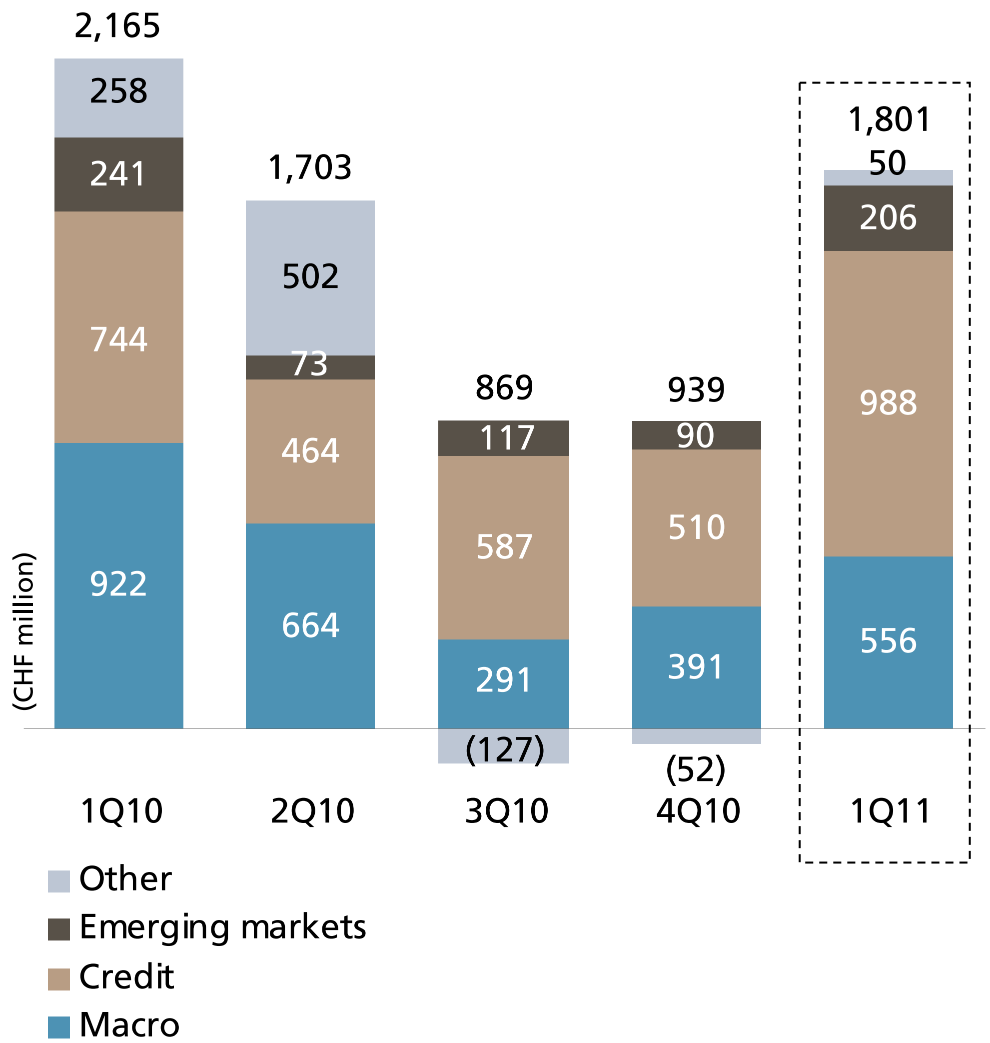
FICC revenues (vs. 1Q10)

Strong credit revenues; macro disappointed



- **Macro:**
  - FX revenues marginally down on lower client activity
  - Good results in non-linear rates were offset by a decline in linear rates due to market uncertainty and poor liquidity
- **Credit:** very strong quarter as structured credit and flow trading saw a return in flow volumes and client business in Europe and the US
- **Emerging markets:** revenues declined as instability in the Middle East and North Africa which impacted liquidity globally and client activity
- **Other:**
  - Includes commodities
  - Strong gains from residual risk positions in 1Q10 not seen in 1Q11

