



Financial Services Group

UBS Third Quarter Results 2001

13 November 2001

Luqman Arnold, President

Mark Branson, Head of Group Communications

Caution regarding forward-looking statements

This communication contains statements that constitute “forward-looking statements”, including, without limitation, statements relating to the implementation of strategic initiatives, including the implementation of the new European wealth management strategy, expansion of our corporate finance presence in the US and worldwide, and other statements relating to our future business development and economic performance.

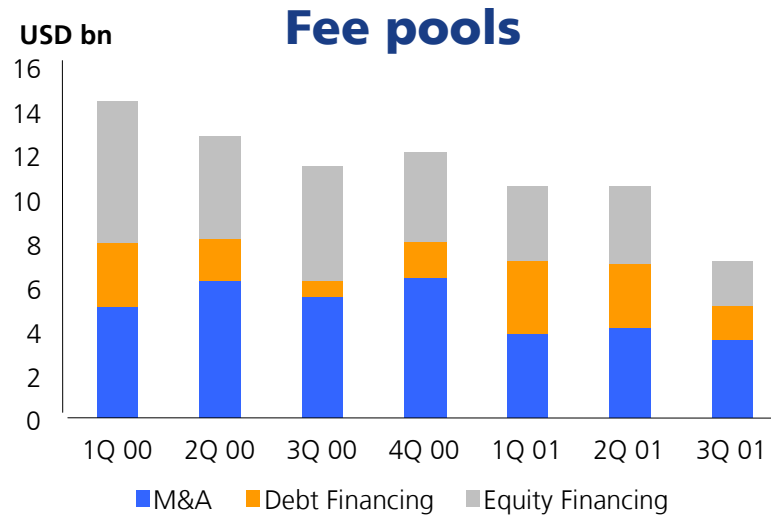
While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

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, (6) legislative developments, (7) the impact of the terrorist attacks on the World Trade Center and other sites in the United States on 11 September 2001 and subsequent related developments and (8) other key factors that we have indicated could adversely affect our business and financial performance which are contained in our past and future filings and reports, including those with the SEC.

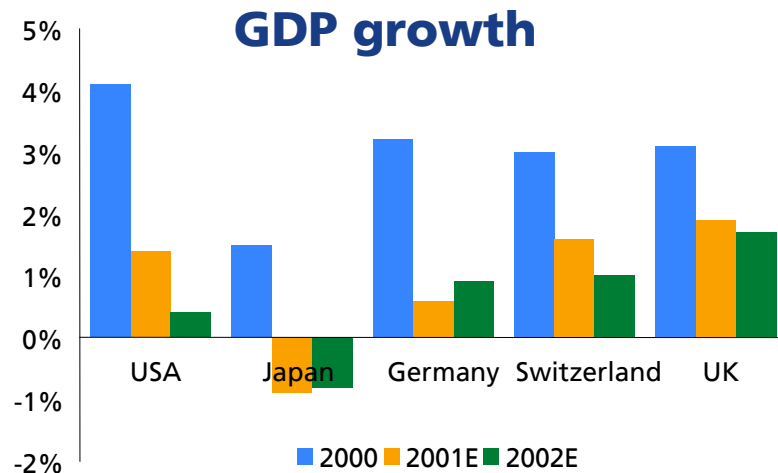
More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS’s Annual Report on Form 20-F for the year ended 31 December 2000. UBS is not under any obligation to (and expressly disclaims any such obligations to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.



Weakening environment

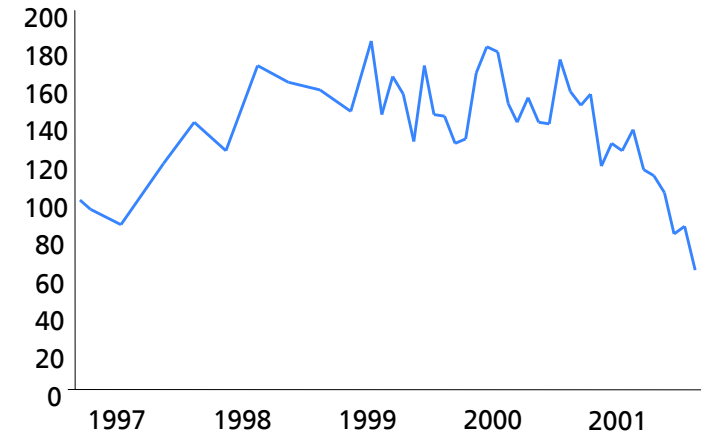


Source: Freeman & Co analysis, Thomson Financial Securities Data

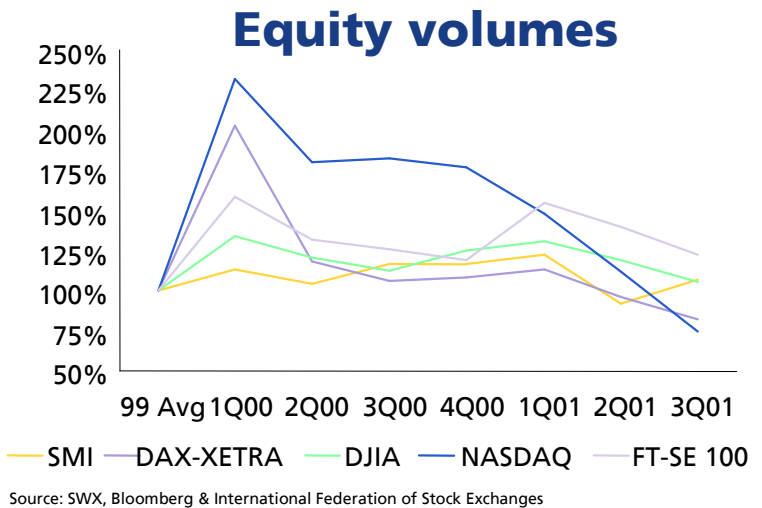


Source: UBS Warburg Economic Research

Individual Investor Optimism



Source: UBS PaineWebber / Gallup Index of Investor Optimism



Source: SWX, Bloomberg & International Federation of Stock Exchanges



Financial Services Group

Group results



Financial Services Group

Profitability

(CHFm)	3Q01	2Q01	3Q00	3Q01 vs3Q00	3Q01 vs2Q01
Operating income	8,704	9,881	8,545	2%	(12%)
Operating expenses ¹	7,094	7,683	5,716	24%	(8%)
Net profit pre goodwill ¹	1,227	1,726	2,201	(44%)	(29%)
Net profit - reported	903	1,385	2,075	(56%)	(35%)

Notes:

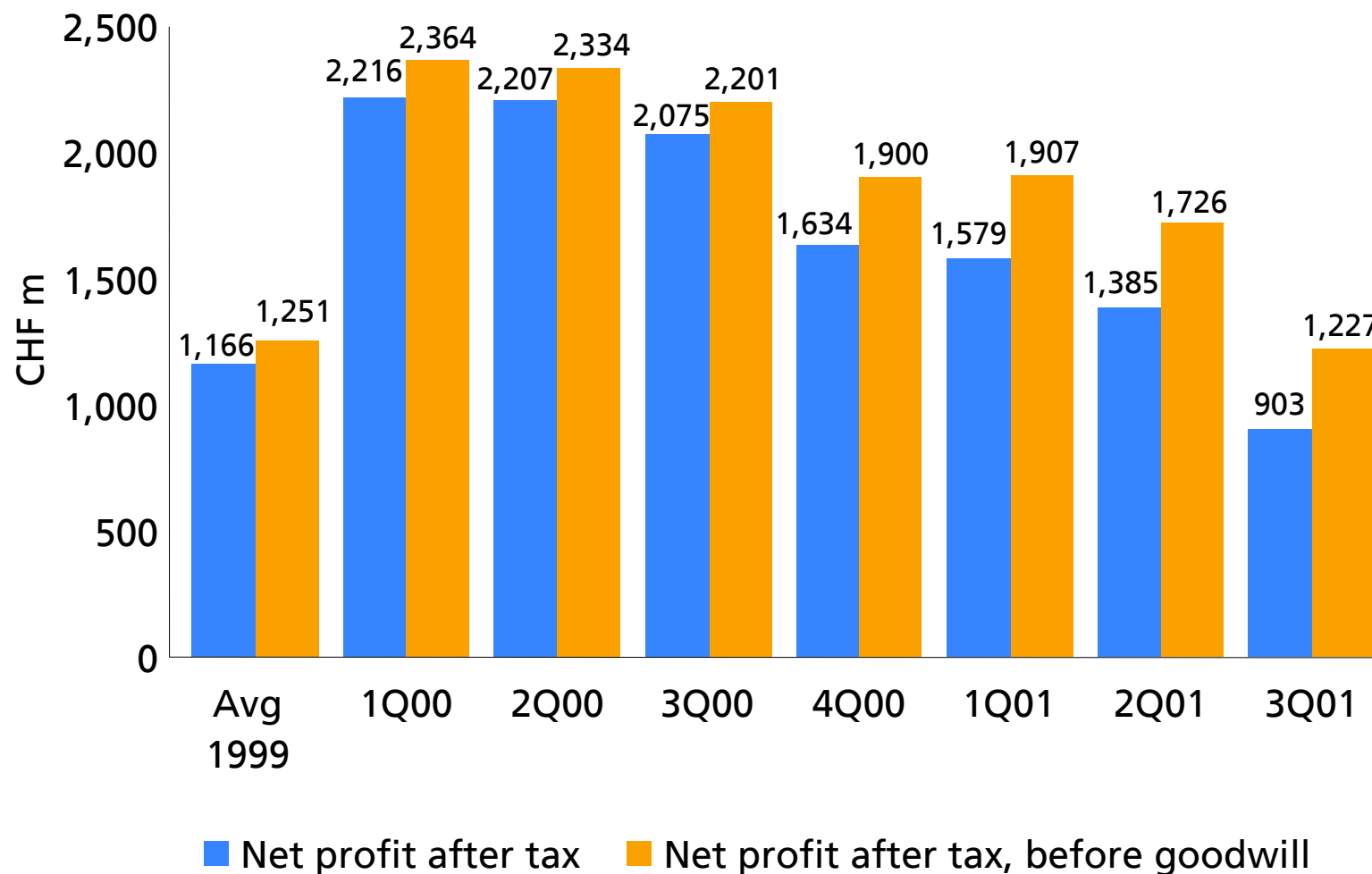
1 Excluding the amortization of goodwill and other intangible assets



Financial Services Group

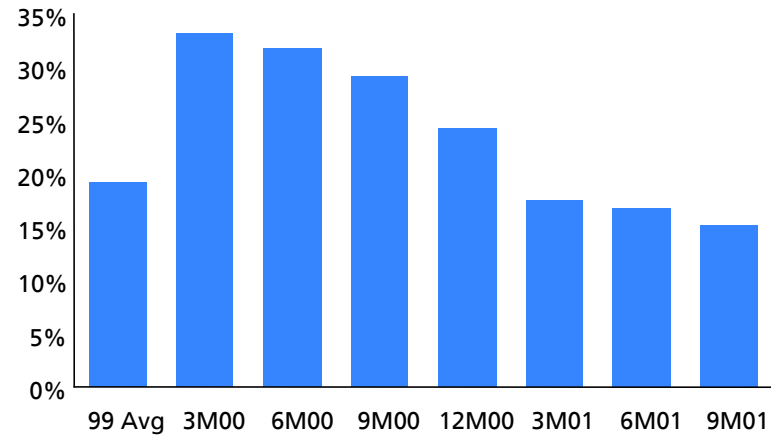


Net profit (adjusted)

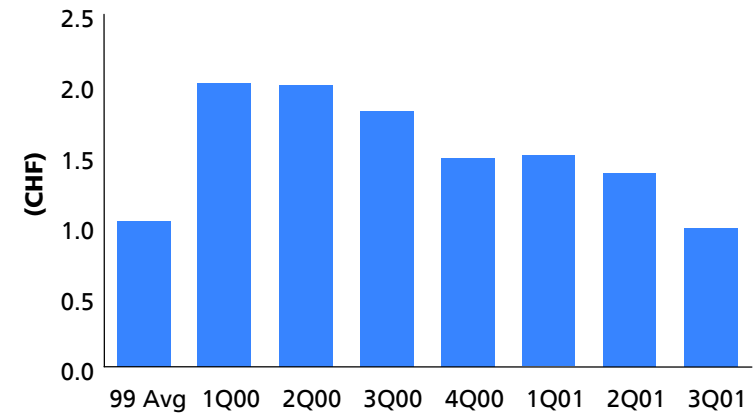


Performance against targets

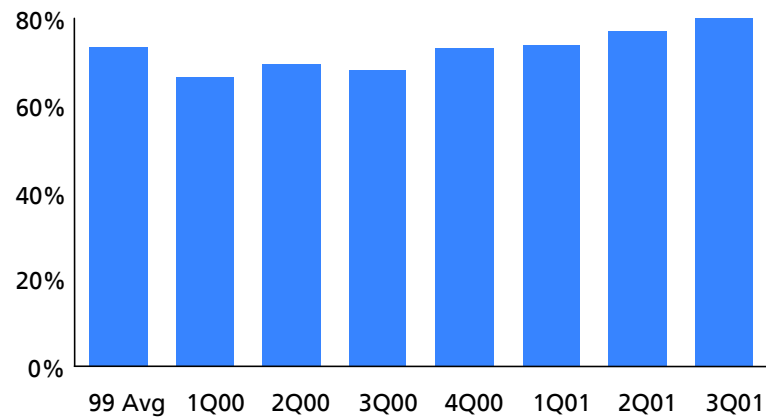
ROE ¹



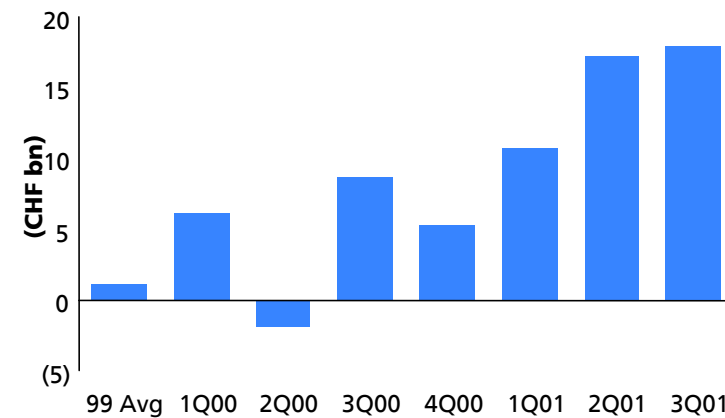
Basic EPS ²



Cost / Income ²



Private Client Net New Money ³



NOTES:

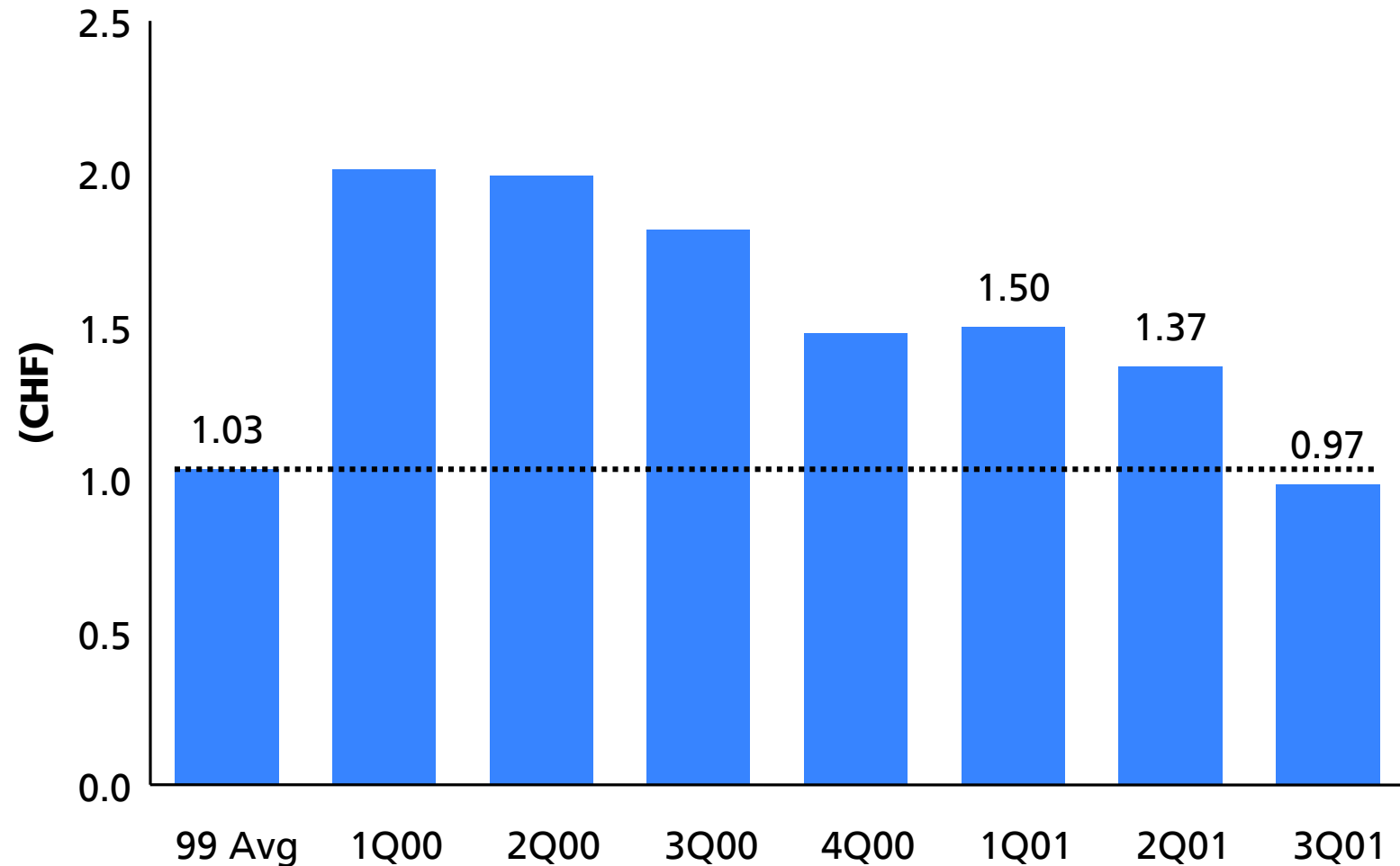
- 1 Annualized, before goodwill amortization and adjusted for significant financial events
- 2 Before goodwill amortization and adjusted for significant financial events
- 3 Private Banking and Private Clients



Financial Services Group



EPS development¹



Notes:

1 Before goodwill amortization and adjusted for significant financial events



Financial Services Group



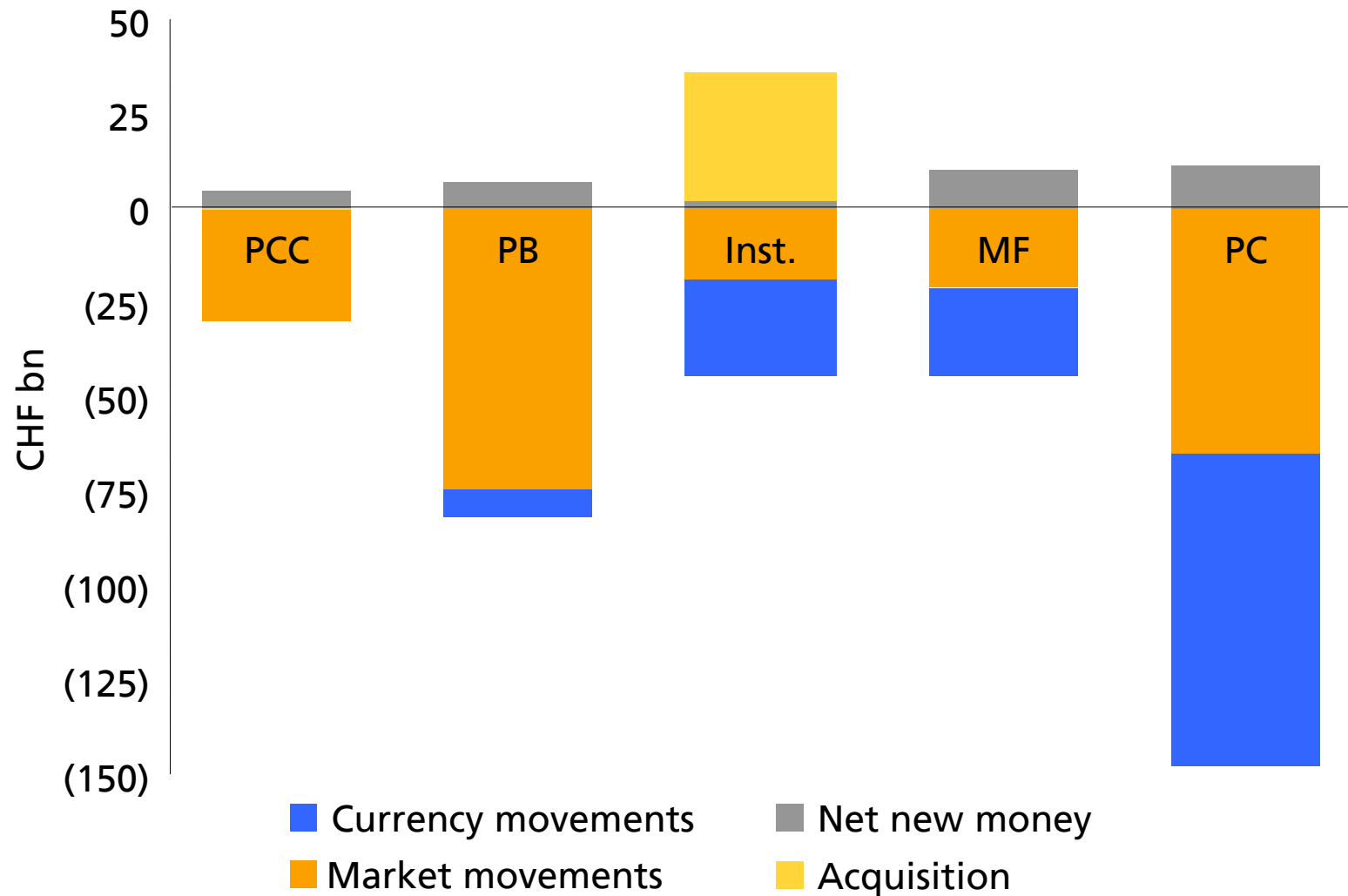
Invested assets

CHF bn	UBS CH		UBS AM		UBSW		Total
	PB	PCC	Inst.	Funds	PC	Capital	
Total opening	718	333	318	348	841	1	2,559
Net New Money ¹	6.6	4.6	1.9	10.4	11.4	-	34.9
Performance & currency	(82)	(30)	(11)	(44)	(147)	-	(314)
Total closing	643	308	309	314	705	1	2,280

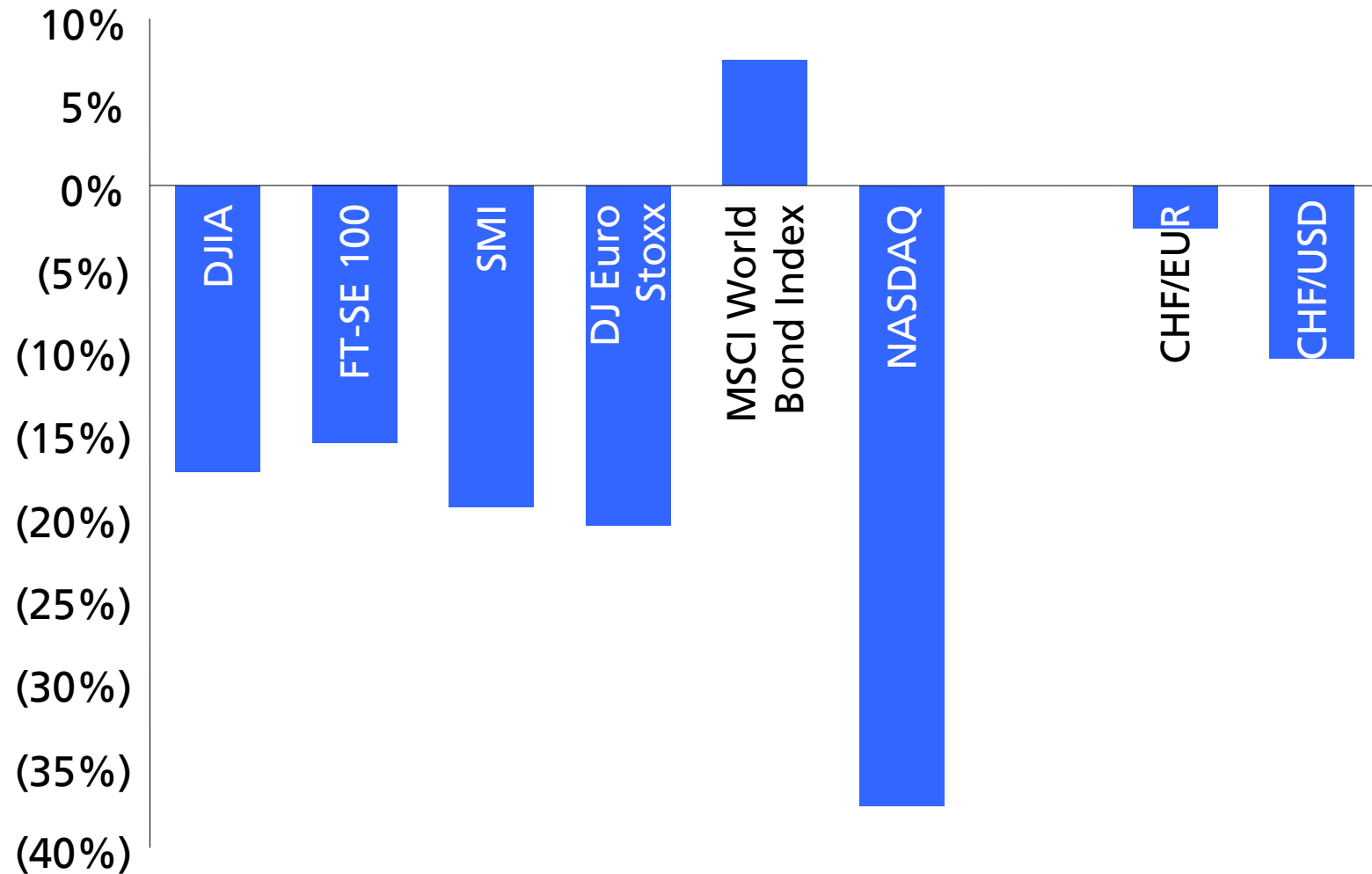
NOTES:

¹ Excludes interest & dividend income

Invested assets - currency effect



Market movements - 3Q01



Source: Bloomberg

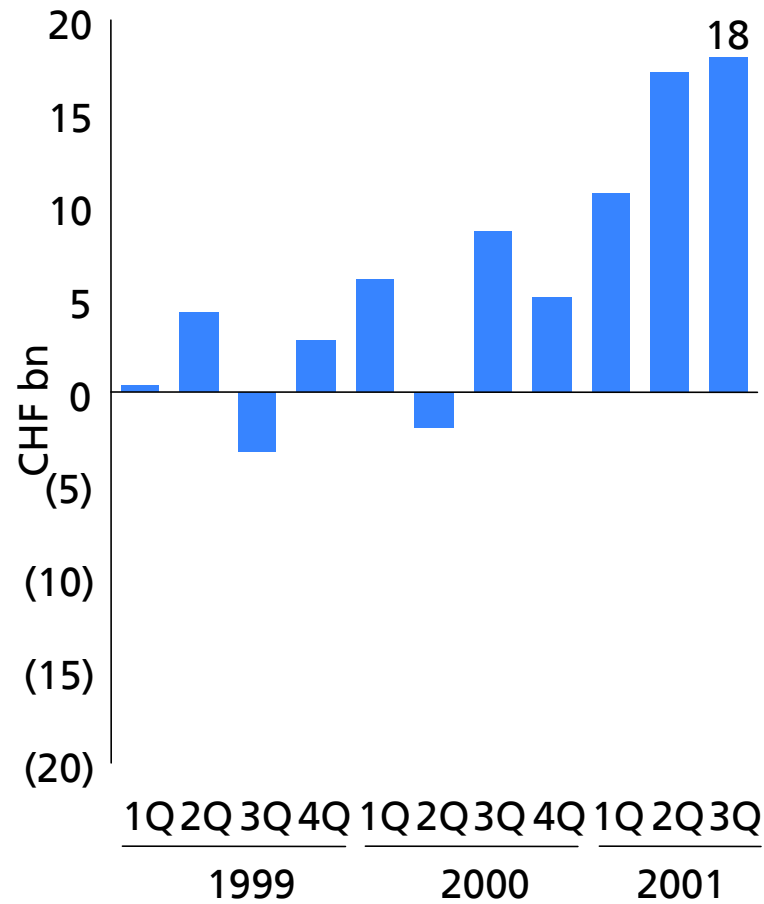


Financial Services Group

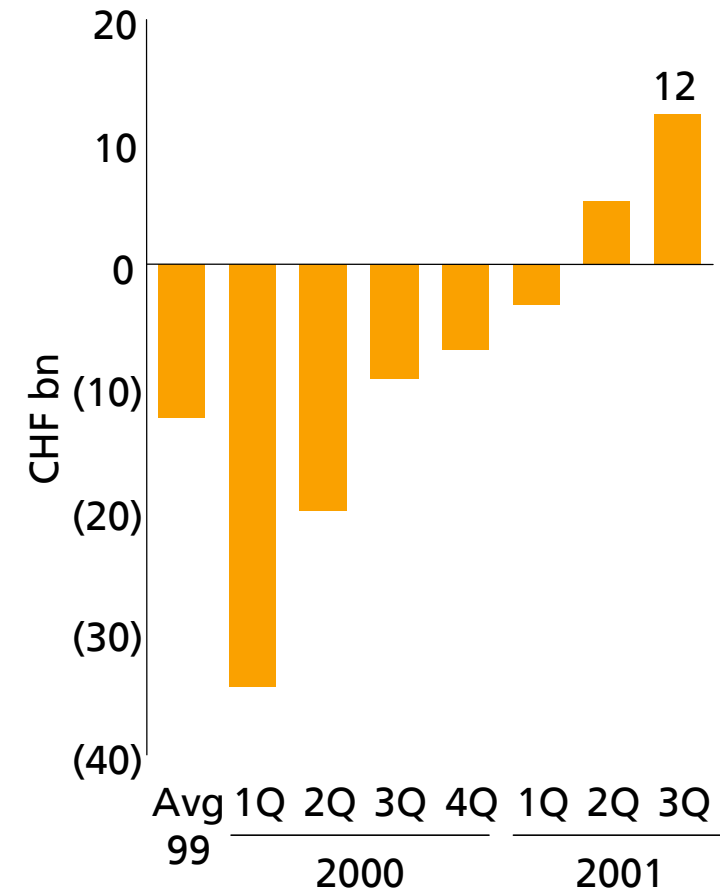


Net new money

Private Banking & Private Clients



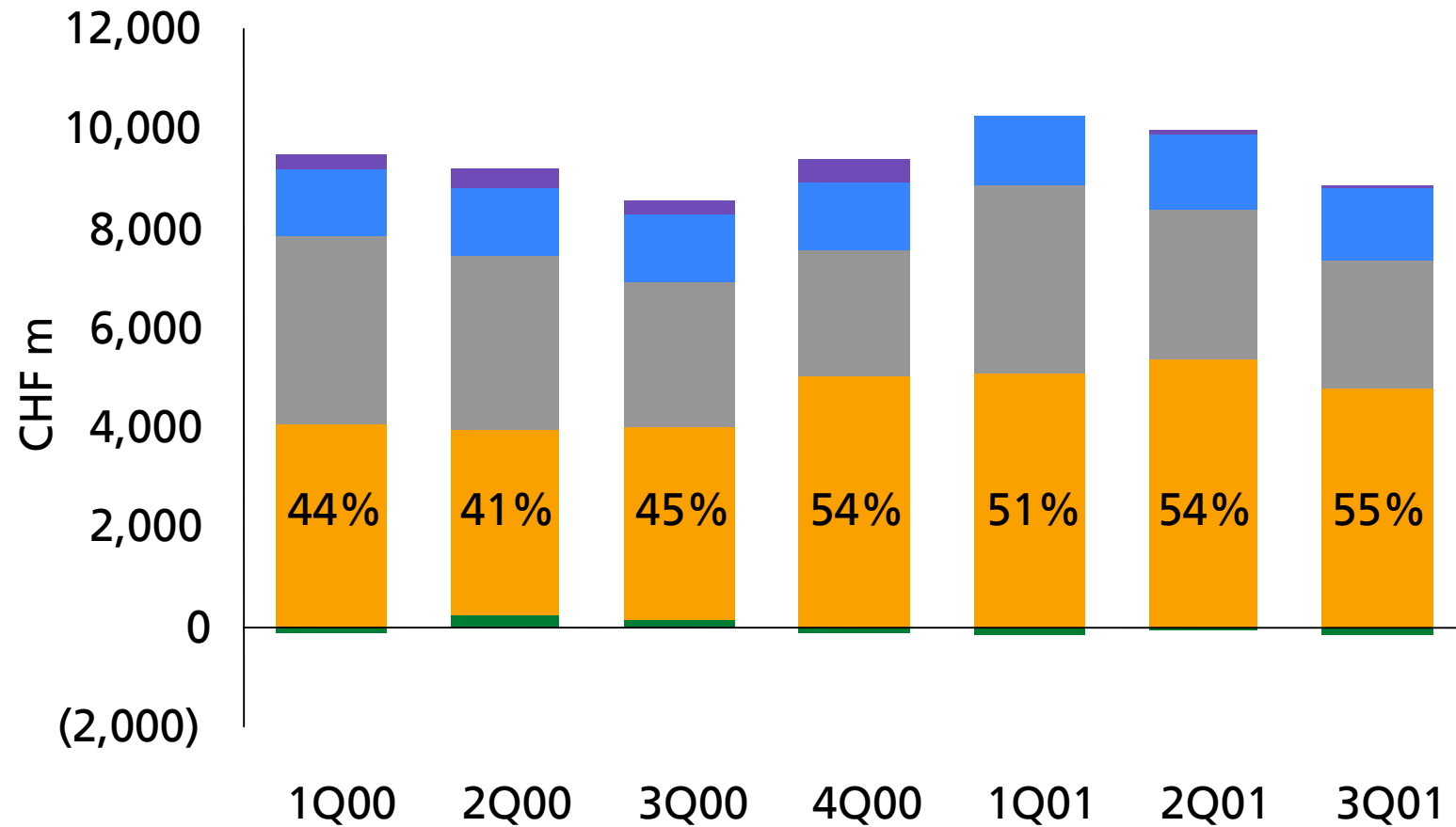
UBS Asset Management



Financial Services Group

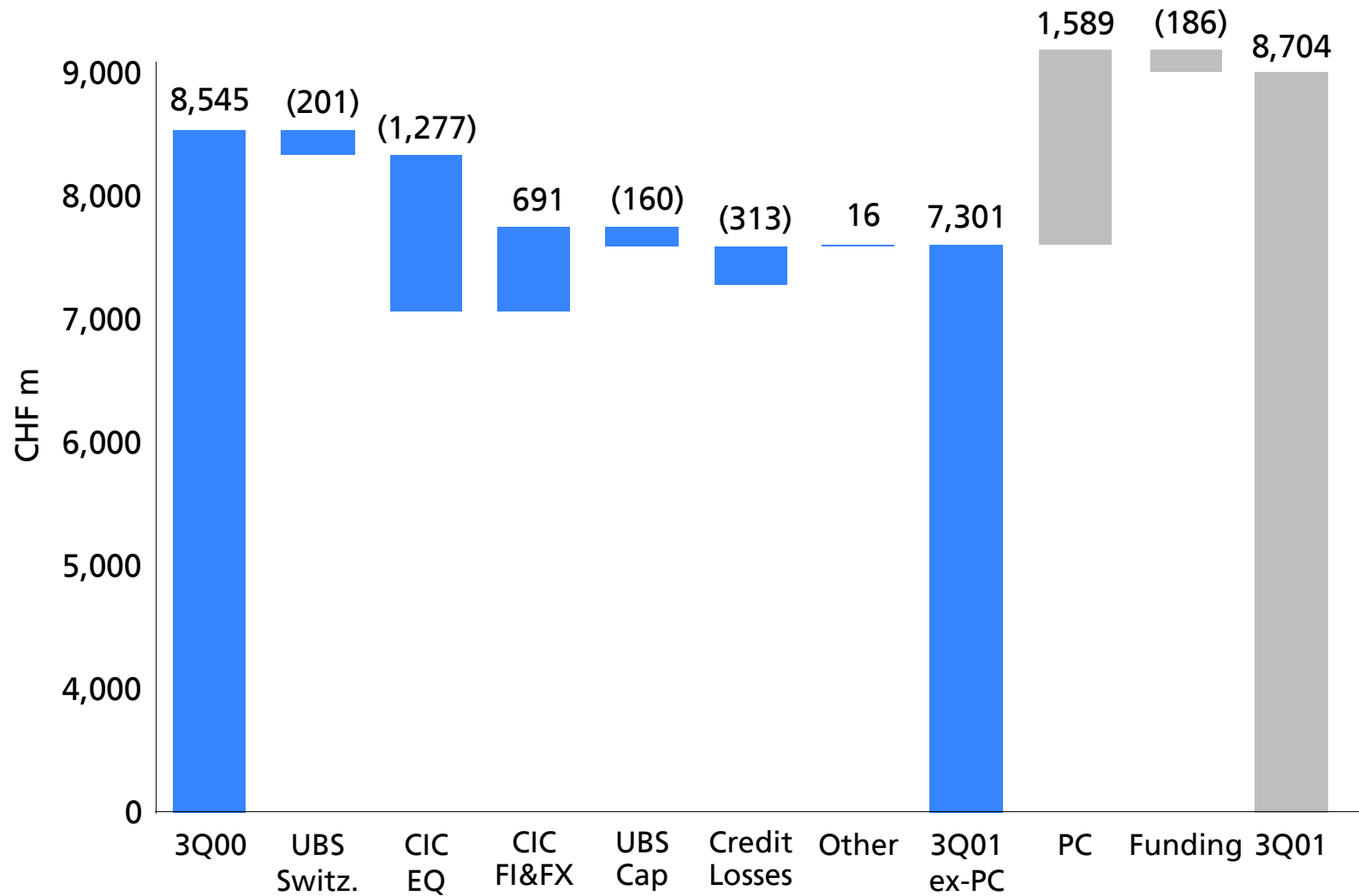


Revenue trends



■ Credit loss ■ Net trading income ■ Other income
■ Net fee and commission income ■ Net interest margin income

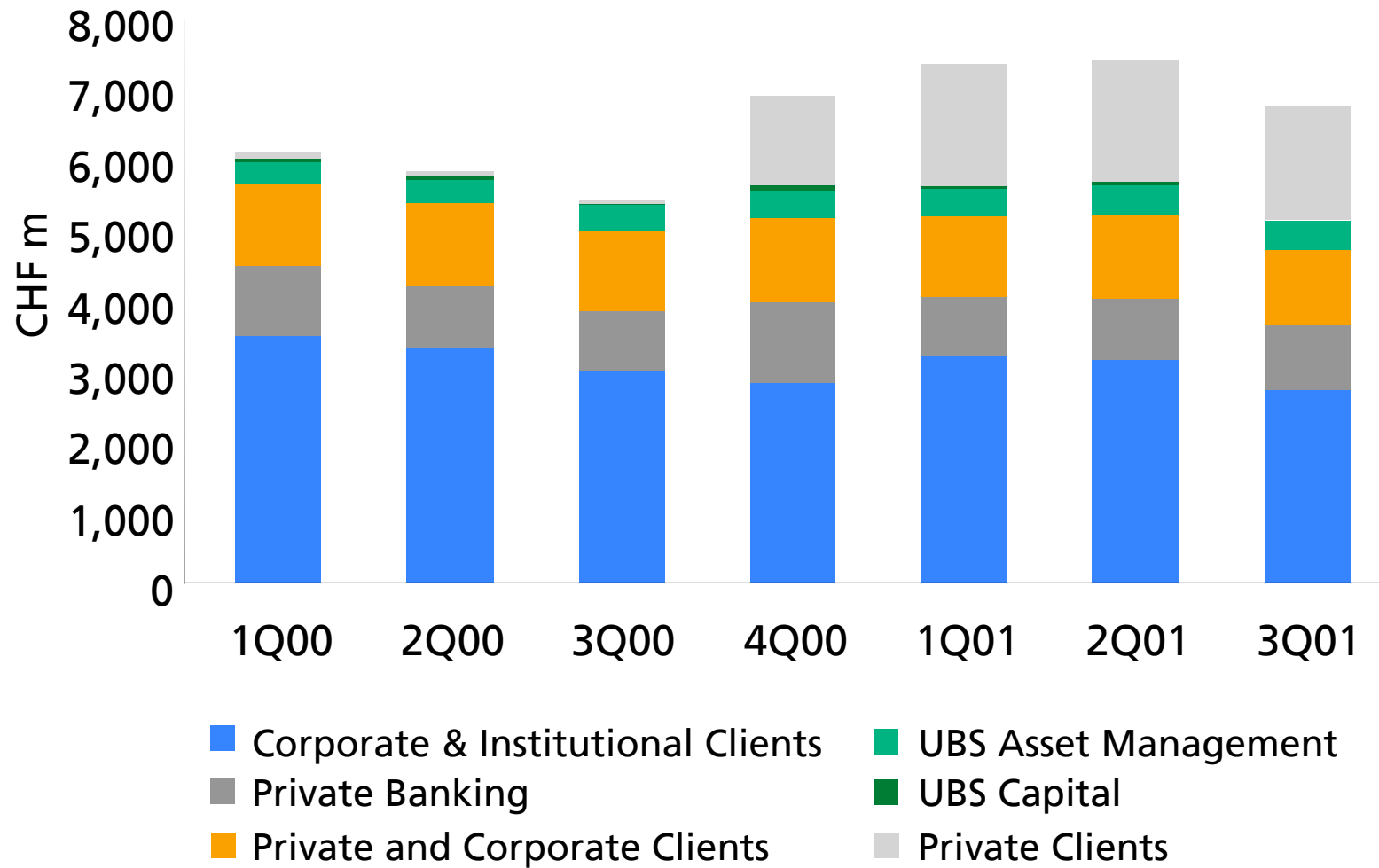
Revenues by business area - 3Q01 vs 3Q00



