

**SUPPLEMENT DATED 6 NOVEMBER 2015 TO THE COVERED BOND PROSPECTUS
APPROVED ON 4 AUGUST 2015**



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 5,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme

unconditionally and irrevocably guaranteed as to payments

of interest and principal by

UBI FINANCE CB 2 S.R.L.

(incorporated as a limited liability company in the Republic of Italy and registered at the Companies'

Registry of Milan under registration number 07639080964)

This supplement (the "**Supplement**") to the Prospectus dated 4 August 2015 (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**") is prepared in connection with the Euro 5,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme (the "**Programme**") of Unione di Banche Italiane S.p.A. (the "**Issuer**" or "**UBI Banca**"), unconditionally and irrevocably guaranteed as to payments of interest and principal by UBI Finance CB 2 S.r.l. (the "**Guarantor**").

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.

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 and the Guarantor accept responsibility for the information in this Supplement. To the best of the knowledge of the Issuer and the Guarantor (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) further to the announcement made by the Issuer on 7 August 2015 concerning the approval of the consolidated financial statements of the Issuer as at and for the first half of year 2015 ended on 30 June 2015, which results were subject to a limited review by the independent auditors of the Issuer (the "**Half-yearly Consolidated Financial Statements**"), incorporate by reference the Half-yearly Consolidated Financial Statements; (ii) give notice and consequently update the Prospectus in order to reflect the transformation of UBI Banca into a joint stock company as of 12 October 2015, as consequence of such transformation update all references in

the Prospectus to “Unione di Banche Italiane S.c.p.A.” to refer to “Unione di Banche Italiane S.p.A.”; (iii) update the Section entitled “*General Information*”, paragraph “*No Significant Change*” included in the Prospectus; (iv) update the Sections entitled “*Taxation*” and “*Risk Factors*” in order to take into account the enactment of certain pieces of legislation in Italy, (v) update Section “*The Guarantor*” in order to reflect the circumstance that the assignee companies which guarantee covered bonds, belonging to a banking group as defined by Article 60 of the Consolidated Banking Act (such as UBI Finance CB2 S.r.l.), will no longer have to be registered in the general register held by the Bank of Italy pursuant to Article 106 of the Consolidated Banking Act, and (vi) update the Prospectus in order to take into account the amendments to the Transaction Documents further to (a) the expiration of the appointment of Fitch Ratings Limited under the Programme, and (b) the assignment of a rating to the Covered Bonds issued under the Programme by DBRS Ratings Limited.

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As provided for under Section “*Information incorporated by reference*” and “*UBI Banca and the UBI Banca Group Recent Developments*” below, on 10 October 2015, UBI Banca announced that the Shareholders’ Meeting (i) approved the proposal for the transformation of UBI Banca into a joint stock company and the consequential adoption of new Articles of Association, and (ii) resolved to amend the Regulations for Shareholders’ Meetings for compliance with the new provisions of the Articles of Association as a consequence of the transformation into a joint stock company.

The new Articles of Association of UBI Banca are available for inspections according to the provisions of Section “*General Information*”, paragraph “*Documents on Display*”, on page 193 of the Prospectus.

On 12 October 2015, UBI Banca reported that on such date the resolution with which the Shareholders’ Meeting approved the transformation into a joint stock company was filed with the Bergamo Company Register.

The shareholders of UBI Banca and registered shareholders of UBI Banca who did not participate in the Shareholders’ Meeting for the approval of the transformation resolution have been granted a right of withdrawal as specified in the Press Release dated 12 October 2015, which has been previously published or filed with the Central Bank of Ireland and is incorporated by reference in, and forms part of, the Prospectus.

As a consequence of the above, all references in the Prospectus to:

- “Unione di Banche Italiane S.c.p.A.” shall be deemed to be replaced with references to “Unione di Banche Italiane S.p.A.”; and
- UBI Banca being incorporated as a “*joint stock co-operative society*” or a “*co-operative bank*” shall be deemed to be replaced with references to it being incorporated as a “*joint stock company*”.

Furthermore, the Sections “*Certain Definitions*”; “*The Issuer - UBI Banca and the UBI Banca Group*”; “*The Issuer - UBI Banca Group*”; “*The Issuer - UBI Banca's Management and Supervisory Bodies*”; “*UBI Banca and the UBI Banca Group Recent Developments*” of the Prospectus are amended as set out in this Supplement.

COVER PAGE

On page 2 of the Prospectus, last paragraph, references to “Fitch Ratings Ltd.” and “Fitch” are replaced with, respectively, “DBRS Ratings Ltd.” and “DBRS”.

