



Investor Day 2005 Wealth Management & Business Banking

Friday 13 May, 2005

Marcel Rohner, Chairman & CEO



You & Us

The Making of UBS-WM&BB

Merger of two separate divisions into one powerful business group



**Universal Bank
in Switzerland**

**Global Wealth
Management**

**UBS Wealth
Management &
Business Banking**

Capturing synergies and eliminating redundancy



Wealth Management



Wealth Management—Position in 2000

Strengths

- ◆ Global leader in WM
- ◆ Longstanding client relationships
- ◆ Geographic breadth
- ◆ Product & services breadth
- ◆ Innovative e-services

Weaknesses

- ◆ Reactive approach
- ◆ Inconsistent service
- ◆ Spillover from merger
- ◆ Limited European on-shore presence
- ◆ Under-developed Asia Pacific penetration
- ◆ USA void
- ◆ Minimal alternative exposure
- ◆ Limited NNM growth

Key strategic initiatives 2000-2004

Four-step advisory experience

Aggressively grow client advisor force globally

European Wealth Management Initiative

Asia expansion

Bolt-on acquisitions

Alternative product development and marketing

Build-up WM product positioning framework

E-banking strategy

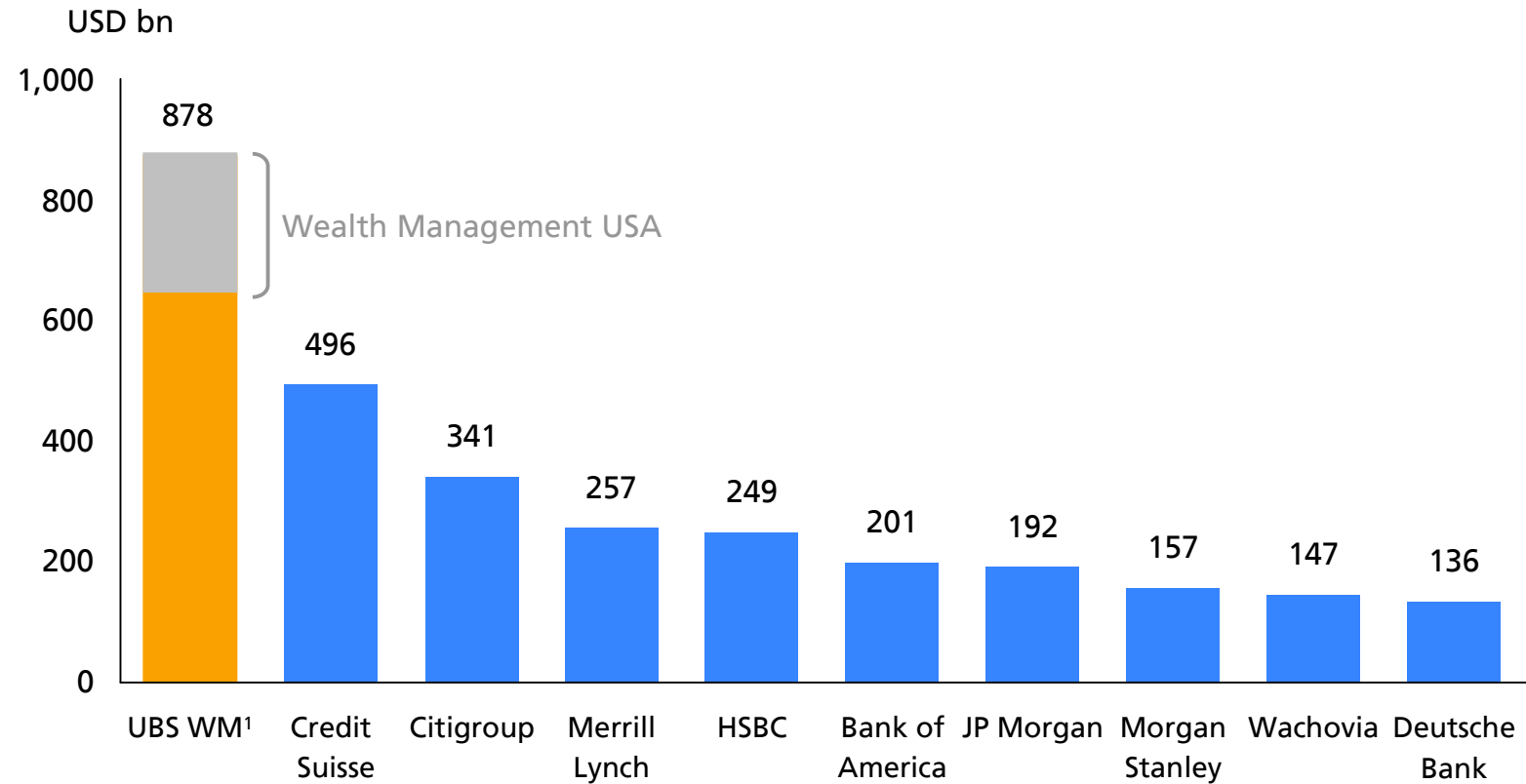
Development of a new IT platform

Wealth Management—Results



Wealth Management - Invested assets

Invested assets under management



Source: Wealth Partnership Review April 2005 and company reporting.

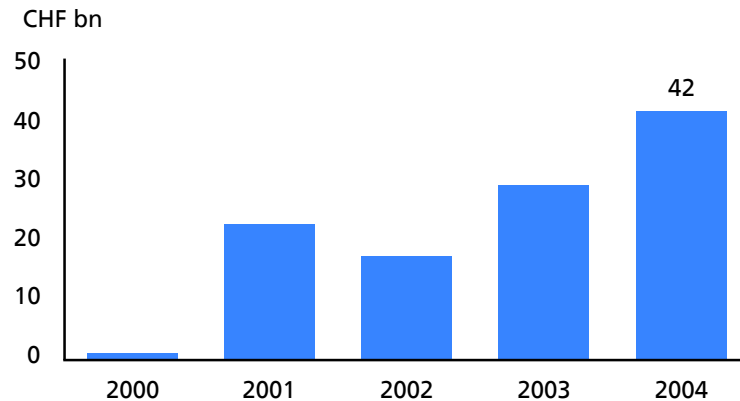
¹ The survey is based on invested assets at private banks and fee-based assets at US brokerage houses, UBS WM includes UBS WM USA fee-based invested assets (USD 233 bn).



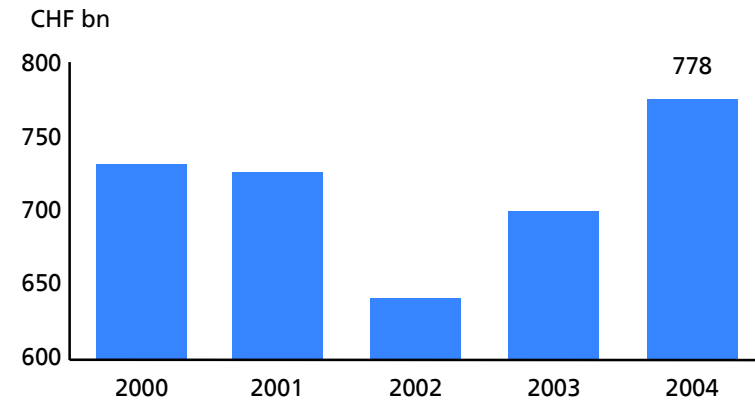
Wealth Management - Financial development

A strong improvement in the NNM intake made up for the asset decrease due to the USD fall

