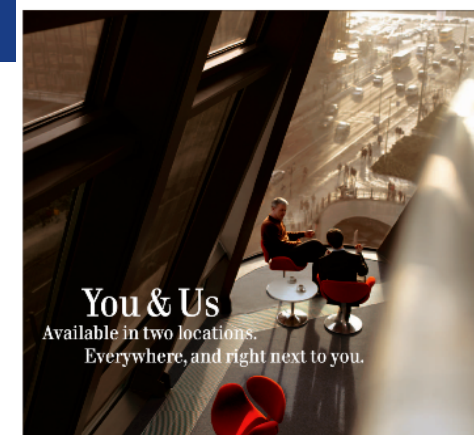


# UBS Product Day - Zurich Business Banking Switzerland

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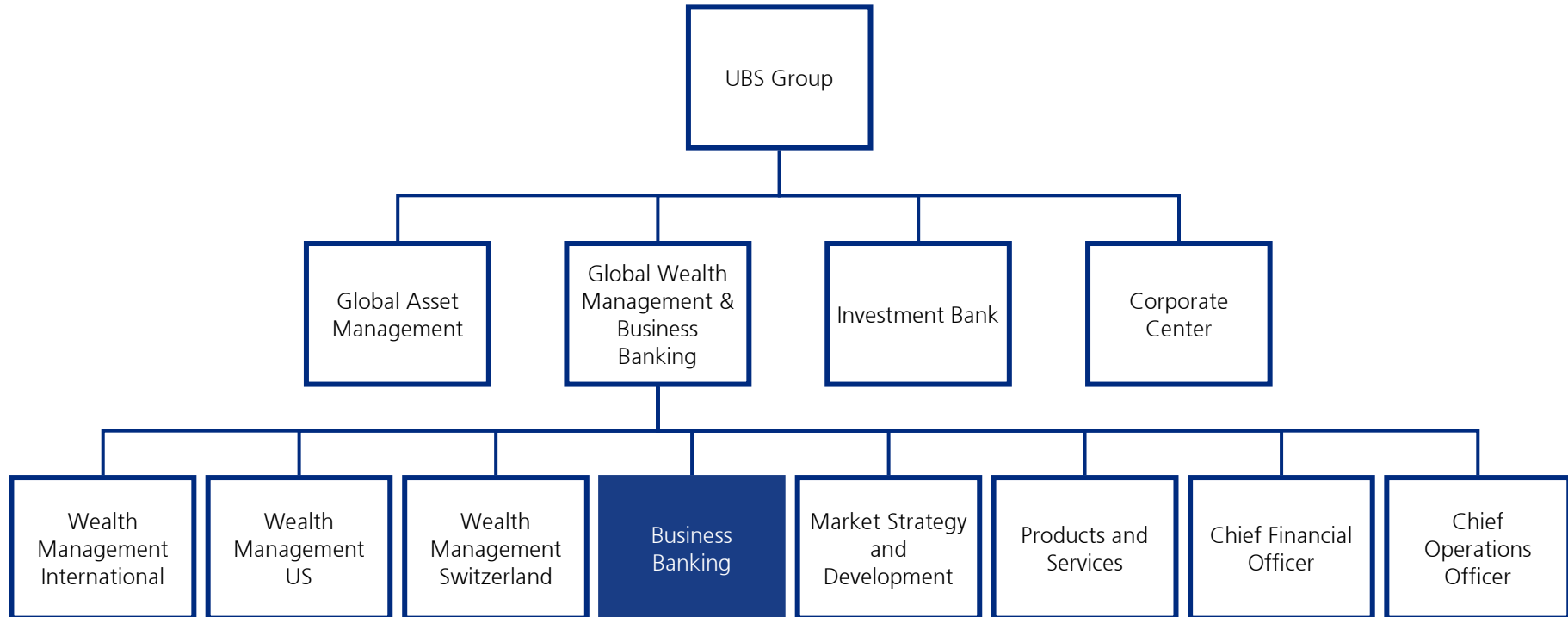
Hans-Ulrich Meister, Head of Business Banking



