

First Quarter 2010 Results

May 4, 2010

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 and filings made by UBS with the US Securities and Exchange Commission, including UBS’s financial report for first 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.

1Q10 highlights

Profitable in all business divisions...

Pre-tax profit CHF 2.8 billion

Net profit CHF 2.2 billion, diluted EPS CHF 0.58

Return on equity 21.0%

Good IB results with significant FICC contribution and limited additional risk utilization

Improved performance in WM&SB with higher WM gross margins

Substantial reduction in net new money outflows

Invested assets increased in all asset-gathering business divisions

Tier 1 capital ratio 16.0% and core tier 1 capital ratio 12.5%

FINMA leverage ratio 4.1%

We are compliant with FINMA's new liquidity requirements

Stable balance sheet and risk-weighted assets

...on track with our plan to meet medium term goals

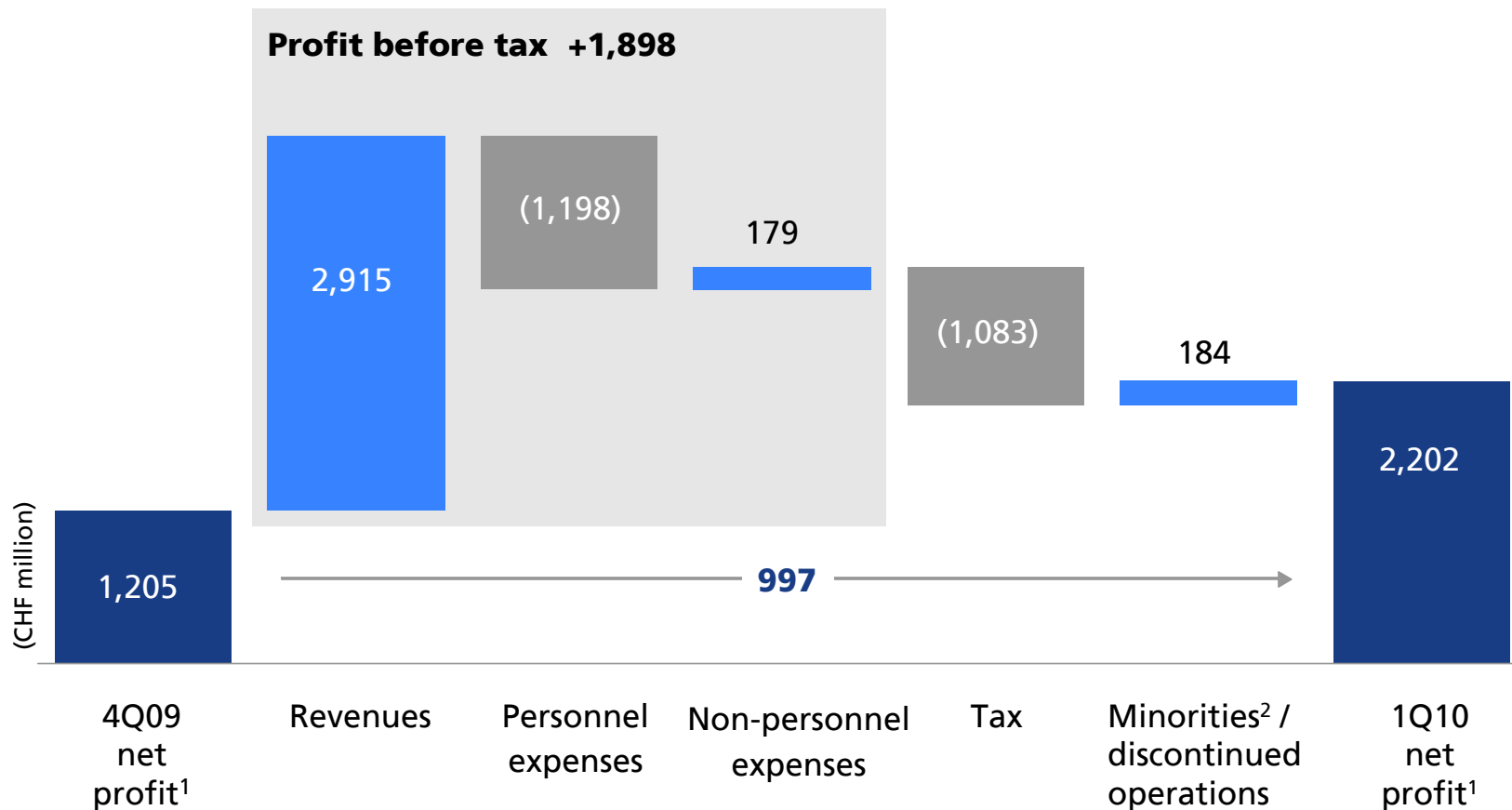
1Q10 – performance by business division

(CHF million)	WM&SB	WMA	Global AM	IB	CC¹	UBS
Income	2,879	1,361	521	4,024	356	9,141
Credit loss (expense) / recovery	3	0		112		116
Own credit				(247)		(247)
Total operating income	2,882	1,362	521	3,899	356	9,010
Personnel expenses	1,191	1,069	279	1,993	(11)	4,521
Non-personnel expenses	530	278	106	706	60	1,680
Total operating expenses	1,720	1,347	385	2,699	49	6,200
Pre-tax profit / (loss)	1,161	15	137	1,190	306	2,810
Tax						603
Minorities						6
Discontinued operations						2
Net profit attributable to UBS shareholders						2,202
Diluted EPS (CHF)						0.58

¹ Treasury activities and other corporate items

Net profit¹

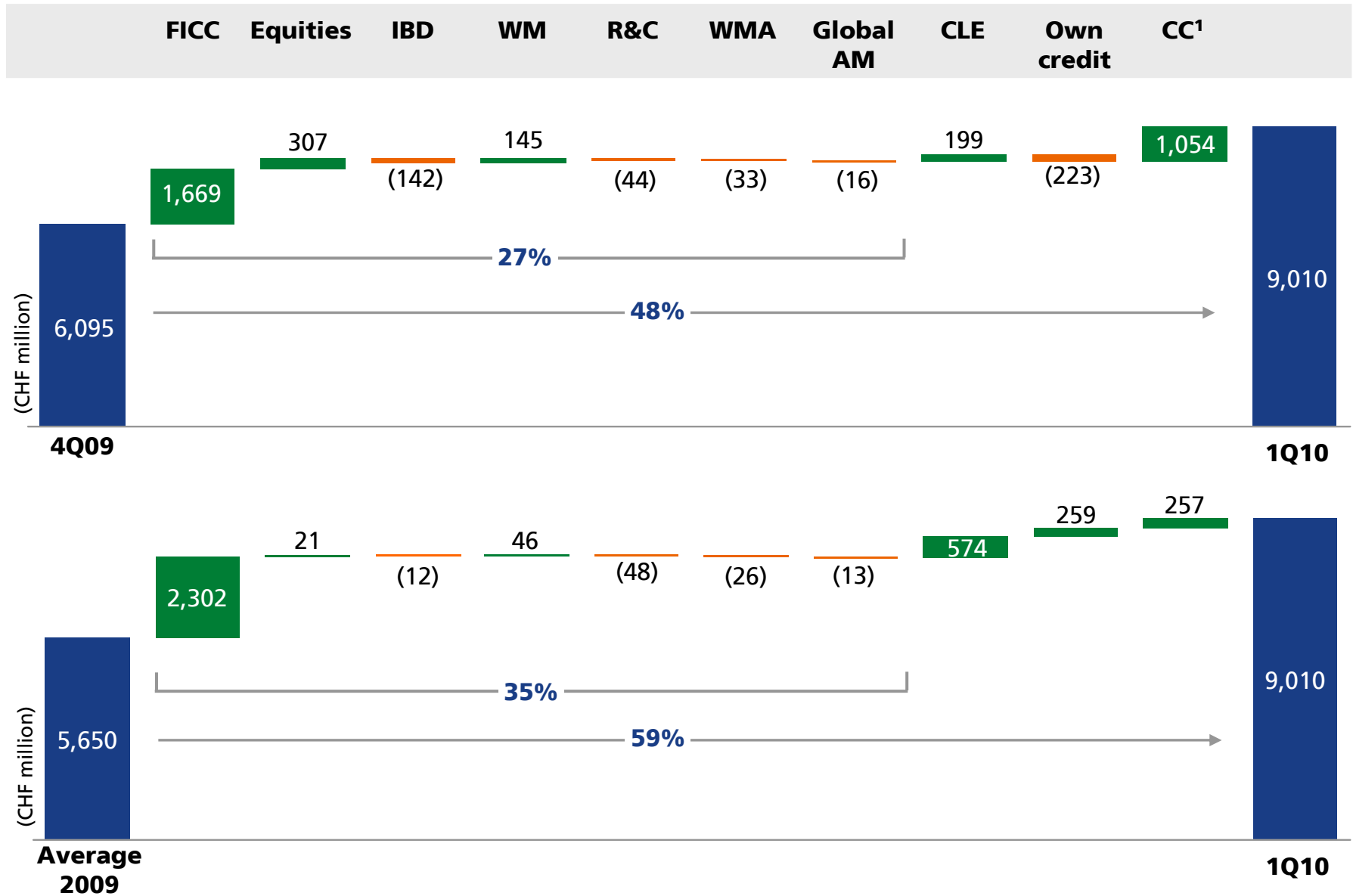
Improvement driven by revenues, particularly in IB, partly offset by higher personnel expenses and tax expense



