

Media release

UBS reports 2004 net profit of CHF 8,089 million and fourth quarter net profit of CHF 2,021 million

UBS (including Industrial Holdings)

<i>CHF million, except where indicated</i>	Quarter ended			% change from		Year ended	
	31.12.04	30.9.04	31.12.03	3Q04	4Q03	31.12.04	31.12.03
Operating income	11'142	10'148	8'538	10	30	41'069	33'790
Operating expenses	8'413	7'887	6'303	7	33	30'395	25'613
Net profit	2'021	1'671	1'808	21	12	8'089	6'239

Financial Businesses

Operating income	9'167	8'456	8'538	8	7	37'402	33'790
Operating expenses	6'575	6'265	6'303	5	4	26'935	25'613
Net profit	1'993	1'654	1'808	20	10	8'044	6'239

- **2004 net profit of CHF 8,089 million, financial businesses contributed CHF 8,044 million -- a record result, up 29% from 2003**
- **Revenues grew in all categories, pushing the 2004 cost/income ratio for the financial businesses down to 72.6% or 70.2% excluding goodwill**
- **RoE for 2004 was 24.7% or 27.7% excluding goodwill**
- **2004 EPS of CHF 7.68, up 37% from 2003 or up 34% excluding goodwill**
- **Proposed dividend of CHF 3.00 per share, up 15% from previous year**
- **Net new money of CHF 88.9 billion for the year, with strong CHF 59.4 billion from wealth management businesses worldwide**
- **Fourth quarter net profit of CHF 2,021 million, financial businesses contributed CHF 1,993 million -- the best ever fourth quarter.**

Zurich/Basel, 8 February 2005 – UBS reports 2004 net profit of CHF 8,089 million. This includes the fully consolidated results of Motor-Columbus, an industrial holding¹ which contributed net profit of CHF 45 million. Excluding this participation, UBS's financial businesses reported net profit of CHF 8,044 million, up 29% from 2003. Before goodwill and the sale of Wealth Management USA's clearing subsidiary in second quarter 2003, net profit rose by 24%.

"This is the best annual result in UBS's history. We believe it reflects our strong emphasis on growth," said Peter Wuffli, Chief Executive Officer.

¹ In 2004, UBS increased its stake in Motor-Columbus to 55.6%. Motor-Columbus is a Swiss holding company whose most significant asset is a majority ownership interest in Swiss-based electricity provider Atel. Results of Motor-Columbus are reported in our Fourth Quarter 2004 Report in a separate Industrial Holdings segment.

Operating income grew in all categories despite the falling US dollar. Asset-based revenues showed particular strength, reflecting improved market valuations as well as strong inflows of net new money. Overall, UBS attracted CHF 88.9 billion in net new money in 2004, up 29% from CHF 69.1 billion in 2003. As a result, total invested assets rose to CHF 2,250 billion.

2004 saw substantial increases in private client trading transaction fees as well as corporate finance and underwriting fees. Fee and commission income contributed 52% to the year's total operating income. Trading income also rose, as improved market conditions boosted opportunities, particularly in the first and fourth quarters. Results in the private equity business improved as well, showing positive revenues for the first time in three years on higher divestment gains and lower writedowns.

In full-year 2004, UBS realized a net credit recovery of CHF 276 million, compared to a credit loss expense of CHF 72 million in 2003.

Costs remained under strict control, and increased at a slower pace than business growth. Performance-related compensation rose in line with revenues, representing approximately 49% of personnel expenses (up from 44% in 2003). Increased legal provisions and operational risk costs drove general and administrative expenses higher.

Fourth quarter results

In fourth quarter 2004, UBS reported net profit of CHF 2,021 million, including a contribution of CHF 28 million from its industrial holdings. Net profit for the financial businesses stood at CHF 1,993 million -- the best-ever fourth quarter performance. Despite the drop of the US dollar against the Swiss franc through 2004, the result was up 10% from the same quarter a year earlier. A 7% rise in total operating income outpaced a 4% increase in operating expenses. Trading-related businesses reported strong results, reflecting improved market activity levels following the outcome of the US elections in November. Trading revenues in equities (up 25%), fixed income (up 10%) and foreign exchange (up 13%) all ended the year strong. Portfolio management fees were very solid and investment fund fees reached a record level, reflecting higher market valuations. A strong contribution from the investment banking business helped drive advisory revenues higher.

