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UBS
An Integrated Investment
Services Firm

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Part I Group Highlights and Financials

Positioning

UBS is ...



... a global, integrated
investment services firm and ...

... the leading bank in Switzerland



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UBS Group income statement

(CHF bn)	9M1999	9M1998	98/99 Δ%	3Q99vs 2Q99 %
Operating income	21.8	16.6	31	(22)
Operating expenses	14.9	13.2	14	(5)
Group profit before tax	6.8	3.5	97	(49)
Net profit	5.2	2.6	99	(48)
Basic EPS (CHF)	24.9	12.3	103	
ROE (%) ⁽¹⁾	19.5	11.1		
Cost income ratio (%)	65.9	77.0		

Note:

1 Annualised net profit/average shareholders' equity excluding estimated dividends

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UBS Group income statement

- ◆ Both nine-month periods contain several significant financial events and are thus not directly comparable. Significant financial events are disclosed in this presentation on slides 7/8
- ◆ Total operating income increased 31% to CHF 21.8bn attributable to
 - particularly strong results in WDR and PCC
 - positive development in net trading income
 - higher gains on divestments during the current period than during the previous period
 - revenue losses in the previous period from emerging markets, LTCM and GED
- ◆ Annualized return on equity for the first nine months of 1999 stood at 20%, compared to 11% for nine-month 1998

UBS Group balance sheet

(CHF bn)	09/99	12/98	Δ%
Total assets	900.1	944.1	(5)
Shareholders' equity	33.3	32.4	3
Market capitalisation	91.1	90.7	0
BIS Tier 1 ratio (%)	10.2	9.3	
Risk weighted assets	283.7	304.7	(7)
Group AuM	1,607	1,572	2
Group headcount (actual)	48,623	48,011	1

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UBS Group balance sheet

- ◆ In 1Q99, UBS announced its intention to invest capital in excess of its BIS Tier 1 target range of 8.5- 9% in its own stock. At 30 September, UBS held 8.6mn shares, or 4% of its own shares in treasury stocks
- ◆ We continue our strategy of retiring excess capital when no suitable investment opportunities exist
- ◆ Decline in risk-weighted assets mainly due to
 - reduction of loan book
 - relatively limited market risk exposure
- ◆ Since 31 December 1998, Group assets under management increased 2% to CHF 1,607bn
- ◆ Headcount increased 1%, or by 612, to 48,623 over the nine-month 1999 period, due to PB expansion offsetting WDR merger-related reductions

Significant Group financial events

Significant Group financial events 9M98

(CHFm)	BSI Adler	US Global Settlement	GED	LTCM	WDR Compen- sation
Pre-tax profit/(loss)	1,058	(570)	(1,010)	(1,160)	1,007
Tax	(106)	104	91	176	(222)
Post-tax profit/(loss)	952	(466)	(919)	(984)	785

Significant Group financial events 9M99

(CHFm)	Julius Baer	Global Trade Finance	Swiss Life	LTCM	Total
Pre-tax profit/(loss)	110	200	1,490	26	1,826
Tax					(348)
Post-tax profit/(loss)					1,478

Significant Group financial events (cont.)

- ◆ 1998 impacted by significant financial events
 - disposal gains on Banca della Svizzera Italiana (BSI) / Adler
 - US Global Settlement
 - losses arising from the Global Equity Derivatives (GED) portfolio
 - Long-Term Capital Management (LTCM)
 - WDR performance compensation charged against the restructuring reserve
- ◆ 1999 impacted by significant financial events
 - Julius Baer registered shares
 - international Global Trade Finance (GTF)
 - Rentenanstalt / Swiss Life
 - Long-Term Capital Management (LTCM) profit

Total operating income

(CHF m)	09/1999	09/1998	Δ%
Net interest income	4,837	4,954	(2)
Credit loss expense	(910)	(464)	96
Total	3,927	4,490	(13)
Net fee and commission income	9,250	9,702	(5)
Net trading income	6,013	598	906
Other income	2,573	1,829	41
Total	21,763	16,619	31

