



Financial Services Group

UBS First Quarter Results 2001

Luqman Arnold
15 May 2001

Caution regarding forward-looking statements

This communication contains statements that constitute “forward-looking statements”, including, without limitation, statements relating to the implementation of strategic initiatives, including the implementation of the new European wealth management strategy and the implementation of a new business model for UBS Capital, 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, (6) legislative developments and (7) other key factors that we have indicated could adversely affect our business and financial performance which are contained in our past and future filings and reports, including those with the SEC.

More detailed information about those factors is set forth 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 2000. 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

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Financial Services Group

Profitability

(CHFm)	1Q01	4Q00	1Q00	1Q01 vs1Q00	1Q01 vs4Q00
Operating income	10,067	9,300	9,357	8%	8%
Operating expenses	7,872	7,124 ¹	6,449	22%	10%
Net profit before tax	2,195	2,176	2,908	(25%)	1%
Net profit	1,579	1,634	2,216	(29%)	(3%)
Net profit pre goodwill ²	1,907	1,900	2,364	(19%)	0%

Notes:

1 Adjusted for CHF 290m PaineWebber integration costs and CHF 50m US Global Settlement contribution

2 Expenses adjusted for goodwill amortisation:

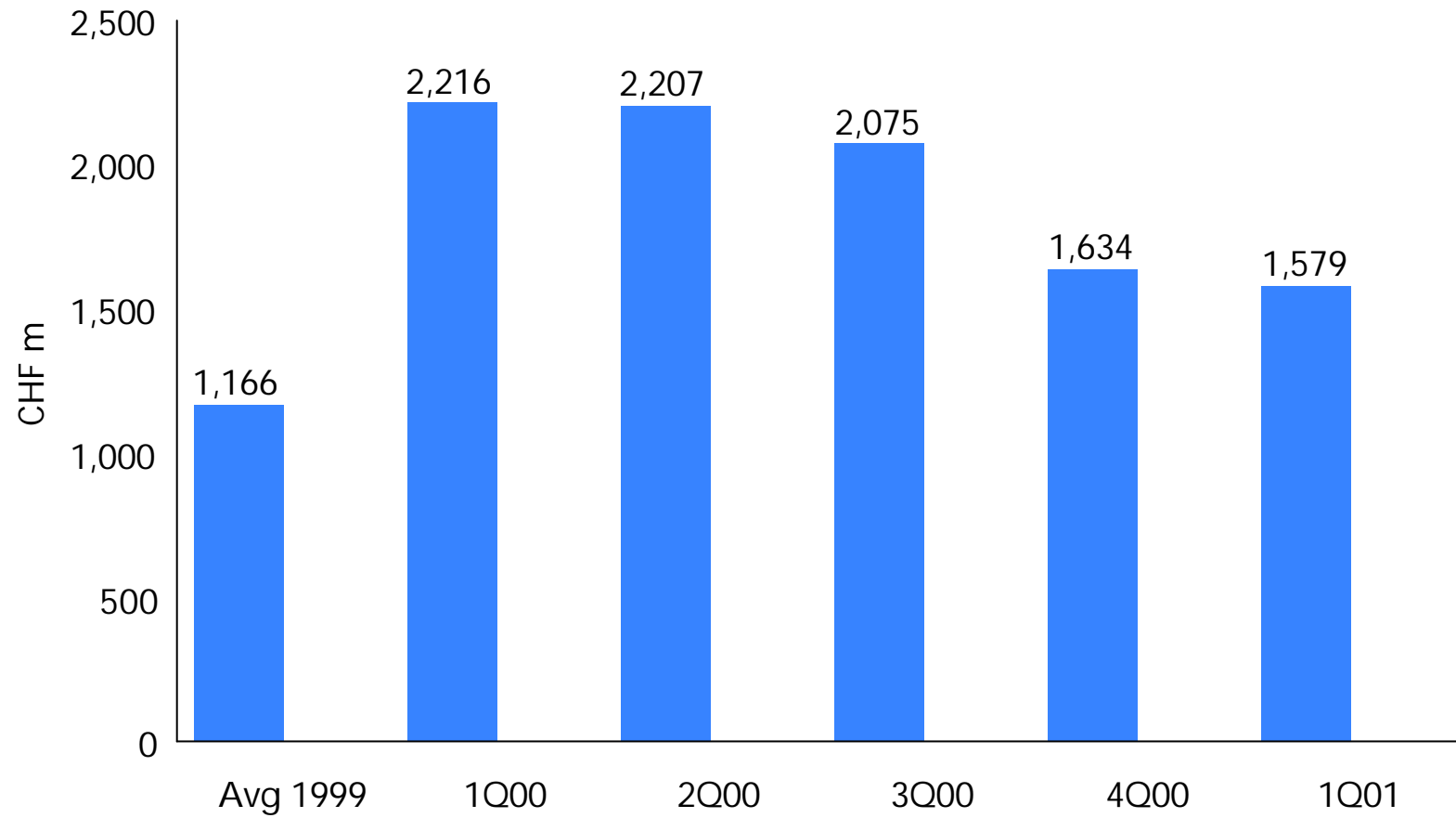
CHF 328m in 1Q01, CHF 266m in 4Q00 and CHF 148m in 1Q00



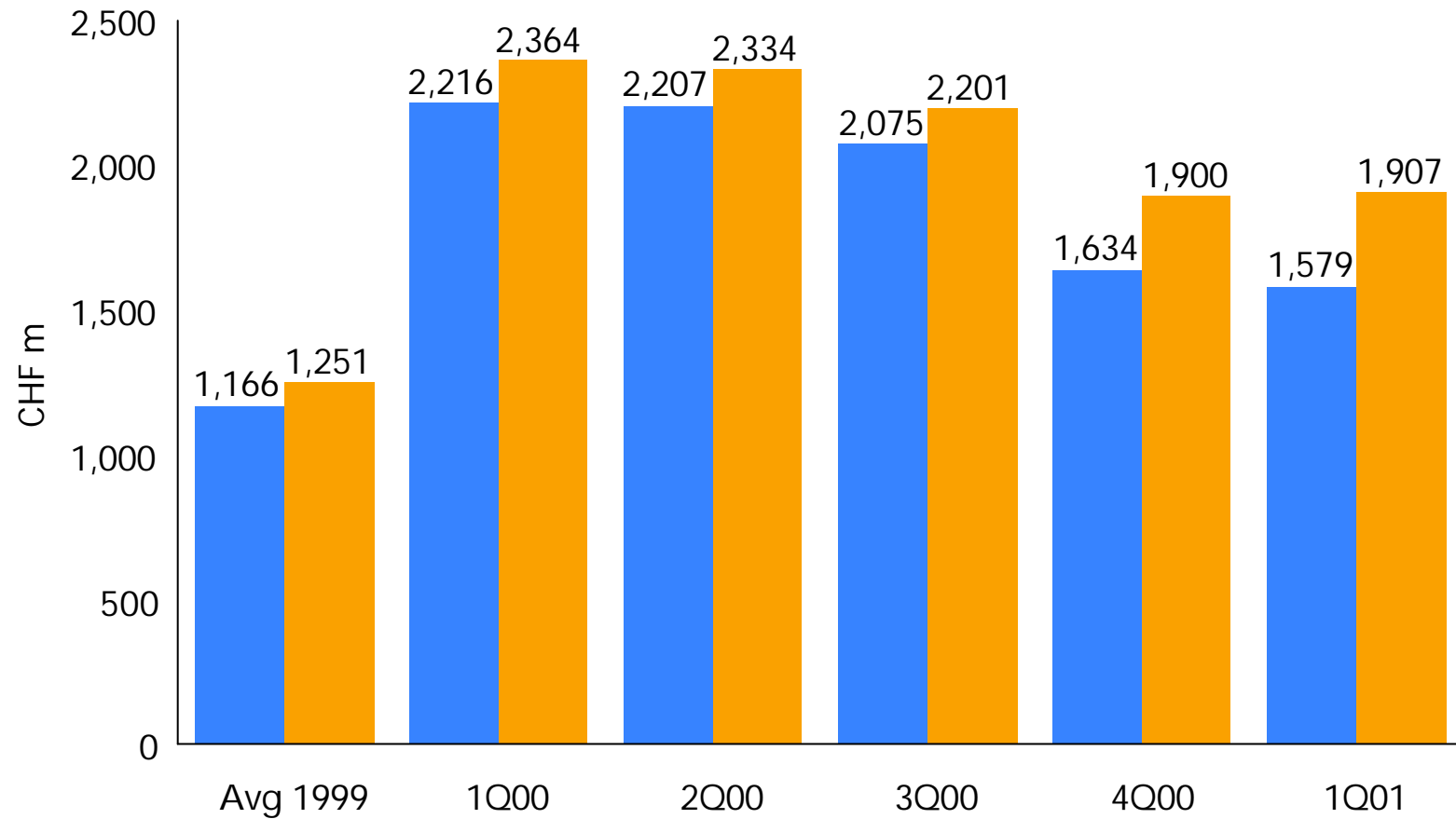
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Net profit after tax (adjusted)

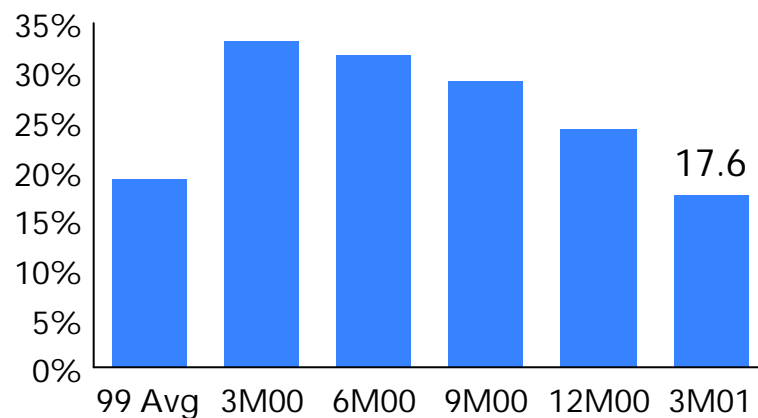


Net profit before goodwill (adjusted)