The cost/income ratio for the financial businesses stood at 72.7%. Before goodwill, it stood at 70.4%, improving from 73.4% (70.8% before goodwill) in the same period last year.

Headcount development in 2004

Headcount in UBS's financial businesses was 67,424 on 31 December 2004, up 1,495 from 65,929 a year ago. The increase was driven by the expansion of UBS's wealth management and securities businesses across the globe.

Investing in growth, new share buyback program

In 2004, UBS announced several acquisitions -- such as the purchase of Charles Schwab SoundView Capital Markets, the Capital Markets Division of Charles Schwab Corp. which has taken UBS to the number one ranking in NASDAQ securities trading. In addition, UBS announced the acquisition of a number of wealth management businesses. In total, these have added around CHF 40 billion in invested assets to UBS in key markets. For these deals, UBS paid a total of approximately CHF 1 billion.

In its current share buyback program, which ends on 5 March 2005, UBS has bought back a total value of approximately CHF 3.5 billion in its own shares. Subject to the approval of the Annual General Meeting, all shares repurchased under this program will be canceled and cannot be reissued.

Peter Wuffli said: "We are very pleased with the acquisitions we have recently made. We remain committed to returning cash to shareholders through share buybacks, but seeking out attractive opportunities for re-investing in our growth businesses will always be our first priority."

The Board of Directors has decided to launch a new program with a maximum buyback limit of CHF 5 billion starting on 5 March 2005 and running until 7 March 2006. This will be UBS's seventh consecutive annual share buyback program.

Dividend of CHF 3.00 per share

For the 2004 financial year, the Board of Directors will recommend a dividend of CHF 3.00 per share to the Annual General Meeting (AGM) on 21 April 2005. This is an increase of 15% from the 2003 dividend.

Outlook

A record result is always challenging to beat. As every year, the investment banking and securities businesses will have to contend with the somewhat unpredictable rise and fall of the world's financial markets. But 2004 showed that UBS's wealth and asset management business can provide both growth momentum and earnings quality even if trading conditions fluctuate.

"We will continue re-investing in our growth businesses and expect 2005 to be the next exciting step on a journey we believe will be very rewarding for our long-term investors," said Clive Standish, Chief Financial Officer.

Financial ratios

Return on equity for 2004 was 24.7%, compared to 17.8% a year earlier. Basic earnings per share were CHF 7.68 in 2004, compared to CHF 5.59 in 2003. The cost/income ratio was 72.6%, compared to 75.6% a year earlier.

Performance against UBS financial targets in 2004 (pre-goodwill and adjusted for significant financial events)

UBS sets its financial targets and evaluates performance in terms of adjusted results, excluding significant financial events² and excluding the amortization of goodwill and other intangible assets.

UBS's performance against financial targets shows:

- Return on equity in 2004 was 27.7%, up from 20.5% a year earlier and well above the target range of 15 to 20%. The increase, exceeding net profit growth, reflects the combined impact of the share buyback program and dividend outpacing retained earnings.
- Basic earnings per share were CHF 8.60 in 2004, an increase of CHF 2.17 or 34% from 2003, driven by the increase in net profit as well as the impact of share repurchases.
- The cost/income ratio for UBS's financial businesses was 70.2% in 2004, an improvement from 73.2% in 2003, and the lowest level since PaineWebber became part of UBS in 2000.

<i>Year to date</i>	31.12.04	30.9.04	31.12.03
RoE (%)			
as reported ¹	24.7	24.5	17.8
before goodwill and adjusted for significant financial events ²	27.7	27.4	20.5
<i>For the quarter ended</i>	31.12.04	30.9.04	31.12.03
Basic EPS (CHF)			
as reported ³	1.97	1.60	1.68
before goodwill and adjusted for significant financial events ⁴	2.21	1.86	1.89
Cost / income ratio of the Financial Businesses (%)⁵			
as reported ⁶	72.7	74.2	73.4
before goodwill and adjusted for significant financial events ⁷	70.4	71.5	70.8
Net new money, wealth management businesses (CHF billion) ⁸			
Wealth Management	6.5	11.4	6.4
Wealth Management USA	6.8	5.3	7.8
Total	13.3	16.7	14.2

