



Financial Services Group

UBS Second Quarter Results 2001

Luqman Arnold
14 August 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, expansion of our corporate finance presence in the US and worldwide, and other statements relating to our future business development and economic performance, including the expected results of UBS Capital through the balance of 2001.

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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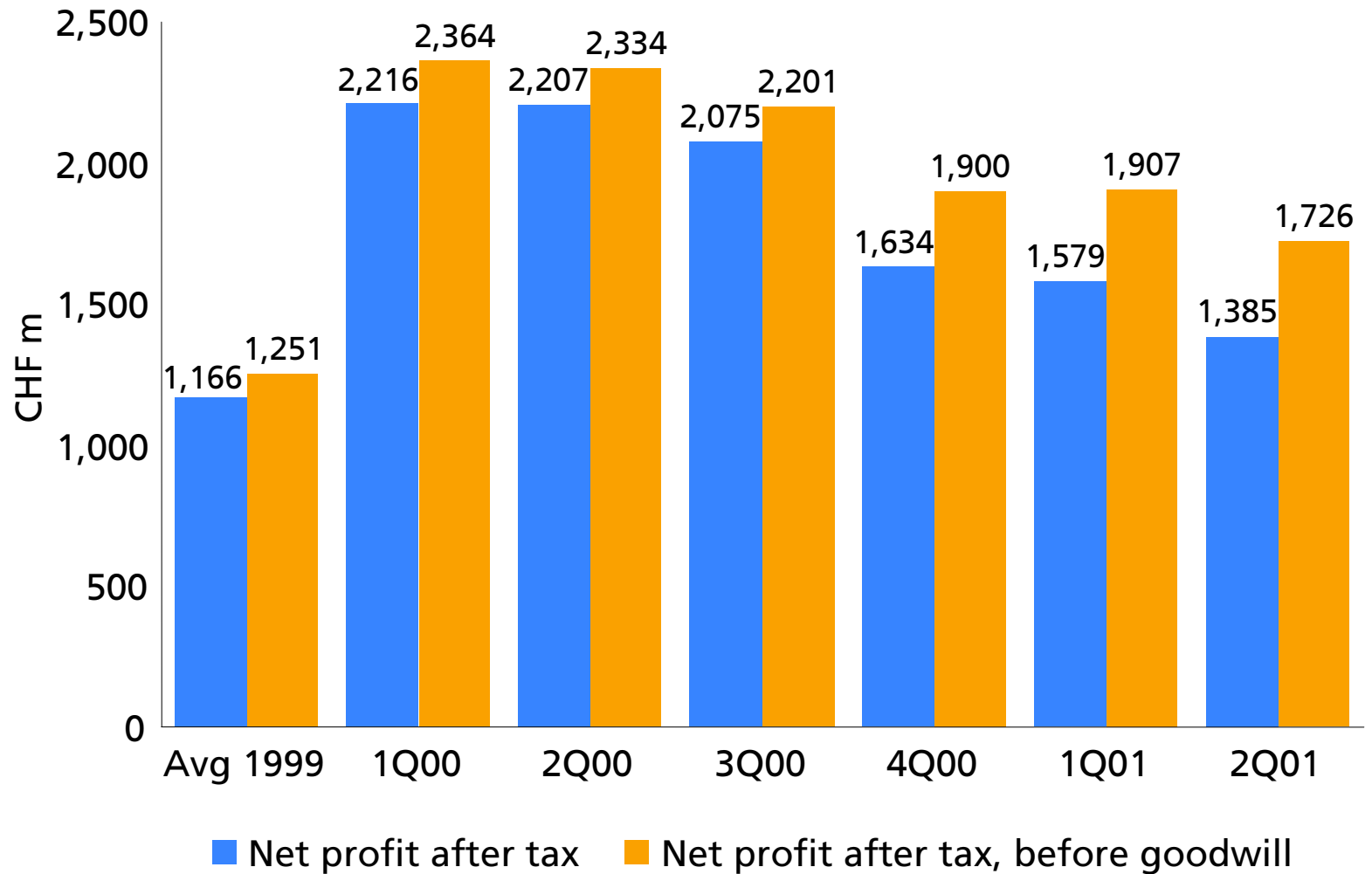
Profitability

(CHFm)	2Q01	1Q01	2Q00	2Q01 vs2Q00	2Q01 vs1Q01
Operating income	9,881	10,067	9,200	7%	(2%)
Operating expenses	7,683	7,544	6,221 ²	24%	2%
Net profit pre goodwill ¹	1,726	1,907	2,334	(26%)	(9%)
Net profit - reported	1,385	1,579	2,052	(33%)	(12%)

Notes:

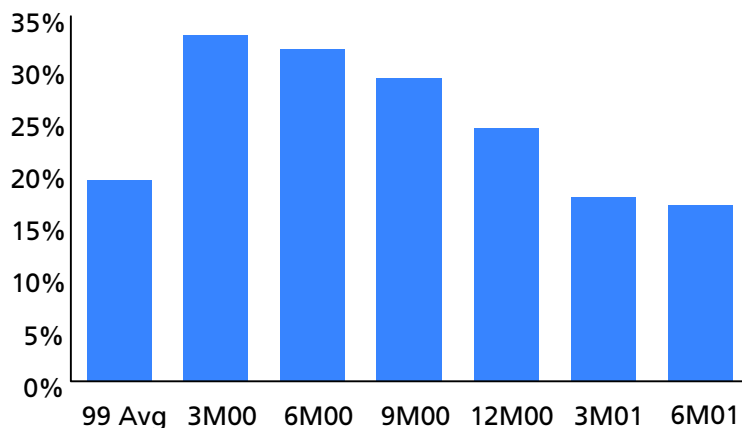
- 1 Excluding the amortization of goodwill and other intangible assets
- 2 Adjusted for CHF 200m Global Settlement provision

Net profit (adjusted)

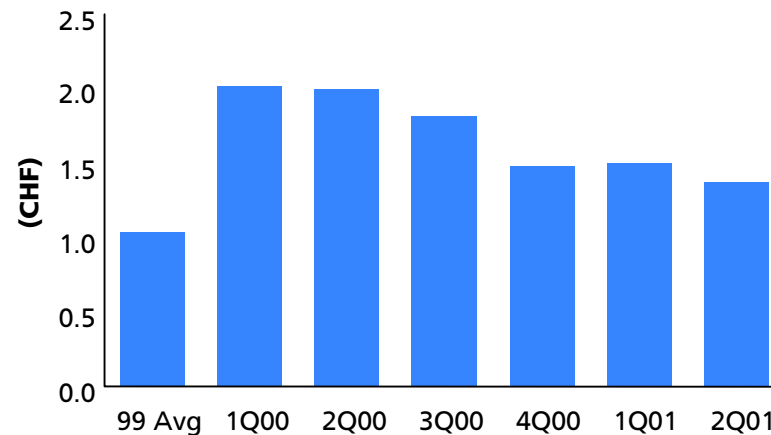


Performance against targets

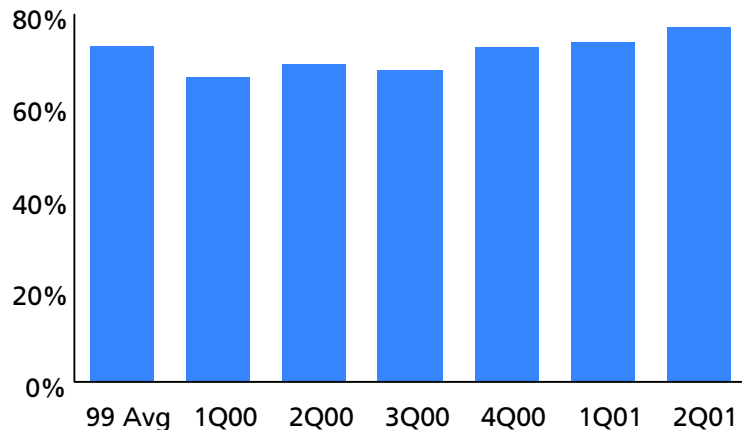
ROE ¹



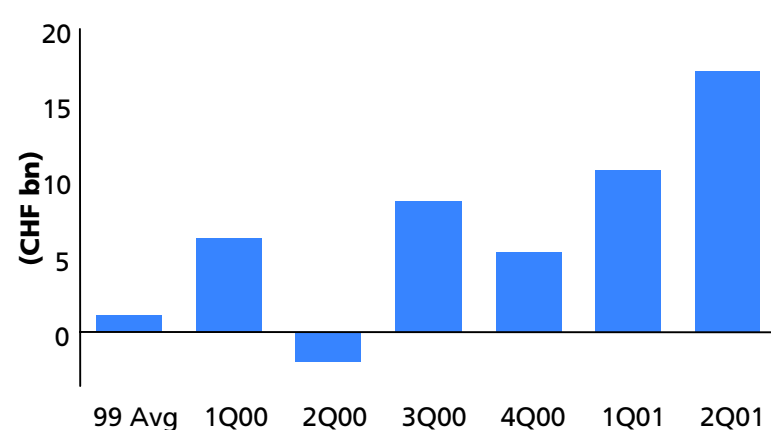
Basic EPS ²



Cost / Income ²



Private Client 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 and Private Clients



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Invested assets

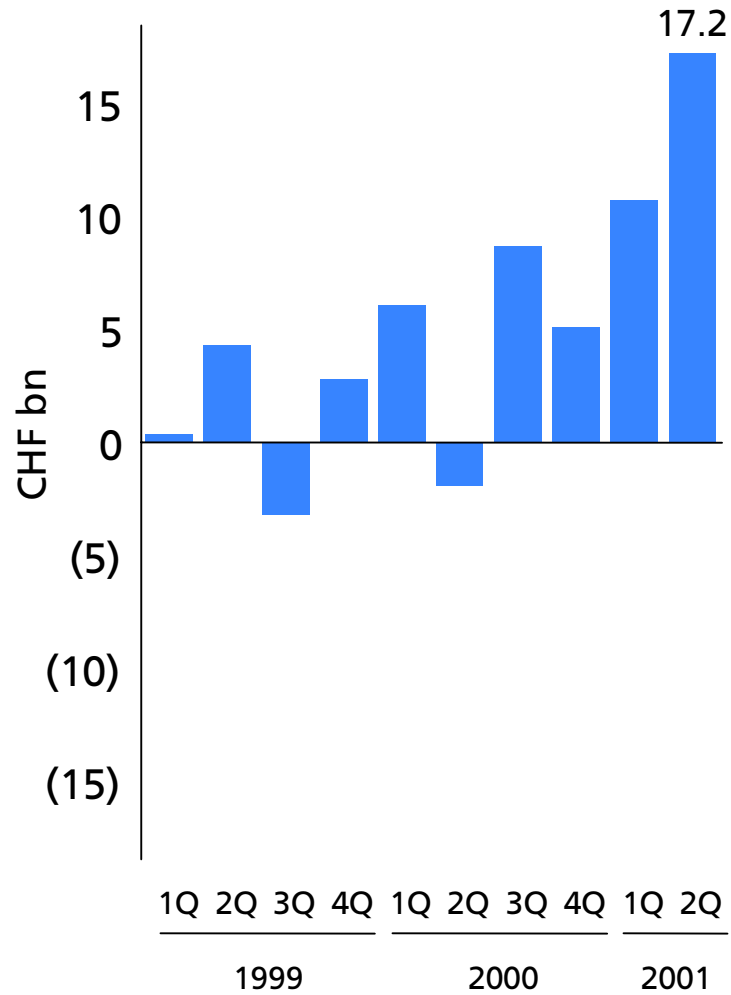
CHF bn	UBS CH		UBS AM		UBSW		Total
	PB	PCC	Inst.	Funds	PC	Capital	
Total opening	690	337	305	332	773	1	2,438
Net New Money ¹	8.5	0.8	5.2	0.8	8.7	0.1	24
Performance & currency	20	(5)	8	15	59	-	97
Total closing	718	333	318	348	841	1	2,559

NOTES:

