



12027817

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SEC
Mail Processing
Section

JUN 29 2012

FORM 11-K
ANNUAL REPORT

Washington DC
401

ANNUAL REPORT PURSUANT TO SECTION 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

OR

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

For the transaction period from _____ to _____

COMMISSION FILE NUMBER 8-16267

- A. Full title of the plan: UBS Financial Services Inc. 401(k) Plus Plan
- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

UBS AG
Bahnhofstrasse 45
CH-8098, Zurich, Switzerland
and
Aeschenvorstadt 1
CH-4051 Basel, Switzerland

**UBS FINANCIAL SERVICES INC. 401(K) PLUS
PLAN**

**Financial Statements and Supplemental Schedule
For the Years Ended December 31, 2011 and 2010
With Report of Independent Registered Public
Accounting Firm**

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Financial Statements
and Supplemental Schedule
December 31, 2011 and 2010

TABLE OF CONTENTS

	<u>Page(s)</u>
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4-28
SUPPLEMENTAL SCHEDULE	
Schedule H, Line 4(i)—Schedule of Assets (Held at End of Year)	29
Signature	30
Exhibit 23.1—Consent of Independent Registered Public Accounting Firm	31

All other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as not applicable or not required.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Benefits Appeals Committee of the
UBS Financial Services Inc. 401(k) Plus Plan

We have audited the accompanying statements of net assets available for benefits of UBS Financial Services Inc. 401(k) Plus Plan (the Plan) as of December 31, 2011 and 2010 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2011 and 2010, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management. The information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Mitchell & Titus, LLP

June 28, 2012
New York, New York

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Statements of Net Assets Available for Benefits
As of December 31, 2011 and 2010

	2011	2010
ASSETS		
Investment in UBS Financial Services Inc. Master Investment Trust, at fair value	\$ 1,882,493,829	\$ 1,945,288,874
Loans receivable from participants	22,955,698	22,654,600
<i>Contributions receivable</i>		
Participants	1,259,645	1,273,099
Company, net	89,165,031	83,041,996
Total assets	1,995,874,203	2,052,258,569
LIABILITIES		
Accrued expenses	701,614	446,810
Total liabilities	701,614	446,810
 Net assets reflecting investments at fair value	 1,995,172,589	 2,051,811,759
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	6,012,369	9,050,843
 Net assets available for benefits	 \$ 2,001,184,958	 \$ 2,060,862,602

The accompanying notes are an integral part of these financial statements.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2011 and 2010

	2011	2010
ADDITIONS TO NET ASSETS		
<i>Investment income from UBS Financial Services Inc. Master Investment Trust</i>		
Interest income	\$ 2,350,394	\$ 2,886,376
Capital gain distributions and other dividends	29,048,775	22,929,360
Total investment income	31,399,169	25,815,736
Net (depreciation) appreciation in the fair value of investments in UBS Financial Services Inc. Master Investment Trust	(125,814,254)	162,798,881
<i>Contributions</i>		
Participants	136,409,284	131,493,114
Rollovers	4,625,980	7,802,484
Company, net	89,165,031	83,041,996
Total contributions	230,200,295	222,337,594
	135,785,210	410,952,211
DEDUCTIONS FROM NET ASSETS		
Distributions to participants	133,220,590	220,245,747
Rollovers	58,838,388	80,979,771
Administrative expenses	2,335,561	3,525,237
Total deductions from net assets before net transfers	194,394,539	304,750,755
NET TRANSFERS	(1,068,315)	(1,173,857)
Net (decrease) increase in net assets available for benefits	(59,677,644)	105,027,599
Net assets available for benefits		
Beginning of year	2,060,862,602	1,955,835,003
End of year	\$ 2,001,184,958	\$ 2,060,862,602

The accompanying notes are an integral part of these financial statements.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1 DESCRIPTION OF THE PLAN

The following description of the UBS Financial Services Inc. 401(k) Plus Plan (the Plan) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the provisions of the Plan and detailed definitions of several terms of the Plan.

General

The Plan is a defined contribution plan, which covers substantially all employees of UBS Financial Services Inc. (the Company), and any of its subsidiaries or affiliates, which have adopted the Plan. The Company is a wholly owned subsidiary of UBS Americas Inc. (UBS Americas), which, in turn, is a wholly owned subsidiary of UBS AG (UBS). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Plan became effective October 1, 1979, and has been periodically amended. Although it is anticipated that the Plan will continue indefinitely, the Board of Directors of the Company can amend, suspend, or terminate the Plan at any time, provided that such action does not reduce the accrued benefits of any participant.

An employee is eligible to participate in the Plan on the first day of service performed for the Company. At December 31, 2011 and 2010, there were 20,007 and 20,303 Plan participants, respectively.

The Plan's assets are invested in a master trust, which, in turn, invests in mutual/collective funds, guaranteed investment contracts (GICs), the UBS Company Stock Fund (the UBS Stock Fund), short-term investments, equity securities, corporate debt securities, government securities, venture capital and partnerships, asset-backed securities, and other fixed income.