¹ Net profit year to date (annualized as applicable) / average shareholders' equity less dividends. ² Net profit year to date less the amortization of goodwill and other intangible assets and significant financial events (after-tax, annualized as applicable) / average shareholders' equity less dividends. ³ Details of the EPS calculation can be found in Note 8 to the Financial Statements. ⁴ Net profit less the amortization of goodwill and other intangible assets and significant financial events (after-tax) / weighted average shares outstanding. ⁵ Excludes results from Industrial Holdings. ⁶ Operating expenses / operating income less credit loss expense or recovery. ⁷ Operating expenses less the amortization of goodwill and other intangible assets and significant financial events / operating income less credit loss expense or recovery and significant financial events. ⁸ Excludes interest and dividend income.

² In second quarter 2003, UBS realized a gain of CHF 2 million (pre-tax CHF 161 million) from the sale of the Wealth Management USA business's Correspondent Services Corporation (CSC) clearing operation.

Highlights UBS

<i>CHF million, except where indicated</i>	Quarter ended			% change from		Year ended	
	31.12.04	30.9.04	31.12.03	3Q04	4Q03	31.12.04	31.12.03
Net profit	2'021	1'671	1'808	21	12	8'089	6'239
Basic earnings per share (CHF) ¹	1.97	1.60	1.68	23	17	7.68	5.59
Return on shareholders' equity (%) ²						24.7	17.8

Performance indicators adjusted for significant financial events and pre-goodwill ^{3,4}

Basic earnings per share (CHF) ⁵	2.21	1.86	1.89	19	17	8.60	6.43
Return on shareholders' equity (%) ⁶						27.7	20.5

Highlights Financial Businesses ⁷

<i>CHF million, except where indicated</i>	Quarter ended			% change from		Year ended	
	31.12.04	30.9.04	31.12.03	3Q04	4Q03	31.12.04	31.12.03
Operating income	9'167	8'456	8'538	8	7	37'402	33'790
Operating expenses	6'575	6'265	6'303	5	4	26'935	25'613
Net profit	1'993	1'654	1'808	20	10	8'044	6'239
Cost / income ratio (%) ⁸	72.7	74.2	73.4			72.6	75.6
Net new money, wealth management businesses (CHF billion) ⁹	13.3	16.7	14.2			59.4	50.8
Headcount (full-time equivalents)	67'424	66'894	65'929	1	2		

Earnings adjusted for significant financial events and pre-goodwill ^{3,4,7}

Operating income	9'167	8'456	8'538	8	7	37'402	33'629
Operating expenses	6'365	6'038	6'078	5	5	26'048	24'670
Net profit	2'203	1'881	2'033	17	8	8'931	7'180
Cost / income ratio (%) ⁸	70.4	71.5	70.8			70.2	73.2

Highlights Balance Sheet & Capital Management

<i>CHF million, except where indicated</i>	Quarter ended			% change from	
As at	31.12.04	30.9.04	31.12.03	3Q04	4Q03
Shareholders' equity	34'978	34'524	35'310	1	(1)
Market capitalization	103'638	95'812	95'401	8	9
BIS capital ratios					
Tier 1 (%) ¹⁰	11.8	11.5	11.8		
Total BIS (%)	13.6	13.3	13.3		
Risk-weighted assets	264'125	272'813	251'901	(3)	5
Invested assets (CHF billion)	2'250	2'261	2'133	0	5
Long-term ratings					
Fitch, London	AA+	AA+	AA+		
Moody's, New York	Aa2	Aa2	Aa2		
Standard & Poor's, New York	AA+	AA+	AA+		

1 For the EPS calculation, see Note 8 to the Financial Statements. 2 Net profit (annualized as applicable) / average shareholders' equity less dividends. 3 Excludes the amortization of goodwill and other intangible assets. 4 Details of significant financial events can be found in the UBS Targets section on page 12. 5 Net profit less the amortization of goodwill and other intangible assets and significant financial events (after-tax) / weighted average shares outstanding. 6 Net profit less the amortization of goodwill and other intangible assets and significant financial events (after-tax, annualized as applicable) / average shareholders' equity less dividends. 7 Excludes results from Industrial Holdings. 8 Operating expenses / operating income less credit loss expense or recovery. 9 Includes Wealth Management and Wealth Management USA. Excludes interest and dividend income. 10 Includes hybrid Tier 1 capital, please refer to the BIS capital and ratios table in the capital management section.