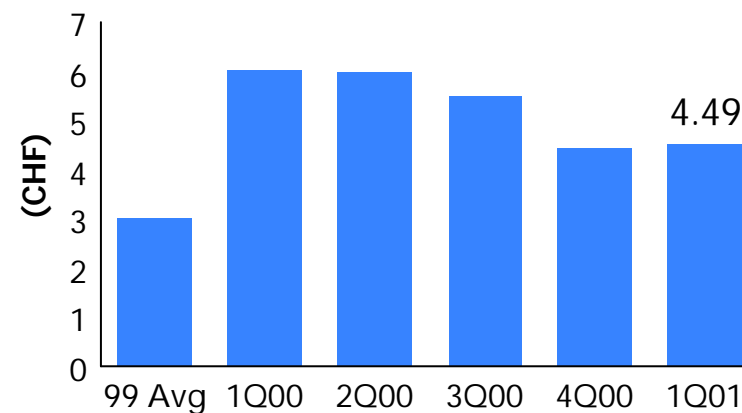


Performance against targets

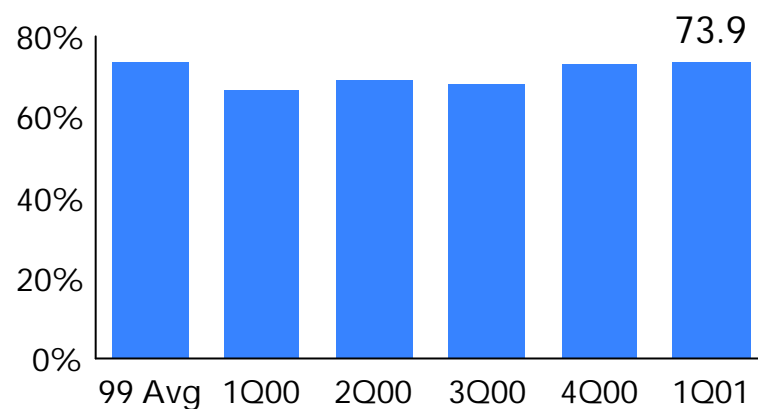
ROE ¹



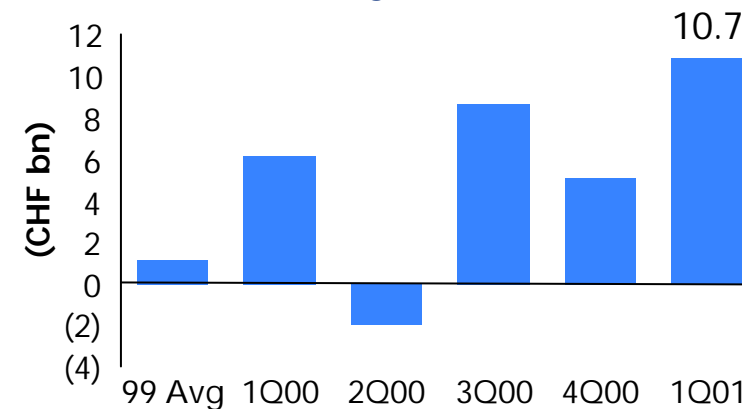
Basic EPS ²



Cost / Income ²



Net New Money ³



NOTES:

- 1 Annualized, before goodwill amortization and adjusted for significant financial events
- 2 Before goodwill amortization and adjusted for significant financial events
- 3 Private Banking, Private Clients and UBS PaineWebber from 3 November 2000



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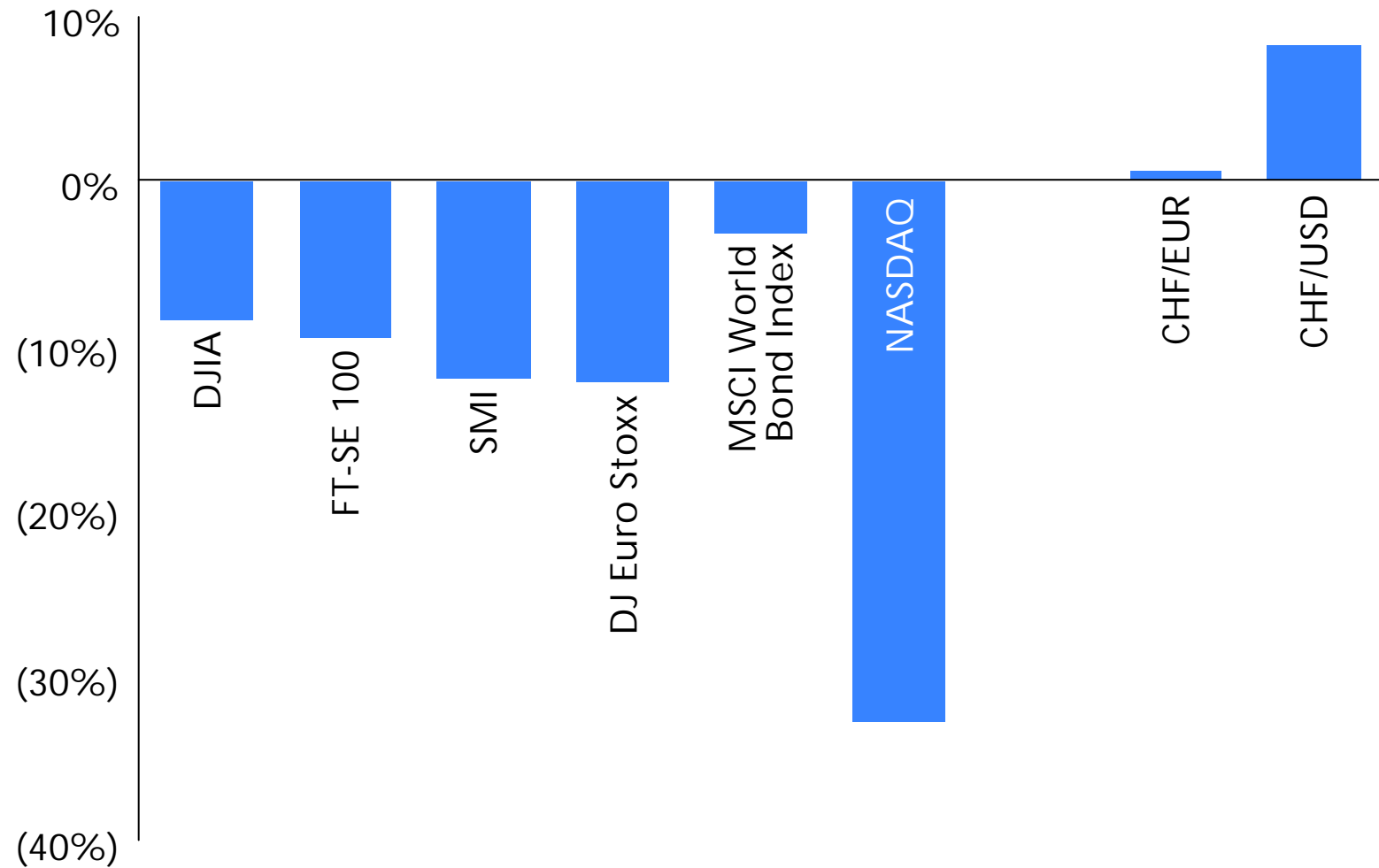
Invested assets

CHF bn	UBS CH		UBS AM		UBSW		Total
	PB	PCC	Inst.	Funds	PC	Capital	
Total opening ^{1, 2}	691	345	323	319	773	1	2,452
Net New Money ³	4	3	(3)	11	7	-	22
Performance & currency	(5)	(11)	(15)	2	(7)	-	(36)
Total closing	690	337	305	332	773	1	2,438

NOTES:

- 1 2000 figures are restated for new definition
- 2 Restated for transfer of Mitchell Hutchins assets from UBSW PC to UBS AM
- 3 Excludes interest & dividend income