1 Net profit attributable to UBS shareholders

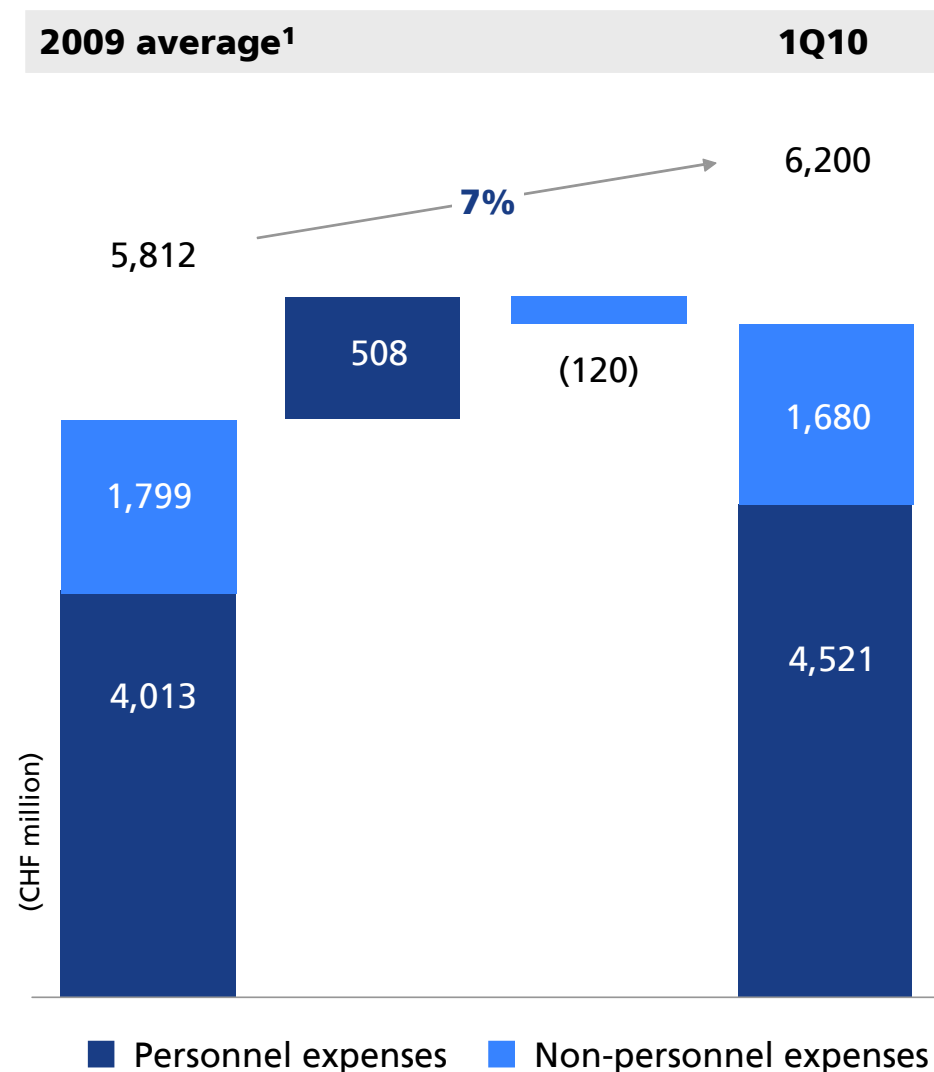
2 Up to CHF 300 million of dividend payments to minorities expected to be triggered in 2Q10

Revenues



1 Treasury activities and other corporate items

Operating expenses – 1Q10 versus 2009 quarterly average



- ◆ Improved revenue performance led to increased accruals for variable compensation
- ◆ Reduction of non-personnel expenses continued in 1Q10
- ◆ Items expected to impact 2Q10
 - UK Bank Payroll Tax of ~ CHF 300 million, mainly in Investment Bank
 - Restructuring charges of ~ CHF 150 million in WM Americas

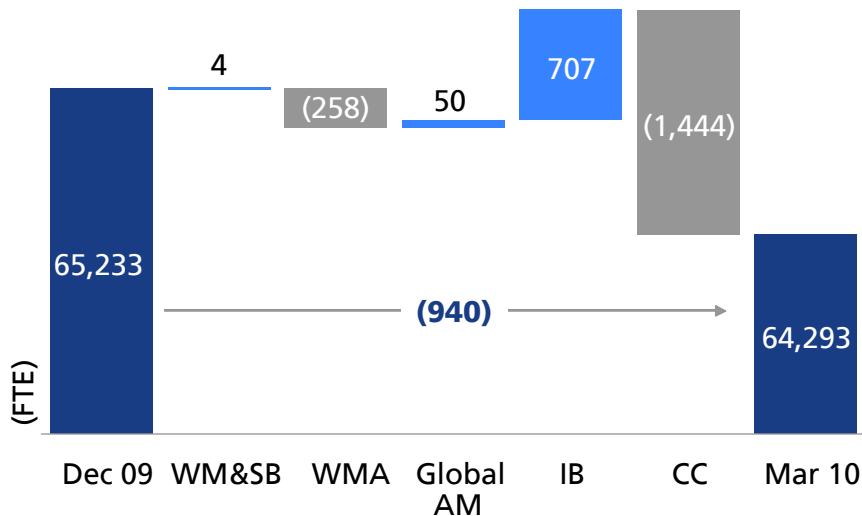
¹ Excluding restructuring charges and Pactual goodwill impairment

Headcount

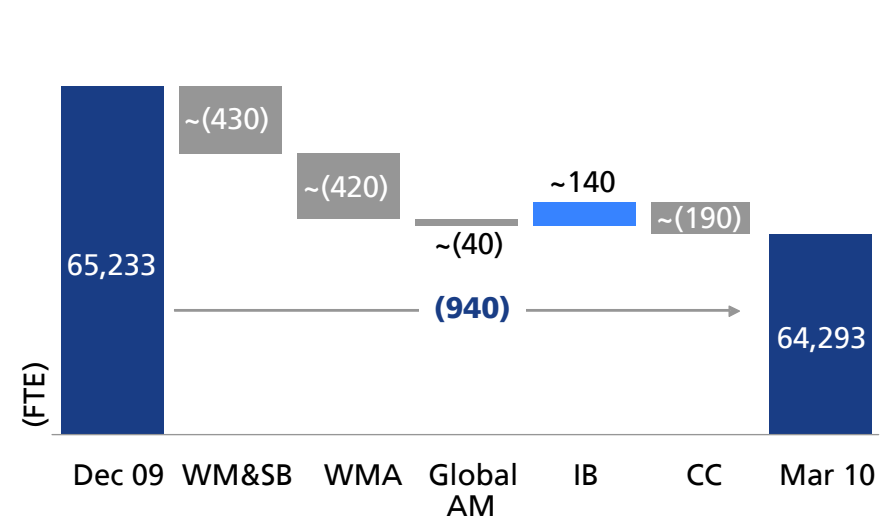
Overall headcount expected to remain broadly stable in 2010

- ◆ Headcount reduced by a further 940 during 1Q10
- ◆ 1Q10 also reflects the additional allocation of approximately 1,250 Corporate Center staff to the business divisions, mainly related to control functions

1Q10 development (as reported)



1Q10 development (net of CC allocations)¹



¹ Based on estimated impact on headcount as of 31 December 2009. Refer to "Accounting and reporting structure changes" section of 1Q10 financial report for more information

