



Bellevue meets Management

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Cautionary statement regarding forward-looking statements

This presentation contains statements that constitute "forward-looking statements", including statements relating to UBS's financial performance and to the anticipated effect of strategic initiatives on UBS's business and future development. Factors that could cause actual developments and results to differ materially from UBS's expectations and objectives include, but are not limited to: whether UBS will be successful in effecting its announced plans to transform its Investment Bank, its efficiency initiatives and its planned reductions in Basel III risk-weighted assets; whether its efforts to implement these changes will have the effects anticipated; developments in the markets in which UBS operates or to which it is exposed, and the effect of economic conditions and market developments on UBS and its clients and counterparties; changes in financial legislation and regulation that may impose more stringent capital, liquidity or tax requirements, additional levies or constraints on remuneration; uncertainty as to when and to what degree FINMA will approve reductions to the temporary add-on to UBS's operational risk-related RWA effective from the fourth quarter of 2013 or approve a limited reduction of capital requirements due to measures to reduce resolvability risk; possible changes to the legal entity structure or booking model of UBS Group in response to enacted, proposed or future legal and regulatory requirements; the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, regulatory investigations and contractual claims; the effect on UBS's cross-border banking business of tax or regulatory developments; the occurrence of operational failures; and factors affecting UBS's competitive position, including its ability to retain and attract the employees necessary to manage, support and control its businesses. Our business and financial performance could be affected by other factors identified 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 2012. 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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UBS—A unique value proposition

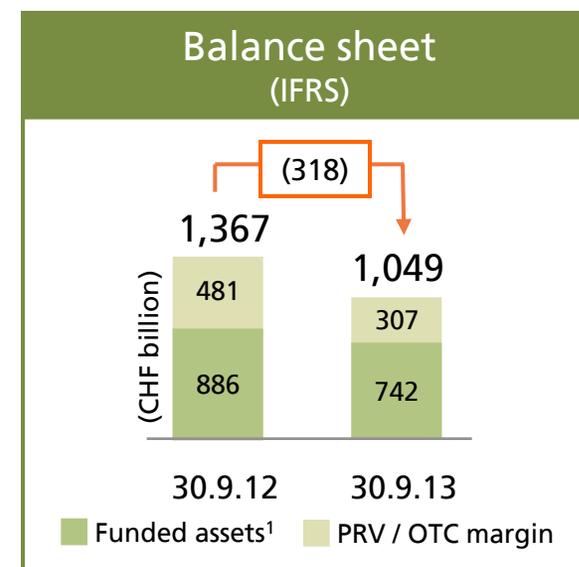
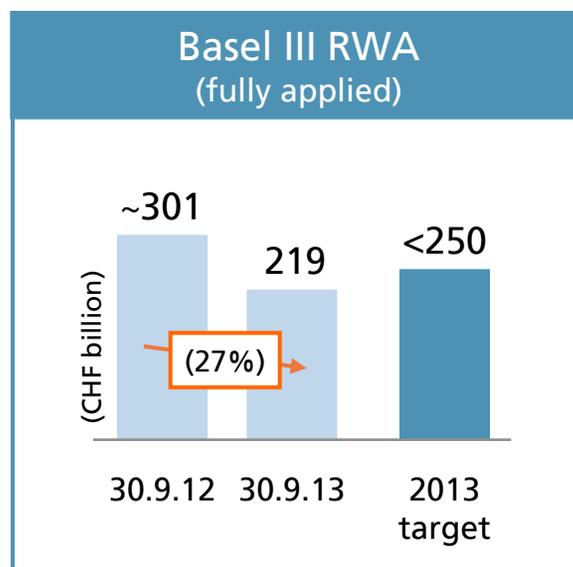
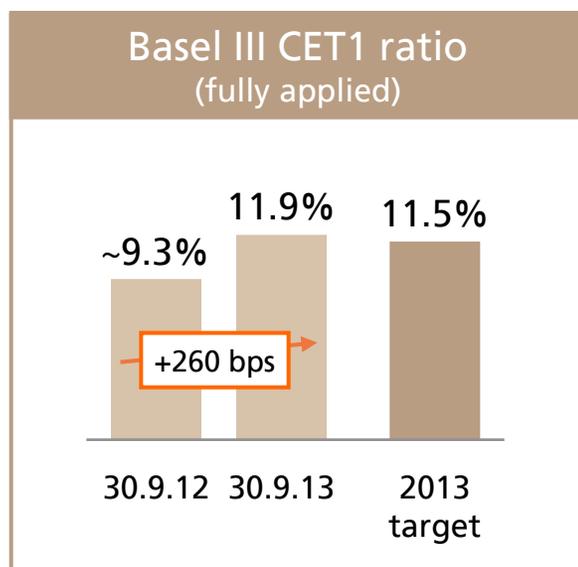
UBS has clear strategic direction and a strong track record on execution

