SUPPLEMENT DATED 5 JULY 2017 TO THE BASE PROSPECTUS APPROVED ON 28 JULY 2016 AS SUPPLEMENTED ON 12 AUGUST 2016, ON 26 JANUARY 2017, ON 1 MARCH 2017, ON 6 MARCH 2017 AND ON 12 APRIL 2017

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, as supplemented on 12 August 2016, on 26 January 2017, on 1 March 2017, on 6 March 2017 and on 12 April 2017 (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) update the section of the Prospectus entitled "*Risk Factors*"; (ii) incorporate by reference in the Prospectus the audited consolidated annual financial statements of the Issuer as at and for the year ended on 31 December 2016 contained in the Issuer's reports and accounts 2016, together with the audit report thereon ("**Issuer's Reports and Accounts 2016**"), the Issuer's Interim Financial Report as at and for the period ended on 31 March 2017 ("**Issuer's Interim Financial Report**") and certain press releases of the Issuer, (iii) update the section of the Prospectus entitled "*Information Incorporated by Reference*" in order to include reference to the Issuer's Reports and Accounts 2016, the Issuer's Interim Financial Report and some press releases recently published by the Issuer; (iv)update the section entitled "*The Issuer*" in order to include some additional paragraphs among the "*Recent developments*"; and (v) update the section entitled "*General Information*" included in the Prospectus.

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RISK FACTORS

Under the section headed "*Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme*", starting from page 12 of the Prospectus, the following new paragraph is added:

*"**Risks relating to the acquisition of the Target Bridge Institutions***

*On 10 May 2017, the Issuer completed the acquisition (the "**Acquisition**") of the entire share capital of Nuova Banca delle Marche S.p.A., Nuova Banca dell'Etruria e del Lazio S.p.A. and Nuova Cassa di Risparmio di Chieti S.p.A. (the "**Target Bridge Institutions**") pursuant to the purchase agreement entered into on 18 January 2017, (the "**Acquisition Agreement**") by and between the Issuer and the Bank of Italy, on behalf of, and in its capacity as managing entity for, the Italian National Resolution Fund (Fondo Nazionale di Risoluzione) (the "**Seller**").*

*In addition to the standard risks relating to acquisition transactions, the Acquisition involves specific risks deriving from the past activities of the Target Bridge Institutions. Specifically, the Target Bridge Institutions were formed as "bridge bank institutions" to hold certain assets and liabilities of the Old Banks (as defined below) in connection with the resolution of Banca delle Marche S.p.A., Banca Popolare dell'Etruria e del Lazio S.c.p.a. and Cassa di Risparmio della Provincia di Chieti S.p.A. (collectively, the "**Old Banks**") pursuant to the BRRD and national implementing legislation. Each of the Old Banks is currently under mandatory administrative liquidation (risoluzione coatta amministrativa).*

In the context of extraordinary administration (amministrazione straordinaria) and as a result of the inspections previously carried out by the Bank of Italy and CONSOB in relation to the Old Banks, both the supervisory authorities and provisional administrative bodies (organi commissariali) identified management deficiencies; inadequate corporate, organisational, administrative and accounting structures within the banks and their subsidiaries; as well as the violation of regulations regarding the provision of banking and financial services to customers. On the basis of such deficiencies and inadequacies, each Old Bank was put into extraordinary administration and administrative fines were imposed on members of the bank's management and control bodies.

*In light of the deficiencies and inadequacies indicated above and the gradual reduction in the share capital of the Old Banks – which was exacerbated by the lengthy recession of the Italian economy, against the broader background of the financial and economic crisis in Europe – the Bank of Italy initiated the procedure for the financial recovery of the Old Banks based on a programme which included the following measures: (i) the total reduction of reserves and share capital and nominal value of class 2 elements eligible for computation in own funds of the Old Banks with the aim of partially covering losses; (ii) the establishment of the Target Bridge Institutions as "bridge institutions" with the aim of ensuring continuity in the credit and financial services already provided by the Old Banks pursuant to Article 42 of Legislative Decree 180/2015; (iii) the transfer of all rights, assets and liabilities constituting the banking businesses of the Old Banks to the respective New Bank, with the exception of subordinated debt which is not eligible for computation as own funds issued by the relevant distressed bank; (iv) the establishment of a special purpose vehicle (i.e., REV – Gestione Crediti S.p.A. "**REV**"), whose share capital is held by the Bank of Italy, for the purpose of acquiring the bad loan (sofferenze) assets held by the bridge institution, pursuant to Article 46 of Legislative Decree 180 of 16 November 2015.*

