Fourth Quarter Results 2005

Zurich, 14th February 2006
Peter Wuffli (Chief Executive Officer)
Clive Standish (Chief Financial Officer)
Tom Hill (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 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 2004. 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

Corporate results
## Highlights

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>4Q05</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit attributable to UBS shareholders (^1,^2)</td>
<td>CHF 2.6bn</td>
<td>CHF 9.4bn</td>
</tr>
<tr>
<td>RoE (^3)</td>
<td>27.6%</td>
<td>27.6%</td>
</tr>
<tr>
<td>Cost / income ratio (^1)</td>
<td>70.9%</td>
<td>70.1%</td>
</tr>
<tr>
<td>Net new money (^1)</td>
<td>CHF 31.2bn</td>
<td>CHF 148.0bn</td>
</tr>
<tr>
<td>Basic EPS (^3,^4)</td>
<td>CHF 2.66</td>
<td>CHF 9.78</td>
</tr>
<tr>
<td>Basic EPS (^3) growth (year-on-year)</td>
<td>+30%</td>
<td>+22%</td>
</tr>
<tr>
<td>Invested assets growth (^1) (year-on-year)</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

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1 Based on Financial Businesses, from continuing operations
2 UBS Group reported net attributable profit of CHF 6.5bn and CHF 14.0bn for 4Q05 and FY 2005, respectively
3 Based on UBS Group, from continuing operations, pre-goodwill
4 UBS Group reported from continuing operations dilutive EPS of CHF 6.28 and CHF 13.36 for 4Q05 and FY 2005, respectively
Key announcements

Dividend: CHF 3.80 (CHF 3.20 regular, CHF 0.60 special\(^1\))

2:1 stock split

New buyback program of CHF 5bn\(^2\)

Conditional capital introduction

Revised key performance indicators:
- 20%+ RoE, previously 15-20%
- Diluted EPS, previously basic
- Group net new money, previously Wealth Management businesses
- Cost / income – no change

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\(^1\) The par value repayment is exempt from Swiss withholding tax
\(^2\) For reference, the 2005 / 2006 buyback program was CHF 5bn
Strategy

Focus on our core businesses

Exploit current position of strength to capture additional market share

Expand into new areas primarily via organic means

Leverage benefits of integrated business model

Develop our people, and promote from within
Commitment to long-term growth

Delivered on specific growth goals

Current position of strength

Strategy, management team and resources to deliver again
UBS highlights - relative position

- #1 global wealth manager
- #1 trader for NYSE, Nasdaq and ADRs in 2005
- #1 global equity research ranking
- #1 fund house in Europe, and offices in 20 countries
- #1 with a 20-35% market share in Swiss retail banking business

- Roughly 50% of Asia's billionaires are clients of UBS Wealth Management
- #1 IBD fee pool in Asia Pacific with 7.6% market share (ex Japan)
- UBS increased headcount in Asia by 22% in 2005

- UBS' brand was rated one of the top 50 brands globally with a value of USD 7.5bn in a recent study in BusinessWeek / Interbrand "The Best Global Brands by Value" for 2005
UBS brand progress in the US

Private investors

<table>
<thead>
<tr>
<th></th>
<th>Jan-03</th>
<th>May-03</th>
<th>Jan-04</th>
<th>Jun-04</th>
<th>Jan-05</th>
<th>Jun-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand awareness</td>
<td>40%</td>
<td>40%</td>
<td>26%</td>
<td>81%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad awareness</td>
<td>65%</td>
<td>40%</td>
<td>26%</td>
<td>81%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;You &amp; Us&quot; awareness</td>
<td>81%</td>
<td>81%</td>
<td>81%</td>
<td>81%</td>
<td>81%</td>
<td>81%</td>
</tr>
<tr>
<td>Allocation to UBS</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Corporates

<table>
<thead>
<tr>
<th></th>
<th>Jun-04</th>
<th>Jan-05</th>
<th>Jun-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand awareness</td>
<td>77%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td>Ad awareness</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>&quot;You &amp; Us&quot; awareness</td>
<td>77%</td>
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<td>77%</td>
</tr>
</tbody>
</table>

