

# *First* quarter 2012 results

May 2, 2012



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## 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 first quarter 2012 and UBS’s Annual Report on Form 20-F for the year ended 31 December 2011. 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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## Important information related to numbers shown in this presentation

### Use of adjusted numbers

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

- own credit on financial liabilities designated at fair value (CHF 1,164 million loss for the Group in 1Q12)
- debit valuation adjustments (negative CHF 53 million for the Group in 1Q12)
- net restructuring charges (net charge of CHF 126 million for the Group in 1Q12)
- reduction to personnel expenses related to changes to UBS’s Swiss pension plan (reduction to personnel expenses of CHF 485 million for the Group in 1Q12)

### Pro-forma Basel 3 RWAs and Basel 3 capital ratios

The calculation of our pro-forma Basel 3 RWAs combines existing Basel 2.5 RWAs, securitization exposures based on a revised model that applies a fixed risk weighting, and new capital charges based on new models and calculation engines. These new models require regulatory approval that is not expected until after further guidance is developed. Our pro-forma Basel 3 RWAs therefore include estimates of the impact of these new capital charges and will be refined as new models and the associated systems are enhanced and as regulatory interpretations evolve.

### Currency translation

USD profit and loss numbers shown in this presentation are based on average rates for the quarter. Refer to “Note 18 Currency translation rates” in UBS’s 1Q12 report for more information.

# 1Q12 results – successfully executing our strategy

## **CHF 2.2 billion adjusted pre-tax profit, ~13.0% adjusted return on equity**

- CHF 2.2 billion pre-tax profit excluding own credit, debit valuation adjustments, restructuring charges and pension fund credit
- Reported net profit attributable to shareholders of CHF 0.8 billion; diluted EPS CHF 0.22

## **Visible progress across business divisions**

- Wealth Management adjusted pre-tax profit up 24% to CHF 578 million on improved margins and continued cost control
  - CHF 6.7 billion NNM; 3.6% annualized NNM growth within target range
- Record pre-tax profit in Wealth Management Americas at USD 209 million
  - USD 4.6 billion NNM; annualized NNM growth of 2.4% within target range
- Investment Bank successfully balancing revenue generation, RWA reduction and cost efficiency
  - Adjusted pre-tax profit CHF 846 million, adjusted cost / income ratio 72%

## **We are ahead of our plan to reduce risk-weighted assets**

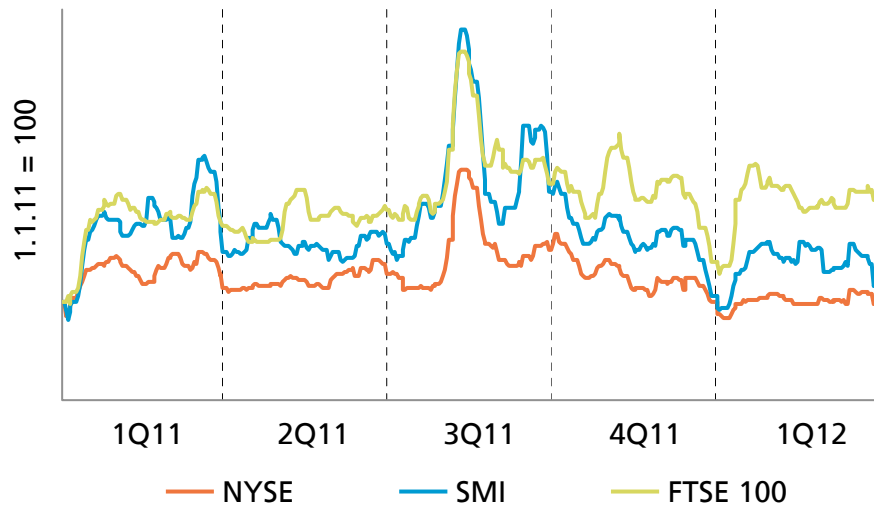
- Basel 3 RWAs reduced by ~ CHF 21 billion in the Investment Bank
- Basel 3 RWAs of ~ CHF 350 billion on 31.3.12

## **Our capital, liquidity and funding positions remain strong**

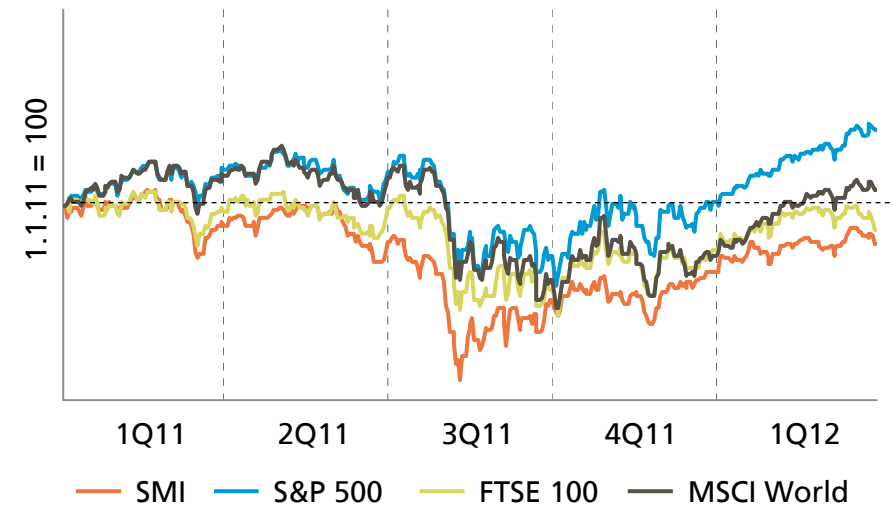
- Basel 2.5 tier 1 capital ratio of 18.7%; Basel 3 tier 1 capital ratio of ~11.8% as at 31.3.12
- Continued deposit inflows underline confidence in UBS

# Market environment<sup>1</sup>

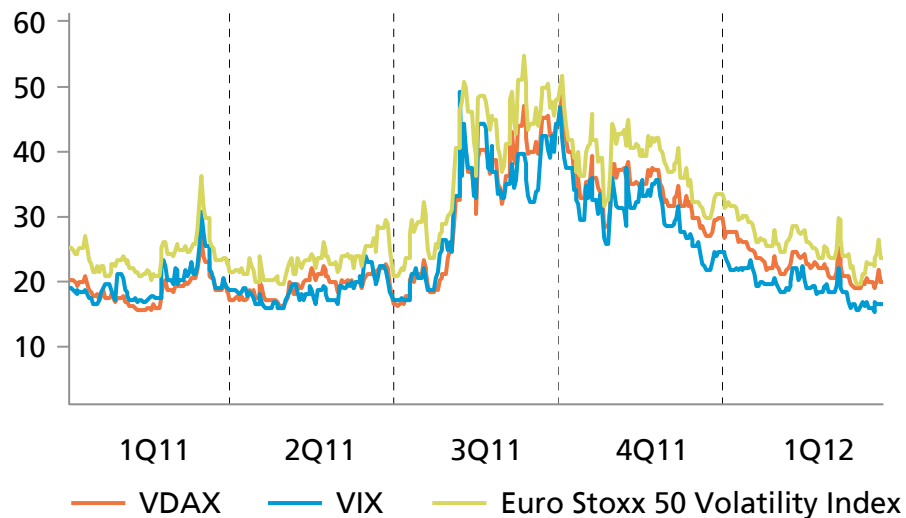
## Equity trading volumes<sup>2</sup>



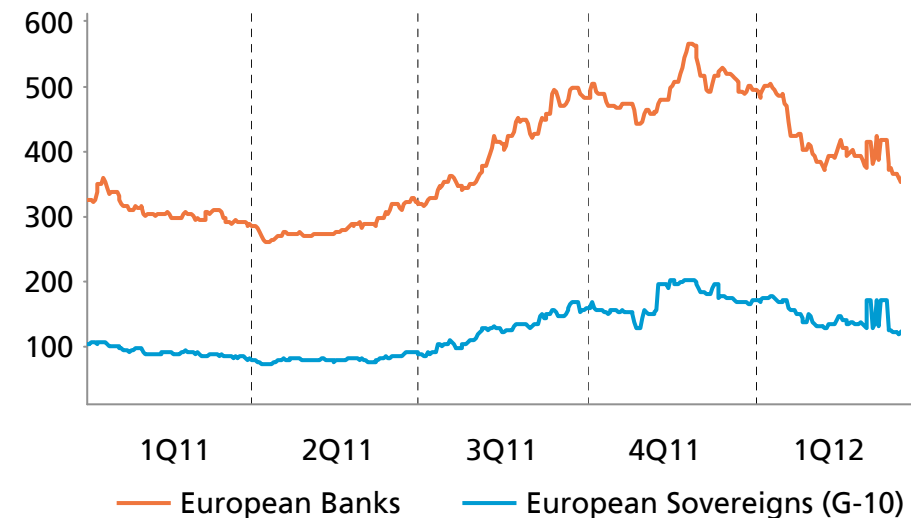
## Equity market performance



## Volatility



## CDS spreads



# 1Q12 results

## Balanced and diversified sources of revenues and profits

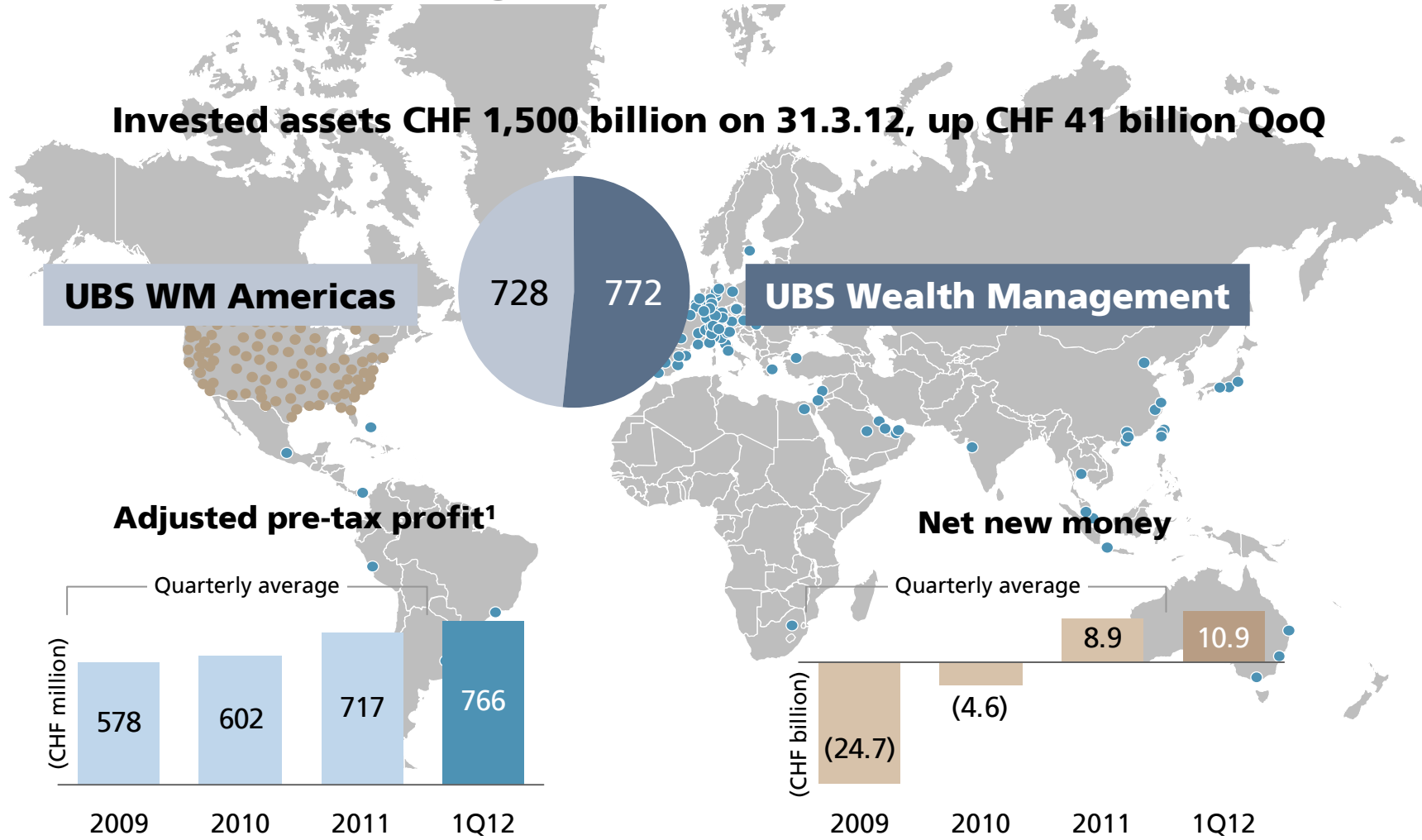
(CHF million)	WM	WMA	IB	Global AM	R&C	CC	Group
Income	1,770	1,425	2,889	478	918	173	<b>7,653</b>
<i>of which debit valuation adjustments</i>			(53)				(53)
Credit loss (expense) / recovery	(1)	0	14	0	18	6	<b>37</b>
Own credit gain / (loss)			(1,103)			(61)	<b>(1,164)</b>
<b>Total operating income</b>	<b>1,769</b>	<b>1,425</b>	<b>1,800</b>	<b>478</b>	<b>936</b>	<b>118</b>	<b>6,525</b>
Personnel expenses	559	1,021	1,503	220	253	88	<b>3,643</b>
<i>of which restructuring charges</i>	14	0	109	6	7	3	139
<i>of which Swiss pension fund credit</i>	(237)	0	(38)	(20)	(190)	0	(485)
Non-personnel expenses	407	214	670	102	108	77	<b>1,578</b>
<i>of which restructuring charges</i>	(2)	(2)	(8)	0	0	(1)	(13)
<b>Total operating expenses</b>	<b>966</b>	<b>1,235</b>	<b>2,173</b>	<b>322</b>	<b>361</b>	<b>165</b>	<b>5,221</b>
<b>Adjusted pre-tax profit</b>	<b>578</b>	<b>188</b>	<b>846</b>	<b>142</b>	<b>392</b>	<b>17</b>	<b>2,162</b>
<i>Excluding own credit, debit valuation adjustments, restructuring charges and Swiss pension fund credit</i>							
<b>% of Group adjusted pre-tax profit</b>	<b>27%</b>	<b>9%</b>	<b>39%</b>	<b>7%</b>	<b>18%</b>	<b>1%</b>	<b>100%</b>
Pre-tax profit / (loss) as reported	803	190	(373)	156	575	(47)	1,304
Tax expense							<b>476</b>
Net profit attributable to non-controlling interests							<b>1</b>
<b>Net profit attributable to UBS shareholders</b>							<b>827</b>
Diluted EPS (CHF)							<b>0.22</b>



Refer to slide 1 for details about adjusted numbers, Basel 3 estimates and FX rates in this presentation

# Our wealth management businesses are unrivaled

We are well positioned for growth in the most attractive markets

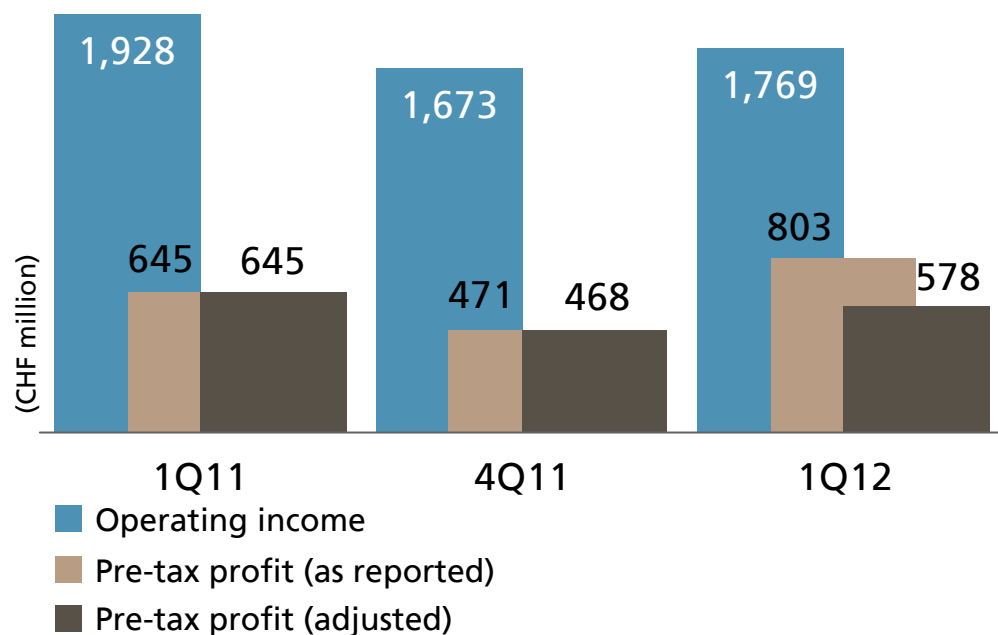


Refer to slide 1 for details about adjusted numbers, Basel 3 estimates and FX rates in this presentation  
 1 3Q10 excludes a provision related to an arbitration matter (WMA); 2009 includes restructuring charges of CHF 322 million for Wealth Management and Retail & Corporate and CHF 152 million in Wealth Management Americas

# Wealth Management

**24% increase in adjusted pre-tax profit; CHF 6.7 billion net new money**

## Operating income and pre-tax profit



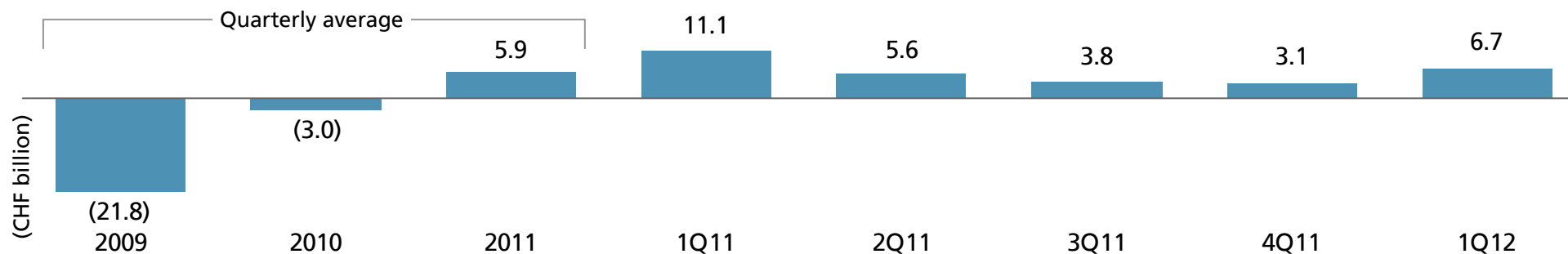
- **Operating income increased 6%** as client activity levels improved from very low levels in 4Q11

- **Adjusted operating expenses remained stable**
  - Adjusted cost / income ratio improved to 67%, within target range