UBS's franchise is unrivaled with a compelling business mix, risk profile and growth prospects

Payout ratio of more than 50% after Basel III fully applied CET1 target of 13% is achieved

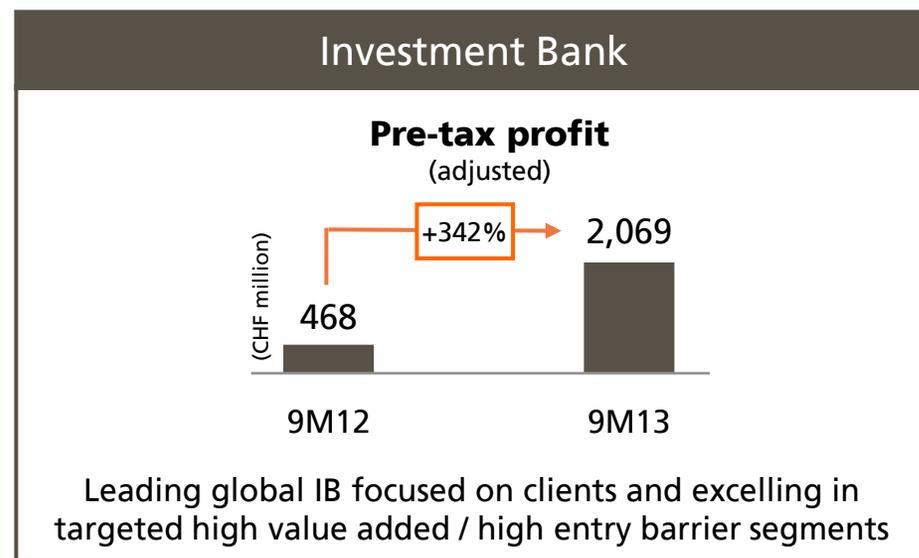
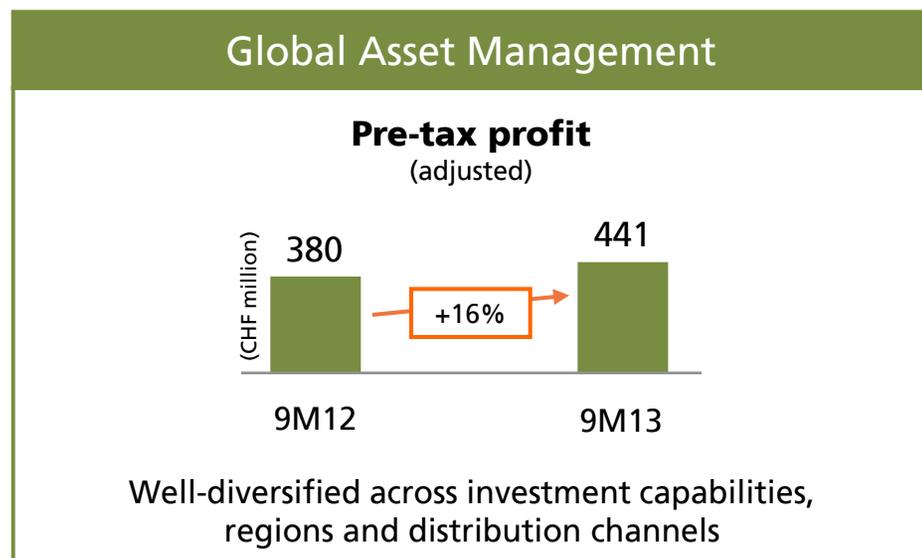
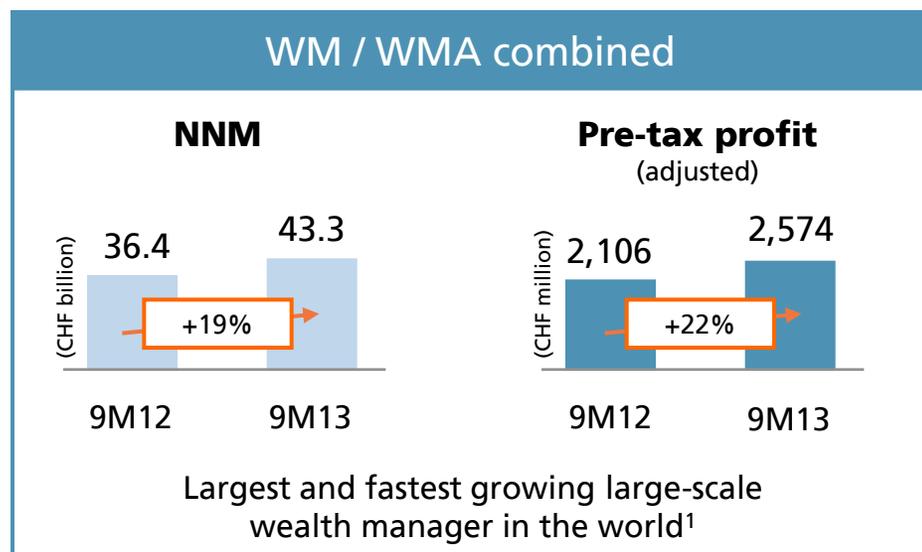
Successfully executing our strategy