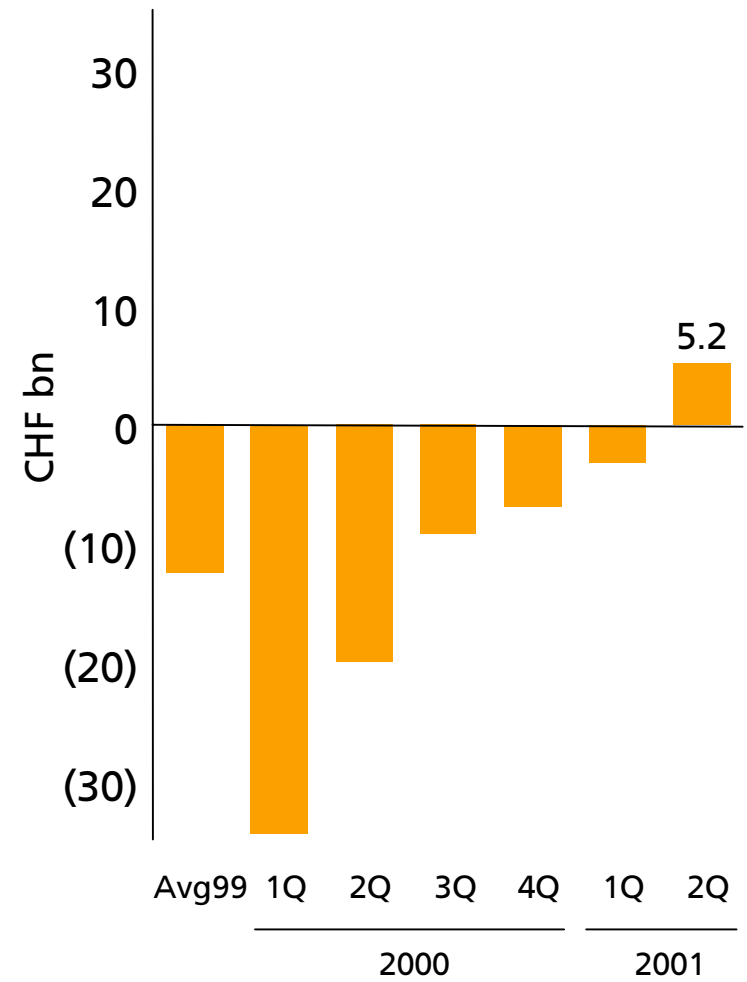
1 Excludes interest & dividend income

Net new money

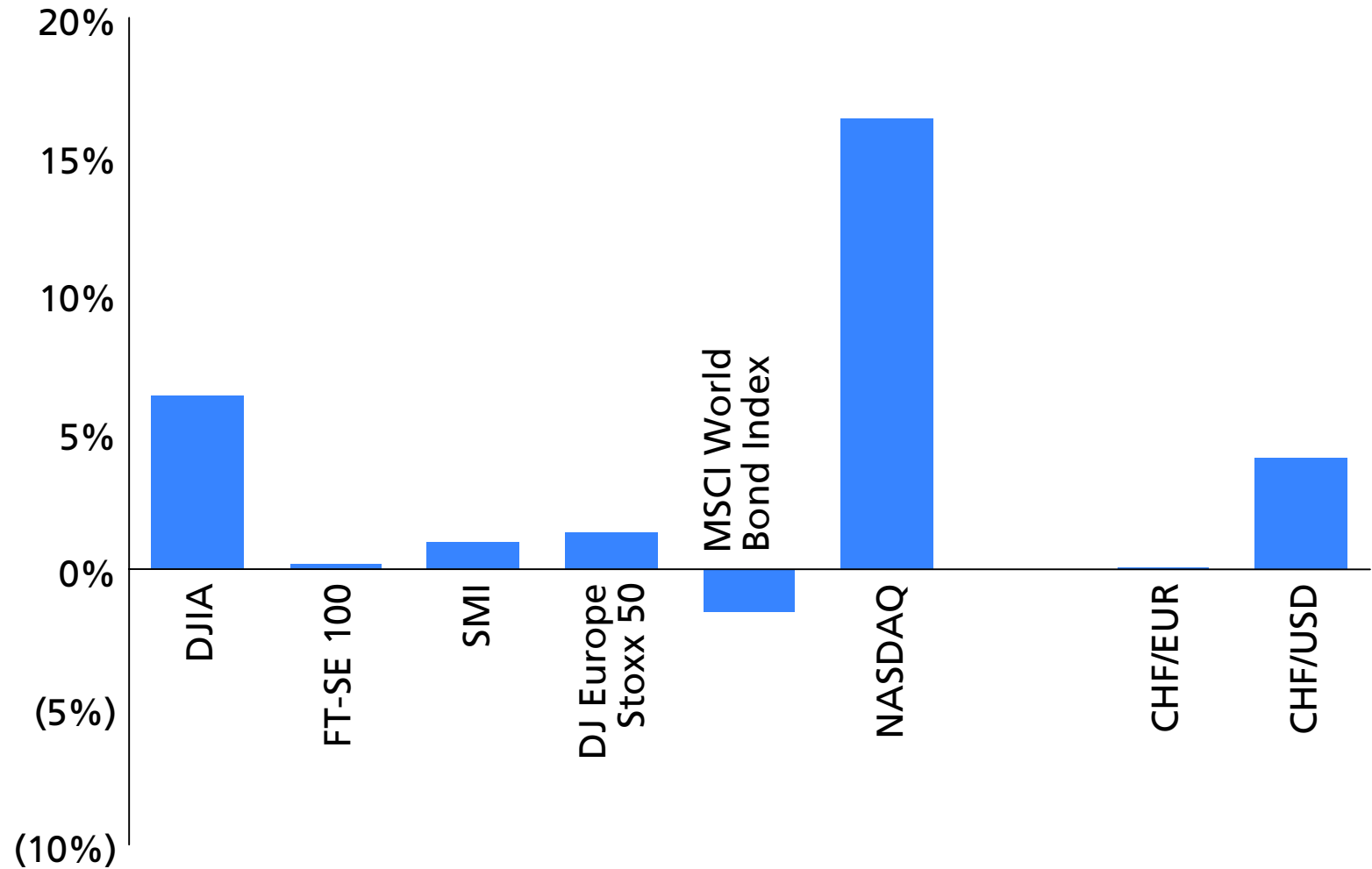
Private Banking & Private Clients



Institutional Asset Management



Market performance: 2Q01



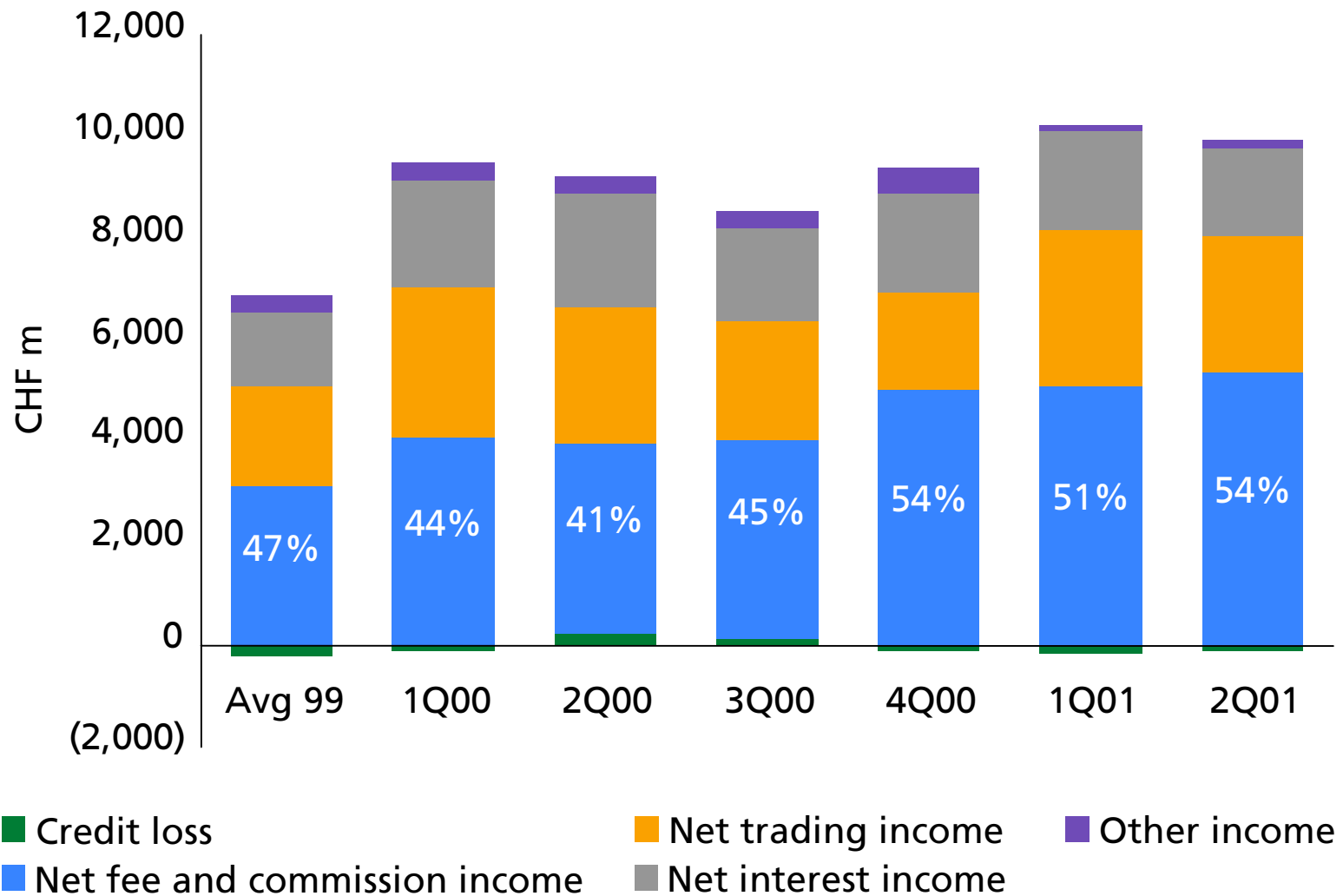
Source: Bloomberg



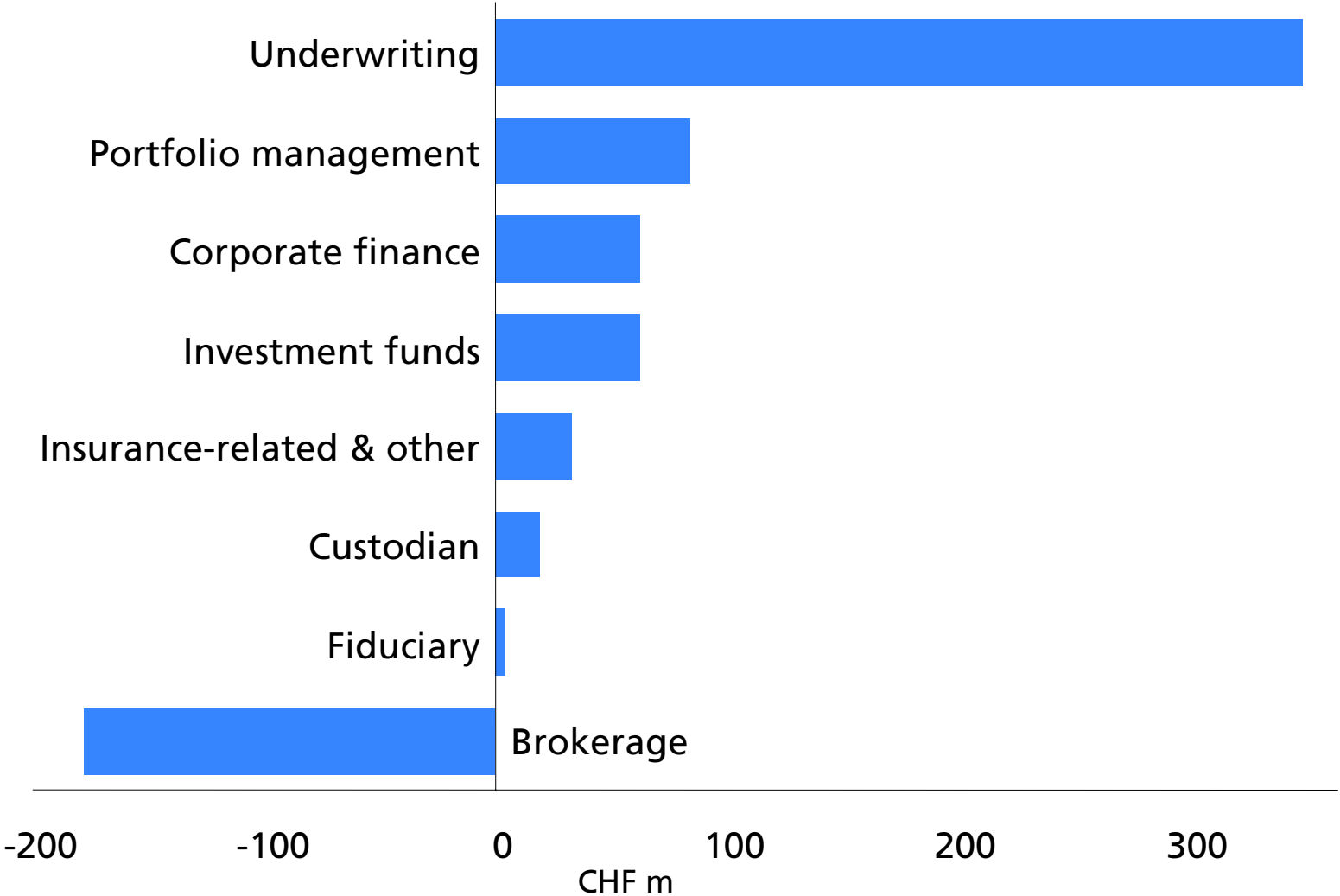
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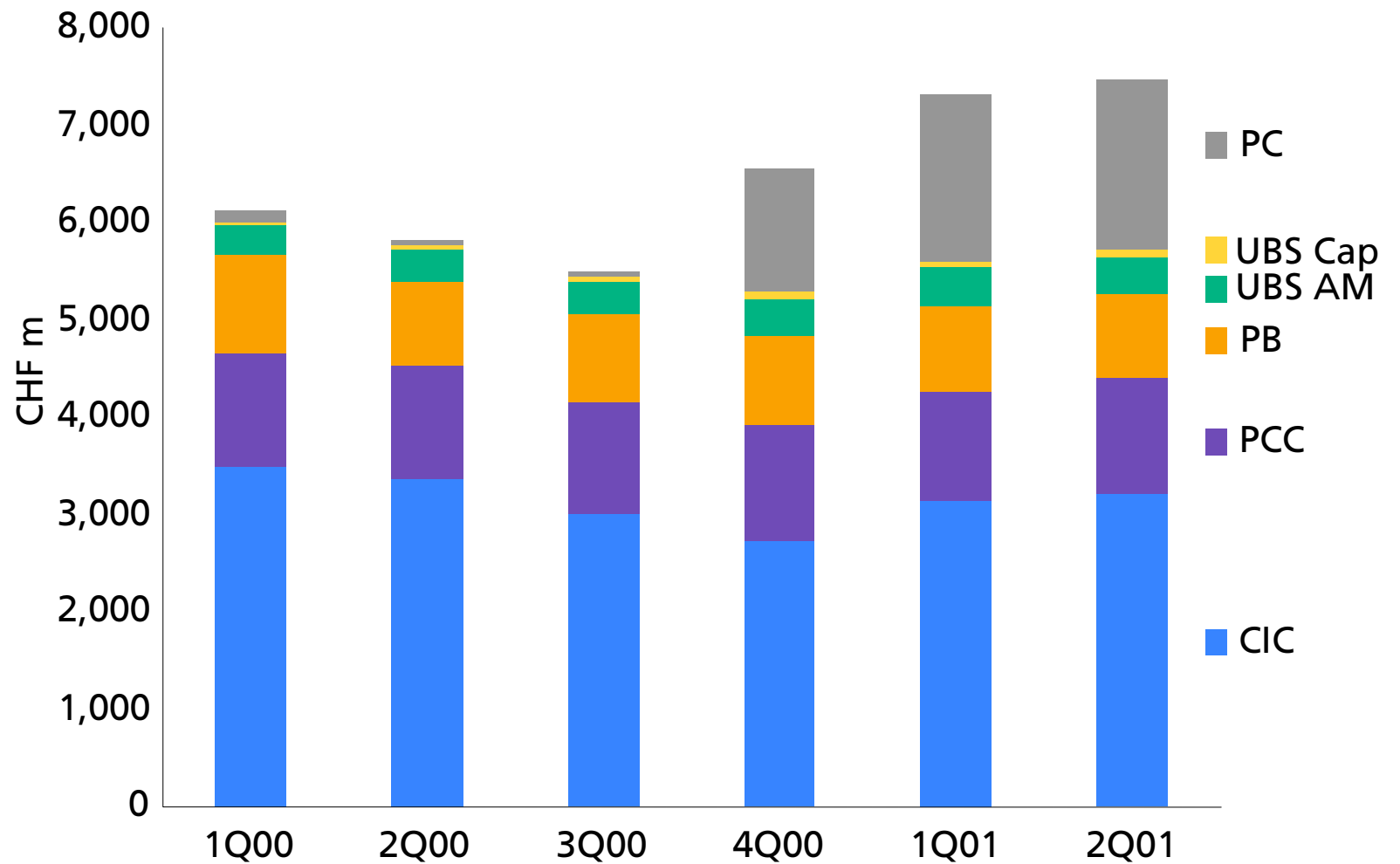
Revenue trends



