UBS

Third quarter 2013 results

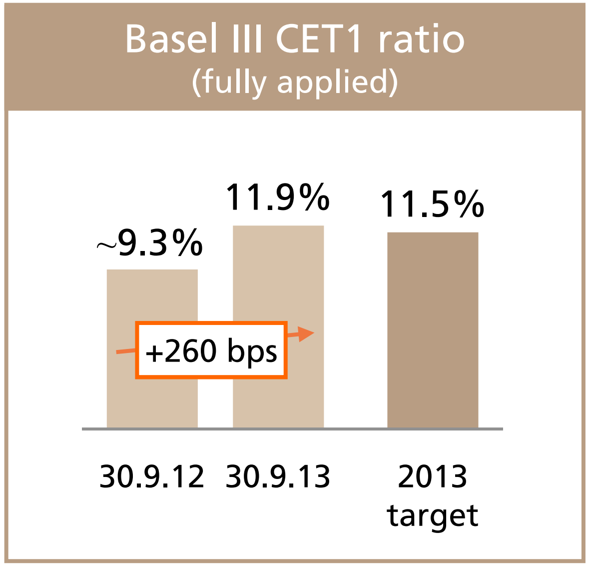
October 29, 2013

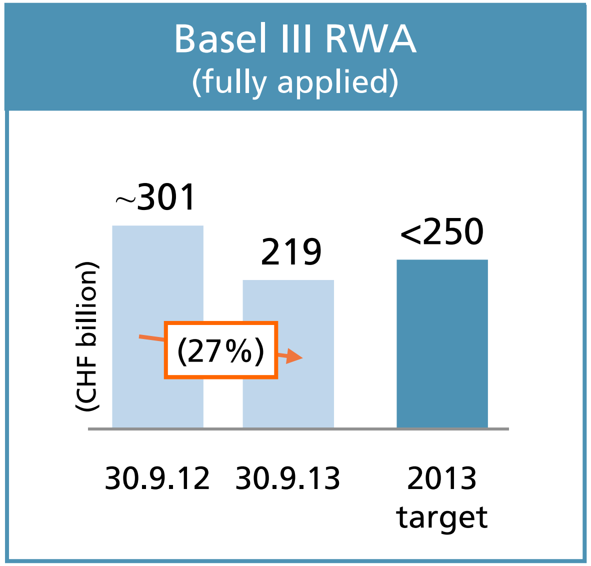
Cautionary statement regarding forward-looking statements

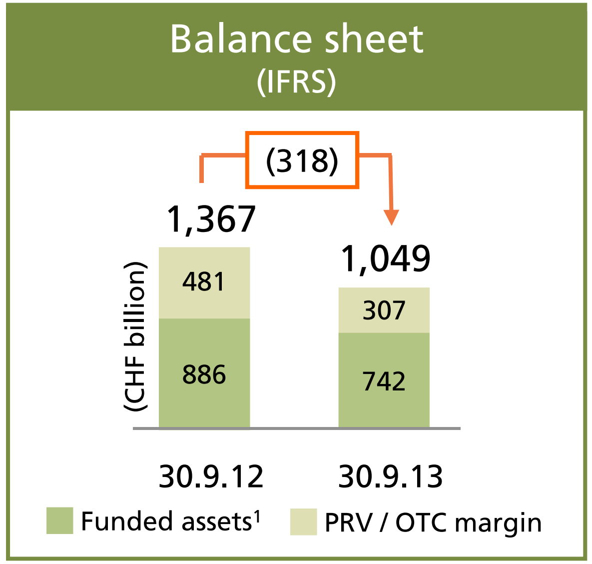
This presentation contains statements that constitute "forward-looking statements," including but not limited to management's outlook for UBS's financial performance and statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development. While 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 2013 and 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.

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 to be exercised in 4Q13 adding CHF 2.5 billion to our Basel III CET1 capital equivalent to an additional ~100 bps to our CET1 ratio[2]

Attractive payout ratio of >50% once fully applied 13% CET1 target is achieved

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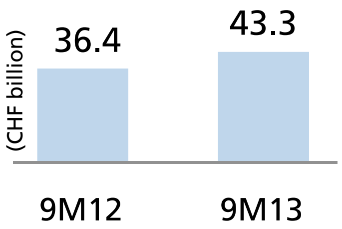
Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Funded assets defined as total IFRS balance sheet assets less positive replacement values (PRV) and collateral delivered against over-the-counter (OTC) derivatives
2 Net negative 30 bps effect on fully applied Basel III CET1 ratio when including the operational risk RWA add-on effective 1 October 2013

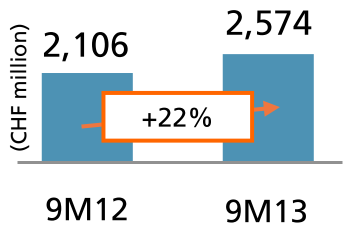
Increased profits and well diversified business mix

WM / WMA combined

NNM



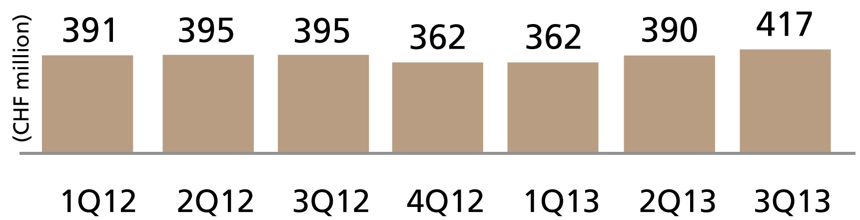
Pre-tax profit
(adjusted)



Largest and fastest growing large-scale wealth manager in the world[1]

Retail & Corporate

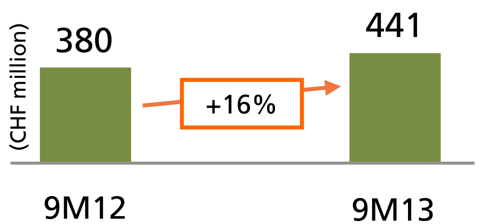
Pre-tax profit
(adjusted)



Leading universal bank in Switzerland with stable pre-tax profit contribution

Global Asset Management

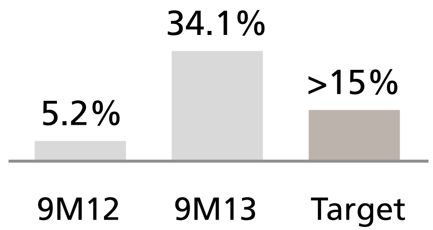
Pre-tax profit
(adjusted)



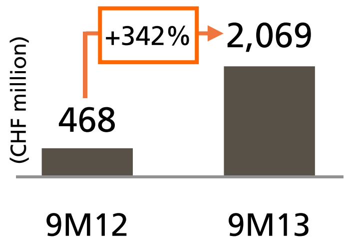
Well-diversified across investment capabilities, regions and distribution channels

Investment Bank

RoaE[2]
(adjusted)



Pre-tax profit
(adjusted)



Leading global IB focused on clients and excelling in targeted high value added / high entry barrier segments

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Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Scorpio Partnership Private Banking Benchmark 2013 - banks with assets under management of >USD 1 trillion; 2 Annualized, reported RoaE 33.0% for 9M13 and 5.7% for 9M12

3Q13 results

Group

- **Profit before tax (PBT) CHF 356 million**, adjusted PBT CHF 484 million
  - Including provisions for litigation, regulatory and similar matters of CHF 586 million
- **Net profit attributable to UBS shareholders CHF 577 million**, diluted EPS CHF 0.15, RoE 4.9%[1]
  - Tax benefit of CHF 222 million including a DTA write-up of CHF 384 million
- **Basel III CET1 ratio (fully applied) improved to 11.9%, RWA at CHF 219 billion**
  - CHF 20 billion RWA reduction mainly in Corporate Center Non-core and the Investment Bank

Business divisions[2]

- **Wealth Management:** PBT CHF 617 million, NNM CHF 5.0 billion
  - Resilient recurring income and positive NNM in all regions
- **Wealth Management Americas:** PBT USD 232 million, NNM USD 2.1 billion
  - Strong underlying performance with continued progress in our banking initiatives
- **Investment Bank:** PBT CHF 335 million, 17% adjusted RoaE[1]
  - New business model works, best third quarter for Equities since 2010
- **Global Asset Management:** PBT CHF 130 million, 9M13 PBT up 16% YoY
- **Retail & Corporate:** PBT CHF 417 million, highest adjusted PBT since 3Q10
- **Corporate Center:** Pre-tax loss CHF 1,229 million including CHF 511 million of litigation charges

Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 3Q13 annualized; 2 Business division and Corporate Center figures on an adjusted basis

Group results[1]

(CHF million, except where indicated)	3Q12	2Q13	3Q13
Total operating income	6,290	7,389	6,261
Total operating expenses[2]	8,816	6,369	5,906
Profit before tax as reported	**(2,526)**	**1,020**	**356**
Own credit gain / (loss)	(863)	138	(147)
Gains on sales of real estate	1	19	207
Net restructuring charges[3]	22	(140)	(188)
Impairment of goodwill and other non-financial assets	(3,064)	-	-
Adjusted profit before tax	**1,378**	**1,003**	**484**
of which provisions for litigation, regulatory and similar matters	*(239)*	*(658)*	*(586)*
of which guarantee payments in relation to the Swiss-UK tax agreement, an impairment of certain disputed receivables, and others	-	*(207)*	-
Tax (expense) / benefit[4]	394	(125)	222
Net profit attributable to preferred noteholders / non-controlling interests[5]	1	205	1
Net profit attributable to UBS shareholders	**(2,134)**	**690**	**577**
Diluted EPS (CHF)	(0.57)	0.18	0.15
Total book value per share (CHF)	12.85	12.49	12.58
Tangible book value per share (CHF)	11.08	10.73	10.89

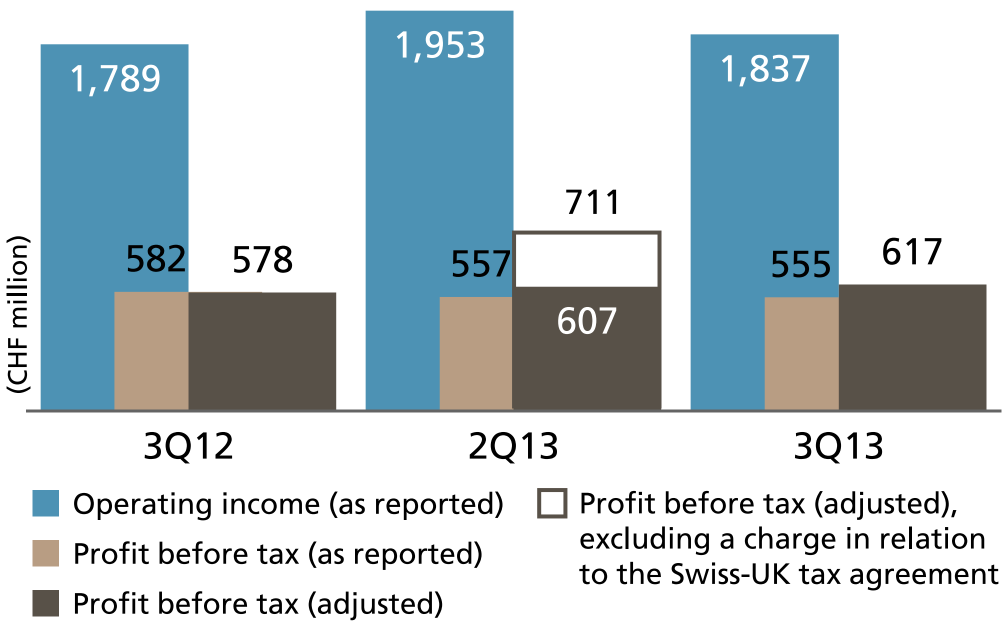
Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Refer to page 13 of the 3Q13 financial report for detailed adjusted results by business division and Corporate Center; 2 We expect a UK bank levy cost in 4Q13 in the region of CHF 150 million; 3 Expected restructuring charges of ~CHF 0.8 billion for FY13; 4 Tax benefit of CHF 222 million including a deferred tax asset write-up of CHF 384 million; we expect to complete this year's DTA remeasurement process in 4Q13; 5 We expect net profit attributable to preferred noteholders / non-controlling interests ~CHF 210 million for FY13 and ~CHF 115 million for FY14 and for FY15

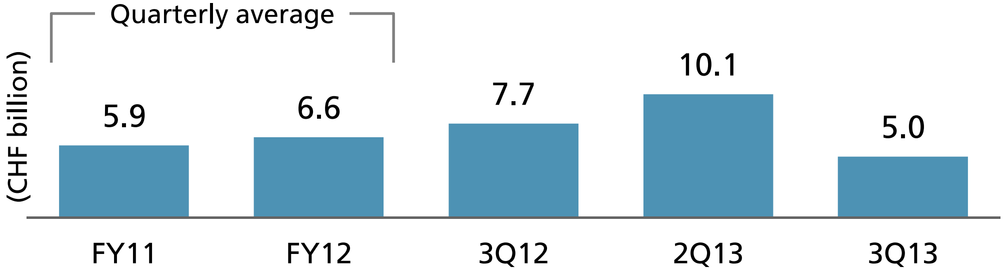
Wealth Management

Resilient recurring income in a seasonally slow quarter

Operating income and profit before tax



Net new money



Operating income (6%)

