

**SUPPLEMENT DATED 12 AUGUST 2016
TO THE BASE PROSPECTUS APPROVED ON 28 JULY 2016**



UNIONE DI BANCHE ITALIANE S.P.A.

(incorporated as a joint stock company in the Republic of Italy

and registered at the Companies' Registry of Bergamo under registration number 03053920165)

Euro 15,000,000,000 Debt Issuance Programme

This document constitutes a supplement (the “**Supplement**”) to the prospectus dated 28 July 2016 (the “**Prospectus**”), which constitutes a base prospectus under Article 5.4 of Directive 2003/71/EC, which includes the amendments made by Directive 2010/73/EU (the “**Prospectus Directive**”) and is prepared in connection with the Euro 15,000,000,000 Debt Issuance Programme (the “**Programme**”) of Unione di Banche Italiane S.p.A. (the “**Issuer**” or “**UBI Banca**”).

This Supplement is supplemental to, and shall be read in conjunction with, the Prospectus and any other supplement to the Prospectus prepared by the Issuer under the Programme. Terms defined in the Prospectus have the same meaning when used in this Supplement, unless they have been specifically defined herein.

This Supplement has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

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: (i) incorporate by reference (a) the press release published on 5 August 2016 in relation to the consolidated results of the Issuer as at and for the six months ended on 30 June 2016, and (b) the press release published on 29 July 2016 regarding the EU-wide stress tests conducted by the European Banking Authority in relation to the Issuer; and (ii) update the following sections of the Prospectus: (a) “*Documents incorporated by reference*”, (b) “*UBI Banca and the UBI Banca Group*”, (c) “*Taxation*” and (d) “*General Information*”.

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DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the first two paragraphs of section “*Documents incorporated by reference*”, on page 32 of the Prospectus (underlined words show the insertions made):

“*This Base Prospectus should be read and construed in conjunction with the following information, which has been previously published or filed with the Central Bank:*

(a) *the press release dated 5 August 2016 regarding the Issuer’s consolidated results as at 30 June 2016;*

<http://www.ubibanca.it/pagine/Press-Releases-EN-2.aspx>

(b) *the press release dated 29 July 2016 regarding the EU-wide stress test conducted by the European Banking Authority in relation to the Issuer;*

<http://www.ubibanca.it/pagine/Press-Releases-EN-2.aspx>

(c) *the audited consolidated financial statements of UBI Banca as at and for the financial year ended 31 December 2015, together with the audit report thereon;*

http://www.ubibanca.it/contenuti/RigAlle/2015_Consolidated%20financial%20statements%20and%20notes%20to%20the%20consolidated%20accounts%20of%20UBI%20BancaSpa.pdf

(d) *the audited consolidated financial statements of UBI Banca as at and for the financial year ended 31 December 2014, together with the audit report thereon;*

<http://www.ubibanca.it/contenuti/RigAlle/2014%20Consolidated%20Financial%20Report.pdf>

(e) *the unaudited consolidated quarterly financial statements of UBI Banca as at and for the three months ended 31 March 2016;*

http://www.ubibanca.it/contenuti/RigAlle/UBI_2016_5_17_00%20bilancio%20marzo%202016_ing.pdf

and

(f) *the Terms and Conditions set out in the base prospectus dated 30 July 2015 relating to the Programme;*

<http://www.ubibanca.it/contenuti/RigAlle/Base%20Prospectus%20-%20Final%20Version.pdf>

Items (a) to (f) above are contained in the press release dated 5 August 2016 regarding the Issuer’s consolidated results as at 30 June 2016, the press release dated 29 July 2016 regarding the EU-wide stress test conducted by the European Banking Authority in relation to the Issuer, the UBI Banca Report and Accounts 2015, the UBI Banca Report and Accounts 2014, the UBI Banca Quarterly Financial Report at 31 March 2016 and the prospectus dated 30 July 2015 relating to the Programme, respectively, at the pages set out in the cross reference tables below.”

