



Financial Services Group

UBS First Quarter 2000 Results Presentation

Zurich, 25 May 2000

London, 26 May 2000

Safe Harbor Statement

As in most presentations, the following discussion contains forward-looking statements, and our actual results may differ materially from those discussed here. Additional information concerning factors that could cause such a difference can be found in our First Quarter 2000 Report, our Financial Report 1999 and other publicly disclosed financial reports.



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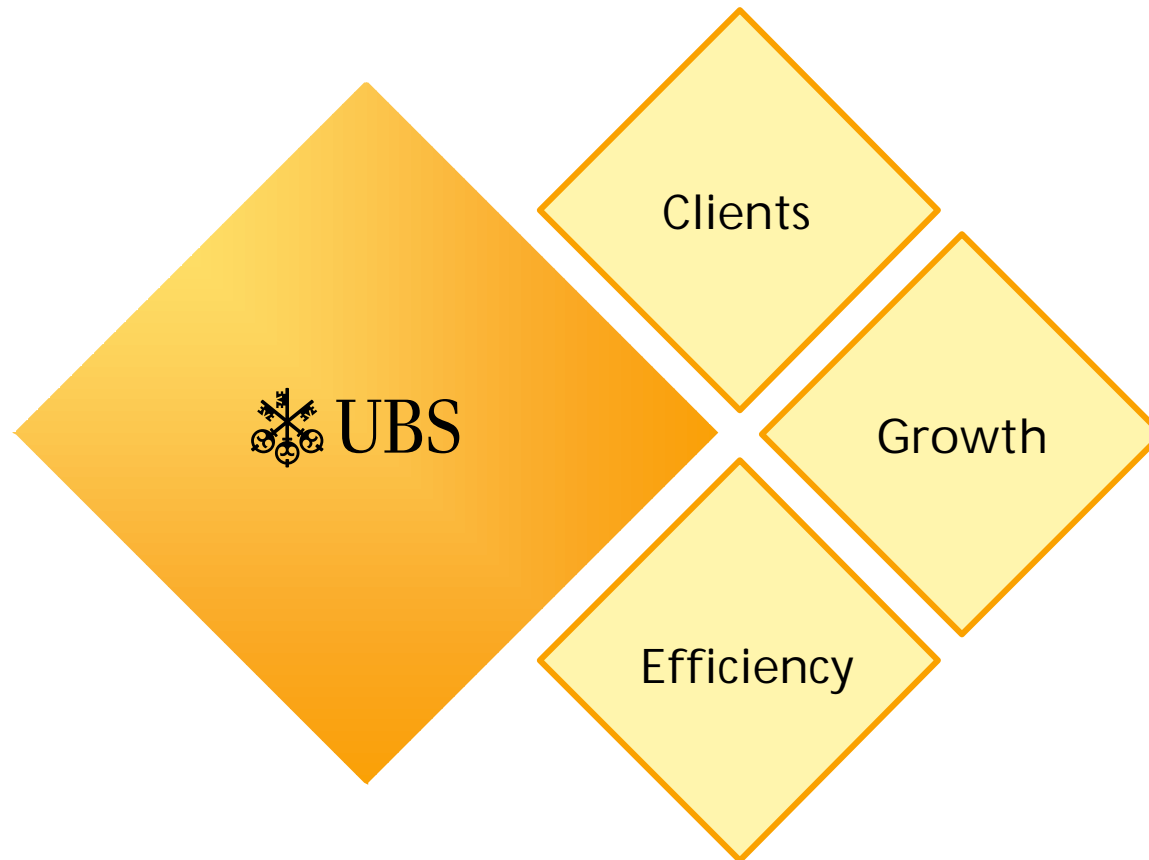


Achievements



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Three drivers



- ◆ New clients, new businesses, new technologies, “new economy”
- ◆ UBS modernizes