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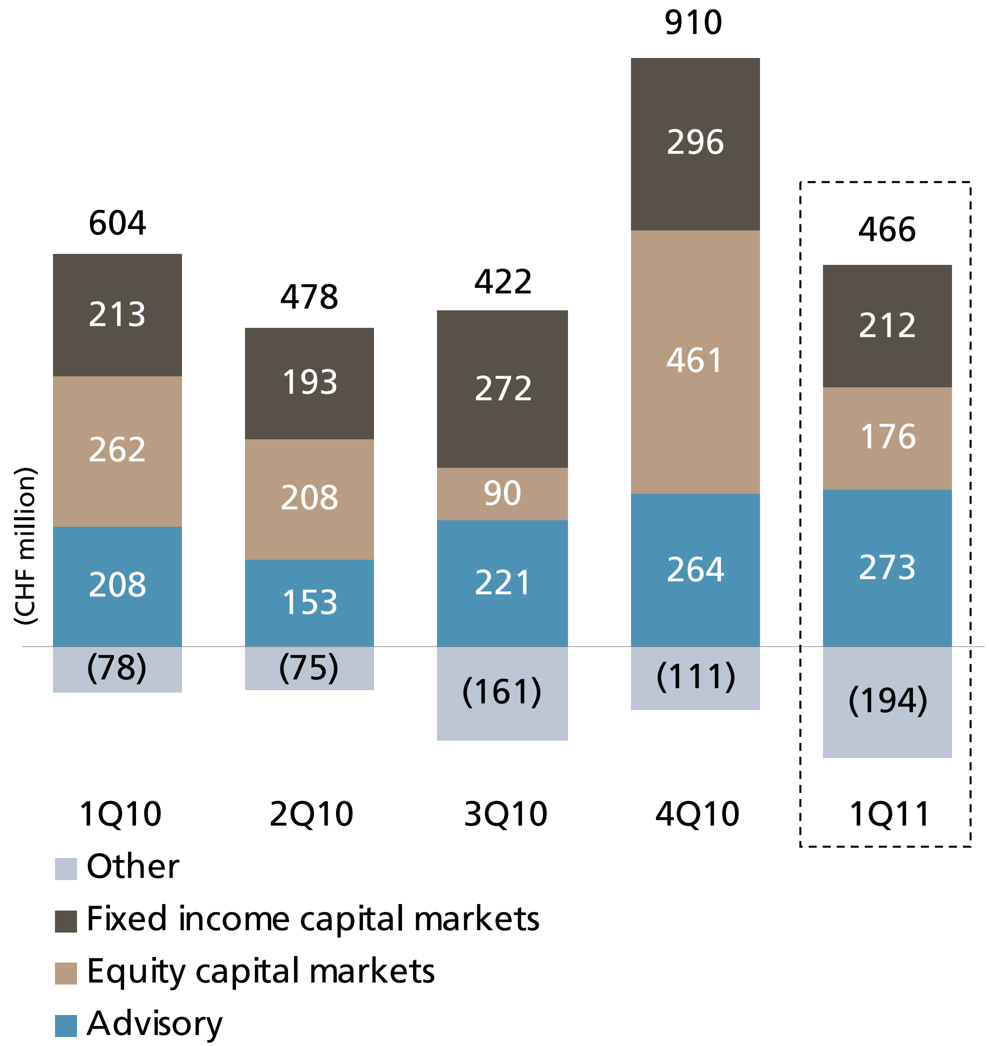
Investment banking revenues (vs. 1Q10)

Strong advisory results more than offset by lower equity capital markets revenues



- **Advisory:** revenues increased 31% versus a market fee pool increase of 21%
- **Capital markets:**
  - **Equities:** revenues declined 33% due to lower participation in IPO's and follow-ons
  - **FICC**: revenues virtually unchanged
- **Other:**
  - Risk management charges fully allocated to IBD starting 1Q11
- Overall UBS fee based market share[1] decreased compared with 1Q10 (3.4% from 4.1%)
  - M&A: 5.0% (5.5%)
  - ECM: 3.5% (4.0%)
  - DCM: 3.1% (4.5%)

