



# First Quarter 2009 Results

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May 5, 2009

# Caution regarding forward looking statements

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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 efforts to enforce the US Internal Revenue Service’s “John Doe” summons and of pending or future inquiries concerning UBS’s cross-border banking business by tax or regulatory authorities in other jurisdictions; (6) the degree to which UBS is successful in implementing its remediation plans and strategic and organizational changes, including the recent announced cost and headcount reductions, 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 or more stringent capital requirements and of 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, including the possible loss of key employees as a result of compensation issues or for other reasons; (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 2008. 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.

# Recent developments

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- ◆ Update on strategic positioning provided at the AGM
  - Focus on international wealth management and the Swiss banking business alongside global expertise in investment banking and asset management
  - Integrated business model remains fundamentally attractive
- ◆ Adjusting the size of the firm to the market conditions and lower level of business
  - Cost-cutting program aiming to save CHF 3.5 to 4.0 bn by the end of 2010 compared with 2008
  - The number of employees to be reduced to about 67'500
- ◆ Changes to the Board of Directors and creation of conditional and authorized capital
- ◆ Changes to the Group Executive Board and senior management of the Investment Bank
- ◆ SNB transaction - asset transfer completed
- ◆ Reorganization of UBS's wealth management businesses
- ◆ Announced sale of UBS Pactual

# Group highlights

	<b>1Q08</b>	<b>4Q08</b>	<b>1Q09</b>
Net profit attributable to UBS shareholders (CHF m)	(11'617)	(9'563)	(1'975)
Diluted earnings per share (CHF)	(5.27)	(3.02)	(0.57)
Total assets (CHF bn)	2'233	2'015	1'861
Risk-weighted assets (CHF bn)	335.4	302.3	277.7
Tier 1 ratio (%)	7.4	11.0	10.5
Net new money - WM&SB (CHF bn)	0.5	(60.4)	(23.4)
Net new money - WM Americas (CHF bn)	3.2	2.2	16.2
Net new money - Global AM (CHF bn)	(16.5)	(27.6)	(7.7)
Invested assets (CHF bn)	2'759	2'174	2'182
Personnel (FTE)	83'839	77'783	76'206

# Performance by division – 1Q09

<b>(CHF m)</b>	<b>WM&amp;SB</b>	<b>WMA</b>	<b>Global AM</b>	<b>IB</b>	<b>CC</b>	<b>UBS</b>
Income	3'011	1'408	502	(295)	827	5'454
Credit loss (expense) / recovery	(119)	1		(1'017)		(1'135)
Own credit				651		651
<b>Total operating income</b>	<b>2'892</b>	<b>1'409</b>	<b>502</b>	<b>(661)</b>	<b>827</b>	<b>4'970</b>
Personnel expenses	1'213	1'082	226	1'185	257	3'963
Non-personnel expenses	601	362	335	1'316	(51)	2'564
<b>Total operating expenses</b>	<b>1'815</b>	<b>1'444</b>	<b>561</b>	<b>2'501</b>	<b>206</b>	<b>6'528</b>
<b>Pre-tax profit from continuing operations</b>	<b>1'077</b>	<b>(35)</b>	<b>(59)</b>	<b>(3'162)</b>	<b>621</b>	<b>(1'558)</b>
Tax expense						294
Minorities / discontinued operations						122
<b>Net profit attributable to UBS shareholders</b>						<b>(1'975)</b>

## Income items included in reported results

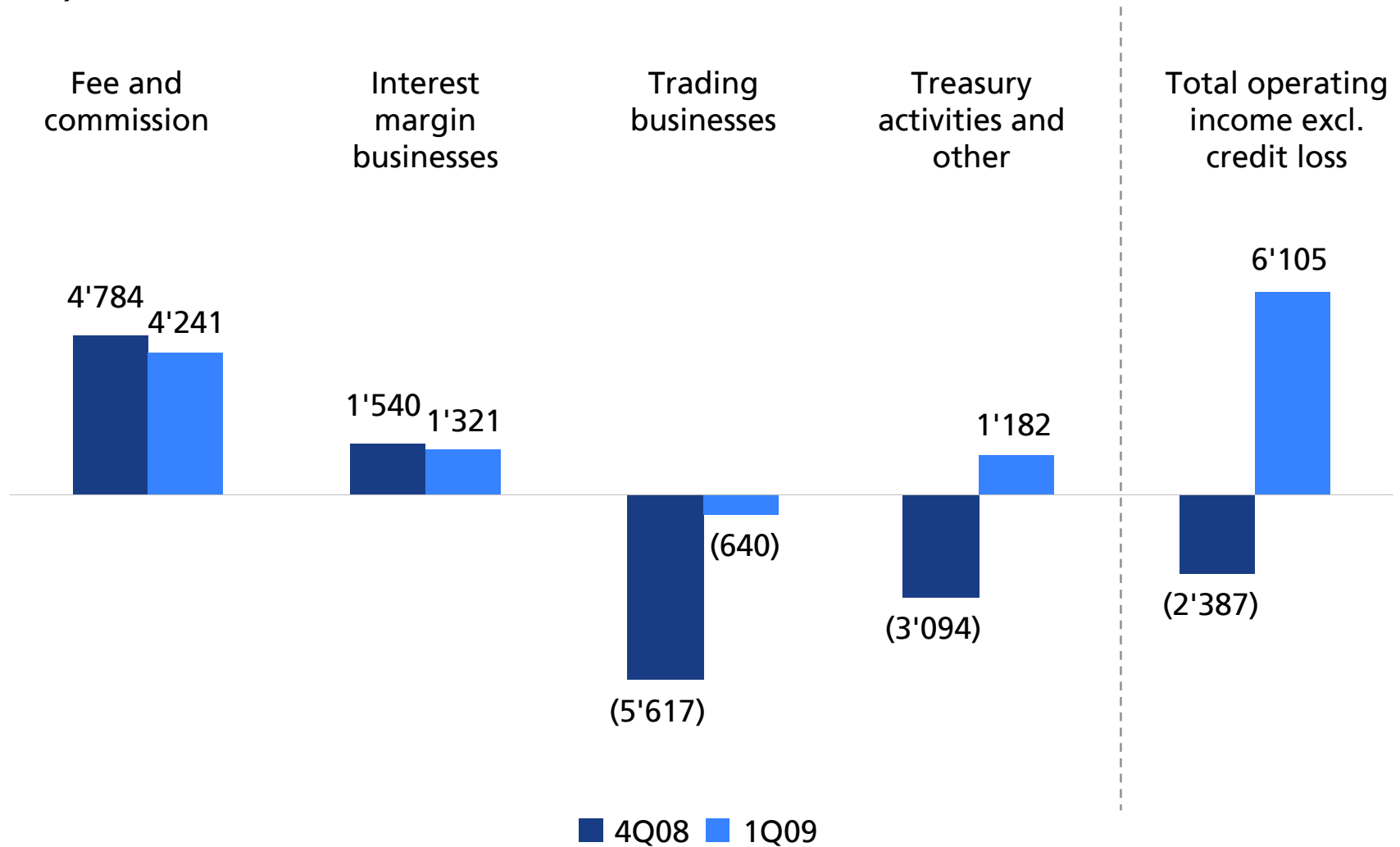
SNB Transaction				(232)	(302)	(534)
MCNs					524	524
ARS commitment valuation				(306)		(306)
Divestments / other				94		94
Gain on buyback of subordinated bonds					304	304