June 1, 2006

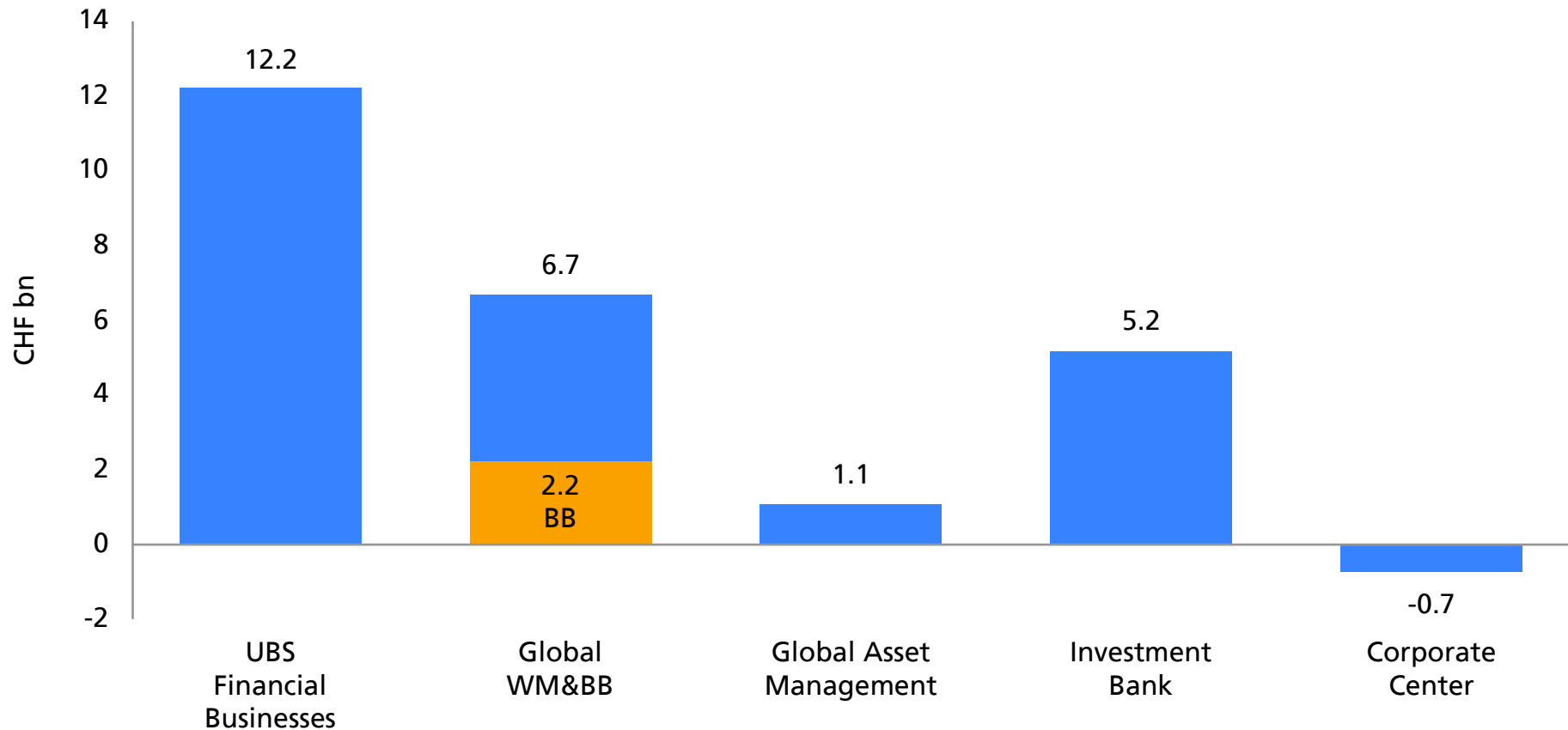
# UBS Group

## Our Organization



# Financial Businesses pre-tax results 2005

**Business Banking contributed 18% to the Financial Businesses results...**

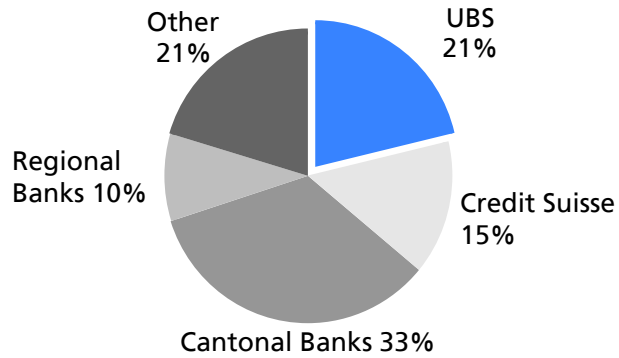


**...and 33% to Global WM&BB results**

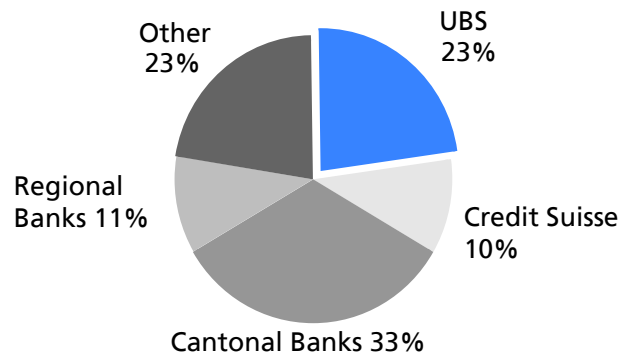
# High market share in Switzerland

## Strong market share across all major product categories

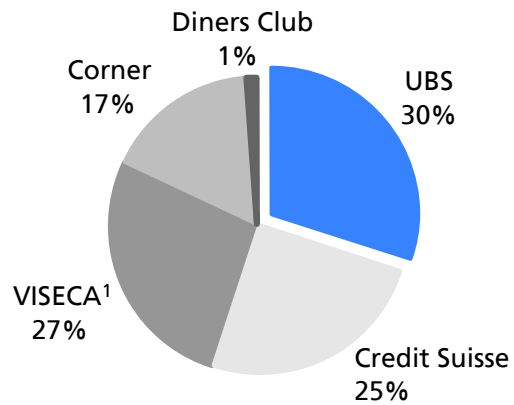
### Private & Corporate Loans



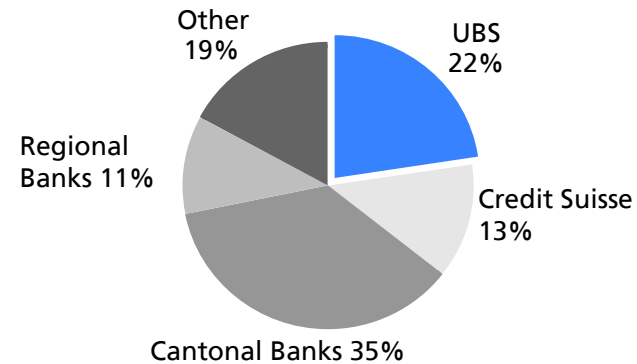
### Private & Corporate Savings / Deposits



