



# Fourth Quarter Results 2004

Zurich, 8<sup>th</sup> February 2005

Peter Wuffli, Chief Executive Officer

Clive Standish, Chief Financial Officer

Mark Branson, Chief Communication Officer



You & Us

# Caution regarding forward-looking statements

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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 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 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 2003. 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.

# 2004 financial highlights<sup>1</sup>

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Record net profit exceeds CHF 8 billion

**28%** RoE

EPS growth of **34%**

CHF **89 bn** net new money

Note:

<sup>1</sup> UBS figures adjusted for significant financial events and pre-goodwill



## 2004 milestones

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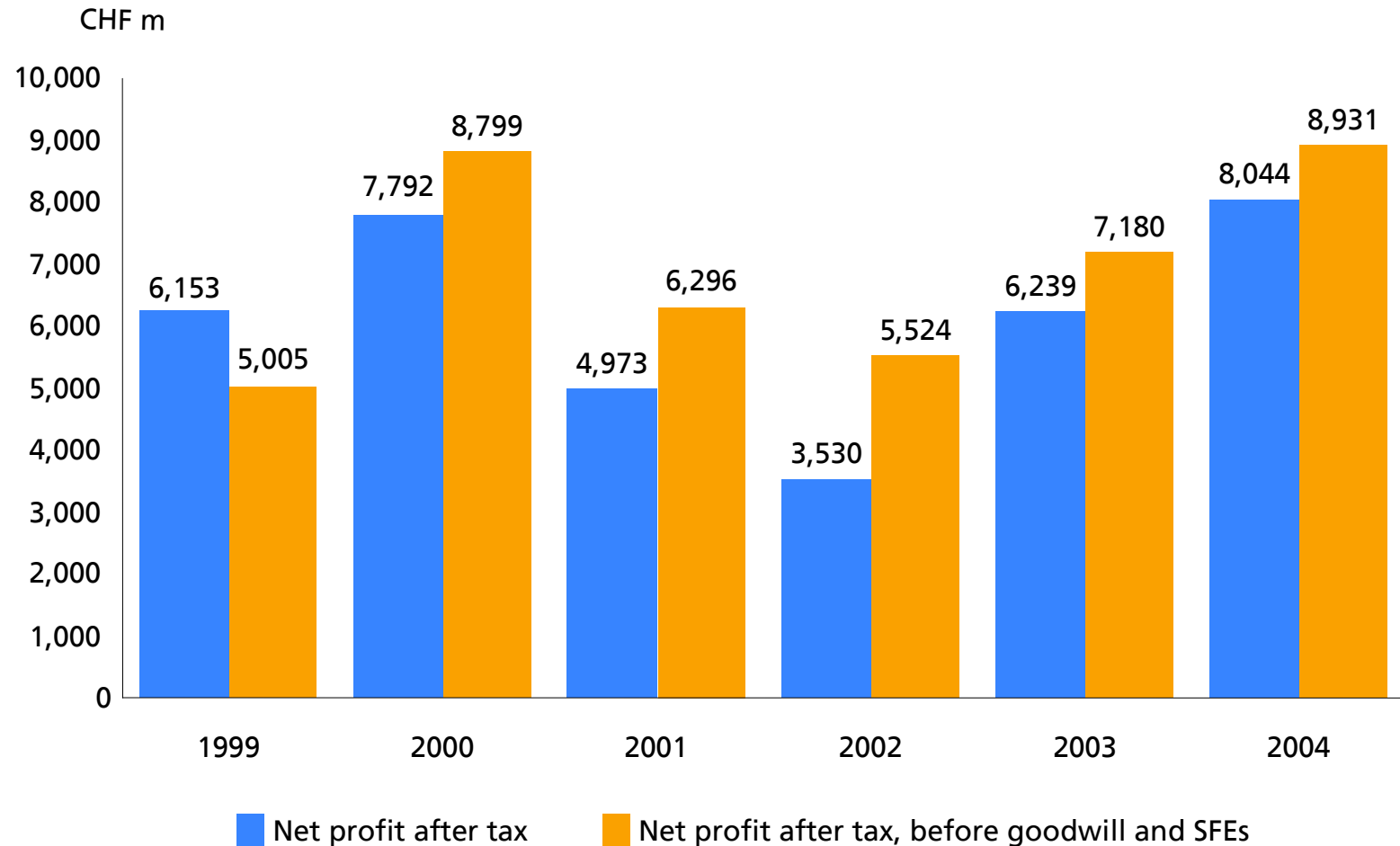
Asia: a growth engine now and in the future

Wealth management across Europe: critical mass

Equities: the world's #1 trader and research house

UBS: now one of the world's top brands

# Net profit, by year<sup>1</sup>

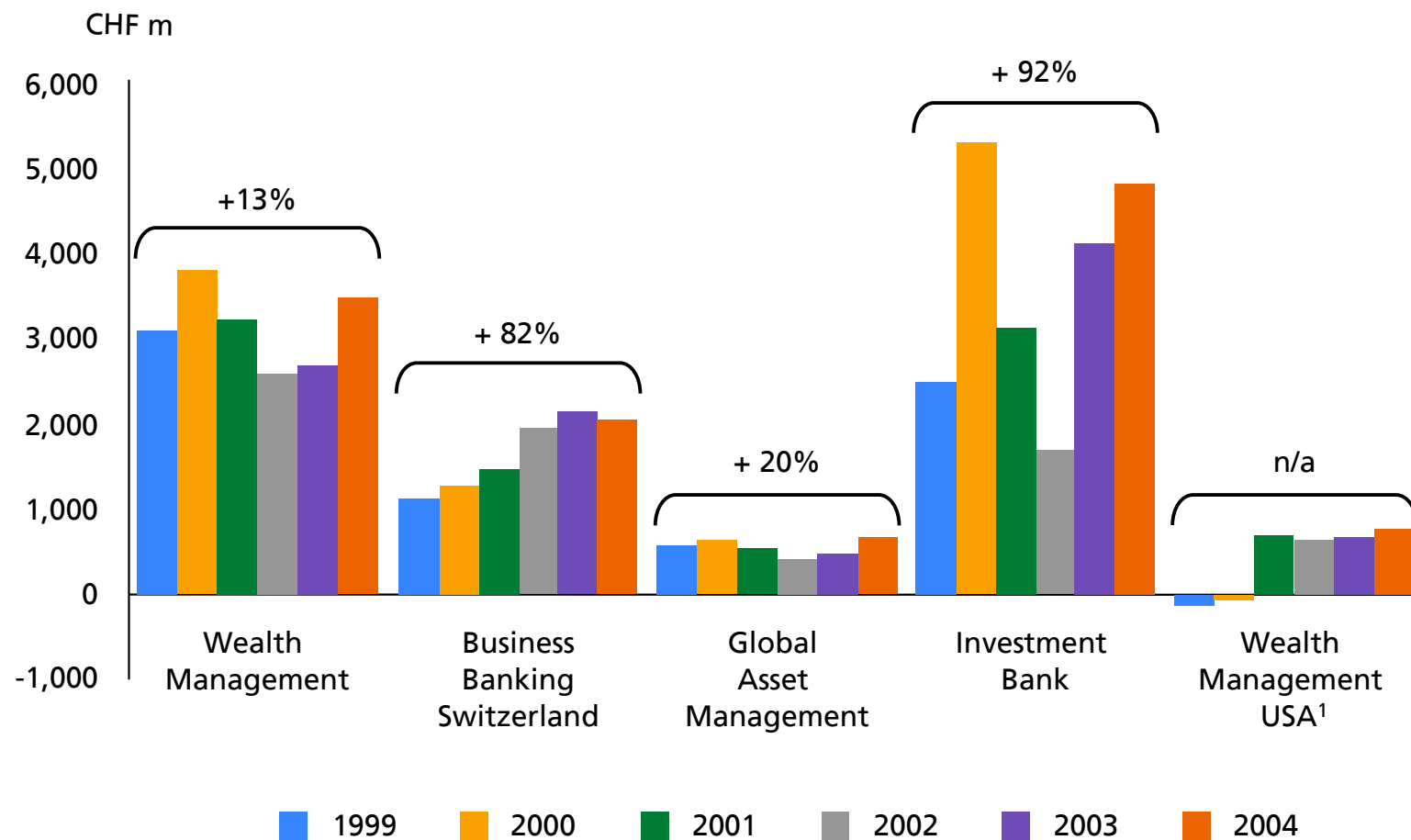


Note:  
1 Financial Businesses only



# Improving bottom line for all business units

## Performance before tax



Note:  
1 Before acquisition costs



# Best-ever fourth quarter

Net profit **8%** higher year-on-year<sup>1</sup>

Net profit **17%** higher quarter-on-quarter<sup>1</sup>

CHF **16.4 bn** net new money

EPS growth of **17%** year-on-year<sup>2</sup>

Note:

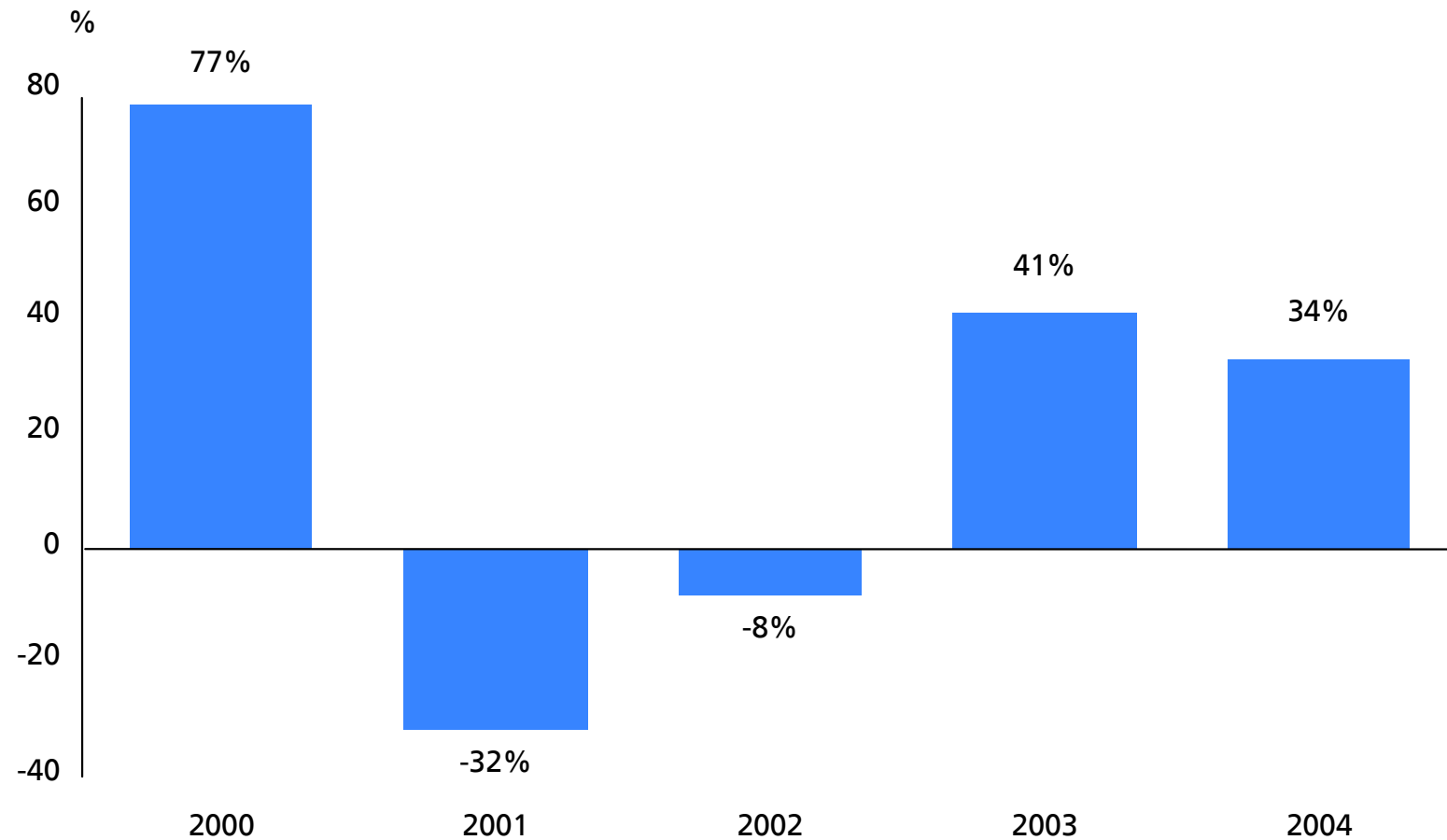
1 Financial Businesses adjusted for significant financial events and pre-goodwill

2 UBS figure adjusted for significant financial events and pre-goodwill



# Outlook

## Year-on-year EPS<sup>1</sup> development



Notes:

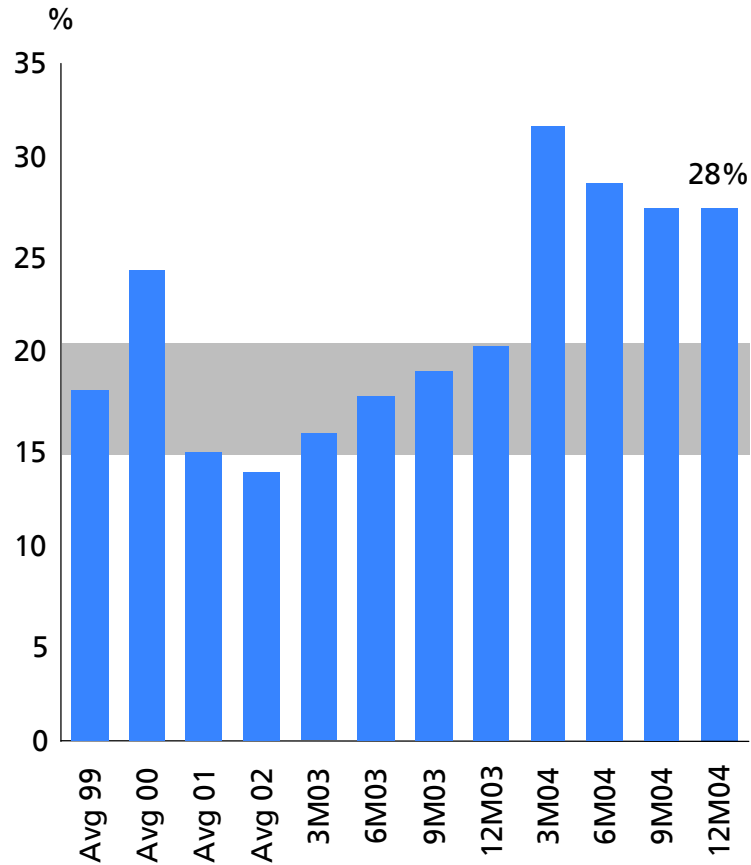
1 Net profit less the amortization of goodwill and other intangible assets and significant financial events (after tax)/weighted average shares outstanding



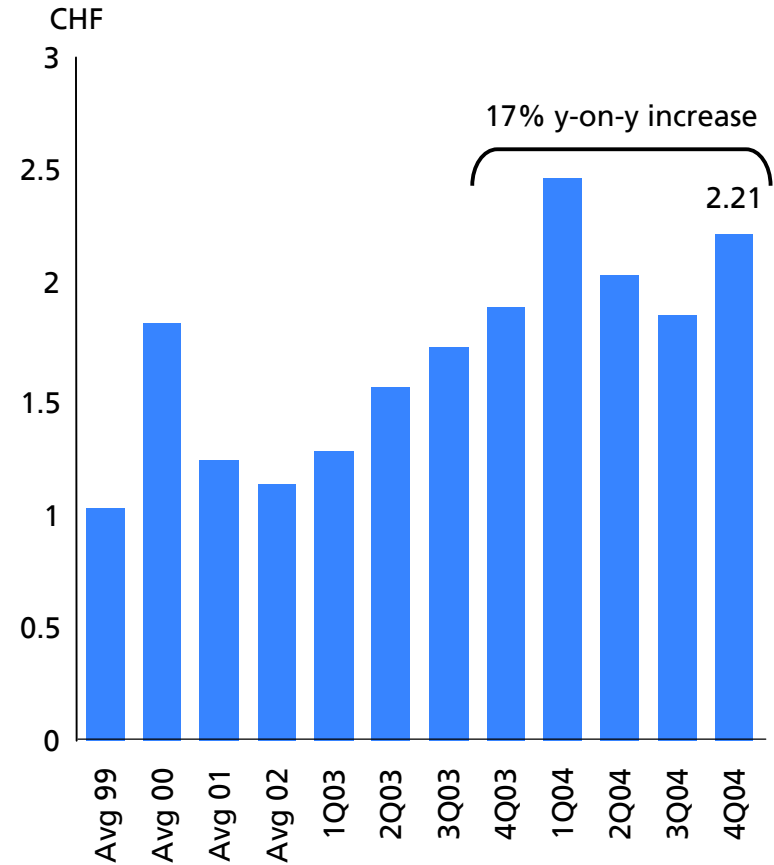


# Shareholder returns

## ROE<sup>1</sup>



## Basic EPS<sup>2</sup>



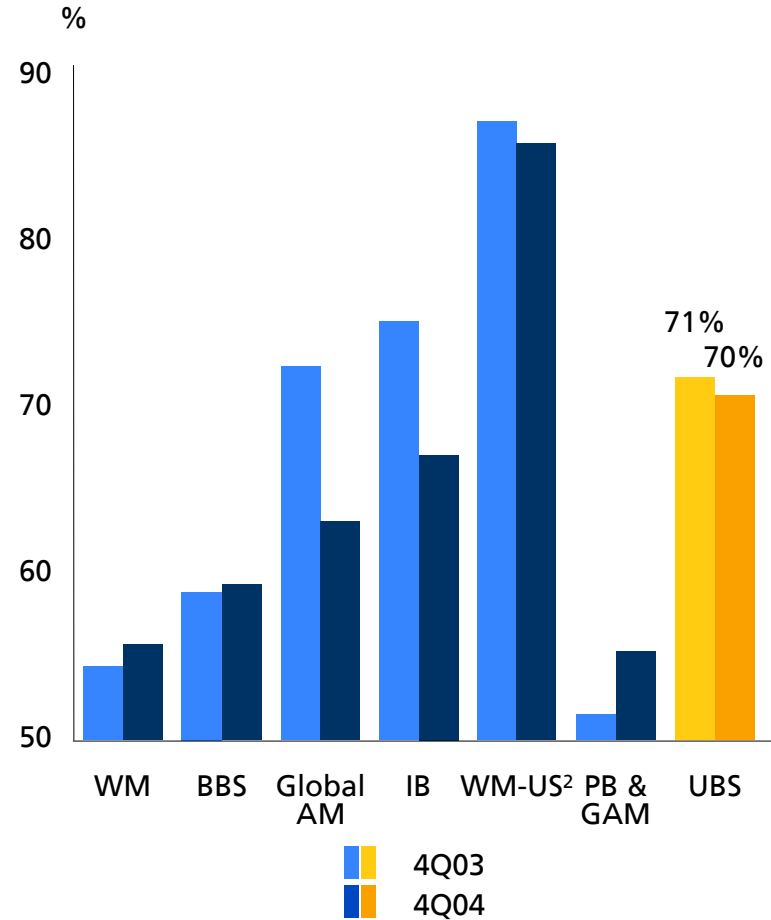
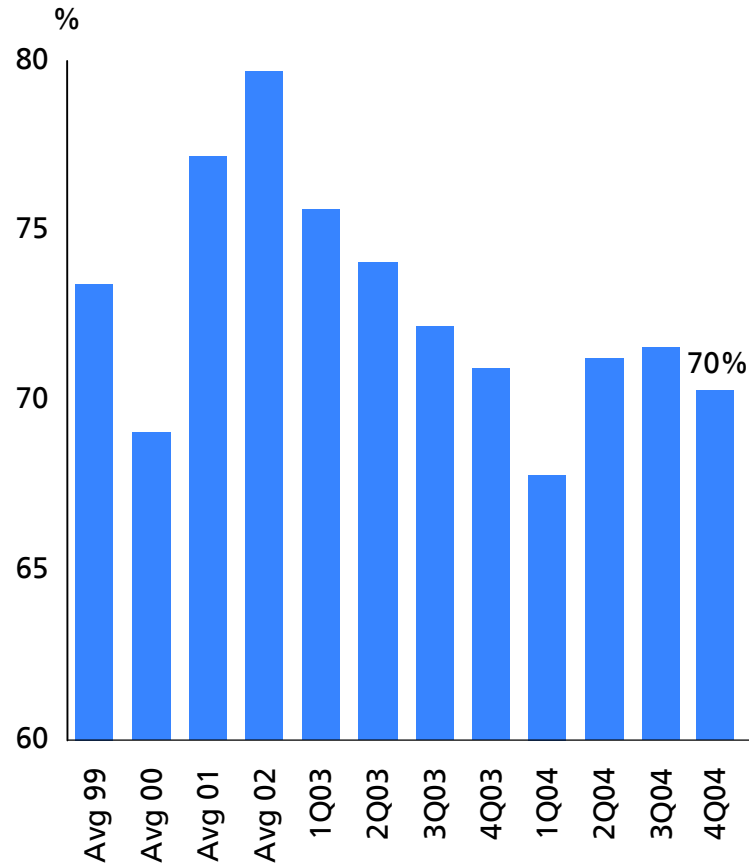
Notes:

- 1 Year to date annualized net profit less the amortization of goodwill and other intangible assets and significant financial events (after tax)/average shareholders' equity less dividends
- 2 Net profit less the amortization of goodwill and other intangible assets and significant financial events (after tax)/weighted average shares outstanding



# Continued cost control

## Cost/Income<sup>1</sup>



Notes:

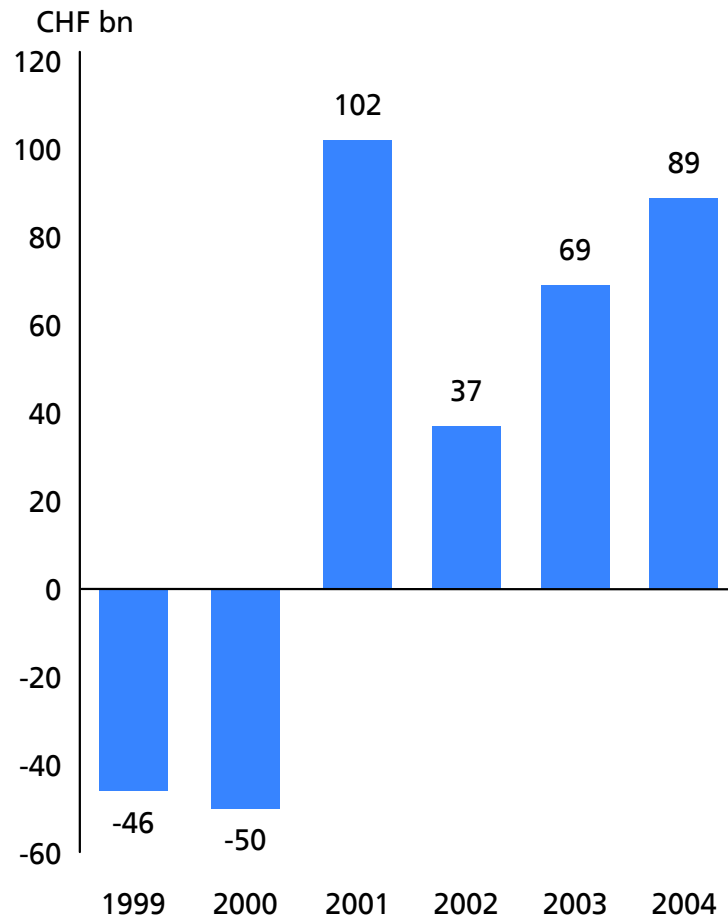
1 Operating expenses less the amortization of goodwill and other intangible assets and significant financial events / operating income less credit loss expense or recovery and significant financial events

2 Before acquisition costs

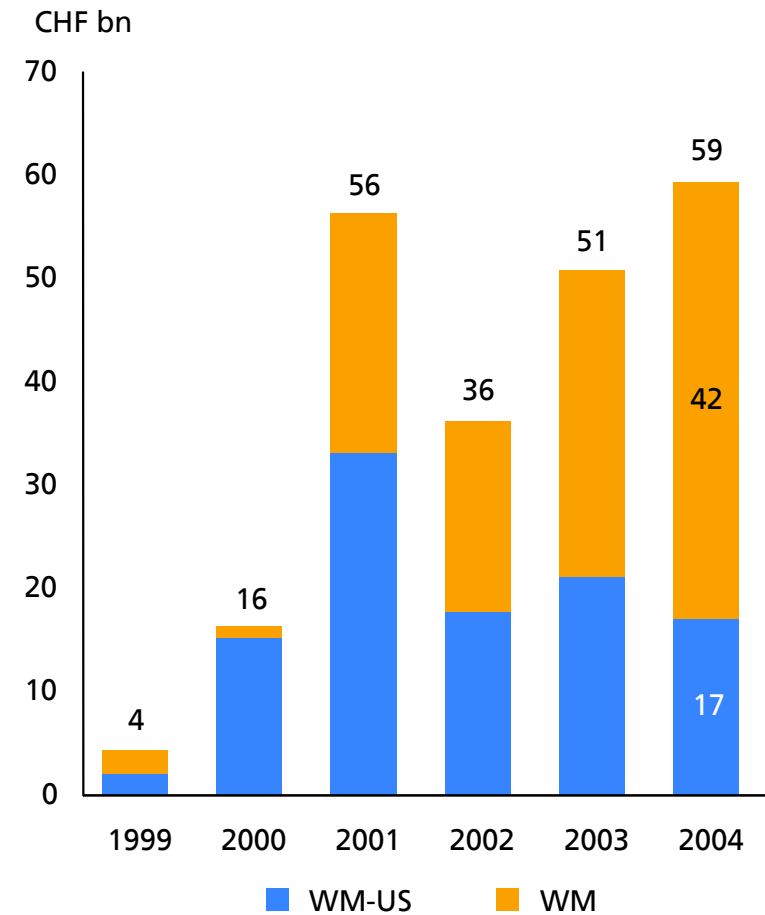


# Net new money

## NNM UBS<sup>1</sup>



## NNM wealth management businesses



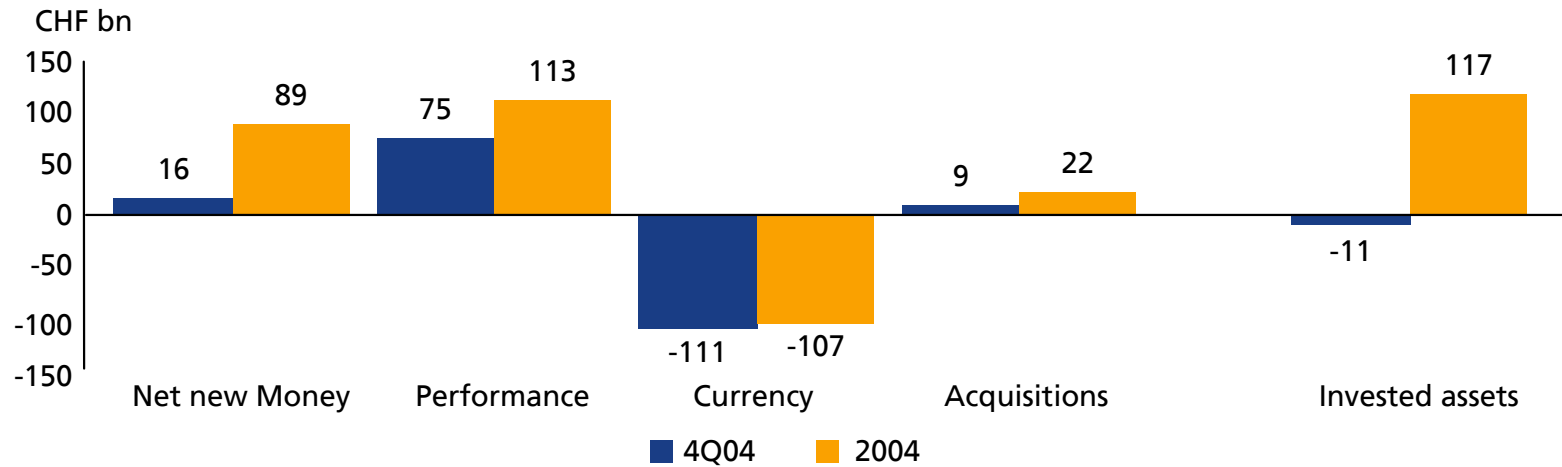
Note:

1 Numbers from 1999 to 2001 have not been restated for definitional change

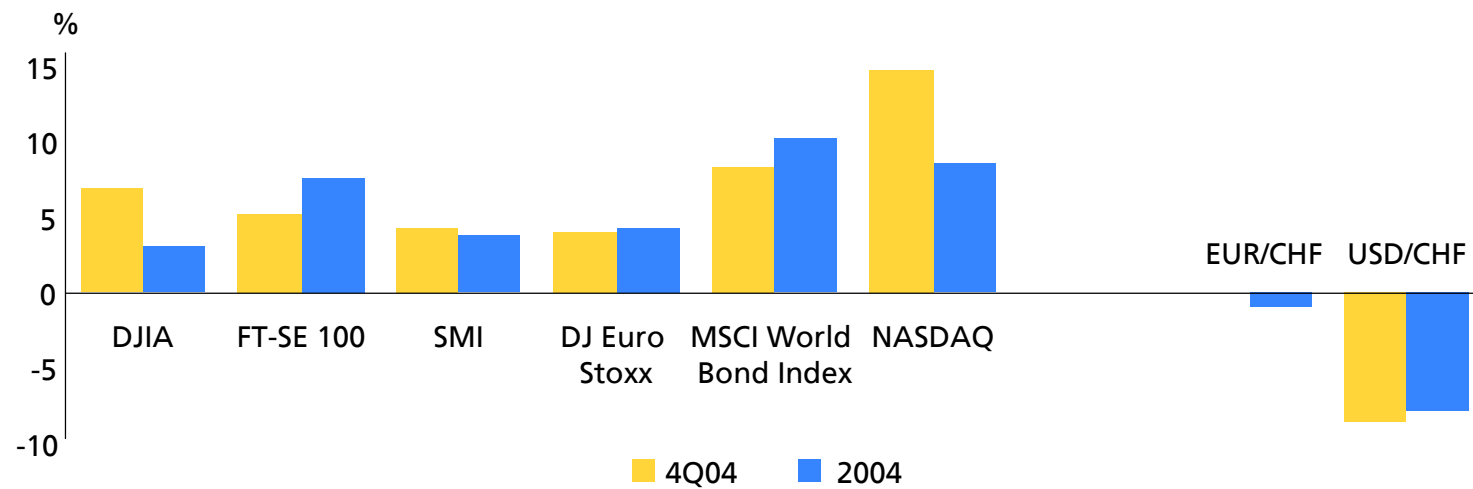


# Invested assets

## Quarterly and annual trend

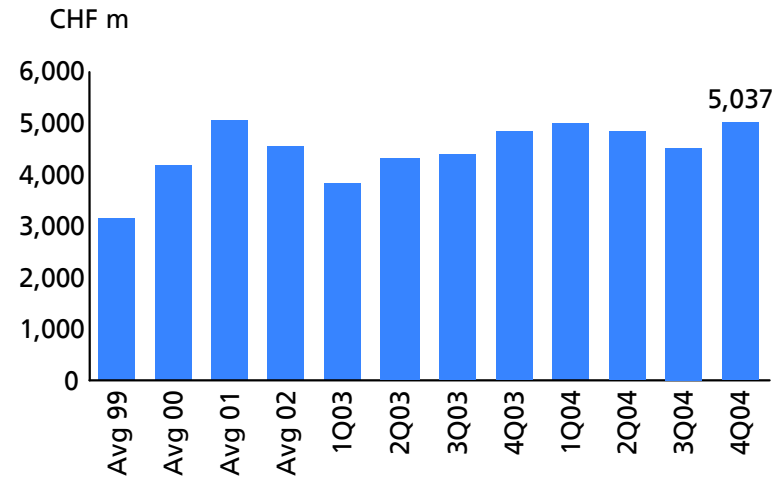


## Market performance

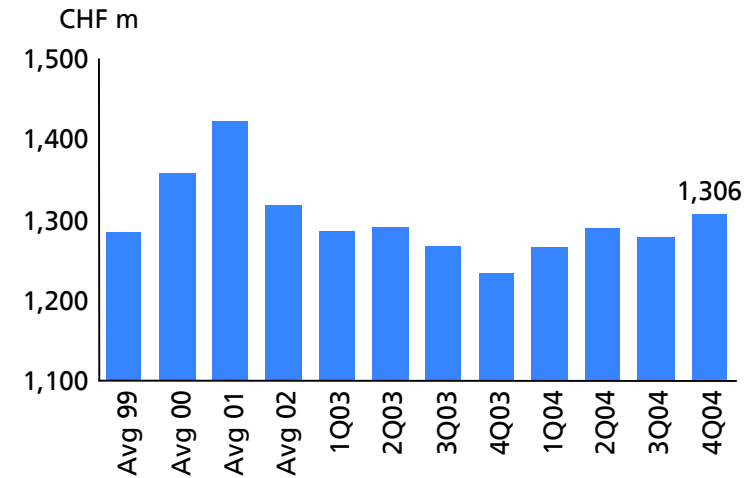


# Revenue trends

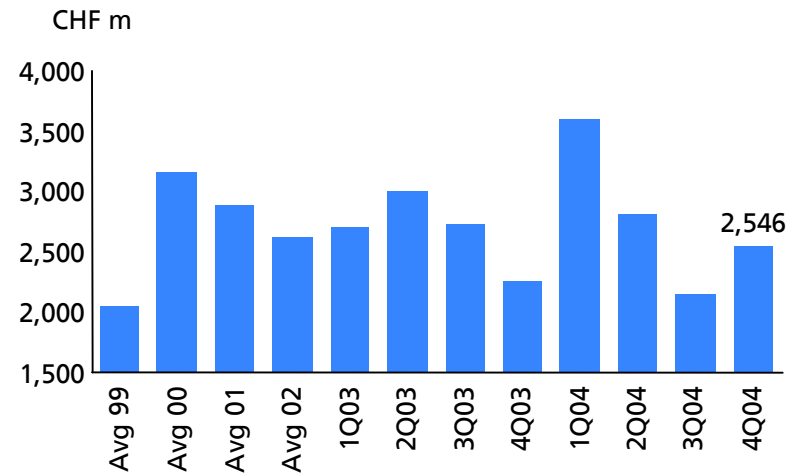
## Net fee & commission income



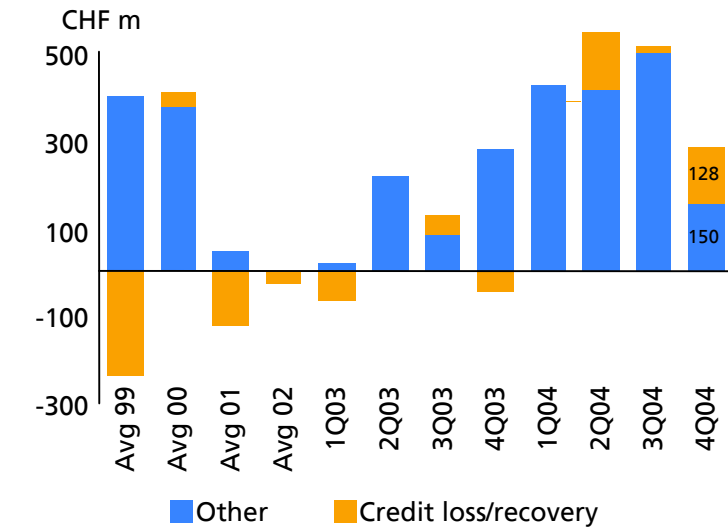
## Net income from interest margin products