Certain accounting and other administrative services are provided by the Company and its affiliates at no charge to the Plan.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1 DESCRIPTION OF THE PLAN *(continued)*

Master Trust

The UBS Financial Services Inc. Master Investment Trust (the Master Trust) was established on January 1, 2000 for the Plan and the UBS Financial Services Incorporated of Puerto Rico Savings Plus Plan (PRSP). Effective April 1, 2003, the Master Trust merged with the UBS Financial Services Inc. Pension Plan Trust (the Pension Plan) to create one trust consisting of the Plan, the PRSP, and the Pension Plan. The investments of all three plans are held in the Master Trust, which is administered by The Northern Trust Company (the Trustee). Use of the Master Trust permits the commingling of trust assets for investment and administrative purposes. Although the assets of all three plans are commingled in the Master Trust, the Trustee maintains separate supporting records for the purpose of tracking the individual activity of the Plan/PRSP (combined) and the Pension Plan.

Participant Contributions

A participant's contributions can consist of "pre-tax contributions," which reduce the participant's taxable compensation, Roth 401(k) contributions, "after-tax contributions," which do not reduce a participant's taxable compensation, and "rollovers," which are transfers from other qualified retirement plans.

For each Plan year, a participant may contribute up to 85% of their eligible compensation on a pre-tax, after-tax, Roth 401(k), or combination basis. The dollar amount of a participant's contributions cannot exceed certain Plan and Internal Revenue Service (IRS) limits. Eligible compensation is defined as W-2 earnings (subject to certain adjustments), not to exceed \$245,000 for 2011 and 2010, as adjusted by the IRS. Pre-tax contributions and Roth 401(k) combined were limited by the IRS to \$16,500 for 2011 and 2010. As a result of the Economic Growth and Tax Relief Reconciliation Act, participants who attained age 50 on or before December 31, 2011 were limited to pre-tax contributions and Roth 401(k) contributions combined of \$22,000 for 2011 and 2010. These limits will be subject to change in future years to be consistent with IRS limits.

Additionally, participants may make rollover contributions to the Plan. A rollover contribution is a transfer from another tax qualified plan such as qualified retirement plans, individual retirement accounts or annuities, eligible government retirement plans, or certain annuity contracts. The amount rolled over will be credited to a participant's account and will be treated similar to appreciation on pre-tax contributions for plan accounting and Federal income tax purposes.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements
December 31, 2011 and 2010

NOTE 1 DESCRIPTION OF THE PLAN *(continued)*

Company Contributions

Each year, the Company uses pre-tax, Roth 401(k), and after-tax contributions in determining the amount of the Company's matching contribution for each participant. The Company's match is calculated by multiplying each participant's pre-tax, Roth 401(k), and after-tax contributions (up to 6% of eligible compensation) by 100% and is limited to \$3,000. Company match contributions and earnings are invested according to the participant's investment elections in effect for Company contributions, which can be different or similar to their pre-tax, Roth 401(k), and after-tax contribution elections.

The Company also provides a retirement contribution (basic profit-sharing contribution) equal to a percentage of the participant's eligible compensation based on the participant's years of service with the Company as of the beginning of the Plan year. The retirement contribution is invested according to the participant's investment election in effect for Company contributions, which can be different or similar to their pre-tax, Roth 401(k), and after-tax contributions. If a participant's investment election is not in place, the default investment is the target year Lifecycle Funds.

The Qualified Deferred Payment (QDP) feature is a supplemental profit-sharing contribution provided to participants who satisfy certain eligibility requirements. The amount of the contribution is based on a participant's age at the beginning of the Plan year. QDP contributions and earnings are invested according to the participant's investment elections in effect for Company contributions, which can be different or similar to their pre-tax, Roth 401(k), and after-tax contribution elections. If a participant's investment election is not in place, the same procedures as for the retirement contribution are followed.

415 Limitation

Under Section 415 of the Internal Revenue Code (the Code), the annual additions to a participant's account under the Plan (plus annual additions to any other qualified defined contribution plan in which they participate) may not exceed the lesser of \$49,000, or 100%, of covered compensation for 2011 and 2010. To meet this limitation, the Plan may be required to refund after-tax, Roth 401(k), pre-tax, or Company contributions, in that order, that had previously been made.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1 DESCRIPTION OF THE PLAN (continued)

Limitation on Contributions for Highly-Compensated Employees (HCEs)

Sections 401(k) and 401(m) of the Code limit the amount of pre-tax, Roth 401(k), after-tax, and Company contributions that can be made to the Plan for HCEs. After-tax contributions are limited to \$10,440 for HCEs and \$18,000 for non-HCEs. After-tax contributions may be considered in determining the Company's matching contribution.

As a result of these limitations, the ability of HCEs to make pre-tax, Roth 401(k), or after-tax contributions may be restricted. To meet these limitations, the Plan may be required to refund pre-tax, Roth 401(k), or after-tax contributions that had previously been made by HCEs.

