Third quarter 2010 results

October 26, 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 or filed by UBS with the US Securities and Exchange Commission, including UBS's financial report for third 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.

3Q10 overview

Net profit attributable to shareholders CHF 1.7 billion, diluted EPS CHF 0.43

Pre-tax profit CHF 0.8 billion

Results include a CHF 0.8 billion net income tax benefit

Year-to-date net profit attributable to shareholders CHF 5.9 billion

The Investment Bank's results were impacted by reduced client flows in equities and FX as well as an own credit[1] charge of CHF 0.4 billion

Wealth Management revenues decreased on lower client activity and the strenghtening of the Swiss franc against major currencies

Retail & Corporate and Global Asset Management produced relatively stable profits

Further improvement in net new money and stable invested asset base

Tier 1 capital ratio 16.7% and core tier 1 capital ratio 14.2%

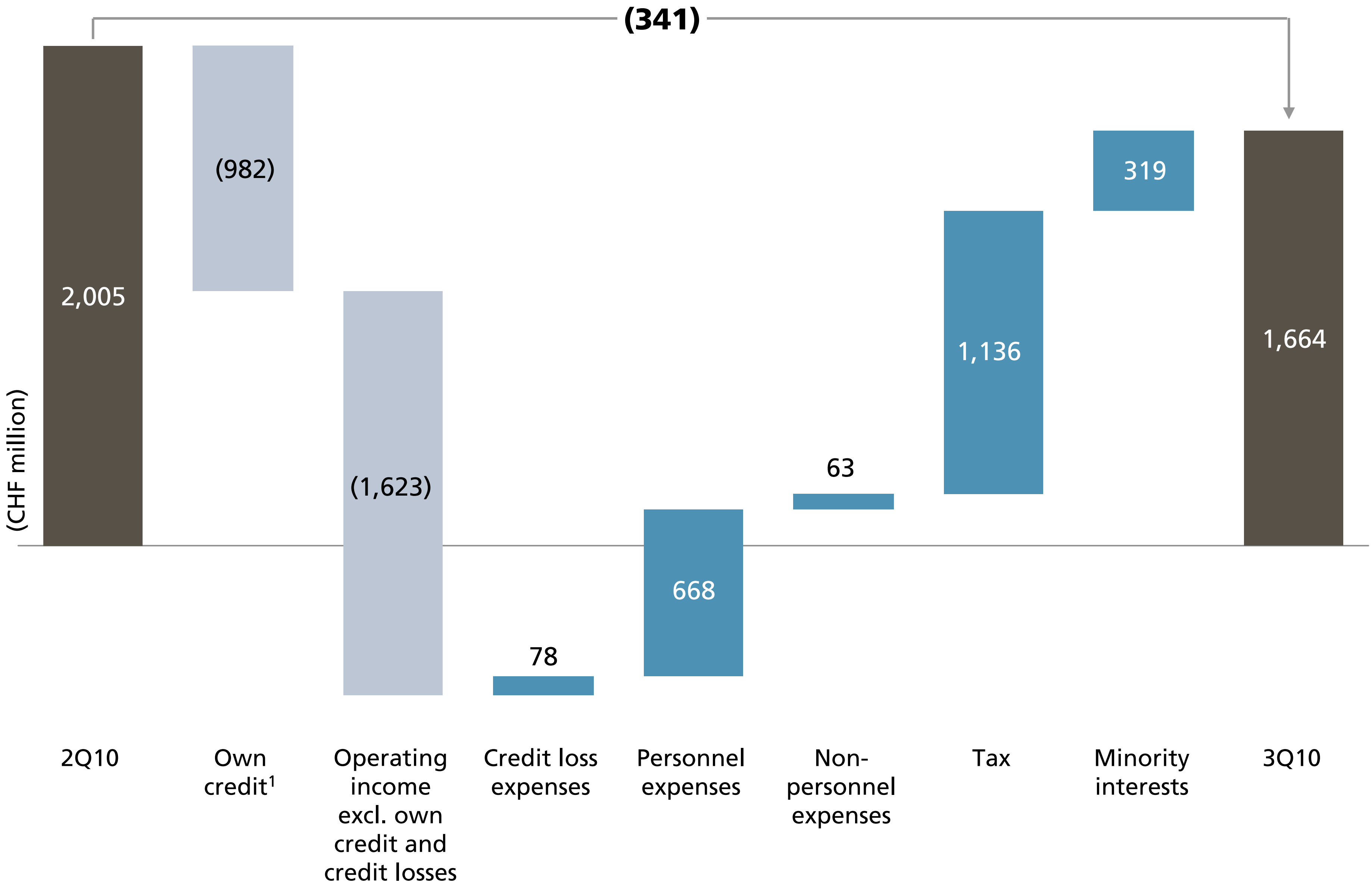
Stable balance sheet and risk-weighted assets broadly stable

We are confident that we can meet the Swiss Expert Commission's capital recommendations within the implementation timeframe

UBS

1 Own credit on financial liabilities designated at fair value through profit or loss

Net profit attributable to shareholders 3Q10 vs. 2Q10



1 Own credit on financial liabilities designated at fair value through profit or loss

UBS

3Q10 – performance by business division

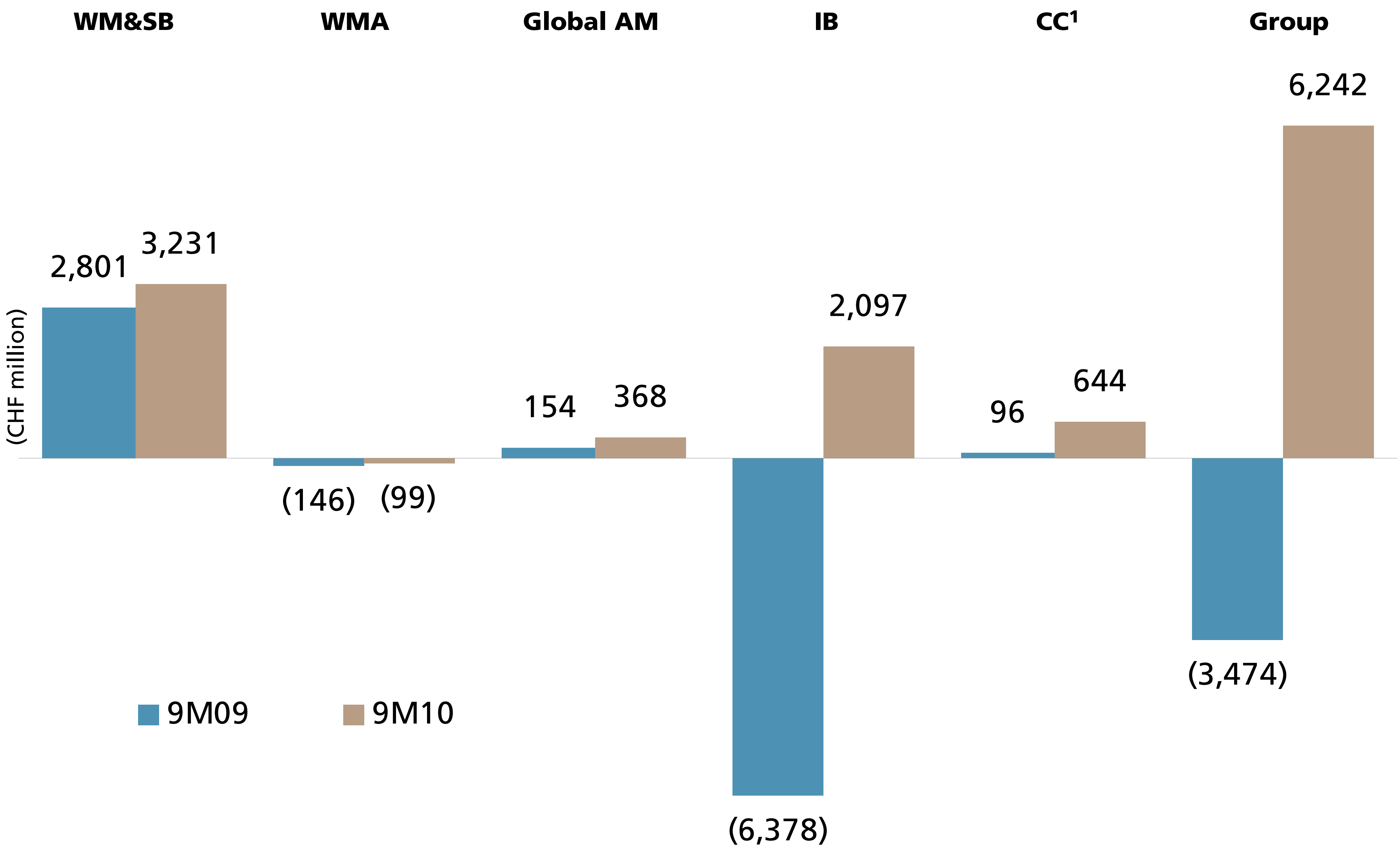
(CHF million)	WM&SB	WMA	Global AM	IB	CC[1]	UBS
Income	2,729	1,338	473	2,194	280	7,015
Credit loss (expense) / recovery	(4)			35		30
Own credit[2]				(387)		(387)
Total operating income	2,725	1,338	473	1,842	280	6,658
Personnel expenses	1,194	1,031	248	1,494	10	3,977
Non-personnel expenses	593	353	111	754	51	1,863
Total operating expenses	1,787	1,384	359	2,248	61	5,840
Pre-tax profit / (loss)	**938**	**(47)**	**114**	**(406)**	**219**	**818**
Tax expense						(825)
Minority interests						(21)
Discontinued operations						0
Net profit attributable to UBS shareholders						**1,664**
Diluted EPS (CHF)						0.43

Headcount (FTE)	27,613	16,308	3,461	17,006	194	64,583

UBS

1 Treasury activities and other corporate items
2 Own credit on financial liabilities designated at fair value through profit or loss