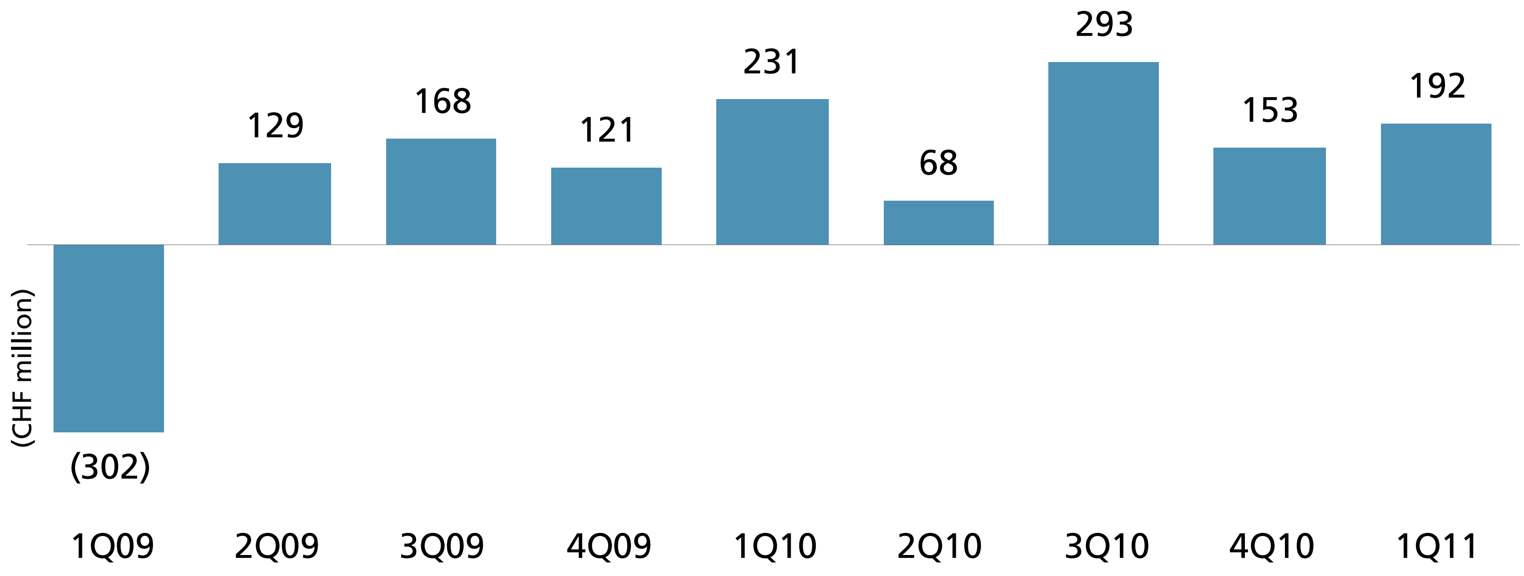
1 Source: Dealogic as of 19 April 2011

Corporate Center

Pre-tax profit of CHF 116 million

- The revaluation of our option to buy the SNB StabFund contributed CHF 192 million in 1Q11
  - Option fair value CHF 1.9 billion (USD 2.1 billion) on 31.3.11

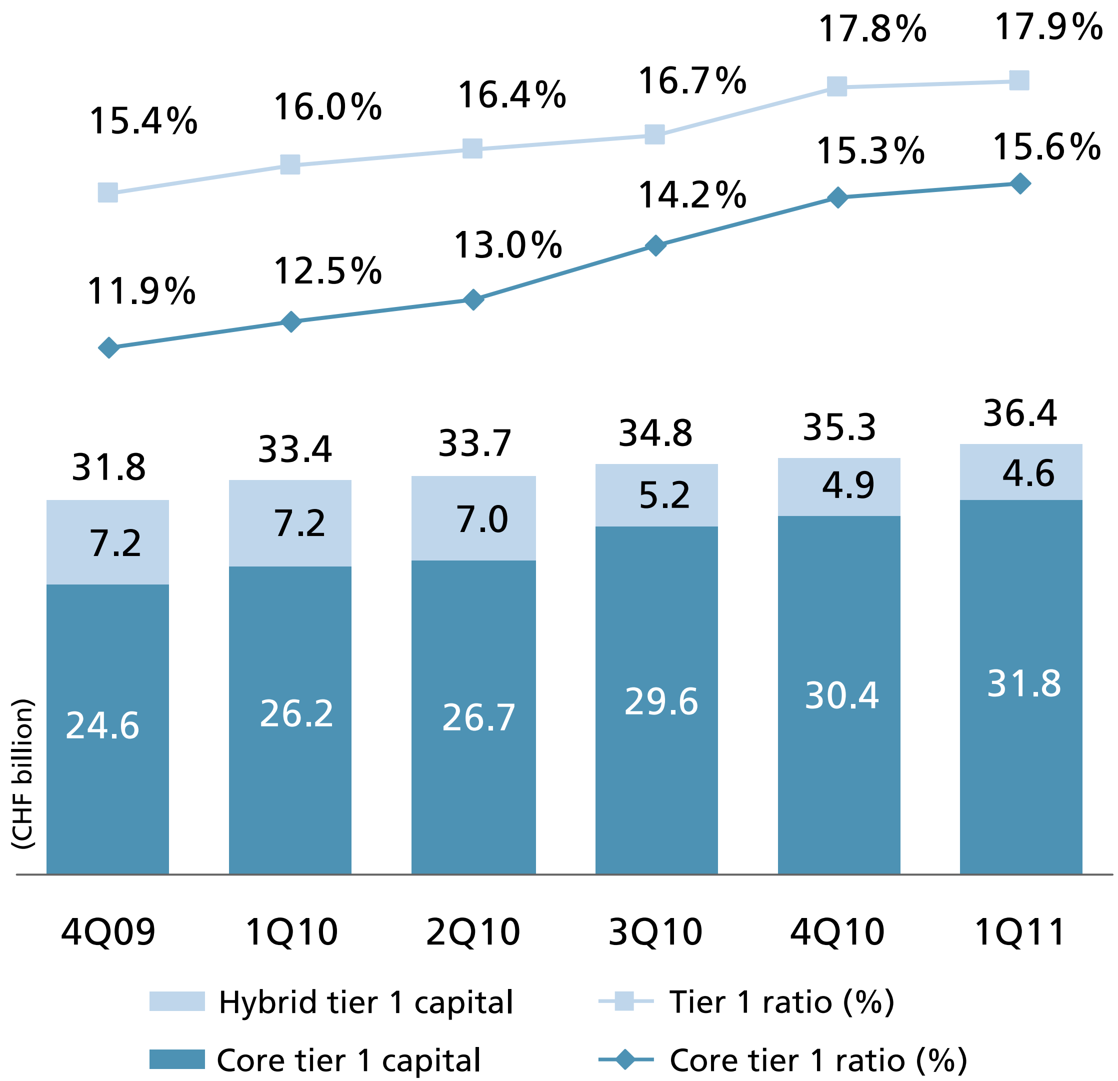
Revaluation of UBS's option to buy the SNB StabFund: contribution to UBS results



