

# Strategy & Overview

March 2005



# Caution regarding forward-looking statements

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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 European wealth management business, 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 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 2003. 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.

# Agenda

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- ◆ Facts & Figures
- ◆ Achievements & Track Record
- ◆ Growth Plan & Challenges
- ◆ Conclusion: Attractive Investment Case



# Facts & Figures

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# Facts and figures

## UBS Group

CHF 2.3 trillion invested assets  
CHF 113.9 billion market capitalization<sup>1</sup>  
CHF 34.5 billion equity  
Over 67'000 employees

### Wealth Management & Business Banking

- ◆ World's largest private bank
- ◆ CHF 918bn invested assets
- ◆ 4mn individual and corporate clients
- ◆ 25-35% of Swiss banking market

### Wealth Management USA

- ◆ 4th largest full service US broker
- ◆ 2mn private clients
- ◆ 15% market share, 369 offices across USA
- ◆ #1 muni franchise (15% market share)

### Investment Bank

- ◆ Top 5 global bulge bracket position
- ◆ #1 global Equity house (11% market share)
- ◆ #1 FX house (12% market share)
- ◆ 6'000 corporations/institutions/clients

### Global Asset Management

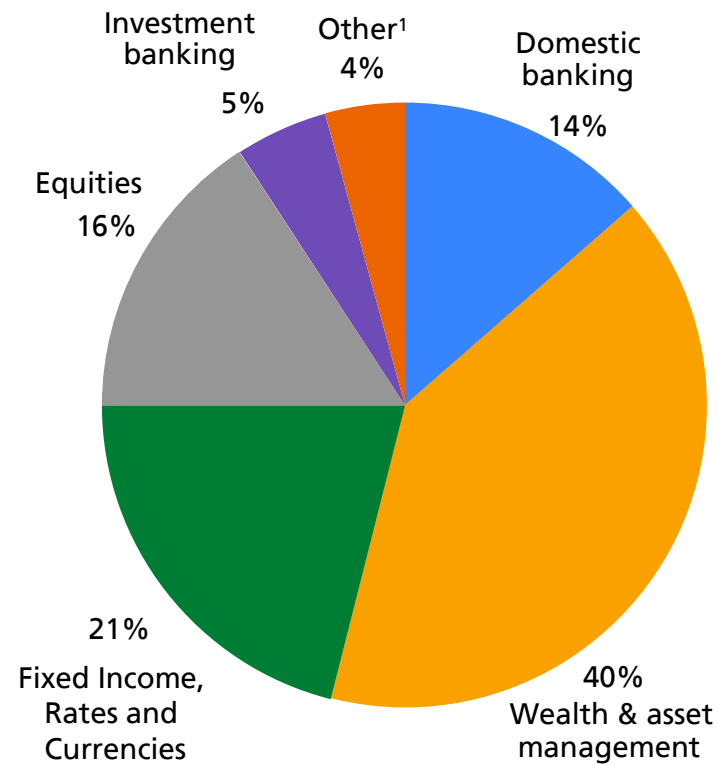
- ◆ Leading institutional and wholesale asset manager
- ◆ CHF 601bn invested assets
- ◆ Broad based capabilities
- ◆ Second largest European mutual fund manager

Note:

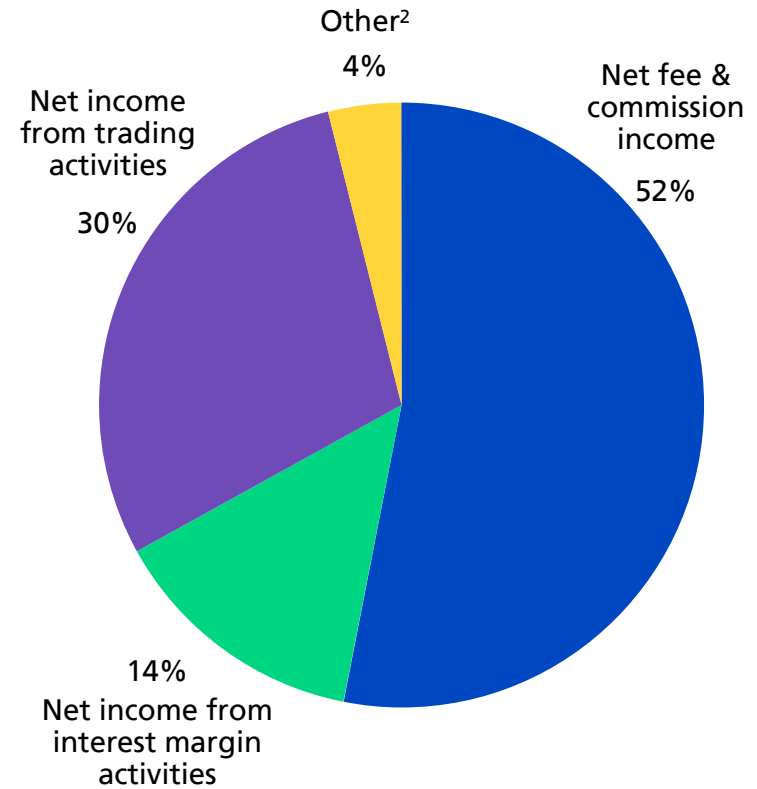
<sup>1</sup> Market capitalisation as per 9.2.2005