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Total operating income

◆ Net interest income

- net interest income, pre-credit loss expense effectively flat (- 2% vs 9M1998)
- higher interest margins from risk-adjusted pricing in domestic loan portfolios, offset by lower invested equity returns and sale of interest-generating activities

◆ Credit loss expense

- credit loss expense for the first nine months of 1999 amounted to CHF 910mn. During 1998, a significant portion of credit losses were appropriately charged against previously established provisions, thus reducing the total expense at September 1998 to CHF 464mn
- domestically, starting to benefit from our efforts on the recovery portfolio and the improving macro-economic climate
- internationally, the absence of a major emerging market crisis and recoveries of previously provisioned exposures have positively impacted the results significantly

Total operating income (cont.)

◆ Net fee and commission income

- net fee and commission income declined 5% 9M1999 vs 9M1998 due to divestments and lower client activity in the context of reduced market volumes
- adjusting for income relating to divested companies, the decline is 3%

◆ Net trading income

- the contribution of net trading income to Group operating income increased from 4% to 27% because 9M98 was impacted by CHF 790mn LTCM, CHF 1,010mn GED as well as emerging market losses
- the Warburg Dillon Read trading result includes largely customer-related activities (market making, derivatives and foreign exchange), as well as some proprietary trading

◆ Other income

- significant financial events included in other income are set out on slides 7/8
- includes UBS Capital divestments

Total operating expenses

(CHF m)	9M1999	9M1998	Δ%
Personnel	9,923	7,205	38
General and administrative	3,724	4,606	(19)
Depreciation and amortisation	1,290	1,343	(4)
Total expenses	14,937	13,154	14
Cost income ratio (%)⁽¹⁾	66	77	

Note:

1 Based upon income before credit loss expense

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Total operating expenses

◆ Personnel

- personnel costs increased period-on-period in line with good investment banking results, and also as personnel payments of CHF 1,007mn were charged against the restructuring reserve in the prior-year period

◆ General and administrative

- general and administrative expenses decreased 19% to CHF 3,724mn
- excluding the impact of the CHF 570mn provision for the settlement related to the role of Swiss banks during and after World War II from nine month 1998, general and administrative expenses fell 8%, reflecting stringent cost reduction programs throughout the Group

Risk statement

- ◆ Excellence in risk management and control is central to UBS' valuation
- ◆ WDR's overall exposure to market risk was somewhat lower during the third quarter of 1999
- ◆ 10-day 99% VaR measure was CHF 197mn for 3Q99 compared with CHF 220mn for 1H99
- ◆ UBS risk control is specifically focused on tail risks, i.e. the risk of suffering large losses due to possible but highly unlikely events
- ◆ The potential stress loss UBS AG might suffer is calculated with respect to eight base scenarios which are supplemented by ad hoc analyses depending on external developments or specific portfolio concentrations, e.g. Y2K

Asset quality

- ◆ Reduction of the international credit portfolio from CHF 268bn at the time of the merger to CHF 107bn without significant impact on client relationship
- ◆ PCC experienced an increase in its gross loan portfolio to CHF 171bn from CHF 165bn as of 31.12.1998
- ◆ Allowances and provisions for country risk remained virtually unchanged at CHF 1,424mn

(CHF bn)	09/99	12/98	Δ%
Total loans (gross)	289.7	331.0	(13)
Allowances & Provisions ⁽¹⁾	14.2	15.0	(5)
NPLs	13.2	15.7	(16)
NPLs / total loans (%)	4.5	4.7	

Note:

1 CHF 1,424mn of which relates to country risk provisions (year-end 1998: CHF 1,450mn)

UBS outlook on Year 2000 (1)

As at 30 September 1999; in %

Phase	Organisation plans					Current status				
	3.99	6.99	7.99	8.99	9.99	3.99	6.99	7.99	8.99	9.99
Developing a strategic approach	100	100	100	100	100	100	100	100	100	100
Creating organisational awareness	100	100	100	100	100	100	100	100	100	100
Assessing actions and developing detailed plans	100	100	100	100	100	100	100	100	100	100
Renovating systems, applications and equipment	99	100	100	100	100	96	100	100	100	100
Validating renovation through testing	96	100	100	100	100	85	99	99	99	100
Implementing tested, compliant systems	92	100	100	100	100	79	97	98	99	100