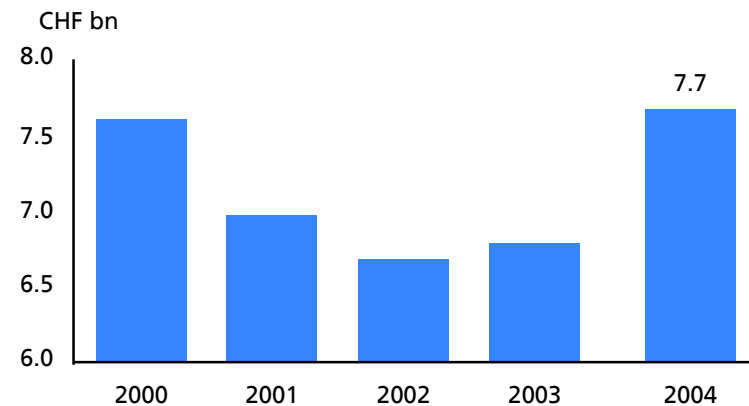
Net new money



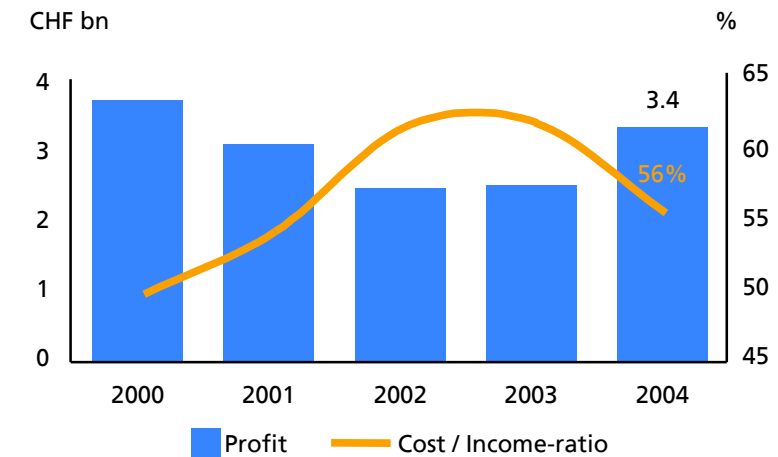
Invested assets



Income



Pre-tax profit & cost/income ratio



Wealth Management—Action Steps

Four-Step Advisory Experience

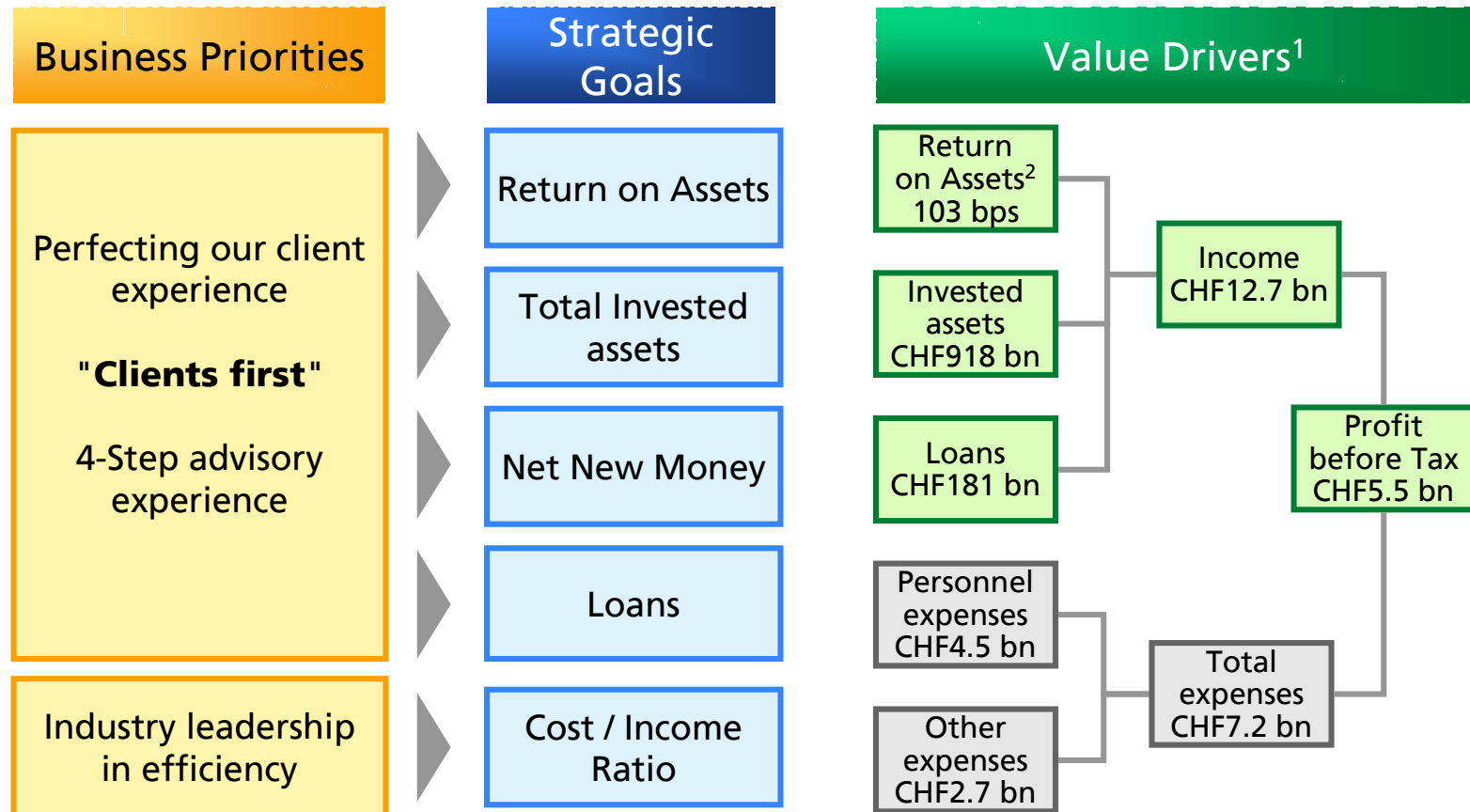
Perfecting our client experience



Intense client focus!

Business goals and business priorities

All activities are geared to promote our key value drivers and hence support the achievement of our strategic goals