### Credit Cards



### Mortgages



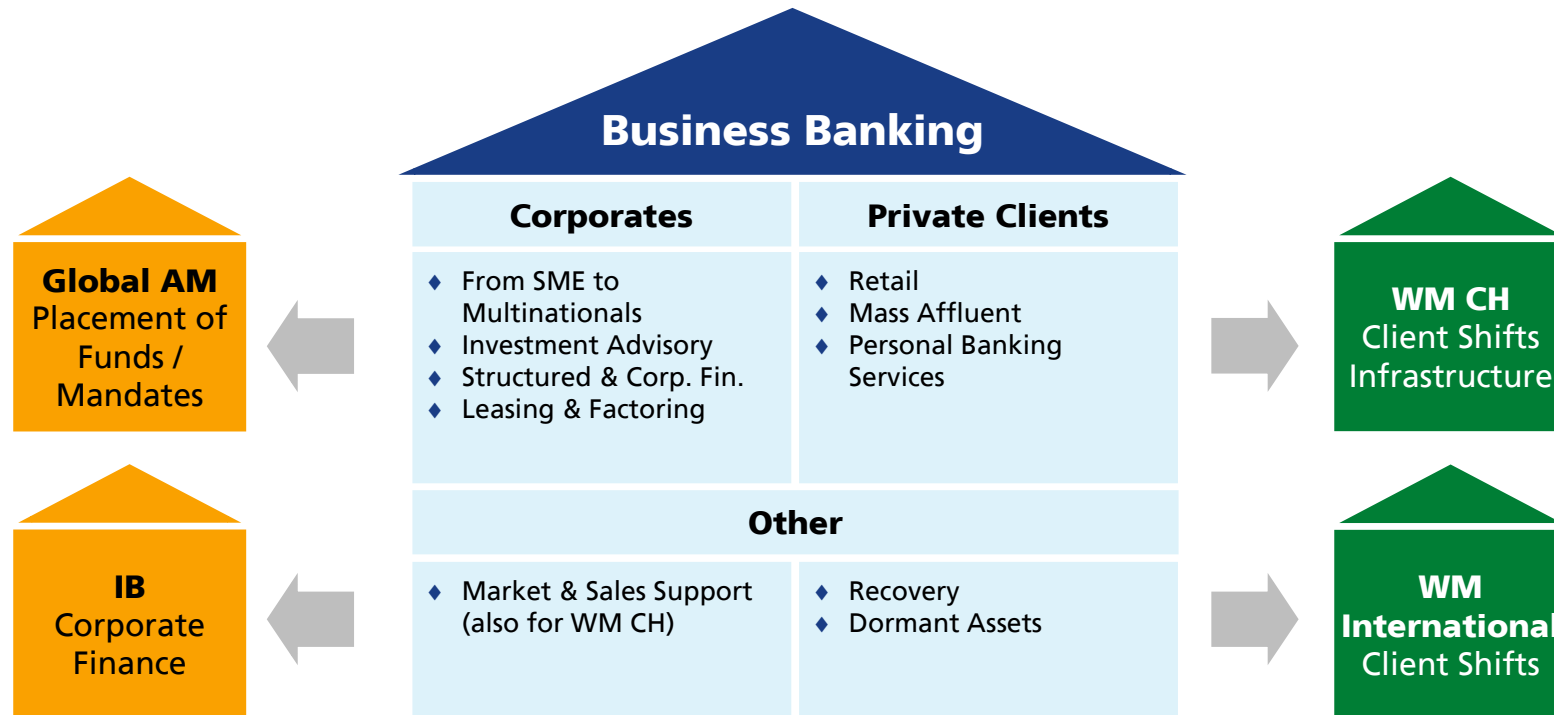
Source:

SNB (259 banks reporting), UBS (booking center CH)

1 Cooperation of Cantonal Banks, Regional Banks, Raiffeisen Bank and Migros Bank

# Business Banking is a heterogeneous business area

We provide a complete set of banking and securities services...



