



Fourth Quarter 2008 Results

February 10, 2009

Caution regarding forward looking statements

This presentation contains statements that constitute “forward-looking statements”, including but not limited to statements relating to the anticipated effect of transactions described herein, risks arising from the current market crisis and other risks specific to UBS’s business, strategic initiatives, future business development and economic performance. While these forward-looking statements represent UBS’s judgments and expectations concerning the development of its business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS’s expectations. These factors include, but are not limited to: (1) the extent and nature of future developments in the market segments that have been or may be affected by the current market crisis and their effect on UBS’s assets and exposures, including UBS’s remaining net and gross exposures related to the United States mortgage market; (2) developments affecting the availability of capital and funding to UBS and other financial institutions, including any changes in UBS’s credit spreads and ratings; (3) other market and macroeconomic developments, including movements in local and international securities markets, credit spreads, currency exchange rates and interest rates; (4) changes in internal risk control and limitations in the effectiveness of UBS’s internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (5) the possible consequences of ongoing governmental investigations of certain of UBS’s past business activities, including the possibility that tax or regulatory authorities in various jurisdictions will focus on the cross-border wealth management services provided by UBS and other financial institutions; (6) the degree to which UBS is successful in implementing its remediation plans and strategic and organizational changes, and whether those plans and changes will have the effects anticipated; (7) changes in the financial position or creditworthiness of UBS’s customers, obligors and counterparties, and developments in the markets in which they operate, including possible failures resulting from the current market crisis and adverse economic environment; (8) management changes and changes to the internal or overall structure of UBS’s business divisions; (9) the occurrence of operational failures, such as fraud, unauthorized trading and systems failures; (10) legislative, governmental and regulatory developments, including the effect of new and more stringent capital requirements and of direct or indirect regulatory constraints on UBS’s activities; (11) changes in accounting standards or policies, and accounting determinations affecting the recognition of gain or loss, the valuation of goodwill and other assets or other matters; (12) changes in and the effect of competitive pressures; (13) technological developments; and (14) the impact of all such future developments on positions held by UBS, on its short-term and longer-term earnings, on the cost and availability of funding and on UBS’s capital ratios. In addition, these results could depend on other factors that we have previously indicated could adversely affect our business and financial performance which are contained in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS’s Annual Report on Form 20-F for the year ended 31 December 2007. 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.

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Overview	Marcel Rohner Group Chief Executive Officer
4Q results	John Cryan Group Chief Financial Officer
Investment Bank Business update	Jerker Johansson Chairman and Chief Executive Officer Investment Bank

Q4 Results – Introduction by the CEO

- ◆ Q4 Results
- ◆ Positioning UBS for a new environment
 - Our Investment Bank
 - GWM&BB
- ◆ Outlook

Q4 Results

- ◆ Q4 Results
- ◆ The quarter was dominated by
 - the transaction with the SNB
 - the capital injection by the Federal Government
 - own credit
 - the extreme market disruptions throughout the quarter
 - our preparation to re-position our businesses
- ◆ We therefore split the result into four sections and explain each of them separately
 - Operating result
 - Own credit
 - SNB transaction
 - Restructuring reserve

Q4 - Results special issues

- ◆ Balance Sheet Reduction and Capital Position
- ◆ NNM Development
- ◆ Variable compensation payments

Substantial reduction in personnel expense

Discretionary variable compensation reduced by 85%

	2007 in m CHF	2008 in m CHF	Change	
			in %	in m CHF
Total personnel expense	25'515	16'262	-36%	-9'253
- Salary and other non-variable compensation	-13'200	-11'974	-9%	-1'226
- Contractually-owed, revenue based compensation of US WM financial advisors	-2'397	-2'133	-11%	-264
= Effective variable compensation	9'918	2'155	-78%	-7'763
- UBS Pactual contractually agreed variable compensation	-726	-319	-56%	-407
- Other contractual compensation and guaranteed payments	-1'287	-675	-48%	-612
= Discretionary variable compensation	7'905	1'161	-85%	-6'744
Actual P&L impact				
Effective variable compensation	9'918	2'155	-78%	-7'763
- Credit due to accounting change	437	-412		
= P&L impact of effective variable compensation	10'355	1'743	-83%	-8'612



Forward looking compensation instruments

Aligning employee interest with shareholders

◆ **Conditional Variable Compensation Plan (CVCP)**

- Targeted at mainly senior employees
- Vesting over 3 years pro-rata
- Vesting of each tranche strictly conditional on:
 - UBS being profitable in the prior year
 - No additional capital injection from the Swiss Confederation
 - Employee is with the firm
- Total value of approximately CHF 900m, expensed over vesting period

◆ **Key Employee Stock Appreciation Rights (KESAP) ***

- Targeted at key talents, top performers and critical staff (5-10% of UBS)
- Vesting after 3 years, expiration after 10 years
- Strict leave-lose forfeiture condition
- Approved conditional capital is only impacted if rights are exercised

*) KESAP will effectively replace the Key Employee Stock Option Plan (KESOP).

Our Investment Bank for the future

- ◆ Position the Investment Bank for the new environment
- ◆ Founded on established and proven client-focused businesses
- ◆ Fixed Income reorganized and Repositioning Group established
- ◆ Cost, balance sheet and risk substantially reduced and commensurate with the new operating environment

The new GWM&BB

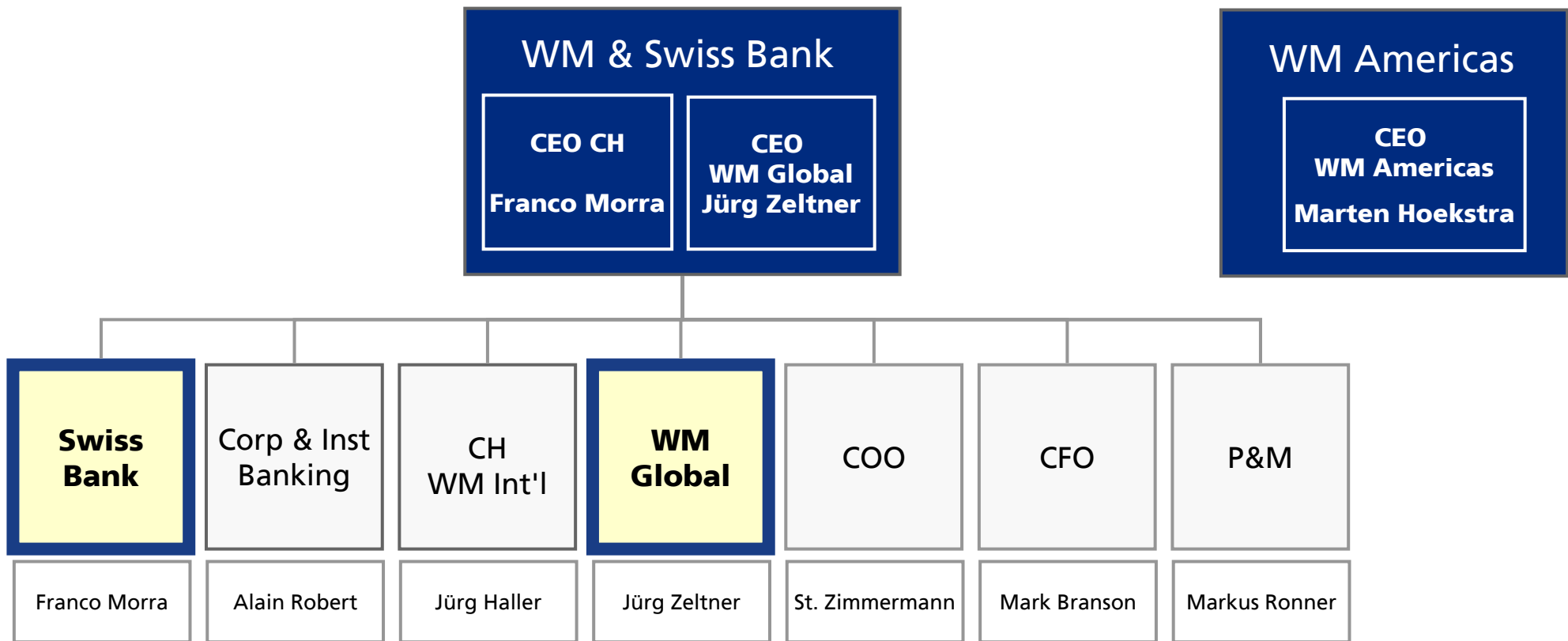
◆ Three reasons to act

- Profitability of WM business globally
- Strategic challenges in all relevant units
 - Scale of WM US
 - Retail positioning in CH
 - Profitability of domestic WM business
- Reputation in Switzerland

◆ Objectives

- Simplify the structure to focus the organization on their key challenges
- Represent Swiss Core business on Group Executive Board level
- Optimize platform synergies in Switzerland
- Manage the domestic businesses for profitability
 - No cross-subsidies from profitable Swiss International Wealth Management
 - Full front-to-back accountability

New WM&SB structure



Content

Overview

Marcel Rohner
Group Chief Executive Officer

4Q results

John Cryan
Group Chief Financial Officer

Investment Bank
Business update

Jerker Johansson
Chairman and Chief Executive Officer
Investment Bank

4Q08 & FY08 Group highlights

	3Q08	4Q08	2007	2008
Net profit attributable to UBS shareholders (CHFm)	296	(8,100)	(5,247)	(19,697)
Net new money (CHFbn)	(83.6)	(85.8)	140.6	(226.0)
Invested assets (CHFbn)	2,640	2,174	3,189	2,174
Personnel (FTE)	79,565	77,783	83,560	77,783
Total assets (CHFbn)	1,997	2,016	2,275	2,016
Risk-weighted assets (CHFbn)	332.5	302.3	374.4	302.3
Tier 1 ratio ¹ (%)	11.0	11.5	9.1	11.5

¹ 3Q08 eligible capital and capital ratios were restated following a change in the calculation methodology for own credit, refer to note 10 of the financial report for additional details.

