



UBS Investors' Day Investment Banking

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14 December 1999

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1999 Update

SECTION 1

Strategic Goal of UBS Warburg

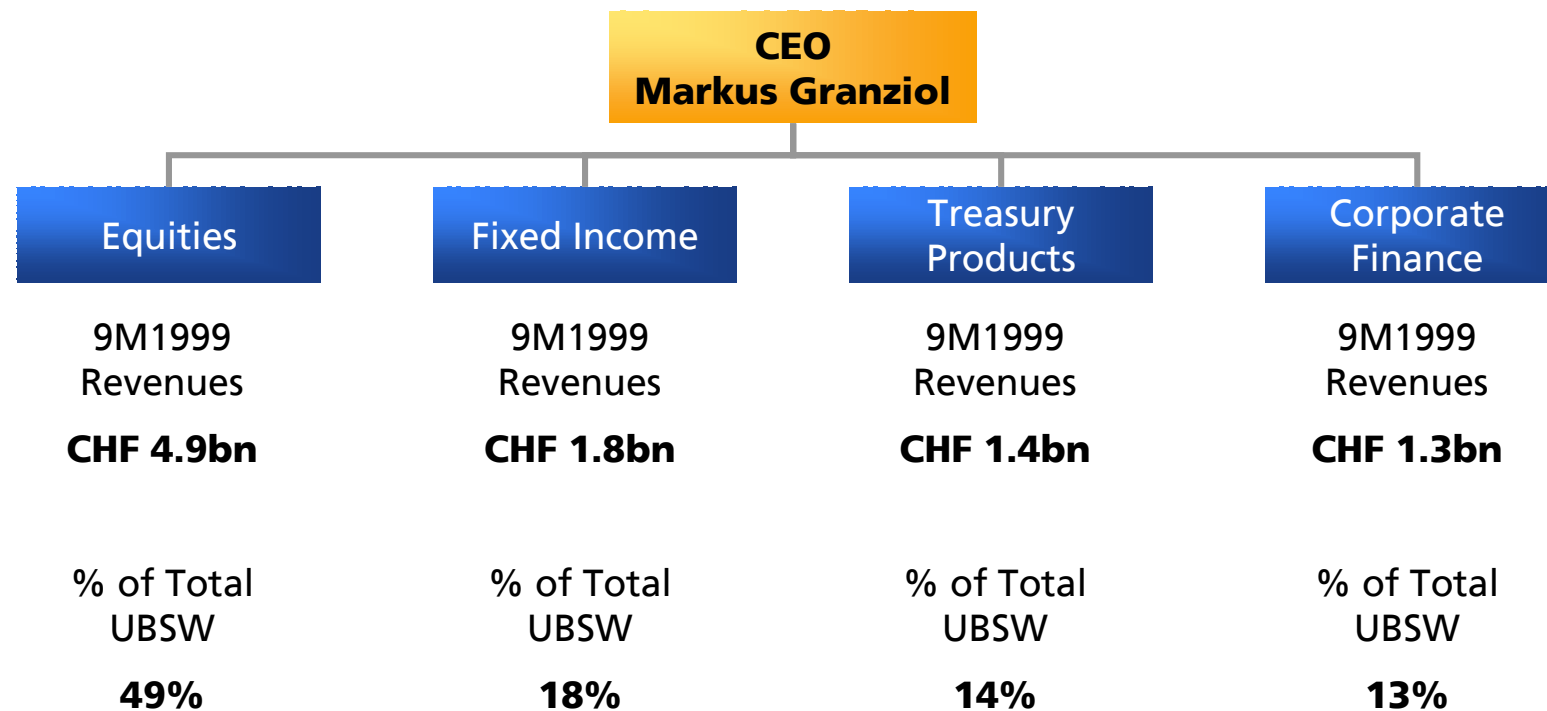
A leading global investment bank in terms of client franchise, as well as financial servicing capabilities

