

# Second Quarter Results 2007

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Zurich, 14<sup>th</sup> August 2007

Marcel Rohner (Chief Executive Officer)

Clive Standish (Chief Financial Officer)

Tom Hill (Chief Communication Officer)

[www.ubs.com](http://www.ubs.com)

# Caution regarding forward looking statements

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This communication contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives 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 and macro-economic trends, (2) legislative developments, governmental and regulatory trends, (3) movements in local and international securities markets, currency exchange rates and interest rates, (4) competitive pressures, (5) technological developments, (6) changes in the financial position or creditworthiness of our customers, obligors and counterparties and developments in the markets in which they operate, (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 2006. UBS is not under any obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

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# Financial highlights

	2Q07 as reported	2Q07 adjusted*
Net profit attributable to UBS shareholders <sup>1,2</sup>	CHF 5.15 bn	CHF 3.46 bn
RoE <sup>3</sup>	33.0%	29.8%
Cost / income ratio <sup>1</sup>	62.0%	68.0%
Net new money <sup>1</sup>	CHF 34.0 bn	CHF 34.0 bn
Diluted EPS <sup>3</sup> , Diluted EPS <sup>3</sup> growth (year-on-year)	CHF 2.69 +81%	CHF 1.84 +23%
Invested assets growth <sup>1</sup> (year-on-year)	+23%	+23%

\* Excluding gain from sale of Julius Baer stake (CHF 1,950m pre-tax, CHF 1,926m post-tax) and DRCM closure charge (CHF 384m pre-tax, CHF 229m post-tax)

1 Based on Financial Businesses, from continuing operations

2 UBS Group reported CHF 5,622m net profit attributable to UBS shareholders (CHF 3,925m excluding gain from sale of Julius Baer stake and DRCM closure charge)

3 Based on UBS Group, from continuing operations

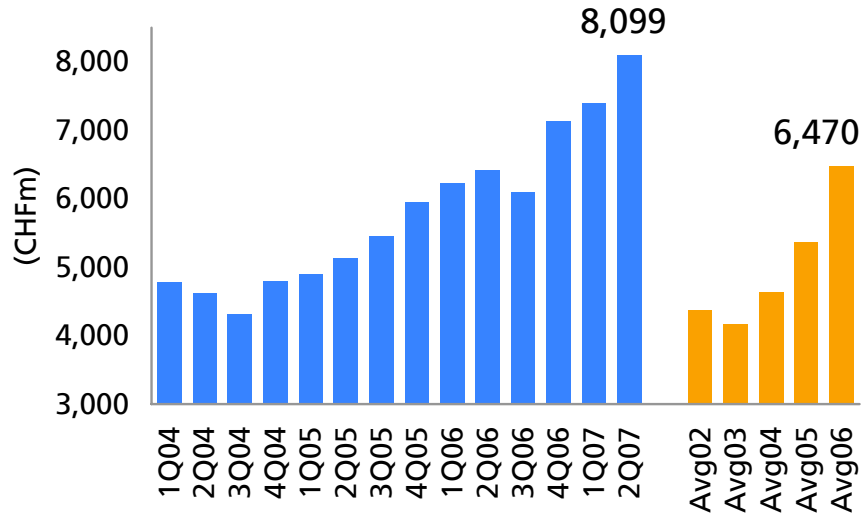
SECTION 1

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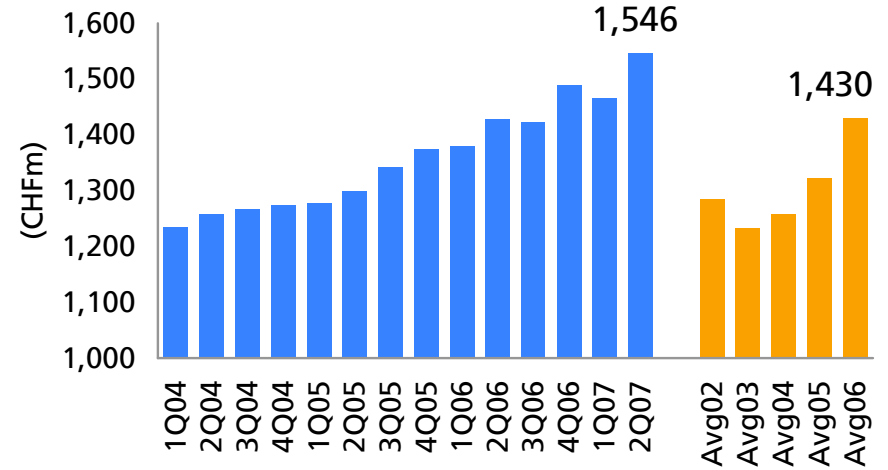
# Group Results

# Operating income trends<sup>1</sup>

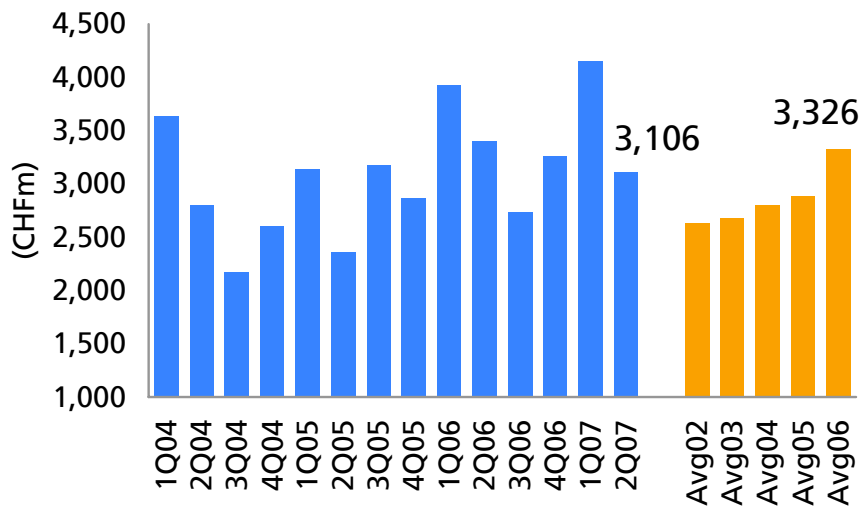
## Net fee and commission income



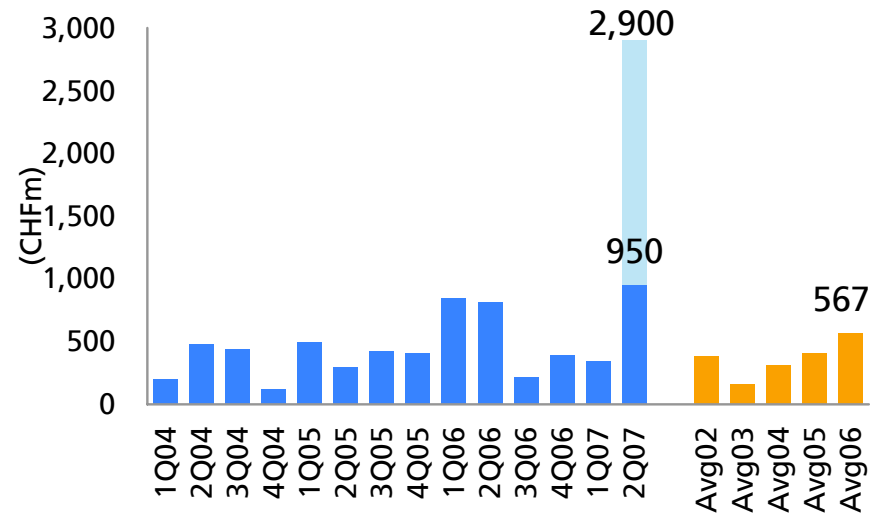
## Net income from interest margin businesses



## Net income from trading businesses



## Credit, treasury and other income<sup>2</sup>



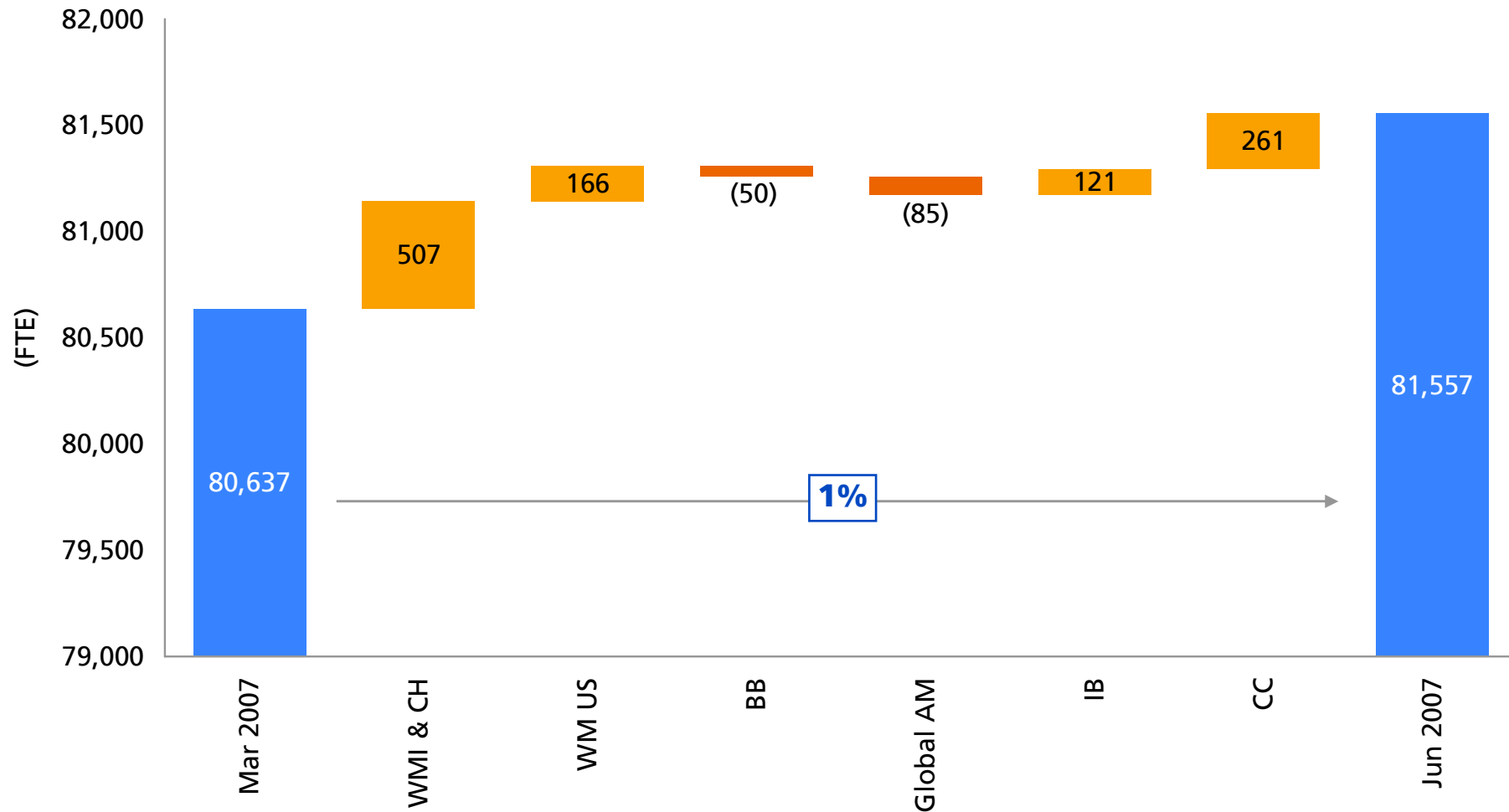
As reported

<sup>1</sup> Financial Businesses only

<sup>2</sup> Credit loss (expense) / recovery, net income from treasury activities and other, and other income