- Net income from treasury activities decreased from the prior quarter
- Operating expenses not allocated to the business divisions totaled CHF 46 million

Capital position – Basel 2

CHF 1.4 billion of core tier 1 capital accretion in 1Q11



- Basel 2 risk-weighted assets increased CHF 4.5 billion to CHF 203.4 billion as at 31.3.11
- USD 500 million hybrid tier 1 instrument with first call date in June 2011[1]
  - 31.3.11 tier 1 capital and tier 1 ratio already reflect redemption

1 First call date 26 June 2011; redemption subject to FINMA approval

Capital position – Basel 2.5

Pro-forma Basel 2.5 tier 1 ratio of 12.6% on 31.3.11

- Basel 2.5 RWAs of CHF 279 billion for the Group

CHF billion	Basel 2 RWAs	Basel 2.5 RWAs	Change
Wealth Management & Swiss Bank	**43**	**44**	**0**
Wealth Management Americas	**23**	**25**	**1**
Global Asset Management	**3**	**4**	**0**
Investment Bank	**123**	**193**	**70**
Corporate Center	**9**	**14**	**5**
Group	**203**	**279**	**76**

VaR	(7)
Stressed VaR	30
IRC[1]	32
CRM[2]	12
Securitizations[3]	9

- Basel 2.5 tier 1 capital of CHF 35.2 billion
  - Tier 1 deduction of CHF 1.2 billion due to additional deduction for low-rated securitization exposures

1 Incremental risk charge
2 Comprehensive risk measurement
3 Includes re-securitizations

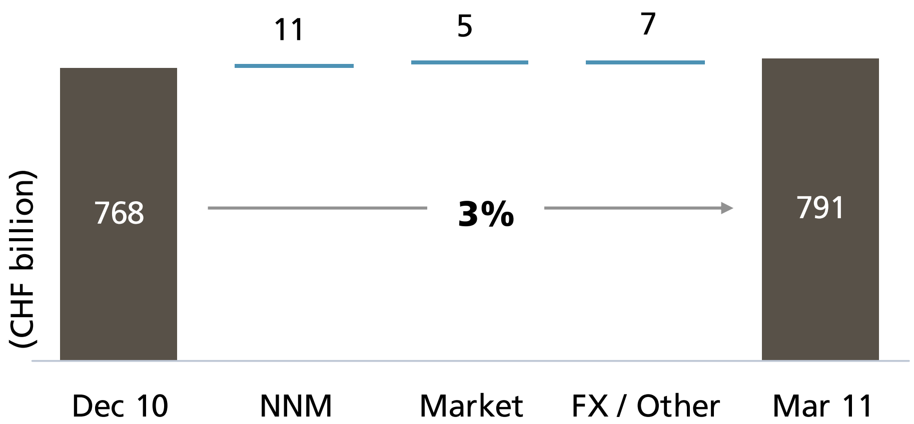
Movements in IFRS equity

IFRS equity (CHF million)	Total	of which attributable to UBS shareholders	of which attributable to non-controlling interests
31.12.10	**51,863**	**46,820**	**5,043**
Net profit	1,809	1,807	2
Foreign currency translation of foreign operations (OCI)	(78)	(182)	104
Financial investments available-for-sale (OCI)	(121)	(121)	0
Cash flow hedges (OCI)	(639)	(639)	0
Deferred tax benefit on equity items (share premium)	(87)	(87)	0
Equity compensation plans (share premium)	(1,150)	(1,150)	0
Other	246	247	(1)
Total movements in 1Q11	**(20)**	**(125)**	**105**
31.3.11	**51,842**	**46,695**	**5,147**