On pages 4-5 of the Prospectus, paragraph “*Certain Definitions*” is replaced as follows:

“*Certain Definitions*”

UBI Banca is the surviving entity from the merger between Banche Popolari Unite S.c.p.a. (“BPU”) and Banca Lombarda e Piemontese S.p.A. (“Banca Lombarda” or “BL”), which was completed with effect from 1 April 2007. Pursuant to the merger, Banca Lombarda e Piemontese S.p.A. merged by incorporation into Banche Popolari Unite S.c.p.a. which, upon completion of the merger, changed its name to Unione di Banche Italiane S.c.p.a. Accordingly, in this Prospectus:

- (i) *references to “UBI Banca” are to Unione di Banche Italiane S.c.p.a. in respect of the period since 1 April 2007 to 12 October 2015 and to Unione di Banche Italiane S.p.A. in respect of the period since 12 October 2015 and references to the “Group” or to the “UBI Banca Group” are to UBI Banca and its subsidiaries in respect of the same period;*
- (ii) *references to “BPU” are to Banche Popolari Unite S.c.p.a. in respect of the period prior to 1 April 2007 and references to the “BPU Group” are to BPU and its subsidiaries in respect of the same period;*
- (iii) *references to the “Issuer” are to UBI Banca in respect of the period since 1 April 2007 and to BPU in the period prior to that date;*
- (iv) *references to “Banca Lombarda” are to Banca Lombarda e Piemontese S.p.A. and references to the “Banca Lombarda Group” are to Banca Lombarda and its subsidiaries in the period prior to 1 April 2007; and*
- (v) *references to “UBI Banca Private Investment S.p.A.” are to IW Bank S.p.A. in respect of the period since 25 May 2015 and to UBI Banca Private Investment in the period prior to that date.”*

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PARTIES - THE COVERED BONDS

On page 13 of the Prospectus, in paragraph “Rating”, reference to “Fitch Ratings Ltd.” is replaced with “DBRS Ratings Ltd.”.

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INFORMATION INCORPORATED BY REFERENCE

Press Releases in relation to the transformation of UBI Banca into a joint stock company, the consequential adoption of new Articles of Association and the conferral of a right of withdrawal on certain shareholders of UBI Banca

By virtue of this Supplement, the following Press Releases are incorporated by reference in, and form part of, the Prospectus.

Press Release dated 10 October 2015 document Whole

Press release dated 12 October 2015 document Whole

The Press Release dated 10 October 2015 is available in electronic format at <http://www.ise.ie/app/announcementDetails.aspx?ID=12541060> and the Press Release dated 12

October 2015 is available in electronic format at <http://www.ise.ie/app/announcementDetails.aspx?ID=12541025>.

Issuer's Half-yearly Consolidated Financial Statements

By virtue of this Supplement, certain information (as listed below) of the English language version of the Half-yearly Consolidated Financial Statements, which has been previously published or filed with the Central Bank of Ireland, is incorporated by reference in, and forms part of, the Prospectus.

The Half-yearly Consolidated Financial Statements are available both in its original version in Italian and translated into English on the website of the Issuer (the English version can be downloaded on the following link: <http://www.ubibanca.it/contenuti/RigAlle/1H15%20Financial%20Report.pdf>) 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 the information that can be found in the Half-yearly Consolidated Financial Statements incorporated by reference into the Prospectus.

Half-yearly Consolidated Financial Statements

As at 30 June 2015

Auditors' Report	Page 191
Consolidated Balance Sheet	Page 140
Consolidated Income Statement	Page 141
Consolidated Statement of Comprehensive Income	Page 142
Statement of Changes in Consolidated Equity	Pages 143-144
Consolidated Statement of Cash Flows	Page 145
Explanatory Notes	Pages 147-185

Any other information not listed above but contained in the Half-yearly Consolidated Financial Statements is not incorporated by reference and is either not relevant for the investor or is covered elsewhere in the Prospectus.

Any document which is incorporated by reference into any of the documents incorporated in, and form part of, the Prospectus, shall not constitute a part of the Prospectus.

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RISK FACTORS

On pages 22-23 of the Prospectus, the paragraph headed "*Ratings of the Covered Bonds*", the second and third paragraph are deleted and replaced as follows:

"In cases where DBRS does not maintain a public rating of a specific third party institution, DBRS provides an internal assessment of the relevant institution (which will be monitored over the life of the transaction), and will notify the relevant institution if any such ongoing internal assessment results in a downgrade that breaches the applicable rating triggers, so that such institution can decide which of

the applicable remedies to implement. In certain cases, DBRS may rely on public ratings assigned and monitored by other credit rating agencies.

The ratings that may or may not be assigned to the Covered Bonds are set out in the relevant Final Terms for each Series of Covered Bonds. A Rating Agency which assigns a rating to the Covered Bonds may lower its rating or withdraw its rating if, in the sole judgment of the Rating Agency, the credit quality of the Covered Bonds has declined or is in question. If any rating assigned to the Covered Bonds is lowered or withdrawn, the market value of the Covered Bonds may reduce.”

On pages 37-38 of the Prospectus, the paragraph headed “*The UBI Banca Group may be subject to the provisions of the EU Recovery and Resolution Directive*”, is deleted and replaced as follows:

*“On 2 July 2014, the directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the “**Banks Recovery and Resolution Directive**” or “**BRRD**”) entered into force. The BRRD is designed to provide authorities with comprehensive and effective arrangements to deal with failing institutions at national level, as well as cooperation arrangements to tackle cross-border failures.*

The BRRD sets out the rules for the resolution of banks and large investment firms in all EU Member States. Banks are required to prepare recovery plans to overcome financial distress. Authorities are also granted a set of powers to intervene in the operations of banks to avoid them failing. In case financial institutions do face failure, authorities are equipped with comprehensive powers and tools to restructure them, allocating losses to shareholders and creditors following a clearly defined hierarchy. In this respect, authorities are entrusted with powers to implement plans to resolve failed institutions as to ensure the continuity of the institution’s critical financial and economic functions, while minimising the impact of an institution’s failure on the economy and financial system.