# Balanced business mix

## % of 2004 revenue by business line



## % of 2004 revenue by activity

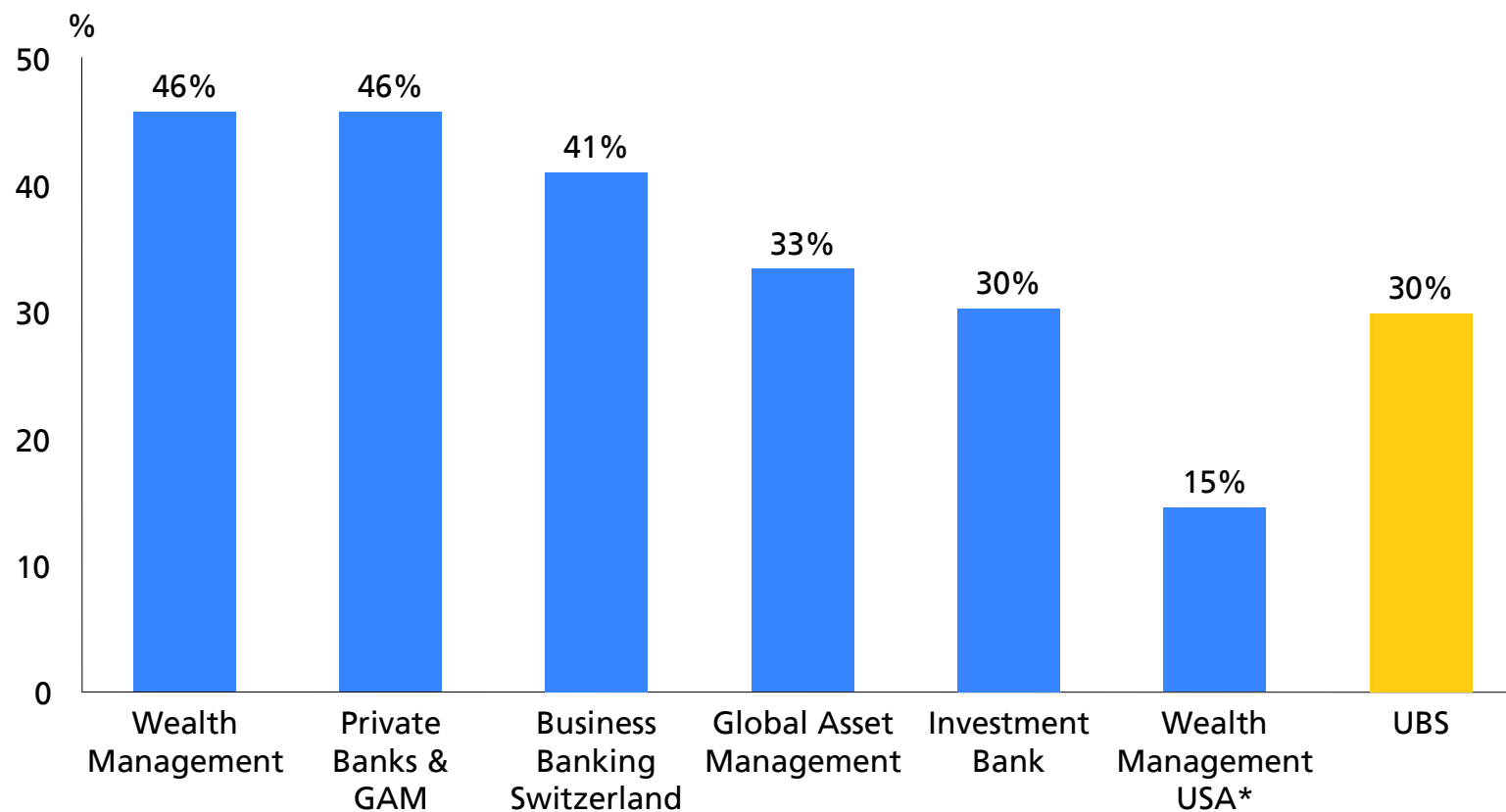


Note:

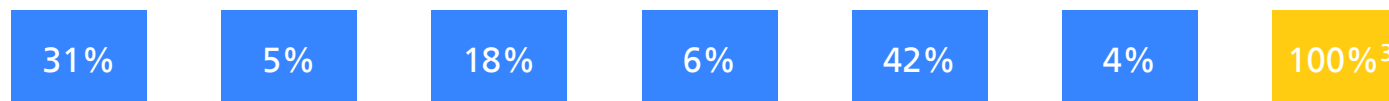
- 1 Includes Private Equity, Corporate Functions, Private Banks & GAM
- 2 Includes Treasury activities, Other trading, Other Income

# High margin businesses, with significant barriers to entry

## Pre-tax margin<sup>1</sup>



## % of group profit before tax<sup>2</sup>



- 1 2004 pre-tax profit margin pre goodwill
- 2 Group profit before tax pre goodwill 2004
- 3 Includes Corporate Functions performance before tax



# Achievements & Track Record

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# Achievements & track record

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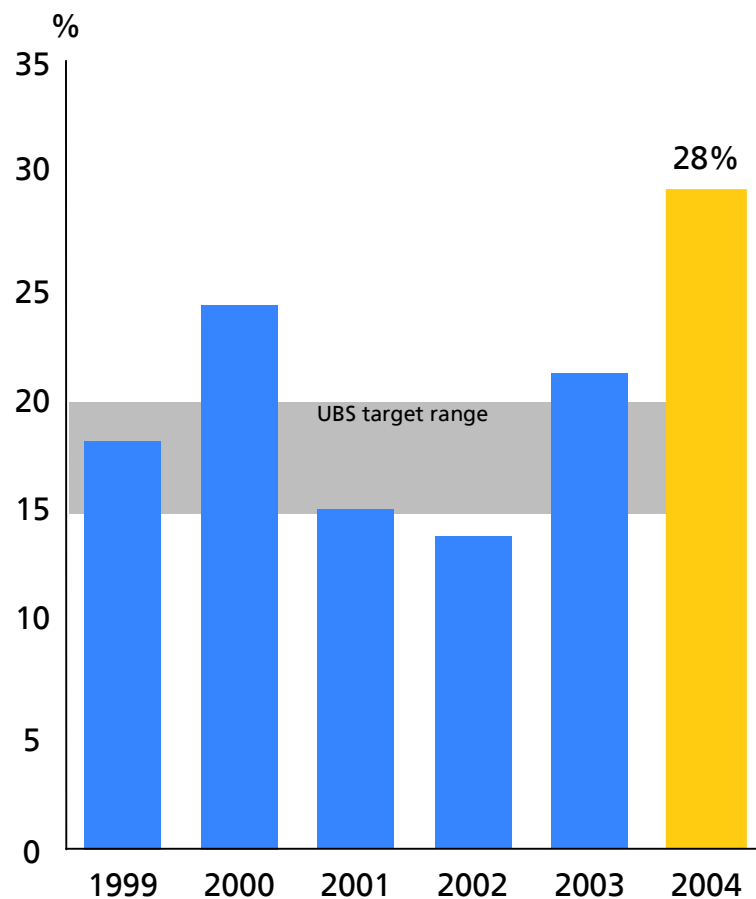
Attractive and consistent financial results