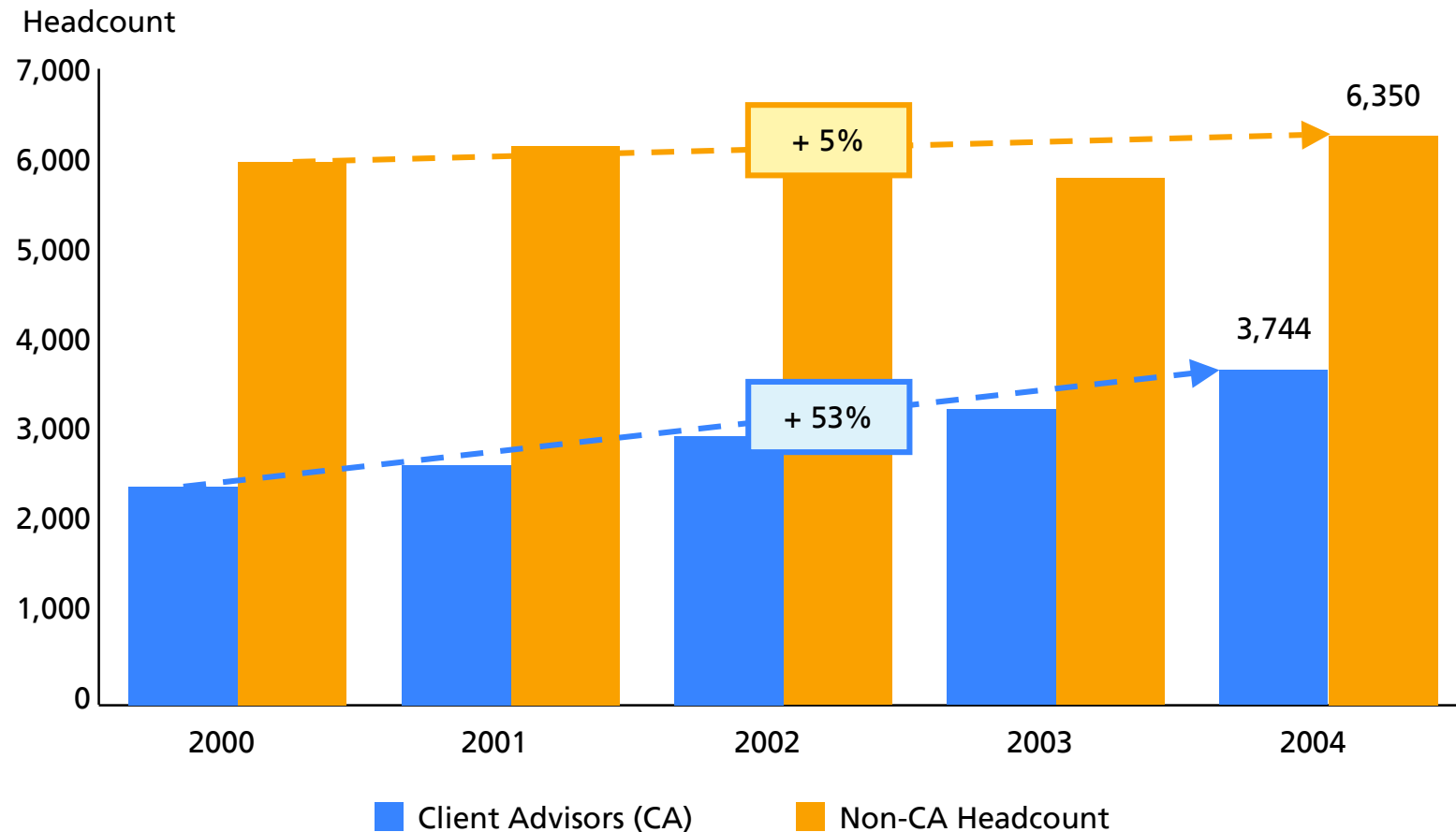


1 Numbers show WM&BB FY04 figures
 2 Only WM



Wealth Management—Client advisor growth

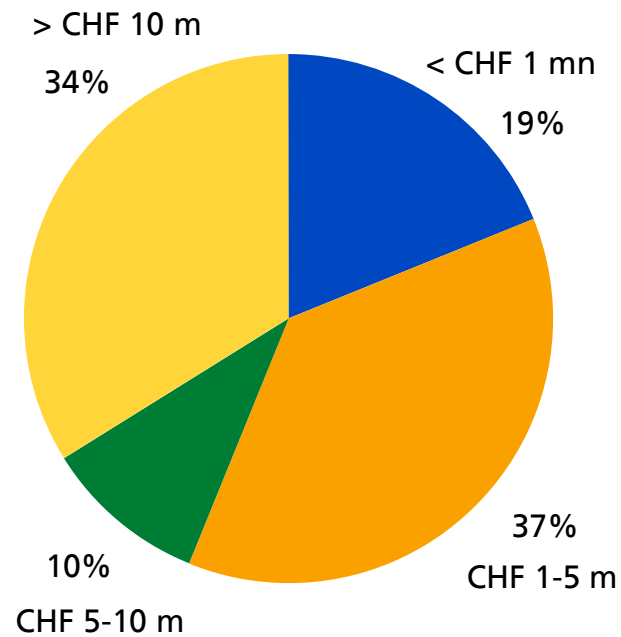
Since 1999, we strongly invested into our client advisor force, while keeping non-client-facing functions very lean



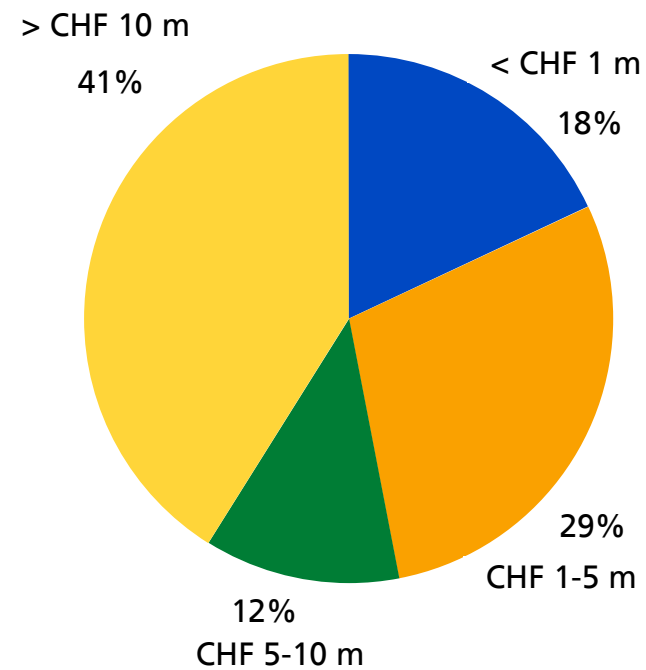
Wealth Management - Client segmentation

We have strongly increased our asset share in the high-growth ultra-rich segment

2002



2004

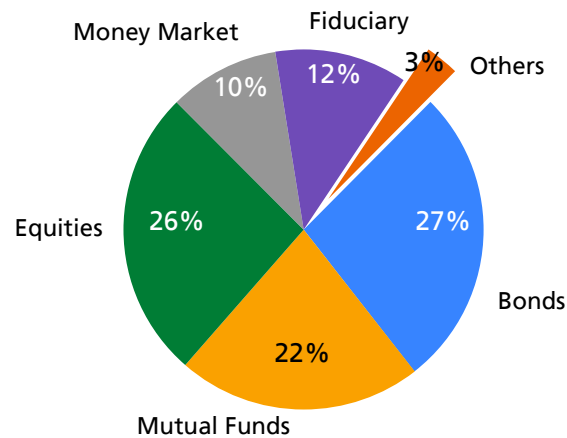


Product mix change supports gross margin

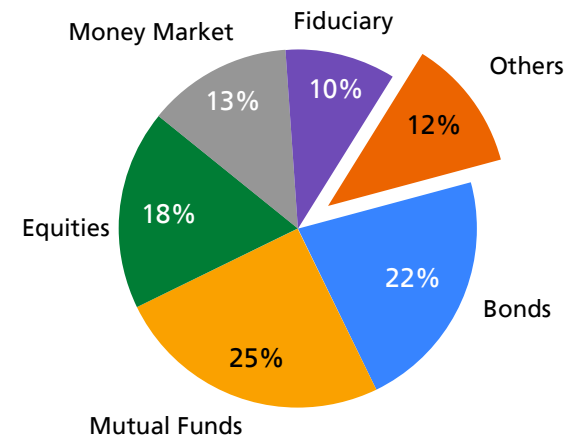
The shift into value-added services has resulted in a gross margin increase

