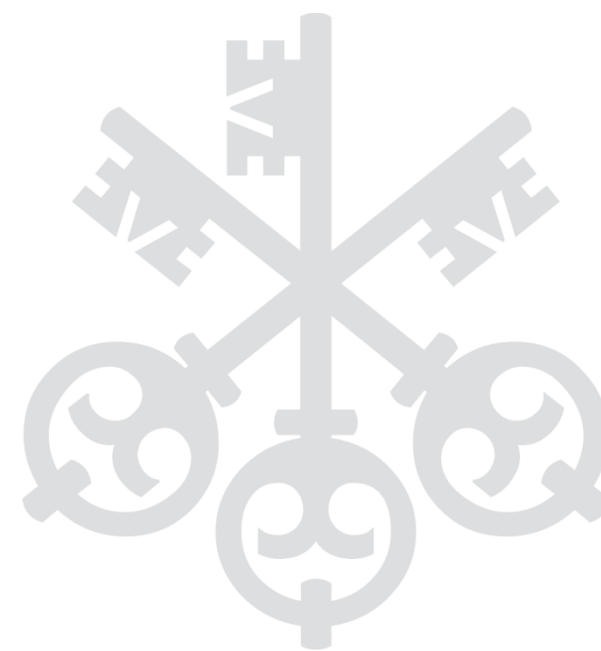




First quarter 2014 results



May 6, 2014

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. These factors include, but are not limited to: (i) the degree to which UBS is successful in executing its announced strategic plans, including its efficiency initiatives and its planned further reduction in its Basel III risk-weighted assets (RWA) and leverage ratio denominator; (ii) developments in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates and interest rates and the effect of economic conditions and market developments on the financial position or creditworthiness of UBS’s clients and counterparties; (iii) changes in the availability of capital and funding, including any changes in UBS’s credit spreads and ratings, or arising from requirements for bail-in debt or loss-absorbing capital; (iv) changes in or the implementation of financial legislation and regulation in Switzerland, the US, the UK and other financial centers that may impose more stringent capital (including leverage ratio), liquidity and funding requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration or other measures; (v) uncertainty as to when and to what degree the Swiss Financial Market Supervisory Authority (FINMA) will approve reductions to the incremental RWA resulting from the supplemental operational risk-capital analysis mutually agreed to by UBS and FINMA effective 31 December 2013, or will approve a limited reduction of capital requirements due to measures to reduce resolvability risk; (vi) the degree to which UBS is successful in executing the announced creation of a new Swiss banking subsidiary, a holding company for the UBS Group, a US intermediate holding company, changes in the operating model of UBS Limited and other changes which UBS may make in its legal entity structure and operating model, including, the possible consequences of such changes, and the potential need to make other changes to the legal structure or booking model of UBS Group in response to legal and regulatory requirements, including capital requirements, resolvability requirements and the pending Swiss parliamentary proposals and proposals in other countries for mandatory structural reform of banks; (vii) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers will adversely affect UBS’s ability to compete in certain lines of business; (viii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations; (ix) the effects on UBS’s cross-border banking business of tax or regulatory developments and of possible changes in UBS’s policies and practices relating to this business; (x) UBS’s ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors including differences in compensation practices; (xi) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xii) limitations on the effectiveness of UBS’s internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xiii) whether UBS will be successful in keeping pace with competitors in updating its technology, particularly in trading businesses; (xiv) the occurrence of operational failures, such as fraud, unauthorized trading and systems failures; and (xv) the effect that these or other factors or unanticipated events may have on our reputation and the additional consequences that this may have on our business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. 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 2013. 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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1Q14 highlights

Group

Net profit attributable to UBS shareholders CHF 1,054 million, diluted EPS CHF 0.27, RoE 8.7%

Profit before tax (PBT) CHF 1,393 million, adjusted PBT CHF 1,486 million

Basel III fully applied CET1 ratio of 13.2%, achieving our 13% target for 2014

Business divisions¹

Wealth Management: PBT CHF 659 million, NNM CHF 10.9 billion, gross margin up 2 bps to 87 bps

– Increased profitability on improved client activity, strong net new money

Wealth Management Americas: Record PBT USD 284 million, NNM USD 2.1 billion

– Increased recurring fees on record managed account asset levels

Retail & Corporate: PBT CHF 401 million, up 17% QoQ

– Strong performance, best first quarter adjusted pre-tax profit since 2010

Global Asset Management: PBT CHF 126 million, CHF 13.0 billion of NNM excluding money market flows

– Annualized NNM growth rate of 6.6%, above target range with inflows from WM and third-party channels

Investment Bank: PBT CHF 549 million, continued efficient resource utilization

– Adjusted RoAE of 28% with improved performance across all regions

Corporate Center: Pre-tax loss CHF 501 million

– Continued progress in reduction of Non-core and Legacy Portfolio assets



Group results

CHF million	1Q13	4Q13	1Q14
Total operating income	7,775	6,307	7,258
Total operating expenses	6,327	5,858	5,865
Profit before tax as reported	1,447	449	1,393
Own credit on financial liabilities designated at fair value	(181)	(94)	88
Gains on sales of real estate	0	61	23
Net loss related to the buyback of debt in a public tender offer	(92)	(75)	0
Gain on disposals	65	0	0
Net restructuring charges	(246)	(198)	(204)
Adjusted profit before tax	1,901	755	1,486
of which provisions for litigation, regulatory and similar matters	(378)	(79)	(193)
of which guarantee payments in relation to the Swiss-UK tax agreement and others	0	30	6
Tax (expenses)/benefit	(458)	470	(339)
Net profit attributable to preferred noteholders/non-controlling interests ¹	1	2	0
Net profit attributable to UBS shareholders	988	917	1,054
Diluted EPS (CHF)	0.26	0.24	0.27
Return on Equity (RoE) (%)	8.5	7.7	8.7
Total book value per share (CHF)	12.57	12.74	13.07
Tangible book value per share (CHF)	10.79	11.07	11.41



Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

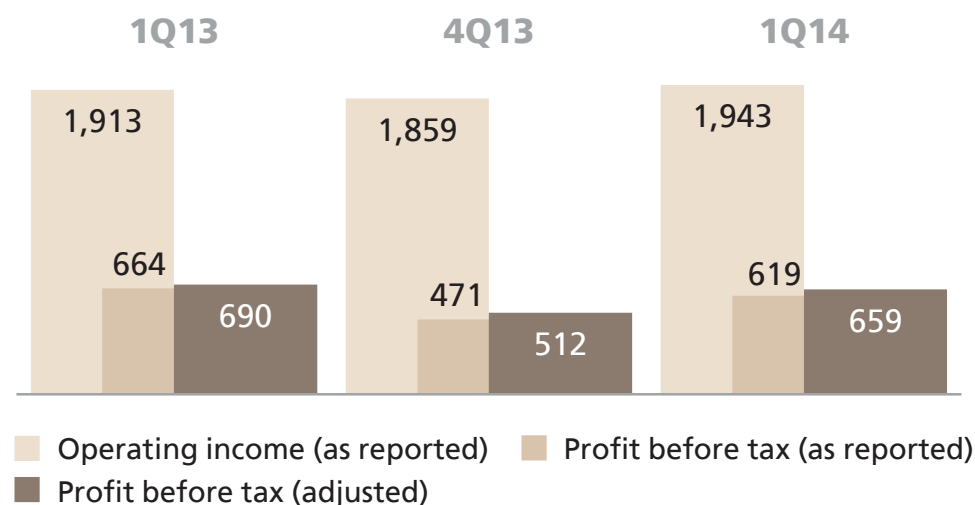
¹ We expect net profit attributable to preferred noteholders/non-controlling interests of ~CHF 110 million for FY14 (all of which in 2Q14), ~CHF 110 million for FY15 and ~CHF 85 million for FY16

Wealth Management

Increased profitability on improved client activity, strong net new money

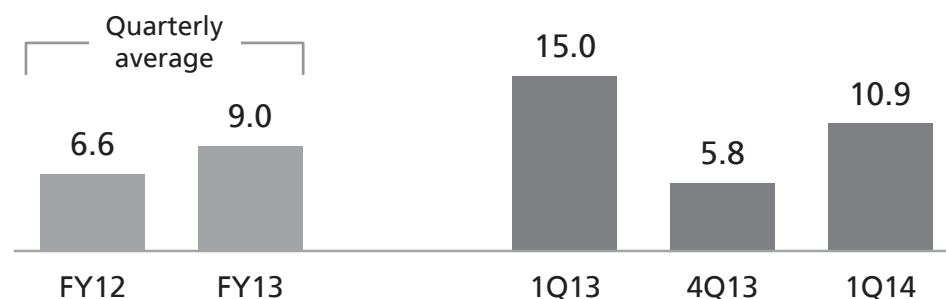
Operating income and profit before tax

CHF million



Net new money

CHF billion



Operating income up 5%

- Recurring income¹ down 2% to CHF 1,392 million on lower net interest income and recurring net fee income
- Transaction-based income up 28% to CHF 542 million as client activity improved across all regions