*The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Senior Notes and Subordinated Notes to equity (the “**Bail-In Tool**”), which equity could also be subject to any future application of the general bail-in tool.*

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilization tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts or

other liabilities as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

*In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments at the point of non-viability and before any other resolution action is taken (“**Non-Viability Loss Absorption**”).*

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The BRRD provides that Member States should apply the new “crisis management” measures from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

*As of 2016 (or, if earlier, the date of national implementation of the BRRD), European banks will also have to comply with a Minimum Requirement for Eligible Liabilities (the “**MREL**”). The BRRD does not foresee an absolute minimum, but attributes the competence to set a minimum amount for each bank to national resolution authorities (for banks not being part of the Banking Union) or to the Single Resolution Board (the “**SRB**”) for banks being part of the Banking Union. Differently to the current discussions on TLAC (see more above under “Forthcoming regulatory changes”) MREL includes senior unsecured debt, which will make the cost impact for European GSIBs lower than the envisaged TLAC standard. The European Banking Authority (EBA) is currently consulting on Regulatory Technical Standards (the “**RTS**”) which shall further define the way in which resolution authorities / the SRB shall calculate MREL. The EBA consultation paper suggests that the MREL requirements can be implemented for G-SIBs in a manner that is “consistent with” the international framework, and contemplates a possible increase in the MREL requirement over time in order to provide for an adequate transition to compliance with the TLAC requirements that are currently projected to apply as of January 2019 at the earliest.*

The Banks Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Covered Bond.

On 31 July 2015, the “European Delegation Law 2014” – Law no. 114 of 9 July 2015 – was published on the Italian Official Gazette containing, inter alia, principles and criteria for the implementation by the Government of the BRRD in Italy. Subsequently, on 10 September 2015, the Italian Council of Ministers gave its preliminary approval on the scheme of Legislative Decree implementing the BRRD in Italy. Such scheme of Legislative Decree will be subject to the opinion of competent Parliament Committees and will be approved in its final version by the Council of Minister, to be then published on the Italian Official Gazette.”

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TERMS AND CONDITIONS OF THE COVERED BONDS

On pages 58-66 of the Prospectus, in paragraph 2 (*Definitions and Interpretation*), letter (a) (*Definitions*):

- (i) after the definition of “Cash Allocation, Management and Payments Agreement” the following new definition of “Civil Code” is added:

*“**Civil Code**” means the Italian civil code, enacted by Royal Decree No. 262 of 16 March 1942”;*

- (ii) after the definition of “Covered Bond Instalment Extension Determination Date” the following new definition of “CRA Regulation” is added:

*“**CRA Regulation**” means Regulation (EC) No 1060/2009 on credit rating agencies as amended from time to time;*

- (iii) after the definition of “Day Count Fraction” the following new definition of “DBRS” is added:

*“**DBRS**” means (i) for the purpose of identifying the entity which has assigned the credit rating to the Covered Bonds, DBRS Ratings Limited, and (ii) in any other case, any affiliate entity of DBRS Ratings Limited which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.”*

- (iv) the definition of “**Insolvency Event**” is deleted and replaced as follows:

*“**Insolvency Event**” means, in respect of any company, entity, or corporation that:*

- (i) *such company, entity or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition with creditors or insolvent reorganisation (including, without limitation, "fallimento", "liquidazione coatta amministrativa", "concordato preventivo", “accordi di ristrutturazione” and (other than in respect of the Issuer) "amministrazione straordinaria", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company, entity or corporation are subject to a pignoramento or any procedure having a similar effect (other than in the case of the Guarantor, any portfolio of assets purchased by the Guarantor for the purposes of further programme of issuance of Covered Bonds), unless in the opinion of the Representative of the Covered Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or*
- (ii) *an application for the commencement of any of the proceedings under (i) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company, entity or corporation and, in the opinion of the Representative of the Covered Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or*
- (iii) *such company, entity or corporation takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in case of the Guarantor, the creditors under the Transaction Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments (other than, in*

respect of the Issuer, the issuance of a resolution pursuant to article 74 of the Consolidated Banking Act); or

(iv) *an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company, entity or corporation or any of the events under article 2484 of the Civil Code occurs with respect to such company, entity or corporation (except in any such case a winding-up or other proceeding for the purposes of or pursuant to a solvent amalgamation, corporate reorganization or reconstruction, the terms of which have been previously approved in writing by the Representative of the Covered Bondholders); or*

(v) *such company, entity or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business;”*

(v) the definition of “**Payment Business Day**” is deleted and replaced as follows:

*“**Payment Business Day**” means a day on which banks in the relevant Place of Payment are open for payment of amounts due in respect of debt securities and for dealings in foreign currencies and any day which is:*

(i) *if the currency of payment is Euro, a TARGET2 Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or*

(ii) *if the currency of payment is not Euro, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;”*

(vi) the definition of “**Specified Office**” is deleted and replaced as follows:

*“**Specified Office**” means, in relation to the Principal Paying Agent its Italian branch at Via Carducci 31, 20123 Milan, Italy, with respect to the Guarantor Servicer, Foro Buonaparte, 70, 20121 Milan, Italy, with respect to the Calculation Agent, Via Cefalonia, 74, 2512 Brescia, Italy, and with respect to the English Account Bank, its London Branch at 55 Moorgate, London, EC2R 6PA, United Kingdom , or, in each case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement”.*

(vii) the definition of “**Subsidiary**” is deleted and replaced as follows:

*“**Subsidiary**” has the meaning ascribed to such term it in Article 2359 of the Civil Code;”*

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RULES OF THE ORGANISATION OF THE COVERED BONDHOLDERS

On pages 81-82 of the Prospectus, in paragraph 2.1 (*Definitions*):

(i) the definition of “**Fitch**” is deleted;

(ii) the definition of “**Rating Agency**” is deleted and replaced as follows:

*“**Rating Agency**” means DBRS”.*

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FORM OF FINAL TERMS – PART B – OTHER INFORMATION

On page 107 of the Prospectus, the paragraphs of the second column under heading “Ratings”, is deleted and replaced as follows:

“[The Covered Bonds to be issued [[have been]/[are expected]] to be rated]/[The following ratings assigned to the Covered Bonds of this type issued under the Programme generally:]

[DBRS Ratings Limited: [•]]

[•]

The credit ratings included or referred to in these Final Terms [have been issued by DBRS, [[•] or [•],] [each of]which is established in the European Union and is registered under Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011 and Regulation(EU) No. 462/2013 on credit rating agencies (the “CRA Regulation”) as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation (for more information please visit the European Securities and Markets Authority webpage <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).”

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THE ISSUER

UBI Banca and the UBI Banca Group – UBI Banca Group

On pages 110-111 of the Prospectus, the paragraph headed “*UBI Banca and the UBI Banca Group*” and “*UBI Banca Group*” are deleted and replaced as follows:

“UBI Banca and the UBI Banca Group

*Unione di Banche Italiane S.p.A. is the entity resulting from (i) the merger by incorporation of Banca Lombarda e Piemontese S.p.A. (“**Banca Lombarda**”) into Banche Popolari Unite S.c.p.a. (“**BPU**”) legally effective on 1 April 2007, with the surviving entity, BPU, changing its name to UBI Banca (the “**Merger**”), and (ii) the transformation of Unione di Banche Italiane S.c.p.A., a cooperative bank (banca popolare) (“**Unione di Banche Italiane S.c.p.A.**”) into Unione di Banche Italiane S.p.A., a joint stock company (società per azioni) (“**Unione di Banche Italiane S.p.A.**”) legally effective on 12 October 2015 (the “**Transformation**”). References to “**UBI Banca**” are to Unione di Banche Italiane S.c.p.a. in respect of the period since 1 April 2007 to 12 October 2015 and to Unione di Banche Italiane S.p.A. in respect of the period since 12 October 2015; UBI Banca is the parent company of the UBI Banca Group (the “**UBI Banca Group**” or the “**Group**”); references to the “**Group**” or to the “**UBI Banca Group**” are to UBI Banca and its subsidiaries in respect of the same period specified above.*

The Head Office and General Management of UBI Banca are located in Piazza Vittorio Veneto 8, 24122 Bergamo (Italy) and the telephone number is +39 035392111. UBI Banca's fiscal code, VAT number and registration number in the Company Registry of Bergamo is 03053920165. UBI Banca, incorporated under the laws of Italy, is registered under number 5678 in the Bank of Italy's Bank Registry and under number 3111.2 in the Bank of Italy's Banking Groups' Registry. The duration of UBI Banca's corporate life is until 31 December 2100, but may be extended.

The UBI Banca Group

UBI Banca, the Parent Bank of the Group, is a company listed on the Italian Stock Exchange, included in the FTSE MIB index. The UBI Banca Group has adopted a federal organisational model, multifunctional and integrated, where UBI Banca, as parent company, centralises governance, control, coordination and support functions

The consolidated figures of UBI Banca as at 31 December 2014 were as follows:

- *a domestic network of 1,670 branches;*
- *18,132 employees actually in service ("Dipendenti effettivi in servizio");*
- *approximately 3.6 million customers;*
- *direct funding from customers of Euro 93.2 billion (ranking fourth in Italy);*
- *loans to customers of Euro 85.6 billion (ranking fourth in Italy);*
- *total assets of Euro 121.8 billion (ranking fifth in Italy) and*
- *sound capital ratios: Common Equity Tier 1 of 12.33 per cent., Tier 1 of 12.33 per cent., Total Capital ratio of 15.29 per cent.*

In terms of distribution structure, the UBI Banca Group has (market shares in terms of branches as at 31 December 2014¹):