Investment Options

The investment structure of the Plan was changed effective on February 1, 2010, and investments are organized in a three-tier structure. Participants can invest their account balances and future contributions in 14 investment options, as well as approximately 9,000 investment options offered through a Self-Directed Window. The investment tier options are described as follows:

1. Tier I is comprised of six target-year Lifecycle Funds. This tier is intended for participants who want minimal involvement in setting and monitoring their asset allocation. The participant chooses the year in which they expect to utilize their retirement assets and then invests in the fund that most closely matches their retirement time horizon. The fund manager chooses the asset allocation strategy and adjusts the investment mix over time. The Plan's Investment Committee monitors the Lifecycle Funds' performances.
2. Tier II is comprised of seven Core Funds plus the UBS Company Stock Fund. The Core Funds cover a broad range of asset classes, with some of the funds covering a blend of investment styles (e.g., value, growth, etc.) Tier II is intended for participants who are interested in making their own asset allocation decisions. The participant sets his/her asset allocation strategy and uses Core Funds to build his/her portfolio and is also responsible for adjusting his/her asset allocation strategy and investment mix over time as needed. The Plan's Investment Committee monitors the Core Funds' performances.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 1 DESCRIPTION OF THE PLAN *(continued)*

Investment Options *(continued)*

3. Tier III is a Self-Directed Window offered through Hewitt Financial Services. This tier is comprised of approximately 9,000 mutual funds offered in more than 250 mutual fund families including UBS Global Asset Management (U.S.) Inc. (UBS GAM). Tier III is designed for participants who have a strong knowledge of the marketplace; want greater flexibility to create a more customized portfolio; and have the ability, time, and desire to research and evaluate different investment options. The Plan's Investment Committee does not review the mutual fund families or the performance of any of the mutual funds available through the Self-Directed Window.

The UBS mutual funds' investment advisor, administrator, and distributor is UBS GAM, a direct, wholly owned subsidiary of UBS Americas. UBS GAM earns management fees from the UBS GAM Funds offered in the Self-Directed Window and the UBS Select Money Market Fund, which is offered in one of the Core Funds. These fees were paid by the participants.

Additionally, Dwight Asset Management, a qualified professional asset manager, independently selected UBS GAM as a sub-investment manager for a portfolio of fixed-income securities within the Stable Value Fund, a separately managed account. As such, management fees from the Stable Value Fund are paid by participants invested in the Stable Value Fund, including that portion of the fees related to assets managed by UBS GAM. Dwight Asset Management terminated UBS GAM as the sub-investment advisor in March 2010. Dwight Asset Management's role as a fund manager was terminated in May 2011.

Participant Accounts

Under the Plan, each participant has two accounts—an employee account (Employee Account) and a company account (Company Account). Both accounts are managed by the employee as a single account. Only one asset allocation can be selected and is applicable to both accounts. The participant's Employee Account reflects all contributions made by the participant in addition to income, gains, losses, withdrawals, distributions, loans, and expenses attributable to these contributions.

The participant's Company Account reflects his/her share of the Company's contributions from the Company match, the Company retirement contribution, and the QDP for each plan year and the income, gains, losses, withdrawals, distributions, and expenses attributable to these Company contributions.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1 **DESCRIPTION OF THE PLAN** *(continued)*

Participant Accounts *(continued)*

Participants can make separate investment elections for their future before-tax, Roth 401(k) and after-tax contributions (directed to the Employee Account), and for their employer contributions (directed to the Company Account).

Vesting

Participants are immediately vested in their Employee Account. A participant is fully vested in the Company match, retirement, and QDP contributions and earnings thereon after attaining either three years of service, reaching age 65, becoming totally and permanently disabled, or upon death.

Forfeited balances of terminated participants' unvested Company Accounts are used to reduce the Company's contributions to the Plan. Forfeited balances as of December 31, 2011 and 2010 of \$1,494,541 and \$2,120,606, respectively, were applied to Company contributions made in the following Plan year.

Distributions and Withdrawals

After-tax contributions, including any income and loss thereon, may be withdrawn by participants at any time in accordance with the provisions of the Plan. Withdrawals of pre-tax contributions, Roth 401(k), or vested Company contributions are permitted, subject to certain limitations as set forth in the Code. All withdrawals or a portion thereof are subject to taxation as set forth in the Code.

Upon termination of service, a participant may elect to receive a distribution of the vested portion of their account in a lump-sum amount or in installments over a period of up to 10 years. Distributions consist of common stock or cash from the UBS Stock Fund and cash from all other funds.