- **Continued hiring of client advisors** in strategic growth regions

- **3.6% net new money growth**, within target range

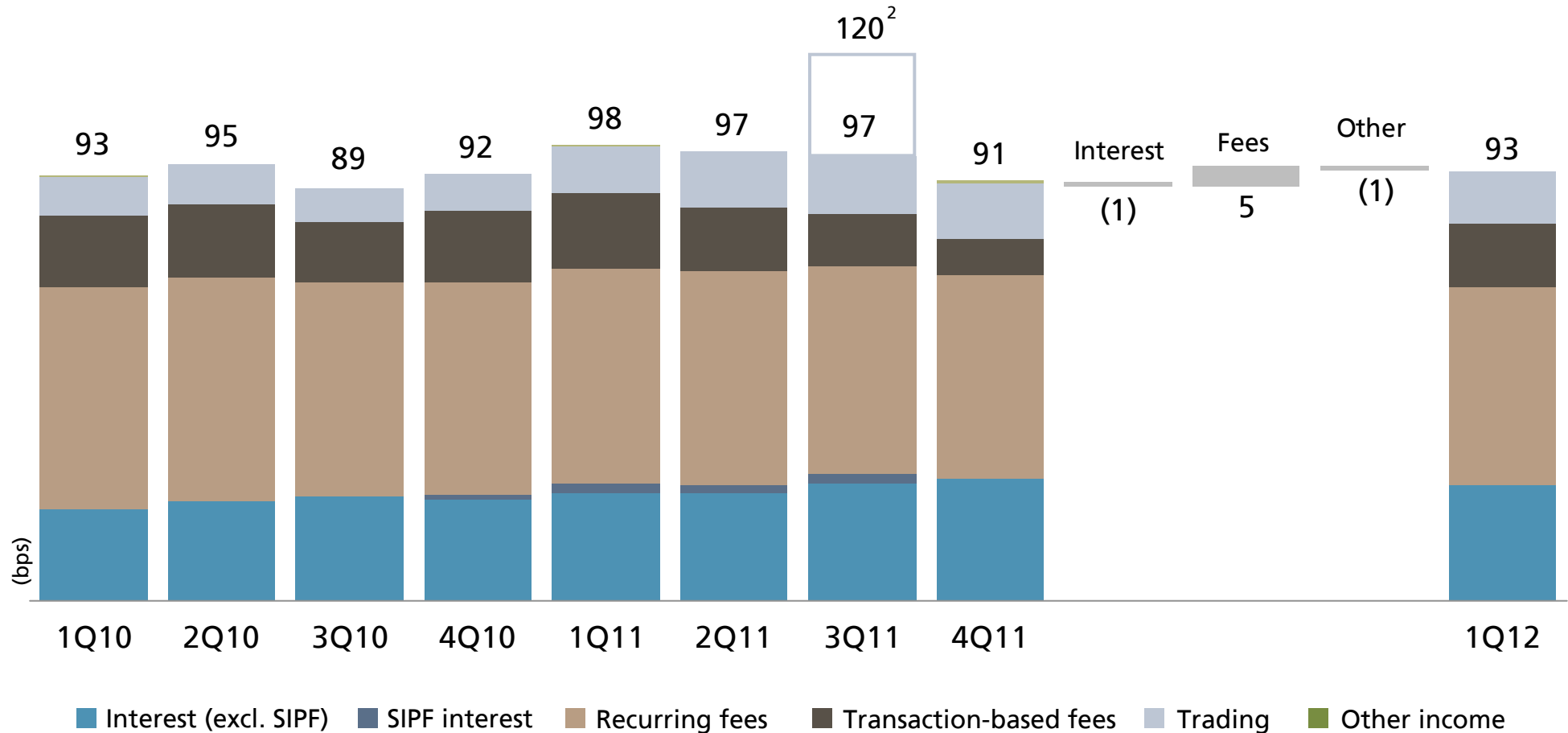
## Net new money



Refer to slide 1 for details about adjusted numbers, Basel 3 estimates and FX rates in this presentation

# Wealth Management—gross margin<sup>1</sup>

2 bps increase in gross margin on higher transaction-based fees



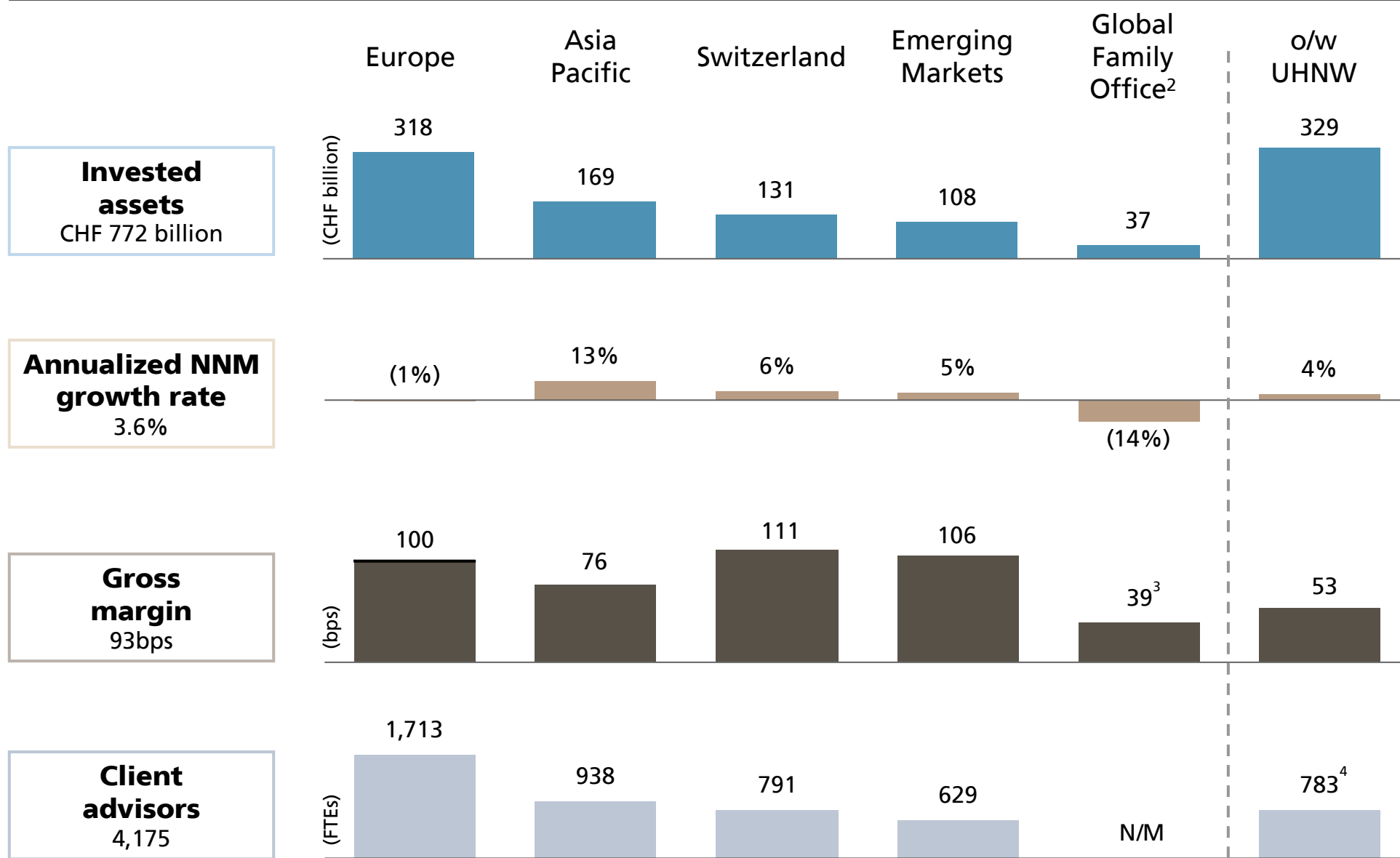
**We are confident we can achieve the targeted gross margin of 95-105 bps if market conditions improve**



<sup>1</sup> Operating income before credit loss (expense) or recovery (annualized) / average invested assets; gross margin excludes a realized gain due to a partial repayment of fund shares of CHF 5 million in 4Q11, and valuation adjustments on a property fund of CHF 27 million in 3Q11, CHF 17 million in 2Q10 and CHF 28 million in 1Q10. Net fee and commission and net trading income in 1Q11, 2Q11, 3Q11 adjusted for revenue shifts related to Investment Products & Services unit  
<sup>2</sup> 120 bps includes gain of CHF 433 million on the sale of strategic investment portfolio (SIFP); 97 bps excludes that gain



# Wealth Management—by business area<sup>1</sup>



<sup>1</sup> Based on UBS Wealth Management business area structure, and excluding minor functions with CHF 8 billion of invested assets mainly attributable to the employee share and option plan service provided to corporate clients and their employees

<sup>2</sup> Joint venture between Wealth Management and the Investment Bank

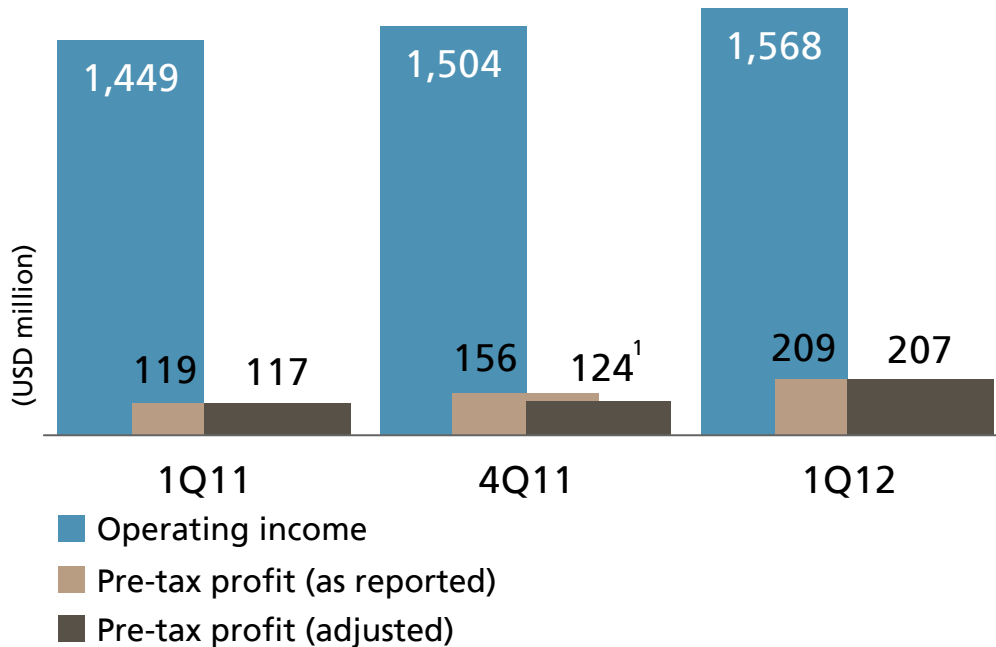
<sup>3</sup> Of which: 20 basis points Global Family Office Wealth Management

<sup>4</sup> Dedicated ultra high net worth units: 562 client advisors. Non-dedicated ultra high net worth units: 221 client advisors

# Wealth Management Americas (USD)

## Record pre-tax profit and invested assets

### Operating income and pre-tax profit



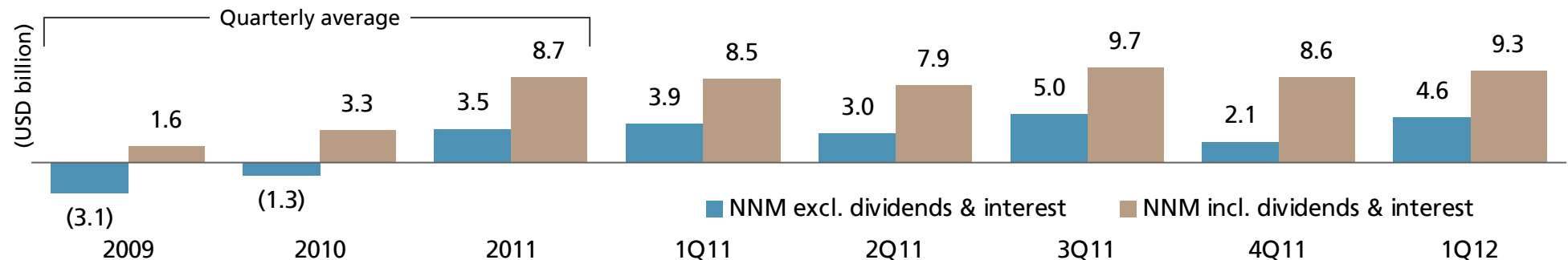
- **USD revenues increased 4%** due to higher transactional activity and higher realized gains on the AFS portfolio

- **Cost / income ratio further decreased** to 87% within target range

- **Financial advisor headcount up by 48;** attrition levels remain historically low

- **USD 4.6 billion net new money**
  - Annualized NNM growth of 2.4% within target range
  - USD 9.3 billion NNM including dividends and interest

### Net new money

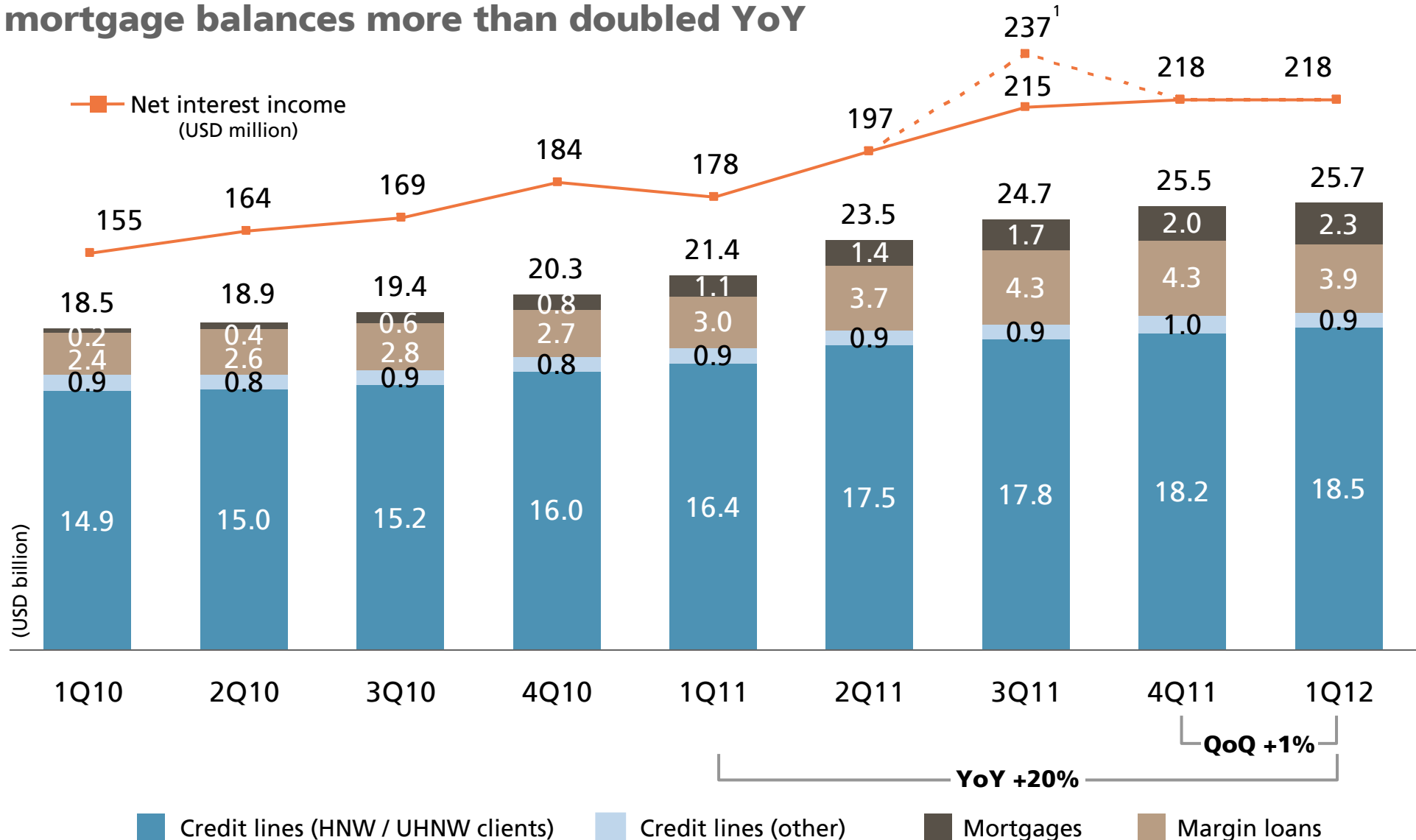


Refer to slide 1 for details about adjusted numbers, Basel 3 estimates and FX rates in this presentation

<sup>1</sup> 4Q11 includes a USD 32 million pre-tax gain related to a change to an accrual-based accounting estimate for certain mutual fund fees, net of compensation charges

# Wealth Management Americas—lending balances (USD)

**Prudently managed lending growth adding to net interest income; mortgage balances more than doubled YoY**

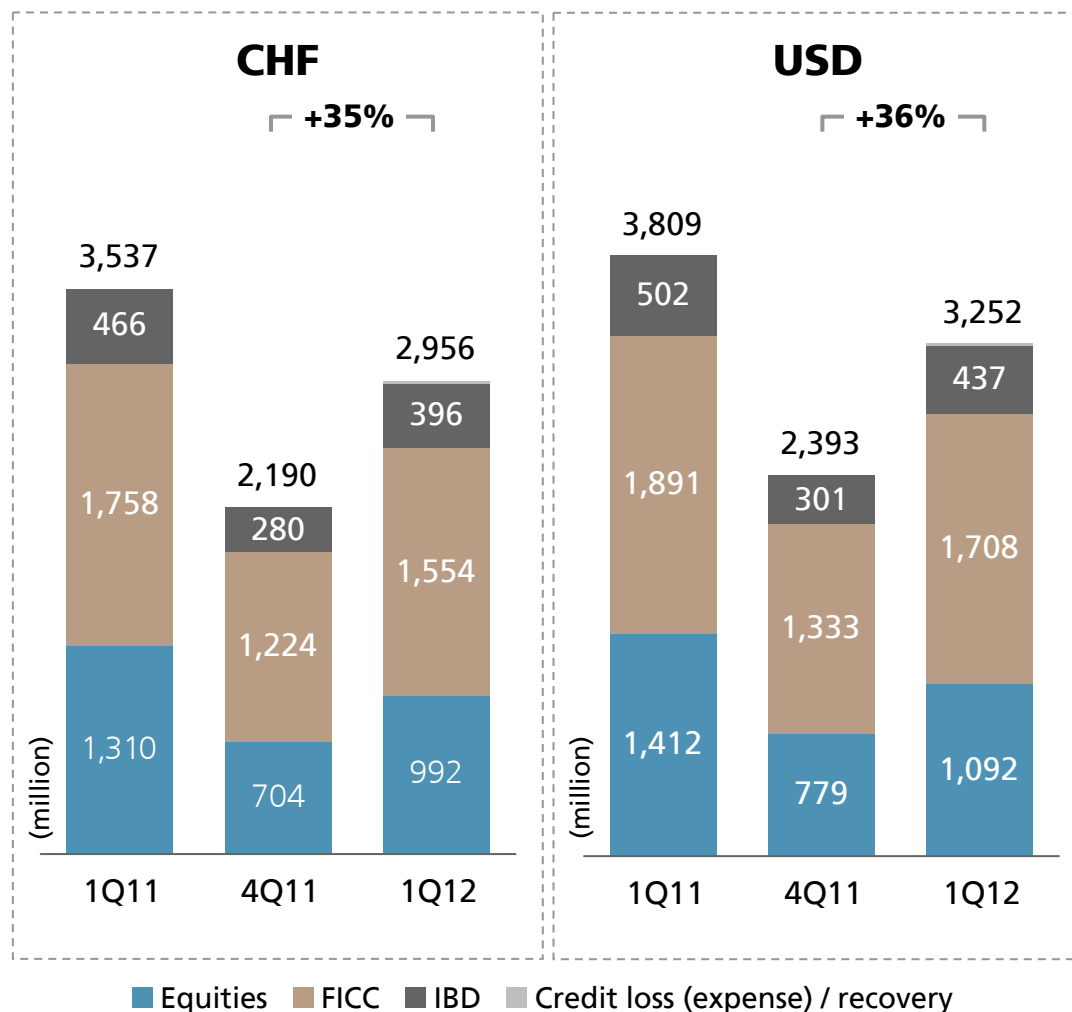


<sup>1</sup> As reported; includes an upward adjustment reclassifying USD 22 million (CHF 20 million) from other comprehensive income relating to mortgage-backed securities in our AFS portfolio. The adjustment resulted from properly reflecting estimated future cash flows under the effective interest method, which gave rise to an increase in interest income and a decrease in unrealized gains in other comprehensive income

