

Wealth Management Crisis at UBS (B)

TheCaseSolution.com

Marketing

- Changing needs & habits among all customer groups
- Cost reduction programs
- Increasing top-of-the-line funds
- Global expansion to areas with high potential of growth

Accounting

- Financial reporting
- Tax compliance
- Risk management
- Regulatory compliance
- Internal controls
- Audit readiness
- Data security
- Information technology

Finance

- Investment management
- Risk management
- Capital structure
- Credit management
- Treasury management
- Financial reporting
- Tax compliance
- Regulatory compliance

Background

- UBS Group Ltd. is a Swiss financial services group
- UBS Group Ltd. is a public company listed on the SIX Swiss Exchange
- UBS Group Ltd. is a member of the UBS Group
- UBS Group Ltd. is a member of the UBS Group
- UBS Group Ltd. is a member of the UBS Group

International Strategies

- Global expansion
- Local market penetration
- Cross-border mergers and acquisitions
- Strategic alliances
- Joint ventures
- Franchising
- Licensing

technology

- Digital transformation
- Cloud computing
- Data analytics
- Artificial intelligence
- Blockchain
- Cybersecurity
- Information security

Management

- Board of Directors
- Executive Management
- Senior Management
- Middle Management
- Frontline Management

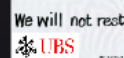
SWOT Analysis

| Strengths | Weaknesses | Opportunities | Threats |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Strong brand • Global presence • Diverse portfolio • Strong financials • High-quality assets • Strong relationships • Strong talent • Strong technology | <ul style="list-style-type: none"> • High costs • Regulatory complexity • Competition • Risk management • Credit management • Treasury management • Financial reporting • Tax compliance • Regulatory compliance | <ul style="list-style-type: none"> • Global expansion • Local market penetration • Cross-border mergers and acquisitions • Strategic alliances • Joint ventures • Franchising • Licensing | <ul style="list-style-type: none"> • Digital transformation • Cloud computing • Data analytics • Artificial intelligence • Blockchain • Cybersecurity • Information security |

Wealth Management Crisis at UBS (B)

TheCaseSolution.com

Background



- UBS was created when the Union Bank of Switzerland and the Switzerland Bank Corporation

Background

We will not rest.



UBS

- UBS was created when the Union Bank of Switzerland and the Switzerland Bank Corporation merged in June of 1998
- Belong to the Wealth Management, Asset Management, and Investment Banking industries
- European Mortgage Crisis

TheCaseSolution.com





Marketing

- Changing focus to highly synergistic and less capital
- Cost reduction programs
- Returning capital to shareholders
- Expanding operations to areas with high potential of growth

TheCaseSolution.com

Can your client advisor identify an investment opportunity wherever in the *world* it may be?

100 seconds on the future of wealth management with Alexander Friedman, Chief Investment Officer UBS

Disclaimer

We will not rest  **UBS**

We will not rest



UBS

Major products & services

Investment products and services
Asset management

Estate planning

Corporate finance advice

Retail banking solutions

Financial advisory services

Raising of capital

Product research and advice

Pooled funds

Investment funds

Mutual funds

Alternative investments



Accounting

- UBS has experienced a 20% loss in total assets from the year 2012 to 2013.
- They had a 21% loss in liabilities.
- This past year, UBS had an increase of cash flow of about 9.5 billion dollars.
- UBS had a CHF 2,524 million gain in income in 2013.
- Other than the drop in total assets, UBS seems to be doing fine.



| CHF million | 31.12.13 | 31.12.12 | % change from 31.12.12 |
|--------------------------------------------------------------------------------------|------------------|------------------|------------------------|
| Balance sheet | | | |
| Assets | | | |
| Cash and balances with central banks | 68,379 | 68,383 | 22 |
| Due from banks | 12,170 | 21,220 | (15) |
| Carryforwarded on securities borrowed | 27,496 | 33,377 | (26) |
| Reverse repurchase agreements | 25,263 | 152,941 | (83) |
| Trading portfolio assets | 122,869 | 162,554 | (23) |
| of which assets pledged as collateral which may be sold or repledged by counterparty | 42,449 | 49,684 | (15) |
| Positive replacement values | 245,835 | 418,957 | (16) |
| Carryforwarded securities or derivative instruments | 20,927 | 20,473 | 30 |
| Financial assets designated at fair value | 7,364 | 9,106 | (19) |
| Loans | 206,759 | 279,901 | 3 |
| Financial investments available for sale | 19,525 | 64,230 | (11) |
| Investments in associates | 842 | 850 | (1) |
| Property and equipment | 6,294 | 6,203 | 6 |
| Goodwill and intangible assets | 6,233 | 6,461 | (2) |
| Deferred tax assets | 8,845 | 8,143 | 9 |
| Other assets | 20,238 | 17,246 | 17 |
| Total assets | 1,009,869 | 1,255,797 | (20) |
| Liabilities | | | |
| Due to banks | 12,862 | 23,034 | (44) |
| Carryforwarded on securities lent | 9,491 | 9,253 | 3 |
| Reverse repurchase agreements | 12,811 | 28,557 | (94) |
| Trading portfolio liabilities | 26,639 | 34,247 | (22) |
| Negative replacement values | 229,933 | 395,200 | (93) |
| Carryforwarded payables or derivative instruments | 49,139 | 71,140 | (31) |
| Financial liabilities designated at fair value | 69,921 | 91,901 | (24) |
| Due to customers | 390,625 | 373,493 | 5 |
| Debt issued | 81,388 | 104,817 | (22) |
| Provisions | 2,871 | 2,536 | 17 |
| Other liabilities | 62,777 | 66,521 | (3) |
| Total liabilities | 995,829 | 1,215,697 | (21) |

| CHF million | For the year ended | |
|-------------------------------------------------------------------|--------------------|---------------|
| | 31.12.13 | 31.12.12 |
| Cash flow | | |
| Net cash flow from / (used in) operating activities | 54,325 | 67,160 |
| Net cash flow from / (used in) investing activities | 5,457 | (14,474) |
| Net cash flow from / (used in) financing activities | (67,555) | (18,118) |
| Effects of exchange rate differences on cash and cash equivalents | (2,702) | (573) |
| Net increase / (decrease) in cash and cash equivalents | -9,524 | 19,995 |
| Cash and cash equivalents at the end of the year | 101,632 | 99,108 |

| | | | |
|-------------------------------------------------------------------------------------------|--------------|----------------|----------------|
| Total comprehensive income | | | |
| Net profit / (loss) | 3,381 | (2,759) | -453 |
| Other comprehensive income | | | |
| of which other comprehensive income that may be reclassified to the Income statement | (837) | 497 | 1,235 |
| of which other comprehensive income that will not be reclassified to the Income statement | (2,445) | (102) | 2,753 |
| Total comprehensive income | 1,299 | (2,764) | (1,525) |
| Total comprehensive income | 2,524 | (1,767) | (4,317) |



Finance



- In a state of recovering from the Euro debt crisis
- Stock value is struggling in the US market
- 2014, most financially successful year in nearly 7 years
- Funding: loans given, trading portfolio assets, and reverse repurchase agreements





International Strategies

- Global Expansion in that of nearly 35 countries
- "Working side-by-side"
- Personal Approach
- Organization
- Goals





Technology

- Security
- Managing Environmental and Social Risks

TheCaseSolution.com



Management



- Recruitment
- Compensation
- Opportunities
- Organization/Structure
- Diversity