Franchise growth

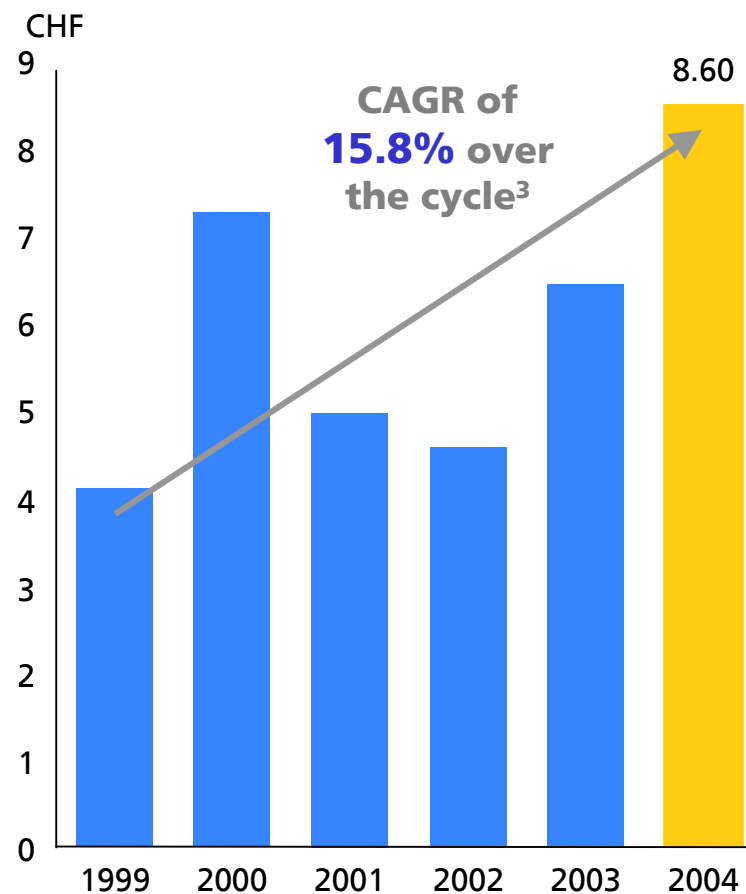
One-firm concept

# Shareholder returns

## ROE<sup>1</sup>



## Basic EPS<sup>2</sup>

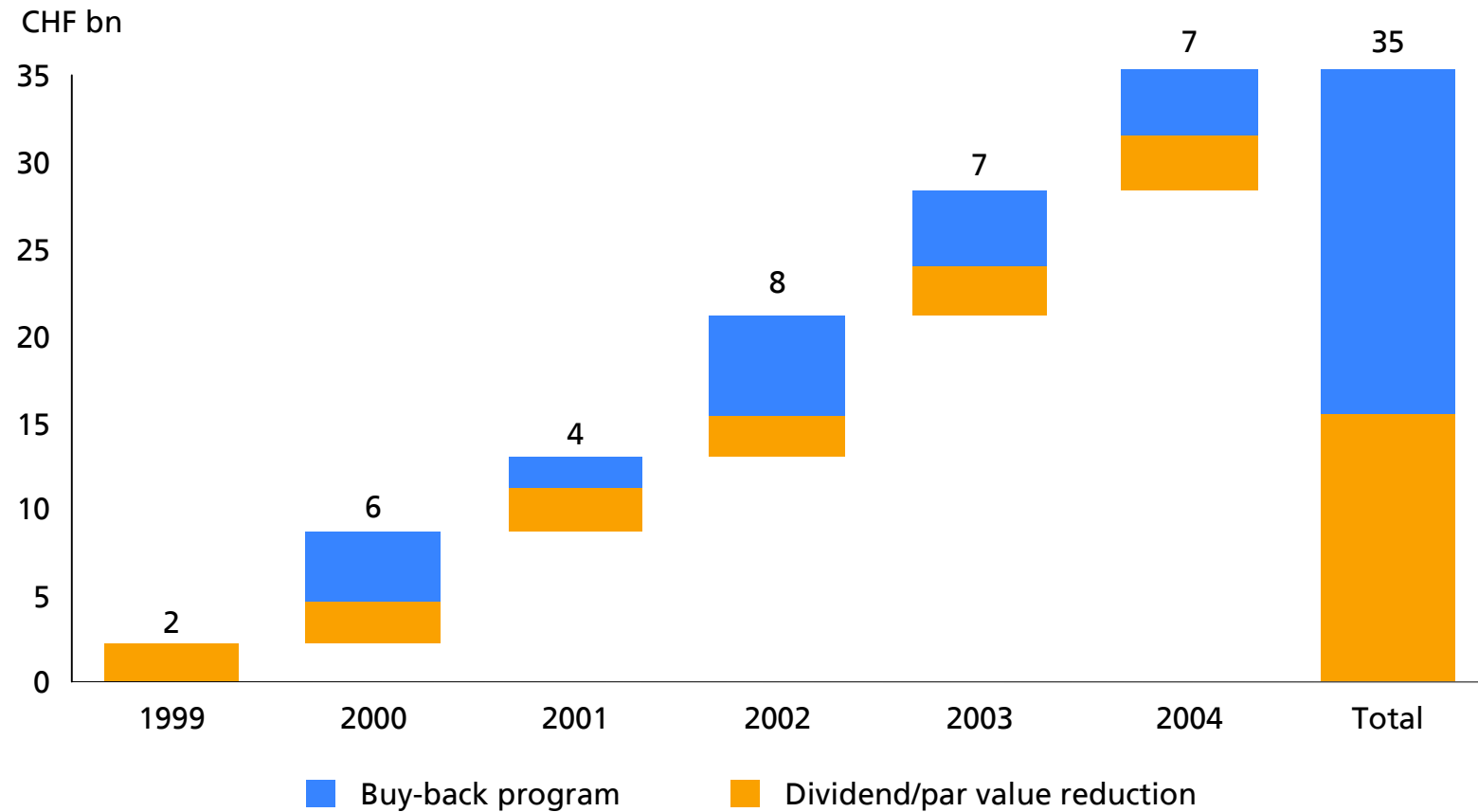


Note:

- 1 Annualized net profit less the amortization of goodwill and other intangible assets and significant financial events (after tax)/average shareholders' equity less dividends