4Q08 & FY08 Group results

(CHF m)	3Q08	4Q08	2007	2008
Operating income (as reported)	5,556	(4,079)	31,721	1,545
Operating expenses (as reported)	6,036	5,645	35,463	27,638
Operating result (as reported)	(480)	(9,724)	(3,742)	(26,092)
Own credit	(2,069)	1,616	(659)	(2,032)
SNB transaction / MCN ¹		4,187		327
Divestments / other ²	(168)	(167)	(1,950)	(335)
ARS settlement (WM US)		545		1,464
Goodwill impairment (Investment Bank)				341
Restructuring charges ³		737	212	737
Operating result (adjusted)	(2,717)	(2,806)	(6,139)	(25,591)
Tax expense	(913)	(1,727)	1,369	(6,766)
Minorities / discontinued operations	137	104	136	370
Net profit attributable to UBS shareholders	296	(8,100)	(5,247)	(19,697)

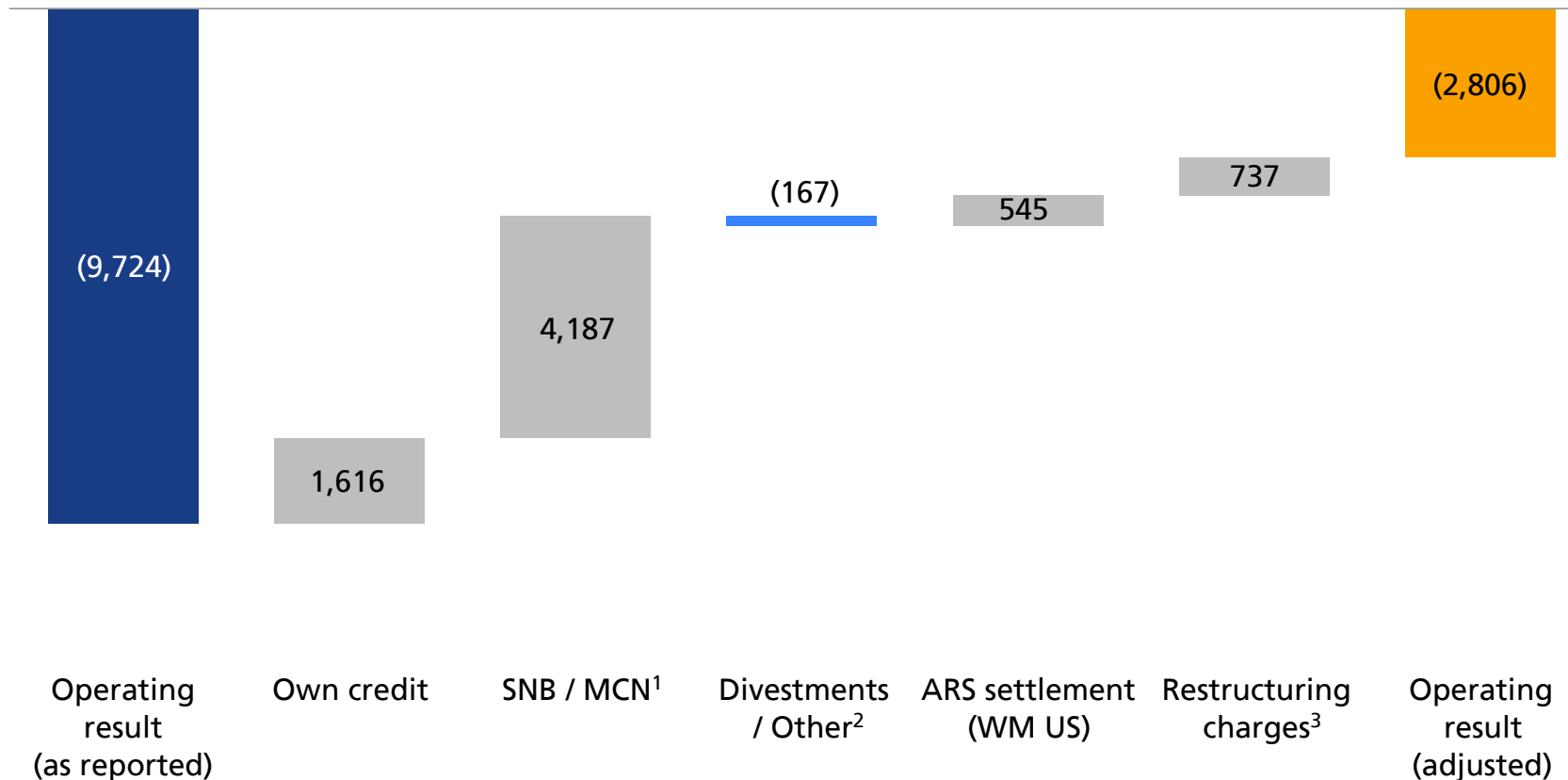
1 4Q08 includes the amount paid or to be paid to the SNB for the call option of approximately CHF 4,822m, partially offset by the year-end fair value of the call option of approximately CHF 1,206 m. It also includes the expense of approximately CHF 607m associated with the contingent issuance of UBS shares in connection with the SNB transaction, CHF 309m loss due to price differences on the securities sold, CHF 343m losses on hedges that were subject to trading restrictions as a result of the transaction and CHF 688m gain on the fair valuation of the MCN derivative component. Full year 2008 also includes CHF 3,860m gain on fair valuation of the first MCN issued in 1Q08.

2 4Q08 includes a CHF 60m trading loss related to the settlement agreement requiring the purchase of the auction rate securities, a CHF 360m net gain on the sale of UBS's stake in Bank of China and a CHF 133m loss on the divestment of the commodities business by the Investment Bank. 3Q08 includes a CHF 168m gain on the sale of UBS's stake in Adams Street Partners. Full year 2007 includes a CHF 1,950m gain on UBS's sale of its stake in Julius Baer.

3 4Q08 includes CHF 435m of personnel expenses and CHF 302m of costs related to real estate, both affecting the Investment Bank.

4Q08 Group operating results

(CHF m)



- 1 4Q08 includes the amount paid or to be paid to the SNB for the call option of approximately CHF 4,822m, partially offset by the year-end fair value of the call option of approximately CHF 1,206 m. It also includes the expense of approximately CHF 607m associated with the contingent issuance of UBS shares in connection with the SNB transaction, CHF 309m loss due to price differences on the securities sold (IB), CHF 343m losses on hedges that were subject to trading restrictions as a result of the transaction (IB) and CHF 688m gain on the fair valuation of the MCN derivative component.
- 2 4Q08 includes a CHF 60m trading loss related to the settlement agreement requiring the purchase of the auction rate securities (GWM&BB), a CHF 360m net gain on the sale of UBS's stake in Bank of China (CHF 186m IB, CHF 174m CC) and a CHF 133m loss on the divestment of the commodities business by the Investment Bank.
- 3 4Q08 includes CHF 435m of personnel expenses and CHF 302m of costs related to real estate, both affecting the Investment Bank.

4Q08 Operating result by division

(CHF m)	GWM&BB	Global AM	IB	CC	UBS
Operating income (as reported)	4,703	478	(5,903)	(3,358)	(4,079)
Own credit			1,616		1,616
SNB Transaction / MCN ¹			652	3,535	4,187
Divestments / other ²	60		(53)	(174)	(167)
Operating income (adjusted)	4,763	478	(3,688)	3	1,557
Operating expenses (as reported)	3,571	242	1,580	252	5,645
ARS settlement (WM US)	(545)				(545)
Restructuring charges ³			(737)		(737)
Operating expenses (adjusted)	3,026	242	843	252	4,363
whereof personnel expenses	1,849	73	(142)	163	1,943
Operating result (as reported)	1,133	236	(7,483)	(3,610)	(9,724)
Operating result (adjusted)	1,737	236	(4,531)	(249)	(2,806)

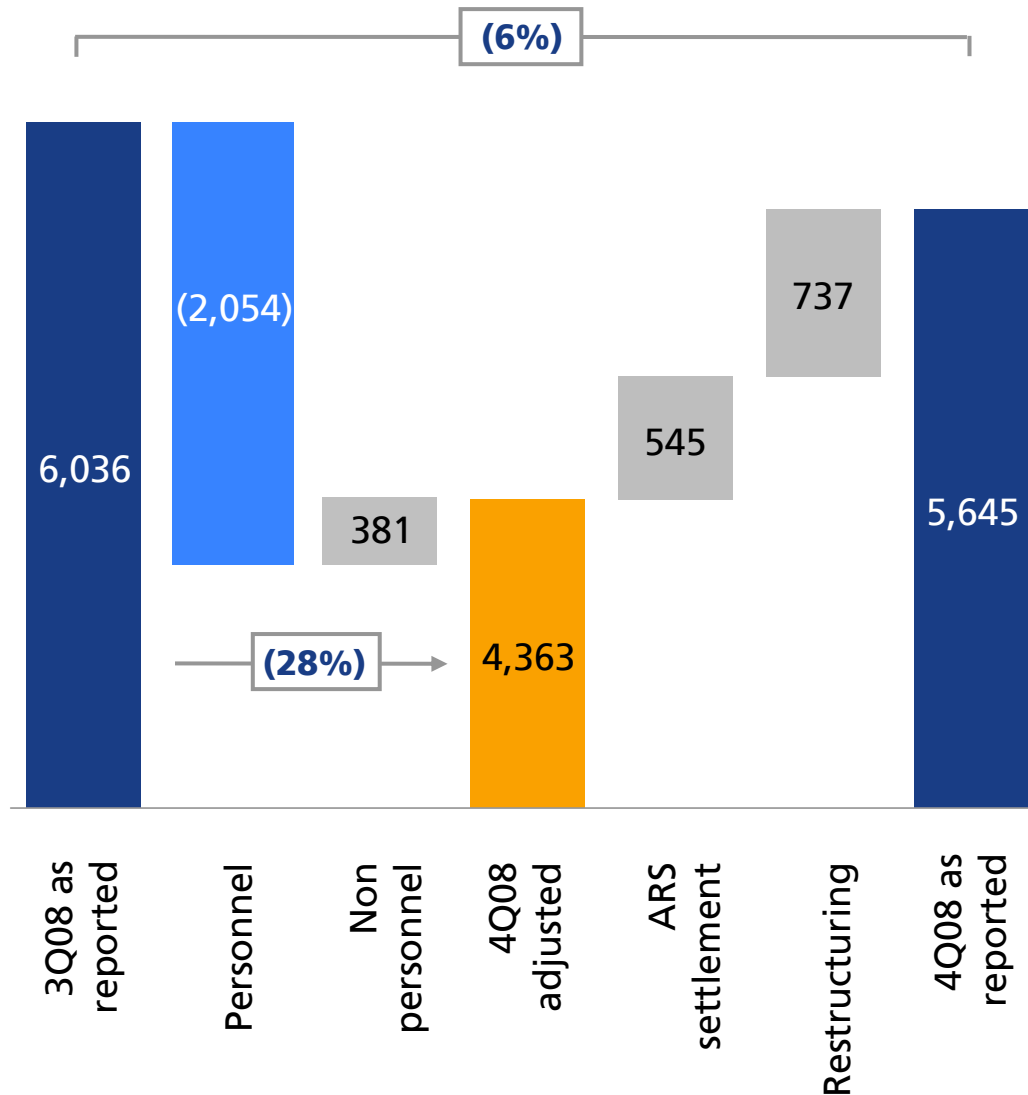
1 4Q08 includes the amount paid or to be paid to the SNB for the call option of approximately CHF 4,822m, partially offset by the year-end fair value of the call option of approximately CHF 1,206 m. It also includes the expense of approximately CHF 607m associated with the contingent issuance of UBS shares in connection with the SNB transaction, CHF 309m loss due to price differences on the securities sold (IB), CHF 343m losses on hedges that were subject to trading restrictions as a result of the transaction (IB) and CHF 688m gain on the fair valuation of the MCN derivative component.