- ◆ In 1999, UBS Warburg has achieved this level of success for the first time
- ◆ Make this position sustainable
 - Investing in talent and technology
 - New market opportunities
 - Extending our client reach
- ◆ Solid client franchise
- ◆ Strong financial performance

UBS Warburg's Business Focus

- ◆ Our Business - Wholesale financial and investment products
- ◆ Our Clients - Institutions, corporates and sovereigns worldwide
- ◆ Definition of "Investment Banking"
- ◆ Synergies with with other divisions

UBS Warburg's Business Areas

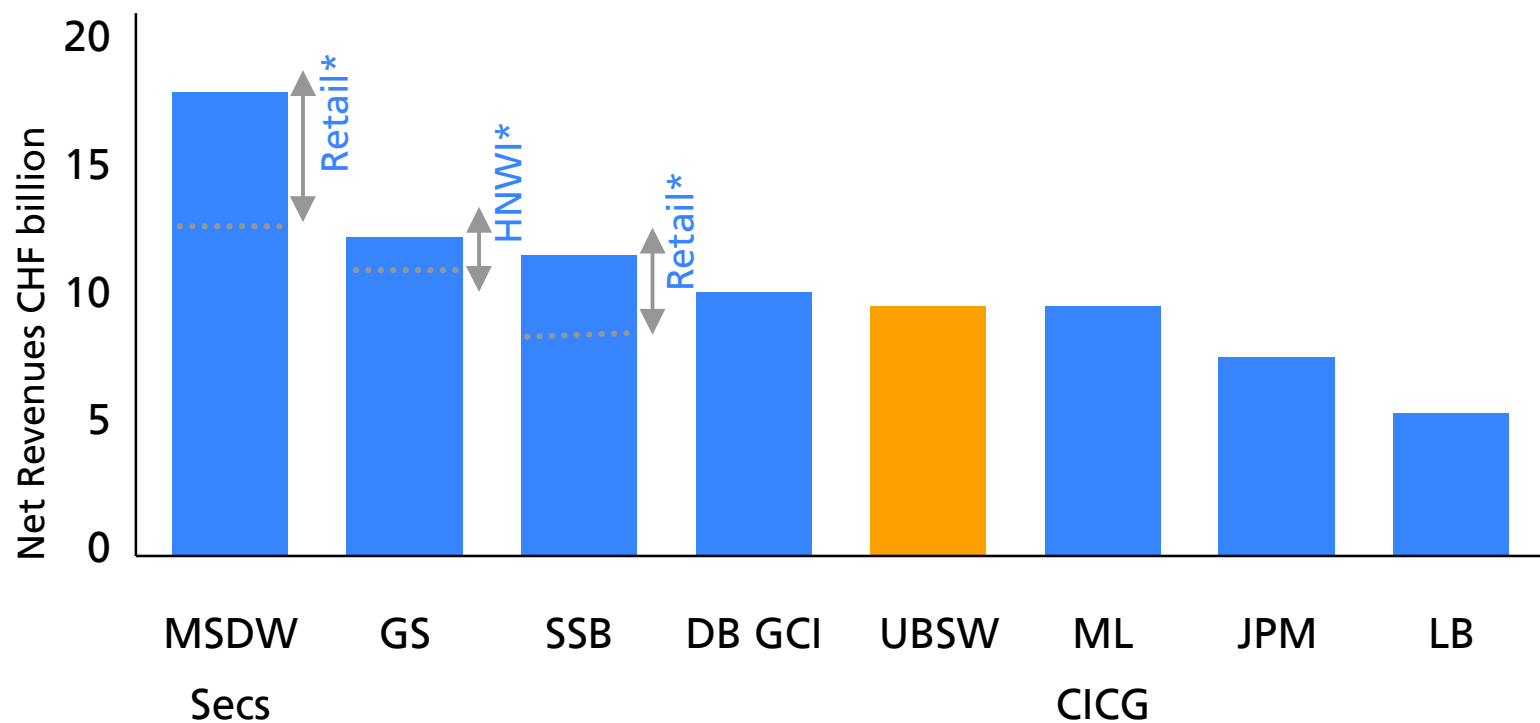


Note: Non-Core Revenues of CHF 644m represent 6% of total

Competitive Position

9M 1999 Revenues

(excludes asset management and private equity)