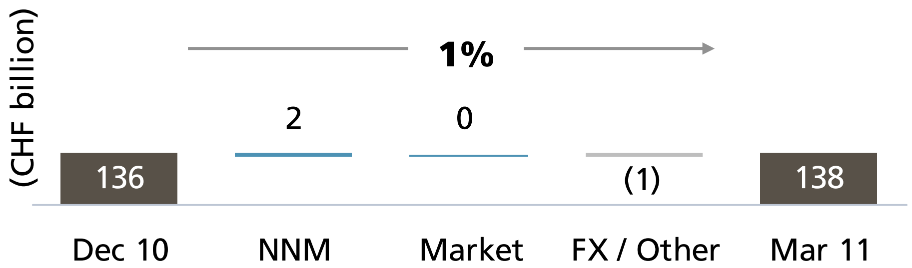
Appendix

Invested assets

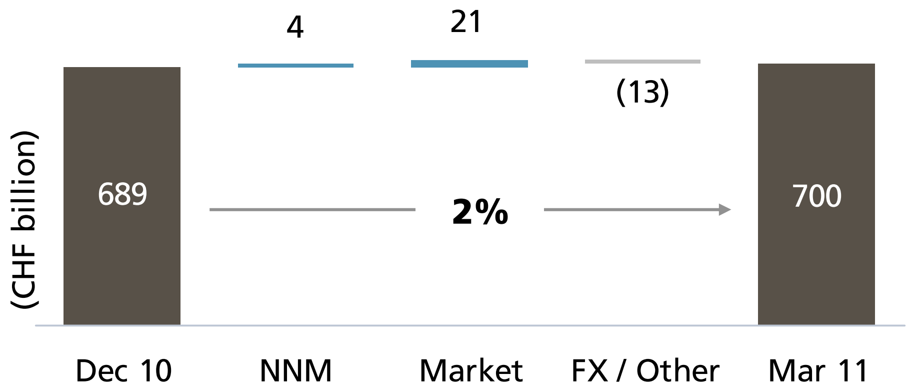
Wealth Management



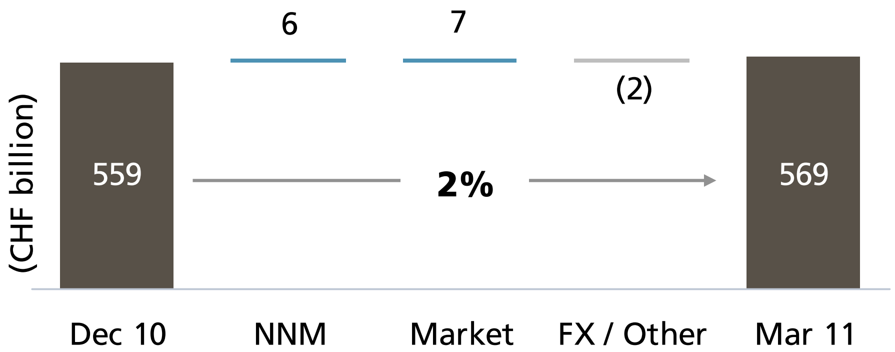
Retail & Corporate



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
31.12.10	198.9	30.4	15.3%	35.3	17.8%
Net P&L attributable to shareholders		1.8		1.8	
Own credit (not eligible for capital)		0.1		0.1	
Other incl. FX		(0.5) [1]		(0.8) [2]	
Change in RWAs	4.5				
31.3.11	203.4	31.8 [3]	15.6%	36.4 [3]	17.9%

1 Includes CHF 0.6 billion due to changes in deduction items, CHF 0.3 billion due to other tier 1 changes, partly offset by CHF 0.4 billion changes in own share related components
2 Includes CHF 0.6 billion due to changes in deduction items, CHF 0.5 billion related to the USD 500 million hybrid tier 1 instrument callable 26.6.11 (redemption subject to FINMA approval), CHF 0.1 billion due to other tier 1 changes, partly offset by CHF 0.4 billion changes in own share related components
3 31.3.11 IFRS deferred tax assets on net operating losses of CHF 8,602 million; 31.3.11 deferred pension expenses CHF 3,240 million

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Hybrid tier 1 instruments outstanding[1]