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On page 33 of the Prospectus, the following tables are included after the table headed “*Prospectus dated 30 July 2015*”:

“***Press release dated 5 August 2016 regarding the Issuer’s consolidated results as at 30 June 2016***

UBI Banca Group: consolidated balance sheet – mandatory statement Page 16

UBI Banca Group: consolidated income statement – mandatory statement Page 17

Press release dated 29 July 2016 regarding the EU-wide stress test conducted by the European Banking Authority in relation to the Issuer

Press release dated 29 July 2016 regarding the EU-wide stress test conducted by the European Banking Authority in relation to the Issuer *Entire Document”*

UBI BANCA AND THE UBI BANCA GROUP

On page 93, at the end of the paragraph headed “Recent developments”, a new paragraph is added as follows:

“EU-wide stress test conducted by the European Banking Authority

UBI Banca was subject to the 2016 EU-wide stress test conducted by the European Banking Authority (EBA), in cooperation with the European Central Bank (ECB) and Bank of Italy, the European Commission (EC) and the European Systemic Risk Board (ESRB). The exercise was carried out across 51 banks, of which 5 Italian, covering approx. 70% of total banking assets in Europe.

Results of the 2016 EU-wide stress test in relation to UBI Banca Group:

ADVERSE SCENARIO	CET1 ratio as at 31/12/2015	Delta to fully loaded as at 31/12/2015	Stress test impact	Total impact as at 31/12/2018	Fully loaded CET1 ratio as at 31/12/2018
<i>Phased-in CET1 ratio</i>	12.08%	-0.46%	-2.77%	-3.23%	8.85%
<i>Fully loaded CET1 ratio</i>	11.62%		-2.77%	-2.77%	8.85%

BASELINE SCENARIO	CET1 ratio as at 31/12/2015	Delta to fully loaded as at 31/12/2015	Stress test impact	Total impact as at 31/12/2018	Fully loaded CET1 ratio as at 31/12/2018
<i>Phased-in CET1 ratio</i>	12.08%	-0.46%	1.39%	0.93%	13.01%
<i>Fully loaded CET1 ratio</i>	11.62%		1.39%	1.39%	13.01%”

* * * * *

On page 100, the paragraph headed “General Management”, is deleted and replaced as follows:

“General Management

Name

Position

Victor Massiah

General Manager

Elvio Sonnino

Senior Deputy General Manager

Rossella Leidi

Deputy General Manager

Frederik Geertman

Deputy General Manager”

TAXATION

On pages 109 of the Prospectus, the paragraph headed “*Implementation in Italy of the Savings Directive*” is deleted and replaced as follows:

“Implementation in Italy of the Savings Directive

*Italy originally implemented the Savings Directive through Legislative Decree No. 84 of 18 April 2005 (“**Decree No. 84**”). Under Decree No. 84, subject to a number of important conditions being met, for interest paid from 1 July 2005 to individuals qualifying as beneficial owners of the interest payment and resident for tax purposes in another Member State, Italian qualified paying agents had to report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and had to not apply the withholding tax. Such information were transmitted by the Italian Tax Authorities to the competent foreign tax Authorities of the State of residence of the beneficial owner.*

With Law No. 114 of 9 July 2015, the Italian Parliament delegated the Government to implement Council Directive 2014/107/EU into domestic legislation (Council Directive 2011/16/EU has already been implemented in Italy through Legislative Decree No. 29 of 4 March 2014). The Minister of Economy and Finance issued the Decree of 28 December 2015 (published in the Official Gazette No. 303 of 31 December 2015) to implement Directive 2014/107/EU.

Finally, Decree No. 84 has been repealed with effect from 1 January 2016 by Article 28 of Law No. 122 of 7 July 2016, in order to implement the Council Directive 2015/2060/EU. Transitional rules have been introduced to deal with certain obligations arising from the previous legislation.”

GENERAL INFORMATION

On pages 124-125 of the Prospectus, paragraph (9) is deleted and replaced as follows:

“(9) For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available in hard copy (in English translation where necessary) during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and the specified office of the Paying Agent in London:

- (i) the Trust Deed (which includes the forms of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
- (ii) the Agency Agreement;
- (iii) the by-laws (Statuto) of UBI Banca with certified English translation;
- (iv) the press release dated 5 August 2016 regarding the Issuer’s consolidated results as at 30 June 2016;
- (v) the press release dated 29 July 2016 regarding the EU-wide stress test conducted by the European Banking Authority in relation to the Issuer;
- (vi) the audited consolidated financial statements of UBI Banca for the financial years ended 31 December 2014 and 31 December 2015;
- (vii) the unaudited quarterly consolidated financial statements of UBI Banca for the three months ended 31 March 2016;
- (viii) each Final Terms; and
- (ix) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus.”

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The language of this Supplement is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them.

Copies of the Prospectus and this Supplement may be obtained from the registered office of the Issuer and on the Issuer's website (<http://www.ubibanca.it>). The contents of the Issuer's website do not form part of this Supplement.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by 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.