# Personnel development<sup>1</sup>

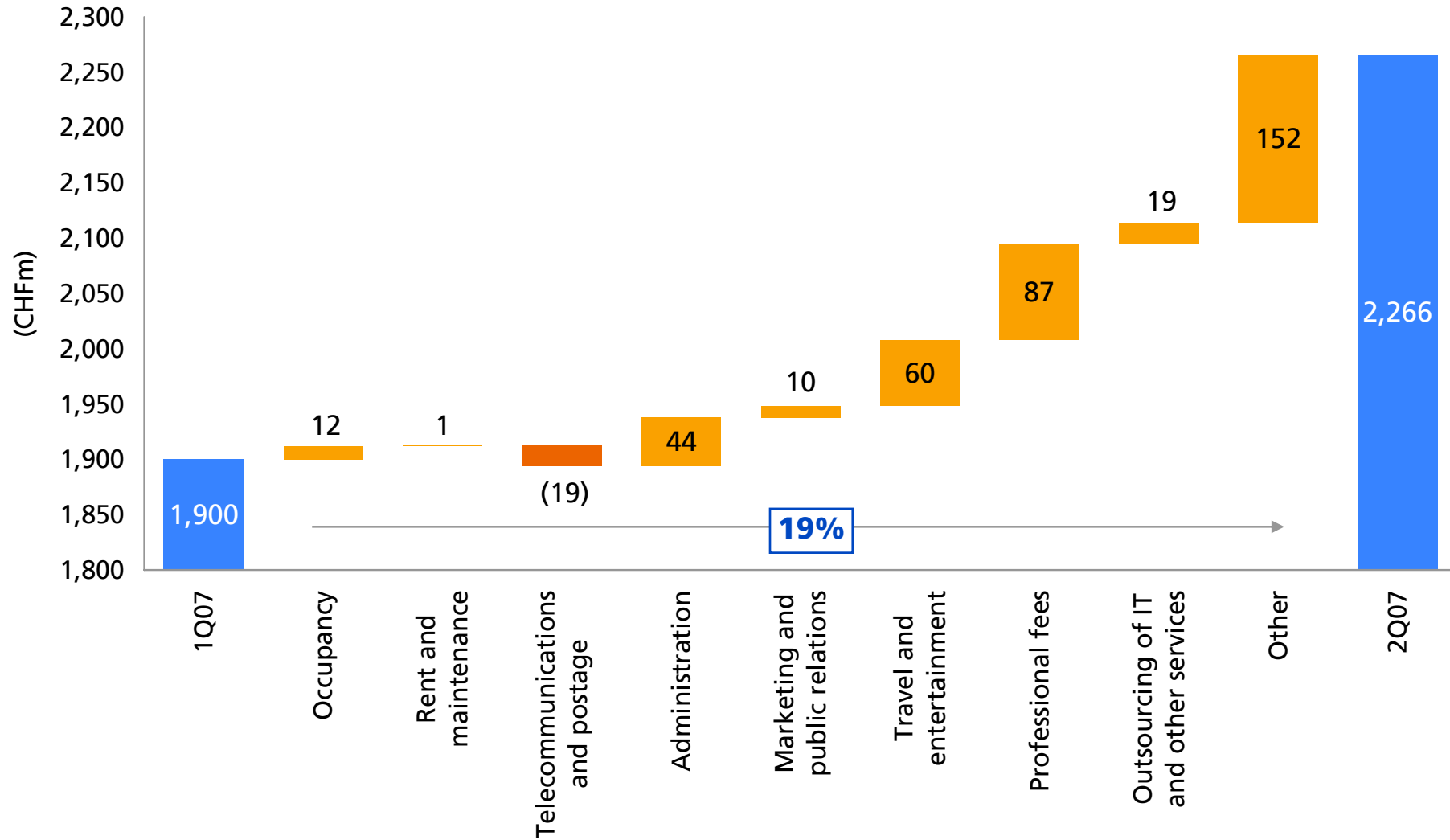
## UBS Financial Businesses



<sup>1</sup> Full-time equivalents

# General and administrative expenses

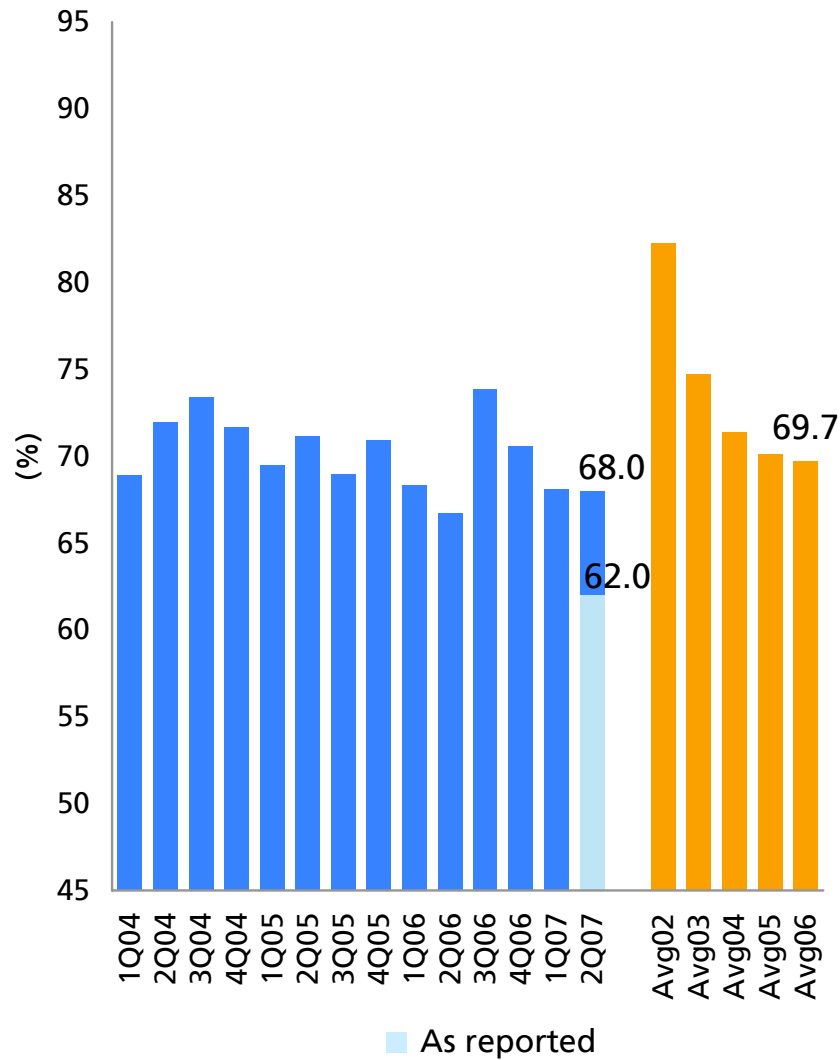
## UBS Financial Businesses



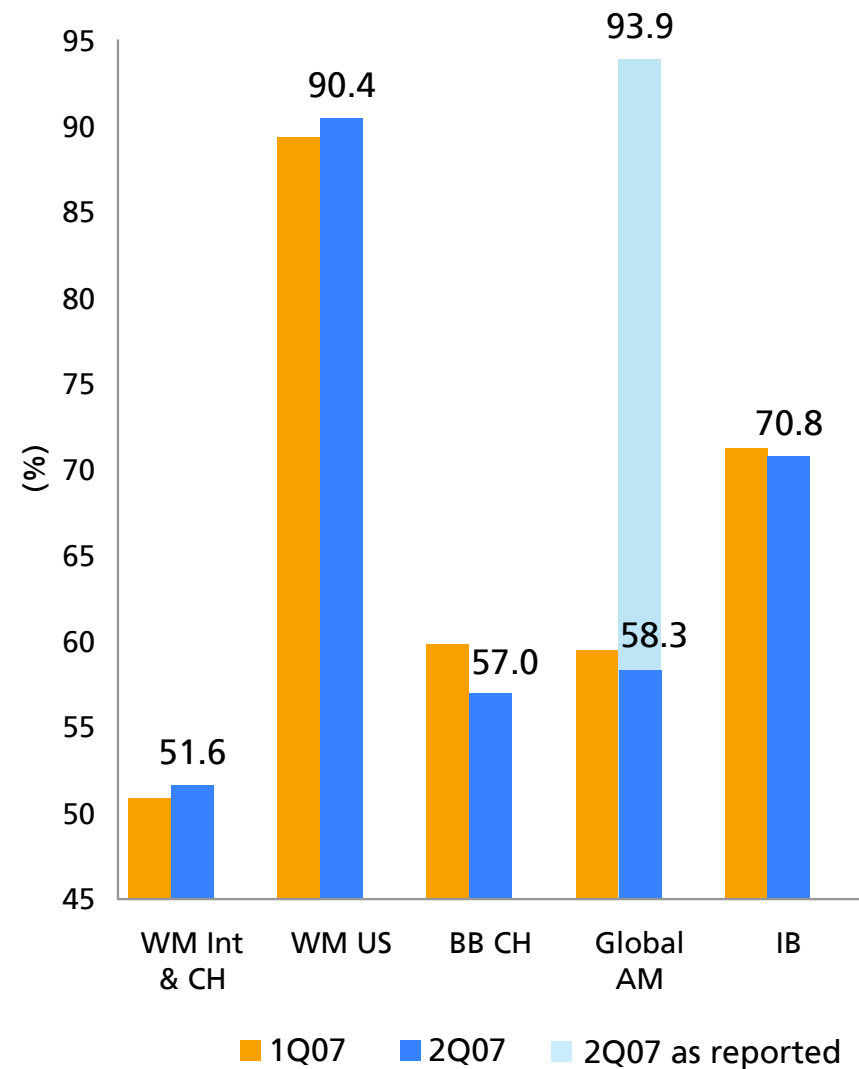


# Cost / income ratio

## Financial Businesses<sup>1</sup>



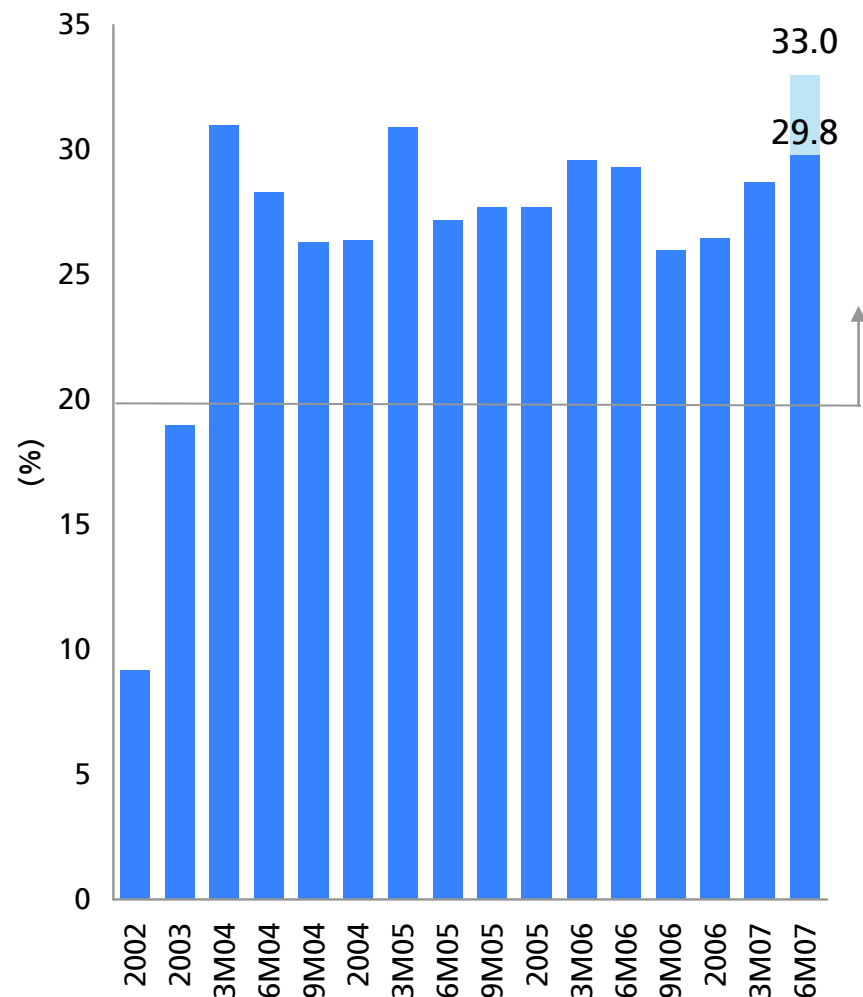
## Business Units



<sup>1</sup> Total operating expenses less the amortization of goodwill / total operating income less credit loss expense or recovery

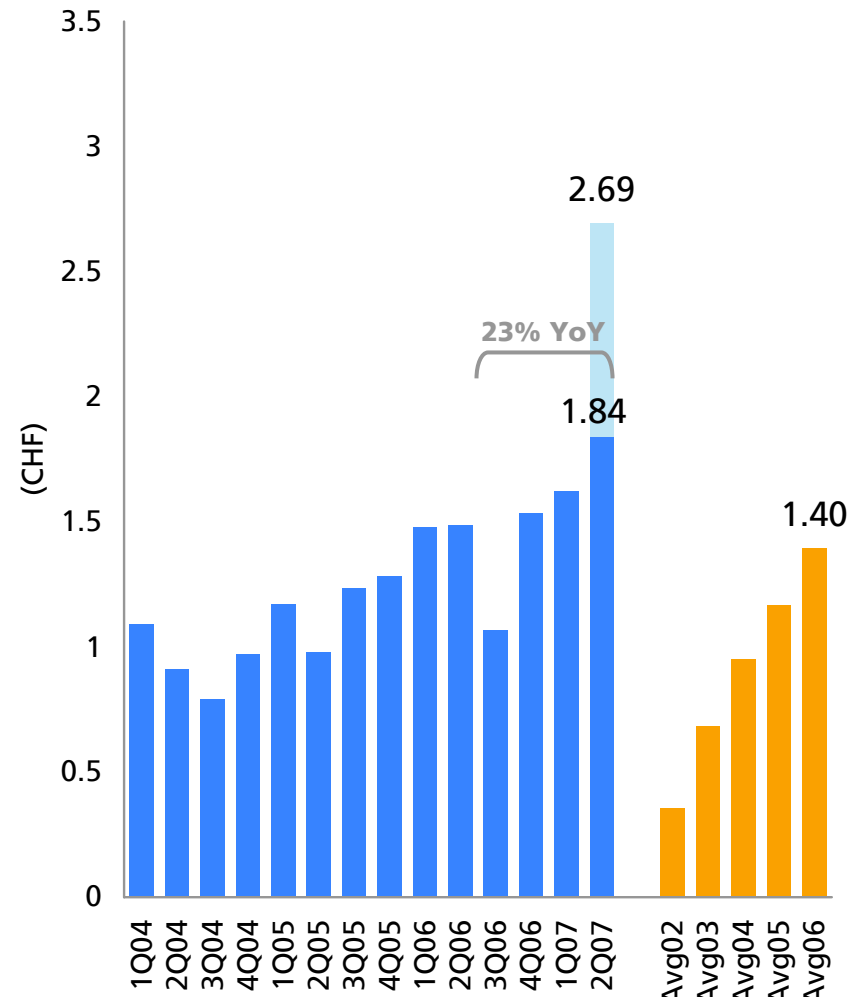
# Shareholder returns

## RoE<sup>1</sup>



As reported

## Diluted EPS<sup>2</sup>



As reported

1 Net profit attributable to UBS shareholders from continuing operations (annualized as applicable) before the amortization of goodwill / average equity attributable to UBS shareholders less assumed distributions (estimated as applicable)

2 Net profit attributable to UBS shareholders for diluted EPS from continuing operations before the amortization of goodwill / weighted average shares outstanding for diluted EPS

# Capital management update

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## Tier 1

- ◆ Tier 1 Ratio 12.3%, up 60bps from 1Q07
- ◆ Risk weighted assets CHF 378.4 bn, +CHF 23.8 bn from 1Q07
- ◆ Tier 1 Capital CHF 46.6 bn, +12.3% from 1Q07

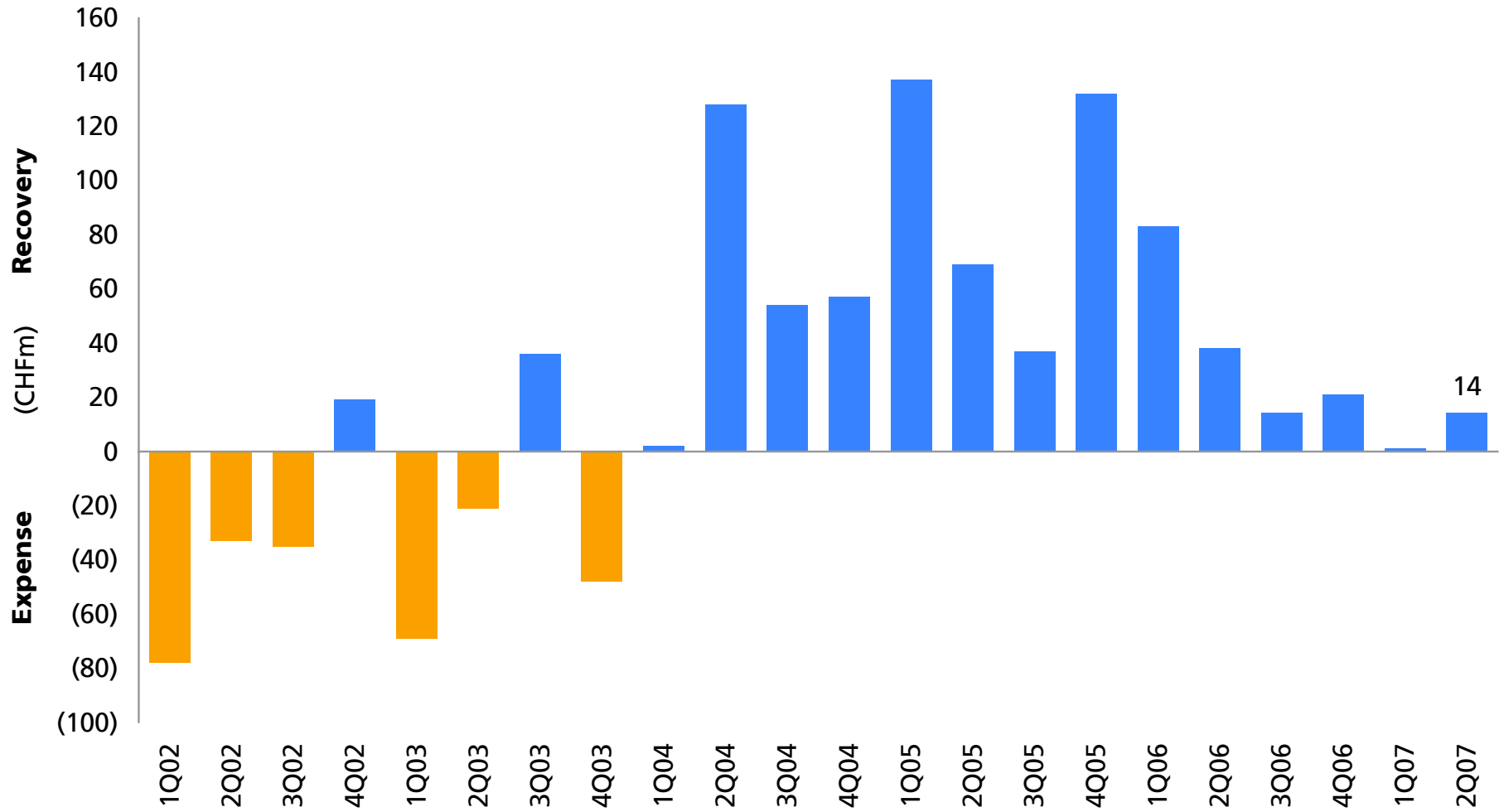
## Buyback - 1st line

- ◆ Other treasury shares decreased by 0.8 m reflecting 14.1 m share deliveries to employees partly offset by 13.3 m shares purchased