Invested assets by asset classes

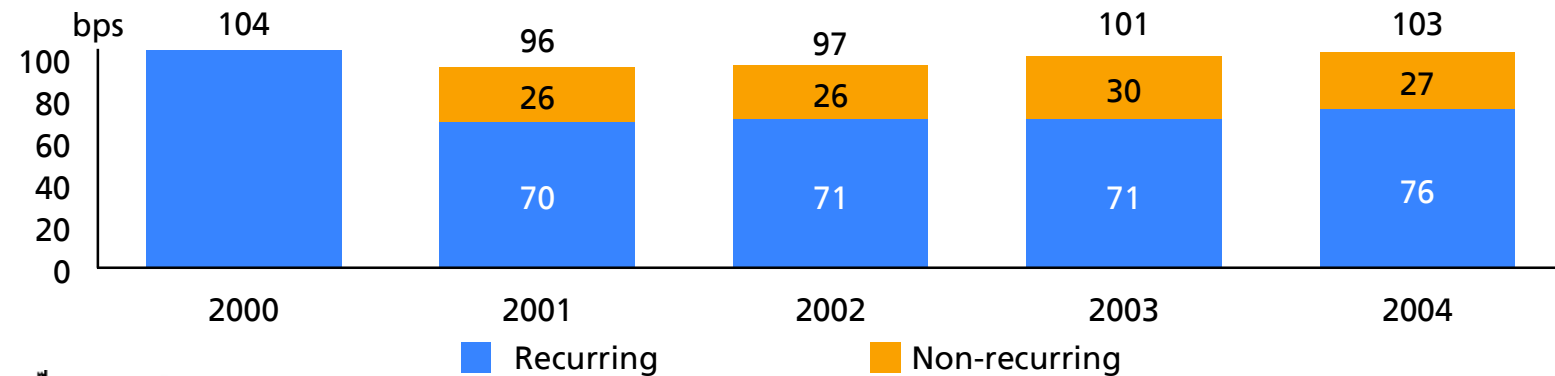
2000



2004

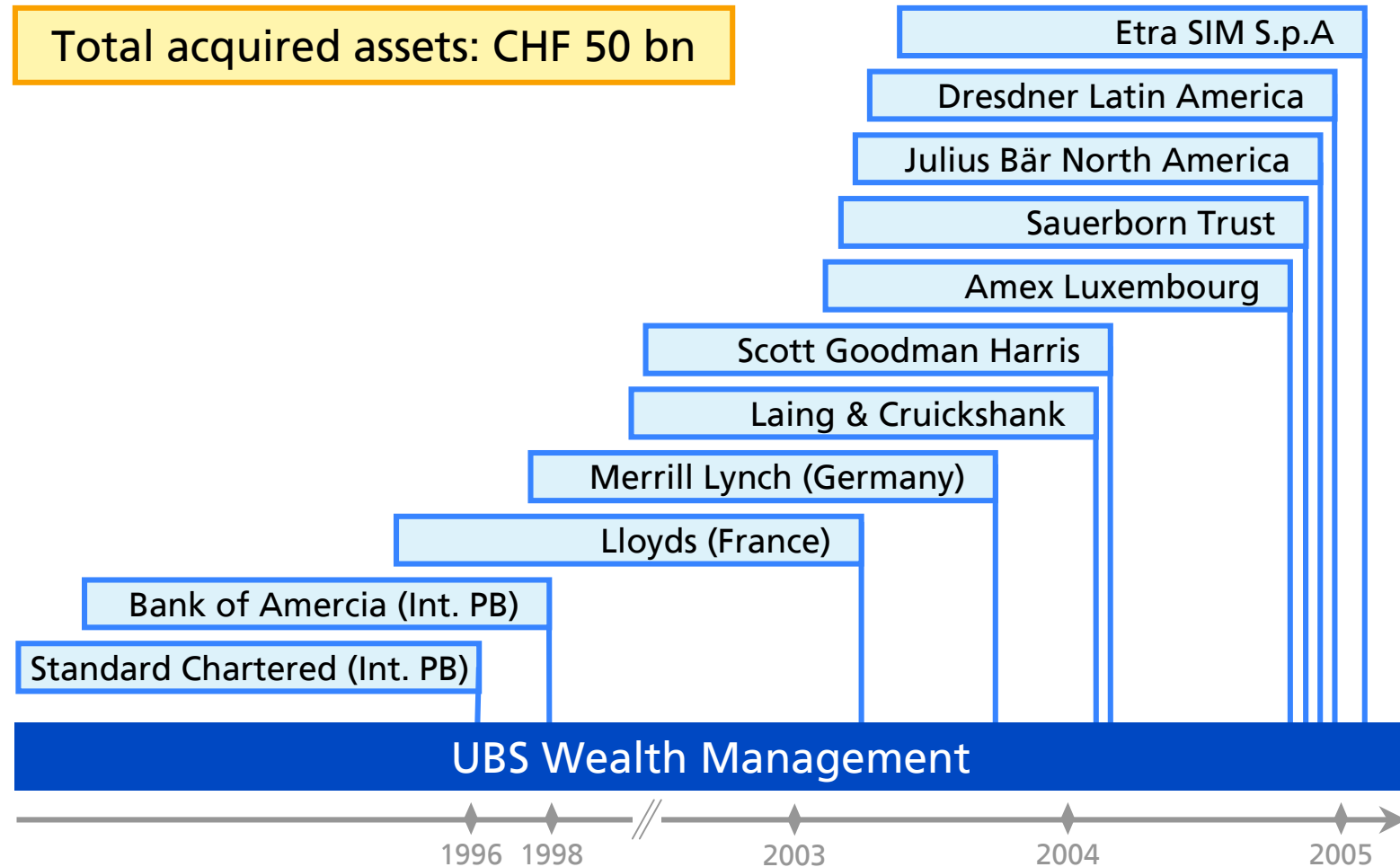


Gross margin



Wealth Management—Acquisitions

The string of first-rate firms which we bought their wealth management operation shows our success in that business



Wealth Management - Build-up European presence

In the last four years we almost trebled the number of European domestic locations

Locations 2000: 15



France

Paris



UK

London



Germany

Berlin
Düsseldorf
Frankfurt
Hamburg
München
Offenbach
Stuttgart



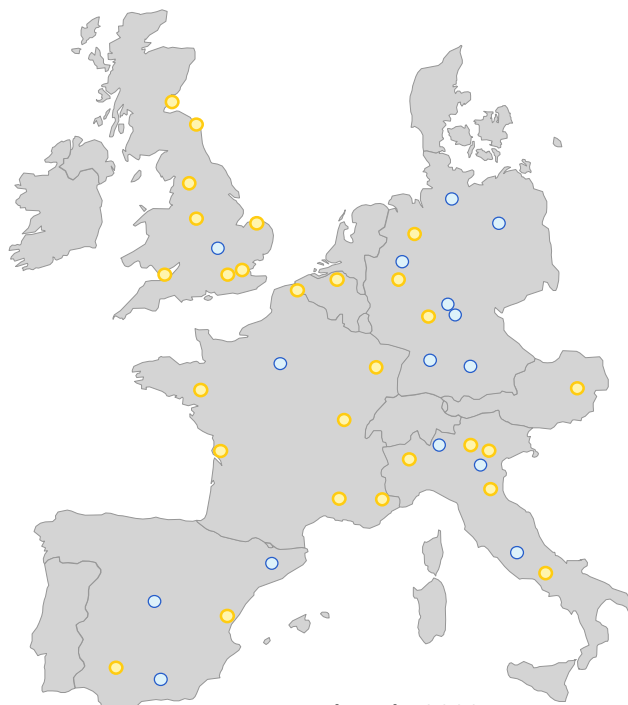
Italy

Bologna
Milano
Roma



Spain

Barcelona
Madrid
Marbella



○ Locations in 2000
● New locations

Locations 2004: 42



France +7

Bordeaux
Cannes
Lille
Lyon
Marseille
Nantes
Strasbourg



Italy +5

Brescia
Firenze
Napoli
Padova
Torino



Spain +2

Sevilla
Valencia



Germany +3

Bad Homburg
Bielefeld
Köln



UK +8

Birmingham
Bury St Edmunds
Eastbourne
Edinburgh
Manchester
Newcastle
Taunton
Worthing