- Transaction-related income decreased 18% to CHF 423 million on lower client activity across all regions, particularly in Asia Pacific
- Resilient recurring income[1] at CHF 1,414 million despite negative effect from cross-border outflows and related changes in business mix in Europe

Adjusted cost / income ratio 66%

- Adjusted costs decreased CHF 126 million due to lower personnel expenses, partly offset by CHF 48 million higher charges for provisions for litigation, regulatory and similar matters
- 2Q13 included a charge of CHF 104 million in relation to the Swiss-UK tax agreement
- Within 60-70% target range

CHF 5 billion net new money

- Positive NNM in all regions; Europe was positive despite ongoing cross-border outflows
- Continued growth in ultra high net worth

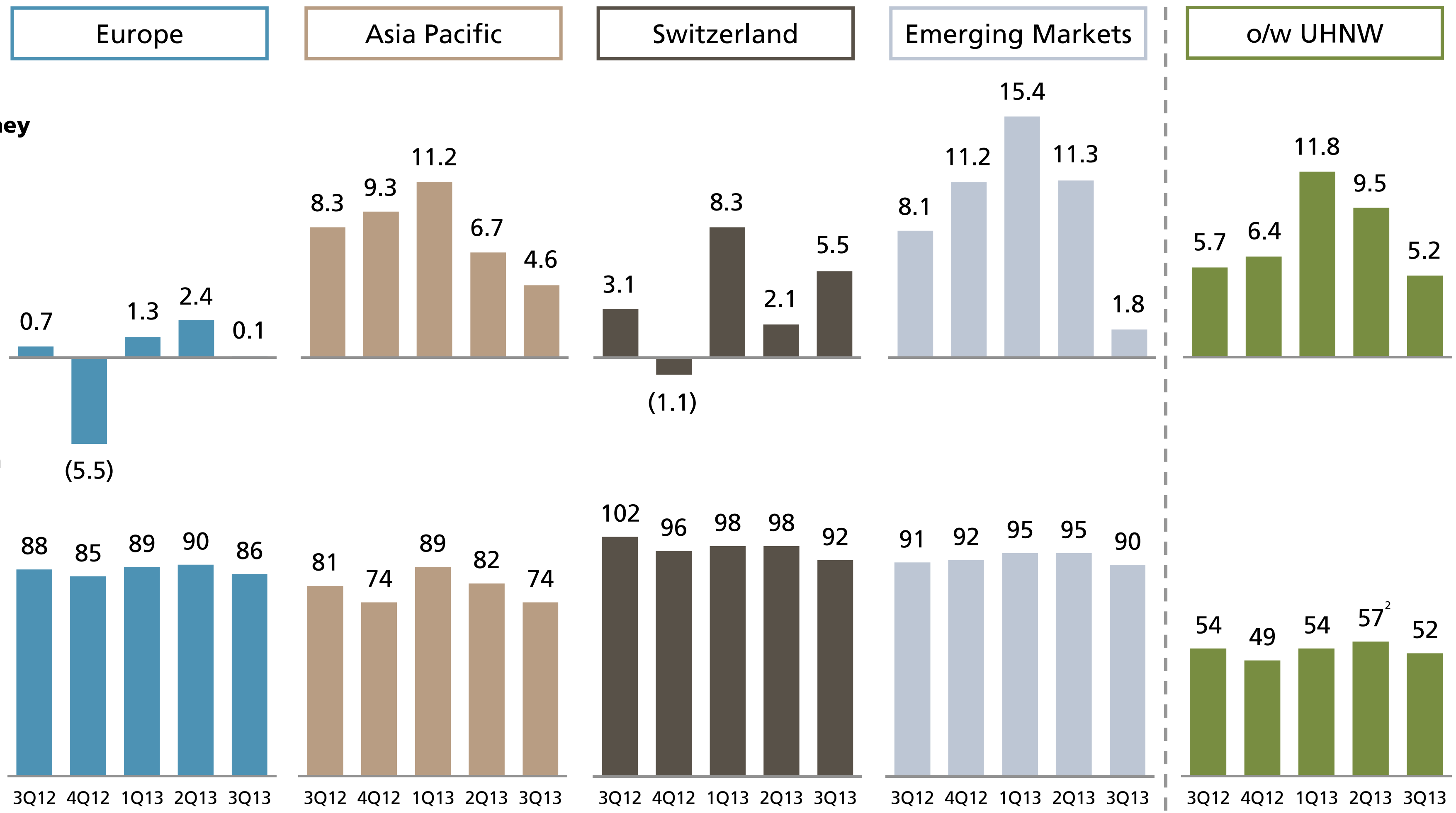
Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Net interest income + recurring fee and commission income

Wealth Management—by business area[1]

Net new money growth rate (%)

Gross margin (bps)



30.9.13

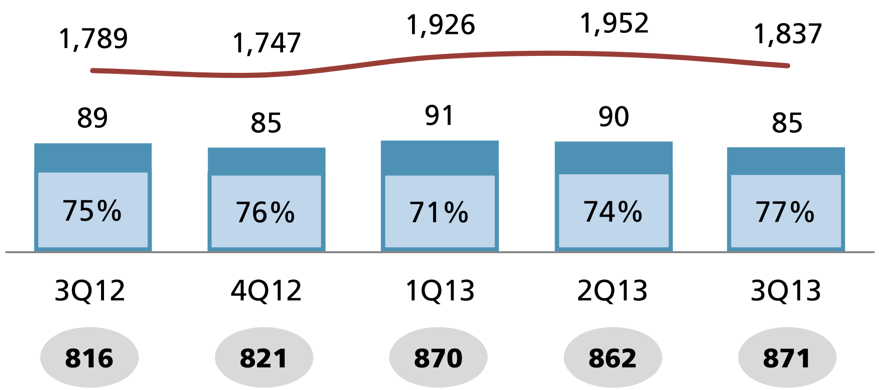
	Europe	Asia Pacific	Switzerland	Emerging Markets	o/w UHNW
Invested assets (CHF billion)	358	211	159	134	403
Client advisors (FTE's)	1,626	1,021	772	691	831

1 Based on the Wealth Management business area structure, and excluding minor functions with 62 client advisors, CHF 9 billion of invested assets and CHF 0.2 billion of NNM outflows in 3Q13, which are mainly attributable to Wealth Management's employee share and option services provided to corporate clients and their employees; 2 Gross margin in UHNW includes a change in the Wealth Management internal revenue allocation model for treasury-related revenues in 2Q13 (year-to-date catch-up), gross margin from 2Q13 forward is based on the new model.

Wealth Management—Gross margin trends

Gross margin at 85 bps on lower transaction-related income

Wealth Management



Income (CHF million)
Gross margin (bps)
Recurring income share[1]

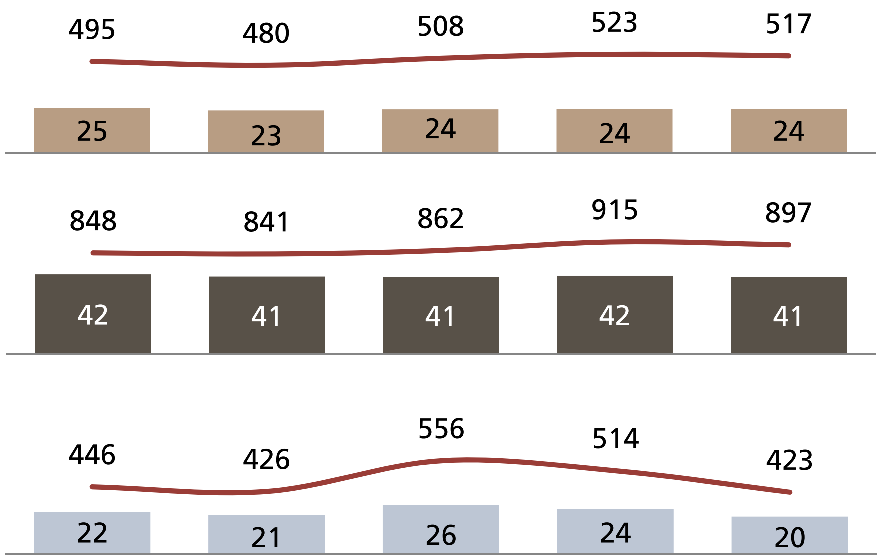
Invested assets
(CHF billion)

Components

Net interest income

Recurring fee & commission income

Transaction-related income



Lower treasury-related income and ongoing deposit margin pressure

Decline due to cross-border outflows, changes in business mix and migration to retrocession-free products, partly offset by pricing adjustments

Lower client activity, particularly in Asia Pacific

Income (CHF million) Gross margin (bps)

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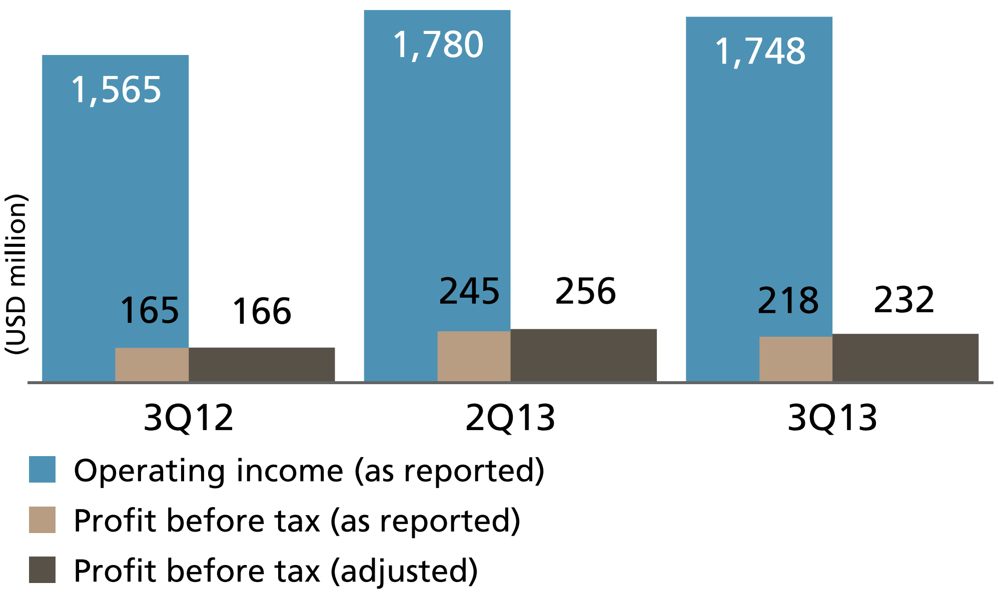
1 (Net interest income + recurring fee and commission income) / income

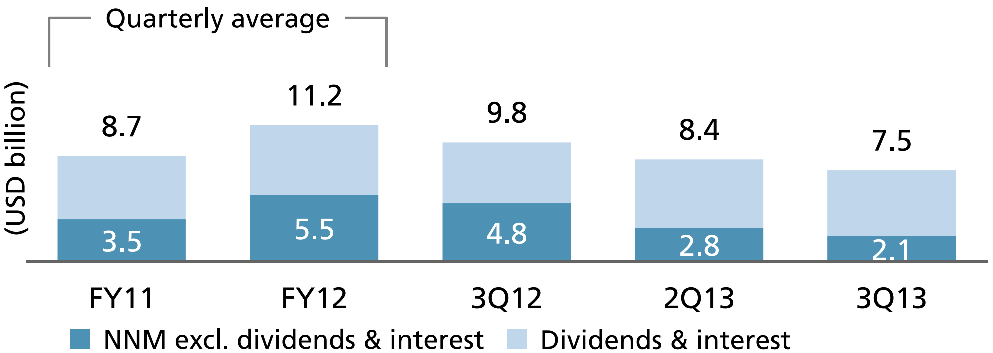
Wealth Management Americas (USD)

Strong underlying performance, record recurring income

Operating income and profit before tax[1]



Net new money



Operating income (2%)

- Recurring income increased 5%, offset by lower transaction-based fees on lower client activity
- USD 20 million trading loss and a USD 21 million credit loss expense mostly due to market pressure on Puerto Rico municipal securities and related funds

Adjusted cost / income ratio 86%

- Adjusted expense broadly flat despite USD 20 million charges related to the partial settlement of a previously discontinued US defined benefit pension plan
- Within 80-90% target range

USD 2.1 billion net new money

- Positive NNM for the 13th consecutive quarter
- Record invested assets of USD 919 billion and record invested assets per FA of USD 129 million

Maintained strong FA productivity

- Nearly USD 1 million revenue per FA[2]
- FA attrition remained at historical lows