## Buyback - 2nd line

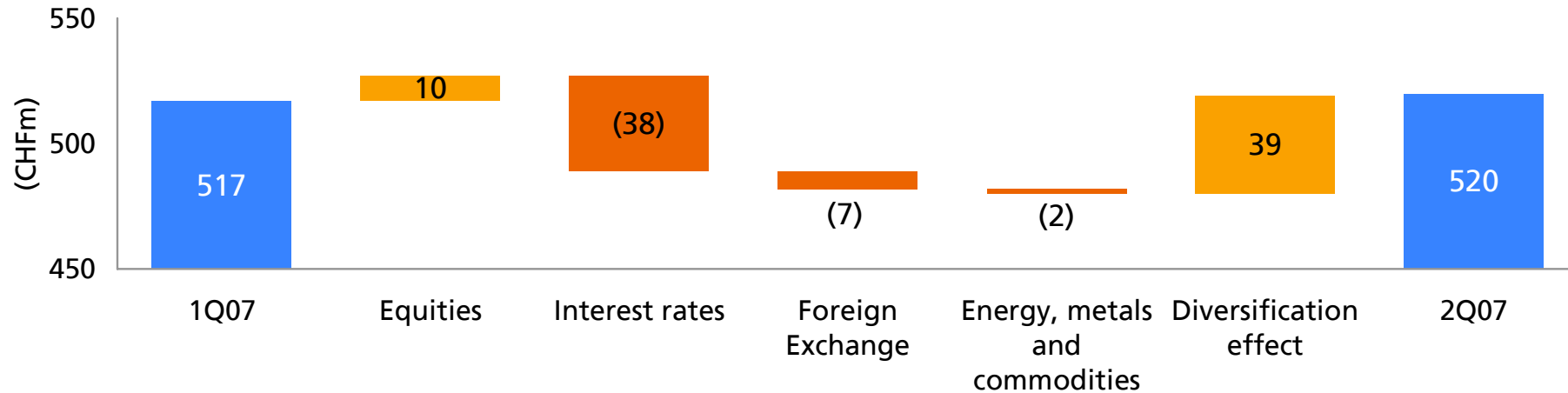
- ◆ 11,820,000 shares or CHF 0.9 bn bought back during Q2 under 2007/2010 buyback program which started March 8, 2007
- ◆ In Q2 a total of 33m shares which were bought back under 2006/2007 program were cancelled

# Credit loss (expense) / recovery



# Market Risk

## Investment Bank: Average VaR<sup>1</sup> - 1Q07 to 2Q07

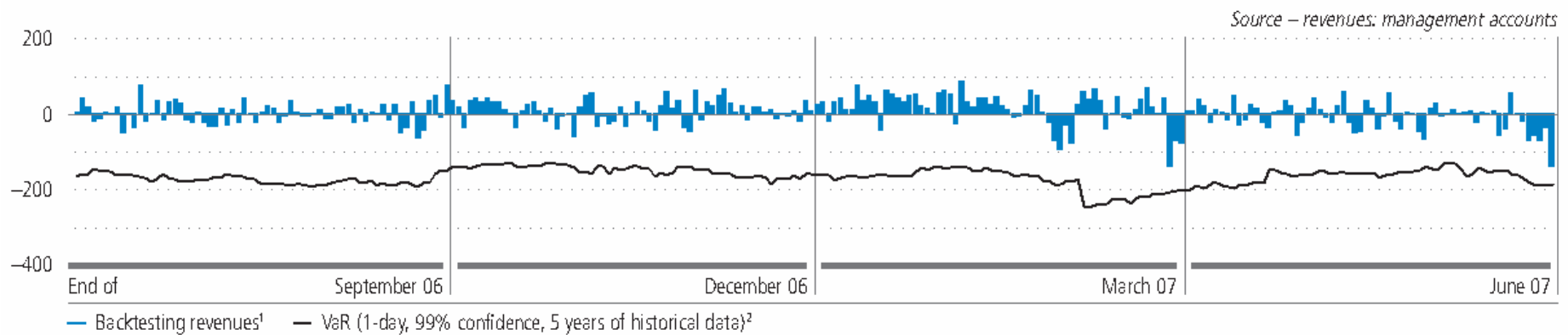


<sup>1</sup> 10-day, 99% confidence, 5 years of historical data

## UBS Investment Bank: backtesting revenues and VaR

CHF million

3 July 2006 – 29 June 2007



<sup>1</sup> Excludes non-trading revenues, such as commissions and fees, and revenues from intra-day trading. <sup>2</sup> Only includes positions subject to market risk regulatory capital.

## In summary ...

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- ◆ Profits at a new high
- ◆ Balance sheet remains robust
- ◆ Hiring slowed

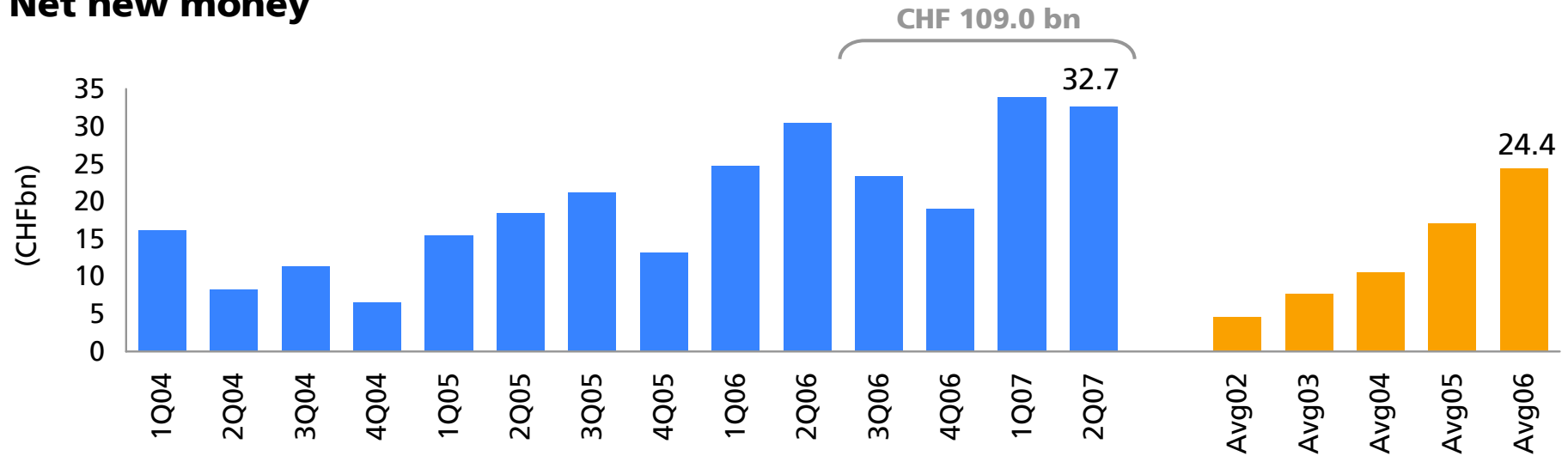
SECTION 2

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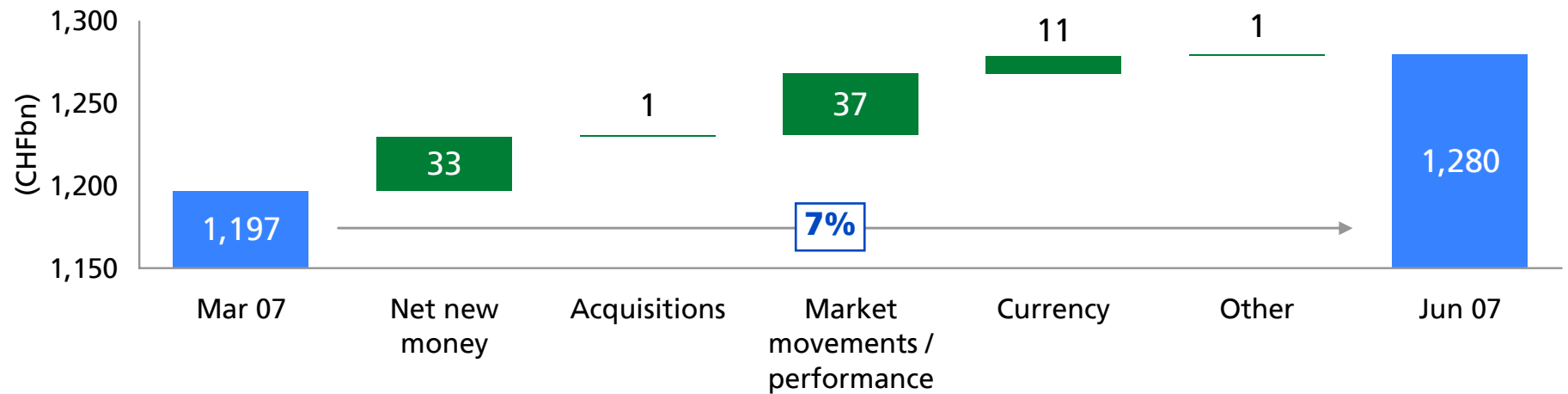
## Business Unit Results