2 4Q08 includes a CHF 60m trading loss related to the settlement agreement requiring the purchase of the auction rate securities (GWM&BB), a CHF 360m net gain on the sale of UBS's stake in Bank of China (CHF 186m IB, CHF 174m CC) and a CHF 133m loss on the divestment of the commodities business by the Investment Bank.

3 4Q08 includes CHF 435m of personnel expenses and CHF 302m of costs related to real estate, both affecting the Investment Bank.

4Q Group operating expenses

(CHF m)

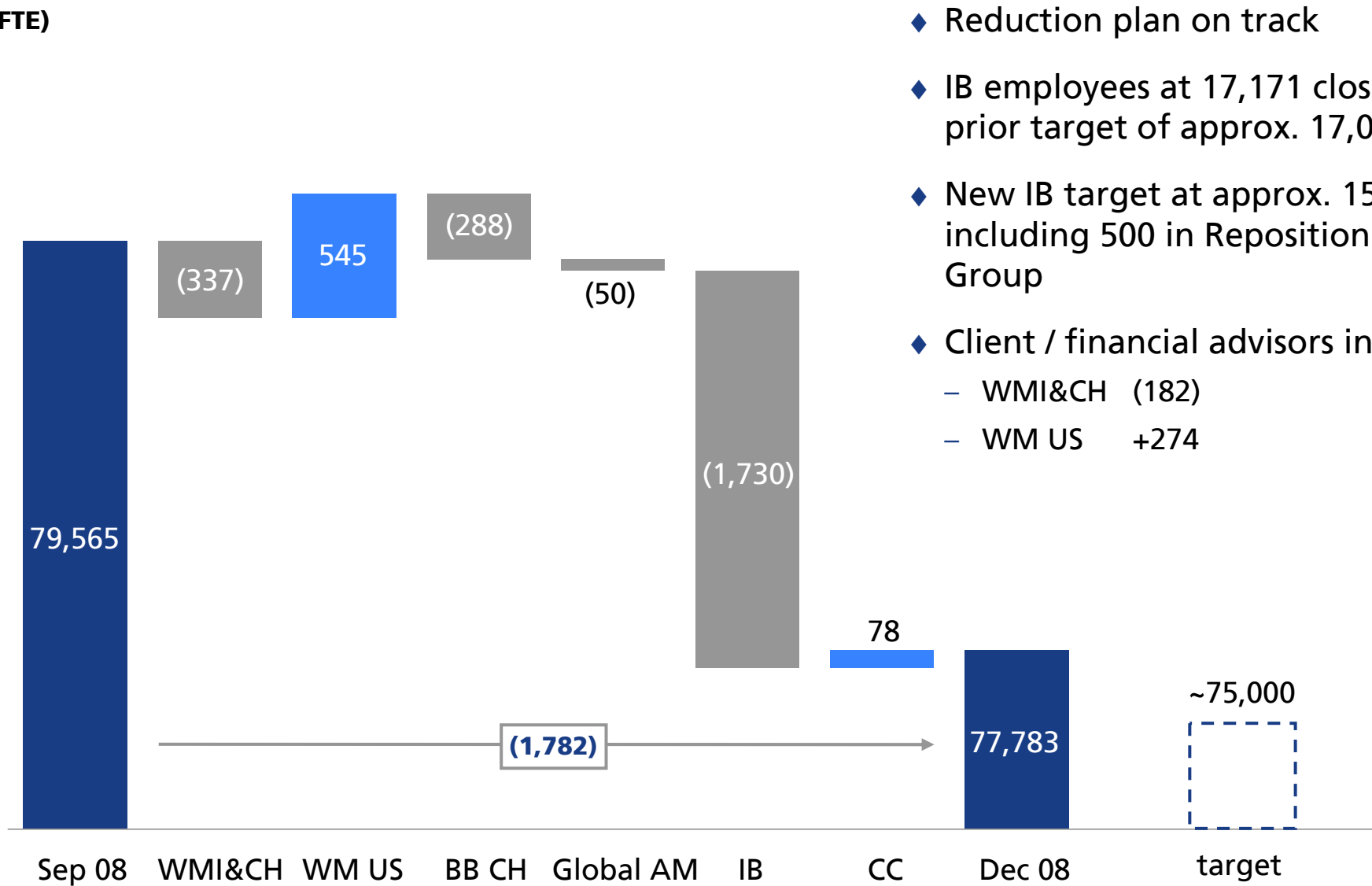


- ◆ Personnel expenses significantly down
 - Reversal of variable compensation accruals
 - Lower staff levels

- ◆ Non-personnel expenses up driven by higher provisions and professional fees

4Q08 Personnel reduction by division

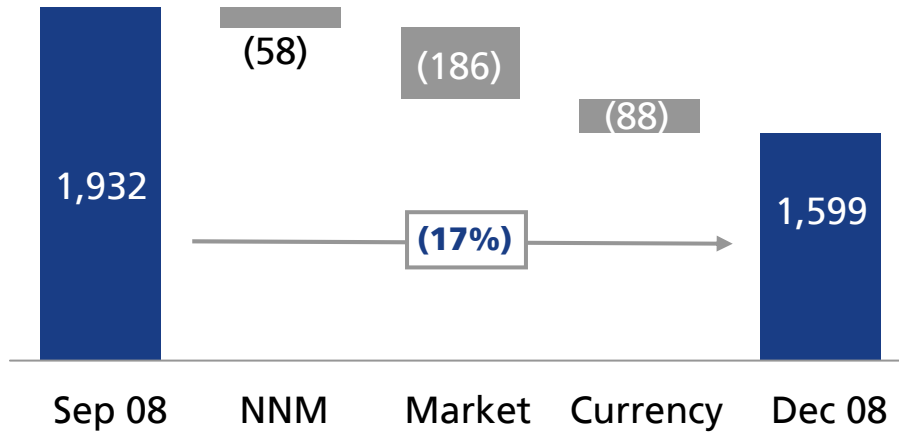
(FTE)



- ◆ Reduction plan on track
- ◆ IB employees at 17,171 close to prior target of approx. 17,000
- ◆ New IB target at approx. 15,500 including 500 in Repositioning Group
- ◆ Client / financial advisors in 4Q:
 - WMI&CH (182)
 - WM US +274

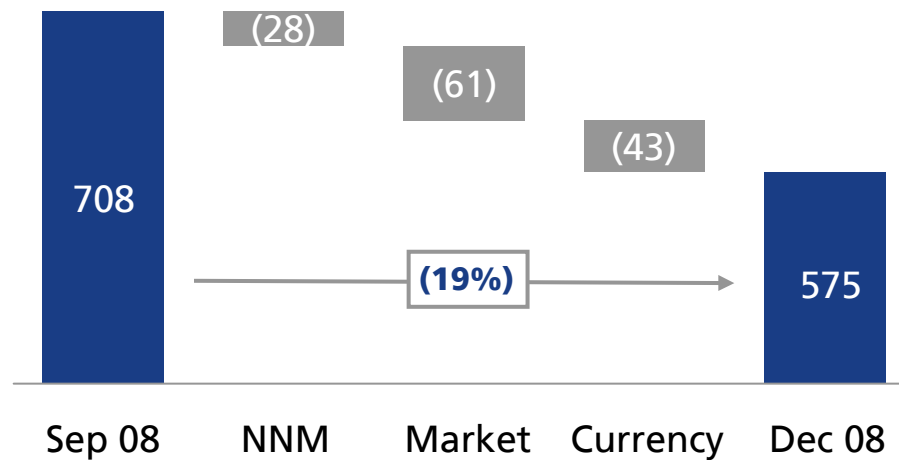
Invested assets

Global WM&BB (CHF bn)