Fees & commissions - quarter-on-quarter change

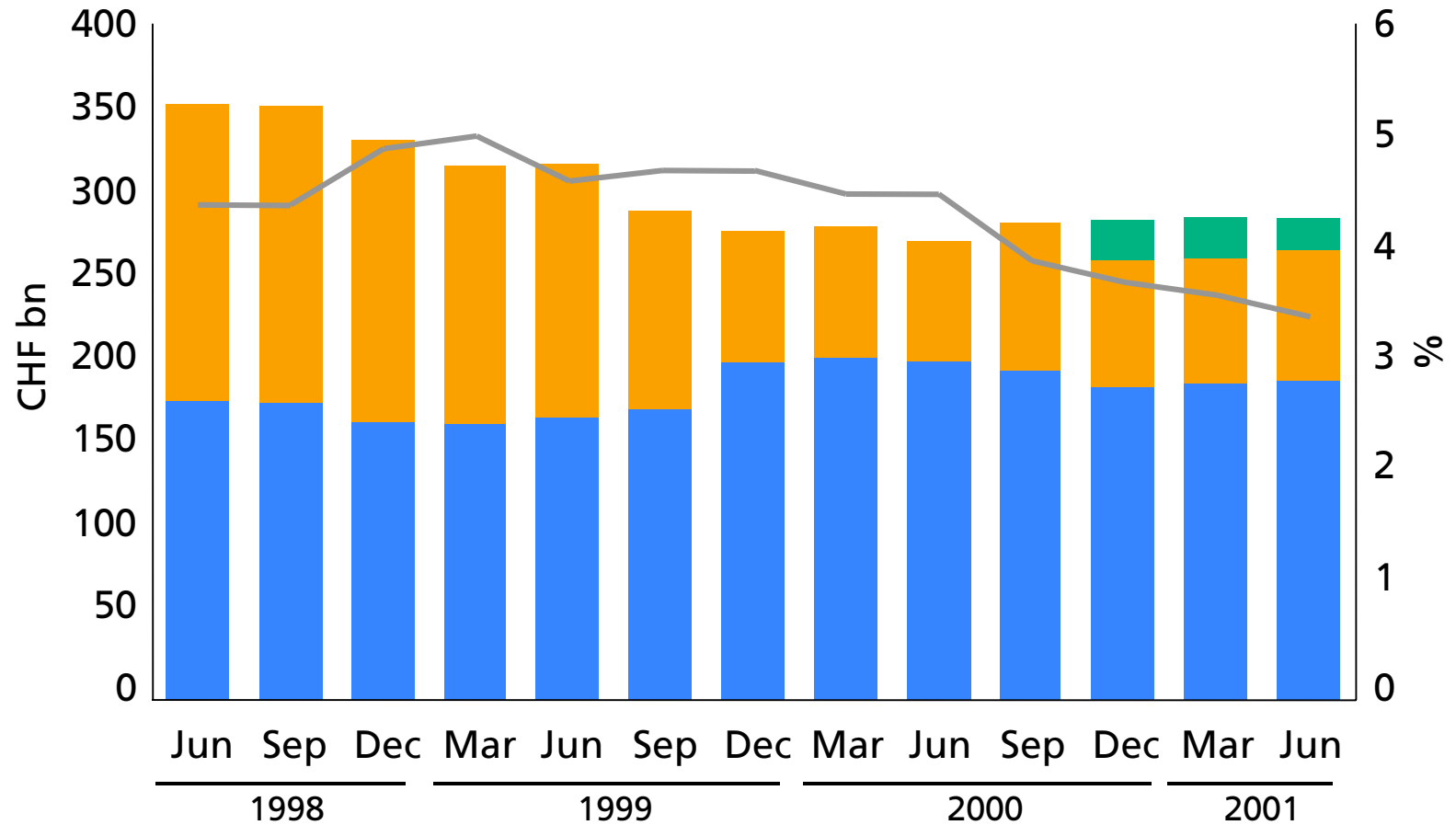


Business unit cost trends



Asset quality development

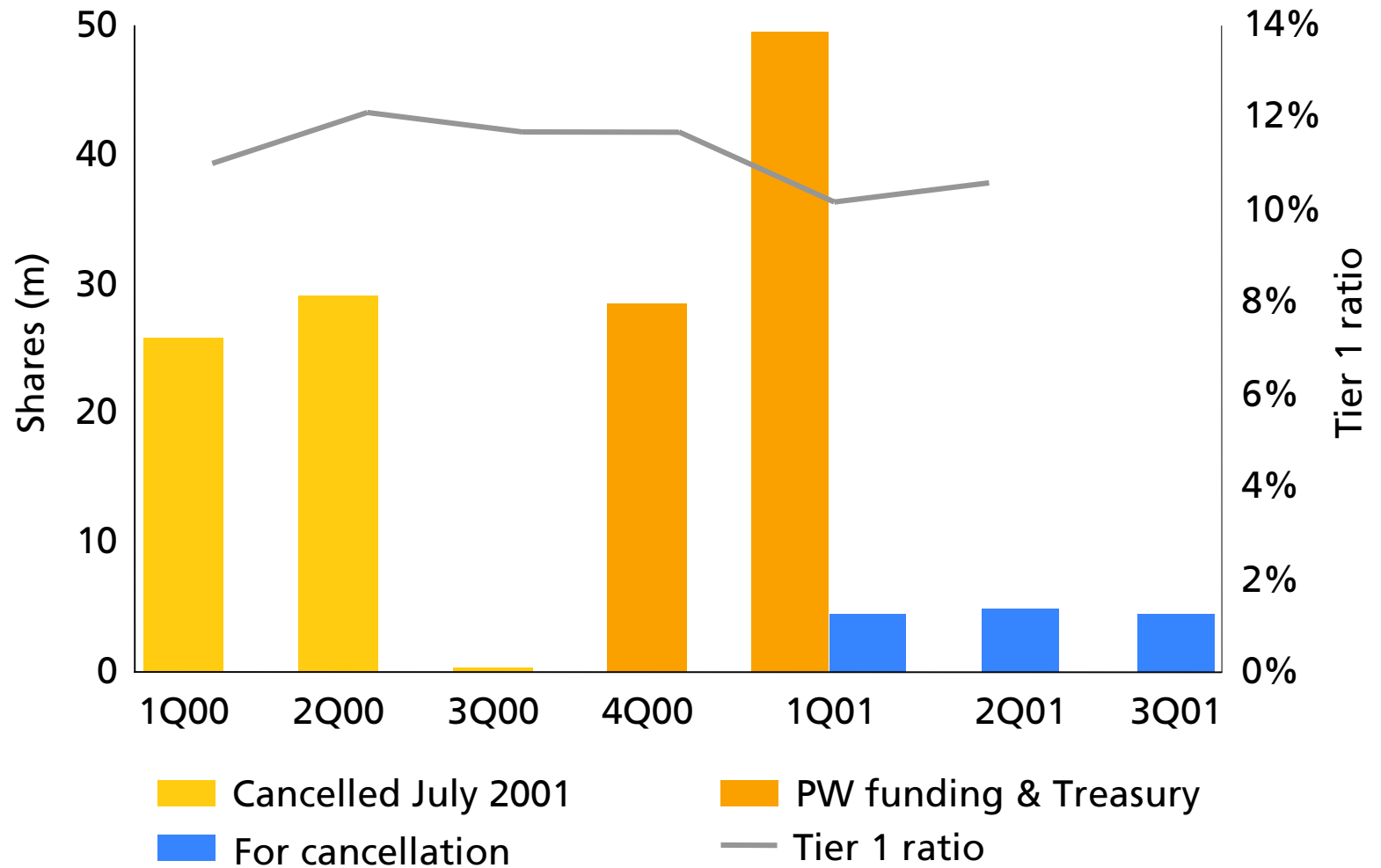
At period end



■ UBS Switzerland loans (gross) ■ C&IC
■ Private Clients — NPL%



Share buyback and Tier 1 ratio



Notes:
1 Quarter to 13 August 2001

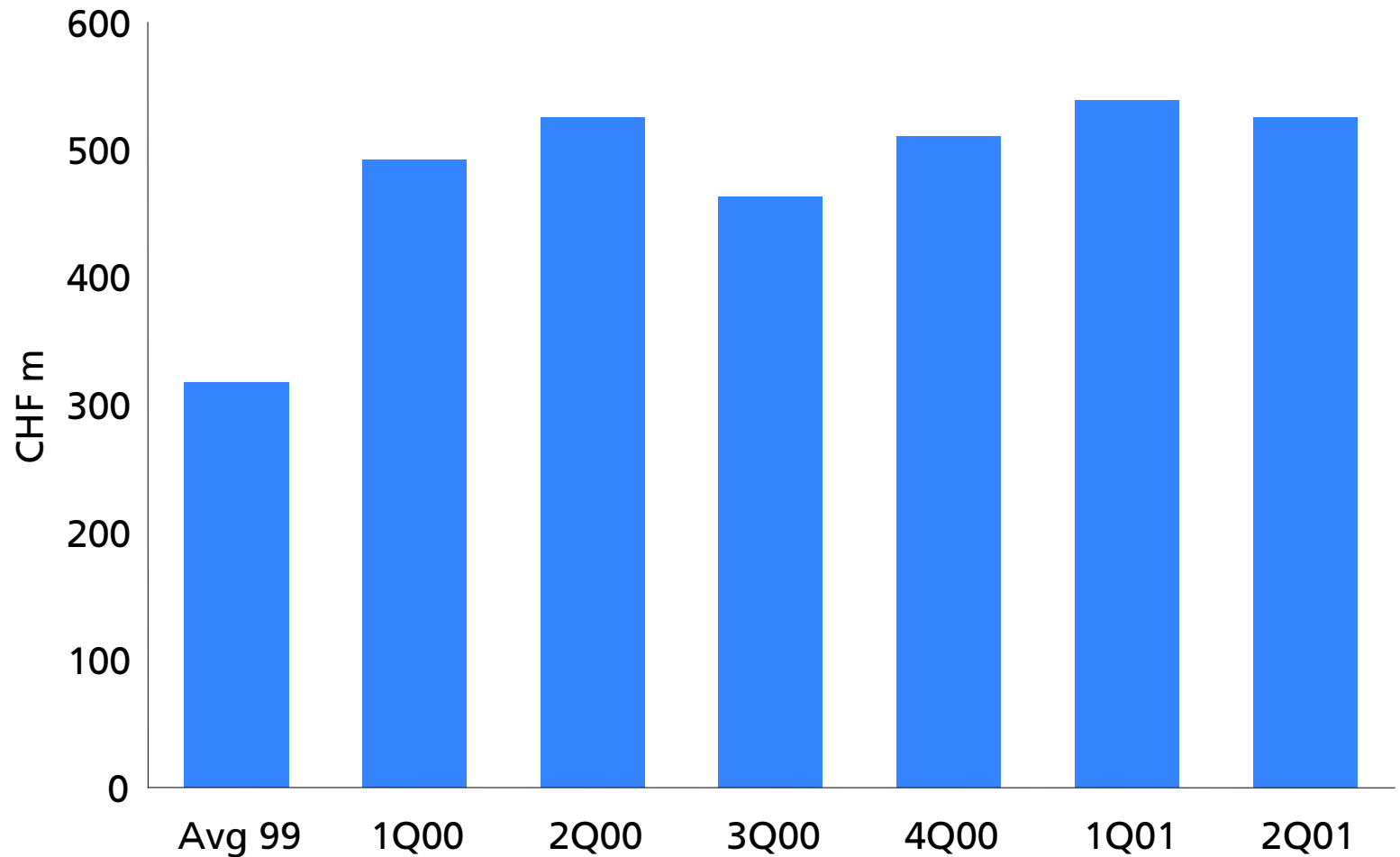
Business unit results



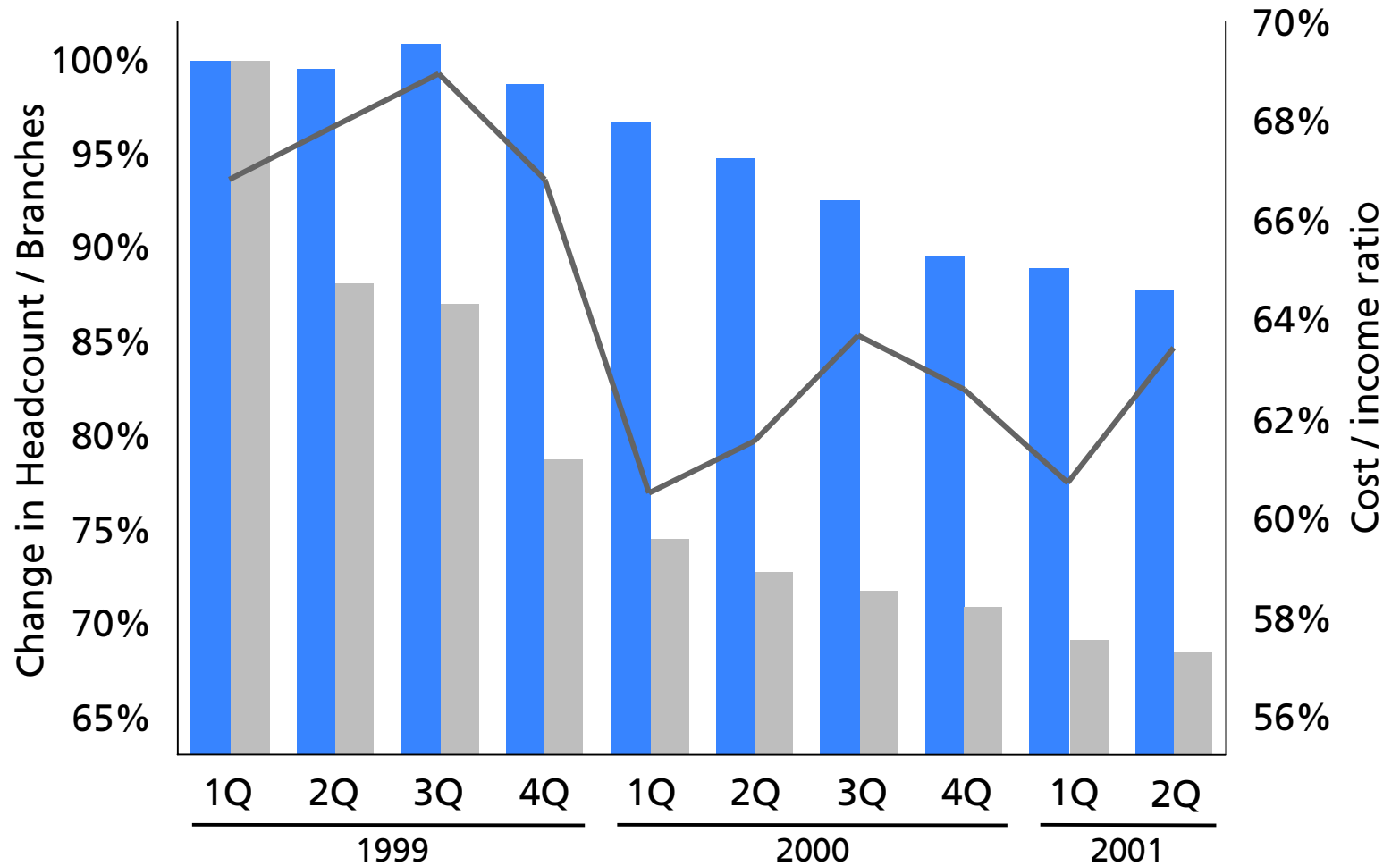
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Continued strong profitability