USD-convenience translation (spot rate of CHF/USD 1.14 as at 31.12.04)
Highlights UBS

	Quarter ended
<i>USD million, except where indicated</i>	31.12.04
Net profit	1'773
Basic earnings per share ¹	1.73
Return on shareholders' equity (%) ²	24.7

Performance indicators adjusted for significant financial events and pre-goodwill ^{3,4}

Basic earnings per share ⁵	1.94
Return on shareholders' equity (%) ⁶	27.7

Highlights Financial Businesses ⁷

	Quarter ended
<i>USD million, except where indicated</i>	31.12.04
Operating income	8'041
Operating expenses	5'768
Net profit	1'748
Cost / income ratio (%) ⁸	72.7
Net new money, wealth management businesses (USD billion) ⁹	11.7

Earnings adjusted for significant financial events and pre-goodwill ^{3,4,7}

Operating income	8'041
Operating expenses	5'583
Net profit	1'932
Cost / income ratio (%)	70.4

Highlights Balance Sheet & Capital Management

<i>USD million, except where indicated</i>	
As at	31.12.04
Shareholders' equity	30'682
Market capitalization	90'911
BIS capital ratios	
Tier 1 (%) ¹⁰	10.4
Total BIS (%)	11.9
Risk-weighted assets	231'689
Invested assets (CHF billion)	1'974

¹ For the EPS calculation, see Note 8 to the Financial Statements. ² Net profit / average shareholders' equity less dividends. ³ Excludes the amortization of goodwill and other intangible assets. ⁴ Details of significant financial events can be found in the UBS Targets section on page 12. ⁵ Net profit less the amortization of goodwill and other intangible assets and significant financial events (after-tax) / weighted average shares outstanding. Includes results from Industrial Holdings. ⁶ Net profit less the amortization of goodwill and other intangible assets and significant financial events (after-tax) / average shareholders' equity less dividends. Includes results from Industrial Holdings. ⁷ Excludes results from Industrial Holdings. ⁸ Operating expenses / operating income less credit loss expense or recovery. ⁹ Includes Wealth Management and Wealth Management USA. Excludes interest and dividend income. ¹⁰ Includes hybrid Tier 1 capital, please refer to the BIS capital and ratios table in the Capital Management section.

Results from the Financial Businesses

Wealth Management & Business Banking

Despite the weakening of the US dollar against the Swiss franc, Wealth Management's full-year 2004 pre-tax profit, at CHF 3,435 million, was up 32% from 2003. This increase reflects the growth momentum in the business and the recovery in major financial markets that started in mid-2003, driving a 13% increase in revenues through higher asset-based fees. Rising interest income, a reflection of the expansion of margin lending activities, also bolstered revenues. At the same time, expenses, up just 2% in 2004 from 2003, were kept under tight control. Net new money inflows for the year totaled CHF 42.3 billion, up 42% from CHF 29.7 billion in 2003. Gains were reported in all geographical areas, especially from Asian clients. The CHF 13.7 billion inflow into the European wealth management business was again particularly strong.

In fourth quarter 2004, profit before tax stood at CHF 831 million, 3% lower than in third quarter. Higher non-personnel expenses, related to continued business growth, coincided with virtually flat income. The gross margin on invested assets was 99 basis points, down 2 basis points from the previous quarter. This was partially due to the first-time booking of invested assets acquired with Sauerborn Trust at the end of fourth quarter 2004 (CHF 9 billion) without corresponding revenues. Excluding this effect, the margin declined by 1 basis point.

Business Banking Switzerland reported a pre-tax profit of CHF 2,045 million for full-year 2004, down 5% from the record result achieved in 2003. It was achieved despite a CHF 184 million fall in income, driven mainly by lower interest income, and shows the continued tight management of costs. Lower credit loss expenses reflected the structural improvement in the domestic loan portfolio in recent years.

During the course of 2004, CHF 7 billion in assets were transferred from the Business Banking Switzerland unit to the Wealth Management unit, reflecting the increasing needs of clients through their life cycle.

Fourth quarter 2004 pre-tax profit was CHF 510 million, down 1% from third quarter 2004, mainly due to lower non-interest income. The third quarter result benefited from a gain on the divestment of the Noga Hilton hotel.