...and contribute significantly to other Business Area results

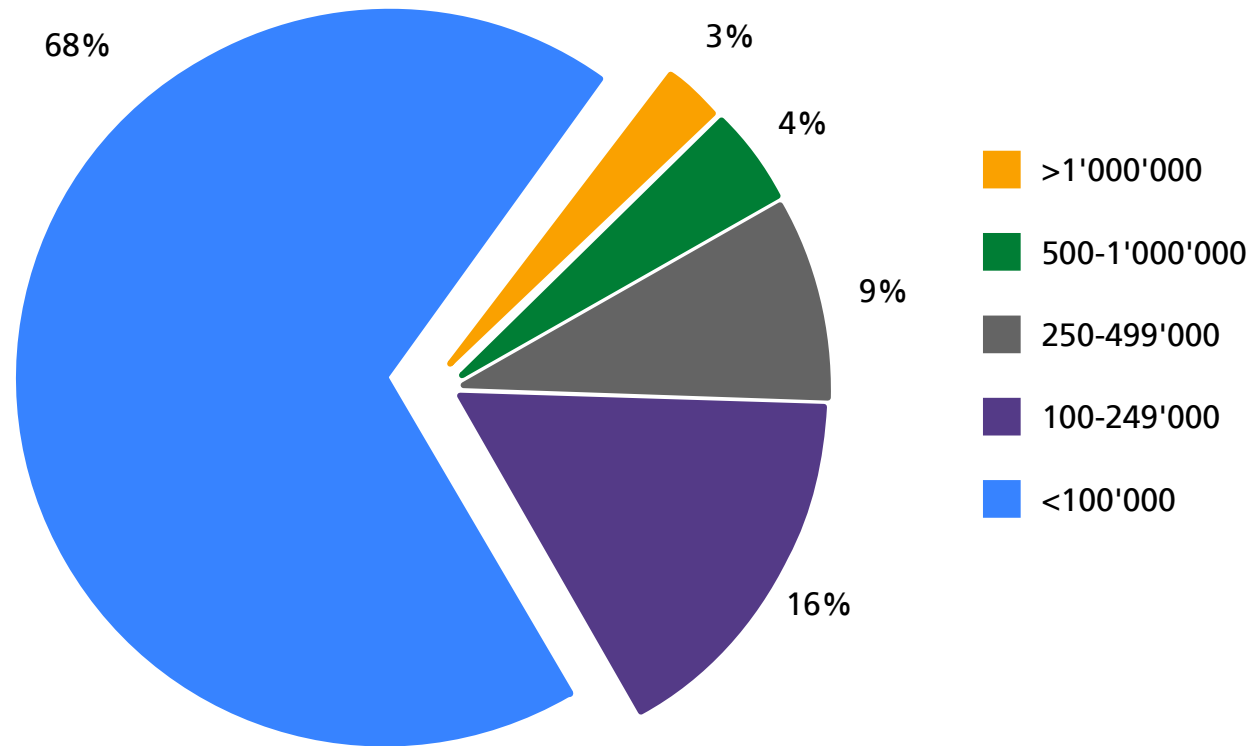
SECTION 1

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# Private Clients

# Swiss households

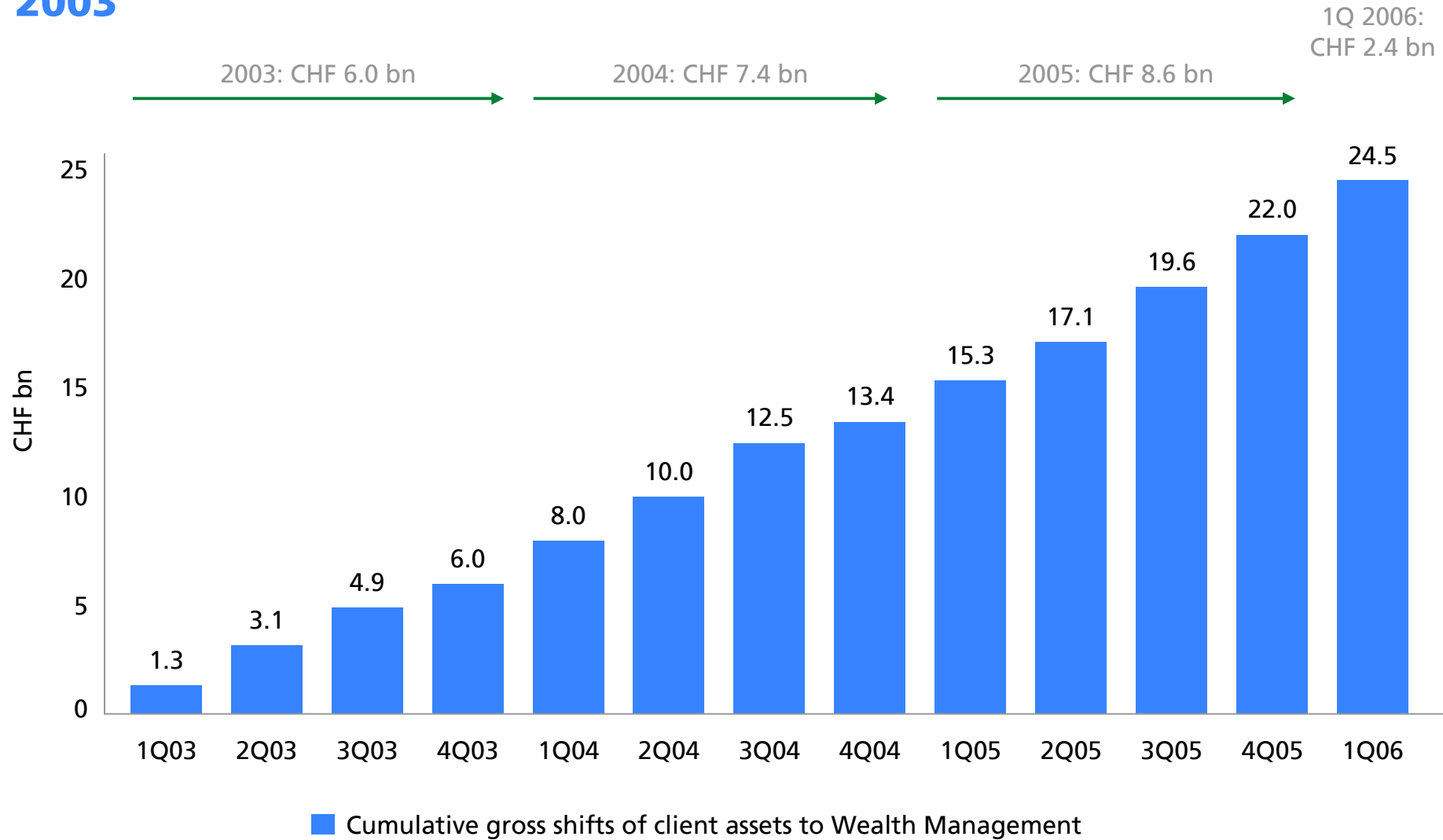
## 3.3m households in Switzerland in 2005 – according to wealth class