Amount	Issue date	Interest rate	First call date	Coupon payment
USD 500m	26.6.01	7.247%[2]	26.6.11	Semi-annual (2Q, 4Q)[3]
EUR 1,000m	11.4.08	8.836%[2]	11.4.13	Annual (2Q)
EUR 1,000m	15.4.05	4.28%[2]	15.4.15	Annual (2Q)
USD 1,000m	12.5.06	6.243%[2]	12.5.16	Semi-annual (2Q, 4Q)
EUR 600m	21.12.07	7.152%[2]	21.12.17	Annual (2Q)
USD 300m	23.5.03	Libor + 70bps	[4]	Monthly

Approximately CHF 200 million of dividends due in 2Q11 not accrued for at 31.3.11

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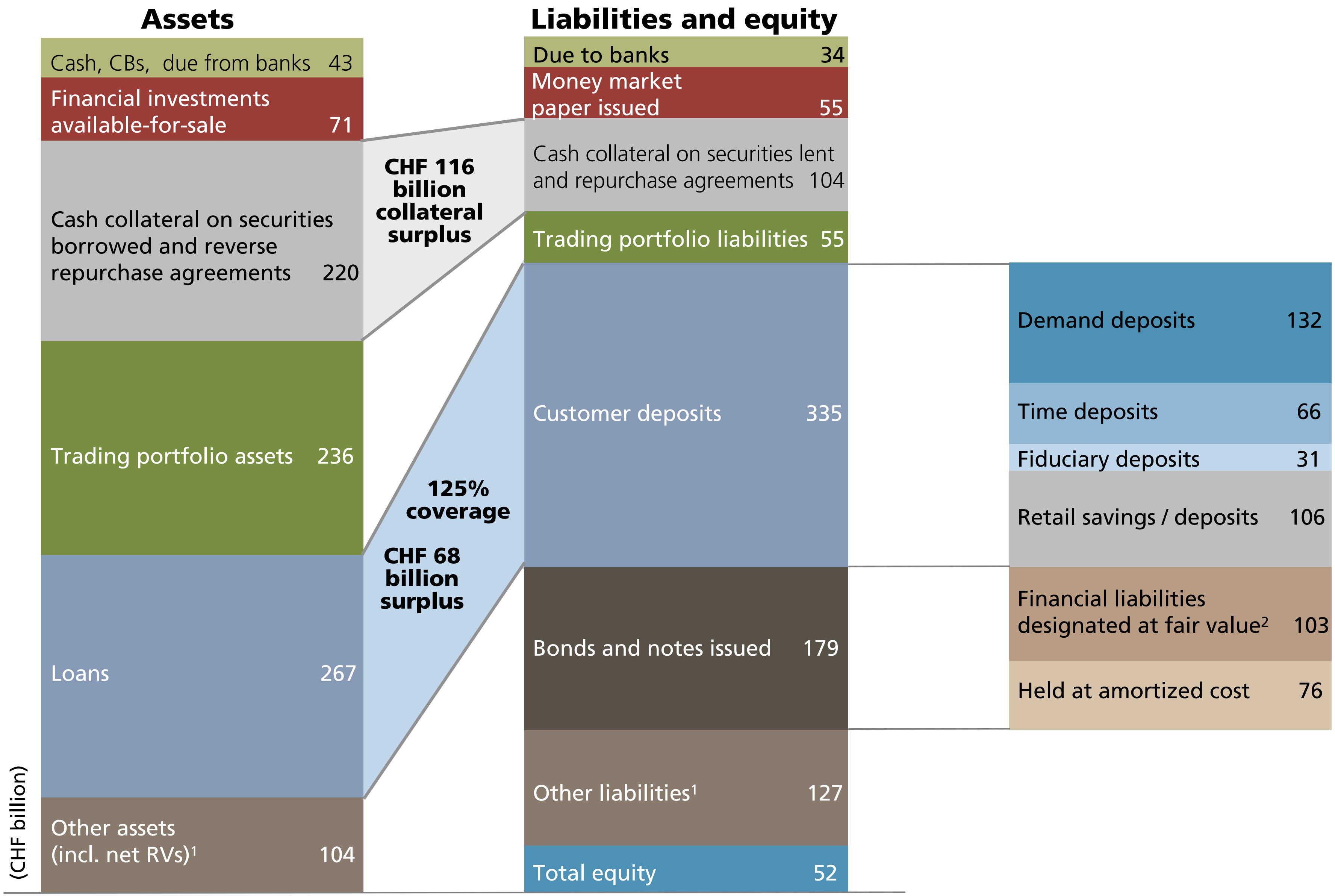
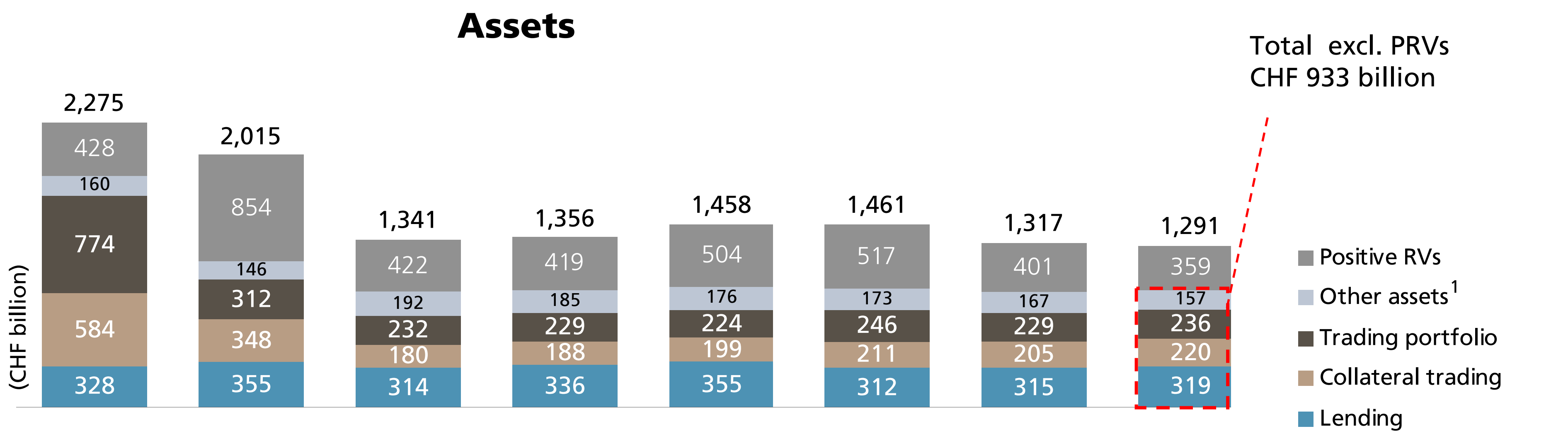
1 All UBS hybrid tier 1 instruments are subject to phasing out for BIS tier 1 capital recognition purpose (10% per annum starting 1 January 2013) under Basel 3
2 Fixed rate until call date, floating rate coupon payment thereafter
3 If instrument called at first call date, last coupon payment in 2Q11
4 Retail Trust Preferred Securities callable monthly since June 2008