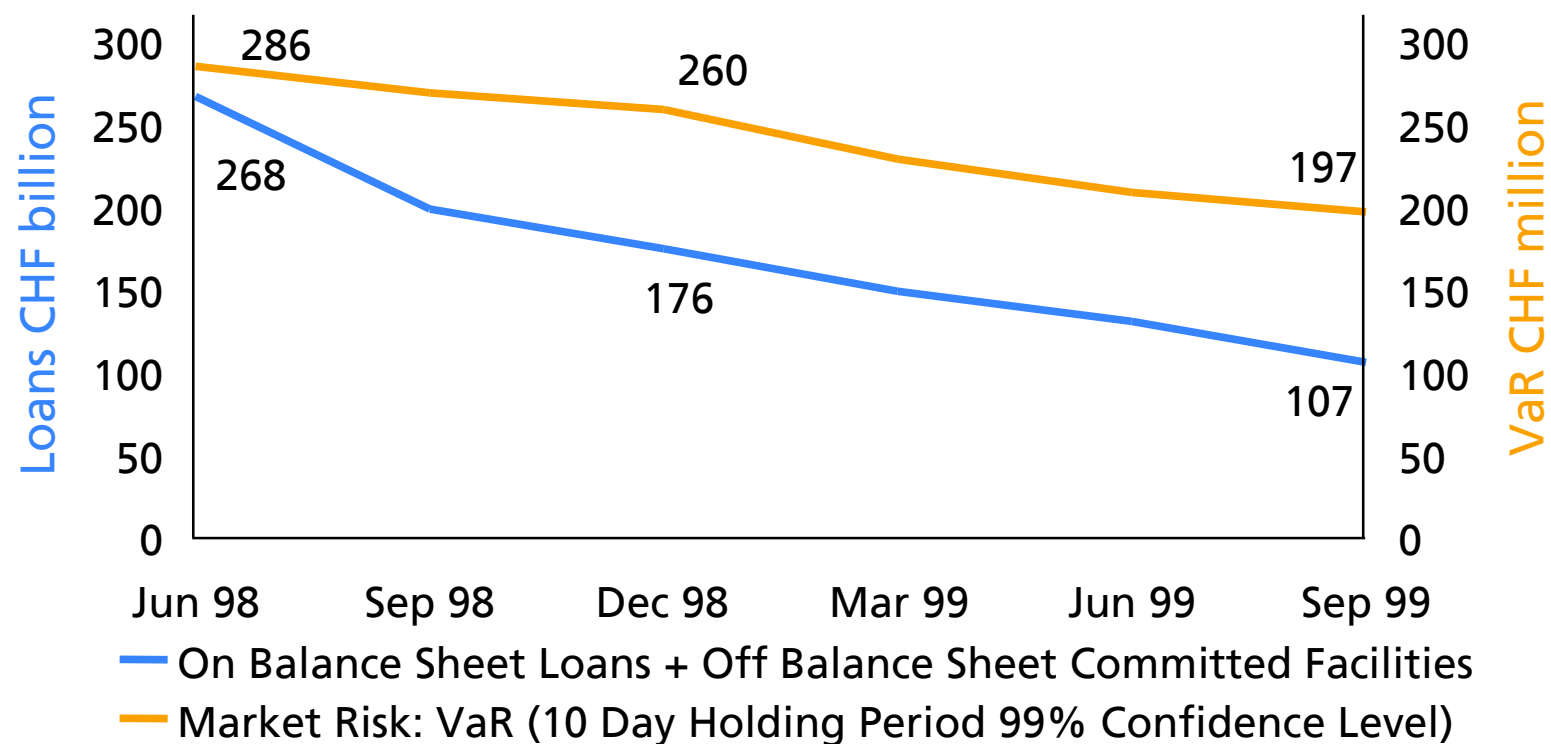
Note:

* UBS Warburg's estimates

Non Core Businesses

- ◆ Sale of International Global Trade Finance business
- ◆ Pre-Merger Global Equity Derivatives Portfolio
 - Sophisticated risk management platform
 - Traded profitably year to date
 - VaR significantly reduced
 - Sensitivity to extreme stress events reduced

Reductions in Non-Core Loans and Market VaR



Post-Merger Synergies

CHF million (except headcount)	9M1999	9M1997⁽¹⁾	% Change 1997-1999
Revenue	10,081	7,941	27%
Profit before Tax	2,077	959	116%
Average regulatory equity used	10,350	13,600	(24%)
Return on Equity (annualised)	26.8%	9.4%	

Note:

1 9M1997 is full-year, on a pro-rata and pro-forma basis

Cost Control / Investment Approach

- ◆ 20% of the cost base represents costs invested in Technology expenditure
- ◆ Competitive pay levels to retain top talent
- ◆ Rigorous cost control

Market Trends

SECTION 2

Market Trends

Investment banking is a growth industry

Annual Growth Rate 1988-1999

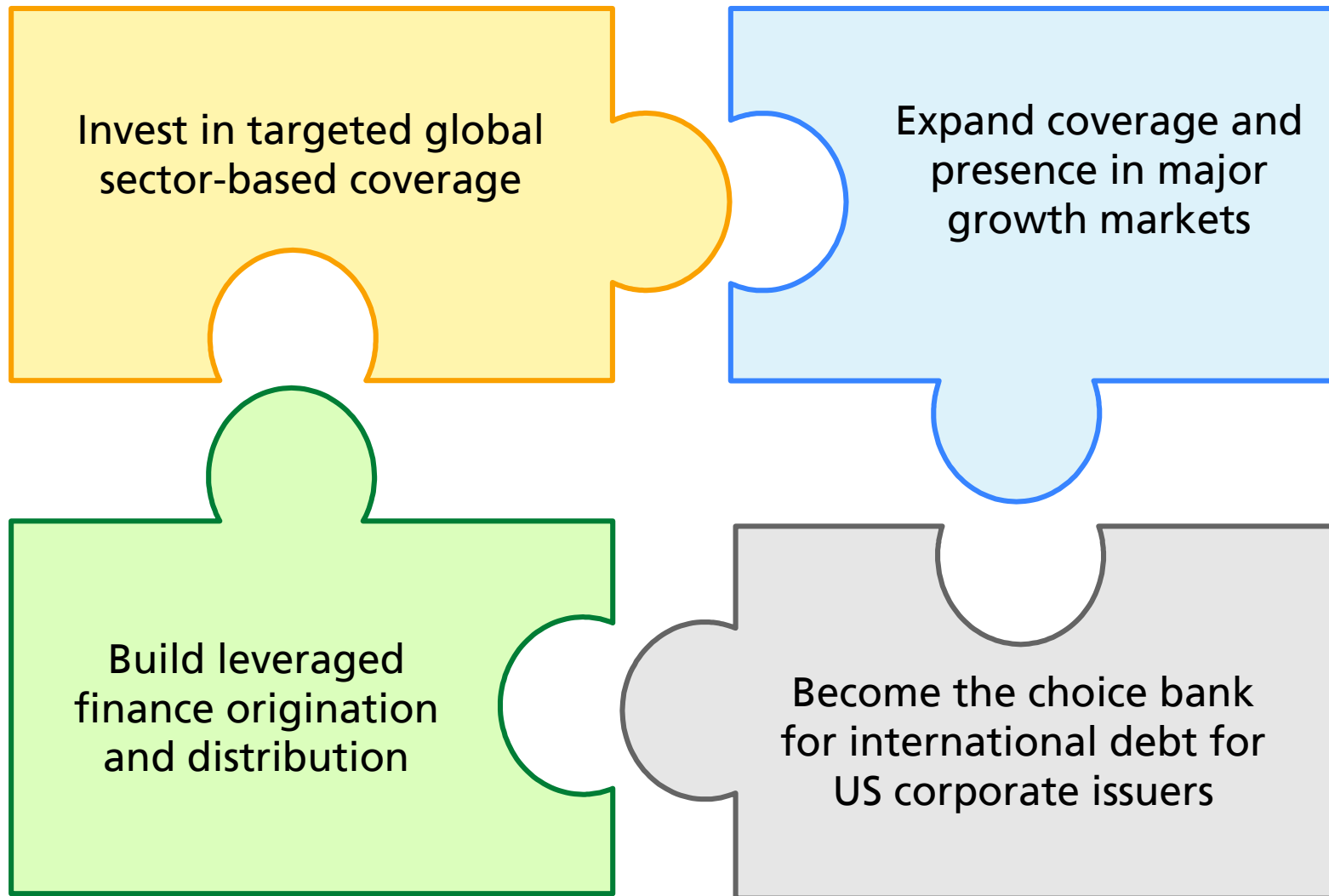
Equity Market Turnover & Margins	Market Turnover	Average Margins
Europe	22%	(4.0%)
North America	26%	(10.2%)
Asia Pacific	3%	(0.2%)
Total	18%	(6.6%)