Participants Loans

Participants may obtain loans from the Plan. The minimum amount that may be borrowed is \$1,000 and the maximum amount is limited to the lesser of 50% of the value of a participant's vested account balance, or \$50,000, reduced by the participant's highest outstanding loan balance over the previous 12 months. Interest rates were 5.25% and 4.90% - 5.25% for the years ended December 31, 2011 and 2010, respectively. Repayment period for the loan depends on the type of loan. Short-term non-hardship loans and short-term hardship loans may be repaid over a period of one to five years, while the repayment period for primary residence loans is 10 to 20 years. Roth 401(k) contributions are not loanable amounts.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 1 DESCRIPTION OF THE PLAN *(continued)*

Participants Loans *(continued)*

Loans are payable in equal installments representing a combination of interest and principal by withholding from the participant's paychecks. The outstanding principal amount of any loan can be repaid on any business day. In the event a participant has a loan outstanding under the Plan, various limitations exist on such participant's right to receive further loans under the Plan.

Plan Termination

While the Company has not expressed any intent to terminate the Plan, it is free to do so at any time subject to the provisions of ERISA. In the event the Plan is wholly or partially terminated, or upon the complete discontinuance of contributions under the Plan by any entity that is a part of the Company, each participant affected shall become fully vested in their Company Account. Any unallocated assets of the Plan then held by the Trustee shall be allocated among the appropriate Company Accounts and Employee Accounts of the participants and will be distributed in such a manner as the Company may determine.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Reclassifications

Certain prior-year amounts in the statements of net assets available for benefits have been reclassified to conform to the current year presentation.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements

In January 2010, the Financial Standards Accounting Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Fair Value Measurements and Disclosures—Improving Disclosures about Fair Value Measurements*, which requires additional disclosure related to the fair value hierarchy. Entities are required to separately present information related to purchases, sales, issuances, and settlements in the reconciliation of fair value measurements classified as Level 3. The disclosures related to purchases, sales, issuances, and settlements for Level 3 fair value measurements are effective for reporting periods beginning after December 15, 2010. The Plan has adopted ASU 2010-06 and the related disclosures are included in the notes to financial statements (see Note 5).

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04). ASU 2011-04 amended Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures (although certain of these new disclosures will not be required for nonpublic entities). The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. The Plan's management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

Payments of Benefits

Benefits to participants are recorded when paid.

Loans Receivable from Participants

Loans receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on loans receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2011 or 2010. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Administrative Expenses

The Plan's administrative expenses are paid by the Plan or the Company, as provided by the Plan's provisions. Administrative expenses paid by the Plan include recordkeeping, trustee, legal, audit, and investment consulting. Expenses relating to the Plan's investments (investment management fees and commissions) are charged to the specific investment fund to which the expense relates.

Investment Valuation and Income Recognition

The Plan records its investment in the Master Trust at fair value, which represents the Plan's interest in the net assets of the Master Trust.

Investments held by the Master Trust are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (See Note 5 for a discussion of fair value measurements.)

The Plan invests in synthetic investment contracts. These investment contracts are recorded at fair value (see Note 5); however, since the contracts are fully benefit-responsive, an adjustment is reflected in the statements of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value of the fully benefit-responsive investment contract represents contributions plus earnings, less participant withdrawals and administrative expenses.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

NOTE 3 COMPANY CONTRIBUTIONS

The Company's contributions to the Plan are as follows:

	Year Ended December 31,	
	2011	2010
Company match	\$ 33,244,549	\$ 32,973,872
Company retirement contribution	46,165,023	43,188,730
QDP	11,250,000	9,000,000
Forfeitures	(1,494,541)	(2,120,606)
Net company contributions	\$ 89,165,031	\$ 83,041,996

Forfeitures consist of units of the investment options forfeited in accordance with the vesting provisions of the Plan. Forfeited units are converted to cash at applicable daily closing prices. The Company's net contribution for each Plan year is made by the following September.

NOTE 4 MASTER TRUST

The Master Trust holds the investments of the Plan, PRSP, and the Pension Plan. Each participating retirement plan has a divided interest in the Master Trust. As such, investment and related income and expenses are allocated to the Plan based upon its individual interests in the investments of the Master Trust. The Plan and PRSP's participating interest in the investment funds of the Master Trust are based on account balances of the participants and their elected investment funds. The Master Trust's assets are allocated by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating, in proportion to the fair value of the assets assigned to each plan, income and expenses resulting from the collective investment of the assets of the Master Trust. The Trustee accounts for the Pension Plan's investment income and expenses in a separate account from the Plan and PRSP (combined). (See Note 5 for a schedule of investments.)