Note:

1 Mission critical systems

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UBS outlook on Year 2000

- ◆ Critical IT systems, infrastructure and embedded systems
 - 100% remediation
 - tested and operate in Year 2000 remediated environment
- ◆ Non-critical IT systems and infrastructure being upgraded
- ◆ Selective systems enhancement subject to rigorous testing
- ◆ Full systems' change freeze later in fourth quarter
- ◆ Event management plans developed for Group and each division
- ◆ Considerable amount of resources dedicated to the development of a comprehensive range of contingency plans in the event of potential external Year 2000 problems in the financial sector, as well as in infrastructure more generally

Assets under management

(CHFbn)	09/99	12/98	YTD 1999 (%)	06/99
Group	1,607	1,572	2	1,665
Private Banking	642	607	6	659
Private & Corporate Clients	427	434	(2)	443
UBS Brinson	538	531	1	563

◆ Private Banking

For the first nine months of 1999, total AuM increased by 6%, or CHF 35 bn, mostly due to performance in previous quarters

◆ Private and Corporate Clients

Assets under management decreased by two percent since year-end 1998 to CHF 427bn. This is almost entirely due to movements in banks' transaction accounts which are naturally volatile and a non-core element of AuM

◆ UBS Brinson

Since the beginning of the year, total assets under management increased 1% to CHF 538bn as currency and investment performance gains were mostly offset by client attrition

◆ Quarterly comment

AuM down primarily through weak performance and volatility in banks transaction accounts

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Headcount

	09/1999	12/1998	Δ %
Private Banking	8,773	7,634	14.9
Warburg Dillon Read	12,854	13,794	(6.8)
Private and Corporate Clients	24,503	24,043	1.9
UBS Brinson	1,497	1,497	0.0
UBS Capital	121	122	(0.8)
Corporate Center	875	921	(5.0)
Group total	48,623	48,011	1.3
Of which: Switzerland	33,093	32,706	1.2

- ◆ In 1998 total employees decreased 13%, or 7,165 employees, relative to 1997
- ◆ Headcount increased 1%, or 612, to 48,623 over the nine month 1999 period. The net increase in the first 9M99 is mainly attributable to domestic Private Banking expansion. This increase is partially offset by merger related decreases in Warburg Dillon Read

