Second Quarter Results 2006

Zurich, 15th August 2006
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Clive Standish (Chief Financial Officer)
Tom Hill (Chief Communication Officer)
Caution regarding forward looking statements

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 2005. 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.
SECTION 1

Group Results
Highlights

Net profit attributable to UBS shareholders\(^1,2\)

<table>
<thead>
<tr>
<th></th>
<th>2Q06</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF 3.03bn</td>
<td></td>
</tr>
</tbody>
</table>

Diluted EPS\(^3\)

<table>
<thead>
<tr>
<th></th>
<th>2Q06</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF 1.48</td>
<td>+51%</td>
</tr>
</tbody>
</table>

Diluted EPS\(^3\) growth (year-on-year)

Cost / income ratio\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>2Q06</th>
</tr>
</thead>
<tbody>
<tr>
<td>66.7%</td>
<td></td>
</tr>
</tbody>
</table>

Net new money\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>2Q06</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF 36.3bn</td>
<td></td>
</tr>
</tbody>
</table>

RoE\(^3\) year to date

<table>
<thead>
<tr>
<th></th>
<th>2Q06</th>
</tr>
</thead>
<tbody>
<tr>
<td>29.6%</td>
<td></td>
</tr>
</tbody>
</table>

Invested Asset growth (year-on-year)\(^1,4\)

<table>
<thead>
<tr>
<th></th>
<th>2Q06</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

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1 Financial Businesses only, from continuing operations
2 UBS Group reported CHF 3,147m net profit attributable to UBS shareholders
3 Based on UBS Group, from continuing operations
4 Reference period excluding Private Banks and GAM
2Q06 Strategic steps

**Organic growth initiatives**

- **Fixed Income:** Achieved record results in leverage finance and increased personnel in credit fixed income, rates, and securitized products

- **Russian Bank License:** Will allow UBS to offer wealth management, asset management, Rouble fixed income and foreign exchange services

- **Asia Pacific:** Increased personnel +29% year-over-year (+1,417) and 9% quarter-on-quarter (+520)

- **Dillon Read Capital Management:** Launched on June 5th

- **UBS Brand:** Continued investment and progress

**Acquisitions**

- **Piper Jaffray:** On track to close during the third quarter

- **Banco Pactual:** On track to close towards the end of the second half of 2006

- **ABN AMRO's exchange traded derivative business:** On track to close during the second half of 2006
Capital management update

**Tier 1**
- 12.2% Tier 1 ratio, -70bps quarter-on-quarter
- Includes 1.2% point reduction from acquisitions
- Operational impact of RWAs from acquisitions will be included at closings (~40bps)
- Risk weighted assets CHF 316bn, + ~4bn (+1%) quarter-on-quarter

**Buyback - 1st line**
- Purchased stock 23 of 36 eligible days in the second quarter

**Buyback - 2nd line**
- 4.3 million shares bought back during the second quarter at a total cost of CHF 301 million.
- 6.7 million shares purchased under 2006/2007 buyback program which started March 8, 2006 at a total cost of CHF 456 million.
The market in 2Q06

Market performance – 2Q06

- MSCI World
- S&P 500
- NASDAQ
- DJIA
- FTSE 100
- DJ Euro Stoxx
- SMI
- MSCI World Bond

Credit spreads

- 2Q05
- 1Q06
- 2Q06

Global investment banking fee pool

- Avg00
- Avg01
- Avg02
- Avg03
- Avg04
- Avg05
- 2Q05
- 1Q06
- 2Q06

Movement in USD/CHF exchange rate

- 2Q06 vs. 1Q06
- 2Q06 vs. 2Q05

1 Dealogic data
2 Average exchange rates
Net profit from continuing operations¹

Year-on-year 51% growth
Year-on-year 18% growth

¹ Financial Businesses only, net profit attributable to UBS shareholders from continuing operations, pre-goodwill
Pre-tax profit\(^1\) development