The Target Bridge Institutions – which were incorporated in November 2015 – recorded substantial losses due to, inter alia, adjustments to their asset value and the fact that their incorporation formed part of the first resolution of distressed banks in the Italian market, and the media effects of this event had an impact on reputation, customers and deposits, affecting the ability to recover confidence in the institutions.

Losses incurred by the Target Bridge Institutions (or their businesses) in the current fiscal year and/or in the future, could result in a material adverse effect on the Issuer and/or the Group's business, financial condition and results of operations.

In addition, changes in the regulatory and macroeconomic landscape as well as in the Group's banking insurance, financial and real estate market performance, could result in the need for further adjustments or write downs or additional incurred costs, resulting in a material adverse effect on the Group and/or the Group's business, financial condition, results of operations and business prospects.

Further administrative fines were imposed on members of the management and control bodies of the Old Banks as a result of significant management, organization, administrative and accounting structure deficiencies, as well as violation of the regulation applicable to the provision of banking and financial services to customers.

Third parties may start legal proceedings against the Target Bridge Institutions based on, or connected with, the findings of the competent Supervisory Authorities and/or the related sanctions. Such third parties include clients, creditors and other contractual counterparties of the Old Banks as well as shareholders and underwriters of other financial instruments (e.g., shares or bonds) issued and placed by the Old Banks as part of their banking and financial services to customers. These third parties, including those which have already filed claims, may use the findings of the inspection carried out by the Supervisory Authorities and the activities of provisional administrative bodies to start legal proceedings against the Issuer or to further corroborate or support their existing claims or pending proceedings.

If such proceedings were to have a negative outcome and the provisions for risk and charges recorded in the financial statements of the Target Bridge Institutions and/or the indemnity obtained under the Acquisition Agreement were to be insufficient to cover ensuing losses, the Issuer would suffer a material negative impact on its business, financial condition and results of operations.

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DOCUMENTS INCORPORATED BY REFERENCE

Issuer's Reports and Accounts 2016

By virtue of this Supplement, the English language version of the Issuer's Reports and Accounts 2016, which has previously been published and have been filed with the Central Bank of Ireland, is incorporated by reference in, and form part of, the Prospectus.

The Issuer's Reports and Accounts 2016 have been previously published or filed with the Irish Stock Exchange ("**ISE**") and are available on the website of the ISE and both in their original version in Italian and translated into English on the website of the Issuer *http://www.ubibanca.it/pagine/2016_Financial_Statements.aspx*) and, free of charge, during usual business hours on any weekday (except for Saturdays, Sundays and public holidays in Italy) at the registered office of the Issuer. The English language version represents an accurate and direct translation from the Italian language document, and where there is a discrepancy between the Italian and the English version, the former shall prevail.

The following table shows, *inter alia*, the information that can be found in the Issuer's Reports and Accounts 2016 incorporated into the Prospectus.

Issuer's Reports and Accounts 2016	**As at 31 December 2016**

Consolidated financial statements of the Issuer

Auditors' Report	Pages	197-201
Consolidated Balance Sheet	Page	86 and 202
Consolidated Income Statement	Page	88 and 203
Consolidated Statement of Comprehensive Income	Page	204
Statement of Changes in Consolidated Equity	Pages	205
Consolidated Statement of Cash Flows	Page	207
Explanatory Notes	Pages	209-479

Any other information not listed above but contained in the Issuer's Reports and Accounts 2016 is not incorporated by reference and is either not relevant for the investor or it is covered elsewhere in the Prospectus.

