

**FIRST SUPPLEMENT DATED 19 OCTOBER 2015 TO THE BASE PROSPECTUS DATED  
21 JULY 2015**



**BANCA IMI S.p.A.**

*(incorporated with limited liability in the Republic of Italy)*

**CERTIFICATES PROGRAMME**

This first supplement (the **First Supplement**) to the Base Prospectus dated 21 July 2015 (the **Base Prospectus**) constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the **Prospectus Directive**) as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the **Prospectus Regulations**) and is prepared in connection with the Certificates Programme (the **Programme**) established by Banca IMI S.p.A. (the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this First Supplement.

This First Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus issued by the Issuer.

This First 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 First Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

The language of the First 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 under applicable law.

Any websites referred to herein do not form part of the First Supplement.

The Issuer accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this First Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

**1. PURPOSE OF THIS SUPPLEMENT**

The purpose of this First Supplement is to:

- (i) add certain provisions regarding the observation of the Underlying(s) on a continuous basis for the purpose of determining the occurrence of a Barrier Event and/or an Early Redemption Event;
- (ii) add certain provisions regarding the determination of the Cash Settlement Amount upon occurrence of a Barrier Event;
- (iii) rectify the description of the Cash Settlement Amount in relation to Outperformance Certificates; and
- (iv) disclose the limited reviewed company condensed interim consolidated financial statements and the interim financial statements of the Issuer as at and for the six months ending 30 June 2015.

The following sections will be amended and/or updated, as the case may be and as better specified under paragraphs 2 to 8 of this First Supplement:

- Summary of the Programme;
- Risk Factors;
- Documents incorporated by reference;
- Terms and Conditions of the Securities;
- Description of the Issuer;
- Form of Final Terms; and
- General Information.

Except as disclosed in this Supplement, there has been:

- (i) no significant change in the financial or trading position of the Issuer since 30 June 2015; and
- (ii) no material adverse change in the prospects of the Issuer since 31 December 2014.

Save as disclosed in this First Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen since the publication of the Base Prospectus.

Copies of the Base Prospectus and this First Supplement can be obtained from the registered office of the Issuer and from the specified offices of the Principal Security Agent for the time being in Luxembourg. The Base Prospectus and this First Supplement are available on the official website of the Issuer at <https://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents> and on the official website of the Irish Stock Exchange at <http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=673&uID=4875&FIELDSORT=docId> the Terms and Conditions set out in the base prospectus dated 29 July 2014 incorporated by reference herein are available on the official website of the Issuer at <https://www.bancaimi.prodottiequotazioni.com/EN/Download/Asset?id=046d03ba-5b19-415b-82bd-b71be26b4011> and on the official website of the Irish Stock Exchange at [http://www.ise.ie/debt\\_documents/Base%20Prospectus%20Approved\\_a1f6746f-0c44-41b2-95a3-8b2bb318f9b3.pdf?v=1062015](http://www.ise.ie/debt_documents/Base%20Prospectus%20Approved_a1f6746f-0c44-41b2-95a3-8b2bb318f9b3.pdf?v=1062015). All other documents incorporated by reference herein are available on the official website of the Issuer at <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci>.

## 2. SUMMARY OF THE PROGRAMME

- I. Element B.12 "**Selected historical key information / material adverse change/ significant changes**" and Element B.15 "**Description of the principal activities of the Issuer**" of the Section B "**Issuers and Guarantor**" on page 12 of the Summary of the Programme in the Base Prospectus shall be updated as set out below.

As a result of the approval of the limited reviewed company condensed interim consolidated financial statements and the interim financial statements of the Issuer as at and for the six months ending 30 June 2015, Element B.12 "Selected historical key information / material adverse change/ significant changes" and Element B.15 "Description of the principal activities of the Issuer" of the Section B "Issuers and Guarantor" of the "Summary of the Programme" in the Base Prospectus is no longer correct and the current information is set out in the amended "Summary of the Programme" in Schedule 1 hereto.

- II. Element C.18 "**Description of how the return on derivative securities takes place**" of Section C "**Securities**" on page 16 of the Summary of the Programme in the Base Prospectus shall be updated as set out below:

As a result of (i) certain amendments to the provisions relating to the determination of the Barrier Event and the Early Redemption Event to introduce the observation of the Underlying on continuous basis, (ii) certain amendments provisions regarding the determination of the Cash Settlement Amount upon occurrence of a Barrier Event, (both as described in Paragraph 5 "Terms and Conditions of the Securities" and Paragraph 7 "Form of Final Terms" of this First Supplement) and (iii) the amendment of the description of the calculation of the Cash Settlement Amount in relation to Outperformance Certificates, Element C.18 "Description of how the return on derivative securities takes place" of Section C "Securities" of the Summary of the Programme in the Base Prospectus has been updated, as set out in the amended "Summary of the Programme" in Schedule 1 hereto.

- III. Element D.6 "**Key risks specific to the securities**" of Section D "**Risks**" on page 22 of the Summary of the Programme in the Base Prospectus shall be updated as set out below:

Paragraphs "Certain Considerations Associated with Securities providing for the application of a cap to the Reference Item(s)", "Risk related to Up Participation Factor and Down Participation Factor (only in case of Outperformance Certificates)", "Risk related to the occurrence of an Early Redemption Event (if applicable)" and "Risk related to the Barrier Event (if applicable)" of the Section "Risk Factors" of the Base Prospectus (as described in Paragraph 3 "Risk Factors" of this First Supplement) has been updated, therefore Element D.6 "Key risks specific to the securities" of Section D "Risks" of the Summary of the Programme in the Base Prospectus is no longer correct and has been updated accordingly, as set out in the amended "Summary of the Programme" in Schedule 1 hereto.

### 3. RISK FACTORS

Paragraphs "*Legal risks*" under "Factors that may affect the Issuer's ability to fulfil its obligations under Certificates issued under the Programme", "*Certain Considerations Associated with Securities providing for the application of a cap to the Reference Item(s)*", "*Risk related to Up Participation Factor and Down Participation Factor (in case of Outperformance Certificates)*", "*Risk related to the occurrence of an Early Redemption Event (if applicable)*" and "*Risk related to the Barrier Event (if applicable)*" under "Risks Related to Certificates generally" of Section "Risk Factors" on page 27 of the Base Prospectus shall be replaced by the following:

#### *Legal risks*

In the normal course of its business, Banca IMI is party to a number of legal proceedings including civil, tax and administrative proceedings, as well as investigations or proceedings brought by regulatory agencies. Such actions brought against Banca IMI may result in judgments, settlements, fines, penalties or other results adverse to Banca IMI which could materially adversely affect Banca IMI's business, financial condition or results of operation, or cause it serious reputational harm.

As at 30 June 2015, provisions for risks and charges are in the amount of approximately €45,000,000 (€ 20 million of which accounted for risks and charges as a result of the "Bank Recovery and Resolution Directive").

For more detailed information, see Paragraph headed "Litigation" under Section headed "Description of Banca IMI S.p.A."

#### *Certain Considerations Associated with Securities providing for the application of a Cap*

The Securities may provide for the application of a maximum return payable to investors or of a maximum value or level to the relevant reference item(s).

In such case, the amounts payable to investors will be subject to the predetermined maximum. If the relevant reference item(s) outperforms the predetermined maximum, this will not be taken into consideration when calculating the amount payable or deliverable in respect of the Securities.

#### *Risk related to Up Participation Factor and Down Participation Factor (in case of Outperformance Certificates)*

The Cash Settlement Amount will be calculated in relation to the Up Participation Factor and Down Participation Factor.

In particular, the positive return deriving from the performance of the Underlying (respectively, positive performance in case of Long Outperformance Certificates and negative performance in case of Short Outperformance Certificates) will depend on the Up Participation Factor that may be lower than 100%. Conversely, the negative return deriving from the performance of the Underlying (respectively, negative performance in case of Long Outperformance Certificates and positive performance in case of Short Outperformance Certificates) will depend on the Down Participation Factor that may be higher than 100%.

#### *Risk related to the occurrence of an Early Redemption Event (if applicable)*

If an Early Redemption Event has occurred, the Certificates will be redeemed earlier than the Exercise Date (and therefore terminated) and the Early Redemption Amount will be paid to the investor on the Early Payment Day. In such case, the Early Redemption Amount to be paid to the Securityholder will not depend on the value of the Underlying (or of the Spread in the case of Spread Certificates) in relation to the Cash Settlement Amount (which in that moment might be increasing) but it will be composed of an amount in the Settlement Currency determined by the Issuer in the relevant Final Terms.

