
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number: 1-15026

UBS AG

(Exact Name of Registrant as Specified in Its Charter)

Switzerland

(Jurisdiction of Incorporation or Organization)

Bahnhofstrasse 45, Zurich, Switzerland, and Aeschenvorstadt 1, Basel, Switzerland
(Address of Principal Executive Offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Ordinary Shares (par value of CHF 10 each)	New York Stock Exchange
\$75,000,000 18.5% GOALs due May 28, 2002	American Stock Exchange
\$50,000,000 18.25% GOALs due June 27, 2002	American Stock Exchange
\$60,000,000 19.5% GOALs due July 23, 2002	American Stock Exchange
\$45,000,000 18.25% GOALs due July 31, 2002	American Stock Exchange
\$30,000,000 14.125% GOALs due August 15, 2002	American Stock Exchange
\$51,000,000 26% GOALs due September 12, 2002	American Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

8.622% Noncumulative Trust Preferred Securities

8.622% Noncumulative Company Preferred Securities

Subordinated Guarantee of UBS AG with respect to Company Preferred Securities

Guarantees with respect to certain securities of UBS Americas Inc.,

PWG Capital Trust I and PWG Capital Trust II.

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of 31 December 2000:

Ordinary shares, par value CHF 10 per share: 444,379,729 ordinary shares (including 18,421,783 treasury shares)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

Cautionary Statement Regarding Forward-Looking Statements

This annual report contains statements that constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking information to encourage companies to provide prospective information about themselves without fear of litigation so long as the information is identified as forward looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the information. The words “anticipate”, “believe”, “expect”, “estimate”, “intend”, “plan”, “should”, “could”, “may” and other similar expressions are used in connection with forward-looking statements. In this annual report, forward-looking statements may, without limitation, relate to:

- The implementation of strategic initiatives, such as the implementation of the European wealth management strategy and a new business model for the UBS Capital business unit
- The development of revenues overall and within specific business areas
- The development of operating expenses
- The anticipated level of capital expenditures and associated depreciation expense
- The expected impact of the risks that affect UBS’s business, including the risk of loss resulting from the default of an obligor or counterparty
- Expected credit losses based upon UBS’s credit review
- Other statements relating to UBS’s future business development and economic performance

There can be no assurance that forward-looking statements will approximate actual experience. Several important factors exist that could cause UBS’s actual results to differ materially from expected results as described in the forward-looking statements. Such factors include:

- General economic conditions, including prevailing interest rates and performance of financial markets, which may affect demand for products and services and the value of our assets
- Changes in UBS’s expenses associated with acquisitions and dispositions
- UBS’s and PaineWebber’s ability to achieve anticipated cost savings and efficiencies from their merger, to fully integrate their sales and distribution channels in a timely manner and to retain their key employees
- General competitive factors, locally, nationally, regionally and globally
- Industry consolidation and competition
- Changes affecting the banking industry generally and UBS’s banking operations specifically, including asset quality
- Developments in technology
- Credit ratings and the financial position of obligors and counterparties
- UBS’s ability to control risk in its businesses
- Changes in federal tax laws, which could adversely affect the tax advantages of certain of UBS’s products and subject it to increased taxation
- Changes in currency exchange rates, including the exchange rate for the Swiss franc into U.S. dollars

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.

Part I

Item 1. Identity of Directors, Senior Management and Advisors.

Not required because this Form 20-F is filed as an annual report.

Item 2. Offer Statistics and Expected Timetable.

Not required because this Form 20-F is filed as an annual report.

Item 3. Key Information.

A—Selected Financial Data.

UBS's financial statements have been prepared in accordance with International Accounting Standards ("IAS") and are denominated in Swiss francs, or "CHF", the legal tender of Switzerland. Certain financial information has also been presented in accordance with U.S. GAAP.

The tables below set forth, for the periods and dates indicated, information concerning the noon buying rate for the Swiss franc, expressed in United States dollars or "USD", per one Swiss franc. The "noon buying rate" is the rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York.

Year Ended 31 December	High	Low	Average Rate(1) (USD per 1 CHF)	At Period End
1996	0.8641	0.7399	0.8090	0.7468
1997	0.7446	0.6510	0.6890	0.6845
1998	0.7731	0.6485	0.6894	0.7281
1999	0.7361	0.6244	0.6605	0.6277
2000	<u>0.6441</u>	<u>0.5479</u>	<u>0.5912</u>	<u>0.6172</u>

Month	High	Low
September 2000	0.5804	0.5596
October 2000	0.5773	0.5479
November 2000	0.5759	0.5529
December 2000	0.6172	0.5785
January 2001	0.6240	0.6031
February 2001	0.6124	0.5910

(1) The average of the noon buying rates on the last business day of each full month during the relevant period.

CHF million, except where indicated

For the year ended

		31.12.00	31.12.99(1)	31.12.98(1)	31.12.97
Income statement data					
Interest income		51 745	35 604	37 442	23 669
Interest expense		43 615	29 695	32 424	16 733
Net interest income		8 130	5 909	5 018	6 936
Credit loss recovery/(expense)		130	(956)	(951)	(1 278)
Net interest income after credit loss recovery/(expense)		8 260	4 953	4 067	5 658
Net fee and commission income		16 703	12 607	12 626	12 234
Net trading income		9 953	7 719	3 313	5 491
Other income		1 486	3 146	2 241	1 497
Operating income		36 402	28 425	22 247	24 880
Operating expenses		26 203	20 532	18 376	18 636
Operating profit before tax		10 199	7 893	3 871	6 244
Restructuring costs		0	0	0	7 000
Tax expense/(benefit)		2 320	1 686	904	(105)
Minority interests		(87)	(54)	5	(16)
Net profit		7 792	6 153	2 972	(667)
Cost/income ratio (%)	(2)	72.2	69.9	79.2	71.2
Cost/income ratio before goodwill amortization (%)	(2,3)	70.4	68.7	77.7	70.7
Per share data (CHF)					
Basic earnings per share	(4,7)	19.33	15.20	7.33	(1.59)
Basic earnings per share before goodwill	(3,4,7)	20.99	16.04	8.18	
Diluted earnings per share	(4,7)	19.04	15.07	7.20	(1.59)
Diluted earnings per share before goodwill	(3,4,7)	20.67	15.90	8.03	
Cash dividends declared per share (CHF)		4.50(9)	5.50	5.00	
Cash dividends declared per share (USD)	(8)	2.57	3.31	3.31	
Dividend payout ratio (%)		23.28	36.18	68.21	
Rates of return (%)					
Return on shareholders' equity	(5)	21.5	22.4	10.7	
Return on shareholders' equity before goodwill	(3,5)	23.4	23.6	12.0	
Return on average equity		22.0	18.6	9.0	(2.0)
Return on average assets		0.70	0.65	0.28	(0.07)

CHF million, except where indicated

As of	31.12.00	31.12.99(1)	31.12.98(1)	31.12.97
Balance sheet data				
Total assets	1 087 552	896 556	861 282	1 086 414
Shareholders' equity	44 833	30 608	28 794	30 927
Market capitalization	112 666	92 642	90 720	
Average equity to average assets (%)	3.17	3.52	3.06	3.40
Weighted average shares outstanding (7)				
Registered ordinary shares	433 486 003	430 497 026	429 710 128	426 994 240
Own shares to be delivered	2 058 212			
Treasury shares	(32 514 906)	(25 754 544)	(24 487 833)	(7 724 236)
Weighted average shares for basic earnings per share	403 029 309	404 742 482	405 222 295	419 270 004
BIS capital ratios				
Tier 1 (%)	11.7	10.6	9.3	8.3
Total BIS (%)	15.7	14.5	13.2	12.6
Risk-weighted assets	273 290	273 107	303 719	345 904
Total assets under management (CHF billion)				
	2 469	1 744	1 573	
Headcount (full time equivalents) (6)				
	71 076	49 058	48 011	
Long-term ratings (10)				
Fitch, London	AAA	AAA	AAA	
Moody's, New York	Aa1	Aa1	Aa1	
Standard & Poor's, New York	AA+	AA+	AA+	

Earnings adjusted for significant financial events(11)

CHF million, except where indicated

For the year ended	31.12.00	31.12.99
Operating income	36 402	26 587
Operating expenses	25 763	20 534
Operating profit before tax	10 639	6 053
Net profit	8 132	4 665
Cost/income ratio before goodwill (%)	(2,3) 69.2	73.3
Basic earnings per share before goodwill (CHF)	(3,4,7) 21.83	12.37
Diluted earnings per share before goodwill (CHF)	(3,4,7) 21.50	12.26
Return on shareholders' equity before goodwill (%)	(3,5) 24.3	18.2

(1) The 1999 and 1998 figures have been restated to reflect retroactive changes in accounting policy arising from newly applicable International Accounting Standards and changes in presentation (see Note 1 to the Financial Statements).

(2) Operating expenses/operating income before credit loss expense.

(3) The amortization of goodwill and other intangible assets is excluded from the calculation.

(4) For EPS calculation, see Note 10 to the Financial Statements.

(5) Net profit/average shareholders' equity excluding dividends.

(6) The Group headcount does not include the Klinik Hirslanden AG headcount.

(7) The 1999, 1998 and 1997 share figures are restated for the two-for-one share split, effective 8 May 2000.

(8) Dividends are normally declared and paid in the year subsequent to the reporting period. In 2000, as part of the arrangements for the merger with PaineWebber, a dividend was paid on 5 October 2000 in respect of the nine months ended 30 September 2000. Prior to the merger between Union Bank of Switzerland and Swiss Bank Corporation, each paid dividends in accordance with their own dividend policies. Union Bank of Switzerland's dividends for 1997 were CHF 50.00 (USD 33.65) for its bearer shares and CHF 10.00 (USD 6.73) for its registered shares. Swiss Bank Corporation paid a dividend of CHF 12.00 (USD 8.01) in 1997. Dividend payments are reflected at actual historical amounts and have been translated to US dollars at an exchange rate equal to the noon buying rate in New York City on the date of payment.

- (9) Excludes a proposed distribution of CHF 1.60 per share (USD 0.976 per share at year end 2000 spot rate) in the form of a par value reduction.
- (10) See Item 5B on page 24 of this Form 20-F for information about the nature of these ratings.
- (11) Please see pages 4 to 5 of the attached Financial Report 2000 for a definition of significant financial events. UBS introduced the concept of significant financial events for the first time in its 1999 reporting and did not define significant financial events until 1999. Adjusted figures are therefore not shown for 1998 or 1997.