## Expense items included in reported results

Goodwill impairment		19	191	421		631
Severance costs	3		7	174		184

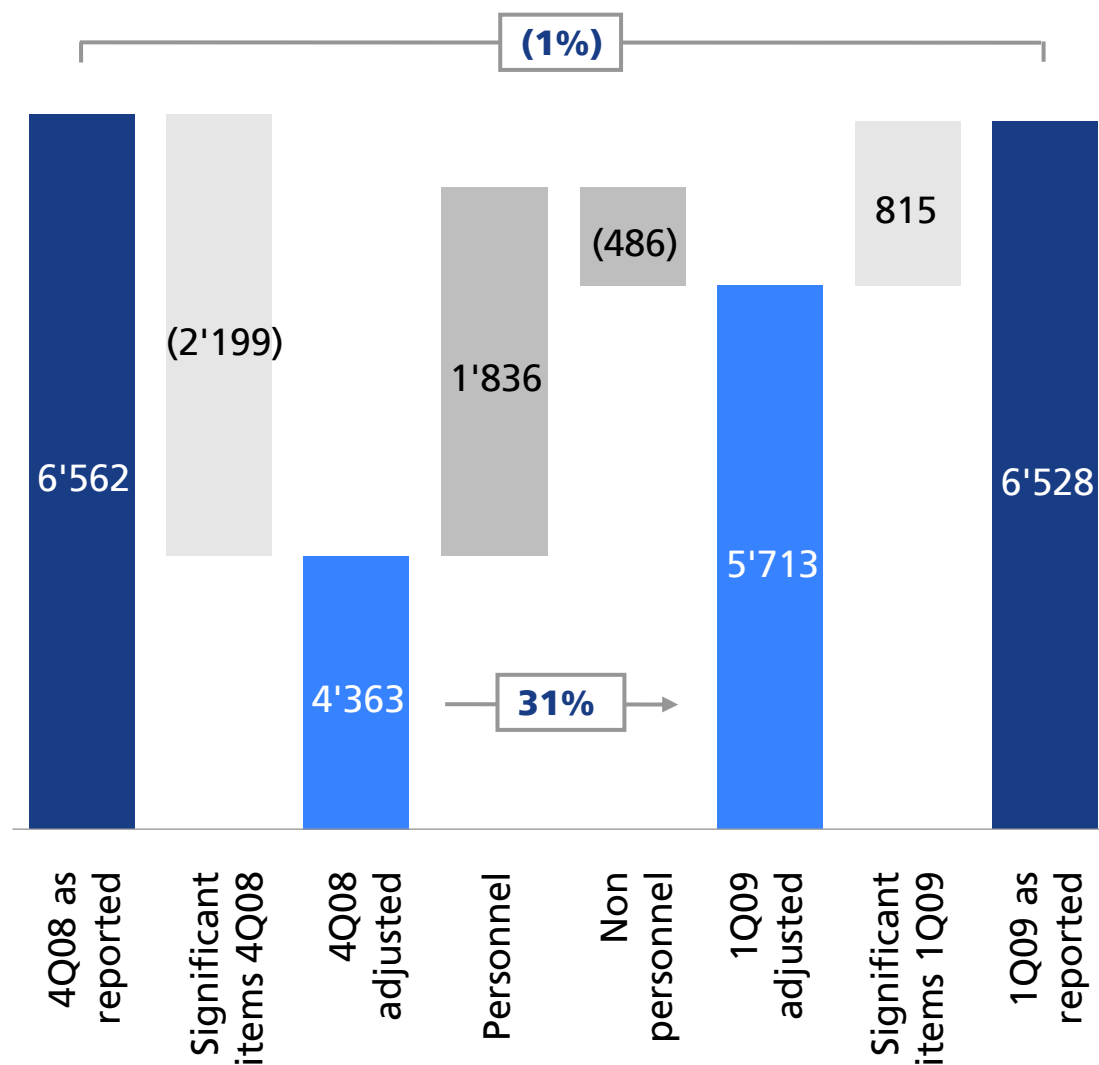
# Group income

(CHF m)



# Group operating expenses

(CHF m)

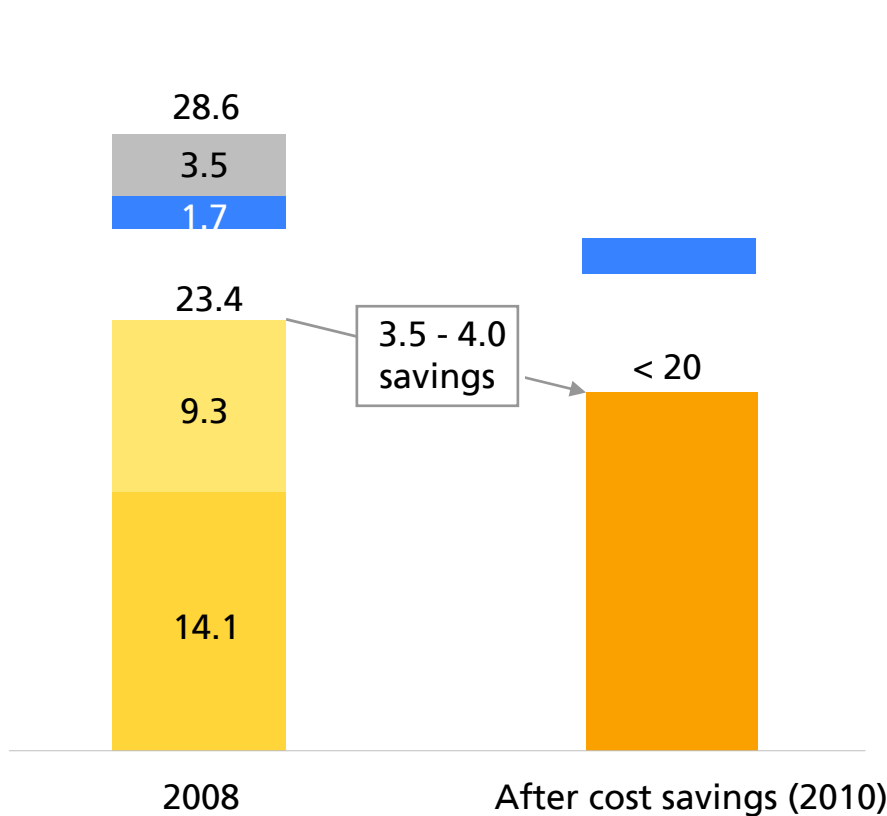


- ◆ Personnel expenses
  - 4Q included reversal of accruals for performance related compensation
- ◆ Non-personnel expenses
  - G&A lower across all categories
- ◆ Significant items in 1Q09
  - goodwill impairment CHF 631m
  - Severance costs CHF 184m
- ◆ Significant items in 4Q08
  - US cross-border case provision CHF 917m
  - restructuring charges CHF 737m
  - ARS related charges CHF 545m