- 2 Net profit less the amortization of goodwill and other intangible assets and significant financial events (after tax)/weighted average shares outstanding
- 3 1999 versus annualised 2004

# Return of capital to shareholders<sup>1</sup>

**60% of Operating cash flow returned to shareholders since 1999**

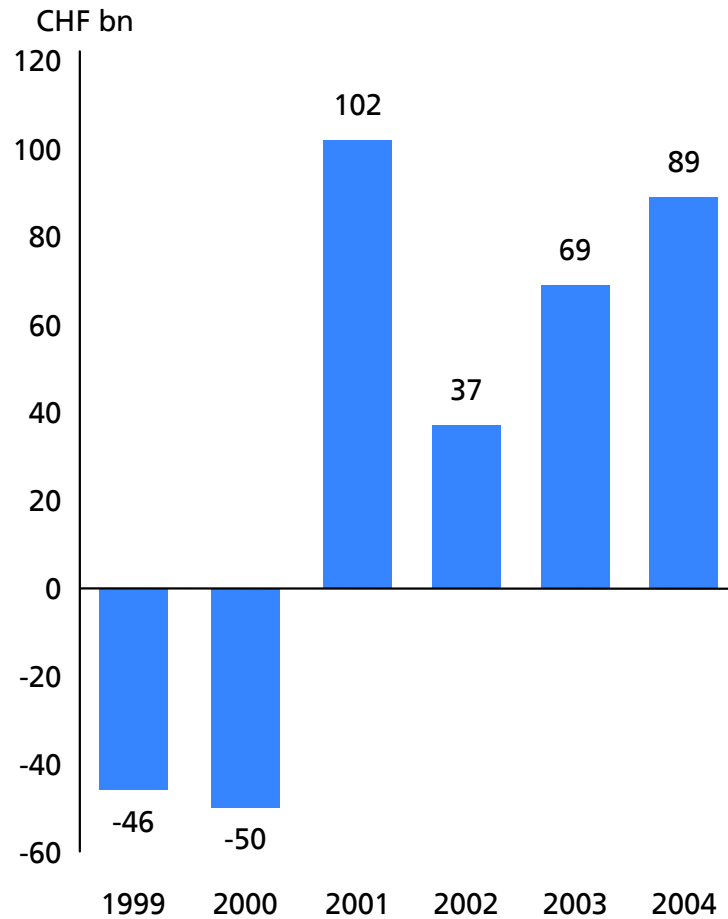


Note:

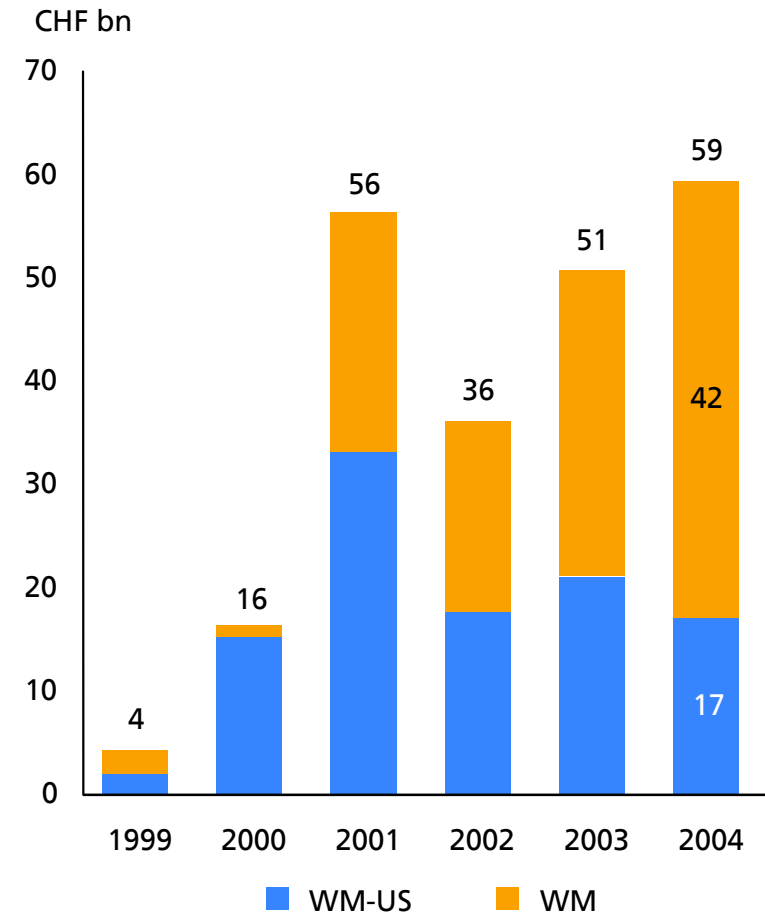
1 Dividend is shown in the year of performance