- *a strong presence in some of the wealthiest regions of Italy, namely Lombardy (13.1 per cent. market share), Piedmont (7.6 per cent. market share) and Marches (7.3 per cent. market share);*
- *leadership in the reference provinces: Bergamo (22.5 per cent. market share), Brescia (22.6 per cent. market share), Varese (23.8 per cent. market share) and Cuneo (22.6 per cent. market share);*
- *a market share equal or greater than 10 per cent. in 11 provinces: aside from the four provinces indicated above, Pavia, Alessandria, Viterbo, Fermo, Matera, Potenza, Catanzaro, Cosenza, Crotona, Reggio Calabria, Vibo Valentia, and a significant presence in the provinces of Milan (9.1 per cent. market share) and of Rome (4.0 per cent. market share)."*

UBI Banca's Management and Supervisory Bodies

On page 121 of the Prospectus, in the paragraph headed "*UBI Banca's Management and Supervisory Bodies*" the last three paragraphs are deleted and replaced as follows:

"The Supervisory Board has also established from amongst its members a Risk Committee, which has the task of supporting the Supervisory Board with its strategic supervisory body functions in the fields of risks and internal control systems, including proposal and consultation functions the Supervisory Board in relation to issues concerning the individual and consolidated Annual Reports and the interim reports. The Risk Committee is composed of four members.

The Supervisory Board also set up an internal Related Parties and Related Subjects Committee, made up of three members, who are required to perform the functions assigned to the same by (i) the "Regulations for the discipline of UBI Banca S.c.p.A. related-party transactions", in compliance with the provisions envisaged by CONSOB Regulation concerning related parties adopted by means of Resolution No. 17221/2010 and (ii) Bank of Italy provisions relating to activities bearing risks and conflicts of interest towards related subjects ("attività di rischio e conflitti di interessi verso soggetti collegati")."

UBI Banca and the UBI Banca Group Recent Developments

¹ Market share information sourced from Bank of Italy "*Bollettino Statistico*".

On page 126 of the Prospectus, in the paragraph headed “*UBI Banca and the UBI Banca Group recent developments*” the fifth and sixth paragraph are deleted and replaced as follows:

“On 16 June 2015, the Supervisory Board confirmed that UBI Banca's consolidated assets exceed €8 billion and resolved to convert UBI Banca into a joint stock company. In order to comply with the new legislative framework in connection with the conversion of UBI Banca into a joint stock company, the Articles of Association of UBI Banca have been amended at a Shareholders Meeting held on 10 October 2015.

Accordingly to the above, on 10 October 2015 the General Meeting of the Registered Shareholders of UBI Banca (i) approved the proposal for transformation of UBI Banca into a joint-stock company and the consequent adoption of new Articles of Association, and (ii) resolved to amend the Regulations for Shareholders' Meetings for compliance with the new provisions of the Articles of Association as a consequence of the transformation into a joint stock company.”

On page 126 of the Prospectus, in the paragraph headed “*UBI Banca and the UBI Banca Group recent developments*” after the last paragraph the following paragraphs are added:

“In addition to the above, on 12 October 2015 UBI Banca has reported that on the same date the resolution dated 10 October 2015 with which the General Meeting of the Shareholders approved the transformation into a joint stock company was filed with the Bergamo Company's Register.

The shareholders of UBI Banca and registered shareholders of UBI Banca who did not participate to the approval of the transformation resolution have been granted with a right of withdrawal as specified in the press release published by UBI Banca on 12 October 2015, which has been previously published or filed with the Central Bank of Ireland, incorporated by reference in, and part of, the Prospectus.

Furthermore, on 27 October 2015, DBRS has announced that has assigned a rating equal to A(low) to the Covered Bonds issued under the Programme.”

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THE GUARANTOR

On pages 134 of the Prospectus, the first paragraph under the heading “*Introduction*” is deleted and replaced as follows:

“The Guarantor, UBI Finance CB 2 S.r.l., is a limited liability company (società a responsabilità limitata) incorporated on 20 December 2011 under the laws of the Republic of Italy pursuant to the Securitisation and Covered Bonds Law, fiscal code and enrolment with the companies register of Milan No. 07639080964, part of the Unione di Banche Italiane Group enrolled under No. 3111.2 with the register held by the Bank of Italy in accordance with article 64 of the Consolidated Banking Act. The Guarantor has no employees and no subsidiaries.”

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OVERVIEW OF THE TRANSACTION DOCUMENTS

On pages 155 of the Prospectus, the eighth and ninth paragraphs under the heading “*Master Servicing Agreement*”, are deleted and replaced as follows:

“The Guarantor has undertaken, also in accordance with the terms of the Intercreditor Agreement, to use reasonable endeavours to appoint a back-up Master Servicer within 45 days from the date on which the Master Servicer's long-term rating calculated, as long as the role of Master Servicer is

covered by UBI Banca, taking into account the higher of (a) the long term unsecured, unsubordinated and unguaranteed rating by the Issuer and (b) the DBRS Covered Bonds Attachment Point of UBI Banca, has been downgraded below “BB(low)” from DBRS (provided that the rating of DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS or, in absence of a private rating or a public rating from DBRS, then (c) the DBRS Rating).

