



**UBS**

Financial Services Group

# First Quarter Results 2003

Zurich, 13th May 2003

Peter Wuffli, President

Mark Branson, Chief Communication Officer

# Caution regarding forward-looking statements

---

This communication contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives, such as 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 and developments in the markets in which they operate, (6) legislative developments, (7) management changes and changes to our business group structure in 2001, 2002 and 2003 and (8) other key factors that we have indicated could adversely affect our business and financial performance which are contained in other parts of this document and in our past and future filings and reports, including those filed with the SEC.

More detailed information about those factors is set forth elsewhere in this document and 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 2002. 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.

# Group results

---

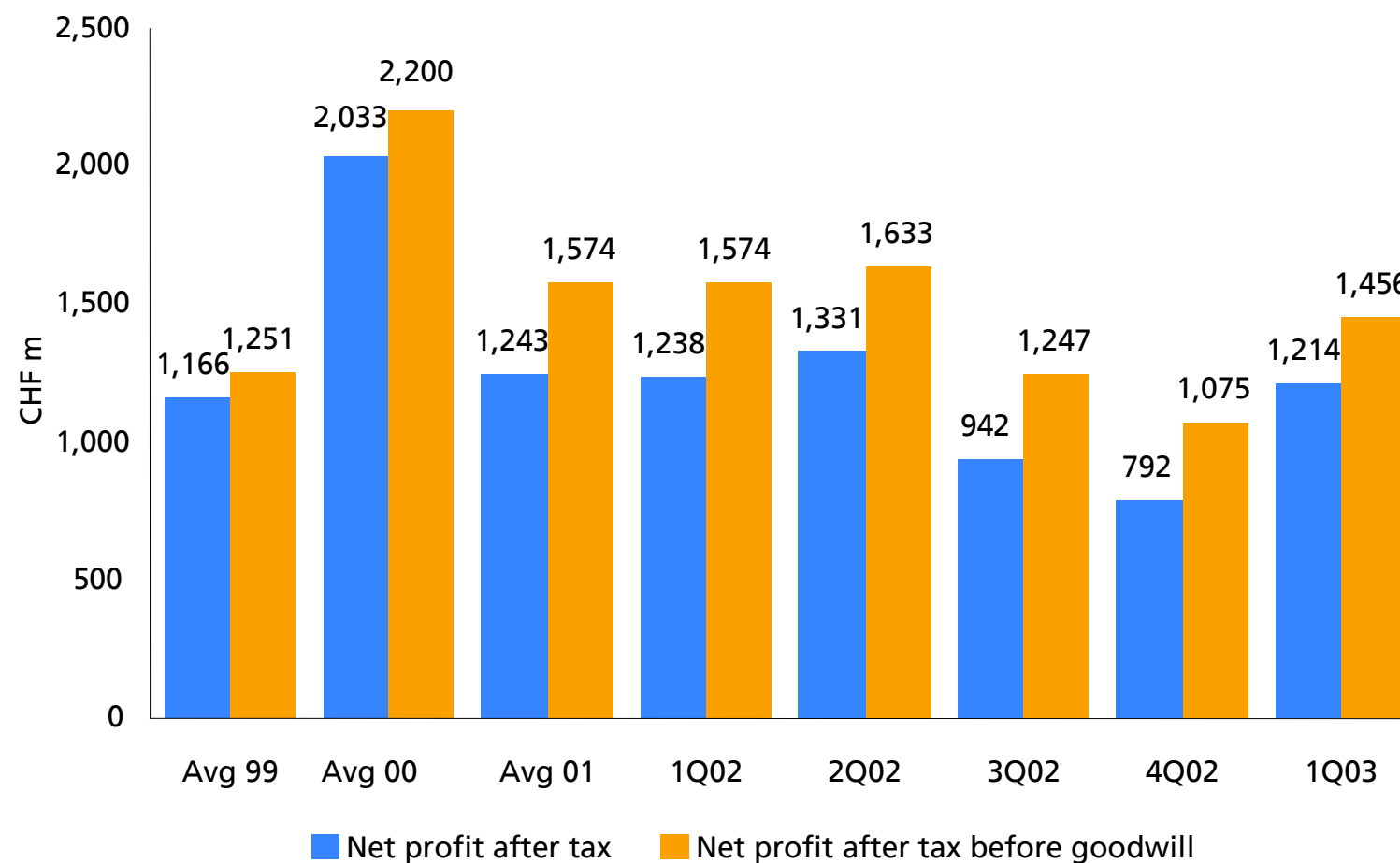
# Significant financial events

(CHFm)	1Q03 <sup>1</sup>	4Q02	1Q02
<b>Income</b>			
Gain on disposal of Hyposwiss			155
Gain on disposal of Klinik Hirslanden		72	
<b>Expenses</b>			
Write-down of PaineWebber brand		(1,234)	
<b>Tax effect</b>		269	(30)
<b>Total</b>		(893)	125

<sup>1</sup>No significant financial events in 1Q03

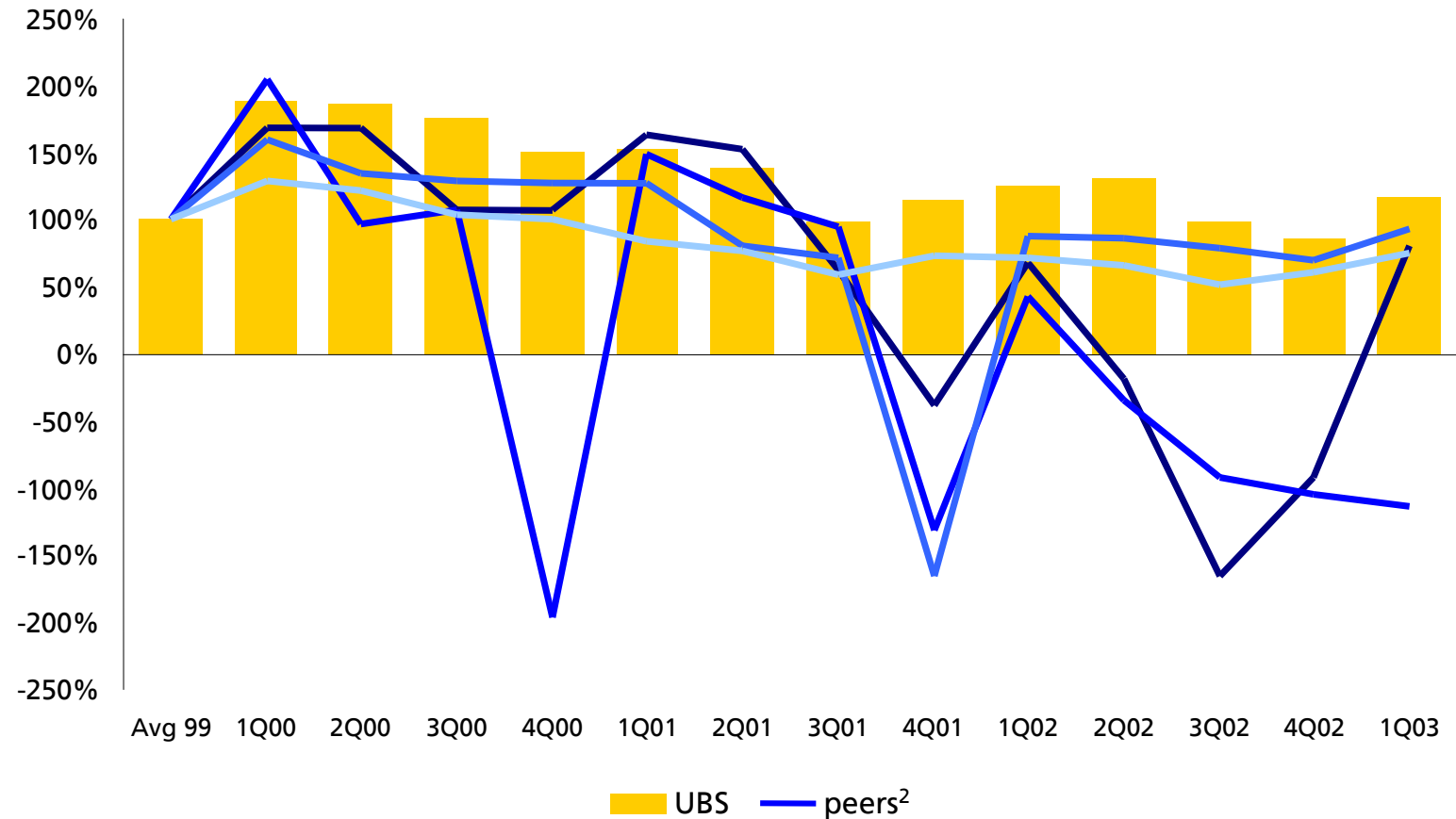
# Net profit

## Adjusted for significant financial events



# Stable results in volatile times

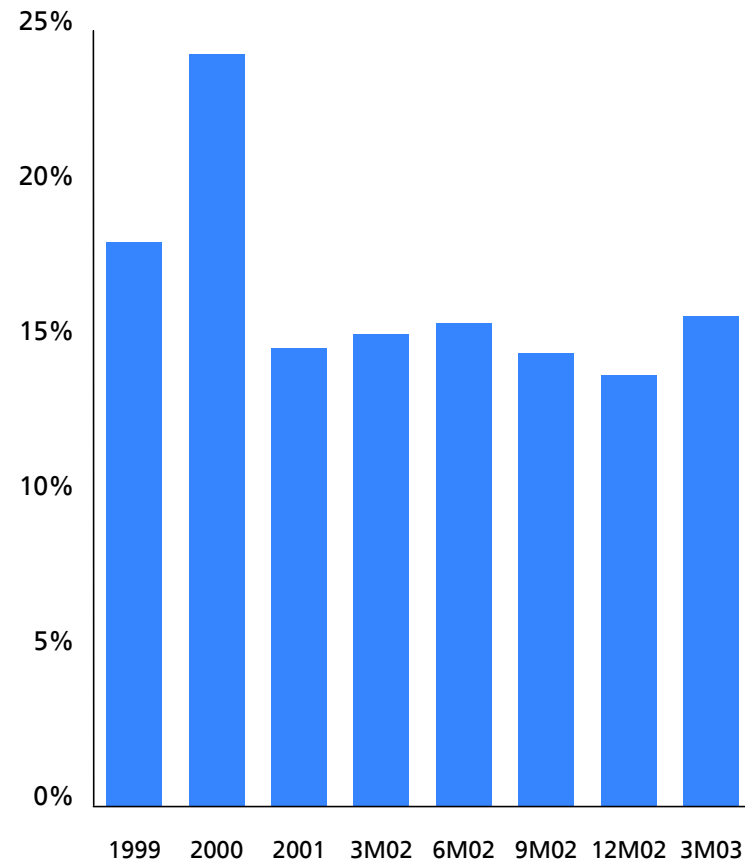
## Net profit after tax<sup>1</sup> as % of 1999 quarterly average



