

# Our employees

**We rely on the excellence, inspiration, client focus and commitment of our employees to meet clients' needs and build our businesses. For employees, the breadth of our businesses, global career opportunities and a collaborative, performance-oriented culture offer a platform for individual success.**

## Investing in our employees

Competitive strength in the financial services industry depends, more than anything else, on the expertise, talent and commitment of a firm's employees. Therefore, engaging, developing and retaining a high-impact workforce is a priority for UBS. In 2009, we began to rebuild our leadership ranks in every business division. We also continued to invest in our workforce to help ensure we have the range of skills and experience necessary to meet client needs now, and to grow our businesses when market conditions improve.

Our largely decentralized Human Resources (HR) function was restructured in 2009 to be simpler, leaner and more concretely focused on business priorities. We also implemented several human capital-related initiatives in 2009 to support the firm's transformation, including measures to more closely align compensation with sustainable performance and support appropriate and controlled risk taking. In addition, the UBS Business University, a corporate learning and education platform, was launched in January 2010.

## Our workforce

Personnel levels decreased in most businesses over the course of the year, with the number of people employed on 31 December 2009 at 65,233, down 12,550 or 16% from year-end 2008. This was the result of personnel reductions in the various business divisions, as well as reductions from the sale of UBS Pactual, UBS's India Service Centre and 56 branches in Wealth Management Americas. Consistent with the announcement made on 15 April 2009, we expect personnel numbers to be reduced to approximately 65,000 in 2010. In 2009, our personnel worked in 57 countries, with approximately 37% of our staff employed in Switzerland, 36% in the Americas, 16% in Europe, the Middle East and Africa and 11% in Asia Pacific.

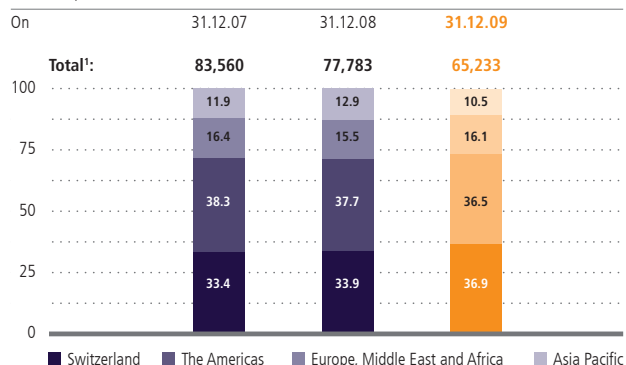
Internal job mobility encourages integration, collaboration and business innovation, as well as individual career development. We continued to support employee transfers across regions and business divisions in 2009 where business needs justified the transfers. In 2009, 910 employees moved to roles in a different region, versus 1,285 in 2008. During the course of the year, 993 employees transferred between business divisions, versus 784 in 2008. Additionally, during 2009, we worked to redeploy employees who were dis-

placed in the firm's restructuring process. Of all the new roles in 2009, approximately 12% were sourced through internal job postings, while another 39% were filled by employees who found new roles within the firm through their own networks. To further support career development and mobility, Individual Development Plans are encouraged for all staff. A global career management site was relaunched in early 2010 to integrate all of the firm's career assessment, development and planning elements.

## Personnel

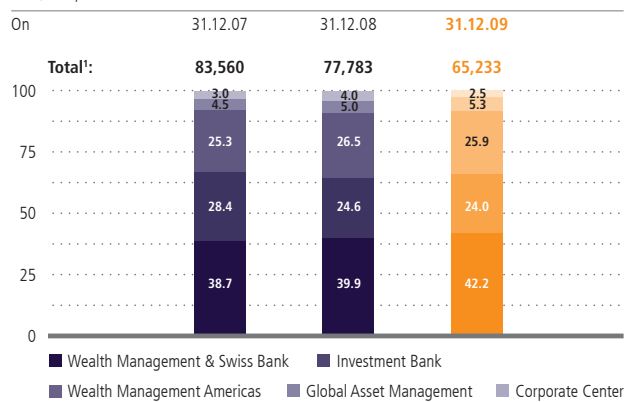
### Regional distribution

*In %, except where indicated*



### Business unit distribution

*In %, except where indicated*



<sup>1</sup> Total full-time equivalents.

### Recruiting personnel

In 2009, we selectively recruited personnel in our key markets while also working to reduce costs, increase efficiency and improve the ratio of front-office to back-office personnel. Several strategic hires were made in 2009 to accelerate and support our turnaround, including the Group CEO, Group COO, Head of Corporate Development, Head of Wealth Management Americas and senior-level hires in growth areas within the Investment Bank and risk management functions.

In 2009, 433 university graduates joined UBS as part of our undergraduate and MBA training programs. The apprenticeship program in Switzerland hired 300 apprentices in 2009.