In the event the long-term unsecured and unsubordinated debt obligations of the Master Servicer calculated, as long as the role of Master Servicer is covered by UBI Banca, taking into account the higher of (a) the long term unsecured, unsubordinated and unguaranteed rating by the Issuer and (b) the DBRS Covered Bonds Attachment Point of UBI Banca, falls below “BBB(low)” from DBRS (provided that a rating by DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS or, in absence of a private rating or a public rating from DBRS, then (c) the DBRS Rating), the Master Servicer shall alternatively: (i) notify in writing to the Debtors the details of the new account opened in name and on behalf of the Guarantor with an Eligible Institution where any payments in respect of the Receivables shall be made and ensure that, starting from the date in which such downgrading has occurred, the daily balance of the Italian Collection Accounts is equal to zero as set out in the relevant account statements (estratti conto); or (ii) procure and maintain a first demand guarantee issued by an Eligible Institution, so to guarantee the obligations of the Master Servicer and/or the Sub-Servicer to transfer the Collections pursuant to the Master Servicing Agreement, provided that, in the event the Commingling Amount is considered for the calculation of the Nominal Value Test in accordance with the provisions of Clause 2.3 of the Cover Pool Management Agreement, and in case such test is satisfied, the Master Servicer shall not be obliged to realise any of the activities referred to in points (i) and (ii) above.”

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TAXATION

On page 182 of the Prospectus, under heading “*Italian Resident Covered Bondholders*”, the sixth paragraph is deleted and replaced by the following:

“As of 1 January 2015, Italian pension funds benefit from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that such pension funds invest in certain medium long term financial assets as identified by the Ministerial Decree of 19 June 2015 published in the Official Gazette – general series No. 175, on 30 July 2015.”

On page 185 of the Prospectus, under heading “*Capital gains tax*”, the ninth paragraph is deleted and replaced by the following:

“As of 1 January 2015, Italian pension funds benefit from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that such pension funds invest in certain medium long term financial assets as identified by the Ministerial Decree of 19 June 2015 published in the Official Gazette – general series No. 175, on 30 July 2015.”

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GENERAL INFORMATION

On page 192 of the Prospectus, the first paragraph under the heading “*No Significant Change*” is deleted and replaced by the following:

“There has been no significant change in the financial or trading position of UBI Banca and the UBI Banca Group since 30 June 2015.”

GLOSSARY

On page 196 of the Prospectus, the definition of “Commingling Amount” is deleted and replaced as follows:

*“**Commingling Amount**” means (a) if no Issuer Downgrading Event, calculated as long as UBI Banca is the Master Servicer, taking into account the higher of (i) the long term unsecured, unsubordinated and unguaranteed rating by the Issuer and (ii) the DBRS Covered Bonds Attachment Point of UBI Banca, has occurred or is outstanding an amount equal to 0 (zero) or (b) if an Issuer Downgrading Event has occurred and is outstanding, an amount calculated by the Issuer on a monthly basis equal to the maximum of the total amount of Collections and Recoveries expected to be credited to the Italian Collection Account on any of the following 12 (twelve) calendar months and considering a cumulative prepayment ratio equal to the trailing average of the previous 12 months with a minimum of 5.00 per cent.”*

On page 196 of the Prospectus, after the definition of “Cover Pool Management Agreement” the following new definition is added:

*“**CRA Regulation**” means Regulation (EC) No 1060/2009 on credit rating agencies as amended from time to time;*

On page 197 of the Prospectus, after the definition of “Credit and Collection Policy” the following new definitions of “DBRS”, “DBRS Covered Bonds Attachment Point”, “DBRS Equivalent Rating”, “DBRS Long Term Rating”, “DBRS Rating” and “DBRS Short Term Rating” are added:

*“**DBRS**” means (i) for the purpose of identifying the entity which has assigned the credit rating to the Covered Bonds, DBRS Ratings Limited, and (ii) in any other case, any affiliate entity of DBRS Ratings Limited which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.*

*“**DBRS Covered Bonds Attachment Point**” or “**DBRS CBAP**” means the DBRS covered bonds attachment point – designating the probability that the source of payment of the Covered Bonds will switch from the Issuer to the Guarantor – calculated on the basis of the rating scale of the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Issuer, provided that (i) if the rating assigned by DBRS to the Issuer is public, the DBRS CBAP will be indicated on the web site of DBRS (www.dbrs.com), or (ii) if the rating assigned by DBRS to the Issuer is private, the Issuer shall give notice to the Rating Agency upon the occurrence of any change relevant for the purpose of the applicability of the DBRS CBAP in the Transaction Documents.*

*“**DBRS Equivalent Rating**” means the DBRS rating equivalent of any of the below ratings by Fitch, Moody’s or Standard & Poor’s Ratings Services:*