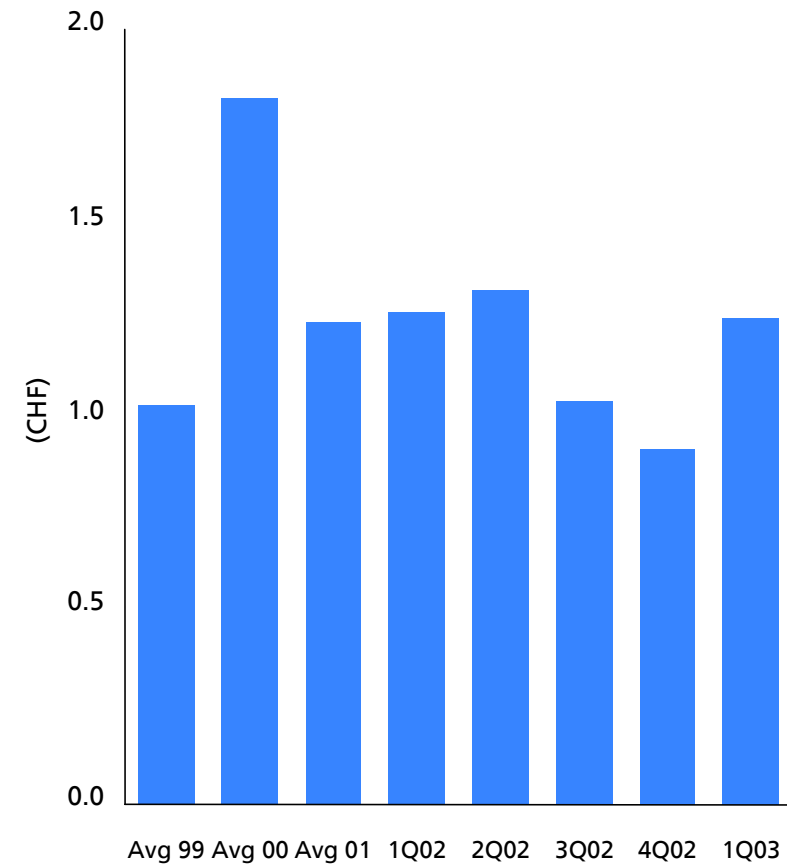
- 1 Adjusted for significant financial events, pre-goodwill amortization
- 2 Peers include Credit Suisse, Deutsche Bank, Merrill Lynch, Morgan Stanley

# Performance against targets

## ROE 1,2

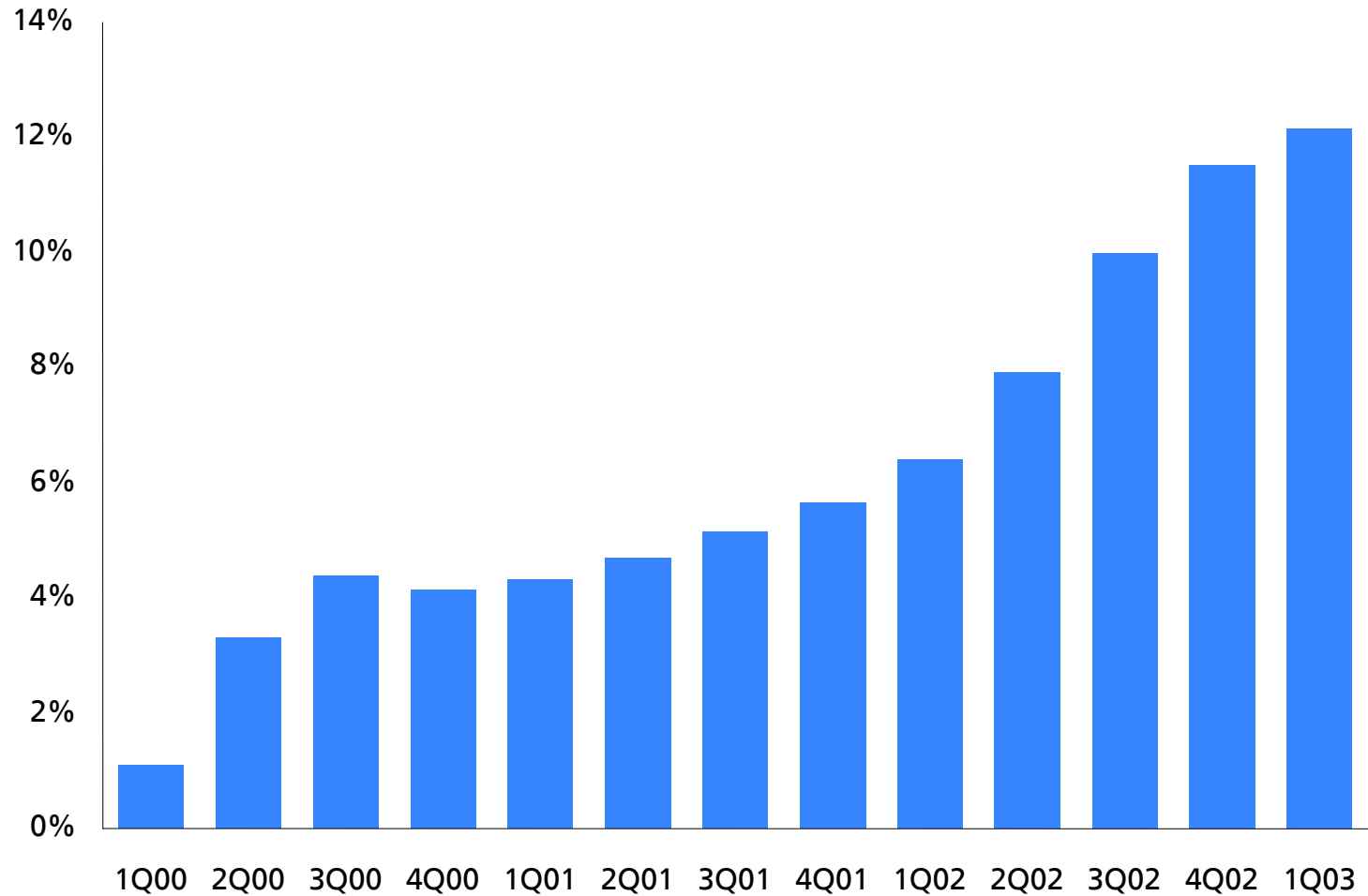


## Basic EPS 1



- 1 Excludes the amortization of goodwill and other intangible assets and adjusted for significant financial events
- 2 Year to date, annualized

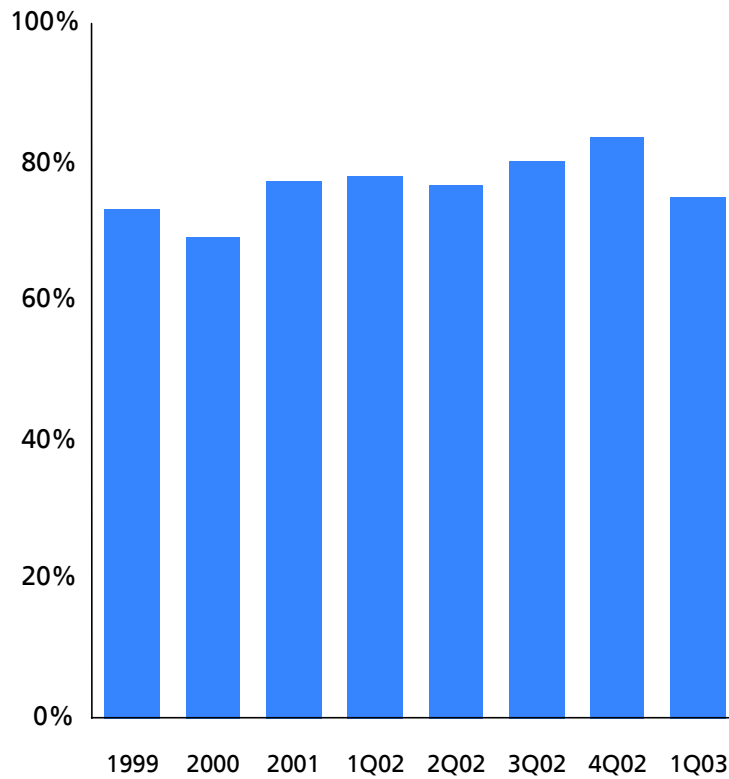
# Cumulative share buyback effect on EPS