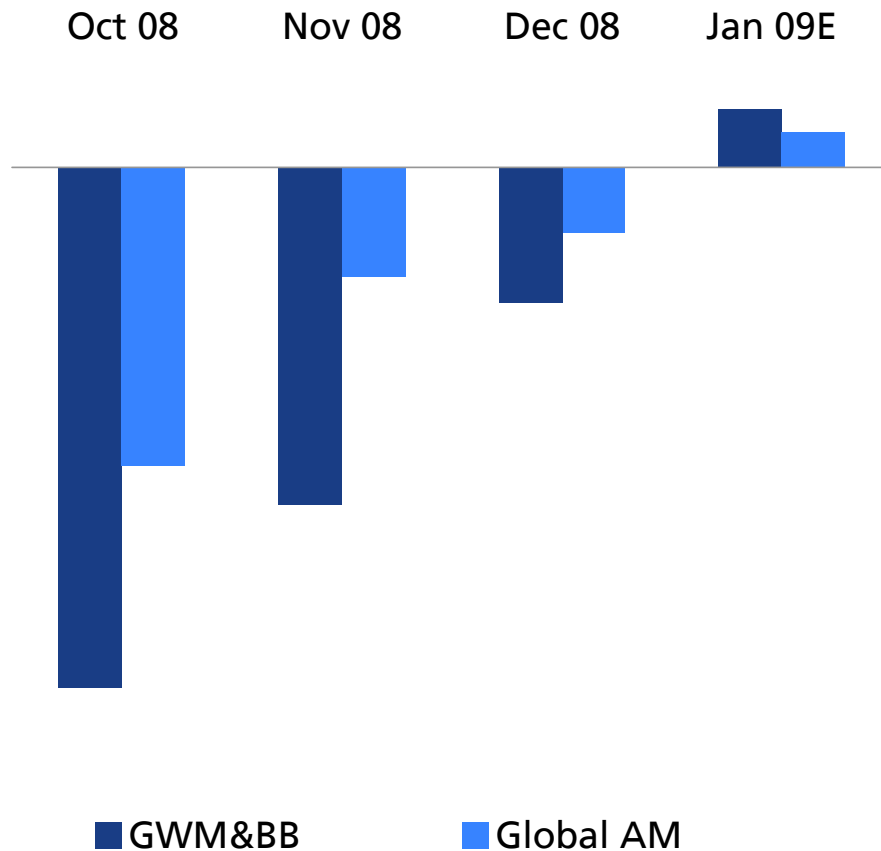


- ◆ Group invested assets down 18%
 - Market declines in asset values, 9%
 - Negative FX impact, 5%
 - Outflows, 3%

Global AM (CHF bn)



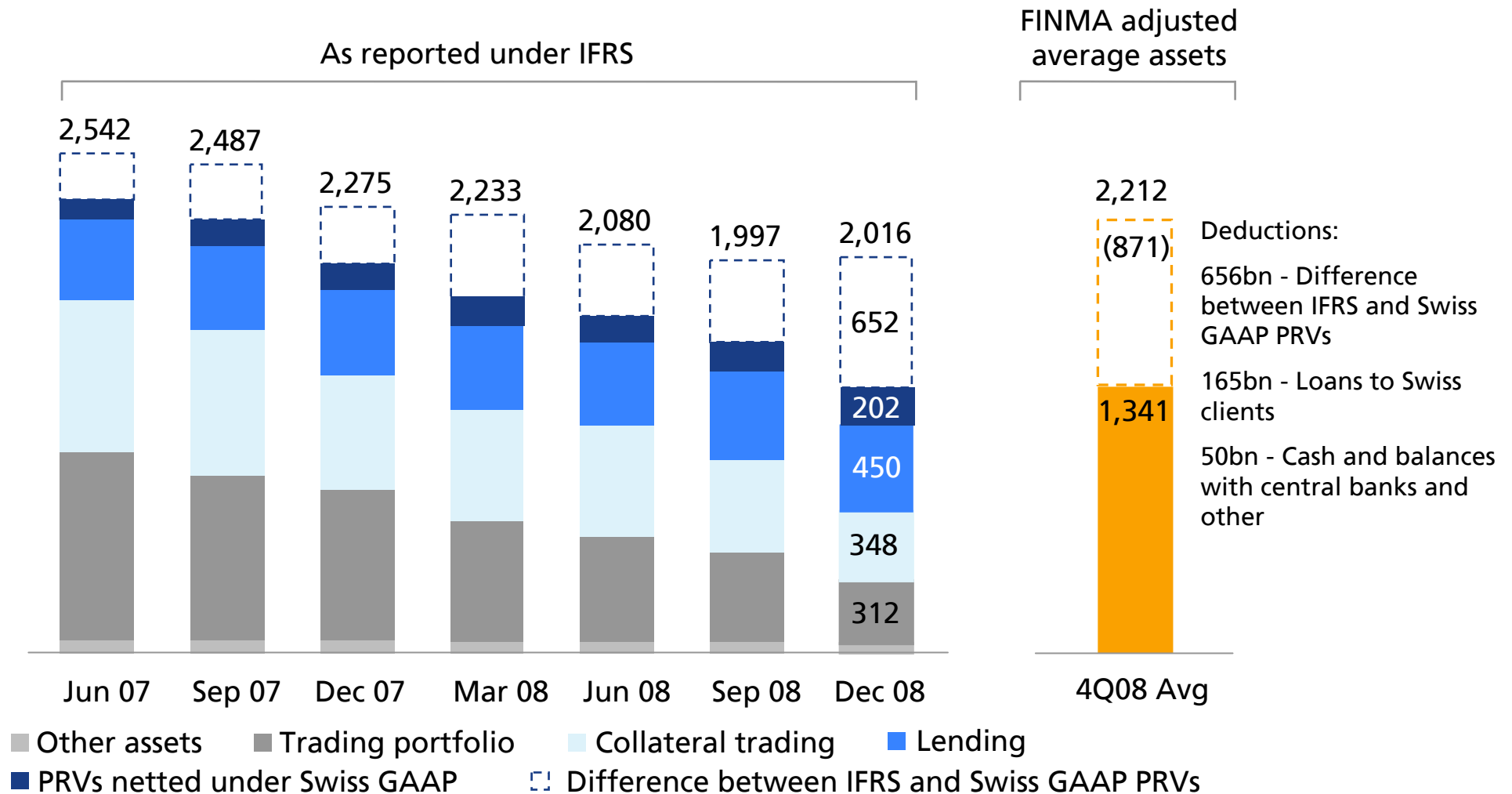
NNM disappointing but underlying trend encouraging



- ◆ All areas saw outflows during 4Q except WM US
- ◆ Approximately half of outflows in Global AM accounted for by UBS channels
- ◆ Progressive improvement throughout the quarter
- ◆ Positive NNM in January
- ◆ Macro headwinds still evident

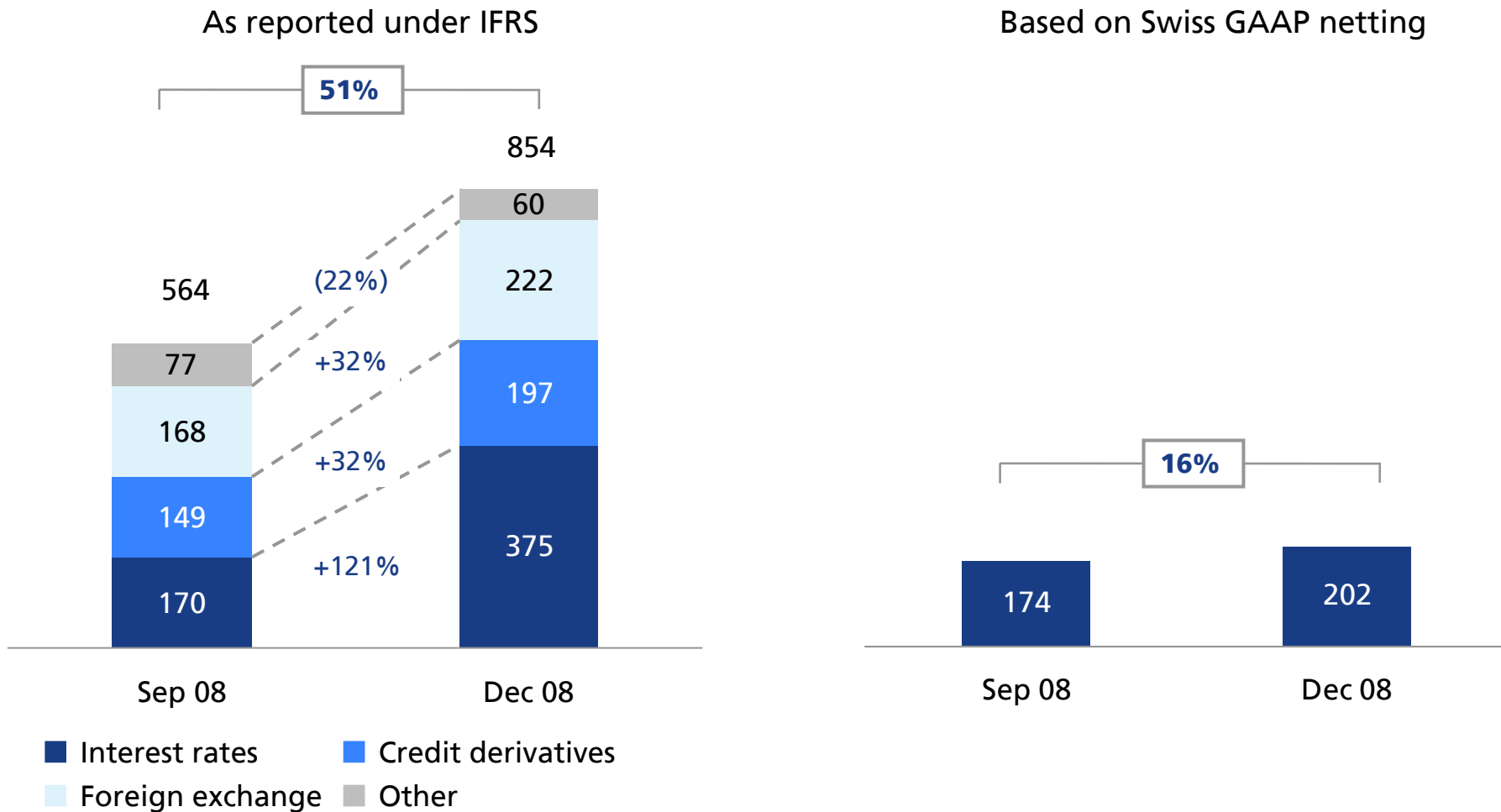
Balance sheet and leverage ratio

- ◆ Assets excluding PRVs and FX effects reduced by CHF 220 bn or 15% in 4Q08
- ◆ Significant reductions in trading portfolio and collateral trading
- ◆ FINMA Leverage ratio at approx. 2.6%



Positive replacement values

- ◆ Notional exposures of derivatives reduced by 12% during 4Q



4Q08 – Group regulatory capital

	Tier 1 capital	BIS RWA	Tier 1 ratio	Total capital	Total ratio
CHF billion and %					
30.09.08¹	36.6	332.5	11.0%	50.0	15.0%
Net P&L attr. to shareholders	(8.1)				
Net P&L not eligible for capital	1.3				
MCN issue	6.0				
Other	(1.2)				
SNB transaction		(17.0)			
Market risk		(3.1)			
RWA reduction		(10.1)			
31.12.08	34.6	302.3	11.5%	46.8	15.5%

¹ 3Q08 eligible capital and capital ratios were restated following a change in the calculation methodology for own credit, refer to note 10 of the financial report for additional details.