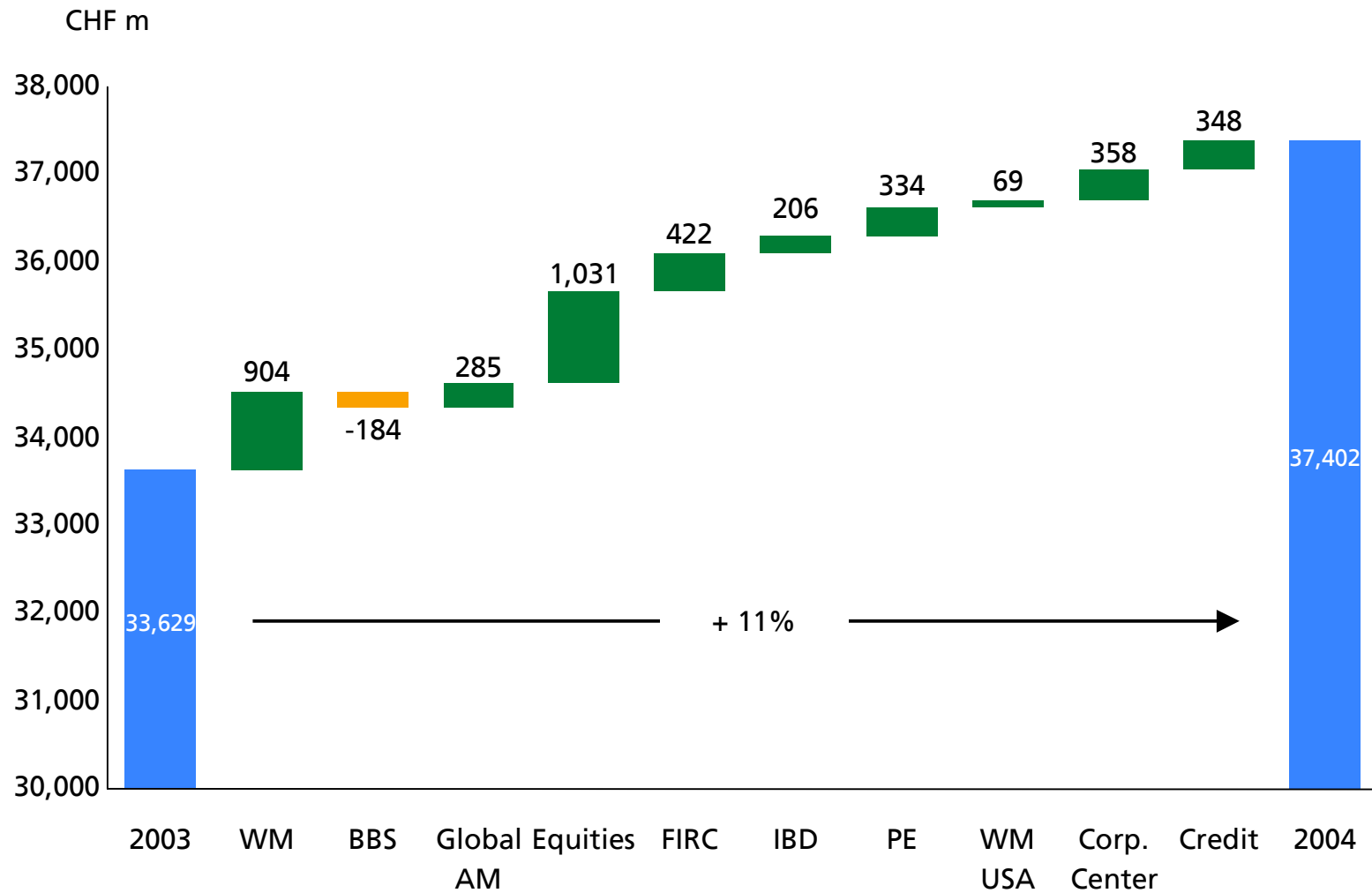
## Net income from trading activities



## Credit loss/recovery and other income

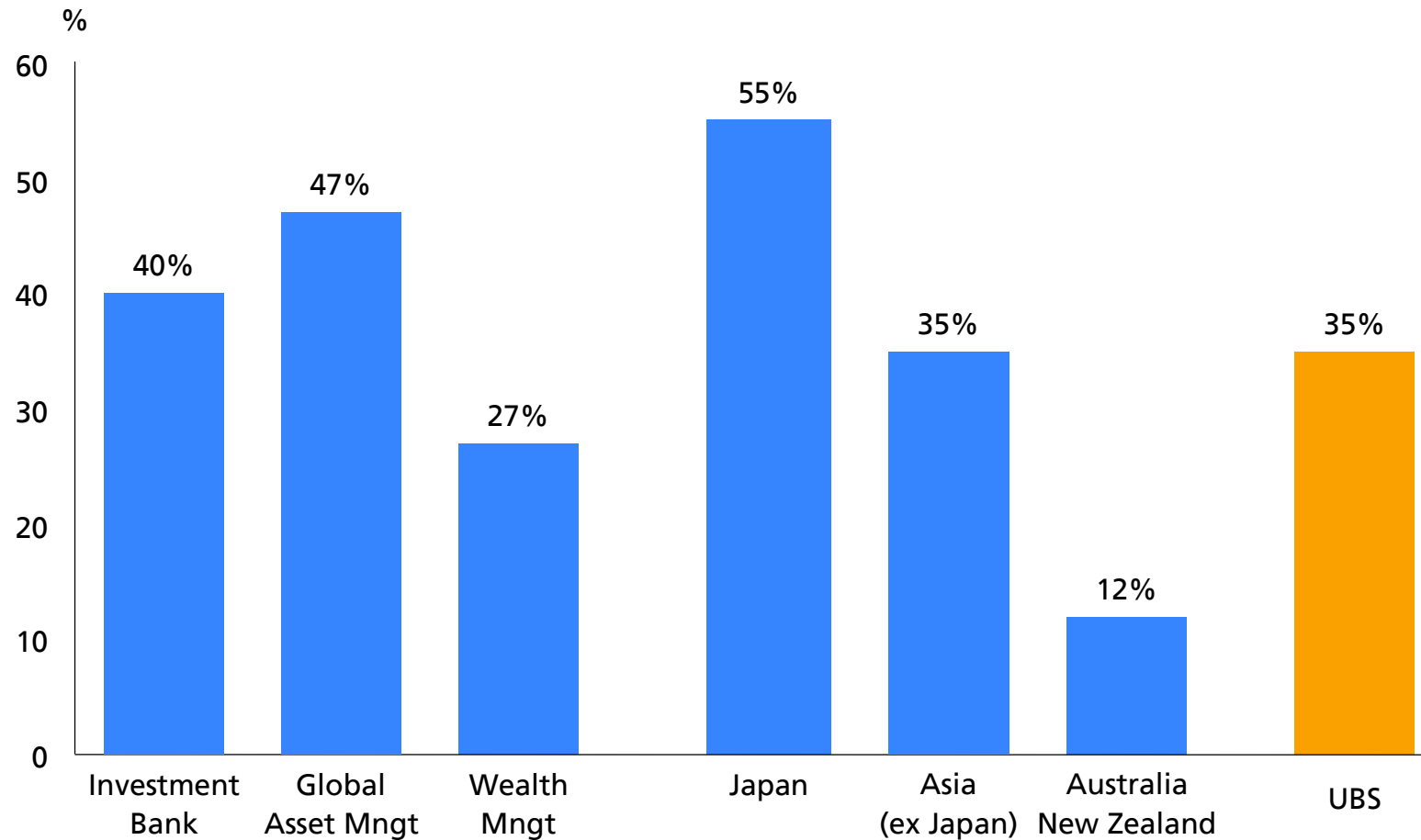


# Year-on-year revenue development



# UBS revenue sourced from Asia Pacific

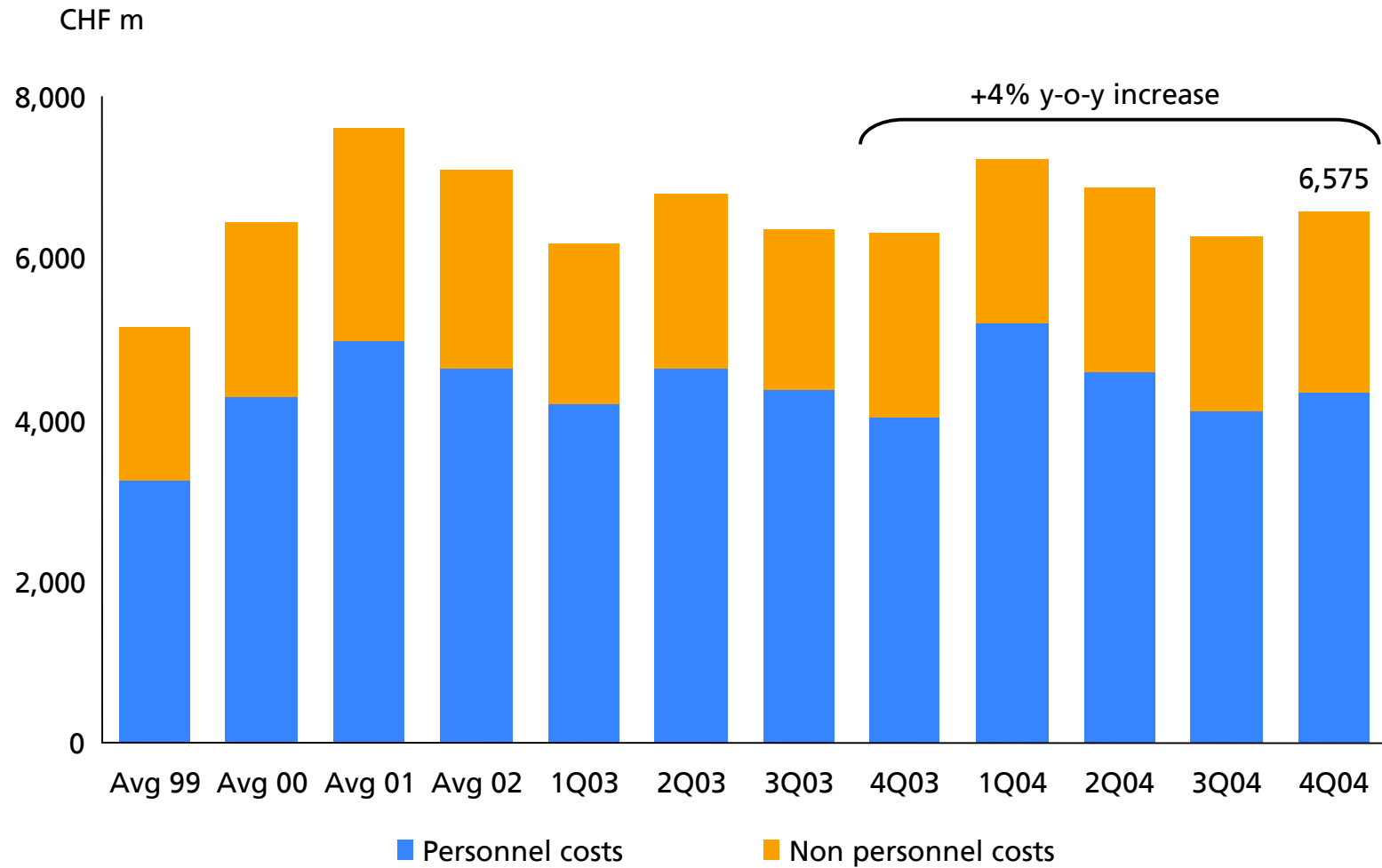
## 2004 vs 2003



Notes:  
1 Based on internal management accounting USD figures



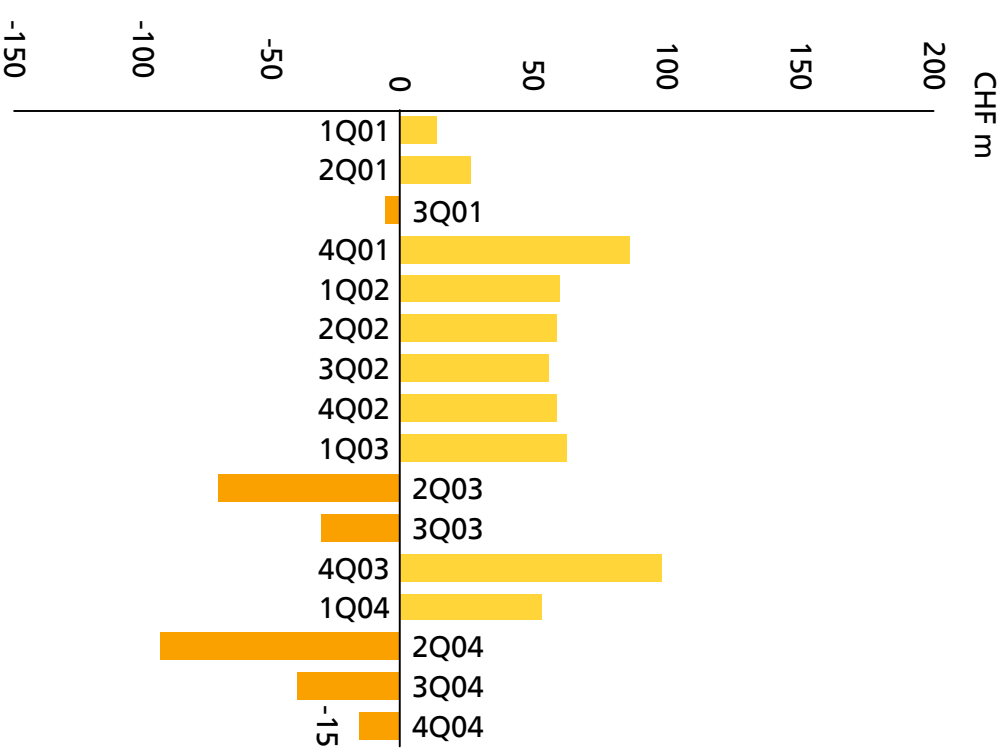
# Cost trends



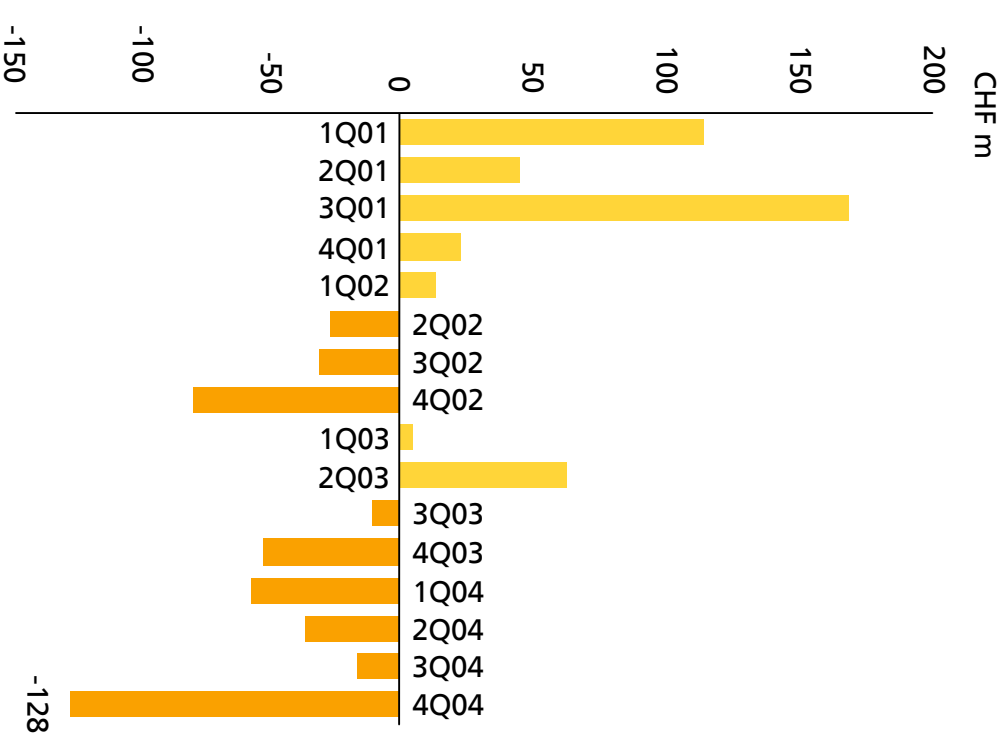


# Actual credit loss expense

## WM&BB







## Investment Bank



# Add-on acquisitions

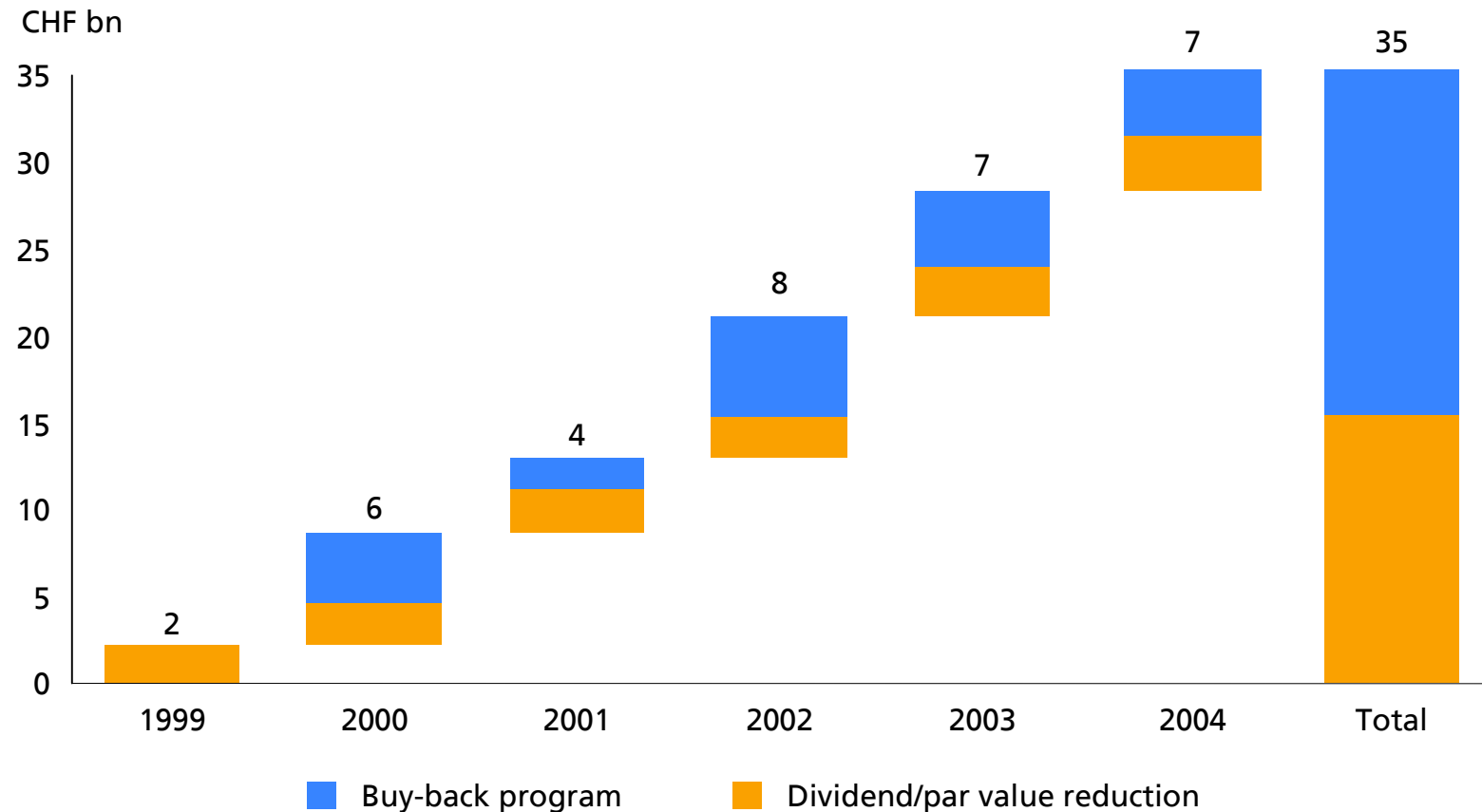
## Potential acquisitions must meet our specific hurdles



	Number of acquisitions	Invested/ client assets	Impact on market positioning
	◆ 4 acquisitions	◆ ~CHF 20bn	<ul style="list-style-type: none"> <li>◆ UK ⇒ Top 5</li> <li>◆ Germany ⇒ Top 5</li> </ul>
	◆ 3 acquisitions	◆ ~CHF 15bn	◆ Economies of scale in Americas
	◆ 3 acquisitions	◆ n/a	<ul style="list-style-type: none"> <li>◆ NASDAQ ⇒ No.1</li> <li>◆ NYSE ⇒ No.2</li> </ul>
