

20-F New Disclosure and IAS - US GAAP Reconciliation

Agenda

- ◆ 20-F New Disclosure
- ◆ IAS / US GAAP Reconciliation
- ◆ IAS / US GAAP Comparison
- ◆ Contact Information

20-F New Disclosure



UBS

Financial Services Group

Introduction

- ◆ In filing its Full Year 1999 results with the SEC, UBS has filed a Form 20-F which includes some additional disclosure materials
- ◆ This presentation is intended as a guide to the new disclosure items, but is not a comprehensive treatment
- ◆ We would recommend reading this presentation in conjunction with the complete 20-F
- ◆ Over the past few years, UBS has expanded and upgraded its disclosure extensively, resulting in the need for only limited additional disclosure in the 20-F
- ◆ This presentation contains the same categories of disclosure as in our 30th September 1999 Form 20-F

Summary of new disclosures

Page numbers refer to 20-F filing

<u>What</u>	<u>Page/Appendix</u>
◆ UBS Group	
– equity participation plans	F54/F83
– PCC loan portfolio	24
– Emerging Market portfolio	57
◆ UBS Warburg	
– operating income split by client category	19
– core / non-core operating income split	17
◆ UBS Capital	
– investment portfolio	32-33
– management fees	73

UBS Group

Equity participation plans / stock awards / stock purchase

- ◆ Equity participation plans (F83 appendix)

“See Note 36 for information on equity participation plans. Additional disclosure for the equity participation plans required by US GAAP follows. The accrued expense for the years ended 31 December 1999 and 31 December 1998 was CHF 2 045 million and CHF 996 million, respectively. The accruals include awards earned currently but issued in the following year.”
- ◆ Further information, including additional details of stock award, stock purchase and stock option plans can be found in Notes 36 (page F54) and 43.10 (page F83) of the appendix to Form 20-F



UBS Group

PCC loan (p.24) and emerging market portfolios (p. 57)

- ◆ Within UBS Private & Corporate Clients, approximately one half of the loans that were originally included in our recovery portfolio in 1997 have been worked out and removed
- ◆ The decrease in net trading income in 1998 of CHF 3,741m included approx. CHF 810 m of losses on our emerging markets trading portfolios.
- ◆ Emerging markets loan provisions & losses:

Countries with the largest net increase and their respective provision as of the years ended 31 December 1998 and 31 December 1997 were as follows:

(CHFm)	31 Dec 1998	31 Dec 1997
Brazil	276	55
Indonesia	168	29
South Korea	186	19

UBS Warburg

Operating income by client (p.19) / Core-non core split (p.17)

(CHFm)	1999	1998
Corporate clients	26%	39%
Institutional investors	70%	55%
Governments & supranationals	4%	6%
Total	100%	100%

Note: Total Operating Income before credit loss expense (CHFm):	1999	1998
	12,909	6,987

- ◆ For the year ended 31 December 1999, UBS Warburg's operating income before credit loss expense from core businesses amounted to CHF 12,227m, with the remaining CHF 682m arising from non-core businesses
- ◆ For the year ended 31 December 1998, the equivalent figures are income before credit loss expense of CHF 6,891m from core businesses and a loss of CHF 96m from non-core businesses

UBS Capital

Total Investments by sector (p.32)

(CHFm)	31 Dec 99	31 Dec 98	31 Dec 97
Consumer related	610	400	405
Diversified industrials	587	376	85
Transportation	605	186	61
Communications	326	208	84
Computer related	282	109	38
Energy	167	153	134
Other electronics related	38	32	49
Other manufacturing	45	53	93
Chemicals & materials	23	52	20
Industrial products & services	48	60	51
Others	263	155	60
Total	2,993	1,784	1 080

UBS Capital

Investment portfolio - aging (p.32) / management fees (p.73)

(CHFm)	31 Dec 99	31 Dec 98	31 Dec 97
Pre-1994	89	112	109
1994	199	195	161
1995	308	282	180
1996	204	183	171
1997	496	450	459
1998	718	562	-
1999	979	-	-
Total	2,993	1,784	1,080

- ◆ For the year ended 31 December 1999, UBS Capital's operating income included CHF 13m of management fees paid by funds that we manage and sponsor

Additional disclosure includes ...

Page numbers refer to 20-F filing

<u>What</u>	<u>Page</u>
◆ Additional breakdown of the PCC Loan Portfolio	23-25
◆ Additional detail on property	40
◆ Additional information on country risk exposure	83-85, 105-107
◆ More detailed information on NPL and credit loss allowances & provisions	85-88, 104-105, 107-110, F77
◆ More detailed information on interest-earning assets and interest-bearing liabilities	98-104
◆ More details on directors' accrued pension benefits	112

Additional Disclosure includes ...

Page numbers refer to 20-F filing/appendix

What	Appendix
◆ More Information on the trading portfolio	F24
◆ More details on Financial Investments	F78-79
◆ Pension plans	F81
◆ Post-retirement benefit plans	F82

IAS / US GAAP Reconciliation



UBS

Financial Services Group

Introduction

- ◆ IAS and US GAAP accounting standards differ
- ◆ In filing its Full Year 1999 results with the SEC, UBS has provided a reconciliation of its 1998 and 1999 accounts under the two accounting standards

The three principal differences

- ◆ The SBC/UBS merger was treated as a Pooling of Interests under IAS and as a Purchase under US GAAP. US GAAP therefore requires the goodwill to be shown in the Balance Sheet and to be amortised
- ◆ In addition, SBC 1H1998 profits and losses are not recognised in the US GAAP Group accounts, which take up the profit only from the date of the merger
- ◆ The timing of recognition of the restructuring reserve is different under US GAAP due to differences in the criteria recognising these provisions