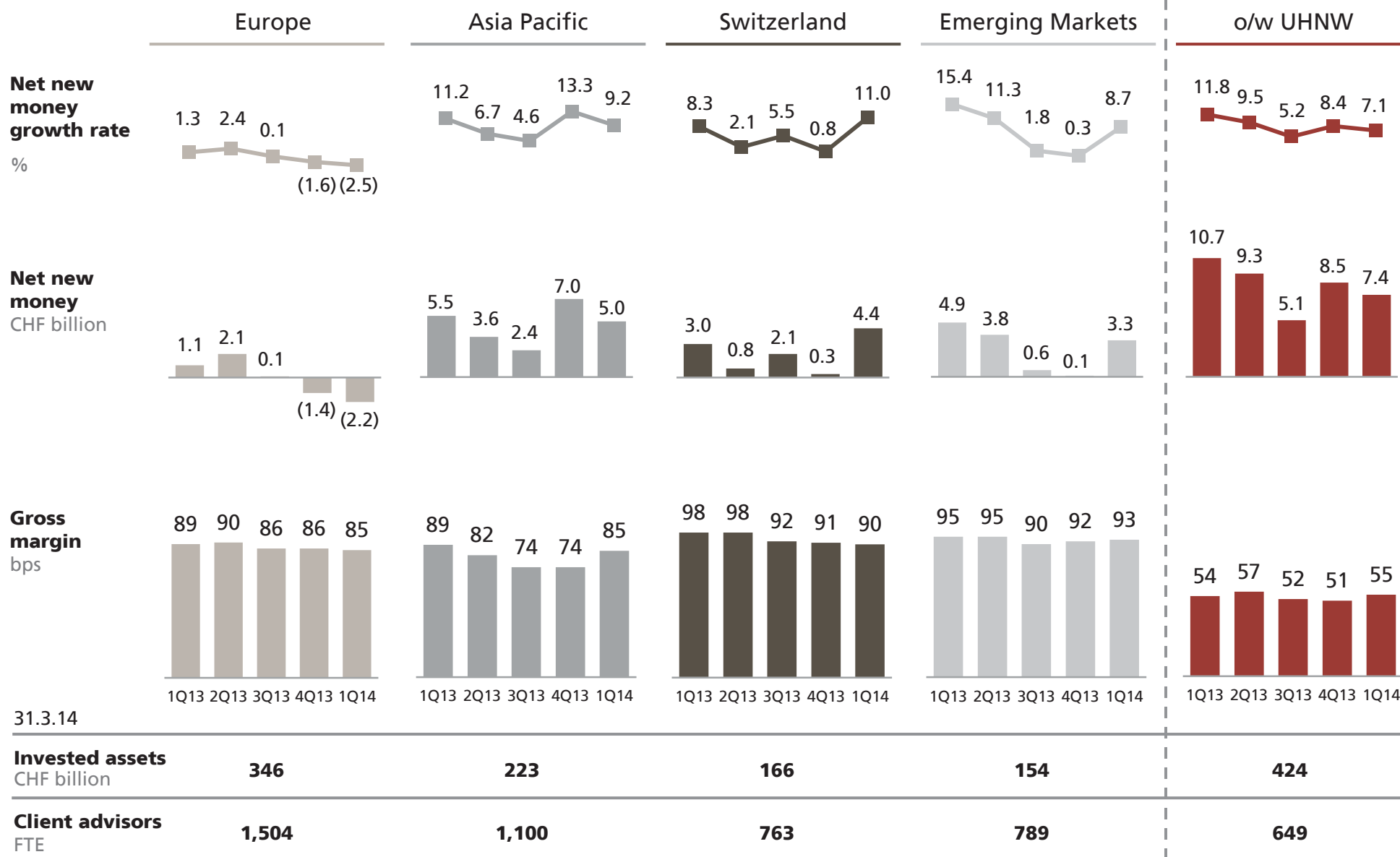
Adjusted cost/income ratio 66%

- Adjusted expenses down 5% to CHF 1,285 million, as higher provisions for litigation, regulatory and similar matters were more than offset by lower other G&A expenses as well as lower variable compensation expenses

CHF 10.9 billion net new money

- Strong net inflows in APAC and Emerging Markets
- 5th consecutive quarter of positive NNM in Switzerland
- In Europe, net new money was negatively impacted by a single large outflow and ongoing cross-border asset outflows
- Annualized NNM growth rate of 4.9%

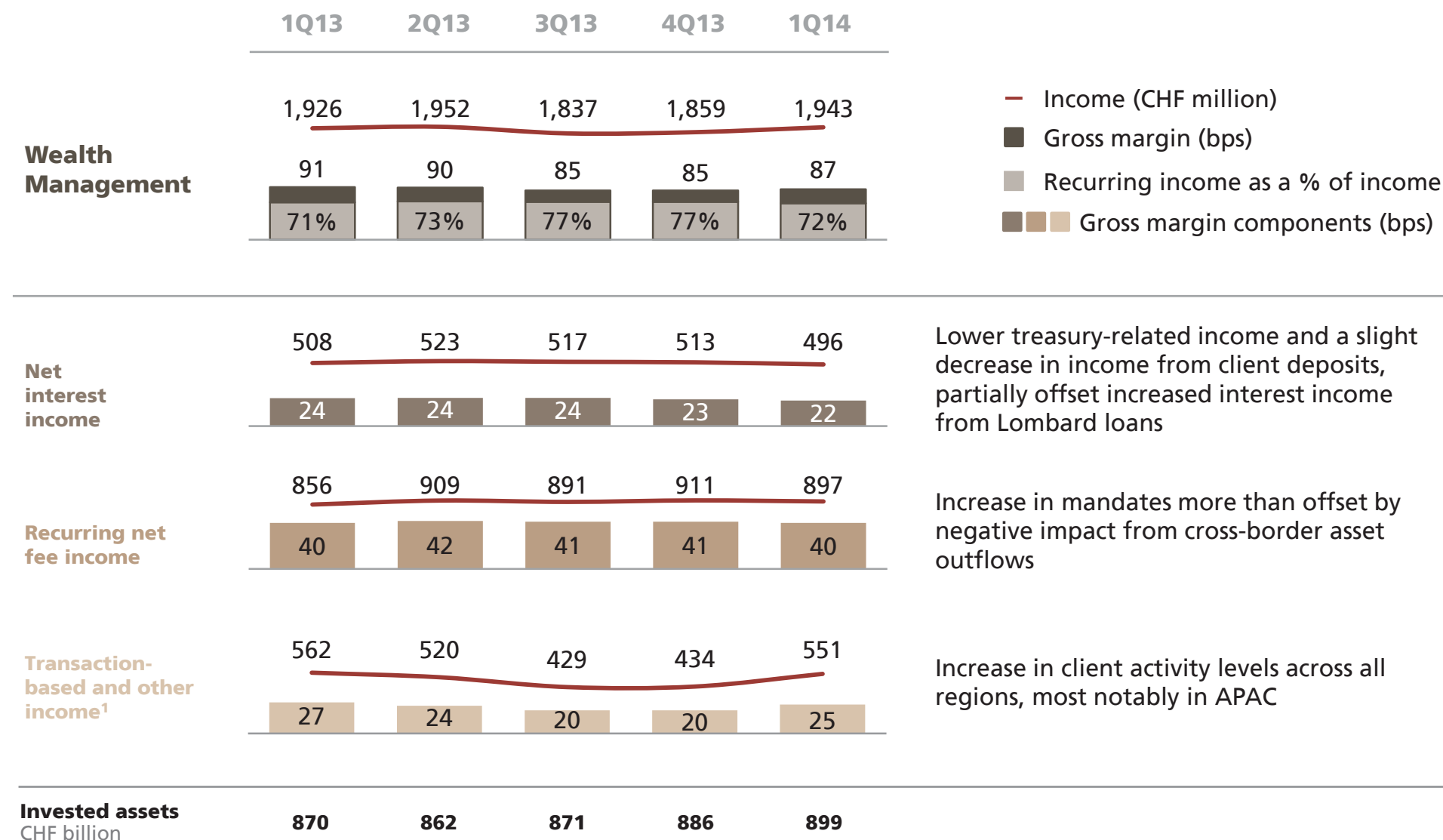
Wealth Management—by region¹



¹ Based on the Wealth Management business area structure; refer to page 23 of the 1Q14 financial report for more information

Wealth Management—Gross margin

Improved gross margin on higher client activity

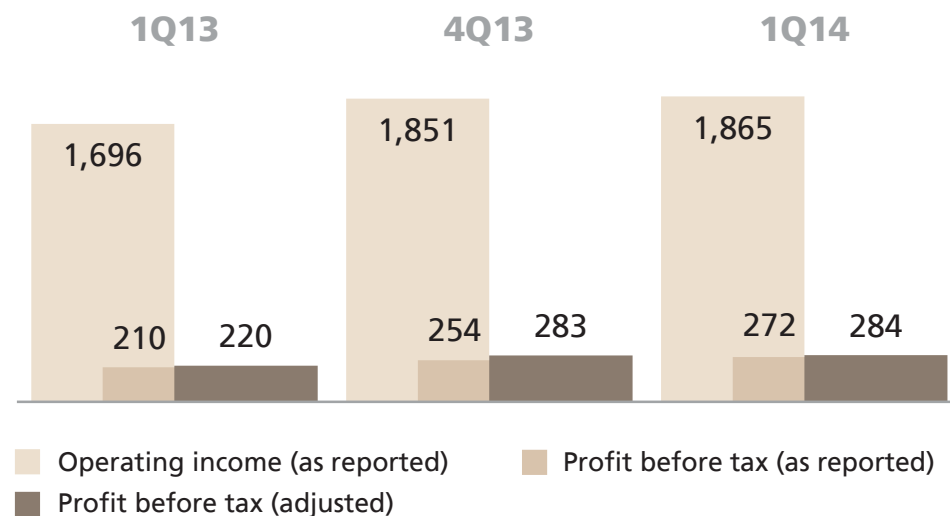


Wealth Management Americas (USD)