# Group cost savings and personnel reduction

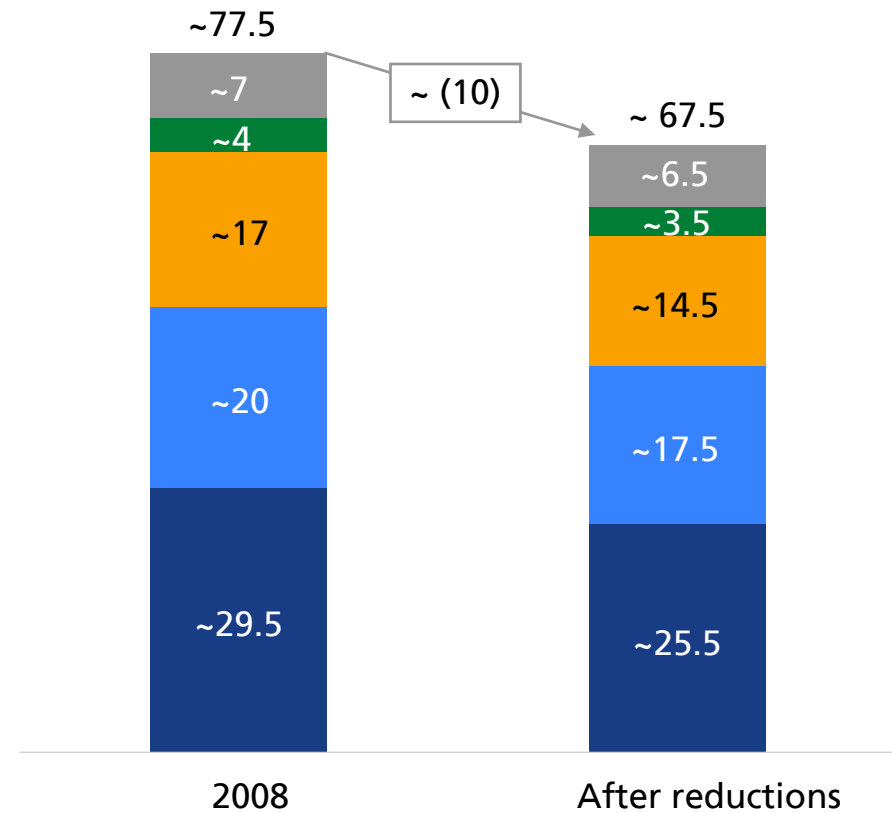
- ◆ Approx. CHF 650m of restructuring charges and severance costs expected in 2Q09 after CHF 184m booked in 1Q09

**Group expenses (CHF bn)**



- Significant items
- Personnel expenses - effective variable
- Non-personnel expenses
- Personnel expenses excl. effective variable

**Group personnel<sup>1</sup> (FTE thousands)**



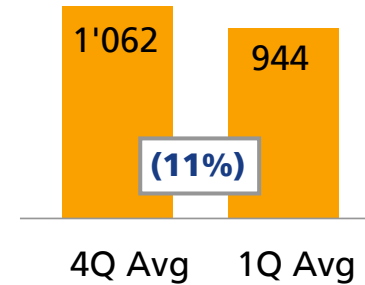
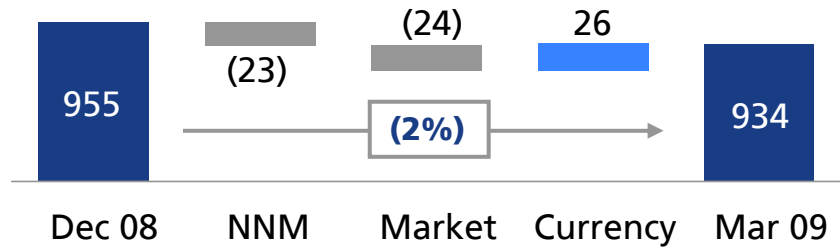
- Corporate Center
- Global AM
- Investment Bank
- WM Americas
- WM&SB

<sup>1</sup> Reduction of approx. 700 related to announced UBS Pactual sale is not included

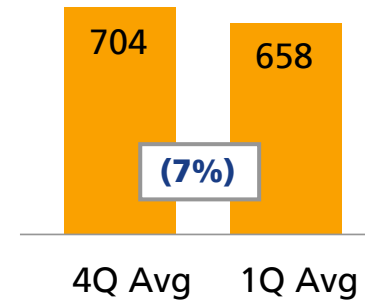
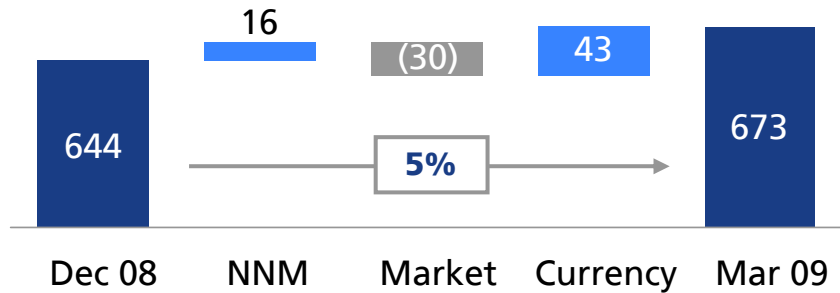


# Invested assets

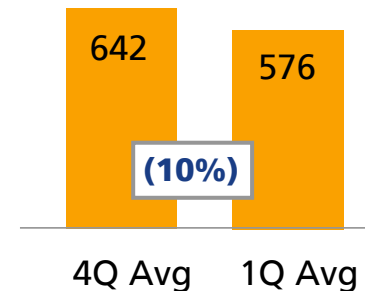
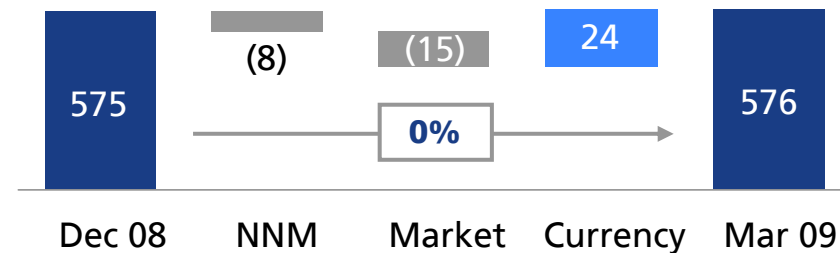
## WM&SB (CHF bn)