Pre-tax profit from continuing operations – YTD

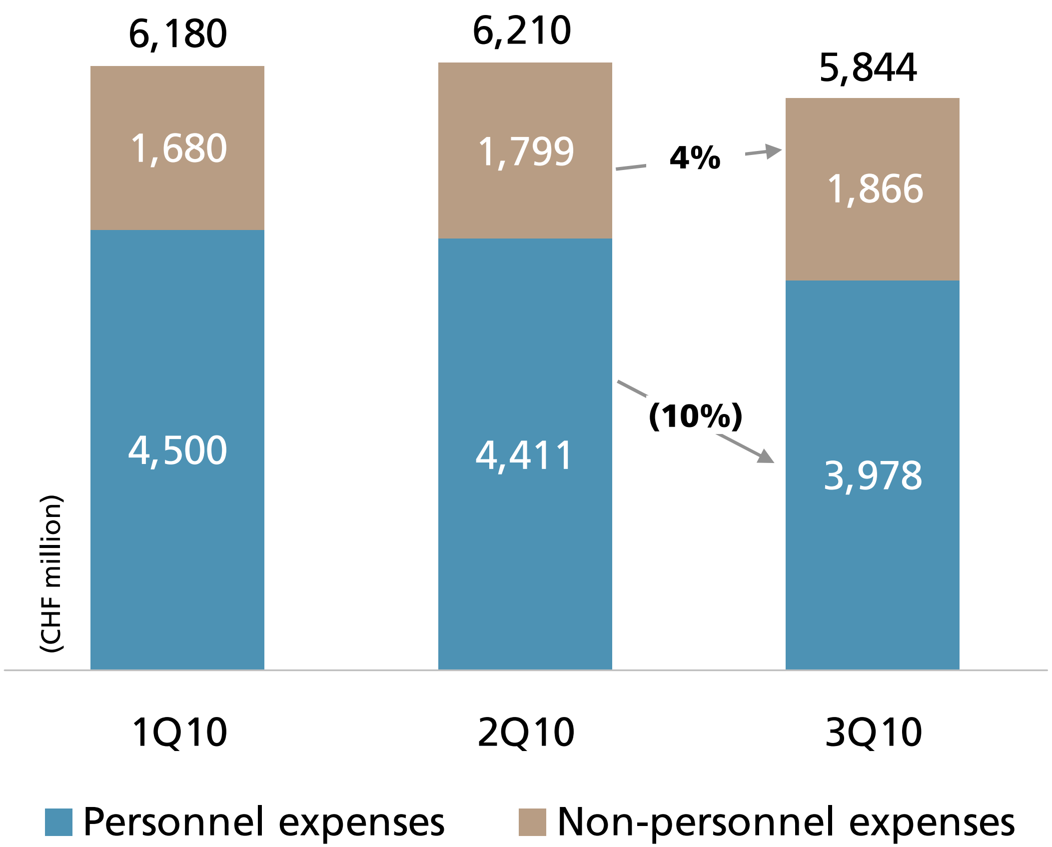


1 Treasury activities and other corporate items

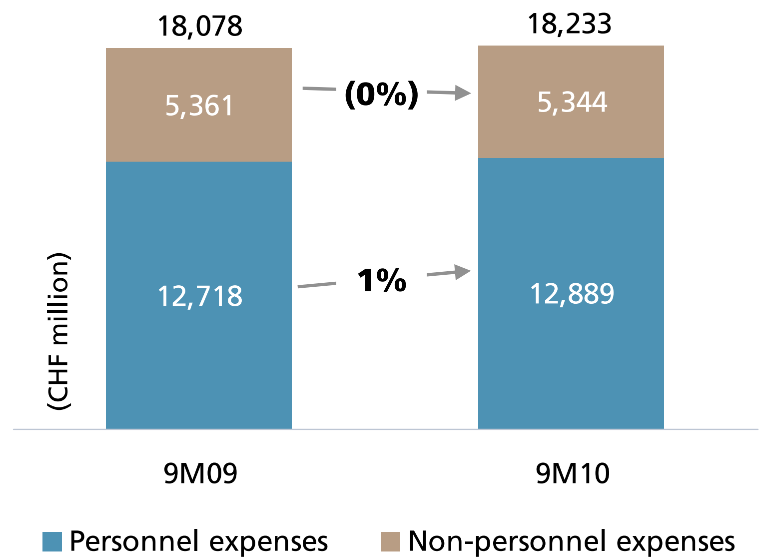
Operating expenses

Reduction reflects lower personnel expenses on lower revenues

Quarterly operating expenses (adjusted)[1]



YTD operating expenses (adjusted)[1]



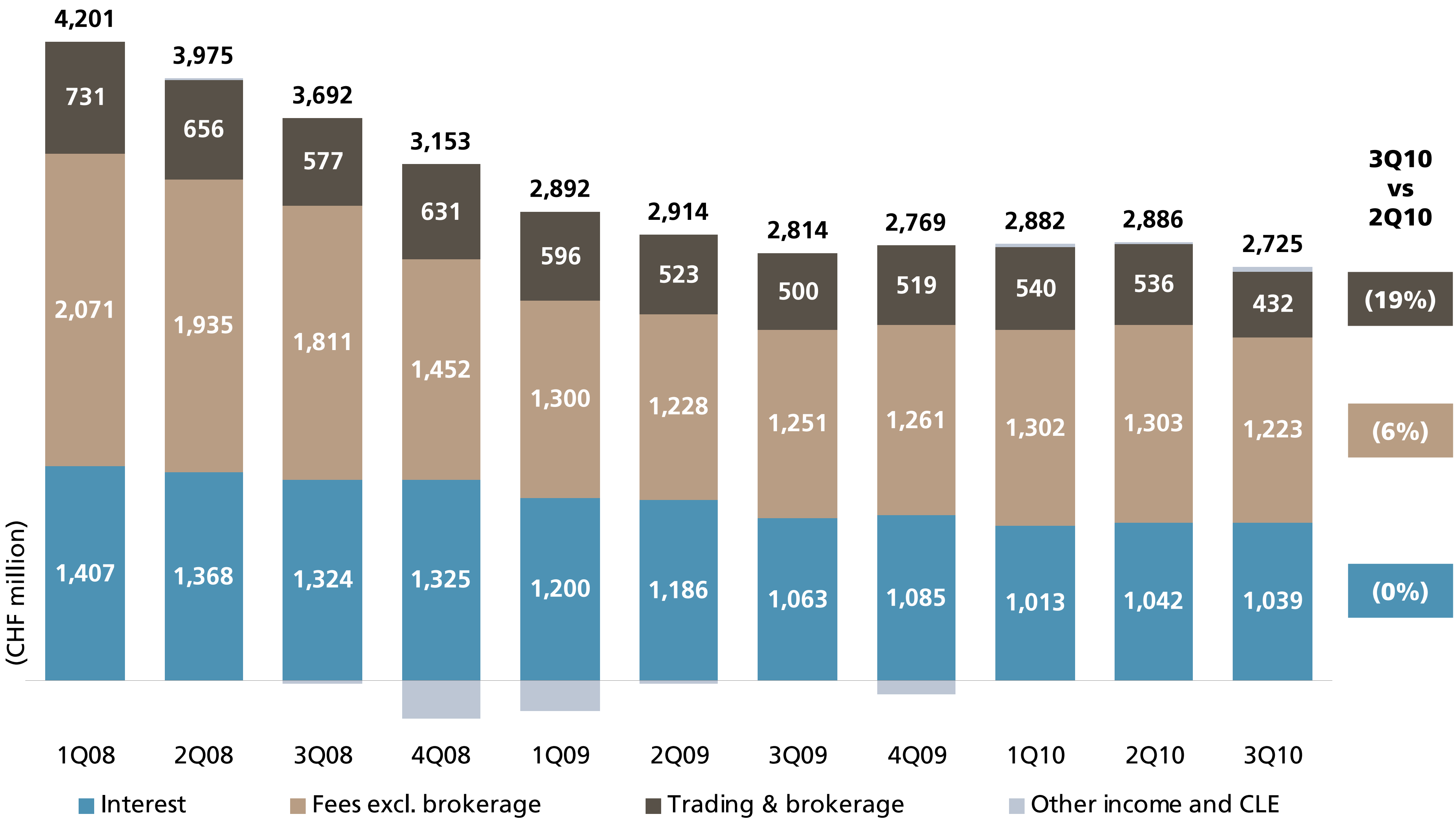
On track to reach our full year fixed costs target of CHF 20 billion

UBS

1 Adjustment items excluded from expenses as reported:
1Q10: personnel restructuring charges CHF 21 million
2Q10: personnel restructuring charges CHF 8 million credit, UK Bank Payroll Tax CHF 242 million, non-personnel restructuring charges CHF 127 million
3Q10: personnel restructuring charges CHF 1 million credit, non-personnel restructuring charges CHF 3 million credit
9M09: personnel restructuring charges CHF 502 million, non-personnel restructuring charges CHF 276 million, goodwill impairment charges CHF 1,123 million

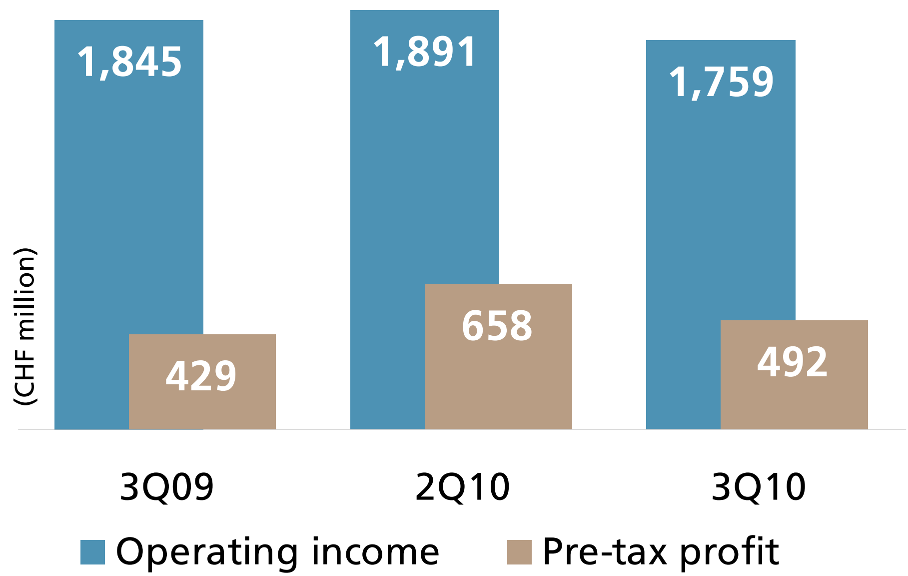
WM&SB – revenues

Revenues down 6%, mainly due to lower trading & brokerage income

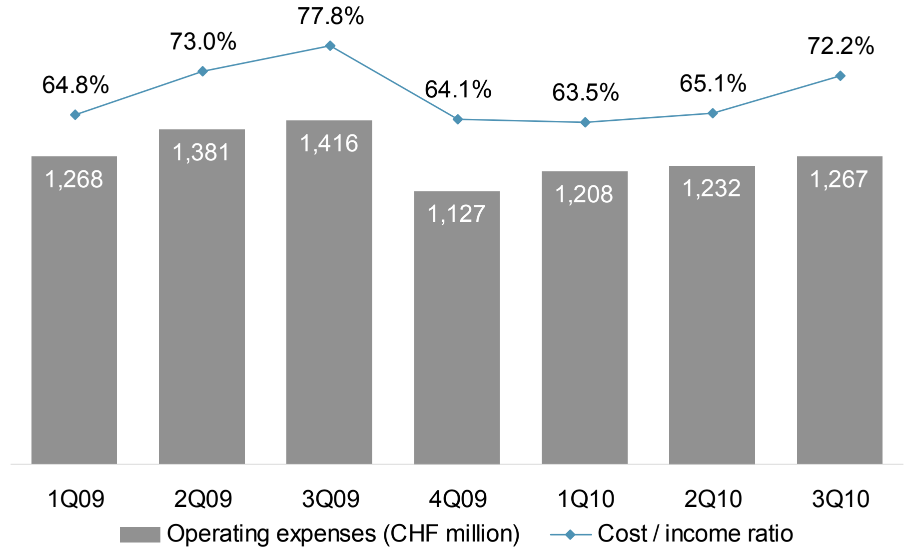


Wealth Management

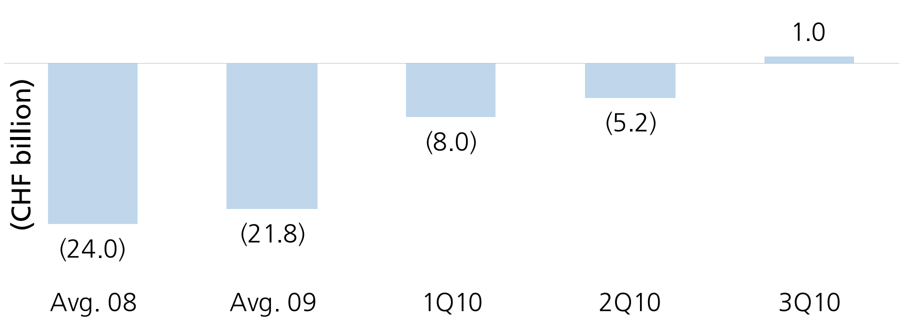
Reduced client activity and strengthening of Swiss franc affected results