Source: Swiss Federal Statistical Office, dmplus

# Client shifts

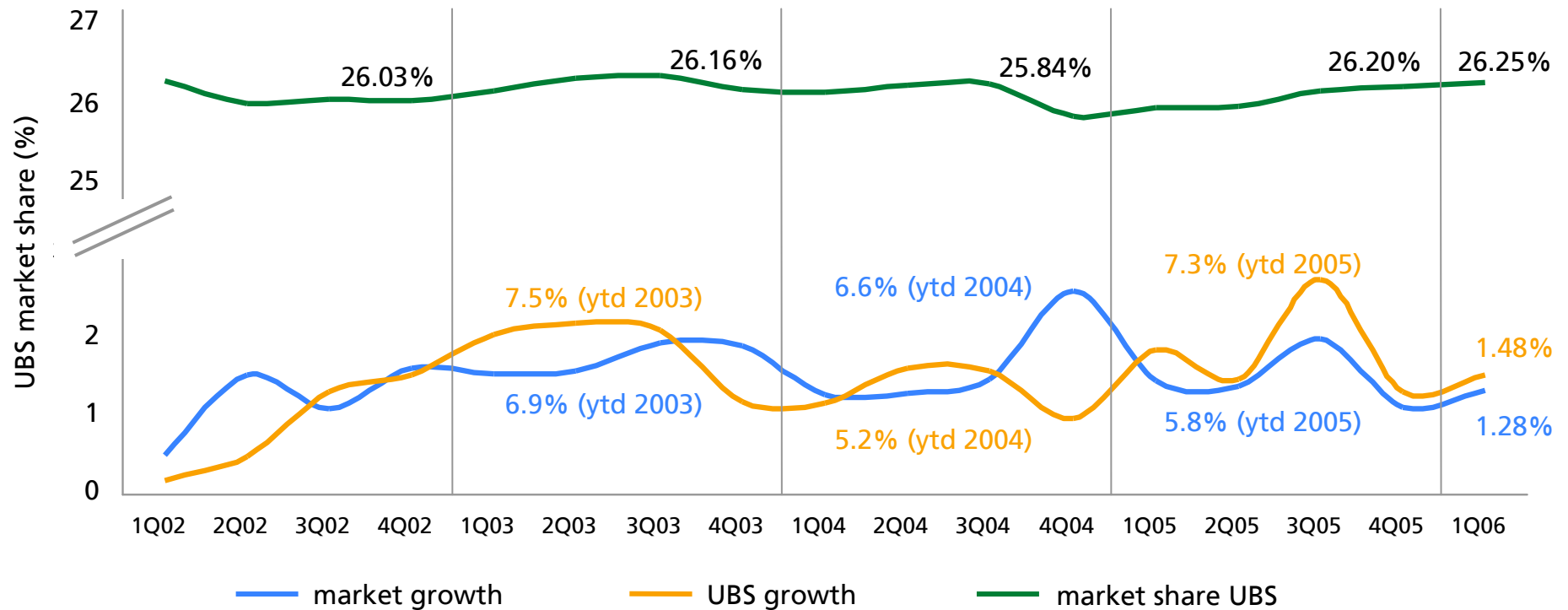
**CHF 24.5 bn assets were shifted to Wealth Management since 2003**





# Private mortgages in Switzerland

## Private mortgages with stable market share as UBS grows in line with market



1 Since 4Q04, SNB-Time Series includes 14 additional Raiffeisen Banks with mortgage volumes of CHF 7.5bn

# Young Client Initiative

## We focus on what young people want...

### Attention

- ◆ being respected
- ◆ demonstrating dedication

### Offering

- ◆ according to their needs
- ◆ attractive add-ons

### Respect

- ◆ equitable
- ◆ friendly & fair treatment

### Authenticity

- ◆ clear & logical
- ◆ honest & straightforward

### Advisory Services

- ◆ start check-up
- ◆ finance check-up

### Offering

- ◆ product bundle «Generation»
- ◆ product bundle «Campus»