## WM Americas (CHF bn)

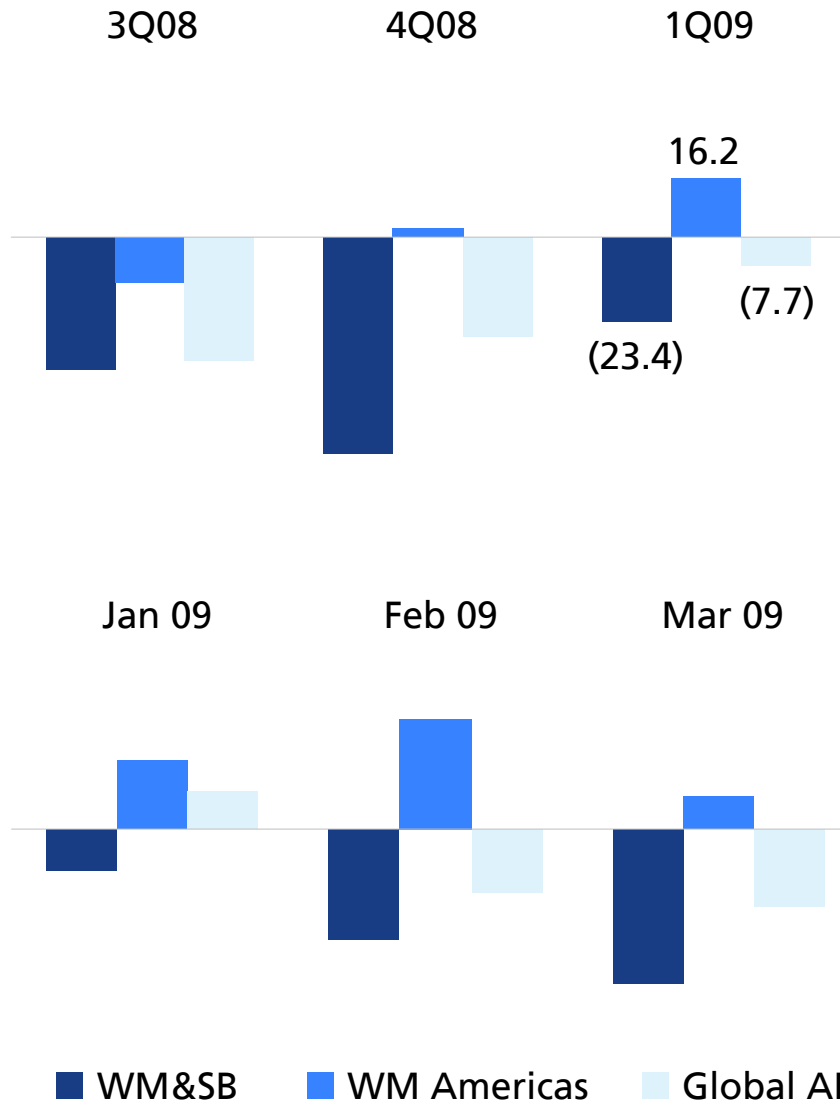


## Global AM (CHF bn)



# Net new money

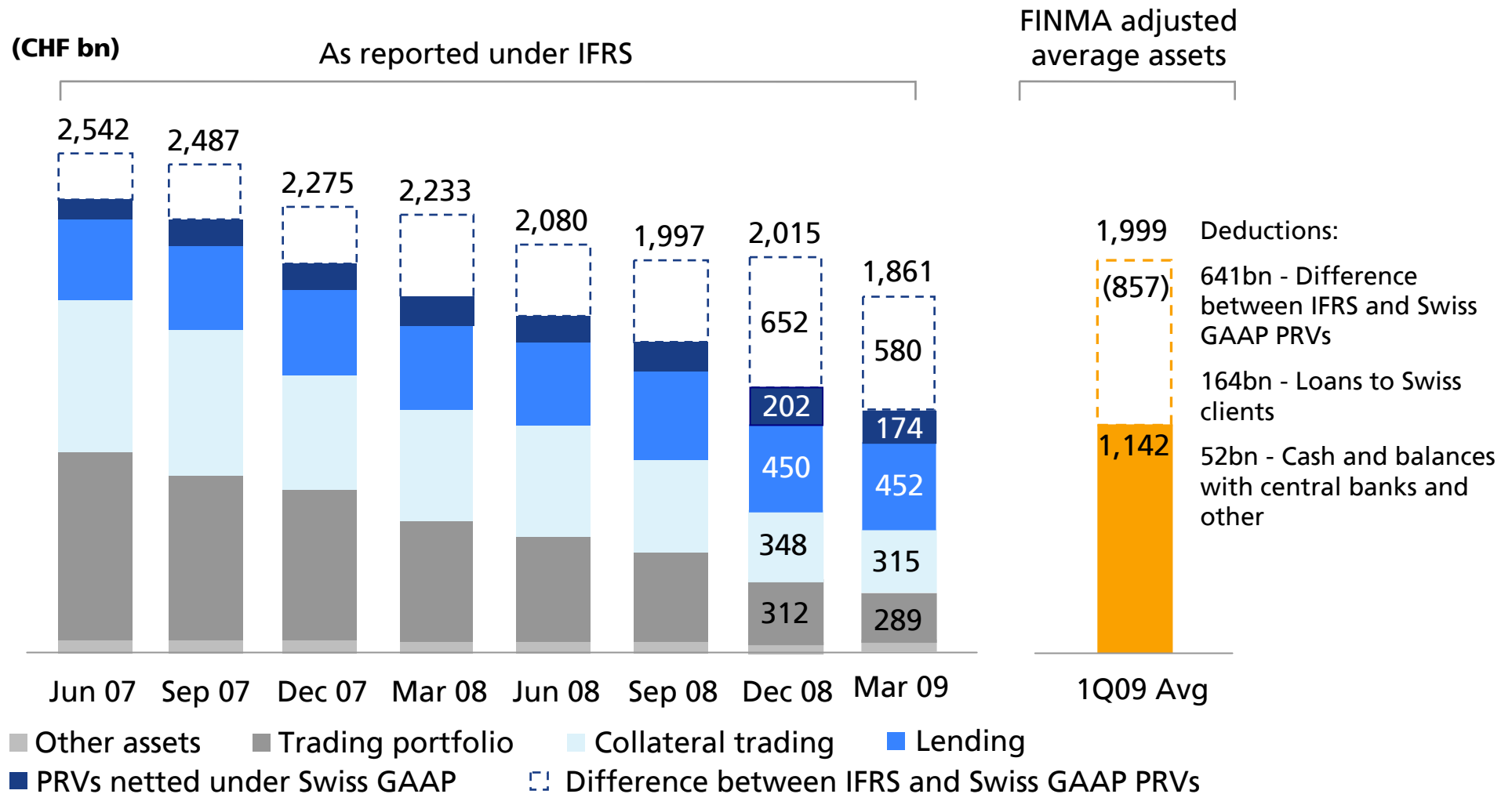
(CHF bn)



- ◆ WM&SB – net outflows CHF 23.4bn from CHF 60.4bn in 4Q08
- ◆ WM Americas – net inflows CHF 16.2bn from CHF 2.2bn in 4Q08
- ◆ Global AM – net outflows CHF 7.7bn from CHF 27.6bn in 4Q08
- ◆ The majority of outflows were recorded following the announcements related to the US cross-border case

# Balance sheet and leverage ratio

- ◆ Assets excluding PRVs and FX effects reduced by CHF 90 bn or 8% in 1Q09
- ◆ Reductions mainly in trading portfolio and collateral trading
- ◆ FINMA Leverage ratio at 2.56%

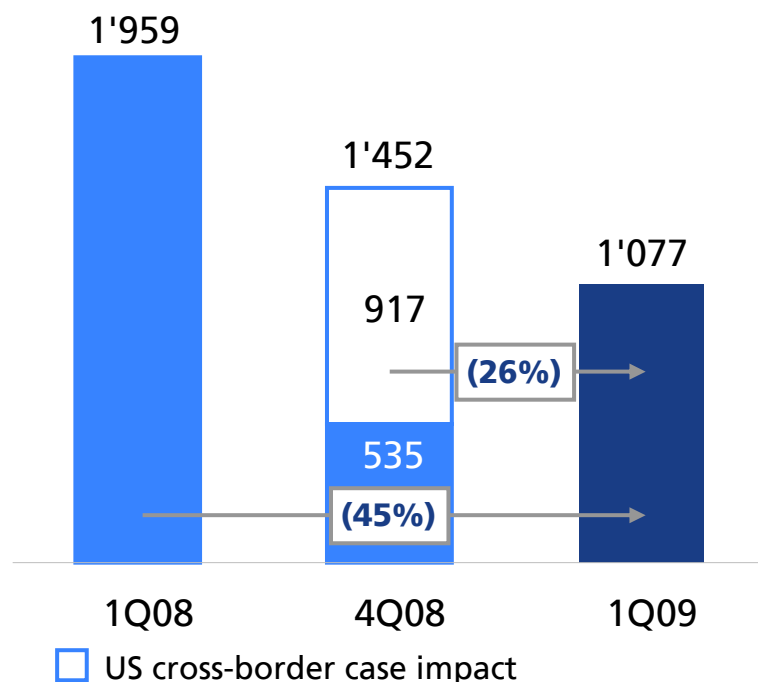


# Group regulatory capital

	Tier 1 capital	BIS RWA	Tier 1 ratio	Total capital	Total ratio
CHF billion and %					
31.12.08	33.2	302.3	11.0%	45.4	15.0%
Net P&L attr. to shareholders	(2.0)				
Net P&L not eligible for capital	(0.6)				
Own shares	(1.1)				
MCN coupon	(0.4)				
Other / FX	0.1				
Group RWA		(24.6)			
31.03.09	29.2	277.7	10.5%	41.0	14.7%
Pro-forma for announced UBS Pactual sale	30.2	274.7	11.0%	42.0	15.3%