- Cost increase mainly reflects real estate charges and higher marketing expenses



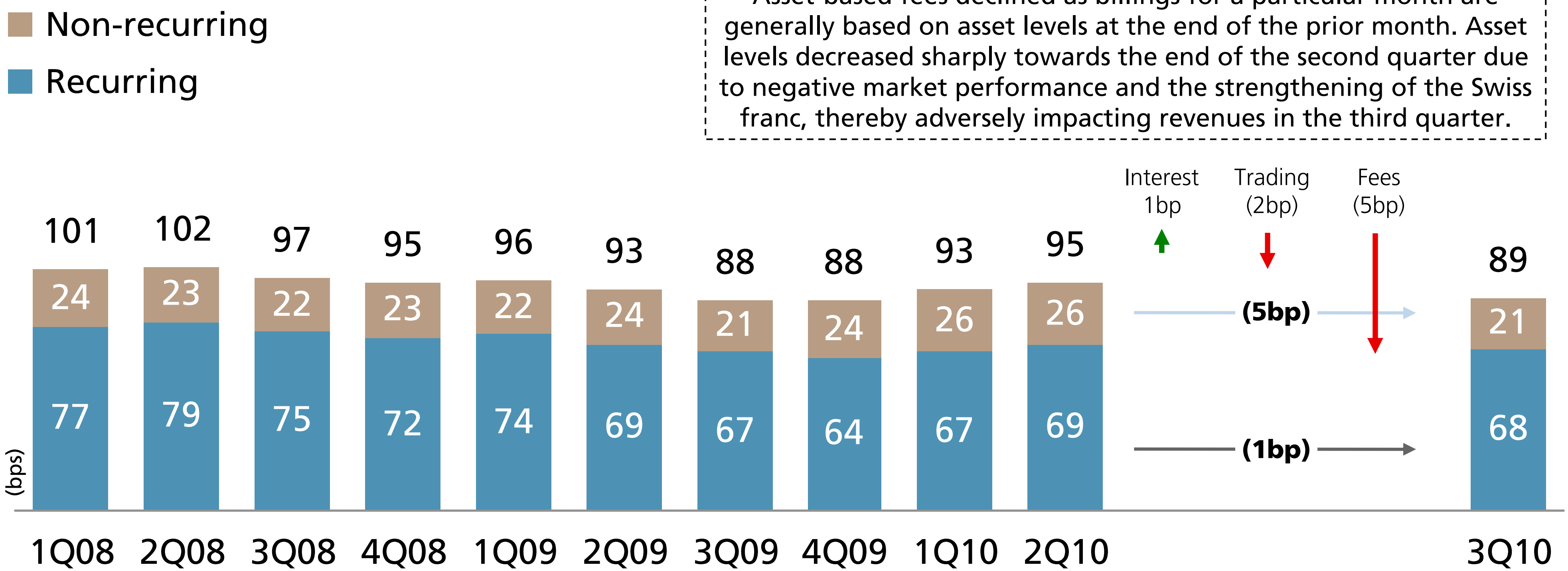
Net new money



- Continued positive NNM from UHNW clients and Asia Pacific region
- Net inflows from Swiss Wealth Management were partly offset by net outflows from International Wealth Management
- Stable invested asset base as positive market movements offset negative currency effects

Wealth Management – gross margins[1]

Asset-based fees declined as billings for a particular month are generally based on asset levels at the end of the prior month. Asset levels decreased sharply towards the end of the second quarter due to negative market performance and the strengthening of the Swiss franc, thereby adversely impacting revenues in the third quarter.



Pricing
Continued pricing discipline had a positive effect

Lending
Slight increase in volumes during the quarter

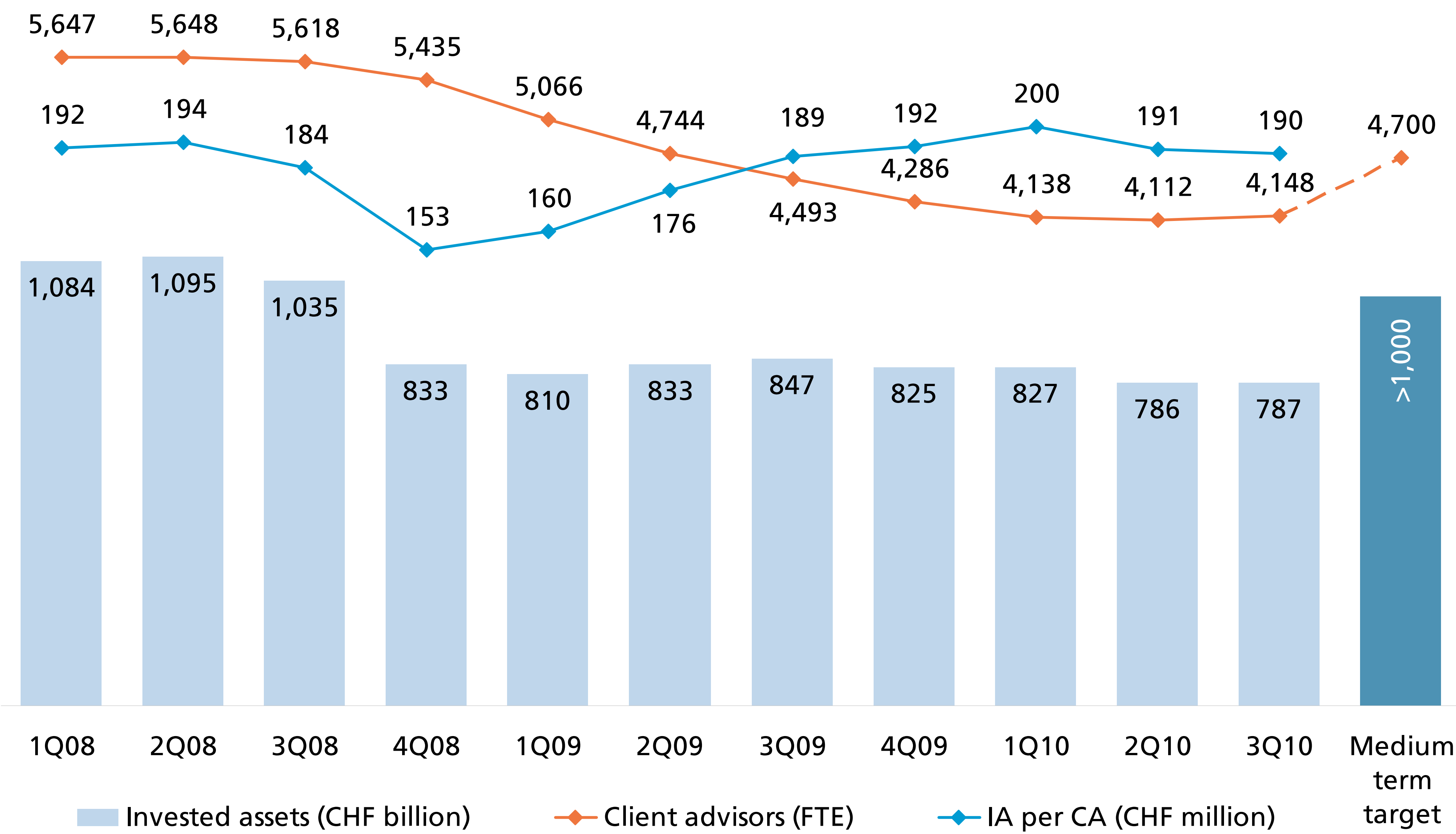
Brokerage
Brokerage revenues decreased significantly on lower client activity

Mandates
The proportion of assets invested in mandates remained stable

UBS

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

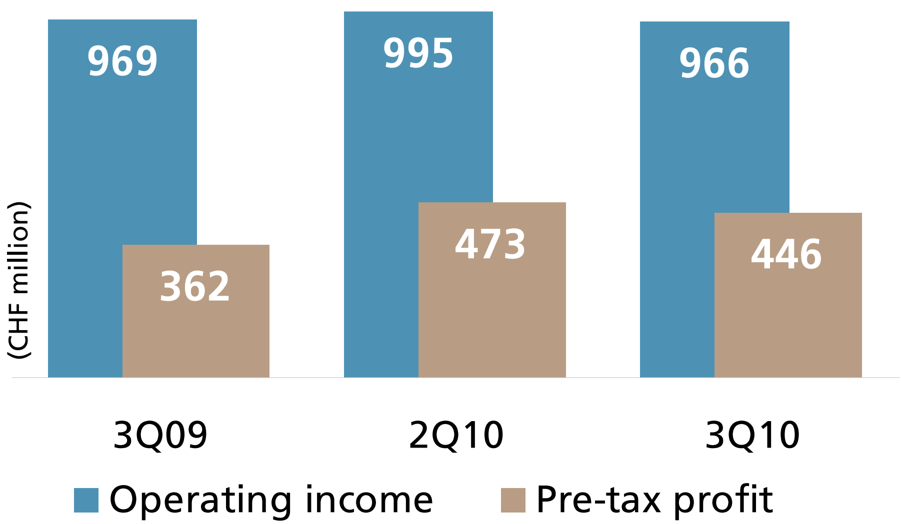
Wealth Management – client advisors and invested assets



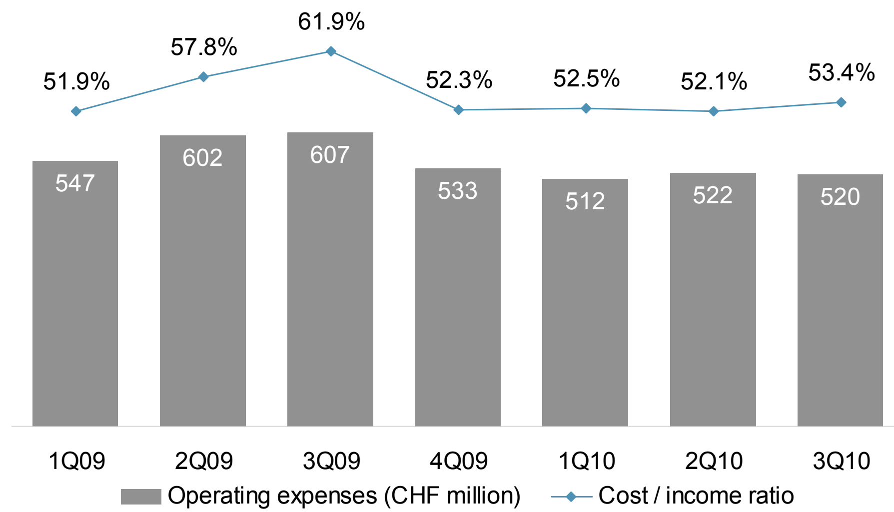
UBS

Retail & Corporate

Relatively stable performance

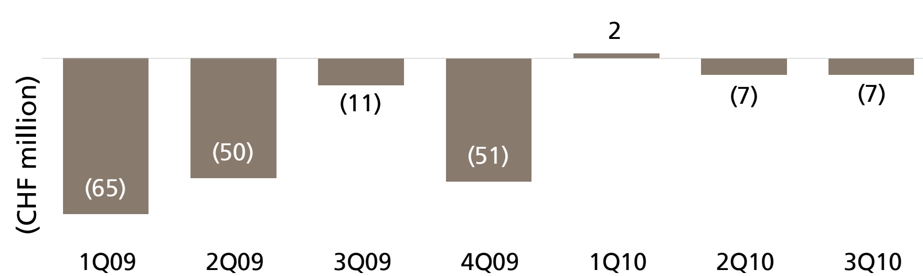


Operating expenses and C/I ratio



- Low interest rates continued to put pressure on deposit interest margin
- Decrease in fee and brokerage income
- Continued low levels of credit loss expenses
- Stable operating expenses