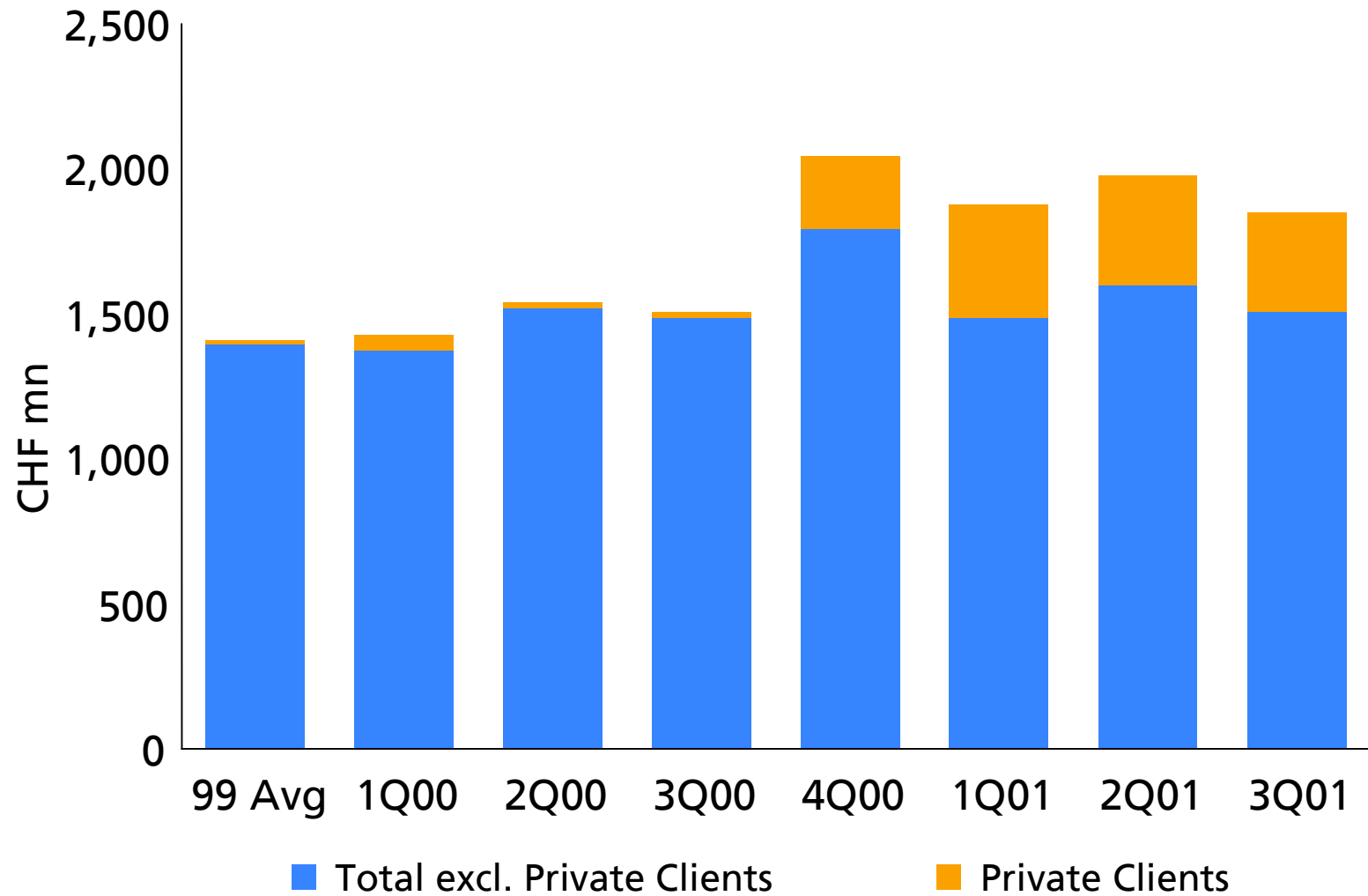
Financial Services Group



Business unit cost trends

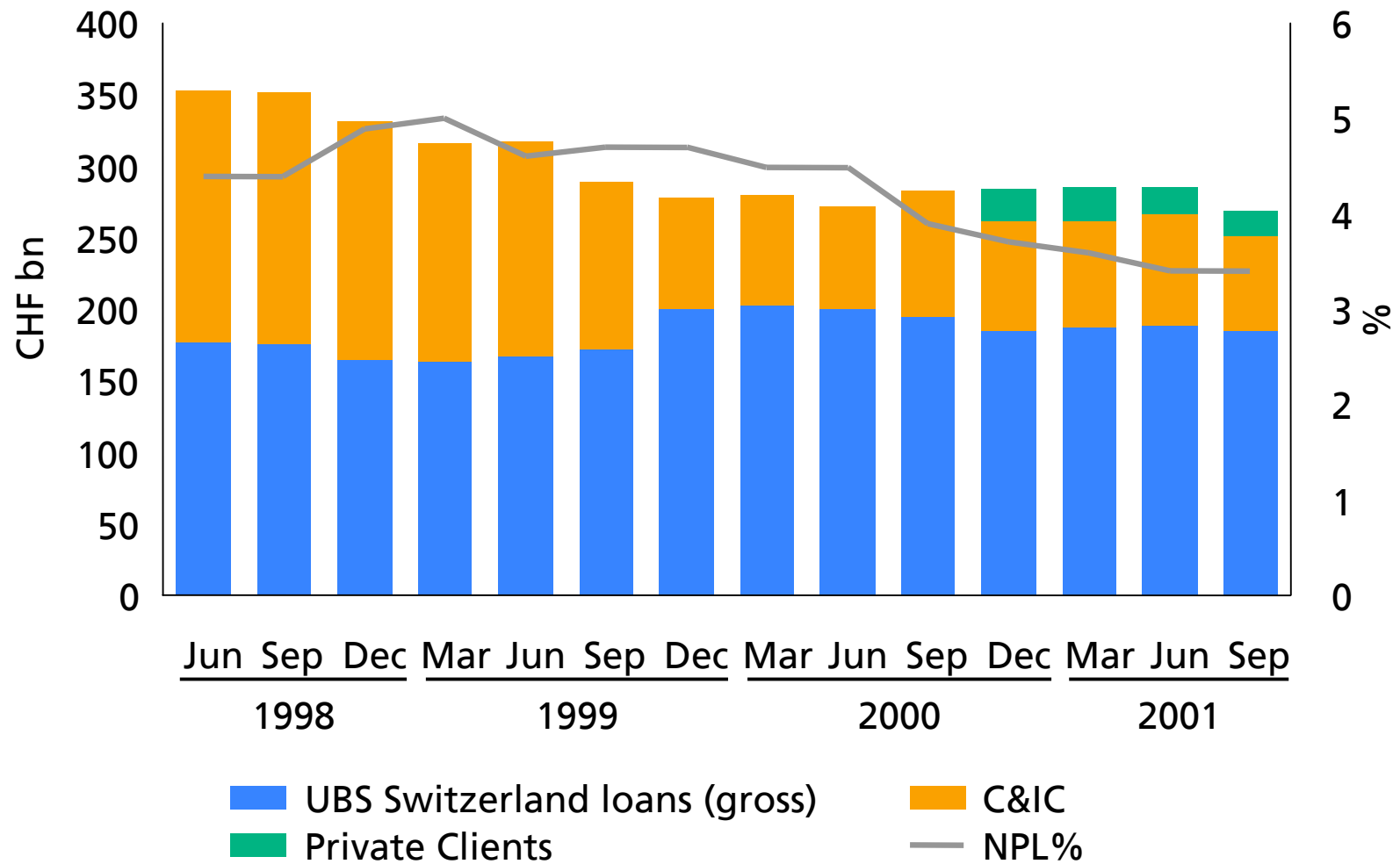


General and administrative costs



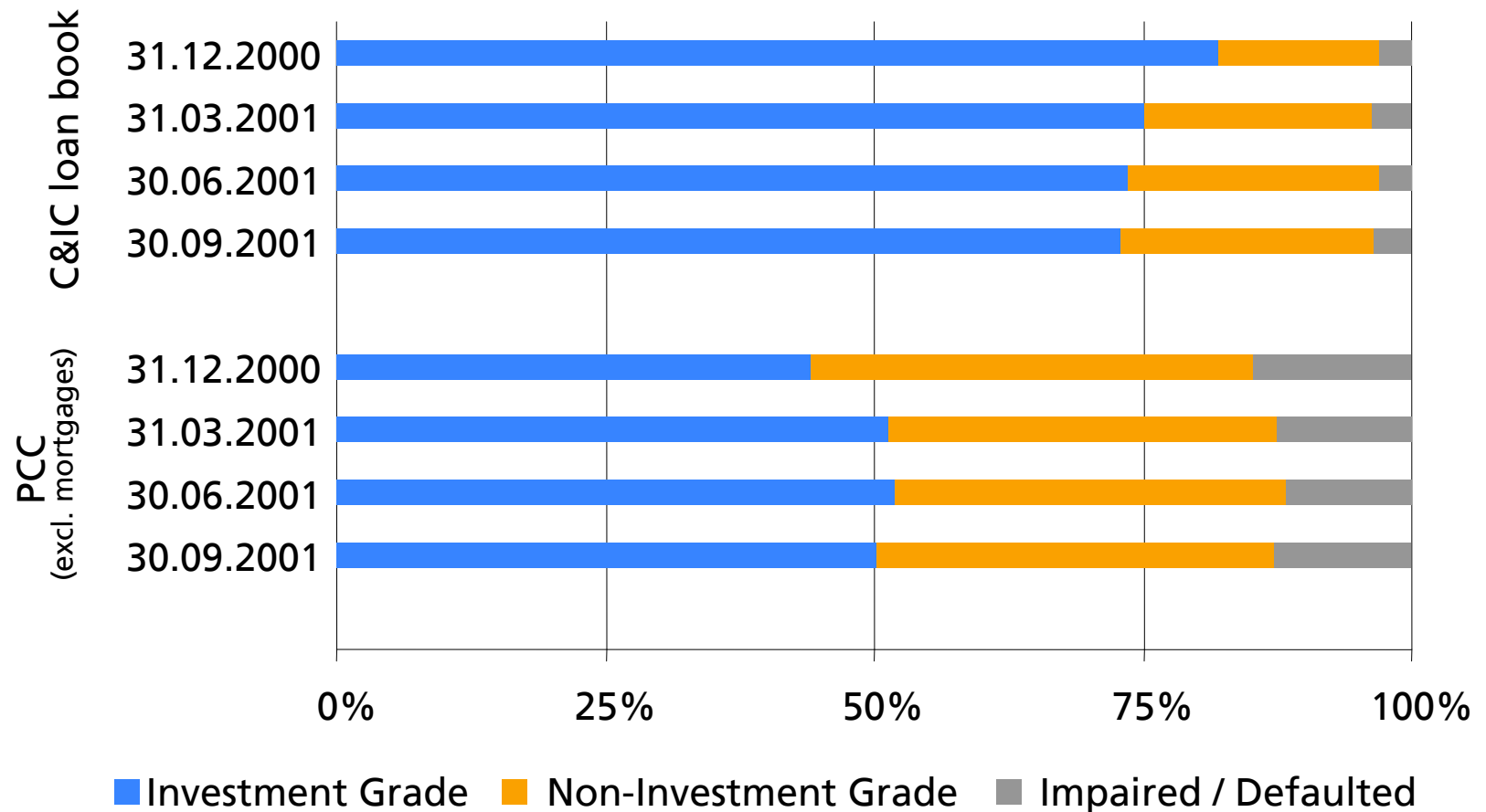
Asset quality development

At period end

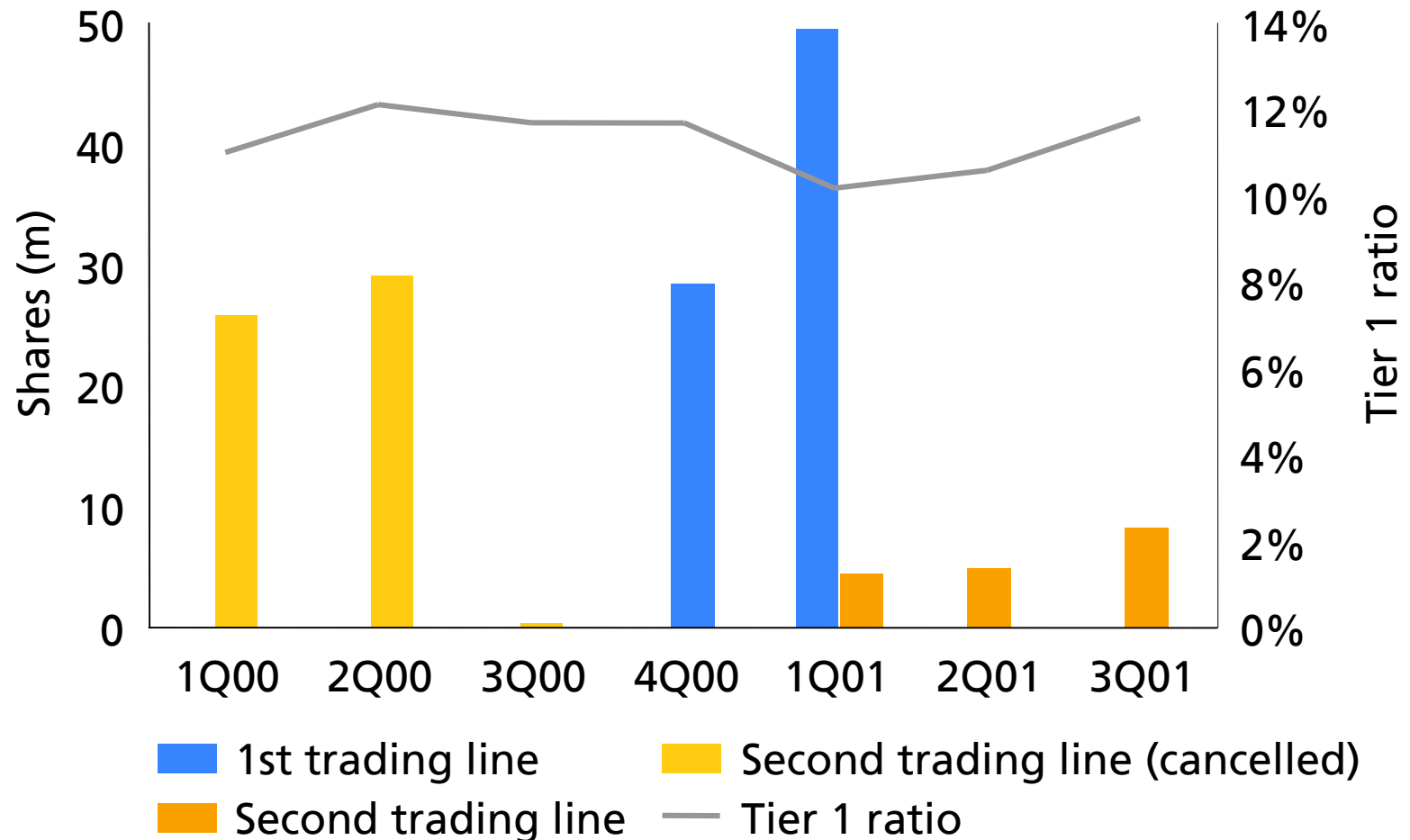


Stable credit quality

Credit risk exposure by counterparty rating



Share buyback and Tier 1 ratio



Notes:
1 Quarter to 12 November 2001



Financial Services Group



Business unit results

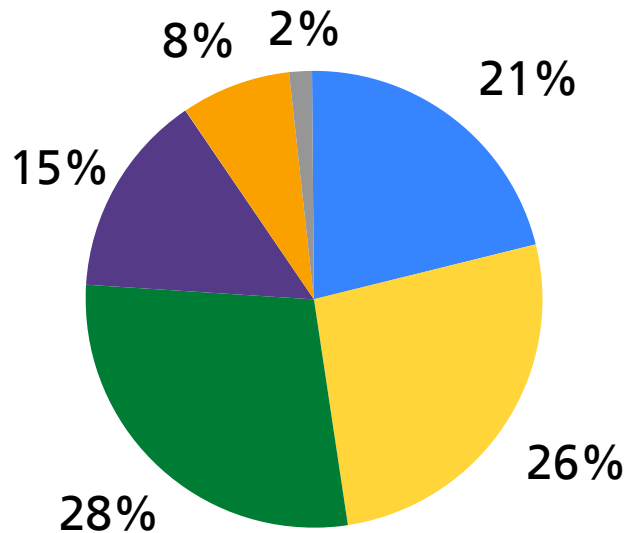


Financial Services Group

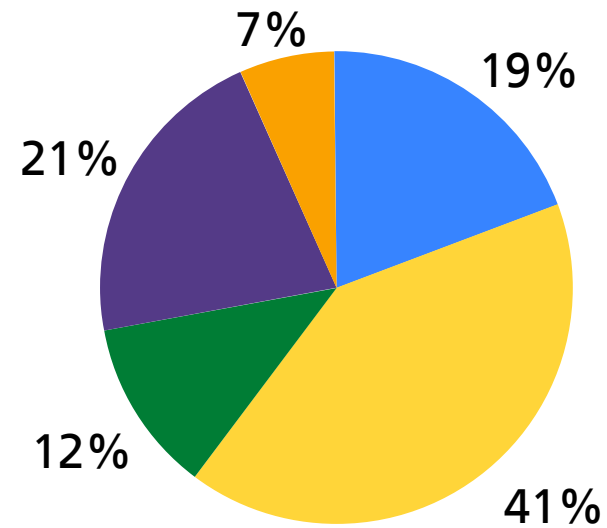
Balanced business mix

Revenues by operating business area (excl. Corporate Center)