Balance Sheet Data

CHF million

As of	31.12.00	31.12.99(1)	31.12.98(1)	31.12.97
Assets				
Total assets	1 087 552	896 556	861 282	1 086 414
Due from banks	29 147	29 907	68 495	66 582
Cash collateral on securities borrowed	177 857	113 162	91 695	82 656
Reverse repurchase agreements	193 801	132 391	141 285	216 355
Trading portfolio assets	253 296	211 932	159 179	210 738
Positive replacement values	57 875	62 957	90 511	149 538
Loans, net of allowances for credit losses	244 842	234 858	247 926	270 917
Liabilities				
Due to banks	82 240	76 365	85 716	159 634
Cash collateral on securities lent	23 418	12 832	19 171	14 140
Repurchase agreements	295 513	196 914	137 617	191 793
Trading portfolio liabilities	82 632	54 638	47 033	68 215
Negative replacement values	75 923	95 786	125 847	170 162
Due to customers	310 679	279 960	274 850	302 516
Long-term debt	54 855	56 332	50 783	54 284
Shareholders' equity	44 833	30 608	28 794	30 927

- (1) The 1999 and 1998 figures have been restated to reflect retroactive changes in accounting policy arising from newly applicable International Accounting Standards and changes in presentation (see Note 1 to the Financial Statements).

U.S. GAAP Income Statement Data

CHF million

For the year ended

	31.12.00	31.12.99(1)	31.12.98(1)
Operating income			
Interest income	51 565	35 404	29 136
Interest expense	(43 584)	(29 660)	(25 773)
Net interest income	7 981	5 744	3 363
Credit loss recovery/(expense)	130	(956)	(787)
Net interest income after credit loss recovery/(expense)	8 111	4 788	2 576
Net fee and commission income	16 703	12 607	8 925
Net trading income	8 597	7 174	455
Net gains from disposal of associates and subsidiaries	83	1 821	84
Other income	1 431	1 361	641
Total operating income	34 925	27 751	12 681
Operating expenses			
Personnel	17 262	12 483	7 938
General and administrative	6 813	6 664	6 259
Depreciation and amortization	3 952	3 454	2 403
Restructuring costs	191	750	1 089
Total operating expenses	28 218	23 351	17 689
Operating profit/(loss) before tax and minority interests	6 707	4 400	(5 008)
Tax expense/(benefit)	2 183	1 509	(1 339)
Net profit/(loss) before minority interests	4 524	2 891	(3 669)
Minority interests	(87)	(54)	4
Net profit/(loss)	4 437	2 837	(3 665)

(1) The 1999 and 1998 figures have been restated to reflect retroactive changes in accounting policy arising from newly applicable International Accounting Standards and changes in presentation (see Notes 1 and 41 to the Financial Statements).

U.S. GAAP Balance Sheet Data

CHF million As of	31.12.00	31.12.99(1)	31.12.98(1)
Assets:			
Total assets	1 124 554	893 525	899 589
Due from banks	29 182	29 954	68 554
Cash collateral on securities borrowed	177 857	113 162	91 695
Reverse repurchase agreements	193 801	132 391	141 285
Trading portfolio assets	197 048	184 085	161 440
Trading portfolio assets, pledged	(2) 59 448		
Positive replacement values	(3) 57 775	62 294	90 520
Loans, net of allowance for credit losses	245 214	235 401	248 657
Intangible assets and goodwill	35 726	21 428	21 707
Other assets	26 971	18 717	29 398
Liabilities			
Due to banks	82 240	76 363	85 716
Cash collateral on securities lent	23 418	12 832	19 127
Repurchase agreements	295 513	173 840	136 824
Trading portfolio liabilities	87 832	52 658	47 772
Negative replacement values	(3) 75 423	95 004	125 857
Due to customers	310 686	279 971	274 861
Accrued expenses and deferred income	21 038	12 040	11 232
Long-term debt	54 970	56 049	50 445
Shareholders' equity	62 960	51 833	54 761

(1) The 1999 and 1998 figures have been restated to reflect retroactive changes in accounting policy arising from newly applicable International Accounting Standards and changes in presentation (see Notes 1 and 41 to the Financial Statements).

(2) Adjusted for the adoption of FAS 140 required disclosures as of 31 December 2000.

(3) Positive and negative replacement values represent the fair value of derivative contracts.

Ratio of Earnings to Fixed Charges

The following table sets forth UBS AG's ratio of earnings to fixed charges, for the periods indicated. Ratios of earnings to combined fixed charges and preferred stock dividends requirements are not presented as there were no preferred share dividends in any of the periods indicated.

For the year ended	31.12.00	31.12.99	31.12.98	31.12.97
IAS(1),(2)	1.23	1.25	1.11	0.95
U.S. GAAP(1),(3)	1.15	1.14	0.80	

1. The ratio is provided using both IAS and U.S. GAAP values, as the ratio is materially different between the two accounting standards. No U.S. GAAP information is provided for 31 December 1997 as a U.S. GAAP reconciliation was not required for that period.

2. The deficiency in the coverage of fixed charges by earnings before fixed charges at 31 December 1997 was CHF 851 million.

3. The deficiency in the coverage of fixed charges by earnings before fixed charges at 31 December 1998 was CHF 5,319 million.

B—Capitalization and Indebtedness.

Not required because this Form 20-F is filed as an annual report.

C—Reasons for the Offer and Use of Proceeds.

Not required because this Form 20-F is filed as an annual report.

D—Risk Factors.

Please see pages 5 to 6 of the attached Financial Report 2000.

Item 4. Information on the Company.**A—History and Development of the Company.**

1. The legal name of the company is UBS AG.
2. On 29 June 1998, Union Bank of Switzerland (founded 1860) and Swiss Bank Corporation (founded 1854) merged to form UBS.
3. UBS AG is incorporated and domiciled in Switzerland and operates under Swiss Company Law and Swiss Federal Banking Law as an Aktiengesellschaft, which means that it is a corporation that has issued shares of common stock to investors. The address and telephone number of our principal places of business are Bahnhofstrasse 45, Zurich, Switzerland, telephone 011 41-1-234 11 11; and Aeschenvorstadt 1, Basel, Switzerland, telephone 011 41-61-288 20 20.
4. Please see page 10 of the attached UBS Handbook 2000-2001.
- 5., 6. Please see pages 9 to 54 of the attached Financial Report 2000.
7. Not applicable.

B—Business Overview.

- 1.-3., 5., 7. Please see pages 5 to 36 of the attached UBS Handbook 2000-2001.
- 4., 6. Not applicable.
8. Please see pages 86 to 90 of the attached UBS Handbook 2000-2001.

C—Organizational Structure.

Please see Note 38 to the UBS Group Financial Statements on pages 123 to 126 of the attached Financial Report 2000.

D—Property, Plant and Equipment.

At 31 December 2000, UBS operated about 1,560 offices and branches worldwide, of which about 57% were in Switzerland, 7% in the rest of Europe, 34% in the Americas and 2% in Asia.

43% of the offices and branches in Switzerland were owned directly by UBS with the remainder, along with most of UBS's offices outside Switzerland, being held under commercial leases.

These premises are subject to continuous maintenance and upgrading and are considered suitable and adequate for our current and anticipated operations.

Information Required by Industry Guide 3

Selected Statistical Information

The tables below set forth selected statistical information extracted from the financial statements regarding the Group's banking operations. Unless otherwise indicated, average balances for the year ended 31 December 2000 and 1999 are calculated from monthly data, and averages for the year ended 31 December 1998 are calculated from quarterly data. Certain prior year balances and figures have been reclassified to conform to current year presentation. The distinction between domestic and foreign generally is based on the domicile of the booking location. For loans, this method is not significantly different from an analysis based on domicile of the borrower. Disclosures for the year ended 31 December 1996, where applicable, are presented for Union Bank of Switzerland and Swiss Bank Corporation individually. Combined data is not presented for this period because differences between accounting policies of the predecessor banks were significant or could not be quantified, or because significant inter-company balances could not be identified and eliminated. For purposes of this selected statistical information, "UBS" refers to Union Bank of Switzerland and "SBC" refers to Swiss Bank Corporation.

Average Balances and Interest Rates

The following table sets forth average interest-earning assets and average interest-bearing liabilities, along with the average rates, for the years ended 31 December 2000, 1999 and 1998.

CHF million, except where indicated	31.12.00			31.12.99			31.12.98		
	Average Balance	Average Interest	Average Rate (%)	Average Balance	Average Interest	Average Rate (%)	Average Balance	Average Interest	Average Rate (%)
Assets									
Money market paper									
Domestic	1,175	46	3.9	2,798	27	1.0	4,002	70	1.7
Foreign	63,752	2,924	4.6	48,179	1,144	2.4	20,679	741	3.6
Due from banks									
Domestic	13,366	1,273	9.5	19,451	1,757	9.0	22,703	1,600	7.0
Foreign	16,994	2,280	13.4	28,999	2,739	9.4	43,705	4,724	10.8
Securities borrowed and reverse repurchase agreements									
Domestic	8,383	558	6.7	3,265	117	3.6	7,751	89	1.1
Foreign	348,395	18,530	5.3	223,962	11,305	5.0	275,549	10,291	3.7
Trading portfolio									
Domestic	20,407	243	1.2	36,269	72	0.2	78,211	78	0.1
Foreign	208,076	8,829	4.2	124,564	4,439	3.6	119,629	3,823	3.2
Loans									
Domestic	181,646	10,985	6.0	200,111	8,750	4.4	207,937	8,839	4.3
Foreign	67,528	3,813	5.6	58,634	3,485	5.9	72,445	5,440	7.5
Financial Investments									
Domestic	2,658	60	2.3	2,066	74	3.6	2,363	104	4.4
Foreign	7,306	142	1.9	3,737	86	2.3	7,070	268	3.8
Net interest on swaps		2,062			1,609			1,375	
Total interest-earning assets	939,686	51,745	5.5	752,035	35,604	4.7	862,044	37,442	4.3
Non-interest-earning assets									
Positive replacement values	135,762			146,036			164,708		
Fixed assets	9,660			8,824			11,316		
Other	32,925			34,957			35,050		
Total average assets	1,118,033			941,852			1,073,118		

<i>CHF million, except where indicated</i>	31.12.00			31.12.99			31.12.98		
	Average Balance	Average Interest	Average Rate (%)	Average Balance	Average Interest	Average Rate (%)	Average Balance	Average Interest	Average Rate (%)
Liabilities and equity									
Money market paper issued									
Domestic	79	0	0	146	1	0.7	255	2	0.8
Foreign	78,075	4,338	5.6	57,956	2,246	3.9	51,435	2,557	5.0
Due to banks									
Domestic	31,133	2,397	7.7	37,581	3,254	8.7	69,140	2,422	3.5
Foreign	57,258	3,758	6.6	41,583	2,261	5.4	51,209	5,783	11.3
Securities lent and repurchase agreements									
Domestic	12,700	478	3.8	12,830	106	0.8	12,261	71	0.6
Foreign	284,220	14,437	5.1	144,837	8,340	5.8	186,819	7,472	4.0
Trading portfolio									
Domestic	1,078	4	0.4						
Foreign	66,597	5,305	8.0	48,560	2,070	4.3	65,677	1,741	2.7
Due to customers									
Domestic	143,809	2,202	1.5	155,887	1,931	1.2	161,688	2,613	1.6
Foreign	143,432	7,303	5.1	122,411	6,399	5.2	132,338	7,277	5.5
Long-term debt									
Domestic	15,490	778	5.0	16,241	951	5.9	21,267	1,138	5.4
Foreign	38,020	2,615	6.9	37,963	2,136	5.6	31,024	1,348	4.3
Total interest-bearing liabilities ..	871,891	43,615	5.0	675,995	29,695	4.4	783,113	32,424	4.1
Non-interest-bearing liabilities									
Negative replacement values ..	157,668			171,800			187,934		
Other	53,049			60,946			69,184		
Total liabilities	1,082,608			908,741			1,040,231		
Shareholders' equity	35,425			33,111			32,887		
Total average liabilities and shareholders' equity	1,118,033			941,852			1,073,118		
Net interest income		8,130			5,909			5,018	
Net yield on interest-earning assets			0.9			0.8			0.6

All assets and liabilities are translated into Swiss francs at uniform month-end rates. Income and expenses are translated at monthly average rates.

