UBS

Invitation
to the Annual General Meeting of UBS AG

Thursday, 26 April 2001, 2.30 p.m.
(doors open 1.30 p.m.)
Hallenstadion, Zurich-Oerlikon, Wallisellenstrasse 45

Agenda

1. Annual Report, Group and Parent Company Accounts for 2000
   Reports of the Group and Parent Company Auditors

2. Appropriation of retained earnings
   Distribution of capital to shareholders instead of a final dividend for fourth quarter 2000 *

3. Discharge of the members of the Board of Directors and the Group Executive Board

4. Elections
   4.1. Re-election to the Board of Directors
   4.2. Election of new members to the Board of Directors
   4.3. Election of Group and Parent Company Auditors

5. Partial amendment of the Articles of Association

6. Adjustment of capital after completion of the PaineWebber transaction
   6.1. Elimination of authorized capital
   6.2. Reduction of conditional capital

7. Capital reduction
   7.1. Cancellation of shares repurchased under the 2000 share buyback program
   7.2. Establishment of a 2001 share buyback program

8. Share split *

9. Approval of newly formulated Articles 4 and 4a of the Articles of Association

* These proposals are subject to the entry into force of the amendment to the Swiss Code of Obligations approved by Swiss Parliament (Article 622 paragraph 4: Minimum par value for shares).

Introduction

New regulations governing minimum par values
At its December 2000 session, the Swiss Parliament approved an amendment to Article 622 paragraph 4, of the Swiss Code of Obligations, which makes it possible to reduce the minimum par value for shares from the current level of CHF 10 to CHF 0.01 (one centime). This amendment is expected to come into force on 1 May 2001. The proposals under Agenda Items 2 and 8 are subject to this amendment's becoming effective.

Amendments to Articles 4 and 4a of the Articles of Association
Agenda Items 2, 6.2., 7.1. and 8 refer to Articles 4 and 4a of the UBS Articles of Association. The Board of Directors proposes that, in a first step, capital be reduced through the cancellation of approximately 18 million shares bought back on the stock exchange via a second-line repurchase program, as approved in principle at the last Annual General Meeting of Shareholders. In a second step, the Board proposes that the par value per share and, as a result, UBS share capital be reduced via a distribution to shareholders of a further approximately CHF 682 million. Finally, the Board proposes that the par value be reduced in a 3-for-1 split, which will triple the number of UBS shares.

In order to allow for a clear and transparent decision-making, shareholders will be asked to vote on the three material issues of capital reduction, distribution of capital to shareholders and share split under the individual agenda items. The amendment of the provisions of Articles 4 and 4a of the Articles of Association will then be voted on at the conclusion of the Meeting in an overall vote summarizing the decisions on the three aforementioned issues. The Zurich and Basel Commercial Register Offices have approved this procedure.

Call to register claims
The capital reductions to be achieved via cancellation of shares bought back and via the distribution of capital to shareholders may only take place once the call to register claims has been completed in accordance with Article 733 of the Swiss Code of Obligations. The call will be published in the Swiss Commercial Gazette after the General Meeting of Shareholders. Claims may be registered during a period of two months. For the capital reduction to become effective, a report by the Parent Company Auditors, confirming that creditors' claims shall remain fully covered even after the capital reduction, is another precondition.

Timetable of events
Provided shareholders approve the proposals, the amendment to the Articles of Association in accordance with Agenda Item 9 will be entered in the Commercial Register on 13 July 2001. Trading in the new shares with a par value of CHF 2.80 will commence on 16 July 2001.

Item 1

Annual Report, Group and Parent Company Accounts for 2000
Reports of the Group and Parent Company Auditors

A. Proposal
The Board of Directors proposes that the report on the financial year 2000 and the Group and Parent Company Accounts for 2000 be approved.

B. Explanations
The reports of the Board of Directors and the Group Executive Board are contained in the Financial Report, copies of which can be ordered by shareholders and are also available on the Internet at www.ubs.com/investor-relations. In addition, all registered shareholders automatically receive a copy of our Annual Review, which contains summary information with regard to our business performance in 2000.