Source: Market Turnover - FIBV ; Margins - UBS Warburg analysis and estimates

Corporate Client Franchise

SECTION 3

Corporate Client Franchise - Strategic Growth



Corporate Client Franchise

UBS Warburg has a large corporate finance and advisory business, which has already generated 9M 1999 revenues of CHF 2.1 billion

Corporate Client Franchise - M&A

Worldwide M&A Announced Deals November 1999 Year-to-Date

Rank		1999
1999		US\$ bn
1	Goldman Sachs	1,304
2	Morgan Stanley	1,112
3	Merrill Lynch	1,094
8	UBS Warburg	499



Corporate Client Franchise - Equity Origination

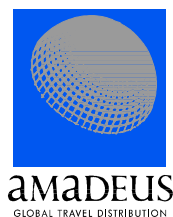
International Equity November 1999 Year to Date

Rank			1999
1999	1998	Manager or Group	US\$ bn
1	1	Goldman Sachs	37
2	3	Morgan Stanley	25
3	4	Merrill Lynch	23
5	2	UBS Warburg	15

International Equity Linked November 1999 Year to Date

Rank			1999
1999	1998	Manager or Group	US\$ bn
1	2	Goldman Sachs	8
2	11	Merrill Lynch	7
3	1	UBS Warburg	6

Source: Bondware



Corporate Client Franchise - Fixed Income Origination

All Eurobonds Bookrunners November 1999 Year to Date

Rank			1999
1999	1998	Manager or Group	US\$ bn
1	2	Deutsche Bank	108
2	1	UBS Warburg	90
3	4	Merrill Lynch	90

Source: Bondware



International Bonds UBS Warburg Franchise Segments⁽¹⁾ September 1999 Year to Date

Rank			1999
1999	1998	Manager or Group	US\$ bn
1	1	UBS Warburg	51
2	5	Merrill Lynch	47
3	3	Deutsche Bank	43

Note:

- 1 UBS Warburg franchise segments exclude Pfandbriefe, asset backed, self issuance and U.S. agencies.



