Fourth Quarter Results 2002

Zurich, 18th February 2003
Peter Wuffli, President
Mark Branson, Chief Communication Officer
Caution 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 implementation of the new European wealth management strategy, expansion of our corporate finance presence in the US and worldwide, the development of UBS Warburg’s new energy trading operations, 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 credit-worthiness 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 in 2001 and 2002 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 2001. 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.
Economic cycles

Global GDP y-on-y change

Source: Oxford Economic Forecast

Corporate bond default ratio

Source: S&P Ratings Direct research
Group results
### Significant financial events

#### Income
- Gain on disposal of Hyposwiss: 72
- Gain on disposal of Klinik Hirslanden: 72

#### Expenses
- Write-down of PaineWebber brand: (1,234)

#### Tax effect
- 269
- 239

#### Total
- (893)
- (768)

No significant financial events in 2001
Net profit

Adjusted for significant financial events

CHF m

<table>
<thead>
<tr>
<th>Avg 1999</th>
<th>Avg 2000</th>
<th>1Q01</th>
<th>2Q01</th>
<th>3Q01</th>
<th>4Q01</th>
<th>1Q02</th>
<th>2Q02</th>
<th>3Q02</th>
<th>4Q02</th>
</tr>
</thead>
<tbody>
<tr>
<td>1166</td>
<td>1251</td>
<td>2033</td>
<td>2200</td>
<td>1579</td>
<td>1907</td>
<td>1726</td>
<td>1227</td>
<td>1106</td>
<td>1238</td>
</tr>
<tr>
<td>1385</td>
<td>903</td>
<td>2033</td>
<td>1726</td>
<td>1227</td>
<td>1106</td>
<td>1238</td>
<td>1574</td>
<td>1331</td>
<td>1633</td>
</tr>
<tr>
<td>942</td>
<td>792</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Net profit after tax

Net profit after tax before goodwill

UBS
Financial Services Group
# Profitability

## Full Year 2002

<table>
<thead>
<tr>
<th>(CHFm)</th>
<th>FY02</th>
<th>FY01</th>
<th>FY02 vs FY01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>34,121</td>
<td>37,114</td>
<td>(8)%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>29,577</td>
<td>30,396</td>
<td>(3)%</td>
</tr>
<tr>
<td>Net profit (reported)</td>
<td>3,535</td>
<td>4,973</td>
<td>(29)%</td>
</tr>
<tr>
<td>Net profit (adjusted)</td>
<td>5,529</td>
<td>6,296</td>
<td>(12)%</td>
</tr>
</tbody>
</table>

Note:
1 Adjusted for SFE's and excluding the amortization of goodwill and other intangible assets
Operating business unit performance

= change from 1999

Notes:
1 Adjusted for SFE's and excluding the amortization of goodwill and other intangible assets
2 Before acquisition costs

CHF m

-1000
0
1000
2000
3000
4000
5000
6000

1999
2000
2001
2002

PB
BBS
UBS
CIC
UBS Cap
UBS PW²

Global AM

1999
2000
2001
2002

-7%
75%
-19%
48%
n/m

Notes:
1 Adjusted for SFE's and excluding the amortization of goodwill and other intangible assets
2 Before acquisition costs
Performance against targets

**ROE** $^{1,2}$

- **Cost / Income** $^1$

- **Private client net new money** $^{3,4,5}$

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1. Excludes the amortization of goodwill and other intangible assets and adjusted for significant financial events.
2. Year to date, annualized.
3. Private Banking and UBS PaineWebber.
4. Excludes interest and dividend income.
5. Private Banking net new money is calculated based on the new structure for UBS Wealth Management & Business Banking effective 1 July 2002.
## Invested assets

### Quarter-on-Quarter

<table>
<thead>
<tr>
<th>(CHFbn)</th>
<th>UBS WM&amp;BB</th>
<th>UBS Global AM</th>
<th>UBS W</th>
<th>UBS PW</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PB</td>
<td>BBS</td>
<td>Inst.</td>
<td>Wholesale</td>
<td></td>
</tr>
<tr>
<td>Total opening</td>
<td>701</td>
<td>202</td>
<td>279</td>
<td>288</td>
<td>3</td>
</tr>
<tr>
<td>Net new money</td>
<td>3.1</td>
<td>(2.7)</td>
<td>2.4</td>
<td>(0.2)</td>
<td>0.1</td>
</tr>
<tr>
<td>Performance, currency &amp; transfers</td>
<td>(16)</td>
<td>6</td>
<td>(2)</td>
<td>(10)</td>
<td>0</td>
</tr>
<tr>
<td>Closing</td>
<td>688</td>
<td>205</td>
<td>279</td>
<td>278</td>
<td>3</td>
</tr>
</tbody>
</table>

### Year-on-Year

<table>
<thead>
<tr>
<th>CHF bn</th>
<th>1/1/02 Invested Assets</th>
<th>Net new money</th>
<th>Divestment</th>
<th>Performance</th>
<th>FX effects</th>
<th>31/12/02 Invested Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/02 Invested Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net new money</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Divestment</td>
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<tr>
<td>Performance</td>
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<td>FX effects</td>
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<tr>
<td>31/12/02 Invested Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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UBS Financial Services Group
Market movements

4Q02

- DJIA: +10%
- FTSE 100: +5%
- DJ Euro Stoxx: +0%
- MSCI World Bond Index: +5%
- NASDAQ: +10%
- SMI: -10%
- CHF/EUR: -40%
- CHF/USD: -35%

