

# Item 1

## Annual Report, Group and Parent Company Accounts for 2002 Reports of the Group and Statutory Auditors

### A. Motion

The Board of Directors proposes that the report on the financial year 2002 and the Group and Parent Company Accounts for 2002 be approved.

### B. Explanations

The reports of the Board of Directors and the Group Executive Board are contained in the Financial Report. Additional information on strategy and organization of the Group, its activities and those of the Business Groups, on risk management and control as well as on corporate governance can be found in the "Handbook 2002/2003". This document also contains the comprehensive information relating to corporate governance as requested by the new SWX Swiss Exchange directive. Copies of both publications can be ordered by shareholders and are also available on the Internet at [www.ubs.com/investors](http://www.ubs.com/investors).

All shareholders registered in the share register automatically receive a copy of the Annual Review, which contains summary information with regard to our business performance in 2002.

The Group income statement shows total operating income of CHF 34,121 million and total operating expenses of CHF 29,577 million, resulting in pre-tax profit of CHF 4,544 million

and a net profit of CHF 3,535 million. At year-end, total consolidated assets amounted to CHF 1,181.1 billion, CHF 72.2 billion down from a year earlier, and shareholders' equity totaled CHF 39.0 billion.

Parent Company net profit was CHF 5,834 million. Total operating income of CHF 23,633 million and total operating expenses of CHF 13,295 million resulted in an operating profit of CHF 10,338 million. Depreciations, write-offs and provisions amounted to CHF 4,078 million and extraordinary income to CHF 265 million. Extraordinary expenses totaled CHF 7 million and taxes amounted to CHF 684 million.

Ernst & Young Ltd. as Group and Statutory Auditors recommend in unqualified reports to the Annual General Meeting that the Group and Parent Company Accounts be approved. The Group Auditors confirm that "the Group financial statements present fairly, in all material respects, the consolidated financial position of UBS AG as of 31 December 2002 and 2001, and the consolidated results of operations and cash flows for each of the three years in the period ended 31 December 2002, in conformity with International Financial Reporting Standards (IFRS), and they comply with the Swiss law". The Statutory Auditors express their opinion that "the accounting records and financial statements and the proposed appropriation of available earnings comply with the Swiss law and the company's articles of association".