The Group income statement shows total operating income of CHF 36,402 million and total operating expenses of CHF 26,203 million, resulting in pre-tax profit of CHF 10,199 million and consolidated net profit of CHF 7,792 million. Total consolidated assets increased by CHF 191.0 billion to CHF 1,087.6 billion. Shareholders' equity amounted to CHF 44.8 billion at year-end.

Parent company net profit amounted to CHF 7,906 million. With total operating income of CHF 26,302 million and total operating expenses of CHF 15,697 million, operating profit came to CHF 10,605 million. Depreciations, write-offs and provisions amounted to CHF 1,968 million, extraordinary income to CHF 650 million. Extraordinary expenses stood at CHF 20 million and taxes totalled CHF 1,361 million.

Ernst & Young Ltd. recommend in their reports to the Annual General Meeting that the Group and Parent Company Accounts be approved. The Group Auditors confirm that "the Group financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Accounting Standards (IAS) and comply with the Swiss law".

Item 2

Appropriation of retained earnings
Distribution of capital to shareholders instead of a final dividend for fourth quarter 2000

A. Proposal
The Board of Directors proposes that the Parent Company profit be appropriated as follows:

Profit for the financial year 2000 as per the income statement	CHF	7,906 million
Profit brought forward from the previous year	CHF	7 million
Release of Other reserves for partial dividend (5 October 2000)	CHF	1,764 million
Total available for appropriation	CHF	9,677 million
Allocation to General statutory reserve	CHF	165 million
Payment of partial dividend 1 January–30 September 2000	CHF	1,764 million
Allocation to Other reserves	CHF	7,748 million
Total allocation	CHF	9,677 million

Instead of the payment of a final dividend for the last quarter of 2000, the Board of Directors proposes a distribution of capital to shareholders **in the amount of CHF 1.60 per share in the form of a par value repayment.** This will reduce the UBS share capital by approximately CHF 682 million and bring the par value per share down to CHF 8.40. Articles 4 and 4a of the Articles of Association will have to be amended accordingly. This resolution is subject to the entry into force of the amendment to the Swiss Code of Obligations (Article 622 paragraph 4).

B. Explanations
At the Extraordinary General Meeting of Shareholders held on 7 September 2000, shareholders approved the payment of a partial dividend in connection with the acquisition of PaineWebber. On 5 October, a payment of CHF 4.50 per share was distributed to shareholders. This payment covered the first nine months of the year 2000. The sum of CHF 1,764 million required for this payment was taken from the Parent Company's "Other reserves", since no distribution against profit is possible during the year. An appropriate amount will now be re-allocated to "Other reserves".

At the Extraordinary General Meeting of Shareholders, the Board of Directors envisaged a final dividend of CHF 1.50 per share for 4Q 2000. Following a change in Swiss legal provisions, enabling par value per share to be reduced, it has

now become possible to make a distribution to shareholders in the form of a reduction in the par value of each share, instead of paying a final dividend. This distribution will not be subject to a deduction of federal withholding tax (35 %), nor will it be subject to income tax for individual tax payers within Switzerland. The total profit remaining available for appropriation will be allocated to “Other reserves”.
The Board of Directors proposes a distribution of CHF 1.60 per share. This will reduce the par value of the UBS share to an amount, which can then be split on a 3-for-1 basis pursuant to the proposal specified in Item 8 of the Agenda.

Provided the proposed amendment to the Swiss Code of Obligations comes into force and UBS shareholders approve the Board of Directors’ proposal, the distribution will be paid out on 18 July to all shareholders of record as at 13 July 2001, following the publication of the call to register claims necessary for the capital reduction.

Item 3

Discharge of the members of the Board of Directors and the Group Executive Board

Proposal
The Board of Directors proposes that discharge be granted to the members of the Board of Directors and the Group Executive Board for the financial year 2000.

Item 4

Elections

A. Proposal

4.1. Re-election to the Board of Directors
The Board of Directors proposes that Alberto Togni be re-elected for a further four-year term of office.