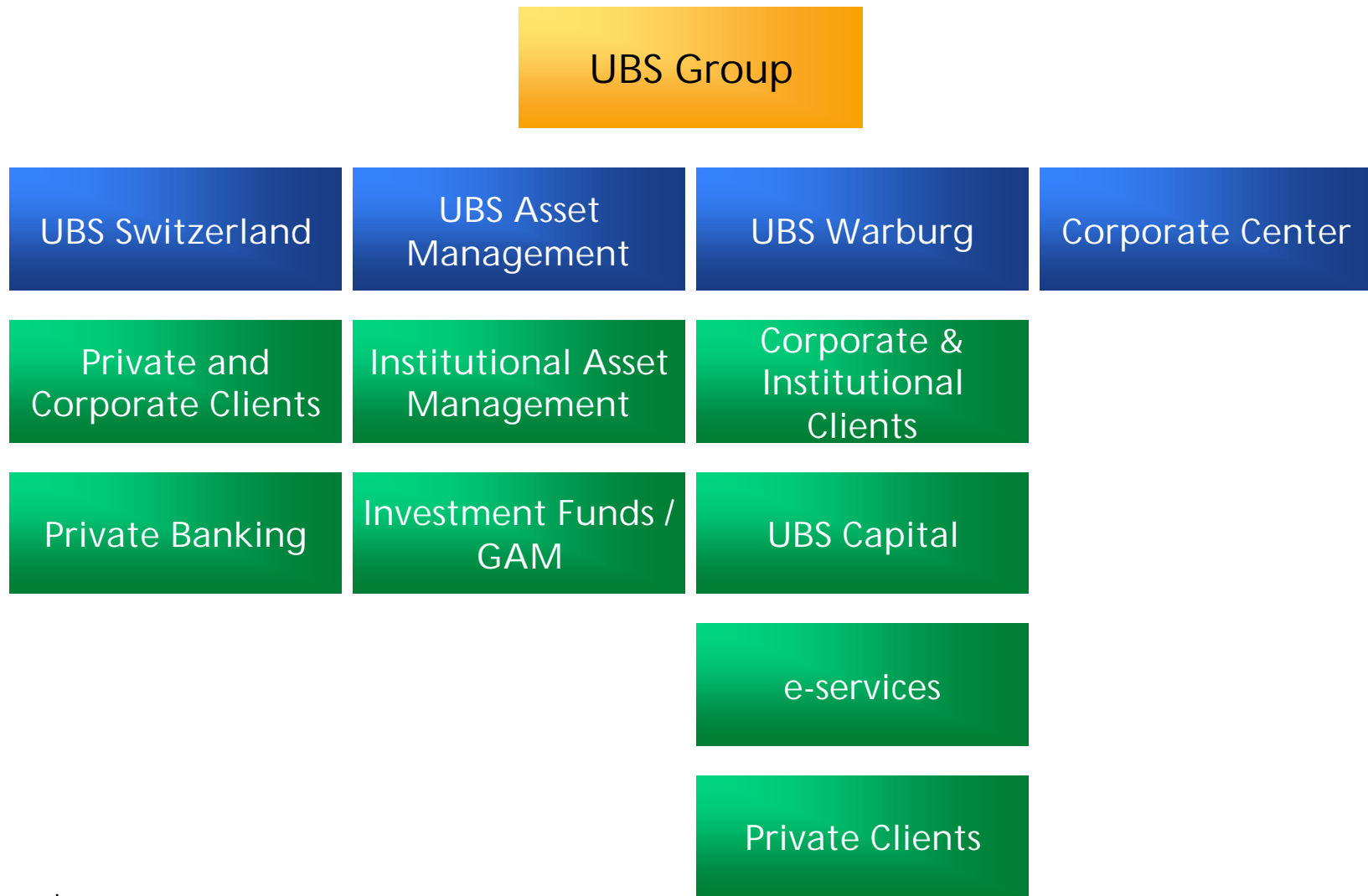
Reporting and disclosure

Commitment to continuing comparability and transparency

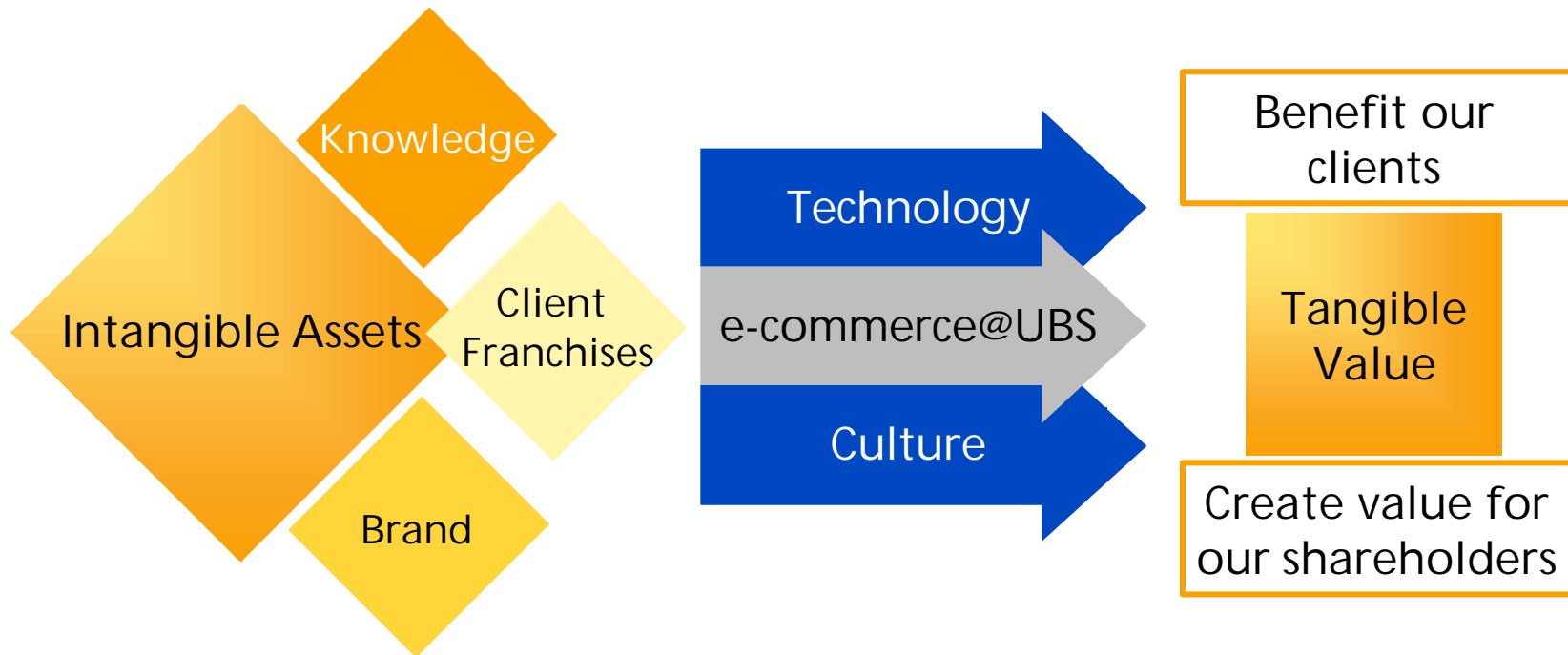
- ◆ 1999 results restated with 1Q 2000 report
- ◆ Substantial disclosure below divisional level
- ◆ Additional transparency for e-services
- ◆ Enhanced disclosure