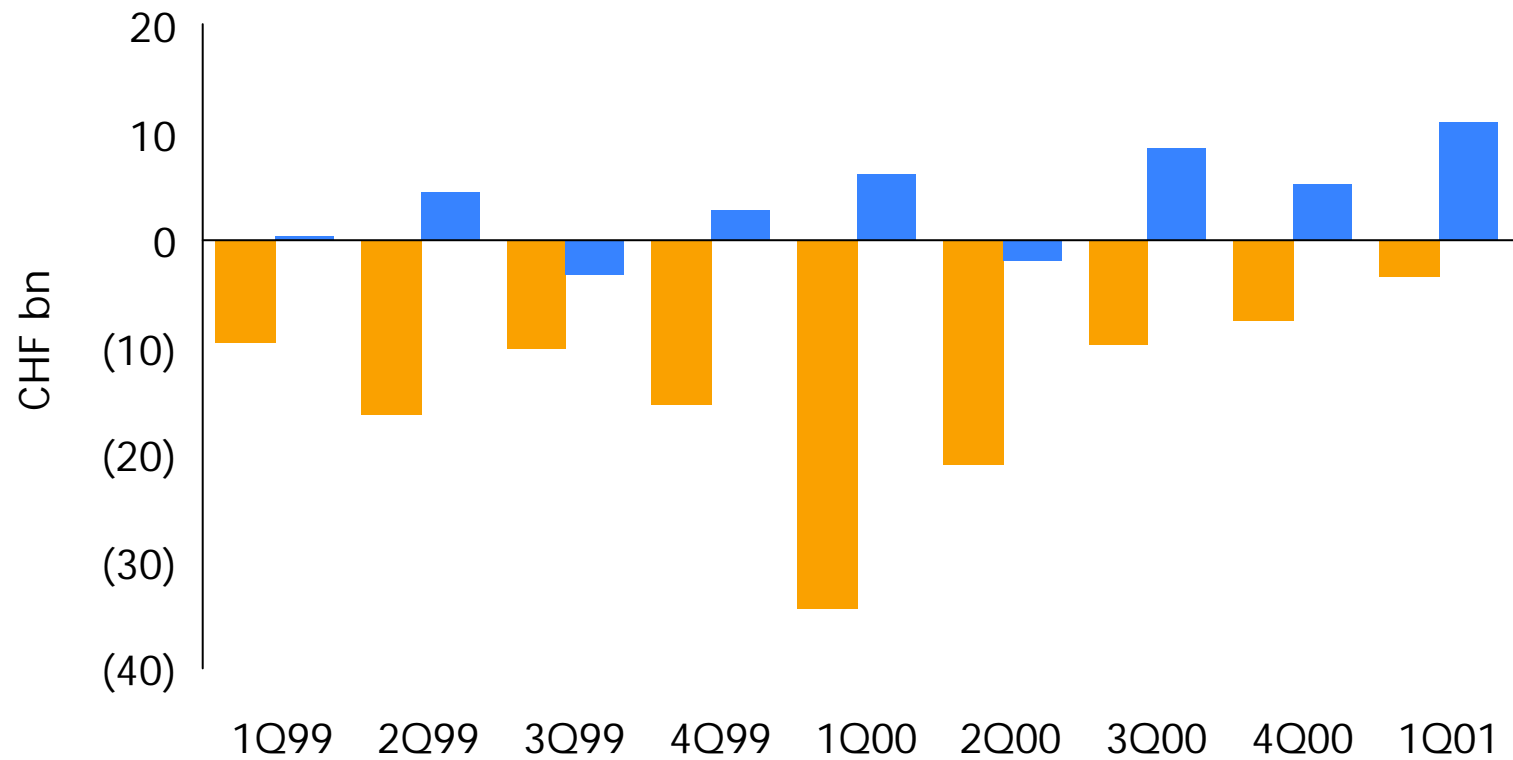
Market performance: 1Q01



Source: Bloomberg

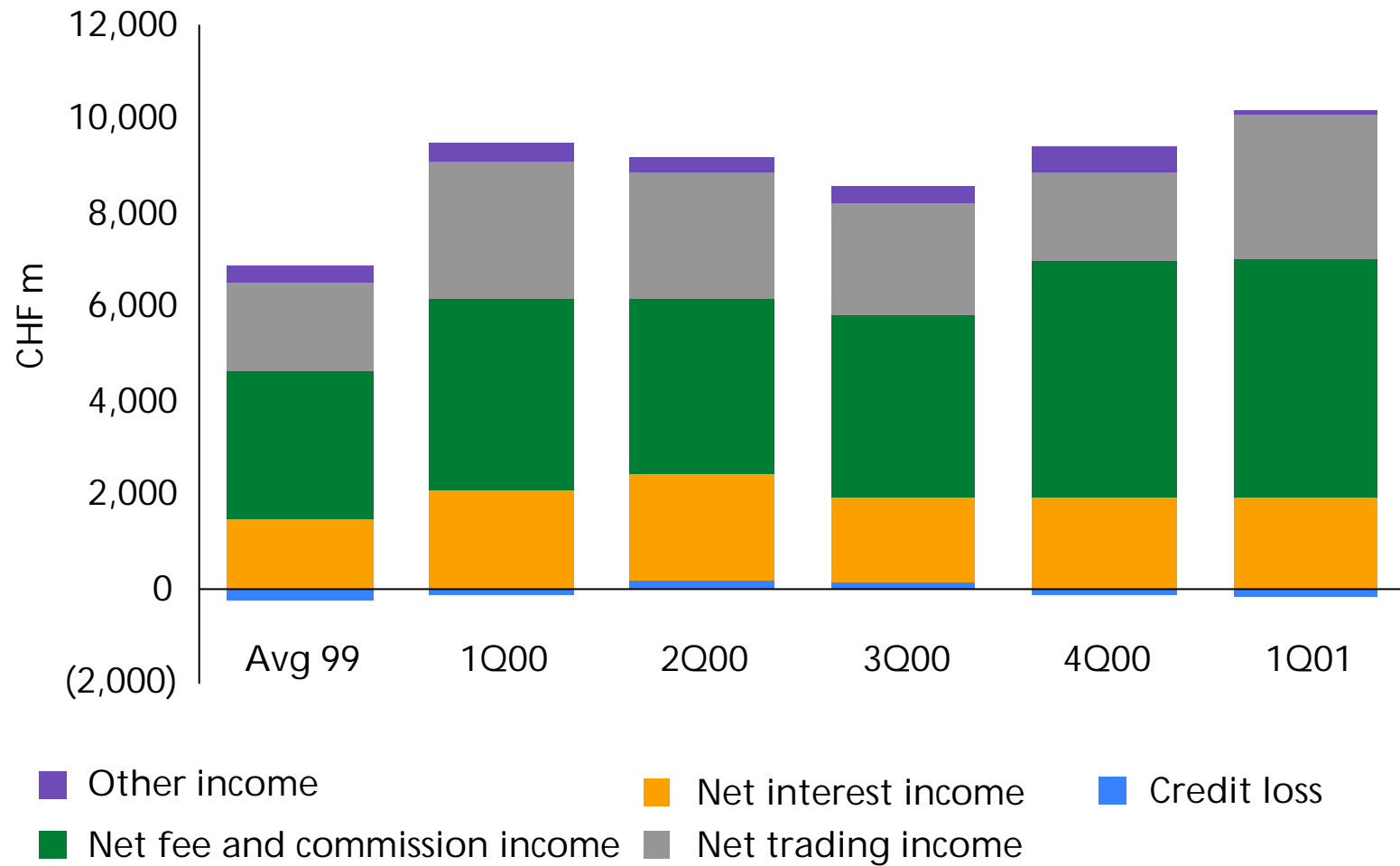


Net new money

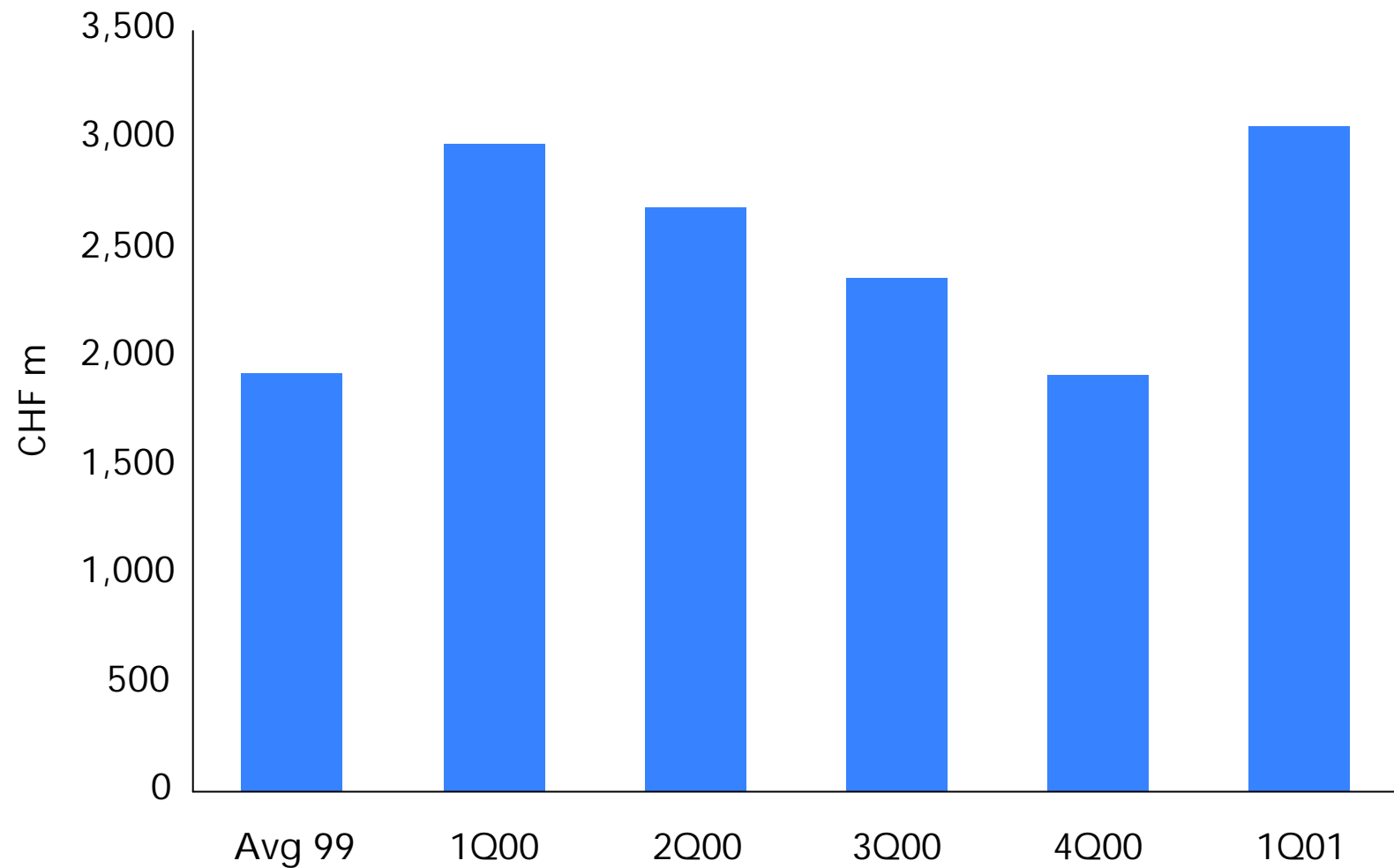


■ Institutional Asset Management
■ Private Banking and Private Clients