Global Asset Management

Global Asset Management reported a pre-tax profit of CHF 544 million for full-year 2004, up 64% from CHF 332 million in 2003. The increase was driven by higher operating income, which rose 16%, reflecting strong net new money inflows, a continuing change in asset mix towards higher-margin products and a rise in market valuations, resulting in increased asset levels and revenues. This was accompanied by continued cost reductions.

For full-year 2004, net new money inflows in the institutional business stood at CHF 23.7 billion, almost doubling from CHF 12.7 billion a year earlier. Strong inflows were recorded into alternative and quantitative investments, equity and fixed income mandates. The wholesale intermediary fund business recorded a net new money outflow of CHF 4.5 billion compared to an outflow of CHF 5.0 billion in 2003. Inflows of CHF 16.1 billion into fixed income, asset allocation and equity funds were more than offset by money market outflows of CHF 20.6 billion mainly transfers into UBS's US bank.

Invested assets for the Business Group totaled CHF 601 billion on 31 December 2004, unchanged from 30 September but up from CHF 574 billion at the end of 2003.

In fourth quarter 2004, Global Asset Management's pre-tax profit was CHF 164 million, up CHF 59 million from third quarter 2004. The increase was largely due to higher performance fees and lower operating expenses, with the previous quarter affected by provisions relating to a restructuring in the Americas.

Investment Bank

The Investment Bank recorded a pre-tax profit of CHF 4,540 million for full-year 2004, up 18% from a year earlier, and at its highest level since 2000, reflecting revenue growth across all business areas. In particular, the fixed income, rates and currencies business posted record income, up 6% from 2003, while the equities area reported a 21% increase in revenues. At the same time, costs increased as the businesses continued to expand, and specific operational provisions also contributed to the rise. In full-year 2004, the compensation ratio fell to 51% from 52% in 2003, reflecting the completion of the strategic hiring program in investment banking.

Pre-tax profit in fourth quarter 2004 stood at CHF 1,229 million, up 3% from the same period a year earlier and 72% higher than third quarter 2004, reflecting the Investment Bank's ability to take advantage of the rebound in market conditions and volumes following the US elections. In the equities area both client commissions and income from proprietary trading rose in line with higher market activity, and revenues from prime brokerage services grew significantly.

Fixed income, rates and currencies revenues were up from fourth quarter a year earlier driven by strong performance in foreign exchange, particularly in derivatives trading. Central bank rates action stimulated volatility and market activity during the quarter, reflected in both customer trading flows and trading opportunities.

Investment banking revenues were slightly down from fourth quarter 2003 as a result of the US dollar's fall against major currencies and higher credit hedging costs for the investment banking loan book. Excluding these negative effects, investment banking revenues increased 22% from their strong performance a year earlier, driven by significant growth in advisory revenues, particularly in the Americas and Europe.

The private equity business posted revenues of negative CHF 4 million in fourth quarter 2004 because of lower levels of exits when compared to fourth quarter 2003.

Market risk for the Investment Bank, as measured by the average 10-day 99% VaR, was CHF 358 million in fourth quarter 2004, down from the third quarter 2004 average of CHF 376 million. Interest rate exposures continued to be the main contributor to VaR.

Wealth Management USA

The Wealth Management USA business reported a pre-tax profit of CHF 179 million for full-year 2004, compared to a loss of CHF 5 million in 2003. The 2003 results include a pre-tax gain of CHF 161 million from the sale of Correspondent Services Corporation (CSC) in second quarter 2003.

After the exclusion of the CSC gain and before acquisition costs (goodwill amortization, net goodwill funding and retention payments), operational performance showed profits of CHF 762 million in 2004 and CHF 664 million in 2003. On the same basis, but in US dollars, the operating result was 24% higher in 2004 than in 2003. This represents the best result since PaineWebber became part of UBS, reflecting record recurring fees and increased net interest revenue benefiting from the first full-year impact of UBS Bank USA, whose loan book grew from USD 4.5 billion at the end of 2003 to USD 7.2 billion at 31 December 2004.

In fourth quarter 2004, Wealth Management USA reported a pre-tax profit of CHF 77 million, compared to CHF 43 million in third quarter. Before acquisition costs, pre-tax profit increased 11%, or 20% in US dollar terms.