Moody's		S&P		Fitch		DBRS	
<i>Long Term</i>	<i>Short Term</i>	<i>Long Term</i>	<i>Short Term</i>	<i>Long Term</i>	<i>Short Term</i>	<i>Long Term</i>	<i>Short Term</i>
Aaa		AAA		AAA		AAA	R-1H
Aa1		AA+		AA+		AA(high)	
Aa2	P-1	AA	A-1+	AA	F1+	AA	R-1M

<i>Aa3</i>		<i>AA-</i>		<i>AA-</i>		<i>AA(low)</i>	
<i>A1</i>		<i>A+</i>	<i>A-1</i>	<i>A+</i>	<i>F1</i>	<i>A(high)</i>	<i>R-1L</i>
<i>A2</i>		<i>A</i>		<i>A</i>		<i>A</i>	
<i>A3</i>	<i>P-2</i>	<i>A-</i>	<i>A-2</i>	<i>A-</i>	<i>F2</i>	<i>A(low)</i>	
<i>Baa1</i>		<i>BBB+</i>		<i>BBB+</i>		<i>BBB(high)</i>	<i>R-2H</i>
<i>Baa2</i>	<i>P-3</i>	<i>BBB</i>	<i>A-3</i>	<i>BBB</i>	<i>F3</i>	<i>BBB</i>	<i>R-2M</i>
<i>Baa3</i>		<i>BBB-</i>		<i>BBB-</i>		<i>BBB(low)</i>	<i>R2(Low)</i> <i>R3</i>
<i>Ba1</i>		<i>BB+</i>		<i>BB+</i>	<i>B</i>	<i>BB(high)</i>	<i>R-4</i>
<i>Ba2</i>		<i>BB</i>		<i>BB</i>		<i>BB</i>	
<i>Ba3</i>		<i>BB-</i>		<i>BB-</i>		<i>BB(low)</i>	
<i>B1</i>		<i>B+</i>		<i>B+</i>		<i>B(high)</i>	
<i>B2</i>		<i>B</i>		<i>B</i>		<i>B</i>	<i>R-5</i>
<i>B3</i>		<i>B-</i>		<i>B-</i>		<i>B(low)</i>	
<i>Caa1</i>		<i>CCC+</i>		<i>CCC+</i>	<i>C</i>	<i>CCC(high)</i>	
<i>Caa2</i>		<i>CCC</i>		<i>CCC</i>		<i>CCC</i>	
<i>Caa3</i>		<i>CCC-</i>		<i>CCC-</i>		<i>CCC(low)</i>	
<i>C</i>		<i>D</i>		<i>D</i>	<i>I</i>	<i>D</i>	

“DBRS Long Term Rating” means:

- (a) If the current rating of the Covered Bonds by DBRS is AAA, AA (high), AA or AA(low), then the DBRS Long Term Rating is A;
- (b) if the current rating of the Covered Bonds by DBRS is A(high), then the DBRS Long Term Rating is BBB(high);
- (c) if the current rating of the Covered Bonds by DBRS is A, then the DBRS Long Term Rating is BBB;
- (d) If the current rating of the Covered Bonds by DBRS is A(low), BBB(high), BBB or BBB(low), then the DBRS Long Term Rating is BBB(low);
- (e) If the current rating of the Covered Bonds by DBRS is below BBB(low), then the DBRS Long Term Rating corresponds to the current Covered Bonds rating by DBRS;

provided that a rating by DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS. In absence of a private rating or a public rating from DBRS, then the DBRS Long Term Rating will be the DBRS Rating.

“DBRS Rating” means:

- (a) if a public rating by Fitch Ratings Limited (“**Fitch**”), a public rating by Moody’s and a public rating by Standard & Poor’s Ratings Services (“**S&P Rating Services**”) are all available at such date, the DBRS Rating will be the DBRS Equivalent Rating of such public rating remaining

after disregarding the highest and lowest of such public ratings from such rating agencies (provided that (i) if such public rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below, and (ii) if more than one public rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such public ratings shall be so disregarded);

- (b) if the DBRS Rating cannot be determined under paragraph (a) above, but public ratings by any two of Fitch, Moody's and S&P Rating Services are available at such date, the DBRS Equivalent Rating of the lower such public rating (provided that if such public Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below);*
- (c) if the DBRS Rating cannot be determined under paragraphs (a) and (b) above, but public ratings by any one of Fitch, Moody's and S&P Rating Services are available at such date, then the DBRS Equivalent Rating will be such public rating (provided that if such public rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).*

If at any time the DBRS Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Rating of "C" shall apply at such time.

"DBRS Short Term Rating" means:

- (a) If the current rating of the Covered Bonds by DBRS is AAA, AA (high), AA or AA(low), then the rating by DBRS is R-1 (middle);*
- (b) if the current rating of the Covered Bonds by DBRS is A(high), then the rating by DBRS is R-2(high);*
- (c) if the current rating of the Covered Bonds by DBRS is A, then the rating by DBRS is R-2 (middle);*
- (d) If the current rating of the Covered Bonds by DBRS is A(low), BBB(high), BBB or BBB(low), then the rating by DBRS is R-2 (low);*
- (e) If the current rating of the Covered Bonds by DBRS is below BBB(low), then the rating by DBRS corresponds to R-3, R-4 or R-5 by DBRS in accordance with DBRS criteria;*

provided that a rating by DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS. In absence of a private rating or a public rating from DBRS, then the DBRS Short Term Rating will be the DBRS Rating."