Light Versions +2

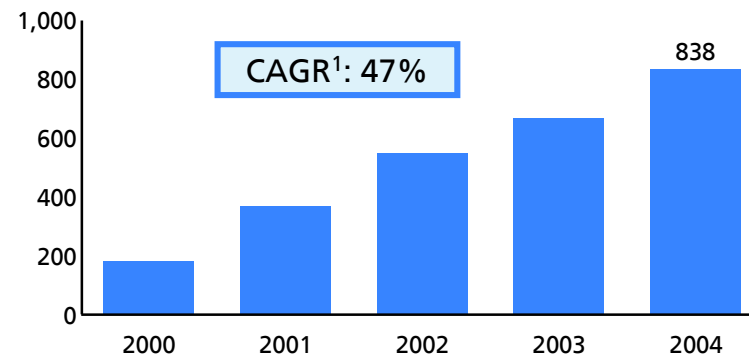
Austria (Vienna)
Belgium (Brussels)



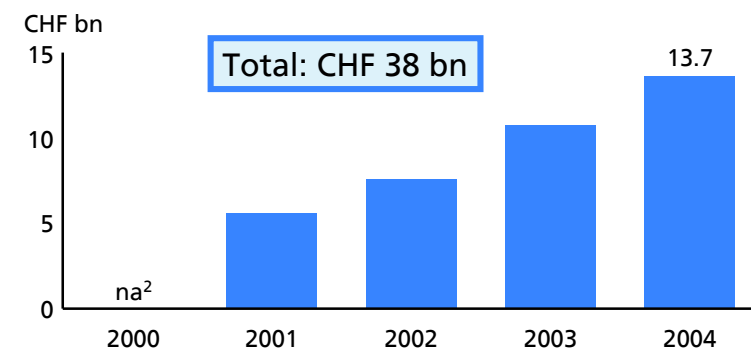
European Wealth Management—Development

Since 2000, we have continued to hire qualified client advisers, which lead to a sustainable, significantly increased asset base

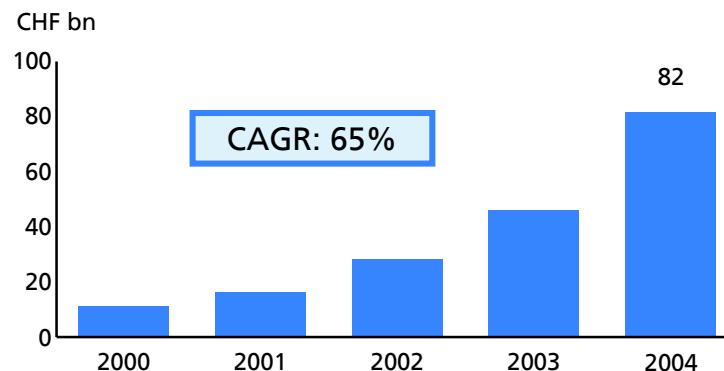
Client advisers



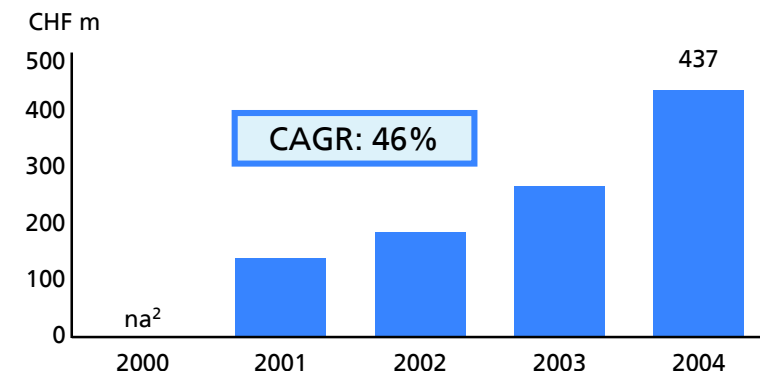
Net new money



Invested assets



Income



1 CAGR = Compound Annual Growth Rate

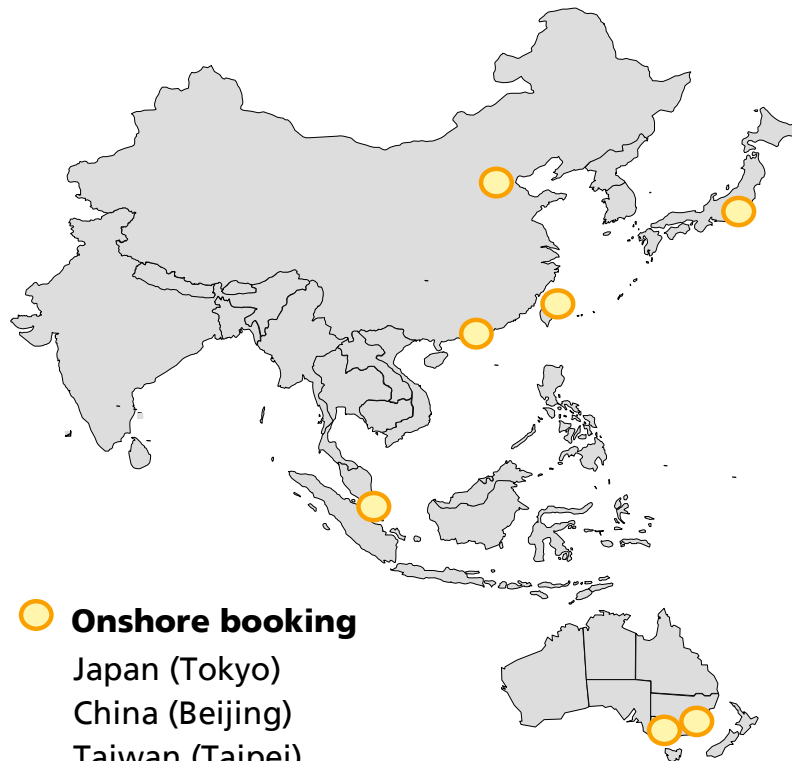
2 EWM was launched in spring 2001



Asia Pacific Wealth Management—Development

In Asia Pacific, we have achieved the market leader position in wealth management