# Wealth Management & Swiss Bank

## Pre-tax profit (CHF m)

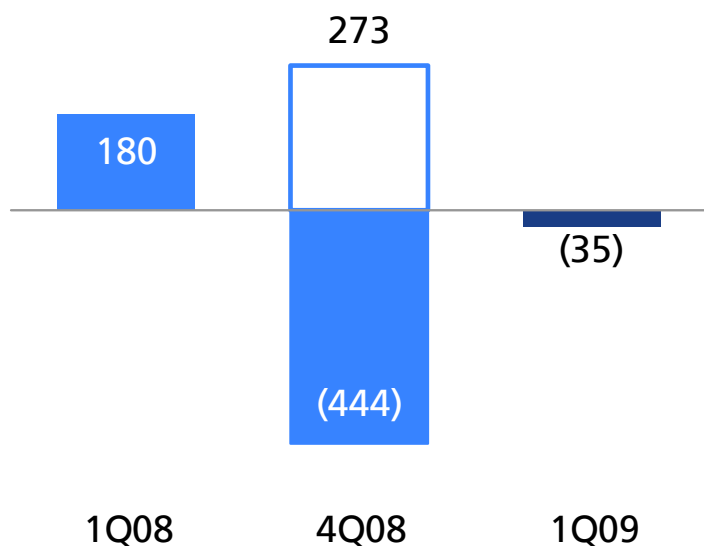


- ◆ Pre-tax profit excluding impact from US cross-border case down 26%
- ◆ Revenues down on reduced asset based and transactional fees and lower interest income
- ◆ Credit loss expenses were CHF 119m in 1Q09 versus CHF 354m in 4Q08
- ◆ G&A expenses excluding impact from US cross-border case down 26%

	1Q08	4Q08	1Q09	vs. 4Q08	vs. 1Q08
Revenues (CHF m)	4'201	3'153	2'892	(8%)	(31%)
Expenses (CHF m)	2'242	2'617	1'815	(31%)	(19%)
Invested assets (CHF bn)	1'228	955	934	(2%)	(24%)
NNM (CHF bn)	0.5	(60.4)	(23.4)		
Personnel (FTE)	31'070	29'528	28'808	(2%)	(7%)

# Wealth Management Americas

## Pre-tax profit (CHF m)



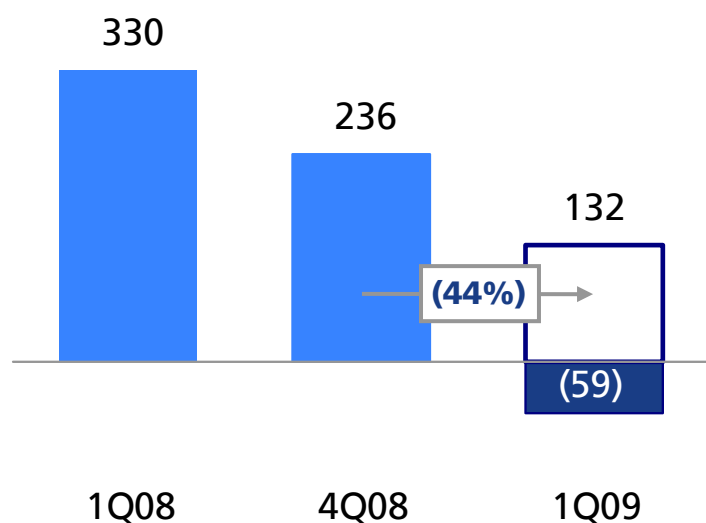
□ Excluding ARS-related charges of CHF 717m

- ◆ Pre-tax loss of CHF 35m due to lower fees on lower average asset levels, lower interest income and increase in personnel expenses
- ◆ NNM inflows of 16.2bn driven by recruiting of financial advisors (+153)
- ◆ Expenses include goodwill impairment of CHF 19m
- ◆ Underlying G&A expenses down 29%
- ◆ Gross margin increased 3 bps to 86 bps

	1Q08	4Q08	1Q09	vs. 4Q08	vs. 1Q08
Revenues (CHF m)	1'648	1'439	1'409	(2%)	(15%)
Expenses (CHF m)	1'468	1'883	1'444	(23%)	(2%)
Invested assets (CHF bn)	766	644	673	5%	(12%)
NNM (CHF bn)	3.2	2.2	16.2		
Personnel (FTE)	20'580	20'072	19'962	(1%)	(3%)

# Global Asset Management

## Pre-tax profit (CHF m)

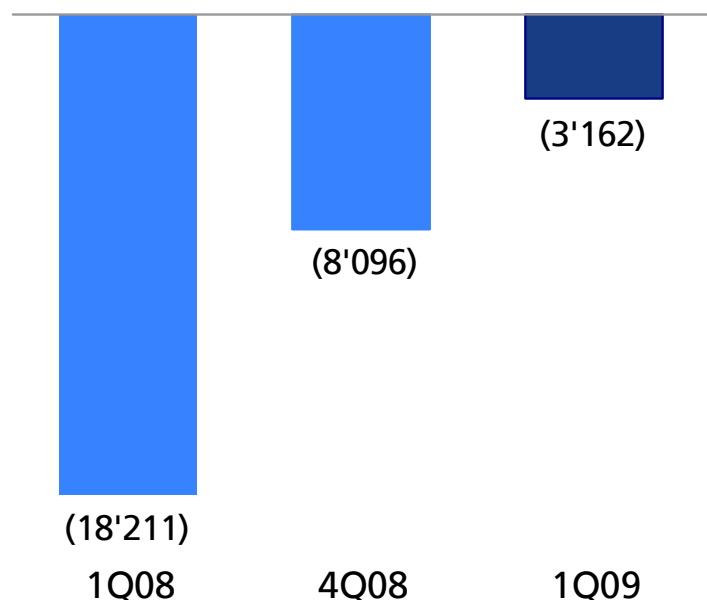


- ◆ Revenues up CHF 24m or 5% driven by higher institutional fees, mainly in A&Q
- ◆ Expenses impacted by
  - Goodwill impairment charge of CHF 191m related to the announced sale of UBS Pactual
  - Accruals for incentive-based compensation
  - Reduction of G&A expenses (19%)
- ◆ NNM outflows slowed to CHF 7.7bn

	1Q08	4Q08	1Q09	vs. 4Q08	vs. 1Q08
Revenues (CHF m)	791	478	502	5%	(37%)
Expenses (CHF m)	461	242	561	132%	22%
Cost / income ratio (%)	58.3	50.6	111.8	61.2 pts	53.5 pts
Invested assets (CHF bn)	765	575	576	0%	(25%)
NNM (CHF bn)	(16.5)	(27.6)	(7.7)		
Personnel (FTE)	3'901	3'786	3'717	(2%)	(5%)