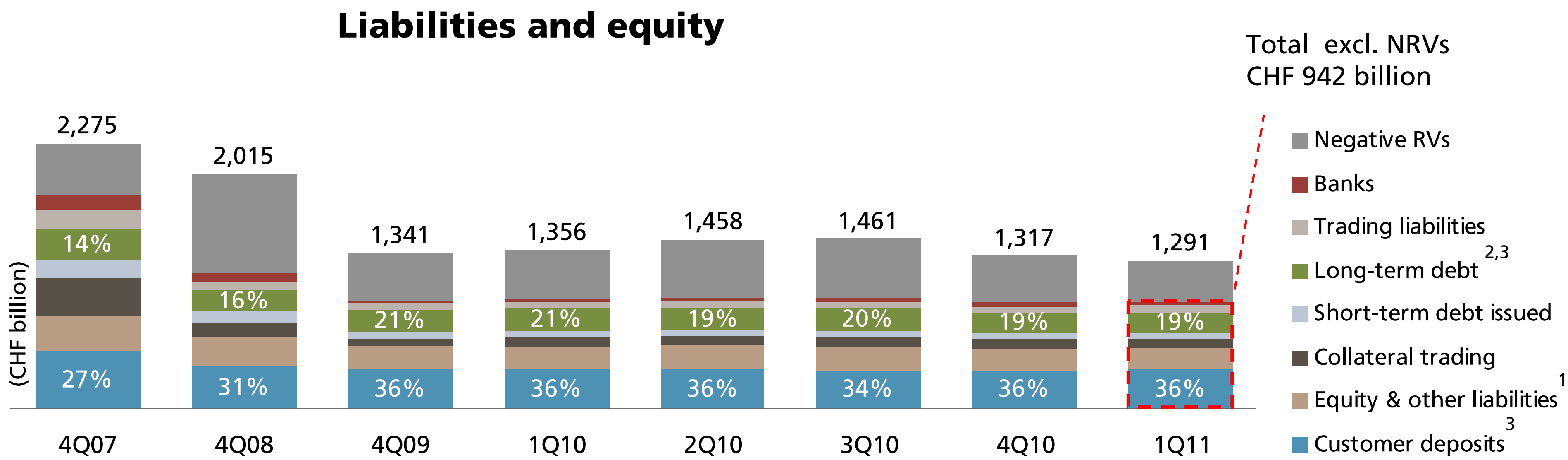
Asset funding – 31 March 2011



1 Including cash collateral on derivative transactions
2 Including compound debt instruments - OTC

Balance sheet development





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1 Including cash collateral on derivative transactions
2 Including financial liabilities designated at fair value
3 Percentages based on total balance sheet size excluding negative replacement values