Capital strength is the foundation of our success



- ➔ Industry-leading capital ratios, strong funding and liquidity, LCR / NSFR >100%
- ➔ Phase-in Swiss SRB Basel III leverage ratio 4.2%, above minimum requirements
- ➔ SNB StabFund option exercised in 4Q13 is adding CHF 2.5 billion to our Basel III CET1 capital equivalent to an additional ~100 bps to our CET1 ratio²

Increased profits and well diversified business mix



UBS is prepared for the future

Considerations for our strategic decision making...

- Wealth management clients' needs
- Swiss universal bank clients' needs
- Leverage competitive position
- Deliver higher risk-adjusted returns
- Reduce volatility of revenue and earnings
- Reduce operational complexity
- Economic outlook
- Address regulatory developments
- Increased focus on total shareholder returns

... build a track record of execution

- Increasing capital
- Reducing risk weighted assets and balance sheet
- Delivering cost reductions
- Implementing new Investment Bank strategy

Unlocking further potential 2015 and beyond

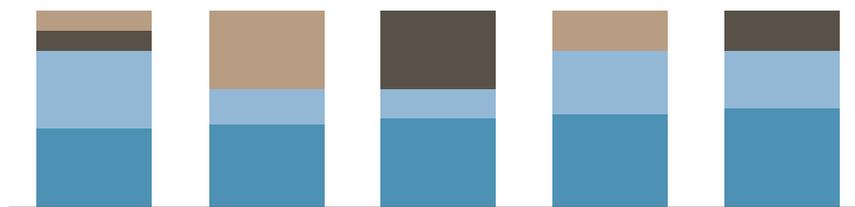
- Deliver further operational efficiencies
- Sustainable earnings with target RoE of >15% in 2015¹
- Attractive capital returns

We are firmly committed to return capital to shareholders

Our business mix supports an attractive capital returns program

- ➔ Progressive capital returns as we work towards our capital targets
- ➔ Thereafter attractive capital returns

Future dividend policy – illustrative example (% of profits)