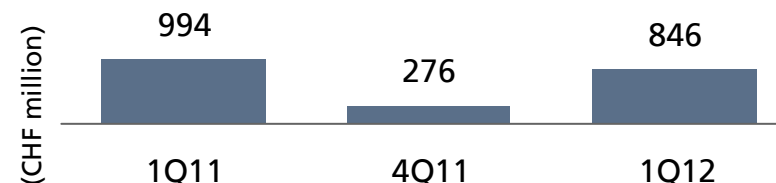
# Investment Bank

Successfully balancing revenue generation, RWA reduction and cost efficiency

## Operating income excluding own credit and DVA



## Adjusted pre-tax profit



## QoQ comparison

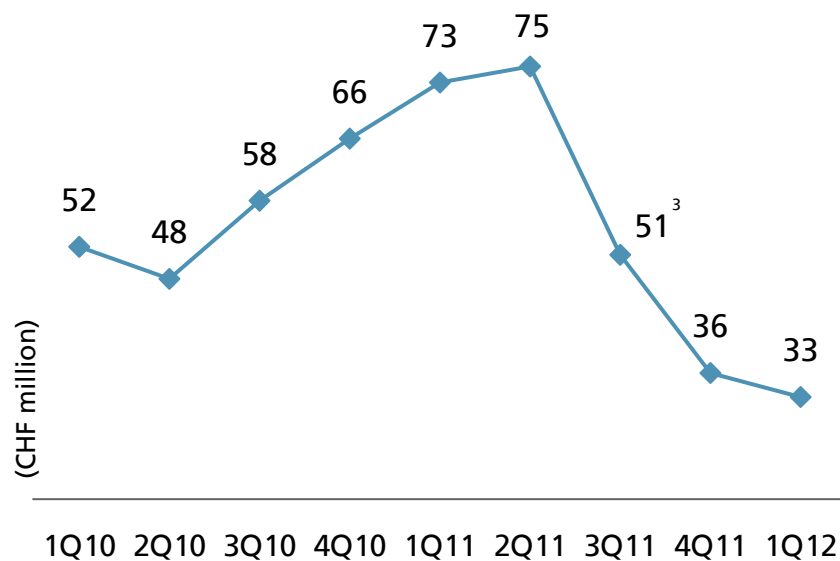
- CHF 846 million adjusted pre-tax profit**
  - Higher revenues across all business areas
  - 13% adjusted return on attributed equity
- Adjusted cost / income ratio improved to 72% from 87%**
- Continued progress in RWA reduction**
  - Mainly due to lower market and credit risk
  - Basel 2.5 RWAs reduced by CHF 21 billion to CHF 114 billion
  - Basel 3 RWAs reduced by ~ CHF 21 billion to ~ CHF 191 billion

# Investment Bank – VaR efficiency

Trading efficiency improved materially as measured by revenues / VaR

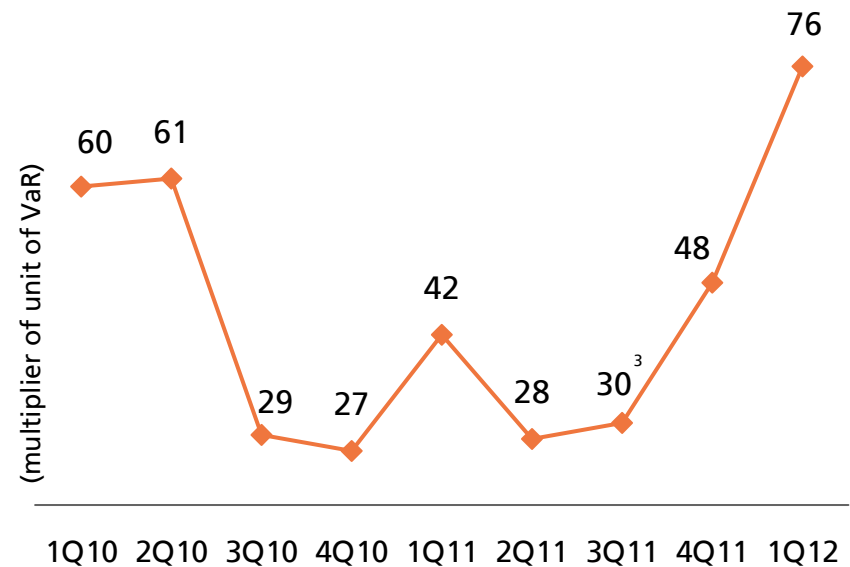
**Investment Bank VaR  
down 55% YoY to CHF 33 million**

**Investment Bank average VaR<sup>2</sup>**  
(1-day, 95% confidence, 5 years of historical data)



**Securities revenues<sup>1</sup> / IB VaR ratio  
up 58% QoQ to 76**

**Securities revenues<sup>1</sup> / average IB VaR<sup>2</sup>**  
(1-day, 95% confidence, 5 years of historical data)



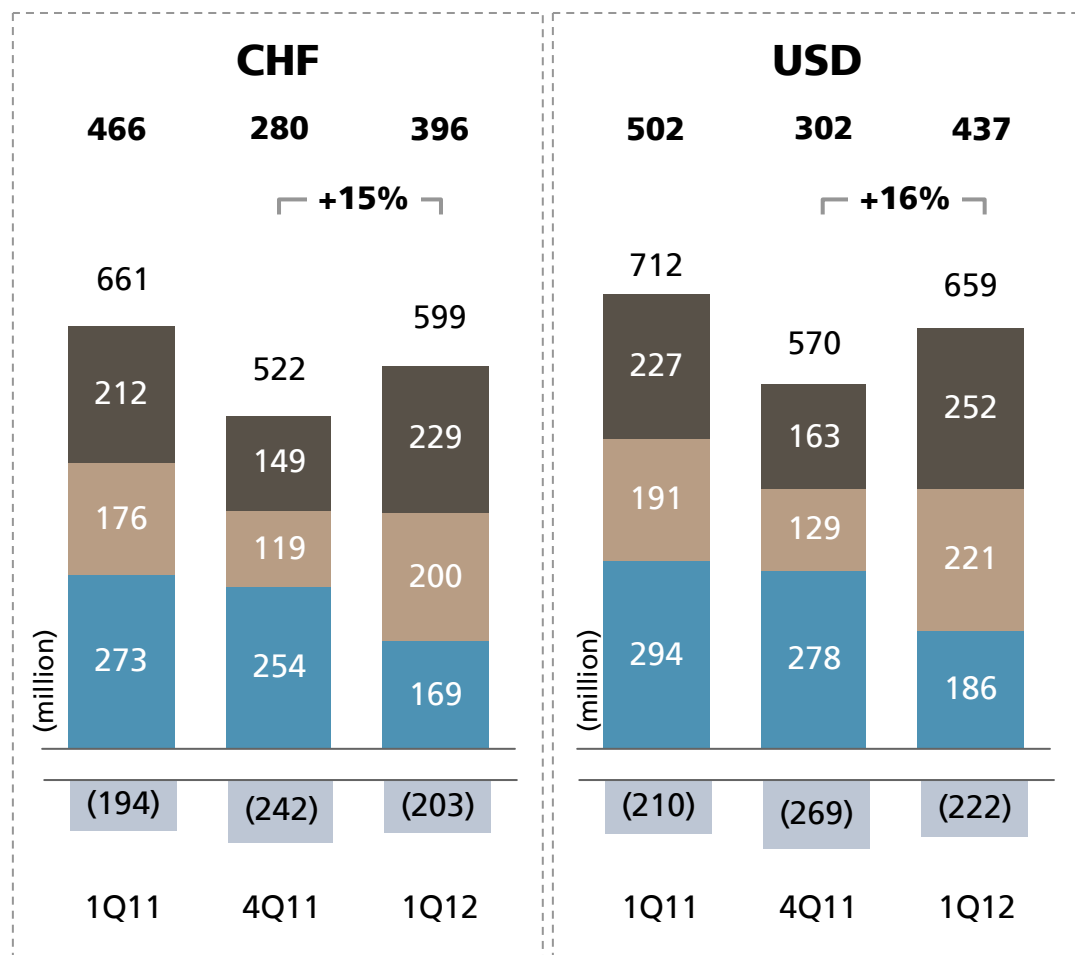
<sup>1</sup> Equities and FICC revenues

<sup>2</sup> Periods prior to 1Q12 have not been restated for the transfer of legacy positions from the Investment Bank to the Corporate Center

<sup>3</sup> Excluding the unauthorized trading incident

# Investment Bank – IBD revenues

## Capital markets outperformed with increased market share across all products



■ Advisory ■ Equity capital markets ■ Fixed income capital markets  
■ Other

### QoQ comparison in USD terms

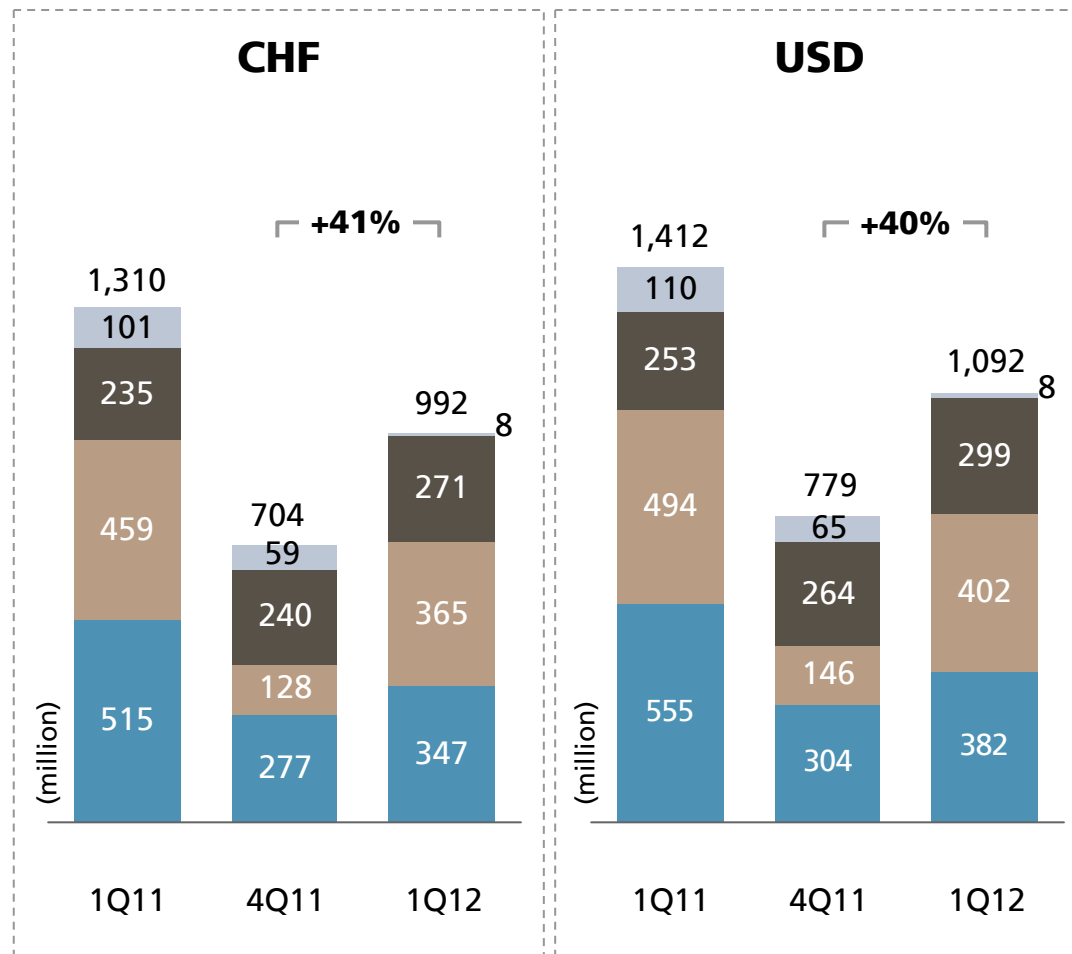
- **Equity capital markets +71%**
  - Participated in 10 of the top 20 global deals
  - Joint bookrunner on the two largest EMEA IPOs in 1Q12
- **Fixed income capital markets +55%**
  - Strong performance in debt capital markets as UBS participated in 9 of top 20 deals
  - Market share gains in global syndicated finance and debt capital markets
- **Advisory (33%)**
  - 19% decrease in global fee pool; M&A volumes down 10%
- **Other (N/M)**
  - Decreased risk management charges
- **Total fee-based market share increased by 50bps to 3.4%<sup>1</sup>**
  - Strong market share gain in EMEA +100 bps from 3.0% to 4.0%<sup>1</sup>
  - Leading market position in Asia ex-Japan (#2) and Australasia (#3)<sup>1</sup>



# Investment Bank – Equities revenues

## Improved volumes in Cash; more stable trading conditions

### QoQ comparison in USD terms



■ Cash ■ Derivatives ■ Prime services ■ Other

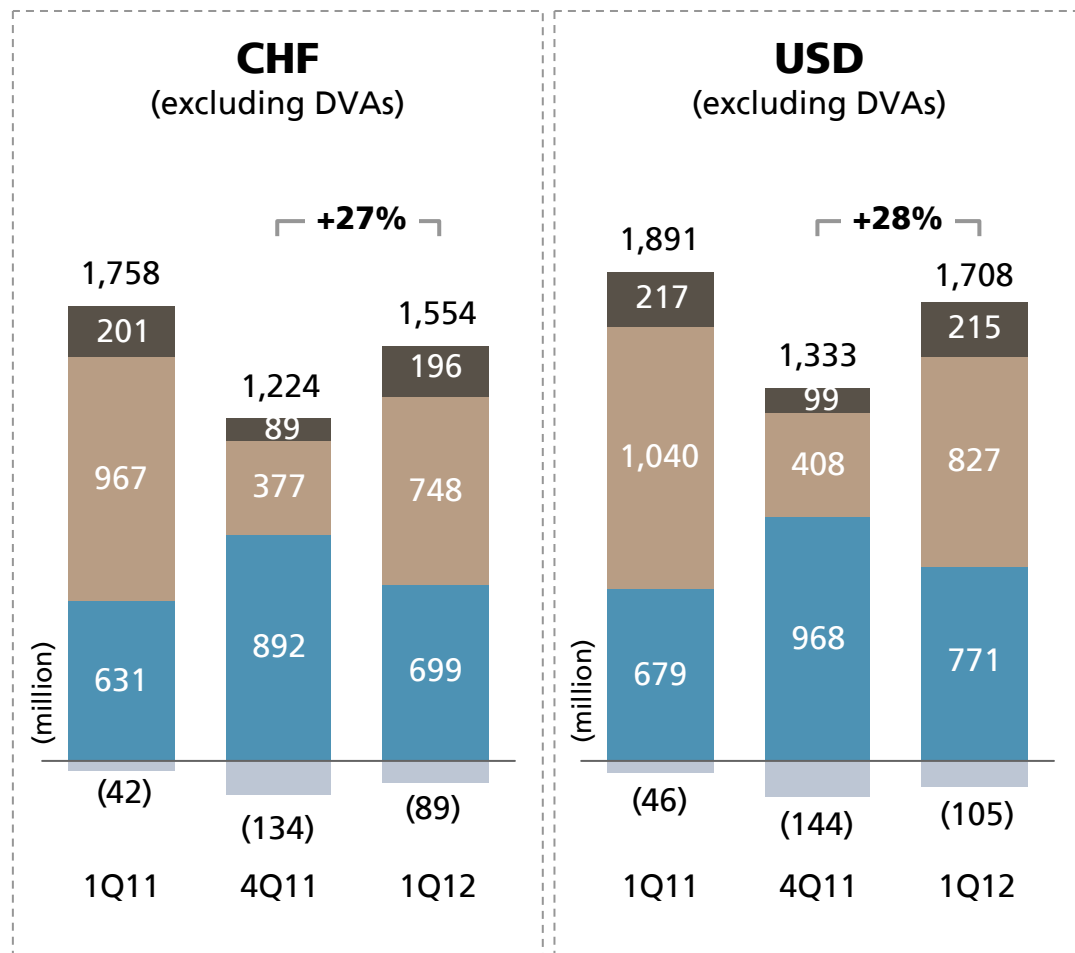
- **Derivatives +175%**
  - Stronger trading revenues and improved client flows
  - Equity-linked revenues improved as sentiment in the equity and credit markets improved
- **Cash +26%**
  - Higher volumes led to higher commissions in all regions
- **Prime services +13%**
  - Improved financing revenues
- **Other (88%)**
  - Decreased proprietary trading revenues



Refer to slide 1 for details about adjusted numbers, Basel 3 estimates and FX rates in this presentation

# Investment Bank – FICC revenues

**Credit and EM revenues more than doubled with significantly lower risk profile**



## QoQ comparison in USD terms

- Credit +103%**
  - Flow businesses captured good bid offer spreads and increased client activity
  - Structured credit benefited from increased client activity
- Emerging markets +117%**
  - Improved performance in all regions and all products on improved client flows
- Macro (20%)**
  - FX recorded steady returns despite lower volatility
  - Commodities revenues doubled with a strong performance in the index business<sup>1</sup>
  - Rates: impacted by tightening spreads in short-term rates and reduced market activity