4.2. Election of new members to the Board of Directors
The Board of Directors proposes that the following gentlemen be elected as new members of the Board:
– Sir Peter Davis for a three-year term of office
– Johannes Antonie de Gier for a two-year term of office
– Marcel Ospel for a four-year term of office
– Lawrence Allen Weinbach for a four-year term of office

4.3. Election of Group and Parent Company Auditors
The Board of Directors proposes that Ernst & Young Ltd., Basel, be re-elected as Group and Parent Company Auditors for a one-year term of office.

B. Explanations

4.1. The term of office of Alberto Togni (born 1938), Vice Chairman of the Board of Directors, expires with effect from the General Meeting of Shareholders. Mr Togni is standing for re-election.

4.2. Alex Krauer, Chairman, and Andreas Reinhart will retire from the Board after the Annual General Meeting. The Board of Directors proposes the election of the following gentlemen as new members of the Board:
– Sir Peter Davis (1941), a British citizen, has been Chief Executive Officer of J. Sainsbury plc., London, since March 2000. Before taking on his current position, Sir Peter was Group Chief Executive Officer of Prudential plc. for five years, Chief Executive and Chairman of Reed International between 1986 and 1994, and head of sales and marketing at J. Sainsbury plc. between 1976 and 1986.
– Johannes Antonie de Gier (1944), a Dutch national, worked for UBS between 1980 and 1999, and was Chairman and Chief Executive Officer of Warburg Dillon Read (today UBS Warburg) following the merger. Prior to this, Mr de Gier held various management positions at Swiss Bank Corporation and SBC Warburg.
– Marcel Ospel (born 1950), a Swiss national, has been President and CEO of the UBS Group Executive Board since June 1998. Marcel Ospel held various positions at Swiss Bank Corporation since 1977 and became a member of the Executive Board in 1990. He has been President of the Group Executive Committee since 1996.
– Lawrence Allen Weinbach (1940), a US citizen, has been Chairman, President and Chief Executive Officer at Unisys Corporation, New York, since 1997. From 1961 to 1997, Mr Weinbach held various positions at audit company Andersen in the US.

In accordance with Article 19 of the Articles of Association, the terms of office of the new Board members must be structured in such a way that approximately one quarter of members stand for election or re-election each year. The terms of office are therefore staggered.
The Board of Directors has decided to appoint Marcel Ospel as its Chairman, subject to his election to the Board being approved by the General Meeting of Shareholders.

4.3. The Board of Directors proposes that Ernst & Young Ltd. be re-elected for a further year in office as Group and Parent Company Auditors. Ernst & Young has confirmed to the Board of Directors' Audit Committee that it possesses the level of independence required to take on this role and that it satisfies the requirements in terms of independence imposed by the US Securities and Exchange Commission.

Item 5

Partial amendment of the Articles of Association
Amendment of Articles 24 clause e, 25 clause a and 29

A. Proposal
The Board of Directors proposes that the Articles of Association be amended as follows:

Current version	Proposed new version *(Changes in italics)*
Board of Directors	
Ultimate direction of the Corporation Article 24 clause e	
The ultimate direction of the Corporation comprises in particular: e) Appointment and removal of the President (Group Chief Executive Officer) and the members of the Group Executive Board, the members of the Group Managing Board and the head of Group Internal Audit	The ultimate direction of the Corporation comprises in particular: e) Appointment and removal of the President *(…)* and the members of the Group Executive Board, the members of the Group Managing Board and the head of Group Internal Audit
Supervision, control Article 25 clause a	
Supervision and control of the business management comprises in particular the following: a) Review of the annual report, consolidated and parent company financial statements as well as quarterly and half-year financial statements	Supervision and control of the business management comprises in particular the following: a) Review of the annual report, consolidated and parent company financial statements as well as quarterly *(…)* financial statements
Group Executive Board	
Organization Article 29	
The Group Executive Board is composed of the Group Chief Executive Officer, the Chief Financial Officer and at least three other members with important group functions.	The Group Executive Board is composed of the President *(…)* and at least three other members *(…)*.

B. Explanations
Article 24 clause e is only amended in the English version, adapting the wording to the other language versions by using exclusively the term "President of the Group Executive Board" instead of "Group Chief Executive Officer".