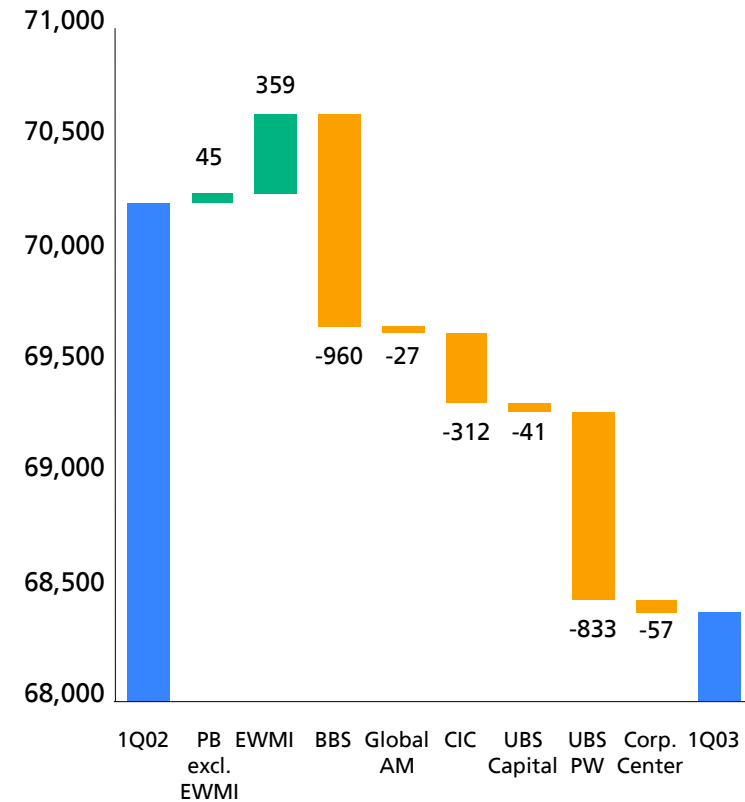


# Cost control across all areas

## Cost / Income<sup>1</sup>



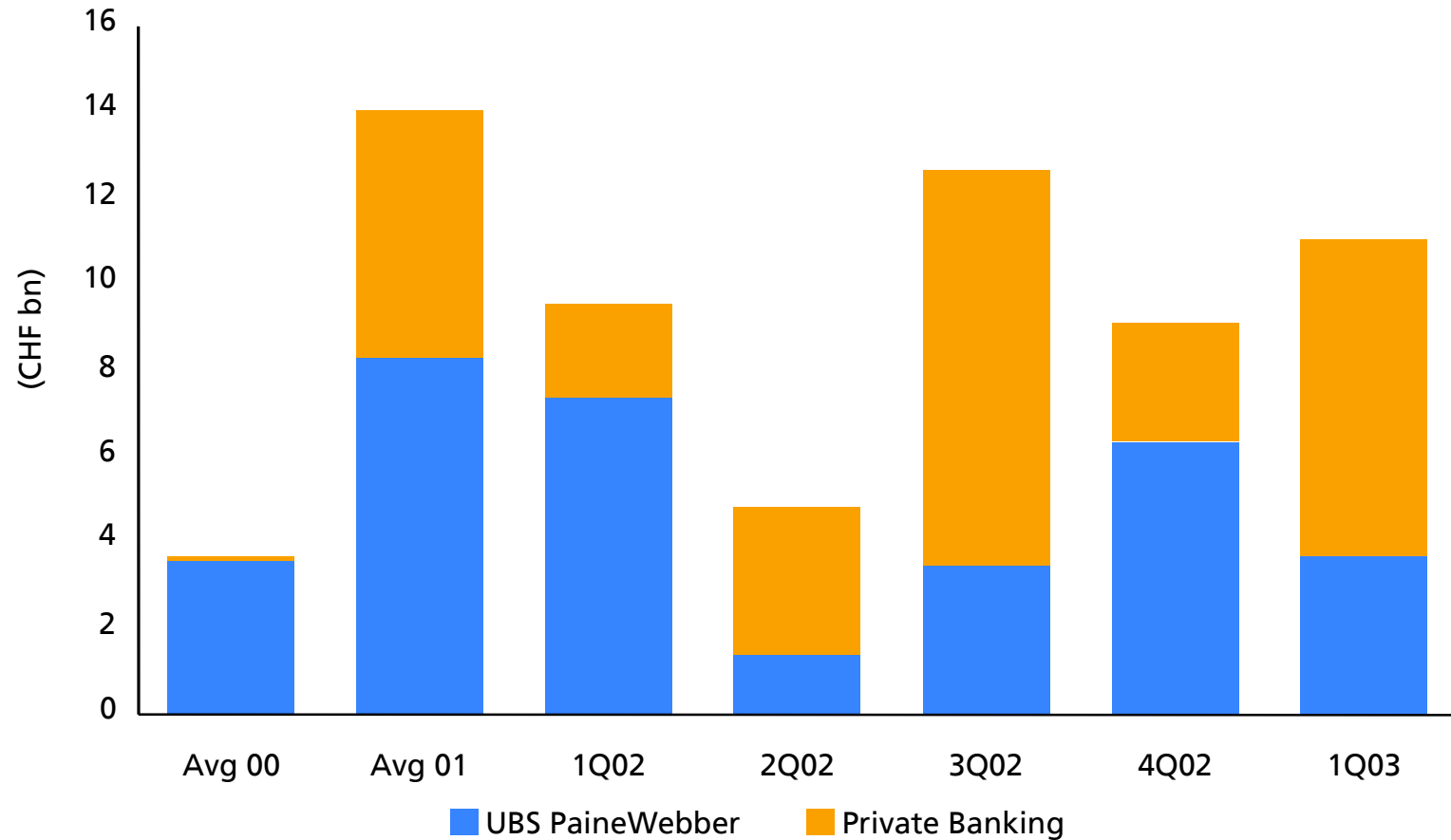
## Headcount changes, year-on-year



1 Excludes the amortization of goodwill and other intangible assets and adjusted for significant financial events

# Performance against targets

## Private client net new money <sup>1,2,3</sup>



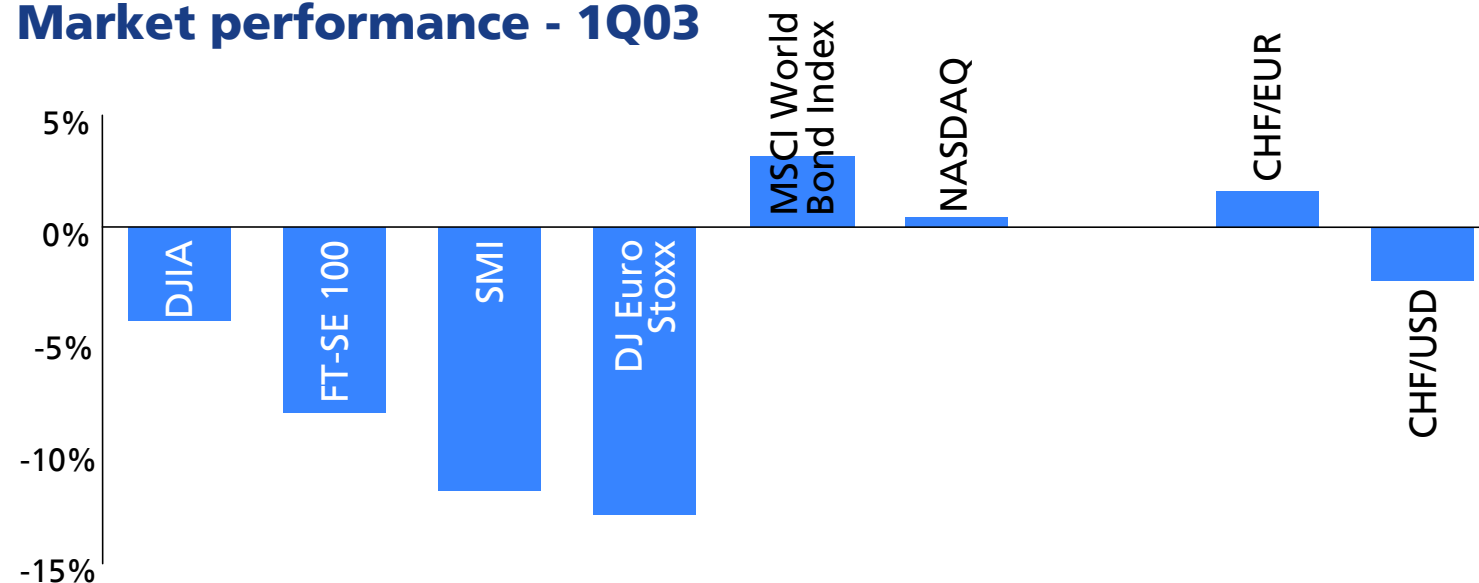
- 1 Private Banking and UBS PaineWebber
- 2 Excludes interest and dividend income
- 3 Restated to reflect the transfer of Private Banks and GAM to Corporate Center

# Invested assets

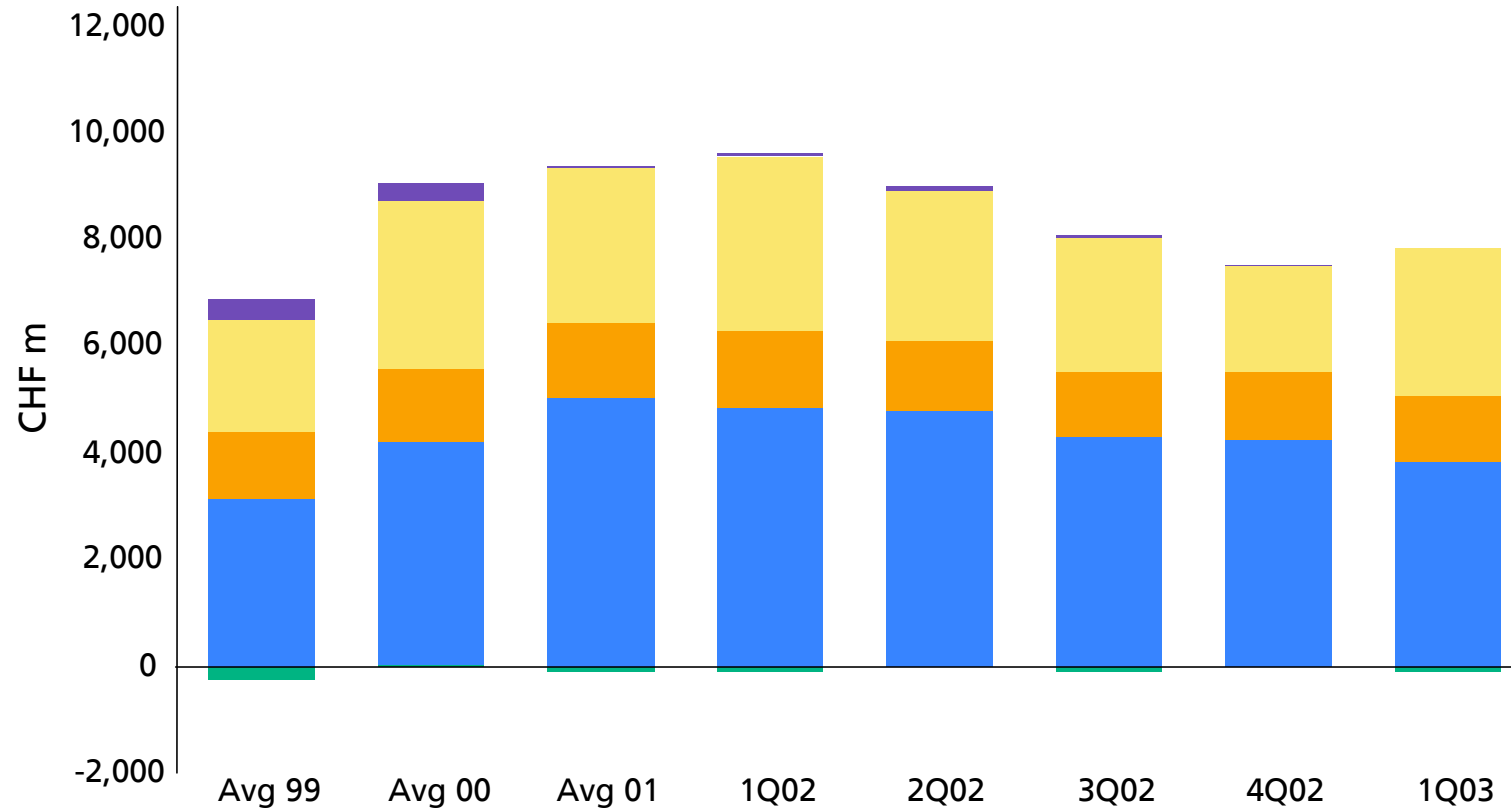
## 1Q03 vs. 4Q02

(CHFbn)	UBS WM&BB		UBS Global AM		UBS W	UBS PW	Corp.Center	Total
	PB	BBS	Inst.	Wholesale			PB's & GAM	
Total opening	642	205	274	259	3	584	70	2,037
Net new money	7.4	(1.9)	3.9	3.4	0.0	3.7	0.6	17.1
Performance, currency & transfers	(11)	(6)	(14)	(7)	0	(19)	(3)	(60)
Closing	638	197	264	255	3	569	68	1,994