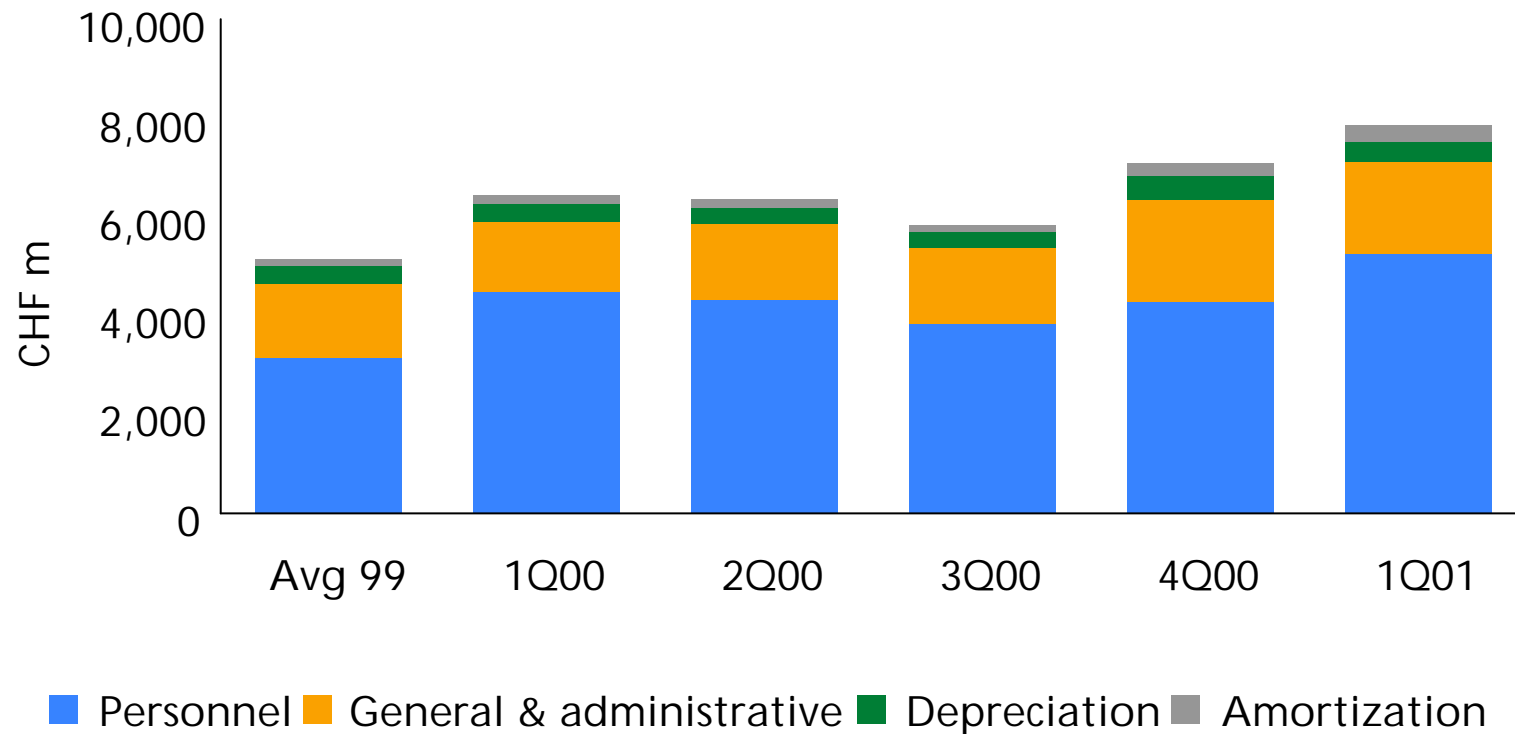
Revenue trends



Strong net trading income

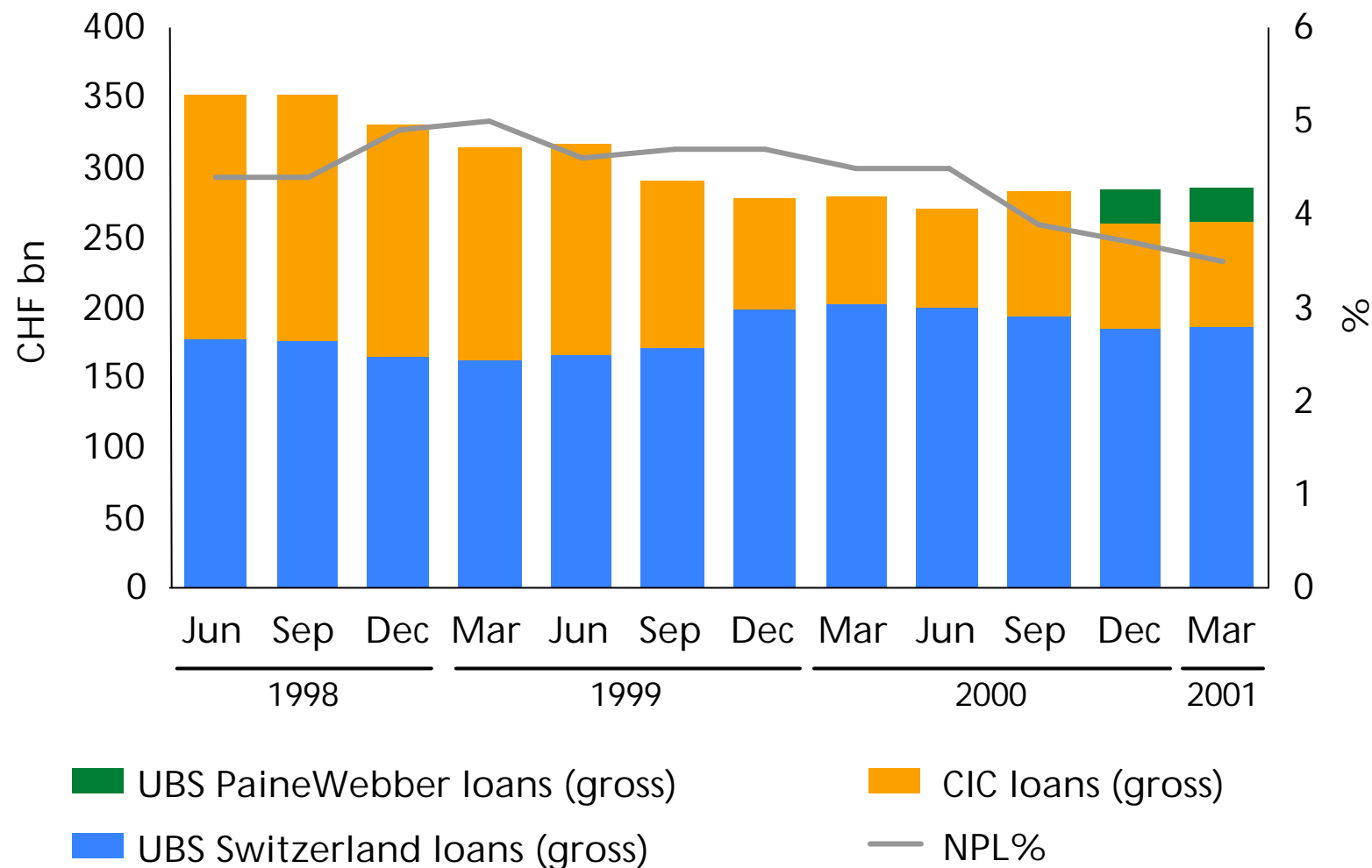


Total operating expense

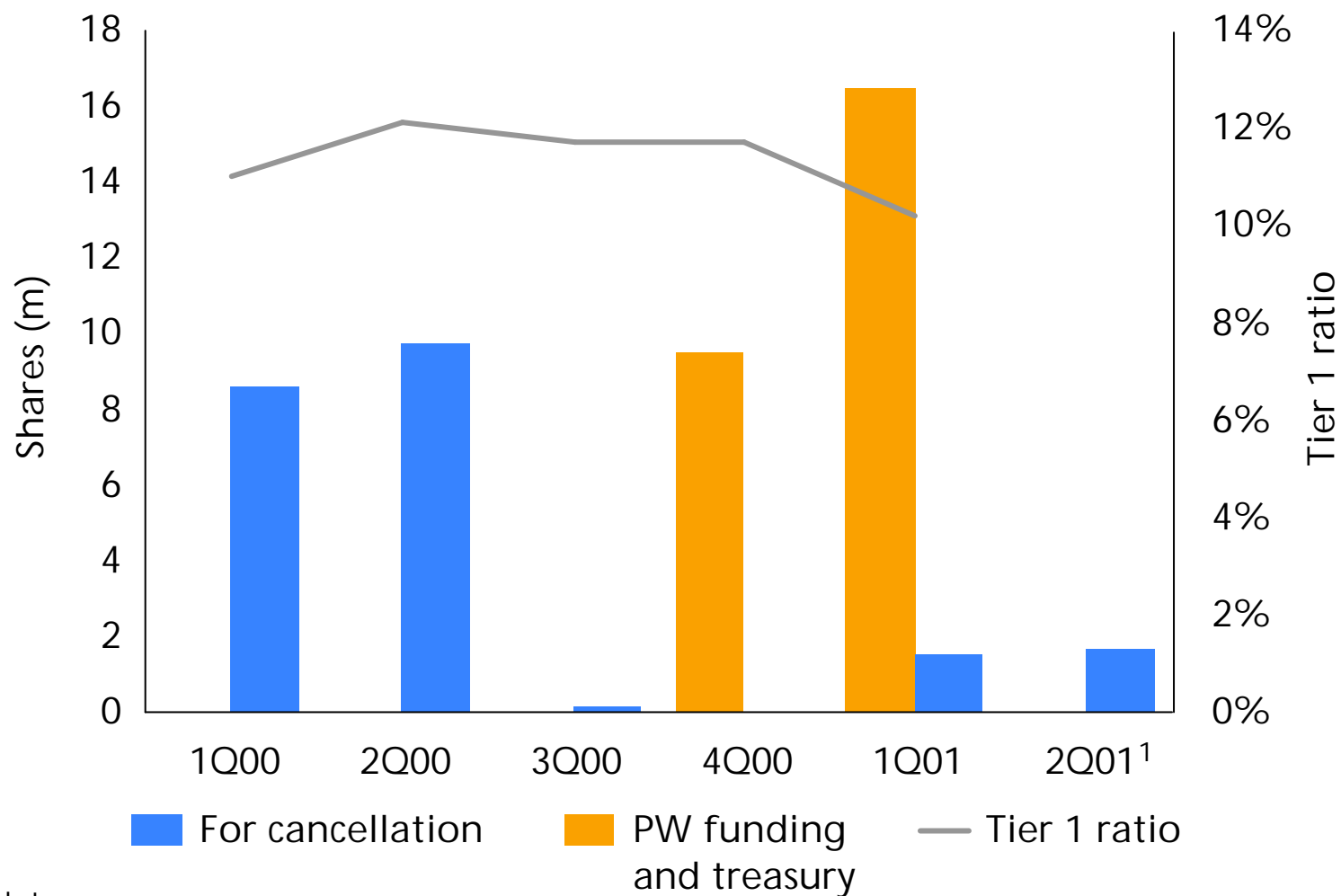


Asset quality development

At period end



Share buyback and Tier 1 ratio



Notes:

1 Quarter to 14 May 2001





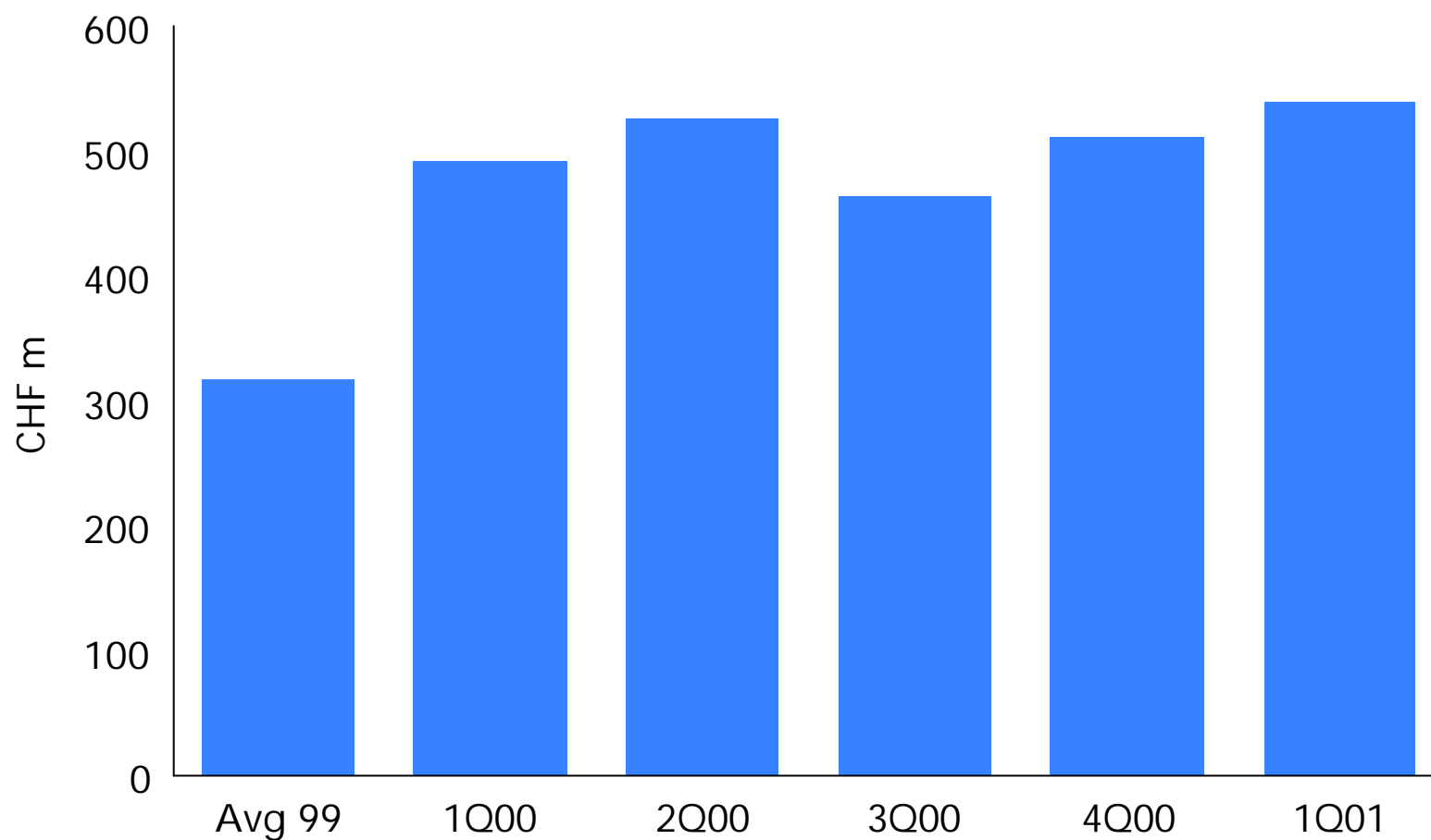
Business unit results



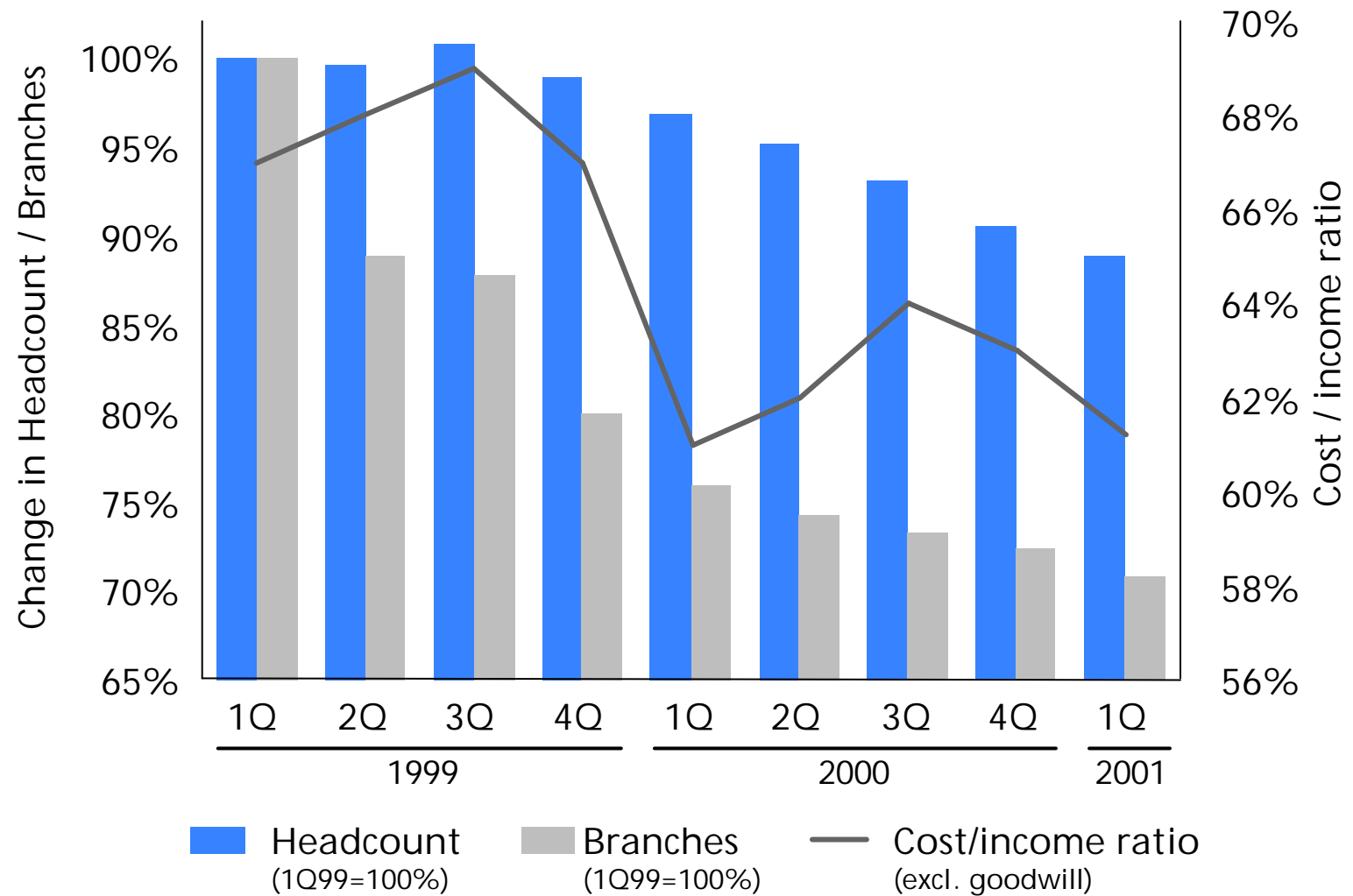
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Continued strong profitability