■ Macro ■ Credit ■ Emerging Markets ■ Other



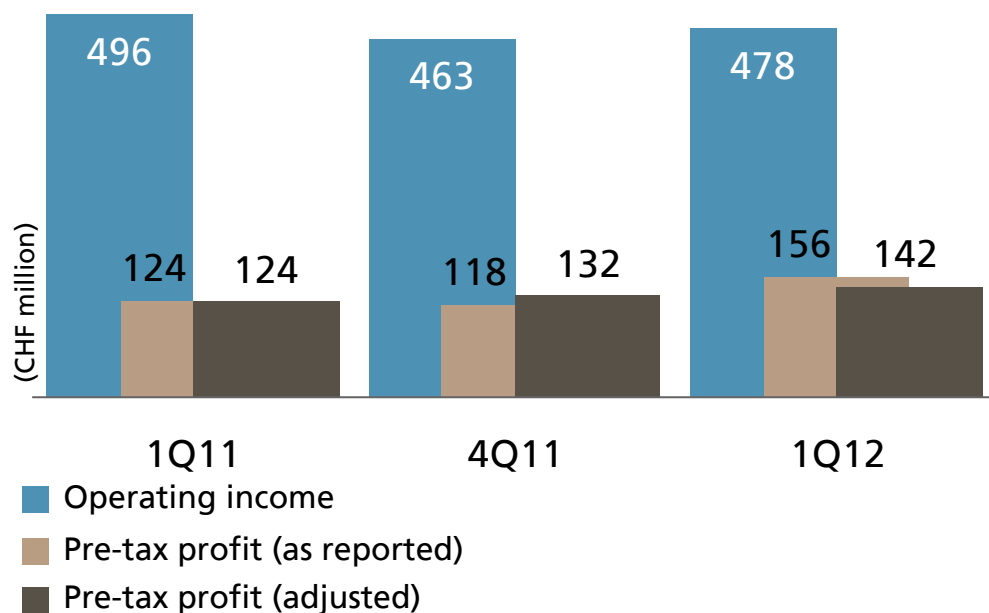
Refer to slide 1 for details about adjusted numbers, Basel 3 estimates and FX rates in this presentation  
<sup>1</sup> The commodities business is reported in Macro starting 1Q12 (previously in Other); prior periods have been restated



# Global Asset Management

## Higher pre-tax profit driven by increased performance fees

### Operating income and pre-tax profit

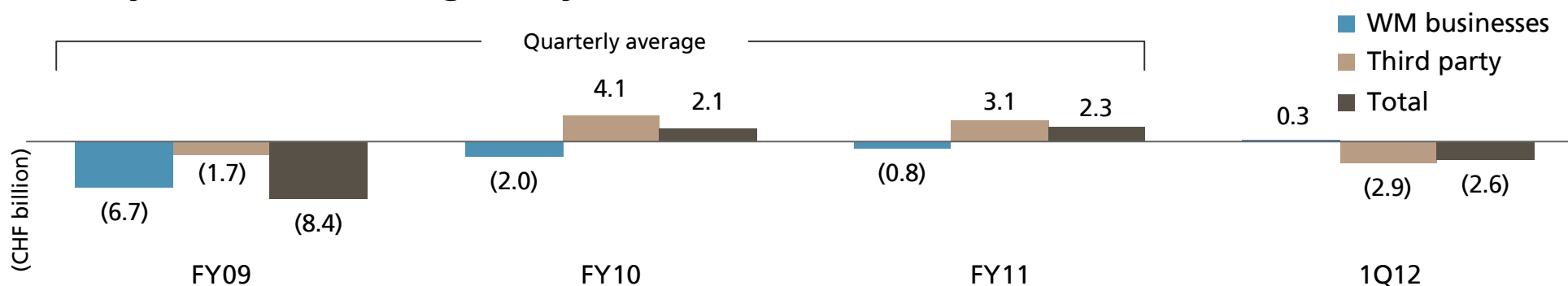


- **Operating income increased 3%**
  - Performance fees more than doubled, mainly in A&Q
  - 92% of A&Q assets eligible for performance fees were above or within 5% of high water marks by quarter-end
  - Net management fees down 3%

- **Adjusted operating expenses increased 2%** on good cost control

- **Gross margin steady at 34 bps**, within target range

### NNM by channel - excluding money market

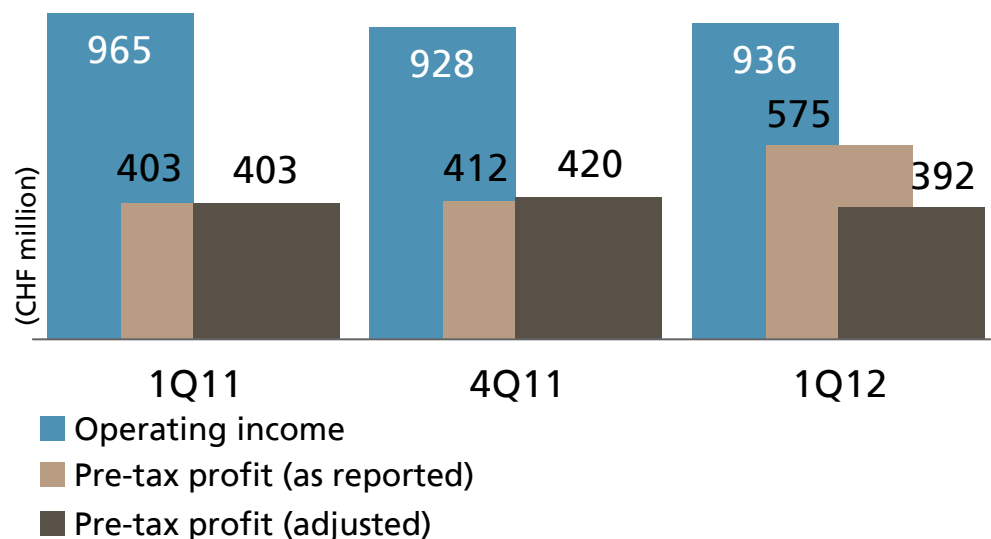


Refer to slide 1 for details about adjusted numbers, Basel 3 estimates and FX rates in this presentation

# Retail & Corporate

## Stable operating income supported by reduced credit loss expenses

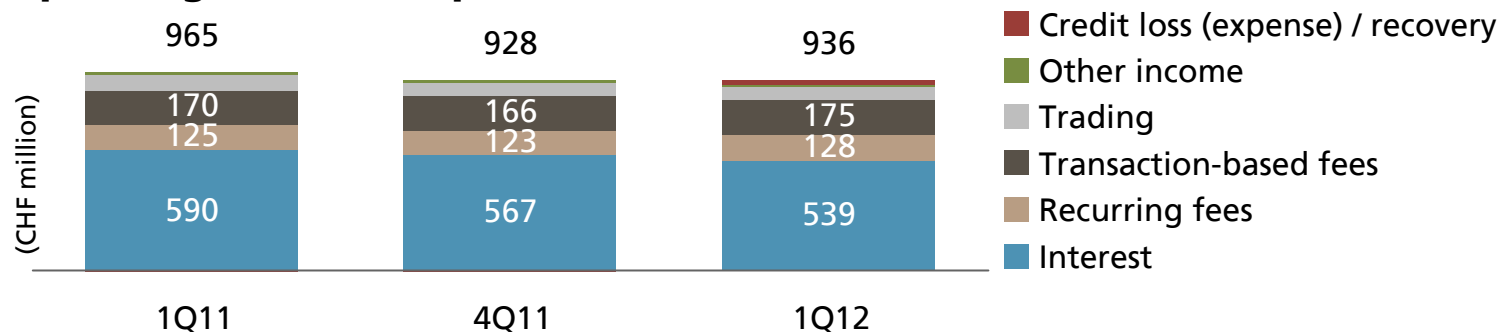
### Operating income and pre-tax profit



- **Operating income increased**
  - CHF 18 million credit loss recovery
  - Trading income declined due to decreased treasury-related income and lower FX-related client activity
  - Fee income increased on higher client assets and credit-related fees

- **Adjusted cost / income ratio of 59%, within target range**

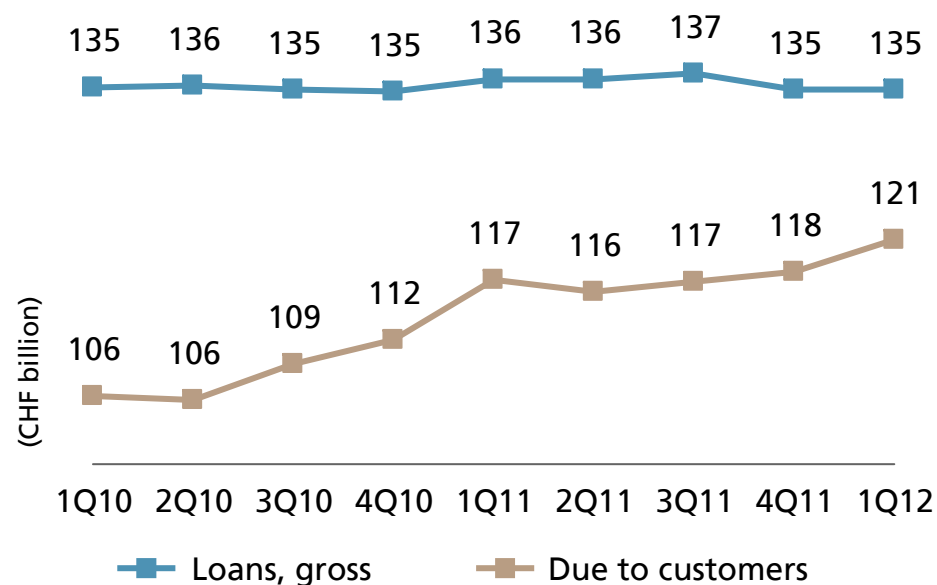
### Operating income components



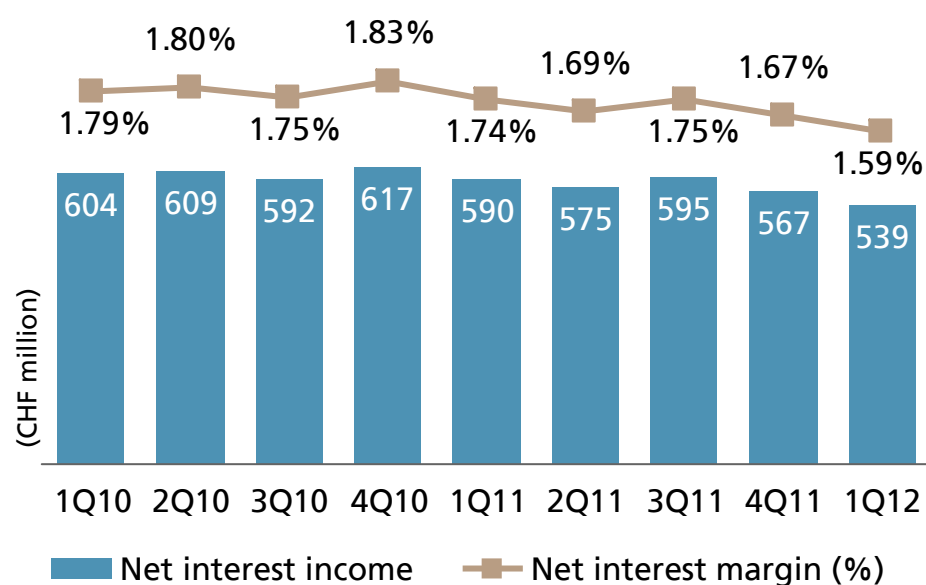
# Retail & Corporate

## We continue to attract material deposit inflows

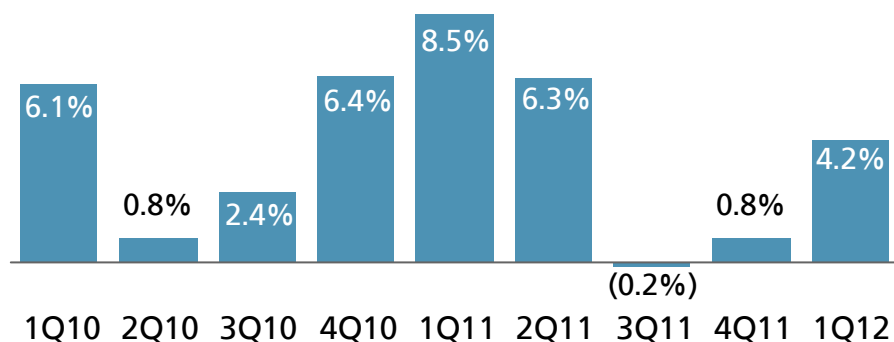
### Loans and deposits



### Net interest margin<sup>1</sup>



### Net new business growth rate<sup>2</sup> (annualized)



- **Net interest margin within target range;** structural pressure on net interest margin continues

- **4.2% net new business growth rate** above target range

- **Growth in client deposits;** maintained discipline on deposit interest rates



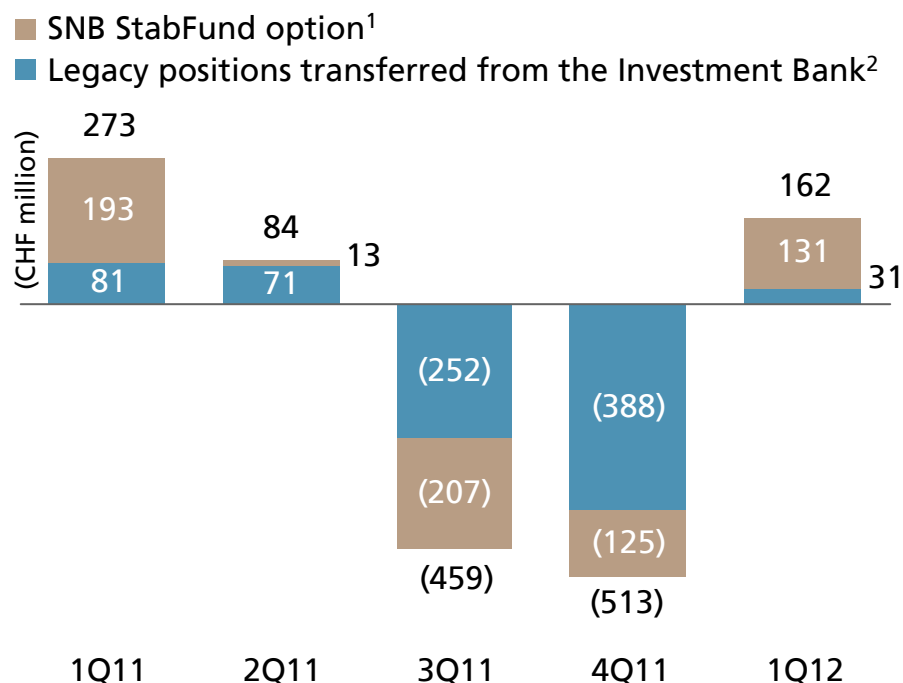
<sup>1</sup> Net interest income (annualized) / average loans

<sup>2</sup> Net new business volume (i.e. total net inflows and outflows of client assets and loans) for the period (annualized as applicable) / business volume (i.e. total of client assets and loans) at the beginning of the period

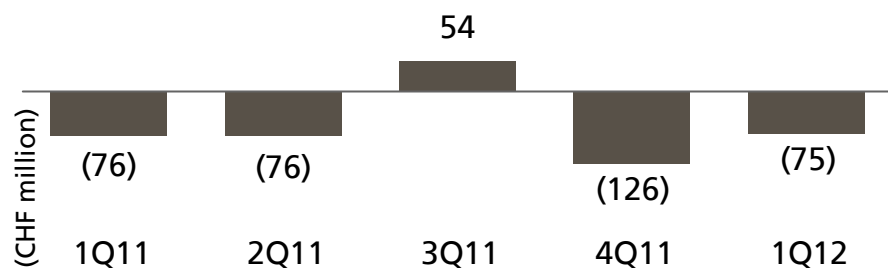
# Corporate Center

## Pre-tax loss of CHF 47 million; positive contribution from the Legacy Portfolio

### Legacy Portfolio revenues



### Corporate Center - Core Functions pre-tax profit



- **Legacy Portfolio:**

- **CHF 28 million pre-tax profit**

- Legacy Portfolio consists of legacy positions transferred from the Investment Bank and the option to acquire the SNB StabFund's equity<sup>1</sup>

- **Continued progress in risk reduction**

- ~ CHF 3 billion reduction in Basel 3 RWAs
    - Recent commutation agreement with a monoline insurer removed certain impediments to restructure or sell assets which account for aggregate Basel 3 RWAs of almost CHF 15 billion

- **Corporate Center - Core Functions:**

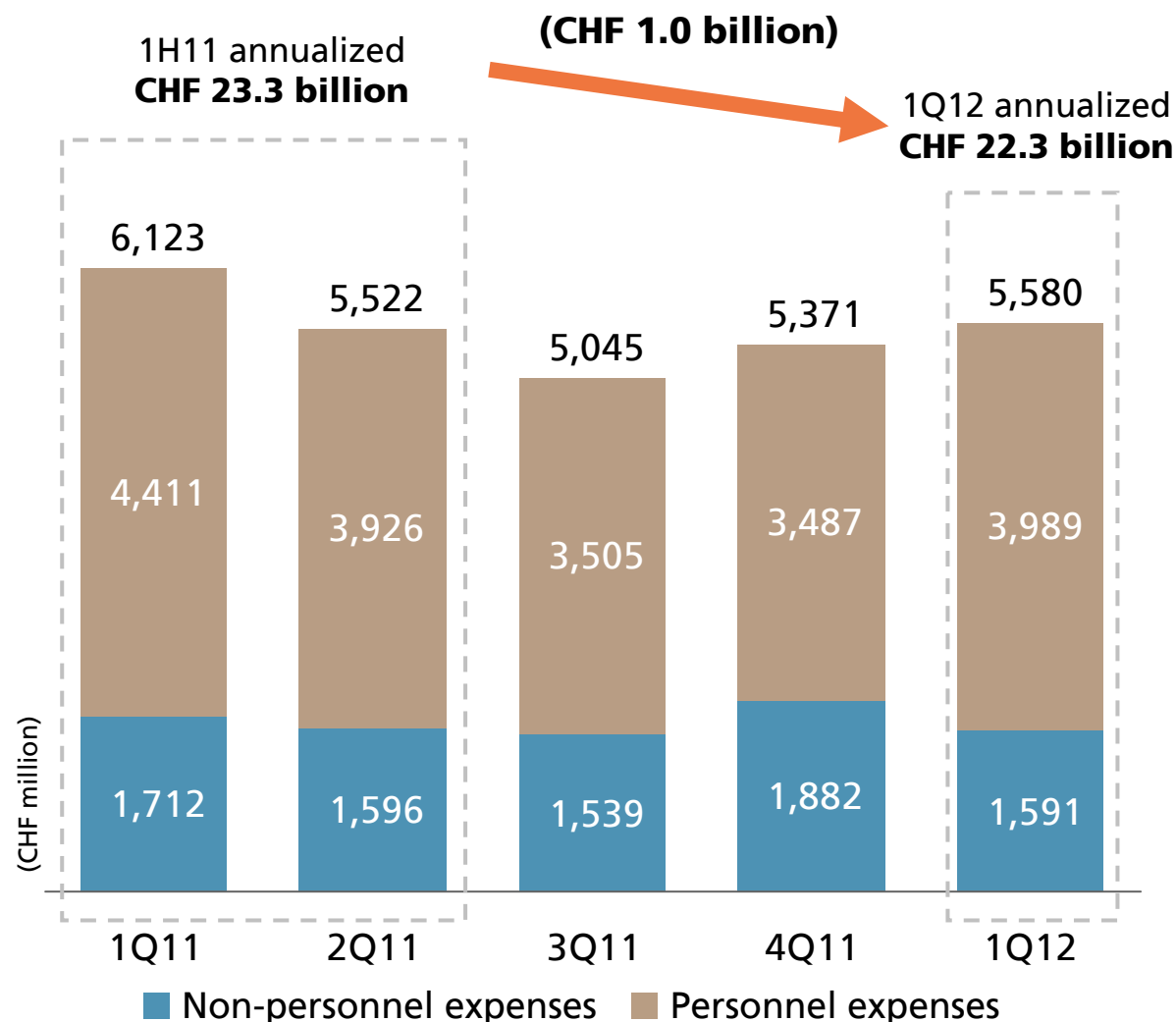
- **CHF 75 million pre-tax loss**

- CHF 11 million operating income after allocations to the business divisions
    - CHF 86 million operating expenses not allocated to the business divisions