### Additional Benefits

- ◆ special conditions for iPods and iTunes Song Cards
- ◆ Euro < 26 membership (card)
- ◆ bonus scheme (UBS Key Club)
- ◆ sponsoring & events



iTunes Song Cards



iPod Sets



Euro < 26 membership

**The UBS young client initiative acquired close to 25,000 new clients since launch in May 05 until the end of last year**

SECTION 2

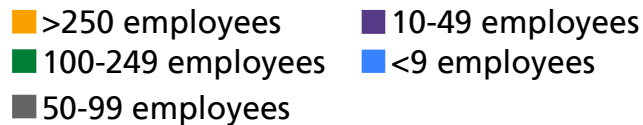
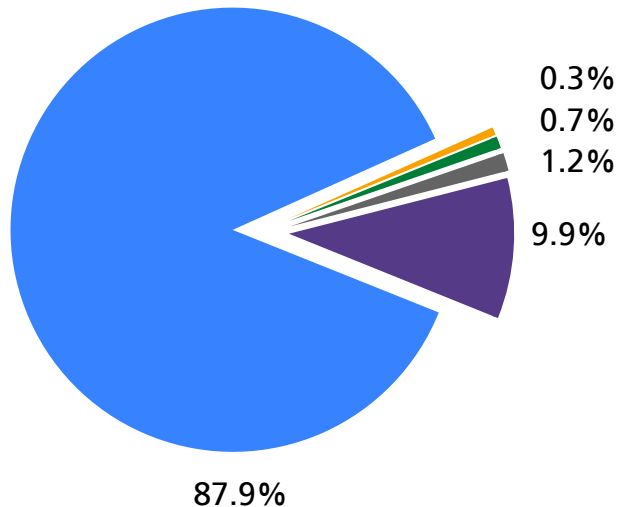
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# Corporate Clients

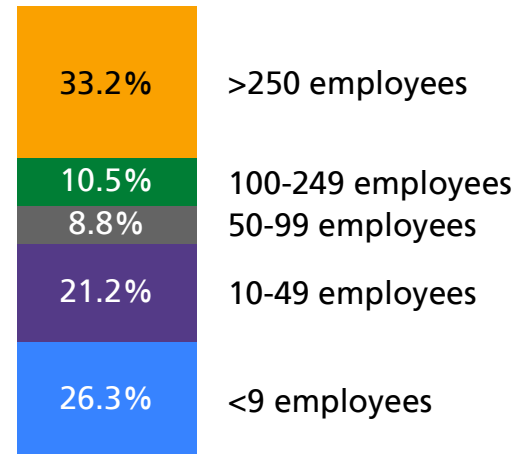
# Corporations in Switzerland

## Switzerland has about 335,000 corporations

Allocation according to number of employees



Allocation of employees according to «size» of corporation



**More than 136,000 Swiss corporations have a banking relationship with UBS, 95% thereof are SME**

Source: Swiss Federal Statistical Office, Corporate demography 2003

# Business financing

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**The business risks are substantially determined by the financial risk capacity of a company**

## **Past**

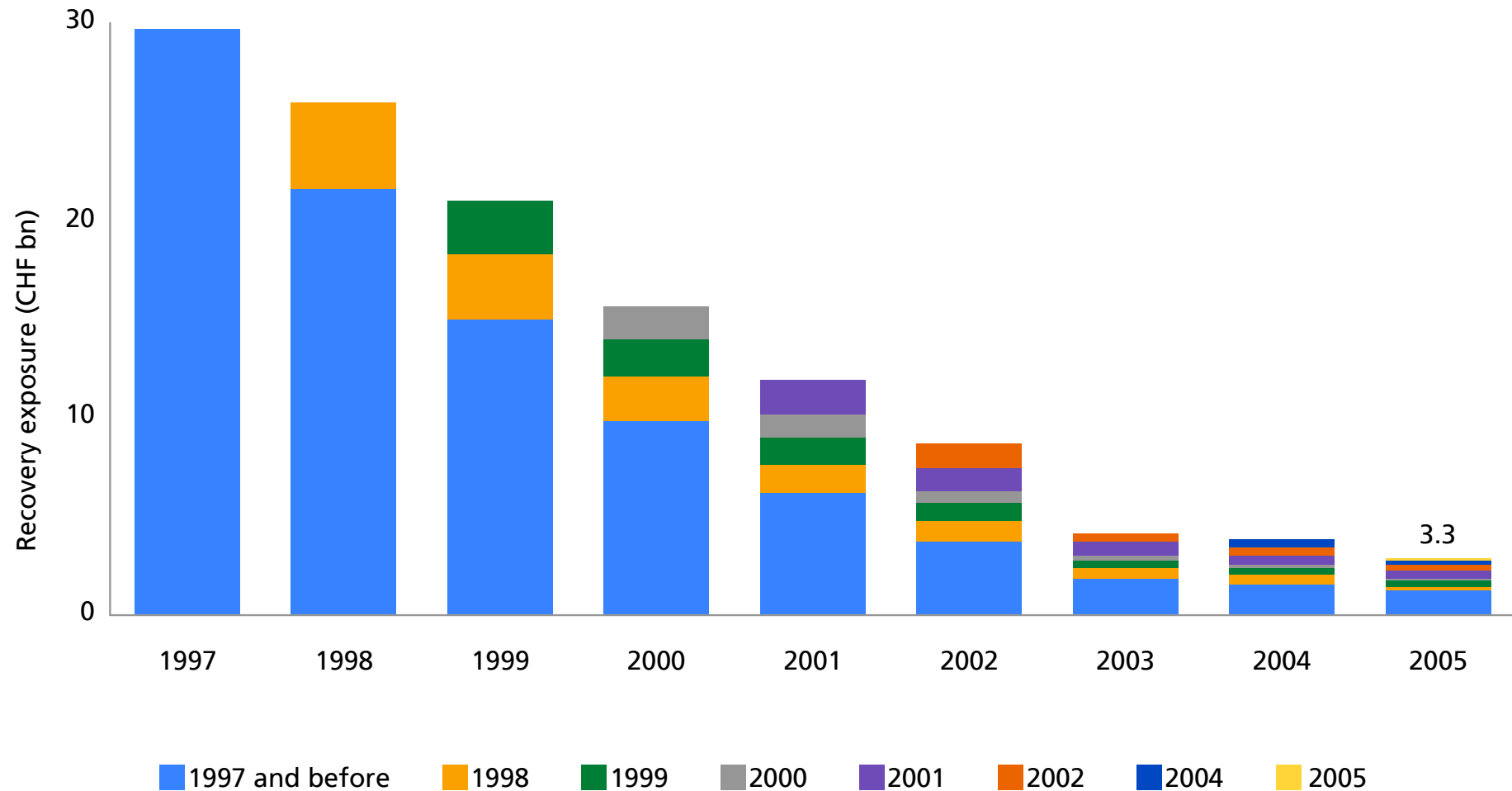
- ◆ asset based view
- ◆ intransparent
- ◆ cross-subsidization
- ◆ volume objectives
- ◆ name lending