Record adjusted PBT of USD 284 million, record revenue and invested assets

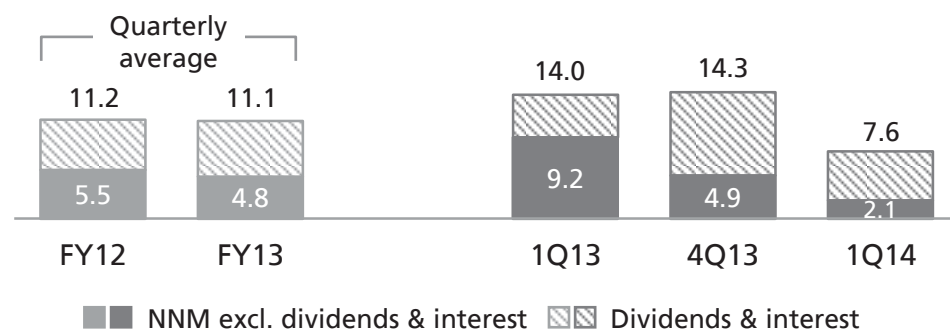
Operating income and profit before tax

USD million



Net new money

USD billion



Operating income up 1%

- Recurring net fee income up 3% on record managed account asset levels, offset by 9% decrease in net interest income
- Transaction-based income down 1% with slight decrease in client activity, partly offset by higher net trading income as 4Q13 included trading losses related to Puerto Rico municipal market
- Credit loss recovery of USD 19 million, compared with credit loss expense of USD 9 million in 4Q13
- USD 15 million insurance reimbursement in 4Q13

Adjusted cost/income ratio 86%

- Adjusted expenses up 1% to USD 1,582 million mostly due to USD 34 million higher charges for litigation, regulatory and similar matters, partly offset by lower Corporate Center allocated costs

USD 2.1 billion net new money

- 15th consecutive quarter of positive NNM
- Solid increase in same-store¹ NNM, lower flows from net recruited FAs

Continued strong FA productivity

- Annualized revenue per FA > USD 1 million
- Record invested assets per FA of USD 139 million



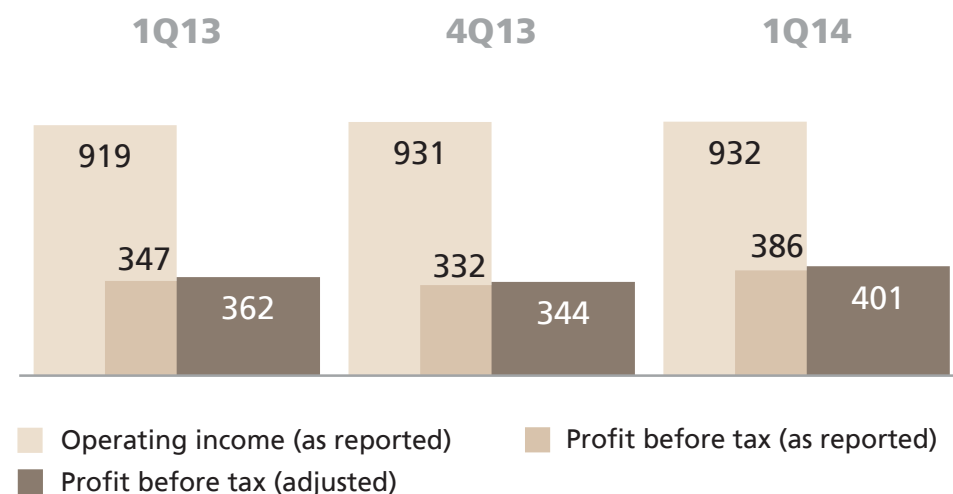
Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
¹ Net new money brought in by financial advisors that have been with UBS for more than 12 months

Retail & Corporate

Best first quarter adjusted pre-tax profit since 2010

Operating income and profit before tax

CHF million



Operating income stable

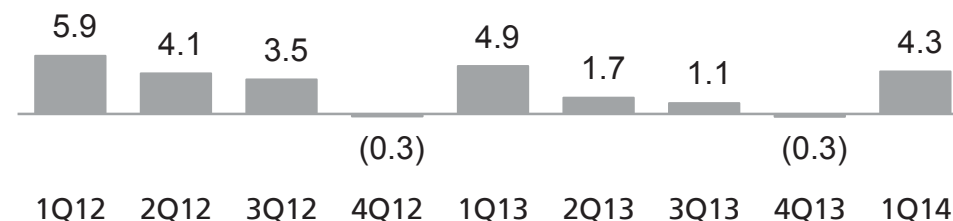
- Net credit loss recovery compared with net credit loss expense in the prior quarter
- Lower transaction-based and net interest income not entirely offset by higher recurring net fee income

Adjusted cost/income ratio 58%

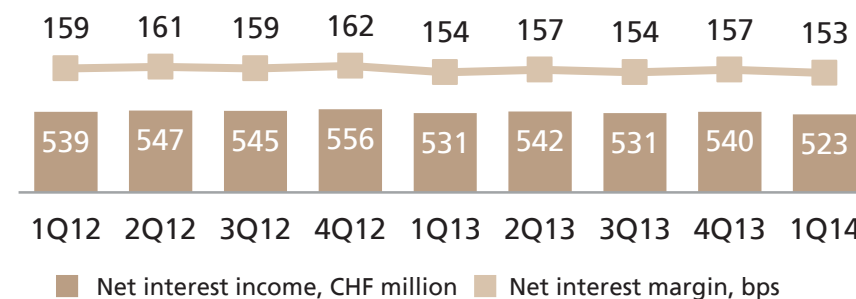
- 9% decrease in adjusted expenses
- Lower charges for litigation, regulatory and similar matters and lower technology expenses, partly offset by higher personnel expenses

NNBV¹ growth rate (retail business)

%, annualized



Net interest margin



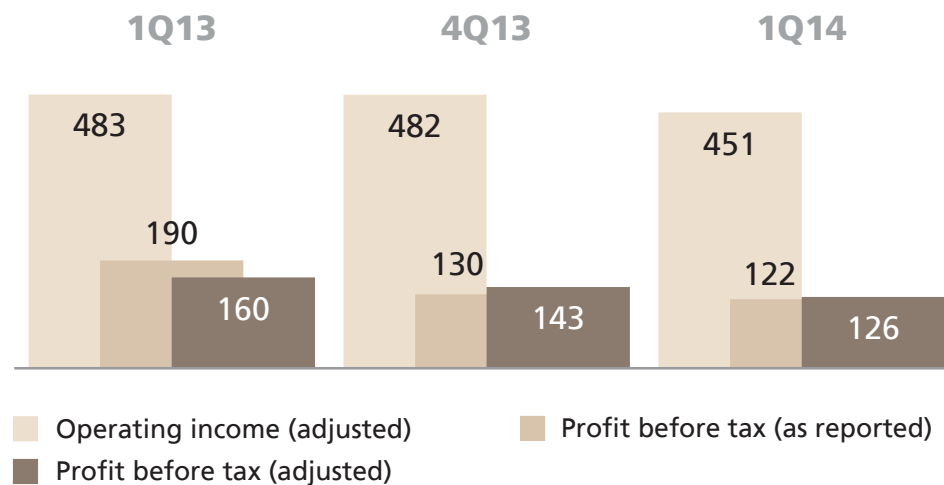
Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Net new business volume

Global Asset Management

CHF 13 billion net new money excluding money market funds

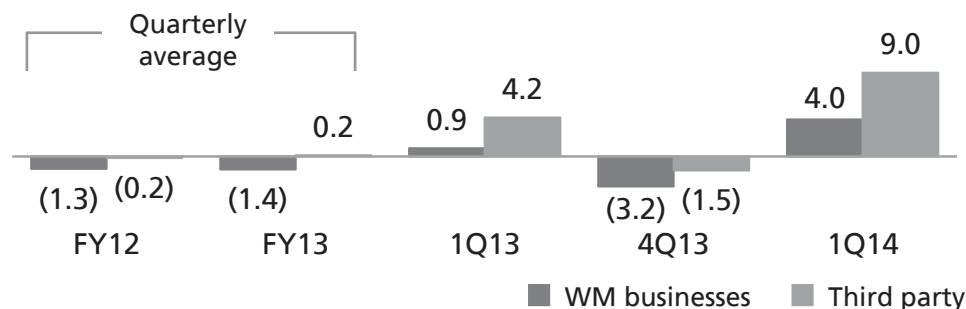
Adjusted operating income and profit before tax

CHF million



NNM by channel – excluding money markets

CHF billion



Operating income down 6%

- Performance fees down by CHF 25 million to CHF 47 million, mainly in A&Q and O'Connor
- Net management fees down by CHF 6 million mainly in traditional investments

Adjusted cost/income ratio 72%

- Adjusted operating expenses down by 4% on lower variable compensation and G&A expenses, partly offset by CHF 14 million provision for a fund liquidation

Gross margin 31 bps

- Down 2 bps on lower performance fees in A&Q and O'Connor

CHF 13 billion NNM excluding MM funds

- Net inflows from third party channels and wealth management businesses across a variety of capabilities

Solid investment performance

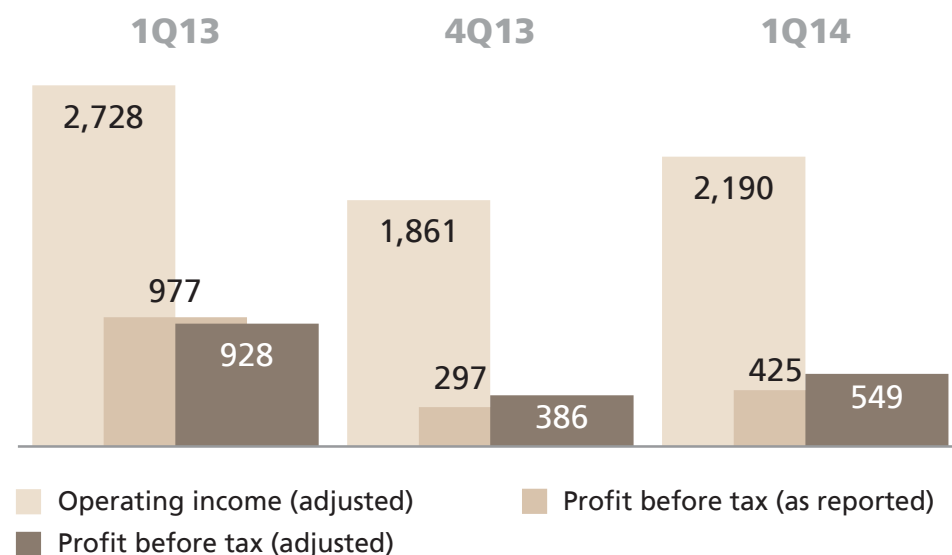
- Strong performance versus peers in multi-asset and alternatives