Corporate Client Franchise - Leveraged Finance

Leveraged Finance is a critical part of a corporate client driven investment banking strategy

	Acquisition Finance	Bridge & Leveraged Financing	High Yield Bonds
Estimated 1999 Fee Pool (CHF bn)			
US	2.9	3.2	2.0
Europe	0.7	0.3	0.5
Expected Fee Pool Growth			
US	20%	20%	10%
Europe	30%	40%	30%

Corporate Client Franchise - Client Fee Ranking

UBS Warburg Gross Fee Rankings and Market Share for Equity, Equity-Linked, High Grade, High Yield and M&A: 1996 - 1999

		1996-1998		1998		H1 1999	
		Rank	Share	Rank	Share	Rank	Share
Regions	Global	5	4.1%	6	4.3%	6	3.4%
	Europe	1	8.9%	1	8.8%	5	4.8%
	Americas	12	2.4%	12	2.5%	12	2.2%
	Rest of World	2	4.4%	2	6.2%	2	4.9%

Source: SDC, Thomson Financial Data Corp. and Freeman & Co. estimates

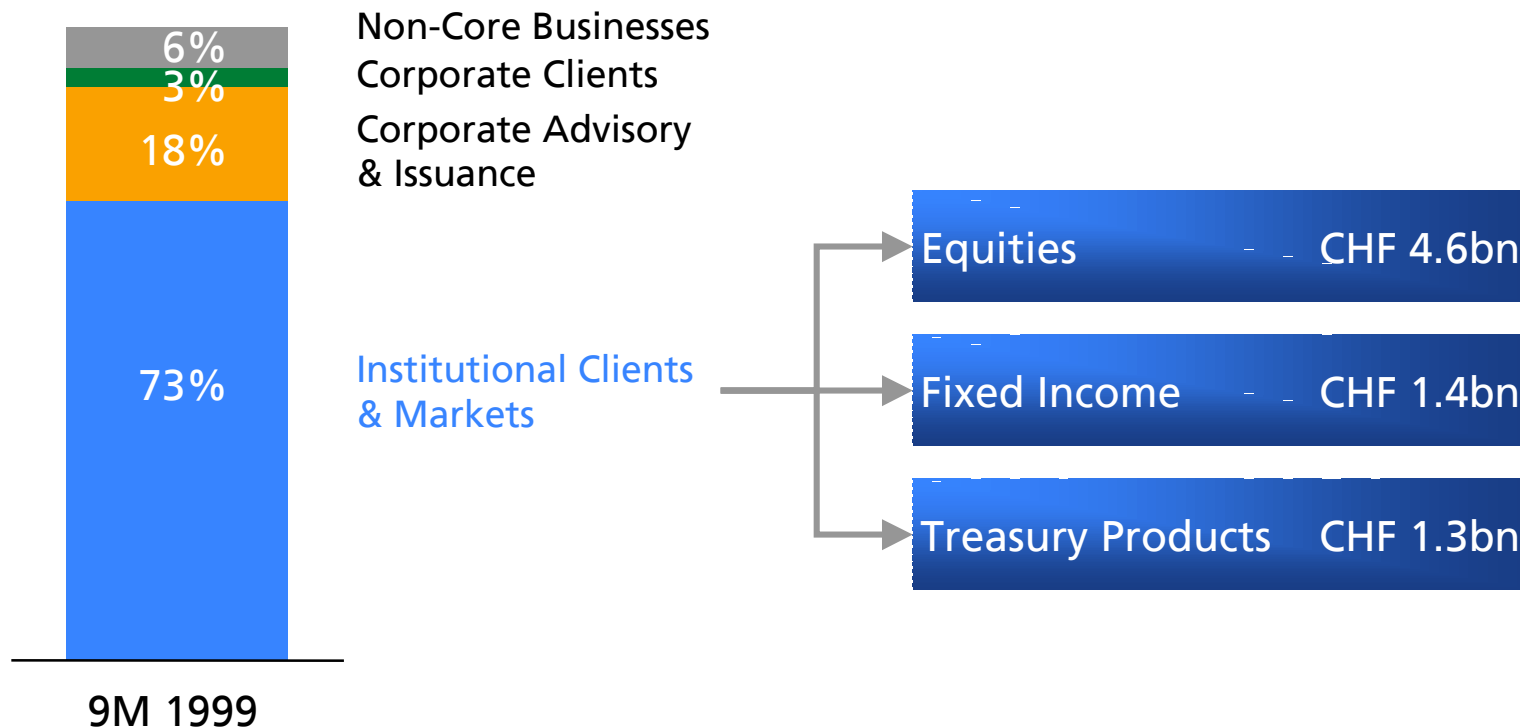
Institutional Client Franchise

SECTION 4

Institutional Client Franchise

Revenues by Client Type

100% = CHF 10.1bn



Institutional Client Franchise - Equity Sales

- ◆ Industry commission pool - grown by 19% since 1998
- ◆ Our equity commissions - grown by 48% since 1998
- ◆ Market share from 6.9% to 8.4%, ranking from 5th to 3rd
- ◆ Recent awards include



Best Broker
execution in the UK



Best Equity Brokerage
Firm in Asia



Best Broker Research
for Europe



Best Foreign Securities
Firm in Australia

- ◆ Market position on the NYSE (AutEx volume) from 17th to 9th since merger

Institutional Client Franchise - Fixed Income Sales

- ◆ Global revenue pool grown by 35% since 1998
- ◆ Our client-driven revenues increased by 76% over same period
- ◆ Estimated global market share - 5.5% , ranked 4th
- ◆ Recent awards include:



1999 Eurobond Trading
House of the Year



1999 Ranked #3 Overall
International Bonds

- ◆ US credit product distribution capabilities ranked joint 2nd
- ◆ Top 8 house in US Government Bonds

Institutional Client Franchise - Research

Reuters Ranking	1999	1998	1997
UK Small Cap	1st	1st	3rd