# Net new money

## NNM UBS<sup>1</sup>



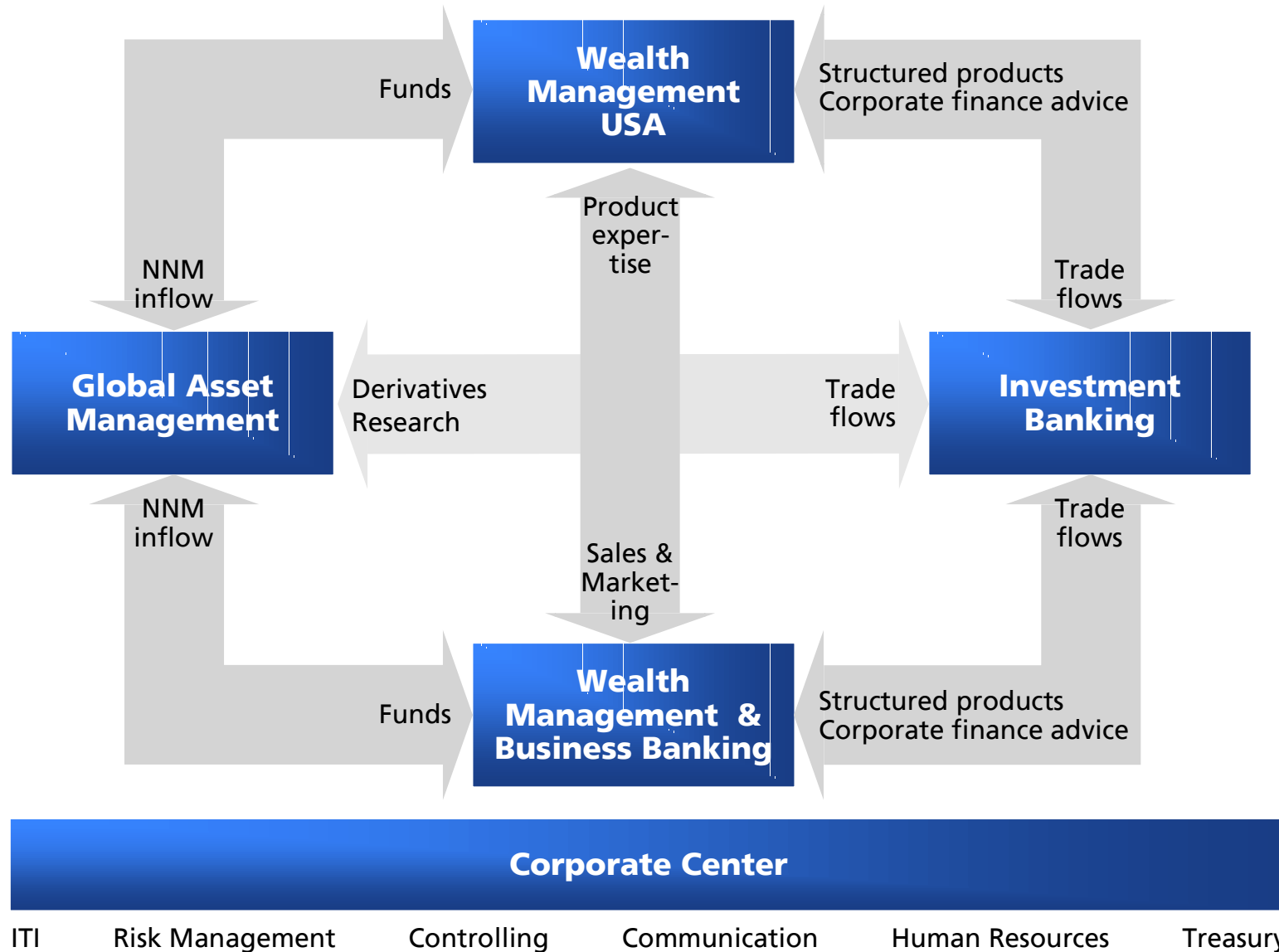
## NNM wealth management businesses



Note:

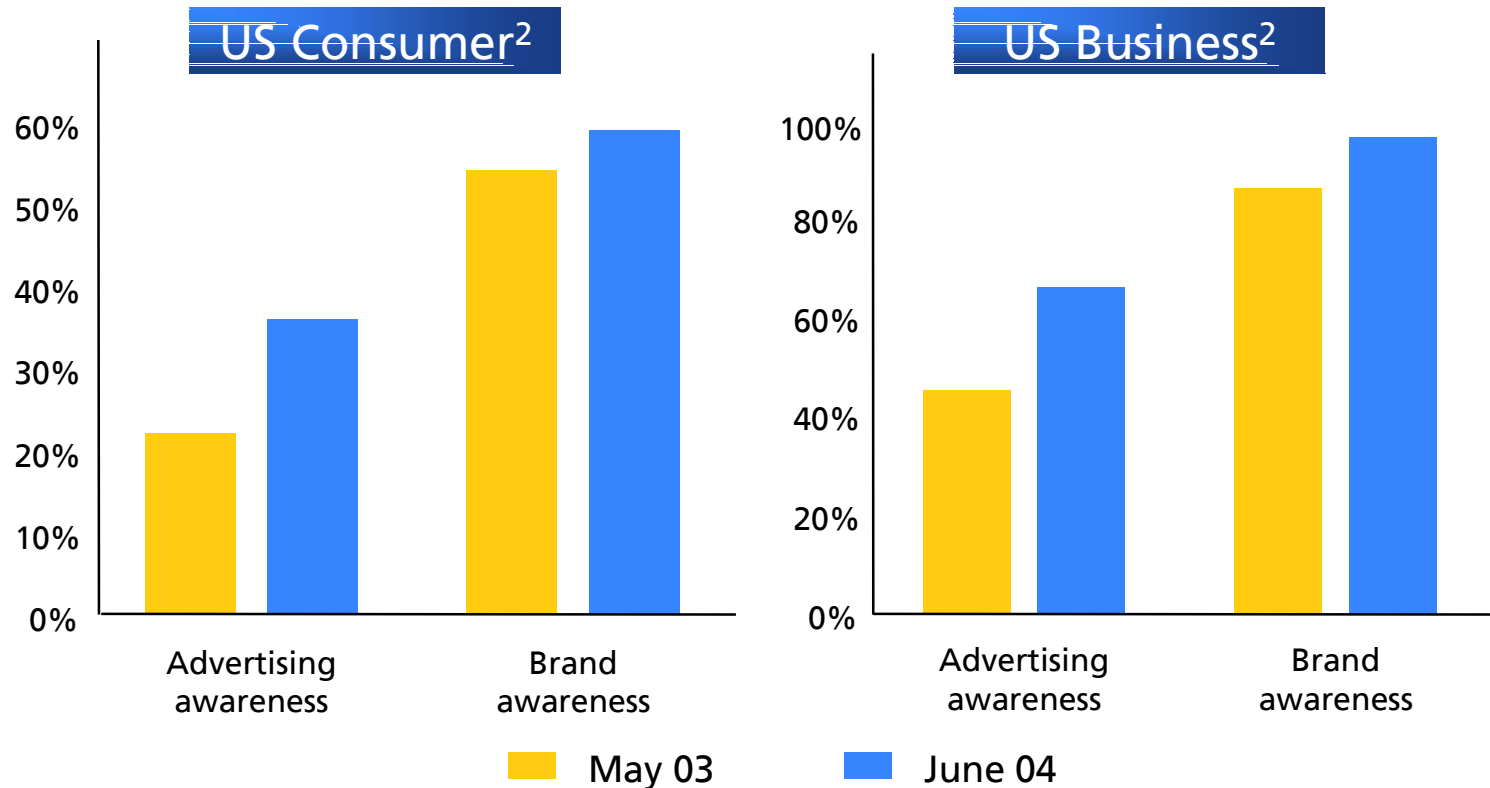
<sup>1</sup> Numbers from 1999 to 2001 have not been restated for definitional change

# The integrated business model at work



# Our advertising is having an impact

- UBS brand is worth USD 6.5 billion, making it the world's 45th most valuable brand<sup>1</sup>
- And it is driving increased awareness of UBS, especially in the key US market



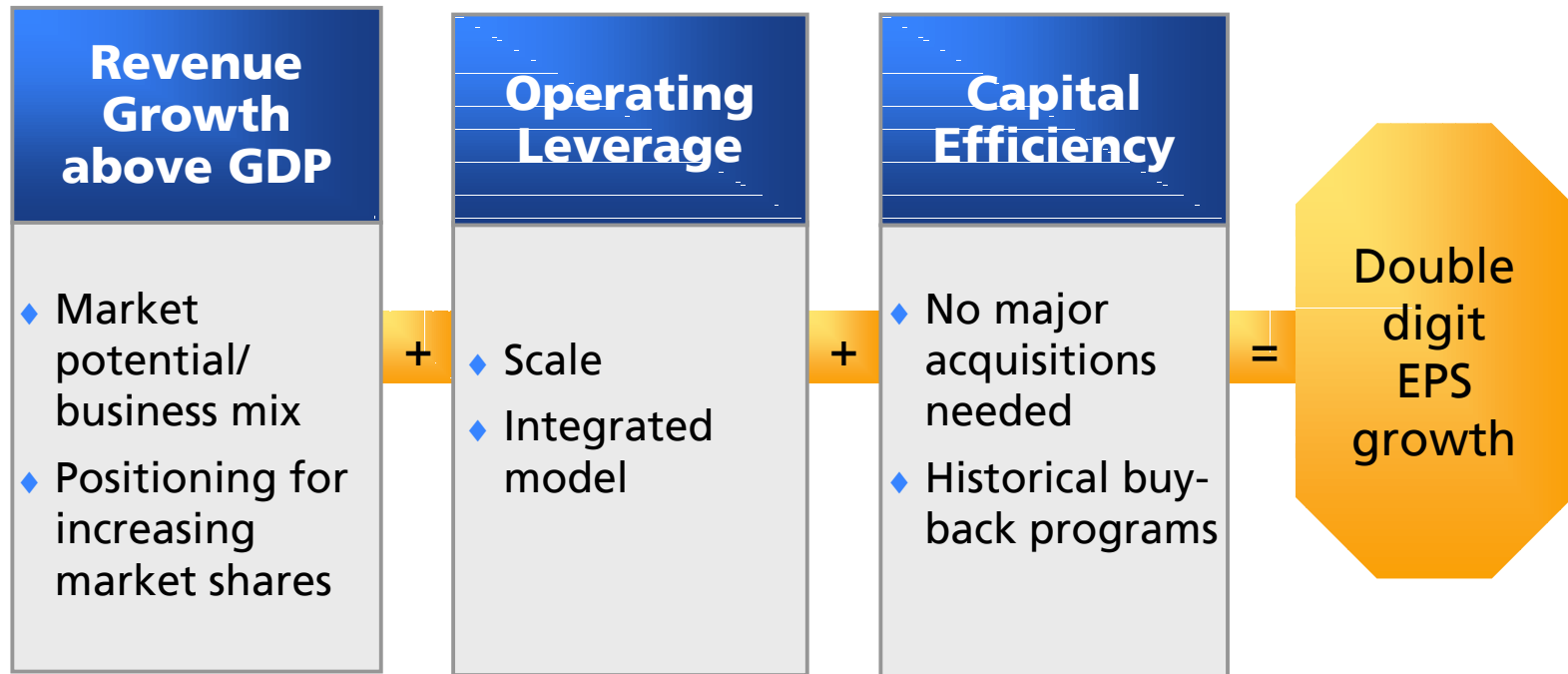
<sup>1</sup> Article in BusinessWeek, 24.07.2004  
<sup>2</sup> Based on UBS research "Brand Equity Monitor"