Net profit before tax

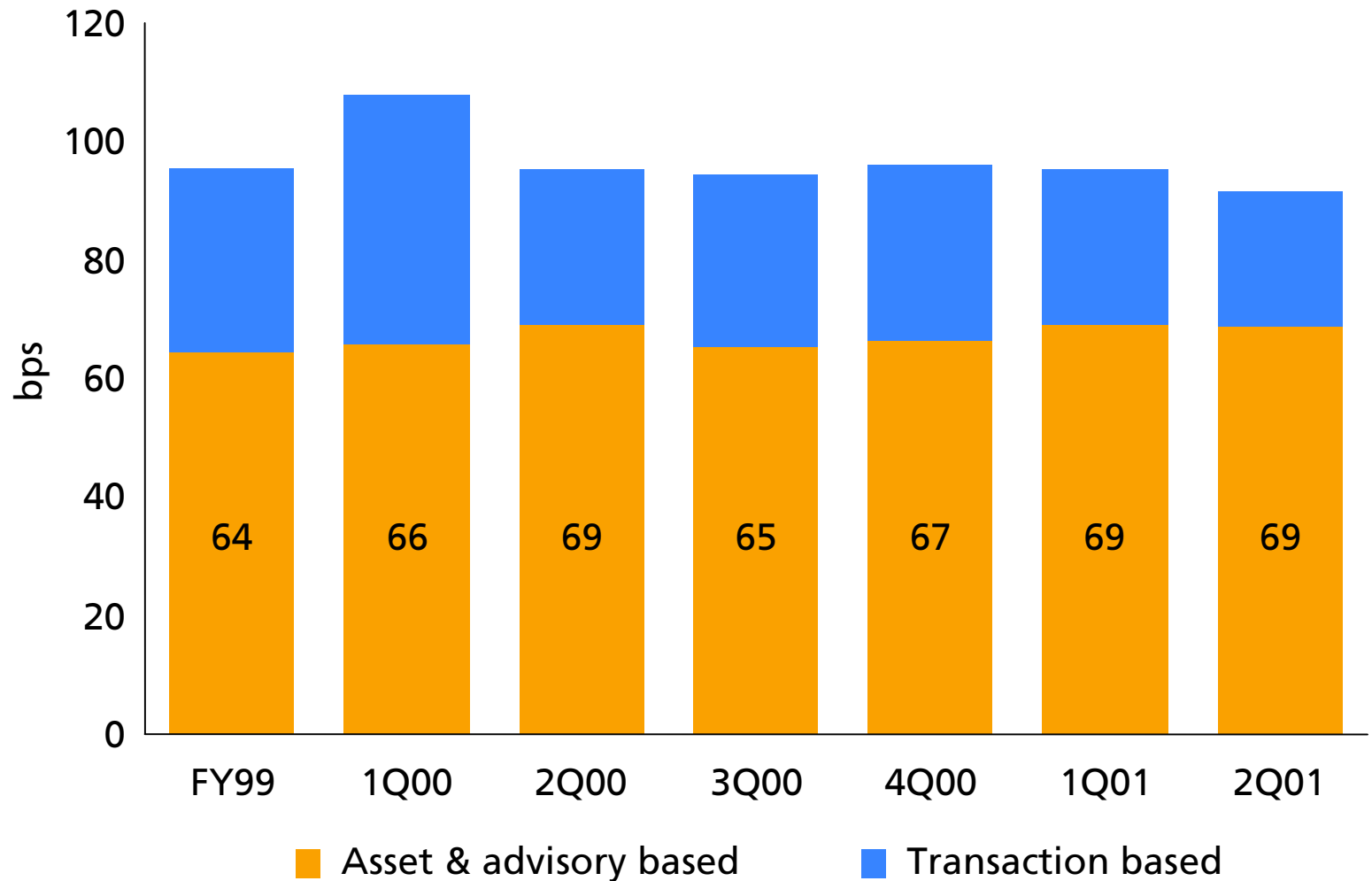


Cost base development

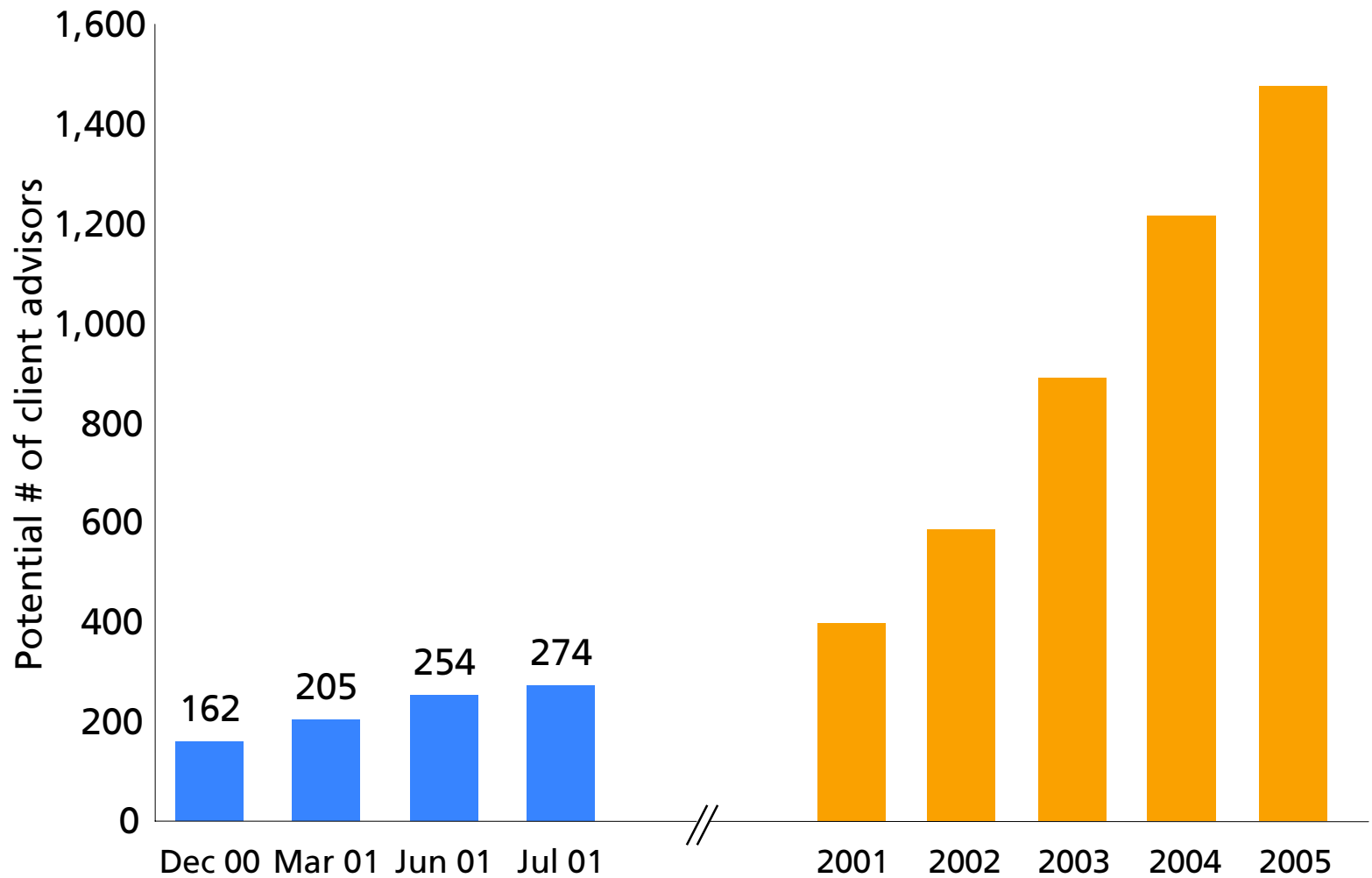


■ Headcount (1Q99=100%)
 ■ Branches (1Q99=100%)
 — Cost/income ratio (excl. goodwill)