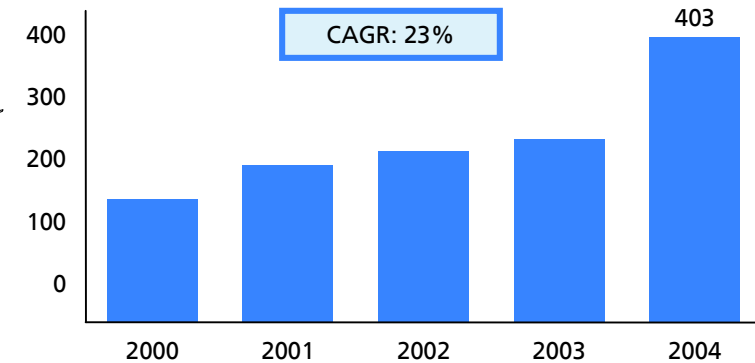
UBS' Asia Pacific WM Locations



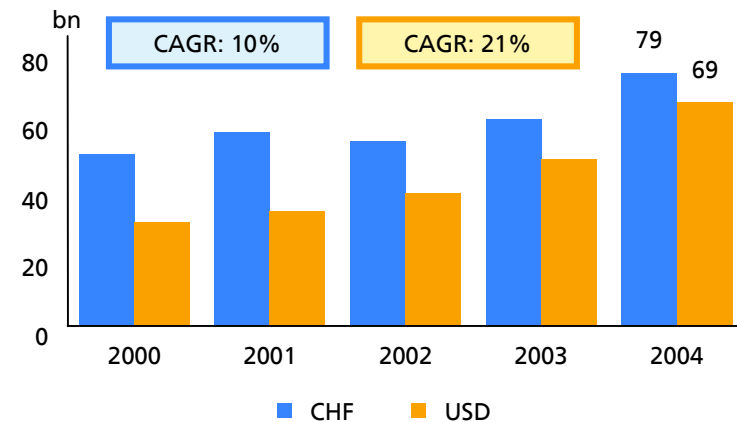
Onshore booking

- Japan (Tokyo)
- China (Beijing)
- Taiwan (Taipei)
- Hong Kong
- Singapore
- Australia (Sydney & Melbourne)

Client advisors



Invested assets



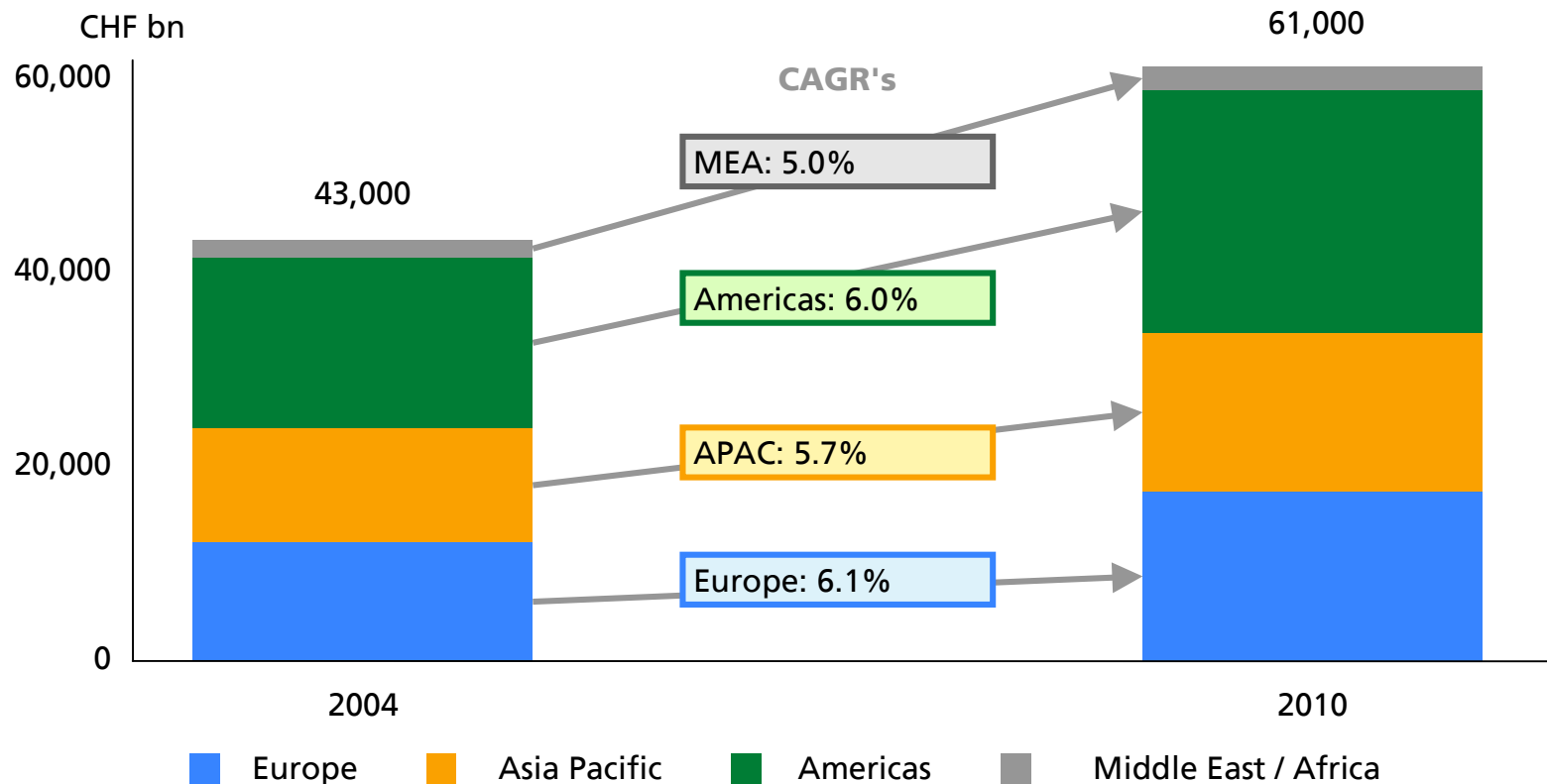
Wealth Management—Vision 2010



Wealth Management—Asset development

The global wealth management market is expected to strongly grow in the next years