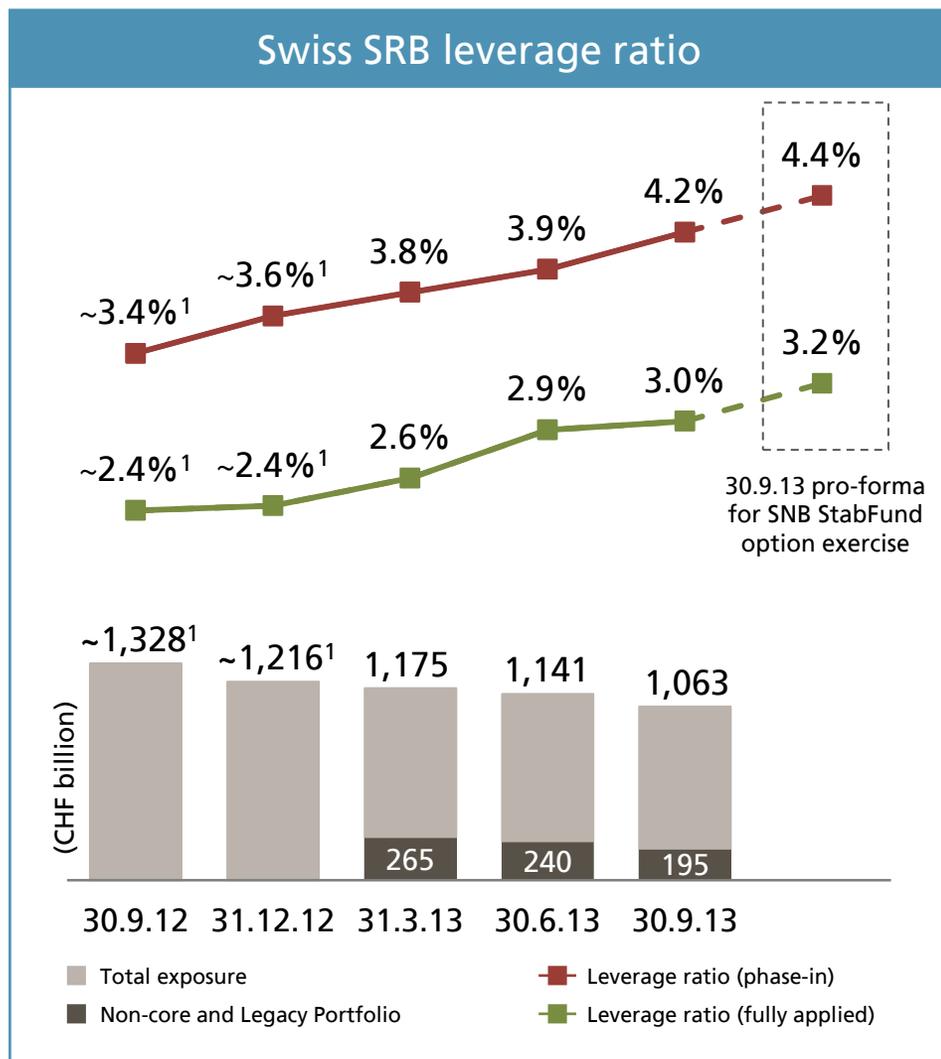


- **Baseline dividend:** sustainable payment that is affordable with respect to UBS's long-term profitability
- **Supplementary returns:** special capital return (e.g., dividends above the baseline, buybacks)
- **Reinvestments:** in existing businesses or strategic investments from time to time, but only when clearly accretive
- **Management countercyclical capital buffer:** consideration of other factors, i.e., economic environment, outlook

We are targeting a total payout ratio of more than 50% which combines a baseline dividend and flexible supplementary returns

Swiss SRB leverage ratio

Swiss SRB leverage ratio (phase-in) 4.2% at 30.9.13



Phase-in Swiss SRB leverage ratio (30.9.13)

$$\frac{\text{Total capital (Phase-in CET1 + loss absorbing capital)} \quad \text{CHF 44.2 billion}}{\text{Total exposure (Total IFRS assets + adjustments)} \quad \text{CHF 1,063 billion}} = 4.2\%$$

Impact on fully applied Swiss SRB leverage ratio

Leverage ratio numerator

Exercise of the SNB StabFund option (4Q13)	~25 ²
High-trigger loss-absorbing capital issuance (2014–19)	~20–25 ³
Low-trigger loss-absorbing capital issuance (2014–19)	~35–40 ⁴

Swiss SRB total exposure⁵

Non-core and Legacy Portfolio run-down (over time)	~40–85
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Total impact **120 – 175 bps**