On page 197 of the Prospectus, the definition of "Defaulted Receivable" is deleted and replaced as follows:

"Defaulted Receivable" means any Receivable arising from Mortgage Loan Agreements included in the Cover Pool which has been classified as "attività finanziarie deteriorate" pursuant to the Bank of Italy's supervisory regulations (Istruzioni di Vigilanza della Banca d'Italia), the circular No. 272 dated 30 July 2008 issued by the Bank of Italy and the Credit and Collection Policy."

On page 198 of the Prospectus, the definitions of "Eligible Institution" and "Eligible Investment", are deleted and replaced as follows:

"Eligible Institution" means:

- (A) any bank organised under the laws of any country which is a member of the European Union or of the United States (to the extent that United States are a country for which a 0% risk weight is***

applicable in accordance with the Bank of Italy's prudential regulations for banks - standardised approach),

- (i) whose long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the DBRS Long Term Rating by DBRS; or*
- (ii) whose obligations are guaranteed (in compliance with the relevant criteria of DBRS on the guarantee) by an entity whose long-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least the DBRS Long Term Rating by DBRS,*

provided however that any such bank qualifies for the “credit quality step 1” pursuant to Article 129, let. (c) of the CRR unless (a) it is an entity in the European Union and (b) the exposure vis-à-vis such bank have a maturity not exceeding 100 (one-hundred) days, in which case it may qualify for the “credit quality step 2” pursuant to Article 129, let. (c) of the CRR;

- (B) with exclusively reference to Clauses 5.3.1 (Italian Account Bank no longer an Eligible Institution) and 11.2.9 (Eligible Institution) of the Cash Allocation, Management and Payments Agreement and with reference to the sole Italian Account Bank until Unione di Banche Italiane S.p.A. acts in such role, any bank organized under the laws of any country which is a member of the European Union, (i) the long term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least the DBRS Long Term Rating by DBRS, calculated taking into account the higher of (a) the long term unsecured, unsubordinated and unguaranteed rating by the Issuer and (b) the DBRS Covered Bonds Attachment Point of UBI Banca or (ii) which is guaranteed (in compliance with the relevant criteria respectively of DBRS on the guarantee) by an entity whose long term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least the DBRS Long Term Rating by DBRS, calculated taking into account the higher of (a) the long term unsecured, unsubordinated and unguaranteed rating by the Issuer and (b) the DBRS Covered Bonds Attachment Point of UBI Banca.*

***"Eligible Investment"** means any Eligible Assets or Top-up Assets which meet the following requirements (i) any Euro denominated security rated at least DBRS Short Term Rating or DBRS Long Term Rating by DBRS, where they have a maturity of up to 30 calendar days or, if greater than 30 calendar days, which may be liquidated without loss within 30 days of a downgrade below the DBRS Short Term Rating and DBRS Long Term Rating by DBRS, and/or (ii) Euro denominated reserve accounts, deposit accounts, and other similar accounts that provide direct liquidity and/or credit enhancement held at a financial institution rated at least DBRS Long Term Rating by DBRS, provided that any such investments mature on or before the next following Guarantor Payment Date or are disposable at no loss, provided that the relevant exposure qualifies for the “credit quality step 1” pursuant to Article 129, let. (c) of the CRR or, in case of exposure vis-à-vis an entity in the European Union which has a maturity not exceeding 100 (one-hundred) days, it may qualify for “credit quality step 2” pursuant to Article 129, let. (c) of the CRR.”*

On page 199 of the Prospectus, after the definition of “Final Terms”, the definition of “Fitch” is deleted.

On page 201 of the Prospectus, the definitions of “Issuer Downgrading Event” is deleted and replaced as follows:

***“Issuer Downgrading Event”** means the Issuer being downgraded below “BBB(low)” by the Rating Agency.”*

On page 203 of the Prospectus, the definitions of “Potential Set-Off Amount” is deleted and replaced as follows:

*“**Potential Set-Off Amount**” means (a) if no Issuer Downgrading Event, calculated taking into account the higher of (i) the long term unsecured, unsubordinated and unguaranteed rating by the Issuer and (ii) the DBRS Covered Bonds Attachment Point of UBI Banca, has occurred or is outstanding an amount equal to 0 (zero) or (b) if an Issuer Downgrading Event has occurred and is outstanding, an amount equal to the sum of the Potential Set-Off Amount of Previous Transfers and the Potential Set-Off Amount of Future Transfers.”*

On page 204 of the Prospectus, the definitions of “Rating Agency” is deleted and replaced as follows:

*“**Rating Agency**” means DBRS.”*

On page 205 of the Prospectus, after the definitions of “Residential Mortgage Loan Agreement”, the new definition of “Retention amount” is deleted and replaced as follows:

*“**Retention Amount**” means an amount equal to Euro 10,000.”*

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Copies of the Prospectus, this Supplement and the Half-yearly Consolidated Financial Statements 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.