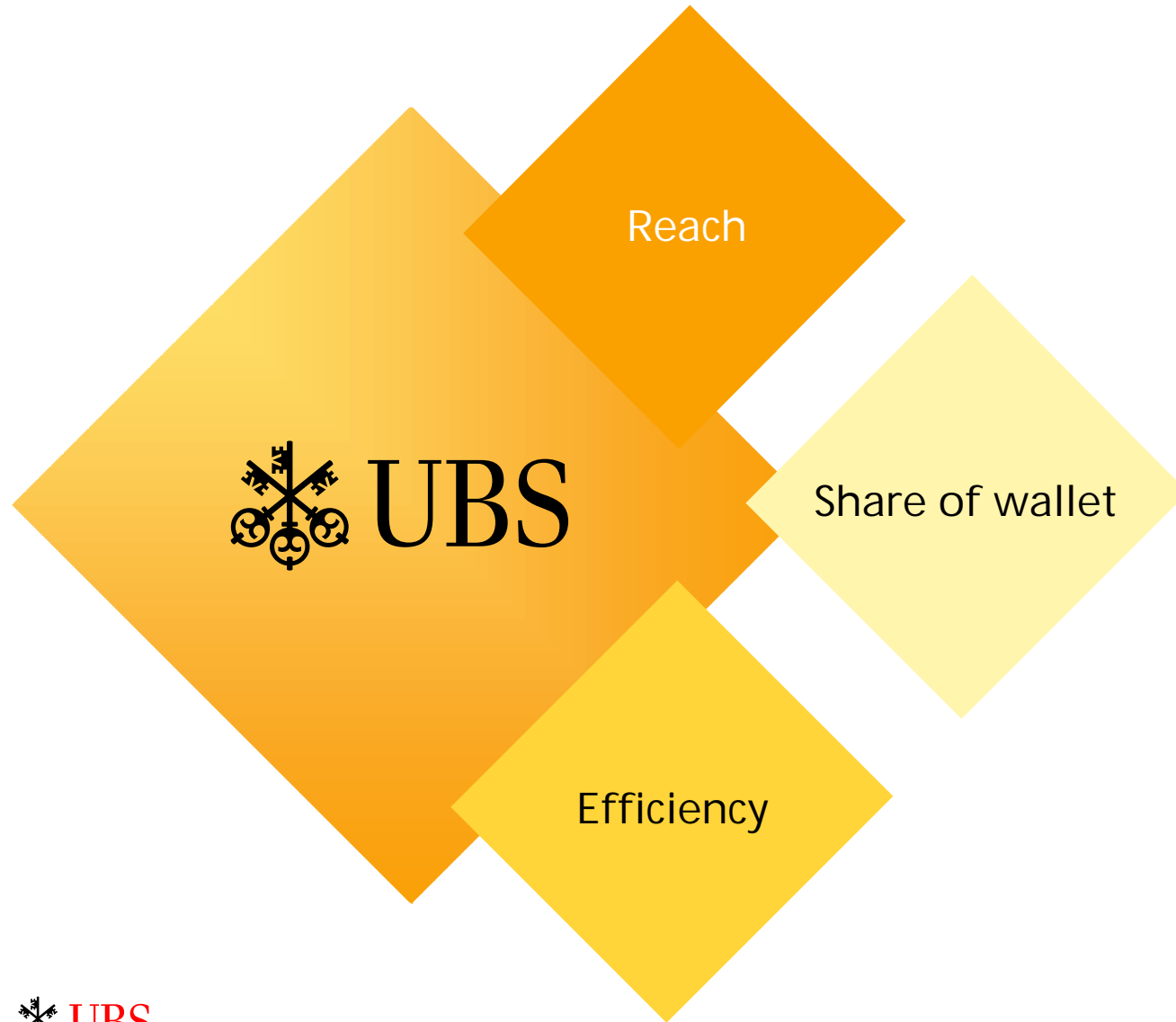
New UBS: Regrouped businesses



e-commerce@UBS



Value drivers



Investing for the future

e-services

◆ CHF 310m this year and comparable levels thereafter

e-banking@ubs.ch

◆ CHF 90-100m per year

UBSW B2B

◆ Up to 4% of revenue



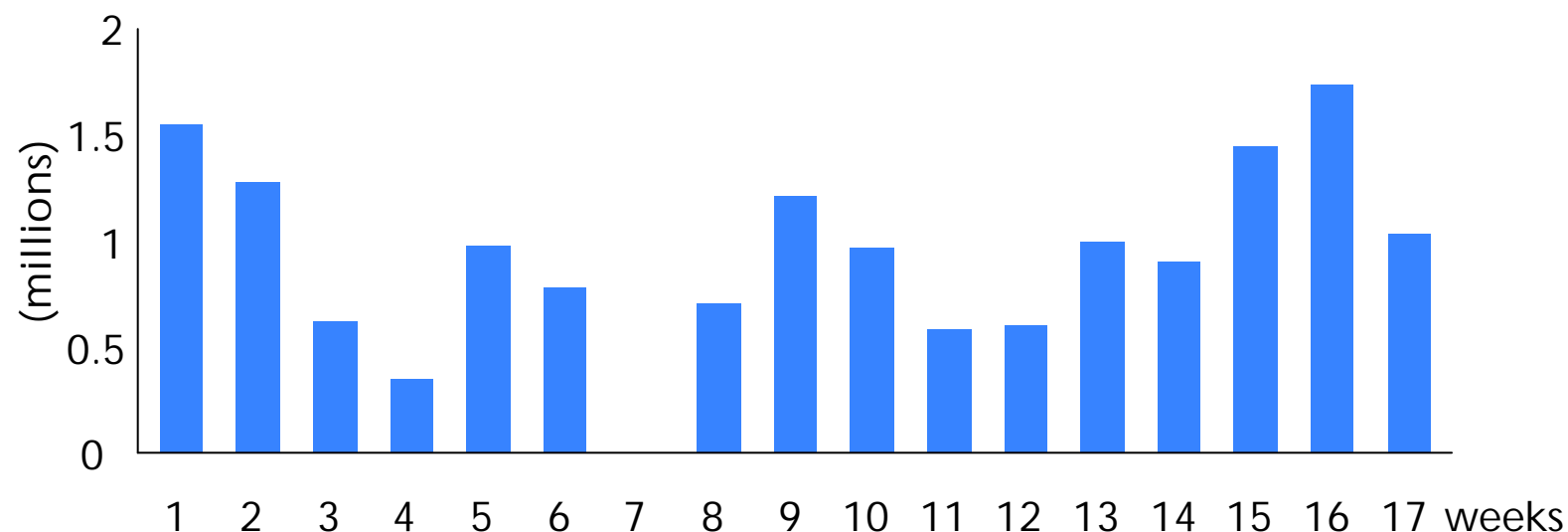
New York Stock Exchange listing

- ◆ Listed Global Registered Shares on the New York Stock Exchange on 16 May 2000
- ◆ Creates a single global share traded in Zurich, New York and Tokyo
- ◆ First Swiss firm to issue global shares
- ◆ DTC-SIS settlement link established specially for transfer of UBS shares
- ◆ Increases strategic flexibility to take advantage of potential expansion opportunities in the US
- ◆ 2-for-1 stock split to optimize relative value per share



Share buyback status at 10 May 2000

Shares repurchased



Start of program	17 January 2000
Number of shares bought back	15,762,212
In CHF	3,360m
In % of outstanding shares	3.7%
Average price	213.17
Tier 1 capital ratio increase	10.6% @ 11.0%



Results



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Record profitability

(CHFm)	1Q00	1Q99	1Q00/1Q99 Δ%
Operating income	9,357	6,847	37
Operating expenses	6,449	4,823	34
Group profit before tax	2,908	2,024	44
Net profit	2,216	1,568	41



No significant financial events in 1Q 2000

1999 (CHFm)	Pre Tax	Tax	Post Tax
1Q: Julius Baer	110		
2Q: Global Trade Finance	200		
2Q: Swiss Life / Rentenanstalt	1,490		
3/4Q: LTCM	38		
4Q: US Global Settlement	(154)		
4Q: Pension Pre-payment Credit	456		
4Q: Restructuring Provision	(300)		
Total	1,840	(352)	1,488