SNB transaction update

Positions affected by the transfer to the SNB StabFund

(USD billion)	Originally announced	Revised	Transferred	Planned transfer in 1Q09
US sub-prime	5.9	5.6	2.8	2.8
US Alt-A	2.5	2.4	1.4	1.0
US prime	1.9	1.9	1.0	0.9
US RLN program	5.8	5.8	4.7	1.1
CRE / CMBS	6.6	5.7	2.3	3.4
Student loan-backed securities	8.4	0.5	0.5	0
Other assets	17.6	17.5	4.1	13.4
Price differences		(0.3)	(0.3)	
Sub-total	48.7	39.1	16.4	22.7
Assets insured by monolines	3.5	0	0	0
Auction rate securities – client holdings	5	0	0	0
Total	57.2	39.1	16.4	22.7

- ◆ The overall 4Q08 P&L impact of the SNB transaction and the MCN issued to the Swiss Confederation was a charge of CHF 4.2bn
- ◆ UBS and SNB agreed that student loan ARS and securities insured by monolines will not be sold to the fund, reducing the portfolio size to USD 39.1bn
- ◆ In December 08 the SNB StabFund acquired a first tranche of securities in the amount of USD 16.4bn
- ◆ The remaining positions in the amount of USD 22.7bn are planned for transfer in 1Q09 with any price difference resulting from a third party valuation impacting UBS's income statement at the time of transfer

Identified risk concentrations

USD billion	Net exposure 30.9.08	Net exposure 31.12.08	Total P&L 4Q08	Of which trading P&L 4Q08	Of which impairment charge 4Q08
Leveraged Finance	4.7	4.0 ¹	(1.2) ²	(0.1) ³	(1.1)
Monoline	4.3	5.3 ³	(2.1)	(2.0) ⁴	(0.1) ⁵
	9.0	9.3	(3.3)	(2.1)	(1.2)

- 1 The Leveraged Finance net exposure of USD 4.0bn includes about USD 2.3bn of Leveraged Finance positions which were reclassified as "loans and receivables" in 4Q08
- 2 P&L consists of gross mark downs and impairment charges on Leveraged Finance positions, plus the impact of hedges on specific transactions where the hedge is considered effective
- 3 Net exposure represents current replacement value of protection bought from monoline insurers against CDOs/CLOs/CMBS held by UBS, after credit valuation adjustment; Hedges are deemed effective where UBS believes the monoline insurer remains viable.
- 4 P&L represents change in required Credit Valuation Adjustment (CVA) during quarter
- 5 The impairment charge was taken against CDOs/CLOs/CMBS on which UBS has purchased protection from monolines. These assets were reclassified as "loans and receivables" per 01.10.2008

Reclassification

USD billion	Fair value 01.10.08	Fair value 31.12.08	Carrying value 31.12.08	Impairment charge 4Q08	Pro memoria FV P&L 4Q08
Monoline protected assets ¹	5.6	4.6	5.6	(0.1)	(1.0)
US RLN program	1.1	0.9	1.1	(0.0)	(0.2)
US CRE / CMBS	3.4	2.5	3.4	(0.0)	(0.9)
Leveraged Finance	3.4	1.9	2.3	(1.1)	(1.6)
Other ²	2.2	1.7	2.2	(0.0)	(0.5)
Total³ USD	15.8	11.6	14.5	(1.2)⁴	(4.2)

1 Represent CDOs/CLOs/CMBS held by UBS on which UBS has purchased protection from monolines.

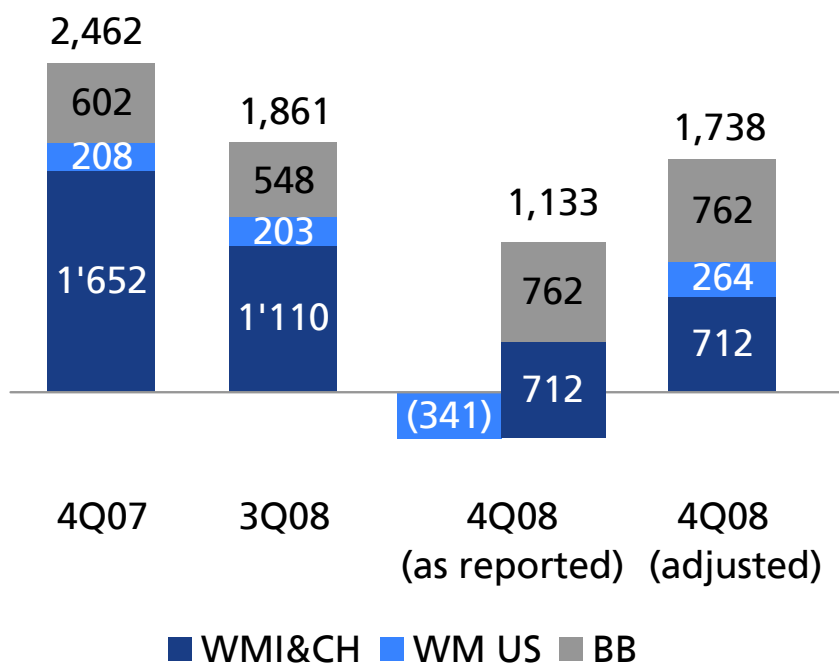
2 The category "Other" includes US traded loans, legacy CDOs, European corporate bonds, underwritten loans not classified as Leveraged Finance and Asian real estate bonds

3 The increase in Basel II Risk Weighted Assets is estimated to amount to USD 1.4 bn

4 Interest income resulting from the addition to accrued interest after reclassification amounted to USD 0.3 million

Global WM&BB

Pre-tax profit (CHF m)



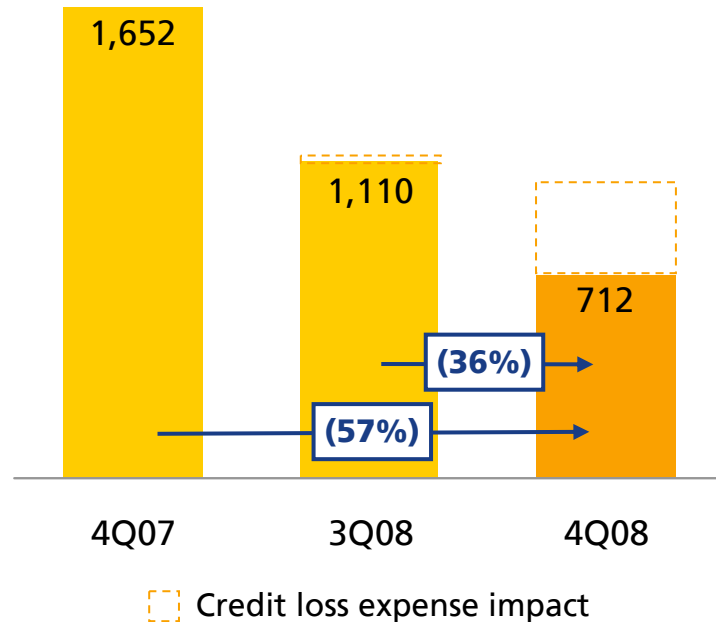
◆ Adjusted for ARS impact of CHF 605m

- Pre-tax profit down 7% on 3Q
- Revenues down 10% on increased credit loss expenses and a reduced asset base
- Expenses down 11% on lower staff levels and variable compensation

	3Q08	4Q08	%	2007	2008	%
Operating income (CHF m)	5,265	4,703	(11%)	24,869	21,381	(14%)
Operating expenses (CHF m)	3,404	3,571	5%	15,618	15,113	(3%)
Pre-tax profit as reported (CHF m)	1,861	1,133	(39%)	9,251	6,269	(32%)
Pre-tax profit excluding ARS (CHF m)	1,861	1,738	(7%)	9,251	7,793	(16%)
Invested assets (CHF bn)	1,932	1,599	(17%)	2,298	1,599	(30%)
NNM (CHF bn)	(49.3)	(58.2)		156.3	(123.0)	

WM International & Switzerland

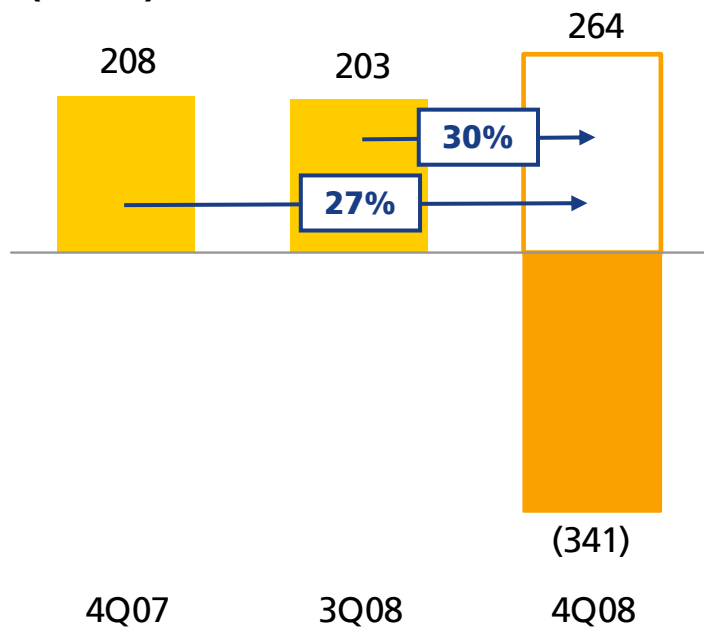
Pre-tax profit (CHF m)