Source: UBS Brand Equity Monitor (BEM)
The market in 4Q05 and 2005

**Market performance – 4Q05**

<table>
<thead>
<tr>
<th>Index</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI World</td>
<td>10%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>8%</td>
</tr>
<tr>
<td>NASDAQ</td>
<td>3%</td>
</tr>
<tr>
<td>DJIA</td>
<td>3%</td>
</tr>
<tr>
<td>FTSE 100</td>
<td>3%</td>
</tr>
<tr>
<td>DJ Euro Stoxx</td>
<td>1%</td>
</tr>
<tr>
<td>SMI</td>
<td>1%</td>
</tr>
<tr>
<td>MSCI World Bond</td>
<td>-2%</td>
</tr>
<tr>
<td>EUR/CHF</td>
<td>0%</td>
</tr>
<tr>
<td>USD/CHF</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Market performance - 2005**

<table>
<thead>
<tr>
<th>Index</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI World</td>
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<td>1%</td>
</tr>
<tr>
<td>DJIA</td>
<td>-1%</td>
</tr>
<tr>
<td>FTSE 100</td>
<td>17%</td>
</tr>
<tr>
<td>DJ Euro Stoxx</td>
<td>21%</td>
</tr>
<tr>
<td>SMI</td>
<td>33%</td>
</tr>
<tr>
<td>MSCI World Bond</td>
<td>-7%</td>
</tr>
<tr>
<td>EUR/CHF</td>
<td>0.7%</td>
</tr>
<tr>
<td>USD/CHF</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Global investment banking fee pool**

<table>
<thead>
<tr>
<th>Year</th>
<th>Fee Pool USD m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>62,796</td>
</tr>
<tr>
<td>2001</td>
<td>45,000</td>
</tr>
<tr>
<td>2002</td>
<td>40,000</td>
</tr>
<tr>
<td>2003</td>
<td>50,000</td>
</tr>
<tr>
<td>2004</td>
<td>57,000</td>
</tr>
<tr>
<td>2005</td>
<td>62,796</td>
</tr>
</tbody>
</table>

**Movement in USD/CHF exchange rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2%</td>
</tr>
<tr>
<td>2001</td>
<td>3%</td>
</tr>
<tr>
<td>2002</td>
<td>-17%</td>
</tr>
<tr>
<td>2003</td>
<td>-10%</td>
</tr>
<tr>
<td>2004</td>
<td>-10%</td>
</tr>
<tr>
<td>2005</td>
<td>15%</td>
</tr>
</tbody>
</table>

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1 Deallogic data
Net profit from continuing operations¹

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

2005 versus 2004

<table>
<thead>
<tr>
<th>Division</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>WM Int &amp; CH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WM US(^2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BB CH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global AM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Center</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Businesses</td>
<td>10,468</td>
<td>12,192</td>
</tr>
</tbody>
</table>

\(\text{+16\%}\)

4Q05 versus 3Q05

<table>
<thead>
<tr>
<th>Division</th>
<th>3Q05</th>
<th>4Q05</th>
</tr>
</thead>
<tbody>
<tr>
<td>WM Int &amp; CH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WM US(^2)</td>
<td></td>
<td></td>
</tr>
<tr>
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</tr>
<tr>
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<tr>
<td>Investment Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Center</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Businesses</td>
<td>3,257</td>
<td>3,176</td>
</tr>
</tbody>
</table>

\(\text{-2\%}\)

---

1 Based on Financial Businesses, from continuing operations, pre-goodwill
2 Pre-acquisition costs
Invested assets development