Divisional reporting structure

◆ Wealth Management & Swiss Bank

Previous reporting structure



New reporting structure

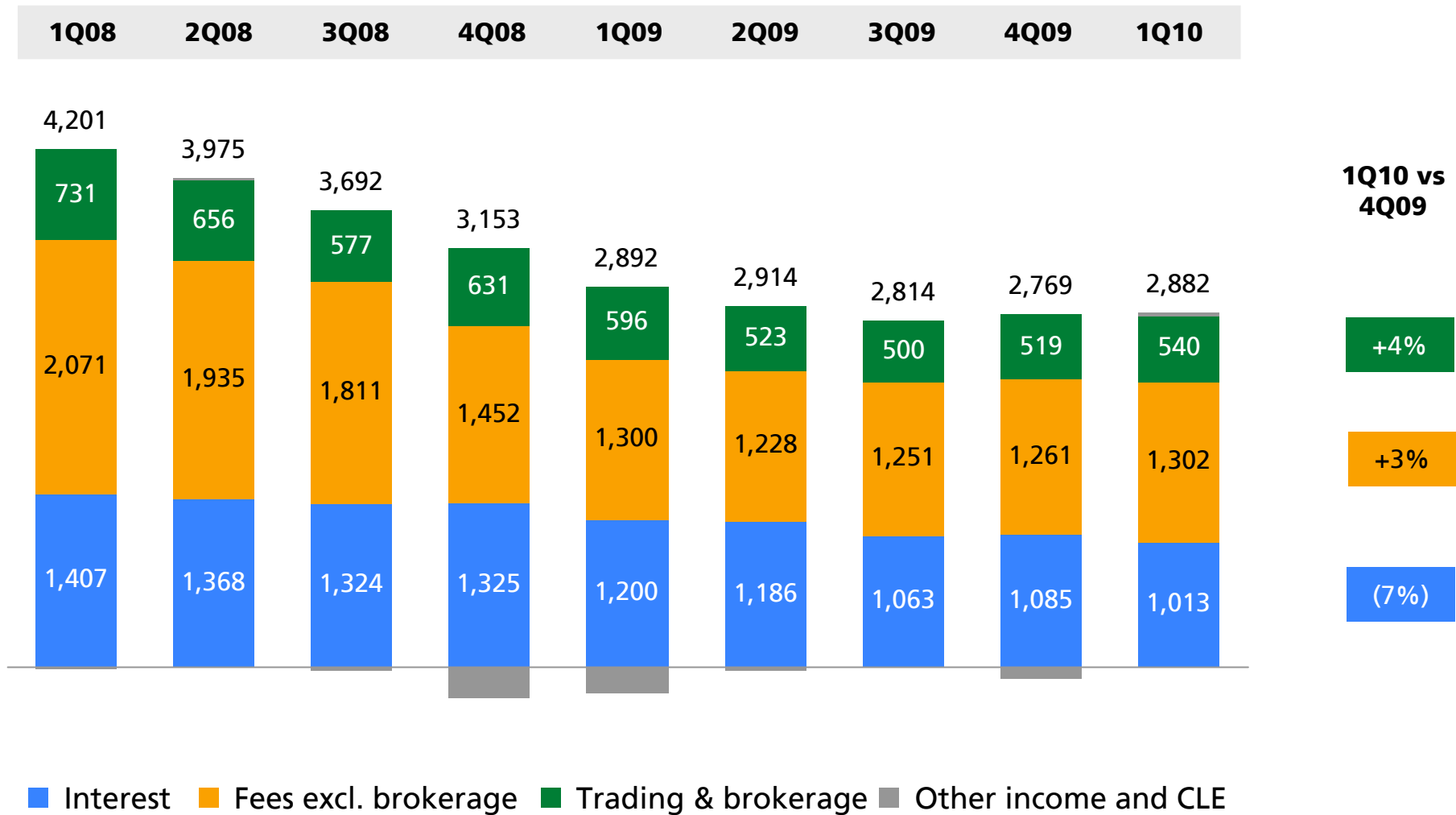


■ Full profit and loss disclosure ■ Supplementary disclosure of revenues and selected key performance indicators

- ◆ Global AM – prior split between institutional clients and wholesale intermediary clients is replaced by a split that reflects the division's business lines
- ◆ Investment Bank – detailed breakdown of revenues generated by our sales and trading operations

WM&SB - revenues

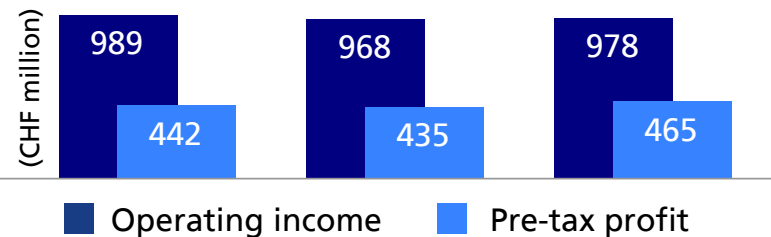
1Q10 revenue growth reflects early success of strategic initiatives



Wealth Management & Swiss Bank

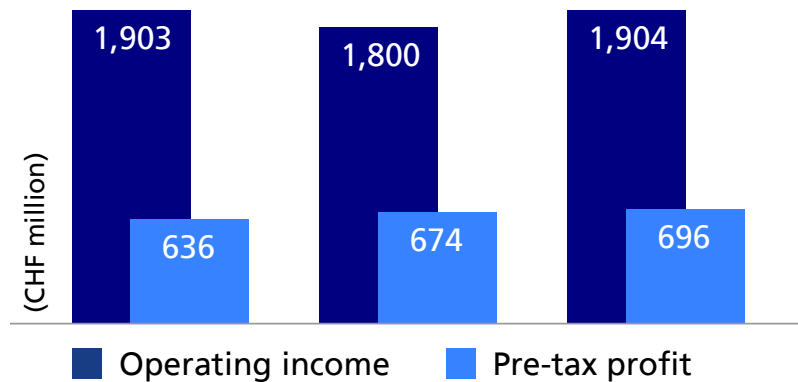
Improved performance – higher quality profits

Retail & Corporate		
1Q09	4Q09	1Q10



- ◆ Increased fee income more than offset by continued interest margin pressure
- ◆ Credit loss recovery of CHF 2 million compared with expense of CHF 51 million in prior quarter
- ◆ Significant G&A expense reduction

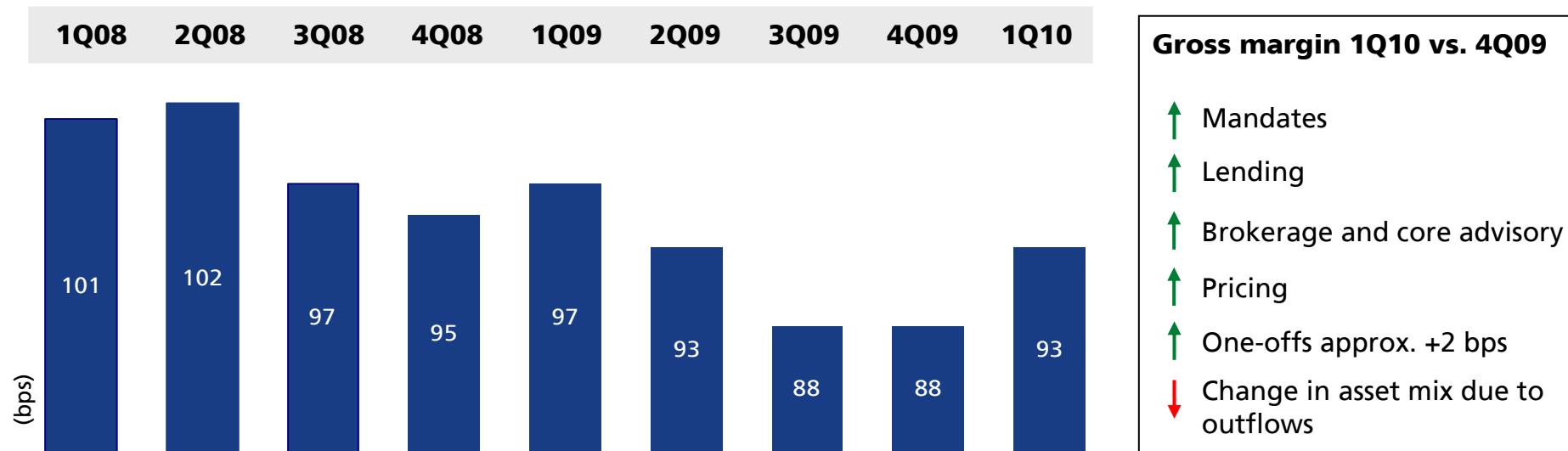
Wealth Management		
1Q09	4Q09	1Q10



- ◆ Improved performance with higher gross margins
- ◆ Expenses reflect more normalized accrual level for variable compensation
- ◆ Substantial reduction in net new money outflows

Wealth Management – gross margins¹

Recovery in gross margin supported by strategic initiatives



Mandates:

Higher mandate penetration on solid investment performance and successful launch of new offerings

Lending:

Improved market sentiment and risk appetite resulted in increase in Lombard lending

Brokerage and core advisory:

Better client engagement and increased confidence

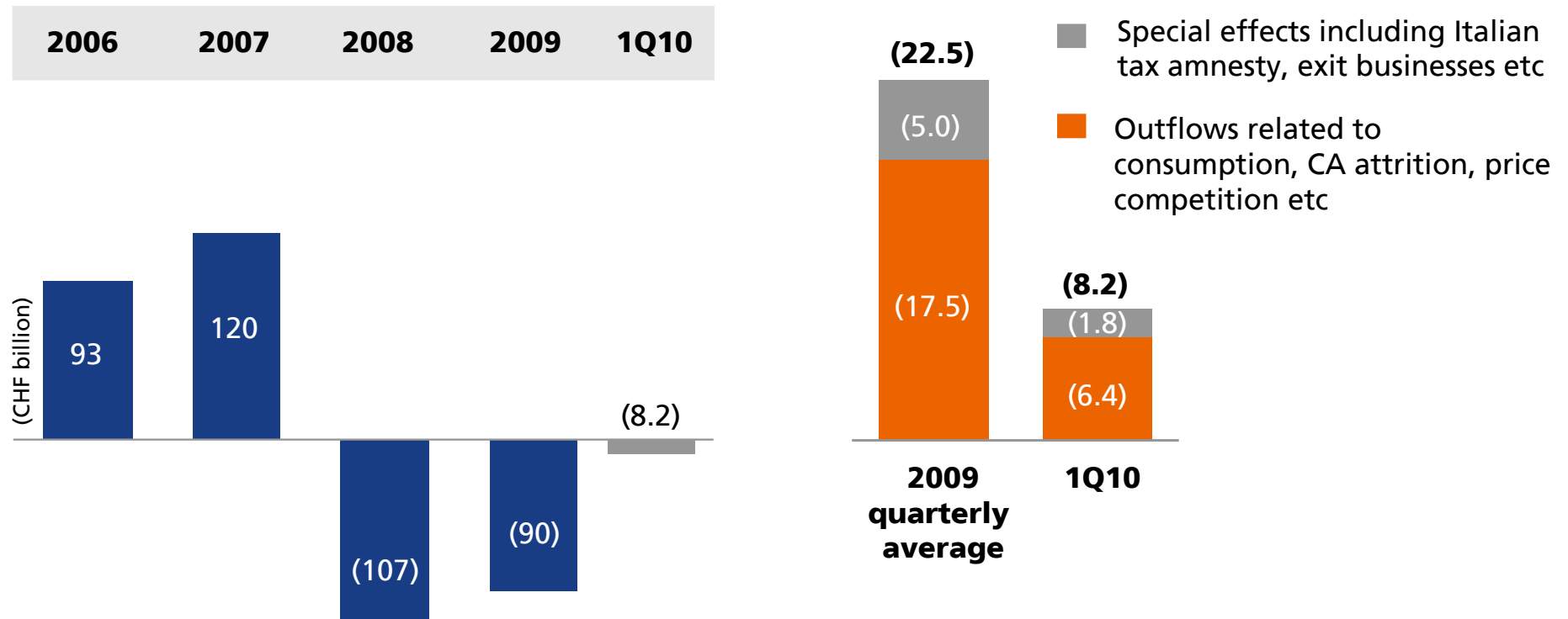
Pricing:

Greater pricing discipline and price increases for selected services

¹ Gross margin excludes valuation adjustments on a property fund of CHF 28 million in 1Q10, CHF 88 million in 4Q09, CHF 31 million in 3Q09, CHF 13 million in 2Q09, CHF 23 million in 1Q09 and CHF 9 million in 4Q08

WM&SB – net new money

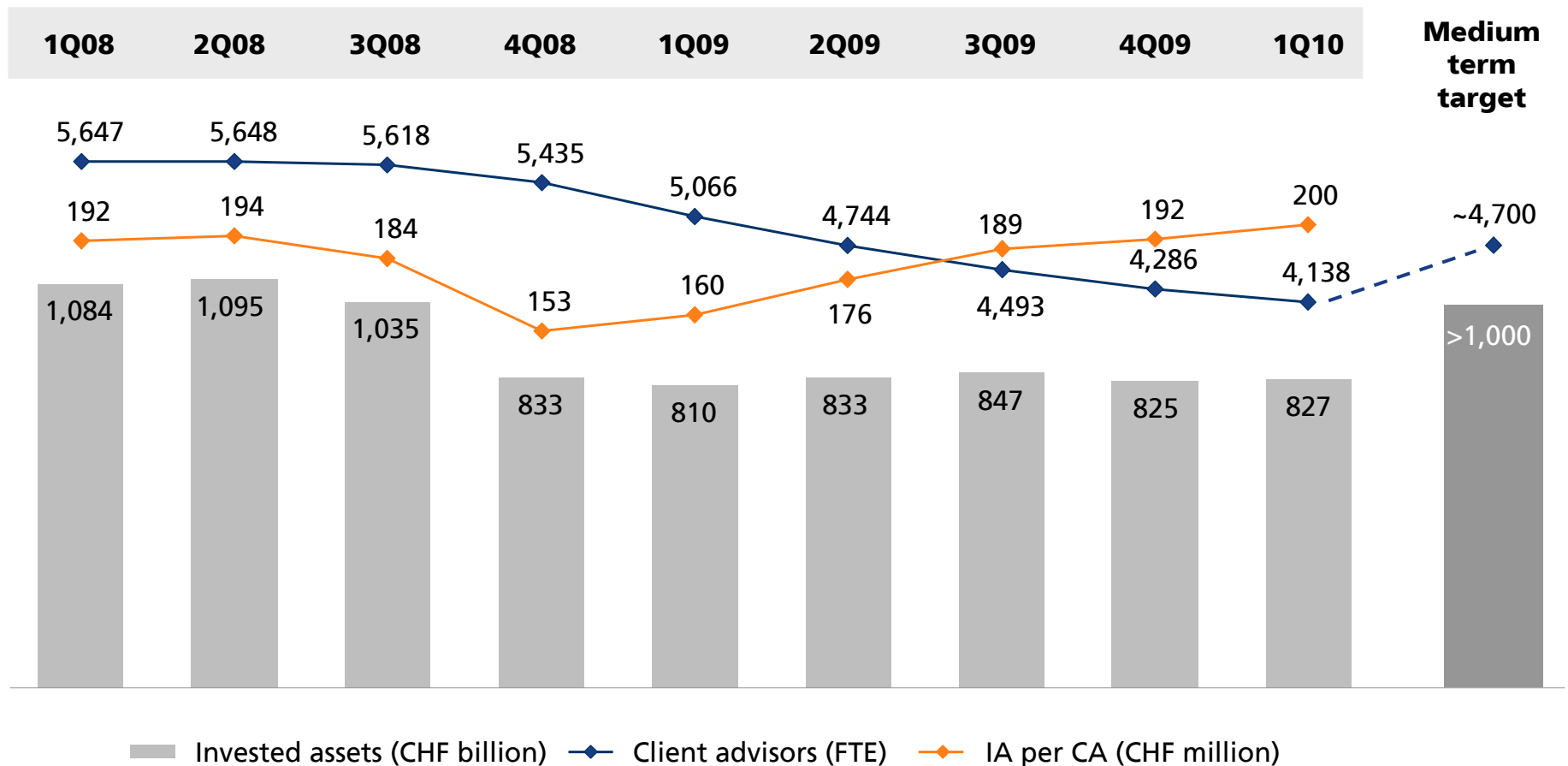
- ◆ Continued net inflows in Asia Pacific region
- ◆ NNM turned positive in the UHNW segment
- ◆ NNM in Europe remained negative but at a significantly lower level and a number of locations recorded net inflows
- ◆ Outflows related to client advisor attrition still a drag
- ◆ Continued focus on attracting profitable NNM



Wealth Management – client advisors and invested assets

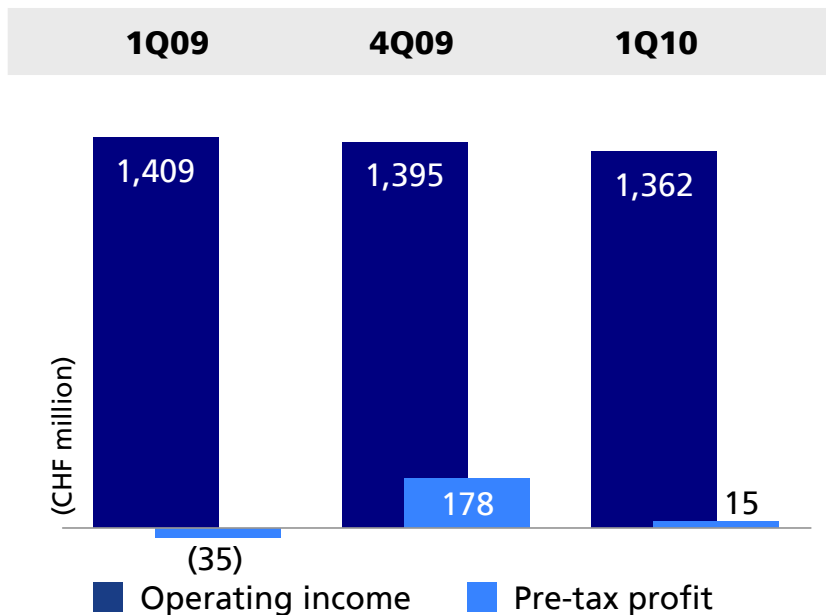
Hiring initiatives expected to lead to increasing client advisors in 2H10

- ◆ 1Q10 decrease in client advisors mainly reflects 2009 re-sizing actions, slight net decline expected in 2Q10
- ◆ Invested assets per client advisor increased to CHF 200 million