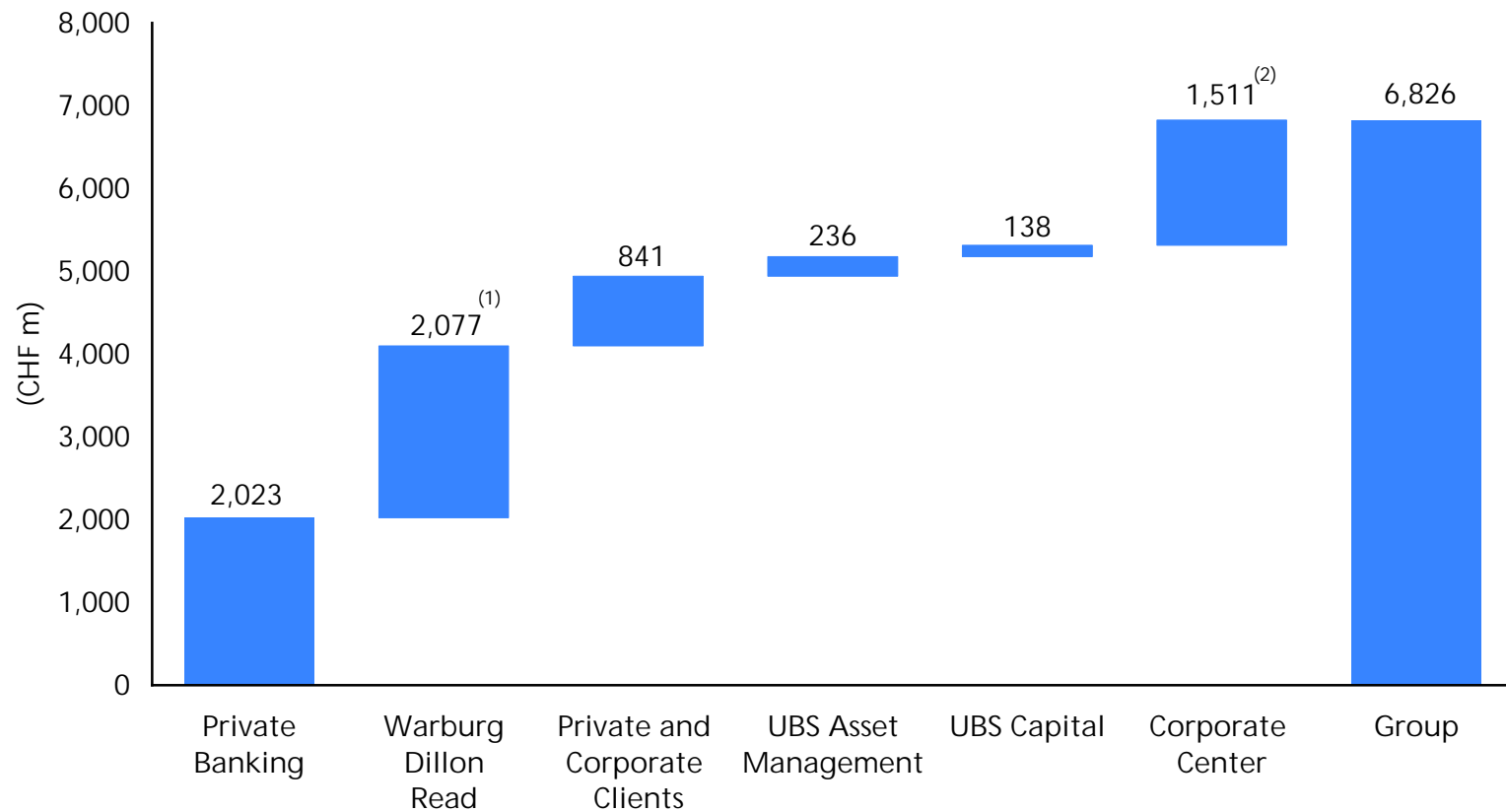
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Part II: UBS Segment Reporting

UBS segment reporting

9M1999 pre-tax profit



Notes:

- 1 Including CHF 0.2bn gain on sale of international Global Trade Finance operations
- 2 Including CHF 1.6bn gain from divestment of Swiss Life / Rentenanstalt and Julius Baer

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Segment reporting by business

Numbers as of 30.09.1999

(CHF millions)	PB	WDR	PCC	Brinson	Capital	CC	Total
Total income	4,413	9,843	4,611	811	254	1,831	21,763
Total cost	2,390	7,766	3,770	575	116	320	14,937
Profit b/tax	2,023	2,077	841	236	138	1,511	6,826
Cost/income (%)	54	77	69	71	46	n/a	66
AuM (bn)	642	0	427	538	0	0	1,607

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Private Banking

- ◆ PB negatively impacted by lower levels of client activity and substantial expansion of domestic Private Banking
- ◆ Acquisition of GAM adds to investment opportunities including third party funds
- ◆ 1998 impacted by BSI disposal
- ◆ Formed Global Executive Group, Sportsmen and Entertainers Advisory Group and Entrepreneur Advisory Teams
- ◆ The increase in headcount is mainly attributable to the expansion in domestic PB

(CHF mn)	9M1999	9M1998 ⁽¹⁾⁽²⁾	Δ%
Operating income	4,413	4,865	(9)
Operating expenses	2,390	2,209	8
Pre-tax profit	2,023	2,656	(24)
Cost / income ratio	54%	45%	

	09/99	12/98	Δ%
AuM (CHF bn)	642	607	6
Headcount	8,773	7,634	15

Notes:

- 1 Restated for interdivisional client transfers
- 2 Adjusted for CHF 1,058mn gain on divestments and related operating income and expenses of CHF 268 million and CHF 125mn, respectively

Private Banking: Acquisition of GAM

- ◆ Global, diversified asset management group
- ◆ Multi-manager selection (i.e., third-party funds)
- ◆ Enhance range of investment styles
- ◆ Retain approach and brand identity
- ◆ 170 mutual funds and unit trusts with CHF 21bn assets under management
- ◆ 500 employees
- ◆ Operations in Europe, North America, Asia and Middle East

Warburg Dillon Read

- ◆ Strong revenue performance across all major business areas
 - 9M1998 distorted by GED, LTCM
- ◆ Equities, the largest contributor, continues to perform extremely well
- ◆ Improved league table positioning and increased share of global fee pool
- ◆ Operating expenses +41%
 - 9M98 expenses distorted by performance-related comp. (CHF 1,007bn) charged against the restructuring provision
 - salaries fell by 14%
 - underlying non-personnel expenses excluding D&A fell 15%

(CHF mn)	9M1999	9M1998	Δ%
Operating income	9,843	4,272	130
Operating expenses	7,766	5,502	41
Pre-tax profit	2,077	(1,230)	(269)
Cost / income ratio	77%	121%	

(CHF mn)	09/99	12/98	Δ%
VaR utilisation (avg)	197	214	(8)
Reg. equity (avg)	10,350	13,300	(22)
Headcount	12,854	13,794	(7)

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WDR 3Q 99 Landmark deal summary

Business ⁽¹⁾	Client	Sector	Region / country	Amount	Role of WDR
M&A ⁽²⁾	Sprint	Telecoms	US	US\$129 bn	Adviser
M&A	Assicurazioni Generali	Insurance	Italy	e12 bn	Adviser
M&A ⁽²⁾	Cablecom Group	Telecoms	Switzerland	Not finalised	Adviser
M&A	Reckitt & Colman	Consumer goods	Europe	£5.3 bn	Adviser
ECMG	Amadeus	Leisure	Spain / Europe	e738 m	Sole bookrunner
ECMG	Epcos	Electronics	Germany	e1.5 bn	Joint global co-ordinator and joint bookrunner
ECMG ⁽²⁾	Lawson	Retail	Japan	Not finalised	Global co-ordinator
ECMG	NTT5	Telecoms	Japan	US\$10 bn	Joint global co-ordinator
ECMG	Telia AB / Telenor AS	Telecoms	Norway	US\$11.7 bn	Joint global co-ordinator
ECMG	Mannesmann	Telecoms	Germany	e2.0 bn	Joint bookrunner

Note:

1 ECMG: Equity Capital Markets Group

2 Only nominated. Not concluded yet

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WDR selected league tables



International Equity Linked Issues

- 1 Goldman Sachs & Co
- 2 Societe Generale
- 3 Merrill Lynch & Co
- 4 Warburg Dillon Read**
- 5 Morgan Stanley & Co Inc

All Eurobond

- 1 Deutsche Bank
- 2 Merrill Lynch & Co
- 3 Warburg Dillon Read**
- 4 Credit Suisse First Boston
- 5 Morgan Stanley & Co Inc

International Equity Linked Issues, European issuers

- 1 Goldman Sachs & Co
- 2 Societe Generale
- 3 Morgan Stanley & Co Inc
- 4 Merrill Lynch & Co
- 5 Deutsche Bank
- 6 Warburg Dillon Read**

International Bond European issuers

- 1 Deutsche Bank
- 2 Morgan Stanley & Co Inc
- 3 Warburg Dillon Read**
- 4 ABN AMRO
- 5 Dresdner Kleinwort Benson

Source: Capital Data Bondware

Private and Corporate Clients

- ◆ Pre-tax profit +14%
- ◆ 24-hour banking capability significantly enhanced, including Tradepac
- ◆ Strategic initiatives to enhance profitability on track
- ◆ 135 of planned 150 branches closed (24% of pre-merger branch network)
- ◆ Headcount transfer of 405 Swiss-based GTF personnel from Warburg Dillon Read