3Q00: CHF 8.36bn



3Q01: CHF 8.98bn

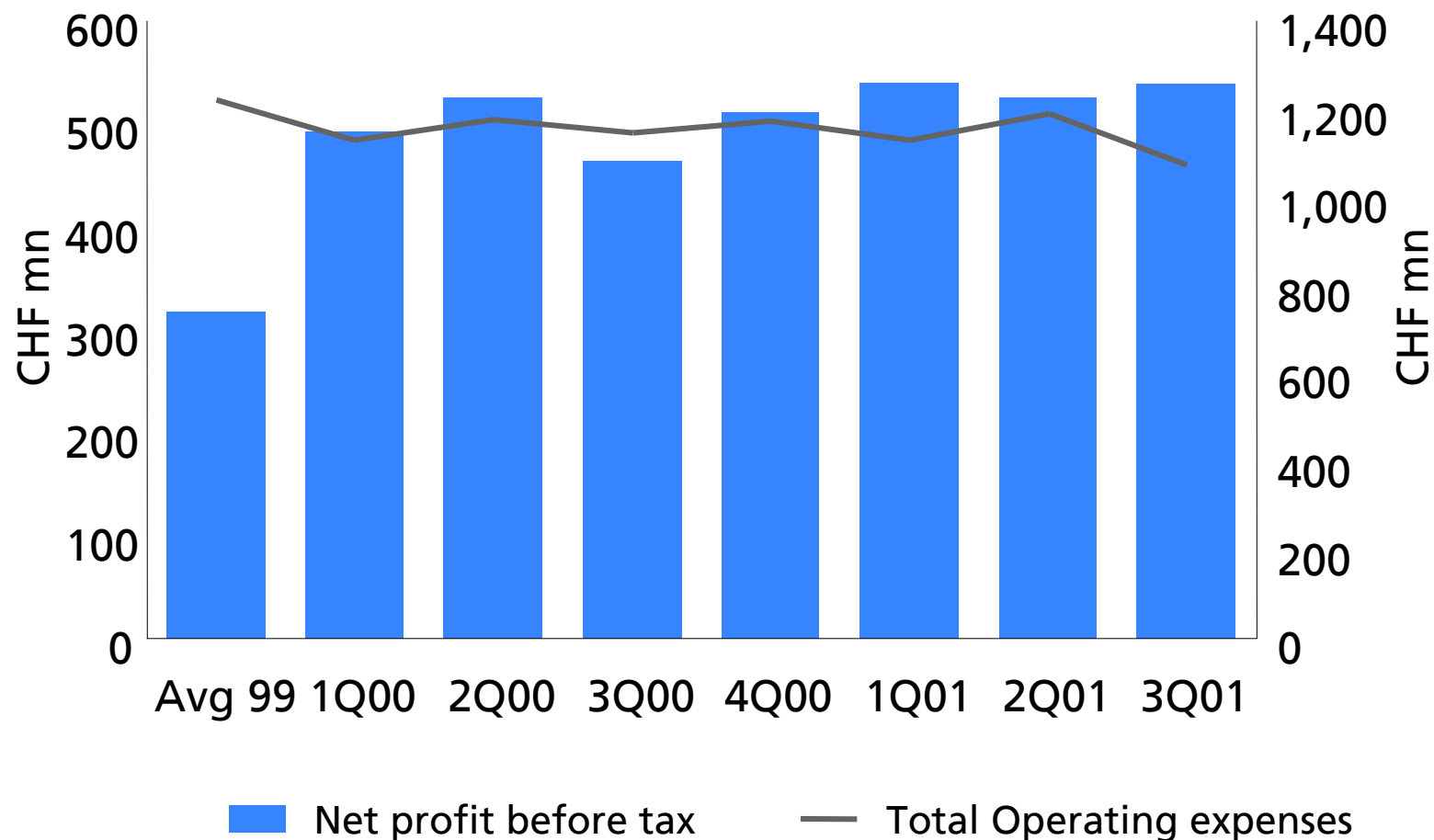


■ Domestic Banking
■ Fixed Income

■ Wealth & Asset Mgt
■ Corporate Finance

■ Equities
■ Other

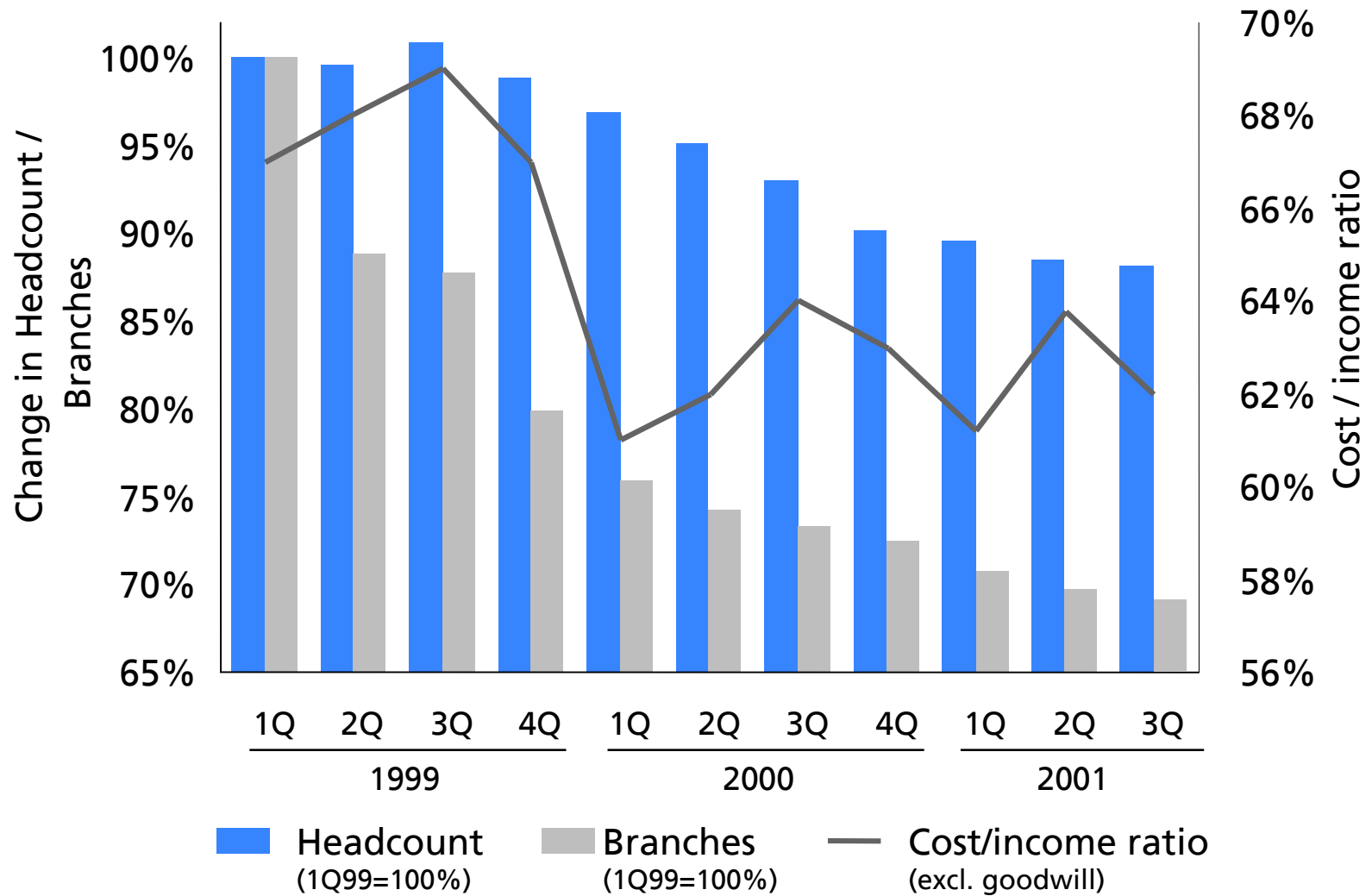
Continued strong profitability



Financial Services Group



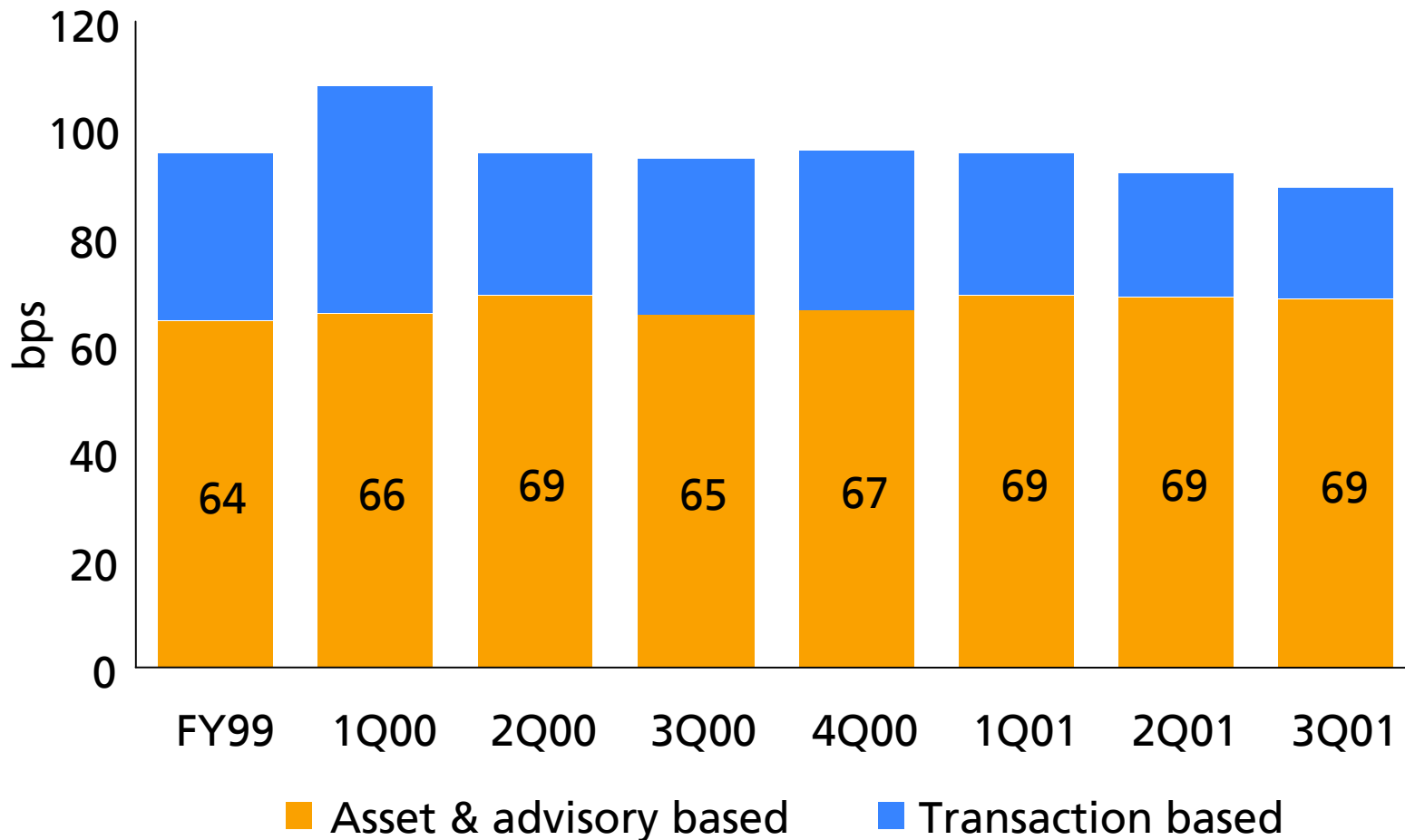
Cost base development



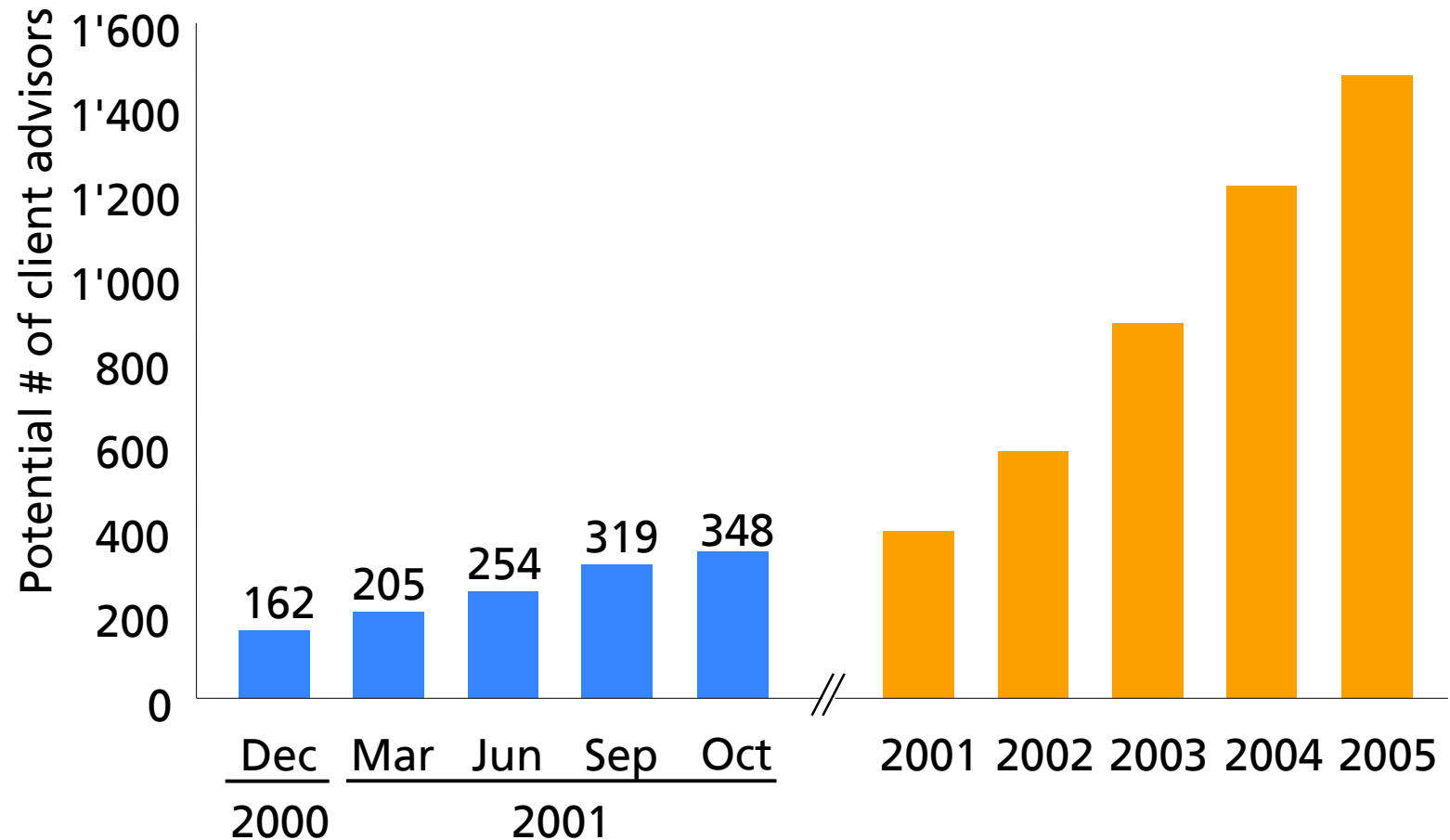
Financial Services Group



Continued strong, stable gross margin



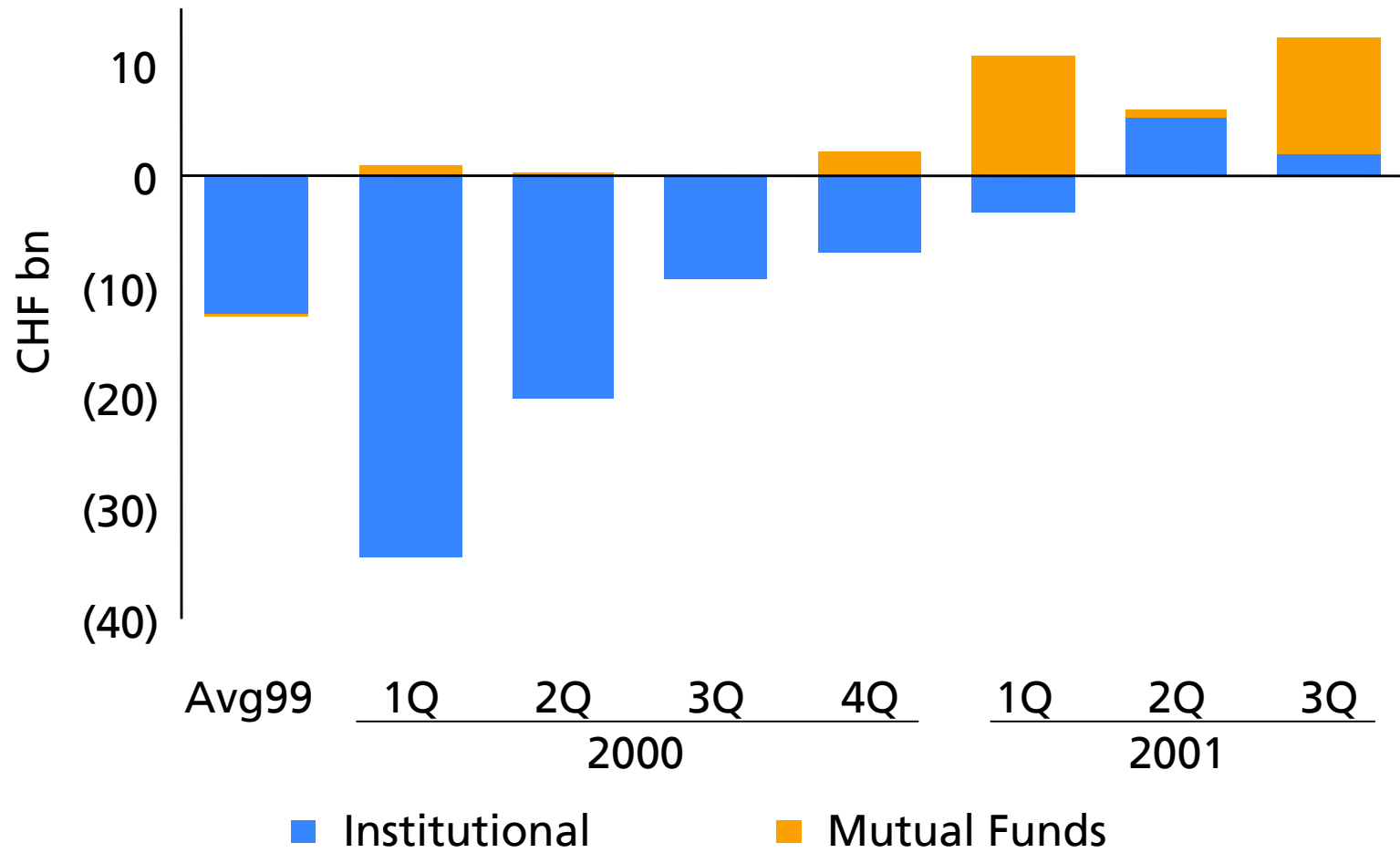
Hiring of client advisors on track



Financial Services Group



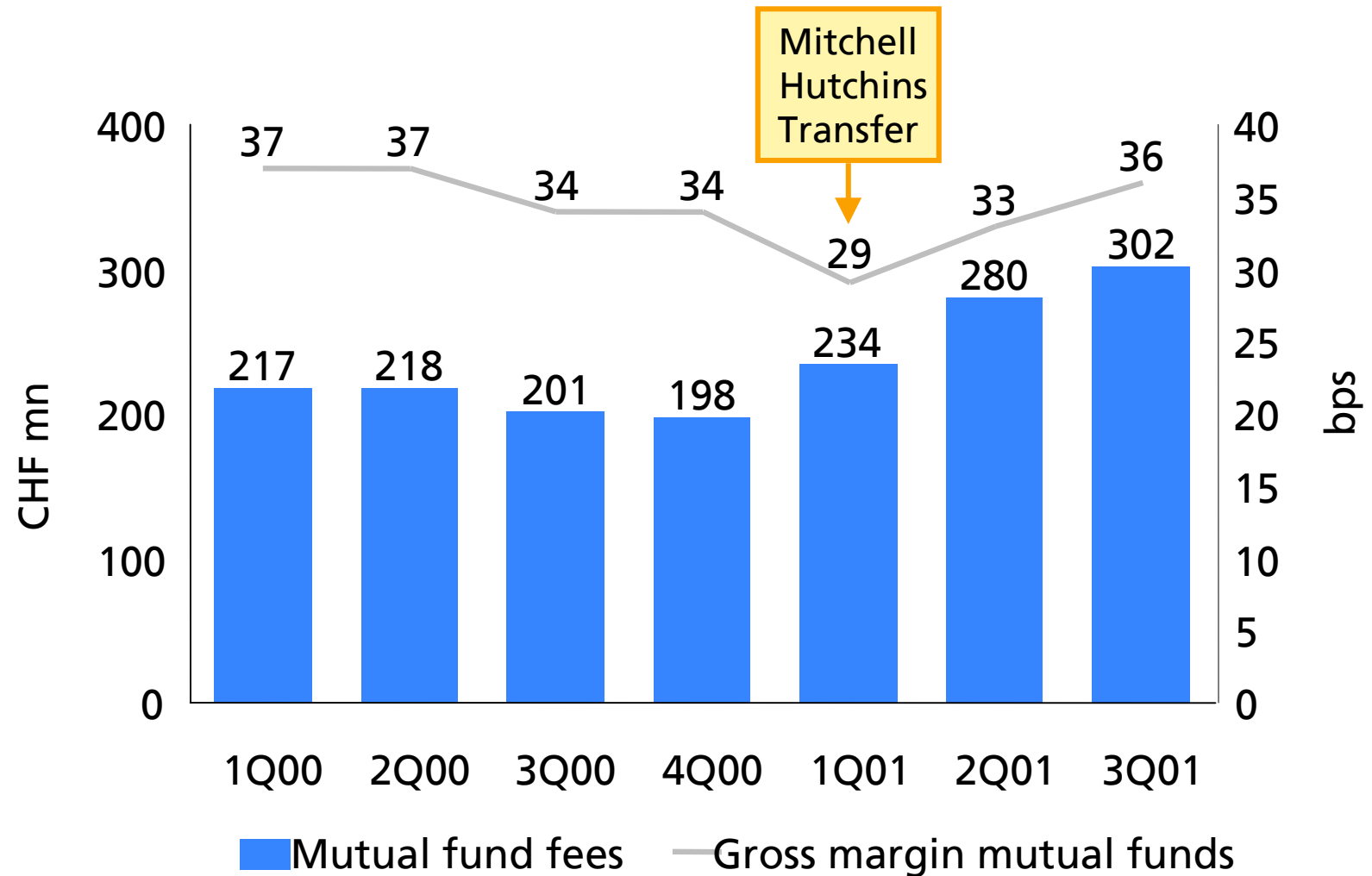
Net new money



Financial Services Group



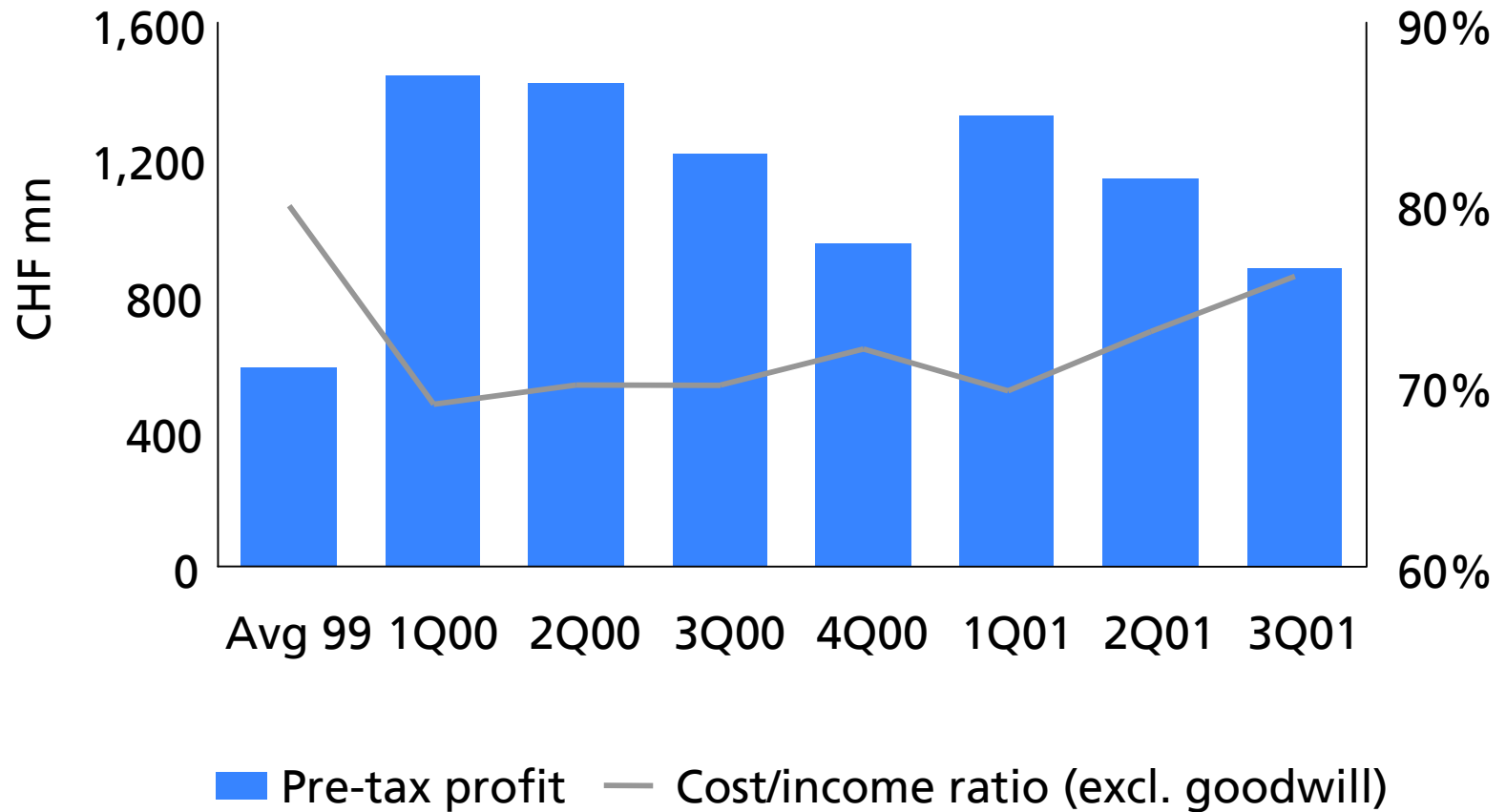
Investment fund fees