Average rates earned and paid on assets and liabilities can change from period to period based on the changes in interest rates in general, but are also affected by changes in the currency mix included in the assets and liabilities. This is especially true for foreign assets and liabilities. Tax exempt income is not recorded on a tax-equivalent basis. For all three years presented, tax exempt income is considered to be insignificant and therefore the impact from such income is negligible.

Analysis of Changes in Interest Income and Expense

The following tables allocate, by categories of interest-earning assets and interest-bearing liabilities, the changes in interest income and expense due to changes in volume and interest rates for the year ended 31 December 2000 compared to the year ended 31 December 1999, and for the year ended 31 December 1999 compared to the year ended 31 December 1998. Volume and rate variances have been calculated on movements in average balances and changes in interest rates. Changes due to a combination of volume and rate have been allocated proportionally.

<i>CHF million</i>	2000 compared to 1999			1999 compared to 1998		
	Increase (decrease) due to changes in		Net Change	Increase (decrease) due to changes in		Net Change
	Average Volume	Average Rate		Average Volume	Average Rate	
Interest income from interest-earning assets:						
Money market paper						
Domestic	(16)	35	19	(21)	(22)	(43)
Foreign	370	1,410	1,780	985	(582)	403
Due from banks						
Domestic	(550)	66	(484)	(229)	386	157
Foreign	(1,134)	675	(459)	(1,590)	(395)	(1,985)
Securities borrowed and reverse repurchase agreements						
Domestic	183	258	441	(52)	80	28
Foreign	6,281	944	7,225	(1,926)	2,941	1,015
Trading portfolio						
Domestic	(31)	202	171	(42)	36	(6)
Foreign	2,976	1,414	4,390	158	458	616
Loans						
Domestic	(807)	3,042	2,235	(333)	244	(89)
Foreign	529	(201)	328	(1,037)	(918)	(1,955)
Financial Investments						
Domestic	21	(35)	(14)	(13)	(17)	(30)
Foreign	82	(26)	56	(126)	(57)	(183)
Interest Income						
Domestic	(1,200)	3,568	2,368	(690)	707	17
Foreign	9,104	4,216	13,320	(3,536)	1,447	(2,089)
Total interest income from interest-earning assets:	7,904	7,784	15,688	(4,226)	2,154	(2,072)
Net interest on swaps			453			234
Total interest income			16,141			(1,838)

<i>CHF million</i>	2000 compared to 1999			1999 compared to 1998		
	Increase (decrease) due to changes in		Net Change	Increase (decrease) due to changes in		Net Change
	Average Volume	Average Rate		Average Volume	Average Rate	
Interest expense on interest-bearing liabilities:						
Money market paper issued						
Domestic	(1)	0	(1)	(1)	(0)	(1)
Foreign	780	1,312	2,092	324	(635)	(311)
Due to banks						
Domestic	(558)	(299)	(857)	(1,106)	1,938	832
Foreign	852	645	1,497	(1,087)	(2,435)	(3,522)
Securities lent and repurchase agreements						
Domestic	(1)	373	372	3	32	35
Foreign	8,026	(1,929)	6,097	(1,679)	2,547	868
Trading portfolio						
Domestic	4		4			
Foreign	769	2,466	3,235	(454)	783	329
Due to customers						
Domestic	(150)	421	271	(94)	(588)	(682)
Foreign	1,099	(195)	904	(546)	(332)	(878)
Long-term debt						
Domestic	(44)	(129)	(173)	(269)	82	(187)
Foreign	<u>3</u>	<u>476</u>	<u>479</u>	<u>302</u>	<u>486</u>	<u>788</u>
Interest expense						
Domestic	(750)	366	(384)	(1,467)	1,464	(3)
Foreign	<u>11,529</u>	<u>2,775</u>	<u>14,304</u>	<u>(3,140)</u>	<u>414</u>	<u>(2,726)</u>
Total interest expense	<u>10,779</u>	<u>3,141</u>	<u>13,920</u>	<u>(4,607)</u>	<u>1,878</u>	<u>(2,729)</u>

Deposits

The following table analyzes average deposits and the average rates on each deposit category listed below at and for the years ended 31 December 2000, 1999 and 1998. The geographic allocation is based on the location of the office or branch where the deposit is made.

<i>CHF million, except where indicated</i>	31.12.00		31.12.99		31.12.98	
	Average Deposit	Average Rate (%)	Average Deposit	Average Rate (%)	Average Deposit	Average Rate (%)
Banks						
Domestic offices:						
Demand deposits	4,649	1.9	12,736	0.9	11,890	0.6
Time deposits	<u>8,717</u>	8.7	<u>6,715</u>	12.6	<u>10,813</u>	4.1
Total domestic offices	13,366	6.3	19,451	5.0	22,703	2.3
Foreign offices:						
Interest-bearing deposits(1)	<u>16,994</u>	6.6	<u>28,999</u>	5.4	<u>43,705</u>	11.3
Total due to banks	<u><u>30,360</u></u>	6.5	<u><u>48,450</u></u>	5.2	<u><u>66,408</u></u>	8.2
Customer accounts						
Domestic offices:						
Demand deposits	44,403	1.3	49,261	0.6	44,569	0.7
Savings deposits	72,207	1.1	80,543	1.1	82,561	1.6
Time deposits	<u>27,199</u>	3.0	<u>26,083</u>	2.8	<u>34,558</u>	2.9
Total domestic offices	143,809	1.5	155,887	1.2	161,688	1.6
Foreign offices:						
Demand deposits	<u>143,432</u>	5.1	<u>122,411</u>	5.2	<u>132,338</u>	5.5
Total due to customers	<u><u>287,241</u></u>	3.3	<u><u>278,298</u></u>	3.0	<u><u>294,026</u></u>	3.4

(1) *Mainly time deposits.*

As of 31 December 2000, the maturity of time deposits exceeding CHF 150,000, or an equivalent amount in other currencies, was as follows:

<i>CHF million</i>	31.12.00	
	Domestic	Foreign
Within 3 months	33,439	74,277
3 to 12 months	5,371	4,703
1 to 5 years	1,018	6,128
Over 5 years	<u>231</u>	<u>497</u>
Total time deposits	<u><u>40,059</u></u>	<u><u>85,605</u></u>

Short-term Borrowings

The following table presents period-end, average and maximum month-end outstanding amounts for short-term borrowings, along with the average rate and period-end rates at and for the years ended 31 December 2000, 1999 and 1998.

<i>CHF million, except where indicated</i>	<u>Money Market Paper Issued</u>			<u>Due to Banks</u>			<u>Repurchase Agreements</u>		
	31.12.00	31.12.99	31.12.98	31.12.00	31.12.99	31.12.98	31.12.00	31.12.99	31.12.98
Period-end balance	74,780	64,655	51,527	51,245	40,580	10,361	330,857	217,736	137,617
Average balance	78,154	58,102	51,690	58,031	30,714	53,941	278,601	149,071	177,298
Maximum month-end balance	89,821	76,368	53,710	73,355	64,562	89,072	342,427	217,736	202,062
Average interest rate during the period (%)	5.6	3.9	5.0	7.0	9.7	5.1	4.8	4.8	3.6
Average interest rate at period-end (%)	6.0	4.6	4.6	4.1	4.8	4.4	4.8	3.9	4.9

Loans

Loans are widely dispersed over customer categories both within and outside of Switzerland. With the exceptions of private households (foreign and domestic) and banks and financial institutions outside Switzerland, there is no material concentration of loans. For further discussion of the loan portfolio, see “—Risk Analysis—Credit Risk” in the attached Handbook 2000-2001. The following table illustrates the diversification of the loan portfolio among customer categories at 31 December 2000, 1999, 1998, 1997 and 1996. The industry categories presented are consistent with the classification of loans for reporting to the Swiss Federal Banking Commission and Swiss National Bank.

CHF million	31.12.00	31.12.99	31.12.98	31.12.97	31.12.96	
					UBS	SBC
Domestic:						
Banks	2,896	5,802	4,543	17,751	15,039	2,532
Construction	4,870	6,577	7,897	9,627	6,022	4,556
Financial institutions	5,725	9,387	10,240	11,371	14,465	6,752
Hotels and restaurants	3,526	4,259	4,129	4,668	4,815	2,200
Manufacturing(1)	9,577	11,377	13,505	16,440	9,650	9,019
Private households	91,667	93,846	97,664	109,044	55,088	59,098
Public authorities	5,658	5,277	5,858	6,354	3,271	4,972
Real estate and rentals	16,673	19,835	21,231	22,915		
Retail and wholesale	9,635	10,904	8,912	10,512	7,220	6,602
Services(2)	11,767	14,862	11,582	13,083	7,841	6,383
Other(3)	2,651	1,818	1,662	1,862	1,156	694
Total domestic	164,645	183,944	187,223	223,627	124,567	102,808
Foreign:						
Banks	27,168	24,983	65,000	49,559	25,048	70,758
Chemicals	1,423					
Construction	773					
Electricity, gas and water supply	1,584					
Financial institutions	20,348					
Manufacturing	4,596					
Mining	2,070					
Private households	29,470					
Public authorities	11,754					
Real estate and rentals	5,077					
Retail and wholesale	1,862					
Services	1,585					
Transport, storage and communication...	993					
Other	11,168	69,087	78,741	80,054	33,412	34,758
Total foreign	119,871	94,070	143,741	129,613	58,460	105,516
Total gross	284,516	278,014	330,964	353,240	183,027	208,324

(1) Includes chemicals.