# Net new money and invested assets—WM Int & CH

## Net new money

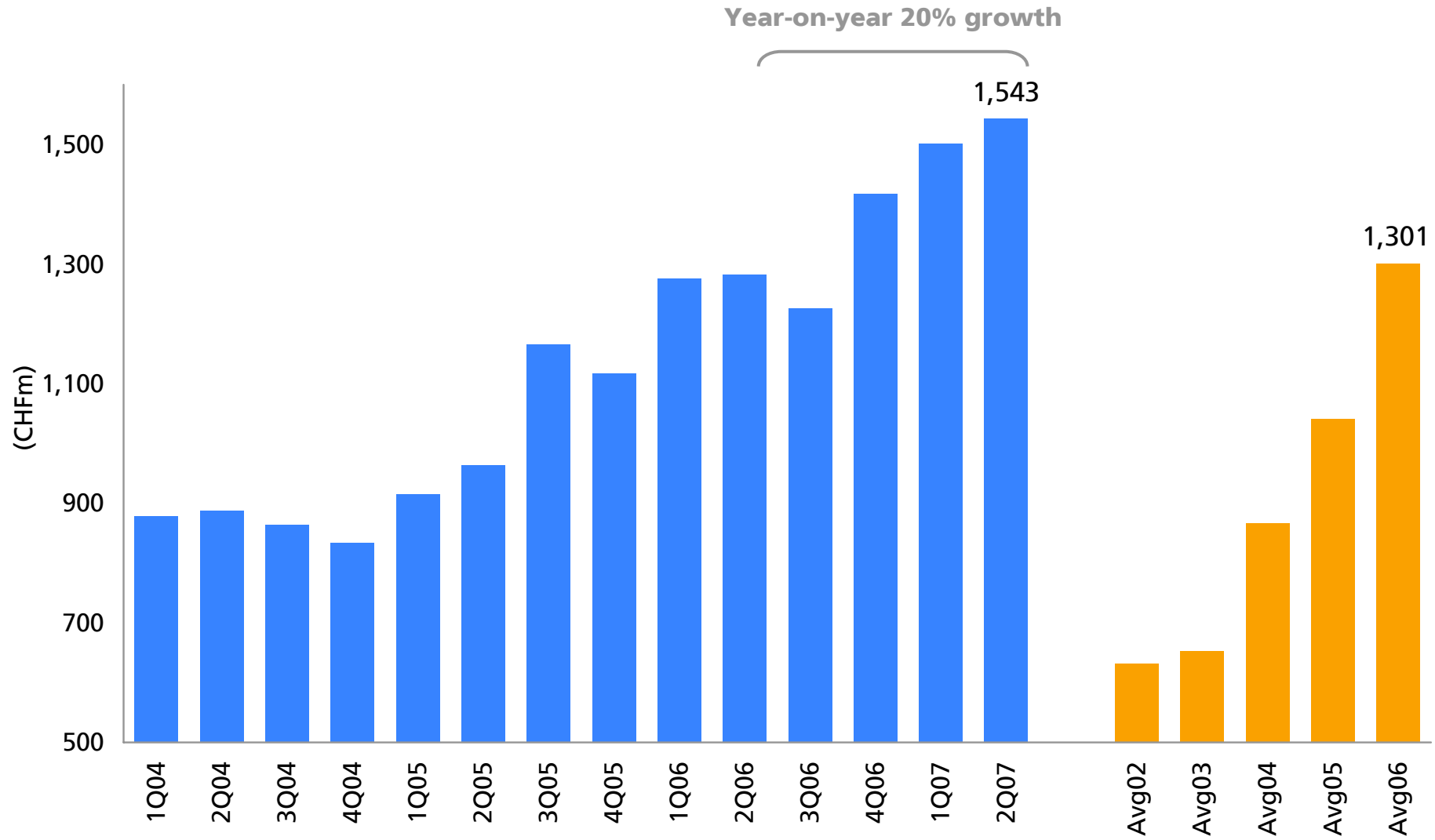


## Invested assets - Mar 07 to Jun 07





# Profitability—Wealth Management Int & CH<sup>1</sup>

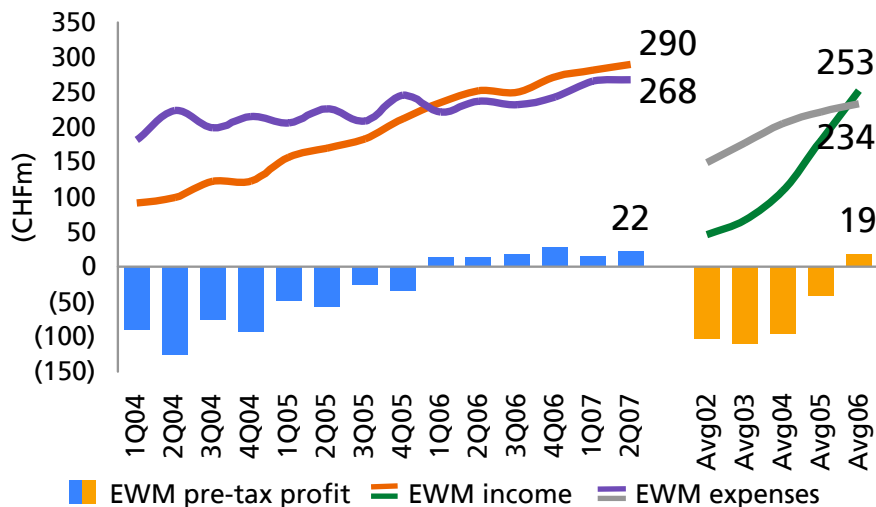


1 Pre-goodwill

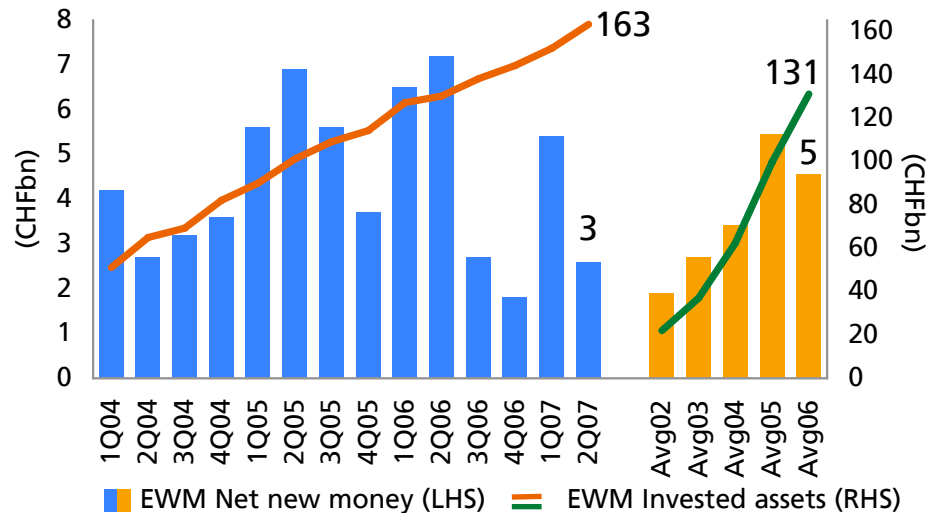


# Progress in European domestic business—WM Int

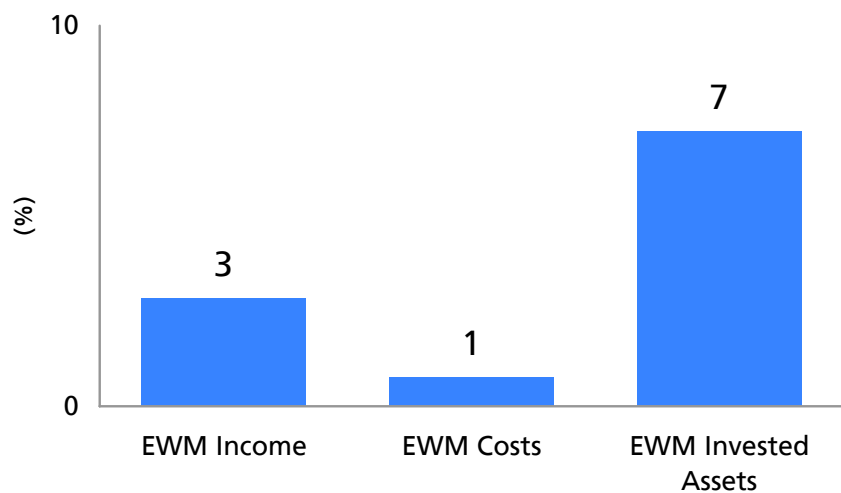
## Profitability



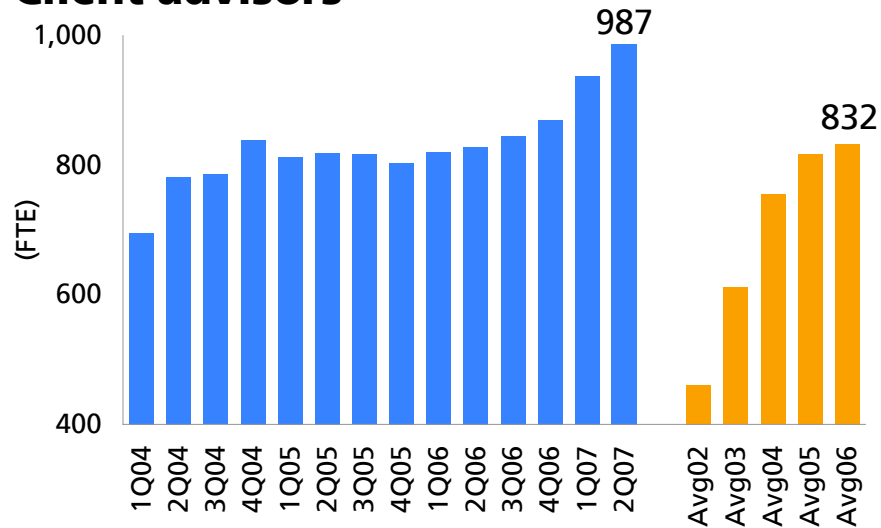
## NNM, invested assets



## 2Q07 versus 1Q07

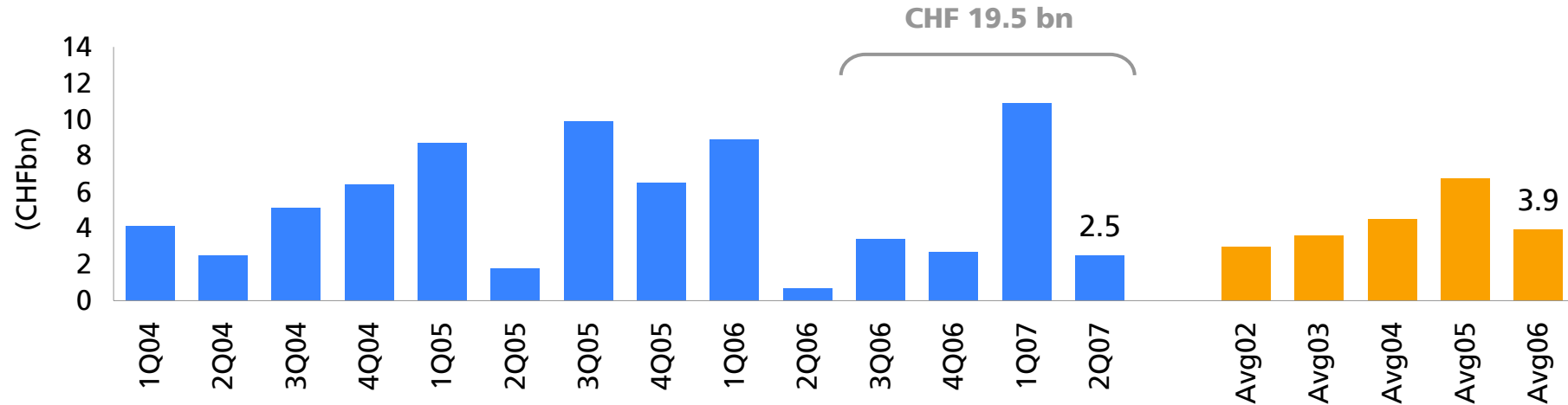


## Client advisors

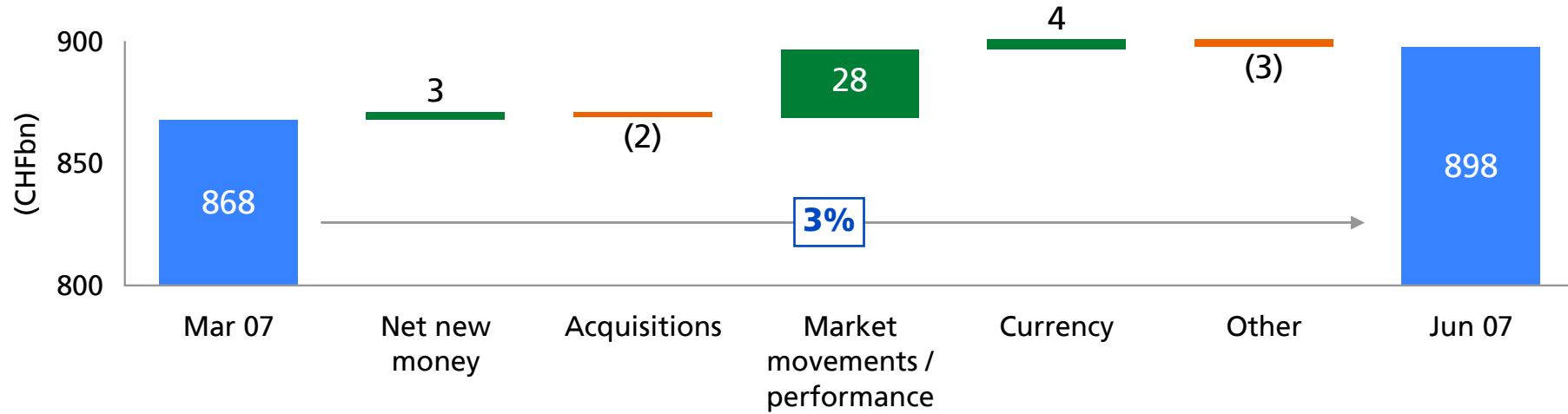


# Key figures—Wealth Management US

## Net new money

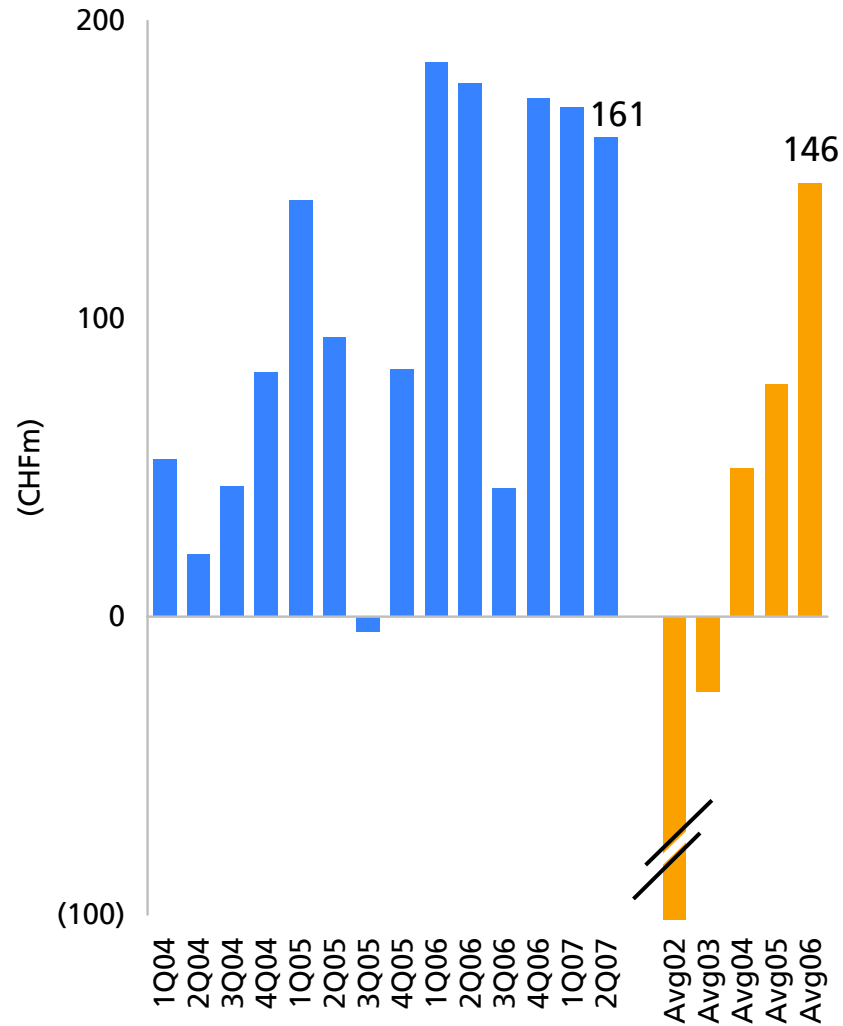


## Invested assets - Mar 07 to Jun 07

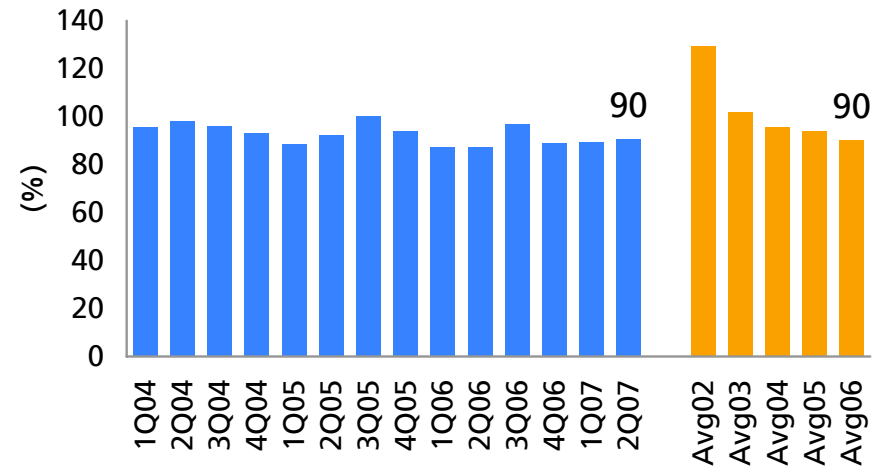