Continued strong, stable gross margin



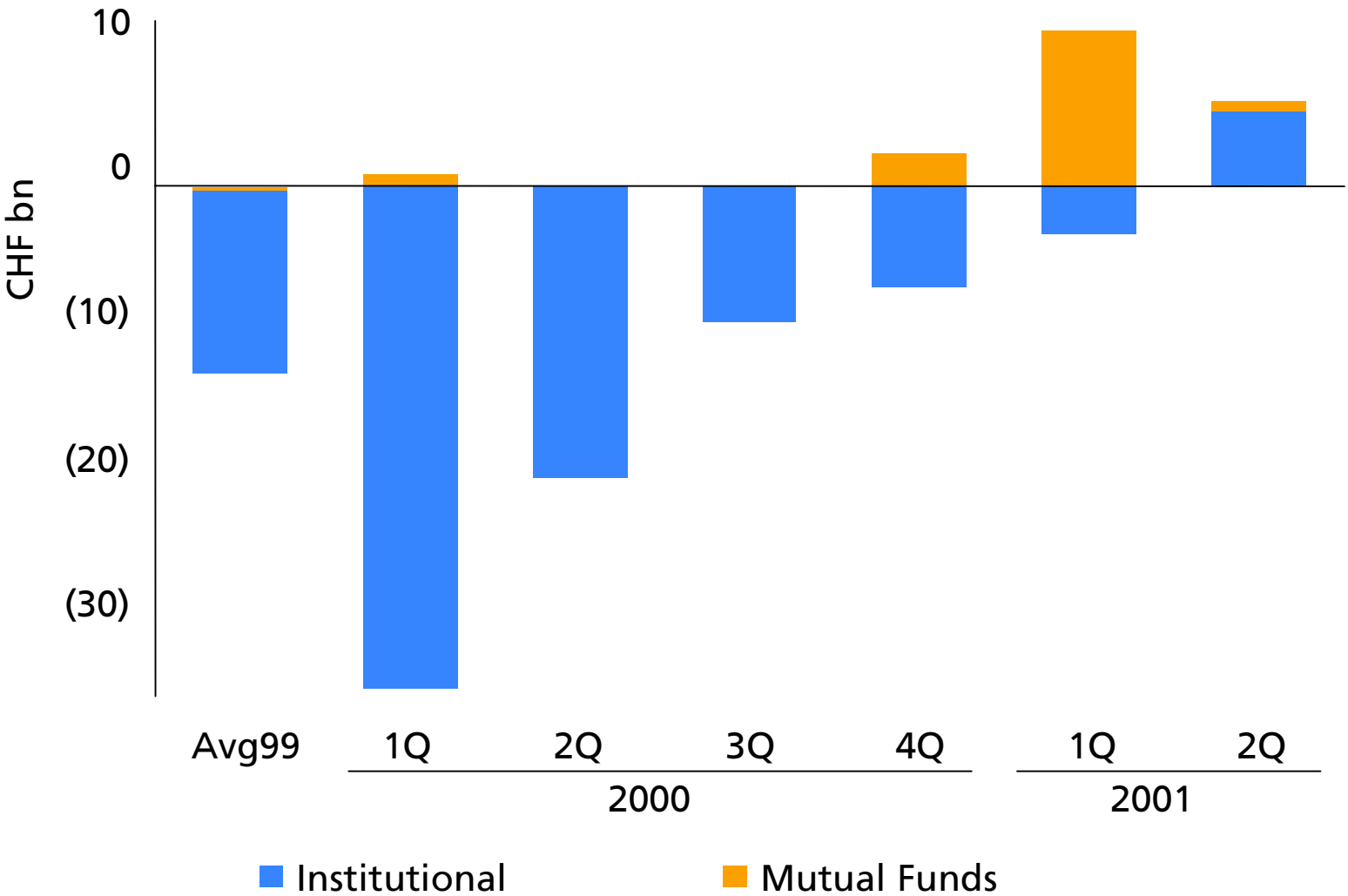
European wealth management: on track



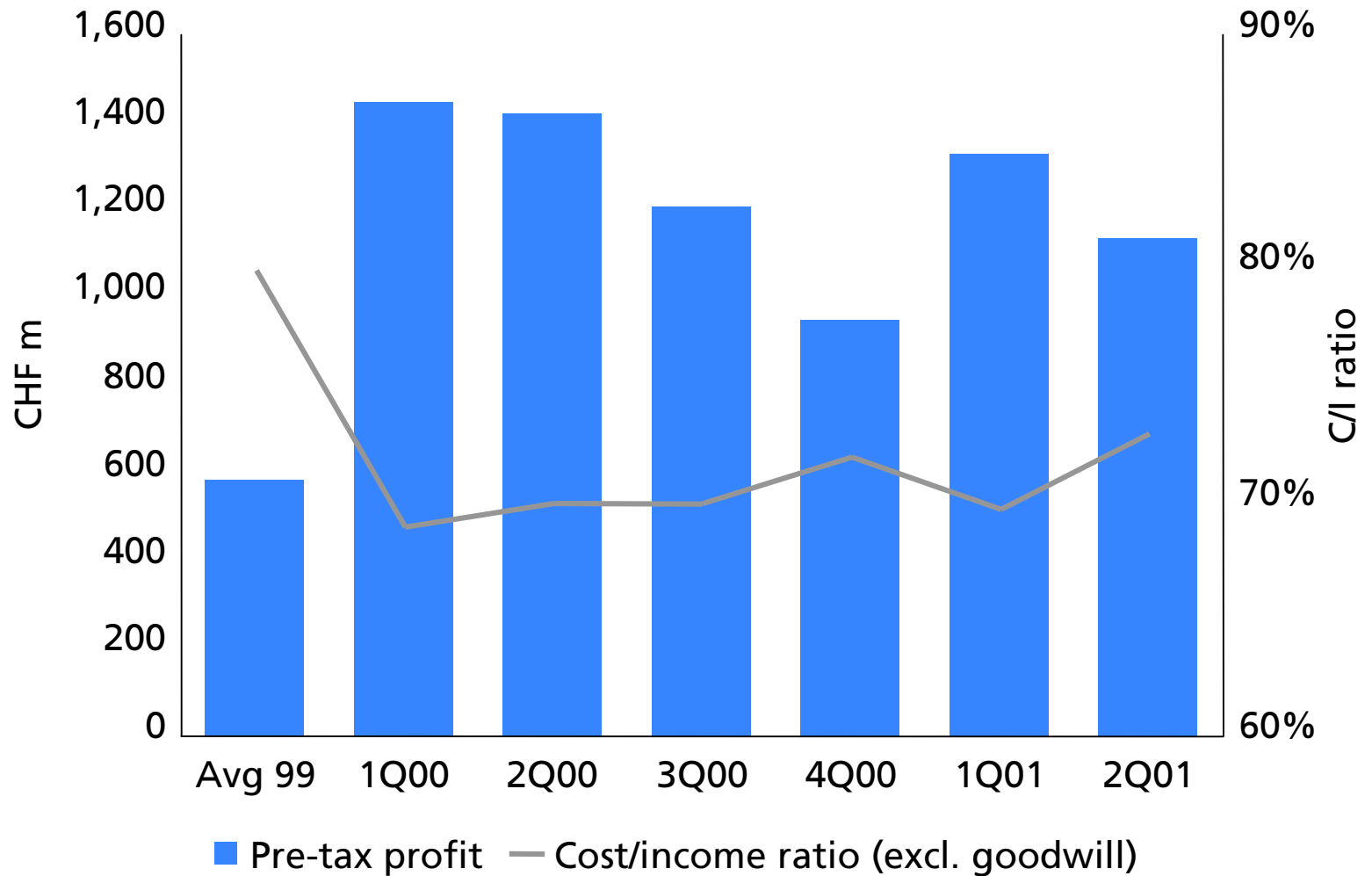
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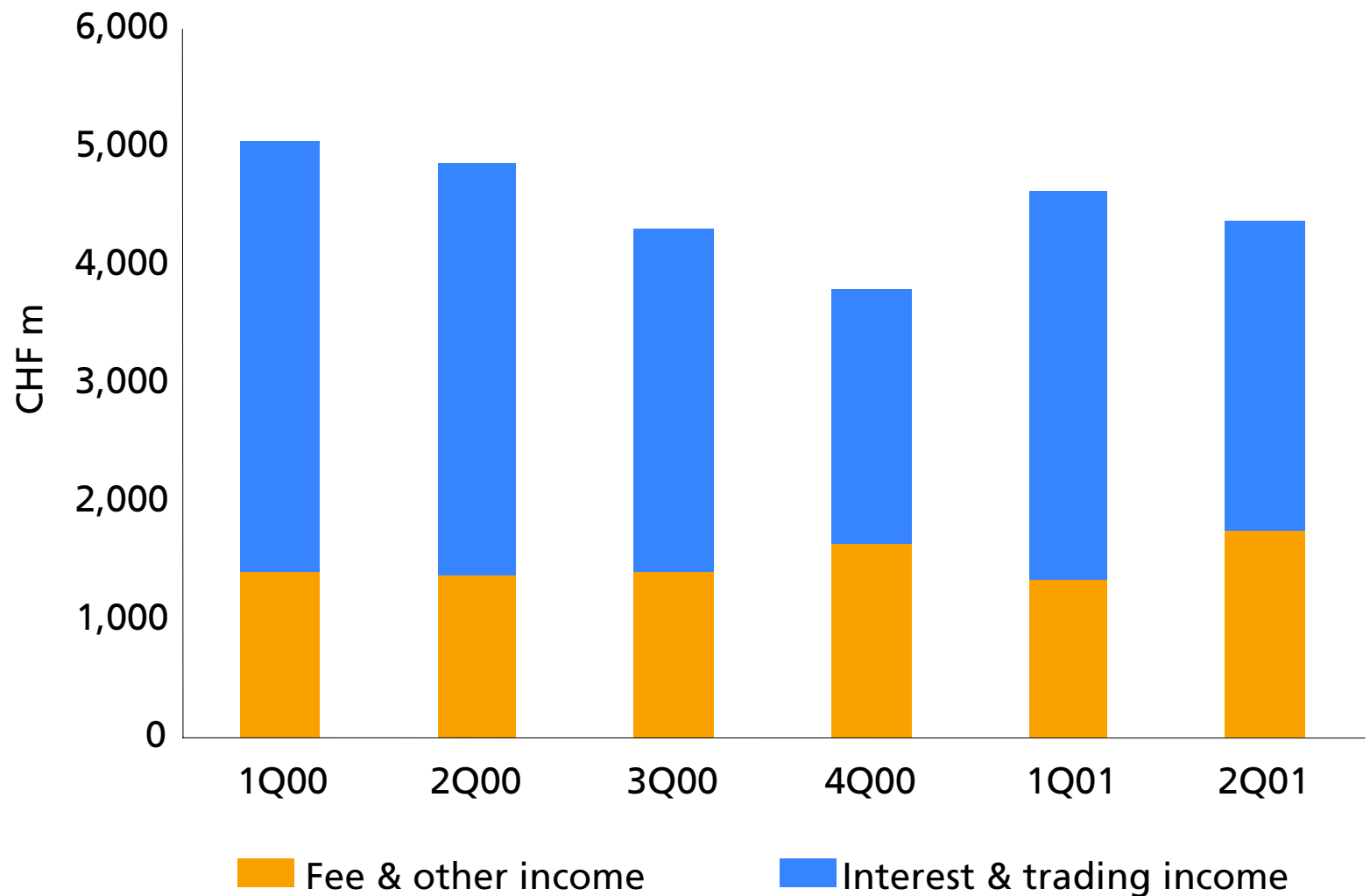
Net new money



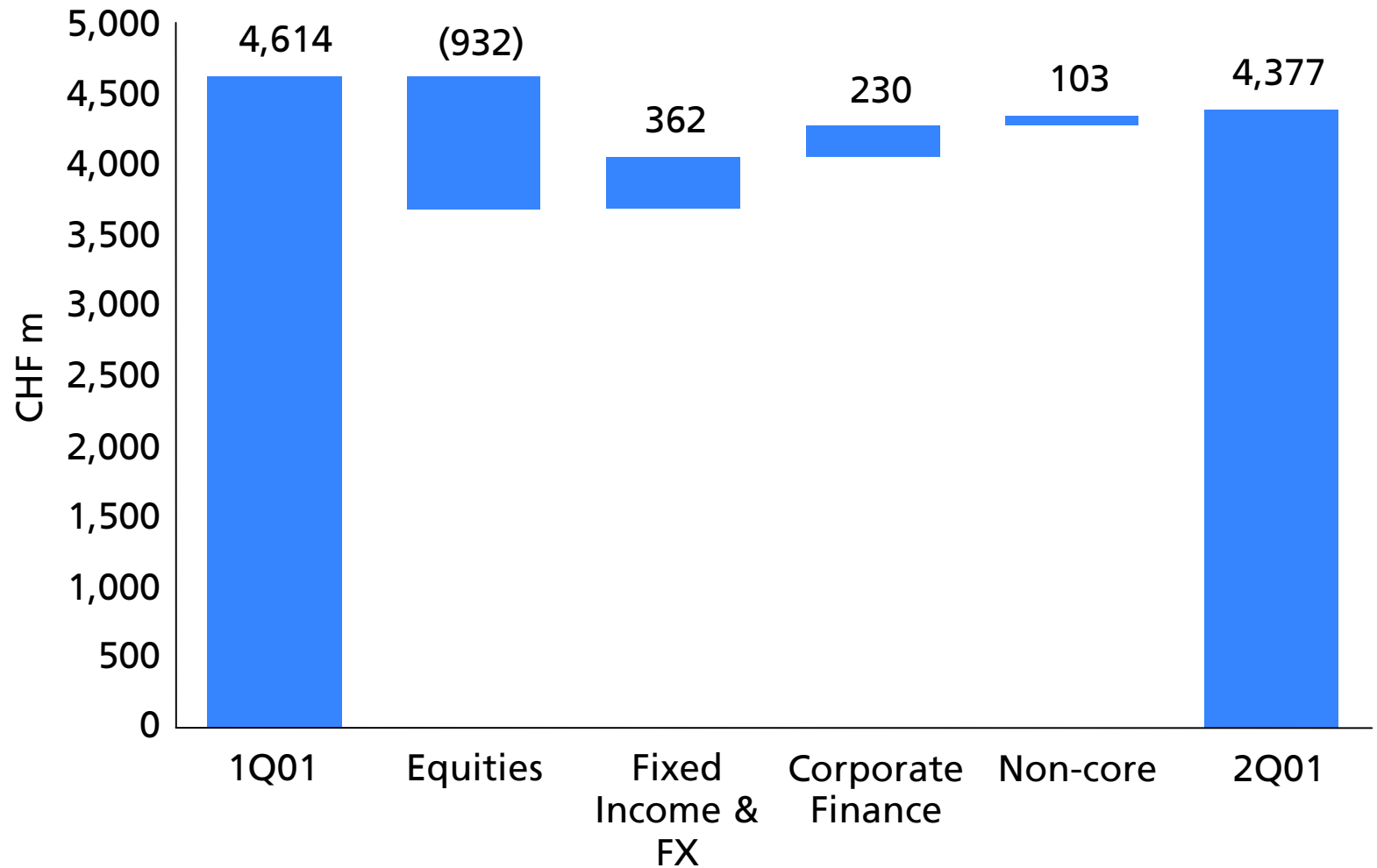
C&I: resilient profitability & cost control



C&I: increasing fee income