Investment Bank

Adjusted RoAE of 28% with improved performance across all regions

Adjusted operating income and profit before tax

CHF million



	1Q13	4Q13	1Q14
Adjusted cost/income ratio (%)	66	79	75
Adjusted, RoAE (%) ¹	47	20	28
Basel III RWA (CHF billion)	69	62	62
Basel III RWA excluding operational risk (CHF billion)	53	43	42
Adjusted RoRWA (% gross) ²	16	12	14
Funded assets (CHF billion) ³	186	162	176
Swiss SRB LRD ⁴ (CHF billion)	-	275	272
Front office staff (FTE)	5,751	5,165	5,254

Operating income up 18%

- CCS: strong performance with robust contribution from DCM in both the leveraged finance and investment grade businesses
- ICS: strong performance in Equities while FX, Rates and Credit were resilient in an unusually weak 1Q

Adjusted cost/income ratio 75%

- Adjusted operating expenses up 11% to CHF 1,641 million driven by higher variable compensation expenses, partly offset by decrease in G&A expenses

28% adjusted RoAE¹ in 1Q14

- Solid profits delivered with tight RWA and balance sheet management
- Stable RWA with slight increase in funded assets on higher trading assets in ICS



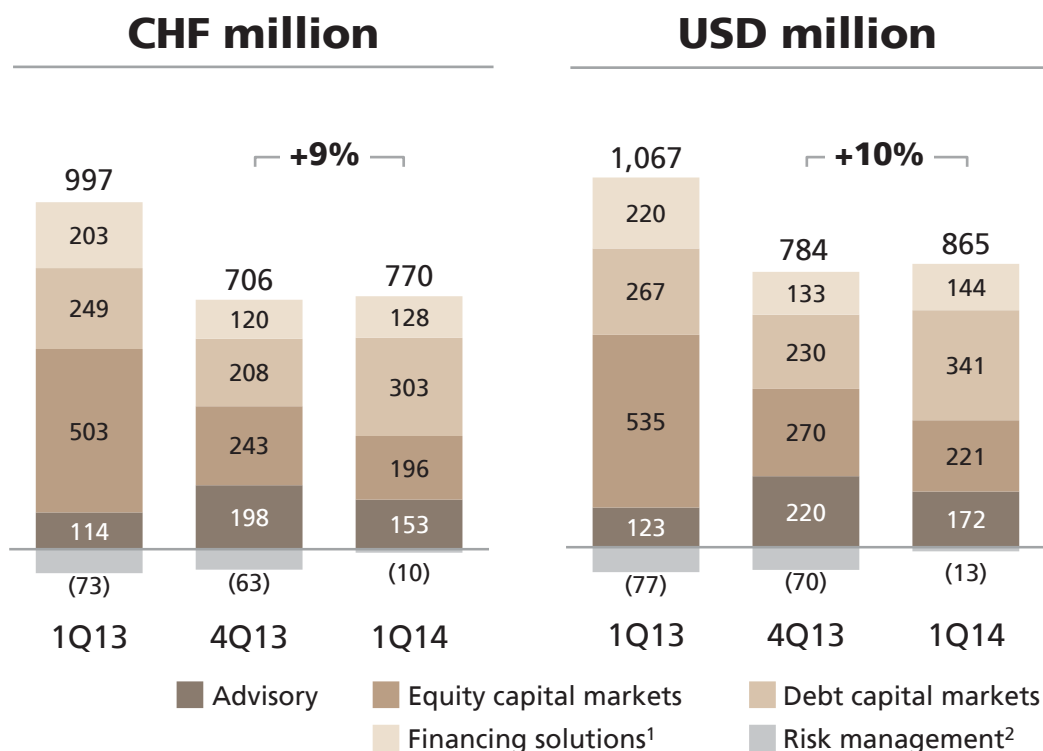
Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Return on attributed equity (RoAE); 2 Based on phase-in Basel III risk-weighted assets; 3 Funded assets defined as total IFRS balance sheet assets less positive replacement values (PRV) and collateral delivered against over-the-counter (OTC) derivatives; 4 Swiss SRB leverage ratio denominator

Corporate Client Solutions (CCS)

Solid performance with strong DCM results, 9% increase in revenues

Operating income



Comparison in USD terms (1Q14 vs. 4Q13)

Advisory (22%)

- Decrease from strong 4Q13 reflects lower revenues from private transactions
- Up 40% year-over-year

Equity capital markets (18%)

- Decrease in line with market fee pool, partly offset by strong contribution from increased block trading activity

Debt capital markets +48%

- Strong growth in both investment grade and leveraged finance

Financing solutions +8%

- Increased revenues from structured financing on a larger number of deals

Key transactions in 1Q14³

Advisory	Vodafone/Verizon Wireless; Co-Op restructuring; InterOil Corp.'s sale of Elk/Antelope to Total
ECM	Secondary sell-down in Lloyds Banking Group; Piraeus Bank capital increase
DCM	Financing for JLL/Pantheon, Accellent/KKR/Bain and CHS/HMA; Nationwide and Santander hybrid



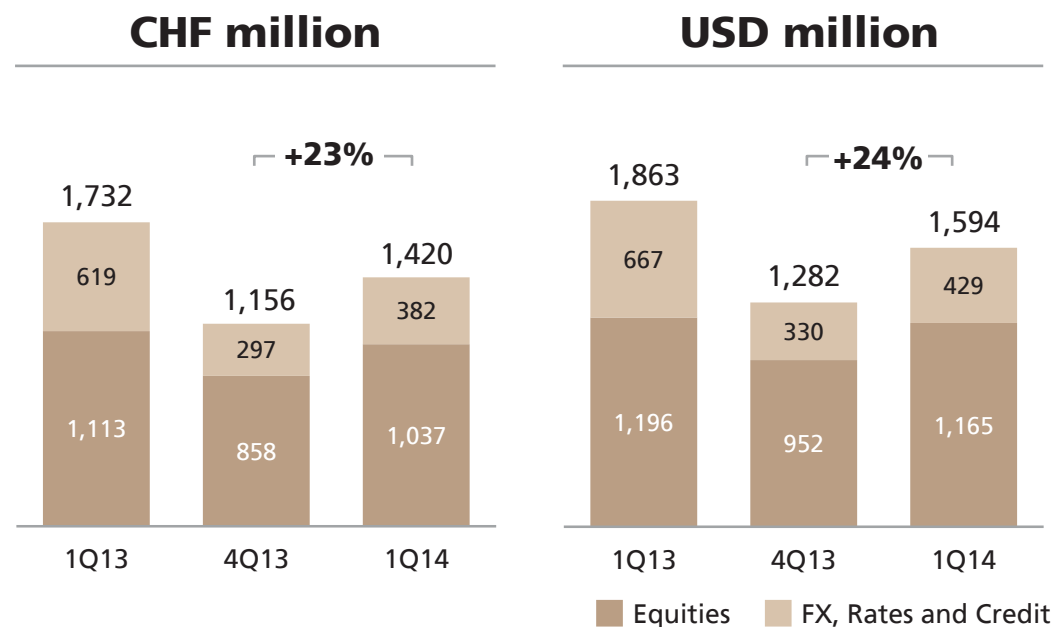
Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Financing solutions provides customized solutions across asset classes via a wide range of financing capabilities including structured financing, real estate finance and special situations group; 2 Risk management includes corporate lending and hedging activities; 3 Transactions closed

Investor Client Services (ICS)

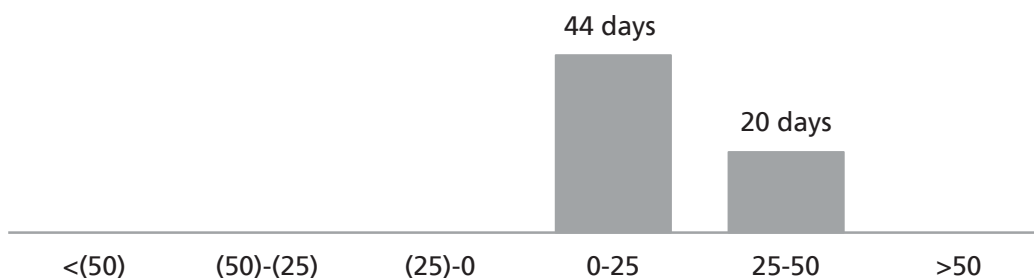
Strong performance from equities, no negative revenue trading days

Adjusted operating income



1Q14 daily revenue distribution²

CHF million



Comparison in USD terms (1Q14 vs. 4Q13)

Equities +22%

- Higher revenues in cash across all regions on seasonally higher client activity; #1 in cash equities globally¹
- Derivatives revenue increased on seasonally higher client activity and stronger trading revenues
- Increase in Financing Services on improved revenues across equity finance, prime brokerage and clearing and execution; best 1Q since 2010

FX, Rates and Credit +30%

- Foreign exchange: Increase in revenues, mainly in FX options and EM short-term interest rates, driven by higher client activity and improved market liquidity
- Rates and Credit: Increase in revenues on improved trading across Flow and Solutions businesses



Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
¹ Ranked #1 globally in a leading private survey (March 2014); ² Daily revenue distribution includes DVA