**2Q06 versus 2Q05**

- WM Int & CH: 2,668 CHF m (+33%)
- WM US: 4,040 CHF m (+90%)
- BB CH: 0 CHF m (+12%)
- Global AM: 0 CHF m (+52%)
- Investment Bank: 0 CHF m (+57%)
- Corporate Center: 0 CHF m (n/m)
- Financial Businesses: 4,040 CHF m (+51%)

**2Q06 versus 1Q06**

- WM Int & CH: 4,040 CHF m (+1%)
- WM US: 3,975 CHF m (-4%)
- BB CH: 3,975 CHF m (+13%)
- Global AM: 4,040 CHF m (-11%)
- Investment Bank: 4,040 CHF m (0%)
- Corporate Center: 4,040 CHF m (n/m)
- Financial Businesses: 4,040 CHF m (+2%)

1 Financial Businesses only, from continuing operations
Invested assets\(^1\) development

2Q06 versus 1Q06

- **1Q06 Net new money:** 2,766 CHF bn
- **2Q06:** 2,657 CHF bn

**Changes from 1Q06 to 2Q06:**
- **Net new money:** -4%
- **Acquisitions:** 0
- **Market movements / performance:** -4%
- **Currency:** 99
- **Other:** -2

\(^1\) Financial Businesses only, from continuing operations
Shareholder returns

**RoE**

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)

**Diluted EPS**

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

Year-on-year 51% growth

- **Avg01:** 1.48
- **Avg05:** 1.16
Continued cost control

Cost / income

1 Financial Businesses only. Total operating expenses less the amortization of goodwill / total operating income less credit loss expense or recovery
Non-personnel expenses\(^1\) development

**2Q06 versus 1Q06**

<table>
<thead>
<tr>
<th>Category</th>
<th>1Q06 (CHF m)</th>
<th>2Q06 (CHF m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WM Int &amp; CH</td>
<td>589</td>
<td>605</td>
</tr>
<tr>
<td>WM US</td>
<td>324</td>
<td>309</td>
</tr>
<tr>
<td>BB CH</td>
<td>119</td>
<td>119</td>
</tr>
<tr>
<td>Global AM</td>
<td>118</td>
<td>95</td>
</tr>
<tr>
<td>IB</td>
<td>1,026</td>
<td>973</td>
</tr>
</tbody>
</table>

\(^1\) Financial Businesses only
Net new money

**NNM UBS**

- LTM CHF 166.3bn

**NNM wealth management businesses**

- LTM CHF 115.6bn

1 Financial Businesses only, from continuing operations
Net new money and invested asset development

2Q06 NNM generation

Invested asset development 2Q06 versus 1Q06

1 Financial Businesses only, from continuing operations
Fee and other income versus trading income

Fee and other income\(^2\)
(72% of total income in 2Q06)

Year-on-year 29% growth

<table>
<thead>
<tr>
<th></th>
<th>1Q03</th>
<th>2Q03</th>
<th>3Q03</th>
<th>4Q03</th>
<th>1Q04</th>
<th>2Q04</th>
<th>3Q04</th>
<th>4Q04</th>
<th>1Q05</th>
<th>2Q05</th>
<th>3Q05</th>
<th>4Q05</th>
<th>Avg01</th>
<th>Avg02</th>
<th>Avg03</th>
<th>Avg04</th>
<th>Avg05</th>
</tr>
</thead>
<tbody>
<tr>
<td>(CHF m)</td>
<td>5,000</td>
<td>6,000</td>
<td>6,655</td>
<td>7,285</td>
<td>7,500</td>
<td>7,700</td>
<td>8,100</td>
<td>8,300</td>
<td>8,400</td>
<td>8,500</td>
<td>8,642</td>
<td>8,642</td>
<td>7,026</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Trading income\(^3\)
(28% of total income in 2Q06)