Financial Services Group



C&IC: profitability & costs

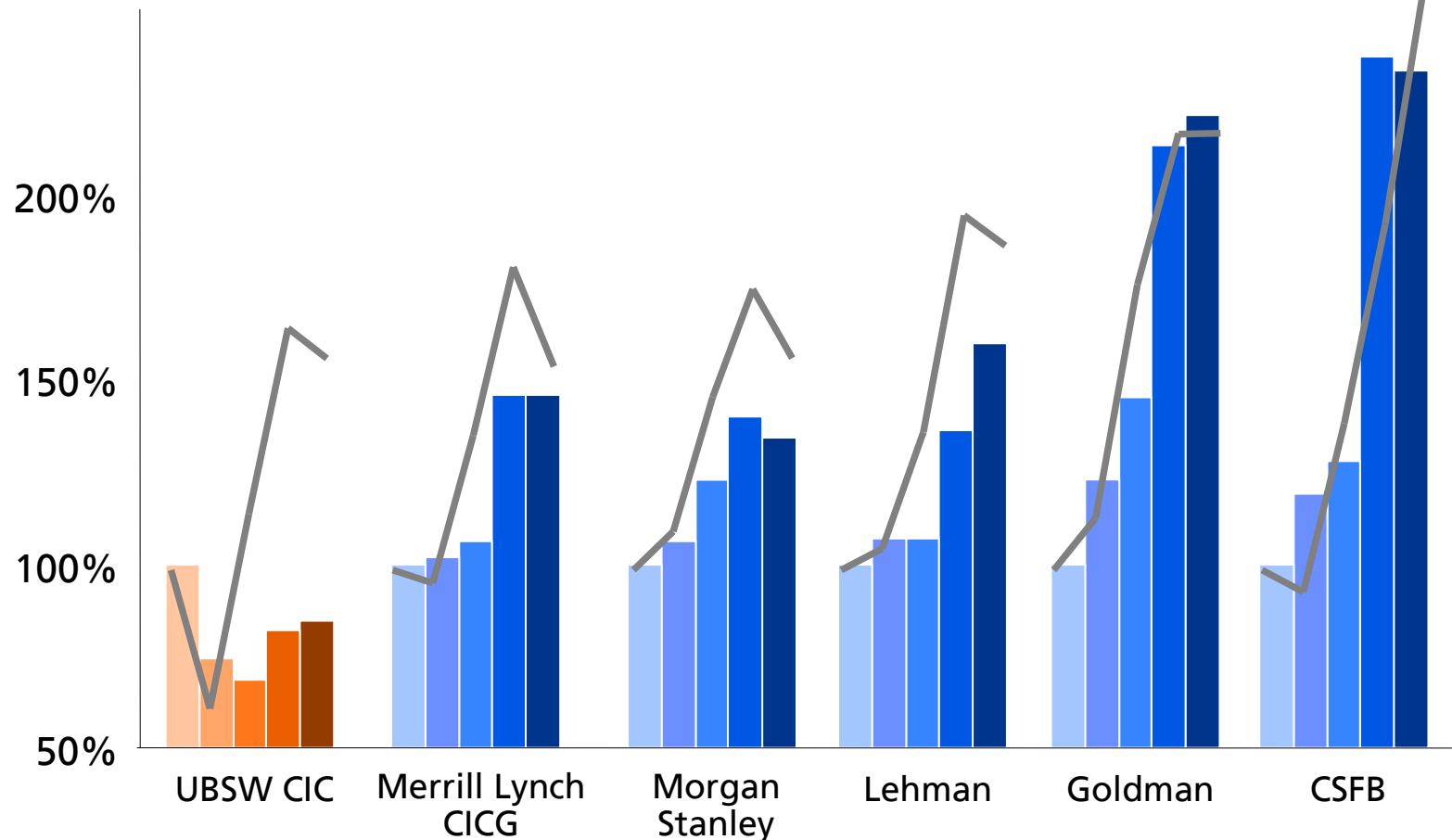


Financial Services Group



C&IC peer headcount development

Last 4 years, 1997 = 100%



Headcount¹: 1997 1998 1999 2000 3Q01 — Annualised revenues

Source: Annual & quarterly reports; not adjusted for acquisitions. MS segment headcount data unavailable - entire firm shown

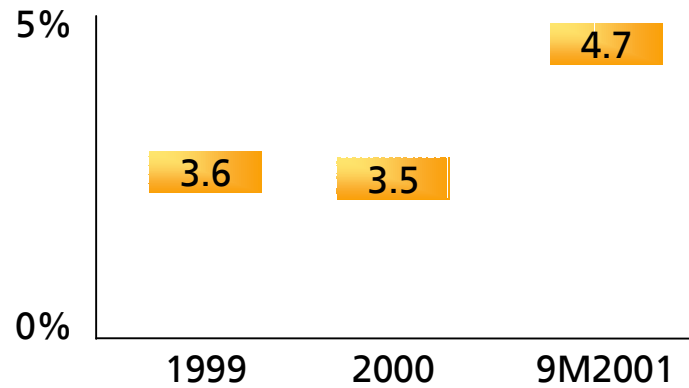


Financial Services Group



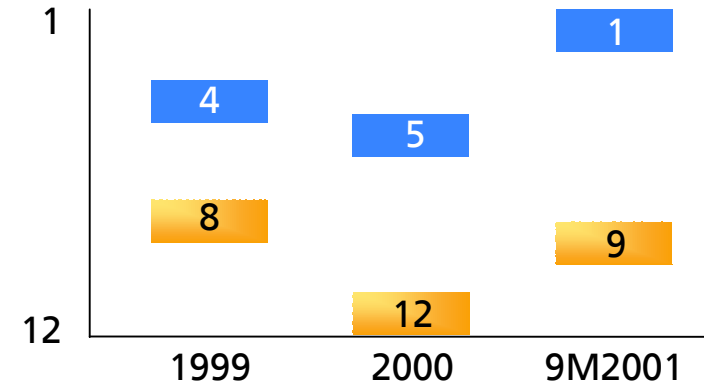
Strong momentum

Market share of global IB fee pool



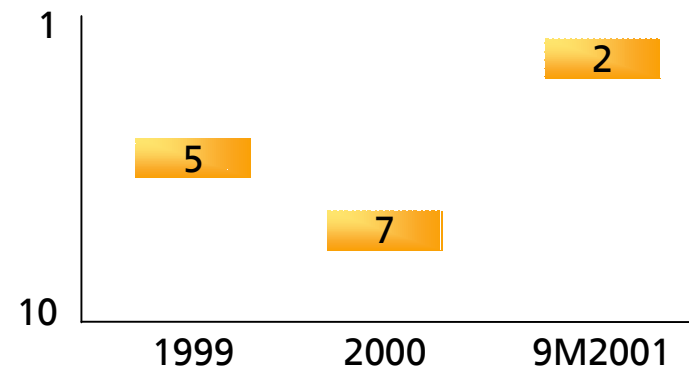
Source: Freeman & Co.

Fee Pool US & European



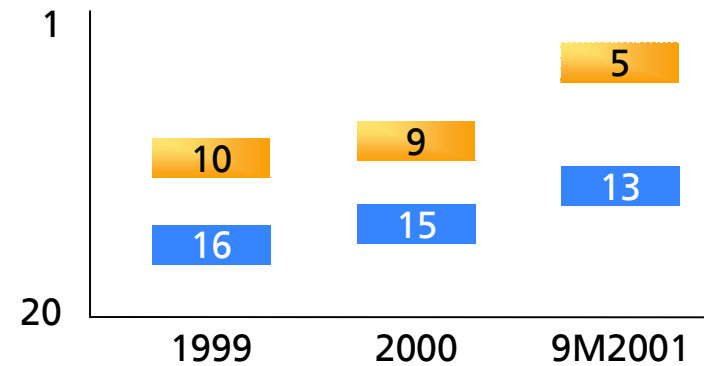
Source: Freeman & Co.