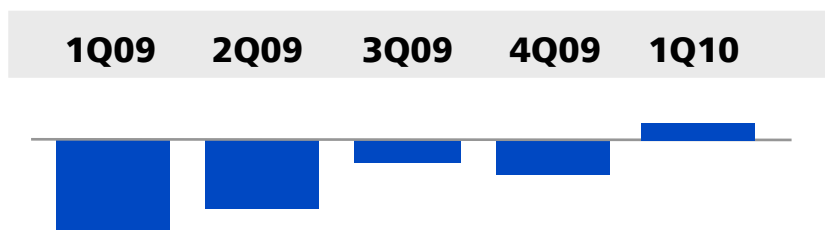


Wealth Management Americas

Business stabilizing under new leadership team



'Same store'¹ NNM

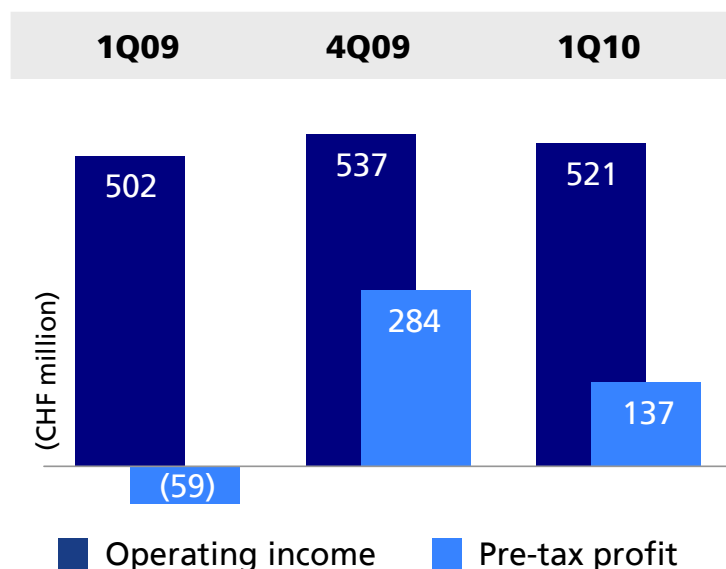


¹ Financial advisors with UBS for more than 12 months

- ◆ 1Q10 pre-tax result impacted by
 - Introduction of financial advisor loyalty programs
 - Additional allocation of Corporate Center costs of ~ CHF 25 million
 - Restructuring charges of CHF 21 million
- ◆ NNM outflows decreased to CHF 7.2 billion from CHF 12 billion
- ◆ First quarter with positive 'same store'¹ NNM since 2007
- ◆ Financial advisors at 6,867 down 3% from 4Q09
- ◆ Highest assets per FA amongst major competitors
- ◆ Restructuring charges of ~ CHF 150 million expected in 2Q10, primarily real estate-related

Aiming to be the 'best' rather than the 'biggest' wealth manager

Global Asset Management



- ◆ Continued strong investment performance
- ◆ NNM outflows decreased significantly to CHF 2.6 billion
 - CHF 2.1 billion inflows from third parties
 - CHF 4.7 billion outflows from WM channels
- ◆ Both net management fees and performance fees declined slightly
- ◆ Expenses include additional allocation of shared services costs

By line of business (new disclosure)	Operating income (CHF m)	Gross margin (bps)	Net new money (CHF bn)	Invested assets (CHF bn)
Traditional investments	325	26	(1.0)	513
Alternative and quantitative investments	92	94	(2.4)	38
Global real estate	48	50	0.7	38
Infrastructure	3	109	0.1	1
Total		36	(2.6)	590
Fund services	53	5 ¹		
Total operating income	521			

¹ Gross margin on assets under administration

Investment Bank - summary

Good results with significant contribution from FICC

(CHF million)	1Q09	4Q09	1Q10
Investment banking	304	746	604
Equities	1,371	948	1,255
FICC	(1,970)	496	2,165
Total income	(295)	2,191	4,024
Credit loss	(1,017)	(70)	112
Total income incl. CLE	(1,312)	2,121	4,136
Own credit	651	(24)	(247)
Total operating income	(661)	2,097	3,889
Personnel expenses	1,241	1,020	1,993
Non-personnel expenses	1,260	780	706
Total operating expenses	2,501	1,800	2,699
Pre-tax profit / (loss)	(3,162)	297	1,190
Risk-weighted assets (CHF billion)	184	122	125
RoRWAs (% , YTD annualized)	0.7	3.1	12.2

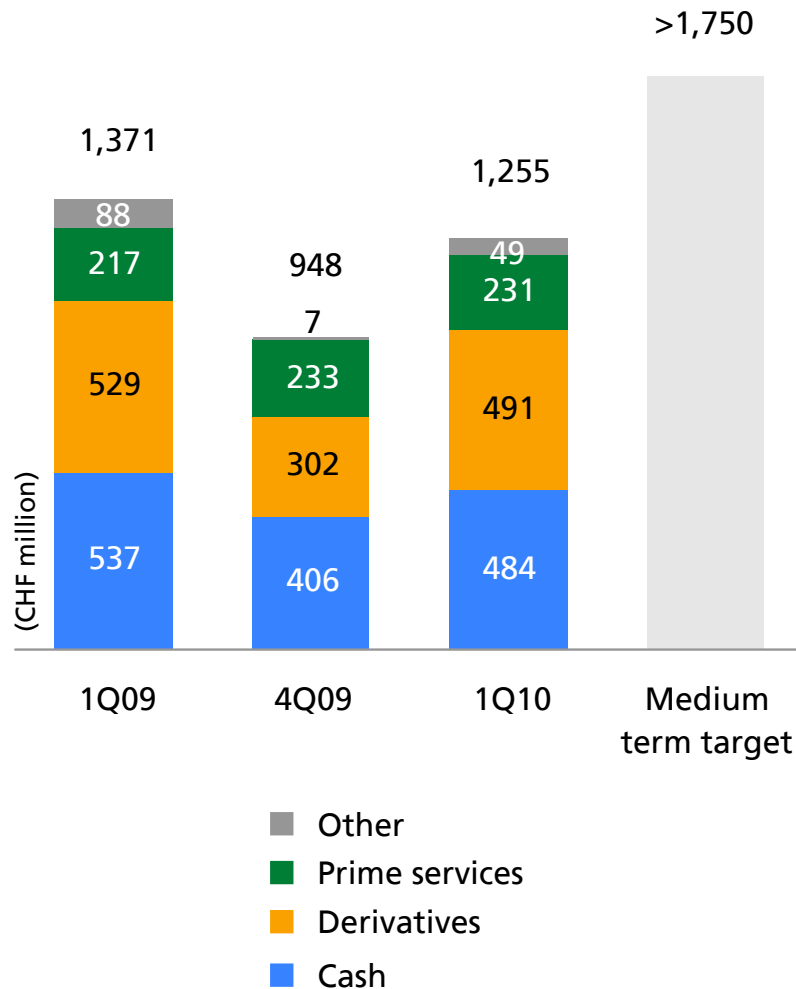
- ◆ Revenues:
 - IBD: increased rank and market share on lower fee pool
 - Equities: improved revenues and maintained market share¹
 - FICC: strong contribution from credit sales and trading operations
- ◆ Pre-tax profit increased to CHF 1.2 billion
- ◆ Cost / income ratio improved to 71.5% from 83.1% in 4Q09
- ◆ Personnel expenses reflect more normalized accrual level for variable compensation compared with 4Q09
- ◆ Significant improvement in return on RWAs on increased trading velocity

on track with our plan to meet medium term goals

¹ UBS estimates of cash equities trading volumes and exchanges market share

Equities revenues

Increased revenues and maintained market share¹

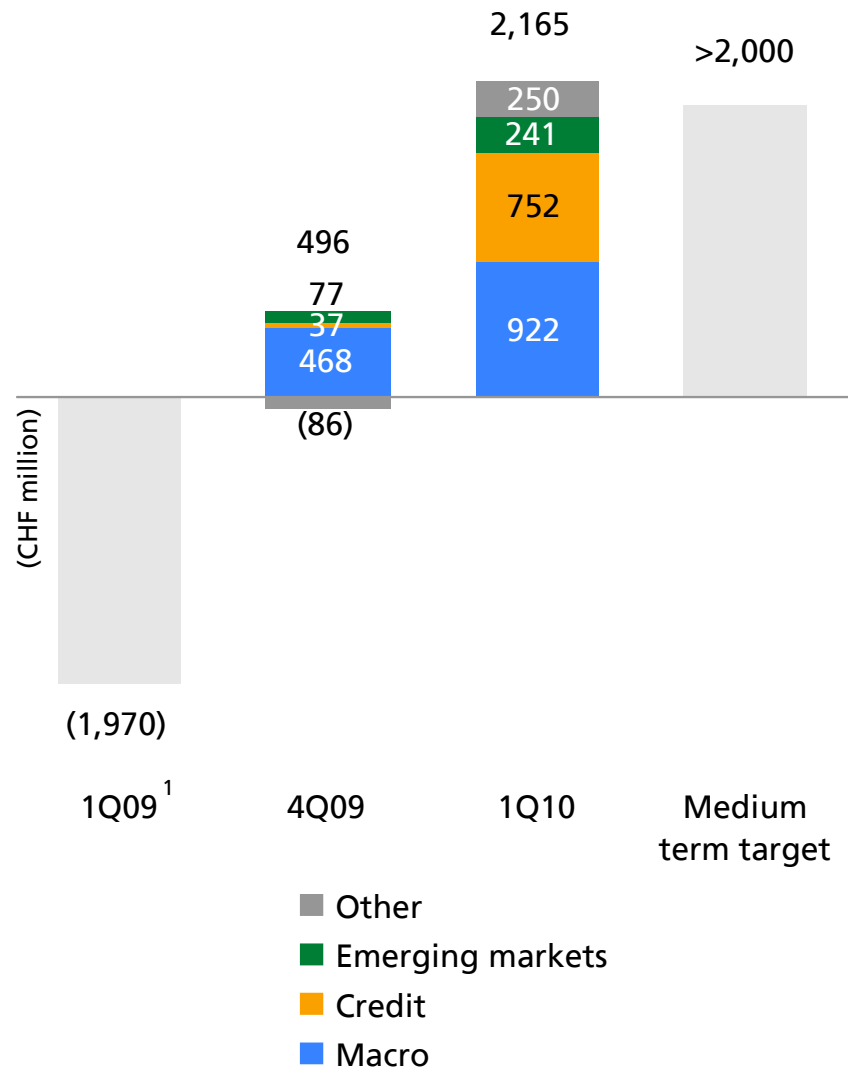


- ◆ Revenues increased 32% from 4Q09, even as lack of market activity held back client franchise revenues
- ◆ Cash revenues increased on higher commission income and stronger trading revenues
- ◆ Derivatives revenues increased on strong trading performance and increased client flow; up in all regions
- ◆ Prime services broadly flat
 - Prime brokerage revenues were down as further spread compression offset client balance increase
 - ETD revenues increased on higher trading volumes