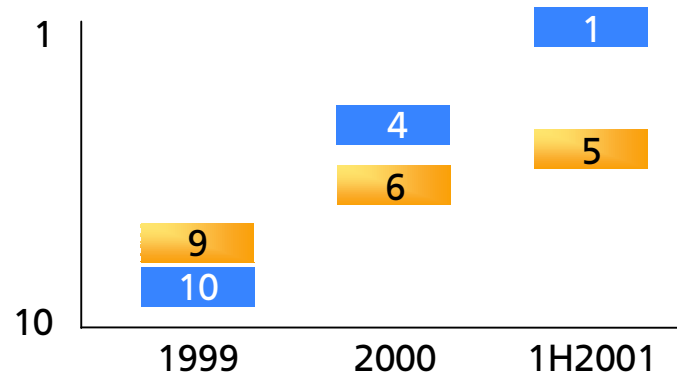


C&IC: revenue diversification



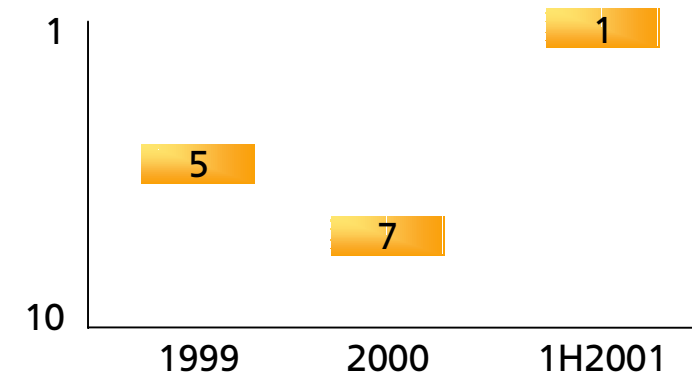
Strong momentum

Global & European M&A ¹



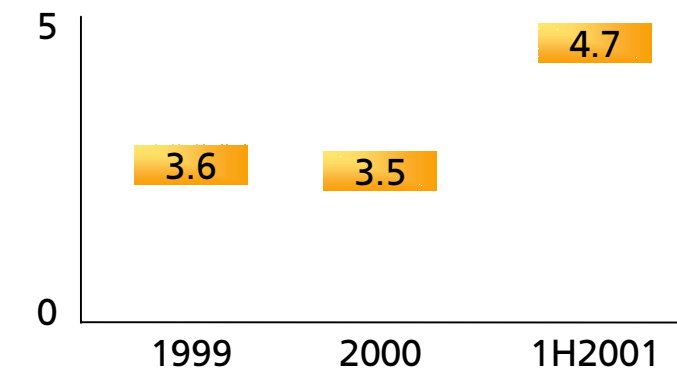
Source: Thomson Financial Securities Data

International Equity New Issues



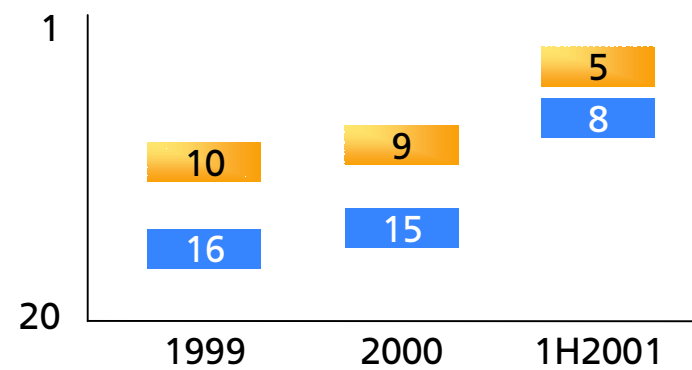
Source: Capital Data Bondware

Market share of Inv Bkg fee pool (%)



Source: Freeman & Co.