- ◆ Profit decline on significantly lower asset based fees and higher credit loss expenses, only partially offset by lower operating expenses
- ◆ Gross margin down 2 bps to 93bps
- ◆ NNM outflows
 - International clients CHF 45.7bn
 - Swiss clients CHF 12.6bn
- ◆ Client advisors down by 182

	3Q08	4Q08	%	2007	2008	%
Operating income (CHF m)	2,609	1,907	(27%)	12,892	10,429	(19%)
Operating expenses (CHF m)	1,499	1,195	(20%)	6,582	5,911	(10%)
Pre-tax profit as reported (CHF m)	1,110	712	(36%)	6,310	4,518	(28%)
Cost / income ratio (%)	56.9	52.7	(4.2)pts	51.1	54.6	3.5pts
Invested assets (CHF bn)	1,080	870	(19%)	1,294	870	(33%)
NNM (CHF bn)	(36.0)	(58.3)		125.1	(101.0)	

Pre-tax profit (CHF m)



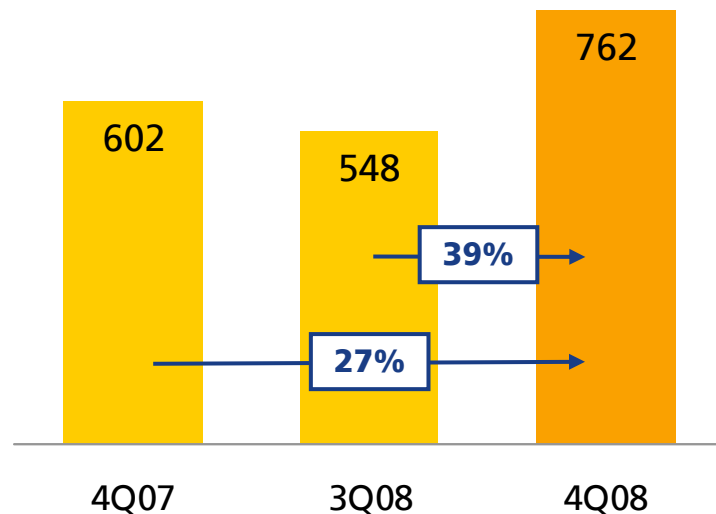
□ Excluding ARS related impact

- ◆ Pre-tax profit up 30% on 3Q excluding ARS impact of CHF 605m
- ◆ Excluding ARS impact, cost / income ratio improved by 3.5ppts to 82%
- ◆ NNM inflows of 4.1bn in 4Q driven by recruiting of financial advisors (+274 net)

	3Q08	4Q08	%	2007	2008	%
Operating income (CHF m)	1,469	1,460	(1%)	6,660	5,933	(11%)
Operating expenses (CHF m)	1,267	1,802	42%	5,986	6,631	11%
Pre-tax profit as reported (CHF m)	203	(341)		674	(698)	
Pre-tax profit excluding ARS impact (CHF m)	203	264	30%	674	826	23%
Invested assets (CHF bn)	709	600	(15%)	840	600	(29%)
NNM (CHF bn)	(9.8)	4.1		26.6	(10.6)	

Business Banking Switzerland

Pre-tax profit (CHF m)

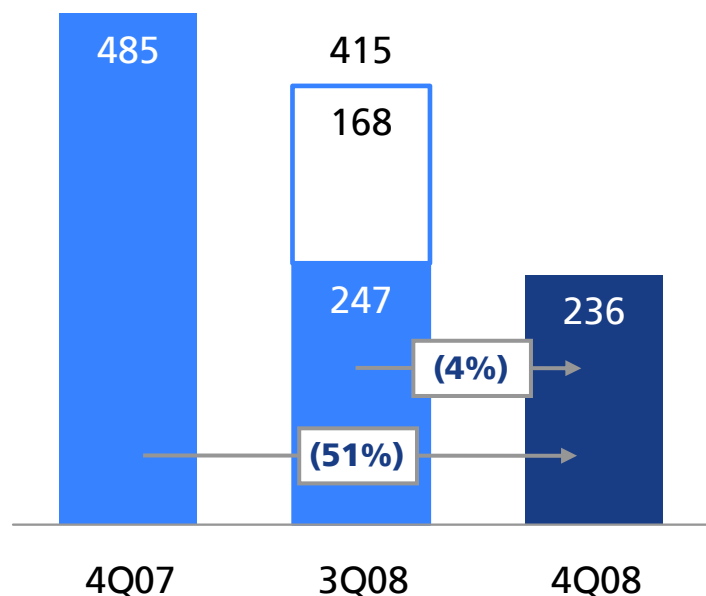


- ◆ Pre-tax profit up 39% on higher revenues and reduced expenses
- ◆ Higher revenues flattered by gains on certain equity participation of approx. CHF 100m
- ◆ Cost / income ratio improved further

	3Q08	4Q08	%	2007	2008	%
Operating income (CHF m)	1,186	1,336	13%	5,317	5,019	(6%)
Operating expenses (CHF m)	638	574	(10%)	3,050	2,570	(16%)
Pre-tax profit as reported (CHF m)	548	762	39%	2,267	2,449	8%
Cost / income ratio (%)	53.7	43.1	(10.6)pts	57.7	51.2	(6.5)pts
Invested assets (CHF bn)	142	129	(9%)	164	129	(21%)
NNM (CHF bn)	(3.5)	(4.0)		4.6	(11.4)	

Global AM

Pre-tax profit (CHF m)



□ Impact from a gain on the sale of a minority stake in Adams Street Partners

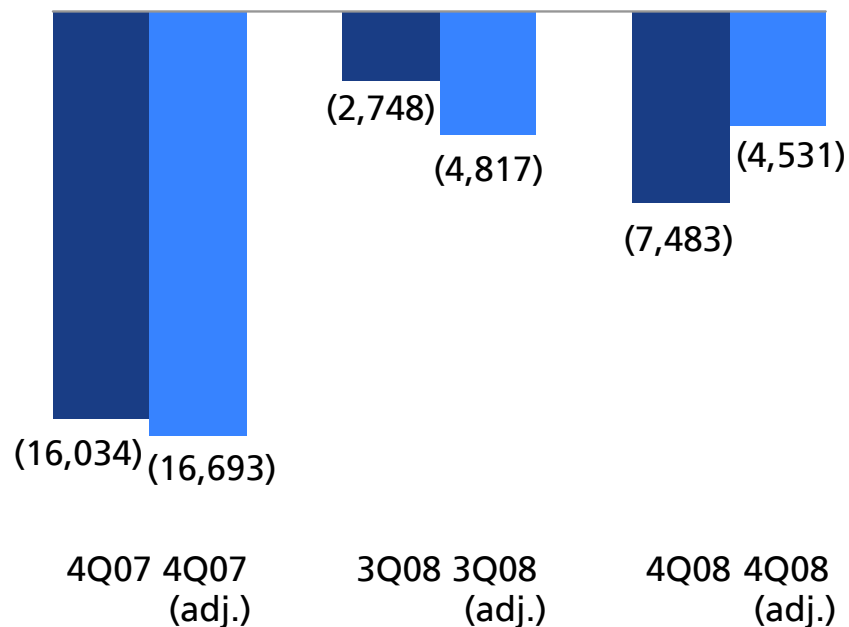
- ◆ Pre-tax profit excluding ASP gain in 3Q down by 4% on lower institutional fees
- ◆ Expenses down 41% reflecting lower variable compensation accruals
- ◆ NNM disappointing at negative 27.6bn
 - Approx. half of outflows in Global AM accounted for by UBS channels
- ◆ Money market funds had inflows of 12bn
- ◆ Cost income ratio at 50.6% in 4Q

	3Q08	4Q08	%	2007	2008	%
Operating income (CHF m)	827	478	(42%)	4,094	2,904	(29%)
Operating expenses (CHF m)	413	242	(41%)	2,640	1,572	(40%)
Pre-tax profit as reported (CHF m)	415	236	(43%)	1,454	1,333	(8%)
Pre-tax profit adjusted ¹ (CHF m)	247	236	(4%)	1,666	1,165	(30%)
Invested assets (CHF bn)	708	575	(19%)	891	575	(35%)
NNM (CHF bn)	(34.4)	(27.6)		(15.7)	(103.0)	

¹ Excluding DRCM restructuring costs of 212m in FY07 and gain on the sale of ASP of 168m in 3Q08

Investment Bank

Pre tax profit (CHF m)

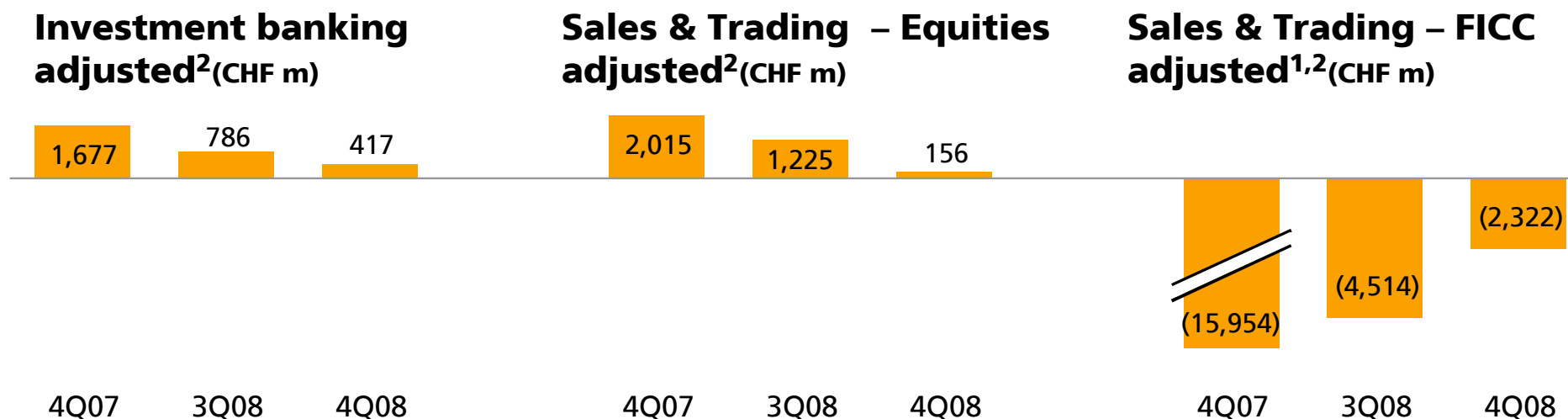


- ◆ Pre-tax as reported includes
 - Own credit loss CHF 1,616m
 - Restructuring charges CHF 737m
 - SNB/MCN related losses CHF 652m
 - Divestments / other income CHF 53m
- ◆ Adjusted pre-tax result includes
 - Credit loss expenses CHF 1.9bn
 - CVA on monolines CHF 2.3bn
- ◆ Expenses down on reversal of variable compensation accruals and lower staff levels