## Market performance - 1Q03

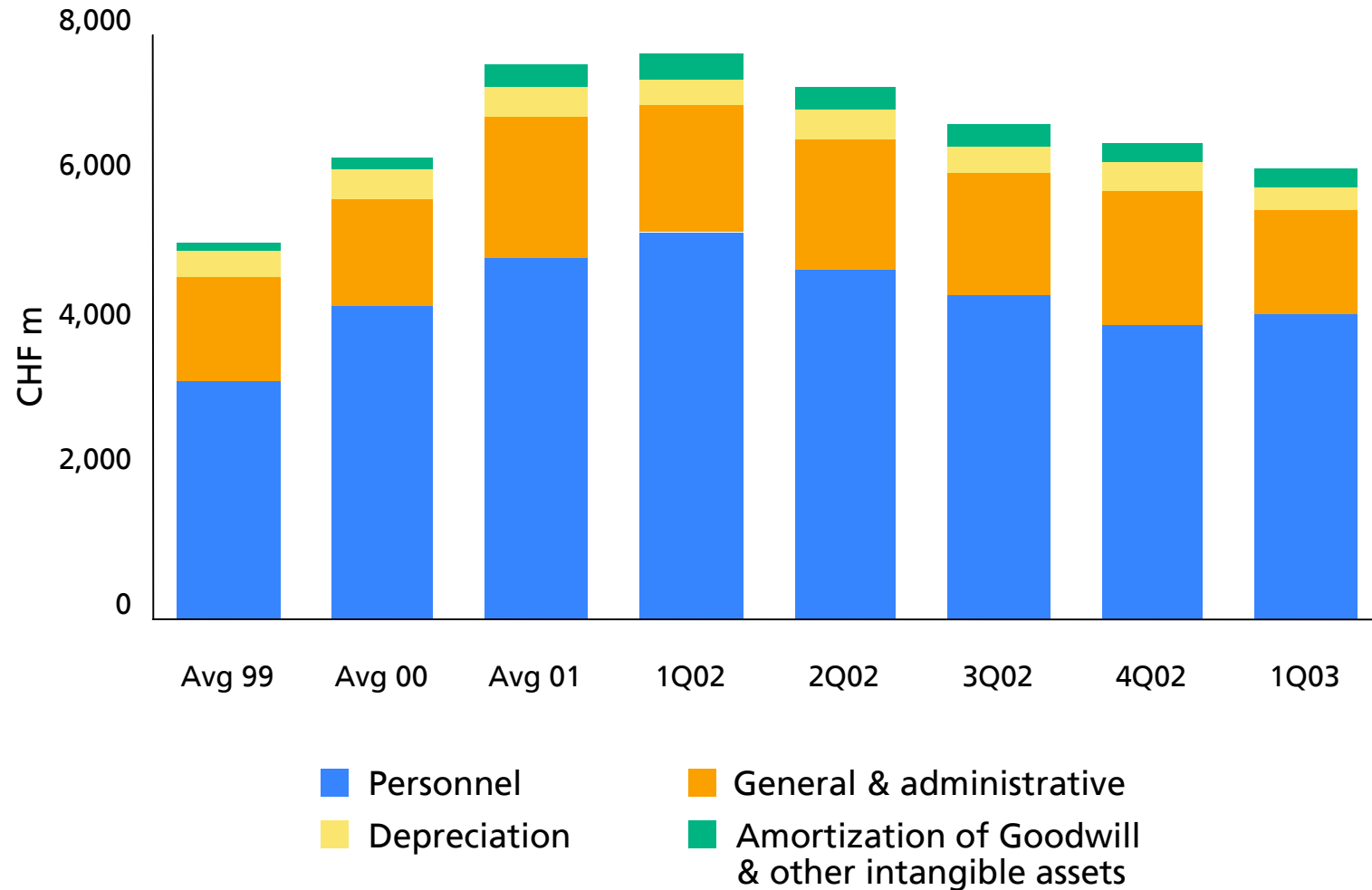


# Revenue trends

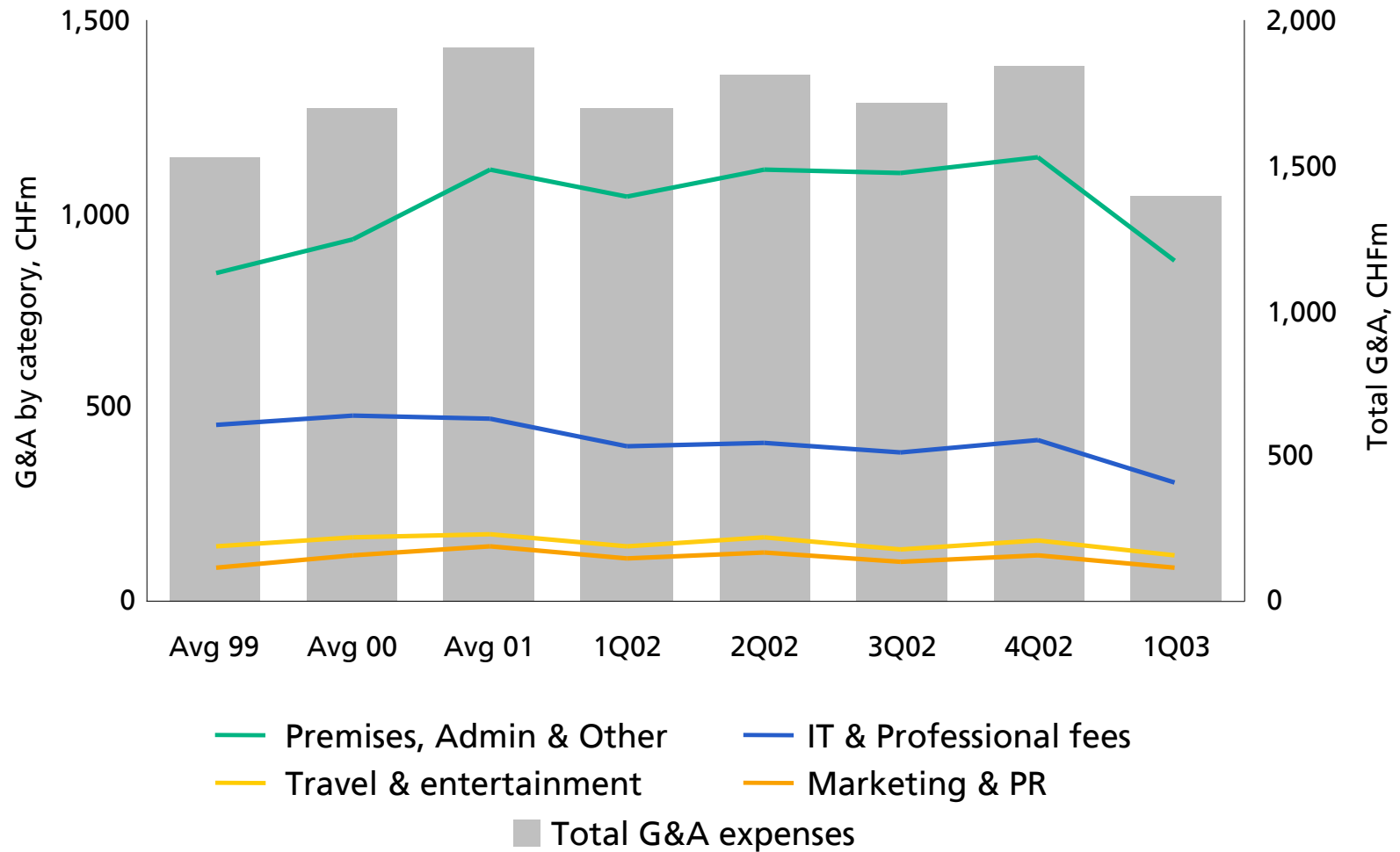


- Credit loss
- Net income from interest margin activities
- Net fee & commission income
- Net income from trading activities
- Other