Furthermore, if the value of the Underlying is calculated as Intraday Value, the Underlying (or the Spread in the case of Spread Certificates) will be observed on a continuous basis and the probability that an Early Redemption Event occurs may be magnified.

*Risk related to the Barrier Event (if applicable)*

The Barrier Event indicates the achievement by the underlying asset of a value equal to, higher than or lower than the Barrier Level in the Barrier Event Observation Period (or on a Valuation Date), as specified in the relevant Final Terms. If a Barrier Event occurs, the Cash Settlement Amount will be determined in accordance with a calculation method other than the calculation method applicable if the Barrier Event does not occur and such circumstance may have a negative influence on the price. For example, if the relevant Final Terms do not provide a Protection Level or an Air Bag Factor or other similar features, upon occurrence of the Barrier Event, the Cash Settlement Amount will be linked only to the performance of the Underlying (or of the Spread in the case of Spread Certificates). This may entail the risk of partial or total loss of the investment.

The Securityholder shall consider that the occurrence of a Barrier Event will also depend on the volatility of the underlying asset i.e. the more frequent and intense the fluctuations in the value of the underlying asset during the life of the Certificates are, the higher the volatility will be and the greater the chance that the value of the underlying asset will reach the Barrier Level and therefore a Barrier Event will occur. In relation to the Certificates to be issued, the Issuer might set, at its own discretion, a Barrier Level more or less higher than the Initial Reference Value of the relevant underlying asset.

Furthermore, if the value of the Underlying is calculated as Intraday Value, the Underlying (or the Spread in the case of Spread Certificates) will be observed on a continuous basis and the probability that a Barrier Event occurs may be magnified.

#### 4. DOCUMENTS INCORPORATED BY REFERENCE

Section "**Documents incorporated by reference**" on page 54 of the Base Prospectus shall be replaced by the following:

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Central Bank shall be deemed to be incorporated in, and to form part of, this Base Prospectus. The documents set out below that are incorporated by reference in this Base Prospectus are direct translations into English from the original Italian language documents. The Issuer takes responsibility for such translations.

1. The audited company financial statements and the audited consolidated financial statements of the Issuer for the financial year ending 31 December 2013 (available at <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci>):

	<i>2013 Company Financial Statements</i>	<i>2013 Consolidated Financial Statements</i>
Balance sheet (Statement of financial position)	Pages 70-71	Page 274
Income statement	Page 72	Page 275
Changes in shareholders' equity	Page 75	Page 277
Statement of cash flows	Page 76	Pages 278-279
Accounting principles and explanatory notes	Pages 80-223	Pages 283-373
Auditors' report	Pages 231-232	Pages 377-378

2. The audited company financial statements and the audited consolidated financial statements of the Issuer for the financial year ending 31 December 2014 (available at <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci>):

	<i>2014 Company Financial Statements</i>	<i>2014 Consolidated Financial Statements</i>
Balance sheet (Statement of financial position)	Pages 70-71	Page 284
Income statement	Page 72	Page 285
Changes in shareholders' equity	Pages 75	Page 287
Statement of cash flows	Pages 76- 77	Pages 288-289
Accounting principles and explanatory notes	Pages 80- 229	Pages 293- 386
Auditors' report	Pages 237- 238	Pages 389- 390

3. The limited reviewed company condensed interim consolidated financial statements and the interim financial statements of the Issuer as at and for the six months ending 30 June 2014 (available at <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci>):

	<i>2014 Company Condensed Interim Consolidated</i>	<i>2014 Interim Financial Statements</i>
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*Financial Statements*

Balance sheet (Statement of financial position)	Pages 51	Page 105
Income statement	Page 53	Page 107
Statement of comprehensive income	Page 54	Page 108
Statement of changes in equity	Page 55	Pages 109
Statement of cash flows	Page 56	Page 111
Notes to the condensed interim consolidated financial statements and Accounting policies	Pages 57-103	-
Independent Auditors' report	Page 122	-

4. The limited reviewed company condensed interim consolidated financial statements and the interim financial statements of the Issuer as at and for the six months ending 30 June 2015 (available at <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci>):

	<i>2015 Condensed Interim Financial Statements</i>	<i>Company Interim Financial Statements</i>
Balance sheet (Statement of financial position)	Pages 52	Pages 109
Income statement	Pages 54	Pages 111
Statement of comprehensive income	Pages 55	Pages 112
Statement of changes in equity	Pages 56	Pages 113
Statement of cash flows	Pages 57	Pages 115
Notes to the condensed interim consolidated financial statements and Accounting policies	Pages 58 - 107	-
Independent Auditors' report	Pages 132	-

5. The Terms and Conditions set out, from page 62 to page 149, in the base prospectus dated 29 July 2014, as from time to time supplemented, relating to the Programme (available at [http://www.ise.ie/debt\\_documents/Base%20Prospectus%20Approved\\_a1f6746f-0c44-41b2-95a3-8b2bb318f9b3.pdf?v=1062015](http://www.ise.ie/debt_documents/Base%20Prospectus%20Approved_a1f6746f-0c44-41b2-95a3-8b2bb318f9b3.pdf?v=1062015)):

*Base Prospectus dated 29 July 2014*

Terms and Conditions

Pages 62 – 149

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base

Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Principal Security Agent for the time being in Luxembourg. This Base Prospectus is available on the official website of the Issuer at <https://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents> and on the official website of the Irish Stock Exchange at <http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=673&uID=4875&FIELDSORT=docId> and the Terms and Conditions set out in the base prospectus dated 29 July 2014 incorporated by reference herein are available on the official website of the Issuer at <https://www.bancaimi.prodottiequotazioni.com/EN/Download/Asset?id=046d03ba-5b19-415b-82bd-b71be26b4011> and on the official website of the Irish Stock Exchange at [http://www.ise.ie/debt\\_documents/Base%20Prospectus%20Approved\\_a1f6746f-0c44-41b2-95a3-8b2bb318f9b3.pdf?v=1062015](http://www.ise.ie/debt_documents/Base%20Prospectus%20Approved_a1f6746f-0c44-41b2-95a3-8b2bb318f9b3.pdf?v=1062015). All other documents incorporated by reference therein are available on the official website of the Issuer at <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci>. The Issuer will in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement to this Base Prospectus, which supplement will be approved by the Central Bank in accordance to the Irish applicable laws and regulations, or publish a new base prospectus for use in connection with any subsequent issue of Securities. Any supplement to this Base Prospectus will be published on the official website of the Issuer at <https://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents> and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).



## 5. TERMS AND CONDITIONS OF THE SECURITIES

### I. In Condition 3 (*Definitions*) of Section "Terms and Conditions of the Securities" on page 64 of the Base Prospectus the definitions of "Barrier Event", "Barrier Event Determination Period(s)", "Barrier Level", "Cap", "Early Payment Date", "Early Redemption Event", "Early Redemption Level", "Early Redemption Valuation Period" and "Spread" shall be replaced as follows:

**Barrier Event** means, if applicable pursuant to the relevant Final Terms, the event which occurs when the Calculation Agent determines that, (i) on the relevant Valuation Date or (ii) during the Barrier Event Determination Period(s), the Reference Value or the Intraday Value of one or more Underlying(s), or the Spread in the case of Spread Certificates (calculated in accordance with one of the formulas set out in the definition of "Spread"), as specified in the applicable Final Terms, is equal to, higher than or lower than the Barrier Level as specified from time to time in the relevant Final Terms.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Barrier Event in relation to one or more Underlying and the Final Terms will specify the Barrier Level for each Underlying. In particular, for the purposes of determining the occurrence of a Barrier Event, the Final Terms will specify the number of Underlyings that have to be equal to, higher than or lower than the Barrier Level. For example, if the Final Terms specify that the Barrier Event occurs if the Underlying is lower than the Barrier Level, in case of Second Worst Of, the Barrier Event occurs if e.g. among four Underlyings at least two Underlyings are lower than the Barrier Level. Otherwise, in case of Second Best Of, the Barrier Event occurs if e.g. among four Underlyings all but one Underlyings are lower than the Barrier Level and only one Underlying is higher than or equal to the Barrier Level.

The Barrier Event will be promptly notified to the Securityholders pursuant to Condition 8 (*Notices*);

**Barrier Event Determination Period(s)** means the period(s) composed of one or more Exchange Business Day(s) as specified from time to time in relation to each Series in the relevant Final Terms.