# Investment Bank

## Pre-tax profit (CHF m)



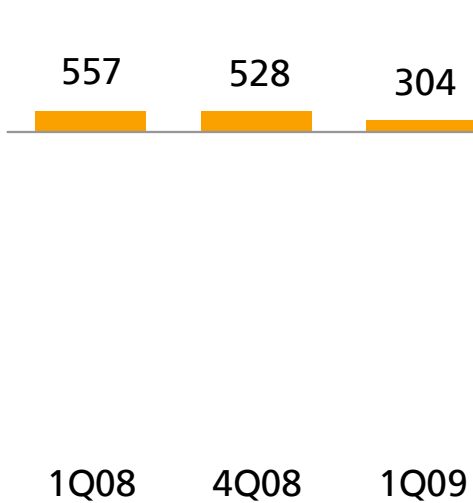
- ◆ Improved performance in underlying businesses, notably in the equities business and the rates and emerging markets within FICC
- ◆ Reduced losses on risk positions from businesses being exited compared with 4Q, but still significant impact
  - CVAs against monolines CHF 1.9bn
  - Credit loss expenses CHF 1.0bn
  - ARS commitments CHF 0.3bn
  - SNB fund price differences CHF 0.2bn
- ◆ Expenses include CHF 421m of goodwill impairment charge and CHF 174m of severance costs

	1Q08	4Q08	1Q09	vs. 4Q08	vs. 1Q08
Revenues (CHF m)	(14'796)	(6'516)	(661)		
o/w own credit	1'920	(1'616)	651		
o/w credit loss (expense) / recovery	(308)	(1'939)	(1'017)		
Expenses (CHF m)	3'415	1'580	2'501	58%	(27%)
Risk weighted assets (CHF bn)	225.2	195.8	184.5	(6%)	(18%)
Personnel (FTE)	21'170	17'171	16'466	(4%)	(22%)



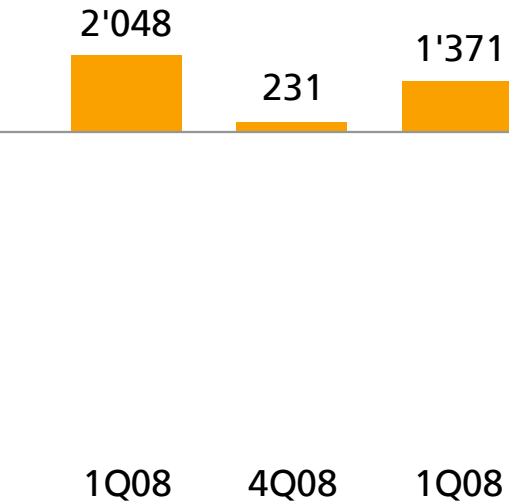
# Investment Bank revenues

## Investment banking (CHF m)



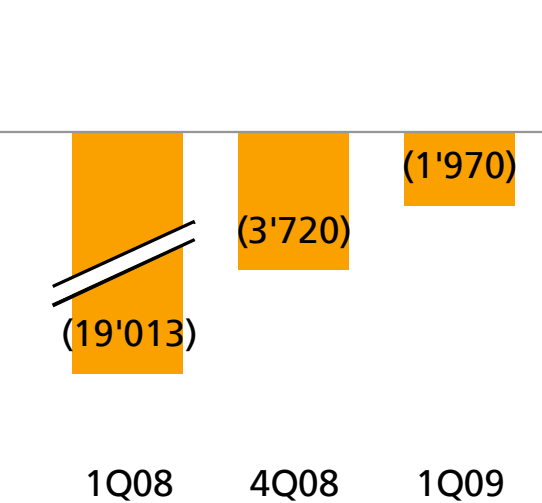
- ◆ Advisory revenues down 38%
- ◆ Capital market revenues up 29%
  - Equities up 13%
  - FICC up 54%
- ◆ Other fee income and risk management revenues were negative CHF 393m

## Sales & Trading – Equities (CHF m)

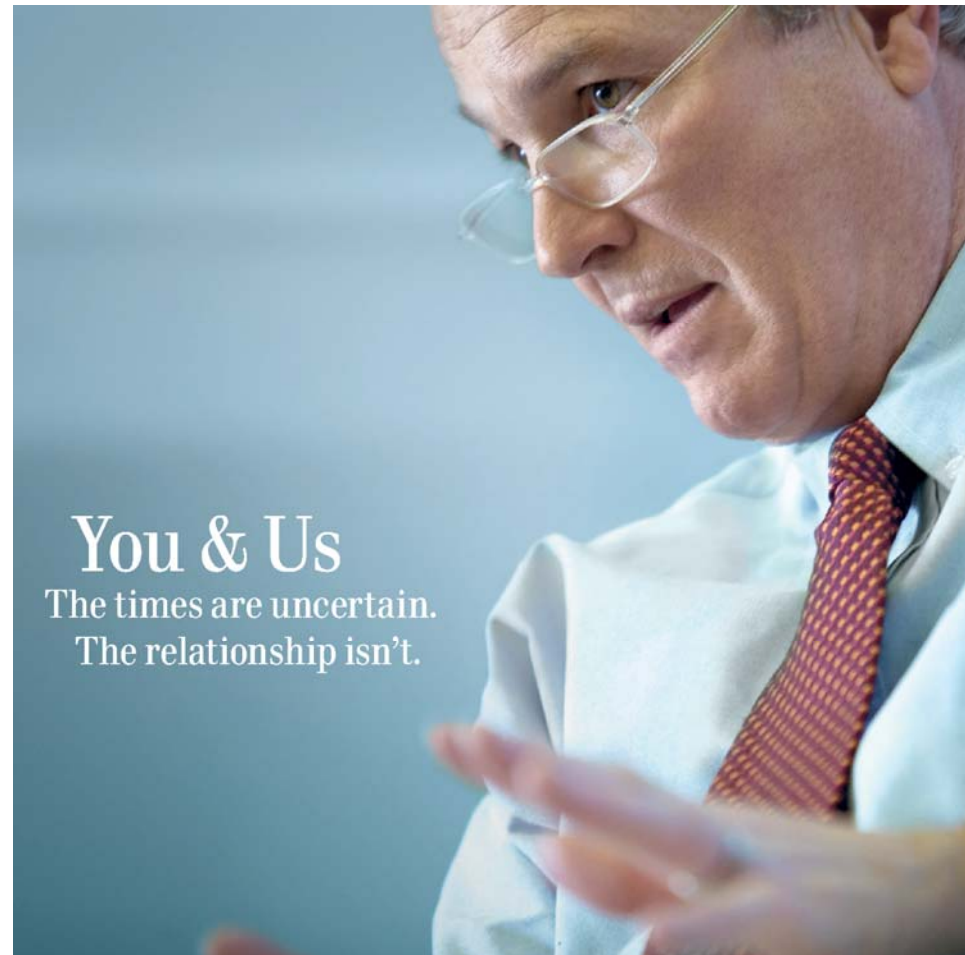


- ◆ Positive revenues in all equity trading businesses
- ◆ Increased revenues in derivatives, equity-linked and prop trading, partly offset by declines in exchange-traded derivatives and cash equities

## Sales & Trading – FICC (CHF m)



- ◆ FICC impacted by significant losses on risk positions
- ◆ Rates and Emerging markets revenues increased significantly
- ◆ FX&MM revenues remained strong on good performance in all businesses