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 4 MASTER TRUST (continued)

The following table represents investment income earned by the Master Trust for the years ended December 31:

	2011
Plan and PRSP	
<i>Net realized and unrealized appreciation(depreciation) of investments</i>	
Mutual/Collective funds	\$ (62,674,201)
UBS Stock Fund	(66,411,603)
	(129,085,804)
Interest, capital gain distributions and dividend income	31,718,269
Total Plan and PRSP investment income	(97,367,535)
 Pension Plan	
<i>Net realized and unrealized appreciation(depreciation) of investments</i>	
Mutual/Collective funds	(8,173,641)
Short-term investments	(50,592)
Corporate debt securities	21,326,643
Government securities	7,551,770
Venture capital and partnerships	629,184
Asset-backed securities	1,460
	21,284,824
Interest and dividend income	22,404,731
Total Pension Plan investment income	43,689,555
 Master Trust investment income	\$ (53,677,980)

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements
December 31, 2011 and 2010

NOTE 4 MASTER TRUST (continued)

	<u>2010</u>
Plan and PRSP	
<i>Net realized and unrealized appreciation(depreciation) of investments</i>	
Mutual/Collective funds	\$ 150,903,324
UBS Stock Fund	17,257,673
Equity securities	<u>(2,211,604)</u>
	165,949,393
Interest, capital gain distributions and dividend income	<u>25,968,194</u>
Total Plan and PRSP investment income	<u>191,917,587</u>
Pension Plan	
<i>Net realized and unrealized appreciation(depreciation) of investments</i>	
Mutual/Collective funds	50,983,057
Short-term investments	(292,761)
Equity securities	108,561
Corporate debt securities	14,970,317
Government securities	3,856,915
Venture capital and partnerships	1,390,246
Asset-backed securities	<u>75,555</u>
	71,091,890
Interest and dividend income	<u>14,912,698</u>
Total Pension Plan investment income	<u>86,004,588</u>
Master Trust investment income	<u>\$ 277,922,175</u>

NOTE 5 FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (i.e., exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical financial instruments (Level 1) and the lowest priority to unobservable inputs (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires considerable judgment and involves considering a number of factors specific to the financial instrument.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 5 FAIR VALUE MEASUREMENT *(continued)*

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical financial instruments that the reporting entity has the ability to access at the measurement date. An active market for the financial instrument is a market in which transactions for the financial instrument occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the financial instrument, either directly or indirectly.

Level 3: Unobservable inputs for the financial instrument.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Mutual/Collective funds, Short-term investments: Funds that are actively traded on an exchange are priced at the net asset value (NAV) of shares held by the Plan at year end. Funds that are not actively traded on an exchange are priced at NAV using inputs that corroborate the NAV with observable (i.e., ongoing redemption and/or subscription activity) market-based data.

Guaranteed investment contracts: The fair value of synthetic guaranteed investment contracts equals the fair value of the underlying assets plus the fair value of the wrapper contract. The fair value of the underlying assets primarily consisting of commingled investment funds that are valued based on the NAV of shares held. The value of the wrapper contract is calculated by adjusting the current wrap contract fee less contract fee submitted with market re-bid multiplied by the contract book value, discounted using duration equivalent swap rate.

UBS stock fund, Equity securities: Actively traded securities are valued at the closing price reported on the active market on which the individual securities are traded.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 5 FAIR VALUE MEASUREMENT *(continued)*

Government Securities, Corporate Debt Securities, and Asset-Back Securities: These investments are valued daily using institutional bid evaluations. Bid evaluations are an estimated price at which a dealer would pay for a security. Corroborated indicative market observable data such as reported sales of similar securities, broker and dealer quotes, market information, including live trading levels are used when available to estimate the institutional bid evaluation. Government securities use the consensus and matrix pricing method. The inputs (quotes, spread, and data points for yield curves) to these methods can be considered to be observable market based data. Corporate debt securities use the discounted cash flows method. The inputs (issue's margin, the forward curve from the appropriate benchmark, and data points for yield scale) to these methods can be considered to be observable market based data. Asset-back securities use the consensus quote, matrix, and discounted cash flow pricing methods. The inputs (trade data, quotes, data points for various benchmark curves, prepayment speeds, credit ratings, and underlying loan or pool level data) to these methods can be considered to be observable market based data.

Venture Capital and Partnerships: These investments are valued at fair value using methods determined in good faith by General Partners of the funds. The valuation of non-public investments requires significant judgment by the General Partners. A variety of factors are reviewed and monitored to determine fair value of investments including current operating performance and future expectations of the particular investment, discounted cash flow analysis, valuations of comparable public companies, comparable acquisition values, and changes in market outlook and the third-party finance environment over time. When observable prices are not available for these securities, the General Partners use one or more valuation techniques (e.g., the market approach and/or income approach) for which sufficient and reliable data is available. Within Level 3, the use of market approach generally consists of using comparable market transaction or other data, while the use of income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market, and other risk factors.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 5 FAIR VALUE MEASUREMENT *(continued)*

At December 31, 2011, the investments held by the Master Trust within the fair value hierarchy are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Plan and PRSP				
<i>Mutual/Collective funds</i>				
United States	\$ 993,655,353	\$ 460,021,452	\$ -	\$ 1,453,676,805
International regions	-	3,514,495	-	3,514,495
Total Mutual/Collective funds	993,655,353	463,535,947	-	1,457,191,300
Guaranteed Investment Contracts	-	162,052,278	-	162,052,278
UBS Stock Fund	166,972,619	-	-	166,972,619
Short-term investments	120,605,291	8,023,462	-	128,628,753
Total Plan and PRSP investments, at fair value	\$ 1,281,233,263	\$ 633,611,687	\$ -	\$ 1,914,844,950
Adjustment from fair value to Contract value for fully benefit-responsive investment contract				6,012,369
Investment income receivable				265,460
Total Plan and PRSP net assets				<u>\$ 1,921,122,779</u>