During this period, the occurrence of the Barrier Event may be determined observing either the Reference Value or the Intraday Value or the Spread, as specified in the applicable Final Terms.

Without prejudice to Condition 14(1) (*Market Disruption*) in relation to the Intraday Value, in the event that a Market Disruption Event has occurred on an Exchange Business Day of the Barrier Event Determination Period(s), such Exchange Business Day will be postponed to the following Exchange Business Day on which the Market Disruption Event is no longer in place. Such Exchange Business Day shall not be postponed beyond the eighth Exchange Business Day following the Exchange Business Day initially specified;

**Barrier Level** means, if applicable under the relevant Final Terms, the value determined as a percentage of the Initial Reference Value of the Underlying (or in the case of Spread Certificates calculated as an independent percentage) which determines the occurrence of the Barrier Event (as indicated in the relevant Final Terms). The Calculation Agent will determine the occurrence of the Barrier Event (i) on each Valuation Date or (ii) in the Barrier Determination Period, as specified from time to time in the relevant Final Terms.

The Barrier Level will be specified in the relevant Final Terms.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Barrier Event in relation to one or more Underlying and the Final Terms will specify the Barrier Level for each Underlying. In particular, for the purposes of determining the occurrence of a Barrier Event, the Final Terms will specify the number of Underlyings that have to be equal to, higher than or lower than the Barrier Level. For example, if the Final Terms specify that the Barrier Event occurs if the Underlying is lower than the Barrier Level, in case of Second Worst Of, the Barrier Event occurs if e.g. among four Underlyings at least two Underlyings are lower than the Barrier Level. Otherwise, in case of Second Best Of, the Barrier Event occurs if e.g. among four Underlyings all but one Underlyings are lower than the Barrier Level and only one Underlying is higher than or equal to the Barrier Level;

**Calculation of the Basket Level** means the method used by the Calculation Agent to determine the value of the Basket in order to measure the Reference Value or the Intraday Value, as the case may be.

In particular, at any time, the Basket Level is equal to the sum of the single values of the Basket Constituents at such time, divided by the single values of the Basket Constituents at time "0" which, in the case of an offer, is the Determination Date<sup>1</sup> or, in the case of an admission to trading, is the Issue Date, and multiplied for the relevant weighting of each Basket Constituent comprised in the same Basket, in accordance with the following formula:

$$Basket_t = \sum_{i=1}^n \frac{C_t^i}{C_0^i} \times W^i$$

Where:

" $Basket_t$ " is the Basket Level at time " $t$ ",

" $C_t^i$ " is the Basket Constituent " $i$ " Reference Value or Intraday Value, as the case may be, at time " $t$ ",

" $C_0^i$ " is the Basket Constituent " $i$ " Reference Value at time " $0$ ",

" $W^i$ " is the weighting of each Basket Constituent; and

" $n$ " is the number of the Basket Constituents;

**Cap** means either the Cap Amount, the Cap Barrier Amount, the Cap Level or the Cap Percentage as specified in the relevant Final Terms;

**Early Payment Date** means the Business Day on which the Issuer shall pay, directly or indirectly, the Early Redemption Amount to the Securityholders.

The Early Payment Date falls no later than ten Business Days following either (i) the last Exchange Business Day of the Early Redemption Valuation Period, or (ii) if the Early Redemption Event is determined on the basis of the Intraday Value or on the basis of the Spread where the Performances are calculated on the basis of the Intraday Value., the Exchange Business Day on which the Early Redemption Event occurred;

**Early Redemption Event** means, if applicable pursuant to the relevant Final Terms, the event which occurs when the Calculation Agent determines that in the relevant Early Redemption Valuation Period the Reference Value or the Intraday Value of one or more Underlying(s), or the Spread in the case of Spread Certificates (calculated in accordance with one of the formulas set out in the definition of "Spread"), as specified in the applicable Final Terms, is lower than, equal to or higher than the relevant Early Redemption Level, as specified from time to time in the relevant Final Terms.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Early Redemption Event in relation to one or more Underlying and the Final Terms will specify the Early Redemption Level for each Underlying. In particular, for the purposes of determining the occurrence of an Early Redemption Event, the Final Terms will specify the number of Underlyings that have to be equal to, higher than or lower than the Early Redemption Level. For example, if the Final Terms specify that

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<sup>1</sup> where there is more than one Determination Date the values of the Basket Constituents at time "0" will correspond to the arithmetic mean of the relevant Reference Values of each Basket Constituent determined on such Determination Dates.

the Early Redemption Event occurs if the Underlying is lower than the Early Redemption Level, in case of Second Worst Of, the Early Redemption Event occurs if e.g. among four Underlyings at least two Underlyings are lower than the Early Redemption Level. Otherwise, in case of Second Best Of, the Early Redemption Event occurs if e.g. among four Underlyings all but one Underlyings are lower than the Early Redemption Level and only one Underlying is higher than or equal to the Early Redemption Level.

In addition, an Early Redemption Event may also occur in connection with any Certificate pursuant to Condition 5 (*Hedging Disruption*).

In any case, upon the occurrence of an Early Redemption Event, the Securityholders are entitled to receive the payment of the Early Redemption Amount and the Certificates are deemed to be early redeemed on the hour, minute and second of either (i) the last Exchange Business Day during the Early Redemption Valuation Period on which the Early Redemption Event has occurred, or (ii) if the Early Redemption Event is determined on the basis of the Intraday Value or on the basis of the Spread where the Performances are calculated on the basis of the Intraday Value, the Exchange Business Day on which the Early Redemption Event occurred. The Securityholders will be notified of the Early Redemption Event pursuant to Condition 8 (*Notices*);

**Early Redemption Level** means, if applicable under the relevant Final Terms, for each Underlying, the value determined as a percentage of the Initial Reference Value as specified in relation to the Early Redemption Valuation Period in the relevant Final Terms from time to time.

In case of Spread Certificates, the Early Redemption Level is represented by an independent percentage value indicated from time to time in the relevant Final Terms in relation to each Early Redemption Valuation Period.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Early Redemption Event in relation to one or more Underlying and the Final Terms will specify the Early Redemption Level for each Underlying. In particular, for the purposes of determining the occurrence of an Early Redemption Event, the Final Terms will specify the number of Underlyings that have to be equal to, higher than or lower than the Early Redemption Level. For example, if the Final Terms specify that the Early Redemption Event occurs if the Underlying is lower than the Early Redemption Level, in case of Second Worst Of, the Early Redemption Event occurs if e.g. among four Underlyings at least two Underlyings are lower than the Early Redemption Level. Otherwise, in case of Second Best Of, the Early Redemption Event occurs if e.g. among four Underlyings all but one Underlyings are lower than the Early Redemption Level and only one Underlying is higher than or equal to the Early Redemption Level;

**Early Redemption Valuation Period** means the period (or the periods) composed of one or more Exchange Business Day(s), as specified in the relevant Final Terms, on which the Calculation Agent determines if the Reference Value or the Intraday Value or the Spread (in the case of Spread Certificates), as indicated in the relevant Final Terms, is equal to, lower than or higher than the Early Redemption Level and therefore determining whether an Early Redemption Event has occurred.

If there are more Early Redemption Valuation Periods, the relevant Final Terms will specify the **First Early Redemption Valuation Period**, the **Second Early Redemption Valuation Period** and so on.