¹ UBS estimates of cash equities trading volumes and exchanges market share

FICC revenues

Good performance driven by Credit turnaround

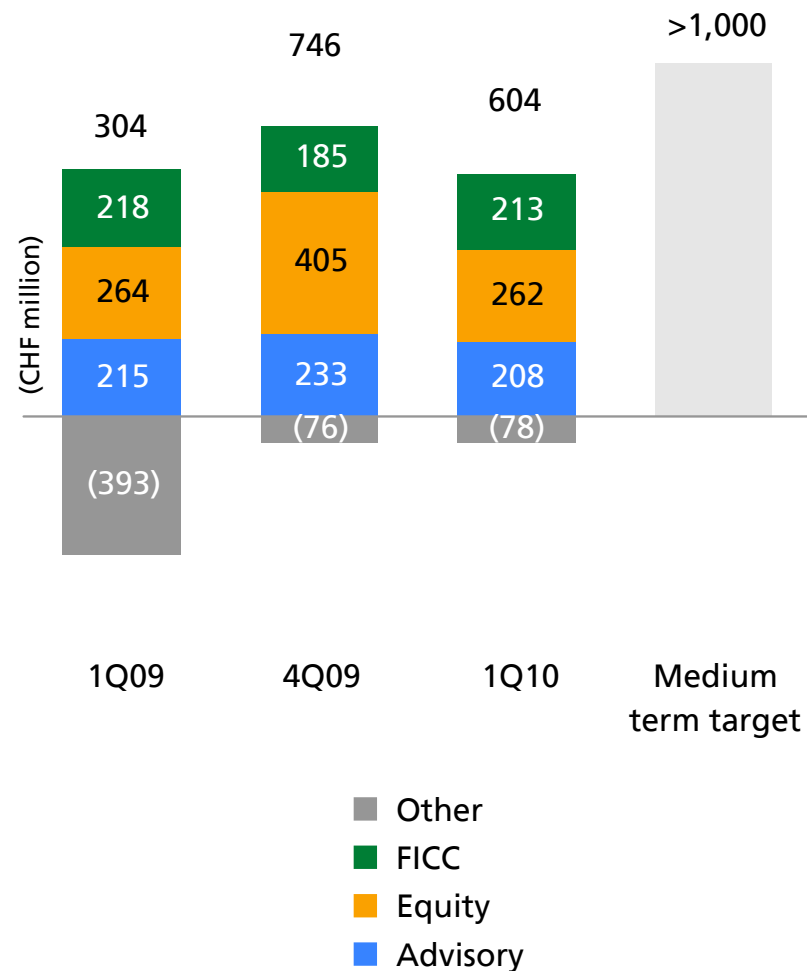


- ◆ Good quarter with diversified revenues
- ◆ Credit's successful turnaround continued with a good result due to strong trading activity and high flows in all regions
- ◆ Macro revenues increased significantly on higher volumes, despite spread compression and low volatility in the currency and interest rate markets
- ◆ Emerging markets revenues improved significantly from 4Q09 in all regions
- ◆ Positive contribution of CHF 0.3 billion from monoline CVA

¹ Revenues on a sector split basis in 1Q09 were not meaningful

Investment banking revenues

Gained market share on seasonally low fee pool

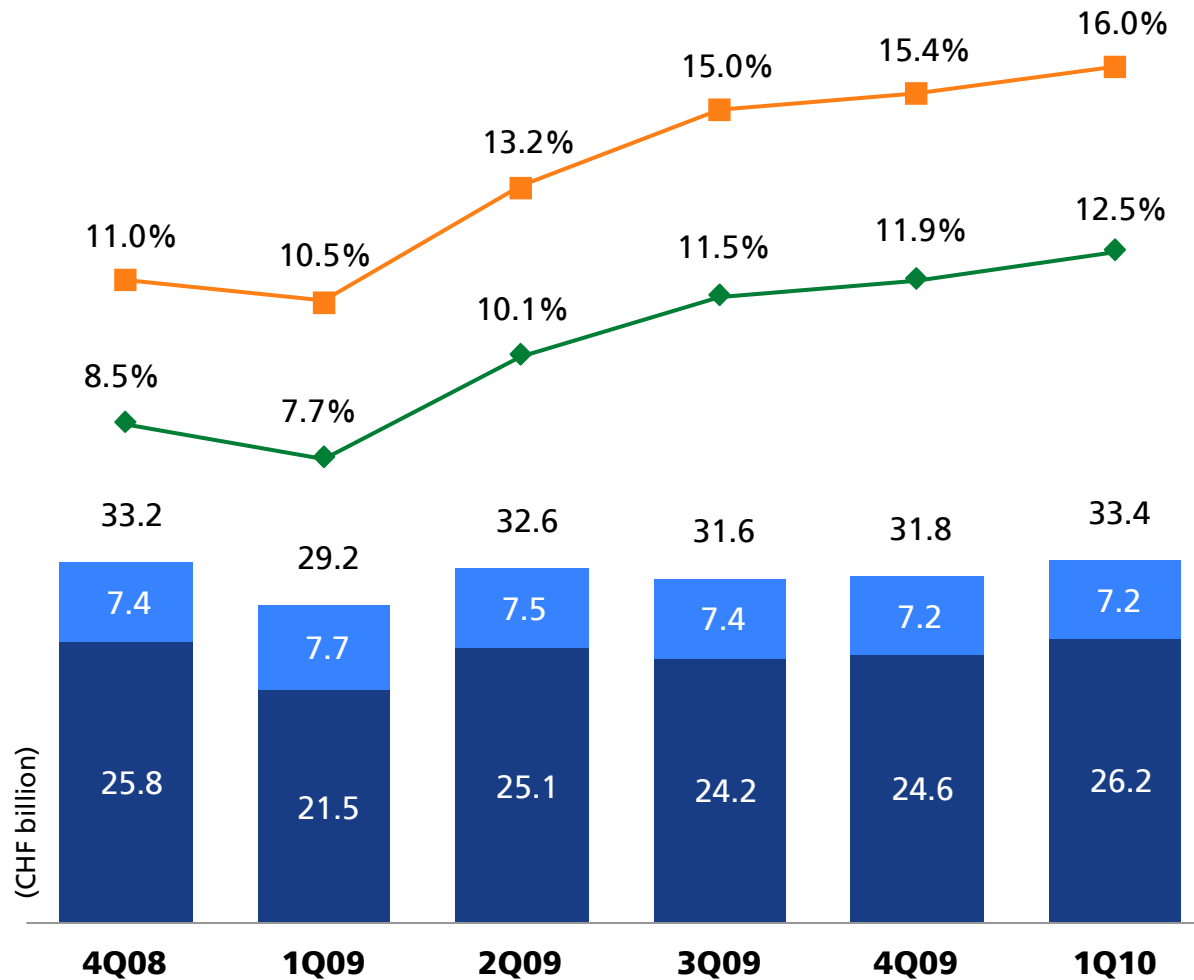


- ◆ Advisory revenues impacted by the subdued volumes in 2009
- ◆ Equity revenues declined on 4Q09 despite strong performance in the Americas
- ◆ FICC revenues increased on higher volumes from sovereign issuances
- ◆ Global fee pool down 29% on 4Q09
- ◆ Overall UBS fee based market share¹ improved over 4Q09 (4.3% from 3.9%), gained market share in all products (other than ECM) and in both EMEA and the Americas
 - M&A: 5.4% (4.2%)
 - ECM: 4.2% (4.4%)
 - DCM: 5.1% (3.7%) improved rank to 5th from 10th despite reduction of loan book

¹ Source: Dealogic as of April 30th 2009

Capital position

CHF 1.6 billion net capital accretion from 1Q10 profits



- ◆ Tier 1 capital ratio 16.0%
- ◆ Core tier 1 capital ratio improved to 12.5%
- ◆ Risk-weighted assets increased slightly by CHF 3 billion to CHF 209 billion
- ◆ FINMA leverage ratio improved to 4.1%

