



Unione di Banche Italiane S.c.p.a.

(incorporated as a joint stock co-operative society in the Republic of Italy under registered number 03053920165 in the Bergamo Company Register)

Euro 15,000,000,000 Debt Issuance Programme

This Supplement (the **Supplement**) to the Prospectus dated 13 August 2010 (the **Prospectus**), as previously supplemented by a supplement dated 3 September 2010, which together comprise a base prospectus under Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**) and is prepared in connection with the Euro 15,000,000,000 Debt Issuance Programme (the **Programme**) of Unione di Banche Italiane S.c.p.a. (the **Issuer** or **UBI Banca**).

The Supplement is supplemental to, and shall be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuer. Terms defined in the Prospectus have the same meaning when used in this Supplement.

The Issuer accepts responsibility for the information in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been produced to disclose the following:

- (a) the consolidated balance sheet and consolidated income statement in respect of the consolidated financial results of the Issuer for the financial year ending 31 December 2010. This information is provided in addition to the financial information set out in the section entitled "*Summary Consolidated Financial*" on pages 50 to 54 (inclusive) of the Prospectus and has been extracted from the Issuer's press release dated 28 March 2011; and
- (b) a proposal by the Issuer to increase its share capital. This information is provided in addition to the description of the Issuer contained in the section entitled "*UBI Banca and the UBI Banca Group*" on pages 55 to 70 (inclusive) of the Prospectus.

Copies of the Prospectus, this Supplement and of documents containing information incorporated by reference in the Prospectus may be obtained from the registered office of the Issuer and the Issuer's website (<http://www.ubibanca.it>).

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in, or incorporated by reference into, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus. An investor should be aware of its rights arising pursuant to Section 87Q(4) of the FSMA.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

On 28 March 2011, the Management Board of the Issuer approved the Issuer's unaudited consolidated financial results for the financial year ending 31 December 2010, to be submitted for approval by the Issuer's

Supervisory Board on 13 April 2011. The Issuer's consolidated financial statements for the financial year ending 31 December 2010 will be published in Italian, together with the audit report of KPMG S.p.A. thereon, following approval by the Supervisory Board. An English translation of the such consolidated financial statements and the auditors' report thereon will subsequently be published.

The following tables present balance sheet and income statement information extracted from the Issuer's press release dated 28 March 2011 in respect of the Issuer's consolidated financial results as at and for the year ending 31 December 2010. The financial information set out below has been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union and as implemented under the Bank of Italy's instructions contained in Circular No. 262 of 22 December 2005 (as amended from time to time) and related transitional regulations in Italy (IFRS). All figures are in thousand euro unless otherwise stated.

UNAUDITED CONSOLIDATED BALANCE SHEET

ASSETS

(Figures in thousands of euro)

	31.12.2010	31.12.2009
Cash and cash equivalents	609,040	683,845
Financial assets held for trading	2,732,751	1,575,764
Financial assets at fair value	147,286	173,727
Available-for-sale financial assets	10,252,619	6,386,257
Loans to banks	3,120,352	3,278,264
Loans to customers	101,814,829	98,007,252
Hedging derivatives	591,127	633,263
Fair value change in hedged financial assets	429,073	301,852
Equity investments	368,894	413,943
Property, equipment and investment property	2,112,664	2,106,835
Intangible assets	5,475,385	5,523,401
<i>of which:</i>		
- goodwill	4,416,660	4,401,911
Tax assets:	1,723,231	1,580,187
a) current	650,177	744,435
b) deferred	1,073,054	835,752
Non-current assets and disposal groups held for sale	8,429	126,419
Other assets	1,172,889	1,522,214
TOTAL ASSETS	130,558,569	122,313,223

LIABILITIES AND EQUITY

(Figures in thousands of euro)

	31.12.2010	31.12.2009
Due to banks	5,383,977	5,324,434
Due to customers	58,666,157	52,864,961
Securities issued	48,093,888	44,349,444
Financial liabilities held for trading	954,423	855,387
Hedging derivatives	1,228,056	927,319
Tax liabilities:	993,389	1,210,867
a) current	441,433	558,997
b) deferred	551,956	651,870
Liabilities associated with activities under disposal	-	646,320
Other liabilities	2,600,165	3,085,006
Post employment benefits	393,163	414,272
Provisions for risks and charges:	303,572	285,623
a) pension and similar obligations	68,082	71,503
b) other provisions	235,490	214,120
Fair value reserves	(253,727)	235,043
Reserves	2,362,382	2,207,863
Share premiums	7,100,378	7,100,378
Share capital	1,597,865	1,597,865
Minority interests	962,760	938,342
Profit for the year	172,121	270,099
TOTAL LIABILITIES AND EQUITY	130,558,569	122,313,223