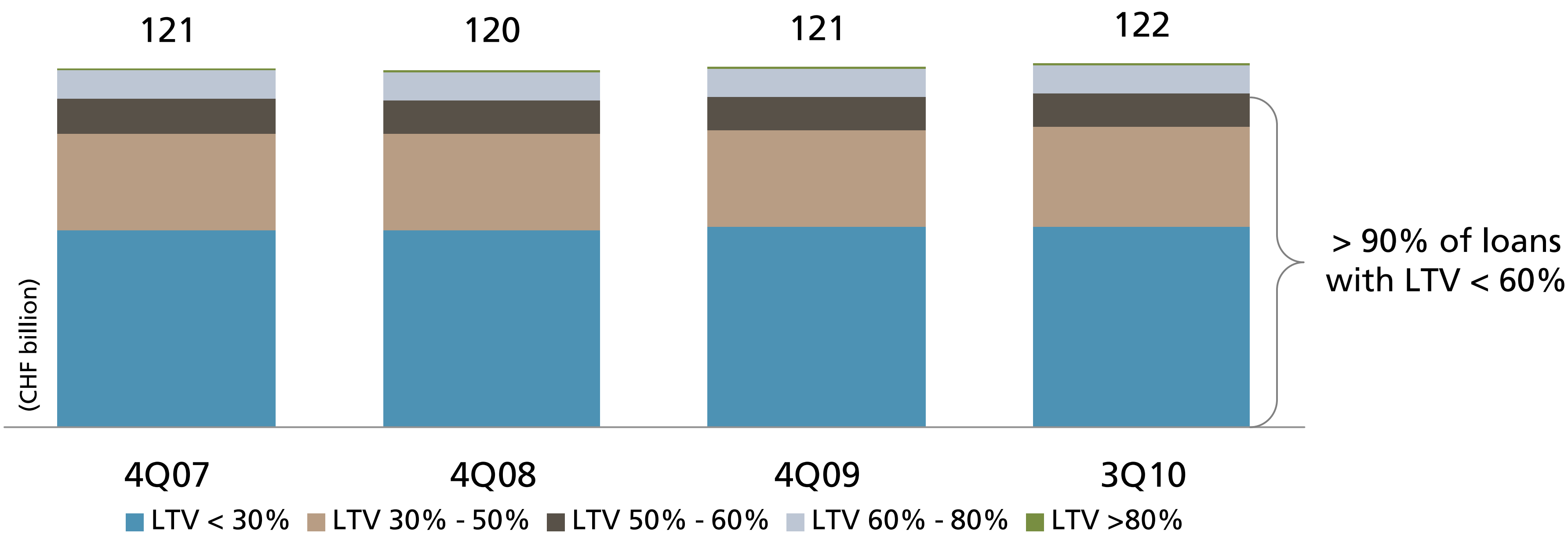
Credit loss expenses



Exposure to Swiss residential mortgage market

Carefully managed residential mortgage book

UBS's loans secured by residential property[1]

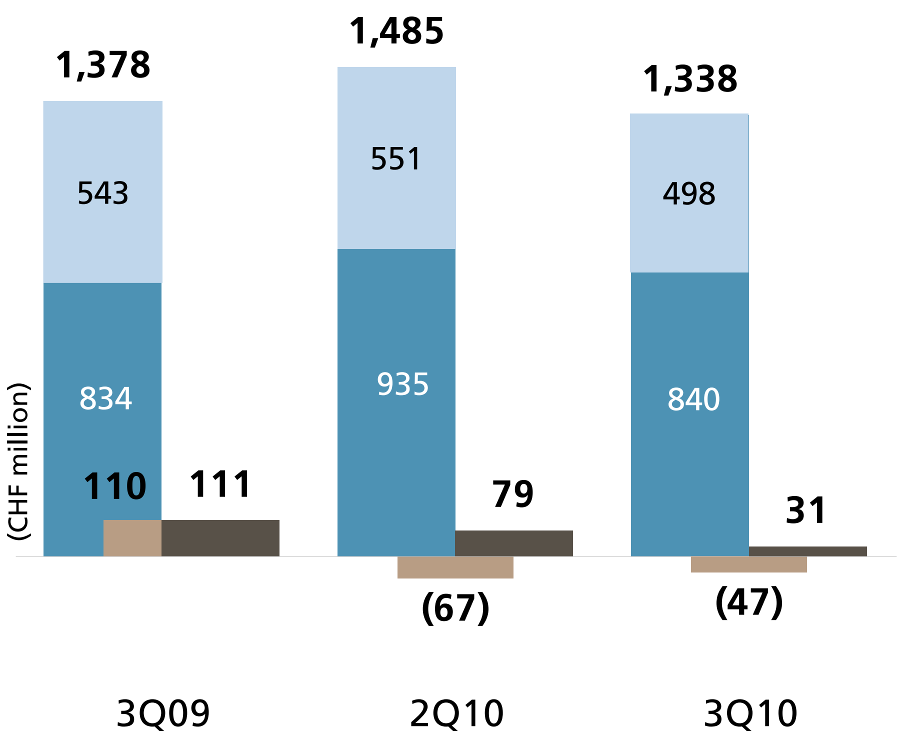


- Over 90% of residential mortgages with loan to value (LTV) below 60%
- Maintained high underwriting standards
- LTV subject to regular assessment
  – Owner-occupied real estate is assessed at least annually, multi-family homes at least every three years
- On 30.9.10, less than 0.3% of UBS's total Swiss mortgage portfolio was impaired and less than 0.5% was past due > 90 days but not impaired

UBS

1 Excludes impaired exposures, exposures from international locations and from Swiss subsidiaries

Wealth Management Americas



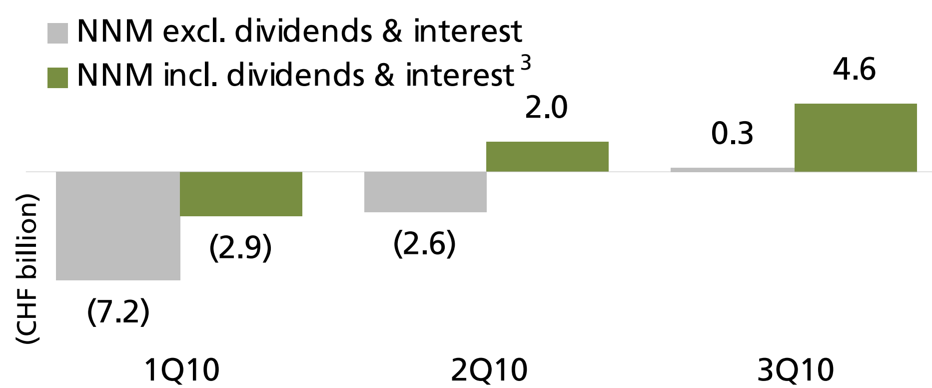
Non-recurring income

Recurring income

Pre-tax profit

Pre-tax profit adjusted for restructuring and 3Q10 provision related to an arbitration matter [1]

- CHF 31 million pre-tax profit adjusted for CHF 78 million provision related to an arbitration matter
  - Revenues down 10%, primarily due to FX movements
  - Operating expenses down 7% excluding 3Q10 provision related to an arbitration matter and restructuring charges[1]
- Financial advisors up 23 at 6,783
- CHF 0.3 billion net new money inflows
  - 'Same store'[2] NNM positive for third quarter in a row

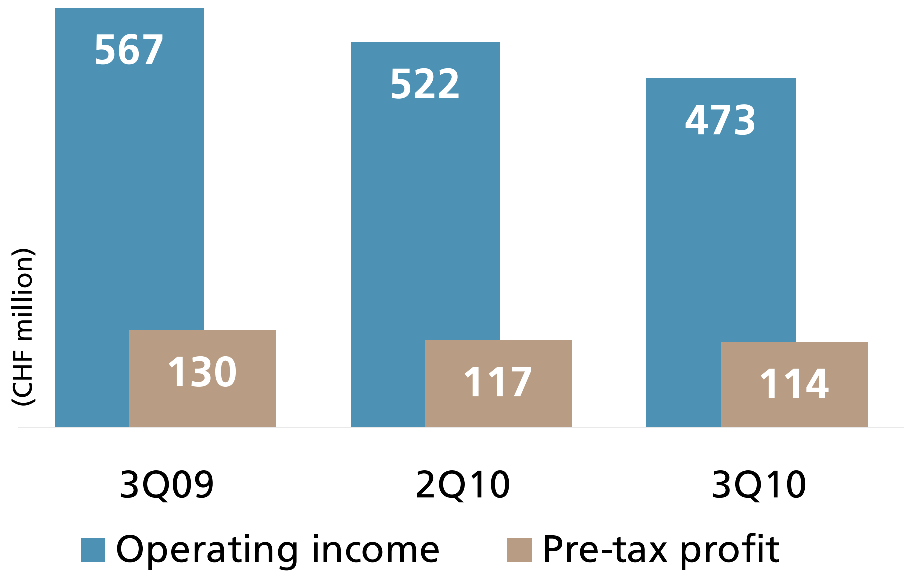


UBS

1 Provision related to an arbitration matter of CHF 78 million in 3Q10, restructuring charges of CHF 146 million in 2Q10 and restructuring charges of CHF 1 million in 3Q09
2 Financial advisors with UBS for more than 12 months
3 Includes dividends and interest for Wealth Management US only