The above applies provided that, in the opinion of the Calculation Agent, a Market Disruption Event has not occurred on an Exchange Business Day in the Early Redemption Valuation Period. In such case, the Exchange Business Day of the Early Redemption Valuation Period is postponed to the immediately following Exchange Business Day on which the Market Disruption Event is no longer in place. In any case, such Exchange Business Day of the Early Redemption Valuation Period shall not be postponed beyond the eighth Exchange Business Day after the Exercise Date;

**Spread** means, in relation to Spread Certificates, the differential registered between the Performance of the Underlying A and the Performance of the Underlying B. The Spread is determined by the Calculation Agent as follows:

$Spread = Performance\ of\ the\ Underlying\ A - Performance\ of\ the\ Underlying\ B$

Where:

(i) at the Exercise Date,

$$Performance = \frac{FRV}{IRV} - 1$$

Where:

"**FRV**" means the Final Reference Value of the Underlying, and

"**IRV**" means the Initial Reference Value of the Underlying;

(ii) during the life of the Certificates,

$$(a) \ Performance = \frac{RV}{IRV} - 1$$

Where:

"**RV**" means the Reference Value of the Underlying, and

"**IRV**" means the Initial Reference Value of the Underlying;

Or

$$(b) \ Performance = \frac{IDV}{IRV} - 1$$

Where:

"**IDV**" means the Intraday Value of the Underlying, and

"**IRV**" means the Initial Reference Value of the Underlying;

**II. In Condition 3 (Definitions) of Section "Terms and Conditions of the Securities" on page 64 of the Base Prospectus the definitions of "Cap Barrier Amount", "Electronic Page" and "Intraday Value" shall be inserted as follows:**

**Cap Barrier Amount** means the amount indicated as such in the relevant Final Terms;

**Electronic Page** means, in respect of an Underlying or a Basket Constituent, the electronic page or source specified for such Underlying or Basket Constituent in the applicable Final Terms, or either (i) any successor electronic page or source or information vendor or provider that has been designated by the sponsor of the original electronic page or source; or (ii) if such sponsor has not officially designated a successor electronic page or source or information vendor or provider, the successor electronic page or source or information vendor or provider designated by the relevant information vendor or provider (if different from such sponsor) or any alternative electronic page or source designated by the Calculation Agent, provided that, if, in the case of (i) and (ii), the Calculation Agent determines that it is not necessary or appropriate for the Electronic Page to be any such successor electronic page or source or information vendor or provider, then the Electronic Page may be either the originally designated electronic page or source or such other electronic page or source as selected by

the Calculation Agent. Where more than one Electronic Page is specified in respect of an Underlying or a Basket Constituent, then the provisions of the preceding sentence shall be construed accordingly and (i) if there is any discrepancy between any relevant price or level displayed on the relevant Electronic Pages for any Exchange Business Day, the relevant price or level selected by the Calculation Agent shall be used for such Exchange Business Day; and (ii) if any relevant price or level is not published on all of such Electronic Pages but is published on one or more of such Electronic Pages, the Calculation Agent shall use such published price or level for the purpose of determining any calculation or determination in respect of the Certificates and no Market Disruption Event shall be deemed to have occurred in respect of the failure to publish on the other Electronic Page(s).

**Intraday Value** means, in respect of an Underlying or a Basket Constituent and on any Exchange Business Day during an Early Redemption Valuation Period and/or a Barrier Event Determination Period, the official level published by the Index Sponsor, the official traded price, quoted on the relevant Reference Source, the Exchange Rate value quoted on the relevant over-the-counter or quotation-based market, the official Interest Rate value, the Net Asset Value of such Underlying or Basket Constituent (without limitation, as the case may be and as specified in the applicable Final Terms) continuously observed on such day by the Calculation Agent on the applicable Electronic Page, subject as provided in Condition 14(2) (*Adjustment Events relating to the Underlying and correction provisions in relation to the Certificates*).

In the case of a Basket, the Intraday Value of such Basket will be determined as specified in the previous definition of "Calculation of the Basket Level";

**III. Condition 14(1) "Market Disruption Event" of Section "Terms and Conditions of the Securities" on page 100 of the Base Prospectus shall be integrated as follows:**

**14(1) Market Disruption Event**

If the Calculation Agent determines that the Intraday Value of an Underlying cannot be determined at any time on any Early Redemption Valuation Period and/or Barrier Event Determination Period by reason of the occurrence of an event giving rise to a Market Disruption Event (as described in the following sub-conditions), then the Intraday Value at such time on such period shall be disregarded for the purposes of determining the occurrence of the Early Redemption Event and/or Barrier Event, as the case may be.

**IV The provisions relating to the calculation of the Cash Settlement Amount in relation to Outperformance Certificates in Condition 19 "Pay-out provisions" of Section "Terms and Conditions of the Securities" on page 142 of the Base Prospectus shall be replaced by the following:**

**F. OUTPERFORMANCE CERTIFICATES**

**(a) LONG OUTPERFORMANCE CERTIFICATES**

**1. Positive performance of the Underlying**

If at maturity the value of the Underlying is equal to or higher than the Initial Reference Value, the Cash Settlement Amount will be calculated pursuant to the following formula:

*{{[Initial Reference Value + Up Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier} x Minimum Exercise Amount*

In this case, the investor will receive, on the Settlement Date, a Cash Settlement Amount, if positive, linked to the positive performance of the Underlying, depending on the Up Participation Factor.

**If the relevant Final Terms provide a Cap Level:**

*{{[Min [(Initial Reference Value + Up Participation Factor x (Final Reference Value – Initial Reference Value)); Cap Level]} x Multiplier} x Minimum Exercise Amount*

In this case the investor will receive, on the Settlement Date, a Cash Settlement Amount, if positive, linked to the positive performance of the Underlying, depending on the Up Participation Factor, subject to a maximum level equal to the Cap Level multiplied by the Multiplier.

2. ***Negative performance of the Underlying***

If at maturity the value of the Underlying is lower than the Initial Reference Value, the Cash Settlement Amount will be calculated pursuant to the following formula:

$\{[Initial\ Reference\ Value + Down\ Participation\ Factor \times (Final\ Reference\ Value - Initial\ Reference\ Value)]\} \times Multiplier \times Minimum\ Exercise\ Amount$

In this case the investor will receive, on the Settlement Date, a Cash Settlement Amount, if positive, linked to the negative performance of the Underlying, depending on the Down Participation Factor.

(b) **SHORT OUTPERFORMANCE CERTIFICATES**

1. ***Negative performance of the Underlying***

If at maturity the value of the Underlying is lower than the Initial Reference Value, the Cash Settlement Amount will be calculated pursuant to the following formula:

$\{[Initial\ Reference\ Value + Up\ Participation\ Factor \times (Initial\ Reference\ Value - Final\ Reference\ Value)] \times Multiplier\} \times Minimum\ Exercise\ Amount$

In this case, on the Settlement Date, the investor will receive a Cash Settlement Amount, if positive, linked to the negative performance of the Underlying depending on the Up Participation Factor.

**If the relevant Final Terms provide a Cap Level:**

$\{[Min [(Initial\ Reference\ Value + Up\ Participation\ Factor \times (Initial\ Reference\ Value - Final\ Reference\ Value)); Cap\ Level]] \times Multiplier\} \times Minimum\ Exercise\ Amount$

In this case, on the Settlement Date the investor will receive a Cash Settlement Amount, if positive, linked to the performance of the Underlying depending on the Up Participation Factor, subject to a maximum level equal to the Cap Level multiplied by the Multiplier.

2. ***Positive performance of the Underlying***

If at maturity the value of the Underlying is higher than the Initial Reference Value, the Cash Settlement Amount will be calculated pursuant to the following formula:

$\{Max [0; [Initial\ Reference\ Value + Down\ Participation\ Factor \times (Initial\ Reference\ Value - Final\ Reference\ Value)]] \times Multiplier\} \times Minimum\ Exercise\ Amount$

In this case, on the Settlement Date, the investor will receive a Cash Settlement Amount, if positive, linked to the negative performance of the Underlying depending on the Down Participation Factor.

V. **The provisions relating to "Early Redemption Amount" in Condition 19 "Pay-out provisions" of Section "Terms and Conditions of the Securities" on page 130 of the Base Prospectus shall be replaced by the following:**

**EARLY REDEMPTION AMOUNT**

The Certificates, if so specified by the Issuer in the relevant Final Terms, may provide the possibility of an automatic early redemption if an Early Redemption Event has occurred. In particular, the Reference Value or the Intraday Value or the Spread (as the case may be and as specified in the applicable Final Terms) with reference

to an Early Redemption Valuation Period is lower than, equal to or higher than Early Redemption Level (as indicated in the relevant Final Terms, the certificate will be automatically redeemed and the Securityholder will receive on the Early Payment Date the payment of the Early Redemption Amount.

The Early Redemption Level will be indicated in the relevant Final Terms as a percentage of the Initial Reference Value (or as an independent percentage value in the case of Spread Certificates).

If several Early Redemption Amounts are provided, the Final Terms will indicate the value or the relevant calculation methods in the relation to the "Early Redemption Amount in relation to the First Early Redemption Period", the "Early Redemption Amount in relation to the Second Early Redemption Period" and so on.