(CHF mn)	9M1999	9M1998 ⁽¹⁾	Δ%
Operating income	4,611	4,361	6
Operating expenses	3,770	3,626	4
Pre-tax profit	841	735	14
Cost / income ratio	69%	70%	

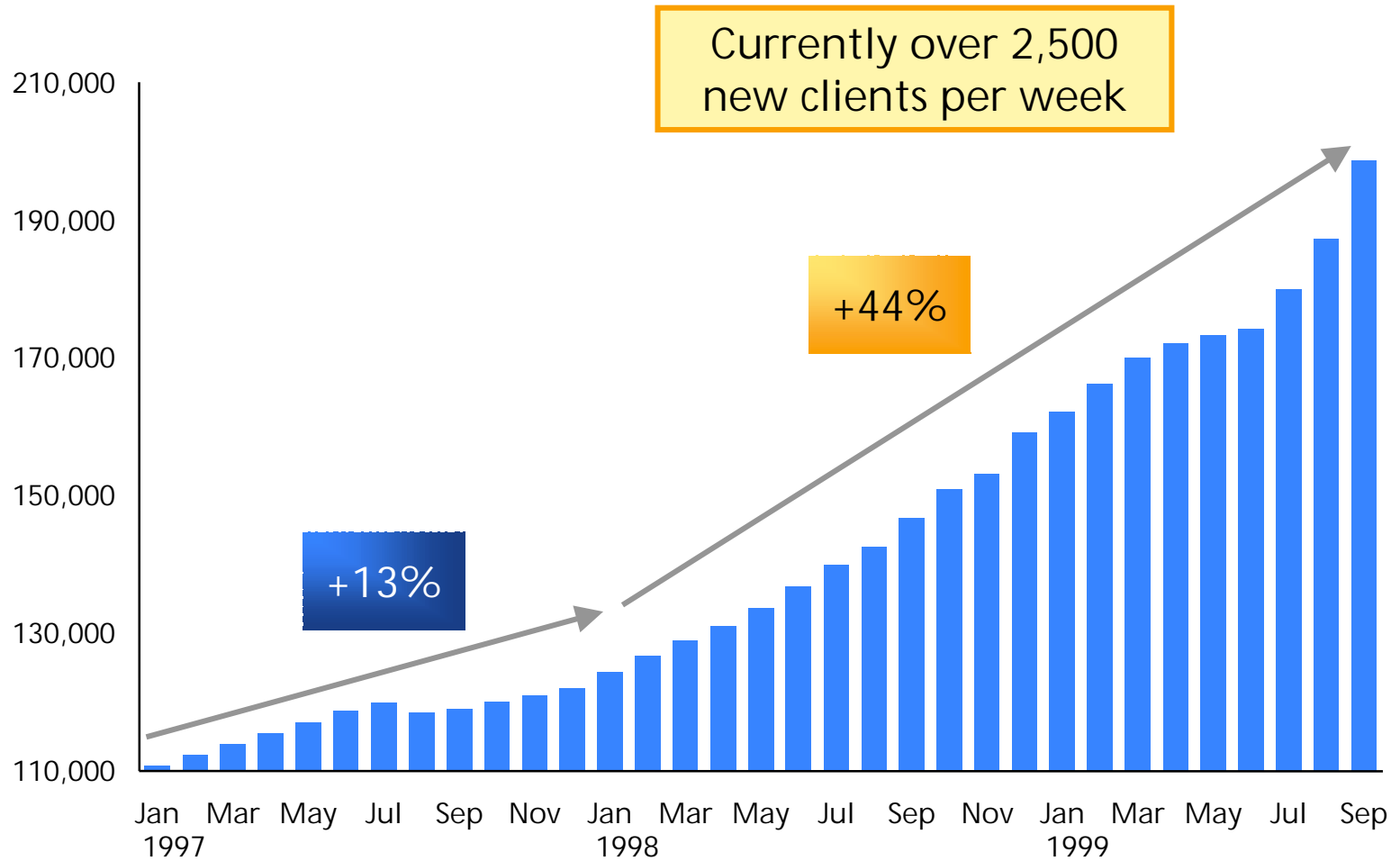
	09/99	12/98	Δ%
AuM (CHF bn)	427	434	(2)
Headcount	24,503	24,043	2