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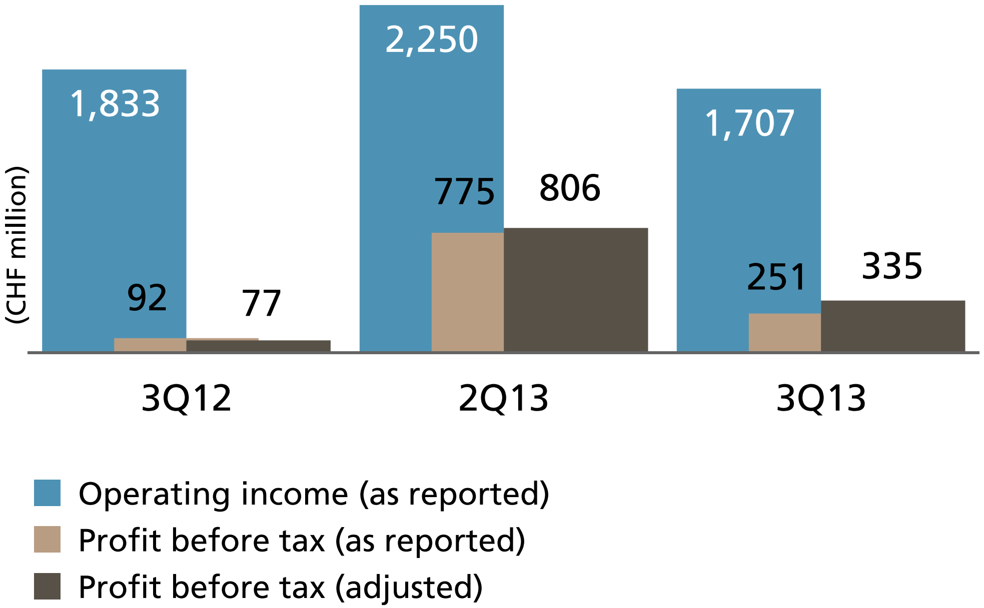
Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Historical timeseries were restated reflecting the transfer in 3Q13 to Corporate Center – Core Functions of risk management responsibility for a portfolio of financial investments available-for-sale and associated cash and balances with central banks; 2 Annualized

Investment Bank

17% adjusted RoaE[1], adjusted pre-tax profit of CHF 335 million

Operating income and profit before tax



	3Q12	2Q13	3Q13
Adjusted cost / income ratio (%)	96	64	80
Adjusted, annualized RoaE (%)[1]	3	38	17
Basel III RWA (CHF billion, fully applied)	n/a	67	59
Adjusted, annualized RoRWA (%, gross)[1]	n/a	13	11
Funded assets (CHF billion)[3]	200	179	172
Front office staff (FTE)	6,630	5,445	5,318

Operating income down 24%

- Lower revenues in a seasonally slow quarter, both market fee pool and client activity declined
- 16% increase YoY in front office productivity[2]

Adjusted cost / income ratio 80%

- Adjusted operating expenses down 5% on lower performance-related variable compensation
- Within our target range of 65–85%
- Headcount decreased by 261 FTEs to 11,877

17% adjusted RoaE[1] in 3Q13

- Adjusted, annualized 9M13 RoaE 34%, above target of >15%
- Basel III RWA decreased to CHF 59 billion, funded assets reduced to CHF 172 billion, well below targets
- Average IB VaR decreased to CHF 10 million, revenues per unit of VaR increased 6% QoQ

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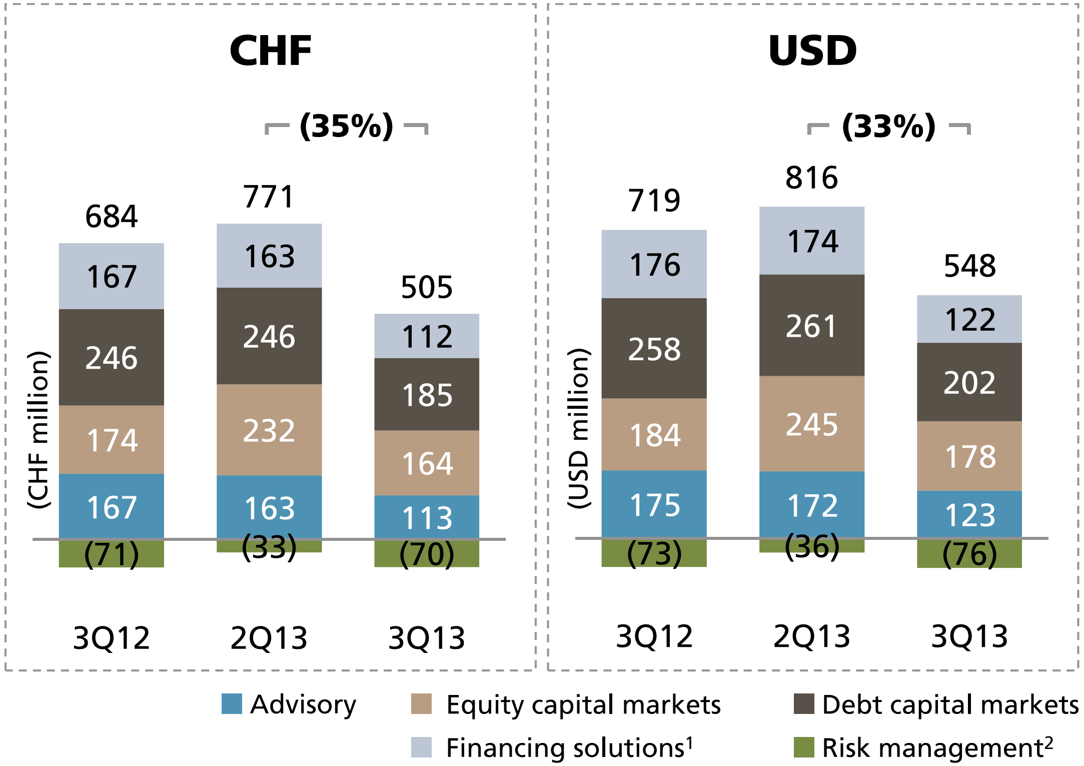
Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 3Q13 annualized return on attributed equity (RoaE) and return on risk-weighted assets (RoRWA); 2 Revenues per head based on period-end front office FTEs; 3 Funded assets defined as total IFRS balance sheet assets less positive replacement values (PRV) and collateral delivered against over-the-counter (OTC) derivatives

Corporate Client Solutions (CCS)

Advisor on the largest global M&A transaction in the last decade

Operating income



Key transactions in 3Q13[3]

Advisory	Verizon / Vodafone; Cole Credit Property Trust; COPEINCA
ECM	Olympus follow-on; Siemens IPO; Huishan Dairy Holdings IPO
DCM	KKR / Gardner Denver; KKR / PRA; General Motors

Comparison in USD terms (3Q13 vs. 2Q13)

Advisory (28%)

- Lower revenues due to reduced participation in private transactions and a declining market fee pool

Equity capital markets (27%)

- Revenues decreased mainly on lower equity issuance volume, decline in line with market fee pool

Debt capital markets (23%)

- Lower revenues in investment grade and leveraged finance, in line with decline in market fee pool

Financing solutions (30%)

- Lower revenues in real estate finance following a strong 2Q13 and seasonal decline in structured financing

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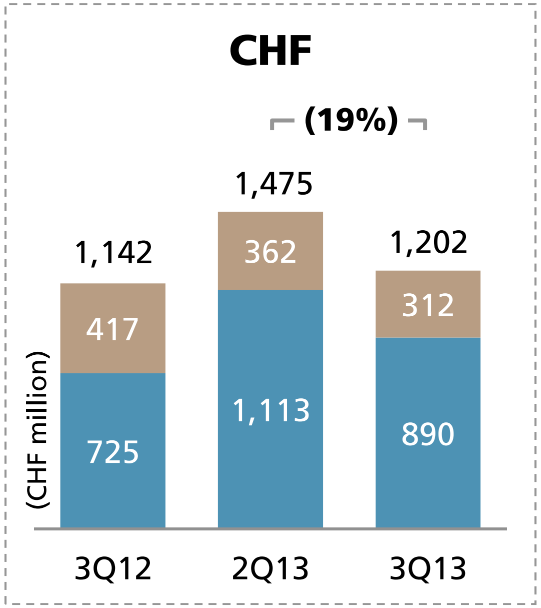
Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

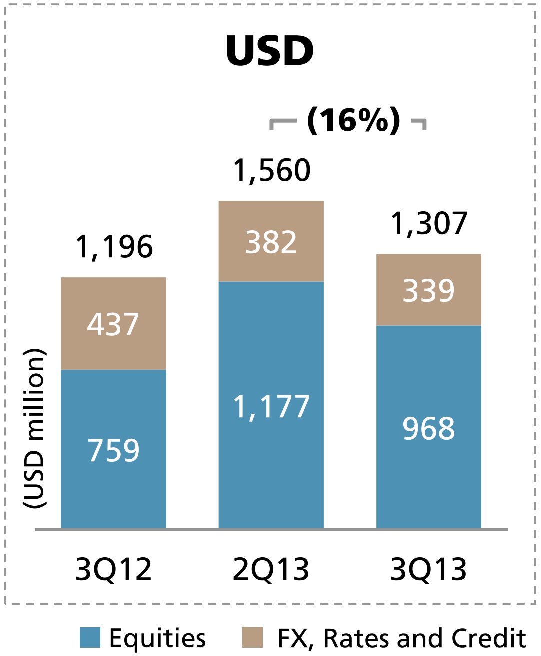
1 Financing solutions provides customized solutions across asset classes via a wide range of financing capabilities including structured financing, real estate finance and special situations group; 2 Risk management includes corporate lending and hedging activities; 3 Transactions closed, except Verizon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

Investor Client Services (ICS)

Best third quarter for Equities since 2010

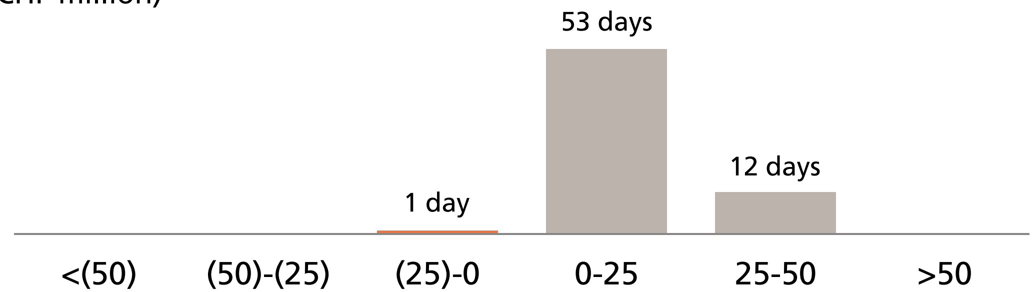
Operating income





3Q13 daily revenue distribution

(CHF million)



Comparison in USD terms (3Q13 vs. 2Q13)

Equities (18%)

- #1 globally[1], lower cash revenues on reduced market activity
- Good performance in derivatives on seasonally lower volumes following a strong 2Q13; Derivatives Week's "Structured Products House of the Year"
- Revenues in financing services[2] declined primarily due to lower trading revenues in equity finance; 2Q13 included gains from the sale of an investment in the clearing business

FX, rates and credit (11%)

- Foreign exchange: Revenues declined in the spot and options businesses as client activity reduced in line with seasonal trends and lower underlying volatility in G10 currencies
- Rates and credit: Revenues slightly up despite lower client activity levels and resource utilization

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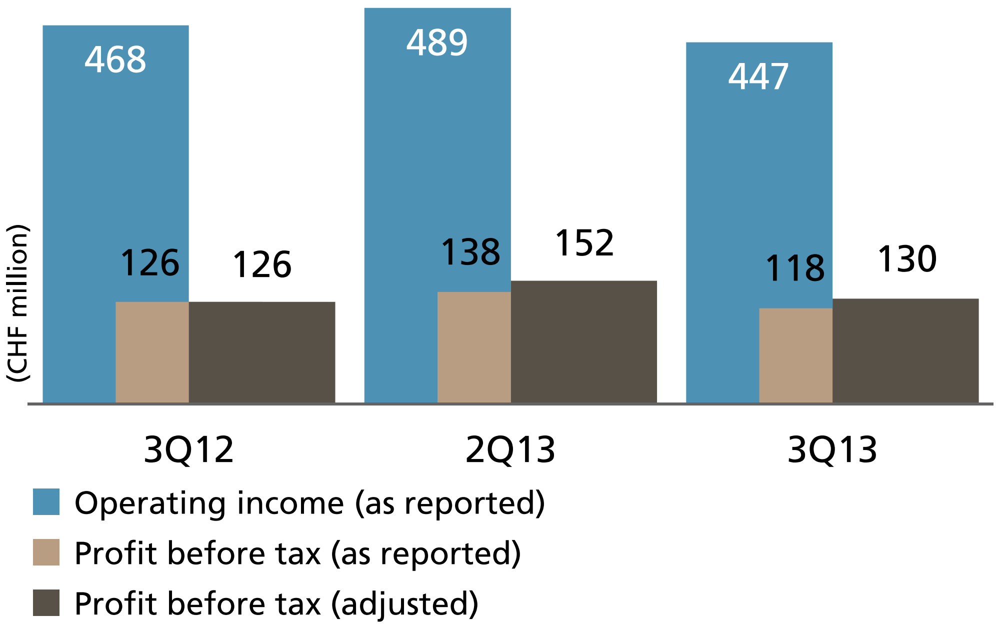
Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Leading private survey (September 2013); 2 Formerly called prime services