(2) Includes transportation, communication, health and social work, education and other social and personal service activities.

(3) Includes mining and electricity, gas and water supply.

The following table analyzes the Group's mortgage portfolio by geographic origin of customer and type of mortgage at 31 December 2000, 1999, 1998, 1997 and 1996. Mortgages are included in the aforementioned industry categories.

<i>CHF million</i>	31.12.00	31.12.99	31.12.98	31.12.97	31.12.96	
					UBS	SBC
Mortgages:						
Domestic	116,348	126,677	138,306	142,919	68,534	70,966
Foreign	<u>4,206</u>	<u>1,310</u>	<u>2,479</u>	<u>3,883</u>	<u>1,657</u>	<u>2,266</u>
Total gross mortgages	<u>120,554</u>	<u>127,987</u>	<u>140,785</u>	<u>146,802</u>	<u>70,191</u>	<u>73,232</u>
Mortgages:						
Residential	96,181	91,408	106,093	105,926	48,508	49,794
Commercial	<u>24,373</u>	<u>36,579</u>	<u>34,692</u>	<u>40,876</u>	<u>21,683</u>	<u>23,438</u>
Total gross mortgages	<u>120,554</u>	<u>127,987</u>	<u>140,785</u>	<u>146,802</u>	<u>70,191</u>	<u>73,232</u>

Loan Maturities

The following table discloses loans by maturities at 31 December 2000. The determination of maturities is based on contract terms. Information on interest rate sensitivities can be found in Note 32 to the Financial Statements.

<i>CHF million</i>	Within 1 Year	1 to 5 Years	Over 5 Years	Total
Domestic:				
Banks	2,073	794	29	2,896
Mortgages	68,619	43,664	4,065	116,348
Other loans	<u>33,444</u>	<u>9,461</u>	<u>2,496</u>	<u>45,401</u>
Total domestic	<u>104,136</u>	<u>53,919</u>	<u>6,590</u>	<u>164,645</u>
Foreign:				
Banks	26,616	353	199	27,168
Mortgages	3,107	869	230	4,206
Other loans	<u>82,827</u>	<u>4,313</u>	<u>1,357</u>	<u>88,497</u>
Total foreign	<u>112,550</u>	<u>5,535</u>	<u>1,786</u>	<u>119,871</u>
Total gross loans	<u>216,686</u>	<u>59,454</u>	<u>8,376</u>	<u>284,516</u>

Impaired, Non-performing and Restructured Loans

The Group classifies a loan as impaired when it is determined that there is a high probability that it will suffer a partial or full loss. A provision is then made with respect to the probable loss to be incurred for the loan in question. Within the category are non-performing loans, for which the contractual payments of principal, interest or commission are in arrears for 90 days or more. After the 90-day period, interest income is no longer recognized on the loan and a charge is taken for the unpaid and accrued interest or commission receivable. Unrecognized interest related to non-performing loans amounted to CHF 182 million, CHF 409 million, CHF 423 million and CHF 450 million for the years ended 31 December 2000, 1999, 1998 and 1997, respectively.

The table below provides an analysis of the Group's non-performing and restructured loans. For further discussion of impaired and non-performing loans, see "—Risk Analysis—Credit Risk" in the attached UBS Handbook 2000-2001.

CHF million	31.12.00	31.12.99	31.12.98	31.12.97	31.12.96	
					UBS	SBC
Non-performing loans:						
Domestic	7,588	11,435	14,023	15,238	7,171	9,587
Foreign	<u>2,864</u>	<u>1,638</u>	<u>2,091</u>	<u>1,426</u>	<u>414</u>	<u>1,446</u>
Total non-performing loans	<u>10,452</u>	<u>13,073</u>	<u>16,114</u>	<u>16,664</u>	<u>7,585</u>	<u>11,033</u>
Foreign restructured loans(1)	<u>179</u>	<u>287</u>	<u>449</u>	<u>638</u>	<u>473</u>	<u>289</u>

(1) Amounts presented for 2000, 1999 and 1998 include only performing foreign restructured loans. Amounts presented for prior years include both performing and non-performing foreign restructured loans. UBS does not, as a matter of policy, typically restructure loans to accrue interest at rates different from the original contractual terms or reduce the principal amount of loans. Instead, specific loan allowances are established as necessary. Unrecognized interest related to foreign restructured loans was not material to the results of operations during these periods.

In addition to the data above analyzing non-performing loans, the Group had CHF 8,042 million, CHF 9,383 million and CHF 10,333 million in "other impaired loans" for the years ended 31 December 2000, 1999 and 1998, respectively. These are loans that are current, or less than 90 days in arrears, with respect to payment of principal or interest; however, the Group's credit officers have expressed doubts as to the ability of the borrowers to repay the loans. As of 31 December 2000 specific allowances of CHF 2,835 million have been established against these loans, which are primarily domestic.

Cross-Border Outstandings

Cross-border outstandings consist of general banking products such as loans and deposits with third parties, credit equivalents of over-the-counter derivatives and repurchase agreements, and the market value of the inventory of securities. The outstandings are monitored and reported on an ongoing basis by the credit risk management and control organization, with a dedicated country risk information system. With the exception of the 27 most developed economies, the exposures are rigorously limited.

Claims that are secured by third party guarantees are recorded against the guarantor's country of domicile. Outstandings that are secured by collateral are recorded against the country where the asset could be liquidated. This follows the "Guidelines for the Management of Country Risk", which are applicable to all banks that are supervised by the Swiss Federal Banking Commission.

The following tables list those countries for which the cross-border outstandings exceeded 0.75% of total assets at 31 December 2000, 1999 and 1998. At 31 December 2000, there were no outstandings that exceeded 0.75% of total assets in any country currently facing liquidity problems that the Group expects would materially impact the country's ability to service its obligations.

For more information on cross-border outstandings, see "—Risk Analysis—Credit Risk" in the attached UBS Handbook 2000-2001.

31 December 2000						
CHF million, except where indicated	Banking Products		Traded Products(1)	Tradeable Assets(2)	Total	% of Total Assets
	Banks	Non-Banks				
United States	1,826	958	21,796	64,077	88,657	8.2
Japan	123	895	6,378	58,779	66,175	6.1
United Kingdom	1,795	1,224	9,037	22,440	34,496	3.2
Germany	2,686	3,720	13,198	5,085	24,689	2.3
Italy	1,293	931	3,629	9,700	15,553	1.4
France	1,085	1,900	3,956	5,987	12,928	1.2
Netherlands	910	1,480	6,092	3,803	12,285	1.1
Australia	27	370	3,113	7,508	11,018	1.0
31 December 1999						
CHF million, except where indicated	Banking Products		Traded Products(1)	Tradeable Assets(2)	Total	% of Total Assets
	Banks	Non-Banks				
United States	3,202	2,508	41,970	48,012	95,692	10.7
Japan	1,117	965	7,153	69,194	78,429	8.8
United Kingdom	3,417	3,193	11,273	58,300	76,183	8.5
Germany	4,455	3,174	41,422	8,181	57,232	6.4
Italy	2,462	762	6,803	8,708	18,735	2.1
Netherlands	1,932	1,149	6,648	4,993	14,722	1.6
France	1,200	1,395	7,324	4,379	14,298	1.6
Australia	2,688	409	6,342	3,735	13,174	1.5
Canada	866	492	5,233	807	7,398	0.8
31 December 1998						
CHF million, except where indicated	Banking Products		Traded Products(1)	Tradeable Assets(2)	Total	% of Total Assets
	Banks	Non-Banks				
United States	13,882	2,292	27,922	65,543	109,639	12.7
United Kingdom	4,006	2,583	10,912	32,348	49,849	5.8
Japan	1,633	768	7,879	38,133	48,413	5.6
Germany	7,850	2,500	20,666	15,903	46,919	5.5
France	2,490	1,420	10,037	8,521	22,468	2.6
Italy	2,174	1,201	8,236	9,394	21,005	2.4
Australia	6,749	543	3,097	4,760	15,149	1.8
Netherlands	1,221	1,086	6,134	6,363	14,804	1.7
Sweden	449	812	3,710	8,091	13,062	1.5
Canada	755	549	5,162	3,479	9,945	1.2
Austria	769	82	1,513	5,436	7,800	0.9
Spain	913	350	2,495	3,701	7,459	0.9
Belgium	1,248	162	2,393	3,599	7,402	0.9
Luxembourg	1,212	2,130	1,723	2,195	7,260	0.9

- (1) Traded products consist of derivative instruments and repurchase agreements. In 2000 unsecured OTC derivatives exposure is reported based on the Potential Credit Exposure measurement methodology and is therefore not directly comparable to the exposure in the prior years, which were measured based on Gross Replacement Values plus Add-On.
- (2) Tradeable assets consist of equity and fixed income financial instruments held for trading purposes, which are marked to market on a daily basis.

Summary of Movements in Allowances and Provisions for Credit Losses

The following table provides an analysis of movements in allowances and provisions for credit losses.

As a result of the Swiss bankruptcy laws, banks will write off loans against allowances only upon final settlement of bankruptcy proceedings, the sale of the underlying asset and/or in case of the forgiveness of debt. Under Swiss law, a creditor can continue to collect from a debtor who has emerged from bankruptcy, unless the debt has been forgiven through a formal agreement.