Reconciliation from IAS to US GAAP

Shareholders' Equity (F67 - appendix)

(CHFm)	12/31/99	12/31/98
Amounts Determined by IAS	34,835	32,395
SBC Purchase Accounting - Goodwill	19,765	21,612
Other Purchase Accounting Adjustments	(858)	(895)
Harmonisation of Accounting Policies	0	20
Restructuring Provision	350	1,948
Derivative instruments (non-trading)	507	1,052
Own Shares and Derivatives on own shares - trading	(4,227)	(3,601)
Financial Investments	52	108
Retirement Benefit Plans	1,839	1,858
Other Employee Benefits	(24)	(26)
Equity Participation Plans	(113)	(40)
Software Capitalisation	389	0
Credit loss Expense	0	0
Sub total	17,680	22,036
Tax Effect of adjustments	(682)	330
Total adjustments	16,998	22,366
Amounts Determined in accordance with US GAAP:	51,833	54,761



Reconciliation from IAS to US GAAP

Profit & Loss (F67 - appendix)

(CHFm)	12/31/99	12/31/98
Amounts Determined by IAS	6,300	3,030
SBC Purchase Accounting - Goodwill	(1,729)	(864)
Other Purchase Accounting Adjustments	37	(2,590)
Harmonisation of Accounting Policies	(20)	(751)
Restructuring Provision	(1,598)	(3,982)
Derivative instruments (non-trading)	(545)	(405)
Own Shares and Derivatives on own shares - trading	(195)	94
Financial Investments	36	23
Retirement Benefit Plans	(19)	88
Other Employee Benefits	2	(20)
Equity Participation Plans	(47)	(1)
Software Capitalisation	389	0
Credit loss Expense	0	0
Sub total	(3,689)	(8,408)
Tax Effect of adjustments	226	1,713
Total adjustments	(3,463)	(6,695)
Amounts Determined in accordance with US GAAP	2,837	(3,665)



IAS - US GAAP Comparison

Income Statement & Balance Sheet



UBS

Financial Services Group

Consolidated Income Statement

Operating Income (F71 - appendix)

(CHFm) Full year 1999	IAS	US GAAP	Difference
Interest income	18,323	34,860	16,537
Less: interest expense	11,967	29,660	17,693
Less: credit loss expense	956	956	-
Net interest income less credit loss expense	5,400	4,244	(1,156)
Net fee & commission income	12,607	12,607	-
Net trading income	7,468	7,719	251
Income from disposal of associates & subsidiaries	1,821	1,821	-
Other income	1,325	1,360	35
Total income	28,621	27,751	(870)



Consolidated Income Statement

Operating Expenses (F71 - appendix)

(CHFm) Full year 1999	IAS	US GAAP	Difference
Personnel	12,577	12,483	(94)
General & administrative	6,018	6,584	566
Depreciation & amortisation	1,857	3,454	1,597
Restructuring costs	0	750	750
Subtotal	20,452	23,271	2,819
Operating profit/(loss) before tax & minority interests	8,169	4,480	(3,689)
Tax expense/(benefit)	1,815	1,589	(226)
Group profit/(loss)	6,354	2,891	(3,463)
Less: minority interests	(54)	(54)	-
Net profit/(loss)	6,300	2,837	(3,463)

Condensed Consolidated Balance Sheet

Assets (F72 - appendix)

(CHFm) 31.12.99	IAS	US GAAP	Difference
Cash & balances with central banks	5,073	5,073	-
Money market paper	69,717	69,717	-
Due from Banks	29,907	50,103	20,196
Cash collateral on securities borrowed	113,162	113,162	-
Reverse repurchase agreements	144,796	144,796	-
Trading Portfolio Assets	217,001	189,504	(27,497)
Positive replacement values	130,500	129,837	(663)
Loans, Net of Credit Loss Allowance	234,858	235,714	856
Financial Investments	7,039	2,378	(4,661)
Accrued income & prepaid expenses	5,167	5,167	-
Investments in associates	1,102	1,102	-
Property & Equipment	8,701	9,655	954
Intangible Assets & Goodwill	3,543	21,428	17,885
Private Equity Investments		3,001	3,001
Other Assets	11,007	18,717	7,710
TOTAL ASSETS	981,573	999,354	17,781

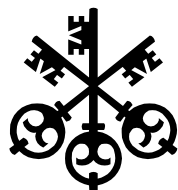


Condensed Consolidated Balance Sheet

Liabilities (F72 - appendix)

(CHFm) 31.12.99	IAS	US GAAP	Difference
Money market paper issued	64,655	64,655	-
Due to Banks	76,365	90,112	13,747
Cash collateral on securities lent	12,832	12,832	-
Repurchase agreements	209,236	186,162	(23,074)
Trading Portfolio liabilities	54,586	52,606	(1,980)
Negative replacement values	161,922	160,806	(1,116)
Due to customers	279,960	291,595	11,635
Accrued expenses & deferred income	12,040	12,040	-
Long-term debt	56,332	56,049	(283)
Other liabilities	18,376	20,230	1,854
TOTAL LIABILITIES	946,304	947,087	783
Minority interests	434	434	-
Total shareholders' equity	34,835	51,833	16,998
Total liabilities, minority interests & shareholders' equity	981,573	999,354	17,781

Contact information



UBS

Financial Services Group

UBS AG

Investor Relations

Bahnhofstrasse 45

8098 Zurich

Tel: +41-1-234 4100

Fax: +41-1-234 3415

<http://www.ubs.com/investor-relations>



UBS

Financial Services Group