	◆ 2 acquisitions	◆ ~CHF 3.5bn	<ul style="list-style-type: none"> <li>◆ Real estate business in Germany</li> <li>◆ China entry point</li> </ul>

# Return of capital to shareholders<sup>1</sup>

**60% of Operating cash flow returned to shareholders since 1999**



Note:

1 Dividend is shown in the year of performance





# Business unit results

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# Reporting changes

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## To be implemented in first quarter 2005

IFRS 2

Accounting for stock and option awards

IFRS 3

Change in accounting treatment of goodwill

IFRS 5

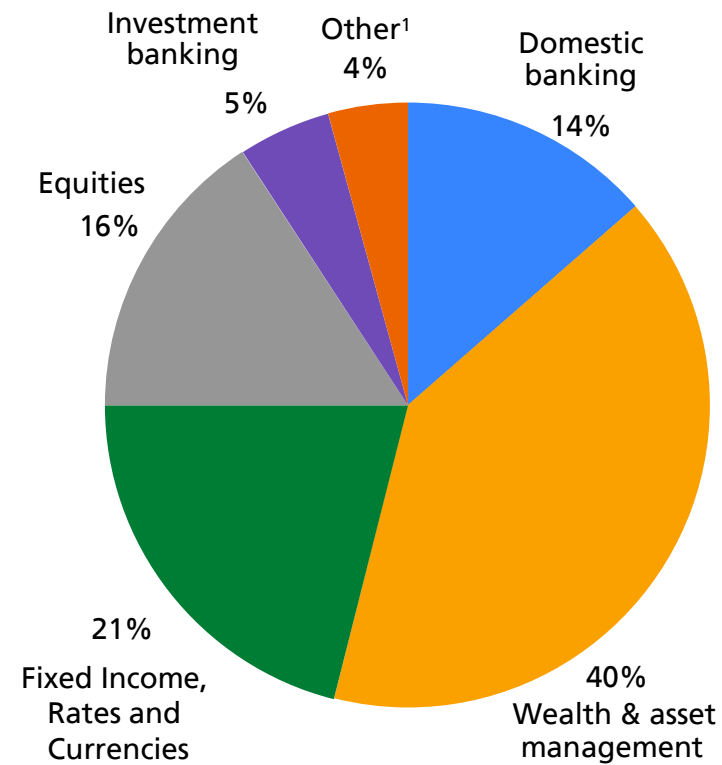
Classification of assets held for sale

IAS 27/28

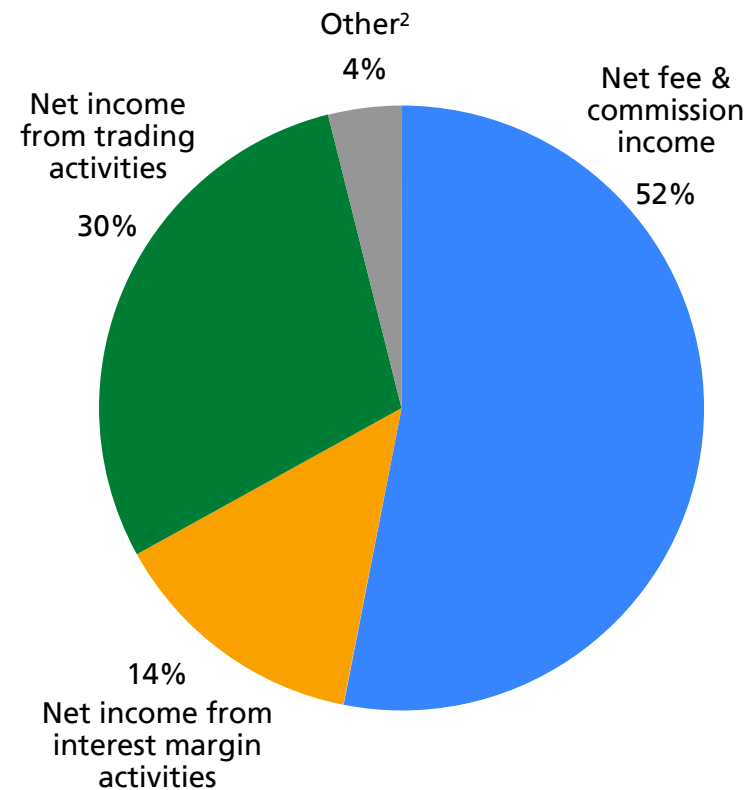
Consolidation of private equity portfolio

# Balanced business mix

## % of 2004 revenue by business line



## % of 2004 revenue by activity



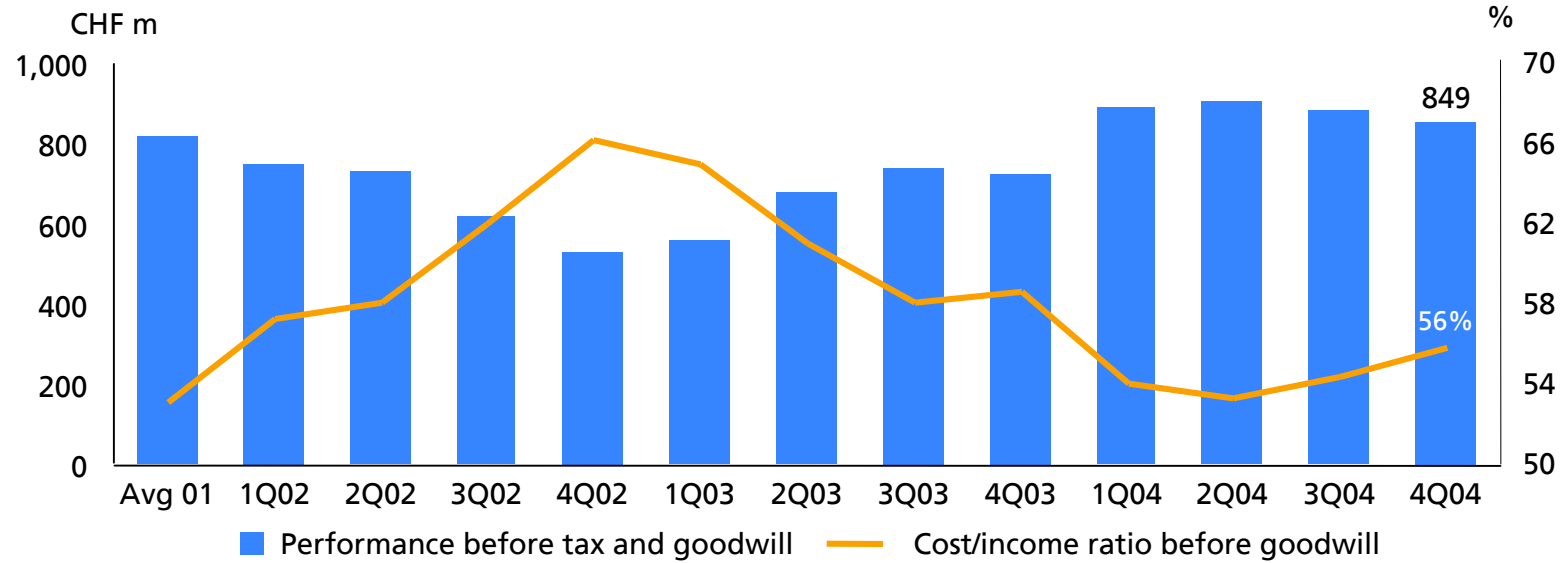
Note:

1 Includes Private Equity, Corporate Functions, Private Banks & GAM

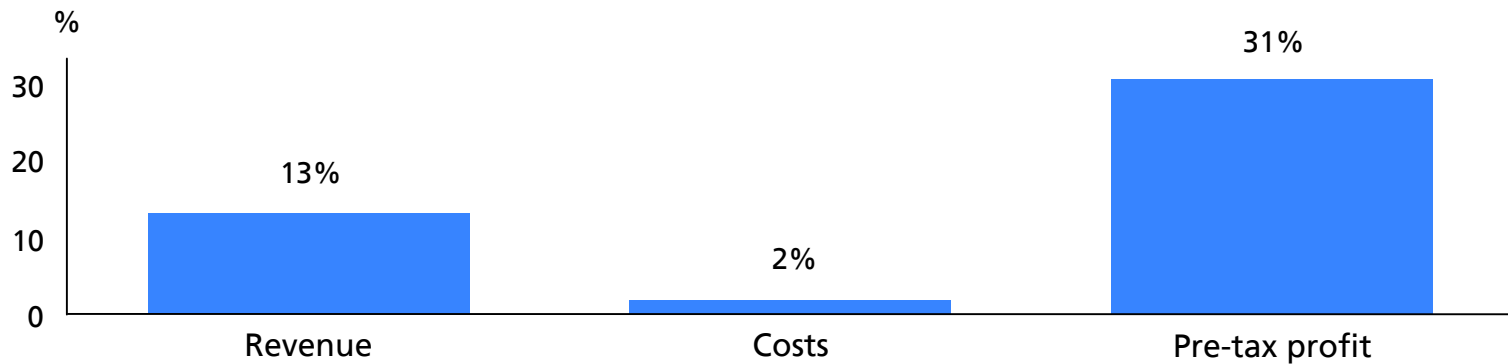
2 Includes Treasury activities, Other trading, Other Income