International Equity New Issues



Source: Capital Data Bondware

NYSE Autex & Nasdaq Autex Rankings



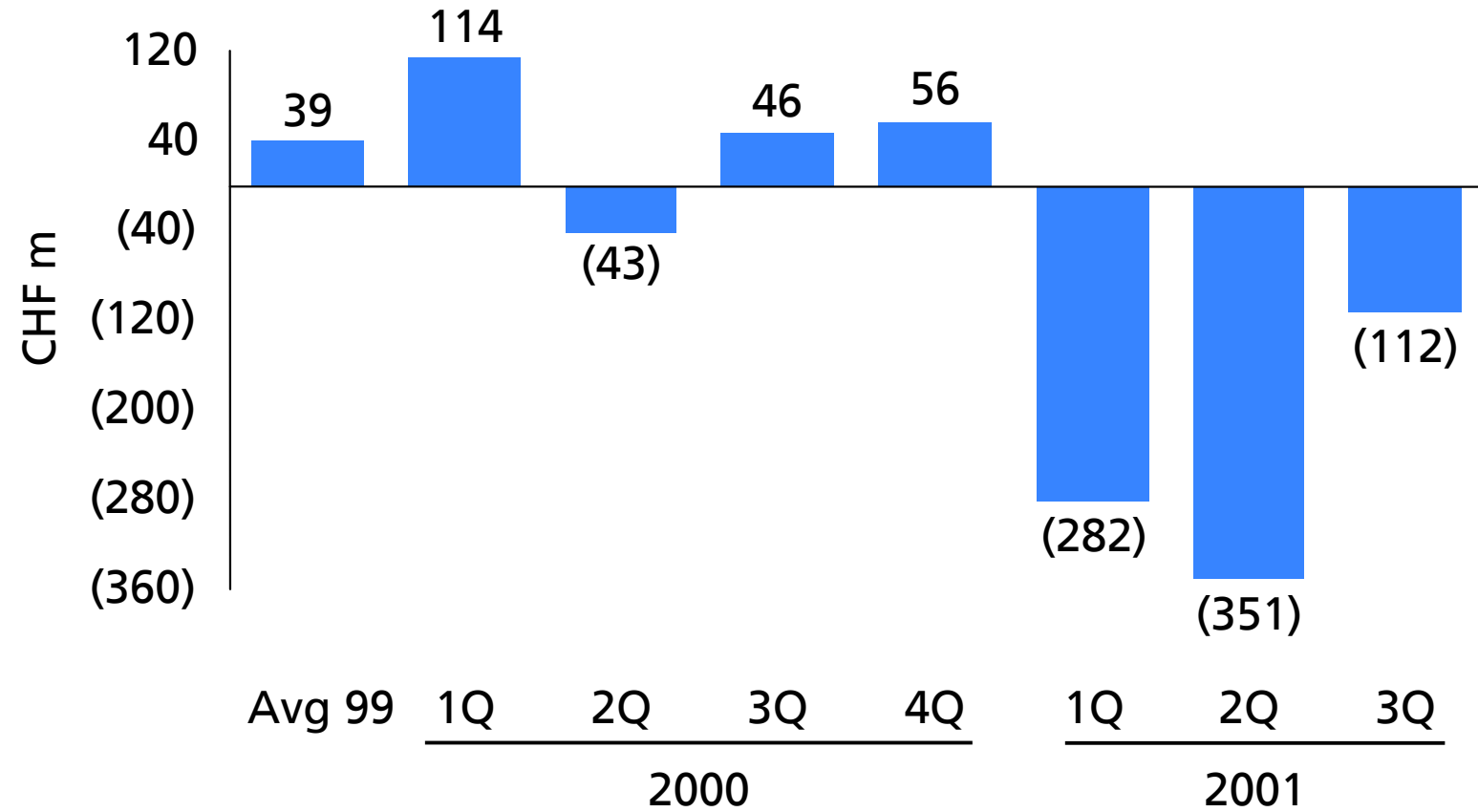
Source: AutEx / BlockDATA



Financial Services Group



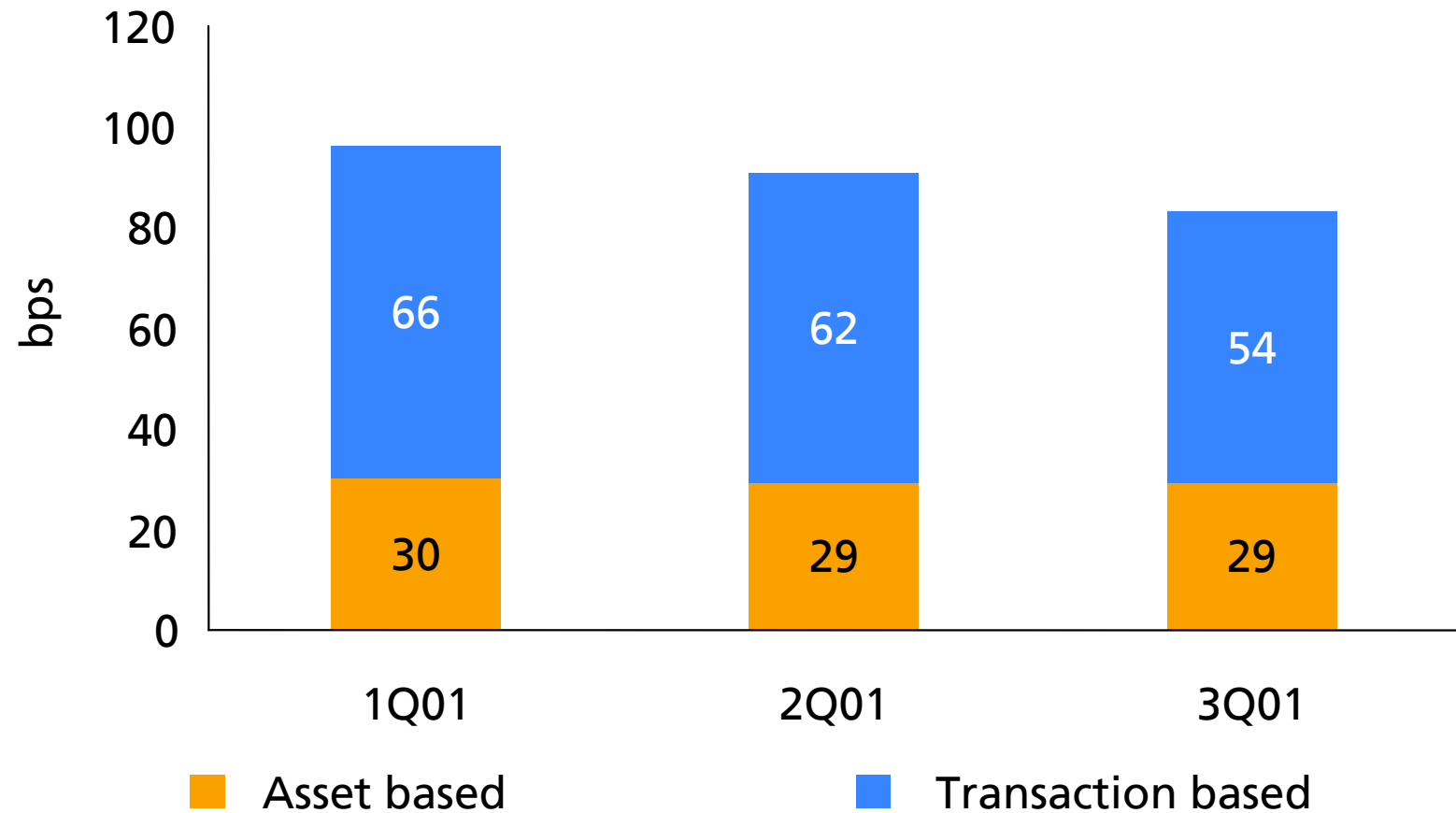
UBS Capital - operating profit



Financial Services Group

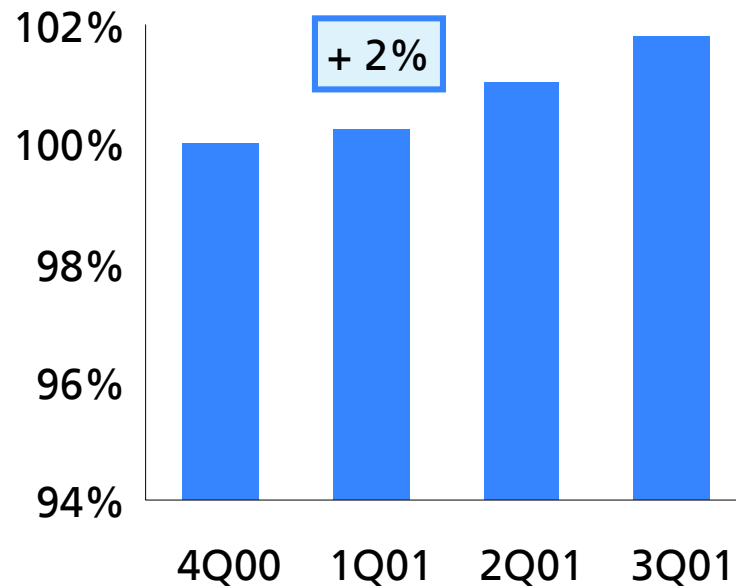


UBS PW - resilient recurring fees

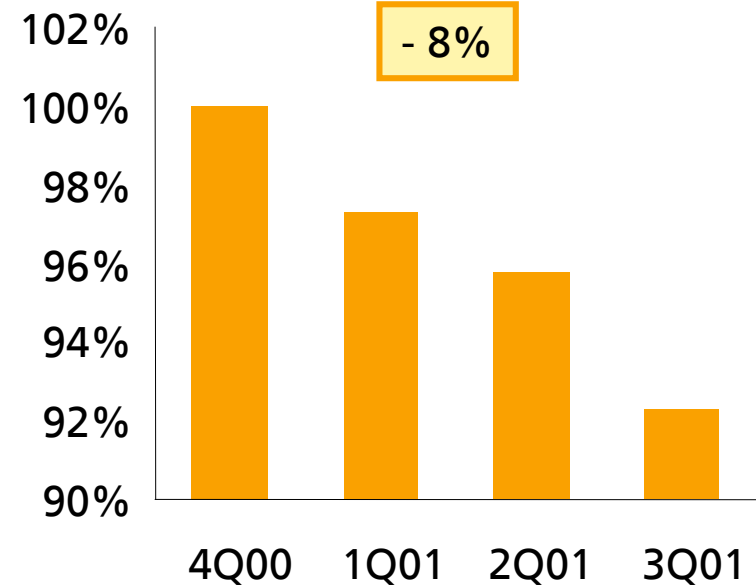


UBS PW - headcount development

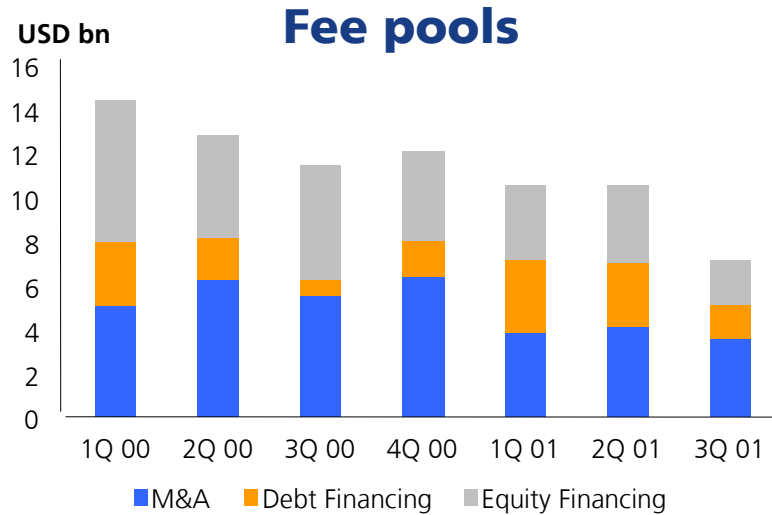
Financial Advisors



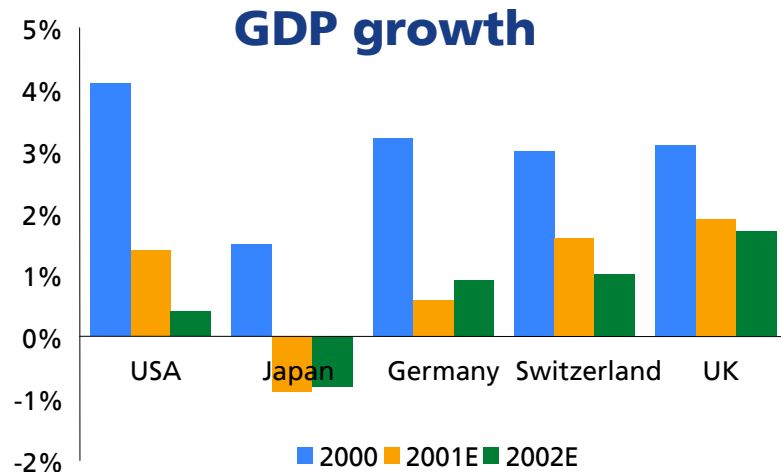
Other headcount



Weakening environment?

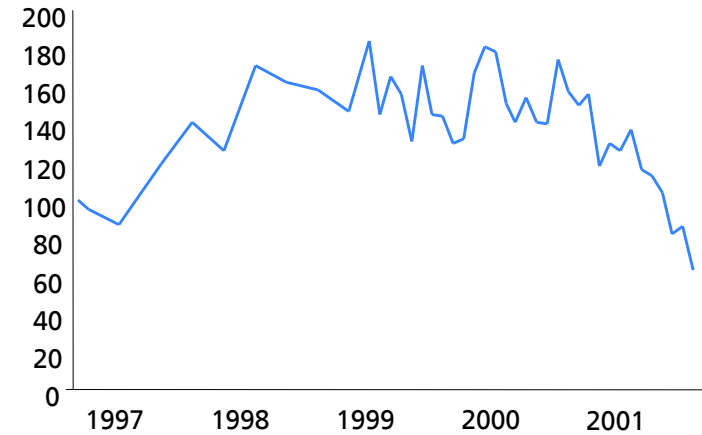


Source: Freeman & Co analysis, Thomson Financial Securities Data

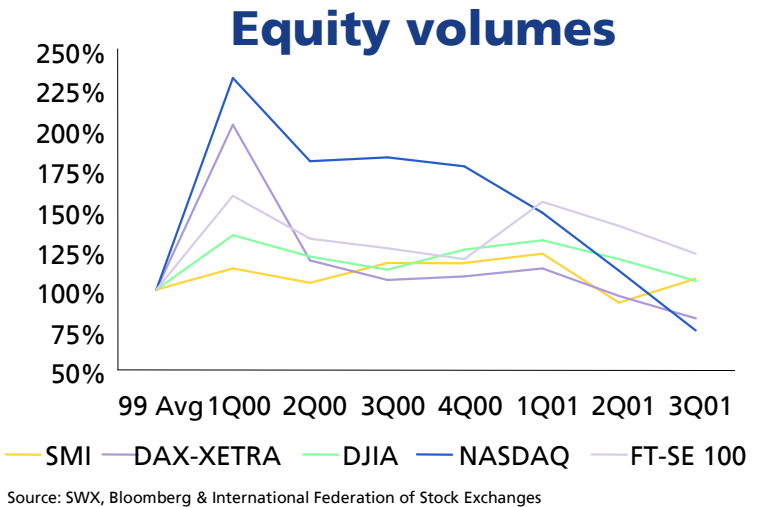


Source: UBS Warburg Economic Research

Individual Investor Optimism



Source: UBS PaineWebber / Gallup Index of Investor Optimism



Source: SWX, Bloomberg & International Federation of Stock Exchanges



Financial Services Group



Financial Services Group

UBS Third Quarter Results 2001

13 November 2001

Luqman Arnold, President

Mark Branson, Head of Group Communications

Appendix: Business unit results



Financial Services Group

Group: total operating income (adjusted)

(CHFm)	3Q01	2Q01	3Q00	3Q01 vs3Q00	3Q01 vs2Q01
Net interest income	1,730	1,732	1,831	(6%)	(0%)
Credit loss expense	(171)	(76)	142		125%
Net interest income after credit loss expense	1,559	1,656	1,973	(21%)	(6%)
Net fee and commission income	4,783	5,375	3,865	24%	(11%)
Net trading income	2,160	2,658	2,368	(9%)	(19%)
Other income	202	192	339	(40%)	5%
Total operating income	8,704	9,881	8,545	2%	(12%)



Group: total operating expenses (adjusted)

(CHFm)	3Q01	2Q01	3Q00	3Q01 vs3Q00	3Q01 vs2Q01
Personnel	4'852	5,299	3,863	26%	(8%)
G&A	1,846	1,974	1,503	23%	(6%)
Depreciation	396	410	350	13%	(3%)
Goodwill amortization	324	341	126	157%	(5%)
Total expenses	7,418	8,024	5,842	27%	(8%)

Asset quality

At period end

(CHFm)	30.09.01	30.06.01	Δ%
Total loans (gross)	269,239	285,672	(5.7%)
Impaired loans ¹	15,437	16,644	(7.3%)
Non-performing loans	9,088	9,811	(7.4%)
Impaired loans in % of gross loans	5.7	5.8	
NPL's in % of gross loans	3.4	3.4	
Allowances as % of impaired loans	52.7	52.9	
Allowances as % of NPL's	62.2	67.1	

NOTE:

- 1 Loans with high probability that they will suffer partial or full loss, includes non-performing loans



Private & Corporate Clients

(CHFm)	3Q01	2Q01	3Q00	3Q01 vs3Q00	3Q01 vs2Q01
Operating income	1,611	1,716	1,609	0%	(6%)
Operating expenses	1,073	1,190	1,145	(6%)	(10)%
Pre-tax profit	538	526	464	16%	2%
Cost / income ratio ¹	62%	64%	64%		

KPI's	3Q01	2Q01	3Q01 vs2Q01
Invested assets (CHFbn)	308	333	(8%)