Corporate Center—Core Functions

Reported pre-tax loss of CHF 176 million

Operating income and profit before tax

CHF million

	1Q13	2Q13	3Q13	4Q13	1Q14
Treasury income	(217)	(124)	(219)	(343)	(46)
Own credit gain/(loss)	(181)	138	(147)	(94)	88
Other	(43)	(19)	169	72	9
Operating income (as reported)	(441)	(5)	(197)	(365)	51
Own credit gain/(loss)	(181)	138	(147)	(94)	88
Gains on sales of real estate	0	19	207	61	23
Early redemption/buyback of UBS debt	(119)	0	0	(75)	0
Sale of the Prediction business and FCT ¹	(24)	0	0	0	0
Adjusted operating income	(117)	(162)	(257)	(257)	(60)
Operating expenses (as reported)	239	126	282	200	227
Net restructuring charges	(3)	5	(1)	(7)	2
Adjusted operating expenses	242	121	283	207	225
Profit before tax (as reported)	(680)	(131)	(479)	(565)	(176)
Profit before tax (adjusted)	(359)	(283)	(540)	(464)	(285)
Personnel (after allocation)	1,092	1,006	1,139	1,055	951

Reported operating income CHF 51 million

- An own credit gain of CHF 88 million and CHF 23 million in gains on sales of real estate, partly offset by negative CHF 46 million of net treasury income

Reported operating expenses CHF 227 million

- Increase of CHF 27 million, mainly due to expenses from untaken vacation accruals

Retained Treasury income in Corporate Center – Core Functions

We continue to expect retained funding costs to decline in the mid-term

Treasury income retained in Corporate Center – Core Functions

CHF million

	FY13	4Q13	1Q14
Gross results (excluding accounting driven adjustments)	664	206	137
Allocations to business divisions	(921)	(296)	(206)
Net revenues (excluding accounting driven adjustments)	(257)	(90)	(69)
of which: retained funding costs	(510)	(149)	(165)
of which: profits retained in Treasury	253 ¹	59	96
Accounting asymmetry and other adjustments	(645)	(253)	23
Mark-to-market losses from cross currency swaps, macro cash flow hedge ineffectiveness, Group Treasury FX, debt buyback and other			
Net treasury income retained in CC-Core Functions	(902)	(343)	(46)

Costs of the Group's overall long term funding will be reduced as the long term debt portfolio rolls off and with declining volumes as we reduce our balance sheet

We will continue to maintain a diversified funding profile and comfortable LCR and NSFR ratios

- Retained funding costs expected to decrease slightly in FY14 from CHF 510 million in FY13, to approximately CHF 100 million in FY15 and to a negligible amount in FY16
- Increase in profits retained in treasury partially due to 37 million loss on sales of financial instruments held in the available-for-sale portfolio in 4Q13
- Lower negative revenue from accounting asymmetry and other adjustments largely due to CHF 104 million lower losses from cross-currency basis swaps, a CHF 49 million gain on macro cash flow hedges compared with a loss of 10 million in 4Q13, and no debt buyback costs in 1Q14

Corporate Center—Non-core and Legacy Portfolio

Operating income and profit before tax

CHF million

	1Q13	2Q13	3Q13	4Q13	1Q14
Non-core	231	(57)	(120)	(104)	17
of which: Debit valuation adjustments	37	(21)	(47)	(68)	(19)
Legacy Portfolio	274	135	21	(36)	13
of which: SNB StabFund option	245	122	74	(28)	(1)
Credit loss (expense)/recovery	(2)	(5)	(1)	11	0
Total operating income	504	73	(100)	(130)	29
Early redemption/buyback of UBS debt	27	0	0	0	0
Adjusted operating income	477	73	(100)	(130)	29
Operating expenses (as reported)	749	1,001	593	317	254
Net restructuring charges	188	18	5	24	9
Adjusted operating expenses	561	983	588	293	245
Profit before tax (as reported)	(245)	(927)	(693)	(446)	(225)
Profit before tax (adjusted)	(84)	(909)	(688)	(422)	(216)
Personnel (front office)	323	263	245	222	195

Adjusted operating income CHF 29 million

- **Non-core:** Income of CHF 17 million largely due to mark-to-market movements in Credit, partly offset by debit valuation adjustments of negative CHF 19 million
- **Legacy Portfolio:** Income of CHF 13 million as gains in RLN portfolio and real estate assets more than offset losses in muni portfolio

Adjusted operating expenses CHF 245 million

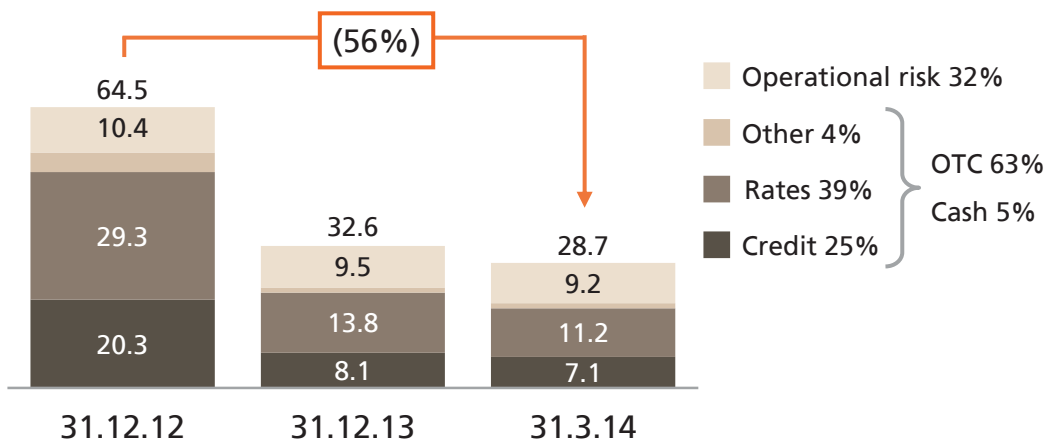
- Provisions for litigation, regulatory and similar matters of CHF 54 million
- 4Q13 included a CHF 68 million charge related to the annual UK bank levy

We continue to expect elevated charges for litigation, regulatory and similar matters through the year

Corporate Center—Non-core¹

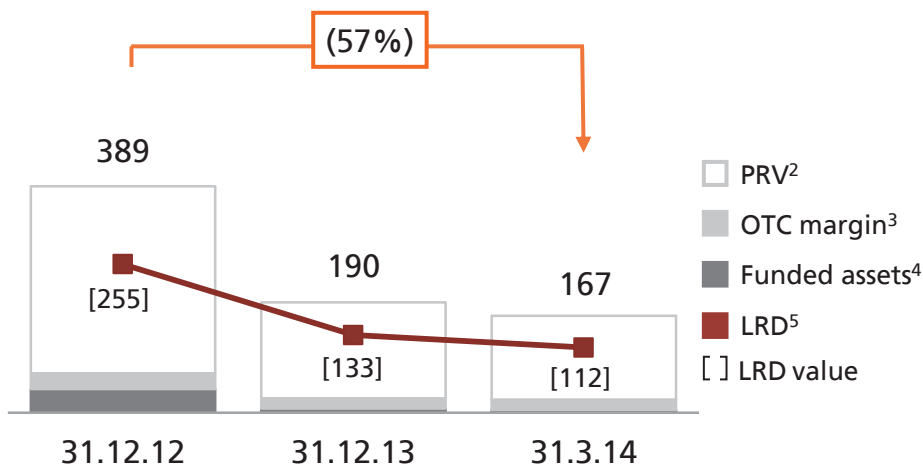
RWA

CHF billion



IFRS assets and Swiss SRB LRD

CHF billion



Exposure reduction

	QoQ	YoY
RWA	(12%)	(51%)
RWA excluding operational risk	(16%)	(62%)
Funded assets	(37%)	(83%)
Positive replacement values (PRV)	(12%)	(50%)
Swiss SRB LRD	(16%)	(51%)
# of line items	(24%)	(48%)



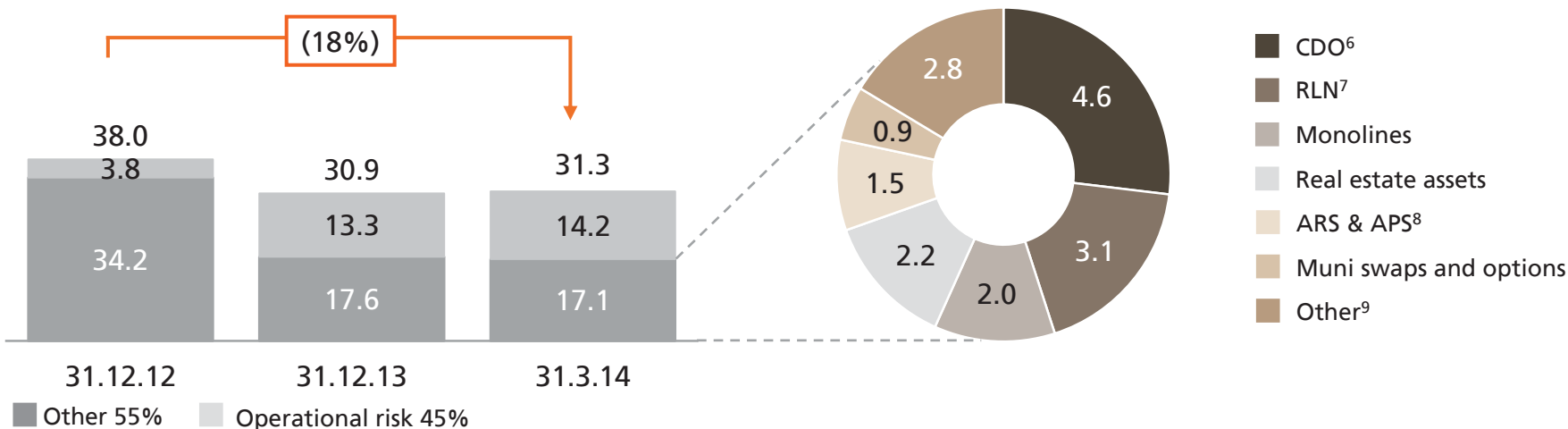
Refer to slide 26 for details about adjusted numbers, pro-forma Basel III estimates and FX rates in this presentation