Refer to slide 10 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

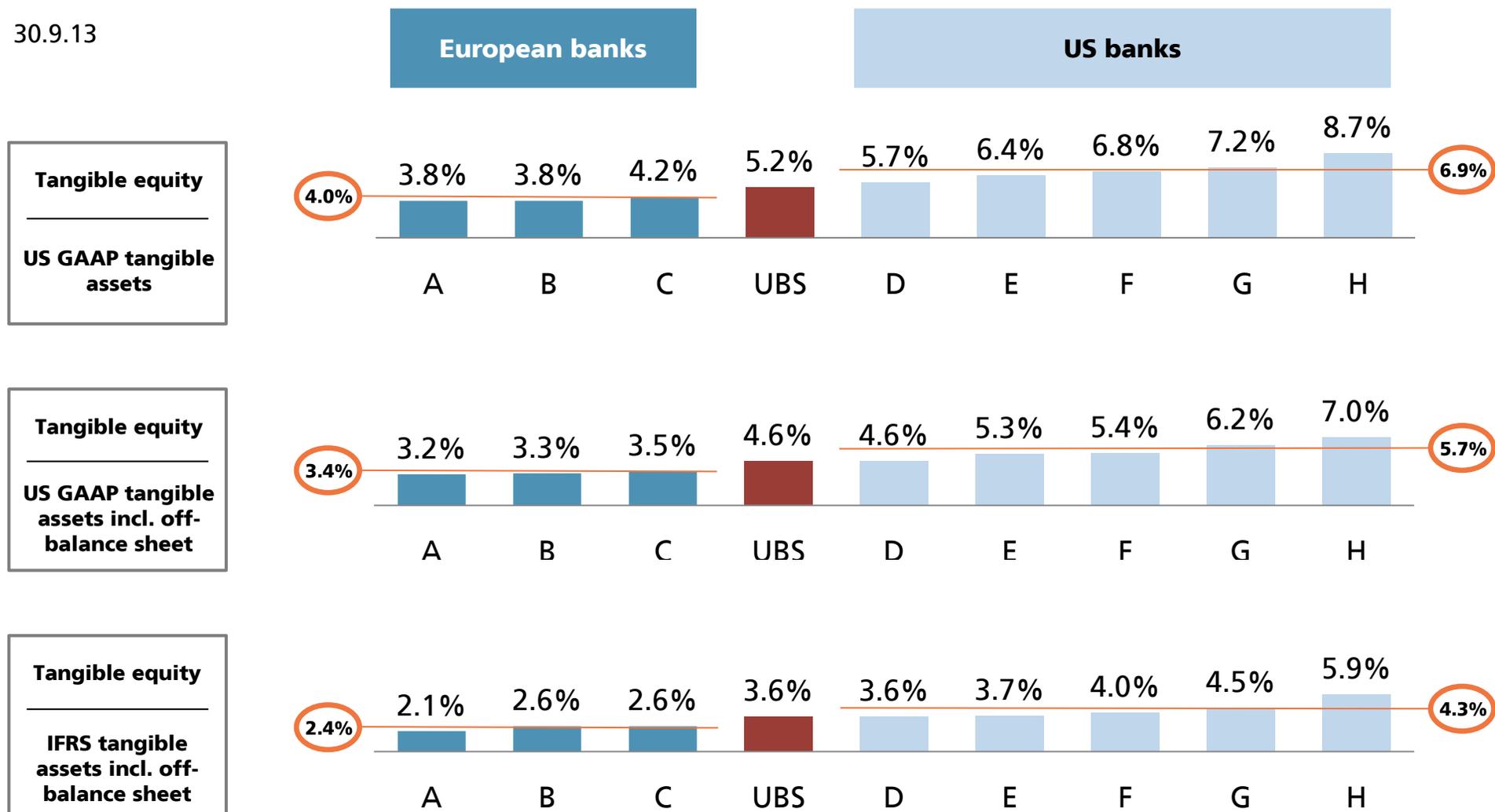


¹ Pro-forma number; ² The value of UBS's option to purchase the equity of the SNB StabFund was CHF 2.5 billion at 30.9.13 and fully deducted from regulatory capital; ³ We could build up to 150 bps of high-trigger loss-absorbing capital ratio from deferred compensation programs over the next 5 years based on our RWA target of <CHF 200 billion; ⁴ Total CHF 9 billion of low-trigger loss-absorbing capital based on 17.5% fully applied total capital requirement expectation; ⁵ Any additional measures to reduce leverage ratio denominator are not included