# Operating expenses

**Annualized adjusted operating expenses down CHF 1.0 billion vs. 1H11**

## Adjusted operating expenses



- **Adjusted cost / income ratio within target range**

- improved to 72% from 88% in 4Q11; in line with 72% in 1Q11

- **Adjusted non-personnel expenses decreased 15%**

- Expenses for professional fees and marketing down significantly
- 4Q11 included a CHF 109 million charge related to the UK bank levy

- **Adjusted personnel expenses up 14% QoQ while adjusted revenues increased 26%**

**We continue to focus on expense efficiency**

# Tax expense

## 1Q12 net tax expense of CHF 476 million

<b>Pre-tax profit (as reported)</b>	<b>CHF 1,304 million</b>
Deferred tax <b>expenses</b> with respect to the amortization of previously recognized DTAs	CHF 447 million
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Other net tax <b>expenses</b> in respect of 1Q12 taxable profits	CHF 80 million
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Tax <b>benefits</b> arising from the release of provisions following agreement of prior year tax positions	CHF (51) million
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<b>1Q12 net tax expense</b>	<b>CHF 476 million</b>
<b>1Q12 effective tax rate</b>	<b>36.5%</b>
<b>1Q12 adjusted effective tax rate<sup>1</sup></b>	<b>22.5%</b>

- We expect the Group's effective tax rate to be in the range of 20–25% for FY12, exclusive of any potentially significant book tax adjustments that could distort the rate (e.g., own credit gains / losses)



<sup>1</sup> Exclusive of own credit and other IFRS items that are treated differently for Swiss GAAP and tax purposes, totaling CHF 811 million in 1Q12. The 1Q12 adjusted effective tax rate of 22.5% = CHF 476 million / CHF 2,115 million (CHF 2,115 million = CHF 1,304 million + CHF 811 million)

# Net profit attributable to non-controlling interests

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- CHF 1 million of net profit attributed to non-controlling interests in 1Q12
- We expect to attribute profit of ~ CHF 270 million to non-controlling interests in 2Q12
- No event triggering dividend obligations and no dividend payments not previously accrued expected in 2H12

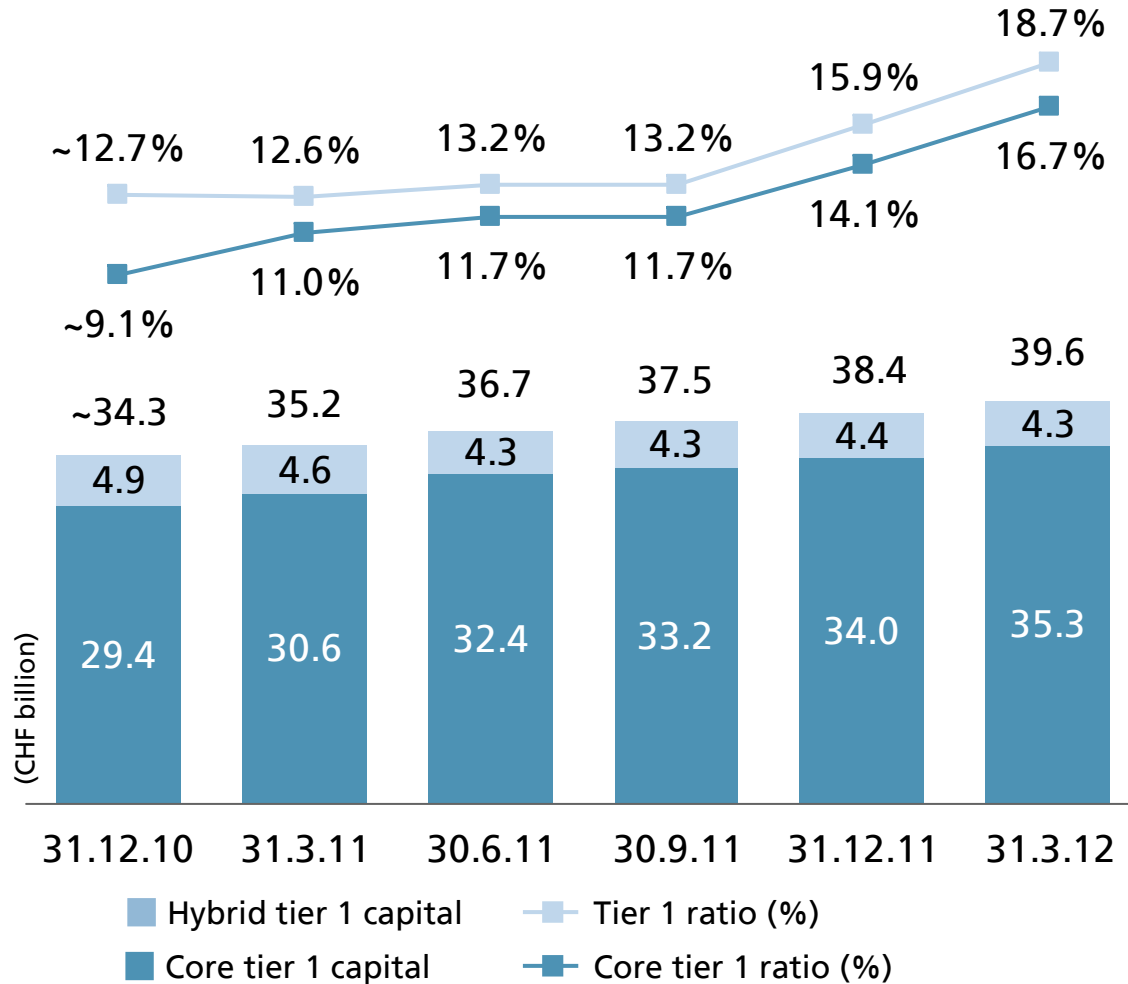
## Hybrid tier 1 instruments outstanding

Amount	Issue date	Interest rate	First call date
EUR 1,000 million	11.4.08	8.836% <sup>1</sup>	11.4.13
EUR 1,000 million	15.4.05	4.28% <sup>1</sup>	15.4.15
USD 1,000 million	12.5.06	6.243% <sup>1</sup>	12.5.16
EUR 600 million	21.12.07	7.152% <sup>1</sup>	21.12.17
USD 300 million	23.5.03	Libor + 70bps	15.6.08 <sup>2</sup>

- Interest for USD 2.0 billion tier 2 loss-absorbing notes issued in February 2012 is accounted as interest expense

# Basel 2.5 capital ratios

Further increased industry-leading Basel 2.5 tier 1 capital ratio to 18.7%



- **Basel 2.5 risk-weighted assets** reduced CHF 30 billion to CHF 211 billion as at 31.3.12

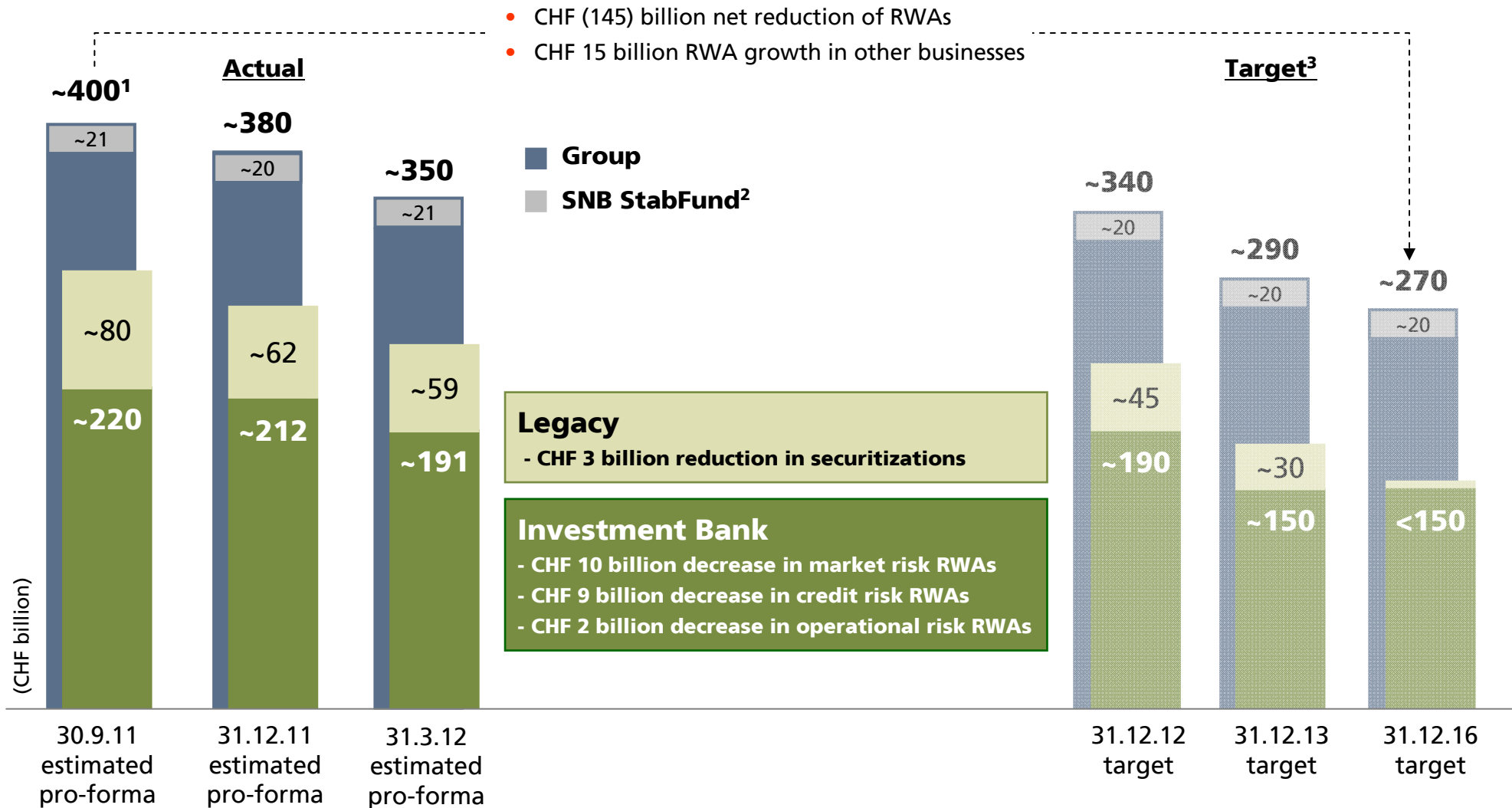
- **Basel 2.5 tier 1 capital** increased by CHF 1.2 billion to CHF 39.6 billion
  - The USD 2.0 billion tier 2 loss-absorbing notes issued in February are not included in the Basel 2.5 tier 1 capital

**Basel 2.5 core tier 1 capital ratio increased by 260bps to 16.7%**



# Basel 3 risk-weighted assets

## Continued disciplined execution on risk-weighted asset reduction



Refer to slide 1 for details about adjusted numbers, Basel 3 estimates and FX rates in this presentation

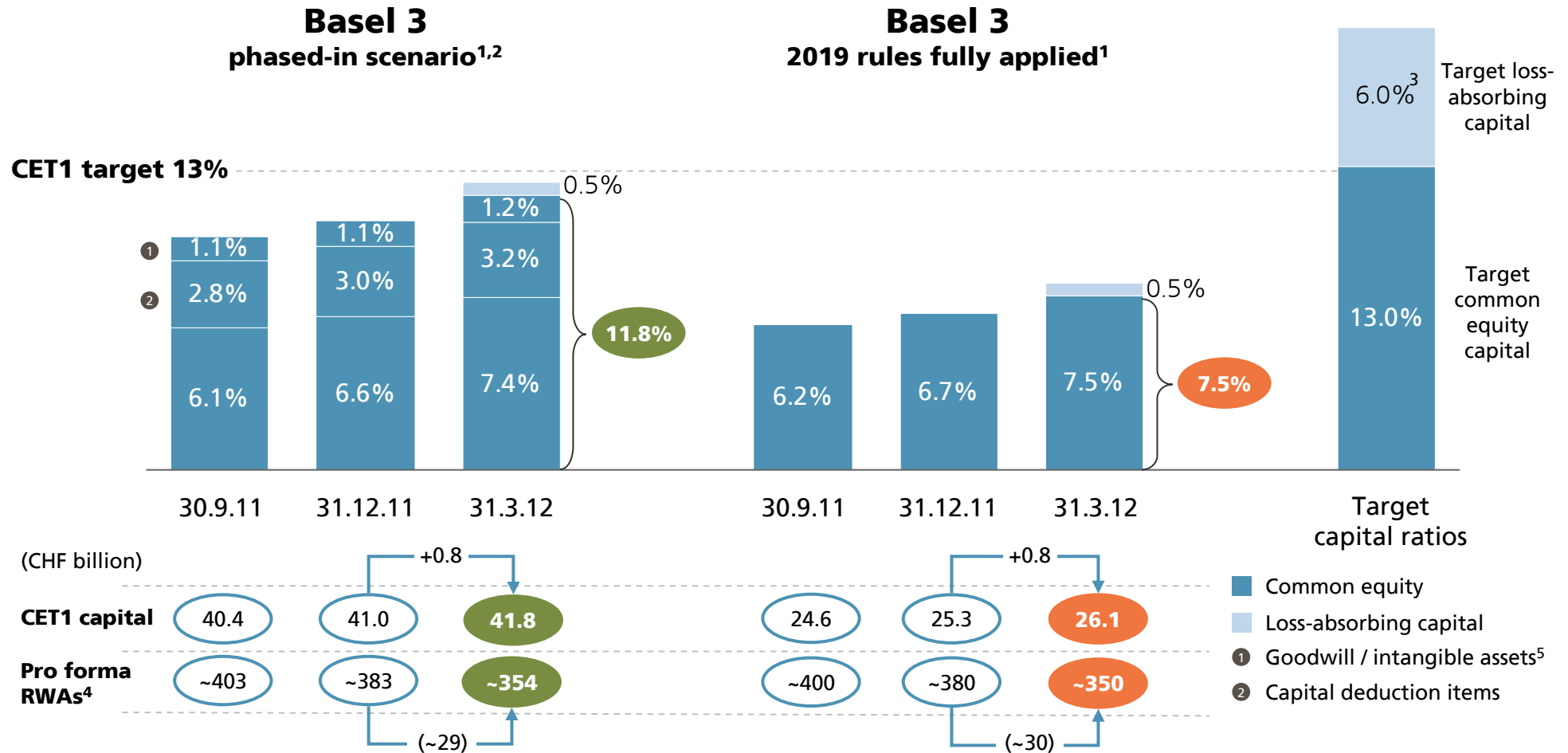
<sup>1</sup> 30.9.11 pro-forma RWAs of ~CHF 400 billion already factored in the 4Q11 reversal of CHF 17 billion of stress VaR related to the unauthorized trading incident

<sup>2</sup> RWAs association with the SNB StabFund option or underlying assets. The ~ CHF 20 billion RWAs disclosed for future periods for the SNB StabFund option or underlying assets are shown for illustrative purposes and do not represent an estimate or a target

<sup>3</sup> Targets assume constant FX rates

# Basel 3 capital ratios

## Basel 3 ratio increased to ~11.8%



Refer to slide 1 for details about adjusted numbers, Basel 3 estimates and FX rates in this presentation

1 The CET1 capital and capital ratios shown do not take into account any potential impact of IAS 19R in connection with the funded status of the pension plans

2 Deferred tax assets on net operating losses of CHF 7,630 million on 31.3.12. Deferred pension expenses of CHF 3,780 million on 31.3.12. Other deduction items not taken into account. Deduction for exposures in financial industry excluded as rules need further clarification

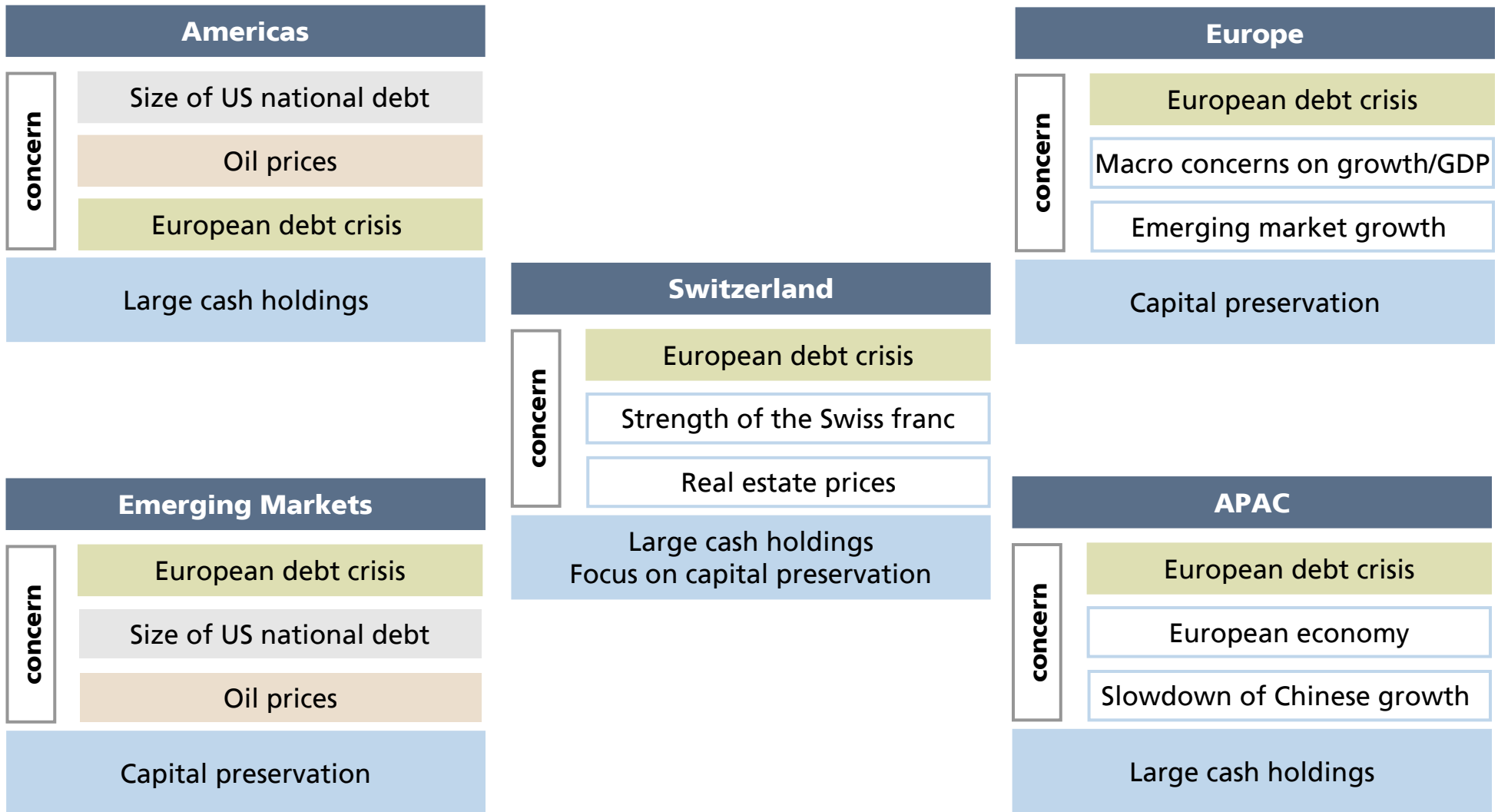
3 UBS is eligible for a capital rebate on a portion of the capital requirement subject to measures taken to improve resolvability

