

EXECUTION VERSION

Final Terms dated 14 March 2017

Unione di Banche Italiane S.p.A.

Issue of €500,000,000 Fixed Rate Reset Subordinated Notes due September 2027
under the Euro 15,000,000,000 Debt Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 28 July 2016 and the supplemental Prospectuses dated 12 August 2016, 26 January 2017, 1 March 2017 and 6 March 2017 which together constitute a base prospectus for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the supplemental Prospectuses are available for viewing at www.centralbank.ie and during normal business hours copies may be obtained from Unione di Banche Italiane S.p.A., Piazza Vittorio Veneto, 8, 24122 Bergamo, Italy.

1	Issuer:	Unione di Banche Italiane S.p.A.
2	(i) Series Number:	102
	(ii) Tranche Number:	1
	(ii) Date on which the Notes will become fungible	Not Applicable
3	Specified Currency or Currencies:	Euro (“€”)
4	Aggregate Nominal Amount:	€500,000,000
	(i) Series:	€500,000,000
	(ii) Tranche:	€500,000,000
5	Issue Price:	99.785 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000
	(ii) Calculation Amount (in relation to calculation of interest in global form see Conditions):	€1,000
7	(i) Issue Date:	15 March 2017
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	15 September 2027
9	Interest Basis:	4.450 per cent. to be reset on 15 September 2022

10	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11	Change of Interest Basis:	Not Applicable
12	Put/Call Options:	Issuer Call Regulatory Call
13	(i) Status of the Notes:	Subordinated
	(ii) Date Board approval for issuance of Notes obtained:	30 January 2017

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions:	Not Applicable
15	Reset Note Provisions:	Applicable
	(i) Initial Rate of Interest:	4.450 percent. per annum payable in arrear
	(ii) First Margin:	+4.24 percent. per annum
	(iii) Subsequent Margin:	Not Applicable
	(iv) Interest Payment Date(s):	15 September in each year up to and including the Maturity Date. There will be an initial short interest period from and including the Interest Commencement Date to but excluding the 15 September 2017 (the “ First Interest Period ”).
	(v) Fixed Coupon Amount up to (but excluding) the First Reset Date:	€44.50 per Calculation Amount provided that, in relation to the First Interest Period, the Fixed Coupon Amount shall be equal to the Broken Amount
	(vi) Broken Amount(s):	€22.43 per Calculation Amount payable on the Interest Payment Date falling on 15 September 2017
	(vii) First Reset Date:	15 September 2022
	(viii) Second Reset Date:	Not Applicable
	(ix) Subsequent Reset Date(s):	Not Applicable
	(x) Relevant Screen Page:	ICAE
	(xi) Mid-Swap Rate:	Single Mid-Swap Rate
	(xii) Mid-Swap Maturity	5 years
	(xiii) Day Count Fraction:	Actual/Actual - ICMA
	(xiv) Determination Dates:	15 September in each year
	(xv) Business Centre(s):	London
	(xvi) Calculation Agent:	Citibank N.A., London Branch
16	Floating Rate Note Provisions:	Not Applicable
17	Inverse Floating Rate Note Provisions:	Not Applicable



18 **Zero Coupon Note Provisions:** Not Applicable

PROVISIONS RELATING TO REDEMPTION

- 19 **Call Option:** Applicable
- (i) Optional Redemption Date(s): 15 September 2022
- (ii) Optional Redemption Amount of each Note: €1,000 per Calculation Amount
- (iii) If redeemable in part: Not Applicable
- (a) Minimum Redemption Amount: Not Applicable
- (b) Maximum Redemption Amount: Not Applicable
- (iv) Notice period: As per Condition 5(f)
- 20 **Regulatory Call:** Applicable
- (i) Notice period: As specified in Condition 5(e)
- 21 **Put Option:** Not Applicable
- 22 **Final Redemption Amount of each Note:** €1,000 per Calculation Amount
- 23 **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on redemption for regulatory reasons or on event of default or other early redemption: €1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24 **Form of Notes:**
- Bearer Notes:
- Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
- New Global Note: Yes
- 25 Financial Centre(s): London and TARGET2
- 26 Talons for future Coupons to be attached to Definitive Notes: No
- 27 U.S. Selling Restrictions: Reg S Compliance Category I; TEFRA D
- 28 Loss Absorption Requirement: The Notes (including for the avoidance of doubt, payments of principal and/or interest) shall be subject to full or partial write-down of the principal or conversion into common equity Tier 1 instruments or other instruments of ownership (the “Loss Absorption

Requirement²⁾ if so required under the Relevant Regulations, in accordance with the powers of the Competent Authority and where the Competent Authority determines that application of the Loss Absorption Requirement to the Notes is necessary pursuant to applicable law and/or regulation in force from time to time (including, for the avoidance of doubt, any applicable measure implementing Directive 2014/59/EU).

Signed on behalf of the Issuer:

By: 
Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- 2 (i) Listing Official List of the Irish Stock Exchange
- (ii) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange with effect from the Issue Date.
- Estimate of total expenses related to admission to trading: €600

3 RATINGS

- Ratings: The Notes to be issued are expected to be rated:
- S&P: BB
- Moody's: Ba3
- Fitch: BB+
- DBRS: BBB
- The credit ratings included or referred to in these Final Terms are expected to be issued by S&P, Moody's, Fitch and/or DBRS, 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>).

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc and UBS Limited (the "Joint Lead Managers"), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

5 YIELD

- Indication of yield: 4.50 per cent., being equal to the sum of First Margin of 4.24 per cent. plus the interpolated swap rate of 0.26 per cent. (rounded). The interpolated swap rate was determined at the time of pricing.



The above yield reflects the Issue Price and the Initial Rate of Interest. It is not an indication of future yield.

6 **OPERATIONAL INFORMATION**

ISIN: XS1580469895

Common Code: 158046989

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