Net new money showed renewed strength, with inflows of CHF 6.8 billion in fourth quarter, up from CHF 5.3 billion in the previous quarter. The result reflects the positive impact of recent hiring in the advisory force as well as the improved market environment.

In full-year 2004, net new money totaled CHF 17.1 billion, down from CHF 21.1 billion a year earlier, reflecting a slow asset-gathering performance at the beginning of the year as well as the US dollar's weakening against the Swiss franc.

Media release available at www.ubs.com/media

Further information on UBS's quarterly results is available at www.ubs.com/media

- 4Q2004 Report (pdf and interactive version)
- 4Q2004 Results slide presentation
- Letter to shareholders (English, German, French and Italian)

Webcast: The results presentation by Peter Wuffli, Chief Executive Officer, and Clive Standish, Chief Financial Officer, will be webcast live via www.ubs.com at the following time on 8 February 2005:

- 0900 CET
- 0800 GMT
- 0300 US EST

Webcast playback will be available from 1400 CET on 8 February 2004.

The complete line of **2004 annual reporting products** -- which comprises the **Financial Report**, the **Handbook** and the **Annual Review** -- will be published on 16 March 2005.

Cautionary statement regarding forward-looking statements

This communication contains statements that constitute "forward-looking statements", including, but not limited to, statements relating to the implementation of strategic initiatives, such as the European wealth management business, and other statements relating to our future business development and economic performance.

While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, (1) general market, macro-economic, governmental and regulatory trends, (2) movements in local and international securities markets, currency exchange rates and interest rates, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or creditworthiness of our customers, obligors and counterparties and developments in the markets in which they operate, (6) legislative developments, (7) management changes and changes to our Business Group structure and (8) other key factors that we have indicated could adversely affect our business and financial performance which are contained in other parts of this document and in our past and future filings and reports, including those filed with the SEC.

More detailed information about those factors is set forth elsewhere in this document and 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 2003. UBS is not under any obligation to (and expressly disclaims any such obligations to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

Invested Assets

<i>CHF billion</i>	Quarter ended			% change from	
	31.12.04	30.9.04	31.12.03	3Q04	4Q03
UBS	2'250	2'261	2'133	0	5
Wealth Management & Business Banking					
Wealth Management	778	772	701	1	11
Business Banking Switzerland	140	140	136	0	3
Global Asset Management					
Institutional	344	342	313	1	10
Wholesale Intermediary	257	259	261	(1)	(2)
Investment Bank	0	1	4	(100)	(100)
Wealth Management USA	639	654	634	(2)	1
Corporate Center					
Private Banks & GAM	92	93	84	(1)	10

Net New Money ¹

<i>CHF billion</i>	Quarter ended			Year ended	
	31.12.04	30.9.04	31.12.03	31.12.04	31.12.03
UBS	16.4	20.5	10.7	88.9	69.1
Wealth Management & Business Banking					
Wealth Management	6.5	11.4	6.4	42.3	29.7
Business Banking Switzerland	0.2	0.4	(0.2)	2.6	2.5
Global Asset Management					
Institutional	3.0	3.0	1.4	23.7	12.7
Wholesale Intermediary	0.5	1.0	(8.3)	(4.5)	(5.0)
Investment Bank	0.0	0.0	0.6	0.0	0.9
Wealth Management USA	6.8	5.3	7.8	17.1	21.1
Corporate Center					
Private Banks & GAM	(0.6)	(0.6)	3.0	7.7	7.2

¹ Excludes interest and dividend income.

Net Interest and Trading Income

<i>CHF million</i>	Quarter ended			% change from		Year ended	
	31.12.04	30.9.04	31.12.03	3Q04	4Q03	31.12.04	31.12.03
Net interest income	3'284	2'963	3'007	11	9	12'521	12'299
Net trading income	683	666	578	3	18	4'311	3'756
Total net interest and trading income	3'967	3'629	3'585	9	11	16'832	16'055

Breakdown by business activity

<i>CHF million</i>	Quarter ended			% change from		Year ended	
	31.12.04	30.9.04	31.12.03	3Q04	4Q03	31.12.04	31.12.03
Net income from interest margin products	1'306	1'278	1'233	2	6	5'139	5'077
Equities	878	578	701	52	25	3'098	2'445
Fixed income	1'257	1'237	1'146	2	10	6'264	6'474
Foreign exchange	362	269	321	35	13	1'467	1'436
Other	49	63	86	(22)	(43)	273	326
Net income from trading activities	2'546	2'147	2'254	19	13	11'102	10'681
Net income from treasury activities	270	345	326	(22)	(17)	1'298	1'417
Other ¹	(155)	(141)	(228)	(10)	32	(707)	(1'120)
Total net interest and trading income	3'967	3'629	3'585	9	11	16'832	16'055

¹ Includes external funding costs of the Paine Webber Group, Inc. acquisition.