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Issuer's Interim Financial Report

By virtue of this Supplement, the English language version of the Issuer's Interim Financial Report, which has previously been published and have been filed with the Central Bank of Ireland, is incorporated by reference in, and form part of, the Prospectus.

The Issuer's Interim Financial Report has been previously published or filed with the Irish Stock Exchange ("**ISE**") and is available on the website of the ISE and both in their original version in Italian and translated into English on the website of the Issuer (*http://www.ubibanca.it/pagine/2017_Financial_Statements.aspx*) and, free of charge, during usual business hours on any weekday (except for Saturdays, Sundays and public holidays in Italy) at the registered office of the Issuer. The English language version represents an accurate and direct translation from the Italian language document, and where there is a discrepancy between the Italian and the English version, the former shall prevail.

The following table shows, *inter alia*, the information that can be found in the Issuer's Interim Financial Report incorporated into the Prospectus.

Issuer's Interim Financial Report	**As at 31 March 2017**	
Consolidated financial statements of the Issuer		
Consolidated Balance Sheet	Pages	27-28 and 94
Consolidated Income Statement	Pages	29-30 and 95
Consolidated Statement of Comprehensive Income	Page	95
Statement of Changes in Consolidated Equity	Page	96
Consolidated Statement of Cash Flows	Page	98

Any other information not listed above but contained in the Issuer's Interim Financial Report is not incorporated by reference and is either not relevant for the investor or it is covered elsewhere in the Prospectus.

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In addition, the following documents which have previously been published and have been filed with the Central Bank of Ireland shall be incorporated, by virtue of this Supplement, by reference in, and forms part of, the Prospectus:

Document	**Information Incorporated**	**Page Reference**
Press release "The merger project of the bridge banks into UBI Banca has been approved" dated 11 May 2017 Goo.gl/5bsNKm	Press release	Entire document

Copies of the above press release (the "**Press Release**") incorporated by reference into this Prospectus may be obtained from the registered office of the Issuer and the Issuer's website (at http://www.ubibanca.it/pagine/Press-Releases-EN-2.aspx).

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THE ISSUER

At the end of the paragraph headed "*UBI Banca and the UBI Banca Group recent developments*" commencing on page 90 of the Prospectus, the following new paragraphs are added:

"Update of the UBI business plan to include Nuova Banca Marche, Nuova Banca Etruria and Nuova Carichieti (the "Target Bridge Institutions")"

Following receipt of the necessary authorisation for the purchase of the three Target Bridge Institutions from the ECB and the signing which took place on the afternoon of 10 May, UBI presented an update of its Business Plan for the "Combined Entity" (i.e. the UBI Banca Group plus the three Target Bridge Institutions and their respective perimeter of consolidation). The new 2017-2020 Business Plan confirms the strategic guidelines of UBI Banca's stand alone 2019/2020 Business Plan and these will be rolled out across the Target Bridge Institutions and their respective perimeter of consolidation. The plan is based, in particular, on the following four key cornerstones:

(i) *the "Single Bank" approach set out in the 2019/2020 Business Plan will apply across the Combined Entity, on the basis of which the Group's seven network banks were merged into UBI Banca in 2016 and the first months of 2017, and the three Target Bridge Institutions that have also been merged into UBI Banca;*

(ii) *evolution of the Groups' commercial approach by:*
   - *(a) confirmation of the integrated multi-channel approach (to be completed by the end of 2017) to (i) enable customers to access the bank continuously and operate without distinction on all available channels and (ii) to allow the bank to reach customers with targeted commercial proposals;*
   - *(b) the formulation of a dedicated customer segment based strategy ("Individuals and Households", "Affluent and Private Banking" and "Business" segments), as a result of, amongst other factors, market trends, as described in the press release dated 27 June 2016;*

(iii) *consolidation of the Group's structural strengths, by means of:*
   - *(a) confirmation of an asset quality amongst the best in the sector and the provision of adequate coverage for problem loans;*
   - *(b) continuation and acceleration of activities to rationalise the cost base; and*

maximisation of key profitability and efficiency indicators, alongside maintaining a balanced capital and financial structure".