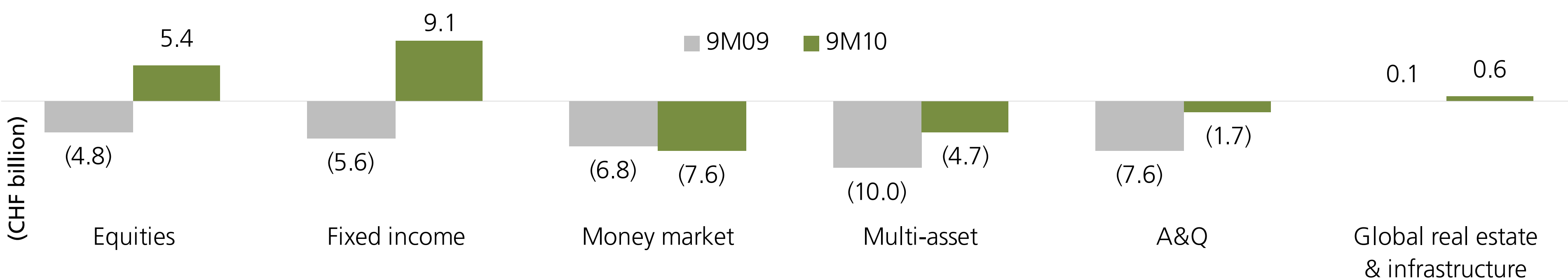
Global Asset Management

Stable earnings



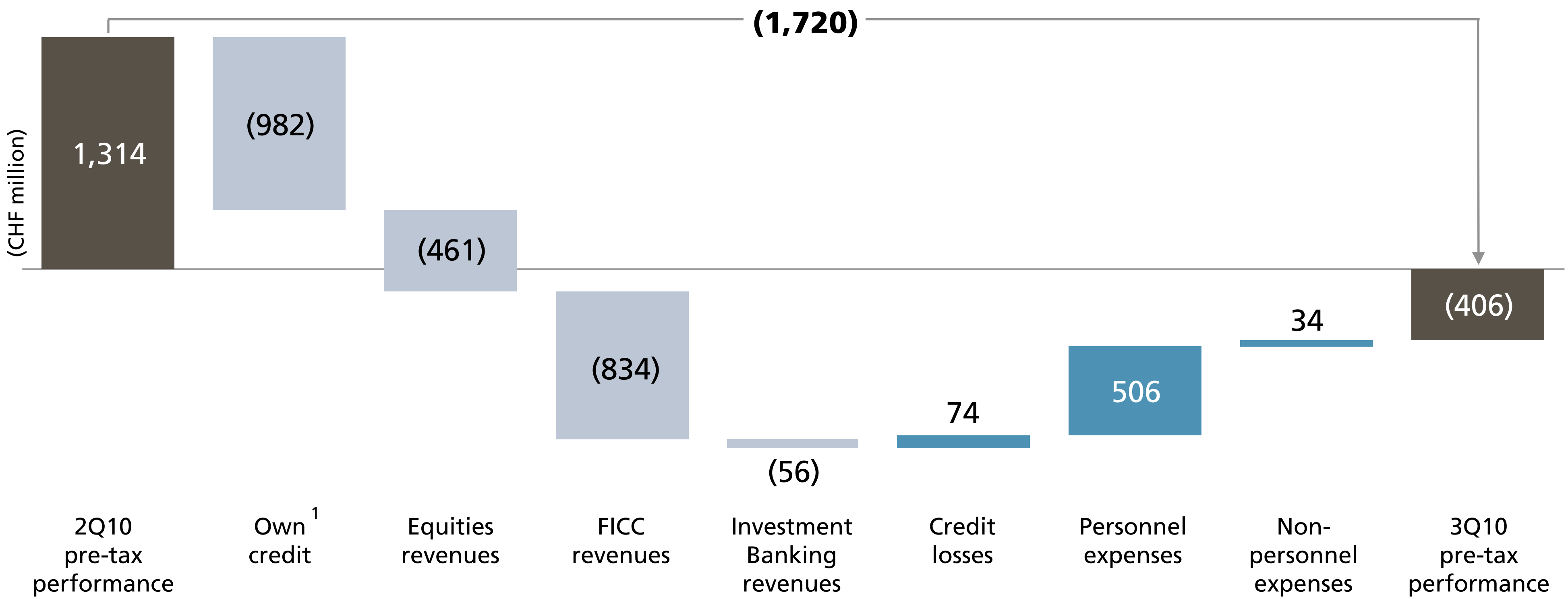
- Lower management fees due to adverse impact of the strengthening of the Swiss franc on invested assets
- Reduced costs due to the strengthening of the Swiss franc and lower personnel expenses
- Net new money:
  - CHF 1.5 billion net inflows from third parties were offset by CHF 1.4 billion net outflows from UBS WM channels
  - Excluding money market funds, NNM was positive CHF 3.9 billion as equities, fixed income and A&Q all recorded positive NNM

Net new money YTD



Investment Bank – pre-tax performance 3Q10 vs. 2Q10

Own credit[1] losses and lower revenues partly offset by lower costs



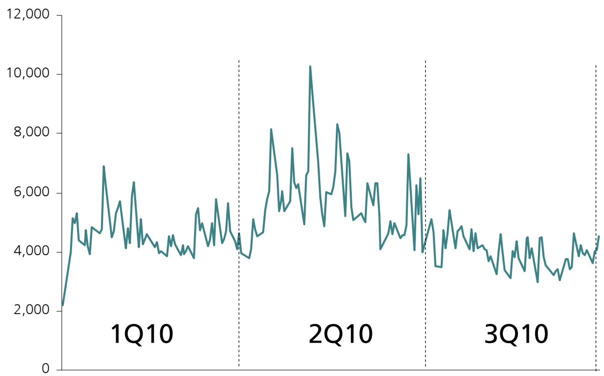
- Improved contributions from credit, emerging markets, advisory and DCM were more than offset by weaker performances in FX, rates, equity derivatives and cash equities
- Own credit[1] charge of CHF 387 million in 3Q10 vs. CHF 595 million gain in 2Q10 resulting in CHF 982 million movement
- Personnel costs reduced on lower revenues

1 Own credit on financial liabilities designated at fair value through profit or loss

Investment Bank – 3Q10 market environment & risk profile

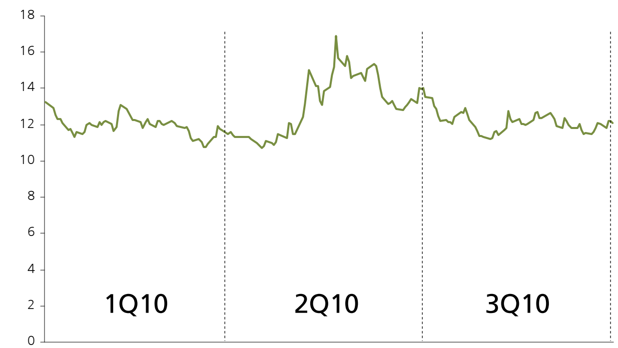
3Q10 was characterized by low client activity levels, particularly in equities and FX

NYSE volume[1]



Equity volatility (VIX)[1]

Currency volatility (CVIX)[1]



Trading risk increased moderately, reverting to more normalized levels

- Average 1-day 95% management VaR increased to CHF 58 million in 3Q10, primarily due to an increase in credit spread and interest rate risk
  - Decrease in diversification effect also contributed to the increase in VaR
  - UBS's VaR model uses a five-year historical time series and therefore still factors in the impact of the crisis

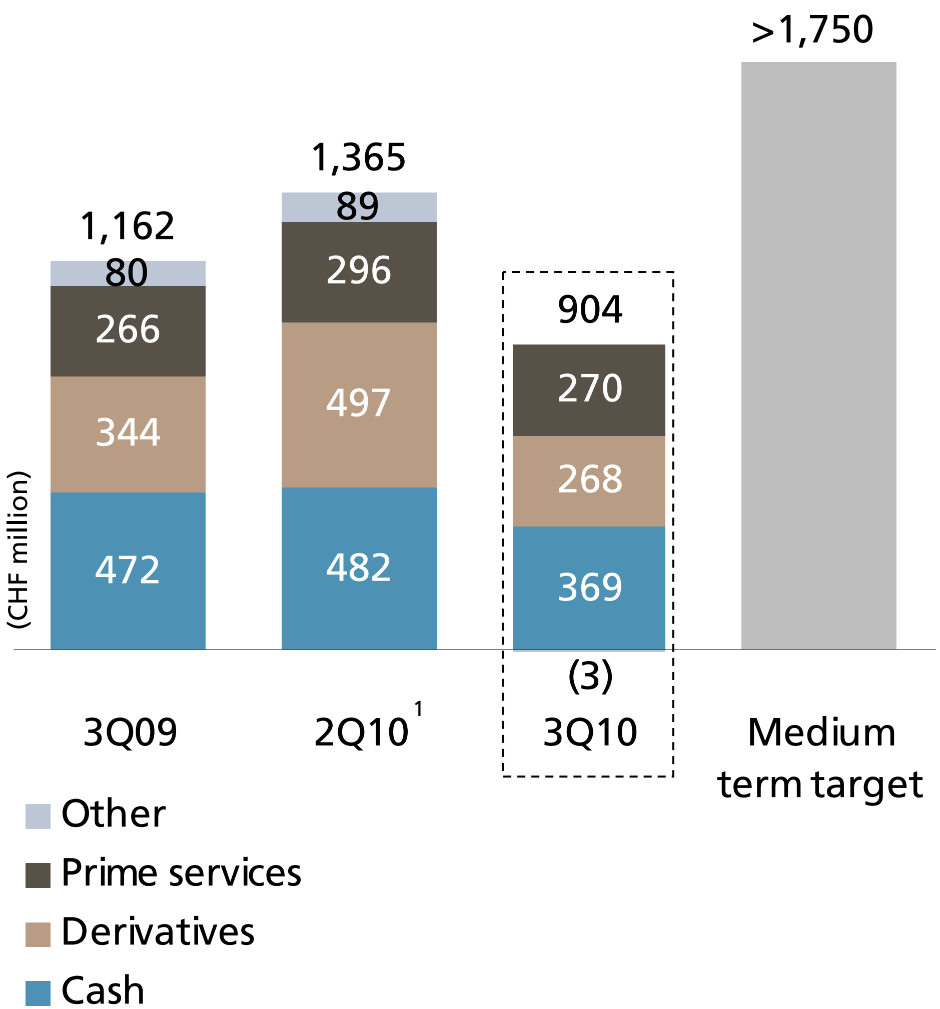
We achieved further reductions in our residual risk positions

- Gross impaired lending portfolio further decreased, primarily due to the sale of a legacy restructured leveraged finance position without incurring incremental costs

1 Source: Bloomberg

Equities revenues

Reduced client activity and weak trading volumes



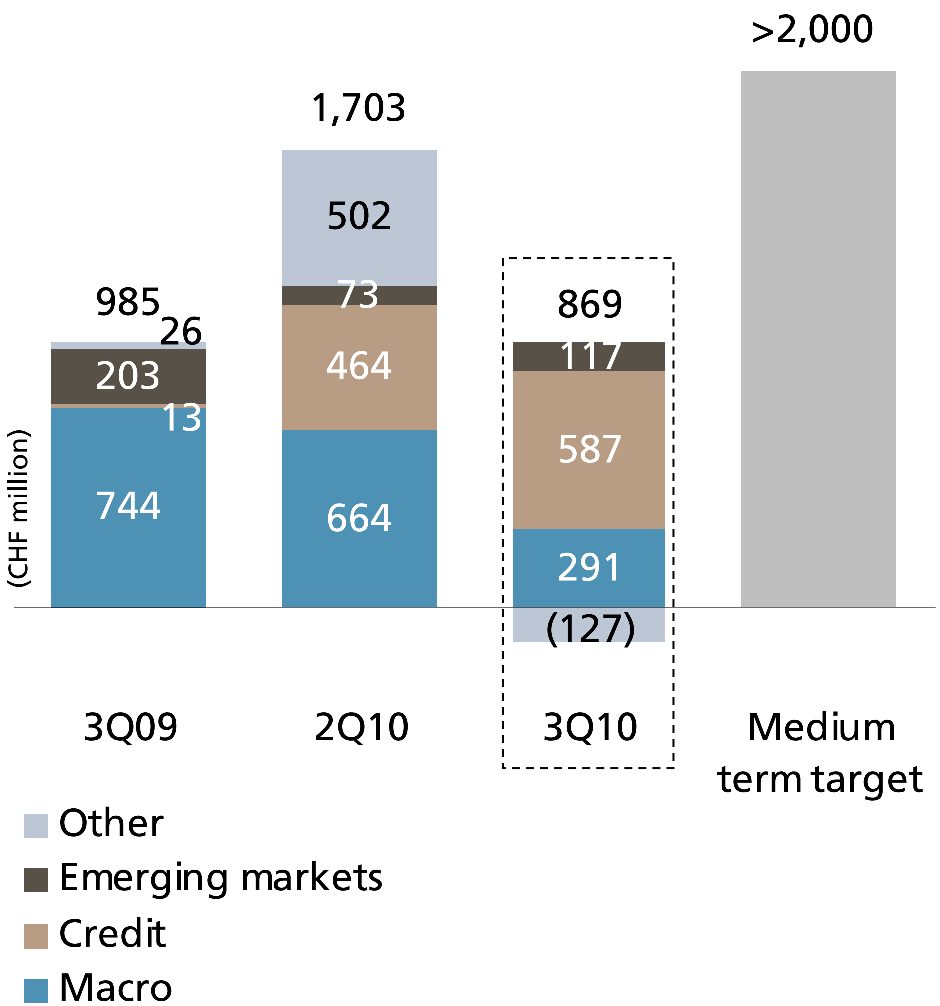
- **Cash:** decrease in investor activity and reduced market volumes resulted in lower commission income
- **Derivatives:**
  - Derivatives revenues declined due to lower volumes and limited client flow
  - Equity linked revenues increased, reflecting improved valuations as market sentiment recovered
- **Prime services:**
  - Prime brokerage revenues decreased due to reduced securities financing after a strong second quarter
  - ETD revenues decreased due to lower commission income from a reduction in client volumes