Net new money	4.6	0.8	
NPL ratio (%)	4.9%	5.1%	
Headcount	20,646	20,703	0%

NOTE:

1 Pre-goodwill & credit loss expense



Financial Services Group

Private Banking

(CHFm)	3Q01	2Q01	3Q00	3Q01 vs3Q00	3Q01 vs2Q01
Operating income	1,509	1,606	1,664	(9%)	(6%)
Operating expenses	906	877	861	5%	3%
Pre-tax profit	603	729	803	(25%)	(17%)
Cost / income ratio ¹	59%	54%	51%		

KPI's	3Q01	2Q01	3Q01 vs2Q01
Invested assets (CHFbn)	643	718	(10%)
Net new money	6.6	8.5	
Gross margin (bps)	89	92	(3%)
Headcount	9,072	8,865	2%

NOTE:

1 Pre-goodwill & credit loss expense



Financial Services Group

UBS Asset Management

(CHFm)	3Q01	2Q01	3Q00	3Q01 vs3Q00	3Q01 vs2Q01
Operating income	521	527	493	6%	(1%)
Operating expenses	466	470	409	14%	(1%)
Pre-tax profit	55	57	84	(35%)	(4%)
Cost / income ratio ¹	77%	76%	69%		

KPI's	3Q01	2Q01	3Q01 vs2Q01
Institutional assets	309	318	(3%)
Net new money	1.9	5.2	
Gross margin IF (bps)	28	32	(13%)
Mutual fund assets	314	348	(10%)
Net new money	10.4	0.8	
Gross margin MF (bps)	36	33	9%
Headcount	3,267	3,180	3%

Note: 1 Pre-goodwill, credit loss expense



Financial Services Group

Corporate & Institutional Clients

(CHFm)	3Q01	2Q01	3Q00	3Q01 vs3Q00	3Q01 vs2Q01
Operating income	3,664	4,349	4,266	(14%)	(16%)
Operating expenses	2,786	3,212	3,056	(9%)	(13%)
Pre-tax profit	878	1,137	1,210	(27%)	(23%)
Cost / income ratio ¹	75%	73%	70%		

KPI's	3Q01	2Q01	3Q01 vs2Q01
Compensation ratio	55%	53%	
NPL ratio (%)	2.1%	2.3%	
Average VaR (CHFm)	232	290	(20%)
Headcount	15,715	15,654	0%

NOTE:

1 Pre-goodwill & credit loss expense



Financial Services Group

UBS Capital

(CHFm)	3Q01	2Q01	3Q00	3Q01 vs3Q00	3Q01 vs2Q01
Operating income	(81)	(294)	79		72%
Operating expenses	31	57	33	(6%)	(46%)
Pre-tax profit	(112)	(351)	46		(68%)

KPI's	3Q01	2Q01	3Q01 vs2Q01
Book value (CHFbn)	4.9	5.3	(8%)
Headcount	132	132	(0%)

KPI's	3Q01	2Q01
Value Creation (CHFbn)	(0.3)	(0.6)



Private Clients¹

(CHFm)	3Q01	2Q01	3Q00¹	3Q01 vs2Q01
Operating income	1,606	1,837	19	(13%)
Operating expenses	1,598	1,733	55	(8%)
Pre-tax profit	8	104	(36)	(92%)
Cost / income ratio ²	99%	94%		

KPI's	3Q01	2Q01	3Q01 vs2Q01
Invested assets (CHFbn)	705	841	(16%)
Net new money	11.4	8.7	
Recurring fees (CHFm)	569	583	(2%)
Gross margin (bps)	83	91	(8%)
Headcount	20,979	21,355	(2%)
Financial advisors	9,030	8,962	1%

NOTE:

- 1 3Q00 UBS Warburg private clients only
- 2 Pre-goodwill & credit loss expense



Financial Services Group

Corporate Center

(CHFm)	3Q01	2Q01	3Q00	3Q01 vs3Q00	3Q01 vs2Q01
Income	81	229	41	98%	(65%)
Credit loss (expected –actual)	(21)	114	374		
Operating expenses	351	266	283	24%	32%
Pre-tax profit	(291)	77	132		

KPI's	3Q01	2Q01	3Q01 vs2Q01
Headcount	1,091	1,057	3%

