

SECOND SUPPLEMENT DATED 19 OCTOBER 2015
TO THE BASE PROSPECTUS DATED 30 JULY 2015



Unione di Banche Italiane S.p.A.
(formerly Unione di Banche Italiane S.c.p.a.)

*(incorporated as a joint stock company in the Republic of Italy under registered number
03053920165 in the Bergamo Company Register)*
Euro 15,000,000,000 Debt Issuance Programme

This second Supplement (the **Supplement**) to the base prospectus dated 30 July 2015, as supplemented by the Supplement dated 27 August 2015 (the **Base Prospectus**), which comprises a base prospectus under Article 5.4 of Directive 2003/71/EC as amended (the **Prospectus Directive**), constitutes a supplementary prospectus for the purposes of Article 16 of the Prospectus Directive as implemented in Ireland by the Prospectus Directive (Directive 2003/71/EC) Regulations 2005, as amended, and is prepared in order to update the Euro 15,000,000,000 Debt Issuance Programme (the **Programme**) of Unione di Banche Italiane S.p.A. (the **Issuer** or **UBI Banca**).

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

This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Directive. The Central Bank 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.

PURPOSE OF THE SUPPLEMENT

The purpose of this Supplement is to:

- (a) incorporate by reference (i) the press release dated 10 October 2015 regarding the approval by the Shareholders' Meeting of the proposal to convert UBI Banca into a joint stock company and the consequential adoption of new Articles of Association, and (ii) the press release dated 12 October 2015 regarding the filing of the resolution for the transformation into a joint stock company with the Bergamo Company Register and the terms and conditions for the exercise of the right of withdrawal available to any shareholders who did not vote in favour of the resolution regarding the transformation of UBI Banca into a joint stock company (together, the **Press Releases** and each a **Press Release**); and
- (b) update certain paragraphs of the Base Prospectus in the section "UBI Banca and the UBI Banca Group" in order to reflect the transformation of UBI Banca into a joint stock company with effect from 12 October 2015 and, as a consequence of such transformation, update all references in the Base Prospectus to "Unione di Banche Italiane S.p.c.a." to refer to "Unione di Banche Italiane S.p.A."

DOCUMENTS 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 Press Releases are incorporated by reference in, and form part of, the Base Prospectus.

Press Release dated 10 October 2015 Whole document

Press release dated 12 October 2015 Whole document

Copies of the Press Releases, the Base Prospectus, this Supplement and of documents containing information incorporated by reference in the Base Prospectus may be obtained free of charge, during usual business hours on any weekday (except for Saturdays, Sundays and public holidays) at the registered office of the Issuer and are available on the Issuer's website (at https://www.ubibanca.it/contenuti/file/comunicato%2010_10_20151.pdf in respect of the Press Release dated 10 October 2015, at <https://www.ubibanca.it/contenuti/file/Press%20Release%2012102015.pdf> in respect of the Press Release dated 12 October 2015 and at <http://www.ubibanca.it/pagine/EMTN-EN.aspx> in respect of the Base Prospectus and this Supplement).

The contents of the Issuer's website (other than the documents incorporated by reference) do not form part of this Supplement.

Each of the Press Release referred to above is available both in the original Italian and in English. By virtue of this Supplement, the relevant information from the English language version of each Press Release is being incorporated by reference into the Base Prospectus. The English language version of each Press Release represents a direct translation from the Italian language document. In the event that there are any inconsistencies or discrepancies between the Italian language version of any Press Release and the English translation thereof, the original Italian language version shall prevail.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

CHANGES TO THE BASE PROSPECTUS

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.

On 12 October 2015, UBI Banca reported that on such date the resolution with which the Shareholders' Meeting approved the transformation into 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 Base Prospectus.

As a consequence of the above, all references in the Base 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 section “UBI Banca and the UBI Banca Group” commencing on page 80 of the Base Prospectus is amended as set out in the Annex to this Supplement.

GENERAL INFORMATION

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base 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 Base Prospectus since the publication of the Base Prospectus.

Annex to the Supplement

Changes to the section “UBI Banca and the UBI Banca Group”

1. On page 80 of the Base Prospectus, the first paragraph thereof is hereby deleted and replaced as follows:

“UBI Banca and the UBI Banca Group

Unione di Banche Italiane S.p.A. (“**UBI Banca**”) 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 UBI Banca S.c.p.A., a cooperative bank (*banca popolare*) (“**UBI Banca 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**”). UBI Banca is the parent company of the UBI Banca Group (the “**UBI Banca Group**” or the “**Group**”).”

2. On pages 80 and following of the Base Prospectus, the paragraph “The UBI Banca Group” is hereby deleted and replaced as follows:

“The UBI Banca Group

UBI Banca, the parent bank of the UBI Banca Group, is a company listed on the Italian Stock Exchange and 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.

The UBI Banca Group’s distribution structure is as follows (with, in each case, market share in relation to branches given 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);

¹ Market share information sourced from Bank of Italy “*Bollettino Statistico*” – Statistical Bulletin.

- 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).”
- 3. On pages 86 and following of the Base Prospectus, the paragraph “Recent developments” is hereby deleted and replaced as follows:**

“RECENT DEVELOPMENTS

On 20 January 2015, the Italian Council of Ministers approved Law Decree No. 3 of 24 January 2015 entitled "*Urgent measures for the banking system and investment*" (the “**Decree**”). On 25 March 2015, Law No. 33 dated 24 March 2015 was published in the Official Gazette, which converted the Decree into Italian law.

Article 1 of the Decree provides for the reform of cooperative banks (*banche popolari*). In particular, Article 29 of Legislative Decree No. 385 of 1 September, 1993, as amended (the “**Banking Act**”) has been amended to introduce a new paragraph 2 *bis*, which states that the total assets of a cooperative bank cannot exceed €8 billion. New paragraph 2 *ter* of Article 29 of the Banking Act states that if the total assets of a cooperative bank exceed this threshold, the cooperative bank will be required to change its corporate form by converting into a joint-stock company.

In the event of conversion into a joint-stock company, the Decree provides cooperative banks the option to amend their by-laws to include a ceiling on voting rights of shareholders at General Meetings, provided that the ceiling is not less than 5% of the bank’s share capital with voting rights, for a maximum period of 24 months from the date of entry into force of the Law N. 33 dated 24 March 2015.

The Bank of Italy is charged with issuing the related implementing provisions of Law N. 33 dated 24 March 2015, including in relation to the mandatory conversion from cooperative bank to joint-stock company. Cooperative banks with assets which exceed €8 billion will have 18 months from 12 June 2015, being the date of the Bank of Italy’s implementing provisions entered into force, to convert into joint-stock companies.

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 were amended at a Shareholders’ Meeting held on 10 October 2015.

Accordingly, on 10 October 2015 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.

In addition to the above, on 12 October 2015 the resolution with which the Shareholders’ Meeting approved the transformation into 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 approval of the transformation resolution have been granted 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 and is incorporated by reference in, and forms part of, the Base Prospectus.”

4. On page 93 of the Base Prospectus, the final three paragraphs of the paragraph “UBI Banca’s Management and Supervisory Bodies” are hereby 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.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*”).”

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