<i>CHF million</i>	31.12.00	31.12.99	31.12.98	31.12.97	31.12.96	
					UBS	SBC
Balance at beginning of year	<u>13,398</u>	<u>14,978</u>	<u>16,213</u>	<u>18,135</u>	<u>6,413</u>	<u>6,700</u>
Write-offs:						
Domestic:						
Banks		(4)	(2)	(5)		
Construction	(261)	(296)	(228)	(408)	(103)	(140)
Financial institutions	(178)	(92)	(66)	(226)	(32)	(284)
Hotels and restaurants	(193)	(137)	(98)	(138)	(28)	(37)
Manufacturing(1)	(264)	(242)	(214)	(514)	(179)	(111)
Private households	(640)	(598)	(534)	(1,214)	(306)	(389)
Public authorities			(2)	(19)		(3)
Real estate and rentals	(729)	(823)	(610)	(871)	(561)	(263)
Retail and wholesale	(160)	(210)	(178)	(227)	(108)	(46)
Services(2)	(227)	(315)	(116)	(229)	(220)	(54)
Other(3)	(30)	(41)	(15)	(29)	(85)	(35)
Total domestic write-offs	<u>(2,682)</u>	<u>(2,758)</u>	<u>(2,063)</u>	<u>(3,880)</u>	<u>(1,622)</u>	<u>(1,362)</u>
Foreign(4):						
Banks	(15)					
Chemicals						
Construction	(13)					
Electricity, gas and water supply	(3)					
Financial institutions	(33)					
Manufacturing	(11)					
Mining						
Private households						
Public authorities	(4)					
Real estate and rentals						
Retail and wholesale	(160)					
Services	(8)					
Transport, storage and communication	(11)					
Other	(55)					
Total foreign write-offs	<u>(313)</u>	<u>(517)</u>	<u>(261)</u>	<u>(240)</u>	<u>(49)</u>	<u>(350)</u>
Total write-offs	<u>(2,995)</u>	<u>(3,275)</u>	<u>(2,324)</u>	<u>(4,120)</u>	<u>(1,671)</u>	<u>(1,712)</u>
Recoveries:						
Domestic	124	54	59	406	438	71
Foreign	39	11		36	25	20
Total recoveries	<u>163</u>	<u>65</u>	<u>59</u>	<u>442</u>	<u>463</u>	<u>91</u>
Net write-offs	<u>(2,832)</u>	<u>(3,210)</u>	<u>(2,265)</u>	<u>(3,678)</u>	<u>(1,208)</u>	<u>(1,621)</u>

CHF million	31.12.00	31.12.99	31.12.98	31.12.97	31.12.96	
					UBS	SBC
Increase (decrease) in credit loss allowances	(130)	956	951	1,432	1,272	1,018
Special provisions(5)					2,289	2,480
Other adjustments(6)	<u>145</u>	<u>674</u>	<u>79</u>	<u>324</u>	<u>140</u>	<u>652</u>
Balance at end of year	<u>10,581</u>	<u>13,398</u>	<u>14,978</u>	<u>16,213</u>	<u>8,906</u>	<u>9,229</u>

(1) Includes chemicals.

(2) Includes transportation, communication, health and social work, education and other social and personal service activities.

(3) Includes mining and electricity, gas and water supply.

(4) For years prior to 2000, no detailed industry classifications are available.

(5) The 1996 UBS amount includes a special provision of CHF 3,000 million for credit risks, and the release of a CHF 711 million provision for general banking risks from the prior year.

(6) Includes the following for 2000, 1999, 1998 and 1997:

CHF million	31.12.00	31.12.99	31.12.98	31.12.97
Doubtful interest	182	409	423	450
Net foreign exchange	23	351	(98)	91
Subsidiaries sold and other	<u>(60)</u>	<u>(86)</u>	<u>(246)</u>	<u>(217)</u>
Total adjustments	<u>145</u>	<u>674</u>	<u>79</u>	<u>324</u>

Allocation of the Allowances and Provisions for Credit Losses

The following tables provide an analysis of the allocation of the allowances and provisions for credit losses by customer categories and geographic location at 31 December 2000, 1999, 1998, 1997 and 1996. For a description of procedures with respect to allowances and provisions for credit losses, see “—Risk Analysis—Credit Risk” in the attached UBS Handbook 2000–2001.

<i>CHF million</i>	31.12.00	31.12.99	31.12.98	31.12.97	31.12.96	
					UBS	SBC
Domestic:						
Banks		41	49	34	9	39
Construction	843	1,247	1,671	1,449	716	539
Financial institutions	328	342	668	510	152	403
Hotels and restaurants	454	690	657	512	172	135
Manufacturing(1)	863	1,223	1,331	1,036	603	438
Private households	1,570	2,350	2,741	2,264	970	1,459
Public authorities		40	107	59	1	66
Real estate and rentals	1,635	2,696	3,333	2,591	1,286	1,335
Retail and wholesale	629	779	825	723	371	263
Services(2)	419	934	766	661	429	160
Other(3)	413	141	71	52	40	19
Total domestic	7,154	10,483	12,219	9,891	4,749	4,856
Foreign(8):						
Banks(4)	32					
Chemicals						
Construction	11					
Electricity, gas and water supply	107					
Financial institutions	262					
Manufacturing	547					
Mining	586					
Private households	72					
Public authorities						
Real estate and rentals	82					
Retail and wholesale	41					
Services	126					
Transport, storage and communication	2					
Other(5)	267					
Total foreign, net of country provisions	2,135	1,539	1,309	1,399	353	1,286
Country provisions	1,292	1,376	1,450	1,175	804	404
Total foreign(6)	3,427	2,915	2,759	2,574	1,157	1,690
Unallocated allowances(7)				3,748	3,000	2,683
Total allowances and provisions for credit losses	10,581	13,398	14,978	16,213	8,906	9,229

(1) Includes chemicals.

(2) Includes transportation, communication, health and social work, education and other social and personal service activities.

(3) Includes mining and electricity, gas and water supply.

(4) Counterparty allowances and provisions only. Country provisions with banking counterparties amounting to CHF 885 million are disclosed under country provisions.

- (5) Includes hotels and restaurants.
- (6) The 2000, 1999 and 1998 amounts include CHF 54 million, CHF 149 million and CHF 435 million of provisions and commitments for contingent liabilities, respectively.
- (7) The 1997 amount includes a provision for commitments and contingent liabilities of CHF 472 million. In addition, the 1996 SBC amount includes CHF 603 million of provisions for commitments and contingent liabilities.
- (8) For years prior to 2000, no detailed industry classifications are available.

The following table presents the percentage of loans in each category to total loans. This table can be read in conjunction with the preceding table showing the breakdown of the allowances and provisions for credit losses by loan categories to evaluate the credit risks in each of the categories.

in %	31.12.00	31.12.99	31.12.98	31.12.97	31.12.96	
					UBS	SBC
Domestic:						
Banks	1.0	2.1	1.4	5.0	8.2	1.2
Construction	1.7	2.4	2.4	2.7	3.3	2.2
Financial institutions	2.0	3.4	3.1	3.2	7.9	3.2
Hotels and restaurants	1.2	1.5	1.2	1.3	2.6	1.0
Manufacturing	3.4	4.1	4.1	4.7	5.3	4.3
Private households	32.2	33.8	29.5	30.9	30.1	28.4
Public authorities	2.0	1.9	1.8	1.8	1.8	2.4
Real estate and rentals	5.9	7.1	6.4	6.5	0.0	0.0
Retail and wholesale	3.4	3.9	2.7	3.0	3.9	3.2
Services	4.1	5.3	3.5	3.7	4.3	3.1
Other	<u>1.0</u>	<u>0.7</u>	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>	<u>0.3</u>
Total domestic	<u>57.9</u>	<u>66.2</u>	<u>56.6</u>	<u>63.3</u>	<u>68.0</u>	<u>49.3</u>
Foreign:						
Banks	9.5	9.0	19.6	14.0	13.7	34.0
Chemicals	0.5					
Construction	0.3					
Electricity, gas and water supply	0.6					
Financial institutions	7.2					
Manufacturing	1.6					
Mining	0.7					
Private households	10.4					
Public authorities	4.1					
Real estate and rentals	1.8					
Retail and wholesale	0.7					
Services	0.6					
Transport, storage and communication	0.3					
Other	<u>3.8</u>	<u>24.8</u>	<u>23.8</u>	<u>22.7</u>	<u>18.3</u>	<u>16.7</u>
Total foreign	<u>42.1</u>	<u>33.8</u>	<u>43.4</u>	<u>36.7</u>	<u>32.0</u>	<u>50.7</u>
Total gross loans	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Loss History Statistics

The following is a summary of the Group's loan loss history.

<i>CHF million, except where indicated</i>	31.12.00	31.12.99	31.12.98	31.12.97	31.12.96	
					UBS	SBC
Gross loans	284,516	278,014	330,964	353,240	183,027	208,324
Impaired loans	18,494	22,456	26,447			
Non-performing loans	10,452	13,073	16,114	16,664	7,585	11,033
Allowances and provisions for credit losses	10,581	13,398	14,978	16,213	8,906	9,229
Net write-offs	2,832	3,210	2,265	3,678	1,208	1,621
Credit loss (recovery)/expense	(130)	956	951	1,432	1,272	1,018
Ratios:						
Impaired loans as a percentage of gross loans	6.5	8.1	8.0			
Non-performing loans as a percentage of gross loans	3.7	4.7	4.9	4.7	4.1	5.3
Allowance and provisions for credit losses as a percentage of:						
Gross loans	3.7	4.8	4.5	4.6	4.9	4.4
Impaired loans	57.2	59.7	56.6			
Non-performing loans	101.2	102.5	93.0	97.3	117.4	83.6
Allocated allowances (1) as a percentage of impaired loans	52.4	55.5	51.4			
Allocated allowances (2) as a percentage of non-performing loans	65.5	66.3	62.1			
Net write-offs as a percentage of:						
Gross loans	1.0	1.2	0.7	1.0	0.7	0.8
Allowance and provisions for credit losses	26.8	24.0	15.1	22.7	13.6	17.6
Allowance and provisions for credit losses as a multiple of net write-offs . .	3.74	4.17	6.61	4.41	7.37	5.69

(1) Allowances relating to impaired loans only

(2) Allowances relating to non-performing loans only

Item 5. Operating and Financial Review and Prospects.

A—Operating Results.

Please see pages 3 to 54 of the attached Financial Report 2000.

B—Liquidity and Capital Resources.

Group liquidity and capital management is undertaken at UBS by Group Treasury as an integral asset and liability management function. For a detailed discussion of our asset and liability management and capital management, including our capital resources, please see pages 66 to 75 of the attached UBS Handbook 2000-2001.

For comments on UBS Group's balance sheet and consolidated cash flows, please see pages 18 to 19 of the attached Financial Report 2000.

UBS's financial stability stems from the fact that it is one of the most well capitalized banks in the world. UBS believes that this financial strength is a key part of the value proposition offered to both clients and investors. For details of UBS Group's long term credit ratings, please see the Selected Financial Data on page 4 above. These ratings are also shown in the Group Financial Highlights on page 7 of the attached Financial Report 2000 and on page 4 of the attached UBS Handbook 2000-2001.

Each of these ratings reflects only the view of the applicable rating agency at the time the rating was issued, and any explanation of the significance of such rating may be obtained only from such rating agency. There is no assurance that any such credit rating will remain in effect for any given period of time or that such rating will not be lowered, suspended or withdrawn entirely by the applicable rating agency, if in such rating agency's judgment, circumstances so warrant. Moody's announced on 28 April 2000 that it had changed its outlook for its long-term rating of UBS AG from stable to negative.

C—Research and Development, Patents and Licenses, etc.

Not applicable.

D—Trend Information.

Please see pages 3 to 54 of the attached Financial Report 2000.

Item 6. Directors, Senior Management and Employees.

A—Directors and Senior Management.

1.-3.: Please see pages 81 to 85 of the attached UBS Handbook 2000-2001.

4. and 5.: None.

B—Compensation.

Please see Notes 35 and 36 to the UBS Group Financial Statements on pages 119 to 122 of the attached Financial Report 2000.