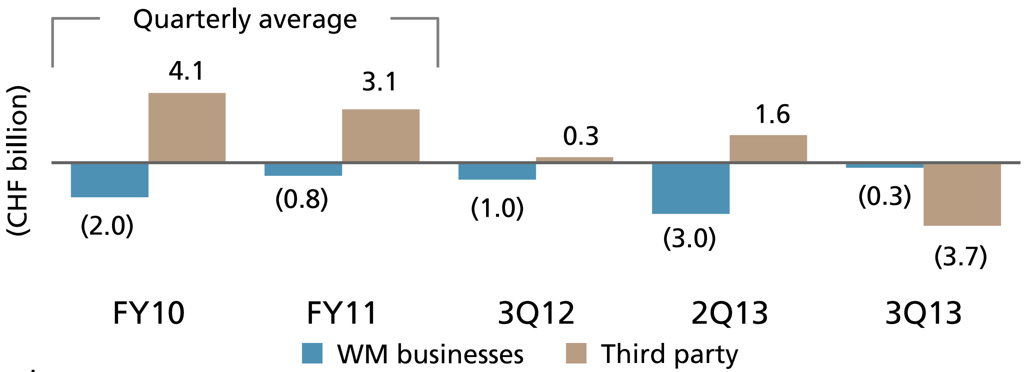
Global Asset Management

Adjusted 9M13 pre-tax profit up 16% YoY

Operating income and profit before tax



NNM by channel – excluding money markets



Operating income (9%)

- Net management fees decreased 7% mainly on changes in the asset mix and lower average invested assets
- Increased performance fees in O'Connor more than offset by decrease in traditional investments and AIS[1]

Adjusted cost / income ratio of 71%

- Adjusted operating expenses decreased by CHF 21 million on lower personnel costs

Gross margin down from 33 bps to 31 bps

Investment performance generally robust

- 90% of O'Connor and AIS's assets eligible for performance fees above or within 1% of high water mark at quarter-end

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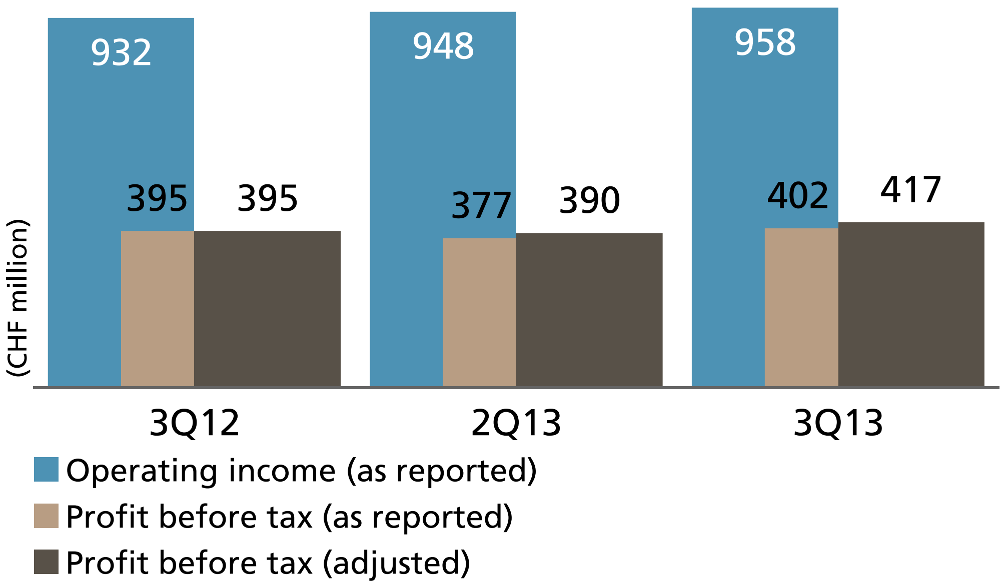
Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 O'Connor and AIS formerly known as alternative and quantitative investments

Retail & Corporate

Highest adjusted pre-tax profit since 3Q10

Operating income and profit before tax



Slight increase in operating income

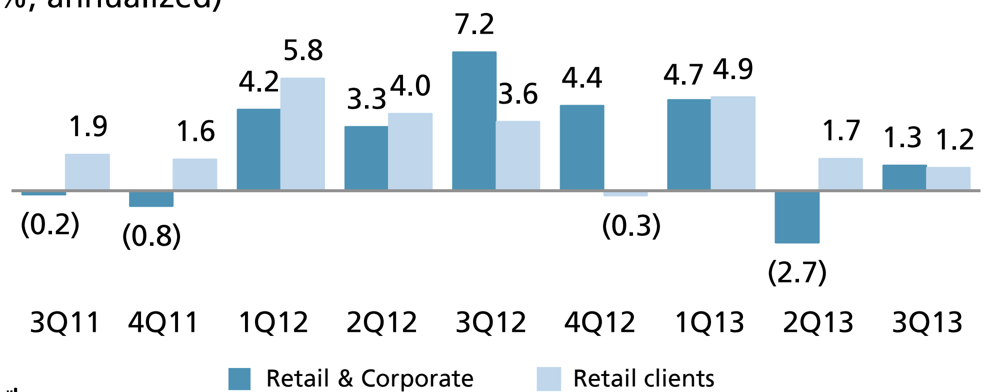
- CHF 16 million gain from the partial divestment of a participation
- A release from collective loan loss allowances more than offsetting net new credit loan loss allowances
- Lower interest and trading income on reduced deposit margin and treasury income

Adjusted cost / income ratio 57%

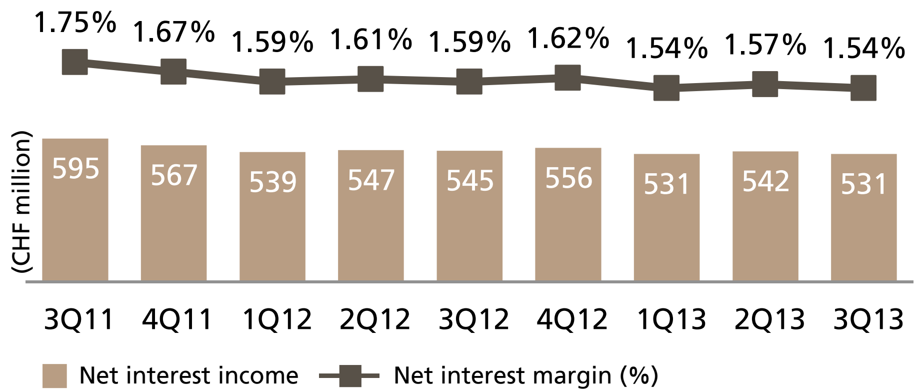
- Lower personnel expenses and charges for litigation, regulatory and similar matters
- Within 50-60% target range

Net new business volume growth rates

(%, annualized)



Net interest margin

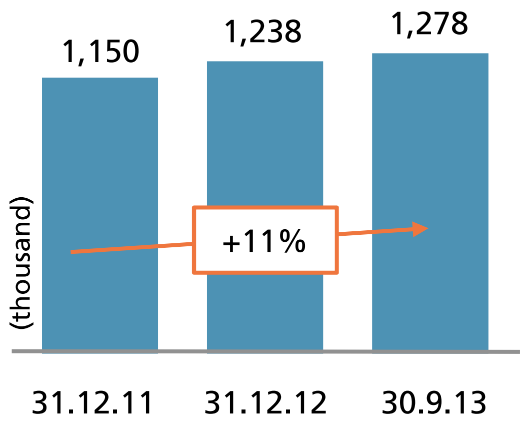


Retail & Corporate[1]

Rapid growth in usage of our award winning e-channels

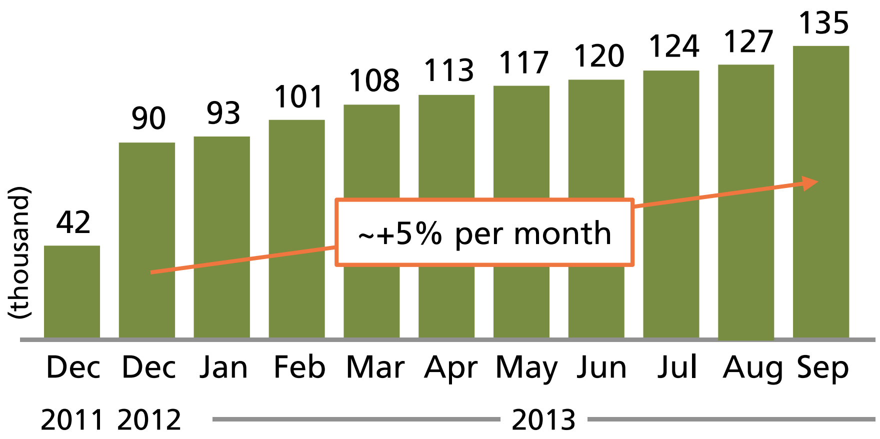
E-Banking

UBS E-Banking clients

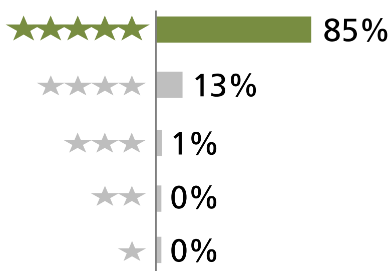


Mobile Banking

UBS Mobile Banking clients



Rating of UBS app[2] in App Store™,[3]



- UBS's digital brand recognized by "Digital Brand Check"[4]
- Steadily rising number of users, noticeable increase in usage
- ~50 million E-Banking and Mobile Banking touch points per year help to build a distinctive brand experience, increasing client loyalty and attracting new clients

1 All figures include Retail & Corporate and WM Switzerland clients; 2 Current UBS Mobile Banking app version, as of 21.10.13; 3 App Store is a registered trademark of Apple Inc.; 4 BILANZ / Jung von Matt from 26.7.13

Corporate Center—Core Functions

Adjusted pre-tax loss of CHF 540 million

Operating income and profit before tax[1]

(CHF million)	3Q12	2Q13	3Q13
Operating income (as reported)	(702)	(5)	(197)
Own credit gain / (loss)	(863)	138	(147)
Gain on sale of real estate	1	19	207
Adjusted operating income	**160**	**(162)**	**(257)**
Operating expenses (as reported)	115	126	282
Restructuring costs	(3)	5	(1)
Adjusted operating expenses	**118**	**121**	**283**
Profit before tax (as reported)	(817)	(131)	(479)
Profit before tax (adjusted)	**42**	**(283)**	**(540)**
Personnel (after allocation)	516	1,006	1,139

Adjusted operating income negative CHF 257 million mainly due to Treasury income

- CHF 54 million loss from interest rate swaps related to our macro cash flow hedge models
- Negative revenues of CHF 17 million due to the difference between actual incurred third-party funding costs and economic funding costs charged to the business divisions
- CHF 16 million loss related to fair value adjustments on expected real estate sale in Switzerland

Adjusted operating expenses CHF 283 million

- CHF 161 million charges for litigation, regulatory and similar matter

Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Historical timeseries were restated reflecting the transfer of risk management responsibility for a portfolio of financial investments available-for-sale and associated cash and balances with central banks previously performed by Wealth Management Americas to Corporate Center – Core Functions in 3Q13

Corporate Center—Non-core and Legacy Portfolio

Decreased losses on lower litigation provisions

Operating income and profit before tax

(CHF million)	3Q12	2Q13	3Q13
Non-core	363	(57)	(120)
of which: Debit valuation adjustments	*(69)*	*(21)*	*(47)*
Legacy Portfolio	233	135	21
of which: SNB StabFund option	*266*	*122*	*74*
Credit loss (expense) / recovery	(125)	(5)	(1)
Total operating income	471	73	(100)
Adjusted operating income	**471**	**73**	**(100)**
Adjusted operating expenses	**472**	**983**	**588**
Profit before tax (as reported)	(3,063)	(927)	(693)
Profit before tax (adjusted)	**0**	**(909)**	**(688)**
Personnel (front office)	580	263	245

Adjusted operating income negative CHF 100 million

- **Non-core:** Revenues declined due to higher credit valuation adjustment reserves, a CHF 47 million negative debit valuation adjustment and lower income in rates
- **Legacy Portfolio:** Lower gain from the revaluation of the SNB StabFund option and lower revenues following credit-related markdowns

Adjusted operating expenses decreased on lower litigation charges

- Lower charges for litigation, regulatory and similar matters of CHF 350 million predominantly related to RMBS compared with CHF 619 million in 2Q13

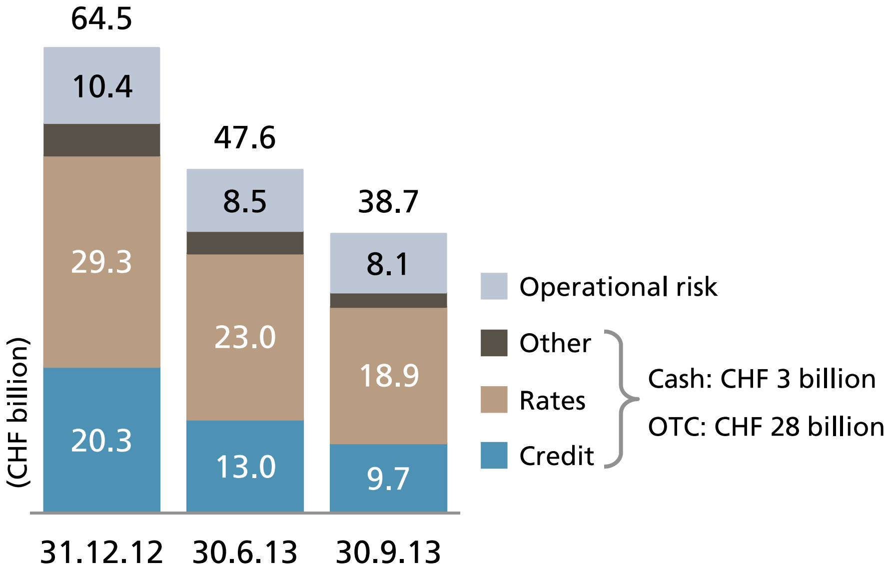
Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