The proposed amendment of Article 25 clause a reflects the fact that full financial statements are now drawn up for each quarter, containing year-to-date results. A special half-year report is no longer produced. The wording of the Articles of Association needs to be amended accordingly.

For Article 29 an open wording is being proposed.

Item 6

Adjustment of capital after completion of the PaineWebber transaction

A. Proposal

6.1. Elimination of authorized capital
The Board of Directors proposes that Article 4b be deleted from the Articles of Association.

6.2. Reduction of conditional capital
The Board of Directors proposes that the conditional capital created for employee stock ownership plans of Paine Webber Group Inc., New York, (Article 4a) be reduced to reflect the amount finally required as well as the new par value of the shares as proposed under Item 2. Instead of the previous 16,317,935 registered shares, a maximum of 5,643,205 shares (pre-split) are now required.

B. Explanations

The Extraordinary General Meeting on 7 September 2000 approved the creation of a maximum of CHF 380 million in authorized capital for the PaineWebber merger transaction. The Board of Directors exercised this authority and increased the share capital by CHF 120 million on 3 November 2000. Further increases in capital proved to be unnecessary. The remaining CHF 260 million in authorized capital (Article 4b) can therefore be deleted from the Articles of Association as the transaction has been completed.

The Extraordinary General Meeting also approved the creation of a maximum of CHF 170 million (17 million shares) in conditional capital for PaineWebber employee stock ownership plans. At that time, the maximum number of shares had to be made available. As a result of options being exercised prior to completion of the transaction and between completion of the transaction and year-end, the total number of shares finally required fell to 5,643,205 at the end of December 2000. The conditional capital can be reduced accordingly. It will also be reduced in line with the capital payout proposed under Item 2.

Item 7

Capital reduction

A. Proposal

7.1. Cancellation of shares repurchased under the 2000 share buyback program
The Board of Directors proposes that the 18,421,783 shares repurchased under the buyback program approved by the 2000 Annual General Meeting be definitively cancelled, that the share capital be reduced accordingly and that Article 4 of the Articles of Association be amended to reflect this.

7.2. Establishment of a 2001 share buyback program
The Board of Directors proposes that the following resolution be approved:
"The Board of Directors shall be authorized to buy back a maximum amount of CHF 5 billion in UBS shares via a second trading line on the stock exchange. These shares are to be cancelled definitively and are not therefore regarded as own shares within the meaning of Article 659 of the Swiss Code of Obligations. The required amendment to the Articles of Association (reduction of share capital) will be submitted to the AGM in 2002 for approval."

B. Explanations

The Annual General Meeting on 18 April 2000 authorized the Board of Directors to buy back a total amount of CHF 4 billion or 9,673,934 shares (19,347,868 shares following the share split on 8 May 2000) via a second trading line on the stock exchange and subsequently to cancel them. A total of 18,421,783 shares with an overall value of CHF 3,999,425,972 were repurchased under this program between 17 January and 28 June 2000. The average purchase price was CHF 217. The General Meeting is now being requested to approve the definitive cancellation of these shares and the corresponding reduction in capital.

At the same time, the Board of Directors requests the Annual General Meeting to authorize it to again repurchase a maximum amount of CHF 5 billion in UBS shares in 2001. At the closing price on 14 February 2001 on the SWX Swiss Exchange, this corresponds to approximately 18,200,000 registered shares with a par value of CHF 10 or to 4.2 % of the total share capital. The share buyback program was announced on 22 February 2001.

UBS believes that the repurchase of excess capital in the market and the subsequent reduction in capital is in the interests of shareholders, who would benefit from higher earnings per share.

The Board of Directors has decided to again proceed in two stages, with shareholders taking the decision in principle at the first Annual General Meeting and deciding on the definitive cancellation of the shares at the next General Meeting. By obtaining shareholders' approval for the cancellation of a maximum number of shares, these shares no longer fall under the statutory limit, which prohibits companies from holding more than 10% of their own shares. This provides greater flexibility, which UBS believes to be in the interests of efficient capital management and the ongoing trading activities of the Bank.

The auditors Ernst & Young Ltd. have confirmed in a special audit report to the Board of Directors that at the time of their reporting the claims of creditors are fully covered even after the reduction in capital and that the liquidity of the Bank is assured.