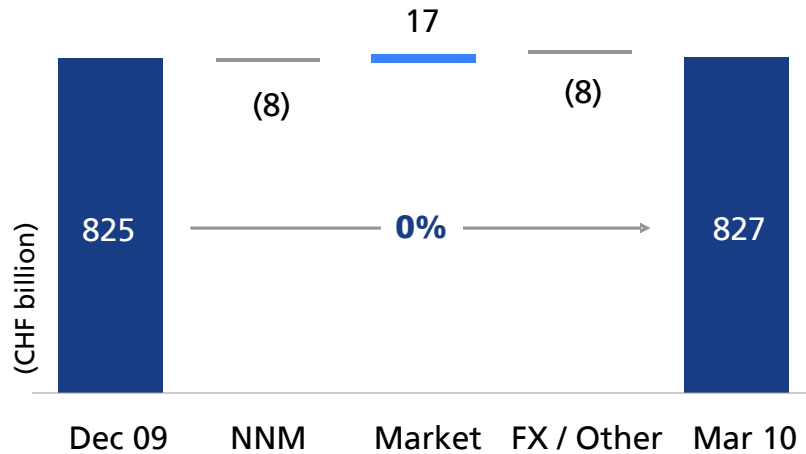
■ Hybrid tier 1 capital —■ Tier 1 ratio (%)
■ Core tier 1 capital —◆ Core tier 1 ratio (%)