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The Management Board has approved the final conditions of the share capital increase with option rights

*On 7 June 2017, the Management Board of UBI Banca, after having obtained the prior authorisation of the Supervisory Board, has set the final conditions for the share capital increase in execution of the mandate pursuant to Article 2443 of the Italian Civil Code granted by the Shareholders' Meeting held on 7 April 2017, and it has also set the timetable for the offering of new shares to existing shareholders by way of pre-emptive subscription rights in connection with the newly issued shares (the "**Rights Offering**").*

More specifically, pursuant to the Rights Offering, UBI has decided to issue a maximum of 167,006,712 new ordinary shares of UBI Banca, with no par value, of the same class of its existing ordinary shares and with normal dividend entitlement, to be offered, pursuant to transferable pre-emptive subscription *rights (the "__**Rights**__") granted to existing shareholders of UBI Banca, at a ratio of 6 newly issued shares for every 35 shares held, at a subscription price of € 2.395 for each new share, all being share capital.*

The total subscription amount of the Rights Offering will therefore be of a maximum of € 399,981,075.

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UBI Banca share capital with option rights increase

*On 27 June 2017, the Rights Offering on a maximum of 167,006,712 newly issued ordinary shares of UBI Banca (the "**Shares**") was concluded. During the subscription period, which began on 12 June and ended on 27 June 2017 (the "**Subscription Period**"), 967,529,640 option rights were exercised for the subscription of 165,862,224 Shares, accounting for 99.31% of the total shares offered for a consideration of € 397,240,026.48.*

*The remaining 6,676,180 option rights not exercised during the Subscription Period (the "**Unsubscribed Rights**" or the "**Rights**"), which give the right to subscribe 1,144,488 new shares, corresponding to 0.69% of the total Shares offered, for a consideration of € 2,741,048.76, will be offered on the stock market by UBI Banca, through IW Bank S.p.A., in accordance with Art. 2441, paragraph 3 of the Italian Civil Code in the trading sessions scheduled for 30th June 2017 and 3, 4, 5 and 6 July 2017, unless the offering is closed early in case of total sale of the Rights (the "**Stock Market Offering**"). The entire quantity of the Unsubscribed Rights shall be offered in the first session; Rights not subscribed in such session shall be offered in subsequent sessions.*

Unsubscribed Rights grant the right to subscribe to the Shares at a price of €2.395 each, at a ratio of 6 Shares to every 35 Rights.

Exercise of the Unsubscribed Rights purchased in the Offering and, consequently, the subscription of the Shares, must be carried out through authorised intermediaries who are members of the Monte Titoli S.p.A. centralised system by and not later than 7 July 2017, under penalty of forfeiture, with the same value date, unless the Stock Market Offering is closed early.

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“Closing of the deal to purchase the three Target Bridge Institutions, new names and Senior Management appointments

*On 10 May 2017 concluded the acquisition (the “**Acquisition**”) of the entire share capital of the Target Bridge Institutions pursuant to the purchase agreement entered into on 18 January 2017 (the “**Acquisition Agreement**”) by and between the Issuer and the Bank of Italy, on behalf of, and in its capacity as managing entity for, the Italian National Resolution Fund (Fondo Nazionale di Risoluzione) (the “**Seller**”).*

More specifically the acquisition was concluded following the satisfaction of the conditions precedent to which the execution of the Acquisition Agreement was subject. In order to satisfy, amongst other things, before the closing:

(i) the required authorisations and permissions were obtained from the competent authorities (including the European Central Bank, the European Commission, the Bank of Italy, the Italian Institute for the Supervision of Insurance and the Italian Competition Authority);

(ii) the Seller carried out the recapitalisation of the Target Bridge Institutions for a total amount, calculated as the outcome of the procedures laid down for that purpose in the Acquisition Agreement, of € 713 million;

(iii) the Target Bridge Institutions (and some of their subsidiaries) disposed of (in the context of securitisation transaction carried out with the Atlante Fund and with Credito Fondiario) a portfolio of non-performing loans totalling approximately €2.2 billion gross;

(iv) an extraordinary shareholders’ meeting of UBI approved an increase in the share capital of UBI Banca up to a maximum of €400 million.