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# Appendix

# Identified risk concentrations

USD billion	Net exposure 31.12.08	Net exposure 31.03.09	Total P&L 1Q09	<i>Of which trading P&amp;L 1Q09</i>	<i>Of which impairment charge 1Q09</i>
Leveraged Finance	4.0	3.3 <sup>1</sup>	(0.4) <sup>2</sup>	(0.1)	(0.4)
Monoline	5.3	4.5 <sup>3</sup>	(1.7)	(1.7) <sup>4</sup>	(0.0)
	9.3	7.8	(2.1)	(1.7)	(0.4)

- 1 The Leveraged Finance net exposure of USD 3.3bn includes about USD 1.8bn 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

# SNB transaction

USD bn	Valuation as of 30 September 2008		
	Positions priced before AR published	Positions priced after AR published	Total
US sub-prime	4.0	1.6	5.5
US Alt-A	1.5	0.8	2.4
US prime	1.2	0.7	1.9
US RLN program	5.8	0.0	5.8
US CRE / CMBS	3.4	2.6	6.0
Student loans	0.5	0.0	0.5
Other positions	8.5	9.0	17.5
Price difference	(0.7)	(0.3)	(1.0)
<b>Total</b>	<b>24.2</b>	<b>14.4</b>	<b>38.7</b>

- ◆ Transfer of earmarked positions to the SNB with an overall market value (net exposure) of USD 38.7 billion completed
- ◆ Overall price difference of USD (1.0) billion, of which USD (0.7) billion were recognized in 4Q08 and USD (0.3) billion accounted for in 1Q09

## SNB transaction / MCN – P&L items

<b>(CHF m)</b>	<b>4Q08</b>	<b>1Q09</b>
Cost of the option to purchase the equity in the fund and subsequent FV (CC)	(3'511)	(302)
Expense for contingent issuance of UBS shares to SNB (CC)	(607)	
Price differences on the securities sold (IB)	(771)	(232)
Loss on hedges subject to trading restrictions (IB)	(343)	
<b>SNB subtotal</b>	<b>(5'232)</b>	<b>(534)</b>
Gain / (loss) on fair valuation of MCN's derivative component (CC)	688	524
<b>Total impact from SNB transaction / MCN</b>	<b>(4'544)</b>	<b>(10)</b>

# Exposure<sup>1</sup> to monoline insurers<sup>2</sup>

USD billion	Notional amount <sup>3</sup>	Fair value of underlying CDOs <sup>4</sup>	Fair value of CDSs <sup>5</sup> prior to CVA	Credit valuation adjustment as of 31.3.09	Fair value of CDSs after CVA
<b>Credit protection on US RMBS CDOs</b>	<b>8.0</b>	<b>1.1</b>	<b>6.9</b>	<b>4.8</b>	<b>2.1</b>
<b>of which from monolines rated investment grade (BBB &amp; above)</b>	<b>4.0</b>	<b>0.4</b>	<b>3.6</b>	<b>2.0</b>	<b>1.6</b>
<i>on US sub-prime RMBS CDO high grade</i>	<i>4.0</i>	<i>0.4</i>	<i>3.6</i>	<i>2.0</i>	<i>1.6</i>
<i>on US sub-prime RMBS CDO mezzanine</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>on other US RMBS CDO</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<b>of which from monolines rated BB and below</b>	<b>4.0</b>	<b>0.7</b>	<b>3.3</b>	<b>2.7</b>	<b>0.6</b>
<i>on US sub-prime RMBS CDO high grade</i>	<i>2.2</i>	<i>0.2</i>	<i>2.0</i>	<i>1.8</i>	<i>0.3</i>
<i>on US sub-prime RMBS CDO mezzanine</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>on other US RMBS CDO</i>	<i>1.8</i>	<i>0.5</i>	<i>1.2</i>	<i>1.0</i>	<i>0.3</i>
<b>Credit protection on other assets</b>	<b>12.4</b>	<b>6.9</b>	<b>5.5</b>	<b>3.1</b>	<b>2.4</b>
<b>of which from monolines rated investment grade (BBB &amp; above)</b>	<b>4.0</b>	<b>2.5</b>	<b>1.5</b>	<b>0.8</b>	<b>0.7</b>
<b>of which from monolines rated BB and below</b>	<b>8.3</b>	<b>4.4</b>	<b>4.0</b>	<b>2.3</b>	<b>1.7</b>
<b>Total 31.3.09</b>	<b>20.4</b>	<b>8.0</b>	<b>12.4</b>	<b>7.8</b>	<b>4.5</b>
<b>Total 31.12.08</b>	<b>21.5</b>	<b>9.2</b>	<b>12.3</b>	<b>7.0</b>	<b>5.3</b>

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)

# Auction rate securities inventory and P&L

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USD billion	Net exposures as of 31.12.08	Net exposures as of 31.3.09	P&L 1Q09
US student loan auction rate securities	8.4	10.9	0.1
US municipal auction rate securities	0.5	1.4	0.0
US taxable auction preferred securities	0.8	1.5	0.0
US tax-exempt auction preferred securities	3.2	2.9	0.0
Total	12.8	16.6	0.0

- ◆ P&L of USD 0.1 billion corresponds to the effective interest earned on the reclassified Student Loan Auction Rate Securities
- ◆ In addition, UBS had to account for a loss in the amount of USD 0.3 billion from the valuation of the purchase commitment for the client holdings



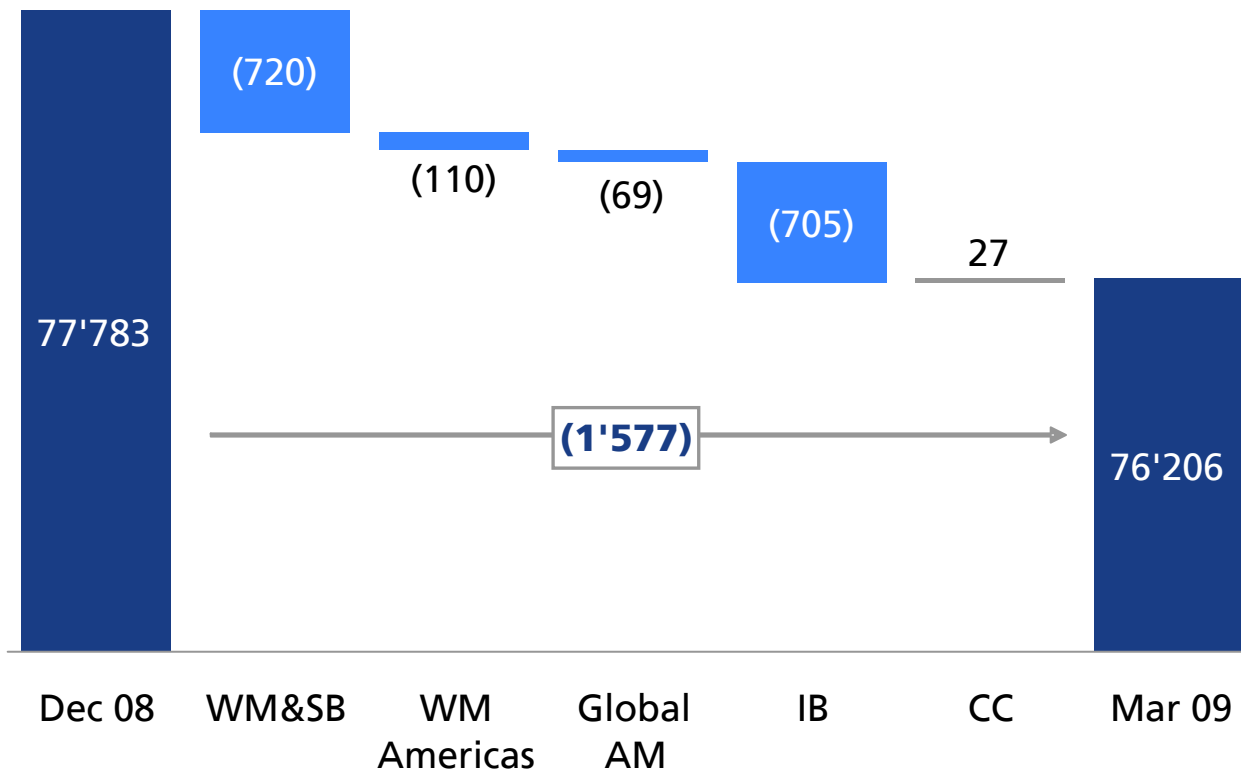
# Client holdings auction rate securities – maximum repurchase