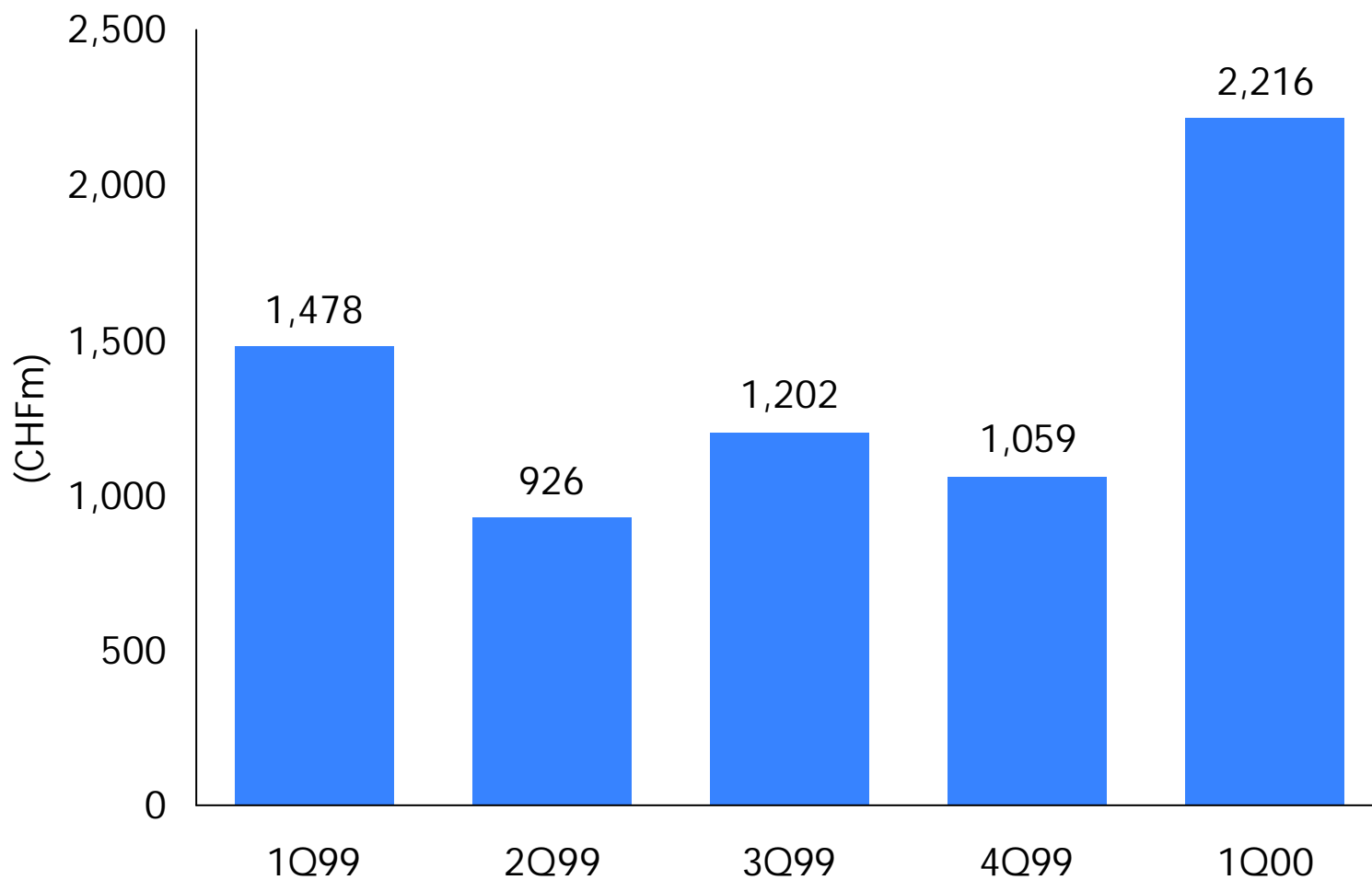


Record profitability - adjusted basis

(CHFm)	1Q00	1Q99	1Q00/1Q99 Δ%
Operating income	9,357	6,737	39
Operating expenses	6,449	4,823	34
Group profit before tax	2,908	1,914	52
Net profit	2,216	1,478	50