2005 versus 2004

<table>
<thead>
<tr>
<th>Business</th>
<th>CHF bn</th>
<th>2004</th>
<th>2005</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>WM Int</td>
<td></td>
<td></td>
<td></td>
<td>+30%</td>
</tr>
<tr>
<td>WM CH</td>
<td></td>
<td>200</td>
<td>265</td>
<td>+25%</td>
</tr>
<tr>
<td>WM US</td>
<td></td>
<td>200</td>
<td>252</td>
<td>+24%</td>
</tr>
<tr>
<td>BB CH</td>
<td></td>
<td>200</td>
<td>220</td>
<td>+27%</td>
</tr>
<tr>
<td>Global AM</td>
<td></td>
<td></td>
<td></td>
<td>+30%</td>
</tr>
<tr>
<td>Financial Businesses</td>
<td>2,125</td>
<td>2,652</td>
<td></td>
<td>+27%</td>
</tr>
</tbody>
</table>

1 Based on Financial Businesses, from continuing operations
Shareholder returns

**RoE\(^1\)**

\[ \frac{\text{Net profit attributable to UBS shareholders from continuing operations less the amortization of goodwill}}{\text{Average equity attributable to UBS shareholders less accrued distributions}} \]

**Basic EPS\(^2\)**

\[ \frac{\text{Net profit attributable to UBS shareholders from continuing operations less the amortization of goodwill}}{\text{Weighted average shares outstanding}} \]

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1 Net profit attributable to UBS shareholders from continuing operations less the amortization of goodwill / average equity attributable to UBS shareholders less accrued distributions

2 Net profit attributable to UBS shareholders from continuing operations less the amortization of goodwill / weighted average shares outstanding

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Continued cost control

**Cost / income**

1. Based on Financial Businesses. Total operating expenses less the amortization of goodwill / total operating income less credit loss expense or recovery
2. Before acquisition costs
Expense development

2005 versus 2004

2005 Personnel expense - cash: CHF 25,503
2004 Personnel expense - cash: CHF 25,503
2005 Personnel expense - share based: CHF 1,965
2004 Personnel expense - share based: CHF 1,965
2005 General & administrative expense: CHF 232
2004 General & administrative expense: CHF 232
2005 Other: CHF -57
2004 Other: CHF -57

9% growth

27,704

CHF m

28,000
27,500
27,000
26,500
26,000
25,500
25,000

Comp. ratio
Non-comp. ratio
Cost / income ratio

2004 2005

2005 70.1%
2004 50.4%
2005 19.7%

4Q05 versus 4Q04

2005 Personnel expense - cash: CHF 814
2004 Personnel expense - cash: CHF 814
2005 Personnel expense - share based: CHF 53
2004 Personnel expense - share based: CHF 53
2005 General & administrative expense: CHF 304
2004 General & administrative expense: CHF 304
2005 Other: CHF -14
2004 Other: CHF -14

18% growth

7,417

CHF m

7,400
7,200
7,000
6,800
6,600
6,400
6,200
6,000

Comp. ratio
Non-comp. ratio
Cost / income ratio

2004 4Q05

4Q05 70.9%
4Q04 48.9%
4Q05 22.0%

1 Based on Financial Businesses, pre-goodwill
2 Year-on-year change
3 Other includes services to / from other business units, depreciation, and amortization of intangible assets
4 Quarter-on-quarter change
Return of capital to shareholders

Operating cash flow

CHF bn

CHF bn

Return to shareholders

2000 2001 2002 2003 2004 2005 Cumulative

Net profit Non-cash items

2000 2001 2002 2003 2004 2005 Cumulative

Dividend & par-value reduction Buyback program

1 Based on UBS Group
2 Dividends and par value reduction is shown in the year of performance
Fee and other income versus trading income

Fee and other income\(^1\)
(71% of total income FY05)

- Year-on-year 23% growth

Trading income\(^2\)
(29% of total income FY05)

- Year-on-year 11% growth

1  Net income from fee and commissions, interest margin, treasury and other activities, and other income from Financial Businesses
2  Net Income from trading activities from Financial Businesses
Actual credit loss (expense) / recovery