FY 2002

- DJIA: +10%
- FT-SE 100: +5%
- MSCI World Bond Index: +5%
- NASDAQ: +10%
- SMI: -10%
- DJ Euro Stoxx: -15%
- CHF/EUR: -30%
- CHF/USD: -25%
Revenue trends

<table>
<thead>
<tr>
<th>CHF m</th>
<th>99Avg</th>
<th>00Avg</th>
<th>1Q01</th>
<th>2Q01</th>
<th>3Q01</th>
<th>4Q01</th>
<th>1Q02</th>
<th>2Q02</th>
<th>3Q02</th>
<th>4Q02</th>
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<tbody>
<tr>
<td></td>
<td>-2,000</td>
<td>0</td>
<td>2,000</td>
<td>4,000</td>
<td>6,000</td>
<td>8,000</td>
<td>10,000</td>
<td>12,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Net fee & commission income**
- **Net income from interest margin activities**
- **Net income from trading activities**
- **Credit loss**
- **Other**

UBS
Financial Services Group
Group cost trends

- Amortization of Goodwill & other intangible assets
- Depreciation
- General & administrative
- Personnel

CHF m

<table>
<thead>
<tr>
<th>Quarter</th>
<th>99Avg</th>
<th>00Avg</th>
<th>1Q01</th>
<th>2Q01</th>
<th>3Q01</th>
<th>4Q01</th>
<th>1Q02</th>
<th>2Q02</th>
<th>3Q02</th>
<th>4Q02</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF m</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Actual credit loss expense

Business Banking Switzerland

Corporate & Institutional Clients

<table>
<thead>
<tr>
<th>Date</th>
<th>CHF m</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q01</td>
<td></td>
</tr>
<tr>
<td>2Q01</td>
<td></td>
</tr>
<tr>
<td>3Q01</td>
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<tr>
<td>4Q01</td>
<td></td>
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<tr>
<td>1Q02</td>
<td></td>
</tr>
<tr>
<td>2Q02</td>
<td></td>
</tr>
<tr>
<td>3Q02</td>
<td></td>
</tr>
<tr>
<td>4Q02</td>
<td></td>
</tr>
</tbody>
</table>

Actual Credit Loss

Actuarial Expected Credit Loss

UBS Financial Services Group
Group loan portfolio

![Chart showing changes in CHF billion in the group loan portfolio from 1998 to 2002, with categories for UBS WM&BB, C&I, UBS PaineWebber, and NPL%.
Share buyback & Tier 1 ratio

Note: 1) Share repurchase programs run for 12 months from early March
2) Began 9 October, 2002 and runs until 5 March, 2003
Cumulative share buyback effect on EPS
### Total payout to shareholders

#### Payout as % of adjusted net profit

<table>
<thead>
<tr>
<th>Year</th>
<th>Payout to Shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>40%</td>
</tr>
<tr>
<td>2000</td>
<td>30%</td>
</tr>
<tr>
<td>2001</td>
<td>40%</td>
</tr>
<tr>
<td>2002</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Note:** Dividends and par value reductions based on year for which payment was made.
Business unit results
Continued strong, stable gross margin
Net new money

- Private Banking - Swiss Clients
- European Wealth Management Initiative
- Private Banking - International Clients (excluding EWMI)
- Net outflow from Italian Tax Amnesty

CHF bn

- Avg 99
- Avg 00
- 1Q01
- 2Q01
- 3Q01
- 4Q01
- 1Q02
- 2Q02
- 3Q02
- 4Q02
New structure within UBS Group

- UBS Private Banking
- UBS Global Asset Management
- Corporate Center

- Armand von Ernst
- Bank Ehinger
- Ferrier Lullin
- Banco di Lugano
- Cantrade

New holding company
Continued strong profitability

- Net profit before tax (CHF m)
- Operating expenses (CHF m)

Bar chart showing trends from Avg99 to 4Q02.
Net new money

**Institutional**

- Total institutional

**Wholesale intermediary**

- Money Market
- Non-Money Market

UBS Financial Services Group
UBS Funds outperformance

% of funds outperforming benchmarks

<table>
<thead>
<tr>
<th>Category</th>
<th>Over 3 years</th>
<th>Over 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Allocation Funds</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>Bond Funds</td>
<td>50%</td>
<td>45%</td>
</tr>
<tr>
<td>Equity Funds</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>80%</td>
<td>30%</td>
</tr>
<tr>
<td>Total</td>
<td>85%</td>
<td>60%</td>
</tr>
</tbody>
</table>
CIC: continued cost control

Operating expenses

- Total operating expenses
- Research-related & Warburg Energy expenses
Strong performance in a difficult environment

**FI/FX Revenues**

- Credit default swaps

**Global fee pool**

- UBS market share %

**Secondary equity commissions rankings**

- Non US Securities
- Global Securities
- US Securities

- UBS market share %

- Q100 Q200 Q300 Q400 Q101 Q201 Q301 Q401 Q102 Q202 Q302

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**UBS Financial Services Group**
Improving profitability

Note: 1) Before acquisition costs, and pre-research related expenses
Net new money

CHF bn

Avg 99  Avg 00  1Q01  2Q01  3Q01  4Q01  1Q02  2Q02  3Q02  4Q02

Financial Services Group

UBS

PB  BBS  Global AM  UBS-W  UBS-PW
Market optimism

Investor optimism index

Expected time before US recovery

Most important threat to global stock markets

European economy 2003

Source: Index of Investor Optimism

Source: Index of Investor Optimism

Financial Services Group
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