Furthermore, in the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Early Redemption Event in relation to one or more Underlying and the Final Terms will specify the Early Redemption Level for each Underlying. In particular, for the purposes of determining the occurrence of an Early Redemption Event, the Final Terms will specify the number of Underlyings that have to be equal to, higher than or lower than the Early Redemption Level. For example, if the Final Terms specify that the Early Redemption Event occurs if the Underlying is lower than the Early Redemption Level, in case of Second Worst Of, the Early Redemption Event occurs if e.g. among four Underlyings at least two Underlyings are lower than the Early Redemption Level. Otherwise, in case of Second Best Of, the Early Redemption Event occurs if e.g. among four Underlyings all but one Underlyings are lower than the Early Redemption Level and only one Underlying is higher than or equal to the Early Redemption Level.

**VI. The provisions relating to "Barrier Level in the case of Standard Long Certificates, Max Long Certificates and Twin Win Certificates", "Barrier Level in the case of Max Short Certificates and Standard Short Certificates" and "Barrier Level in case of Path Dependant Growth Certificates and Path Dependant Income Certificates" in Condition 19 "Pay-out provisions" of Section "Terms and Conditions of the Securities" on page 130 of the Base Prospectus shall be integrated as follows:**

**CALCULATION METHOD IN THE CASE OF NEGATIVE <sup>3</sup> PERFORMANCE OF THE UNDERLYING – WITH A BARRIER LEVEL (BARRIER CERTIFICATES)**

**(1) BARRIER LEVEL IN THE CASE OF STANDARD LONG CERTIFICATES, MAX LONG CERTIFICATES AND TWIN WIN CERTIFICATES**

In the case of Standard Long Certificates, Max Long Certificates and Twin Win Certificates, if **a Barrier Level is provided in the applicable Final Terms and a Barrier Event has occurred**, the Cash Settlement Amount will be calculated in accordance with the following formula:

**(i) WITHOUT PROTECTION LEVEL, AIR BAG FACTOR, SIGMA AMOUNT OR PREDETERMINED LOSS PERCENTAGE**

*(Final Reference Value x Multiplier) x Minimum Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying (i.e. the investment in the Certificate is a direct investment in the Underlying) and therefore may be exposed to the total or partial loss of the capital invested.

**If the applicable Final Terms provide a Cap Barrier Amount:**

*Min[Cap Barrier Amount; (Final Reference Value x Multiplier)] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

**(ii) WITH A PROTECTION LEVEL**

<sup>3</sup> In case of Max Short Certificates and Standard Short Certificates with Barrier Level, the performance of the Underlying will be positive for the purposes of the Barrier Event.

*[Max (Final Reference Value; Protection Level) x Multiplier] x Minimum Exercise Amount*

In such case, the protection of the capital invested will depend on the percentage of the Initial Reference Value that will be set out by the Issuer as Protection Level.

**If the applicable Final Terms provide a Cap Barrier Amount:**

*Min[Cap Barrier Amount; Max (Final Reference Value; Protection Level) x Multiplier] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

**(iii) IN ABSENCE OF A PROTECTION LEVEL AND WITH THE AIR BAG FACTOR**

*[(Final Reference Value x Air Bag Factor) x Multiplier] x Minimum Exercise Amount*

In such case, the investor will receive at the maturity an amount which is not directly proportionate to the performance of the Underlying due to the Air Bag Factor. Consequently, the investment loss is lower than the loss of the value of the Underlying. Such reduction of the loss decreases with the reduction of the Final Reference Value until the Final Reference Value is equal to zero.

**If the applicable Final Terms provide a Cap Barrier Amount:**

*Min[Cap Barrier Amount; (Final Reference Value x Air Bag Factor) x Multiplier] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

**(iv) IN ABSENCE OF A PROTECTION LEVEL AND WITH THE SIGMA AMOUNT**

*[(Final Reference Value x Multiplier) + Sigma Amount] x Minimum Exercise Amount*

In such case, whatever the performance linked to the Final Reference Value is, the investor will receive at least an amount equal to the Sigma Amount.

**If the applicable Final Terms provide a Cap Barrier Amount:**

*Min[Cap Barrier Amount; (Final Reference Value x Multiplier)+ Sigma Amount] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

**(v) IN ABSENCE OF A PROTECTION LEVEL AND WITH THE PREDETERMINED LOSS PERCENTAGE**

*[(Initial Reference Value x Predetermined Loss Percentage) x Multiplier] x Minimum Exercise Amount*

In such case the investor will receive an amount which will depend on the Predetermined Loss Percentage set out in the relevant Final Terms.

**(vi) IN ABSENCE OF A PROTECTION LEVEL AND WITH THE FX MULTIPLIER**

*(Final Reference Value x Multiplier x FX Multiplier) x Minimum Exercise Amount*



In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying, depending also on the FX Multiplier. The application of the FX Multiplier shall enable the investor to simulate a direct investment in the foreign currency.

**If the applicable Final Terms provide a Cap Barrier Amount:**

*Min [Cap Barrier Amount; (Final Reference Value x Multiplier x FX Multiplier)] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

(2) **BARRIER LEVEL IN THE CASE OF SPREAD CERTIFICATES**

In relation to the Spread Certificates, if **a Barrier Level has been provided (indicated as a percentage value) and a Barrier Event has occurred**, the Cash Settlement Amount will be calculated pursuant to the following formula:

(i) **WITH THE PREDETERMINED LOSS PERCENTAGE**

$$\left\{ \left[ \frac{(Initial\ Percentage \times IRV_A \times Multiplier_A) + (Initial\ Percentage \times IRV_B \times Multiplier_B)}{2} \right] \times Predetermined\ Loss\ Percentage \right\} \times MEA$$

Where:

"**Initial Percentage**" means a percentage specified in the applicable Final Terms,

"**IRV<sub>A</sub>**" means the Initial Reference Value of the Underlying A,

"**Multiplier<sub>A</sub>**" means the Multiplier of the Underlying A,

"**IRV<sub>B</sub>**" means the Initial Reference Value of the Underlying B,

"**Multiplier<sub>B</sub>**" means the Multiplier of the Underlying B,

"**Predetermined Loss Percentage**" means the percentage set out in the Final Terms upon which will depend the amount that the investor will receive on the Settlement Date, and

"**MEA**" means the Minimum Exercise Amount.

In this scenario, the amount that the investor will receive on the Settlement Date will depend on the Predetermined Loss Percentage set out in the relevant Final Terms by the Issuer;

(ii) **WITHOUT THE PREDETERMINED LOSS PERCENTAGE AND WITH THE SPREAD PROTECTION**

$$\left\{ \left[ \frac{(IP \times IRV_A \times M_A) + (IP \times IRV_B \times M_B)}{2} \right] \times (1 + Max(Spread\ Protection ; Spread)) \right\} \times MEA$$

Where:

"**IP**" means the Initial Percentage specified in the applicable Final Terms,

"**IRV<sub>A</sub>**" means the Initial Reference Value of the Underlying A,

"**M<sub>A</sub>**" means the Multiplier of the Underlying A,

"**IRV<sub>B</sub>**" means the Initial Reference Value of the Underlying B,

"M<sub>B</sub>" means the Multiplier of the Underlying B,

"Spread" means the differential registered between the performance of the Underlying A and the performance of the Underlying B,

"Spread Protection" means a percentage specified in the applicable Final Terms, and

"MEA" means the Minimum Exercise Amount.

In such case, the protection of the capital invested will depend on the percentage set out by the Issuer in the applicable Final Terms as the Protection Spread.

**If the applicable Final Terms provide a Cap Barrier Amount:**

$$\text{Min} \left\{ \text{Cap Barrier Amount} ; \left\{ \left[ \frac{(IP \times IRV_A \times M_A) + (IP \times IRV_B \times M_B)}{2} \right] \times (1 + \text{Max}(\text{Spread Protection} ; \text{Spread})) \right\} \right\} \times \text{MEA}$$

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

(iii) WITHOUT THE PREDETERMINED LOSS PERCENTAGE OR THE SPREAD PROTECTION

The Cash Settlement Amount will be calculated pursuant to one of the following formulas and in accordance with the relevant Final Terms:

a. Amount linked to the Spread

$$\left\{ \left[ \frac{(IP \times IRV_A \times M_A) + (IP \times IRV_B \times M_B)}{2} \right] \times (1 + \text{Spread}) \right\} \times \text{MEA}$$

Where:

"IP" means the Initial Percentage specified in the applicable Final Terms,

"IRV<sub>A</sub>" means the Initial Reference Value of the Underlying A,

"M<sub>A</sub>" means the Multiplier of the Underlying A,

"IRV<sub>B</sub>" means the Initial Reference Value of the Underlying B,

"M<sub>B</sub>" means the Multiplier of the Underlying B,

"Spread" means the differential registered between the performance of the Underlying A and the performance of the Underlying B, and

"MEA" means the Minimum Exercise Amount.