As already reported, the transaction was based on the essential condition that, on an aggregate basis, the Target Bridge Institutions satisfied certain significant financial parameters, factoring in specific provisions, as fully detailed in the Acquisition Agreement. Again as laid down in the Acquisition Agreement, verification of compliance with the significant financial parameters, inclusive of the provisions mentioned above, was completed with a positive result between the parties to the agreement before the closing and on the basis of the consolidated financial position of the Target Bridge Institutions as at 31st December 2016.

In that same context, but immediately after the closing date, shareholders’ meetings of each of the Target Bridge Institutions were also held, which proceeded, amongst other things, (i) in ordinary session to appoint new boards of directors for each of the Target Bridge Institutions selected by UBI Banca, and further (ii) in extraordinary session, and as agreed with the authorities, to change the respective names of the companies as well as to transfer the registered address of each of them to Bergamo, up till the completion of the merger into UBI Banca. More specifically the new name of Nuova Banca Marche will be “Banca Adriatica S.p.A.”, the new name of Nuova Banca Etruria will be “Banca Tirrenica S.p.A.” and the new name of Nuova CariChieti will be “Banca Teatina S.p.A.”. The aforementioned resolutions approved in the extraordinary shareholders’ meetings (inclusive of the new company names) will take effect once the relevant authorisations have been obtained.

In addition to the above, on 10 May 2017 the shareholders’ meeting of Banca Federico del Vecchio S.p.A. (controlled by Nuova Banca Etruria) was held, which proceeded, inter alia, in ordinary session, to appoint a new management board selected by UBI Banca”.

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Early conclusion of the stock market offering of option rights not exercised

*On 30 June 2017, UBI Banca announced that all the Unsubscribed Rights – which give the right to subscribe 1,144,488 newly issued ordinary shares of UBI Banca (the “**Shares**”) – have been sold in the first stock market trading session of the stock market offering held on 30 June 2017.*

The exercise of the Unsubscribed Rights purchased under the stock market offering, and consequently the subscription of the Shares, must be carried out, under penalty of forfeiture, before and not later than the third stock market trading day following the date of such early closing announcement and, therefore, by and not later than 5 July 2017.

The Unsubscribed Rights will be made available to the purchasers through the authorised intermediaries who are members of the Monte Titoli S.p.A. centralised management system, and may be used to subscribe the Shares – of the same class as those outstanding and with regular dividend entitlement – at a price of €2.395 per share, at a ratio of 6 shares for every 35 Rights.

It is also recalled that: (i) during the offering period, which began on 12 June 2017 and ended on 27 June 2017, 967,529,640 option rights have been exercised and 165,862,224 newly-issued UBI Banca shares, representing 99.31% of the total new shares offered, have been subscribed, for an aggregate amount of Euro 397,240,026.48; and (ii) the offering remains underwritten, at the terms and conditions of the underwriting agreement, by a syndicate composed by Credit Suisse, Banca IMI (Intesa Sanpaolo Group), Banco Santander and Mediobanca."

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"***Reduction of subordinated rating***

On 9 June 2017, DBRS published a press release with the results of the review conducted on some subordinated issues (rated only one notch below the Intrinsic Assessment) of European Banks, launched at the beginning of 2017, given the increasing likelihood that all subordinated debt will be used to absorb losses alongside equity in Europe under the European Union's Bank Recovery and Resolution Directive (BRRD).

With such rating action, DBRS has reduced by one notch the subordinated rating of 27 banking Groups, among which UBI Banca, whose two issues under Programme are now rated "BBB (low)" compared to the previous "BBB" with Negative Trend."

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GENERAL INFORMATION

On page 124 of the Prospectus, the following paragraph is deleted and replaced as follows:

"*No Significant Change*

(3) There has been no significant change in the financial or trading position of the UBI Banca Group since 31 March 2017 and no material adverse change in the prospects of UBI Banca since 31 December 2016.

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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 from the Issuer's website (at *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.