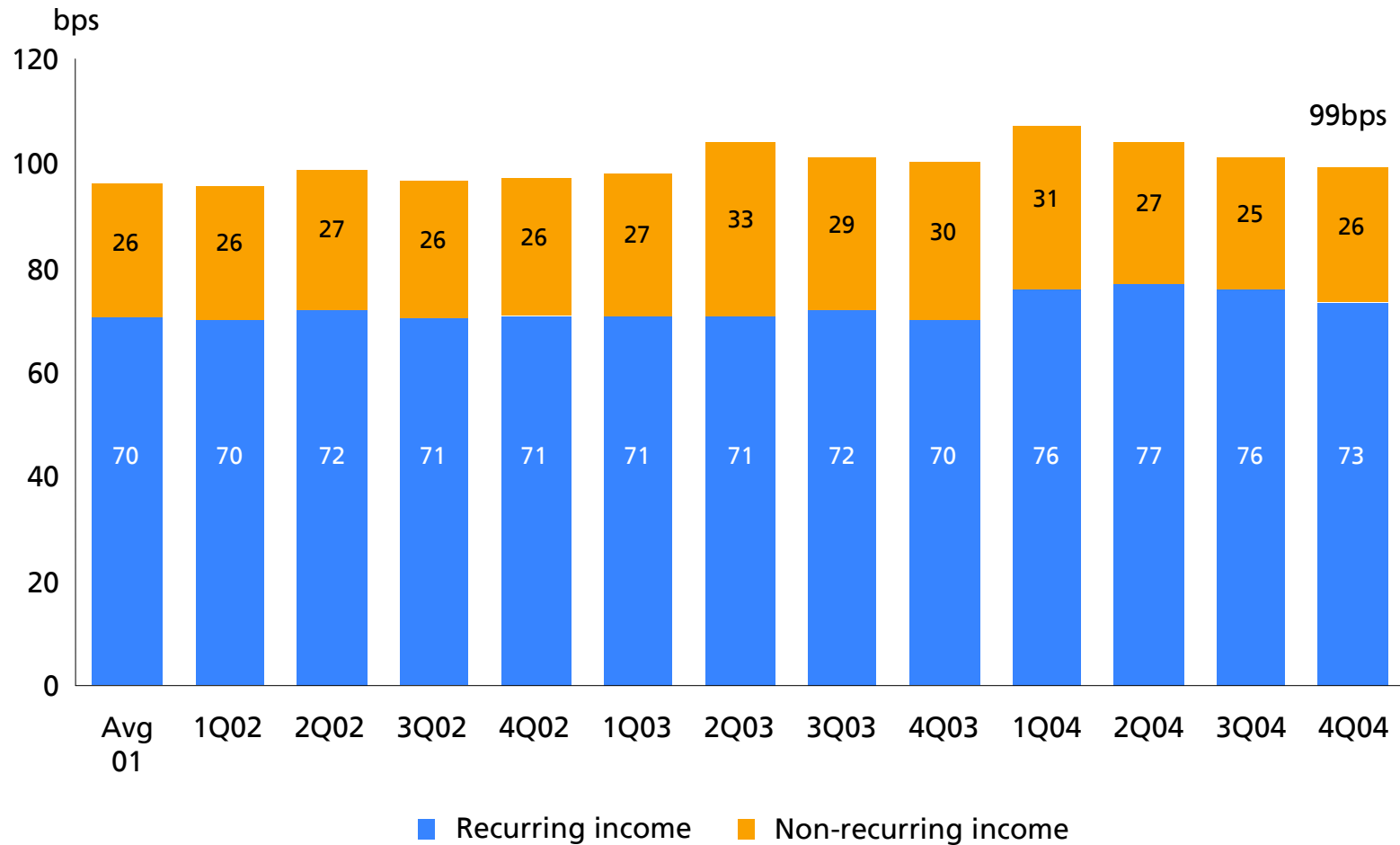
# Strong profitability



## Relative performance 2004 vs 2003

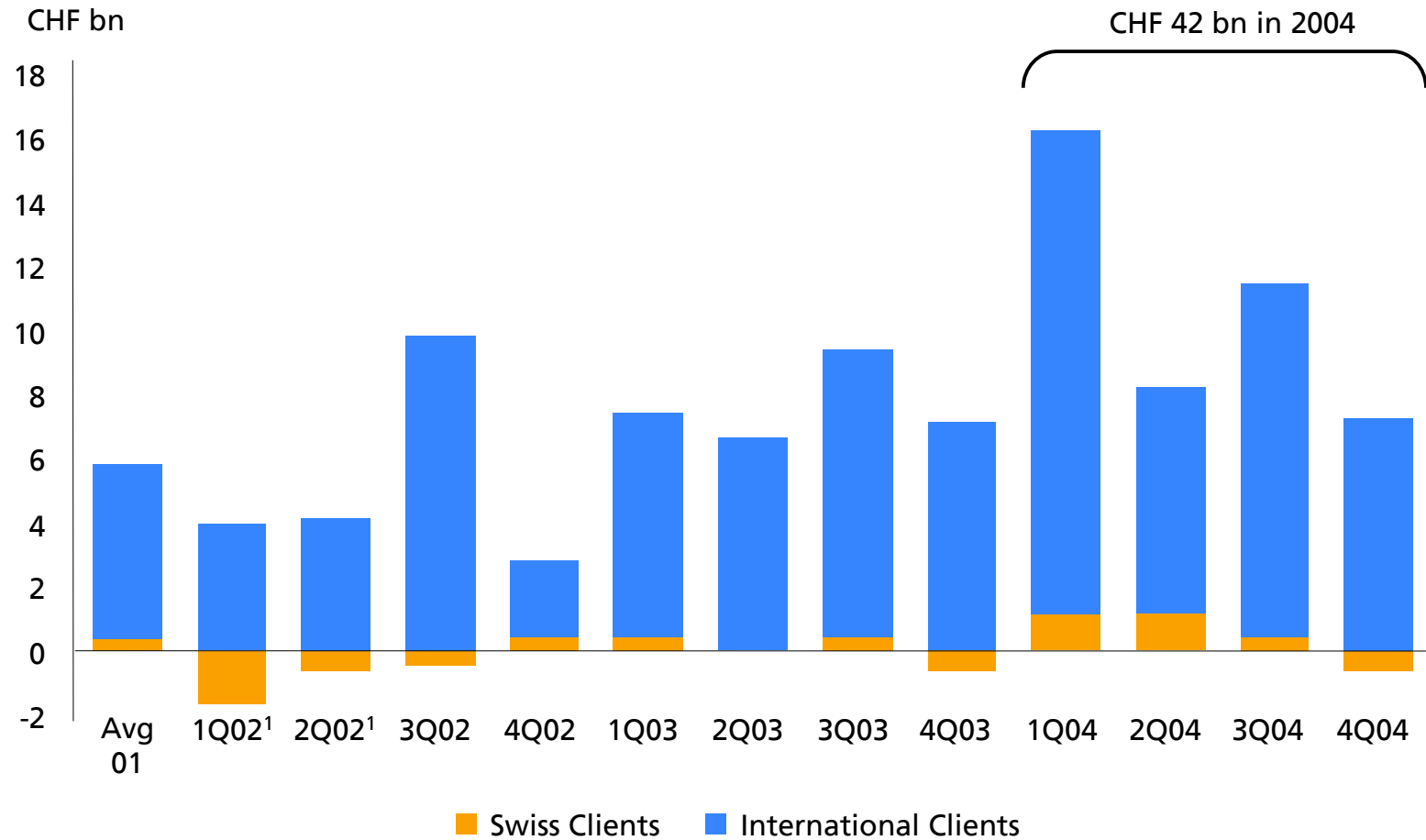


# Gross margin mix





# Net new money



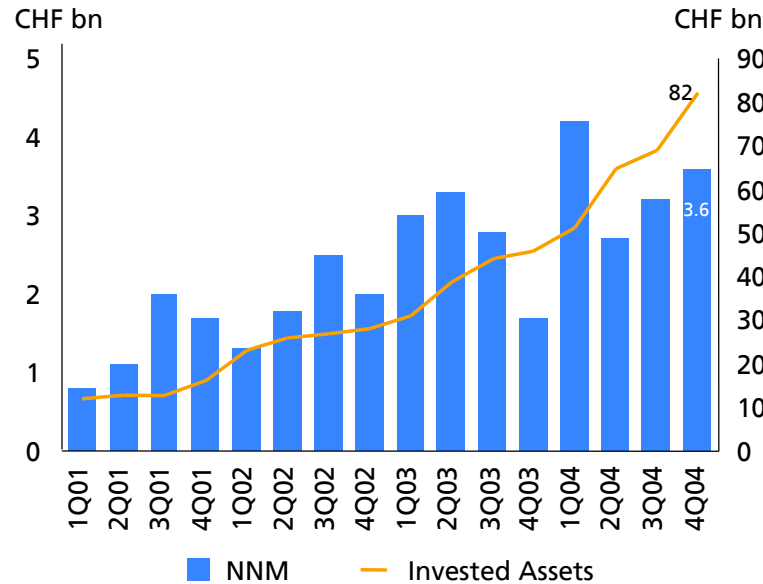
Notes:

1 Includes outflows of CHF4.5 bn in 1Q02 and CHF 3.8bn in 2Q02 due to Italian Tax Amnesty

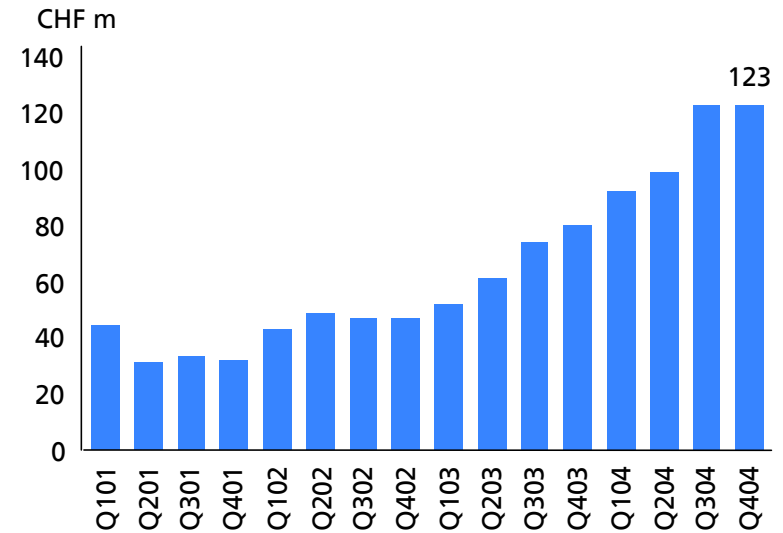


# Progress in European domestic business

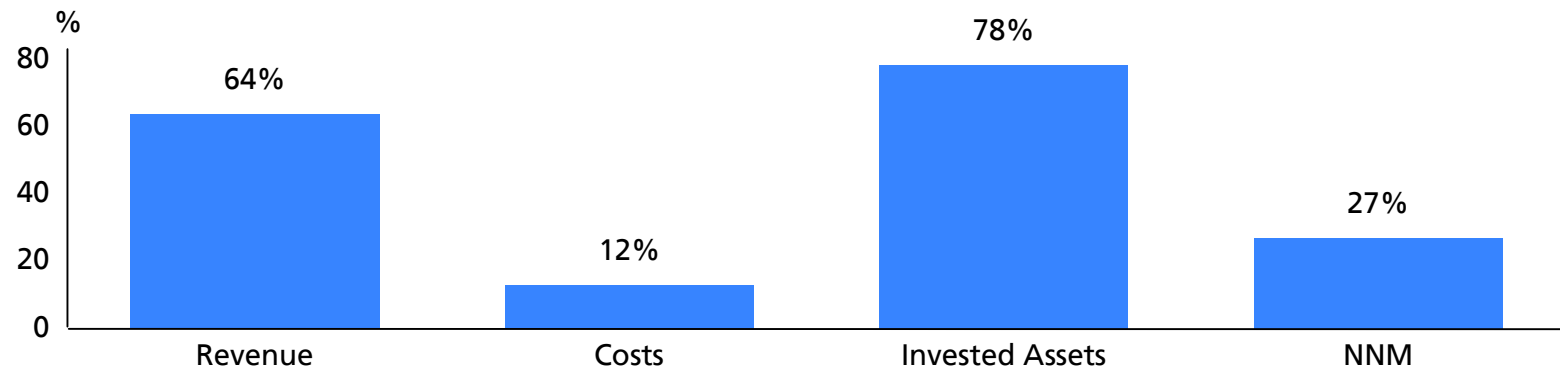
## NNM, Invested assets



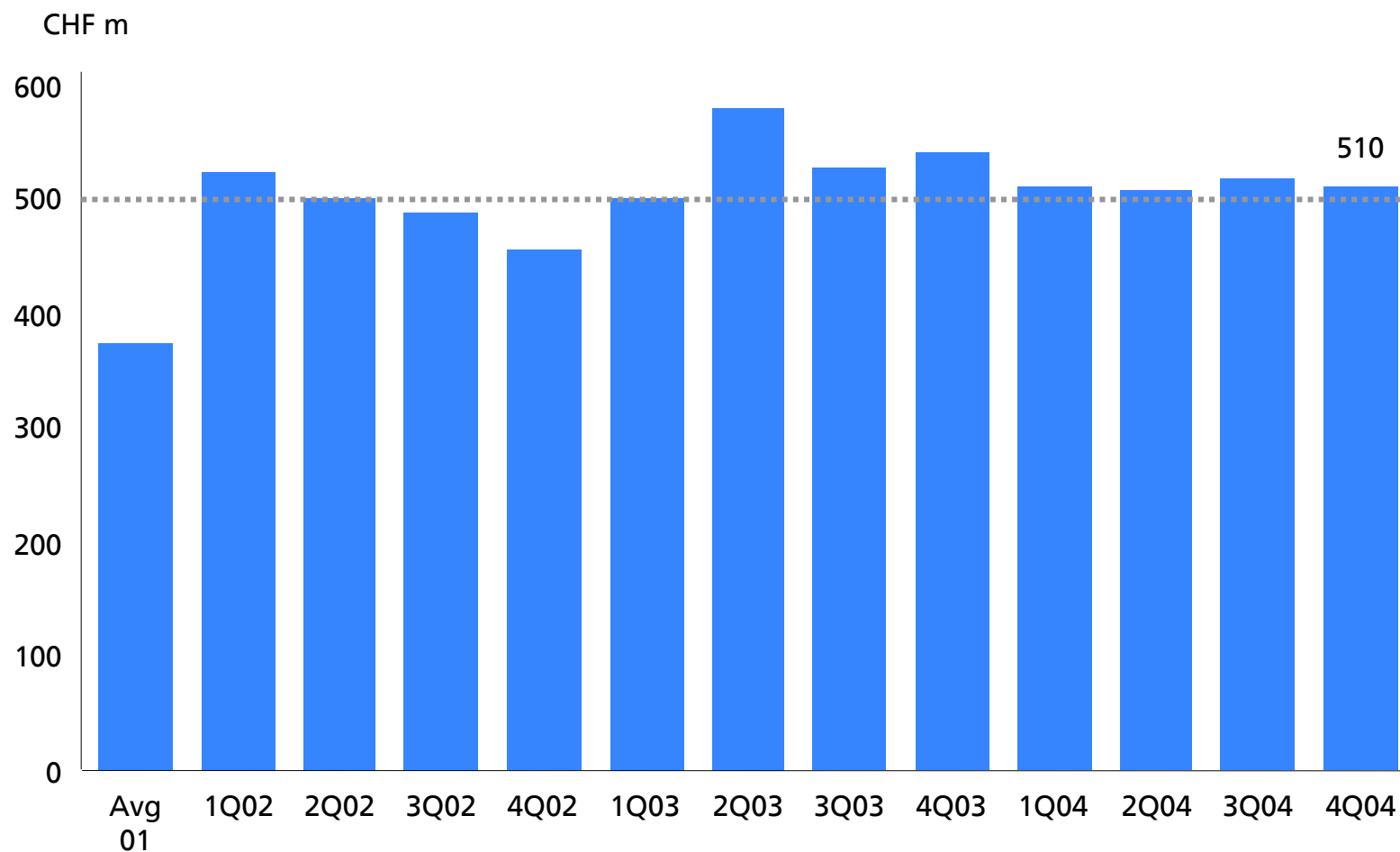
## Revenues



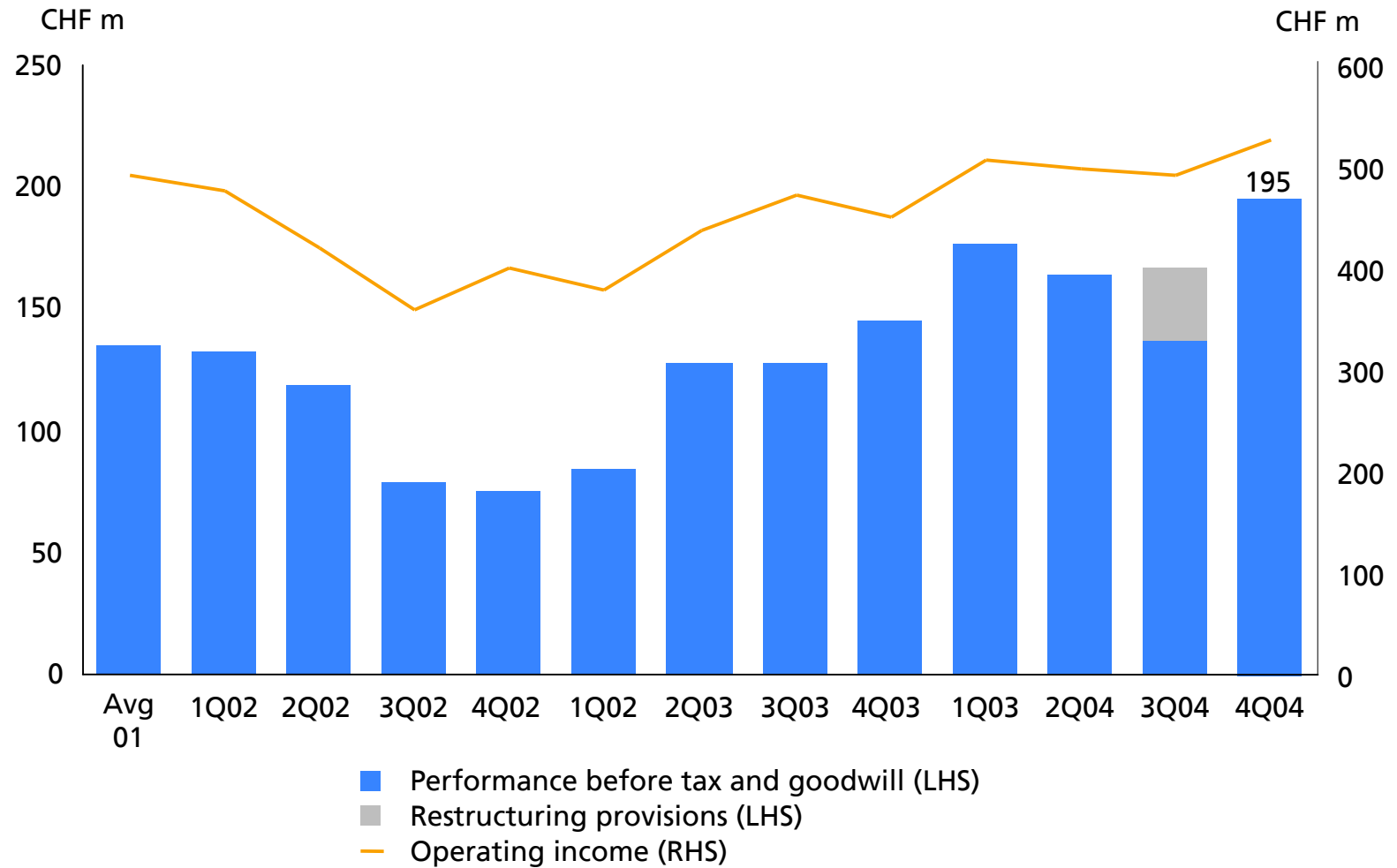
## Relative performance 2004 vs 2003



# Business Banking profitability

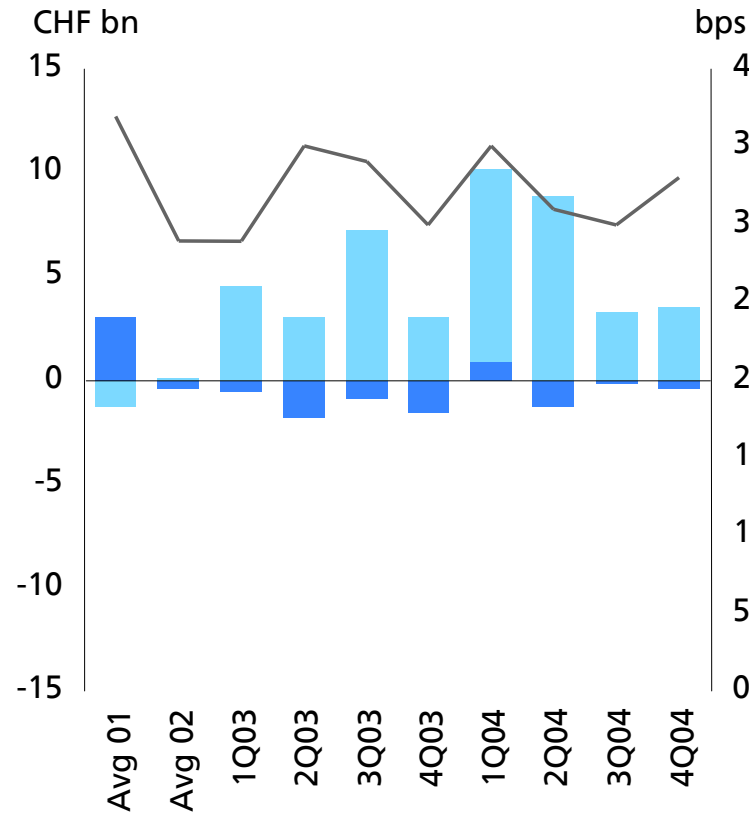


# Global Asset Management profitability



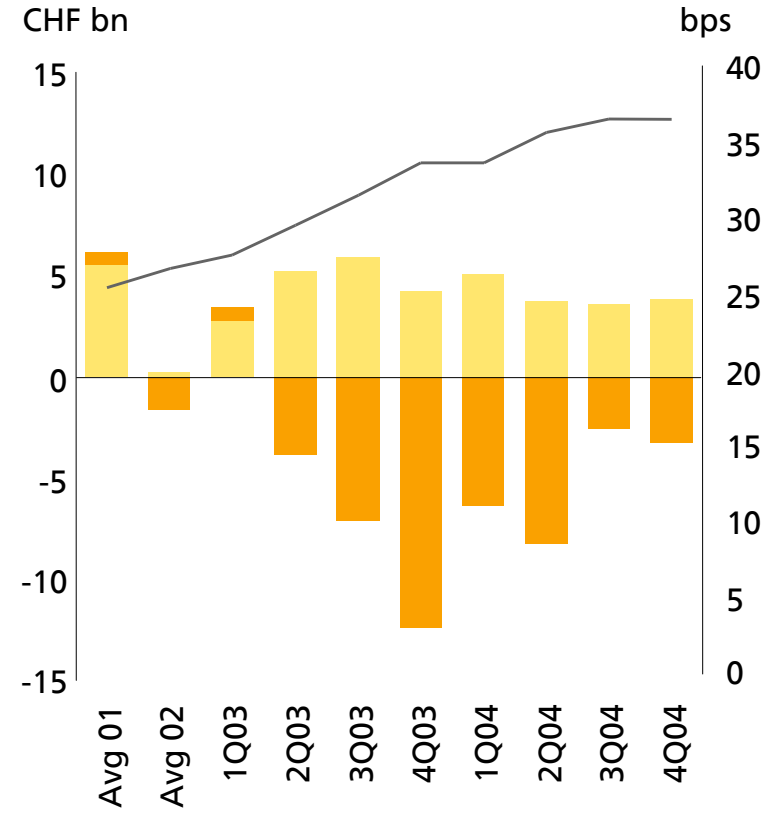
# Net new money

## Institutional



■ Money market  
 ■ Non-money market  
 — Gross margin

## Wholesale intermediary

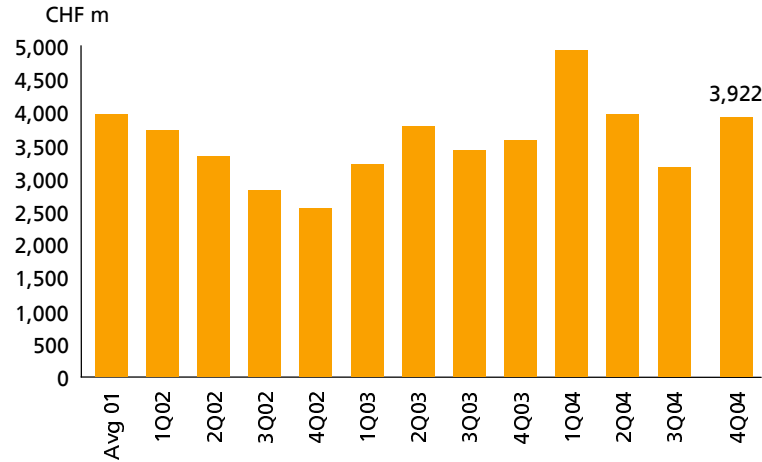


■ Money market  
 ■ Non-money market  
 — Gross margin

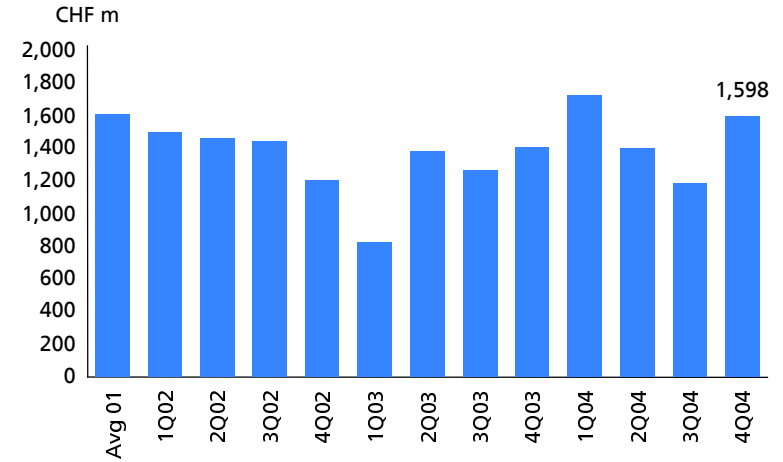


# Investment Bank operating income

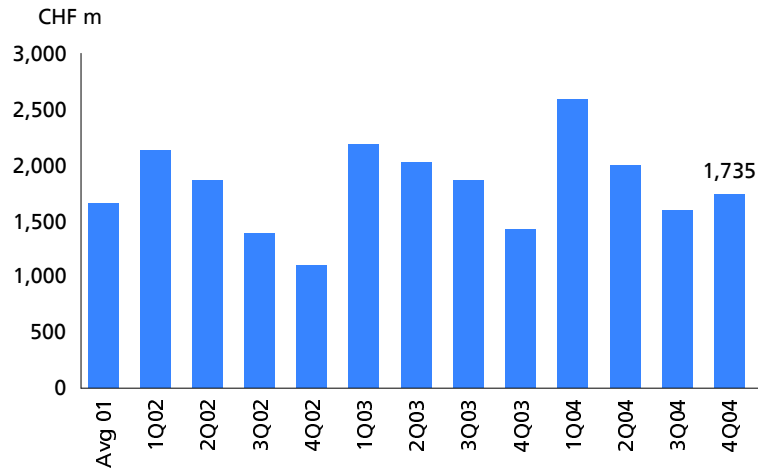
## Investment Bank



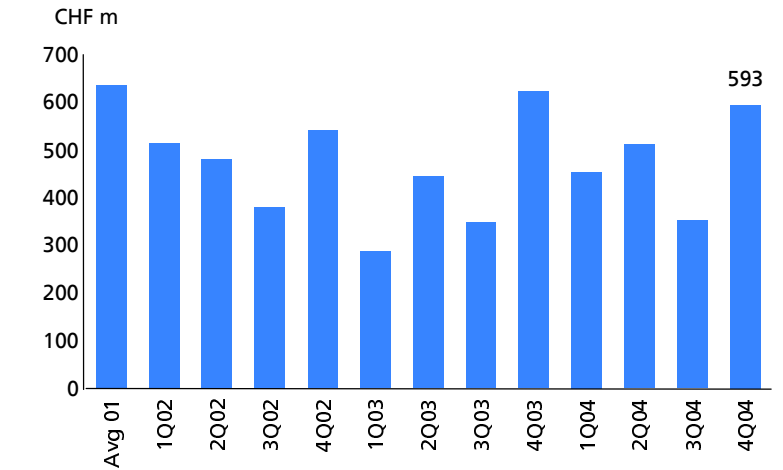
## Equities



## Fixed Income, Rates and Currencies

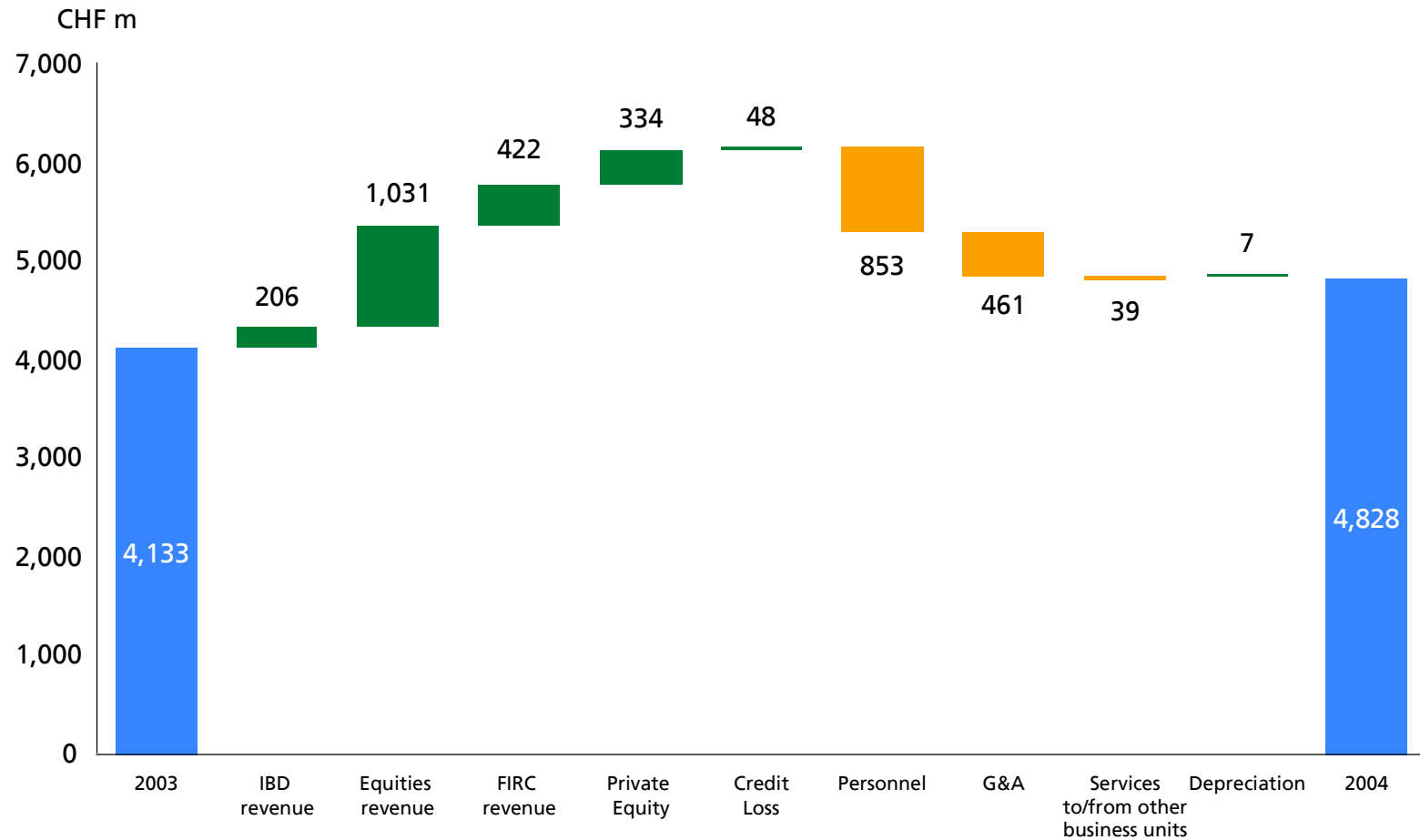