Income Statement (unaudited)

<i>CHF million, except per share data</i>	Quarter ended		% change from		Year ended		
	31.12.04	30.9.04	31.12.03	3Q04	4Q03	31.12.04	31.12.03
Operating income							
Interest income	10'516	9'967	9'739	6	8	40'182	40'159
Interest expense	(7'232)	(7'004)	(6'732)	3	7	(27'661)	(27'860)
Net interest income	3'284	2'963	3'007	11	9	12'521	12'299
Credit loss (expense) / recovery	128	14	(46)	814		276	(72)
Net interest income after credit loss expense	3'412	2'977	2'961	15	15	12'797	12'227
Net fee and commission income	5'037	4'533	4'820	11	5	19'416	17'345
Net trading income	683	666	578	3	18	4'311	3'756
Other income	41	293	179	(86)	(77)	897	462
Income from Industrial Holdings	1'969	1'679		17		3'648	
Total operating income	11'142	10'148	8'538	10	30	41'069	33'790
Operating expenses							
Personnel expenses	4'502	4'243	4'038	6	11	18'515	17'231
General and administrative expenses	1'767	1'686	1'667	5	6	6'703	6'086
Depreciation of property and equipment	367	360	373	2	(2)	1'352	1'353
Amortization of goodwill and other intangible assets	249	265	225	(6)	11	964	943
Goods and materials purchased	1'528	1'333		15		2'861	
Total operating expenses	8'413	7'887	6'303	7	33	30'395	25'613
Operating profit before tax and minority interests							
interests	2'729	2'261	2'235	21	22	10'674	8'177
Tax expense	570	474	327	20	74	2'135	1'593
Net profit before minority interests	2'159	1'787	1'908	21	13	8'539	6'584
Minority interests	(138)	(116)	(100)	19	38	(450)	(345)
Net profit	2'021	1'671	1'808	21	12	8'089	6'239
Basic earnings per share (CHF)	1.97	1.60	1.68	23	17	7.68	5.59
Diluted earnings per share (CHF)	1.91	1.55	1.64	23	16	7.47	5.48

Reporting by Business Groups and Units

<i>CHF million</i>	Total Operating Income			Total Operating Expenses			Business Group performance before tax and minority interests				
	<i>For the quarter ended</i>	31.12.04	31.12.03	%change	31.12.04	31.12.03	%change	31.12.04	31.12.03	%change	
Wealth Management & Business Banking											
Wealth Management	1'917	1'740		10	1'086	1'035		5	831	705	18
Business Banking Switzerland	1'245	1'283		(3)	735	744		(1)	510	539	(5)
Global Asset Management	526	451		17	362	339		7	164	112	46
Investment Bank	3'927	3'557		10	2'698	2'365		14	1'229	1'192	3
Wealth Management USA	1'246	1'282		(3)	1'169	1'292		(10)	77	(10)	
Corporate Center											
Private Banks & GAM	302	232		30	187	186		1	115	46	150
Corporate Functions	4	(7)			338	342		(1)	(334)	(349)	4
Financial Businesses	9'167	8'538		7	6'575	6'303		4	2'592	2'235	16

Currency Translation Rates

The following table shows the principal rates used to translate the financial statements of foreign entities into Swiss francs:

	Spot rate			Average rate			Average rate	
	As at			Quarter ended			Year ended	
	31.12.04	30.9.04	31.12.03	31.12.04	30.9.04	31.12.03	31.12.04	31.12.03
1 USD	1.14	1.25	1.24	1.16	1.26	1.29	1.24	1.34
1 EUR	1.55	1.55	1.56	1.53	1.54	1.55	1.54	1.54
1 GBP	2.19	2.26	2.22	2.19	2.29	2.24	2.27	2.20
100 JPY	1.11	1.13	1.15	1.12	1.15	1.19	1.15	1.16