Corporate Center—Non-core[1]

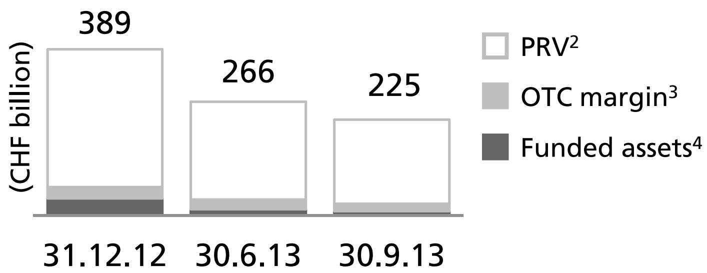
Continued reduction in balance sheet and RWA

- **Funded assets[4] down 31%**, mainly due to trade unwinds and ongoing exit of cash positions
- **PRV down 14%**, mainly due to a combination of unwinds, 3rd party novations and trade compressions
- **Cash positions RWA reduced to CHF 3 billion**
- **OTC positions RWA decreased to CHF 28 billion**
- **40% decrease in line items YTD**

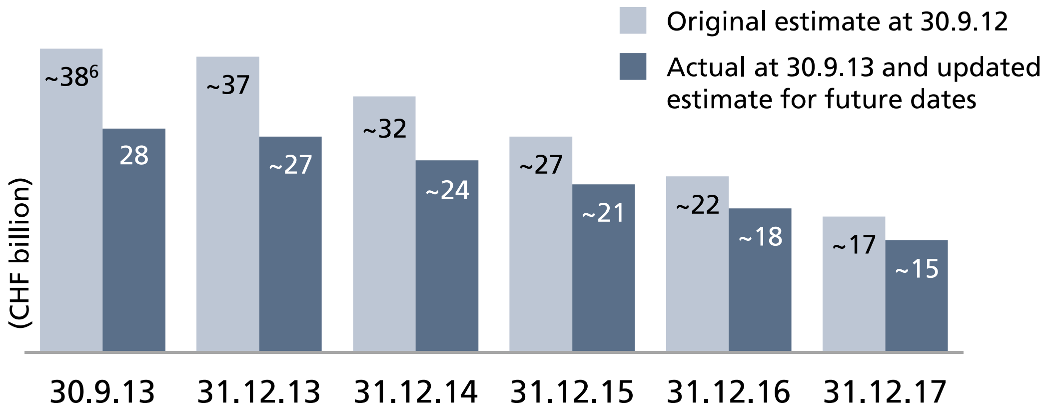
RWA



IFRS assets



OTC positions – natural decay of RWA[5]

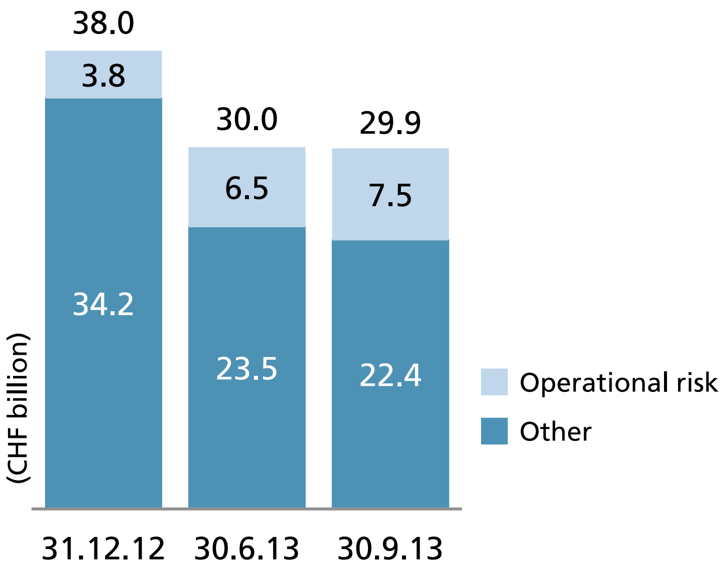


Refer to slide 34 for details about adjusted numbers, pro-forma Basel III estimates and FX rates in this presentation
1 Refer to the 3Q13 financial report for more information about the composition of Non-core; 2 Positive replacement values (gross exposure excluding the impact of any counterparty netting); 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 Estimates based on 30.9.13 values which are subject to change; 6 Calculated based on 30.9.12 and 31.12.13 values disclosed in the 3Q12 presentation

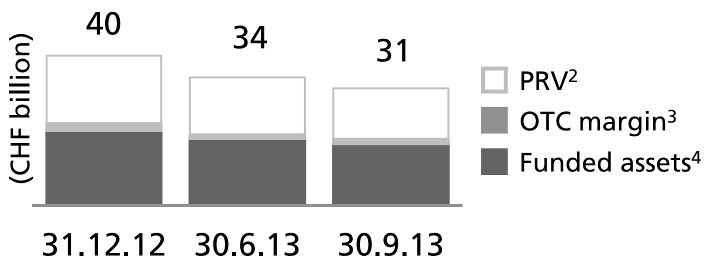
Corporate Center—Legacy Portfolio[1]

Exercise of SNB StabFund option will add de minimis RWA

RWA



IFRS assets



- **Funded assets[4] reduced to CHF 16.4 billion** with decreases in most categories
- **PRV decreased to CHF 13.5 billion**, mainly due to a combination of unwinds and yield curve movements
- **RWA stable at CHF 29.9 billion** as decrease from lower CDO exposures and other categories was offset by higher operational risk RWA

SNB StabFund option

- **Basel III CET1 capital expected to increase by CHF 2.5 billion** (fully applied and phase-in) upon the option exercise as capital deduction is removed
  - Incremental RWA <CHF 3 million and assets <CHF 1 million to be transferred to UBS balance sheet
- **We expect no material P&L impact** from the exercise of the option in 4Q13
  - UBS will pay USD 1 billion + 50% of the remainder of the value of the fund's equity to the SNB
  - SNB StabFund assets of USD 6.5 billion all in cash except remaining positions of less than CHF 1 million

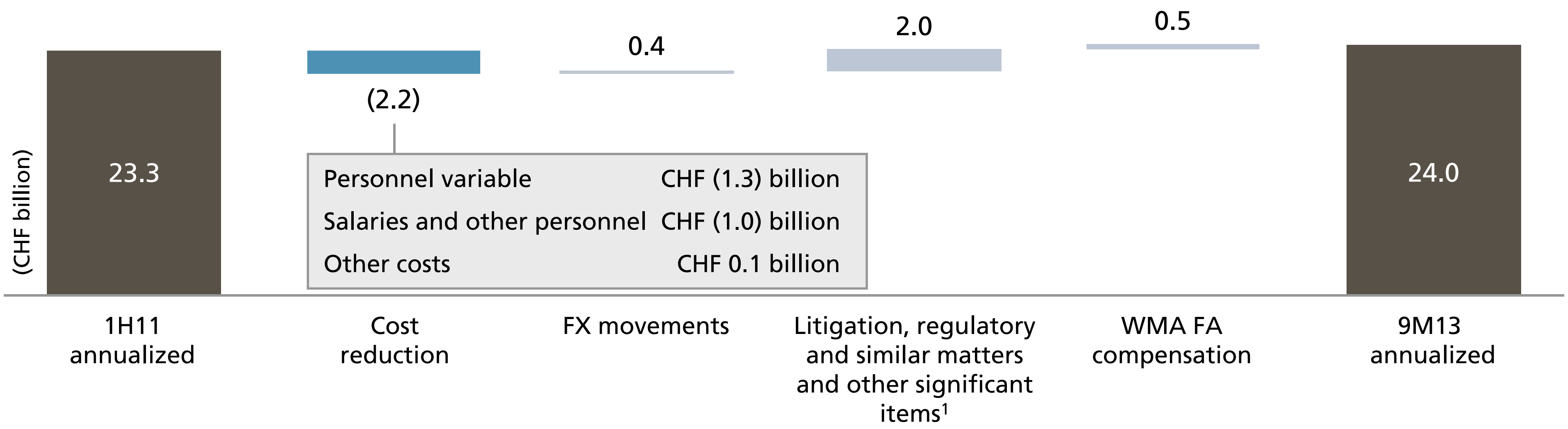
UBS

Refer to slide 34 for details about adjusted numbers, pro-forma Basel III estimates and FX rates in this presentation
1 Refer to the 3Q13 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

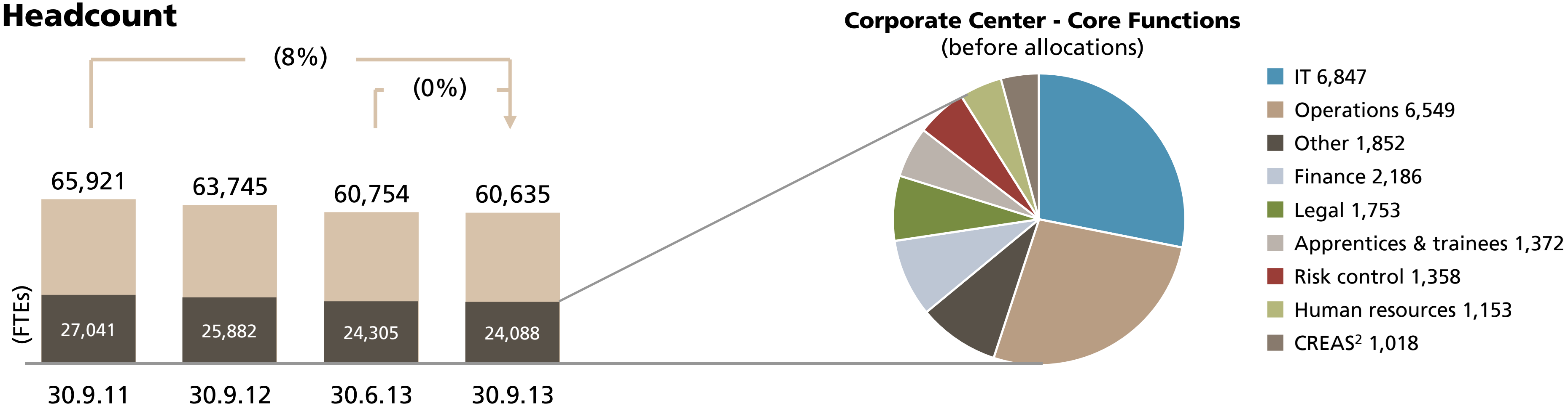
Adjusted operating expenses and headcount