4 The ~ CHF 4 billion difference in RWAs between the "phased-in" and "2019 rules fully applied" scenarios relates to the 31.3.12 pre-paid pension asset which is 100% risk-weighted under the phased-in scenario but deducted from capital (and thus not risk-weighted) under the "2019 rules fully applied" scenario

5 Goodwill and intangible assets will be deducted from CET1 capital under Basel 3. In the transition period, there will be a phase-in during which they will be deducted from tier 1 capital and not from CET1 capital up to the amount of outstanding phased-in hybrid tier 1 capital

# Our clients turn to us for advice to address their concerns

## Our clients' positioning is a reflection of market uncertainties



# 1Q12 results – successfully executing our strategy

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**CHF 2.2 billion adjusted pre-tax profit, ~13.0% adjusted RoE**

**Visible progress across business divisions**

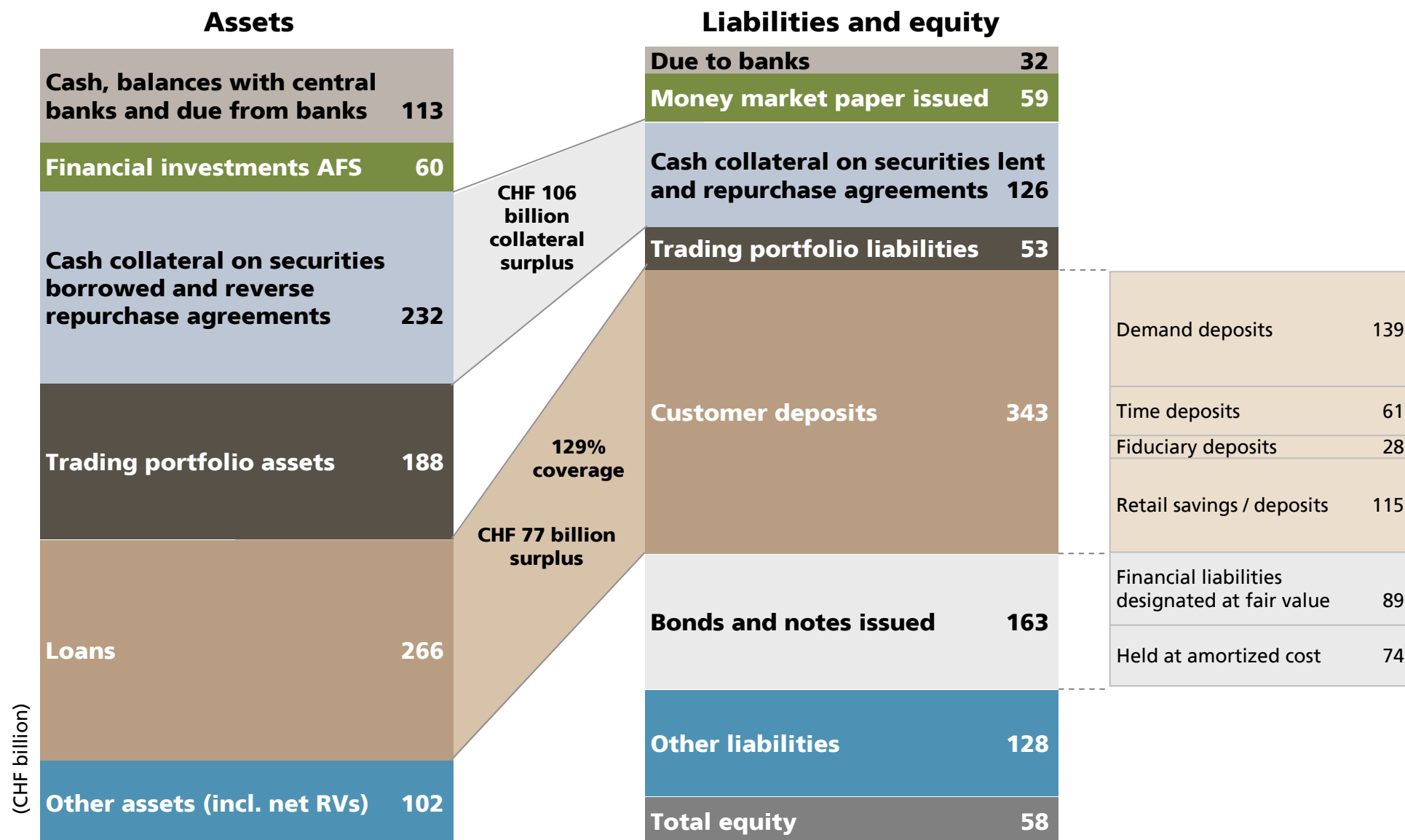
**We are ahead of our plan to reduce risk-weighted assets**

**Our capital, liquidity and funding positions remain strong**

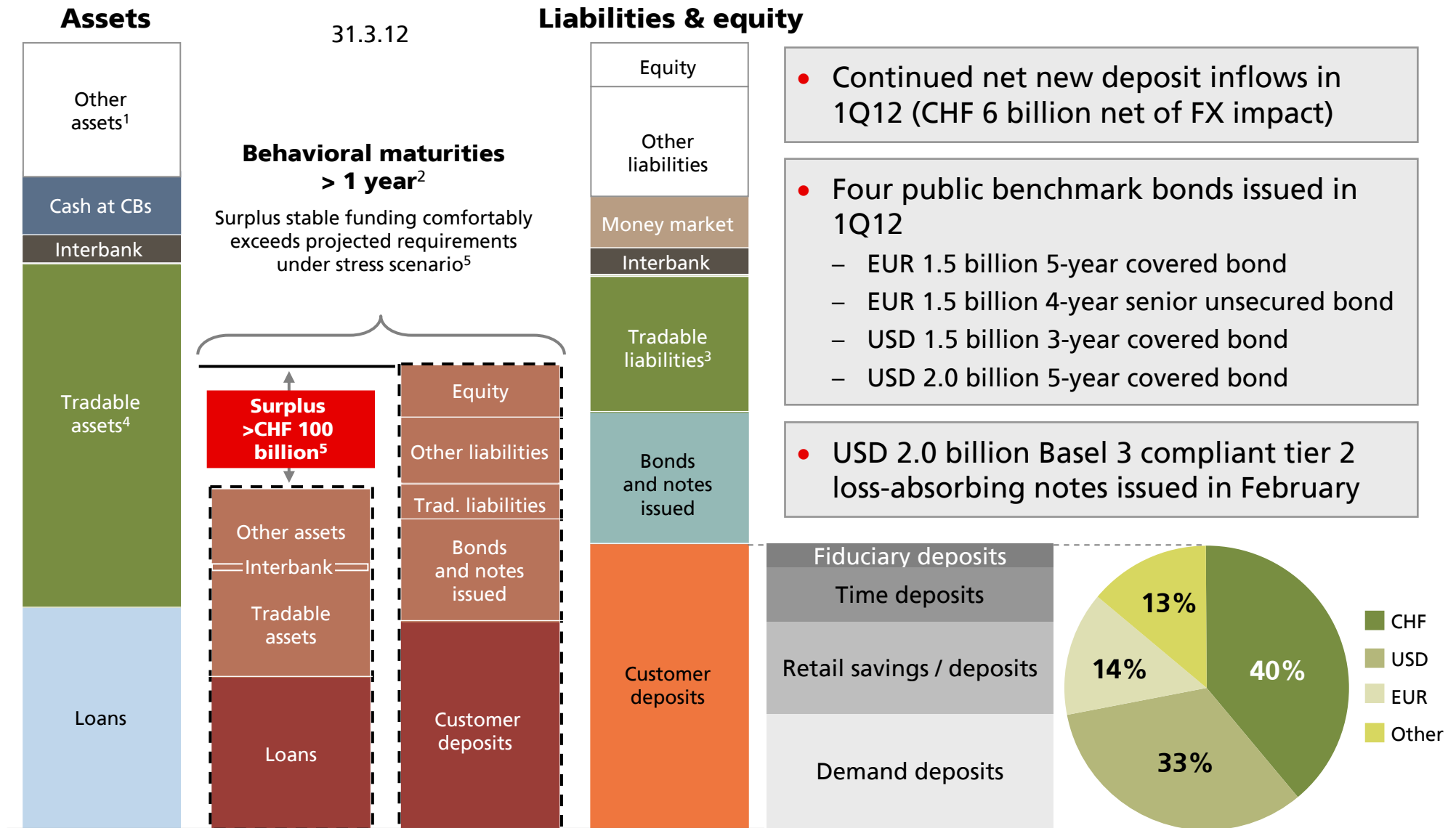
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# Appendix

# Asset funding – 31 March 2012



# Diversified funding with a long-term surplus



1 Including net replacement values

2 Based on UBS internal model for stressed liquidity

3 Tradable liabilities consist of trading portfolio liabilities, cash collateral on securities lent and repurchase agreements

4 Tradable assets consist of trading portfolio assets, cash collateral on securities borrowed and reverse repurchase agreements

5 Surplus shown comfortably exceeds our off-balance-sheet liquidity exposures, such as potential draw-downs from committed lines we have in place for our clients

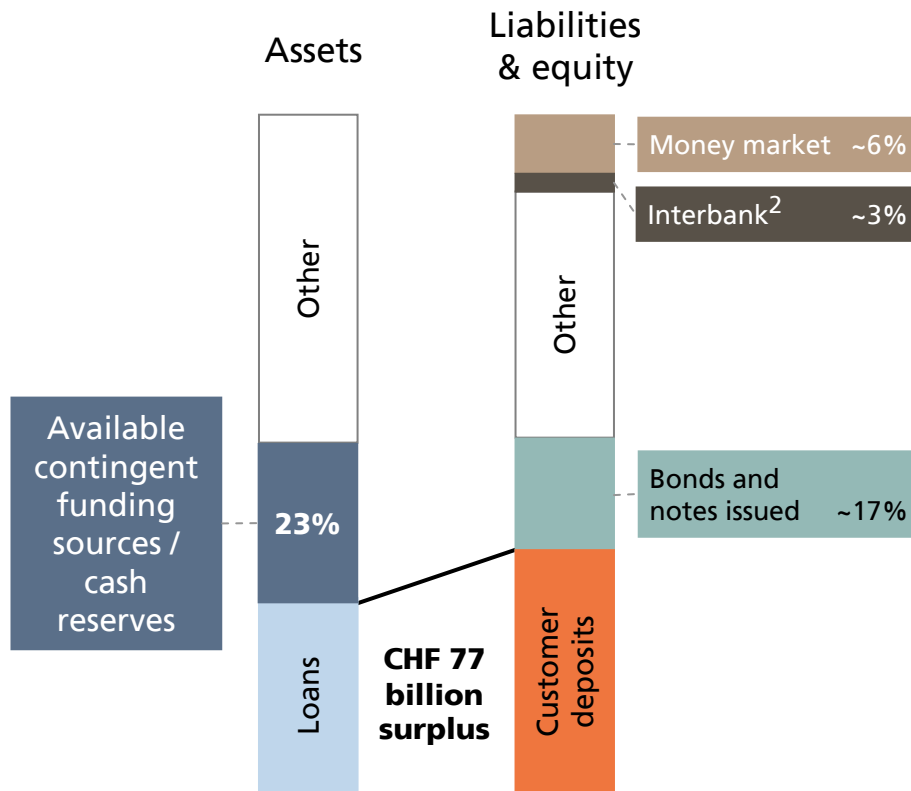
# Our liquidity position is strong

## We continue to have substantial available liquidity

23% of our funded balance sheet assets are in the form of available liquidity<sup>1</sup>

We continue to be compliant with FINMA's liquidity requirements

### Funded balance sheet (31.3.12)



- UBS was compliant with FINMA's liquidity requirements on 31.3.12

- Currently banks employ a wide range of interpretations to calculate the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR)

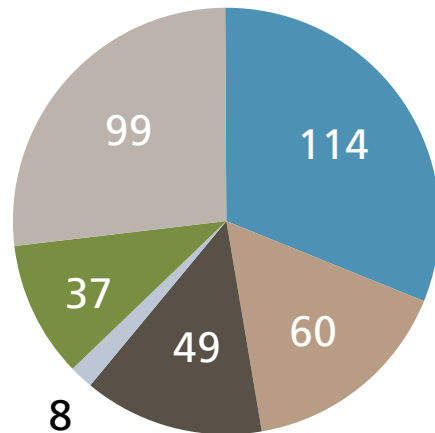
- We expect to comply early with the final FINMA and Basel 3 LCR and NSFR requirements



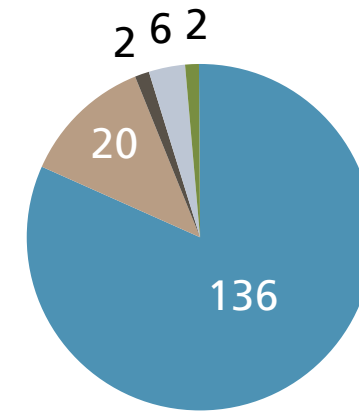
# Funding sources by currency – 31 March 2012

Customer deposits represent a significant source of funding in all major currencies

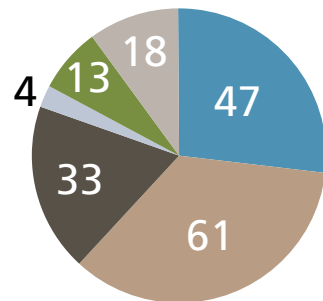
**45% USD<sup>1</sup>**  
CHF 367 billion



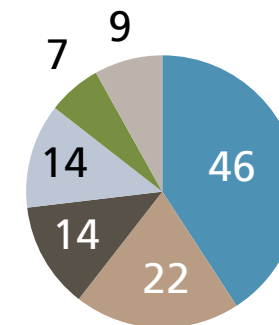
**20% CHF<sup>1</sup>**  
CHF 166 billion



**21% EUR<sup>1</sup>**  
CHF 175 billion  
(CHF billion)



**14% other<sup>1</sup>**  
CHF 113 billion



■ Customer deposits  
 ■ Bonds and notes issued  
 ■ Cash margin<sup>2</sup>  
■ Interbank  
 ■ Money market paper issued  
 ■ Repos / securities lent

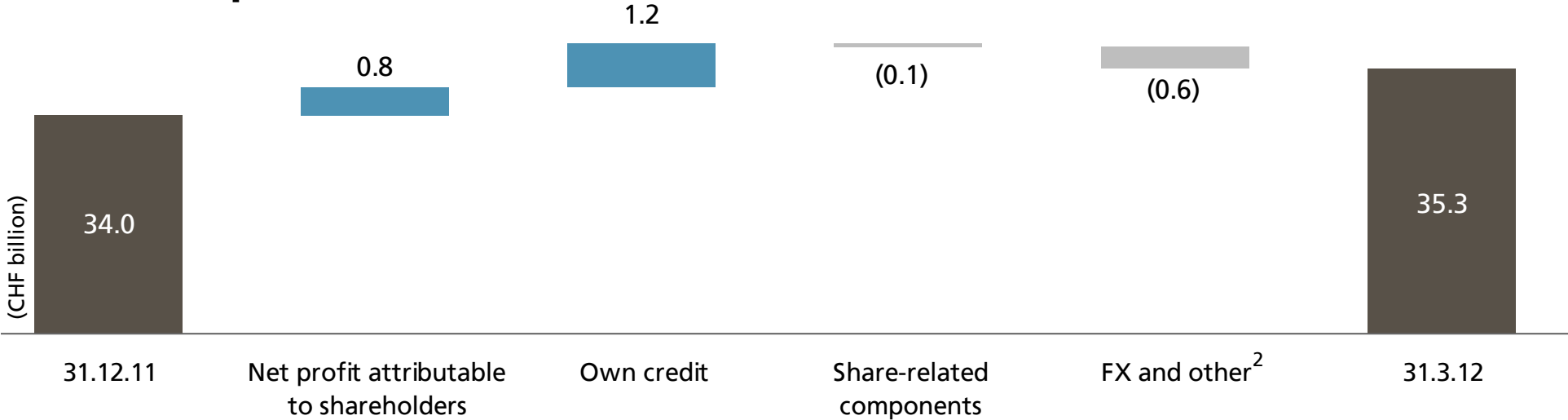


<sup>1</sup> In % of total funding on the balance sheet (CHF 821 billion) comprising repurchase agreements, securities lending against cash collateral received, due to banks, money market paper issued, due to customers, long-term debt (including financial liabilities at fair value) and cash collateral on derivative transactions and prime brokerage payables

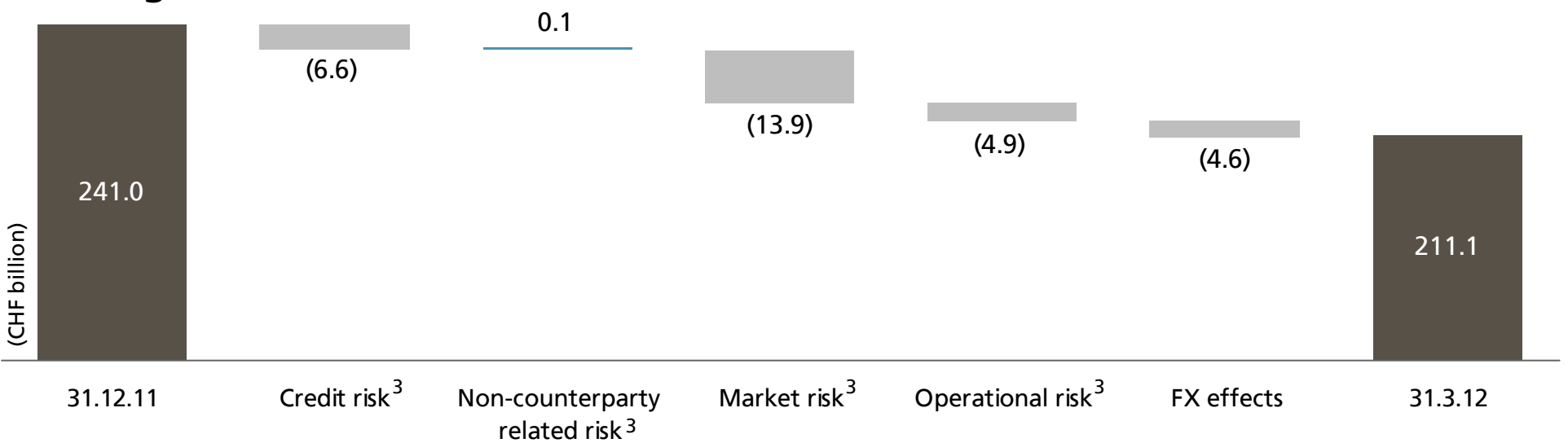
<sup>2</sup> Comprises cash collateral payable on derivatives and prime brokerage payables