UBS

1 2Q10 revenues include CHF 61 million gains on the CBOE demutualization (of which CHF 47 million in "Other")

FICC revenues

Improvement in credit and emerging markets offset by weaker macro revenues



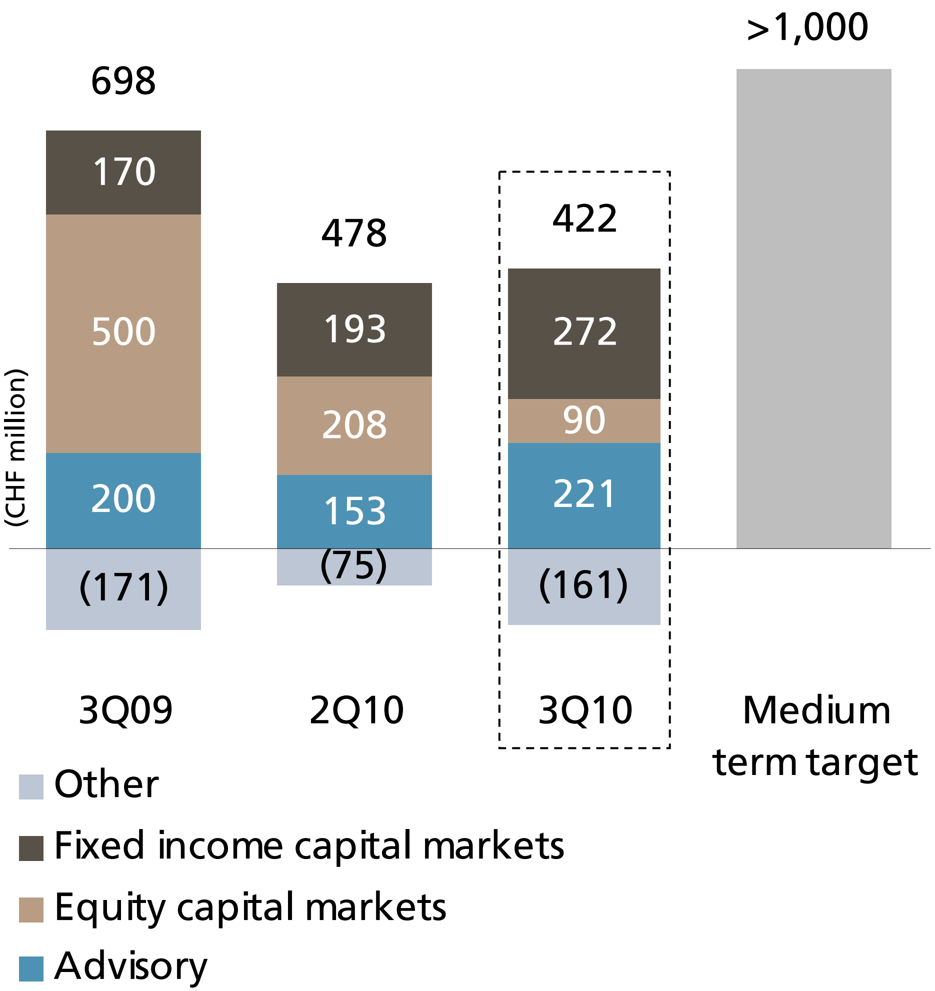
- The combined revenues from credit, macro and emerging markets were CHF 996 million compared with CHF 1,200 million
- **Macro:**
  - FX revenues were impacted by subdued market activity and tighter spreads
  - Rates revenues decreased, partly due to markdowns of certain non-linear rates positions
- **Credit:** revenues increased due to strong performance in client solutions, improved client flow and higher spreads
- **Emerging markets:** gains were recorded across all regions as a result of greater client interest, particularly in local market debt
- **Other:**
  - Residual risk positions continued to be reduced and contributed gains of CHF ~ 0.1 billion
  - Losses of CHF 0.2 billion due to debit valuation adjustments on derivatives[1]

UBS

1 Investment Bank total CHF 0.1 billion of negative debit valuation adjustments

Investment banking revenues

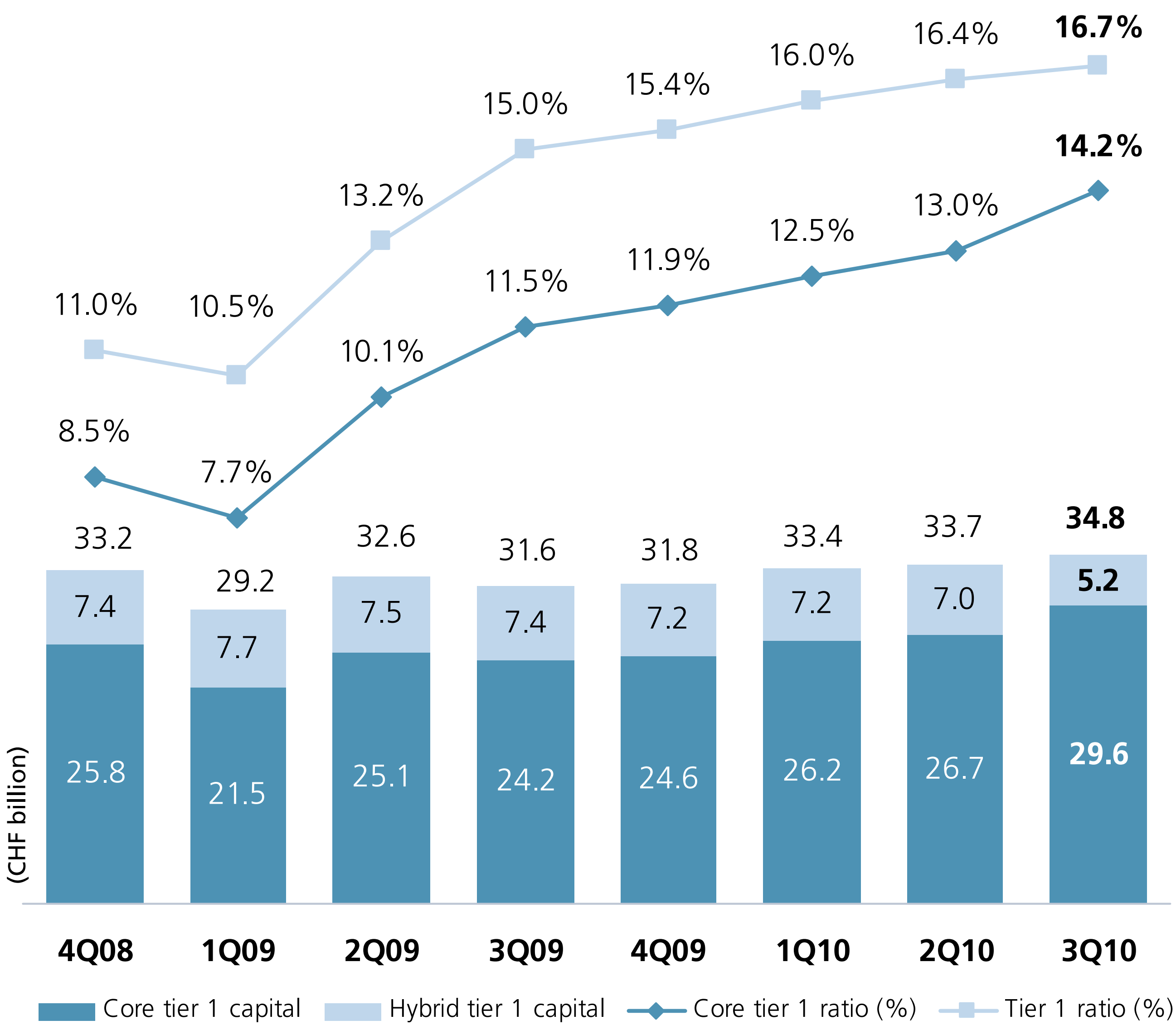
Stronger advisory and DCM performance offset by lower ECM revenues



- **Advisory:** 44% increase in revenues on 9% reduced fee pool
- **Capital markets:** Fixed income revenues increased on the back of a pick-up in deal activity, offset by lower revenues from Equities
- **Other:** tightening of credit spreads led to mark-to-market losses on hedges against the loan book
- Global fee pool up 3% from 2Q10 and 4% from 3Q09
- Overall UBS fee based market share[1] increased compared with 2Q10 (3.8% from 3.5%)
  - M&A: 4.4% (3.9%)
  - ECM: 4.5% (3.9%)
  - DCM: 3.7% (3.5%)

1 Source: Dealogic as of 1 October 2010

Capital position



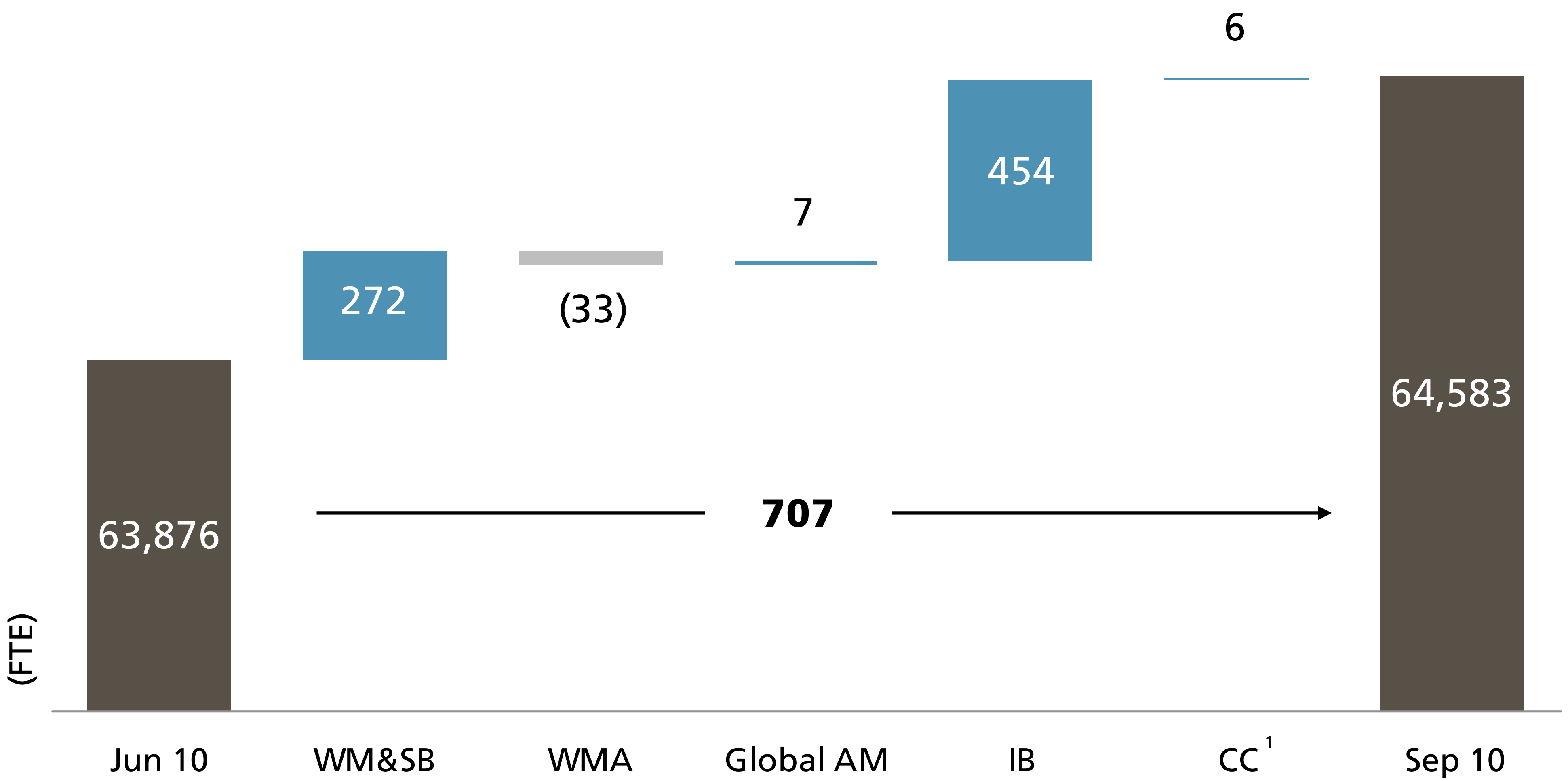
- Tier 1 capital ratio increased to 16.7%
- Core tier 1 capital ratio improved to 14.2%
- Risk-weighted assets up CHF 3.5 billion to CHF 208.3 billion
- FINMA leverage ratio 4.4%
- USD 1.5 billion hybrid tier 1 instrument redeemed on 1 October 2010
  - Effect of redemption reflected in 3Q10 numbers