Simple leverage ratios – UBS versus other global banks¹

Like for like comparisons show a smaller gap between UBS and US peers

30.9.13



¹ UBS analysis; peers included in the analysis (order varies): Barclays, Bank of America Merrill Lynch, Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, JP Morgan and Morgan Stanley; IFRS assets for US peers and CS are estimated by adding derivatives netting (excl. OTC Cleared) as reported by companies. Off balance sheet assets = Commitments and guarantees, sourced from FR Y-9C form for US banks; consumer commitments assumed to be unconditionally cancellable and are 10%- weighted Tangible equity = Shareholders' equity minus goodwill and other intangible assets

UBS—A unique value proposition

Our franchise will benefit from market improvements and continued execution of our strategy

Illustrative upside potential

Positioned to benefit from market factors and our footprint in the largest and fastest growing markets

Invested asset growth

CHF 2.3¹ trillion of Group-wide invested assets

Increased risk appetite

WM clients hold cash levels of over 28%²

Higher interest rates

Incremental NII of ~CHF 1.2 billion³
MM fees of USD 120 million² p.a. waived in WMA

Managing for growth and sustainable performance

Ongoing revenue initiatives/ organic growth

Continuing focus on client needs, product offerings and pricing

Continuing cost discipline

Further gross cost savings CHF 3.2 billion

Further enhancing the operational risk framework

Focus on risk management and control to drive sustainable value for shareholders



¹ Per 30.9.13

² Per 30.9.13 for advisory clients

³ Core annual net interest income (NII) over 12 months compared to baseline core annual NII as implied by forward rates, as a function of an immediate 100bps increase in the 3M Libor and 10Y swap rates. Other factors including changed composition of interest-earning assets could impact NII

Important information related to numbers shown in this presentation

Use of adjusted numbers

Unless otherwise indicated, “adjusted” figures exclude each of the following items, to the extent applicable, on a Group and business division level:

- Own credit loss on financial liabilities designated at fair value for the Group of CHF 147 million in 3Q13 (CHF 138 million gain in 2Q13, CHF 863 million loss in 3Q12)
- Gains on sales of real estate of CHF 207 million in 3Q13 for the Group (CHF 19 million gain in 2Q13, CHF 1 million gain in 3Q12)
- Net restructuring charges of CHF 188 million for the Group in 3Q13 (net charges of CHF 140 million in 2Q13, net releases of CHF 22 million in 3Q12)
- Impairment of goodwill and other non-financial assets of CHF 3,064 million for the Group in 3Q12

Refer to page 13 of the 3Q13 financial report for an overview of adjusted numbers.

Basel III RWA, Basel III capital and Basel III liquidity ratios

Basel III numbers in the presentation are BIS Basel III numbers unless otherwise stated. In addition, systemically relevant banks (SRB) in Switzerland (currently UBS and Credit Suisse) are required to comply with specific Swiss SRB rules. Our fully applied and phase-in Swiss SRB Basel III capital components and our respective BIS Basel III capital components have the same basis of calculation, except for differences relating to the amortization of deferred contingent capital plan instruments (representing high-trigger loss-absorbing capital) and the recognition of a portion of the unrealized gains on financial investments available-for-sale (representing other tier 2 capital under BIS Basel III).

Basel III risk-weighted assets in the presentation are calculated on the basis of Basel III fully applied unless otherwise stated.

From 1Q13 Basel III requirements apply. All Basel III numbers prior to 1Q13 are on a pro-forma basis. Some of the models applied when calculating pro-forma information required regulatory approval and included estimates (discussed with our primary regulator) of the effect of these new capital charges. These estimates were refined with prospective effect during 2013, as models and associated systems were enhanced.

The pro-forma information in 3Q13 is a voluntary disclosure as the exercise of the SNB StabFund option is expected to occur only in the fourth quarter and the temporary operational risk RWA add-on imposed by FINMA will be effective only starting in the fourth quarter. Such disclosures are non-GAAP financial measures as defined by SEC regulations. We nevertheless include this information on the basis of the expected effect they will have on our fourth quarter RWA and capital ratios.

Refer to the “Capital Management” section in the 3Q13 financial report for more information.

Currency translation

Monthly income statement items of foreign operations with a functional currency other than Swiss francs are translated with month-end rates into Swiss francs. Refer to “Note 20 Currency translation rates” in the 3Q13 financial report for more information.