# Group cost trends

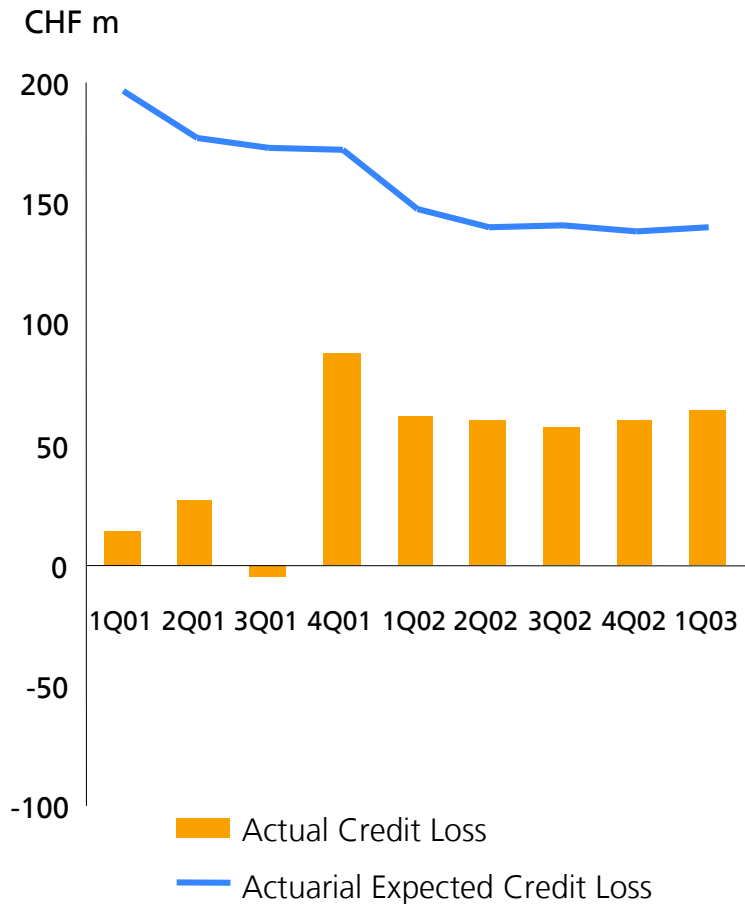


# G&A trends

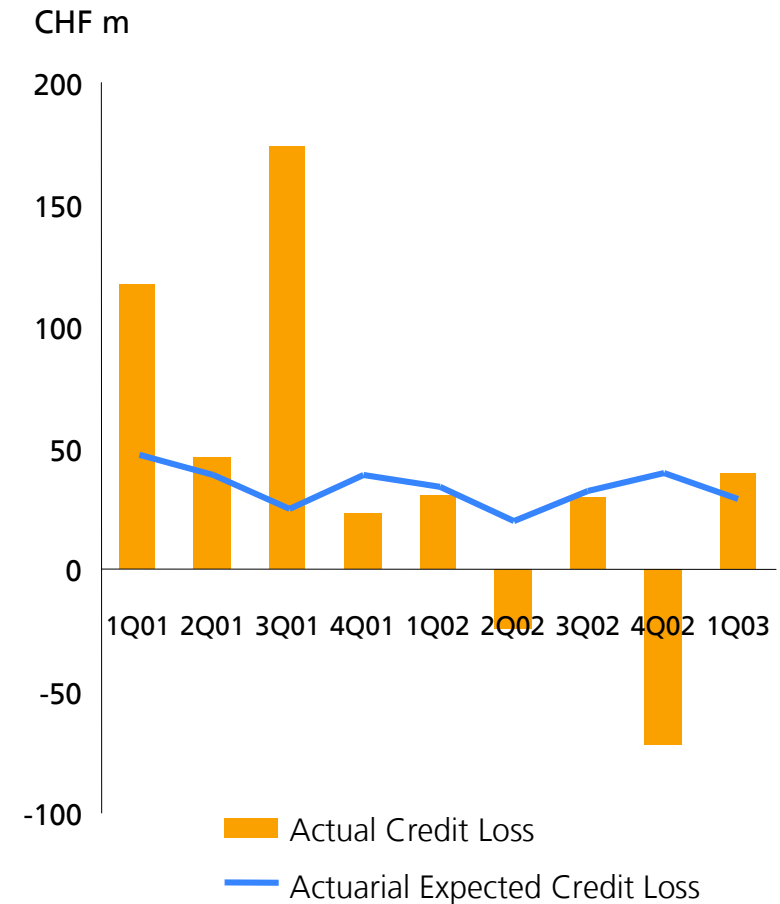


# Actual credit loss expense

## WM&BB



## UBS Warburg



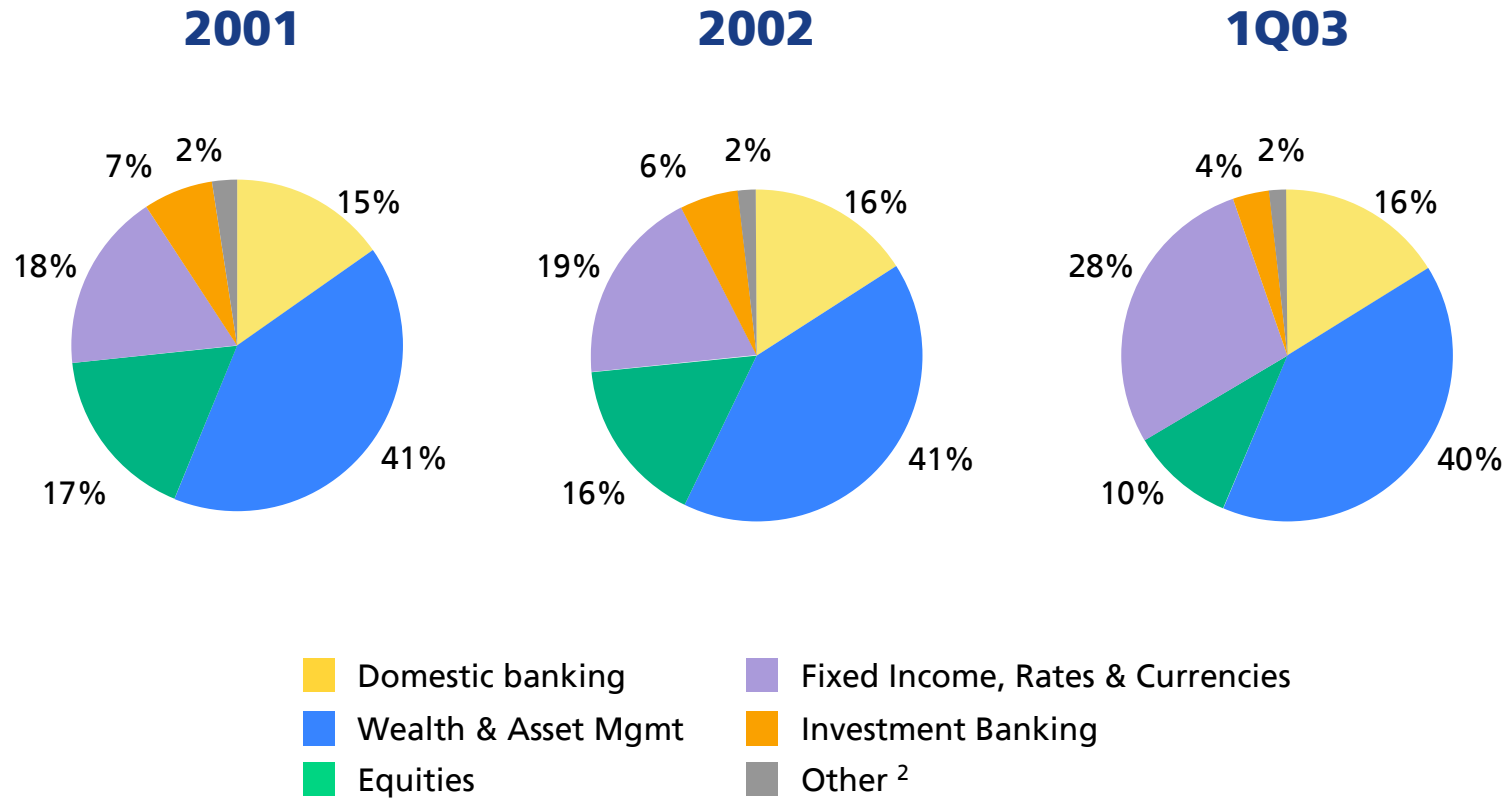
# Business unit results

---



# Balanced business mix

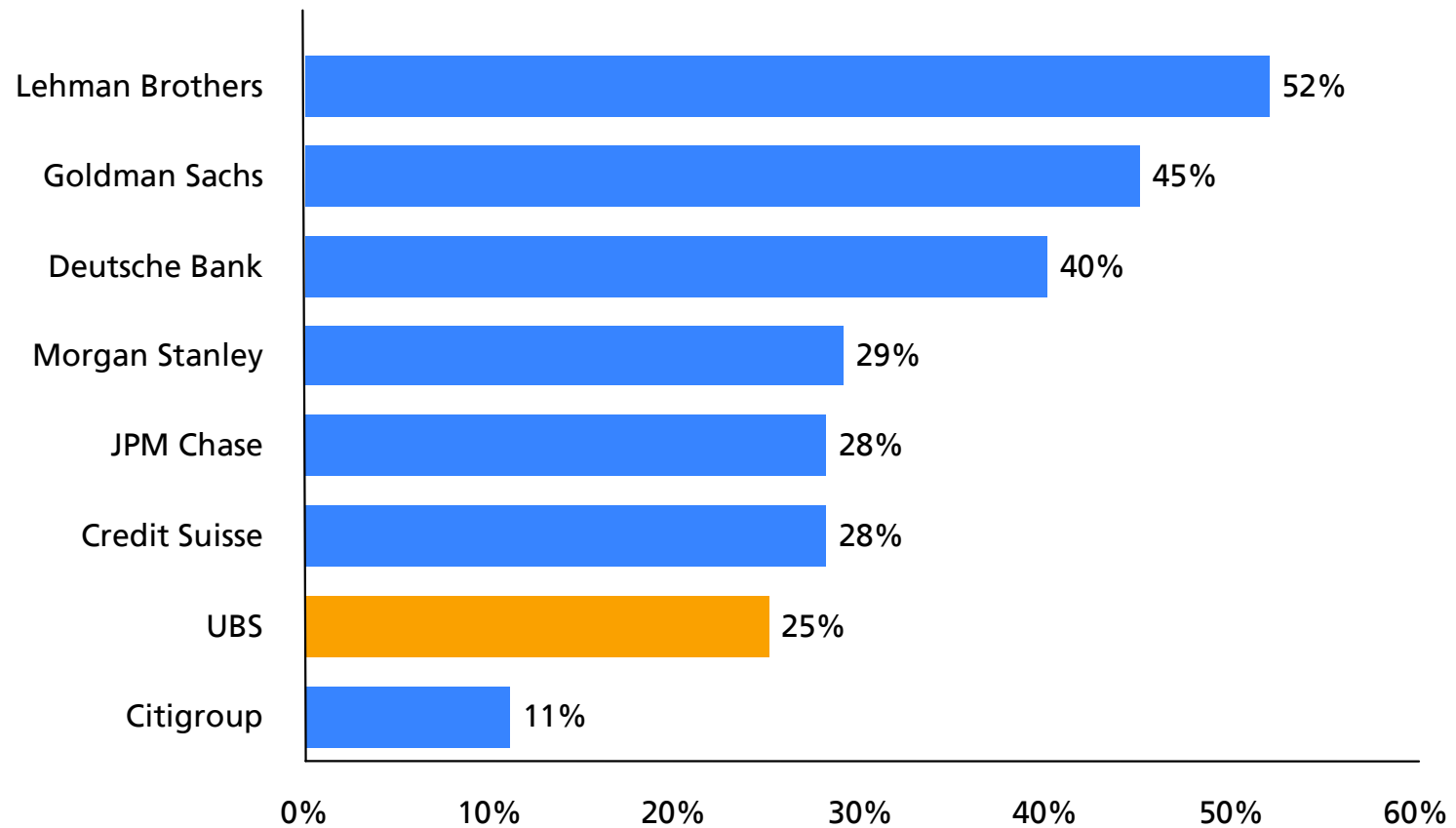
## Revenues<sup>1</sup> by operating business area



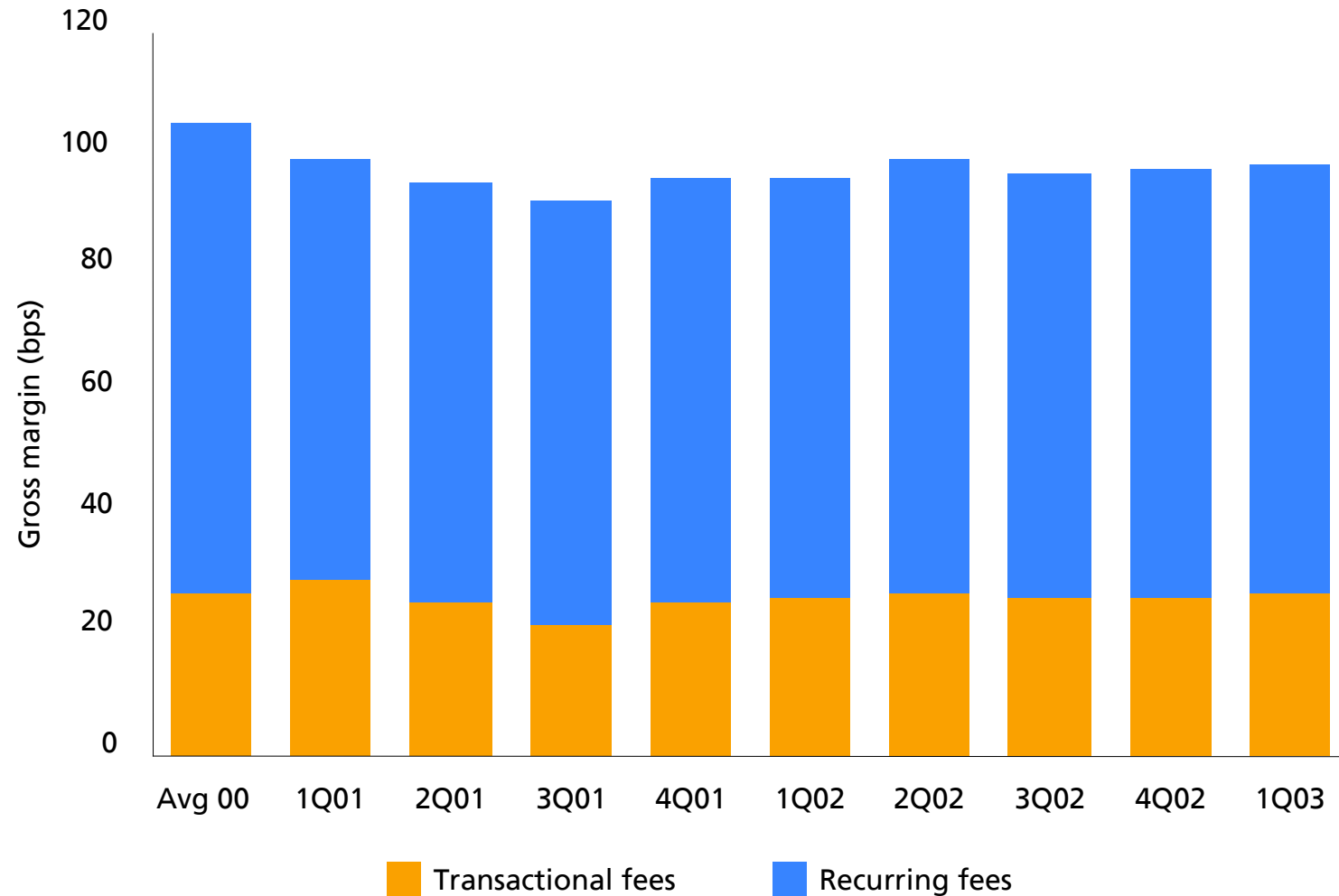
1 Before credit loss expense  
2 Corporate Center, UBS Capital

# Diverse revenue drivers

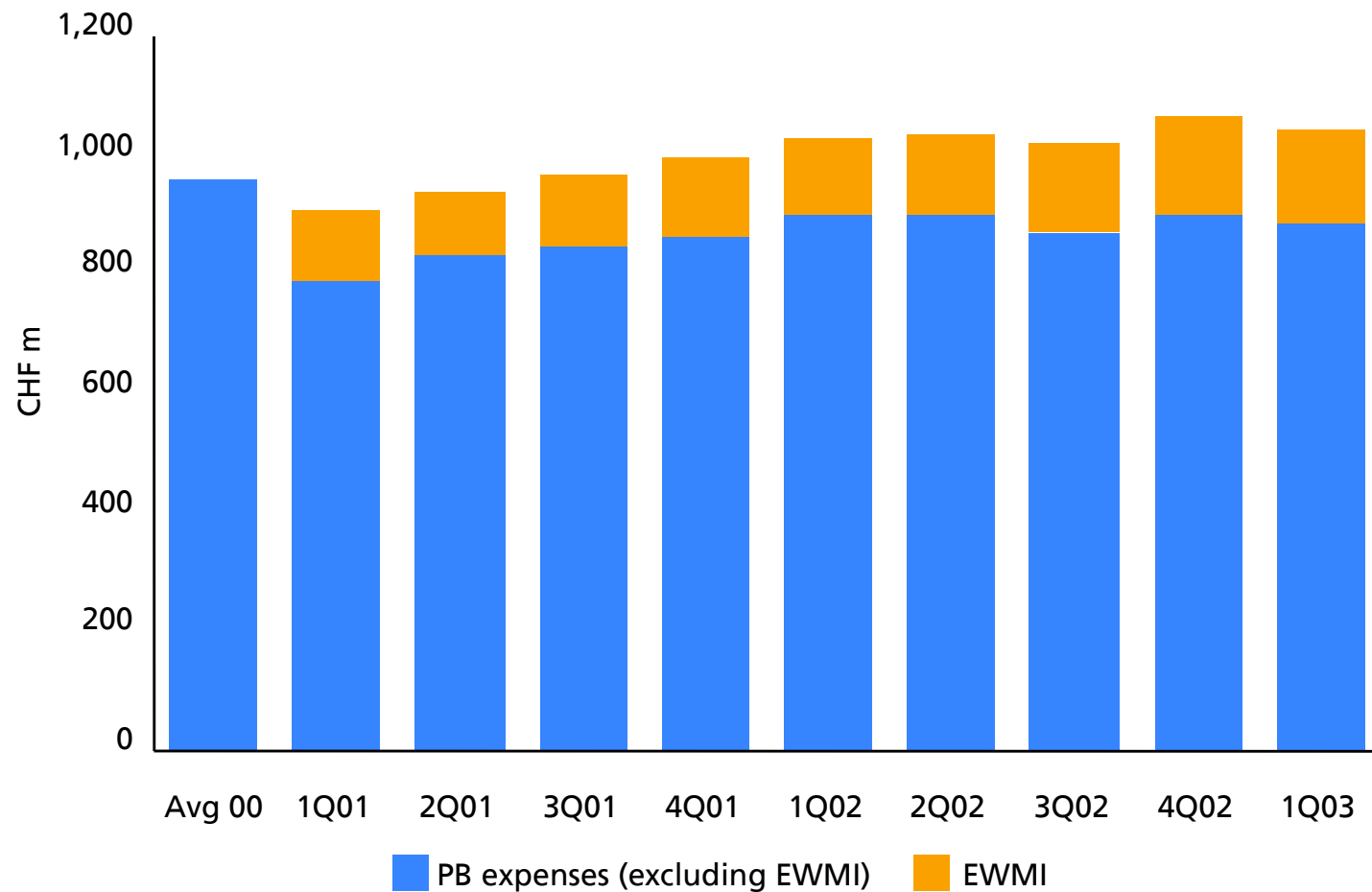
## 1Q03 fixed income trading revenues as % of total revenues