1 Refer to page 66 of the 1Q14 financial report for more information about the composition of Non-core; 2 Positive replacement values (gross exposure excluding the impact of any counterparty netting); 3 OTC: over-the-counter; represents collateral delivered; 4 Funded assets defined as total IFRS balance sheet assets less positive replacement values (PRV) and collateral delivered against over-the-counter (OTC) derivatives; 5 Swiss SRB leverage ratio denominator, pro-forma estimate for 31.12.12 based on period ending balance

Corporate Center—Legacy Portfolio¹

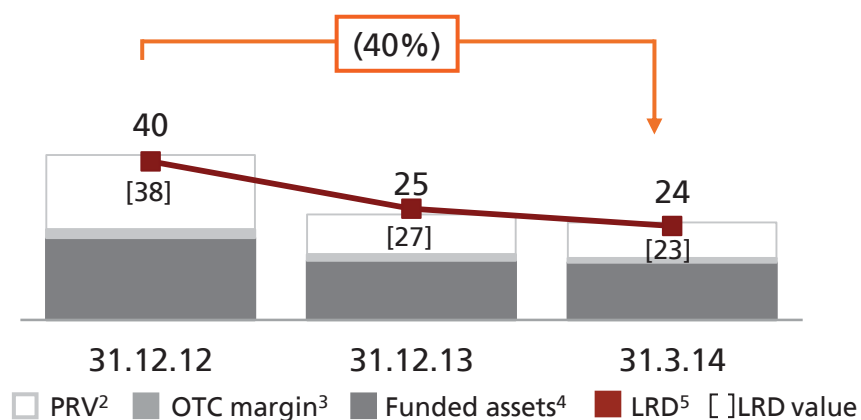
RWA

CHF billion



IFRS assets and Swiss SRB LRD

CHF billion



Exposure reduction

	QoQ	YoY
RWA	1%	(13%)
RWA excluding operational risk	(3%)	(46%)
Funded assets	(3%)	(30%)
Positive replacement values (PRV)	(9%)	(48%)
Swiss SRB LRD	(16%)	(39%)

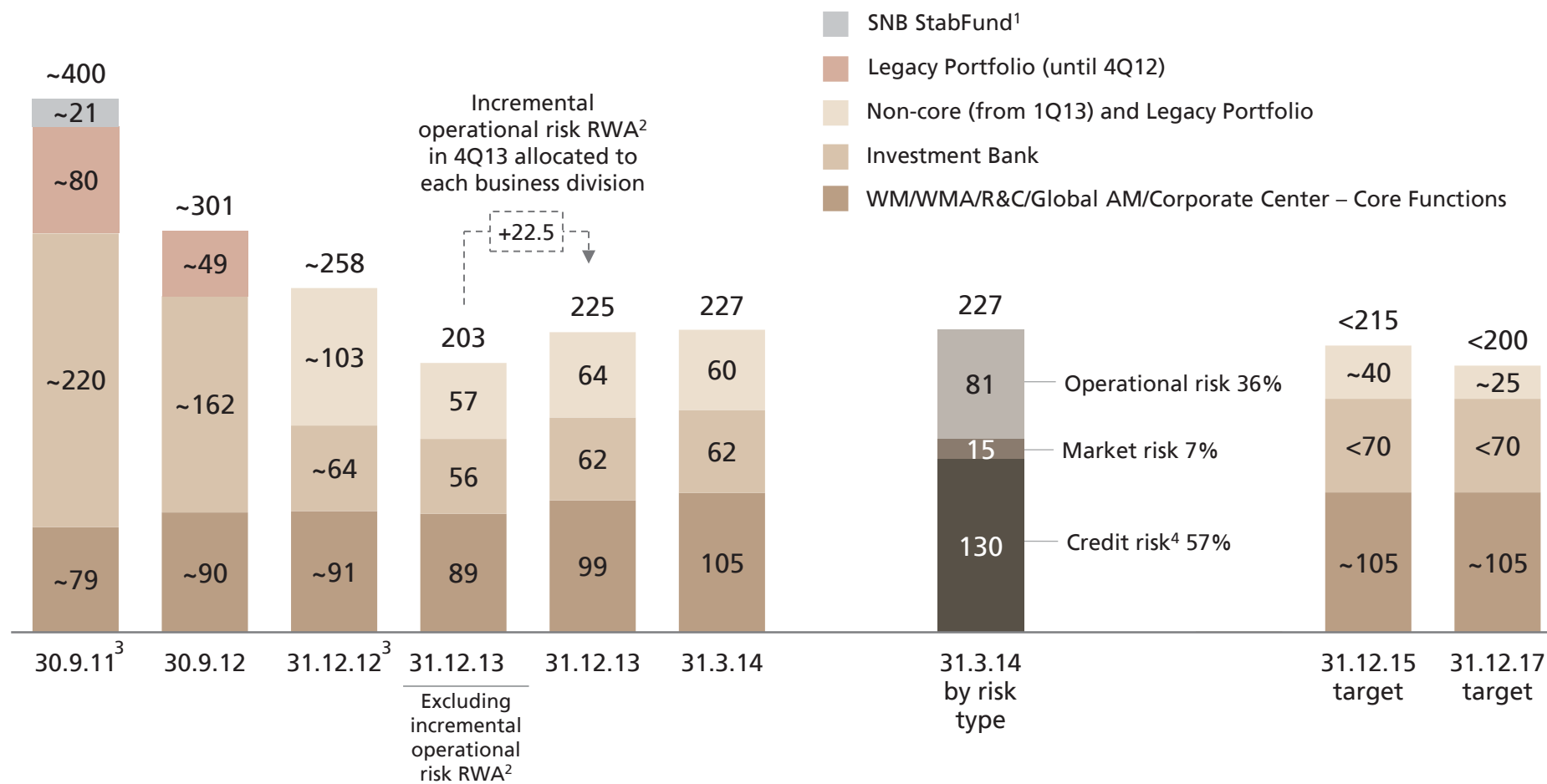
Refer to slide 26 for details about adjusted numbers, pro-forma Basel III estimates and FX rates in this presentation

1 Refer to page 67 of the 1Q14 financial report for more information about the composition of the Legacy Portfolio; 2 Positive replacement values (gross exposure excluding the impact of any counterparty netting); 3 OTC: over-the-counter; represents collateral delivered; 4 Funded assets defined as total IFRS balance sheet assets less positive replacement values (PRV) and collateral delivered against OTC derivatives; 5 Swiss SRB leverage ratio denominator; 6 CDO: collateralized debt obligation; 7 RLN: reference linked notes; 8 Auction rate securities and auction preferred stock; 9 Includes loan to BlackRock fund and a number of smaller positions

RWA (fully applied)

RWA

CHF billion



Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 RWA associated with UBS's option to purchase the SNB StabFund's equity (treated as a participation with full deduction from CET1 capital starting 2Q12);

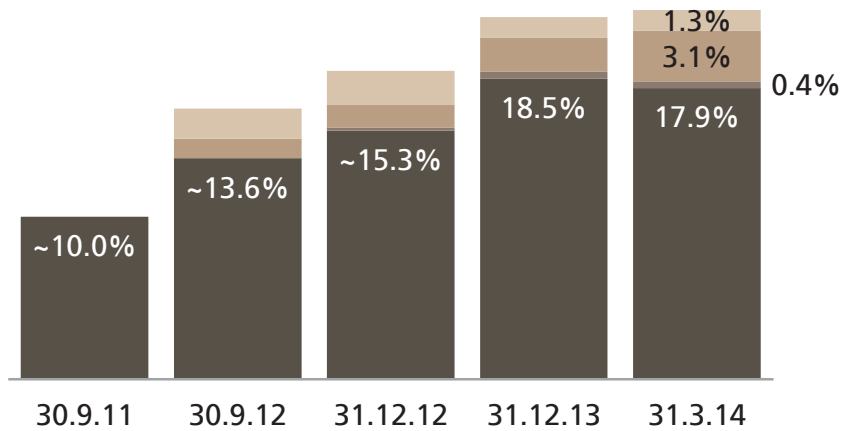
2 Incremental operational risk RWA calculated by FINMA based on the supplemental operational risk capital analysis mutually agreed to by UBS and FINMA;

3 Legacy Portfolio included on a pro-forma basis from 30.9.11; Non-core and Legacy Portfolio included on a pro-forma basis from 31.12.12; 4 Includes

CHF 13 billion for non-counterparty-related risk

Swiss SRB Basel III capital/ratios

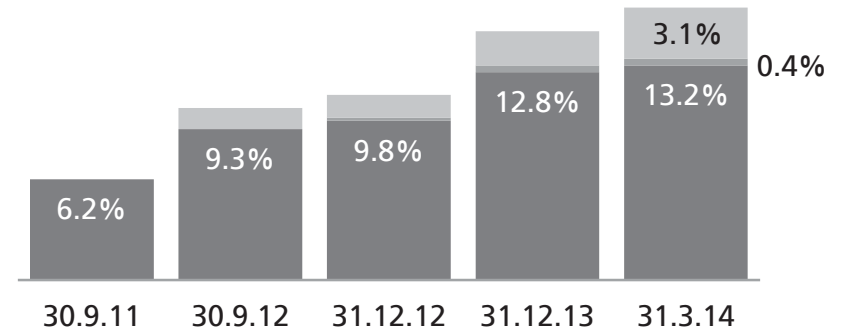
Swiss SRB Basel III (phase-in¹)



CHF billion

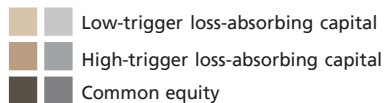
Non-Basel III compliant capital	3.0
Low-trigger loss-absorbing capital	7.1
High-trigger loss-absorbing capital	1.0
CET1 capital	41.2
RWA	230