	3Q08	4Q08	%	2007	2008	%
Operating income as reported (CHF m)	(750)	(5,903)		(804)	(23,769)	
Own credit (CHF m)	2,069	(1,616)		659	2,032	
Operating expenses (CHF m)	1,998	1,580	(21)	15,865	9,925	(37)
Pre-tax as reported (CHF m)	(2,748)	(7,483)	(172)	(16,669)	(33,694)	(102)
Pre-tax (adjusted) (CHF m)	(4,817)	(4,531)	6	(17,328)	(34,392)	(98)

Investment Bank operating income

(CHF m)	Inv. banking	Equities	FICC	Credit loss	Own credit	IB
Operating income (as reported)	528	231	(3,107)	(1,939)	(1,616)	(5,903)
Own credit					1,616	1,616
SNB Transaction / MCN ¹			652			652
Divestments / other ²	(111)	(75)	133			(53)
Operating income (adjusted)	417	156	(2,322)	(1,939)	0	(3,688)



1 Includes CHF 309m loss due to price differences on the securities sold and CHF 343m losses on hedges that were subject to trading restrictions as a result of the transaction

2 Includes CHF 186m net gain on the sale of UBS's stake in Bank of China and a CHF 133m loss on the divestment of the commodities business.

Content

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Group Chief Executive Officer

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Group Chief Financial Officer

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Chairman and Chief Executive Officer
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Core strengths of UBS-IB

Client focus

Global platform

Fundamental part of a strong UBS

Repositioning the IB

A core set of guiding principles

Manageable

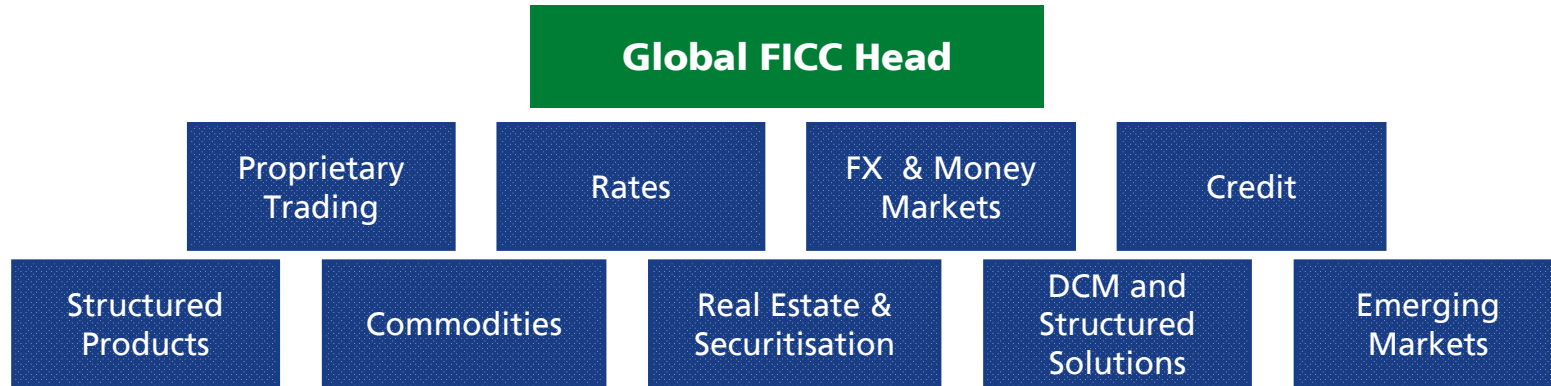
Fundable

Profitable

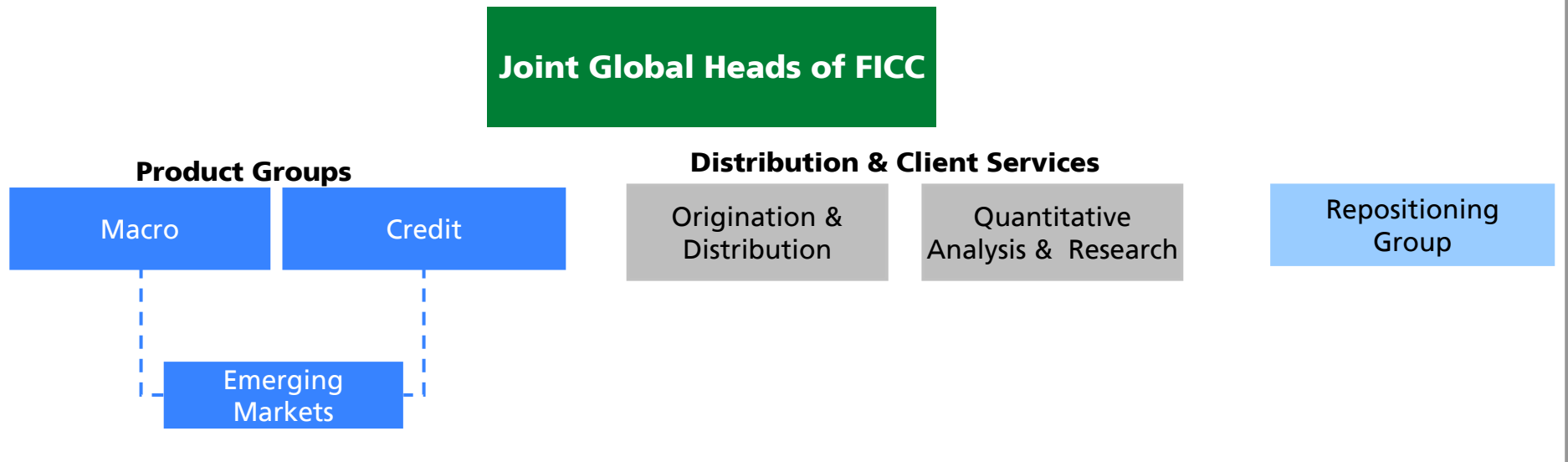
Manageable – Simplified and reorganized

FICC Organisation Structure

Old



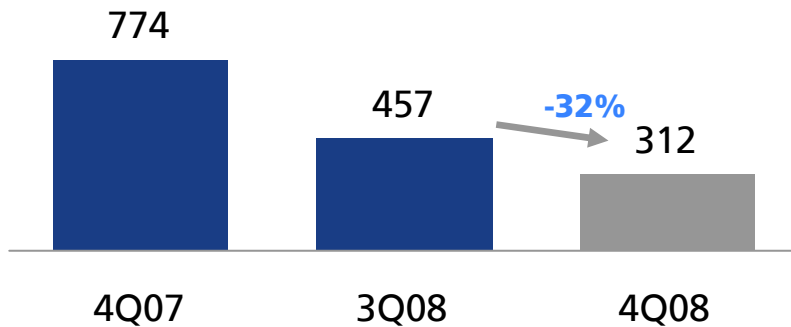
New



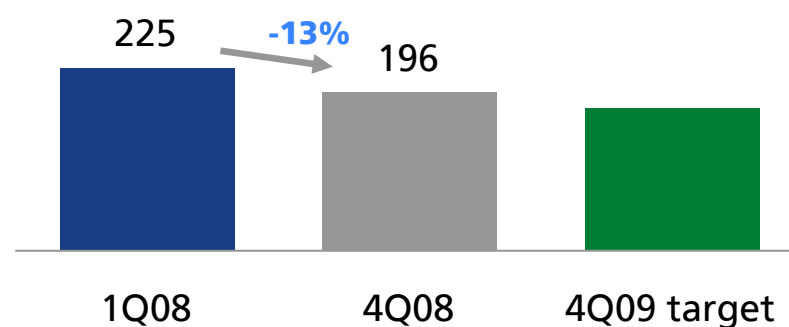
Fundable - then and now

The IB has streamlined its business, reduced headcount and significantly de-risked its balance sheet

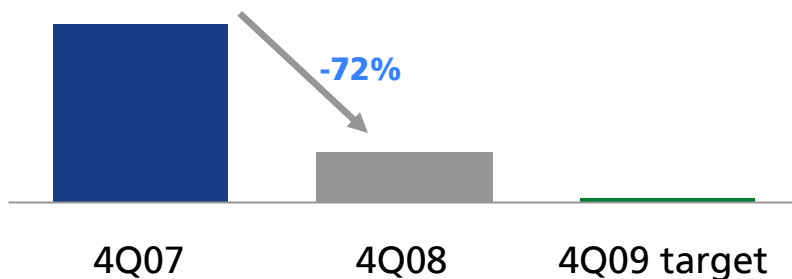
UBS Trading portfolio (CHFbn)



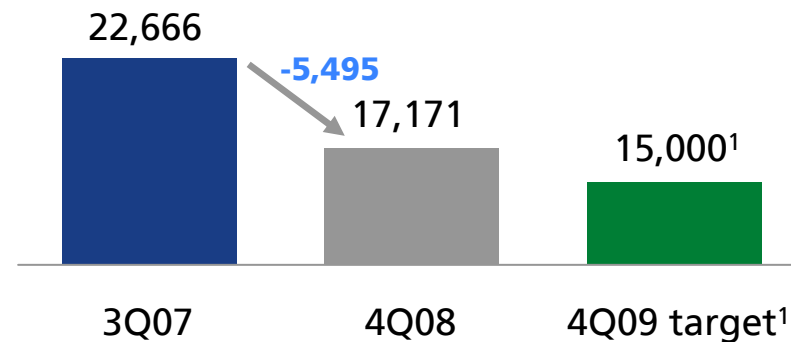
IB RWA (CHFbn)