# Growth Plan & Challenges

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# Growth driver: Organic growth



# Growth driver: Add-on acquisitions

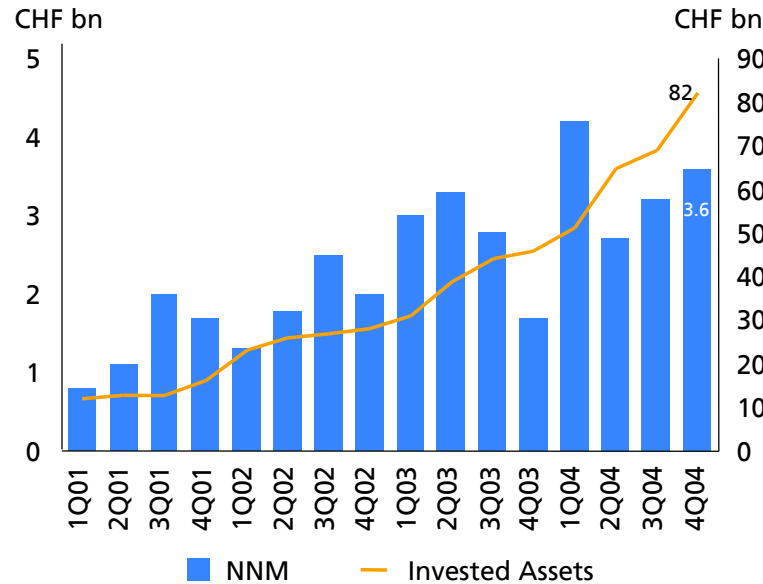
## Potential acquisitions must meet our specific hurdles



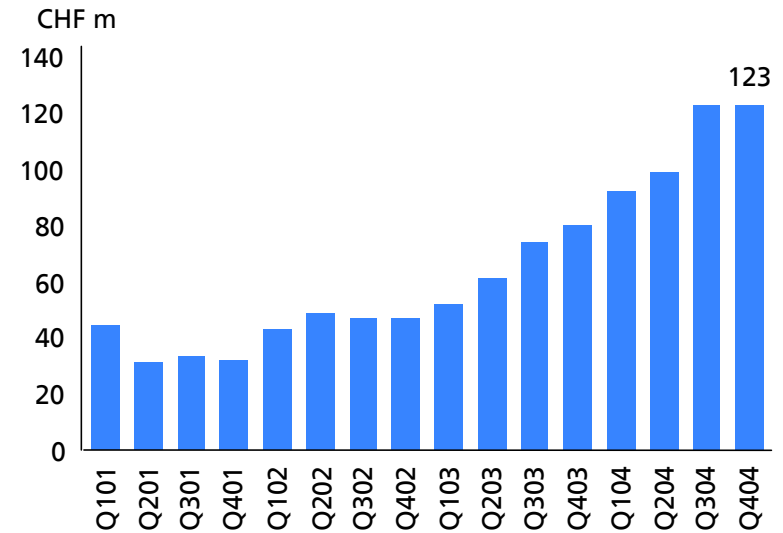
	Number of acquisitions	Invested/ client assets	Impact on market positioning
<b>EWM</b>	◆ 4 acquisitions	◆ ~CHF 20bn	<ul style="list-style-type: none"> <li>◆ UK ⇒ Top 5</li> <li>◆ Germany ⇒ Top 5</li> </ul>
<b>WM</b>	◆ 3 acquisitions	◆ ~CHF 15bn	◆ Economies of scale in Americas
<b>IB</b>	◆ 3 acquisitions	◆ n/a	<ul style="list-style-type: none"> <li>◆ NASDAQ ⇒ No.1</li> <li>◆ NYSE ⇒ No.2</li> </ul>
<b>Global AM</b>	◆ 2 acquisitions	◆ ~CHF 3.5bn	<ul style="list-style-type: none"> <li>◆ Real estate business in Germany</li> <li>◆ China entry point</li> </ul>