Swiss SRB Basel III (fully applied¹)



CHF billion

Low-trigger loss-absorbing capital	7.1
High-trigger loss-absorbing capital	1.0
CET1 capital	29.9
RWA	227



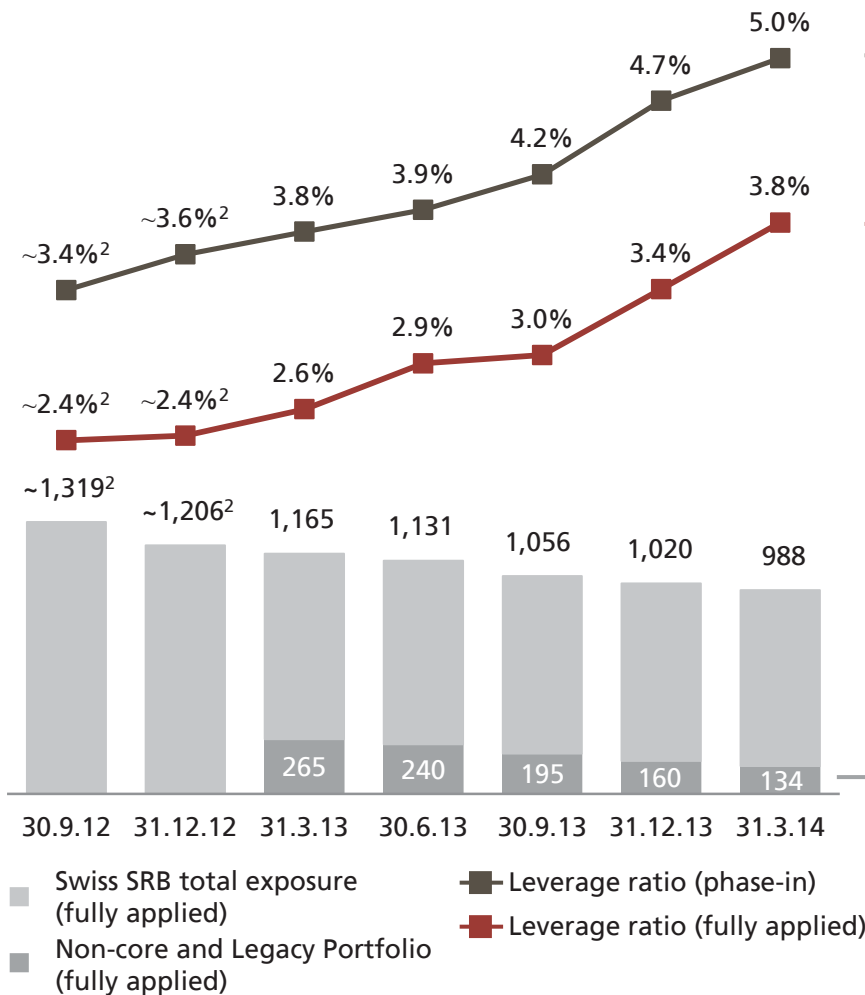
Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
 1 For additional information refer to the "Capital management" section of the 1Q14 financial report

Swiss SRB leverage ratio

Fully applied Swiss SRB Basel III leverage ratio 3.8%¹

Swiss SRB Basel III leverage ratio

Swiss SRB exposures in CHF billion



CHF billion, 31.3.14

$$\frac{\text{Phase-in CET1 + loss absorbing capital}}{\text{Total IFRS assets +/- adjustments}} = \frac{49.3}{994} = 5.0\%$$

$$\frac{\text{Fully applied CET1 + loss absorbing capital}}{\text{Total IFRS assets +/- adjustments}} = \frac{38.0}{988} = 3.8\%$$

Planned issuance of low-trigger loss-absorbing capital³: Issuance of remaining ~CHF 1.9 billion equivalent to ~15-20 bps⁴ increase in fully applied Swiss SRB leverage ratio

Planned increase in high-trigger loss-absorbing capital⁵: Further ~CHF 1.5 billion equivalent to ~15-20 bps⁴ increase in fully applied Swiss SRB leverage ratio

Run-down of Non-core and Legacy Portfolio: Full exit of Non-core and Legacy equivalent to ~60 bps⁴ increase in fully applied Swiss SRB Leverage ratio

Up to ~100 bps⁴ combined

Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 For additional information refer to pages 85-87 of the 1Q14 financial report; 2 Pro-forma number; 3 Total ~CHF 9 billion of low-trigger loss-absorbing capital based on 17.5% fully applied total capital requirement expectation; 4 Estimate based on current fully applied Swiss Leverage ratio numerator and denominator, total impact based on impact of individual scenarios and are based on 13.3.14 fully applied CET1 capital, RWA (fully applied) and Swiss SRB exposure (fully applied); 5 Based on guidance of total 125 bps of high-trigger loss-absorbing capital ratio from deferred compensation programs and our RWA target of <CHF 200 billion

1Q14 highlights

Group

Net profit attributable to UBS shareholders CHF 1,054 million, diluted EPS CHF 0.27, RoE 8.7%

Profit before tax (PBT) CHF 1,393 million, adjusted PBT CHF 1,486 million

Basel III fully applied CET1 ratio of 13.2%, achieving our 13% target for 2014

Business divisions¹

Wealth Management: PBT CHF 659 million, NNM CHF 10.9 billion, gross margin up 2 bps to 87 bps

– Increased profitability on improved client activity, strong net new money

Wealth Management Americas: Record PBT USD 284 million, NNM USD 2.1 billion

– Increased recurring fees on record managed account asset levels

Retail & Corporate: PBT CHF 401 million, up 17% QoQ

– Strong performance, best first quarter adjusted pre-tax profit since 2010

Global Asset Management: PBT CHF 126 million, CHF 13.0 billion of NNM excluding money market flows

– Annualized NNM growth rate of 6.6%, above target range with inflows from WM and third-party channels

Investment Bank: PBT CHF 549 million, continued efficient resource utilization

– Adjusted RoAE of 28% with improved performance across all regions

Corporate Center: Pre-tax loss CHF 501 million

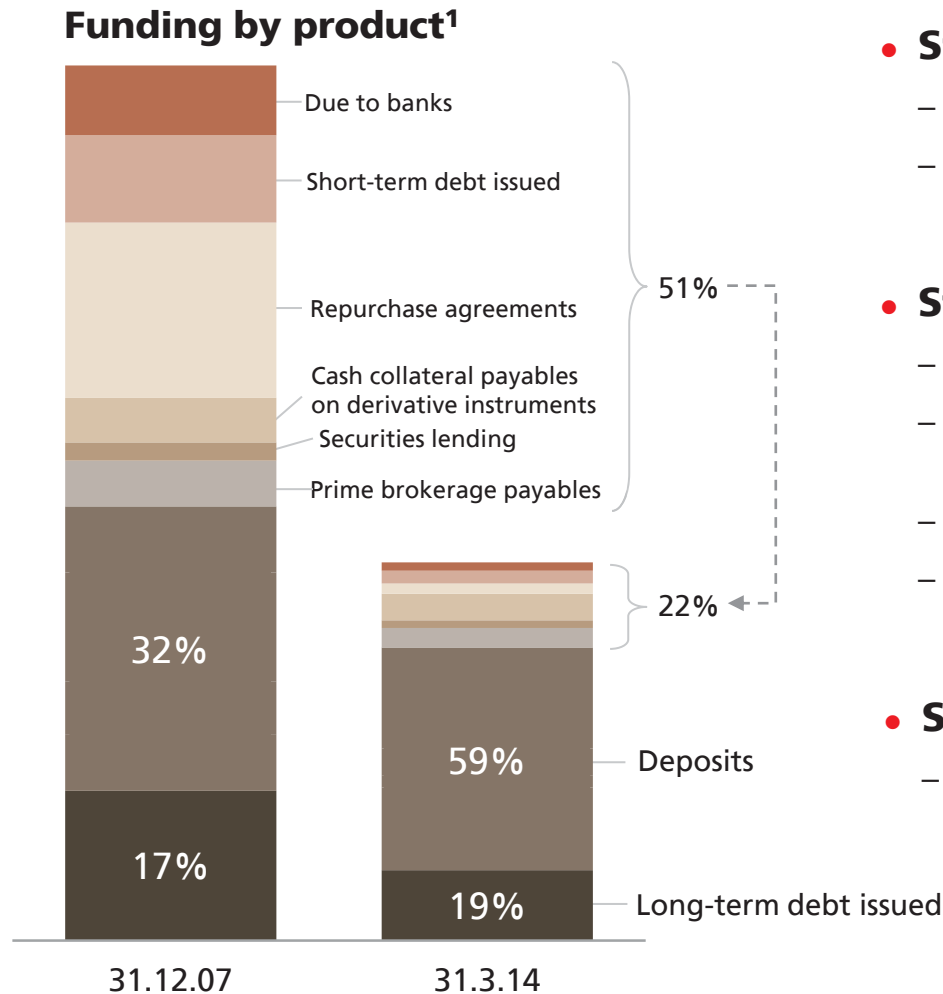
– Continued progress in reduction of Non-core and Legacy Portfolio assets



Appendix

Our balance sheet, funding and liquidity positions are strong

Our balance sheet structure has many characteristics of a AA-rated bank



- **Strong and significantly reduced balance sheet**

- Funded assets² down >60% from peak in 2007
- Fully applied Swiss SRB leverage ratio of 3.8%

- **Strong funding profile**

- Well diversified by market, tenor and currency
- High proportion of stable funding sources with deposits 59% and long-term debt 19%
- Limited use of short-term wholesale funding
- 107% Basel III NSFR³