### Developing and sustaining a diverse workforce

A workforce of individuals from widely different backgrounds, cultures and life experiences is indispensable in today's global business environment. In 2009, our workforce was comprised of citizens from 150 countries. Diversity in gender, ethnicity, age and other factors support first-hand understanding of regional markets and segments and sensitivity to local customs. Competitive advantage is also achieved from more subtle differences in background, experience and thought. These elements provide the perspective from which our employees can anticipate needs and generate unique solutions for our increasingly diverse client base worldwide. Additionally, our long-term recovery will be supported by having the best people in the right roles, and diversity efforts help ensure that characteristics unrelated to performance do not get in the way.

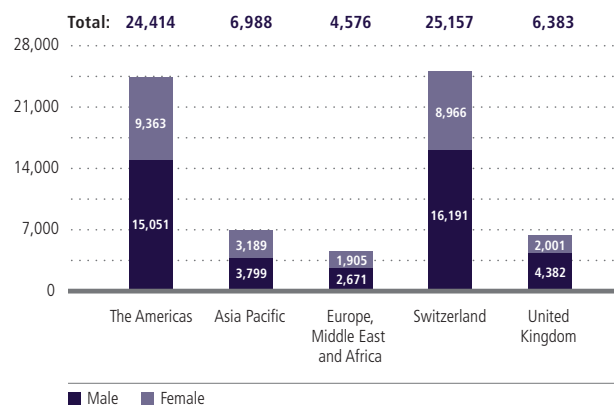
Achieving a world-class workforce of high-talent individuals demands an open-minded and respectful working culture, merit-based career advancement, and a sense of individual contribution. The scope of our diversity initiatives is global, with regional teams translating this commitment into action by working with local business and HR leaders. In addition, more than 20 employee networks help to build cross-business relationships and strengthen our inclusive culture.

Over the past number of years, we have promoted diversity in three stages: raising basic awareness; integrating diversity into the employee lifecycle through recruiting, perfor-

mance management and retention; and working to ensure that diversity ultimately becomes a self-sustaining part of the workplace culture. While we have made significant progress in recent years, our efforts to further strengthen our diversity in 2009 were sometimes impacted by the firm's restructuring, particularly when entire business or support areas were restructured or sold. In 2009, initiatives were launched in Europe, the US and several other regions to help create a culture in which men and women thrive equally in their careers, where gender differences are a strength, and where different working styles and practices allow us to improve our service to clients. We received a 100% rating in the Human Rights Campaign Foundation's 2010 Corporate Equality Index (US), the Equal Opportunity for Women in the Workplace Agency (EOWA) Employer of Choice For Women award (Australia), and the Tokyo Labor Bureau award for supporting the growth of future generations. We also were shortlisted for the Disability Champion Award 2009 by the Employers' Forum on Disability (UK).

### Gender distribution by geographical region<sup>1</sup>

On 31.12.09



<sup>1</sup> Calculated on the basis that a person (working full-time or part-time) is considered one headcount in this graph only. This accounts for the total UBS year-end 2009 employee number of 67,518 in this graph, which excludes staff from UBS card center, Hotel Seepark Thun, Wolfsberg and Widder Hotel.

### Gender distribution by employee category<sup>1</sup>

	Officers		Non-officers		Total	
	Number	%	Number	%		
Male	31,557	72.8	10,537	43.6	42,094	62.3
Female	11,817	27.2	13,607	56.4	25,424	37.7
Total	43,374	100.0	24,144	100.0	67,518	100.0

<sup>1</sup> Calculated on the basis that a person (working full-time or part-time) is considered one headcount in this table only. This accounts for our total year-end 2009 employee number of 67,518 in this table. Normally, we express employee numbers in terms of full-time equivalents (FTEs), which is measured as a percentage of the standard hours normally worked by permanent full-time staff. When calculated according to FTEs, the year-end 2009 total is 65,233.

## Performance management

Effective performance management supports and enables the drive, commitment and consistent execution by our employees that is essential to achieving results for clients and UBS alike. We believe that the foundation for this is an ongoing employee-manager dialogue, with demonstrable performance as the basis for meritocracy. All employees therefore participate in a year-round performance management process that assesses individual achievements against specific objectives. This process supports staff development, links behavior to business goals and helps ensure employees have the skills required to meet their clients' needs and implement our strategic objectives. Assessments focus both on achievements and on behavioral expectations that are linked to corporate strategy and values, respectively. For example, evaluations for all employees include an assessment of "client focus," but the specific behaviors required vary significantly according to function, rank or role. The performance management process for our most senior executives is essentially the same as for all other employees. Achieving specific financial targets plays a significant role; leadership is also explicitly reviewed. In 2009, we enhanced our performance monitoring at all levels, and further strengthened our focus on effective risk management within the overall performance management framework.