In such case, the investor will receive on the Settlement Date an amount directly linked to the Spread (the differential registered between the performance of the Underlying A and the performance of the Underlying B) and therefore the investor may be exposed to the total or partial loss of the capital invested.

**If the applicable Final Terms provide a Cap Barrier Amount:**

$$\text{Min} \left\{ \text{Cap Barrier Amount} ; \left\{ \left[ \frac{(IP \times IRV_A \times M_A) + (IP \times IRV_B \times M_B)}{2} \right] \times (1 + \text{Spread}) \right\} \right\} \times \text{MEA}$$

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms; or

b. Amount linked to the performance of the Underlying A

*Final Reference Value<sub>A</sub> x Multiplier<sub>A</sub> x Minimum Exercise Amount*

In this case the investor will receive on the Settlement Date an amount linked to the performance of the Underlying A (i.e. the investment in the Certificate is a direct investment in the Underlying A) and therefore the investor may be exposed to the total or partial loss of the capital invested

**If the applicable Final Terms provide a Cap Barrier Amount:**

*Min [Cap Barrier Amount; (Final Reference Value<sub>A</sub> x Multiplier<sub>A</sub>)] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms; or

c. Amount linked to the performance of the Underlying B

*Final Reference Value<sub>B</sub> x Multiplier<sub>B</sub> x Minimum Exercise Amount*

In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying B (i.e. the investment in the Certificate is a direct investment in the Underlying B) and therefore the investor may be exposed to the total or partial loss of the capital invested.

**If the applicable Final Terms provide a Cap Barrier Amount:**

*Min [Cap Barrier Amount; (Final Reference Value<sub>B</sub> x Multiplier<sub>B</sub>)] x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

(3) **BARRIER LEVEL IN THE CASE OF MAX SHORT CERTIFICATES AND STANDARD SHORT CERTIFICATES**

In relation to the Max Short Certificates and Standard Short Certificates, if **a Barrier Level has been provided (indicated as a percentage value) and a Barrier Event has occurred**, the Cash Settlement Amount will be calculated pursuant to the following formulas:

(i) WITH THE SHORT PROTECTION

*Max {Short Protection; [Initial Reference Value + (Initial Reference Value - Final Reference Value)] x Multiplier} x Minimum Exercise Amount*

In such case, the protection of the capital invested will depend on the amount that will be set out by the Issuer as the Short Protection.

**If the applicable Final Terms provide a Cap Barrier Amount:**

*Min {Cap Barrier Amount; Max {Short Protection; [Initial Reference Value + (Initial Reference Value - Final Reference Value)] x Multiplier} x Minimum Exercise Amount*

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

(ii) WITH THE PREDETERMINED LOSS PERCENTAGE

$[(\text{Initial Reference Value} \times \text{Predetermined Loss Percentage}) \times \text{Multiplier}] \times \text{Minimum Exercise Amount}$

In such case the investor will receive an amount which will depend on the Predetermined Loss Percentage set out in the relevant Final Terms.

(iii) WITHOUT THE SHORT PROTECTION AND THE PREDETERMINED LOSS PERCENTAGE

$\text{Max} \{0; [\text{Initial Reference Value} + (\text{Initial Reference Value} - \text{Final Reference Value})] \times \text{Multiplier}\} \times \text{Minimum Exercise Amount}$

In such case, the investor will receive on the Settlement Date an amount which is inversely proportional to the performance of the Underlying (i.e. in a short position in respect of the Underlying) and therefore may be exposed to the total or partial loss of the capital invested.

**If the applicable Final Terms provide a Cap Barrier Amount:**

$\text{Min} \{\text{Cap Barrier Amount}; \text{Max} \{0; [\text{Initial Reference Value} + (\text{Initial Reference Value} - \text{Final Reference Value})] \times \text{Multiplier}\}\} \times \text{Minimum Exercise Amount}$

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount specified in the relevant Final Terms.

**(4) BARRIER LEVEL IN THE CASE OF PATH DEPENDANT GROWTH CERTIFICATES AND PATH DEPENDANT INCOME CERTIFICATES**

**(i) Long Path Dependant Growth Certificates and Long Path Dependant Income Certificates**

In relation to the Long Path Dependant Growth Certificates and the Long Path Dependant Income Certificates, if **a Barrier Level has been provided and a Barrier Event has occurred** (i.e. the Reference Value or the Intraday Value, as specified in the applicable Final Terms, is lower than the Barrier Level), and if the Switch Event has not occurred, the Cash Settlement Amount will be calculated pursuant to the following formulas:

$\{[1 - \text{Pick Up Factor} \times (\text{Initial Reference Value} - \text{Final Reference Value}) / \text{Strike}] \times \text{Issue Price}\} \times \text{Minimum Exercise Amount}$

In such scenario, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Pick Up Factor and the Strike, as specified in the applicable Final Terms.

**(ii) Short Path Dependant Growth Certificates and Short Path Dependant Income Certificates**

In relation to the Short Path Dependant Growth Certificates and the Short Path Dependant Income Certificates, if **a Barrier Level has been provided and a Barrier Event has occurred** (i.e. the Reference Value or the Intraday Value, as specified in the applicable Final Terms, is higher than the Barrier Level), and if the Switch Event has not occurred, the Cash Settlement Amount will be calculated pursuant to the following formulas:

$\{[1 - \text{Pick Up Factor} \times (\text{Final Reference Value} - \text{Initial Reference Value}) / \text{Strike}] \times \text{Issue Price}\} \times \text{Minimum Exercise Amount}$

In such scenario, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Pick Up Factor and the Strike, as specified in the applicable Final Terms.

## 6. DESCRIPTION OF THE ISSUER

Section "**Description of the Issuer**" on page 155 of the Base Prospectus shall be replaced as follows:

### **History of the Issuer**

The Issuer is a banking institution established under Italian law. It is the result of a number of reorganisations, which have resulted in:

- (i) the merger of the securities companies which operated under the names of Caboto Sim – Società di Intermediazione Mobiliare S.p.A. and Caboto Società di Intermediazione Mobiliare S.p.A. within the former Banca Intesa banking group into Banca Primavera S.p.A., a bank duly authorised by the Bank of Italy, which then changed its corporate name into Banca Caboto S.p.A., effective from 1 January 2004. Banca Caboto S.p.A. was then as resulting entity the investment bank of the former Banca Intesa banking group; and
- (ii) the merger of Banca d'Intermediazione Mobiliare IMI S.p.A., the investment bank of the former Sanpaolo IMI banking group, into Banca Caboto S.p.A., which then changed its corporate name into Banca IMI S.p.A., effective from 1 October 2007.

The merger by incorporation referred to at Paragraph (ii) above was part of a broader rationalisation of the business and companies belonging to the former Banca Intesa and Sanpaolo IMI banking groups upon merger of the two banking group in the Intesa Sanpaolo banking group effective 1 January 2007.

The Intesa Sanpaolo Group is the result of the merger effective 1 January 2007 of Sanpaolo IMI S.p.A. with Banca Intesa S.p.A. The former Banca Intesa banking group, prior to the merger, was also the result of a series of mergers, having been brought into existence in 1998 by the merger of Cariplo and Ambroveneto, followed in 1999 by the public exchange offer for 70 per cent. of Banca Commerciale Italiana, which was merged by incorporation in 2001. The former Sanpaolo IMI group was the result of the merger of Istituto Bancario San Paolo di Torino and Istituto Mobiliare Italiano in 1998, and of the subsequent integration of Banco di Napoli, in 2000 and of Gruppo Cardine, in 2002.

On 29 July 2009 Banca IMI S.p.A.'s extraordinary shareholders' meeting resolved in favour of a capital increase of Euro 750 million, including any premium price, which capital increase was subscribed by the sole shareholder Intesa Sanpaolo S.p.a. by contributing the *Investment Banking* business division to Banca IMI, thereby completing the integration of Banca Caboto and Banca IMI.

### **Legal and Commercial Name of the Issuer**

The legal and commercial name of the Issuer is Banca IMI S.p.A., or in short form IMI S.p.A.

### **Place of Registration and Registration Number of the Issuer**

The Issuer is registered with the Companies' Register of Milan under No. 04377700150. The Issuer is also registered with the Register of Banks held by the Bank of Italy under No. 5570 and is part of the Intesa Sanpaolo Banking Group, which is registered with the Register of Banking Groups (*Albo dei Gruppi Bancari*) and a member of the Interbank Deposit Protection Fund (*Fondo Interbancario di Tutela dei Depositati*).