Year-on-year 45% growth

<table>
<thead>
<tr>
<th></th>
<th>1Q03</th>
<th>2Q03</th>
<th>3Q03</th>
<th>4Q03</th>
<th>1Q04</th>
<th>2Q04</th>
<th>3Q04</th>
<th>4Q04</th>
<th>1Q05</th>
<th>2Q05</th>
<th>3Q05</th>
<th>4Q05</th>
<th>1Q06</th>
<th>2Q06</th>
<th>Avg01</th>
<th>Avg02</th>
<th>Avg03</th>
<th>Avg04</th>
<th>Avg05</th>
</tr>
</thead>
</table>

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

Net fee & commission income

Net income from interest margin products

Net income from trading activities

Credit, treasury and other income

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1 Financial Businesses only

2 Credit loss (expense) / recovery, net income from treasury and other activities, and other income
Trends in fee income

Investment fund fees

Portfolio and other management and advisory fees

Underwriting and corporate finance fees

Brokerage fees received

1 Financial Businesses only
Actual credit loss (expense) / recovery

Global WM & BB

Investment Bank
SECTION 2

Business Unit Results
Net new money (NNM) and invested assets

NNM

Invested assets - 2Q06 versus 1Q06
Global Wealth Management - NNM per CA

- WMI (without EWM)
- EWM
- WM CH
- WM US

Years: 2003, 2004, 2005, 1H06

Values: 19.0, 14.7, 26.7, 16.8, 4.4, 4.8, 3.6, 1.3 (CHF m)
Progress in European domestic business

**Profitability**

![Graph showing profitability from 1Q03 to 2Q06](image)

- EWM pre-tax profit
- EWM income
- EWM expenses

**NNM, invested assets**

![Graph showing NNM and invested assets from 1Q03 to 2Q06](image)

- EWM net new money (LHS)
- EWM invested assets (RHS)

**2Q06 versus 2Q05**

- EWM pre-tax profit: 48%
- EWM income: 29%
- EWM costs: 5%
- EWM invested assets: 14%

**Client advisors**

- EWM pre-tax profit: 48%
- EWM net new money (LHS): 2Q06 = 828, Avg04 = 813
Wealth Management US key figures

**Profitability**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q03</th>
<th>2Q03</th>
<th>3Q03</th>
<th>4Q03</th>
<th>1Q04</th>
<th>2Q04</th>
<th>3Q04</th>
<th>4Q04</th>
<th>1Q05</th>
<th>2Q05</th>
<th>3Q05</th>
<th>4Q05</th>
<th>1Q06</th>
<th>2Q06</th>
<th>Avg01</th>
<th>Avg02</th>
<th>Avg03</th>
<th>Avg04</th>
<th>Avg05</th>
</tr>
</thead>
<tbody>
<tr>
<td>(CHF m)</td>
<td>-150</td>
<td>-100</td>
<td>-50</td>
<td>0</td>
<td>50</td>
<td>100</td>
<td>150</td>
<td>200</td>
<td>179</td>
<td>78</td>
<td>39</td>
<td>15</td>
<td>21</td>
<td>28</td>
<td>35</td>
<td>42</td>
<td>50</td>
<td>57</td>
<td>62</td>
</tr>
</tbody>
</table>

**Cost / income ratio**

| Quarter | 1Q03 | 2Q03 | 3Q03 | 4Q03 | 1Q04 | 2Q04 | 3Q04 | 4Q04 | 1Q05 | 2Q05 | 3Q05 | 4Q05 | 1Q06 | 2Q06 | Avg01 | Avg02 | Avg03 | Avg04 | Avg05 |
|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| (%)     | 87   | 94   | 100  | 100  | 87   | 94   | 100  | 100  | 87   | 94   | 100  | 100  | 87   | 94   | 100  | 100  | 87   | 94   | 100  |