The Plan and PRSP percentage interests in the above asset categories are 98.31% and 1.69%, respectively. Each Plan's percentage interest in the underlying assets may vary since investments are participant directed.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 5 FAIR VALUE MEASUREMENT (continued)

	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Total</u>
Pension Plan				
<i>Mutual/Collective funds</i>				
United States	\$ -	\$ 434,574,344	\$ -	\$ 434,574,344
Total Mutual/Collective funds	-	434,574,344	-	434,574,344
Short-term investments	-	14,595,535	-	14,595,535
<i>Corporate debt securities</i>				
United States	-	217,565,538	-	217,565,538
Europe	-	17,479,438	-	17,479,438
International regions	-	16,042,826	-	16,042,826
Total corporate debt securities	-	251,087,802	-	251,087,802
<i>Government securities</i>				
United States	-	30,017,649	-	30,017,649
International regions	-	3,904,976	-	3,904,976
Total government securities	-	33,922,625	-	33,922,625
Venture capital and partnerships	-	-	1,501,855	1,501,855
Total Pension Plan investments, at fair value	\$ -	\$ 734,180,306	\$ 1,501,855	\$ 735,682,161
Payable for securities purchased				(5,967,308)
Receivable for securities sold				5,940,672
Investment income receivable				3,954,579
Total Pension Plan net assets				<u>\$ 739,610,104</u>
Master Trust				
Total Master Trust investments, at fair value	\$ 1,281,233,263	\$ 1,367,791,993	\$ 1,501,855	\$ 2,650,527,111
Adjustment from fair value to Contract value for fully benefit-responsive investment contract				6,012,369
Receivable for Securities sold and purchased (net) and investment income				4,193,403
Master Trust net assets				<u>\$ 2,660,732,883</u>

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 5 FAIR VALUE MEASUREMENT (continued)

At December 31, 2010, the investments held by the Master Trust within the fair value hierarchy are as follows:

	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Total</u>
Plan and PRSP				
<i>Mutual/Collective funds</i>				
United States	\$ 961,299,990	\$ 461,495,380	\$ -	\$ 1,422,795,370
International regions	-	5,453,791	-	5,453,791
Total Mutual/Collective funds	961,299,990	466,949,171	-	1,428,249,161
Guaranteed investment contracts	-	171,158,794	-	171,158,794
UBS Stock Fund	233,941,593	-	-	233,941,593
Short-term investments	128,368,335	15,959,195	-	144,327,530
Total Plan and PRSP investments, at fair value	<u>\$ 1,323,609,918</u>	<u>\$ 654,067,160</u>	<u>\$ -</u>	<u>\$ 1,977,677,078</u>
Adjustment from fair value to Contract value for fully benefit-responsive investment contract				9,207,368
Investment income receivable				201,818
Total Plan and PRSP net assets				<u>\$ 1,987,086,264</u>

The Plan and PRSP percentage interests in the above asset categories are 98.35% and 1.65%, respectively. Each Plan's percentage interest in the underlying assets may vary since investments are participant directed.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 5 FAIR VALUE MEASUREMENT (continued)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Pension Plan				
<i>Mutual/Collective funds</i>				
United States	\$ -	\$ 451,081,952	\$ -	\$ 451,081,952
International regions	33,708,834	-	-	33,708,834
Total Mutual/Collective funds	33,708,834	451,081,952	-	484,790,786
Short-term investments	-	16,002,621	-	16,002,621
<i>Corporate debt securities</i>				
United States	-	126,854,850	-	126,854,850
Europe	-	13,788,986	-	13,788,986
International regions	-	9,575,249	-	9,575,249
Total corporate debt securities	-	150,219,085	-	150,219,085
<i>Government securities</i>				
United States	-	86,415,192	-	86,415,192
Europe	-	1,266,221	-	1,266,221
International regions	-	1,008,390	-	1,008,390
Total government securities	-	88,689,803	-	88,689,803
Venture capital and partnerships	-	-	3,154,541	3,154,541
Asset-backed securities	-	967,652	-	967,652
Total Pension Plan investments, at fair value	\$ 33,708,834	\$ 706,961,113	\$ 3,154,541	\$ 743,824,488
Payable for securities purchased				(3,997,345)
Receivable for securities sold				3,892,855
Investment income receivable				3,486,936
Total Pension Plan net assets				\$ 747,206,934
Master Trust				
Total Master Trust investments, at fair value	\$ 1,357,318,752	\$ 1,361,028,273	\$ 3,154,541	\$ 2,721,501,566
Adjustment from fair value to Contract value for fully benefit-responsive investment contract				9,207,368
Receivable for Securities sold and purchased (net) and investment income				3,584,264
Master Trust net assets				\$ 2,734,293,198