C—Board Practices.

Please see pages 78 to 85 of the attached UBS Handbook 2000-2001 and Note 36 to the UBS Group Financial Statements on page 122 of the attached Financial Report 2000. Alex Krauer and Alberto Togni, the Chairman and Vice Chairman of the Board of Directors, have entered into contracts with UBS AG in connection with their service in those capacities. The compensation payable to them under those contracts is included in the compensation arrangements described in Notes 35 and 36 to the UBS Group Financial Statements on pages 119 to 122 of the attached Financial Report 2000. There are no service contracts with any of the other members of the Board of Directors.

D—Employees.

Please see page 16 of the attached Financial Report 2000 and the chart on page 8 of the attached UBS Handbook 2000-2001.

E—Share Ownership.

No member of the Board of Directors or the Group Executive Board is the beneficial owner of more than 1% of the company's shares.

Please see Notes 35 and 36 to the UBS Group Financial Statements on pages 119 to 122 of the attached Financial Report 2000.

Item 7. Major Shareholders and Related Party Transactions.**A—Major Shareholders.**

As far as UBS is aware, UBS is neither directly nor indirectly owned nor controlled by another corporation or any government, there are no arrangements in place the operation of which may result in a change in control and UBS has no shareholders whose beneficial ownership exceeds 5% of the total shares issued. At 31 December 2000, Chase Nominees Ltd., London was entered in UBS's shareholder register as a trustee/nominee holding 6.3% of all shares issued.

B—Related Party Transactions.

Related parties include the Board of Directors, the Group Executive Board, the Group Managing Board, close family members and enterprises which are controlled by these individuals.

For 2000 and 1999, please see Note 36 to the UBS Group Financial Statements on page 122 of the attached Financial Report 2000.

Total remuneration of related parties during 1998 amounted to CHF 102.8 million. Total loans and advances receivable were CHF 27.1 million at 31 December 1998. The number of long-term stock options outstanding from equity plans was 127,500 at 31 December 1998.

The total number of shares held by members of the Board of Directors, Group Executive Board and Group Managing Board was 4,635,804 as of 31 December 1998.

C—Interests of Experts and Counsel.

Not applicable because this Form 20-F is filed as an annual report.

Item 8. Financial Information.**A—Consolidated Statements and Other Financial Information.**

Please see Item 18 of this Form 20-F.

B—Significant Changes.

UBS is not aware of any significant change that has occurred since the date of the annual financial statements included in this Form 20-F.

Item 9. The Offer and Listing.**A—Offer and Listing Details.**

1.-3., 5.-7. are not required because this Form 20-F is filed as an annual report.

4. Information regarding the stock exchange price history of UBS AG's ordinary shares is shown in the table below.

Stock exchange prices(1)

	SWX Swiss Exchange			New York Stock Exchange (NYSE)(2)		
	High CHF	Low CHF	Period end	High USD	Low USD	Period end
2000	264.50	190.75	264.50	153.00	129.85	163.40
Fourth quarter	264.50	213.50	264.50	163.40	141.80	163.40
December	264.50	244.25	264.50	163.40	141.80	163.40
November	259.50	240.00	240.00	144.25	135.55	137.25
October	249.00	213.50	249.00	140.00	121.35	140.00
Third quarter	264.00	224.00	230.00	153.25	135.19	135.45
September	257.00	230.00	230.00	147.56	135.45	135.45
August	264.00	240.50	253.50	153.25	141.75	146.19
July	242.50	224.00	240.50	149.25	135.19	144.00
Second quarter	250.00	209.50	239.00	153.00	129.85	147.00
June	250.00	227.75	239.00	153.00	135.56	147.00
May(2)	236.00	211.00	227.75	136.25	129.85	135.25
April	224.50	209.50	211.00			
First quarter	218.50	190.75	218.50			
March	218.50	199.75	218.50			
February	212.25	198.00	202.75			
January	<u>217.00</u>	<u>190.75</u>	<u>192.50</u>			
1999	264.00	202.50	215.00			
Fourth quarter	239.75	202.50	215.00			
Third quarter	246.75	202.50	211.50			
Second quarter	264.00	221.00	232.00			
First quarter	<u>246.00</u>	<u>207.25</u>	<u>232.50</u>			
1998(3)	326.50	135.00	211.00			
1997(3)						
1996(3)						

(1) Restated for the 2:1 stock split effective 8 May 2000.

(2) UBS was listed on the NYSE on 16 May 2000. NYSE figures for May 2000 are therefore for the period 16 May 2000 to 31 May 2000 only, NYSE figures for second quarter are for 16 May 2000 to 30 June 2000 only, and NYSE figures for 2000 are for 16 May 2000 to 31 December 2000 only. There are no NYSE figures for periods prior to May 2000.

(3) UBS was created by the merger of Union Bank of Switzerland and Swiss Bank Corporation, on 29 June 1998. 1998 figures are therefore for the period 29 June 1998 to 31 December 1998 only. There are no figures for 1997 and 1996.

B—Plan of Distribution

Not required because this Form 20-F is filed as an annual report.

C—Markets.

UBS's shares are traded on the SWX Swiss Exchange, the New York Stock Exchange and the Tokyo Stock Exchange. The symbols are shown on page 157 of the attached Financial Report 2000.

Trading on the SWX Swiss Exchange

The SWX Swiss Exchange was founded in 1993 as the successor to the local stock exchanges of Zurich, Basel and Geneva. Trading in foreign equities and derivatives began in December 1995. In August 1996, the SWX Swiss Exchange introduced full electronic trading in Swiss equities, derivatives and bonds. The aggregate turnover of the SWX Swiss Exchange, for both equity and debt instruments, was in excess of CHF 1.3 trillion in 2000. As of 31 December 2000, the equity securities of more than

450 corporations, including over 170 foreign corporations, were listed and traded on the SWX Swiss Exchange.

Trading on the SWX Swiss Exchange occurs through a fully integrated trading system covering the entire process from trade order through settlement. Trading begins each business day at 9:00 a.m. and continues until 5:00 p.m. After close of exchange trading, new orders can be entered or deleted until 10:00 p.m., the system is not available between 10:00 p.m. and 6:00 a.m. From 6:00 a.m., new entries and inquiries can be made until 9:00 a.m. For the opening phase, starting at 9:00 a.m., the system closes the order book and starts opening procedures; it establishes the opening prices and determines orders to be executed according to established rules that match bid and asked prices.

Transactions take place through the automatic matching of orders. Each valid order is entered and listed according to the price limit. In general, market orders (orders placed at best price), are executed first, followed by limit orders (orders placed at a price limit), provided that if several orders are listed at the same price, they are executed according to the time of entry. Transactions in shares elected by or through members of the SWX Swiss Exchange are subject to a stock exchange levy of up to 0.02%, calculated on the settlement price.

Banks and broker-dealers doing business in Switzerland are required to report all transactions in listed securities traded on the SWX Swiss Exchange. For transactions effected via the exchange system, reporting occurs automatically. Off-exchange transactions must be reported to the SWX Swiss Exchange within 30 minutes. Transaction information is collected, processed and immediately distributed by the SWX Swiss Exchange. Transactions outside trading hours must be reported no later than the next opening. The SWX Swiss Exchange distributes a comprehensive range of information through various publications, including in particular the Swiss Market Feed (“SMF”). The SMF supplies SWX Swiss Exchange data in real time to all subscribers, as well as to other information providers such as Reuters.

Exchange transactions are usually settled on a “T+3” basis, meaning that delivery and payment of exchange transactions occur three days after the trade date. The SWX Swiss Exchange promotes efficient processing by automatically transmitting transactions to SIS SEGAINTERSETTLE AG via the SE OM electronic settlement system.

A listed security may be suspended by the SWX Swiss Exchange if large price fluctuations are observed, if important, price-sensitive information is about to be disclosed, or in other situations that might endanger fair and orderly trading. Surveillance and monitoring is the responsibility of the SWX Swiss Exchange, as the organizer of the market. The aim of supervision is to ensure fair trading and an orderly market.

Trading on the New York Stock Exchange

UBS listed its shares on the New York Stock Exchange (“NYSE”) on 16 May 2000.

As of 31 December 2000, the equity securities of more than 2,800 corporations were listed on the NYSE. The NYSE is open Monday through Friday, 9:30 A.M. – 4:00 P.M.

The NYSE is an agency auction market. The essential point is that trading at the NYSE takes place by open bids and offers by Exchange members, acting as agents for institutions or individual investors. Buy and sell orders meet directly on the trading floor, and prices are determined by the interplay of supply and demand. In contrast, in the over-the-counter market, the price is determined by a dealer who buys and sells out of inventory.

At the NYSE, each listed stock is assigned to a single post where the specialist manages the auction process. NYSE members bring all orders for NYSE-listed stocks to the Exchange floor either electronically or by a floor broker. As a result, the flow of buy and sell orders for each stock is funneled to a single location.

This heavy stream of diverse orders is one of the great strengths of the Exchange. It provides liquidity—the ease with which securities can be bought and sold without wide price fluctuations.

When an investor's transaction is completed, the best price will have been exposed to a wide range of would-be buyers and sellers.

Every transaction made at the NYSE is under continuous surveillance during the trading day. Stock Watch, a computer system that searches for unusual trading patterns, alerts NYSE regulatory personnel to possible insider trading abuses or other prohibited trading practices. The Exchange's other regulatory activities include the supervision of member firms to enforce compliance with financial and operational requirements, periodic checks on broker's sales practices, and the continuous monitoring of specialist operations.

D—Selling Shareholders.

Not required because this Form 20-F is filed as an annual report.

E—Dilution.

Not required because this Form 20-F is filed as an annual report.

F—Expenses of the Issue.

Not required because this Form 20-F is filed as an annual report.

Item 10. Additional Information.

A—Share Capital.

Not required because this Form 20-F is filed as an annual report.

B—Memorandum and Articles of Association.

Please see Item 14 of our registration statement on Form 20-F filed 9 May 2000.

C—Material Contracts.

None.

D—Exchange Controls.

Exchange Controls and Other Limitations Affecting Holders of UBS Shares

There are no restrictions under UBS's Articles of Association or Swiss law, presently in force, that limit the right of non-resident or foreign owners to hold UBS's securities freely or to vote UBS's securities freely in matters put to a vote of UBS security holders generally. There are currently no Swiss foreign exchange controls or laws restricting the import or export of capital. In addition, there are currently no restrictions under Swiss law affecting the remittance of dividends, interest or other payments to non-resident holders of UBS securities.

E—Taxation.

This section outlines the material United States federal income tax and Swiss tax consequences of the ownership of UBS ordinary shares by a U.S. holder (as defined below) who holds UBS ordinary shares as capital assets. It is designed to explain the major interactions between Swiss and US taxation for US persons who hold UBS shares.