# Key figures—Wealth Management US

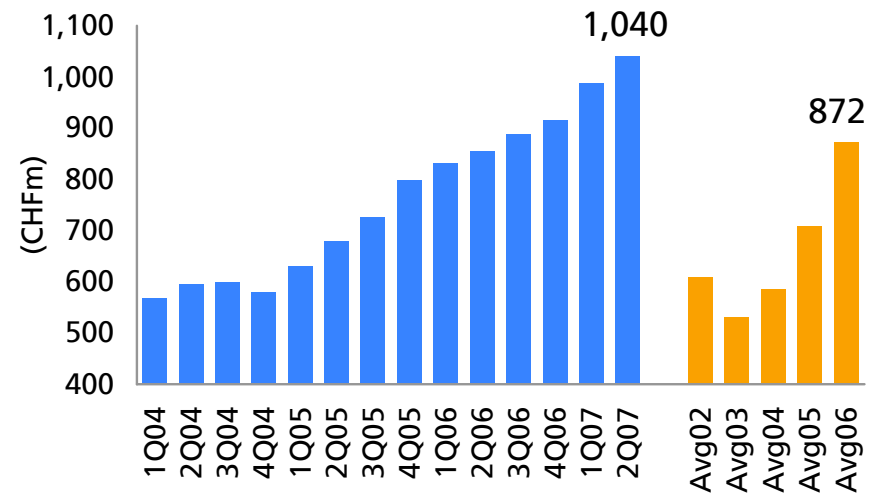
## Profitability<sup>1</sup>



## Cost / income ratio<sup>1</sup>



## Recurring income

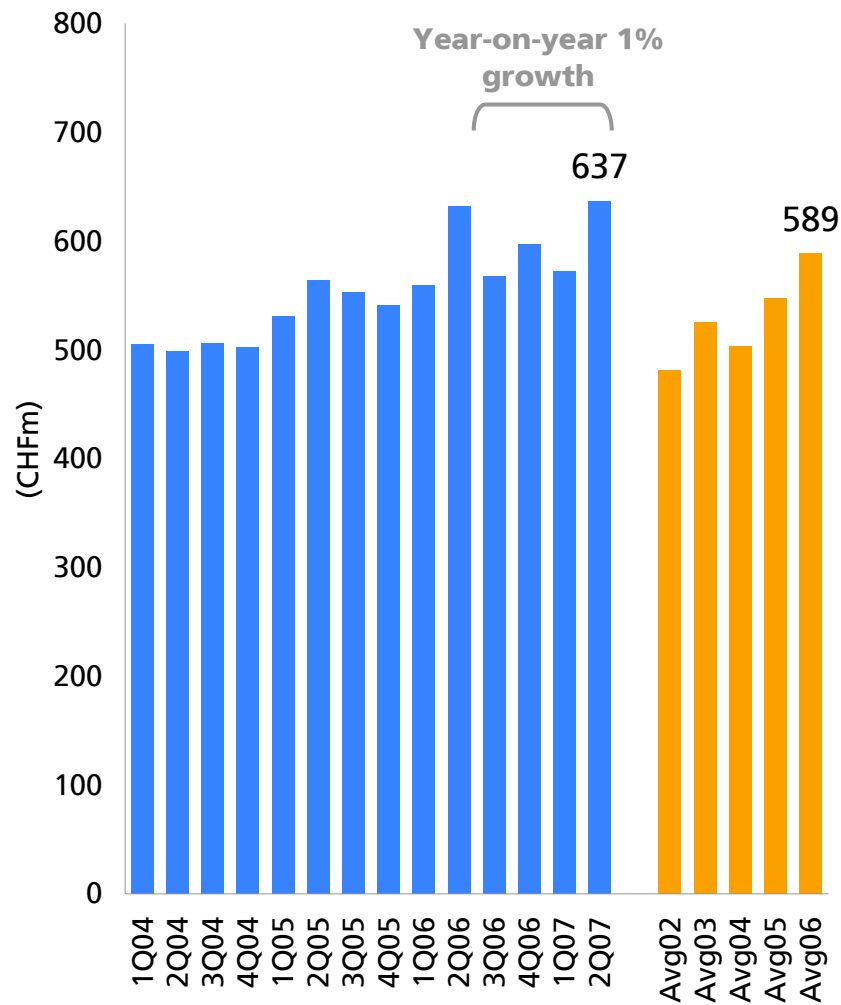


<sup>1</sup> Pre-goodwill

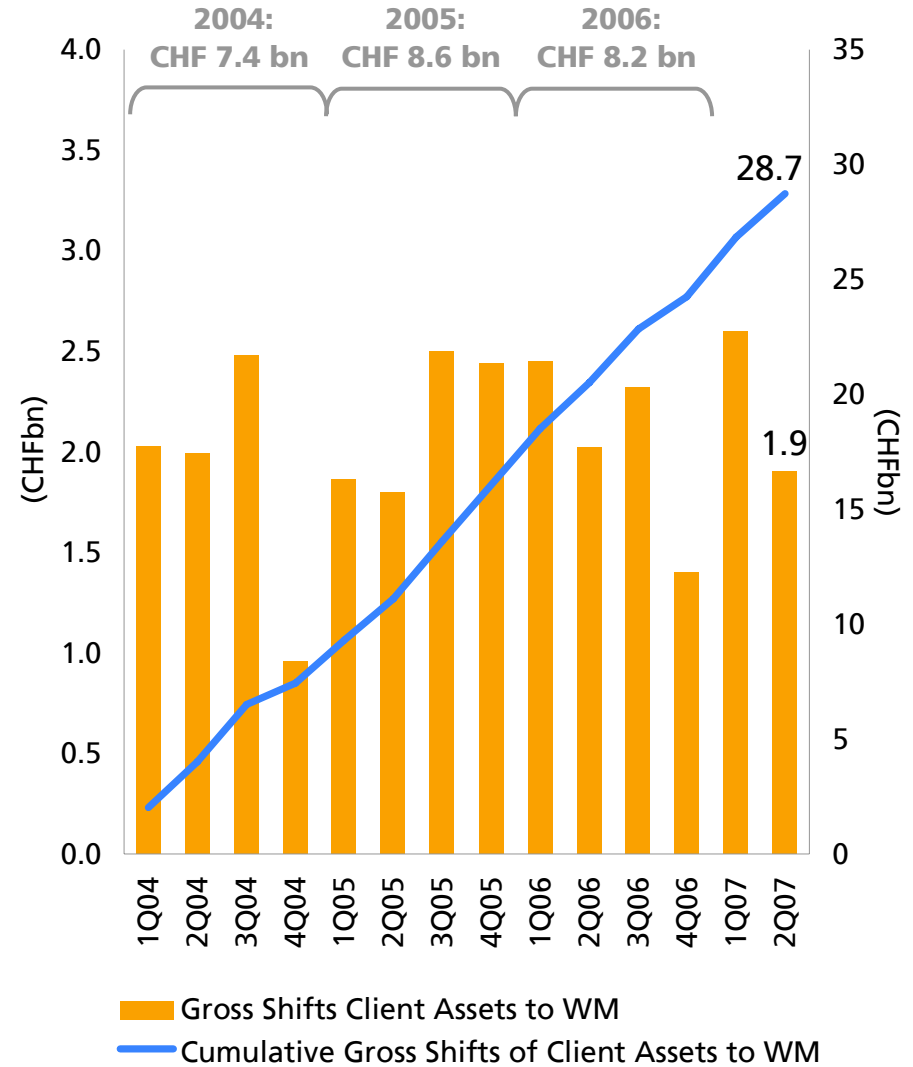


# Profitability and client shifts—Business Banking CH

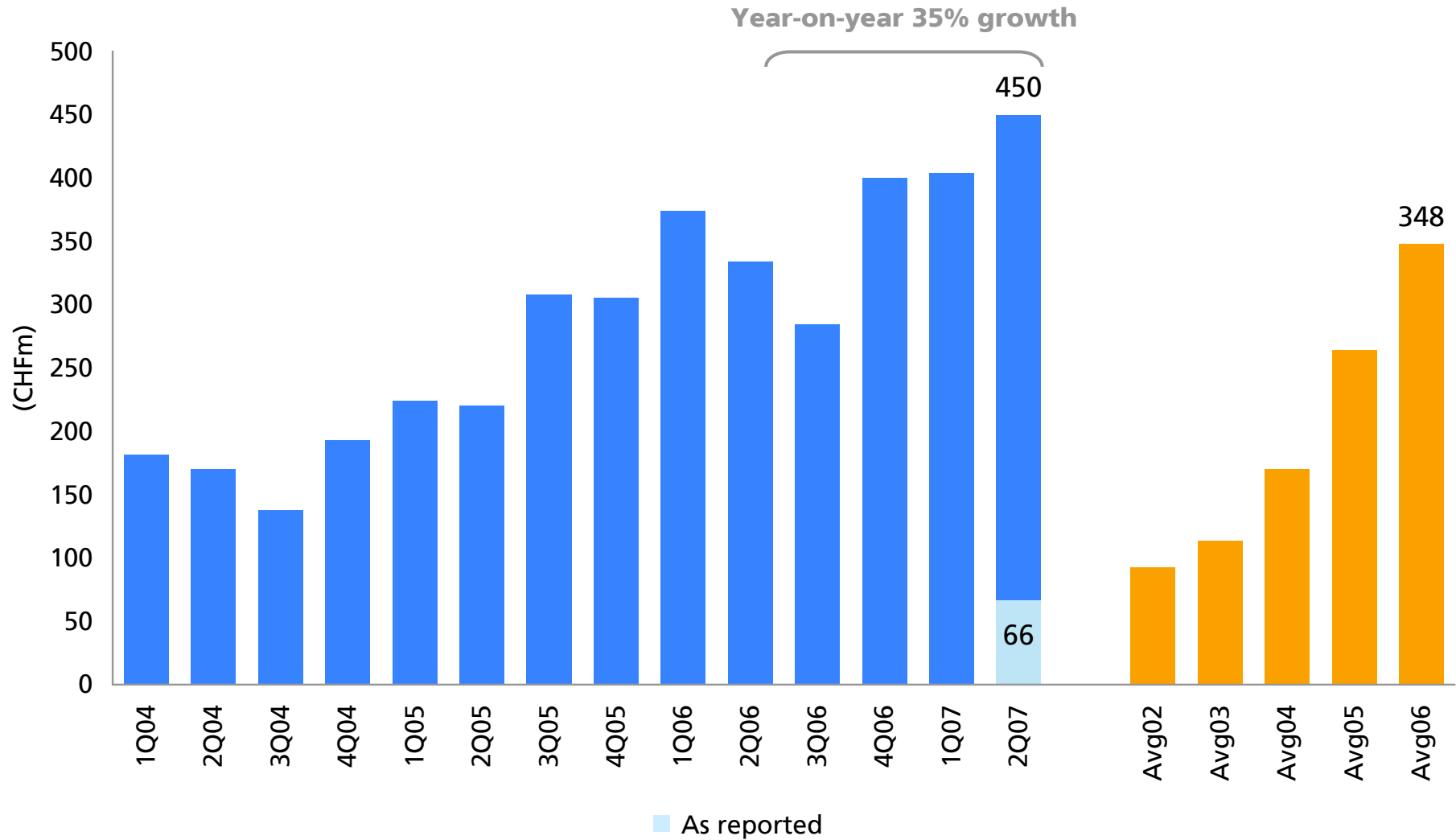
## Profitability



## Gross shifts of client assets to Wealth Management



# Profitability<sup>1</sup>—Global Asset Management

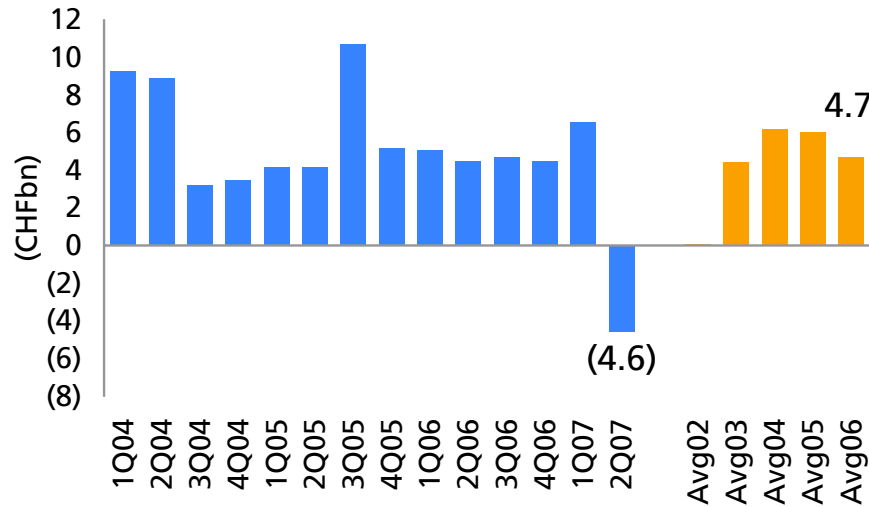


1 Pre-tax profit, pre-goodwill

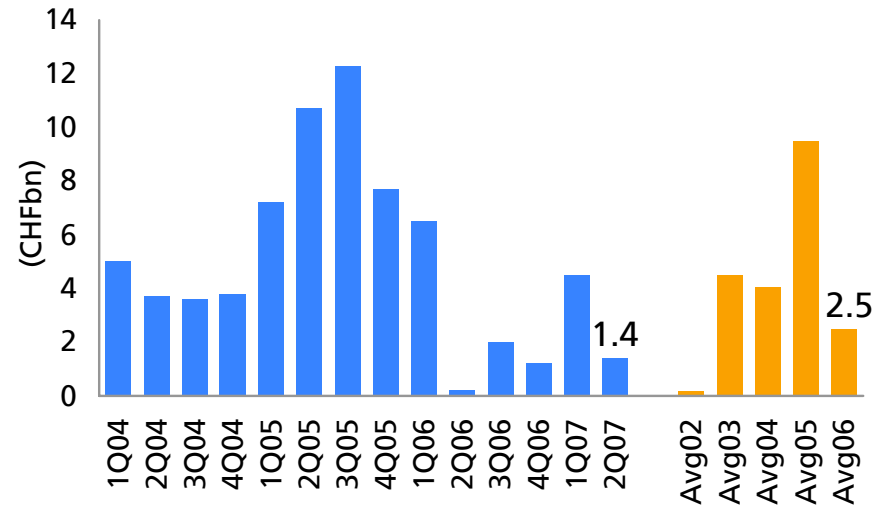


# Net new money<sup>1</sup> and gross margin—Global AM

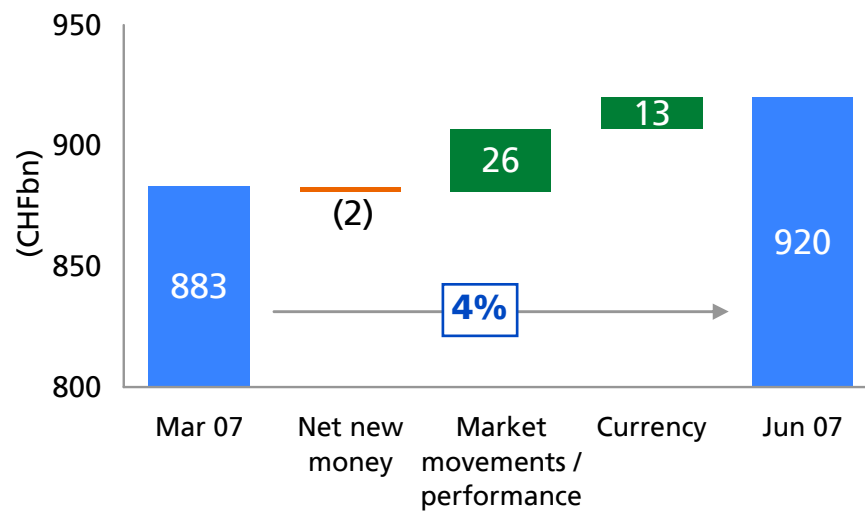
## Institutional NNM



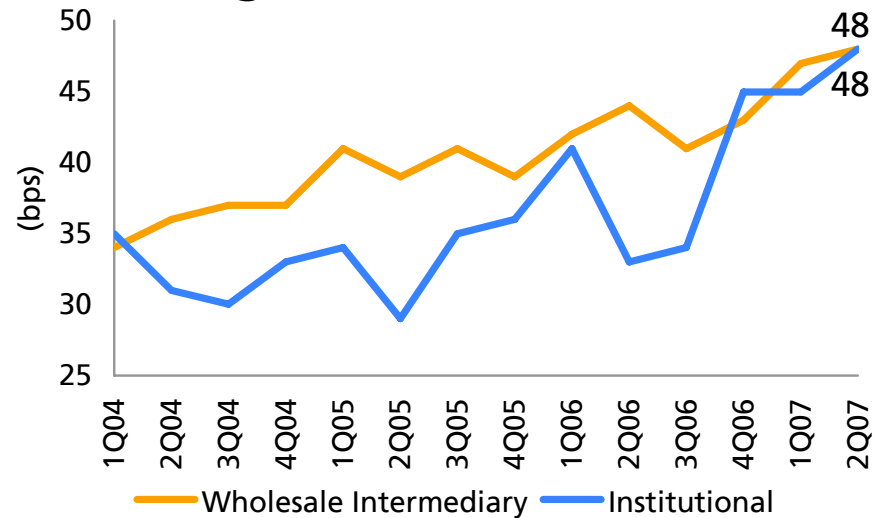