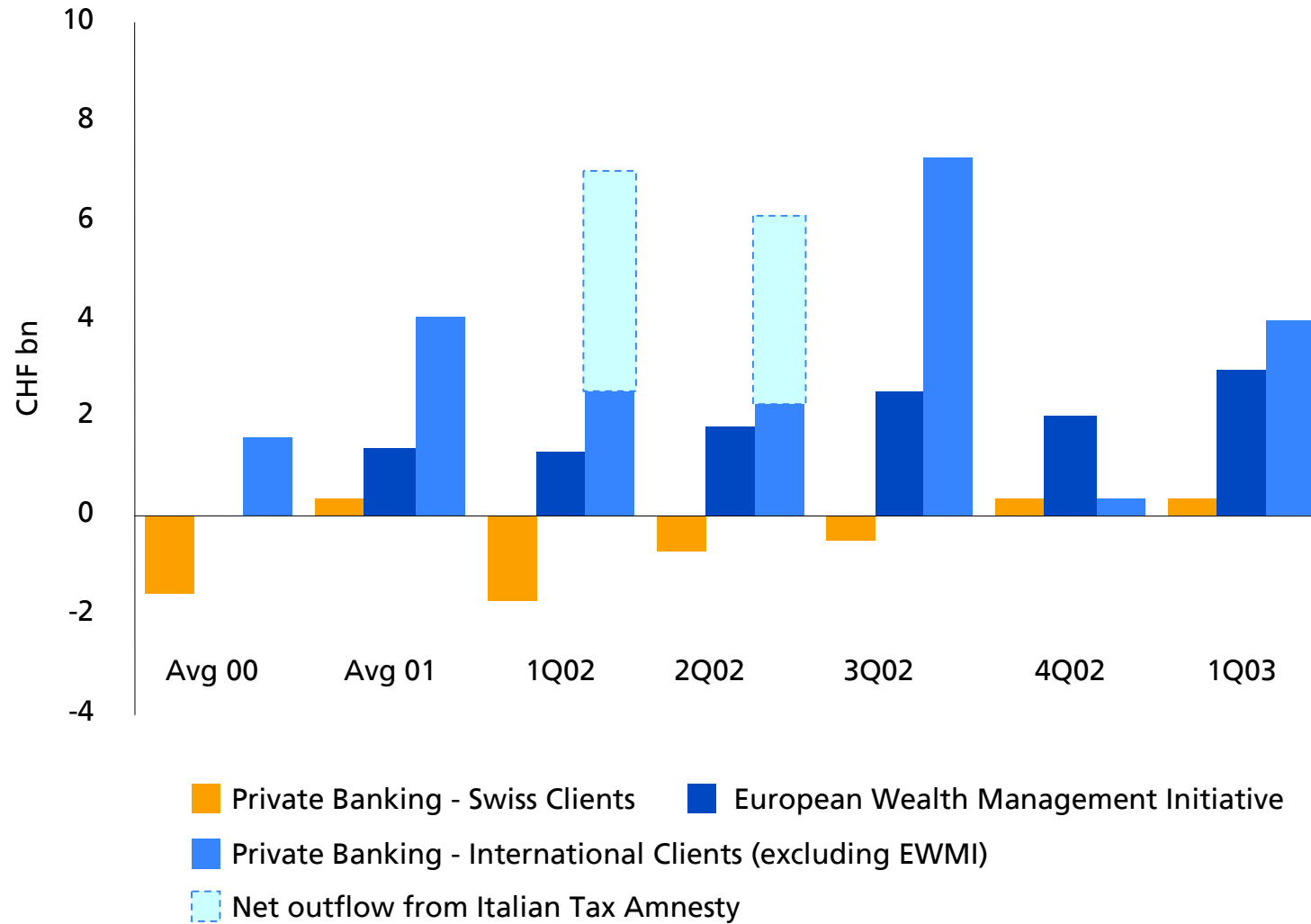
# Continued strong, stable gross margin



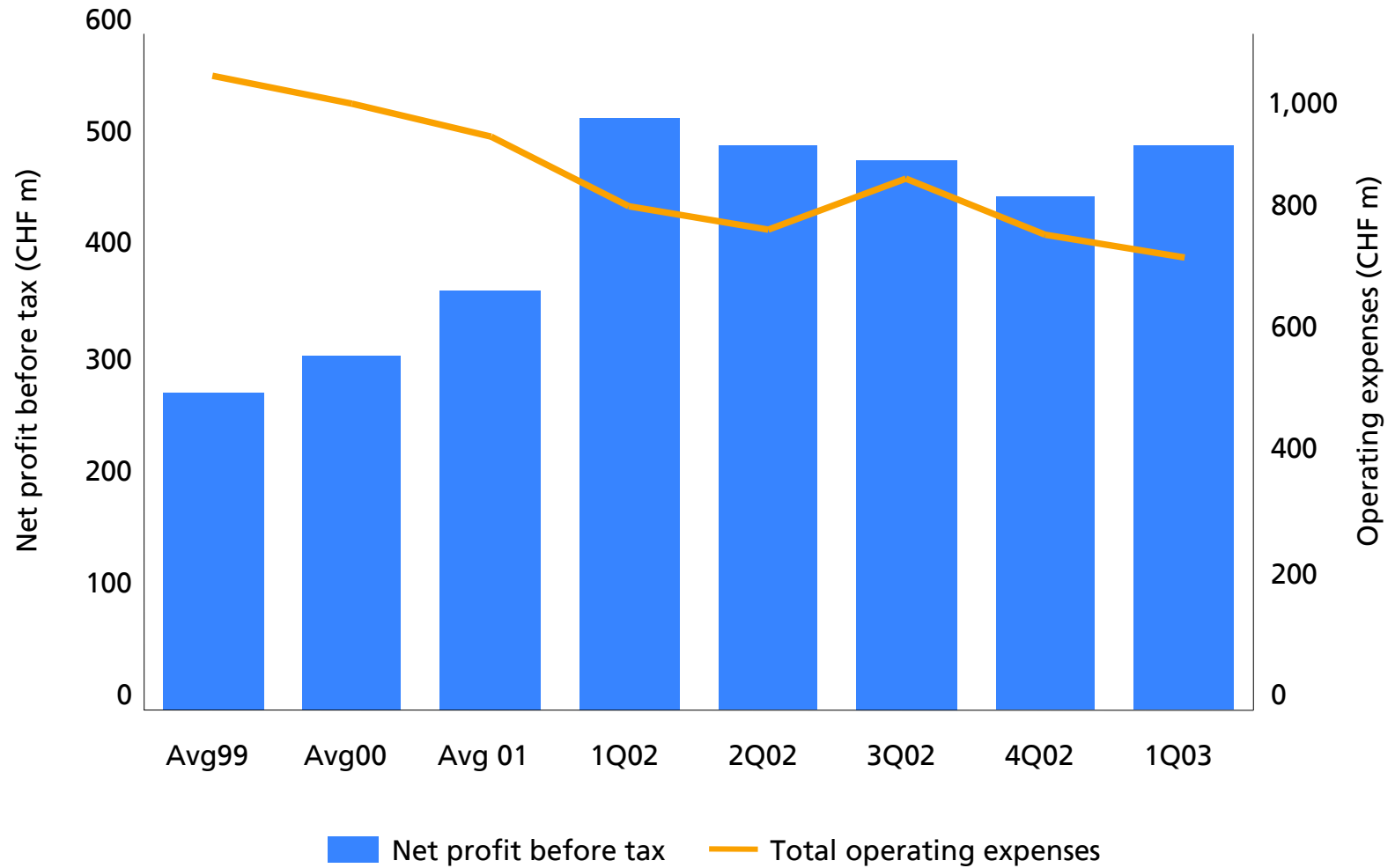
# Balancing cost control with investments