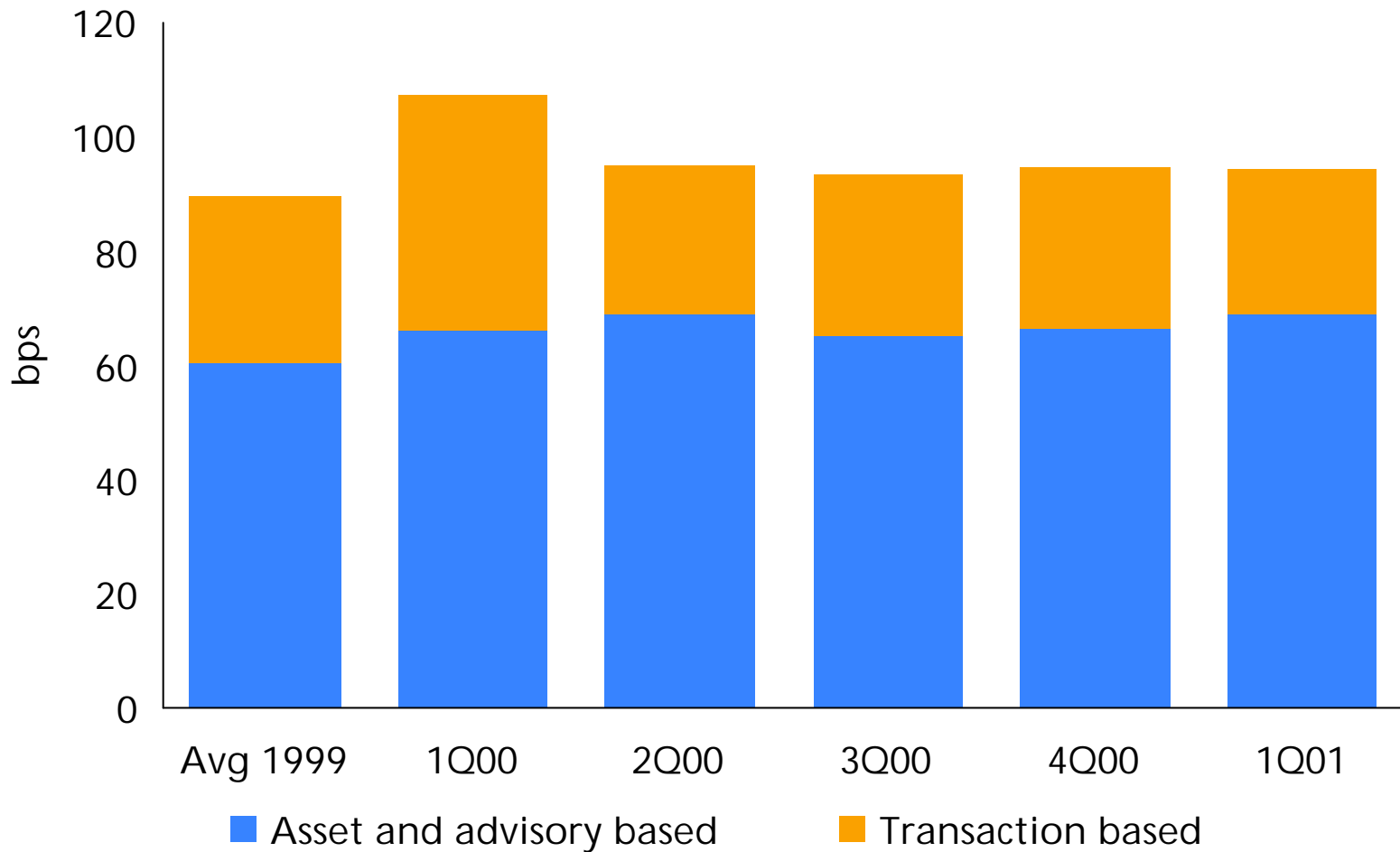
Net profit before tax



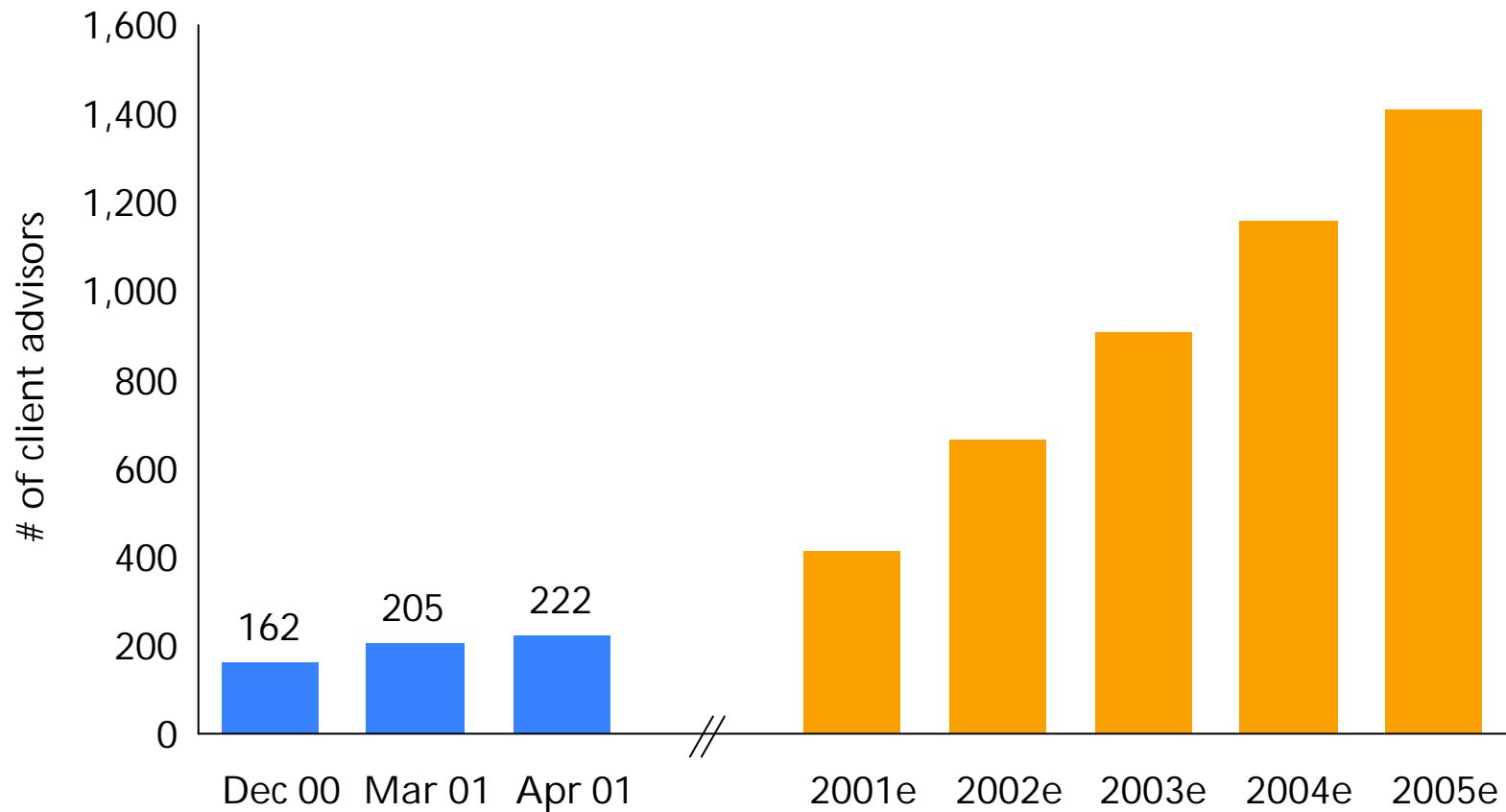
Cost base development



Continued strong, stable gross margin

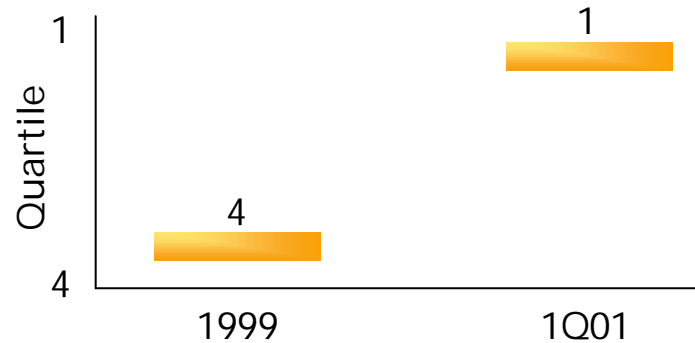


European wealth management: on track

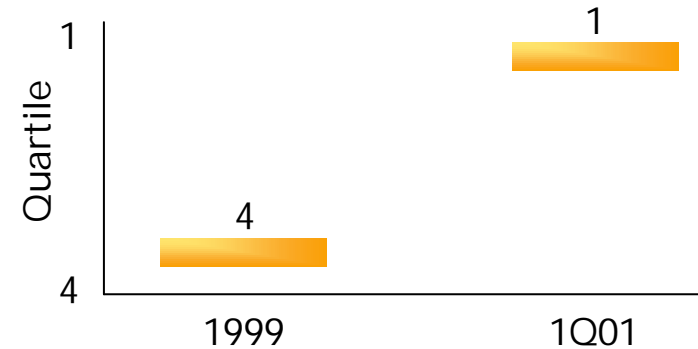


UBS Asset Management: continuing recovery

P&D 1-year performance



P&D 3-year performance



CAPS SURVEY

P&D - Top performing UK fund manager over last 12 months



Outperforming average fund manager by over 10%



ALTERNATIVE INVESTMENT

GAM - Fund of funds award



Third year running



CALLAN ASSOCIATES SURVEY

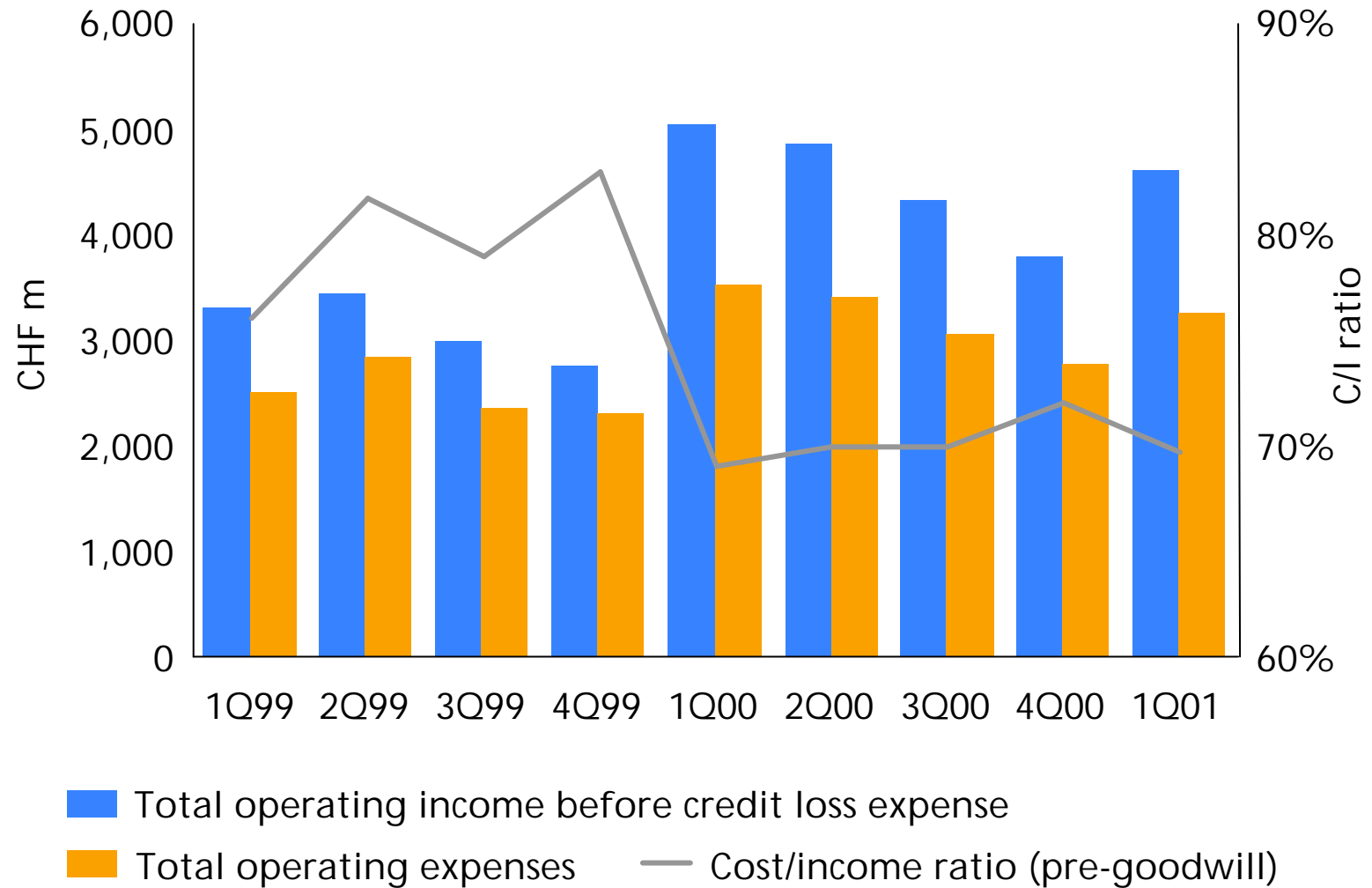
BRINSON - US Equity Large/ Intermediate Composite
Ranked in top 15% of peer group