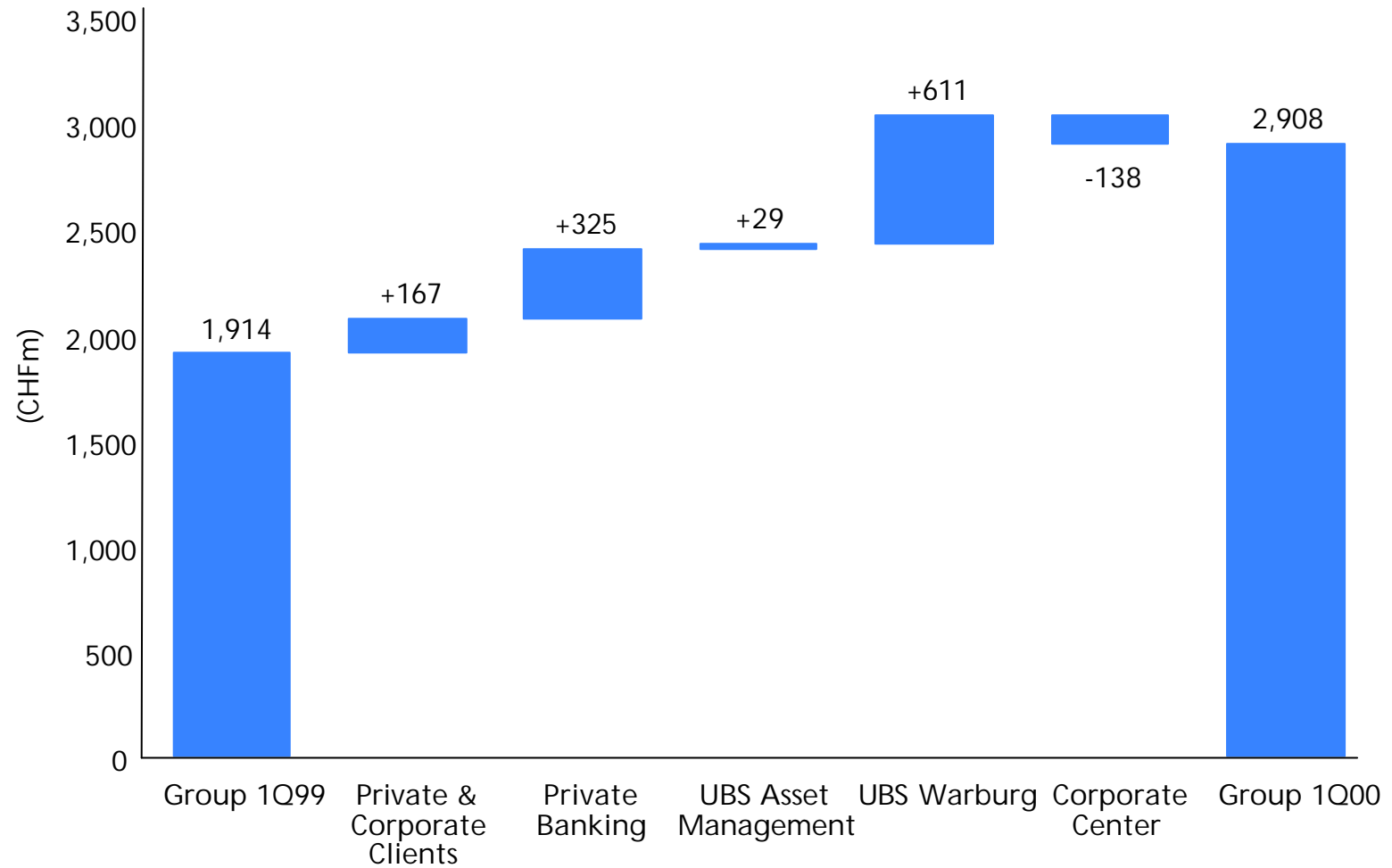


Net profit after tax (excluding SFEs)



Strong profit increases across major business groups

Before tax



Assets under Management

(CHFbn)	PB	PC	PCC	IAM	IF/G
Total opening	671	36	439	574	225
Net new money ⁽¹⁾	2	4	0	(32)	1
Performance & currency	25	0	4	15	6
Total closing	698	40	443	557	232

NOTE:

1 Excludes interest & dividend income



Financial Analysis



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Key ratios versus financial targets

	Target	1Q00	1Q99 Adjusted ⁽¹⁾
RoE ⁽²⁾	15-20%	33.2%	22.2%