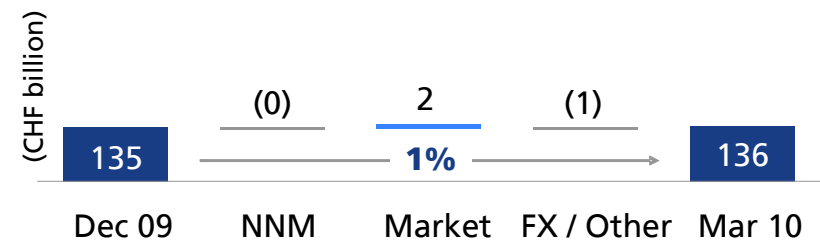
Appendix

Invested assets

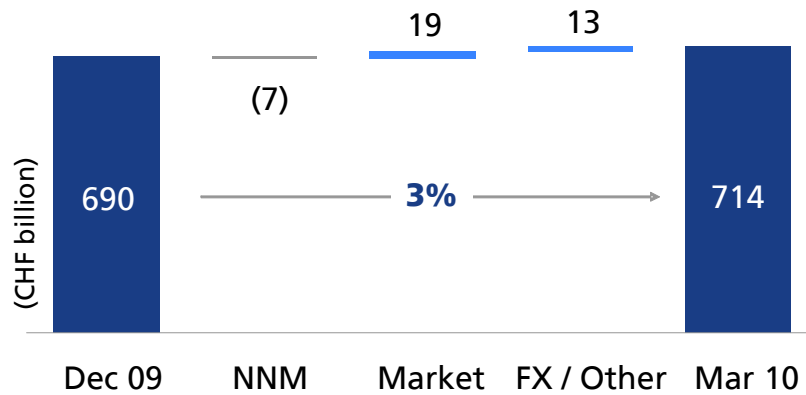
Wealth Management



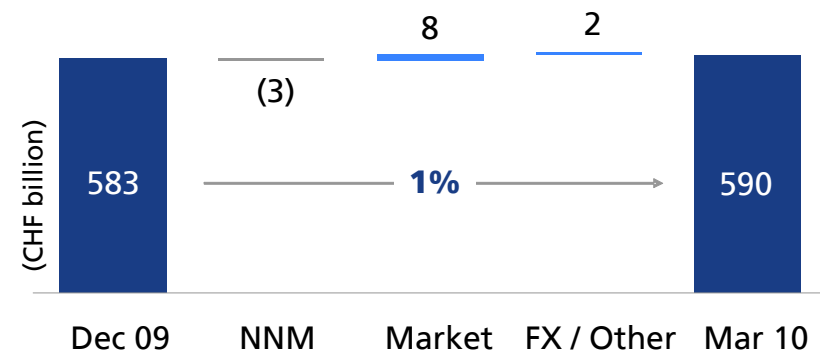
Retail & Corporate



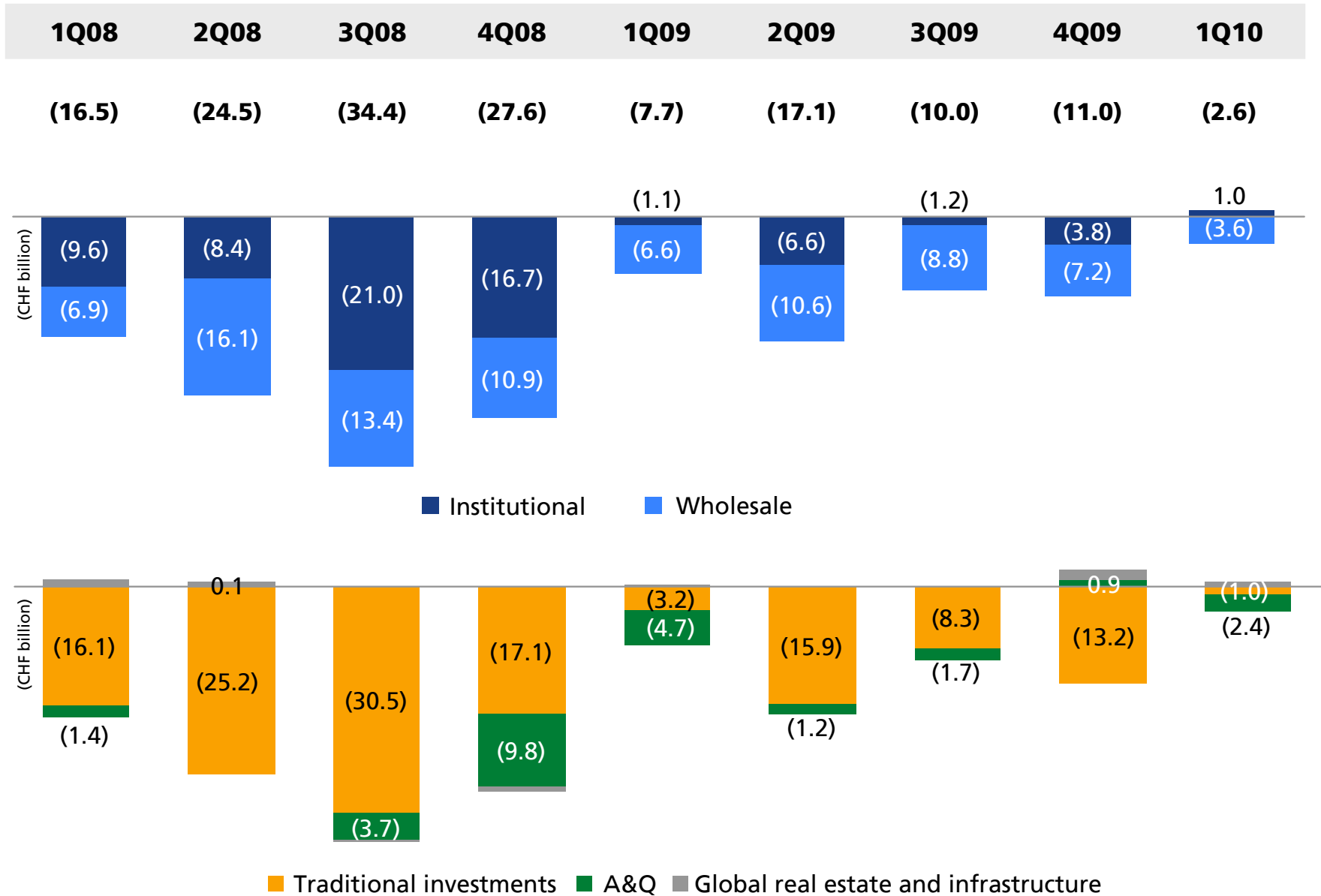
Wealth Management Americas



Global Asset Management



Global AM – net new money

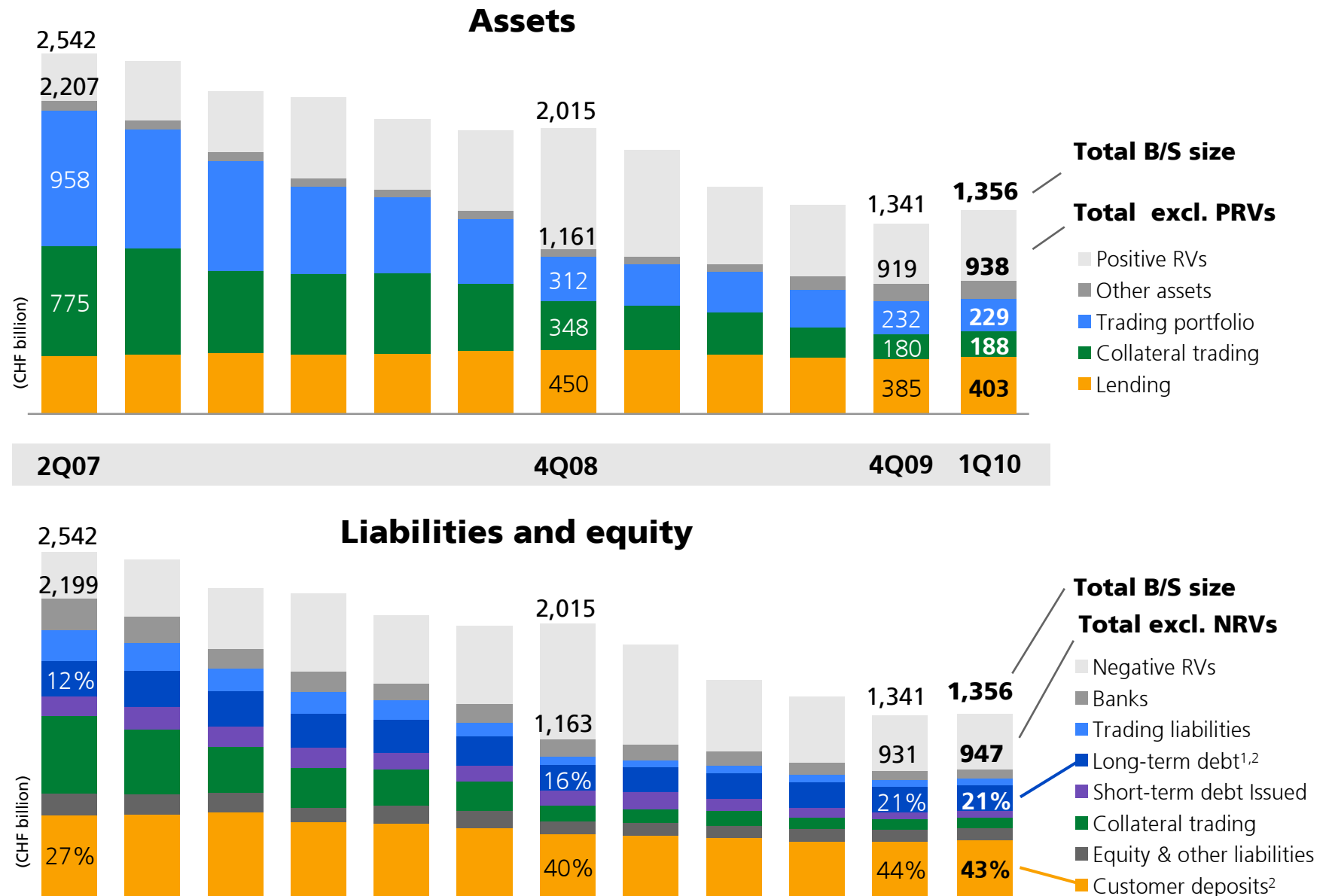


Regulatory capital

	Tier 1 capital	BIS RWA	Tier 1 ratio	Total capital	Total ratio
CHF billion					
31.12.09	31.8	206.5	15.4%	40.9	19.8%
Net P&L attributable to shareholders	2.2		↓	2.2	↓
Own credit	0.2			0.2	
MCN coupon accrual	(0.2)			(0.2)	
Tier 1 deductions (mainly sec exposures)	(0.6)			(0.6)	
Risk increase		2.6			
Tier 2 deductions (mainly sec exposures)			↓	(0.6)	↓
FX impact lower tier 2				(0.1)	
31.3.10	33.4	209.1	16.0%	41.8	20.0%

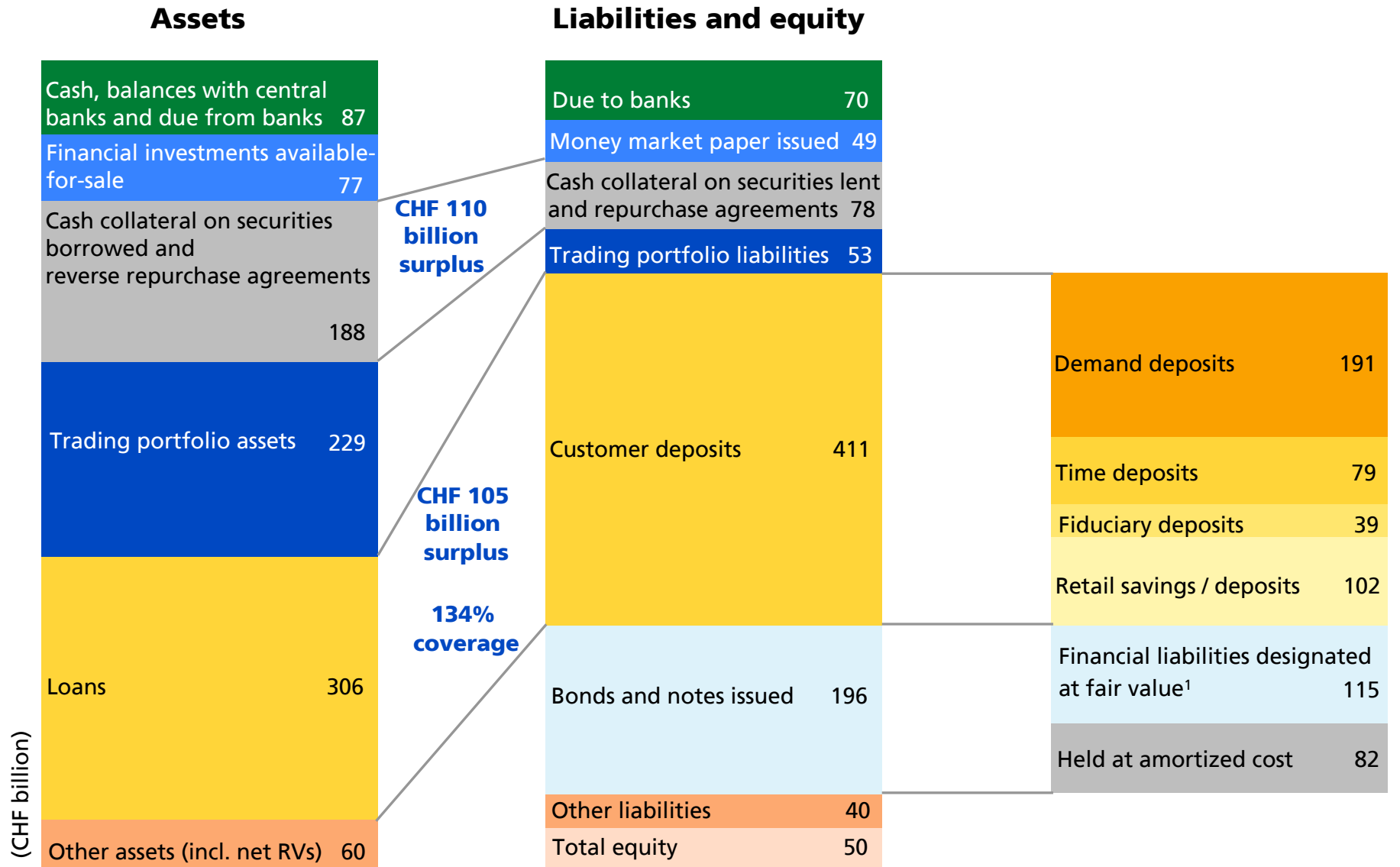
CHF 1.6 billion net capital accretion from 1Q10 profits

Balance sheet development: 2Q07 – 1Q10



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

Asset funding – 31 March 2010



¹ Including compound debt instruments - OTC

Exposure¹ 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 31.3.10	Fair value of CDSs after CVA
Credit protection on US sub-prime RMBS CDOs²	2.3	0.5	1.9	1.4	0.5
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)	2.3	0.5	1.9	1.4	0.5
Credit protection on other assets²	11.6	8.7⁵	2.8	1.1	1.8
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)	9.2	6.8	2.4	1.0	1.4
Total 31.3.10	13.9	9.2	4.7	2.5	2.2
Total 31.12.09	14.2	9.1	5.1	2.8	2.3

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 Credit default swaps (CDSs)

5 Includes USD 5.7 billion (CHF 6.0 billion) at fair value / USD 5.8 billion (CHF 6.1 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 the 1Q10 quarterly report for more information

Student loan auction rate securities

Inventory	Carrying value as of 31.3.10	Carrying value as of 31.12.09
	USD million	
US student loan auction rate securities	9,275 ¹	10,347

¹ Includes USD 6.6 billion (CHF 6.9 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 the 1Q10 quarterly report for more information

Client holdings	Par value of maximum required purchase as of 31.3.10	Buyback period		Par value of maximum required purchase as of 31.12.09
		Remaining un-purchased holdings of private clients	Holdings of institutional clients	
USD million		Period ends 4.1.11	30.6.10 to 2.7.12	
		US student loan auction rate securities	6,907	78

Reclassified assets

31.3.10, CHF billion	Notional value	Fair value	Carrying value	Ratio of carrying to notional value
US student loan and municipal auction rate securities	8.2	7.1	7.3	89%
Monoline protected assets ¹	7.3	6.2	6.3	87%
Leveraged finance	1.8	0.7	0.6	35%
CMBS/CRE (excl. interest-only strips)	1.6	1.2	1.3	83%
US reference linked notes	1.0	0.9	0.9	85%
Other assets	1.2	0.9	1.0	84%
Total (excl. CMBS interest-only strips)	21.0	17.0	17.4	83%
CMBS interest-only strips		0.8	0.8	
Total reclassified assets	21.0	17.8	18.2	

¹ Includes CDOs (notional value of approximately CHF 0.25 billion; fair value and carrying value of approximately CHF 0.17 billion) which are no longer hedged by CDS with monoline insurers following the commutation of these CDS trades in prior periods