NYSE Autex & Nasdaq Autex Rankings



Notes:

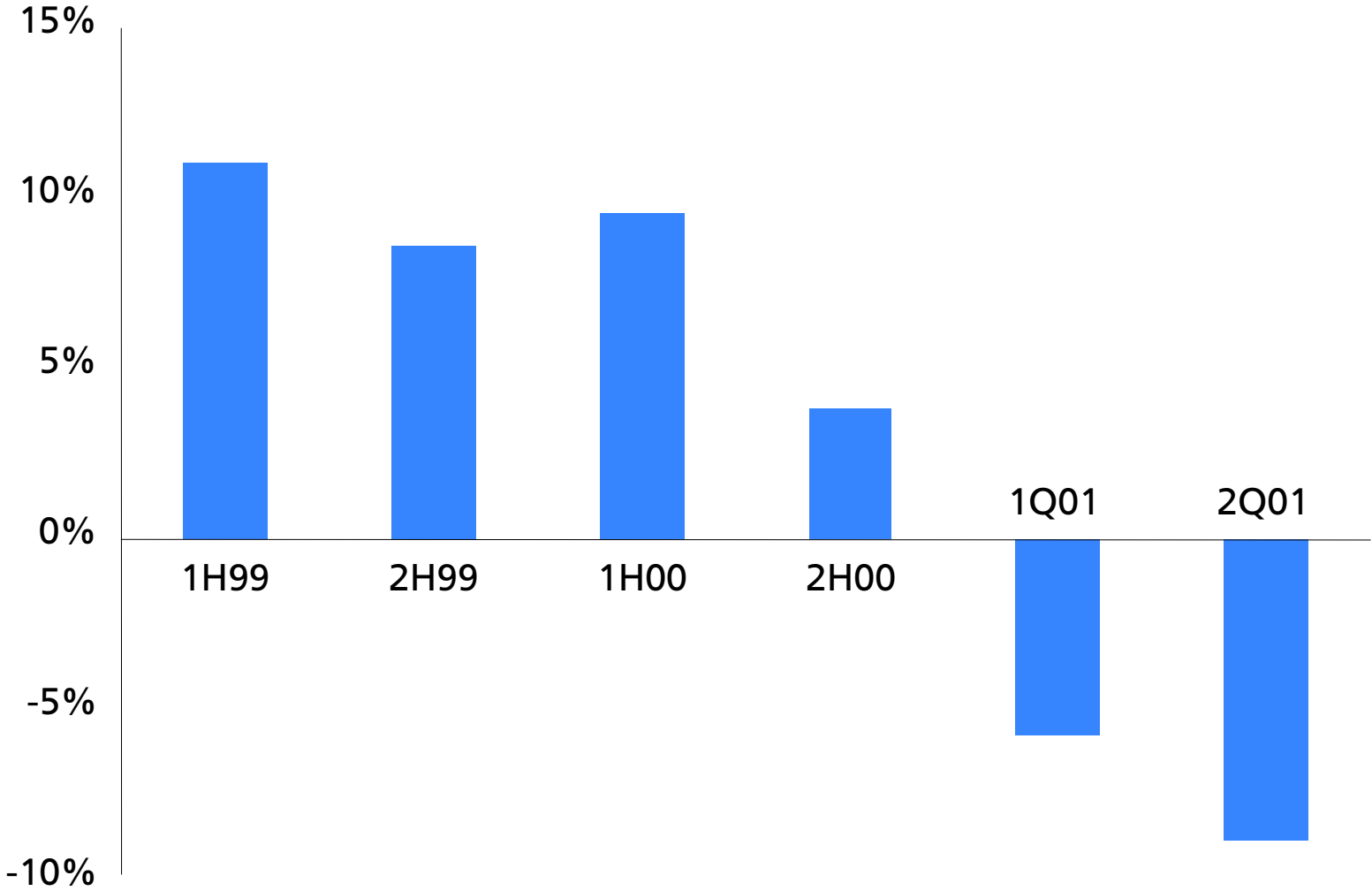
¹ 1999, 2000: completed deals; 2Q 2001 announced deals



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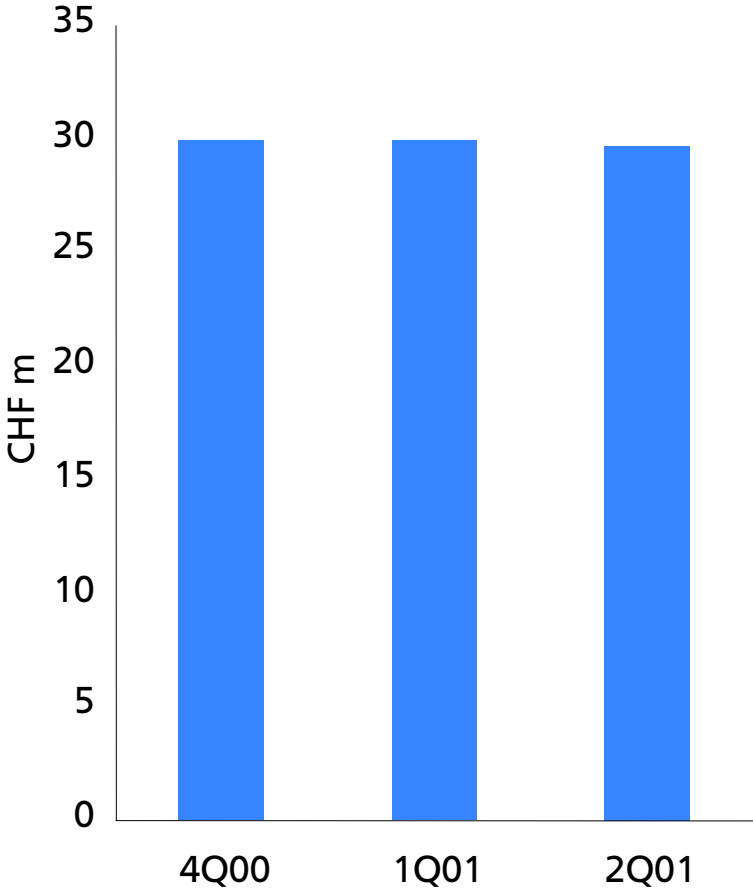