# Growth driver: European Wealth Management

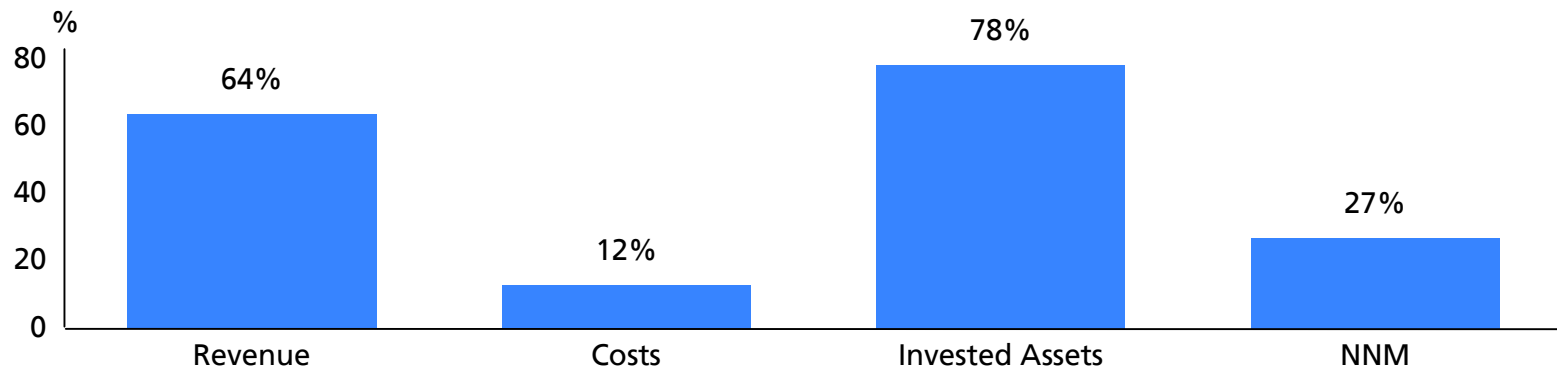
## NNM, Invested assets



## Revenues

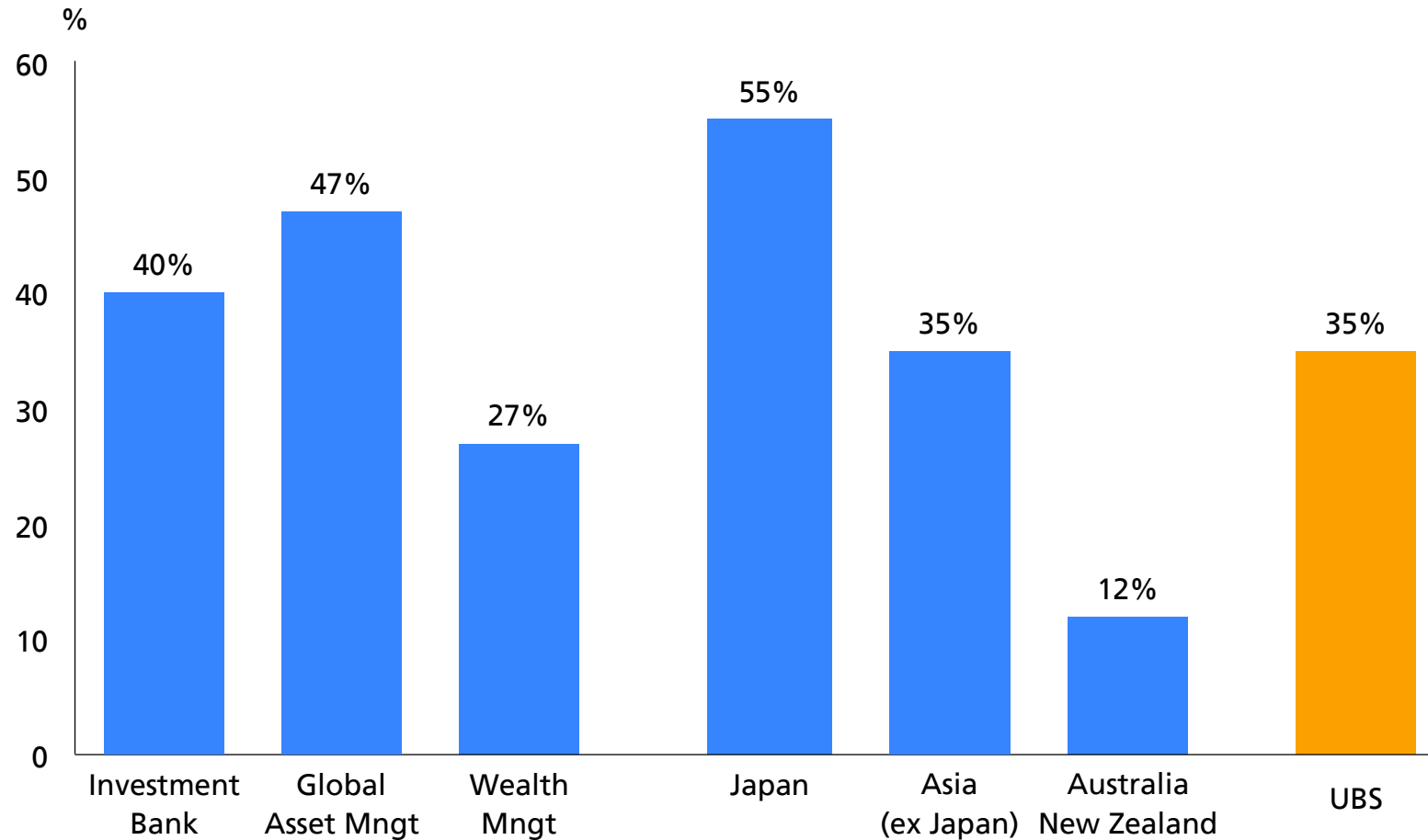


## Relative performance 2004 vs 2003



# Growth driver: Asia Pacific

## Revenue growth 2004 vs 2003



Notes:  
1 Based on internal management accounting USD figures

# Overall UBS challenges

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Maintain positive NNM momentum

Continue to build IB client franchise and execution excellence

Further increase our Asia-Pacific footprint

Additional add-on acquisitions to supplement organic growth

Group wide emphasis on operational risk



Conclusion: *Attractive Investment Case*

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# UBS investment case

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Proven performance across cycles

Focused strategy

High margin businesses

Significant barriers to entry

Strong, integrated culture and brand

Attractive growth opportunities

# Strategy & Overview

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