UBS

Appendix

Headcount

- Headcount up by 707 during 3Q10
  - Increase reflect selective hiring and annual hiring of graduates and apprentices

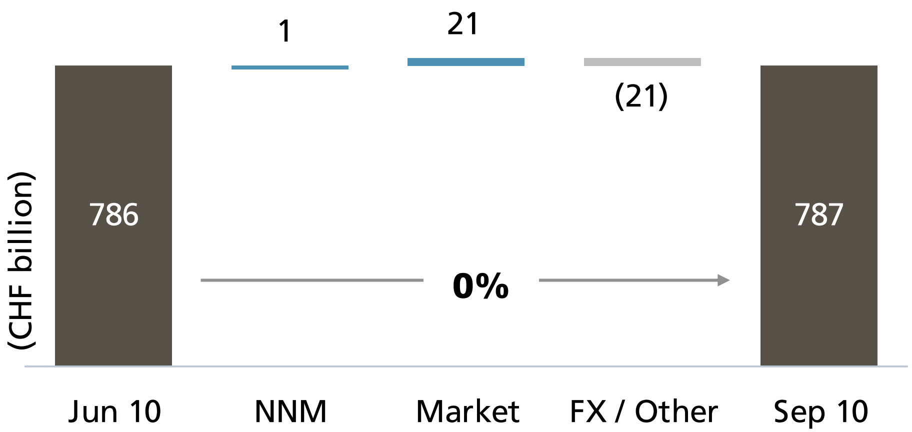


UBS

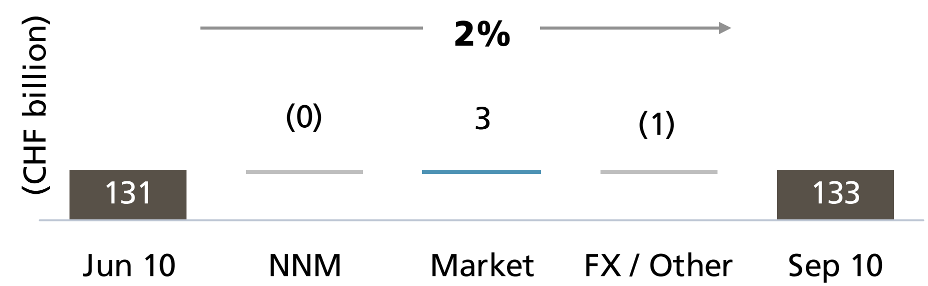
1 Treasury activities and other corporate items

Invested assets

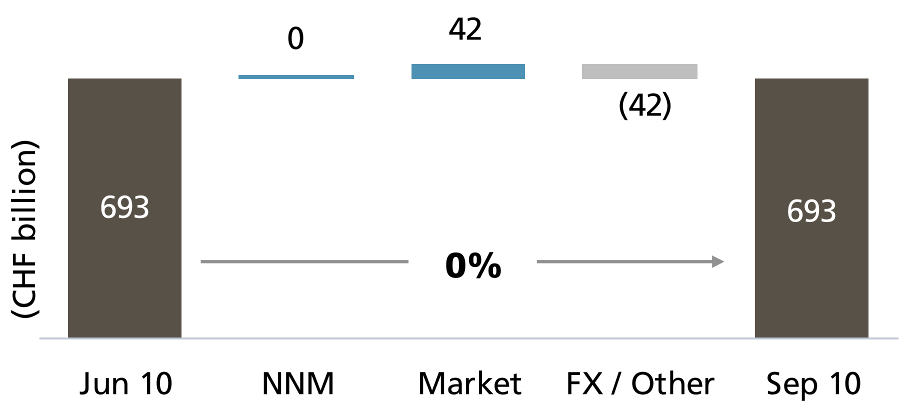
Wealth Management



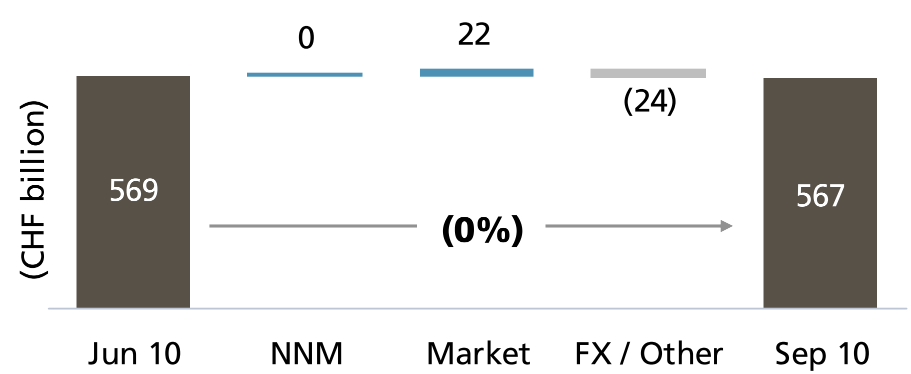
Retail & Corporate



Wealth Management Americas[1]



Global Asset Management



UBS

1 Includes impact of certain retirement plan assets (positive impact of CHF 21 billion on invested assets and of CHF 0.7 billion on net new money). Refer to the "Wealth Management Americas" section of UBS's 3Q10 report for more information

Movements in IFRS equity

IFRS equity CHF million	**Total**	**of which UBS shareholders**	**of which minority interests**
30.6.10	**53,344**	**46,017**	**7,327**
Net profit	1,643	1,664	(21)
Foreign currency translation of foreign operations (OCI)	(1,125)	(892)	(233)
Cash flow hedges (OCI)	196	196	0
Deferred tax benefit on equity items (share premium)	439	439	0
Equity compensation plans (share premium)	232	232	0
Redemptions preferred securities	(1,522)	0	(1,522)
Other	84	57	27
Total movement in 3Q10	**(53)**	**1,696**	**(1,749)**
30.9.10	**53,291**	**47,713**	**5,578**

BIS regulatory capital (Basel II)

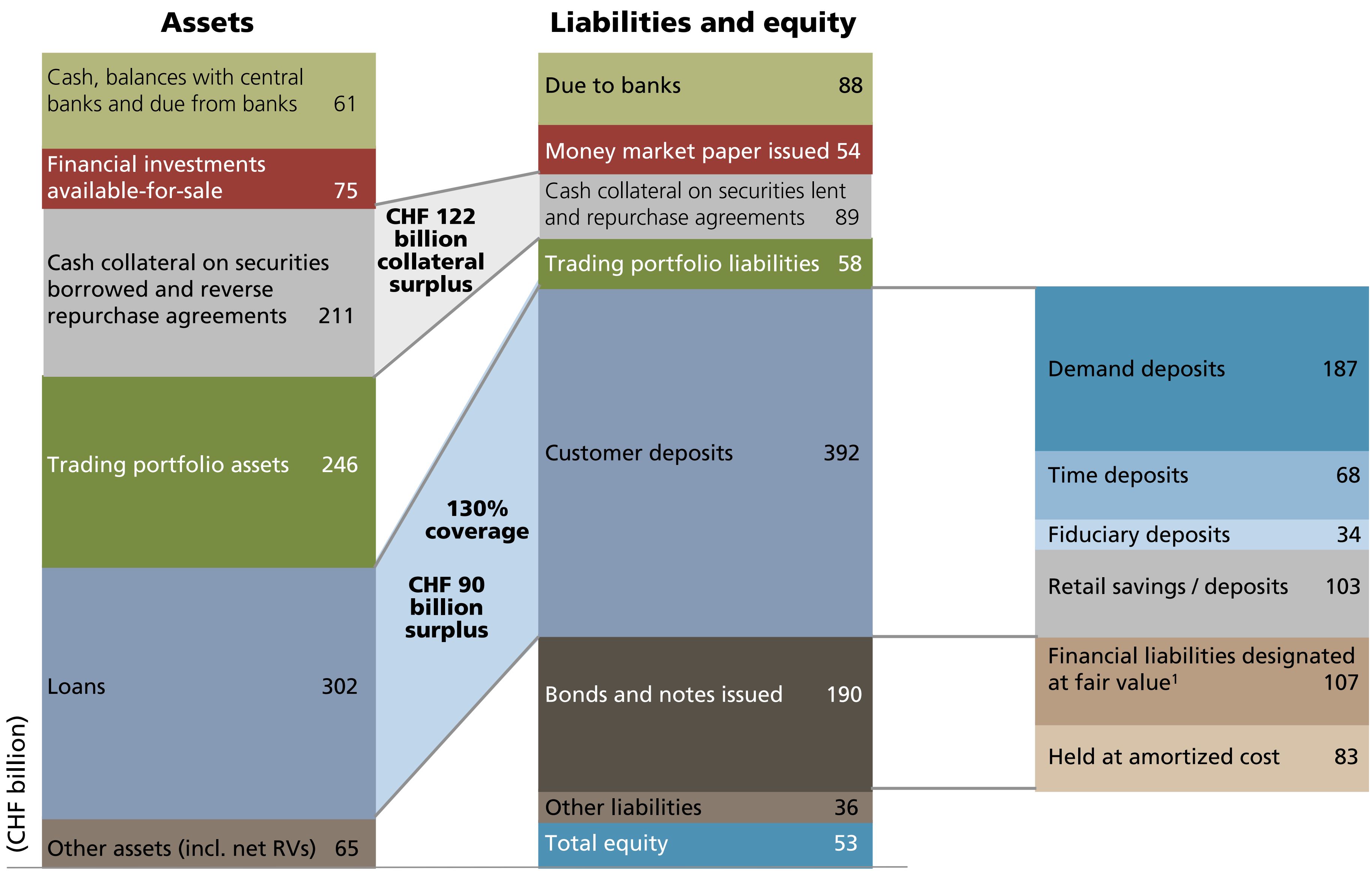
CHF billion	BIS RWA	Core tier 1 capital	Core tier 1 ratio	Tier 1 capital	Tier 1 ratio
30.6.10	204.8	26.7	13.0%	33.7	16.4%
Net P&L attributable to shareholders		1.7		1.7	
Own credit (not eligible for capital)		0.4		0.4	
FX / other		(0.2)[1]		(0.5)[2]	
Tier 1 hybrid redemption[3]		1.0		(0.5)	
RWA increase	3.5				
30.9.10	208.3	29.6[4]	14.2%	34.8[4]	16.7%