# Net new money

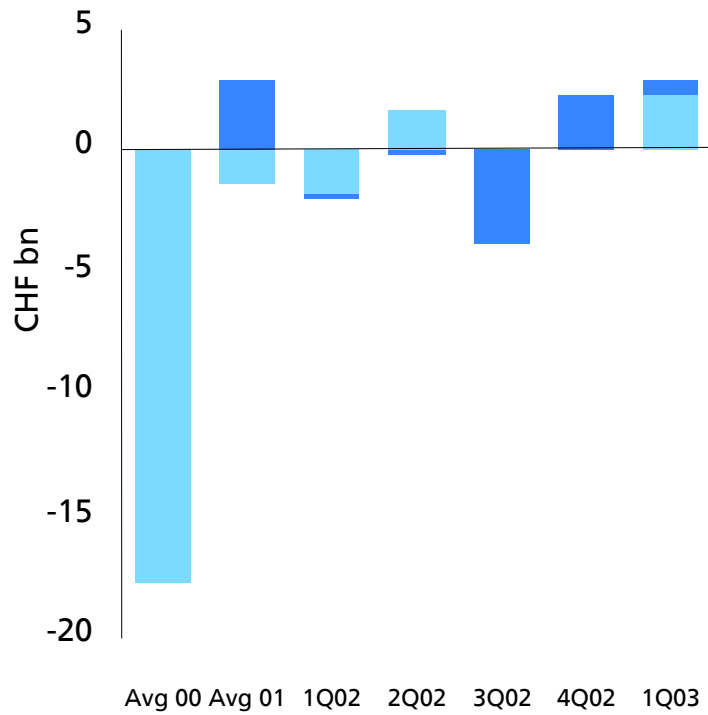


# Continued strong profitability

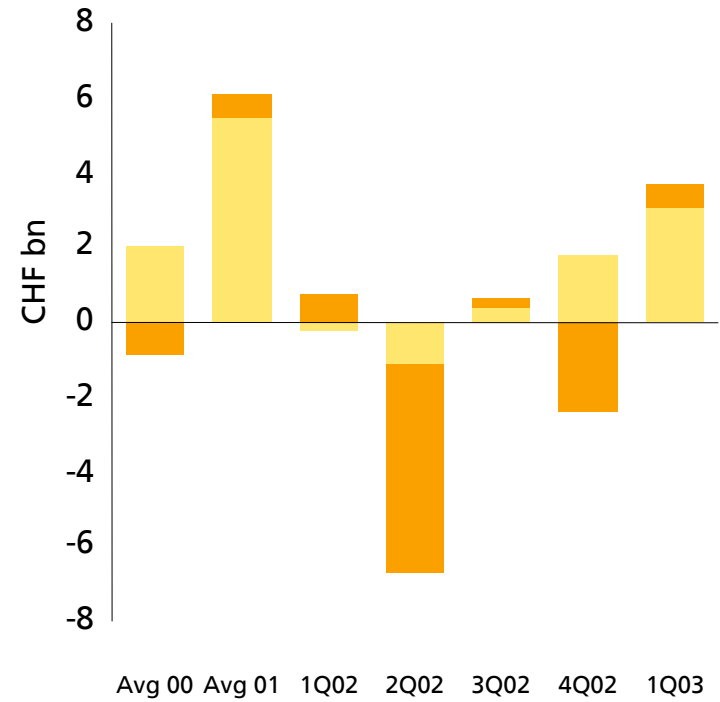


# Net new money

## Institutional



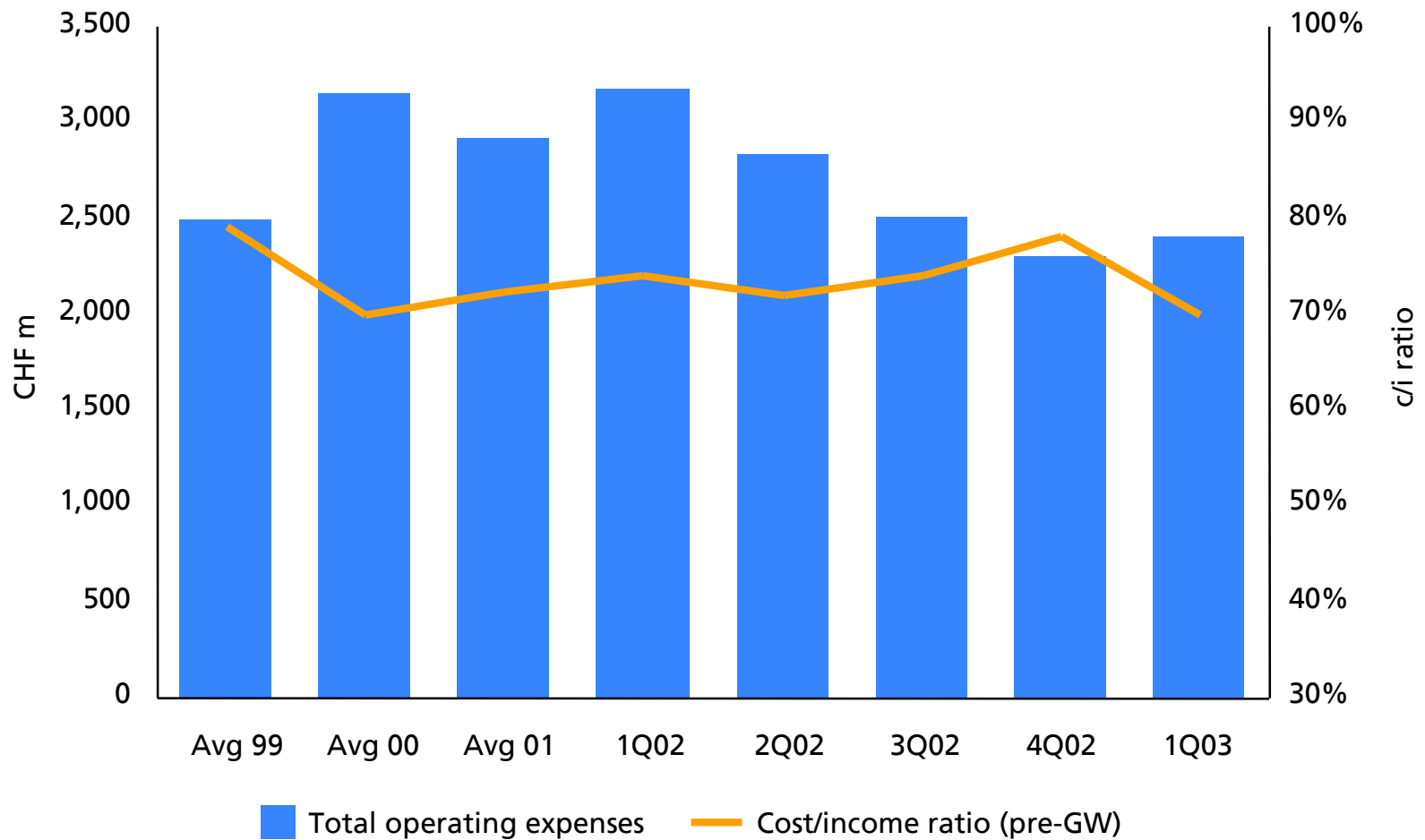
## Wholesale intermediary



■ Money Market  
■ Non-Money Market

■ Money Market  
■ Non-Money Market

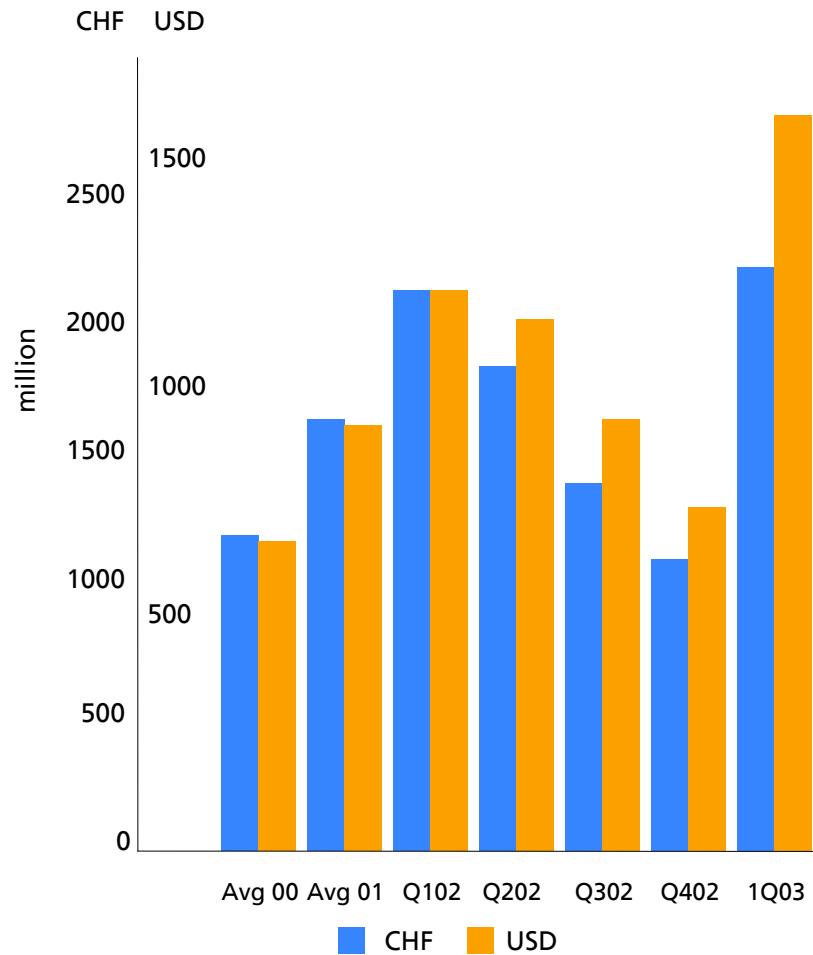
# CIC: continued cost control





# Strong performance across fixed income

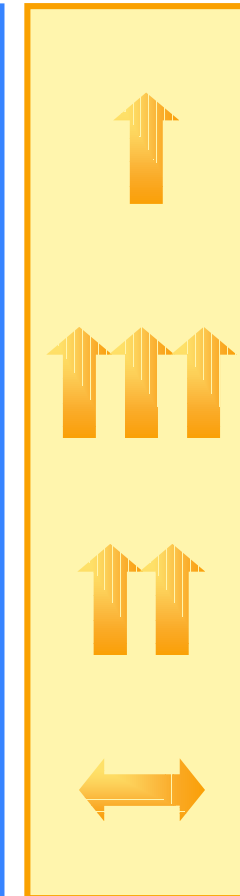
## FIRC Revenues



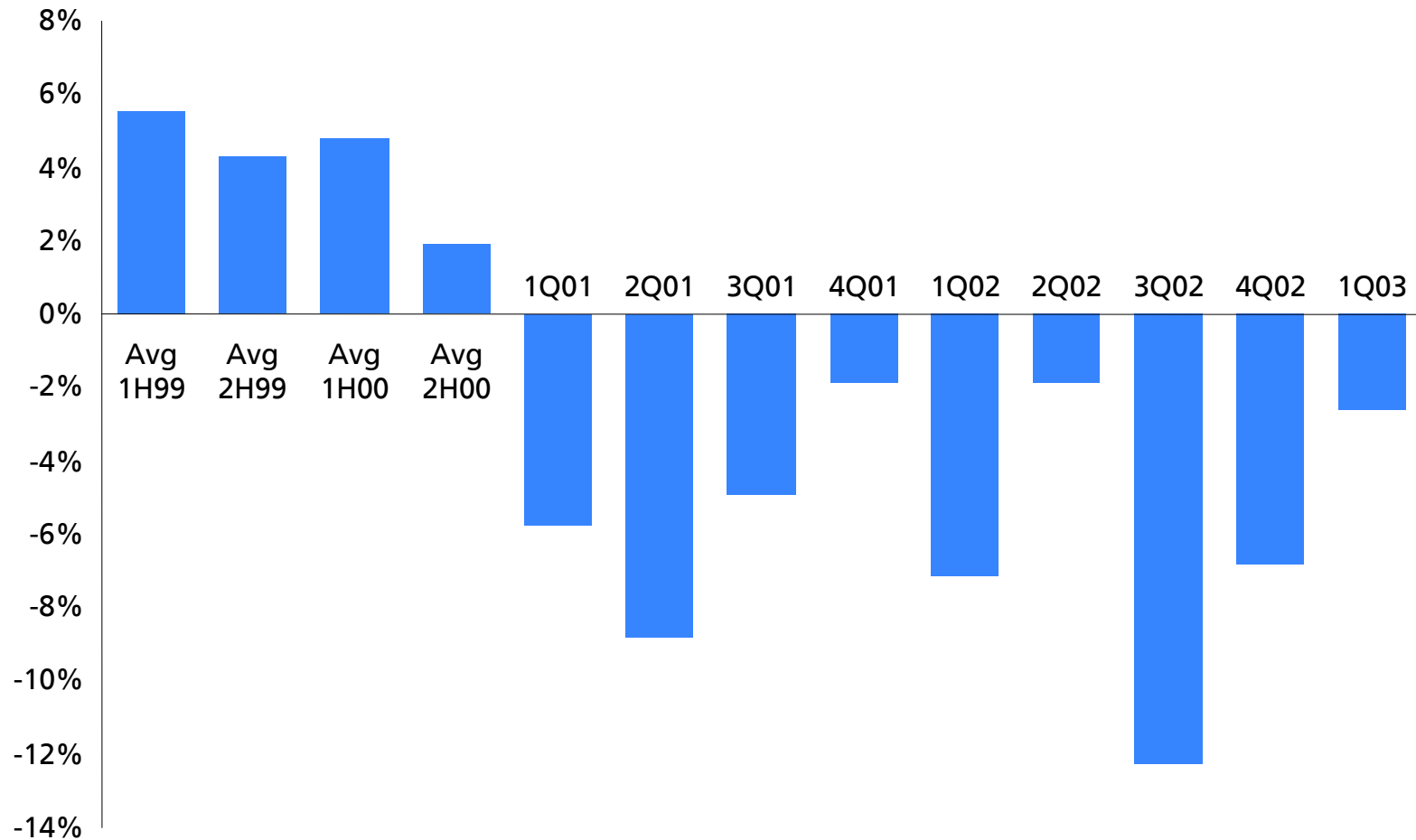
## Contribution



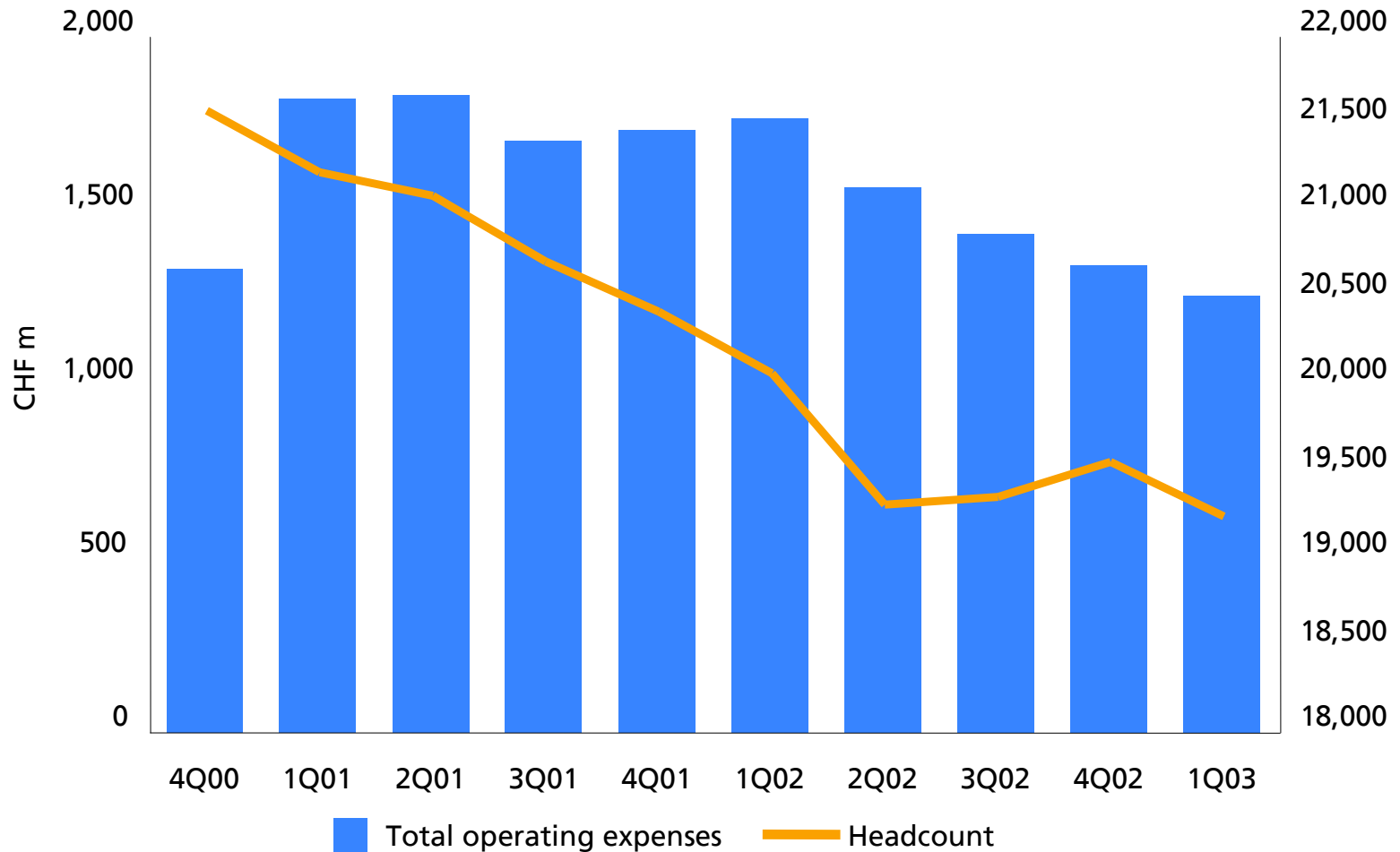
## Growth



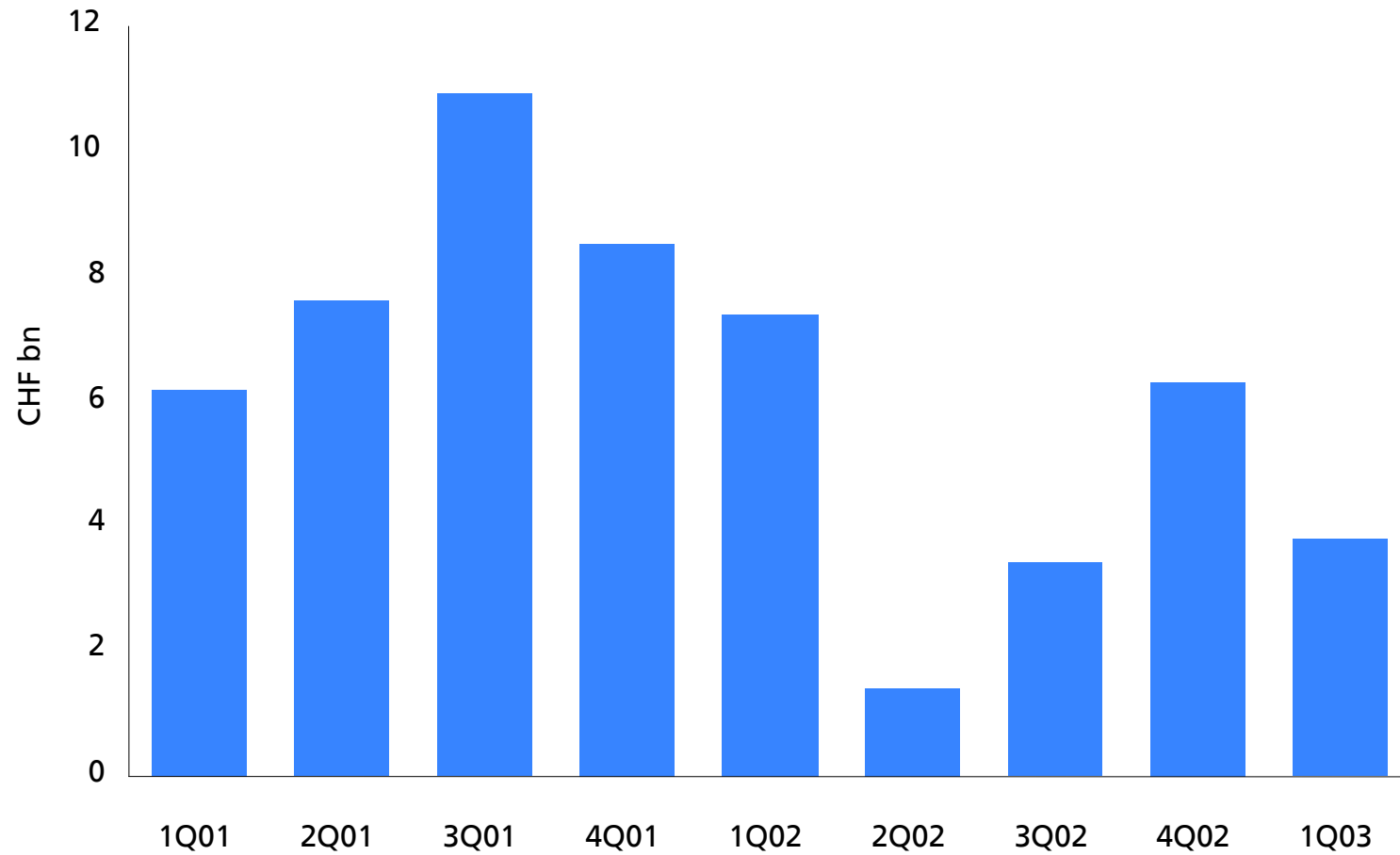