UK Large Cap	2nd	1st	2nd
Euro Small Cap	1st	na	na
Euro Large Cap	1st	1st	1st
US Large Cap	18th	19th	>20th
Hong Kong & China	1st	2nd	na
Global Emerging Markets	2nd	3rd	na

Institutional Client Franchise - E-business

- ◆ **IBOL (Investment Banking On-Line)** - A single homepage - research, prices, analytic tools, trade ideas and links to execution
- ◆ **Treasury Products Direct** - All foreign exchange and money market products
- ◆ **Fixed Income Direct** - Pricing, credit data, analytics and electronic execution of fixed income products
- ◆ **Equity Direct / Fix Web** - Order routing and online trading for equities
- ◆ **Corporate Finance Online** - Front to back connectivity of the capital markets process

Institutional Client Franchise - E-business

- ◆ **Equity Business** - 50 of our largest clients execute 15% of their volume electronically
- ◆ **Treasury Products** - 50% of all client transactions are priced, captured, settled and routed electronically to our risk engines
- ◆ **Fixed Income** - In ECP, 75% of our clients are accessing prices at our website
- ◆ **Global eHelp Service Desk** - 24 hours per day, 6 days per week
- ◆ **Securities Processing Power**
 - 100,000 domestic and cross-border trades per day
 - Capacity for a five-fold increase

Overall Client Franchise

Summary of Strategic Initiatives

Corporate Clients

- ◆ Strengthen target global sector capabilities
- ◆ Expand corporate coverage in Continental Europe
- ◆ Expand leveraged finance business in US and Europe

Institutional Clients

- ◆ Strengthen existing client relationships using electronic tools
- ◆ Enhance cross-product marketing
- ◆ Capture value from increased client volume flow
- ◆ Improve processing efficiency

Strategic Goal of UBS Warburg

We aim to be a leading global investment bank in terms of client franchise, as well as financial servicing capabilities. We aim to provide UBS shareholders with a return on equity consistent with the leaders in the industry.