- **Strong liquidity position**

- 110% Basel III LCR³

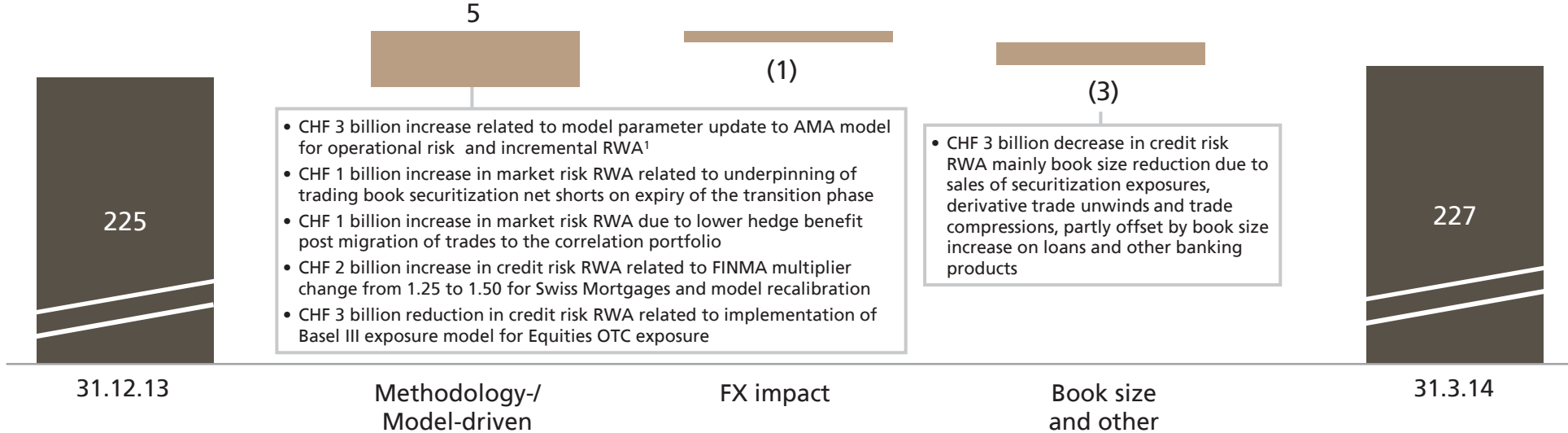
Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 As a percentage of total funding sources defined as: repurchase agreements, cash collateral on securities lent, due to banks, short-term debt issued, due to customers, long-term debt (including financial liabilities at fair value), cash collateral payables on derivative transactions and prime brokerage payables.

CHF 1,527 billion on 31.12.07 and CHF 660 billion on 31.3.14; 2 Funded assets defined as total IFRS balance sheet assets less positive replacement values (PRV) and collateral delivered against over-the-counter (OTC) derivatives; figures prior to 4Q10 include collateral for OTC derivatives; 3 As of 31.3.14. Estimated pro-forma ratios as Basel III liquidity rules and the FINMA framework are not yet finalized. Refer to page 72 of the 1Q14 financial report for details about the calculation of UBS's Basel III LCR and NSFR

Breakdown of changes in Group RWA (fully applied)

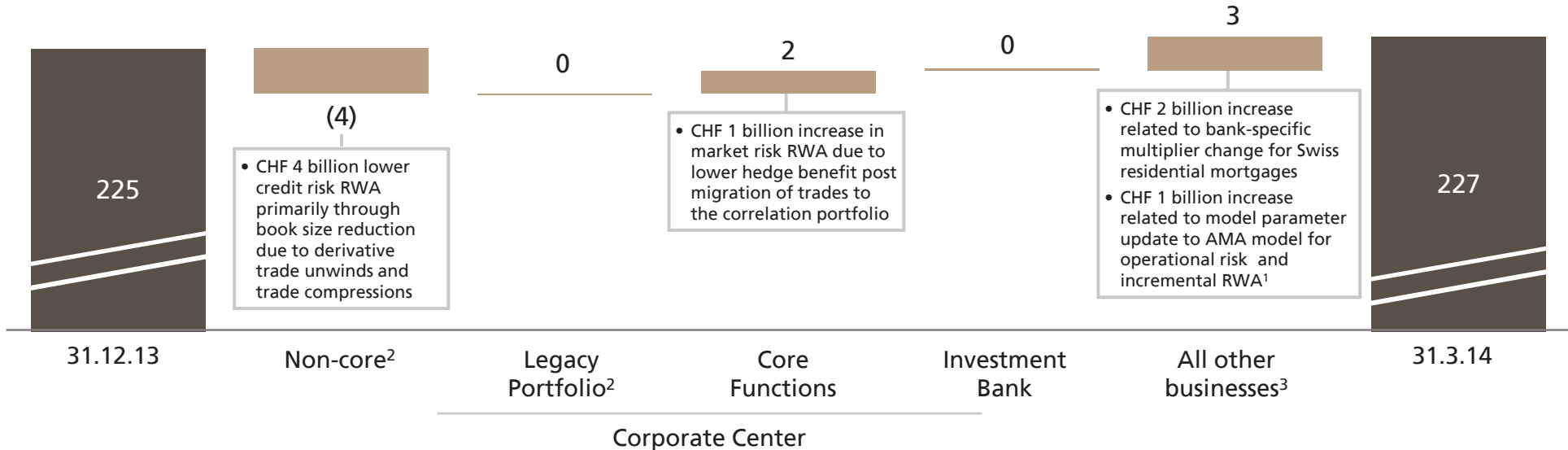
CHF billion



- CHF 3 billion increase related to model parameter update to AMA model for operational risk and incremental RWA¹
- CHF 1 billion increase in market risk RWA related to underpinning of trading book securitization net shorts on expiry of the transition phase
- CHF 1 billion increase in market risk RWA due to lower hedge benefit post migration of trades to the correlation portfolio
- CHF 2 billion increase in credit risk RWA related to FINMA multiplier change from 1.25 to 1.50 for Swiss Mortgages and model recalibration
- CHF 3 billion reduction in credit risk RWA related to implementation of Basel III exposure model for Equities OTC exposure

- CHF 3 billion decrease in credit risk RWA mainly book size reduction due to sales of securitization exposures, derivative trade unwinds and trade compressions, partly offset by book size increase on loans and other banking products

CHF billion



- CHF 4 billion lower credit risk RWA primarily through book size reduction due to derivative trade unwinds and trade compressions

- CHF 1 billion increase in market risk RWA due to lower hedge benefit post migration of trades to the correlation portfolio

- CHF 2 billion increase related to bank-specific multiplier change for Swiss residential mortgages
- CHF 1 billion increase related to model parameter update to AMA model for operational risk and incremental RWA¹



Refer to slide 26 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
 1 Incremental operational risk RWA calculated by FINMA based on the supplemental operational risk capital analysis mutually agreed to by UBS and FINMA; 2 Refer to pages 65-67 of the 1Q14 financial report for more information on Non-core and Legacy Portfolio; 3 Wealth Management, Wealth Management Americas, Retail & Corporate and Global Asset Management

Adjusted results

Adjusting items	Business division / Corporate Center	1Q13	4Q13	1Q14	FY13
CHF million					
Operating income as reported (Group)		7,775	6,307	7,258	27,732
<i>Of which:</i>					
Own credit on financial liabilities designated at FV	Corporate Center - Core Functions	(181)	(94)	88	(283)
Gains on sales of real estate	Corporate Center - Core Functions	0	61	23	288
Net loss related to the buyback of debt in public tender offer	Corporate Center - Core Functions	(119)	(75)	0	(194)
	Corporate Center - Non-core and Legacy Portfolio	27	0	0	27
Gain on disposal of Global AM's Canadian domestic business	Global Asset Management	34	0	0	34
Net gain on sale of remaining proprietary trading business	Investment Bank	55	0	0	55
	Corporate Center - Core Functions	(24)	0	0	(24)
Operating income adjusted (Group)		7,983	6,415	7,147	27,829
Operating expenses as reported (Group)		6,327	5,858	5,865	24,461
<i>Of which:</i>					
Net restructuring charges	Wealth Management	26	41	40	178
	Wealth Management Americas	10	26	10	59
	Retail & Corporate	15	12	15	54
	Global Asset Management	4	13	4	43
	Investment Bank	6	89	124	210
	Corporate Center - Core Functions	(3)	(7)	2	(6)
	Corporate Center - Non-core and Legacy Portfolio	188	24	9	235
Operating expenses adjusted (Group)		6,081	5,660	5,661	23,689
Operating profit/(loss) before tax as reported		1,447	449	1,393	3,272
Operating profit/(loss) before tax adjusted		1,901	755	1,486	4,141

Important information related to numbers shown in this presentation

Use of adjusted numbers

Unless otherwise indicated, “adjusted” figures exclude the adjustment items listed on the previous slide, to the extent applicable, on a Group and business division level. Refer to pages 12 of the 1Q14 financial report for an overview of adjusted numbers.

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

Basel III numbers are based on the BIS Basel III framework, as applicable for Swiss Systemically relevant banks (SRB). In the presentation are SRB Basel III numbers unless otherwise stated. Our fully applied and phase-in Swiss SRB Basel III and BIS Basel III capital components have the same basis of calculation, except for differences disclosed on page 80 of the 1Q14 financial report.

Basel III risk-weighted assets in the presentation are calculated on the basis of Basel III fully applied unless otherwise stated. Our RWA under BIS Basel III are the same as under Swiss SRB Basel III.

Leverage ratio and leverage ratio denominator in this presentation are calculated on the basis of fully applied Swiss SRB Basel III, 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.

Refer to the “Capital Management” section in the 1Q14 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 36 Currency translation rates” in the 2013 Annual Report for more information.

Rounding

Numbers presented throughout this presentation may not add up precisely to the totals provided in the tables and text. Percentages, percent changes and absolute variances are calculated based on rounded figures displayed in the tables and text and may not precisely reflect the percentages, percent changes and absolute variances that would be derived based on figures that are not rounded.