UNAUDITED CONSOLIDATED INCOME STATEMENT

(Figures in thousands of euro)

	31.12.2010	31.12.2009
Interest and similar income	3,525,312	4,213,948
Interest expense and similar	(1,378,714)	(1,718,320)
Net interest income	2,146,598	2,495,628
Commission income	1,378,117	1,329,184
Commission expense	(196,892)	(199,009)
Net commission income	1,181,225	1,130,175
Dividends and similar income	24,099	10,609
Net trading income (loss)	(56,891)	13,864
Net hedging income	67,209	15,960
Income/expense from disposal or repurchase of:	17,057	122,115
a) loans	(3,850)	(81)
b) available-for-sale financial assets	31,245	30,516
c) held-to-maturity investments	-	37,441
d) financial liabilities	(10,338)	54,239
Net income/expense on financial assets and liabilities at fair value	6,669	(25,151)
Gross income	3,385,966	3,763,200
Net impairment losses on:	(756,653)	(914,371)
a) loans	(706,932)	(865,211)
b) available-for-sale financial assets	(42,364)	(43,883)
d) other financial transactions	(7,357)	(5,277)
Net financial income	2,629,313	2,848,829
Net insurance premiums	-	169,176
Other income/expense of insurance operations	-	(149,127)
Net income from banking and insurance operations	2,629,313	2,868,878
Administrative expenses	(2,375,174)	(2,415,610)
a) personnel expenses	(1,451,584)	(1,477,200)
b) other administrative expenses	(923,590)	(938,410)
Net provisions for risks and charges	(27,209)	(36,932)
Net impairment losses on property, equipment and investment property	(109,838)	(117,408)
Net impairment losses on intangible assets	(130,500)	(150,770)
Other net operating income	239,430	235,042
Operating expenses	(2,403,291)	(2,485,678)
Profits (losses) of equity investments	99,027	35,578
Net impairment losses on goodwill	(5,172)	-
Profits (losses) on disposal of investments	14,458	100,099
Pre-tax profit (loss) from continuing operations	334,335	518,877
Taxes on income for the year from continuing operations	(231,980)	(236,885)
Post-tax profit (loss) from continuing operations	102,355	281,992
Post-tax profit (loss) from discontinued operations	83,368	5,155
Profit for year	185,723	287,147
Profit for the year attributable to minority interests	(13,602)	(17,048)
Profit for the year attributable to the shareholders of the Issuer	172,121	270,099

PROPOSAL TO INCREASE THE ISSUER'S SHARE CAPITAL

The Management Board of UBI Banca has resolved, with the approval of the Supervisory Board, to submit for examination and approval to UBI Banca's shareholders' meeting to be held at first call on 29 April 2011 or at second call on 30 April 2011, a request to be granted authority to increase the Issuer's share capital by an amount of up to €1 billion. The new shares to be issued pursuant to the share capital increase would be offered on a pre-emptive basis to shareholders and holders of certain convertible bonds of UBI Banca. If approved, the share capital increase is expected to take place during the coming months, subject to market conditions and authorisation by the relevant authorities.

The proposal for the share capital increase arises from a review by UBI Banca of its capital situation in light of recent developments relating to the expected new capital adequacy requirements pursuant to the Basel III rules on capital eligibility, market trends and changes in the macro economic situation, together with the imminent launch of a new business plan by UBI Banca.

If the proposed increase in share capital is successfully completed, and taking into account the development of liquidity, the UBI Banca Group will evaluate whether to call, subject to authorisation from the competent authorities, certain outstanding innovative capital instruments with an aggregate nominal amount of €43.46 million, which may cease to qualify as Tier 1 capital from the end of 2012.

Currently, approximately 94 per cent. of the Group's consolidated Tier 1 capital is Core Tier 1 capital, with the remaining 6 per cent. composed of innovative capital instruments. Based on figures available at 31 December 2010, if the proposed increase in share capital is successfully completed, the Issuer anticipates a consolidated Core Tier 1 ratio of 8.01 per cent., a consolidated Tier 1 ratio of 8.53 per cent. and a consolidated total capital ratio of 12.23 per cent.

Mediobanca – Banca di Credito Finanziario S.p.A. will underwrite (in accordance with the usual terms and conditions for similar transactions) any new shares which are not subscribed for at the end of the share capital increase offer period.