## Investment Banking



# Profitability drivers

## Year-on-year change in performance<sup>1</sup>



Note:

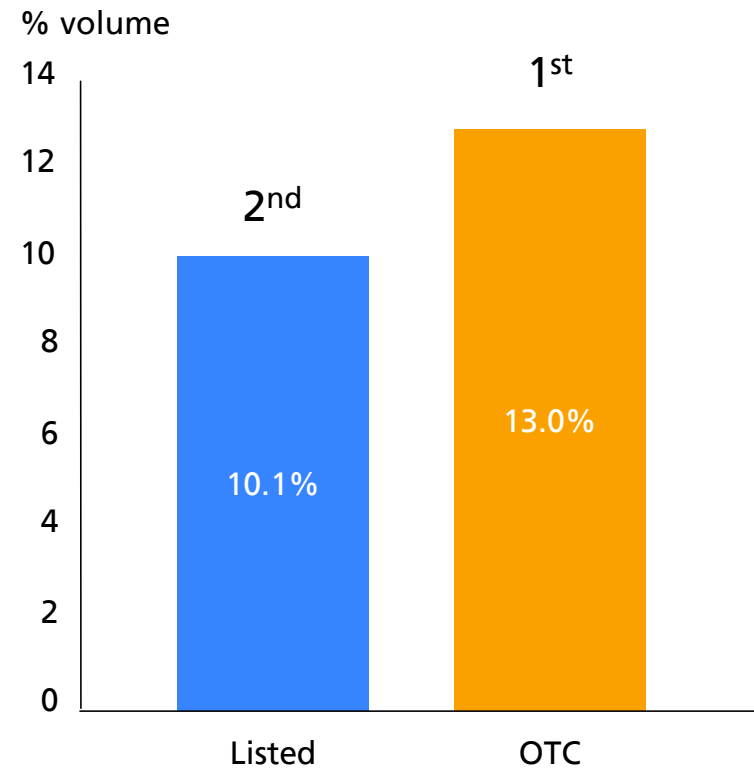
<sup>1</sup> Business unit performance before tax and amortization of goodwill and other intangible assets



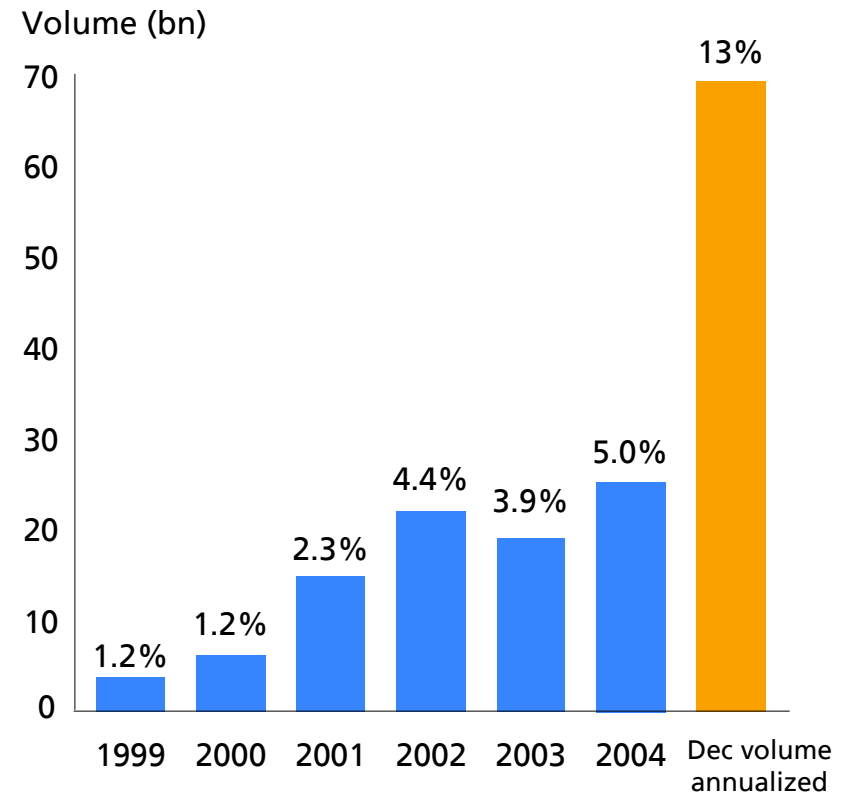
# US equities market share<sup>1</sup>

## UBS enhanced its US equities position with the acquisition of Charles Schwab's capital markets business

### Dec 04 market share in US



### Development of OTC market share



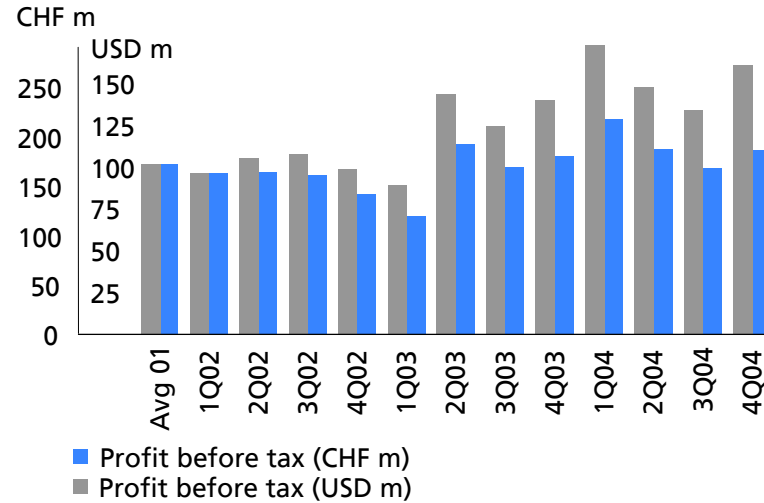
Note:  
1 AutEx rankings



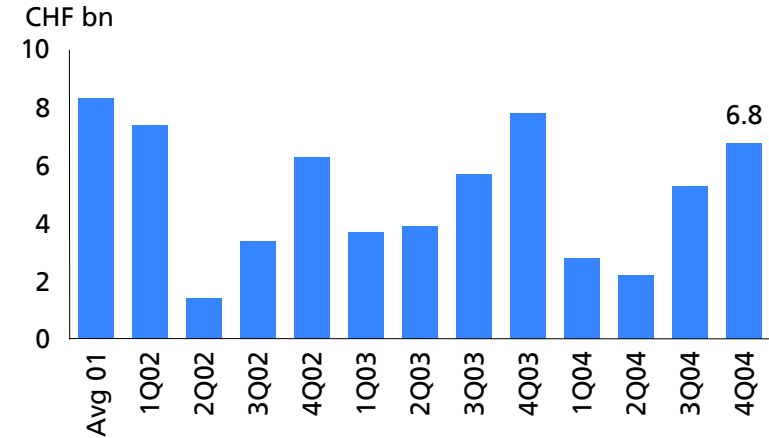


# Business results

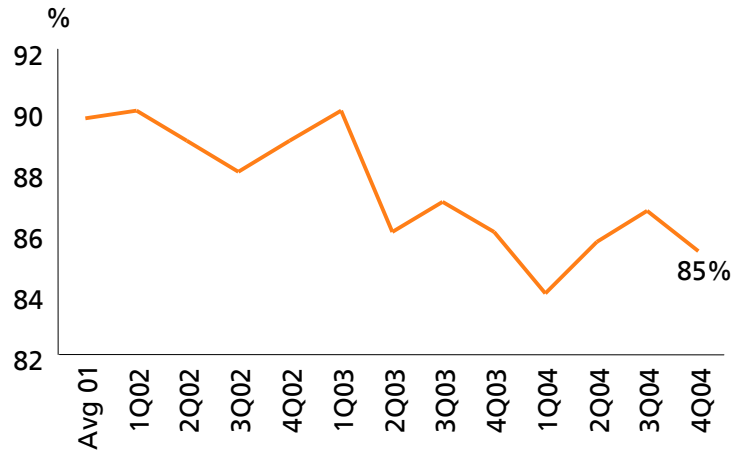
## Profitability<sup>1</sup>



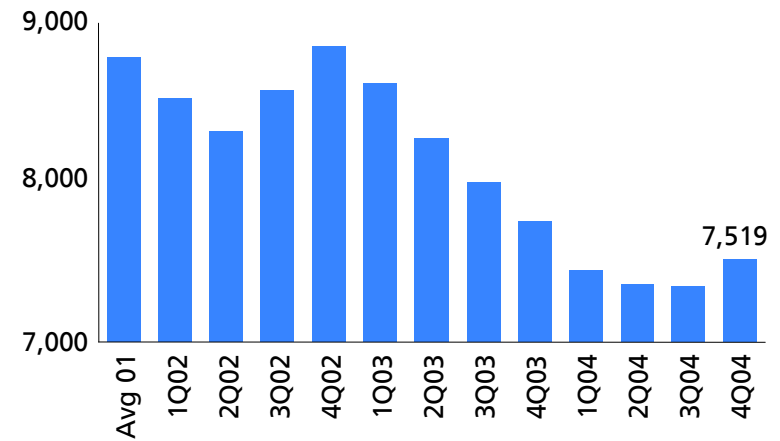
## Net new money



## Cost/income ratio<sup>1</sup>



## Financial advisors



<sup>1</sup> Before acquisition costs





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Zurich, 8<sup>th</sup> February 2005

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