→ Refer to the "Compensation and shareholdings" section of this report for more information on compensation and incentives and employee share ownership

## Leadership development and learning

We take a structured approach to both leadership development and business education, understanding that these capabilities are important factors in ensuring high-quality client service and long-term business success. In August 2009, the GEB approved the formation of the UBS Business University, a global corporate university that brings all educational opportunities under one virtual umbrella. Creating a corporate university will significantly increase the efficiency of our learning activities and processes while eliminating duplication. It should also help to further reduce training costs, combine and exploit the existing knowledge within our learning organizations and leverage best practices. The launch of the university in January 2010 marked an important step in aligning our leadership development and learning efforts across the firm.

Leadership and business faculties are at the core of the new learning structure. The leadership faculty focuses on building leadership and managerial skills and on implementing a common leadership strategy and culture across the firm. The business faculty focuses on initiatives that are designed to grow employees' business skills and competencies to best serve clients and manage risk. All learning pathways for business-critical functions include components from legal, risk and compliance, sales and advisory, and products and finance. A single global learning platform simplifies administration while allowing employees to plan their training and complete e-learning modules.

We also invest in talent development and succession planning for the most critical roles across the company. An annual firm-wide talent review helps to identify and then build the skills and competencies of key talent who are recognized to have leadership potential. In addition, potential successors for senior leadership roles are identified and tracked on a firm-wide basis.

## Commitment

Meeting the needs of clients is a core objective. Our corporate values are the foundation that enables us to be a good corporate citizen and responsible employer in addition to realizing long-term profitability and business growth. These values are integrated into corporate decision making and people management processes as well as daily interactions among employees.

### Employee assistance

We are dedicated to assisting employees with professional and personal matters, and to being a conscientious employer. Examples of this commitment can be found in the firm's Employee Assistance Programs (EAPs), and in the COACH and Social Partnership Agreement for Employees in Switzerland (SOVIA CH) programs in Switzerland.

EAPs are available in a number of locations globally. In the UK, the EAP program is a confidential 24/7 service that gives access to specialist support, including telephone and face-to-face counseling. The overall UK health and wellbeing program provides an on-site General Practitioner as well as occupational health services, an on-site physiotherapist, on-site dentist and an emergency back-up childcare and eldercare facility. In Switzerland, we offer professional assistance for current and retired employees, as well as family members, through our HR Social Counseling and HR Retiree Services functions. Services include counseling for personal issues, difficulties in the workplace, sickness, financial difficulties and retirement. The EAP program in the US provides information, referrals and confidential counseling for adoption, child care, academic services, elder care and issues regarding work performance and personal conflicts.

The COACH transfer and severance process helps employees in Switzerland who are displaced by restructuring. COACH advisors provide support and assistance in finding new jobs, by working closely with our internal recruitment center and outside employment services. During the COACH process, employees retain full salary and benefits and financial assistance is available for job-related training, if needed.

Personnel below the level of director are eligible to participate in the SOVIA CH program. SOVIA CH lays out the terms and conditions for implementing redundancies among employees whose jobs are subject to the Agreement on Conditions of Employment for Bank Staff. SOVIA CH governs the requirements and procedures for internal hiring, job transfers, and, when needed, severance. The aim is to implement necessary job cuts and operational changes in a responsible manner, making full use of our internal labor market, and to offer targeted, relevant support and career advice to these employees.

### Employee representation

The UBS Employee Forum facilitates the open exchange of views and information between employees and management on pan-European issues that have the potential to impact our performance, prospects or operations in Europe. It fulfills EU Directive 94/45 on the establishment of a European Works Council. Local forums also exist in a number of locations across Europe to address local issues such as health and safety, changes to workplace conditions, pension arrangements and consultation on collective redundancies and business transfers. The UK Employee Forum (UKEF), for example, focuses on our economic, financial and social activities in the UK which are of con-

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## UBS values

### Truth

Accuracy | Authenticity | Certainty  
We behave with respect and integrity | We are accurate, realistic and accountable | We always act fairly and abide by the law

### Clarity

Ease | Simplicity | Directness  
We make it easy to do business with UBS | We are concise, precise and to the point | We are reliable and consistent

### Performance

Achievement | Execution | Attainment  
We will always give our best | We will perform to the highest professional standards | We will lead the market through superior service and execution

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cern to UK employees. The UKEF may also be used for defining any workforce agreements affecting UK employees. It is made up of elected UK permanent employee representatives for each business area and division that has employees in the UK and appointed management representatives.

In Switzerland, Employee Representation Committee (ERC) representatives partner with management in the annual salary negotiations and they are involved in employee matters, including health and safety, social security and pension issues. ERC employee representatives are elected to represent the interests of employees whose work contracts are governed by Swiss law and the Agreement on Conditions of Employment for Bank Staff. The ERC also fosters an open dialogue between management and employees through a variety of channels and activities.

#### Select 2009 awards

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Excellence and Innovation in Corporate Learning: Measurement  
(Corporate University Xchange Awards 2009)

Top 100 Graduate Employers  
(*The Times* High Fliers 2007–2009)

Ranked No. 8 for “Best Places to Intern: 2009”  
(Bloomberg BusinessWeek 2009)