Item 8

Share split

A. Proposal

The Board of Directors proposes that the par value of the shares be reduced in a three-for-one split and that the number of shares be increased accordingly. Articles 4 and 4a will be amended to reflect this. The resolution will be adopted subject to the express condition that the revised Article 622 paragraph 4 of the Swiss Code of Obligations comes into force.

B. Explanations

The new provision of Article 622 paragraph 4 of the Code of Obligations allows a further reduction in the par value of the shares. Following the proposed three-for-one split, the UBS share will have a par value of CHF 2.80 and a market value more in line with that of its global peer group. UBS expects the lower market value to enhance the tradability and liquidity of the stock.

Item 9

Approval of newly formulated Articles 4 and 4a of the Articles of Association

A. Proposal
Subject to the General Meeting approving the proposals concerning Items 2, 6.2., 7.1. and 8 and to the express condition that the revised Article 622 paragraph 4 of the Swiss Code of Obligations comes into force, the Board of Directors requests that Articles 4 and 4a of the Articles of Association be approved with the following definitive wording:

Article 4
1
The share capital of the Corporation is CHF 3,578,046,746.40 (three billion, five hundred and seventy-eight million, forty-six thousand, seven hundred and forty-six Swiss francs and forty centimes), divided into 1,277,873,838 registered shares with a par value of CHF 2.80 each. The share capital is fully paid up.
2
unchanged

Article 4a
Employee stock ownership plan of Paine Webber Group Inc., New York ("PaineWebber")
The share capital will be increased, under exclusion of shareholders' pre-emptive rights, by a maximum of CHF 47,402,922, corresponding to a maximum of 16,929,615 registered shares of CHF 2.80 par value each (which must be fully paid up) through the exercise of option rights granted to the employees of PaineWebber, which were rolled over according to the merger agreement of 12 July 2000. The subscription ratio, time limits and further details were determined by PaineWebber and taken over by UBS AG. The purchase of shares through the exercise of option rights as well as any subsequent transfer of the shares are subject to the registration restrictions set out in Article 5 of these Articles of Association.

B. Explanations
The new Article 4 paragraph 1 of the Articles of Association reflects the result of the proposed resolutions:
1. Reduction in capital of CHF 184,217,830 through the cancellation of shares repurchased via the second trading line
2. Reduction in capital through par value repayment of CHF 681,532,713.60 to shareholders
3. Split of the 425,957,946 shares in a ratio of three for one

In Article 4a the maximum amount of the conditional capital is decreased by the par value reduction, and the number of shares available, in line with the resolution under Item 6.2., increased as a result of the three-for-one split.

Should shareholders reject individual resolutions, Article 4 paragraph 1 and Article 4a will be amended accordingly for the final vote.

Organizational issues

Admission cards for the Annual General Meeting
Shareholders listed in the Share Register of UBS AG in *Switzerland* can order their admission cards from the following address up to 23 April, using the order form attached to this invitation:
UBS AG, Shareholder Services, P.O. Box, CH-8098 Zurich.

Shareholders listed in the Share Register in the *United States* can order their admission cards in writing up to 20 April from:
UBS AG, c/o The Bank of New York, P.O. Box 11487,
New York, NY 10203-0487.

Any admission cards already issued will lose their validity and will be recalled if the shares concerned are sold prior to the Annual General Meeting and the Share Register is notified of the sale.

Representation at the Annual General Meeting
Shareholders may be represented at the General Meeting by their legal representative or by any other shareholder who is entitled to vote at the Meeting, a written proxy being required in the latter case. In addition, every shareholder is entitled to have his or her shares represented at the General Meeting by

- UBS AG as a corporate proxy or a custody proxy
- Schweizerische Treuhandgesellschaft / Swiss Auditing and Fiduciary Company (Professor Carl Helbling), Talstrasse 11, CH-8022 Zurich, as an independent proxy.

Zurich and Basel, 15 March 2001

UBS AG
For the Board of Directors:
Alex Krauer, Chairman
Gertrud Erismann-Peyer, Company Secretary

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