## **Present**

- ◆ cash flow based view / debt capacity
- ◆ transparent
- ◆ risk adjusted pricing
- ◆ return on equity
- ◆ rating system
- ◆ four eyes principle

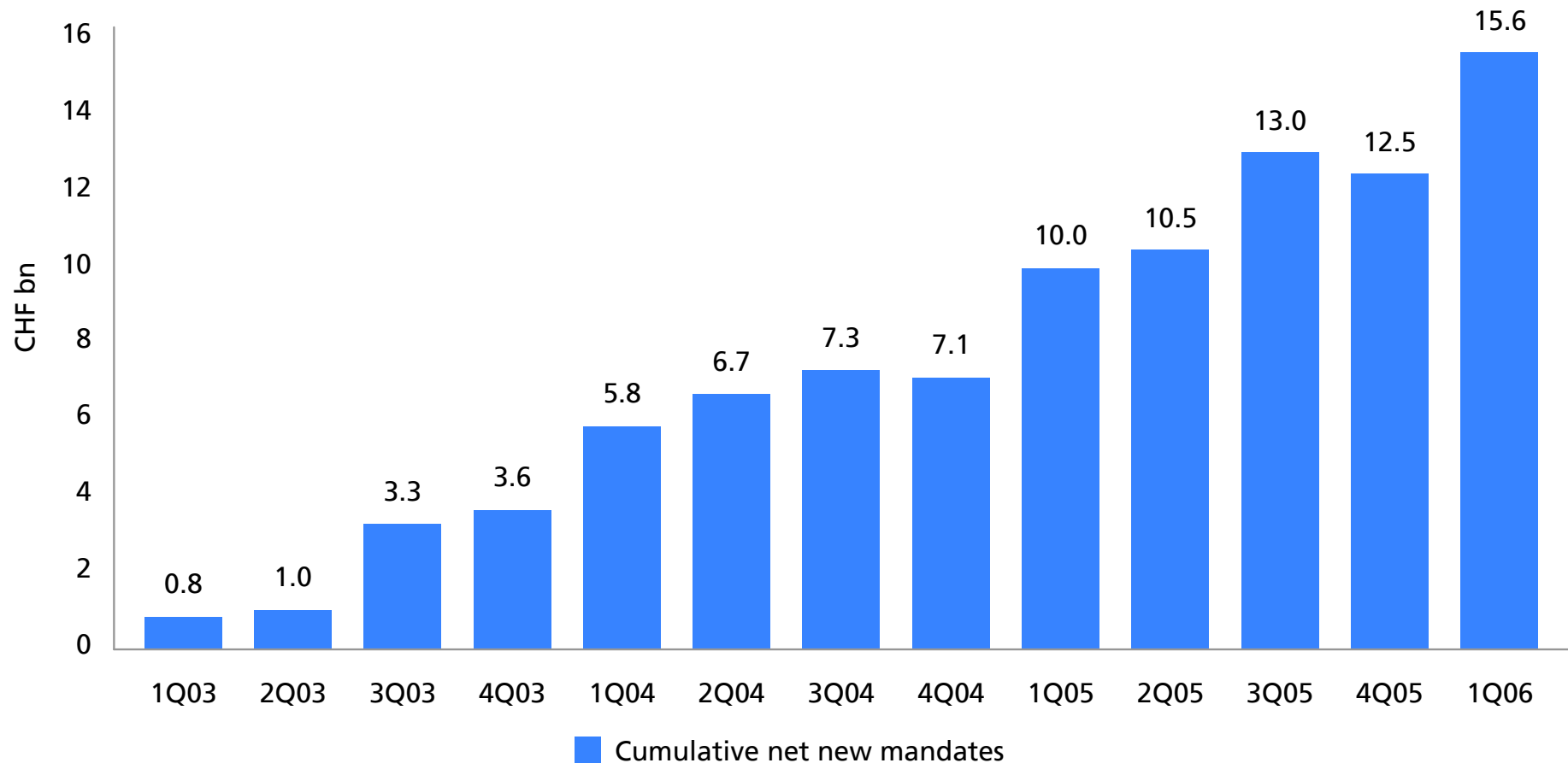
# Improved credit portfolio

## Consistent reduction of credit exposure in the Recovery Portfolio over the past seven years



# Institutional investment advisory

## Business Banking is generating mandates for Global Asset Management...