Global WM & BB

Investment Bank

CHF m

Recovery

Expense

1Q01 2Q01 3Q01 4Q01 1Q02 2Q02 3Q02 4Q02 1Q03 2Q03 3Q03 4Q03 1Q04 2Q04 3Q04 4Q04 1Q05 2Q05 3Q05 4Q05

1Q01 2Q01 3Q01 4Q01 1Q02 2Q02 3Q02 4Q02 1Q03 2Q03 3Q03 4Q03 1Q04 2Q04 3Q04 4Q04 1Q05 2Q05 3Q05 4Q05

72

60
SECTION 2

Business unit results
Wealth Management Int & CH profitability

Pre-tax profit, quarterly (LHS)
Pre-tax profit, average (LHS)
Invested assets, quarterly (RHS)
Invested assets, average (RHS)

1 Pre-tax profit, pre-goodwill
Stable gross margin

bar chart showing recurring income, quarterly and average, and non-recurring income, quarterly and average.
Net new money and invested assets

Net new money

CHF bn

FY05 CHF 68.2bn

Invested assets

CHF bn

4% growth

UBS
Progress in European domestic businesses

**Profitability**

- EWM implied expenses, quarterly
- EWM income, quarterly
- EWM pre-tax profit, quarterly

**4Q05 versus 4Q04**

- Net new money, invested assets
- EWM pre-tax profit, quarterly
- EWM income, quarterly
- EWM implied expenses, quarterly

**Net new money, invested assets**

**Client advisors**

- EWM invested assets, quarterly (RHS)
- EWM NNM, quarterly (LHS)
- Client advisors, quarterly
- Client advisors, average

- EWM invested assets, average (RHS)
- EWM NNM, average (LHS)
- Client advisors, average
- Client advisors, quarterly
Wealth Management US key figures

Profitability

Net new money

Recurring income

1 Excluding acquisition costs
Business Banking profitability

![Bar chart showing pre-tax profit, quarterly and average CHF million]

- **Pre-tax profit, quarterly**
- **Pre-tax profit, average**

Year-on-year 8% growth

1 Pre-tax profit, pre-goodwill

UBS
Global Asset Management profitability\(^1\)

Year-on-year 58% pre-tax profit growth

<table>
<thead>
<tr>
<th>Year-on-Year</th>
<th>Pre-tax profit, quarterly (LHS)</th>
<th>Pre-tax profit, average (LHS)</th>
<th>Invested assets, quarterly (RHS)</th>
<th>Invested assets, average (RHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td></td>
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<tr>
<td>2004</td>
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<td></td>
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<td>2005</td>
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</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

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

### Institutional net new money

- CHF bn
- **Net new money, quarterly**
- **Net new money, average**

### Wholesale intermediary net new money

- CHF bn
- **Net new money, quarterly**
- **Net new money, average**

### Institutional gross margin

- bps
- **Gross margin, quarterly**
- **Gross margin, average**

### Wholesale intermediary gross margin

- bps
- **Gross margin, quarterly**
- **Gross margin, average**

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1. Excluding money market fund flows
Investment Bank performance and revenues

**Investment Bank performance**

- **Equities revenues**
  - WM US Global AM IB
  - WM Int & CH BB CH
  - Pre-goodwill 1%

- **FIRC revenues**

- **IBD revenues**

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**Equities revenues**

- Revenues, quarterly
- Revenues, average

---

1 Pre-goodwill
Fixed income, rates and currencies (FIRC)

Revenues

2005 versus 2004 revenues

Total FIRC revenues 2005: CHF 7,962m

- Total FIRC: -3.7%
- Rates: 7.7%
- Credit Fixed Income: -18.6%
- FX/CCT: -7.0%
- PFCA & CRE: 1.8%
- Municipal Securities: -7.6%

Revenues, quarterly and average

CHF m

1,817
1,991
0
500
1,000
1,500
2,000
2,500
3,000
1Q03 2Q03 3Q03 4Q03 1Q04 2Q04 3Q04 4Q04 1Q05 2Q05 3Q05 4Q05 Avg01 Avg02 Avg03 Avg04 Avg05

Revenues, quarterly
Revenues, average
Our "One Firm" approach - a competitive advantage

One firm internally ...

You & Us

... and externally
Fourth Quarter Results 2005

Zurich, 14th February 2006
Peter Wuffli (Chief Executive Officer)
Clive Standish (Chief Financial Officer)
Tom Hill (Chief Communication Officer)