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 5 FAIR VALUE MEASUREMENT (continued)

The following is a reconciliation of the investments in which significant unobservable inputs (Level 3) were used in determining fair value measurements:

	Corporate Debt Securities	Venture Capital and Partnerships	Total Master Trust Level 3 Investments
Beginning balance, as of January 1, 2010	\$ 4,344,633	\$ 3,927,302	\$ 8,271,935
Gains/losses realized/unrealized	118,180	(772,761)	(654,581)
Purchases, issuances, and settlements	(2,104,022)	-	(2,104,022)
Transfers (Out) of Level 3	(2,358,791)	-	(2,358,791)
Ending balance, as of December 31, 2010	-	3,154,541	3,154,541
Unrealized depreciation	-	(1,652,686)	(1,652,686)
Ending balance, as of December 31, 2011	<u>\$ -</u>	<u>\$ 1,501,855</u>	<u>\$ 1,501,855</u>

The unrealized depreciation is included in the net (depreciation) appreciation in the fair value of investments in UBS Financial Services, Inc. Master Investment Trust reported within the Statements of Changes in Net Assets Available for Benefits.

There were no transfers between levels in 2011.

Transfer of Level 3 Assets in 2010

Corporate bond securities of \$2,358,791 were transferred out of Level 3 and into Level 2 when it was determined that the bonds were priced using the discounted cash flows method. The inputs to this method can be considered to be observable market-based data which is the criteria for Level 2. The Master Trust recognizes transfers at the end of the reporting period.

Transfer of Level 1 and Level 2 Assets in 2010

Short-term investments of \$15,959,196 were transferred out of Level 1 and into Level 2. It was determined the investments were not priced daily or listed on an active market. The investments are priced at net asset value using inputs that corroborate the value with observable market based data. The Master Trust recognizes transfers at the end of the reporting period.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 6 INVESTMENT CONTRACTS WITH INSURANCE COMPANIES

The Stable Value Portfolio (the Fund) holds investments in synthetic (GICs), commingled funds, and cash and cash equivalents. These contracts provide for the payment of a specified rate of interest to the portfolio and for the repayment of principal when the contract matures. Contract value represents contributions to the Fund plus interest accrued less redemptions. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 0% percent. The interest rates for the years ended December 31, 2011 and 2010 ranged from 0.48% to 0.50% and 0.50% to 0.75%, respectively. Generally, interest rates reset monthly.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include all or some of the following: (i) amendments to the Plan documents or the Plan's administration, including reduction or elimination of employer matching contributions; (ii) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions; (iii) complete or partial termination of the Plan or its merger with another plan; (iv) the failure of the Plan or the Master Trust to qualify for exemption from Federal income taxes or any required prohibited transaction exemption under ERISA; (v) unless made in accordance with the withdrawal provisions of the Plan, the withdrawal from the contract resulting from events at the direction of the Plan sponsor (employer-initiated event) such as withdrawals due to the removal of a specifically identifiable group of employees from coverage under the participating plan (such as a group layoff or early retirement incentive program), or the closing or sale of a subsidiary, employing unit or affiliate, the bankruptcy or insolvency of a Plan sponsor, Fund, Trustee, or Investment Manager, the merger of the Plan with another plan, or the Plan sponsor's establishment of another tax qualified defined contribution plan; (vi) any change in law, regulation, ruling, administrative, or judicial position or accounting requirement, in any case applicable to the Plan or Fund, and (vii) the delivery of any communication to Plan participants designed to influence a participant not to invest in the Fund. Based on information provided by the investment manager, the Company does not believe that the occurrence of any such events that would limit the Plan's ability to transact at contract value with participants is probable.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 6 INVESTMENT CONTRACTS WITH INSURANCE COMPANIES *(continued)*

These contracts are subject to certain restrictions or penalties in the event of early withdrawal or liquidation.

	December 31,	
	2011	2010
<i>Average yields</i>		
Based on actual earnings	2.185%	1.22%
Based on interest rate credited to participants	0.57%	0.41%

NOTE 7 RISKS AND UNCERTAINTIES

The Plan invests in various investment instruments, which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 8 RELATED-PARTY TRANSACTIONS

The Plan invests in the common stock of the Company. In addition, certain Plan investments are shares/units of mutual funds and short-term investments managed by the Trustee. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA. During 2011 and 2010, the Plan did not receive any common stock dividends from the Company.

NOTE 9 INCOME TAX STATUS

The Plan has received a determination letter from the IRS dated March 20, 2008, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code, and therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 9 INCOME TAX STATUS *(continued)*

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Company believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 10 NET TRANSFERS

During 2011, the net transfers consisted of the following:

- a. Twenty-seven employees transferred from the Company to UBS Investment Bank (UBS IB) and consequently became covered under the UBS Savings and Investment Plan (the UBS Savings Plan). Assets of \$2,785,866 were transferred from the Plan to the UBS Savings Plan during 2011.
- b. Fifteen employees transferred from UBS IB to the Company and consequently became covered under the Plan. Assets of \$1,604,565 and outstanding loans of \$112,986 were transferred from the UBS Savings Plan to the Plan during 2011.