The discussion does not address the tax consequences to persons who hold UBS ordinary shares in particular circumstances, such as tax-exempt entities, banks, financial institutions, insurance companies, broker-dealers, traders in securities that elect to mark to market, holders liable for alternative minimum tax, holders that actually or constructively own 10% or more of the voting stock of UBS, holders that hold UBS ordinary shares as part of a straddle or a hedging or conversion transaction or holders whose functional currency for US tax purposes is not the U.S. dollar. This discussion also does not apply to holders who acquired their UBS ordinary shares pursuant to the

exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan.

The discussion is based on the tax laws of Switzerland and the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, as in effect on the date of this document, as well as the convention between the United States of America and Switzerland, which we call the “Treaty,” all of which may be subject to change or change in interpretation, possibly with retroactive effect.

For purposes of this discussion, a “U.S. holder” is any beneficial owner of UBS ordinary shares that is

- a citizen or resident of the United States,
- a corporation or other entity taxable as a corporation organized under the laws of the United States or any political subdivision of the United States,
- an estate the income of which is subject to United States federal income tax without regard to its source, or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

The discussion does not generally address any aspects of United States taxation other than federal income taxation or any aspects of Swiss taxation other than income and capital taxation. Holders of UBS shares are urged to consult their tax advisors regarding the United States federal, state and local and the Swiss and other tax consequences of owning and disposing of these shares.

Ownership of UBS Ordinary Shares—Swiss Taxation

Dividends and Distributions

Dividends paid and similar cash or in-kind distributions made by UBS to a holder of UBS ordinary shares (including dividends on liquidation proceeds and stock dividends) are subject to a Swiss federal withholding tax at a rate of 35%. The withholding tax must be withheld from the gross distribution, and be paid to the Swiss Federal Tax Administration.

A U.S. holder that qualifies for Treaty benefits may apply for a refund of the withholding tax withheld in excess of the 15% Treaty rate. The claim for refund must be filed with the Swiss Federal Tax Administration, Eigerstrasse 65, 3003 Berne, Switzerland. The form used for obtaining a refund is Swiss Tax Form 82 (82C for companies; 82E for other entities; 82I for individuals), which may be obtained from any Swiss Consulate General in the United States or from the Swiss Federal Tax Administration at the address above. The form must be filled out in triplicate with each copy duly completed and signed before a notary public in the United States. The form must be accompanied by evidence of the deduction of withholding tax withheld at the source.

Repayment of capital in the form of a par value reduction is not subject to Swiss withholding tax.

Transfers of UBS Ordinary Shares

The sale of UBS ordinary shares, whether by Swiss resident or non-resident holders (including U.S. holders), may be subject to a Swiss securities transfer stamp duty of up to 0.15% calculated on the sale proceeds if it occurs through or with a Swiss bank or other Swiss securities dealer as defined in the Swiss Federal Stamp Tax Act. In addition to the stamp duty, the sale of UBS ordinary shares by or through a member of the SWX Swiss Exchange may be subject to a stock exchange levy. Capital gains realized by a U.S. holder upon the sale of UBS ordinary shares are not subject to Swiss income or gains taxes, unless such U.S. holder holds such shares as business assets of a Swiss business operation qualifying as a permanent establishment for the purposes of the Treaty. In the latter case, gains are

taxed at ordinary Swiss individual or corporate income tax rates, as the case may be, and losses are deductible for purposes of Swiss income taxes.

Ownership of UBS Ordinary Shares—United States Federal Income Taxation

Dividends and Distribution

Subject to the passive foreign investment company rules discussed below, U.S. holders will include in gross income the gross amount of any dividend paid, before reduction for Swiss withholding taxes, by UBS out of its current or accumulated earnings and profits, as determined for United States federal income tax purposes, as ordinary income when the dividend is actually or constructively received by the U.S. holder.

Dividends will be income from sources outside the United States for foreign tax credit limitation purposes, but generally will be “passive income” or “financial services income,” which are treated separately from other types of income for foreign tax credit limitation purposes. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations. The amount of the dividend distribution included in income of a U.S. holder will be the U.S. dollar value of the Swiss franc payments made, determined at the spot Swiss franc/U.S. dollar rate on the date such dividend distribution is included in the income of the U.S. holder, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend distribution is included in income to the date such dividend distribution is converted into U.S. dollars will be treated as ordinary income or loss. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a return of capital to the extent of the U.S. holder’s basis in its UBS ordinary shares and thereafter as capital gain.

Subject to certain limitations, the Swiss tax withheld in accordance with the Treaty and paid over to Switzerland will be creditable against the U.S. holder’s United States federal income tax liability. To the extent a refund of the tax withheld is available to a U.S. holder under the laws of Switzerland or under the Treaty, the amount of tax withheld that is refundable will not be eligible for credit against the U.S. holder’s United States federal income tax liability, whether or not the refund is actually obtained.

Stock dividends to U.S. holders that are made as part of a pro rata distribution to all shareholders of UBS generally will not be subject to United States federal income tax. U.S. holders that received a stock dividend that is subject to Swiss tax but not U.S. tax, may not have enough foreign income for U.S. tax purposes to receive the benefit of the foreign tax credit associated with such tax, unless the holder has foreign income from other sources.

Transfers of UBS Ordinary Shares

Subject to the passive foreign investment company rules discussed below, a U.S. holder that sells or otherwise disposes of UBS ordinary shares generally will recognize capital gain or loss for United States federal income tax purposes equal to the difference between the U.S. dollar value of the amount realized and the tax basis, determined in U.S. dollars, in the UBS ordinary shares. Capital gain of a non-corporate U.S. holder is generally taxed at a maximum rate of 20% if the UBS ordinary shares were held for more than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

Passive Foreign Investment Company Rules

UBS believes that UBS ordinary shares should not be treated as stock of a passive foreign investment company for United States federal income tax purposes, but this conclusion is a factual determination made annually and thus may be subject to change. In general, UBS will be a passive foreign investment

company with respect to a U.S. holder if, for any taxable year in which the U.S. holder held UBS ordinary shares, either at least 75% of the gross income of UBS for the taxable year is passive income or at least 50% of the value, determined on the basis of a quarterly average, of UBS's assets is attributable to assets that produce or are held for the production of passive income. If UBS were to be treated as a passive foreign investment company, then unless a U.S. holder makes a mark-to-market election, gain realized on the sale or other disposition of UBS ordinary shares would in general not be treated as capital gain. Instead, a U.S. holder would be treated as if the holder had realized such gain and certain "excess distributions" ratably over the holder's holding period for the shares and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year.

F—Dividends and Paying Agents.

Not required because this Form 20-F is filed as an annual report.

G—Statement by Experts.

Not required because this Form 20-F is filed as an annual report.

H—Documents on Display.

UBS files periodic reports and other information with the Securities and Exchange Commission. You may read and copy any document that UBS files with the SEC at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. You may also inspect UBS's SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005 and the American Stock Exchange LLC, 86 Trinity Place, New York, NY 10006. Some of this information may also be found on the UBS website at www.ubs.com/investor-relations.

I—Subsidiary Information.

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk.

A—Quantitative Information About Market Risk.

Please see pages 48 to 75 of the attached UBS Handbook 2000-2001.

B—Qualitative Information About Market Risk.

Please see pages 48 to 75 of the attached UBS Handbook 2000-2001.

C—Interim Periods.

Not applicable.

D—Safe Harbor.

The safe harbor provided in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 ("statutory safe harbors") applies to information provided pursuant to paragraphs (a), (b) and (c) of this Item 11.

E—Small Business Issuers.

Not applicable.

Item 12. Description of Securities Other than Equity Securities.

Not required because this Form 20-F is filed as an annual report.

Part II

Item 13. Defaults, Dividend Arrearages and Delinquencies.

There has been no material default in respect of any indebtedness of UBS AG or any of its significant subsidiaries or any arrearages of dividends or any other material delinquency not cured within 30 days relating to any preferred stock of UBS AG or any of its subsidiaries.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.

Not applicable.

Item 15. [Reserved].

Item 16. [Reserved].

Part III

Item 17. Financial Statements.

Not applicable.

Item 18. Financial Statements.

The UBS Group financial statements included on pages 58 to 142 in the attached Financial Report 2000 are incorporated by reference herein. Notes 43 and 44 presented below include additional information required by U.S. GAAP or SEC rules and are a part of the UBS Group Financial Statements for purposes of this Item 18 and the Report of Independent Auditors that appears on page 37 of this Form 20-F.

Note 43 Acquisition of Paine Webber Group, Inc.—Pro Forma Results

The following table presents pro forma consolidated financial information about the combined company as if the acquisition had occurred on 1 January 2000 and 1999, respectively:

CHF million, except per share data

For the year ended	31.12.00	31.12.99
Operating income.....	43,373	35,020
Net profit.....	7,045	5,286
Earnings per share (EPS).....	16.82	12.50

For purposes of calculating earnings per share, the effects of a share repurchase program associated with the acquisition funding have been reflected in the determination of weighted average outstanding shares as if the program had been executed at the pro forma acquisition dates. In addition, CHF 290 million of non-recurring charges recognized by the Group in 2000 which resulted directly from the acquisition and CHF 68 million of direct charges relating to the acquisition, incurred and expensed by Paine Webber Group, Inc. (“PaineWebber”) prior to 3 November 2000, have been excluded from the pro forma Net Profit.

Note 44 Supplemental Guarantor Information

Guarantee of PaineWebber securities

Following the acquisition of PaineWebber, UBS AG made a full and unconditional guarantee of the publicly traded debt and trust preferred securities of PaineWebber. Prior to the acquisition, PaineWebber was an SEC registrant. Upon the acquisition, PaineWebber was merged into UBS Americas Inc., a wholly owned subsidiary of UBS AG. The following is summarized consolidating financial information segregating UBS AG Parent Bank, UBS Americas Inc. and UBS AG’s other non-guarantor subsidiaries.

The UBS AG Parent Bank financial statements use the cost method for investments in associates. In this note, investments in associates are presented on the equity method.

The information presented in this note is prepared in accordance with International Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group of which this information is a part. Below each column, Net profit and Shareholders’ equity has been reconciled to U.S. GAAP. See Note 41 for a more detailed reconciliation of the IAS financial statements to U.S. GAAP for the Group on a consolidated basis.