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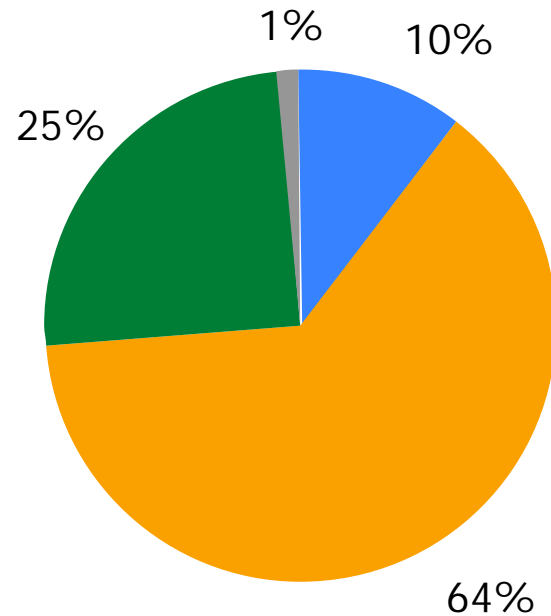


C&IC: resilient income & tight cost control

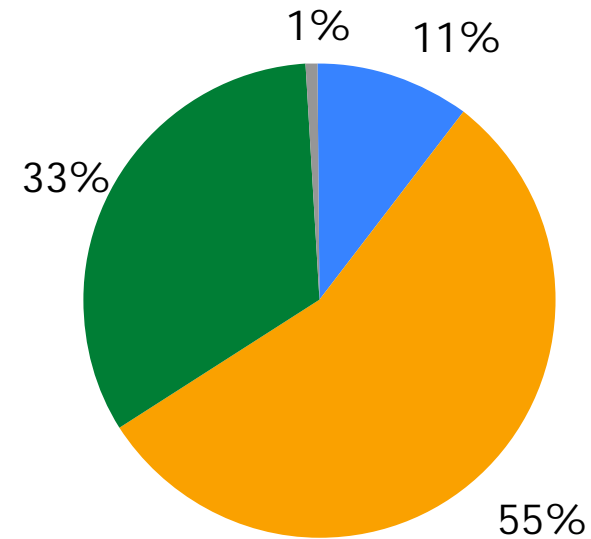


C&IC: strong fixed income revenues

Total 1Q00: CHF 5.0bn



Total 1Q01: CHF 4.6bn



Fixed income and foreign exchange

Corporate Finance

Equities

Non-core businesses

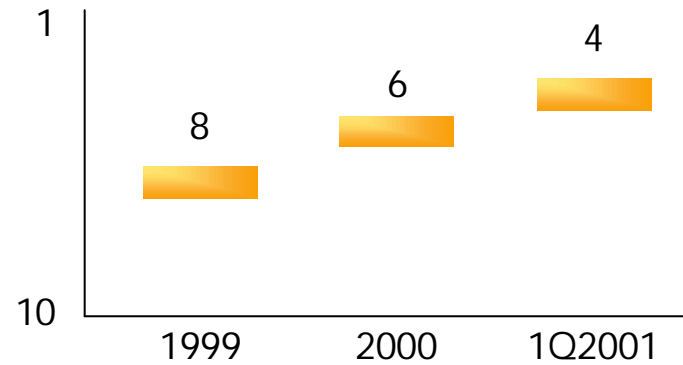
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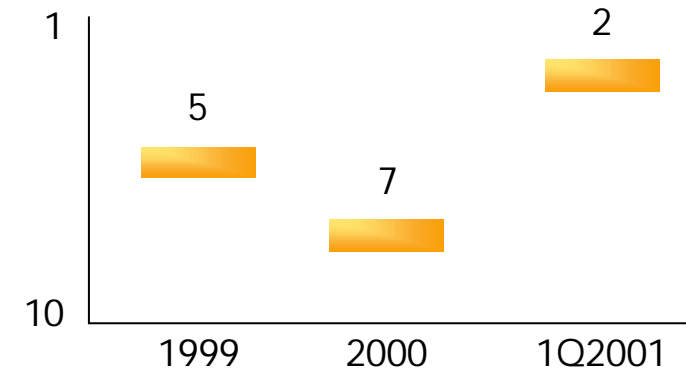


Strong momentum in corporate finance

Global M&A ¹



International Equity New Issues



Rankings

	1998	1999	→	2000
Healthcare	4	2		1
Consumer products	7	7		2



Rankings

M&A¹

4 of top 7 deals globally
#2 in Europe

Equities

4 of top 6 Asian deals

Notes:

¹ 1999, 2000: completed deals; Q1 2001 announced deals

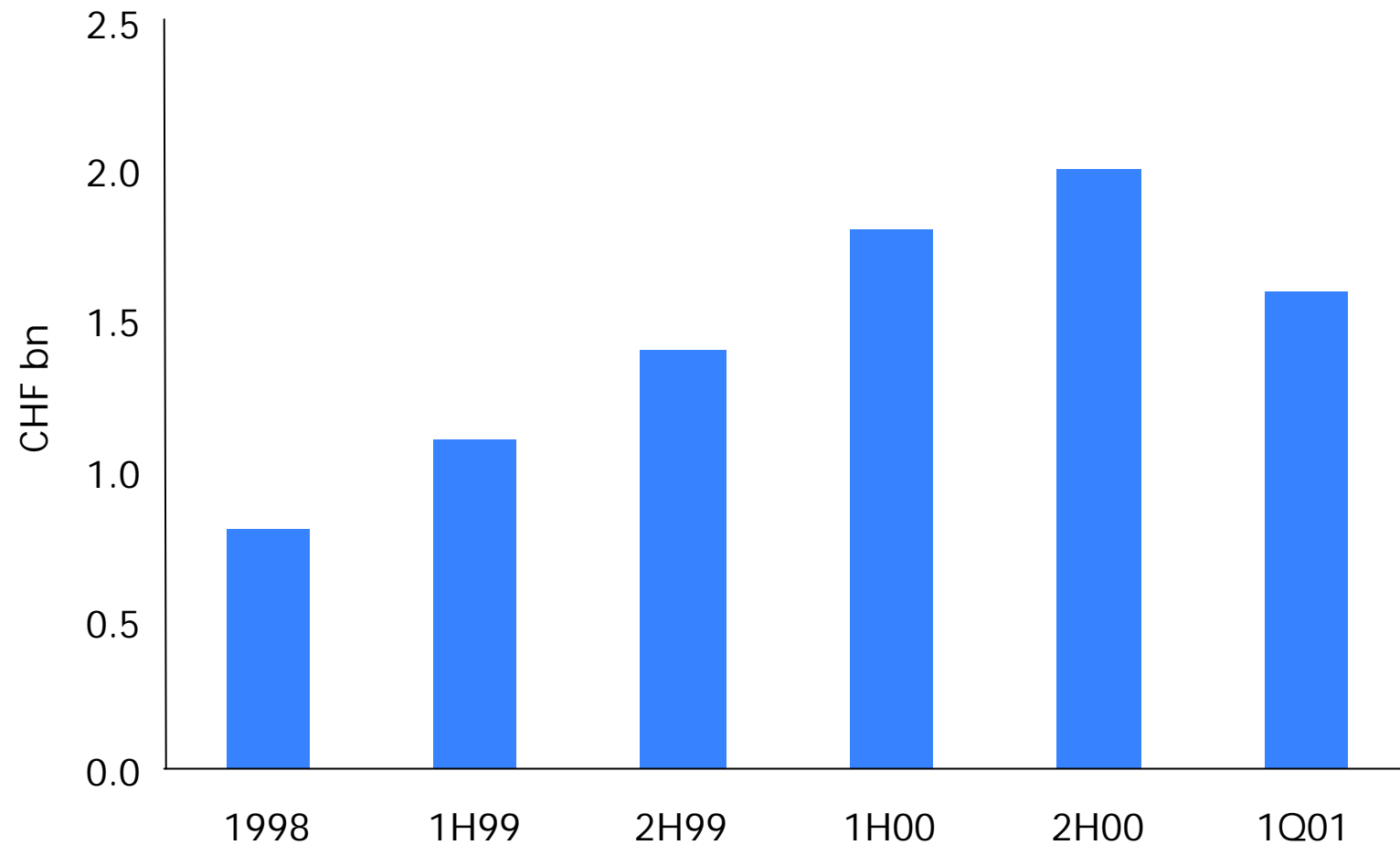
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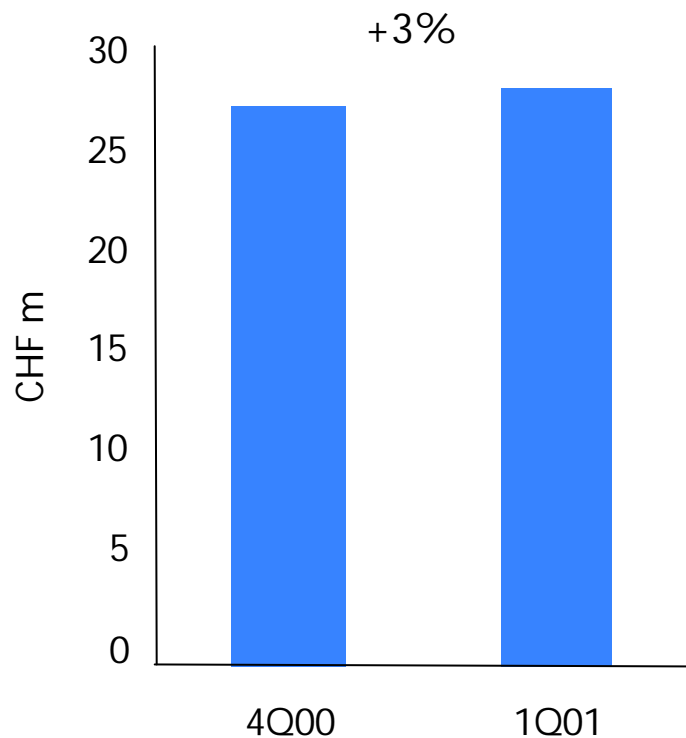
UBS Capital: cumulative value creation