# Basel 2.5 core tier 1 capital and RWAs

## Core tier 1 capital<sup>1</sup>

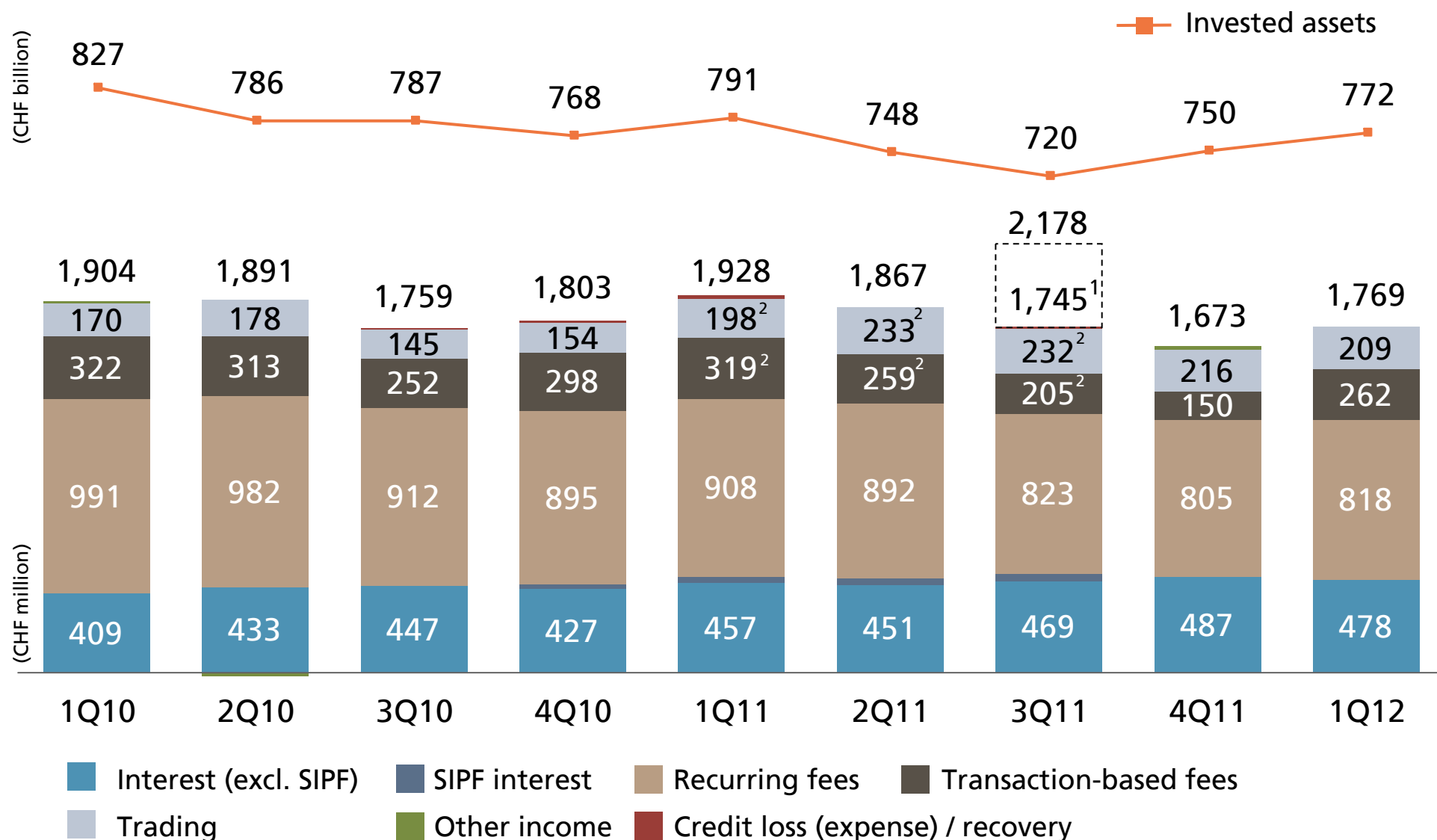


## Risk-weighted assets



1 31.3.12 includes IFRS deferred tax assets on net operating losses of CHF 7,630 million; 31.3.12 deferred pension expenses CHF 3,780 million  
 2 Includes DTAs, changes in deduction items and dividend accruals  
 3 Adjusted for FX effect

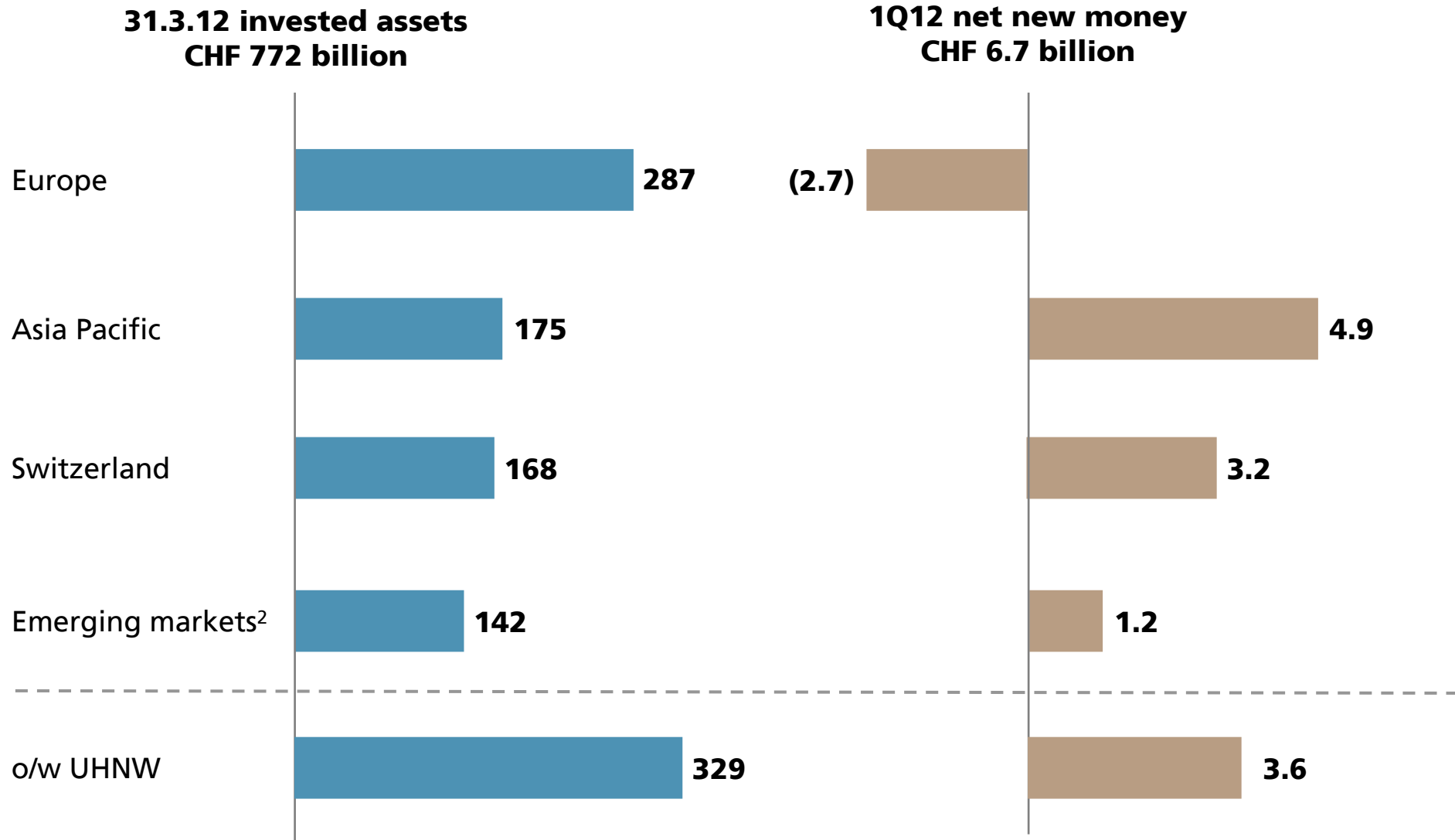
# Wealth Management—operating income



<sup>1</sup> Adjusted for the gain on the sale of the strategic investment portfolio (CHF 433 million)

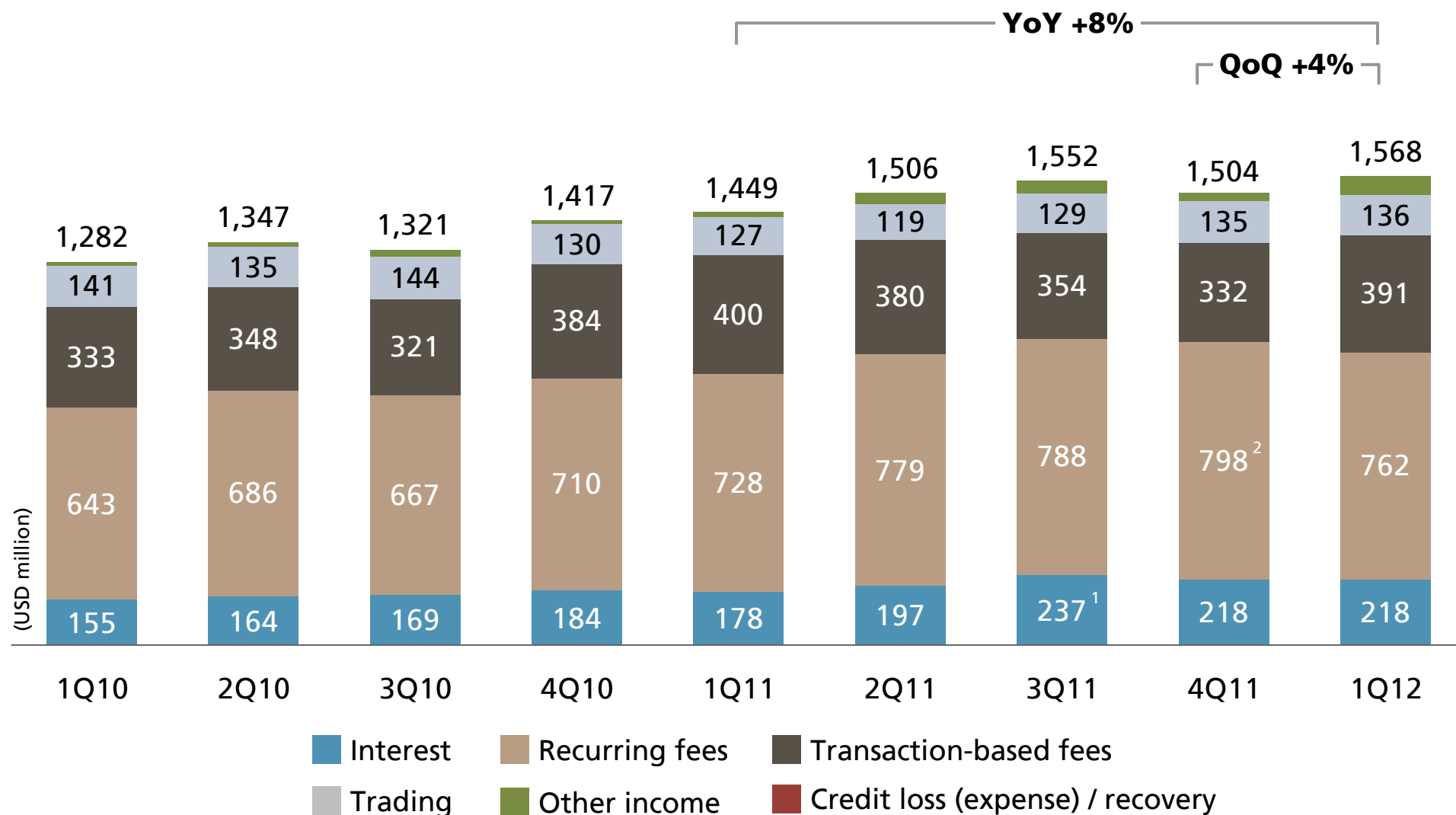
<sup>2</sup> Net fee and commission and net trading income in 1Q11, 2Q11, 3Q11 adjusted for revenue shifts related to Investment Products & Services unit

# Wealth Management—client domicile view<sup>1</sup>



<sup>1</sup> Invested assets and net new money based on client domicile. Invested assets and net new money as shown in UBS's quarterly report are based on an organizational view.  
<sup>2</sup> LatAm, Middle East & Africa and Central & Eastern Europe & Turkey

# Wealth Management Americas – operating income (USD)

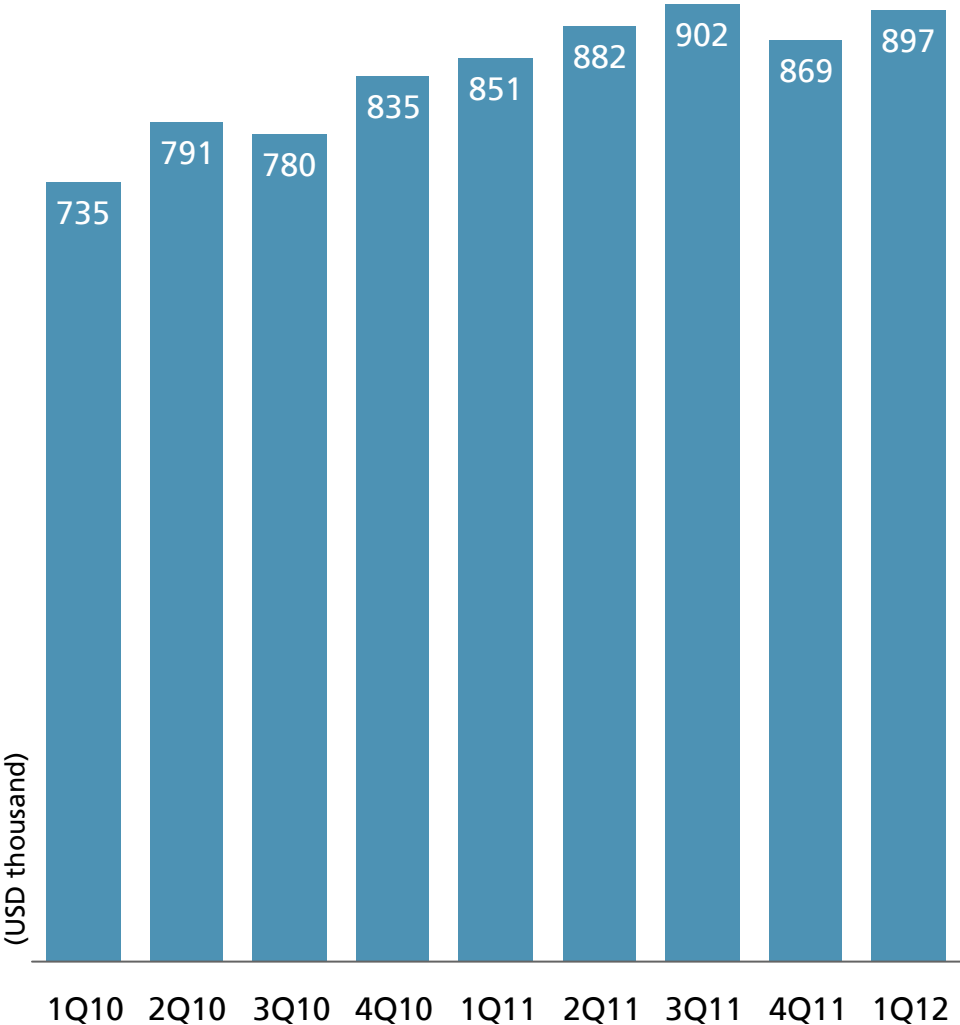


1 As reported; includes a USD 24 million (CHF 20 million) upward adjustment from OCI relating to mortgage-backed securities in our AFS portfolio  
 2 4Q11 includes USD 48 million related to a change to an accrual-based accounting estimate for certain mutual fund fees

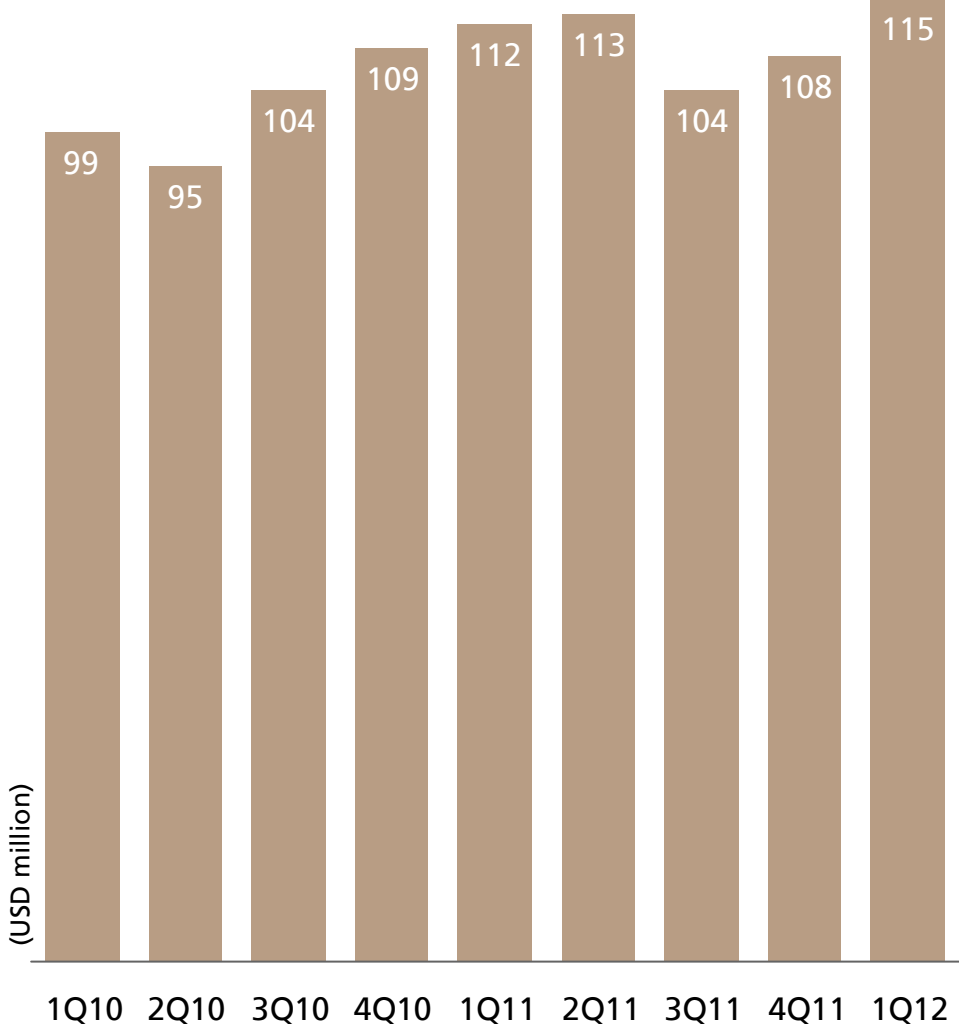
# Wealth Management Americas – FA productivity (USD)