Basic EPS ⁽²⁾	Double-digit growth	CHF 6.04	CHF 3.75
Cost/Income ⁽²⁾	Downward pressure	66.5%	67.4%
Net New Money Private Banking ⁽³⁾	Strong positive trend	CHF 6 bn	CHF 1 bn

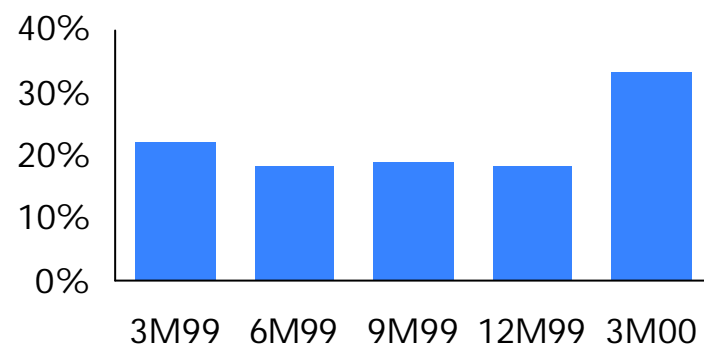
NOTES:

- 1 Adjusted for all significant financial events
- 2 Pre-goodwill amortization
- 3 Private Banking and Private Clients

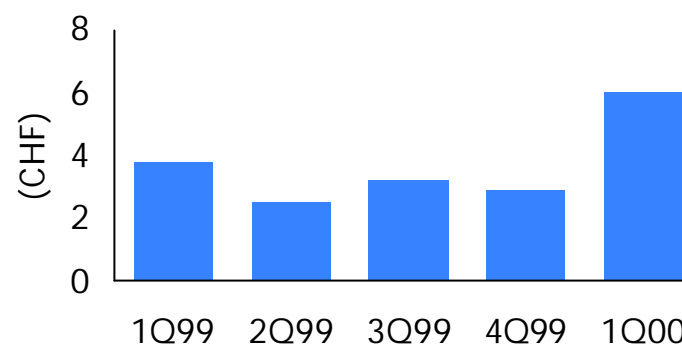


Improving performance against targets

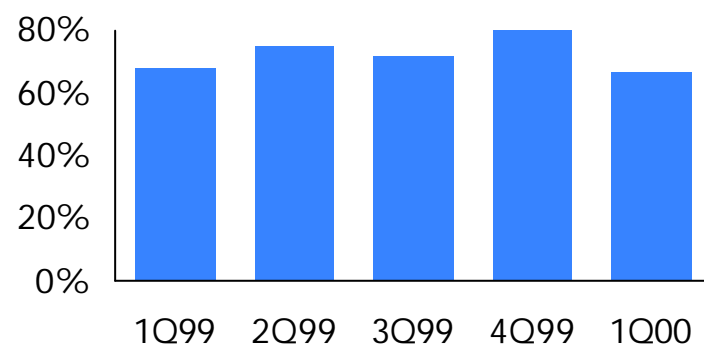
ROE⁽¹⁾



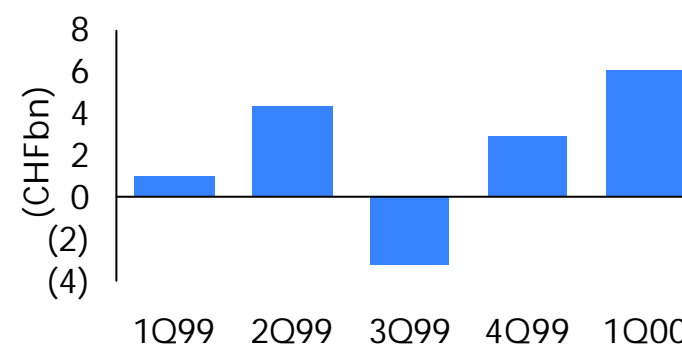
Basic EPS^{(2),(3)}



Cost / Income Ratio⁽²⁾



Net New Money⁽⁴⁾



NOTES:

- 1 Annualized, before goodwill amortization and adjusted for significant financial events
- 2 Before goodwill amortization and adjusted for significant financial events
- 3 Adjusted to account for the recent stock split
- 4 Private Banking and Private Clients



Total operating income (adjusted)

(CHFm)	1Q00	1Q99	Δ%
Net interest income	2,089	1,374	52
Credit loss expense	(125)	(310)	60
Net interest income after credit loss expense	1,964	1,064	85
Net fee and commission income	4,079	2,958	38
Net trading income	2,978	2,333	28
Net gain from disposals	2	271	(99)
Other income	334	111	51
Total operating income	9,357	6,737	39



Total operating expenses

(CHFm)	1Q00	1Q99	Δ%
Personnel	4,522	3,297	37
General and administrative	1,431	1,144	25
Depreciation	348	307	13
Goodwill amortization ⁽¹⁾	148	75	97
Total expenses	6,449	4,823	34

NOTE:

1 Includes amortization of other purchased intangible assets



Asset quality

(CHFm)	31.3.00	31.12.99	Δ%
Total loans (gross)	279,861	278,014	1
Impaired loans ⁽¹⁾	22,428	22,456	(0)
Non-performing loans	12,679	13,073	(3)
Impaired loans in % of gross loans	8.0	8.1	
NPL's in % of gross loans	4.5	4.7	
Allowances as % of impaired loans	55.2	55.5	
Allowances as % of NPL's	66.9	66.3	

NOTE:

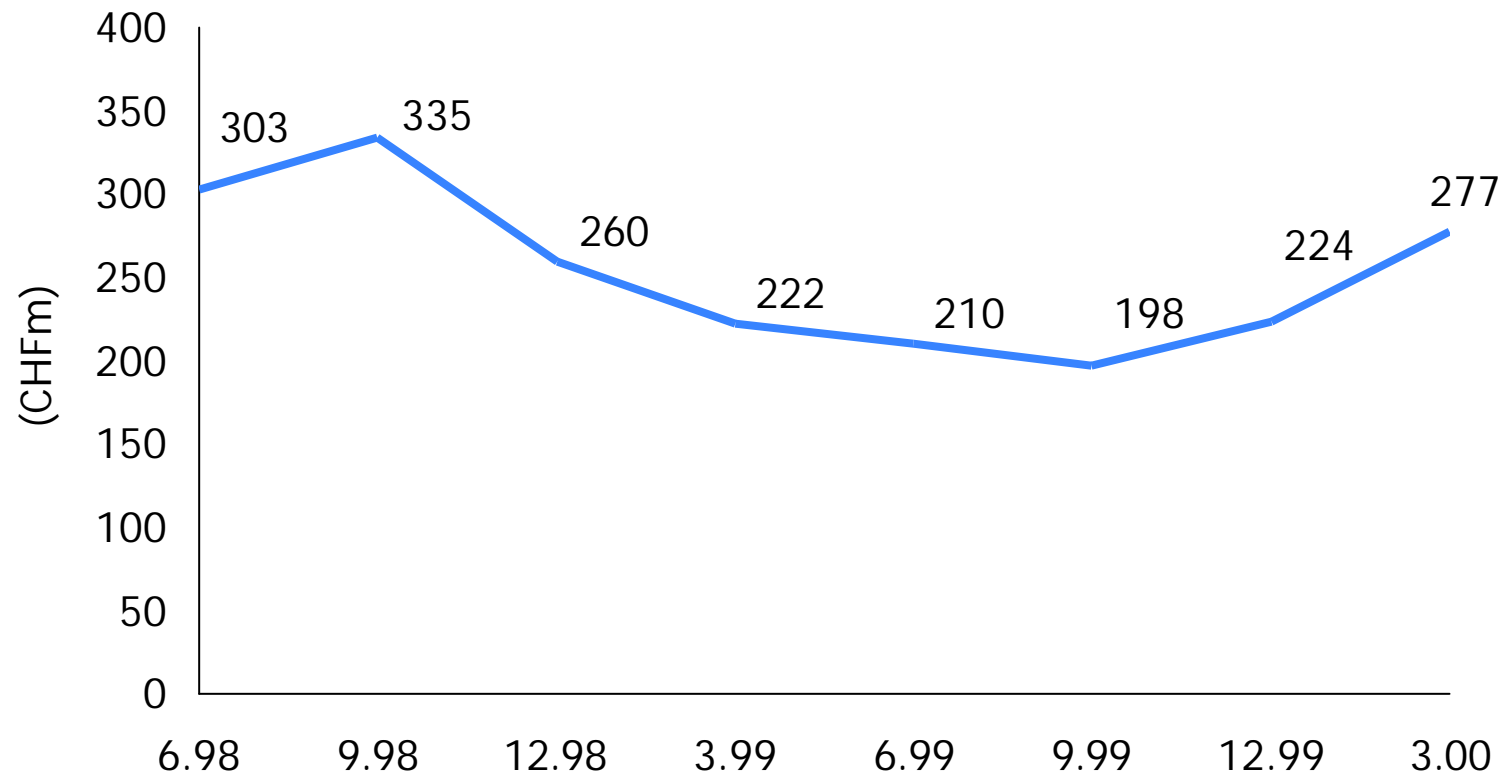
1 Loans with high probability that they will suffer partial or full loss, includes non-performing loans