Run-rate cost reductions of CHF 2.2 billion achieved

Adjusted operating expenses



Headcount

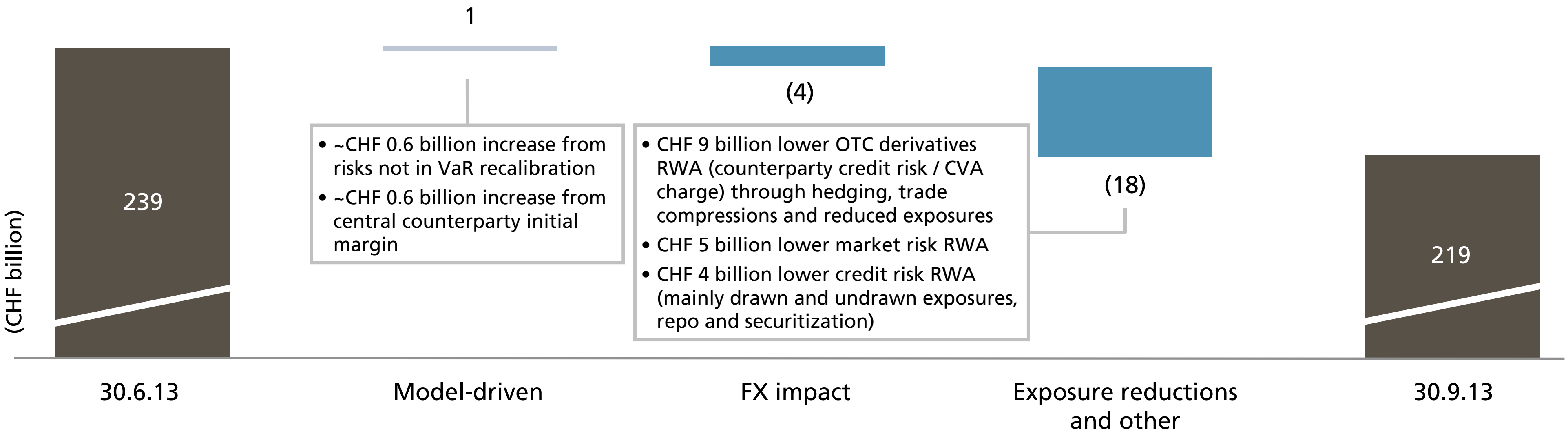


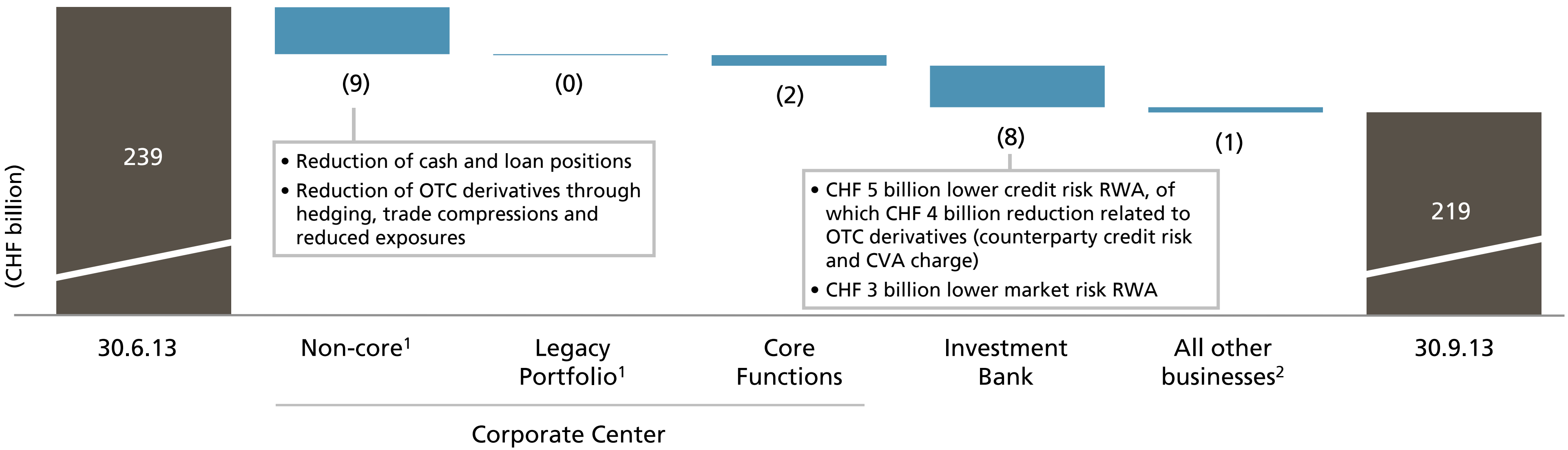
UBS

Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

1 Represents charges for litigation, regulatory and similar matters in excess of annualized run rate for 1H11; other significant items are a charge of CHF 106 million in relation to the Swiss-UK tax agreement in 2Q13, an impairment charge of CHF 87 million related to certain disputed receivables in 2Q13 and CHF 14 million other; 2 Corporate Real Estate Services

Breakdown of changes in Group RWA (fully applied)

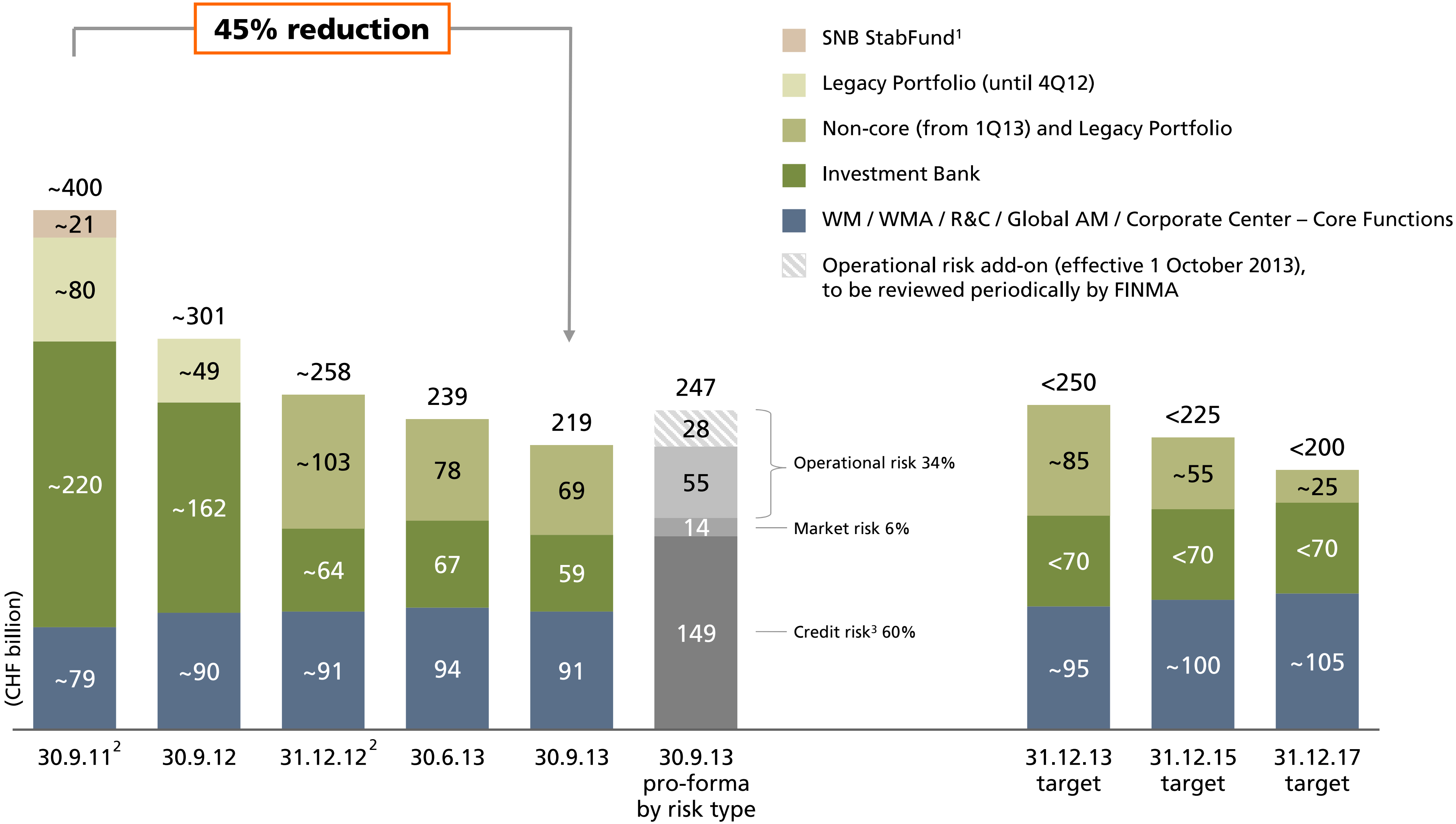




Over 85% of RWA decrease since 3Q11 from exposure reduction

Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Refer to pages 61-63 of the 3Q13 financial report for more information on Non-core and Legacy Portfolio; 2 Wealth Management, Wealth Management Americas, Retail & Corporate and Global Asset Management

RWA reduction (fully applied, pro-forma)



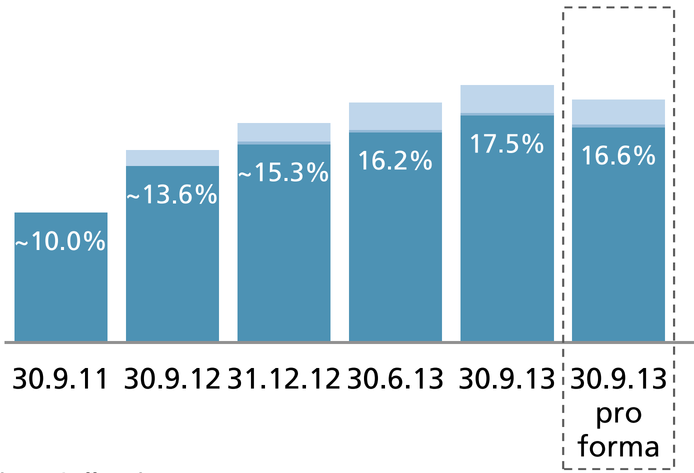
RWA reductions to date surpass Group target for 2015

UBS

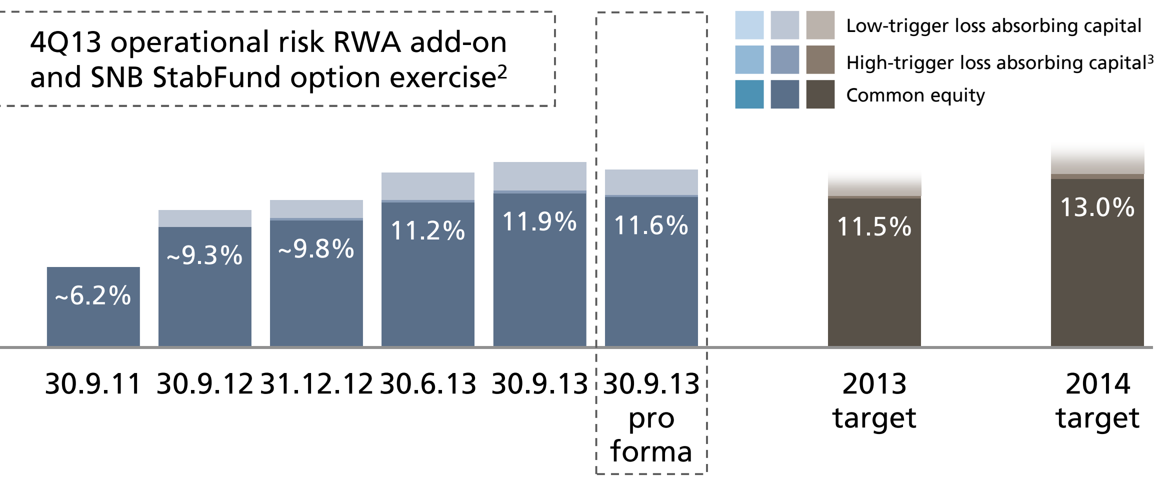
Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 RWA associated with UBS's option to purchase the SNB StabFund's equity (treated as a participation with full deduction from CET1 capital starting 2Q12); 2 Legacy Portfolio included on a pro-forma basis from 30.9.11; Non-core and Legacy Portfolio included on a pro-forma basis from 31.12.12; 3 Includes CHF 13 billion for non-counterparty-related risk

Basel III capital (pro-forma)

BIS Basel III (phase-in¹)



BIS Basel III (fully applied¹)



(CHF billion)

	BIS Basel III (phase-in) 30.9.13	BIS Basel III (phase-in) 30.9.13 pro forma	BIS Basel III (fully applied) 30.9.13	BIS Basel III (fully applied) 30.9.13 pro forma
Low-trigger loss-absorbing capital	4.8	4.8	4.8	4.8
High-trigger loss-absorbing capital³	0.4	0.4	0.4	0.4
CET1 capital	39.0	41.5	26.0	28.5
RWA	222	250	219	247

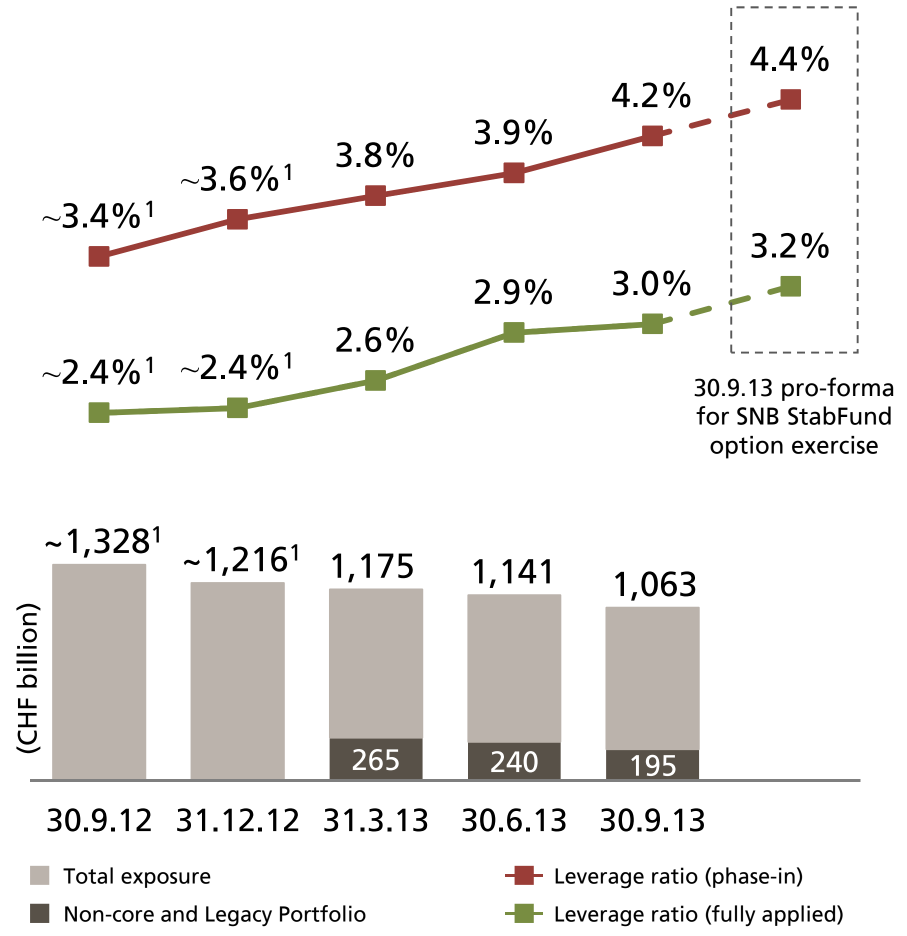
We aim to achieve a 13% fully applied CET1 target in 2014

Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation
1 Swiss SRB Basel III CET1 ratios as of 30.9.13: phase-in (17.5%), fully applied (11.9%). 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). Refer to pages 74-82 of the 3Q13 financial report for details about phase-out capital and other tier 2 capital, not shown on the slide; 2 Reflecting the operational risk RWA add-on effective 1 October 2013 and the expected effect of the exercise of the option to acquire the SNB StabFund's equity; 3 Issued as part of UBS's 2012 deferred compensation programs. We could build up to 150 bps of high-trigger loss-absorbing capital ratio from these deferred compensation programs over the next 5 years; CHF 0.5 billion are eligible under Swiss SRB rules (systemically relevant banks in Switzerland) while under BIS rules the amount is amortized and CHF 0.4 billion are eligible on 30.9.13

Leverage ratio

Swiss SRB Basel III leverage ratio (phase-in) 4.2% at quarter-end

Swiss SRB Basel III leverage ratio



Phase-in Swiss SRB leverage ratio (30.9.13)

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

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 Basel III total exposure[5]

Non-core and Legacy Portfolio run-down (over time)	~40-85

Total impact	120 – 175 bps

Refer to slide 34 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 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

UBS—An unrivaled franchise with compelling growth prospects

Wealth management businesses

- Largest and fastest growing large-scale wealth manager in the world[1]; leading HNW and UHNW franchise with unrivaled scope, reach and client mix
- Uniquely positioned in the largest markets and in the most attractive growth markets
- Wealth generation growth rates ~2x global GDP

Wealth Management

- "Best Private Bank Globally 2013" and "Best Global Wealth Manager 2013"[2]
- "Best Private Bank in Asia"[2]
- Leading position in Europe, APAC, Emerging Markets, Switzerland and UHNW segment by invested assets[3], over 4,000 advisors

Wealth Management Americas

- Strong FA productivity: ~USD 1 million annualized revenues per FA; record invested assets per FA
- Well-positioned to capture growth opportunities; continued progress in banking initiatives
- 7,000+ advisors in 320+ branches; high levels of FA satisfaction and low attrition

Retail & Corporate

- Leading universal bank in Switzerland with strong momentum
- "Best bank in Switzerland" for the 2nd consecutive year[2]
- "Best Domestic Cash Manager" for the 3rd consecutive year[4]
- "Golden Headset Award 2013" for the Customer Service Center[5]

Investment Bank

- Leading Equities franchise, top FX / Precious metals house with leading technology platform, strong advisory and solutions capabilities
- Cash equities: #1 globally[6]; FX: #2 globally with the largest share gain, #1 Europe, #1 Americas[7]
- Gained rank in ECM volumes globally (9M13 vs. 9M12) and ECM block trading, maintained rank in M&A[8]

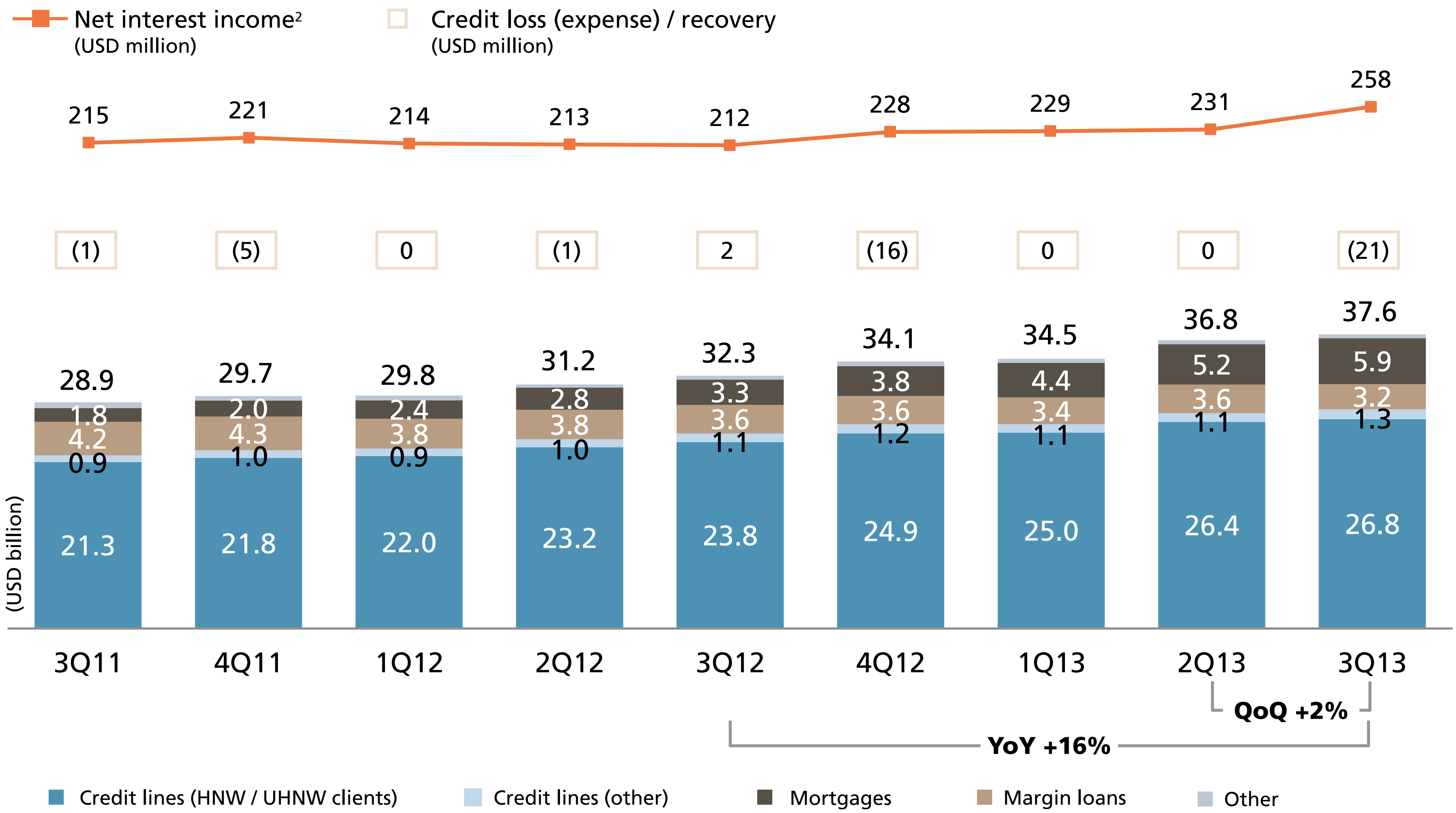
Global Asset Management

- Well diversified business across investment capabilities, regions and distribution channels
- Largest mutual fund manager in Switzerland[9]
- #5 ETF provider in Europe[10]
- Strong alternatives platform; #2 fund of hedge funds and #4 real estate globally[11]

1 Scorpio Partnership Private Banking Benchmark 2013 - banks with assets under management of >USD 1 trillion; 2 Euromoney 2013; 3 Scorpio Partnership Private Banking Benchmark, Private Banker International, UBS estimates; 4 Euromoney 2012; 5 Swiss Contact Day 2013; 6 Leading private survey (September 2013); 7 Greenwich Associates (March 2013), tied #2 globally, tied #1 Europe and tied #1 Americas; 8 Dealogic as of 17.10.13; 9 Lipper / Swiss Funds Data FundFlows June 2013; 10 ETFGI Global ETF industry insights 3Q13; 11 InvestHedge (March 2013) and INREV / ANREV Fund Manager Survey 2013

Appendix

Wealth Management Americas—Lending balances[1]



➔ Over 99% of WMA's loan portfolio is secured by securities (83%) and residential property (16%)

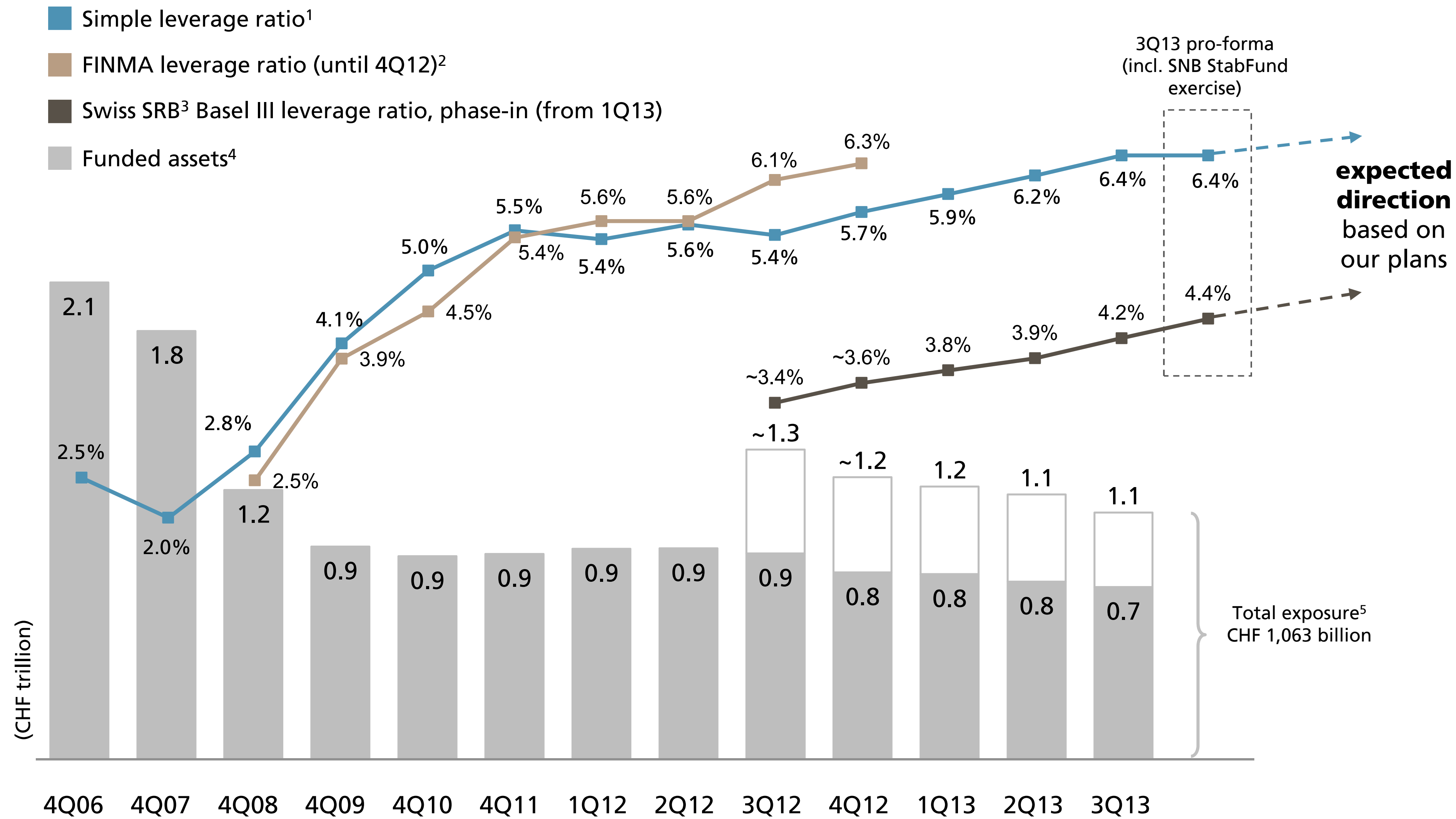
UBS

1 Period ending balances

2 Total WMA net interest income excluding the following EIR adjustments from mortgage-backed securities in the AFS portfolio (USD): 3Q11 22 million, 4Q11 (3) million, 1Q12 4 million, 2Q12 (7) million, 3Q12 (17) million, 4Q12 2 million, 1Q13 (12) million, 2Q13 3 million, 3Q13 28 million

Leverage ratios (phase-in)

Our leverage ratios should improve materially as we reduce our balance sheet



Refer to slide 34 for details about adjusted numbers, Basel III numbers and FX rates in this presentation