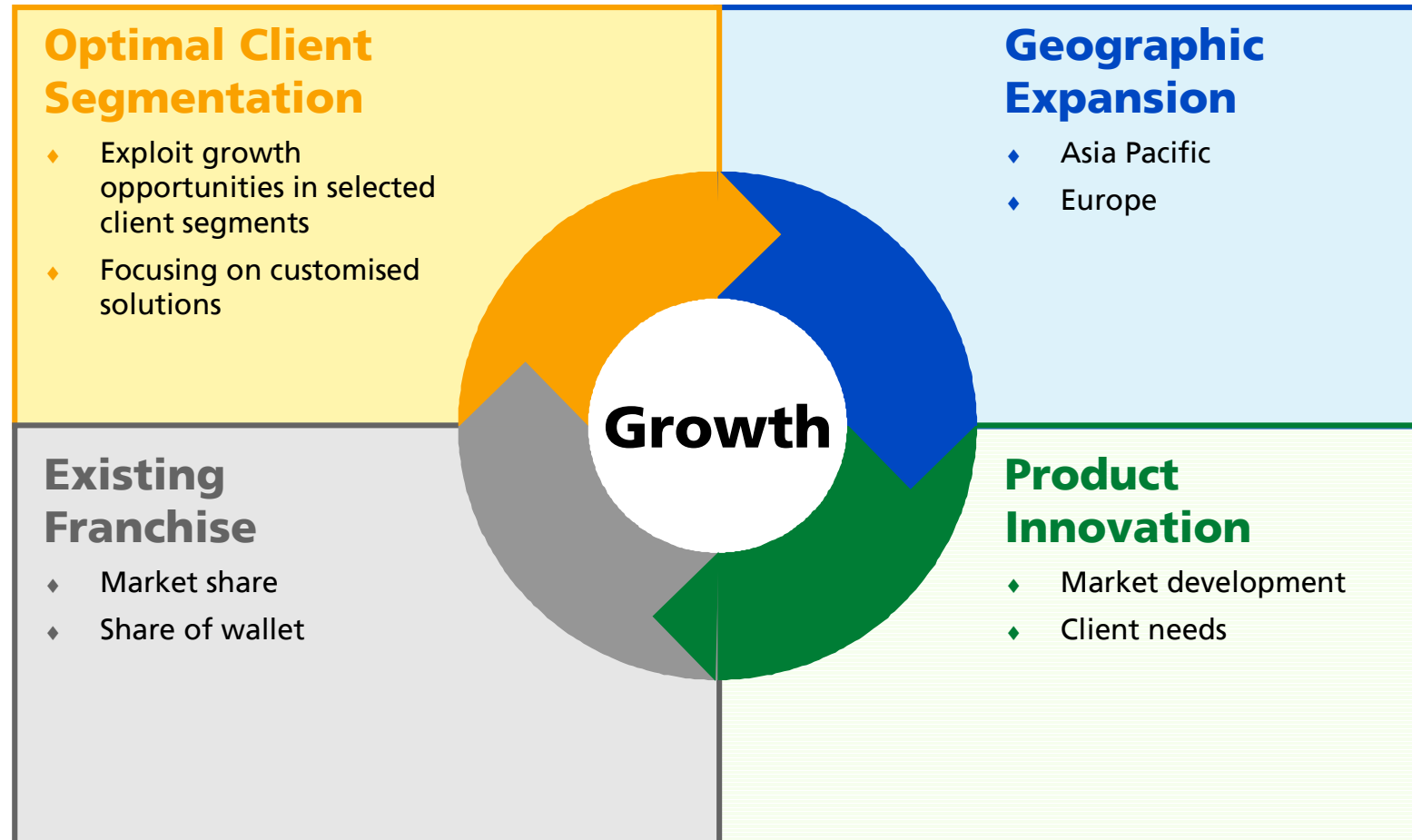
Invested assets - Global wealth management market¹



¹ Source: UBS internal estimate



Wealth Management—Capturing growth



Wealth Management—Way forward to 2010

Given WM's operating leverage, it is important to focus on growing revenues

Hire and retain top client advisors —

Growth in Asia Pacific —

Further growth in Europe —

Refine product mix

Use synergies through one-firm approach

Continued cost discipline

Business Banking Switzerland



Business Banking - Position in 2000

Business Banking is the market leader in Swiss retail and commercial banking

Strengths

- ◆ Service provider to all divisions in Switzerland
- ◆ Comprehensive multi-channel offering
- ◆ New client-oriented structure
- ◆ Successful revenue enhancement initiatives
- ◆ Market leader in Switzerland with 25-35% market share

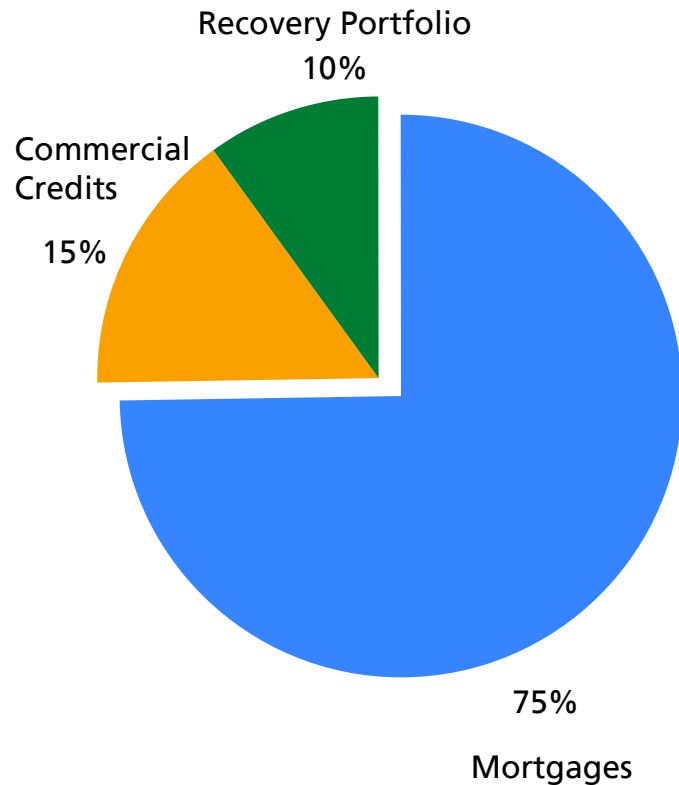
Weaknesses

- ◆ Redundancy in IT, business and logistic processes
- ◆ Expensive physical distribution network
- ◆ Saturated market, limited potential to grow above GDP

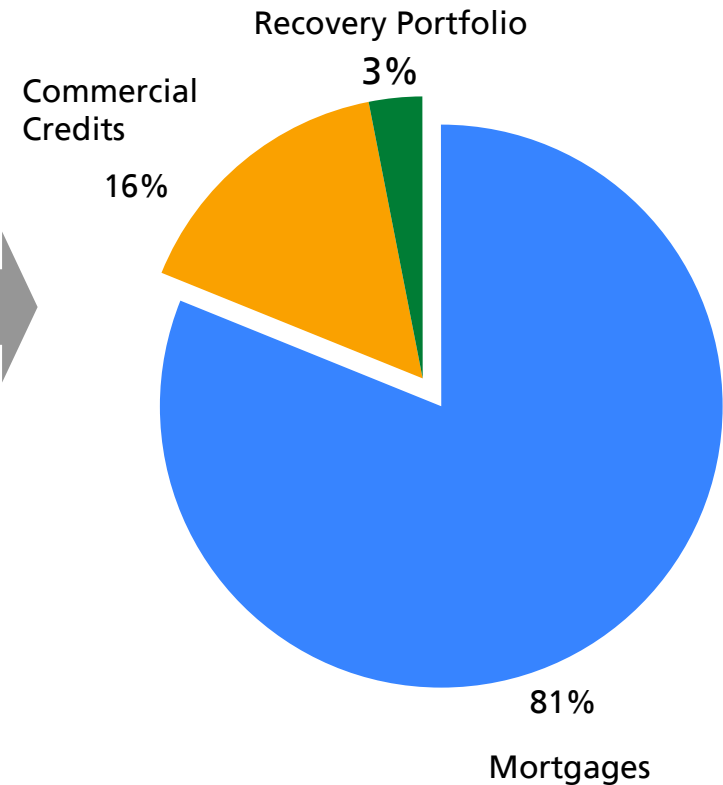
Business Banking—Improved credit portfolio

The share of mortgages in our credit portfolio has been strongly increased over the last years