IB internal funding



IB permanent FTEs



¹ 4Q09 target of 15'000 excludes approximately 500 in Repositioning Group

Priority for 2009 – return to profitability

The core businesses are strong and are expected to be profitable in 2009

Equities

A business portfolio centered on:

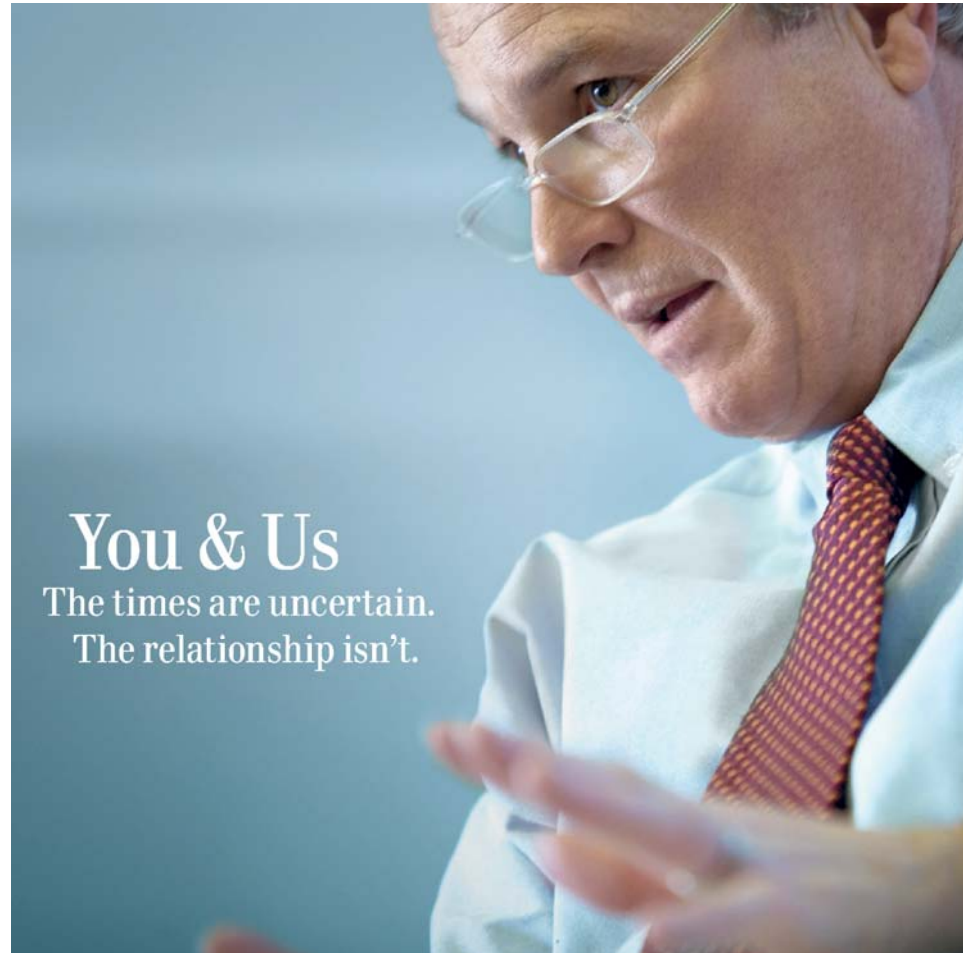
- ◆ Flow products:
 - Cash Equities, FX, Rates, Flow Credit and Derivatives
- ◆ Advisory & Financing:
 - M&A/restructuring advice, Capital Markets, Acquisition Finance
- ◆ Structured products:
 - Equity Structured Products and cross-asset class offerings for WM clients

IBD

FICC

Outlook

- ◆ We made substantial progress on all fronts
- ◆ Our businesses are well positioned for a challenging future
- ◆ Our net asset outflows are coming to a halt
- ◆ We had an encouraging start into the new year
- ◆ The environment will remain very difficult and volatile as the real economy has not seen the worst yet





Appendix

SNB / MCN significant items breakdown

(CHFm)	4Q08 P&L
Call option cost	(4,822)
Fair value of call option	1,206
Expense for contingent issuance of UBS shares to SNB	(607)
Price differences on the securities sold	(309)
Loss on hedges subject to trading restrictions	(343)
Gain on fair valuation of MCN's derivative component	688
Total impact from SNB transaction / MCN	(4,187)

Risk positions development during 4Q08

USD billion	Net exposure ¹ 30.9.08	Net exposure ¹ 31.12.08	P&L ² 4Q08	P&L ² FY08
US sub-prime	5.2	(0.2)	0.4	(8.1)
US Alt-A	2.3	0.1	0.0	(7.4)
US prime	2.3	0.1	0.0	(1.8)
Monoline ³	4.3	5.3	(2.0)	(7.6)
US RLN program ⁴	7.2	2.0	(0.3)	(2.6)
US CRE / CMBS	6.4	3.0	(0.3)	(0.3)
Leveraged Finance	4.7	4.0	(0.1) ⁵	(1.2) ⁵
US Student Loans	8.4	8.4	0.2	(1.6)
	40.8	22.7	(1.9)	(30.6)

- 1 Net exposure represents market value of gross exposure net of short positions and hedges considered effective plus the carrying value of reclassified positions less impairment charge.
- 2 In line with Note 3 of our financial accounts P&L reflects net trading P&L. For the assets reclassified as "loans and receivables" per 01.10.2008 it does not include the reversed 4Q08 trading P&L and any impairment charge. The latter is shown as credit loss expense and amounts to an overall USD (1.2)bn.
- 3 P&L represents change in CVA during quarter; Exposures represent current replacement value of protection bought from monoline insurers against CDOs/CLOs/CMBS held by UBS, after credit valuation adjustment; Hedges are deemed effective where UBS believes the monoline insurer remains viable.
- 4 US RLN exposure has been excluded from the corresponding asset categories.
- 5 P&L represents gross mark downs of 4Q08 plus the P&L from hedges on specific transactions where hedge is considered effective. It does not include the impairment charge taken for reclassified Leveraged Finance commitments in the amount of USD (1.1)bn

Exposure¹ to monoline insurers²

USD billion	Notional amount ³	Fair value of underlying CDOs ⁴	Fair value of CDSs ⁵ prior to CVA	Credit valuation adjustment as of 31.12.08	Fair value of CDSs after CVA
Credit protection on US RMBS CDOs	9.1	1.7	7.4	4.7	2.8
of which from monolines rated AAA to A	0.0	0.0	0.0	0.0	0.0
<i>on US sub-prime RMBS CDO high grade</i>	-	-	-	-	-
<i>on US sub-prime RMBS CDO mezzanine</i>	-	-	-	-	-
<i>on other US RMBS CDO</i>	0.0	0.0	0.0	0.0	0.0
of which from monolines rated BBB and below	9.1	1.7	7.4	4.7	2.8
<i>on US sub-prime RMBS CDO high grade</i>	6.2	0.9	5.3	3.0	2.3
<i>on US sub-prime RMBS CDO mezzanine</i>	1.1	0.0	1.1	0.9	0.2
<i>on other US RMBS CDO</i>	1.8	0.7	1.1	0.8	0.3
Credit protection on other assets	12.4	7.5	4.9	2.3	2.6
of which from monolines rated AAA to A	2.4	1.6	0.8	0.3	0.5
of which from monolines rated BBB and below	10.0	5.9	4.1	2.0	2.1
Total 31.12.08	21.5	9.2	12.3	7.0	5.3
Total 30.9.08	21.7	12.4	9.3	5.0	4.3

- 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 Collateralized debt obligations (CDOs)
- 5 Credit default swaps (CDSs)

Leveraged finance¹ commitments

USD billion	Net Exposure ² 30.9.08	Net Exposure ² 31.12.08
Funded	3.7	3.2
Unfunded	1.0	0.8
Total	4.7	4.0³

- 1 A leveraged finance deal is defined based on an internal rating which equals to a corporate credit rating of BB- or worse at the point of reporting and now includes positions subject to rating downgrades.
- 2 The net exposure of a Leveraged Finance commitment represents the commitment amount less gross markdowns and effective hedges for positions held at fair value and the carrying value less impairment charge for reclassified positions carried as "loans and receivables".
- 3 The Leveraged Finance net exposure of USD 4.0bn includes about USD 2.3bn of Leveraged Finance positions which were reclassified as "loans and receivables"

Auction rate securities positions and P&L

USD billion	Net exposures as of 30.9.08 ¹	Net exposures as of 31.12.08 ^{1,3}	P&L 4Q08 ²
US student loan auction rate securities	7.9	8.4	0.2
US municipal auction rate securities	0.3	0.5	(0.0)
US taxable auction preferred securities	0.2	0.8	0.0
US tax-exempt auction preferred securities	0.1	3.2	(0.0)
Total	8.5	12.9	0.2

1 Net exposure represents market value of gross exposure net of short positions and hedges considered effective

2 Includes additions, disposals, amortizations and adjustments to hedges

3 At 31.12.2008 USD 4.6 billion of the US student loan auction rate securities (ARS) were monoline wrapped

Client holdings auction rate securities – maximum repurchase

USD billion	Par value of max. required purchase as at 30.9.08	Par value of max. required purchase as at 31.12.08	Buyback period		
			Private Clients		Institutional clients
			31.10.2008 to 4.1.2011	2.1.2009 to 4.1.2011	30.6.2010 to 2.7.2012
US student loan auction rate securities	12.3	11.8	0.0	3.2	8.5
US Municipal auction rate securities	2.2	2.0	0.1	1.6	0.3
US taxable auction preferred securities	3.1	1.7	0.2	1.2	0.3
US tax exempt auction preferred securities	3.3	0.1	0.1	0.0	0.0
Total	20.9	15.5	0.4	6.0	9.1