USD billion	Par value of max. required purchase as at 31.12.08	Par value of max. required purchase as at 31.3.09	Buyback period		
			Remaining unpurchased holdings of private Clients		Holdings of 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	11.8	8.7	0.0	0.2	8.5
US Municipal auction rate securities	2.0	0.6	0.0	0.3	0.2
US taxable auction preferred securities	1.7	0.5	0.1	0.1	0.3
US tax exempt auction preferred securities	0.1	0.0	0.0	-	-
<b>Total</b>	<b>15.5</b>	<b>9.9</b>	<b>0.2</b>	<b>0.7</b>	<b>9.0</b>

# Personnel reduction by division

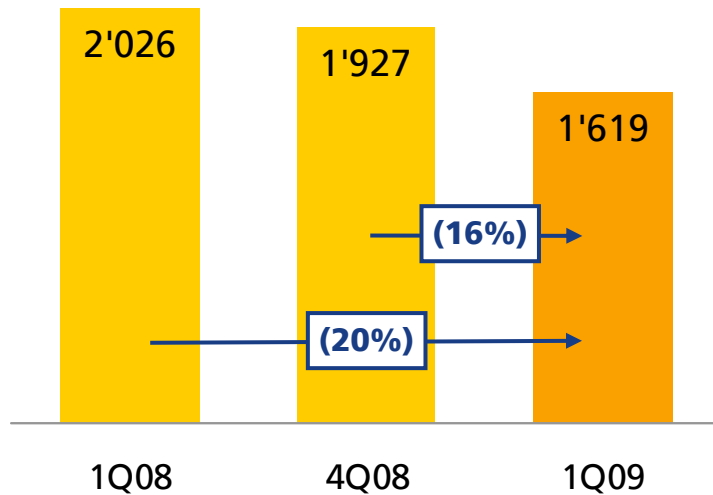
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(FTE)



# WM&SB - Swiss clients

## Revenues (CHF m)

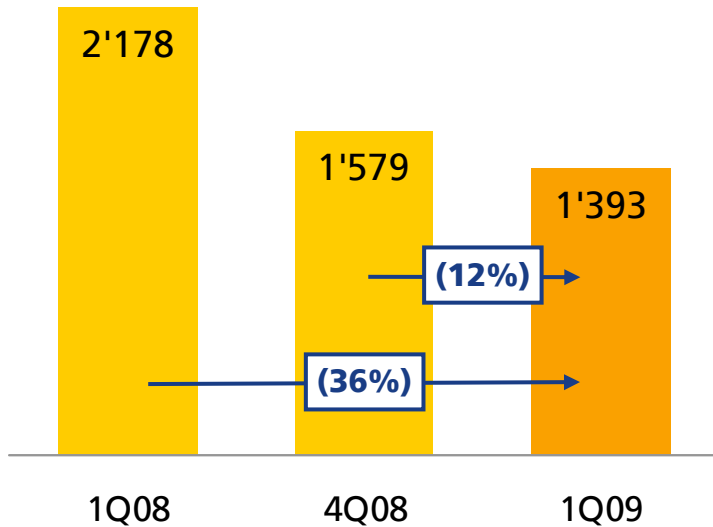


- ◆ Revenues declined 308m or 16% on lower interest income, as well as reduced asset based and transactional fees

	1Q08	4Q08	1Q09	vs. 4Q08	vs. 1Q08
Revenues (CHF m)	2'026	1'927	1'619	(16%)	(20%)
Invested assets (CHF bn)	409	325	313	(4%)	(23%)
Net new money (CHF bn)	(4.4)	(17.4)	(10.2)		
Impaired lending portfolio as a % of total, gross	1.0	1.0	1.0		

# WM&SB - International clients

## Revenues (CHF m)

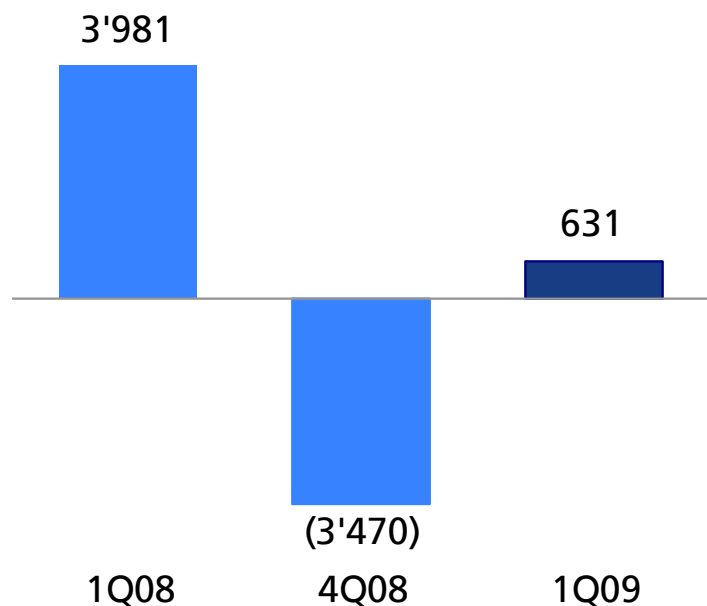


- ◆ Revenues declined 186m or 12% on lower fee income and declined interest income following reduced volumes in lombard lending business
- ◆ Gross margin stable at 89 bps

	1Q08	4Q08	1Q09	vs. 4Q08	vs. 1Q08
Revenues (CHF m)	2'178	1'579	1'393	(12%)	(36%)
Invested assets (CHF bn)	819	631	621	(2%)	(24%)
Net new money (CHF bn)	4.9	(43.0)	(13.2)		
Gross margin on invested assets (bps)	99	89	89	0%	(10%)
Client advisors (FTE)	4'448	4'236	3'892	(8%)	(13%)

# Corporate Center

## Pre-tax profit (CHF m)



- ◆ 1Q09 includes
  - MCN gain of CHF 524m
  - SNB fund call option loss of CHF 302m
  - Gain on buy-back of subordinated bonds of CHF 304m
- ◆ 4Q08 included approx. CHF 3.4bn negative impact from SNB transaction and related MCNs, while 1Q08 included a gain of approx. CHF 3.9bn related to MCNs issued in 1Q08

	1Q08	4Q08	1Q09	vs. 4Q08	vs. 1Q08
Revenues (CHF m)	4'122	(3'250)	827		(80%)
Expenses (CHF m)	261	239	206	(14%)	(21%)
Personnel (FTE)	7'118	7'226	7'253	0%	2%
o/w Operational CC (FTE)	1'545	1'513	1'477	(2%)	(4%)
o/w ITI (FTE)	4'290	4'066	4'093	1%	(5%)
o/w Group Offshoring (FTE)	1'283	1'646	1'682	2%	31%