Since 01.01.1998

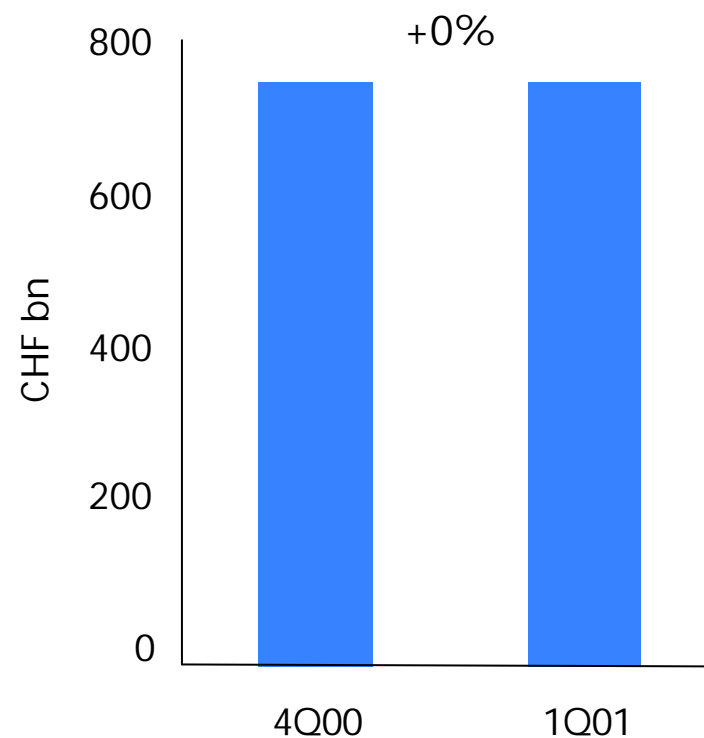


UBS PaineWebber resilience

Daily revenue¹



Invested assets¹



Notes:

1 4Q00 adjusted for the transfer of Mitchell Hutchins

Our commitment: 2001

- ◆ Continuity of strategy
- ◆ Realise value of PaineWebber merger throughout UBS
- ◆ Further open architecture
- ◆ Consistently deliver on financial targets
- ◆ Secure benefits of improved investment performance
- ◆ Best-in-class disclosure and transparency
- ◆ Strengthen corporate culture and brand

Best-in-class interactive reporting



Download selected data in **spreadsheet format**

The image shows a spreadsheet titled "UBS Group Income Statement 4Q2000". It contains financial data for various categories such as Operating income, Interest income, and Operating expenses. The data is presented in a grid format with columns for different periods and rows for different financial metrics.



Access **additional analytical comment**

The image shows a screenshot of the "Notes" section of a UBS report. It includes a table with columns for "Period", "Value", and "Change". The table contains data for various financial metrics, including interest income and operating expenses. The text is in English and provides detailed commentary on the financial performance.



Print full pages of results tables in user-friendly pdf format

The image shows a screenshot of a report titled "UBS Asset Management". It contains a table with columns for "Asset Class", "Value", and "Change". The table lists various asset classes and their corresponding values and changes over time. The report is presented in a user-friendly format with clear headings and data.



Send full report pages easily by **email**

The image shows a screenshot of the "First Quarter Report 2001" from UBS. It includes a table with columns for "Period", "Value", and "Change". The table contains data for various financial metrics, including interest income and operating expenses. The report is presented in a user-friendly format with clear headings and data.

For more information, view the 60-second video at:
www.ubs-demo.com/ubs.asp?ID=312

To view the First Quarter 2001 interactive report:
www.ubs.com/investor-relations

Appendix: Business unit results



Financial Services Group

Group: total operating income (adjusted)

(CHFm)	1Q01	4Q00	1Q00	1Q01 vs1Q00	1Q01 vs4Q00
Net interest income	1,958	1,973	2,089	(6%)	(1%)
Credit loss expense	(136)	(95)	(125)	(9%)	43%
Net interest income after credit loss expense	1,822	1,878	1,964	(7%)	(3%)
Net fee and commission income	5,089	5,003	4,079	25%	2%
Net trading income	3,060	1,916	2,978	3%	60%
Other income	96	503	336	(71%)	(81%)
Total operating income	10,067	9,300	9,357	8%	8%

Group: total operating expenses (adjusted)

(CHFm)	1Q01	4Q00	1Q00	1Q01 vs1Q00	1Q01 vs4Q00
Personnel	5,273	4,306 ¹	4,522	17%	22%
G&A	1,877	2,045 ²	1,431	31%	(8%)
Depreciation	394	507 ³	348	13%	(22%)
Goodwill amortization	328	266	148	122%	23%
Total expenses	7,872	7,124	6,449	22%	10%

Asset quality

At period end

(CHFm)	1Q01	4Q00	Δ%
Total loans (gross)	285,363	284,519	1.7
Impaired loans ¹	17,570	18,494	(5.8)
Non-performing loans	10,250	10,452	(6.1)
Impaired loans in % of gross loans	6.2	6.5	
NPL's in % of gross loans	3.6	3.7	
Allowances as % of impaired loans	54.1	52.4	
Allowances as % of NPL's	58.8	60.6	

NOTE:

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

Private & Corporate Clients

(CHFm)	1Q01	4Q00	1Q00	1Q01 vs1Q00	1Q01 vs4Q00
Operating income	1,670	1,684	1,690	(1%)	(1%)
Operating expenses	1,130	1,174	1,199	(6%)	(4%)
Pre-tax profit	540	510	491	10%	6%
Cost / income ratio ¹	61%	63%	61%		

KPI's	1Q01	4Q00	1Q01 vs4Q00
Invested Assets (CHFbn)	337	345	(2%)
Net new money	3.2	(1.3)	
NPL ratio (%)	5.1%	5.3%	
Headcount	20,950	21,100	(1%)

NOTE:

¹ Pre-goodwill & credit loss expense



Private Banking

(CHFm)	1Q01	4Q00	1Q00	1Q01 vs1Q00	1Q01 vs4Q00
Operating income	1,639	1,694	1,871	(12%)	(3%)
Operating expenses	859	1,011	920	(7%)	(15%)
Pre-tax profit	780	683	951	(18%)	14%
Cost / income ratio ¹	52%	59%	49%		

KPI's	1Q01	4Q00	1Q01 vs4Q00
Invested Assets (CHFbn)	690	691	0%
Net new money	3.9	0.2	
Gross margin (bps)	95	96	(1%)
Headcount	8,820	8,925	(1%)

NOTE:

¹ Pre-goodwill & credit loss expense



Financial Services Group

UBS Asset Management

(CHFm)	1Q00	4Q00	1Q00	1Q01 vs1Q00	1Q01 vs4Q00
Operating income	519	488	482	8%	6%
Operating expenses	467	452	373	25%	3%
Pre-tax profit	52	36	109	(52%)	44%
Cost / income ratio ¹	77%	79%	64%		

KPI's	1Q01	4Q00	1Q01 vs4Q00
Institutional assets	305	323	(6%)
Net new money	(3.3)	(6.9)	(52%)
Gross margin IF (bps)	36	38	(5%)
Mutual fund assets	332	319	4%
Net new money	10.7	2.2	
Gross margin MF (bps)	29	34	(15%)
Headcount	3,030	2,860	6%

NOTE:

¹ Pre-goodwill & credit loss expense

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Financial Services Group

Corporate & Institutional Clients

(CHFm)	1Q10	4Q00	1Q00	1Q01 vs1Q00	1Q01 vs4Q00
Operating income	4,579	3,728	4,975	(8%)	23%
Operating expenses	3,254	2,780 ¹	3,530	(8%)	17%
Pre-tax profit	1,325	948	1,445	(8%)	40%
Cost / income ratio ²	70%	72%	69%		

KPI's	1Q01	4Q00	1Q01 vs4Q00
Compensation ratio	52%	45%	
NPL ratio	3.1%	2.8%	
Average VaR (CHFm)	209	216	(3%)
Headcount	15,636	15,262	2%

NOTE:

1 Adjusted for CHF 106m PaineWebber integration costs

2 Pre-goodwill & credit loss expense



Financial Services Group

UBS Capital

(CHFm)	1Q01	4Q00	1Q00	1Q01 vs1Q00	1Q01 vs4Q00
Operating income	(246)	138	147	-	-
Operating expenses	36	82	33	9%	(56%)
Pre-tax profit	(282)	56	114	-	-

KPI's	1Q01	4Q00	1Q01 vs4Q00
Book value (CHF bn)	5.7	5.5	4%
Headcount	134	129	4%

KPI's	1Q01	2H00
Value Creation (CHF bn)	(0.4)	0.2

Private Clients ¹

(CHFm)	1Q01	4Q00	1Q00	1Q01 vs4Q00
Operating income	1,854	1,250	27	48%
Operating expenses	1,731	1,261	122	37%
Pre-tax profit	123	(11)	(95)	
Cost / income ratio ²	93%			

KPI's	1Q01	4Q00	1Q01 vs4Q00
Invested assets (CHFbn)	773	773	0%
Net new money	6.8	4.9	39%
Recurring fees (CHF m)	580	430	36%
Gross margin (bps)	96	86	12%
Headcount	21,481	21,814	(2%)
Financial advisors	8,891	8,871	0%

NOTE:

1 1Q00 UBS Warburg private clients only; PaineWebber included from 3.11.01

2 Pre-goodwill & credit loss expense



Financial Services Group

Corporate Center

(CHFm)	1Q01	4Q00	1Q00	1Q01 vs1Q00	1Q01 vs4Q00
Operating income	152	284	(17)	-	(46%)
Credit loss (expected - actual)	88	166	182	(52%)	(47%)
Operating expenses	185	226 ¹	272	(32%)	(18%)
Pre-tax profit	55	224	(107)	-	(75%)

KPI's	1Q01	4Q00	4Q00 vs3Q00
Headcount	1,029	986	4

NOTE:

1 Adjusted for PaineWebber restructuring costs of CHF 32m and US Global Settlement contribution of CHF 50m