### **Date of Establishment and Duration of the Issuer**

The Issuer was established on 29 March 1979 by a notarial deed of the Notary public Landoaldo de Mojana. The duration of the Issuer is until 31 December 2100 and may be extended by an extraordinary resolution of the shareholders' meeting, passed with the quorum provided for by law.

## **Legal Status, Registered office and Share Capital of the Issuer**

The Issuer is an Italian bank established as a company limited by shares (*società per azioni*). The Issuer is incorporated and carries out its business under Italian law. The Courts of Milan have jurisdiction in respect of any disputes. The Issuer, both as a bank and as a member of the Intesa Sanpaolo banking group, is subject to the Bank of Italy's prudential supervision. The Issuer is a company belonging to the Intesa Sanpaolo Group, of which Intesa Sanpaolo S.p.A. is the parent company, and is subject to the management and co-ordination of its sole shareholder, Intesa Sanpaolo S.p.A.

The registered and administrative office of the Issuer is in Largo Mattioli, 3 20121 Milan, with telephone number +39 02 72611. The Issuer has offices in Rome and a branch in London, at 90 Queen Street, London EC4N 1SA, United Kingdom.

At 30 June 2015, the Issuer's issued and paid-up share capital amounted to €962,464,000, divided into 962,464,000 ordinary shares. The shares are in registered form and each share entitles to one vote. Intesa Sanpaolo S.p.A. holds directly 100 per cent. of the fully subscribed and paid up share capital of the Issuer.

### **Independent Auditors**

The Issuer's shareholders' general meeting held on 20 December 2011 resolved to appoint KPMG S.p.A., with registered office at Via V. Pisani, 25, 20121 Milan, as independent auditors of the Issuer for the annual and half-yearly non-consolidated and consolidated financial statements of the Issuer for each financial year in the nine year period 2012-2020.

The KPMG S.p.A.'s audit reports on the Issuer's unconsolidated financial statements for the financial years ending 31 December 2013 and on the Issuer's consolidated financial statements for the financial year ending 31 December 2013 were issued without qualification or reservation.

The KPMG S.p.A.'s audit reports on the Issuer's unconsolidated financial statements for the financial years ending 31 December 2014 and on the Issuer's consolidated financial statements for the financial year ending 31 December 2014 were issued without qualification or reservation.

KPMG carried out a limited review of the interim consolidated financial statements as at and for the six months ending on 30 June 2015 and on 30 June 2014.

## **OVERVIEW OF ACTIVITIES**

### **Description of the Issuer's main activities**

The Issuer is the investment banking arm and securities firm of Gruppo Intesa Sanpaolo and it offers a wide range of capital markets, investment banking and special lending services to a diversified client base including banks, companies, institutional investors, entities and public bodies.

The Issuer's business is divided into three business divisions: *Global Markets*, *Investment Banking* and *Structured Finance*.

The *GlobalMarkets* division operates as market maker for government bonds and leading Italian and European debt instruments and listed derivatives; it offers to clients the full range of trading and brokerage services in derivatives and cash instruments, specialised consultancy services for companies, banks and financial institutions in relation to the management of financial risks, assistance to banks and financial institutions in relation to the structuring of investment products targeted to retail customers, equity financing securities lending and prime brokerage services and financial products placement.

The *Global Markets* division operates also funding and treasury activities, as well as investment and proprietary portfolio management activities.

The *Investment Banking* division provides placing and arranging services for equity, debt instruments and hybrid instruments as well as consultancy and advisory services in respect of merger, acquisition, divestment and restructuring transactions.

The *Structured Finance* division provides to corporate borrowers leveraged and acquisition finance lending services, project finance lending (both in the domestic and in the international market), tailor-made structured finance, special financing services, market risk management through syndication, market placement of syndicated transactions, real estate financial advisory and real estate structured financings.

The Issuer is mainly active in the Italian financial market and, to a lesser extent, in other European Union and U.S. markets.

## **ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

### **Board of Directors**

The issuer has adopted the traditional management and organisational model set forth in article 2380, paragraph 1 of the Italian Civil Code, comprised of the Board of Directors and the Board of Statutory Auditors.

The Issuer's Board of Directors is composed, pursuant to the by-laws of the Issuer, of a minimum of seven and a maximum of eleven members appointed by the shareholders of Banca IMI S.p.A..

The current Board of Directors of Banca IMI S.p.A. is composed of eleven members.

The following table specifies the name, position and the main activities carried out outside the Issuer (if relevant with regard to the Issuer) of the members of the Board of Directors:

NAME AND POSITION	PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER
Fabio Roversi Monaco Chairman	Chairman of IMI Investimenti S.p.A. Chairman of Mandarin Capital Management SGR
Giangiacomo Nardozi Tonielli Deputy Chairman	Professor of Economics at the Politecnico of Milan
Mauro Micillo Board Member	
Aureliano Benedetti Board Member	
Luigi Arturo Bianchi	Professor of Company Law at the Bocconi

NAME AND POSITION	PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER
Board Member	University, Milan
Fabio Buttignon Board Member	<p>Member of the Board of Directors of Valentino Fashion Group S.p.A.</p> <p>Member of the Board of Directors of Autostrade Brescia Verona Vicenza Padova</p> <p>Member of the Board of Directors of Serenissima Partecipazioni S.p.A.</p> <p>Member of the Board of Directors of A4 Holding S.p.A.</p> <p>Member of the Board of Directors of Benetton Group S.p.A.</p> <p>Professor at the University, Marco Fanno, Padova</p>
Vincenzo De Stasio Board Member	Professor at the University, Faculty of Law of Bergamo
Paolo Maria Vittorio Grandi Board Member	<p>Chairman of Banca Prossima S.p.A.</p> <p>Member of the Board of Directors of Cassa di Risparmio di Firenze S.p.A.</p> <p>Member of the Board of Directors of Palladio Finanza</p> <p>Member of the Board of Directors of SIA S.p.A.</p> <p>Chairman of Intesa Sanpaolo Holding International SA Luxembourg</p>
Massimo Mattera Board Member	<p>Member of the Board of Directors of Cassa di Risparmio di Civitavecchia</p> <p>Member of the Board of Directors of Cassa di Risparmio della Provincia di Viterbo</p> <p>Member of the Board of Directors of IMI Investimenti S.p.A.</p>
Gaetano Miccichè Deputy Chairman	<p>General Manager of Intesa Sanpaolo S.p.A.</p> <p>Member of the Board of Directors of Prada S.p.A.</p>



NAME AND POSITION	PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER
	Member of the Management Board of Intesa Sanpaolo S.p.A.
	Member of the Board of Directors of Pirelli S.p.A.
Francesco Papadia Board Member	Chairman of Prime Collateralised Securities (PCS) UK Limited

The Board was appointed by the shareholders' meeting held on 17 April 2013. Following the resignation of the members of the Board Giuliano Asperti (in office until 1 October 2013), Carlo Messina (in office until 13 December 2013) and Stefano del Punta (co-opted on 23 January 2014, appointment confirmed by the shareholders' meeting held on 29 April 2014 and remained in office until 1 April 2015), Francesco Papadia and Mauro Micillo have been co-opted respectively on 23 January 2014, appointment confirmed by the shareholders' meeting held on 29 April 2014 and on 2 April 2015, appointment confirmed by the shareholders' meeting held on 24 April 2015.

All the members of the Board of Directors set out above fulfil the expertise and integrity requirements established by current laws and regulations.

Any update on the information concerning the Board of Directors will be published on the website of the Issuer [www.bancaimi.com](http://www.bancaimi.com).

For the purposes of their positions at Banca IMI S.p.A., the members of the Board of Directors set out above are domiciled at the offices of Banca IMI, in Milan.

No Executive Committee has been appointed.

#### **Managing Director and Chief Executive Officer**

Mauro Micillo, born in Desenzano del Garda on 19 January 1970, has held the position of Managing Director and Chief Executive Officer of the Issuer since 14 April 2015 and will do so until the end of his term of office (approval of the financial statements as at 31 December 2015)

Gaetano Miccichè, born in Palermo on 12 October 1950, held the position of Managing Director and Chief Executive Officer of the Issuer until 14 April 2015 and held the position of Deputy Chairman since 28 July 2015.

#### **General Manager**

Mauro Micillo, born in Desenzano del Garda on 19 January 1970, has held the position of General Manager of the Issuer since 1 January 2014.