2000

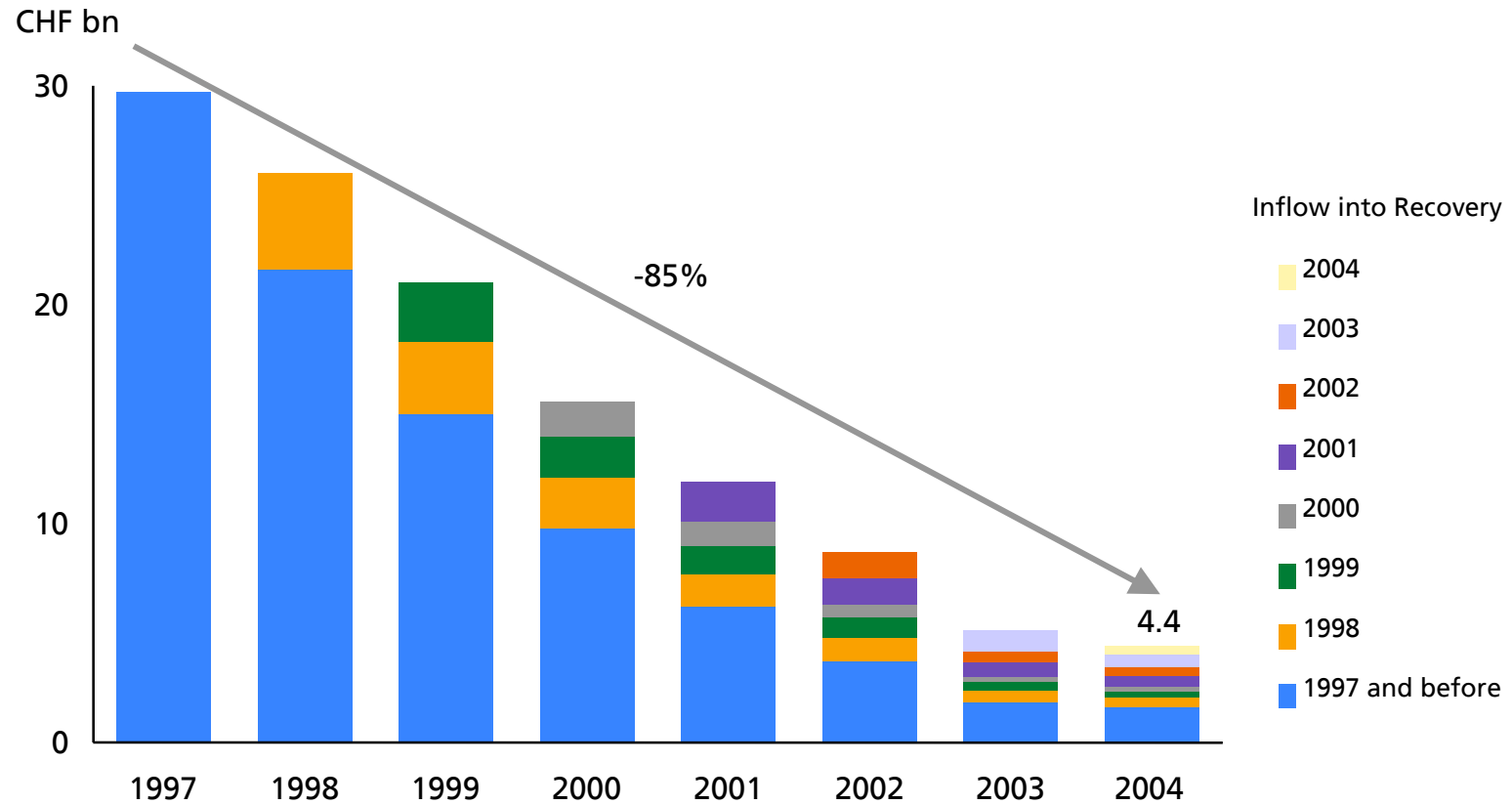


2004



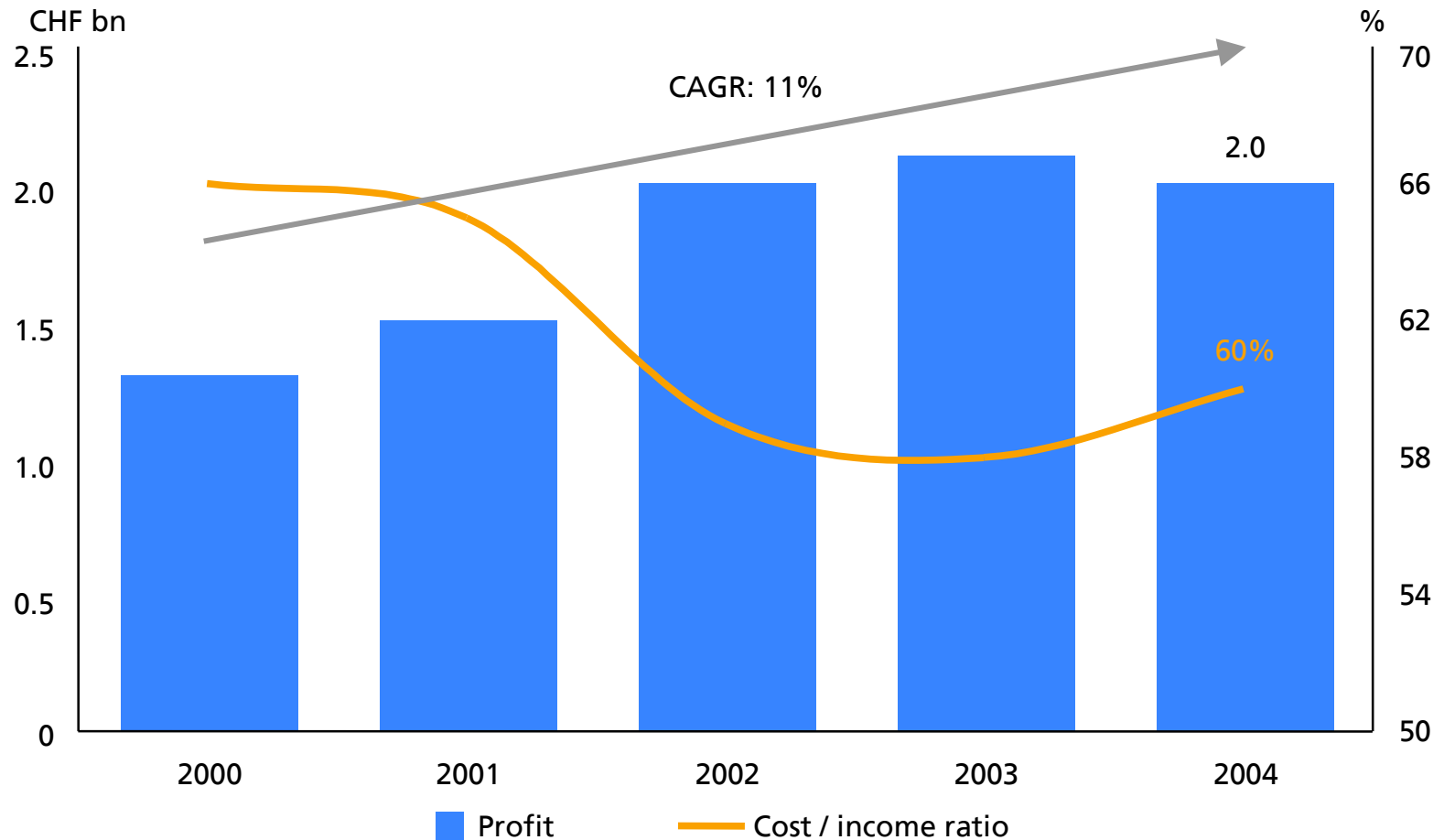
Business Banking—Improved credit portfolio

Credit exposure of recovery portfolio has been reduced consistently over the last seven years



Business Banking—Development

Reductions in the branch network and headcount led to a strongly improved cost / income ratio



Business Banking—Way forward to 2010

Cost discipline

Strict focus - growth in home market, no geographic expansion

Keep market share of 25-35% and increase for certain areas

Excellence takes place when people are committed

Wherever in the world clients will enter a UBS office ...



You & Us

**... they will be offered a completely consistent, high quality
and truly differentiated UBS client experience**





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