Market risk

UBS Warburg VaR utilization

UBS Warburg Market VaR - 10 days; 99% confidence interval



Business unit analysis



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Private & Corporate Clients

(CHFm)	1Q00	4Q99	1Q99	1Q00 vs1Q99	1Q00 vs4Q99
Operating income	1,690	1,532	1,525	11%	10%
Operating expenses	1,198	1,171	1,200	0%	2%
Pre-tax profit	492	361	325	51%	36%
Cost / income ratio ⁽¹⁾	61%	67%	67%		

KPI's	1Q00	4Q99	1Q00 vs4Q99
AuM (CHFbn)	443	439	1%
Net new money	0	0	
NPL ratio (%)	6.3%	6.6%	
Headcount	22,668	24,098	(6%)

NOTE:

1 Pre-goodwill & credit loss expense



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Private Banking

(CHFm)	1Q00	4Q99	1Q99	1Q00 vs1Q99	1Q00 vs4Q99
Operating income	1,826	1,422	1,342	36%	28%
Operating expenses	731	752	572	28%	(3%)
Pre-tax profit	1,095	670	770	42%	63%
Cost / income ratio ⁽¹⁾	39%	52%	42%		

KPI's	1Q00	4Q99	1Q00 vs4Q99
AuM (CHFbn)	698	671	4%
Net new money	2	1	120%
Gross margin (bps)	107	89	20%
Headcount	7,431	7,256	2%

NOTE:

1 Pre-goodwill & credit loss expense



Institutional Asset Management

(CHFm)	1Q00	4Q99	1Q99	1Q00 vs1Q99	1Q00 vs4Q99
Operating income	313	285	263	19%	10%
Operating expenses	234	191	197	19%	23%
Pre-tax profit	79	94	66	20%	(16%)
Cost / income ratio ⁽¹⁾	61%	56%	64%		

KPI's	1Q00	4Q99	1Q00 vs4Q99
AuM (CHFbn)	557	574	(3%)
Institutional	352	376	(6%)
Net new money	(32)	(17)	(3%)
Headcount	1,657	1,653	0%

NOTE:
1 Pre-goodwill &
credit loss expense



Investment Funds/GAM

(CHFm)	1Q00	4Q99	1Q99	1Q00 vs1Q99	1Q00 vs4Q99
Operating income	169	71	42	302%	138%
Operating expenses	139	32	28	396%	334%
Pre-tax profit	30	39	14	114%	(23%)
Cost / income ratio ⁽¹⁾	69%	45%	67%		

KPI's	1Q00	4Q99	1Q00 vs4Q99
AuM (CHFbn)	232	225	3%
Net new money	1	(1)	
Headcount	963	923	4%

NOTE:
1 Pre-goodwill & credit loss expense



Corporate & Institutional Clients

(CHFm)	1Q00	4Q99	1Q99	1Q00 vs1Q99	1Q00 vs4Q99
Operating income	4,975	2,672	3,240	54%	86%
Operating expenses	3,530	2,317	2,516	40%	52%
Pre-tax profit	1,445	355	724	100%	307%
Cost / income ratio ⁽¹⁾	69%	83%	75%		

KPI's	1Q00	4Q99	1Q00 vs4Q99
Compensation ratio	55%	49%	56%
NPL ratio	2.4%	2.2%	
VaR utilization (CHFm)	277	224	
Headcount	12,847	12,694	1%

NOTE:

1 Pre-goodwill & credit loss expense



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UBS Capital

(CHFm)	1Q00	4Q99	1Q99	1Q00 vs1Q99	1Q00 vs4Q99
Operating income	147	61	75	96%	141%
Operating expenses	33	43	27	22%	(23)%
Pre-tax profit	114	18	48	138%	533%
Cost / income ratio ⁽¹⁾	22%	70%	36%		

KPI's	1Q00	4Q99	1Q00 vs4Q99
Book value	3.4	3.0	13%
Headcount	107	116	(8%)

NOTE:

1 Pre-goodwill & credit loss expense



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Private Clients

(CHFm)	1Q00	4Q99	1Q99	1Q00 vs1Q99	1Q00 vs4Q99
Operating income	72	57	46	57%	26%
Operating expenses	249	148	110	126%	68%
Pre-tax profit	(177)	(91)	(64)	177%	95%
Cost / income ratio ⁽¹⁾	338%	250%	230%		

KPI's	1Q00	4Q99	1Q00 vs4Q99
AuM (CHFbn)	40	36	11%
Net new money	4	2	122%
Gross margin (bps)	77	74	4%
Headcount	1,427	1,386	3%

NOTE:
1 Pre-goodwill & credit loss expense



e-services

(CHFm)	1Q00	4Q99	1Q00 vs4Q99
Operating income	0	0	
Operating expenses	63	34	85%
Pre-tax profit	(63)	(34)	

KPI's	1Q00	4Q99	1Q00 vs4Q99
Headcount	131	70	87%



Outlook



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Confident outlook

- ◆ Very positive start to 2000
- ◆ First quarter generally seasonally strong
- ◆ Assuming continuing positive market conditions...
- ◆ ...confidence in further strong performance relative to 1999



Positioning

UBS is ...



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

... the leading bank in Switzerland



Financial Services Group

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