Public hybrid tier 1 instruments outstanding[5]

Amount	Issue date	Coupon rate	First call date
USD 500m	26.06.2001	7.247%	26.06.2011
EUR 995m	11.04.2008	8.836%	11.04.2013
EUR 995m	15.04.2005	4.280%	15.04.2015
USD 1,000m	12.05.2006	6.243%	12.05.2016
EUR 600m	21.12.2007	7.152%	21.12.2017

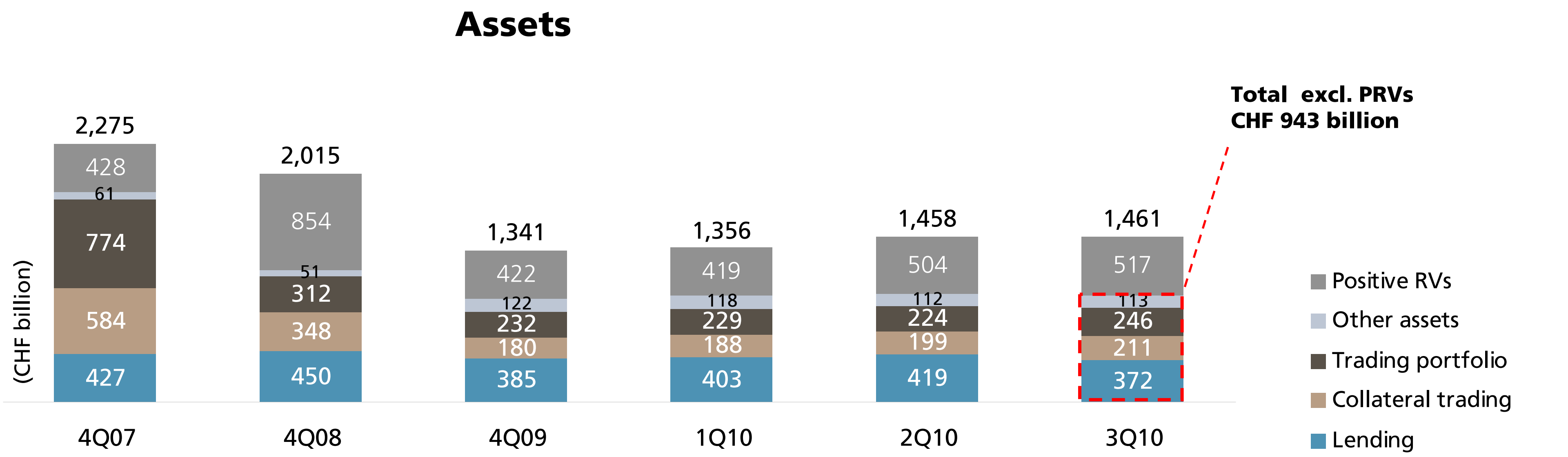
1 Includes a CHF 0.4 billion tax credit recorded in equity, CHF 0.1 billion due to net positive foreign currency effects, CHF (0.2) billion due to higher tier 1 deductions and CHF (0.5) billion due to higher own share deductions
2 Includes a CHF 0.4 billion tax credit recorded in equity, CHF (0.2) billion due to net negative foreign currency effects, CHF (0.2) billion due to higher tier 1 deductions and CHF (0.5) billion due to higher own share deductions
3 Reserve for the hybrid tier1 instrument redeemed on 1 October 2010
4 Includes deferred tax assets on net operating losses of CHF 8,345 million
5 Excludes USD 300 million floating rate Trust Preferred Securities

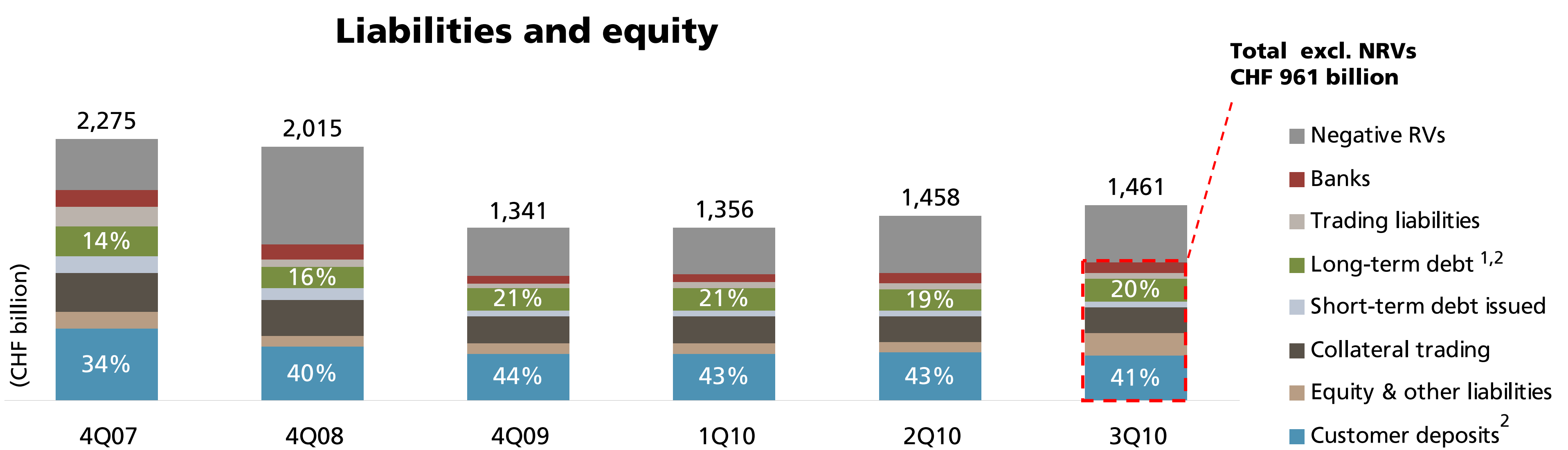
Asset funding – 30 September 2010



1 Including compound debt instruments - OTC

Balance sheet development





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

Exposure[1] to monoline insurers, by rating

USD billion	Notional amount[3]	Fair value of underlying assets	Fair value of CDSs[4] prior to CVA	Credit valuation adjustment as of 30.9.10	Fair value of CDSs after CVA
Credit protection on US sub-prime RMBS CDOs[2]	**0.8**	**0.2**	**0.6**	**0.4**	**0.2**
of which: from monolines rated investment grade (BBB and above)	0.0	0.0	0.0	0.0	0.0
of which: from monolines rated sub-investment grade (BB and below)	0.8	0.2	0.6	0.4	0.2
Credit protection on other assets[2]	**11.3**	**8.8**	**2.5[5]**	**0.9**	**1.6**
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)	9.0	6.9	2.1	0.8	1.3
Total 30.9.10	**12.1**	**9.0**	**3.1**	**1.3**	**1.8**
Total 30.6.10	**12.0**	**8.7**	**3.3**	**1.6**	**1.7**

- Based on fair values, 74% of the remaining assets were collateralized loan obligations, the vast majority of which were rated AA and above
- Continued improvement in the fair value of the underlying assets contributed to the reduction in CVA levels in combination with a general tightening of monoline credit spreads

1 Excludes the benefit of credit protection purchased from unrelated third parties
2 Categorization based on the lowest insurance financial strength rating assigned by external rating agencies
3 Represents gross notional amount of credit default swaps (CDSs) purchased as credit protection
4 Credit default swaps (CDSs)
5 Includes USD 5.7 billion (CHF 5.6 billion) at fair value / USD 5.7 billion (CHF 5.6 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 3Q10 report for more information

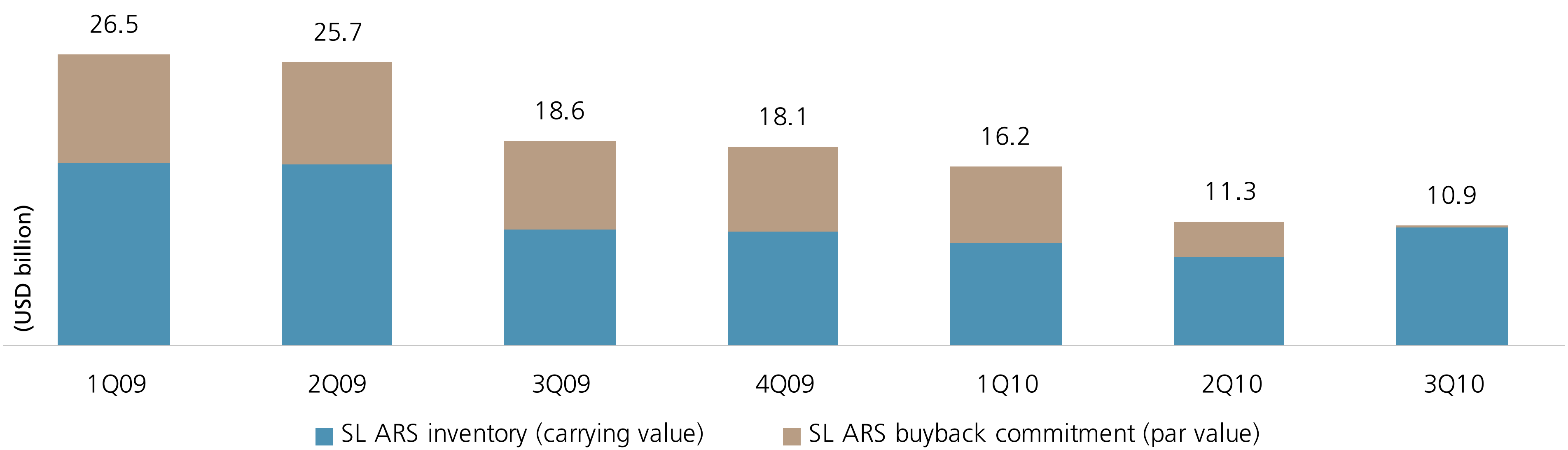
UBS

Student loan auction rate securities

- Over 95% of remaining client holdings subject to the repurchase commitment repurchased in 3Q10

USD million	Inventory: Carrying value as of 30.9.10	Inventory: Carrying value as of 30.6.10	Client holdings: Par value of maximum required purchase as of 30.9.10	Client holdings: Par value of maximum required purchase as of 30.6.10
US student loan auction rate securities	**10,769[1]**	8,117	**103**	3,239

Inventory + buyback commitment 1Q09 – 3Q10



UBS

1 Includes USD 4.7 billion (CHF 4.6 billion) at carrying value of student loan ARS that were reclassified to "Loans and receivables" from "Held for trading" in fourth quarter 2008. Refer to "Note 12 Reclassification of financial assets" in the "Financial information" section of UBS's 3Q10 report for more information

Reclassified assets

30.9.10, CHF billion	Notional value	Fair value	Carrying value	Ratio of carrying to notional value
US student loan and municipal auction rate securities	5.6	4.7	5.0	89%
Monoline protected assets	6.5	5.6	5.6	87%
Leveraged finance	0.6	0.5	0.4	75%
CMBS / CRE (excl. interest-only strips)	0.5	0.4	0.5	86%
US reference linked notes	0.8	0.7	0.6	83%
Other assets	1.0	0.8	0.8	84%
Total (excl. CMBS interest-only strips)	15.0	12.7	12.9	87%
CMBS interest-only strips		0.4	0.4	
Total reclassified assets	15.0	13.1	13.3	

UBS

Sovereign exposures to selected European countries

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