**...net CHF 15.6bn mandates since 2003**

SECTION 3

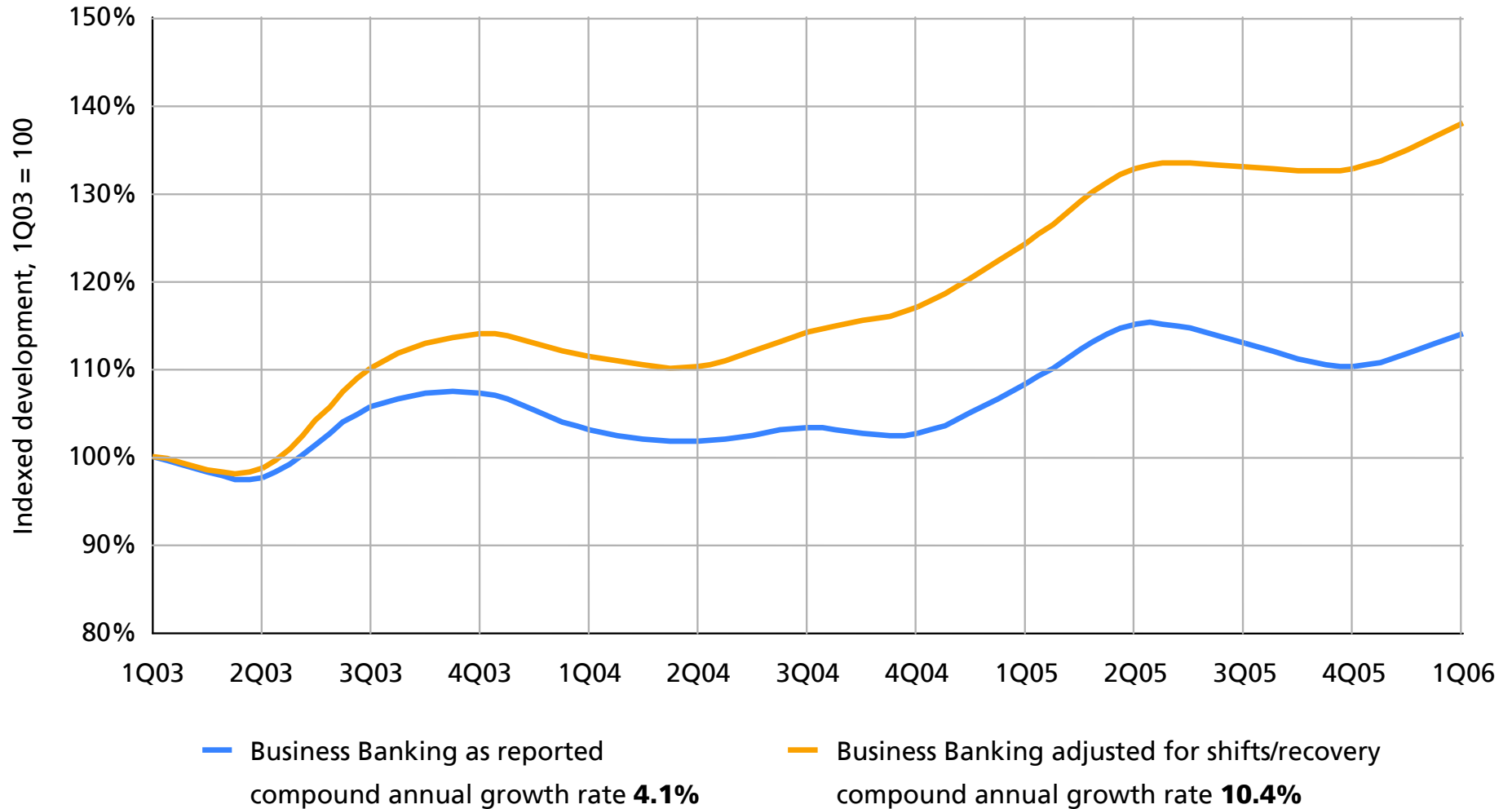
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# Results



# Business Banking CH—Performance before tax

**BB supports the growth strategy by providing a stable and high level contribution**



# Questions.....

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