UBS Capital: relative value creation

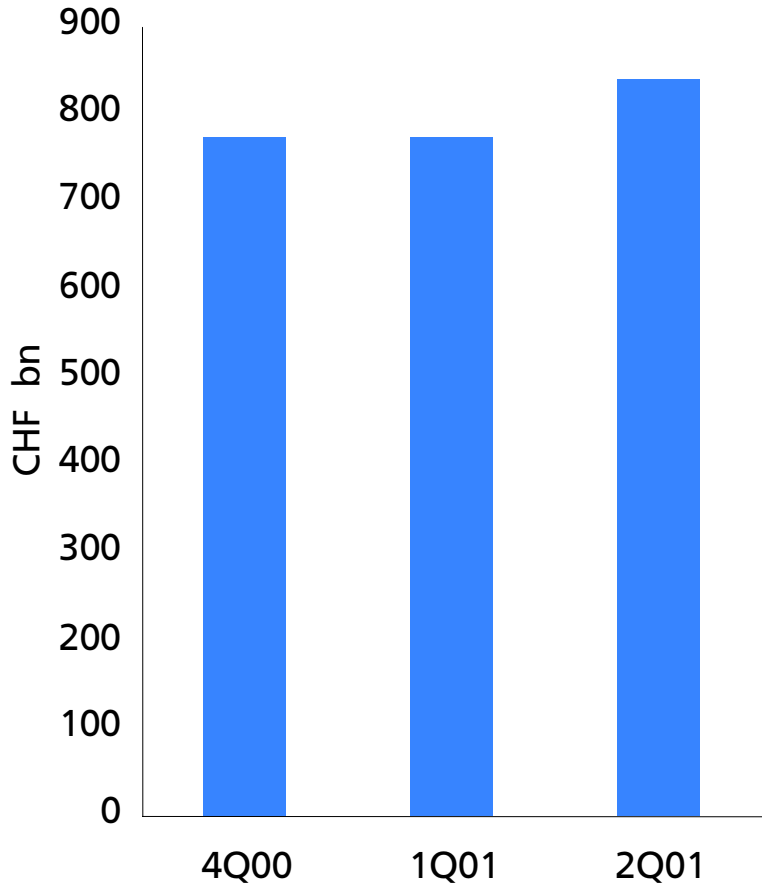


Private Clients resilience

Daily revenue¹



Invested assets¹

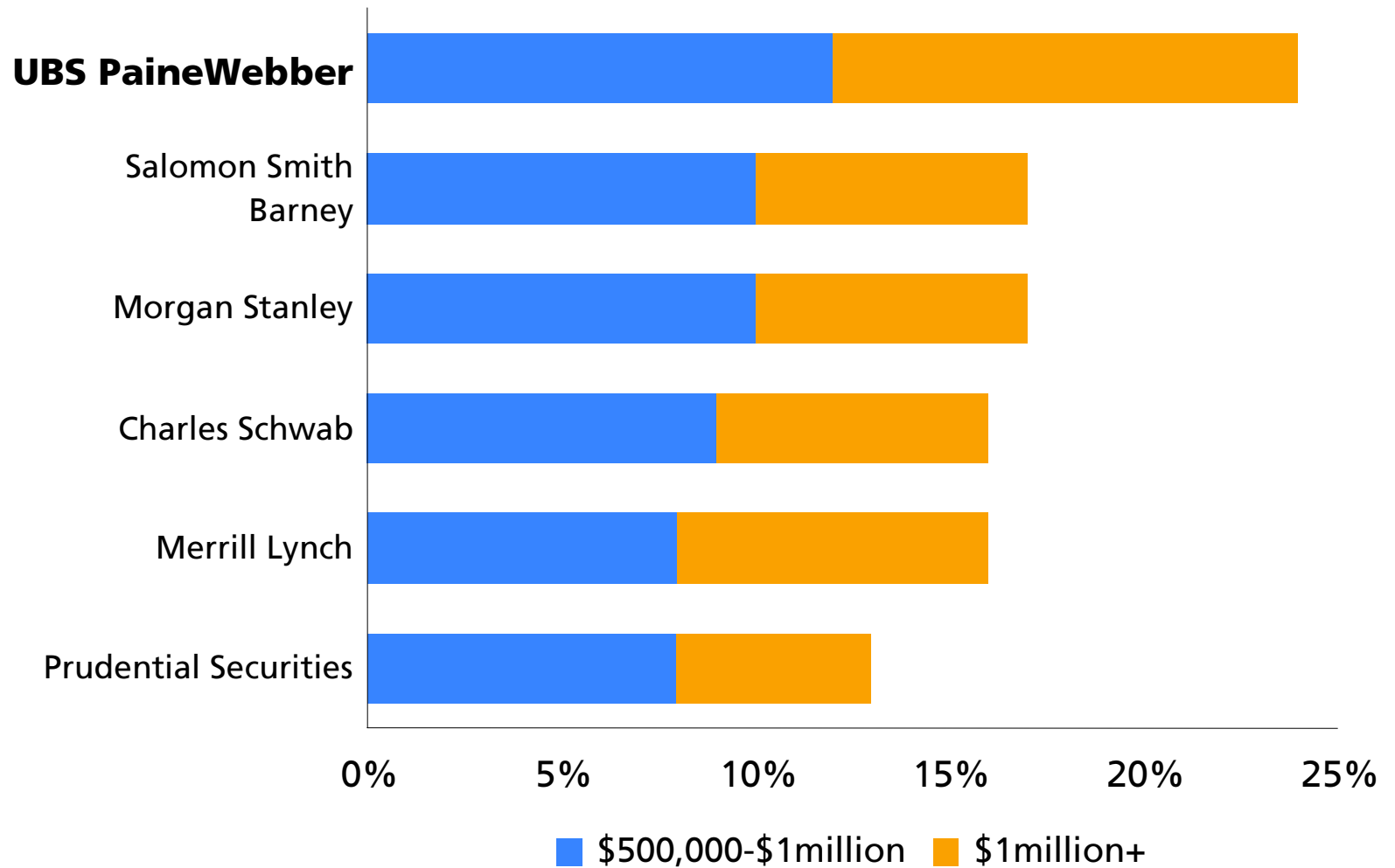


Notes:
 1 4Q00 adjusted for the transfer of Mitchell Hutchins



UBS PaineWebber: wealthy client franchise

Proportion of clients by wealth band

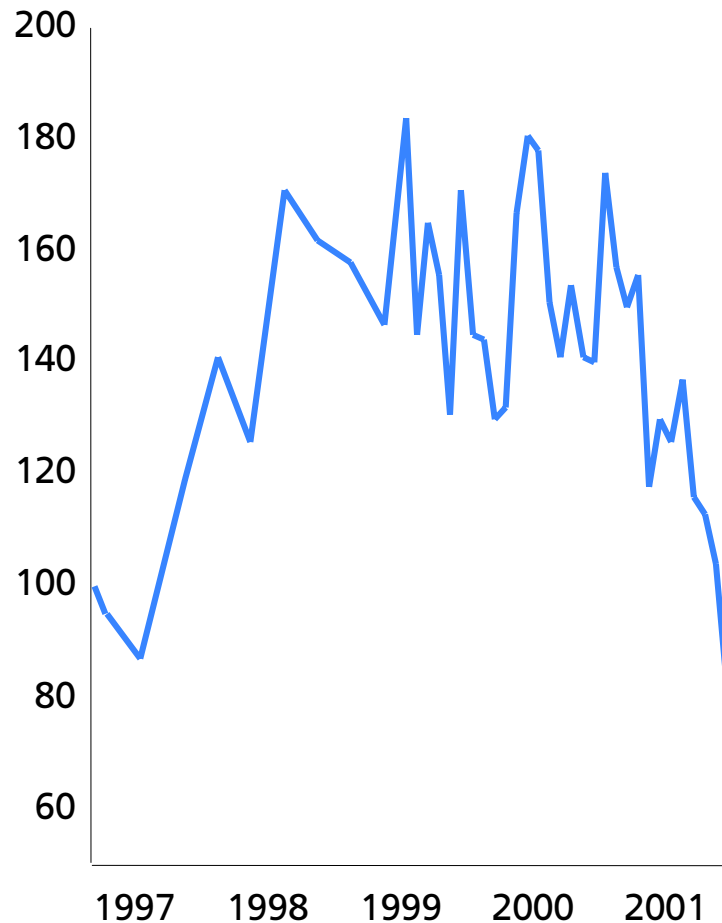


Source: Diameter



Who do you believe ?

UBS PaineWebber/Gallup Investor Optimism Index



Market View of Leading Strategists

Firm / Analyst	S&P500	
	2001E	2002E
CSFB Thomas Galvin		+25%
Goldman Sachs Abby Joseph Cohen	+29%	
Merrill Lynch Christine Callies		+29%
Morgan Stanley Peter Canelo	+19%	
UBS Warburg Ed Kerschner		+53%

Only **one** of the leading 15 strategists has a **negative** view

Source: Bloomberg



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UBS Group Income Statement 4Q2000						
	Quarter ended			% change from	Year ended	
CHF million, except per share data	3Q 2000	3Q 2000	3Q 2000	2000	4Q 2000	31.12.00
Operating income						
8 Interest income	3	15,184	12,480	9,958	22	53
9 Interest expense	3	(13,213)	(10,649)	(8,213)	(24)	(61)
10 Net interest income		1,971	1,831	1,745	8	13
11 Credit loss expense / recovery		(93)	142	(84)	-	130
12 Net interest income after credit loss expense / recovery		1,878	1,973	1,661	20	11
13 Net fee and commission income	4	5,003	3,863	3,257	29	49
14 Net trading income	5	1,916	2,368	1,162	(19)	65
15 Net gains from disposal of associates and subsidiaries		60	0	49	22	83
16 Other income		443	339	524	31	(15)
17 Total Operating Income		9,300	8,543	6,789	9	37
Operating expenses						
20 Impairment	6	4,424	3,863	2,654	15	67
21 General and administrative	6	2,888	1,503	2,319	39	(10)
22 Depreciation and amortization	6	852	476	567	79	50



Access additional analytical comment

Notes

Note 3 Net Interest Income

Net interest from loans and advances to banks					
CHF million					
	Period	Amount	Change	Comments	
CHF million	4Q00	481	-	A small portion of the increase was due to funding of the Revolutio merger for the investment and development for collateralized mortgage backed and other trading portfolio	
Interest Income	4Q00	470	47%	UBS is now providing financing to other businesses over the end, when they are completed. This effect was particularly strong over Q3, enabling UBS to make strong returns in Q3	
Interest earned on loans and advances to banks	4Q00	540	-	Due to increased average yields at UBS and its associated funding power to take advantage of opportunities for investment in the stock, bond and collateralized lending.	
Interest earned on loans and advances to customers	4Q00	580	-82%		
Interest from finance leasing	4Q00	50	-		
Interest earned on securities borrowed and reverse repurchase agreements	4Q00	5,673	4,386	29	86
Interest and dividend income from financial investments	4Q00	25	25	100%	100%



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UBS Asset Management
12 May 2001

UBS Asset Management

Business Group Reporting

CHF million, except where indicated	Quarter ended	% change from
	3Q 2000	2000
Investment fees	288	236
Management fees	248	232
Other fees	114	140
Net operating income	650	508
Operating expenses	(262)	(234)
Net income	388	274
Net income attributable to UBS	388	274
Net income attributable to UBS (excluding UBS)	0	0
Net operating income	650	508
Net income	388	274
Net income attributable to UBS	388	274
Net income attributable to UBS (excluding UBS)	0	0



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First Quarter Report 2001

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Appendix: Business unit results



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Group: total operating income (adjusted)

(CHFm)	2Q01	1Q01	2Q00	2Q01 vs2Q00	2Q01 vs1Q01
Net interest income	1,732	1,958	2,237	(23%)	(12%)
Credit loss expense	(76)	(136)	208		(44%)
Net interest income after credit loss expense	1,656	1,822	2,445	(32%)	(9%)
Net fee and commission income	5,375	5,089	3,756	43%	6%
Net trading income	2,658	3,060	2,691	(1%)	(13%)
Other income	192	96	308	(38%)	100%
Total operating income	9,881	10,067	9,200	7%	(2%)



Group: total operating expenses (adjusted)

(CHFm)	2Q01	1Q01	2Q00	2Q01 vs2Q00	2Q01 vs1Q01
Personnel	5,299	5,273	4,354	22%	0%
G&A	1,974	1,877	1,543 ¹	28%	5%
Depreciation	410	394	324	27%	4%
Goodwill amortization	341	328	127	169%	4%
Total expenses	8,024	7,872	6,348	26%	2%

NOTE:

1 Adjusted for US Global Settlement CHF 200m



Financial Services Group

Asset quality

At period end

(CHFm)	30.06.01	31.03.01	Δ %
Total loans (gross)	285,672	285,363	0.1
Impaired loans ¹	16,644	17,570	(5.3)
Non-performing loans	9,811	10,250	(4.3)
Impaired loans in % of gross loans	5.8	6.2	
NPL's in % of gross loans	3.4	3.6	
Allowances as % of impaired loans	52.9	54.1	
Allowances as % of NPL's	67.1	58.8	

NOTE:

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



Private & Corporate Clients

(CHFm)	2Q01	1Q01	2Q00	2Q01 vs2Q00	2Q01 vs1Q01
Operating income	1,716	1,670	1,701	1%	3%
Operating expenses	1,190	1,130	1,175	1%	5%
Pre-tax profit	526	540	526	0%	(3%)
Cost / income ratio ¹	64%	61%	62%		

KPI's	2Q01	1Q01	2Q01 vs1Q01
Invested assets (CHFbn)	333	337	(1%)
Net new money	0.8	3.2	
NPL ratio (%)	5.1%	5.1%	
Headcount	20,703	20,950	(1%)

NOTE:

1 Pre-goodwill & credit loss expense



Financial Services Group

Private Banking

(CHFm)	2Q01	1Q01	2Q00	2Q01 vs2Q00	2Q01 vs1Q01
Operating income	1,606	1,639	1,673	(4%)	(2%)
Operating expenses	877	859	908	(3%)	2%
Pre-tax profit	729	780	765	(5%)	(7%)
Cost / income ratio ¹	54%	52%	54%		

KPI's	2Q01	1Q01	2Q01 vs1Q01
Invested assets (CHFbn)	718	690	4%
Net new money	8.5	3.9	
Gross margin (bps)	92	95	(3%)
Headcount	8,865	8,820	1%

NOTE:

1 Pre-goodwill & credit loss expense



Financial Services Group

UBS Asset Management

(CHFm)	2Q01	1Q01	2Q00	2Q01 vs2Q00	2Q01 vs1Q01
Operating income	527	519	490	8%	2%
Operating expenses	470	467	397	18%	1%
Pre-tax profit	57	52	93	(39%)	10%
Cost / income ratio ¹	76%	77%	68%		

KPI's	2Q01	1Q01	2Q01 vs1Q01
Institutional assets	318	305	4%
Net new money	5.2	(3.3)	
Gross margin IF (bps)	32	36	(11%)
Mutual fund assets	348	332	5%
Net new money	0.8	10.7	
Gross margin MF (bps)	33	29	14%
Headcount	3,180	3,030	5%

NOTE:

1 Pre-goodwill & credit loss expense



Financial Services Group

Corporate & Institutional Clients

(CHFm)	2Q01	1Q01	2Q00	2Q01 vs2Q00	2Q01 vs1Q01
Operating income	4,349	4,579	4,821	(10%)	(5%)
Operating expenses	3,212	3,254	3,401	(6%)	(1%)
Pre-tax profit	1,137	1,325	1,420	(20%)	(14%)
Cost / income ratio ¹	73%	70%	69%		

KPI's	2Q01	1Q01	2Q01 vs1Q01
Compensation ratio	53%	52%	
NPL ratio (%)	2.3%	3.1%	
Average VaR (CHFm)	290	209	39%
Headcount	15,654	15,636	0%

NOTE:

1 Pre-goodwill & credit loss expense



Financial Services Group

UBS Capital

(CHFm)	2Q01	1Q01	2Q00	2Q01 vs2Q00	2Q01 vs1Q01
Operating income	(294)	(246)	4		(20%)
Operating expenses	57	36	47	21%	58%
Pre-tax profit	(351)	(282)	(43)	(716%)	(24%)

KPI's	2Q01	1Q01	2Q01 vs1Q01
Book value (CHFbn)	5.3	5.7	(7%)
Headcount	132	134	(1%)

KPI's	2Q01	1Q01
Value Creation (CHFbn)	(0.6)	(0.4)

Private Clients¹

(CHFm)	2Q01	1Q01	2Q00¹	2Q01 vs1Q01
Operating income	1,837	1,854	22	(1%)
Operating expenses	1,733	1,731	66	0%
Pre-tax profit	104	123	(44)	(15%)
Cost / income ratio ²	94%	93%		

KPI's	2Q01	1Q01	2Q01 vs1Q01
Invested assets (CHFbn)	841	773	9%
Net new money	8.7	6.8	
Recurring fees (CHFm)	583	580	1%
Gross margin (bps)	91	96	(5%)
Headcount	21,355	21,481	(1%)
Financial advisors	8,962	8,891	1%

NOTE:

- 1 2Q00 UBS Warburg private clients only
- 2 Pre-goodwill & credit loss expense



Financial Services Group

Corporate Center

(CHFm)	2Q01	4Q01	2Q00	2Q01 vs2Q00	2Q01 vs1Q01
Operating income	229	152	50	358%	51%
Credit loss (expected –actual)	114	88	439	(74%)	30%
Operating expenses	266	185	354 ¹	(25%)	44%
Pre-tax profit	77	55	135	(43%)	40%

KPI's	2Q01	1Q01	2Q01 vs1Q01
Headcount	1,057	1,029	3%

NOTE:

1 Adjusted for CHF 200m US Global Settlement provision



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