## Wholesale intermediary NNM



## Invested assets - Mar 07 to Jun 07



## Gross margin

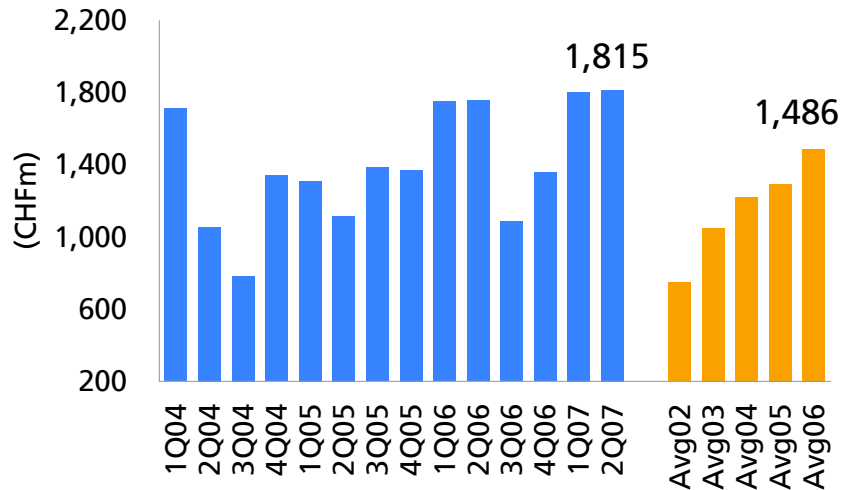


<sup>1</sup> Excluding money market flows

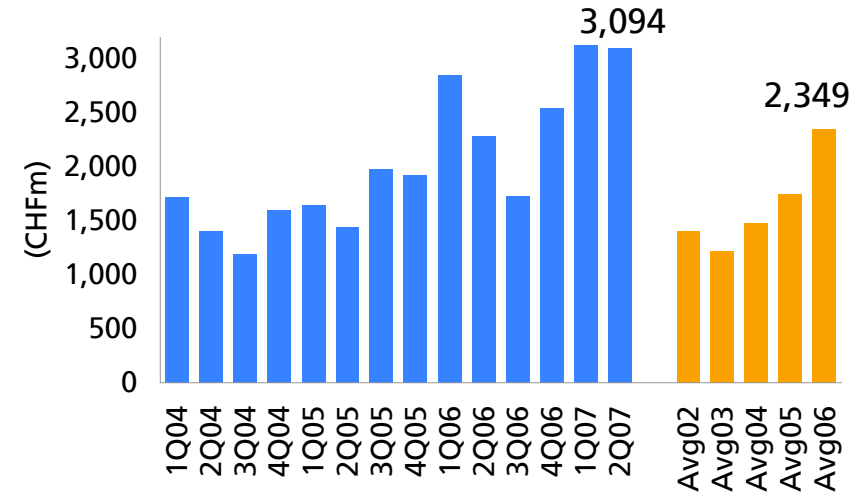


# Performance—Investment Bank

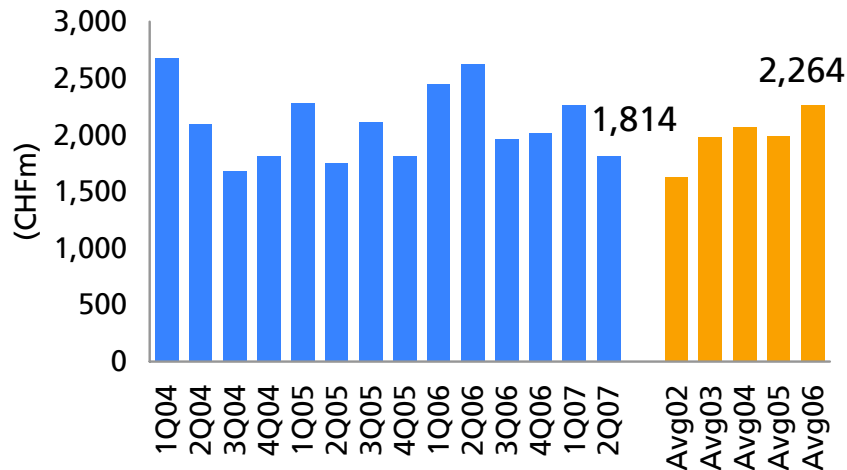
## Profitability<sup>1</sup>



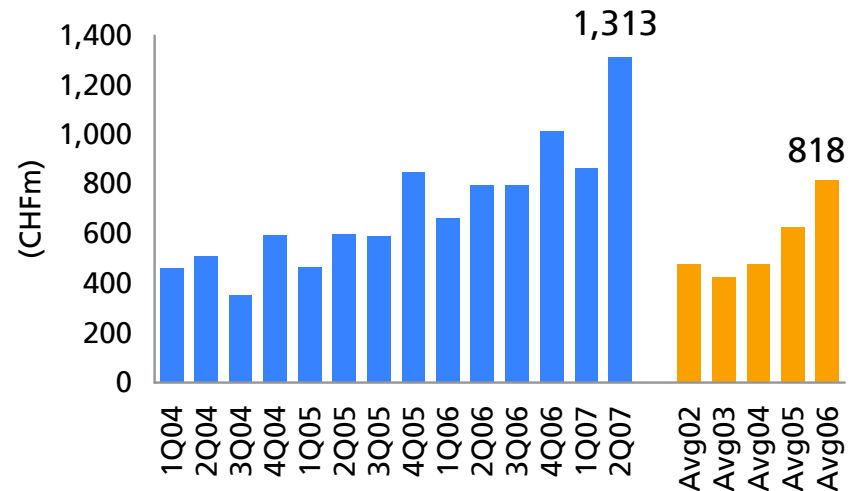
## Equities revenues



## FIRC revenues



## IBD revenues



<sup>1</sup> Pre-tax profit, Pre-goodwill

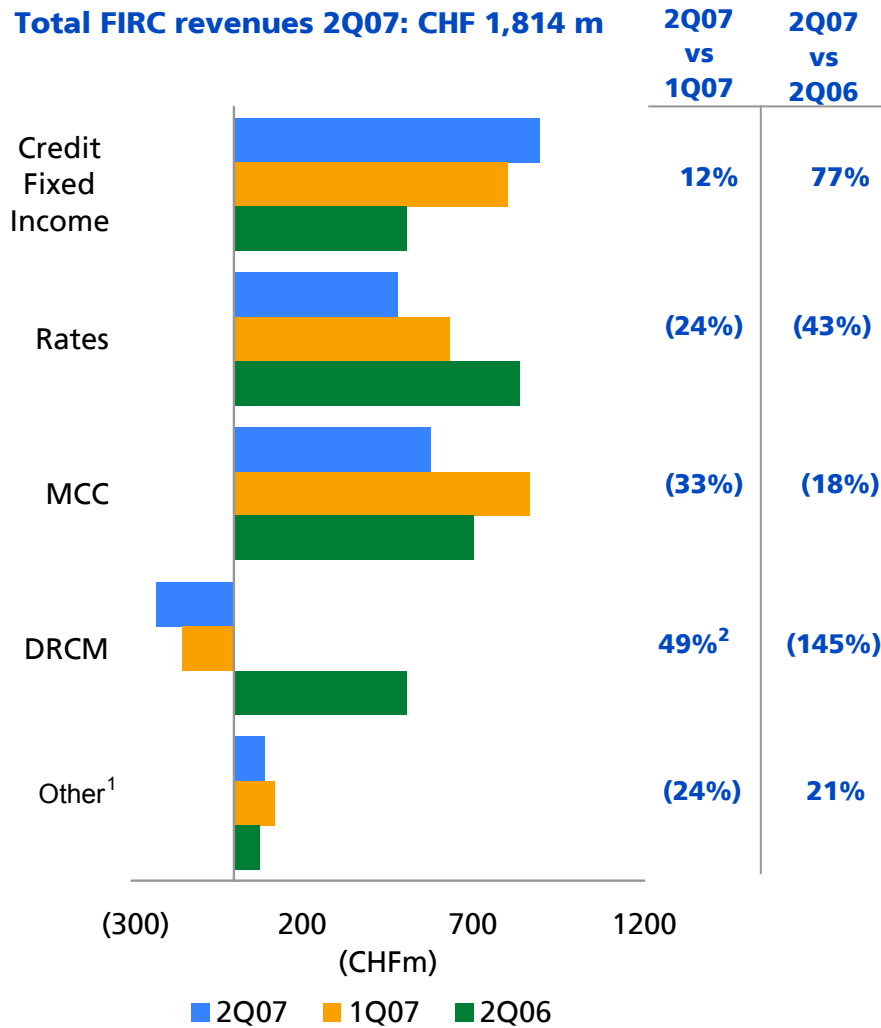




# Revenues—Fixed Income, Rates and Currencies (FIRC)

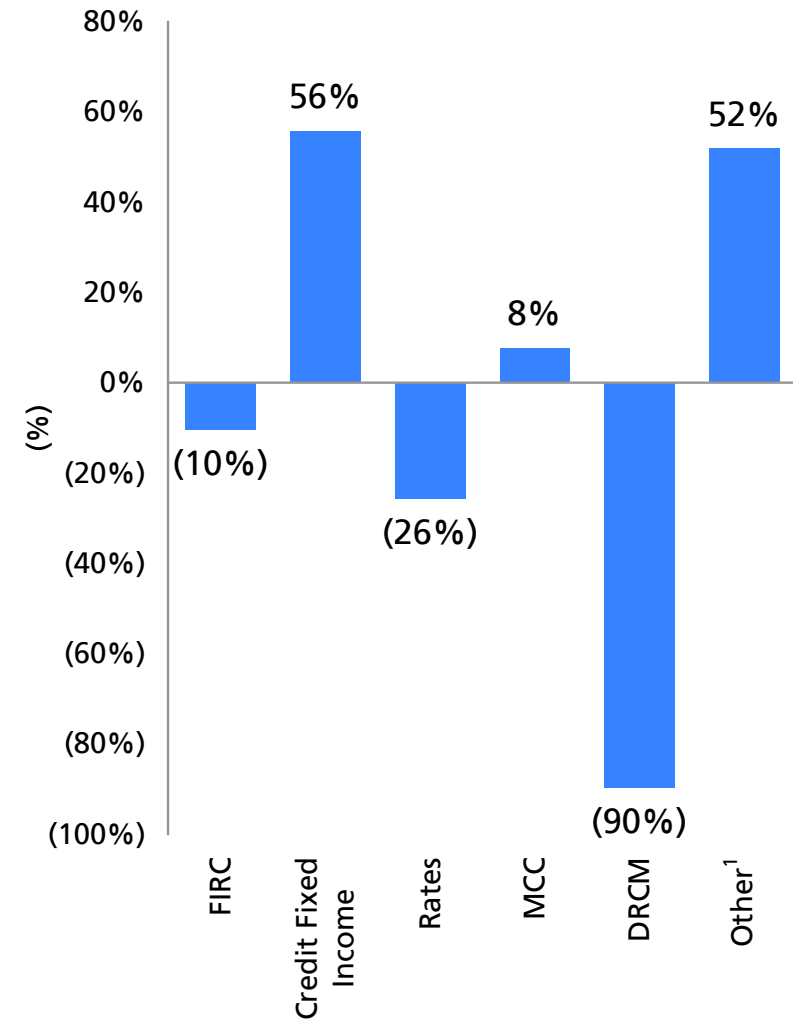
## 2Q07 versus 1Q07, 2Q06

Total FIRC revenues 2Q07: CHF 1,814 m



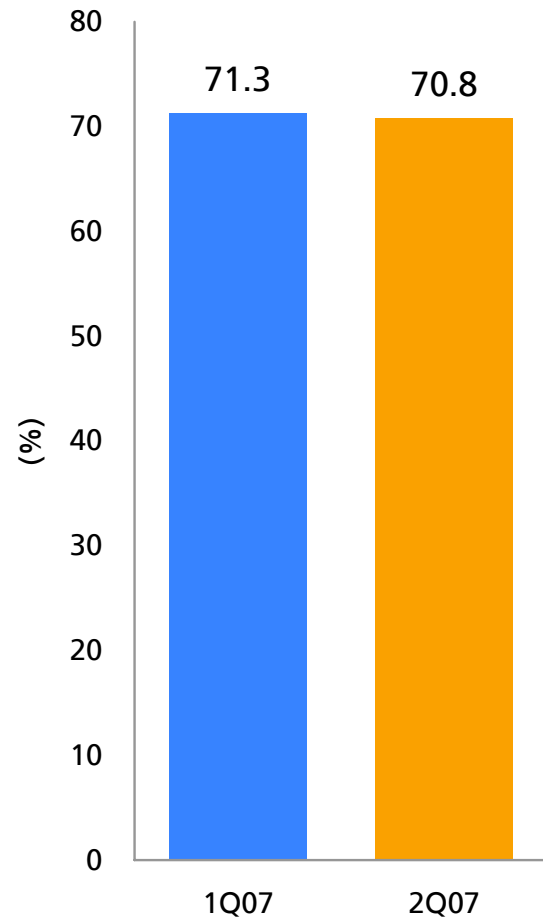
1 Other includes Municipals and Securitized Product Group  
2 Increased loss