Exposure to monoline insurers, by rating [1]

(USD billion)	Notional amount[3]	Fair value of underlying assets	Fair value of CDSs prior to CVA	Credit valuation adjustment as of 31.3.11	Fair value of CDSs after CVA
Credit protection on US sub-prime RMBS CDOs[2]	**0.7**	**0.2**	**0.5**	**0.4**	**0.1**
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)	0.7	0.2	0.5	0.4	0.1
Credit protection on other assets[2]	**11.3**	**9.6[4]**	**1.7**	**0.6**	**1.2**
of which: from monolines rated investment grade (BBB and above)	2.3	2.1	0.2	0.0	0.2
of which: from monolines rated sub-investment grade (BB and below)	9.0	7.5	1.5	0.5	1.0
Total 31.3.11	**12.0**	**9.8**	**2.2**	**0.9**	**1.3**
Total 31.12.10	**11.9**	**9.2**	**2.7**	**1.1**	**1.6**

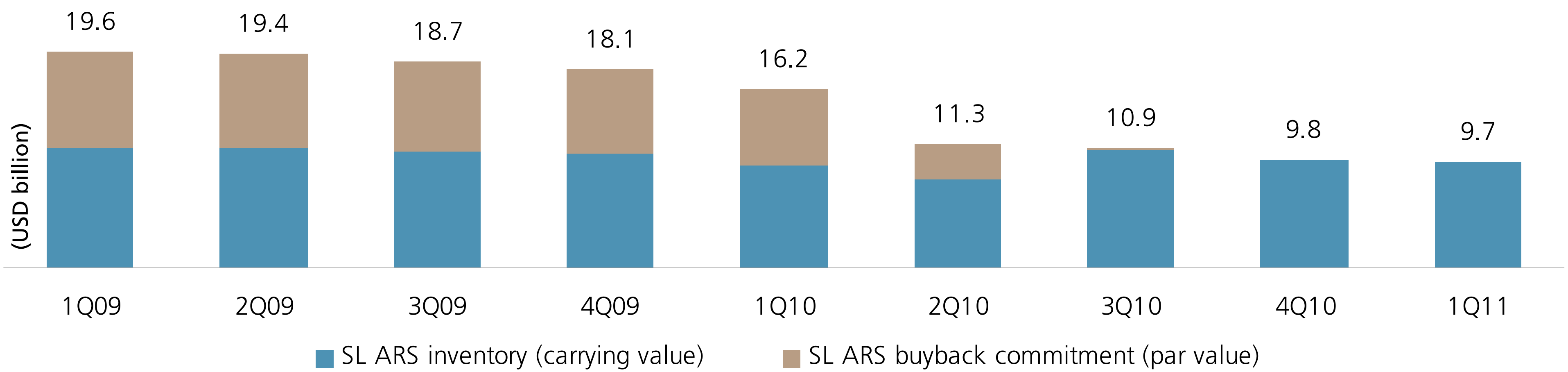
- Based on fair values, 72% of the remaining assets were collateralized loan obligations, the vast majority of which were rated AA and above
- Continued improvement in the fair value of the underlying assets contributed to the reduction in CVA levels in combination with a general tightening of monoline 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 Includes USD 6.2 billion (CHF 5.7 billion) at fair value / USD 5.8 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 1Q11 report for more information

Student loan auction rate securities

(USD million)	Inventory: Carrying value as of 31.3.11	Inventory: Carrying value as of 31.12.10	Client holdings: Par value of maximum required purchase as of 31.3.11	Client holdings: Par value of maximum required purchase as of 31.12.10
US student loan auction rate securities	**9,668**[1]	9,784	**9**	63

Inventory + buyback commitment 1Q09 – 1Q11



1 Includes USD 4.5 billion (CHF 4.1 billion) at carrying value of student loan auction rate securities (SL 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 1Q11 report for more information

Reclassified assets

31.3.11 (CHF billion)	Notional value	Fair value	Carrying value	Ratio of carrying to notional value
US student loan and municipal auction rate securities	5.0	4.2	4.4	89%
Monoline protected assets	6.1	5.7	5.3	87%
Leveraged finance	0.5	0.4	0.4	77%
US reference linked notes	0.5	0.4	0.4	80%
Other assets	0.9	0.8	0.7	83%
Total (excluding CMBS interest-only strips)	13.1	11.5	11.3	86%
CMBS interest-only strips		0.4	0.3	
Total reclassified assets	13.1	11.9	11.6	