Note:

1 Nine-month 1998 figures restated to reflect interdivisional client transfers

UBS 24-hour Banking - individual clients

Internet Banking and Videotex



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UBS 24-hour Banking: extended functionality

- ◆ **UBS 24-hour Banking** adds value through freedom of choice
- ◆ Direct access to **six stock exchanges**: Swiss Exchange, NASDAQ, AMEX, NYSE, London and Milan
- ◆ **UBS Tradepac**: attractive internet banking share trading prices on a pay-as-you-use basis with a volume related discount of up to 70%
- ◆ **UBS Telebanking classic**: Switzerland's easiest-to-use internet banking solution
- ◆ **UBS Quicken**: integrated and specially tailored add-on service
 - track payments, investments and loans
 - draw up budget reports and charts for personal financial planning and portfolio management

UBS Brinson

- ◆ AuM +1% growth YTD
- ◆ Financial markets in the third quarter have generally seen active asset managers, particular value-based managers, underperform relevant indices
- ◆ US equity strategies in UBS Brinson have underperformed relevant benchmarks on a short term basis
- ◆ Phillips & Drew's investment performance improved
- ◆ Allegis acquisition to strengthen real estate fund capability

(CHF mn)	9M1999	9M1998	Δ%
Operating income	811	868	(7)
Operating expenses	575	573	(0.3)
Pre-tax profit	236	295	(20)
Cost / income ratio	71%	66%	

(CHF bn)	09/99	12/98	Δ%
AuM	538	531	1
Institutional assets	355	360	(1)
Investment funds	183	171	7
Headcount	1,497	1,497	0

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UBS Brinson: Acquisition of Allegis Realty Investors

- ◆ One of the largest independent real estate investment management firms
- ◆ 224 U.S. real estate investments using “funds-of-funds” and separately managed portfolios
- ◆ Approximately CHF 9bn assets under management
- ◆ 140 employees
- ◆ Headquarters in Hartford, with primary offices in New York, Dallas and San Francisco

UBS Capital

- ◆ Fewer divestments due to portfolio's aging profile
- ◆ Expansion stage, building up a globally diversified portfolio
- ◆ Development of regional funds for UBS Group client base

(CHF m)	9M99	9M98	Δ%
Operating income	254	499	(49)
Operating expenses	116	94	39
Pre-tax profit	138	405	(70)
Cost / income ratio	46%	19%	

(CHF bn)	06/99 ⁽¹⁾	12/98	Δ%
Book value	2.4	1.8	33
Market value	3.5	2.7	30
Unrealised gains	1.1	0.9	22
Headcount ⁽²⁾	121	122	(1)

Notes:

1 Portfolio valued on semi-annual basis

2 As of 30 September 1999. Actual figures

UBS Capital

Selected new investments in 1999

Company	Business	Quarter
Roulements Miniature Bienne	Manufacturer of precious micro mechanical components	1Q1999
Group Valfond	Automotive sector	1Q1999
MK Electron Co Ltd	Supply of gold bonding wire to integrated circuit chip producers	2Q1999
Denby Plc	Design, manufacture and sale of informal tableware	2Q1999
Kipling	Designer, marketer and distributor of leisure bags	2Q1999
Digital Network Services	Leading value added distributor of network solutions	3Q1999

Selected exited investments in 1999

Company	Business	Quarter
Gardaland	European theme park	3Q1999
Sipal Arexons SpA	Producer and marketer of industrial, home and car care chemicals	3Q1999

Outlook

- ◆ UBS is committed to its business model as a global, integrated investment services firm and the leading bank in Switzerland. The current mix of business is essential to the success of this model
- ◆ In the light of the Year 2000 issue, we might see a slowdown in many of the markets in which we are active in the fourth quarter. However, unless exceptional circumstances arise, the strength of the nine-month result gives us confidence in the full-year 1999 result