Continuing to execute our focused strategy

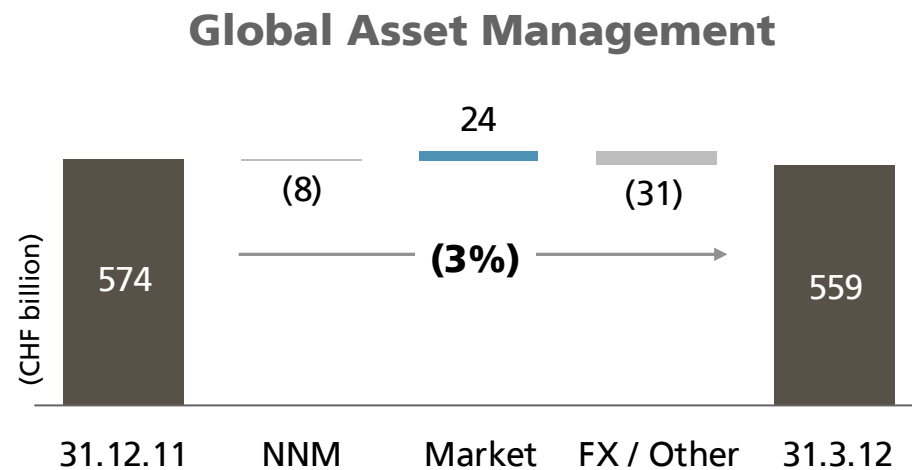
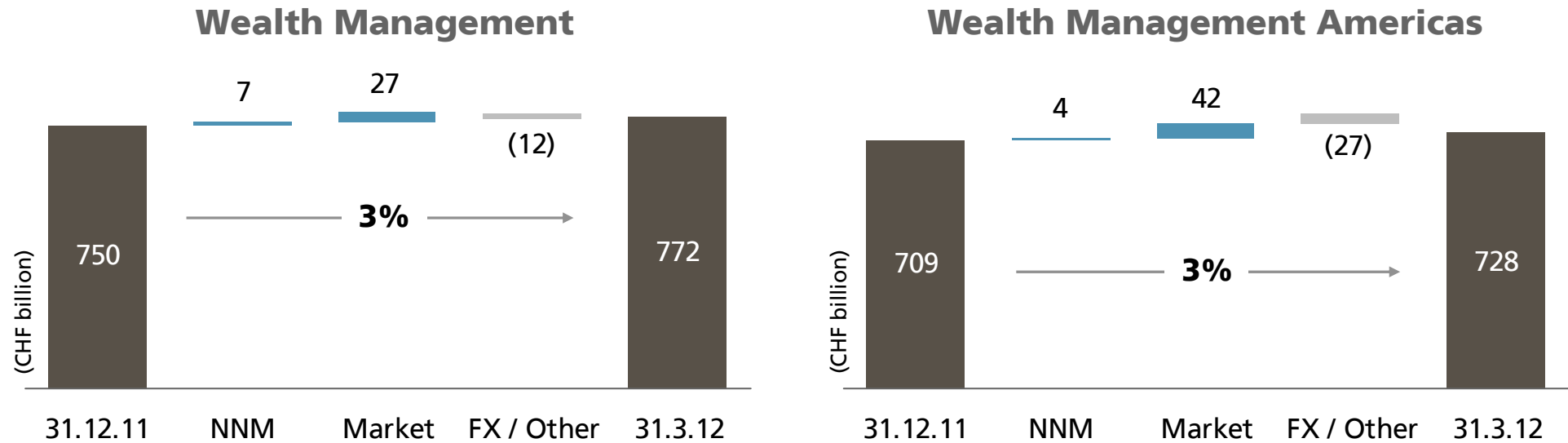
Revenue per FA, annualized



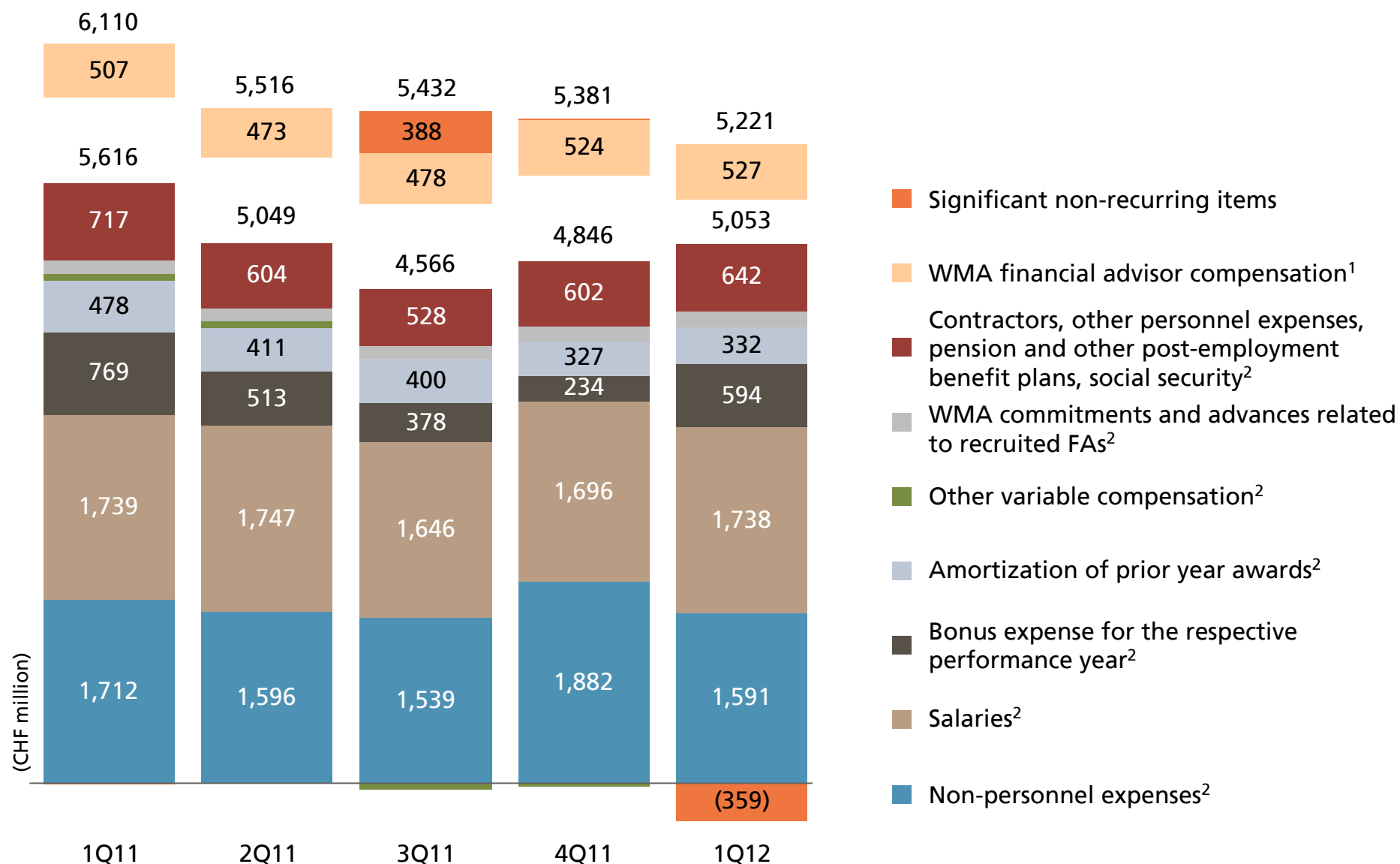
Invested assets per FA



# Invested assets



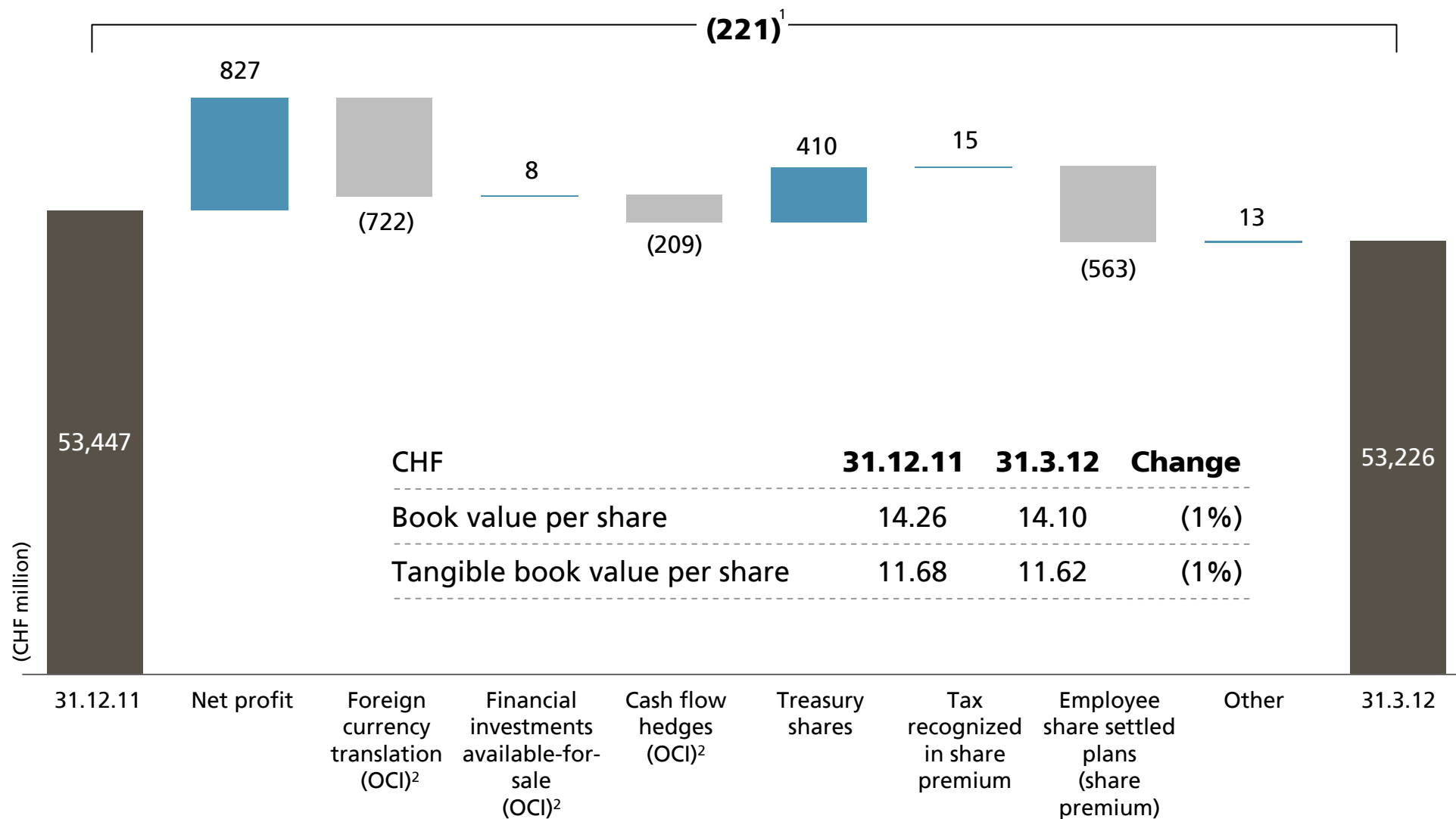
# 1Q12 operating expenses



1 Grid-based financial advisor (FA) compensation and other formulaic FA compensation  
 2 Excluding significant non-recurring items (restructuring charges and 1Q12 pension fund credit)



# IFRS equity attributable to UBS shareholders



1 Tangible book value increased CHF 129 million from CHF 43,752 million on 31.12.11 to CHF 43,881 million on 31.3.12  
 2 Net of tax. Total income tax benefit recognized in OCI was CHF 119 million in 1Q12

# Exposures to eurozone countries rated lower than AAA / Aaa<sup>1</sup>

**Our exposures are comparatively low and we continue to manage them carefully**

31.3.12 (CHF million)	Sovereigns <sup>2</sup>		Local governments		Banks		Other <sup>3</sup>		Total	
	Before hedges <sup>4</sup>	Net of hedges	Before hedges <sup>4</sup>	Net of hedges	Before hedges <sup>4</sup>	Net of hedges	Before hedges <sup>4</sup>	Net of hedges	Before hedges <sup>4</sup>	Net of hedges
France	4,638	4,519	164	164	1,610	1,610	6,579	5,377	12,992	11,670
Italy	5,017	1,972	151	136	1,018	1,018	1,685	1,217	7,872	4,343
Spain	40	40	17	17	2,607 <sup>7</sup>	2,607	2,061	1,257	4,725	3,920
Austria	1,112	910	20	20	506	506	215	179	1,853	1,615
Ireland <sup>5</sup>	53	53	0	0	581	581	680	678	1,314	1,312
Belgium	387	369	0	0	176	176	149	149	712	694
Portugal	0	0	3	3	30	30	219	123	252	156
Greece	29	29	0	0	20	20	74	37	124	86
Other <sup>6</sup>									202	202

The vast majority of our net exposures relates to counterparty risk from derivatives and securities financing (29%) and trading inventory (42%) which are carried at fair market value

1 By at least one of the major rating agencies. Refer to page 53 of UBS's 1Q12 report for more information

2 Includes central governments, agencies and central banks

3 Includes corporates, insurance companies and funds

4 Banking products: includes loans, unfunded commitments and guarantees. Traded products: after master netting agreements and net of collateral. Trading inventory: net long per issuer

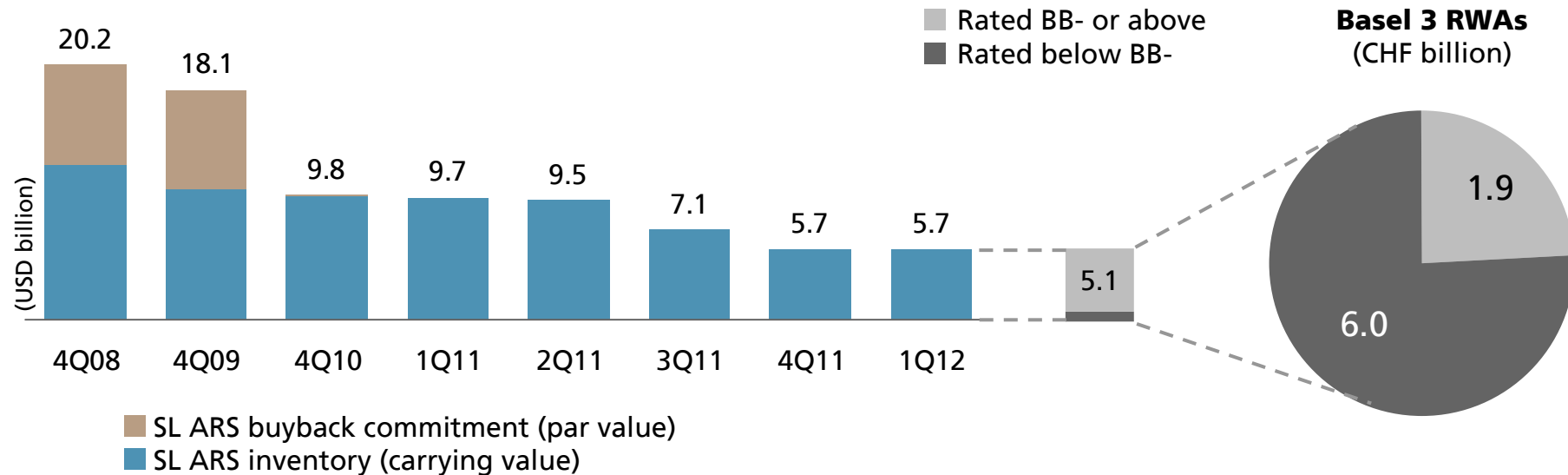
5 The majority of the Ireland exposures relates to funds and foreign bank subsidiaries

6 Includes Andorra, Cyprus, Estonia, Malta, Monaco, Montenegro, San Marino, Slovakia and Slovenia. Split by counterparty type not disclosed

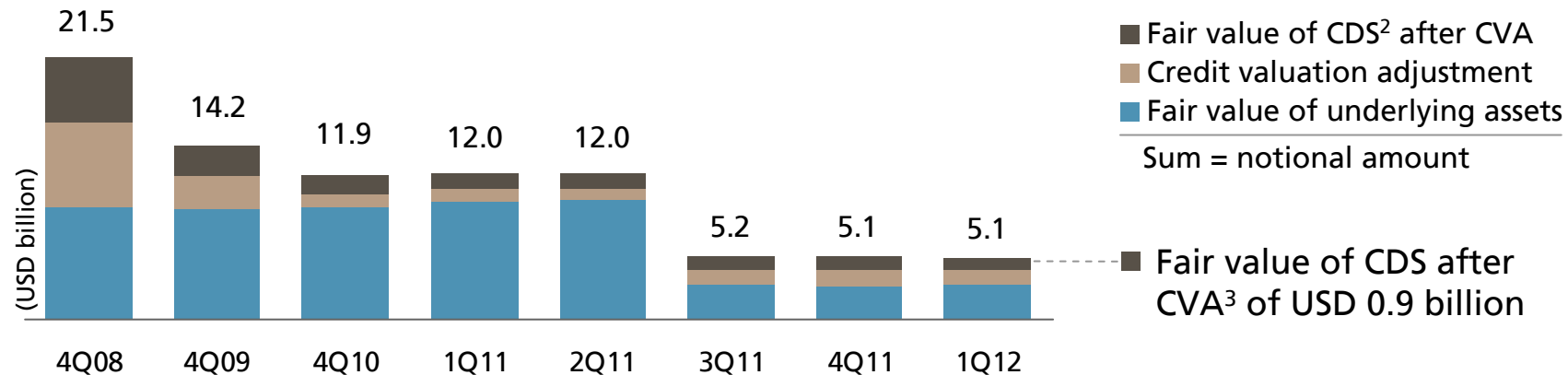
7 The majority of the banking products exposure shown to Spanish banks relates to secured facilities that are collateralized by non-European sovereign debt securities

# Exposures to monoline insurers & student loan ARS

## Student loan auction rate securities



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



<sup>1</sup> Excludes the benefit of credit protection purchased from unrelated third parties. In addition, UBS held direct derivative exposure to monoline insurers of USD 248 million after CVA of USD 154 million on 31.3.12. The commutation that occurred as part of the settlement with MBIA will be reflected in our 2Q12 results and will reduce the notional amount of exposure by USD 1.4 billion

<sup>2</sup> Credit default swaps

<sup>3</sup> Credit valuation adjustments

# Headcount