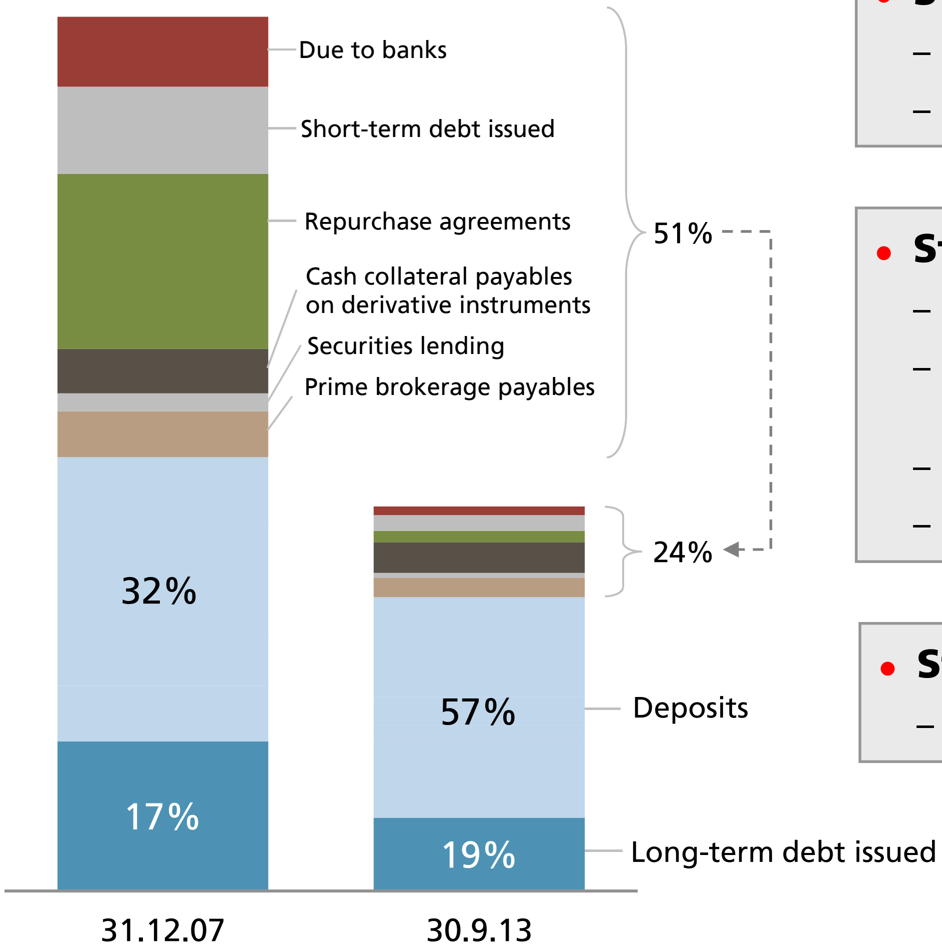
1 IFRS equity attributable to UBS shareholders / funded assets; 2 Refer to the 4Q12 financial report for more information on UBS's FINMA leverage ratio; 3 Systemically relevant banks; 4 Funded assets defined as total IFRS balance sheet assets less positive replacement values (PRV) and collateral delivered against over-the-counter (OTC) derivatives; figures prior to 4Q10 include collateral for OTC derivatives; 5 Total adjusted exposure for the calculation of the Swiss SRB Basel III leverage ratio, includes on-balance sheet assets and off-balance sheet items

UBS

Our balance sheet, funding and liquidity positions are strong

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

Funding by product[1]



- **Strong and significantly reduced balance sheet**
  - Funded assets[2] down >50% from peak in 2007
  - Phase-in Swiss SRB Basel III leverage ratio 4.2%[3]

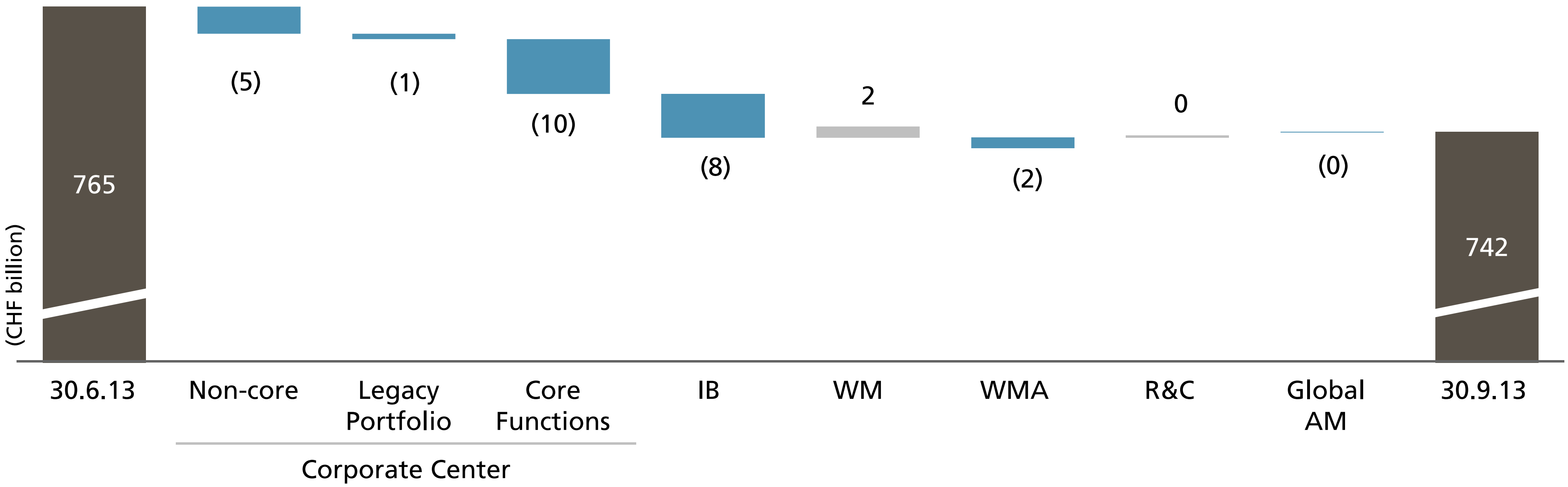
- **Strong funding profile**
  - Well diversified funding sources
  - High proportion of stable funding sources with deposits 57% and long-term debt 19%
  - Limited use of short-term wholesale funding
  - 110% Basel III NSFR[4]

- **Strong liquidity position**
  - 112% Basel III LCR[4]

Refer to slide 34 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 672 billion on 30.9.13; 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 30.9.13. Refer to the 3Q13 financial report for more information about UBS's Swiss SRB Basel III leverage ratio; 4 As of 30.9.13. Refer to the 3Q13 financial report for details about the calculation of UBS's Basel III LCR and NSFR

UBS

Changes in funded assets[1]



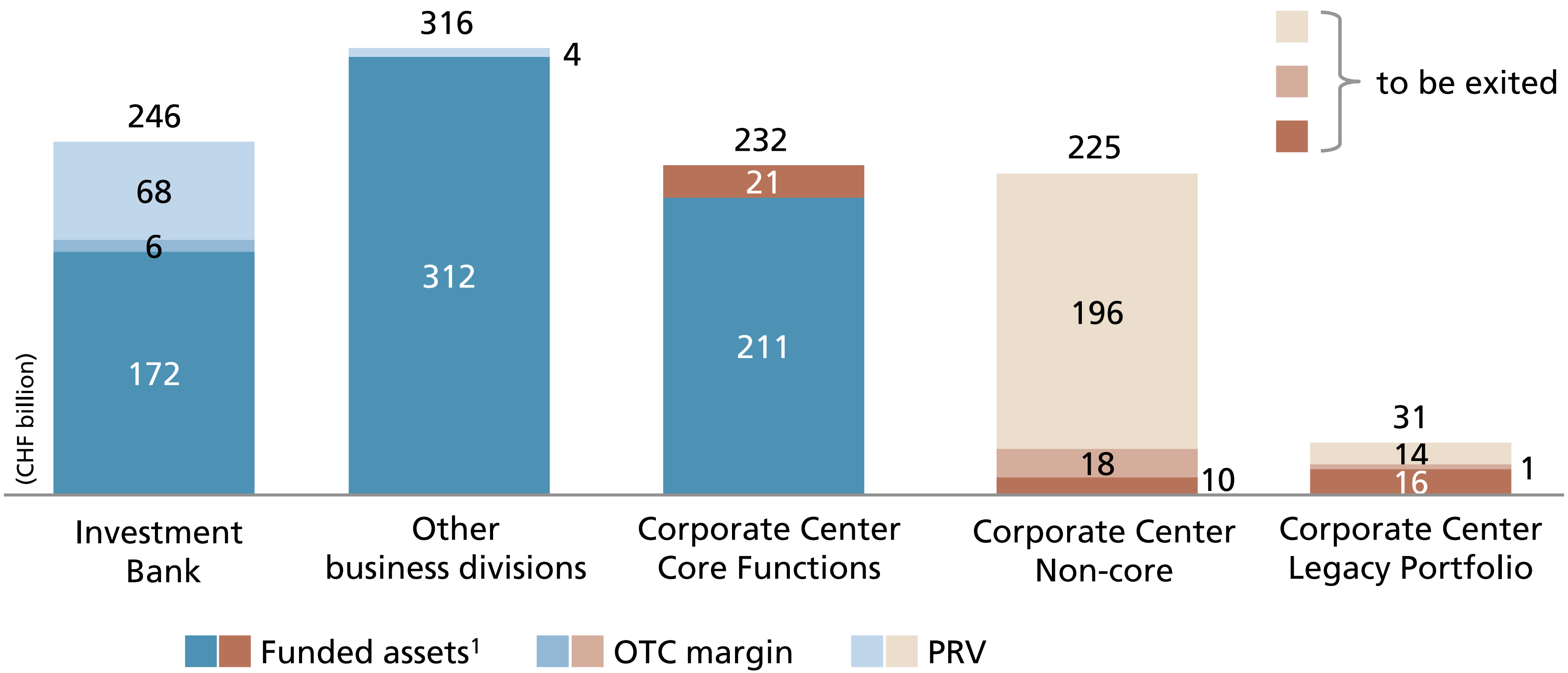
- **FX movements contributed approximately CHF 16 billion to the decrease in funded assets[1], primarily from USD depreciation against CHF**
  - Largest effects on Corporate Center – Core Functions and the Investment Bank
- **PRV down by CHF 50 billion to CHF 282 billion; OTC margin CHF 25 billion as of 30.9.13**
  - Largest PRV decline in Corporate Center Non-core and Legacy Portfolio; down by CHF 34 billion

1 Funded assets defined as total IFRS balance sheet assets less positive replacement values (PRV) and collateral delivered against over-the-counter (OTC) derivatives

Balance sheet

Total assets CHF 1,049 billion or CHF 742 billion excluding PRV and OTC margin

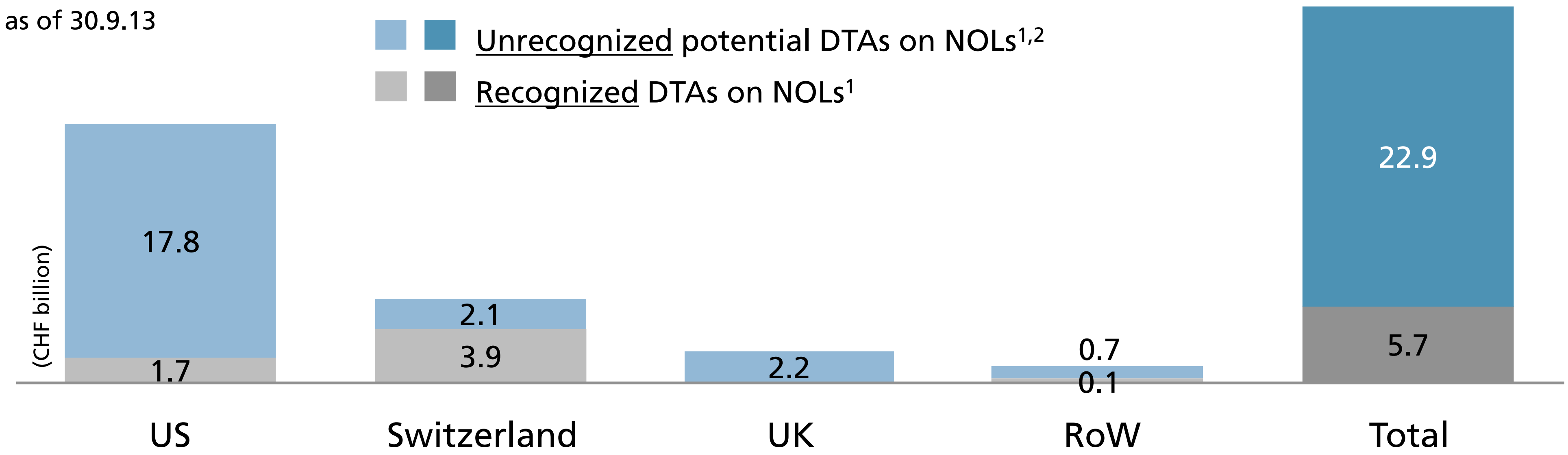
30.9.13



1 Funded assets defined as total IFRS balance sheet assets less positive replacement values (PRV) and collateral delivered against over-the-counter (OTC) derivatives

Deferred tax assets on net operating losses

The potential to recognize additional deferred tax assets remains significant



- **Unrecognized potential DTAs on NOLs[1,2] of CHF 22.9 billion on 30.9.13**
  - Unrecognized tax losses have a remaining average life of at least 16 years in the US, 2 years in Switzerland and indefinite life in the UK
  - Profitability assumptions over a 5-year time horizon form the basis of the recognition of DTAs
- **DTAs remeasured in 3Q13 to reflect updated profitability assumptions**
  - Upward revaluation of DTAs for the Group of CHF 512 million, of which CHF 384 million was recognized in 3Q13; the remainder of CHF 128 million will be recognized in 4Q13
  - We expect to complete this year's remeasurement process in 4Q13
- **We expect a tax rate in the region of 30% for 2014 excluding any impact of DTA reassessment[3]**

1 Net operating losses. In addition, there are recognized deferred tax assets of CHF 2.5 billion for deductible temporary differences; 2 Equals the potential tax savings associated with unrecognized tax loss carry forwards; 3 The full year tax rate may depend on the extent to which deferred tax assets are revalued; a reassessment of unrecognized deferred tax assets is expected in the second half of 2014

Tax benefit

3Q13 net tax benefit of CHF 222 million

Pre-tax profit (as reported)	**CHF 356 million**
Net deferred tax **benefit** with respect to recognition of DTAs	CHF (384 million)
Amortization of deferred tax assets previously recognized in relation to Swiss tax losses carried forward	CHF 125 million
Other net tax **expense** in respect of 3Q13 taxable profits	CHF 37 million
3Q13 net tax expense / (benefit)	**CHF (222 million)**
3Q13 effective tax rate	**(63%)**

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.