**Recurring income**

| Quarter | 1Q03 | 2Q03 | 3Q03 | 4Q03 | 1Q04 | 2Q04 | 3Q04 | 4Q04 | 1Q05 | 2Q05 | 3Q05 | 4Q05 | 1Q06 | 2Q06 | Avg01 | Avg02 | Avg03 | Avg04 | Avg05 |
|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| (CHF m) | 62   | 55   | 60   | 70   | 709  | 62   | 55   | 60   | 70   | 709  | 62   | 55   | 60   | 70   | 709  | 62   | 55   | 60   | 70   | 709  |

**Net new money**

| Quarter | 1Q03 | 2Q03 | 3Q03 | 4Q03 | 1Q04 | 2Q04 | 3Q04 | 4Q04 | 1Q05 | 2Q05 | 3Q05 | 4Q05 | 1Q06 | 2Q06 | Avg01 | Avg02 | Avg03 | Avg04 | Avg05 |
|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| (CHF m) | 55   | 62   | 709  | 62   | 55   | 60   | 70   | 709  | 62   | 55   | 60   | 70   | 709  | 62   | 55   | 60   | 70   | 709  | 62   | 55   |

1 Pre-goodwill

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UBS
Business Banking profitability

Year-on-year 12% growth

Pre-tax profit

1 Pre-tax profit
Global Asset Management profitability

Year-on-year 58% growth

Pre-tax profit, pre-goodwill

1Q03 2Q03 3Q03 4Q03 1Q04 2Q04 3Q04 4Q04 1Q05 2Q05 3Q05 4Q05 1Q06 2Q06
Avg 01 Avg 02 Avg 03 Avg 04 Avg 05

Pre-tax profit (LHS) Invested assets (RHS)

1 Pre-tax profit, pre-goodwill
Net new money\(^1\) and gross margin

**Institutional net new money**

**Wholesale intermediary net new money**

**Institutional gross margin**

**Wholesale intermediary gross margin**

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1 Excluding money market flows
Investment Bank performance

**Pre-tax profit and cost / income**

**Equities revenues**

**FIRC revenues**

**IBD revenues**
## Revenues

### 2Q06 versus 1Q06, 2Q05

<table>
<thead>
<tr>
<th>Category</th>
<th>2Q05</th>
<th>1Q06</th>
<th>2Q06</th>
<th>Q/Q</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total FIRC</td>
<td>2,626</td>
<td>1,991</td>
<td></td>
<td>7%</td>
<td>50%</td>
</tr>
<tr>
<td>Rates</td>
<td></td>
<td></td>
<td></td>
<td>-11%</td>
<td>29%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td></td>
<td></td>
<td></td>
<td>14%</td>
<td>82%</td>
</tr>
<tr>
<td>FX/CCT</td>
<td></td>
<td></td>
<td></td>
<td>17%</td>
<td>60%</td>
</tr>
<tr>
<td>PFCA &amp; CRE</td>
<td></td>
<td></td>
<td></td>
<td>22%</td>
<td>81%</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td></td>
<td></td>
<td></td>
<td>15%</td>
<td>-46%</td>
</tr>
</tbody>
</table>

### Graphs

- **Total FIRC**: Comparison of revenues over time, showing a significant increase in 2Q06 compared to 1Q06 and 2Q05.
- **Rates**: Graph showing the performance of rates over time, with a notable decrease in Q/Q.
- **Fixed Income**: Graph indicating a steady increase in revenues with a high year-on-year (Y/Y) growth.
- **FX/CCT**: Graph showing consistent performance with a slight increase in Q/Q.
- **PFCA & CRE**: Graph illustrating a growing trend with a high Y/Y growth.
- **Municipal Securities**: Graph showing a slight increase with a decrease in Y/Y growth.

### Summary

- **2006 vs 2005 Comparison**: A significant increase in revenues, with Total FIRC showing the highest growth.
- **Market Trends**: Rates show a decline, while other categories exhibit growth, with Municipal Securities the only category to decrease in Y/Y growth.
Questions…

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