During 2010, the net transfers consisted of the following:

- a. Twenty-eight employees transferred from the Company to UBS IB and consequently became covered under the UBS Savings Plan. Assets of \$1,964,887 and outstanding loans of \$42,462 were transferred to the UBS Savings Plan from the Plan during 2010.
- b. Nineteen employees transferred from UBS IB to the Company and consequently became covered under the Plan. Assets of \$833,492 were transferred to the Plan from the UBS Savings Plan during 2010.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 11 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of:

	December 31,	
	2011	2010
Net assets available for benefits per the financial statements	\$ 2,001,184,958	\$ 2,060,862,602
<i>Less:</i> Benefits payable to participants	(1,404,774)	(1,454,629)
<i>Less:</i> Adjustment from contract value to fair value for fully benefit-responsive investment contracts	(6,012,369)	(9,050,843)
Net assets available for benefits per the Form 5500	<u>\$ 1,993,767,815</u>	<u>\$ 2,050,357,130</u>

The accompanying financial statements present fully benefit-responsive investment contracts at contract value. The Form 5500 requires fully benefit-responsive investment contracts to be reported at fair value; therefore, the adjustment from contract value to fair value for fully benefit-responsive investment contracts represents a reconciling item.

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the years ended:

	December 31,	
	2011	2010
Benefits paid to participants per the financial statements	\$ 133,220,590	\$ 220,245,747
<i>Add:</i> Rollovers	58,838,388	80,979,771
<i>Add:</i> Amounts allocated to withdrawing participants – current year	1,404,774	1,454,629
<i>Less:</i> Amounts allocated to withdrawing participants – prior year	(1,454,629)	(3,315,431)
Benefits paid to participants per the Form 5500	<u>\$ 192,009,123</u>	<u>\$ 299,364,716</u>

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 11 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500
(continued)

The following is a reconciliation of total additions per the financial statements to total income per the Form 5500 for the years ended:

	December 31,	
	2011	2010
Total additions per the financial statements	\$ 135,785,210	\$ 410,952,211
<i>Add:</i> Adjustment from contract value to fair value for fully benefit-responsive investment contracts	3,038,474	8,206,224
<i>Less:</i> Administrative expenses	(2,335,561)	(3,525,237)
Total income per the Form 5500	\$ 136,488,123	\$ 415,633,198

NOTE 12 SUBSEQUENT EVENTS

Retirement Contribution Formula Change

Effective January 1, 2012, the maximum retirement contribution provided to participants was decreased to 3.5% of eligible compensation (up to the IRC compensation limit) for 15 or more years of service. The amended retirement contribution schedule is as follows:

Years of Service as of January 1 of the Plan Year	Percentage of Eligible Compensation up to \$250,000
Less than 5 years	1.5%
5 but less than 10 years	2.0%
10 but less than 15 years	3.0%
15 or more years	3.5%

401(k) Match

Effective January 1, 2012, the firm's matching contribution formula and eligible match recipients was changed. The matching formula was changed to 75% of the first 4% of eligible employee contributions, up to a \$3,000 maximum contribution. Matching contributions were eliminated for employees earning \$250,000 or more during the Plan year.

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 12 **SUBSEQUENT EVENTS** *(continued)*

IRS Determination Filing

As of January 2012, the plan was amended and restated. On January 31, 2012, the Plan filed an Application for Determination of Employee Benefit Plan (Form 5300).

SUPPLEMENTAL SCHEDULE

UBS FINANCIAL SERVICES INC. 401(K) PLUS PLAN

EIN: 13-2638166

Plan #: 002

Schedule H, Line 4(i)—Schedule of Assets (Held at End of Year)

As of December 31, 2011

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Current Value
Participants loans*	0-20 years maturity at 5.25% for 2011	\$ 22,955,698

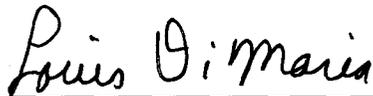
**Party-in-interest.*

Cost information is not required because investments are participant-directed.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Benefits Appeals Committee of the UBS Financial Services Inc. 401(k) Plus Plan has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

UBS Financial Services, Inc.

Handwritten signature of Louis DiMaria in cursive script.

Louis DiMaria
Chairperson, Benefits Appeals Committee

Date: June 28, 2012

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-127183 & No. 333-178539 pertaining to the UBS Financial Services Inc. 401(k) Plus Plan of UBS Financial Services, Inc. of our report dated June 28, 2012, with respect to the financial statements and supplemental schedule of the UBS Financial Services Inc. 401(k) Plus Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2011.

Mitchell & Titus, LLP

June 28, 2012
New York, New York

Mitchell & Titus, LLP

© Mitchell & Titus, LLP
All Rights Reserved.

www.mitchelltitus.com

Stock No. S144MT