## Rolling 12 months YoY

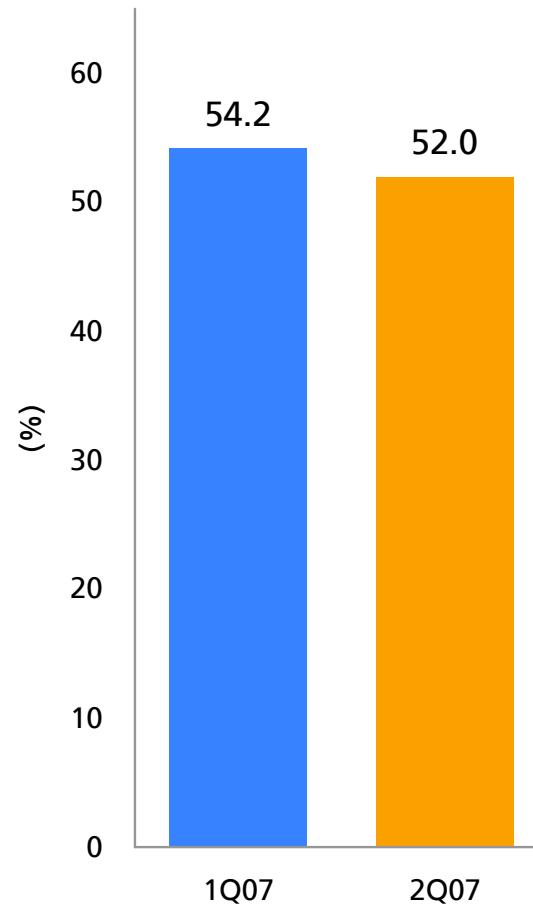


# Expenses development—Investment Bank

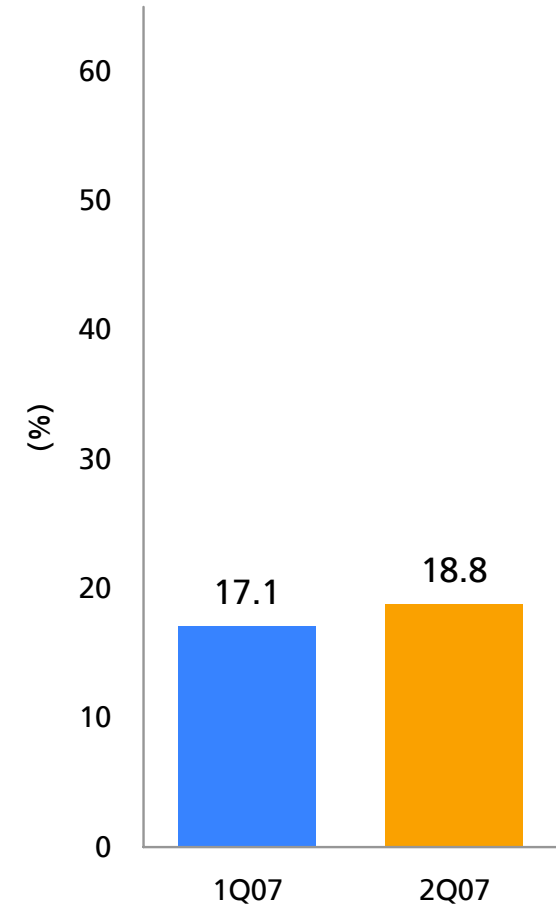
## Cost / income



## Personnel expenses<sup>1</sup>

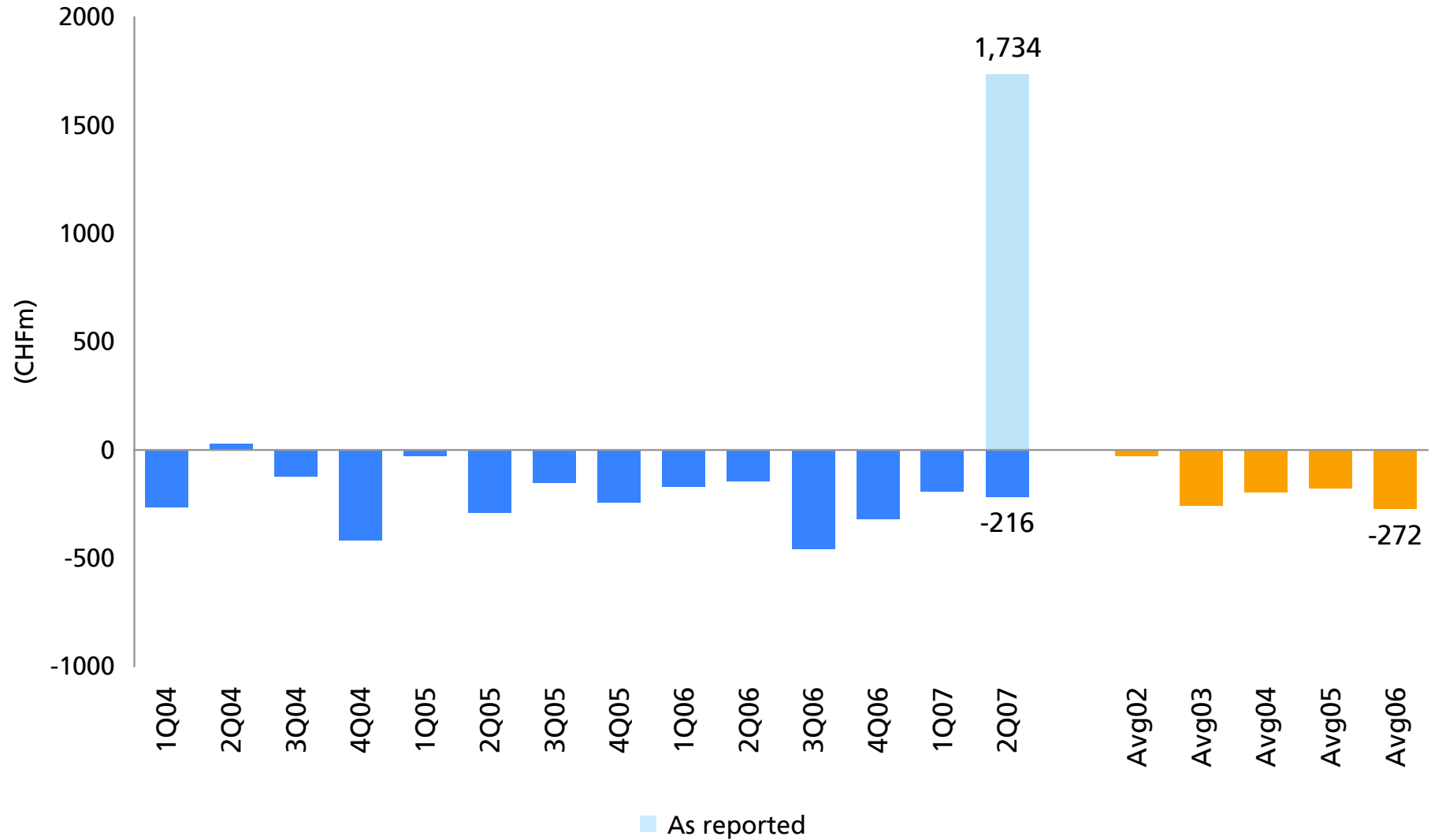


## Non-personnel expenses<sup>1</sup>



<sup>1</sup> Expenses as % of income

# Profitability<sup>1</sup>—Corporate Center



<sup>1</sup> Pre-tax profit pre-goodwill from continuing operations



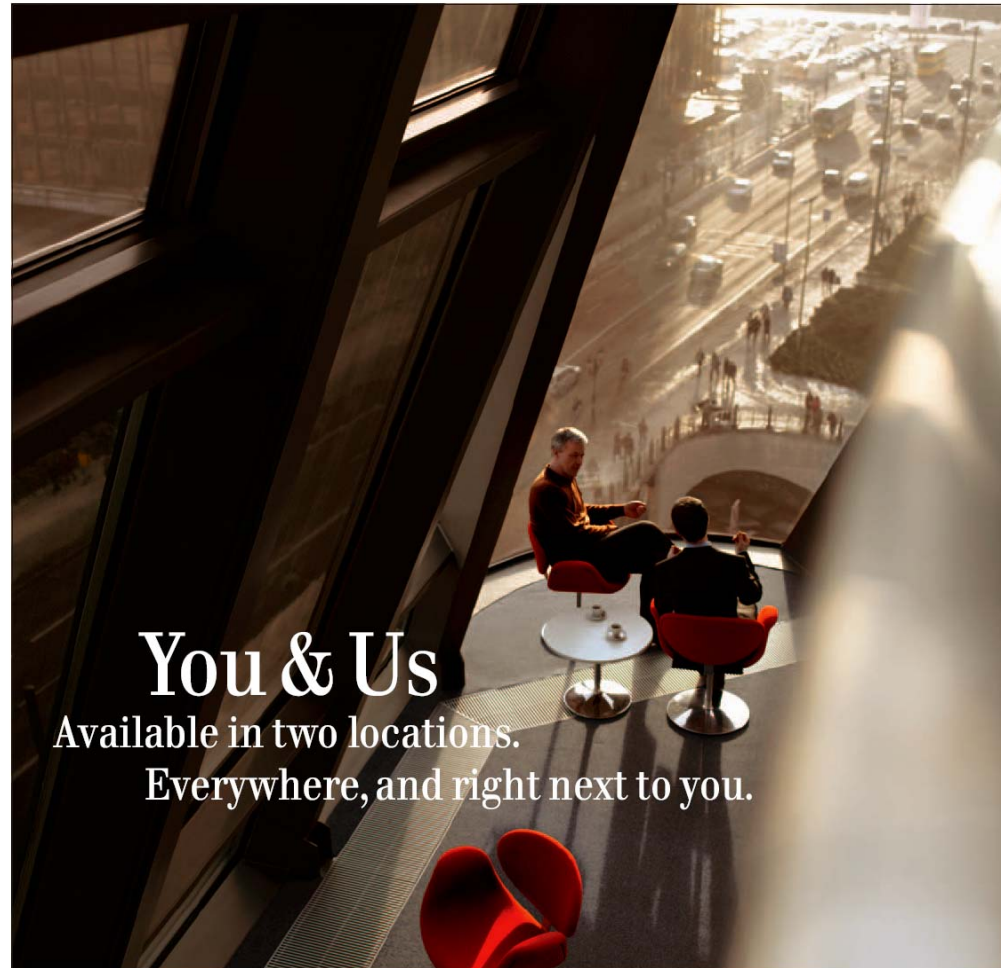
## In summary...

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- ◆ Underlying profits remain strong
- ◆ Focus on cost control

# Closing remarks and Q&A

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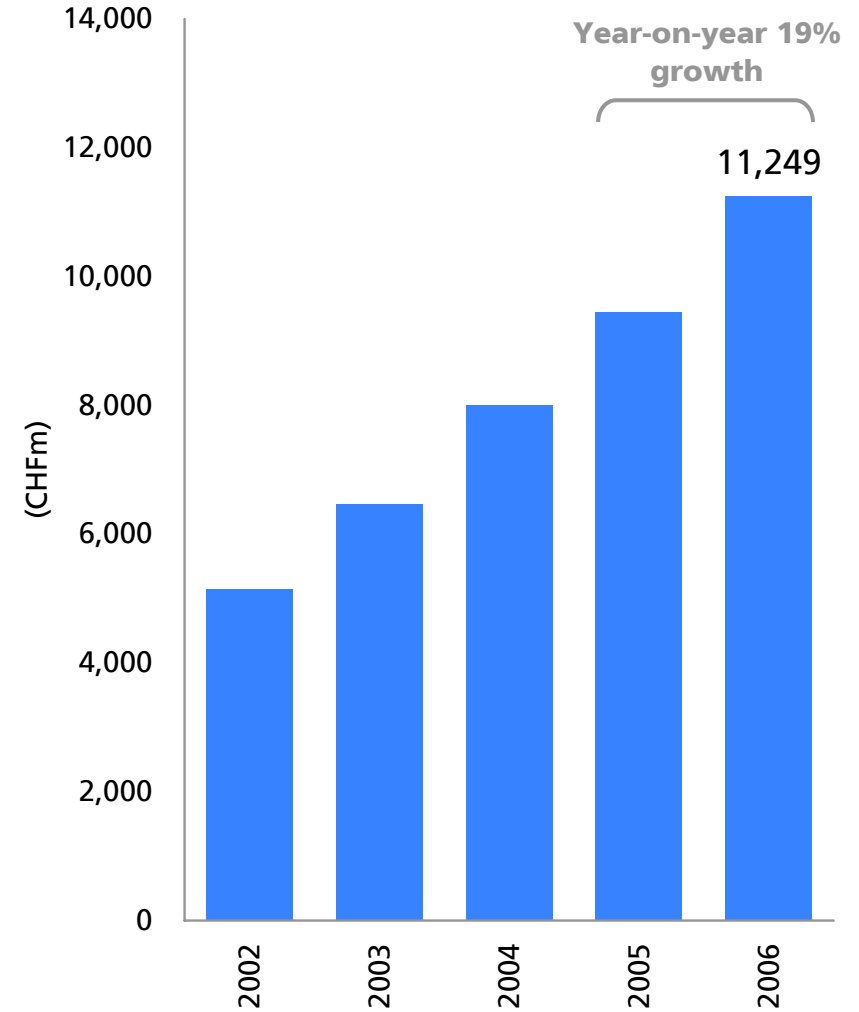
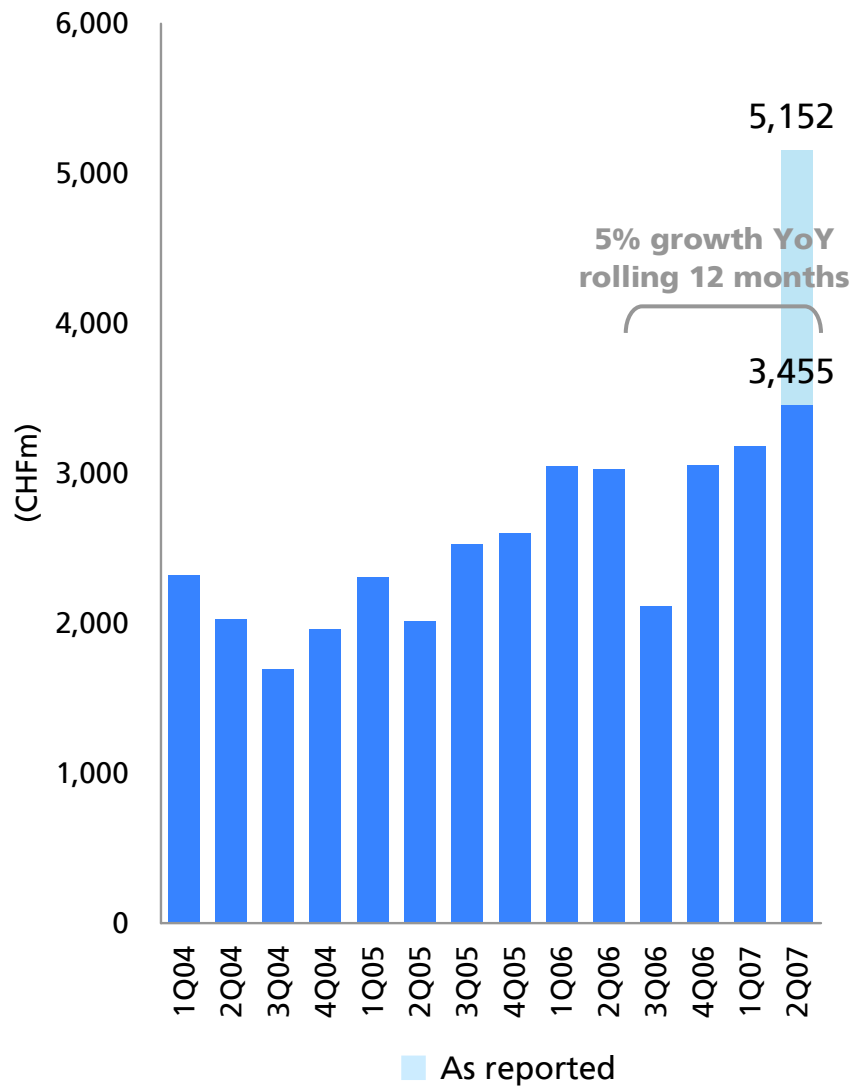
You & Us

Available in two locations.  
Everywhere, and right next to you.

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# Appendix

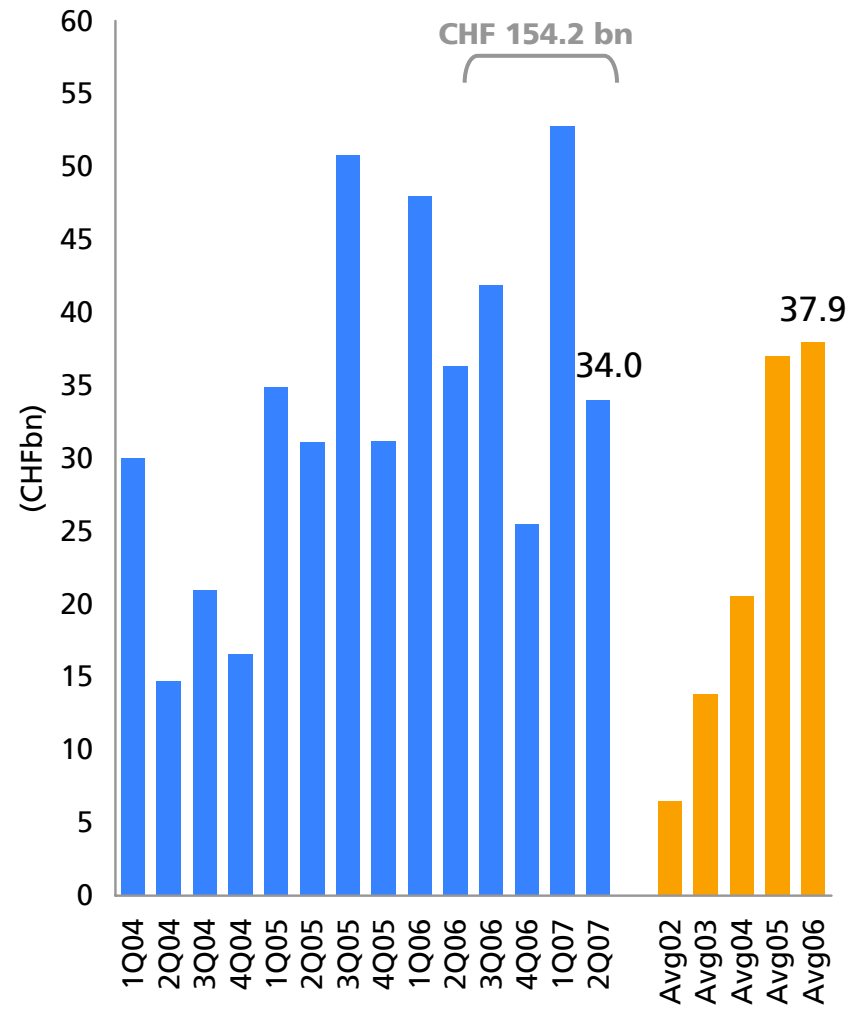
# Net profit from continuing operations<sup>1</sup>



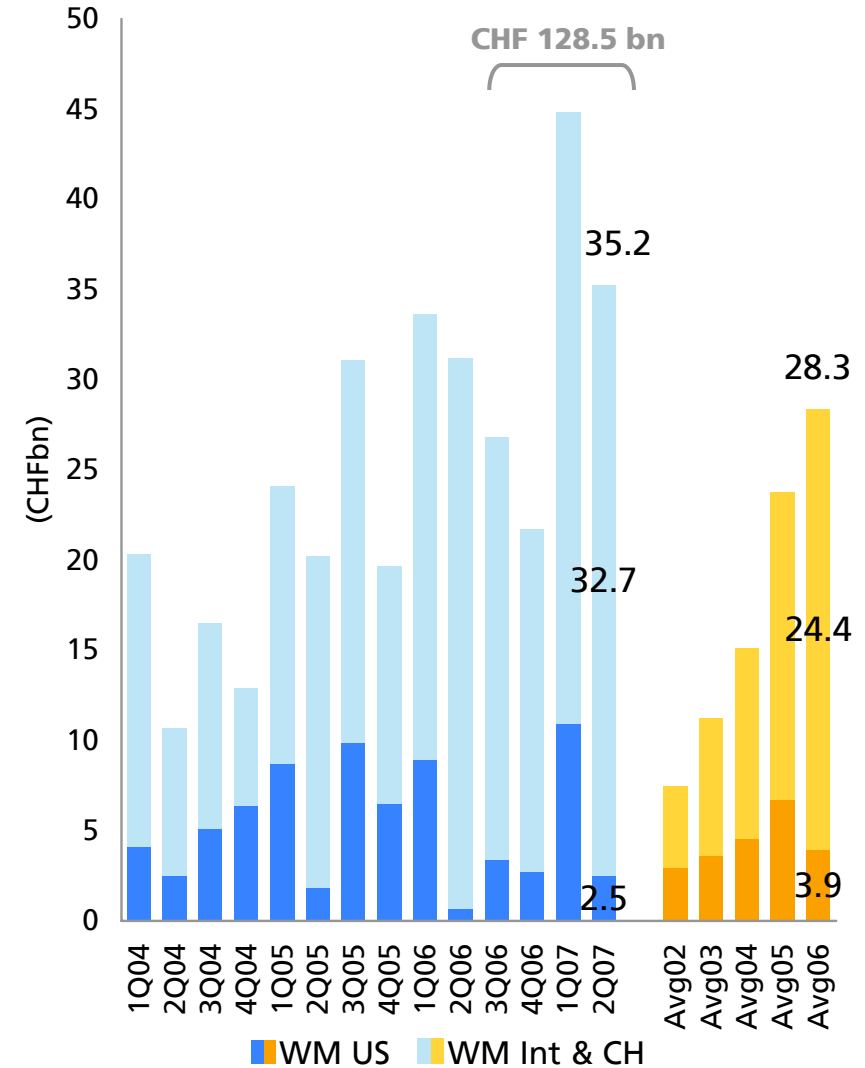
<sup>1</sup> Financial Businesses only, net profit attributable to UBS shareholders from continuing operations, pre-goodwill