Consolidating Income Statement

<i>CHF million</i> For the year ended 31 December 2000	UBS AG Parent Bank(1)	UBS Americas Inc.	Other Subsidiaries	Consolidating Entries	UBS Group Income Statement
Operating income					
Interest income	40,362	1,268	22,701	(12,586)	51,745
Interest expense	<u>32,161</u>	<u>1,282</u>	<u>22,758</u>	<u>(12,586)</u>	<u>43,615</u>
Net interest income	8,201	(14)	(57)		8,130
Credit loss recovery	<u>119</u>	<u>2</u>	<u>9</u>		<u>130</u>
Net interest income after credit loss recovery ...	8,320	(12)	(48)		8,260
Net fee and commission income	9,145	949	6,609		16,703
Net trading income	7,344	195	2,414		9,953
Net gains from disposal of associates and subsidiaries	6		77		83
Income from subsidiaries	1,804			(1,804)	
Other income	<u>276</u>		<u>1,127</u>		<u>1,403</u>
Total operating income	26,895	1,132	10,179	(1,804)	36,402
Operating expenses					
Personnel	10,501	1,141	5,521		17,163
General and administrative	5,296	350	1,119		6,765
Depreciation and amortization	<u>1,410</u>	<u>183</u>	<u>682</u>		<u>2,275</u>
Total operating expenses	<u>17,207</u>	<u>1,674</u>	<u>7,322</u>		<u>26,203</u>
Operating profit/(loss) before tax and minority interests					
	9,688	(542)	2,857	(1,804)	10,199
Tax expense/(benefit)	<u>1,896</u>	<u>(128)</u>	<u>552</u>		<u>2,320</u>
Net profit/(loss) before minority interests					
	7,792	(414)	2,305	(1,804)	7,879
Minority interests			(87)		(87)
Net profit/(loss)	<u>7,792</u>	<u>(414)</u>	<u>2,218</u>	<u>(1,804)</u>	<u>7,792</u>
<i>Net profit/(loss) — U.S. GAAP(2)</i>	<u>4,342</u>	<u>(414)</u>	<u>2,313</u>	<u>(1,804)</u>	<u>4,437</u>

(1) UBS AG prepares its financial statements in accordance with Swiss Banking Law requirements as presented on pages 146 to 156 of the attached Financial Statements. For the purpose of this disclosure the accounts have been adjusted to IAS.

(2) See Note 41.1 and 41.4 to the Financial Statements for a description of the differences between IAS and U.S. GAAP. U.S. GAAP adjustments are principally related to UBS AG Parent Bank.

Consolidating Balance Sheet

<i>CHF million</i> As of 31 December 2000	UBS AG Parent Bank(1)	UBS Americas Inc.	Other Subsidiaries	Consolidating Entries	UBS Group Balance Sheet
Assets					
Cash and balances with central banks	2 242	0	737	0	2 979
Money market paper	61 153	3 348	1 953	0	66 454
Due from banks	75 473	13 007	86 125	(145 458)	29 147
Cash collateral on securities borrowed	40 791	33 992	144 778	(41 704)	177 857
Reverse repurchase agreements	157 417	32 589	102 209	(98 414)	193 801
Trading portfolio assets	151 326	7 425	94 545	0	253 296
Positive replacement values	59 246	232	6 029	(7 632)	57 875
Loans, net of allowance for credit losses	261 946	18 283	15 153	(50 540)	244 842
Financial investments	7 751	2 289	6 365	0	16 405
Accrued income and prepaid expenses	3 239	1 771	3 702	(1 650)	7 062
Investments in associates	14 010	0	4 800	(17 930)	880
Property and equipment	6 348	975	1 587	0	8 910
Goodwill and other intangible assets	262	16 163	3 112	0	19 537
Other assets	5 556	1 488	3 533	(2 070)	8 507
Total assets	<u>846 760</u>	<u>131 562</u>	<u>474 628</u>	<u>(365 398)</u>	<u>1 087 552</u>
Liabilities					
Money market paper issued	36 341	123	38 316	0	74 780
Due to banks	105 074	31 040	91 584	(145 458)	82 240
Cash collateral on securities lent	22 792	6 151	36 179	(41 704)	23 418
Repurchase agreements	127 433	49 940	216 554	(98 414)	295 513
Trading portfolio liabilities	62 242	1 360	19 030	0	82 632
Negative replacement values	74 675	231	8 649	(7 632)	75 923
Due to customers	304 389	21 760	35 070	(50 540)	310 679
Accrued expenses and deferred income	11 057	5 224	6 407	(1 650)	21 038
Long term debt	44 334	8 790	1 731	0	54 855
Other liabilities	13 590	1 482	5 754	(2 070)	18 756
Total liabilities	<u>801 927</u>	<u>126 101</u>	<u>459 274</u>	<u>(347 468)</u>	<u>1 039 834</u>
Minority interests	0	0	2 885	0	2 885
Shareholders' equity					
Share capital	4 444	0	3 808	(3 808)	4 444
Share premium account	20 885	5 868	2 813	(8 681)	20 885
Foreign currency translation	(687)	7	(40)	33	(687)
Retained earnings	24 191	(414)	5 888	(5 474)	24 191
Treasury shares	(4 000)	0	0	0	(4 000)
Total shareholders' equity	<u>44 833</u>	<u>5 461</u>	<u>12 469</u>	<u>(17 930)</u>	<u>44 833</u>
Total liabilities, minority interests and shareholders' equity	<u>846 760</u>	<u>131 562</u>	<u>474 628</u>	<u>(365 398)</u>	<u>1 087 552</u>
<i>Total shareholders' equity — U.S. GAAP(2)</i>	<i><u>62 868</u></i>	<i><u>5 389</u></i>	<i><u>12 633</u></i>	<i><u>(17 930)</u></i>	<i><u>62 960</u></i>

(1) UBS AG prepares its financial statements in accordance with Swiss Banking Law requirements as presented on pages 146 to 156 of the attached Financial Statements. For the purpose of this disclosure the accounts have been adjusted to IAS.

(2) See Note 41.1 and 41.4 to the Financial Statements for a description of the differences between IAS and U.S. GAAP. U.S. GAAP adjustments are principally related to UBS AG Parent Bank. Total assets under U.S. GAAP do not differ materially from total assets presented on an IAS basis.

Consolidating Cash Flow Statement

<i>CHF million</i> For the year ended 31 December 2000	UBS AG Parent Bank(1)	UBS Americas Inc.	Other Subsidiaries	UBS Group Balance Sheet
Net cash flow from operating activities	38,788	6,358	(33,449)	11,697
Cash flow from investing activities				
Investments in subsidiaries and associates, net	(379)	(9,350)		(9,729)
Disposal of subsidiaries and associates	669			669
Purchase of property and equipment	(937)	(139)	(564)	(1,640)
Disposal of property and equipment	269		66	335
Net (investment)/divestment in financial investments	<u>(5,656)</u>	<u>(2,340)</u>	<u>(774)</u>	<u>(8,770)</u>
Net cash flow from investing activities	(6,034)	(11,829)	(1,272)	(19,135)
Cash flow from financing activities				
Money market paper issued	(11,589)	123	21,591	10,125
Net movements in treasury shares and treasury share contract activity	(647)			(647)
Capital issuance	15			15
Dividends paid	(3,928)			(3,928)
Issuance of long term debt	14,391	144	349	14,884
Repayment of long term debt	(19,089)	(782)	(4,769)	(24,640)
Issuances of minority interests			2,683	2,683
Repayment of minority interests			(73)	(73)
Net activity in investments in subsidiaries	<u>(10,039)</u>	<u>10,609</u>	<u>(570)</u>	
Net cash flow from financing activities	(30,886)	10,094	19,211	(1,581)
Effects of exchange rate differences	<u>(538)</u>	<u>782</u>	<u>(132)</u>	<u>112</u>
Net increase/(decrease) in cash equivalents	1,330	5,405	(15,642)	(8,907)
Cash and cash equivalents, beginning of period	<u>76,918</u>		<u>25,359</u>	<u>102,277</u>
Cash and cash equivalents, end of period	<u>78,248</u>	<u>5,405</u>	<u>9,717</u>	<u>93,370</u>
Cash and cash equivalents comprise:				
Cash and balances with central banks	2,242		737	2,979
Money market papers	61,153	3,348	1,953	66,454
Due from banks maturing in less than three months	<u>14,853</u>	<u>2,057</u>	<u>7,027</u>	<u>23,937</u>
Total	<u>78,248</u>	<u>5,405</u>	<u>9,717</u>	<u>93,370</u>

(1) UBS AG prepares its financial statements in accordance with Swiss Banking Law requirements as presented on pages 146 to 156 of the Financial Report. For the purpose of this disclosure the accounts have been adjusted to IAS.

Guarantee of other securities.

On 10 October 2000, UBS AG, acting through a wholly-owned subsidiary, issued USD 1.5 billion (CHF 2.6 billion at issuance) 8.622% UBS Trust Preferred securities. UBS AG has fully and unconditionally guaranteed these securities.

Report of Independent Auditors

The Board of Directors and Group Executive Board UBS AG:

We have audited the accompanying consolidated balance sheets of UBS AG and subsidiaries as of 31 December 2000 and 1999, and the related consolidated statements of income, cash flows and changes in shareholders' equity for each of the three years in the period ended 31 December 2000 referred to in Item 18 of Form 20-F. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of UBS AG as of 31 December 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended 31 December 2000, in conformity with International Accounting Standards ("IAS") and comply with Swiss Law.

IAS vary in certain significant respects from accounting principles generally accepted in the United States of America. Application of accounting principles generally accepted in the United States of America would have affected shareholders' equity as of 31 December 2000, 1999 and 1998 and the results of operations for the three years then ended to the extent summarized in Note 41 of the Notes to the Financial Statements.

Basel, 5 March 2001

Ernst & Young Ltd

/s/ ROGER K. PERKIN
Roger K. Perkin
Chartered Accountant
in charge of the audit

/s/ PETER HECKENDORN
Peter Heckendorn
lic. oec.
in charge of the audit

Item 19. Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
1.1.	Articles of Association of UBS AG
1.2.	Bylaws of UBS AG(1)
7.	Statement regarding ratio of earnings to fixed charges.
8.	Significant Subsidiaries of UBS AG
10.	Consent of Ernst & Young Ltd.

(1) Incorporated by reference to Exhibit 3.2 to the registration statement (File No. 333-52832) filed on Form F-1 on 27 December 2000.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

UBS AG

/s/ LUQMAN ARNOLD

Name: Luqman Arnold

Title: Group Chief Financial Officer and Member
of the Group Executive Board

/s/ HUGO SCHAUB

Name: Hugo Schaub

Title: Group Controller and Member of the
Group Managing Board

Date: March 15, 2001

Index to Exhibits

Exhibit Number	Description
1.1.	Articles of Association of UBS AG
1.2.	Bylaws of UBS AG(1)
7.	Statement regarding ratio of earnings to fixed charges
8.	Significant Subsidiaries of UBS AG.
10.	Consent of Ernst & Young Ltd.

(1) Incorporated by reference to Exhibit 3.2 to the registration statement (File No. 333-52832) filed on Form F-1 on 27 December 2000.