# UBS Capital - relative value creation



# Concentrating on cost control

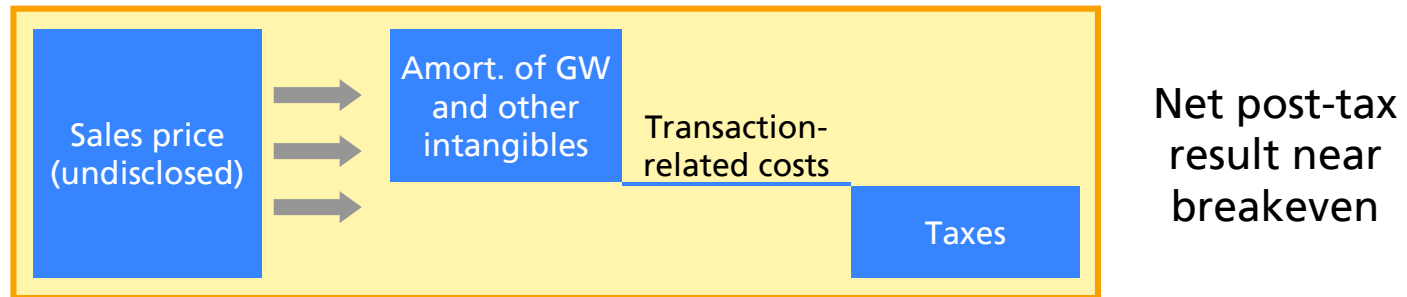


# Net new money



# Focus on our primary business

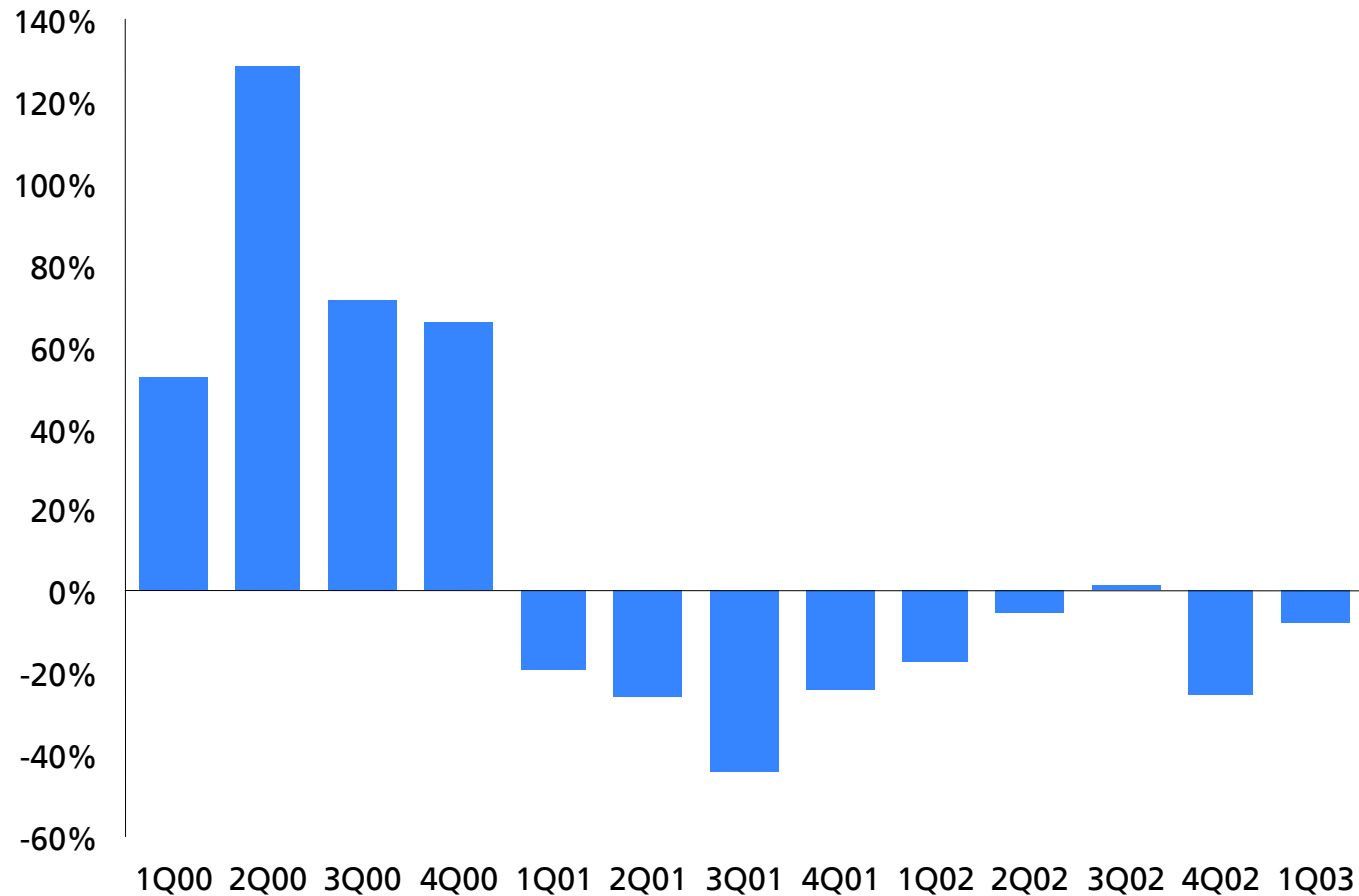
## Sale of CSC



- ◆ Correspondent Services Corporation (CSC) provides clearance and settlement services to brokerage clients
- ◆ Correspondent clearing is not a core business for UBS and requires scale
- ◆ CSC sold to Fidelity Investments - effective 2Q03

# Outlook - putting the worst behind us?

## y-on-y % change NPAT





**UBS**

Financial Services Group

# First Quarter Results 2003

Zurich, 13th May 2003

Peter Wuffli, President

Mark Branson, Chief Communication Officer