# Net new money

## NNM UBS<sup>1</sup>



## NNM WM businesses

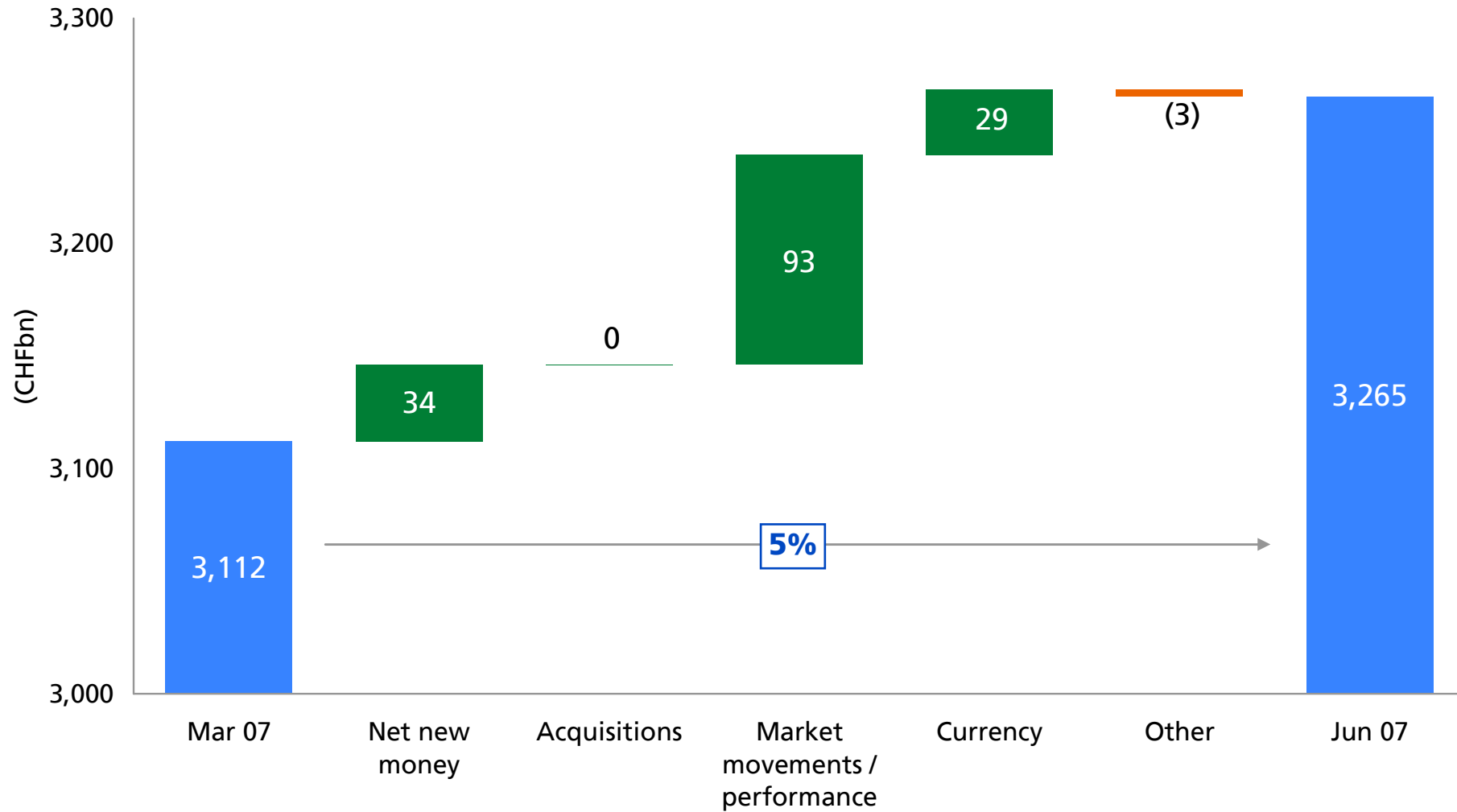


<sup>1</sup> Financial Businesses only, from continuing operations



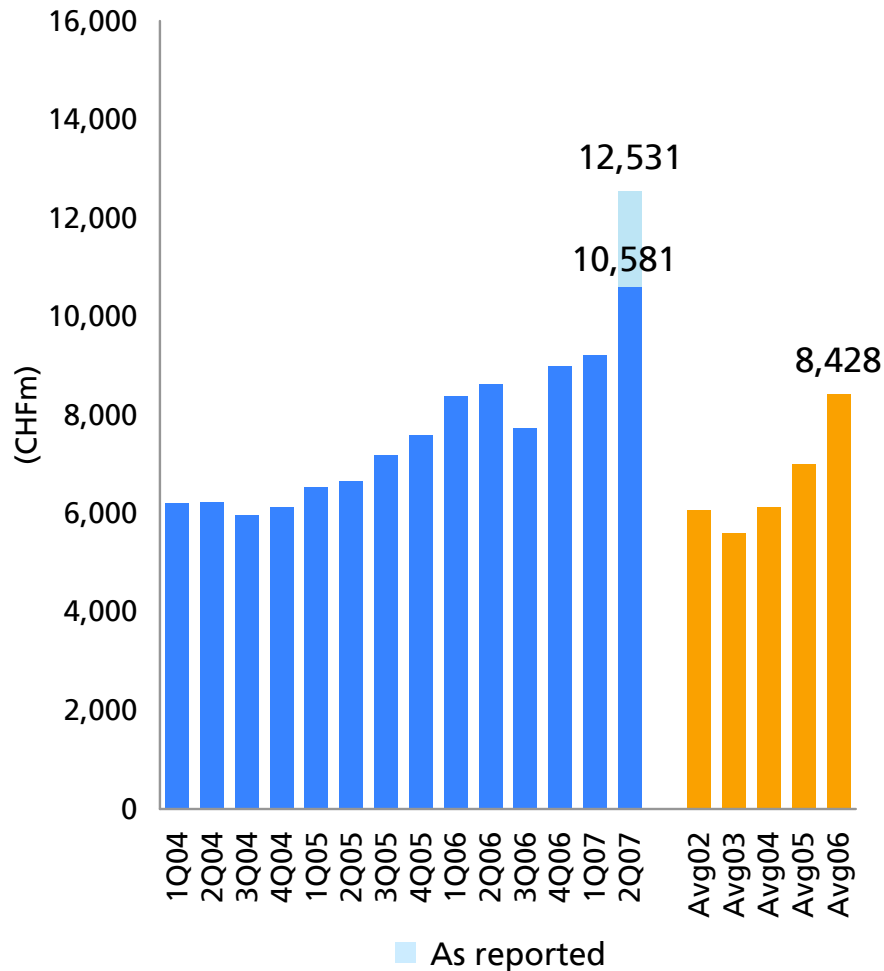
# Invested assets development

Mar 07 to Jun 07

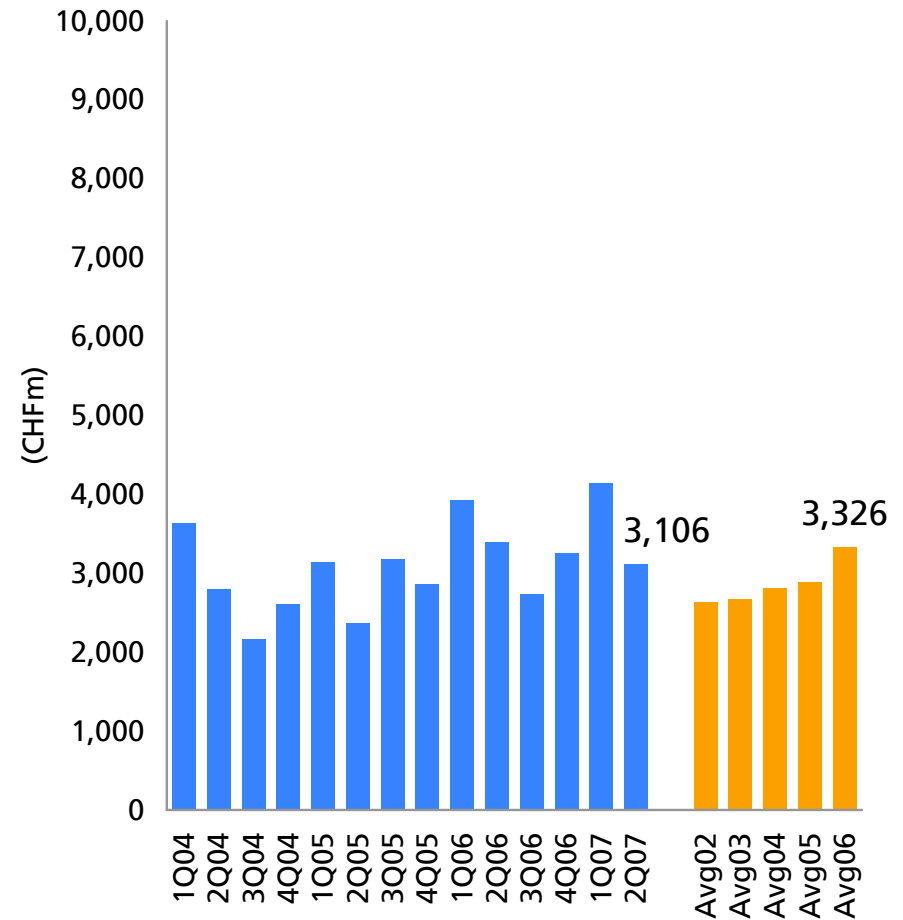


# Fee and other income versus trading income<sup>1</sup>

**Fee and other income<sup>2</sup>**  
**(77% of total adj. income in 2Q07)**



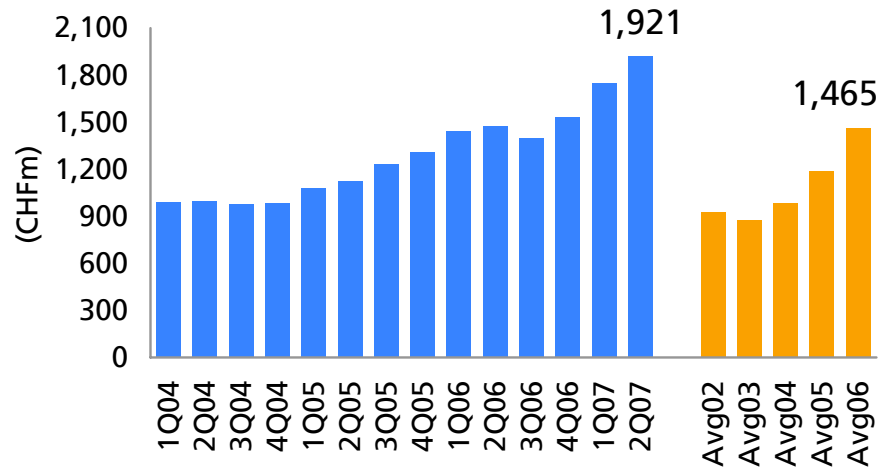
**Trading income<sup>3</sup>**  
**(23% of total adj. income in 2Q07)**



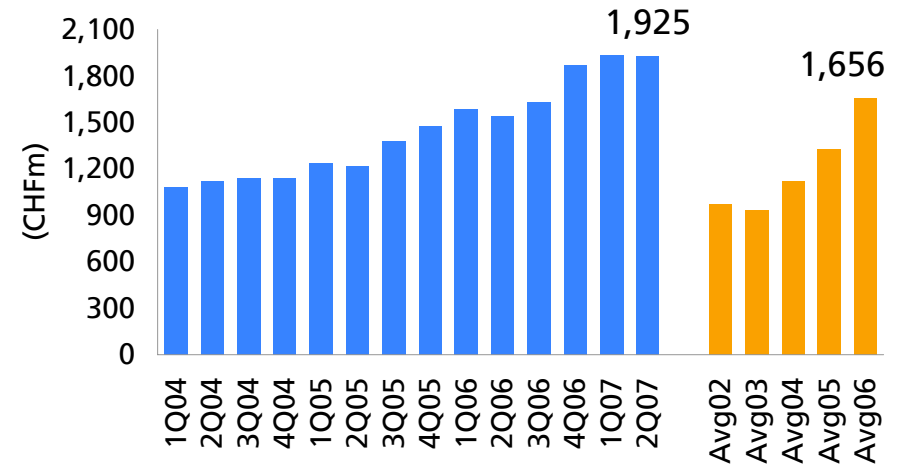
1 Financial Businesses only  
 2 Net income from fee and commissions, interest margin businesses, treasury activities and other, and other income  
 3 Net Income from trading businesses

# Trends in fee income<sup>1,2</sup>

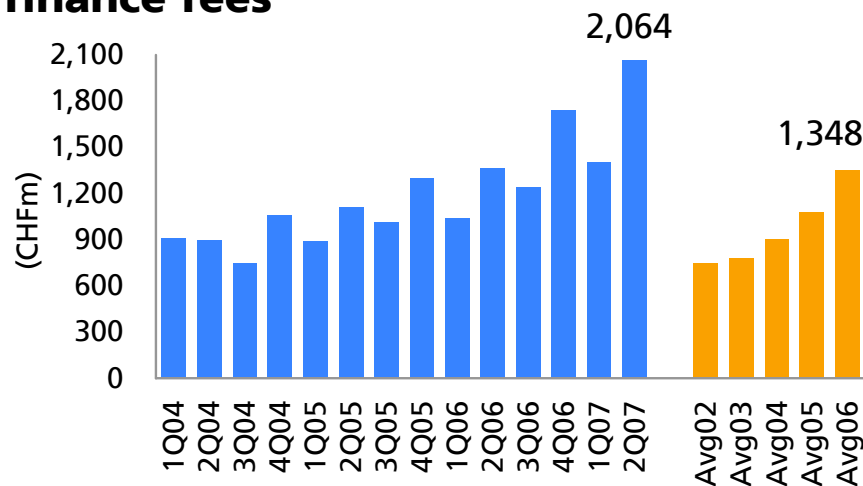
## Investment fund fees



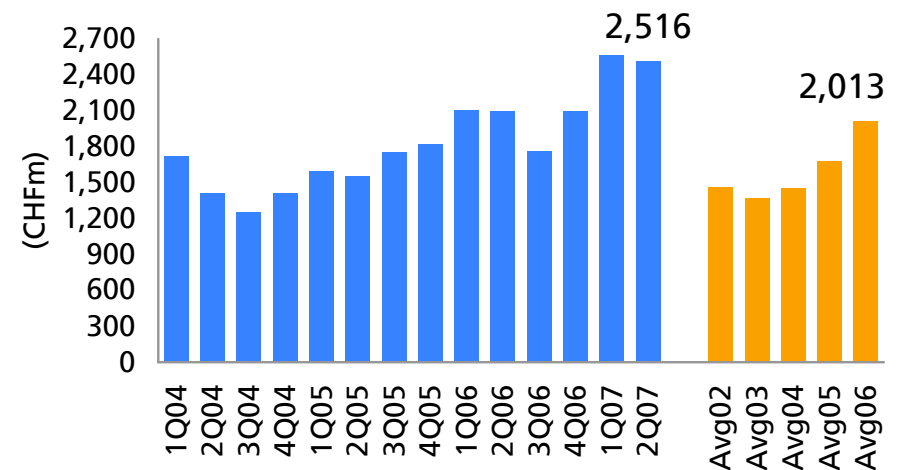
## Portfolio and other management and advisory fees



## Underwriting, M&A and corporate finance fees



## Brokerage fees received



1 Financial Businesses only  
2 Selected fee and commission income lines

# Gross margin—Wealth Management Int & CH