#### **Board of Statutory Auditors**

The Board of Statutory Auditors of Banca IMI S.p.A. is composed, pursuant to the by-laws of the Issuer, of three standing statutory auditors and two alternate statutory auditors.

The current Board of Statutory Auditors of Banca IMI S.p.A. was appointed by the shareholders' meeting held on 17 April 2013 and is composed of three standing statutory auditors and two alternate statutory auditors.

The current Board of Statutory Auditors will expire upon approval of the financial statements as at 31 December 2015.

The following table specifies the name, position and the main activities carried out outside the Issuer (if relevant with regard to the Issuer) of the members of the Board of Statutory Auditors:

NAME AND POSITION	MAIN ACTIVITIES CARRIED OUT OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER
Gianluca Ponzellini Chairman	<p>Chairman of the Board of Statutory Auditors of De' Longhi S.p.A.</p> <p>Chairman of the Board of Statutory Auditors of Luisa Spagnoli S.p.A.</p> <p>Chairman of the Board of Statutory Auditors of Midco S.p.A.</p> <p>Chairman of the Board of Statutory Auditors of SPAIM S.p.A.</p> <p>Standing Auditor of G.S. S.p.A.</p> <p>Standing Auditor of Carrefour Italia S.p.A.</p> <p>Standing Auditor of Telecom Italia S.p.A.</p>
Stefania Mancino Standing statutory auditor	<p>Chairman of the Board of Statutory Auditors of Gruppo Editoriale l'Espresso S.p.A.</p> <p>Standing Auditor of Italgas S.p.A.</p> <p>Standing Auditor of Acam Gas S.p.A.</p> <p>Standing Auditor of Umbria Distribuzione Gas S.p.A.</p>
Riccardo Rota Standing statutory auditor	<p>Standing Auditor of IMI Investimenti S.p.A.</p> <p>Standing Auditor of Martini &amp; Rossi S.p.A.</p> <p>Chairman of the Board of Statutory Auditors of certain Companies in the Fiat Chrysler Automobiles N.V. Group</p> <p>Standing Auditor of certain Companies in the CNH Industrial N.V. Group</p>
Carlo Bertola Alternate statutory auditor	<p>Chairman of the Board of Statutory Auditors of Gianmarco Moratti S.a.p.A.</p> <p>Chairman of the Board of Statutory Auditors of Ital Press Holding S.p.A.</p> <p>Chairman of the Board of Statutory Auditors of Massimo Moratti S.p.A.</p>

## NAME AND POSITION

## MAIN ACTIVITIES CARRIED OUT OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER

	Standing Auditor of Fideuram Vita S.p.A.
	Standing Auditor of Intesa Sampaolo Reoco S.p.A.
Alessandro Cotto	Standing Auditor of Farmaceutici dott. Ciccarelli S.p.A.
Alternate statutory auditor	Standing Auditor of Stil Novo Partecipazioni S.p.A.
	Standing Auditor of Stil Novo Management S.p.A.
	Standing Auditor of Intesa Sanpaolo Assicura S.p.A.
	Standing Auditor of IN.FRA S.p.A.

Any update on the information concerning the Board of Statutory Auditors will be published on the website of the Issuer [www.bancaimi.com](http://www.bancaimi.com).

For the purposes of their positions at Banca IMI S.p.A. the members of the Board of Statutory Auditors set out above are domiciled at the offices of Banca IMI S.p.A., in Milan.

### **Conflicts of interest of members of the Board of Directors and the Board of Statutory Auditors**

As at the date of publication of this Base Prospectus, based on the duties of disclosure of directors and statutory auditors pursuant to article 2391 of the Italian civil code and article 136 of Legislative Decree no. 385/1993, the Issuer is not aware of any potential conflicts of interest between the obligations of the member of the board of directors to the Issuer and their private obligations and/or interests.

### **LEGAL AND ARBITRATION PROCEEDINGS**

The administrative, legal or arbitration proceedings that may have or that have recently had a material effect on the Issuer's financial condition or profitability are described below.

As at 30 June 2015, provisions for risks and charges are in the amount of approximately €45,000,000 (€ 20 million of which accounted for risks and charges as a result of the "Bank Recovery and Resolution Directive").

In the course of its ordinary business, the Issuer is also subject to regulatory inspections by the supervisory authorities.

The most recent general regulatory inspection on the Issuer took place between the last months of the financial year ended on 31 December 2014 and the first months of 2015. On May 2015 an inspection by CONSOB has taken place on the Issuer, in relation to the structuring and distribution activities, concerning its financial instruments.

#### ***Tax Litigation***

Tax audits by Italian Inland Revenue refer to the fiscal years 2003 to 2006 for the former Banca d'Intermediazione Mobiliare IMI, and years 2004 to 2006 for the former Banca Caboto.

Tax audits were conducted by the Italian Tax Police (*Guardia di Finanza*) on the fiscal years 2008, 2009 and 2010. In general terms, the audits addressed matters taken up with many other Italian banks and which have become rather run of the mill in certain operating segments. Specifically, the matters concerned accusations of "abuse of process" over alleged links between futures and cash instruments tied to listed equities. For the years

under examination up to the end of 2012, the audit investigated the application of substitute tax to a very small number of medium and long-term corporate loans.

In addition, Italian Inland Revenue conducted checks, involving questionnaires, on charges incurred in relation to entities domiciled in black-listed countries and reported in tax statements for the fiscal years 2006, 2007 and 2008. The charges relate primarily to differentials paid on derivatives listed on Asian regulated markets and OTC derivatives stipulated with premier banking counterparties and, to a lesser extent, to trading fees and commissions on securities and other financial instruments, paid to intermediaries on markets for cash instruments.

In February 2015 the Large Taxpayers Division of the Italian Tax Police (*Guardia di Finanza*) asked for data and information (through a questionnaire) with reference to certain decreases in tax declarations made for the years 2010-2013.

In May 2015 – subsequent to the settlements reached in 2014 through recourse to the so-called "alternative dispute resolution mechanisms" – there were residual tax assessments for the period 2003-2006 for a demand of approximately 39 million euro for taxes, penalties and interest. Litigation primarily concerns equities trading and other matters connected with typical capital market and investment banking transactions, and to a much lesser degree corporate governance.

The Bank has appealed against the tax assessments, challenging findings that are groundless or based on disputed interpretations of tax law, or which in some cases conflict with the letter of those laws.

In May 2015, no final ruling had been handed down on any of the fiscal years disputed.

In December 2014, a settlement agreement was reached with the Italian Tax Police (*Guardia di Finanza*) through alternative dispute resolution mechanisms for the fiscal year 2009, entailing a payment of approximately 3.2 million euro to settle claimed tax arrears of some 104 million euro (taxes, withholdings and fines).

Therefore, one would expect in the year 2015 to settle the situation referring to the year 2010, when there was a tax inspection assessment amounting to about 89 million euro.

Also, in the month of December, the Bank had recourse to a judicial settlement to define cases relating to the year 2006 for the former Banca Caboto and 2006 and 2007 regarding "black-list" issues, with a payment of approximately 2.5 million euro compared to the original overall demand of 32 million euro.

Although fully convinced of the groundlessness of the claims, the decision to settle the various disputes was taken with a view to avoiding long and costly litigation over specific matters plagued by marked uncertainty.

As concerns the question of substitute tax, in relation to a claim for approximately 10 million euro, in January a first payment notice was received for which payment was made of 2.8 million euro in taxes; the amount is also payable by the entities financed. An appeal has been filed against the validity of the payment notice.

A total of approximately 18 million euro in provisional deposits was paid in relation to tax litigation pending at 31 December 2014; the entire amount was deducted from tax provisions allocated, with no credit entry charged. The provisional deposits were paid in compliance with specific legislative provisions governing tax litigation. The amounts will be deducted from the final claim awarded in the event of defeat, or refunded in the event of a ruling in favour of Banca IMI.

Additional provisions allocated to the relevant fund, cover the contingent tax liability estimated and residual tax credits recognised in accounts in relation to taxes and withholdings for which a refund has been requested.

In May 2015, there was an ordinary tax assessment in progress by Her Majesty's Revenues & Customs regarding direct taxation of the London branch for the year 2013.

### ***Cirio Group Litigation***

In early April 2007, ten companies belonging to the Cirio Group in receivership (*amministrazione straordinaria*) commenced legal proceedings against Intesa Sanpaolo S.p.A., the former Banca Caboto S.p.A. (now Banca IMI S.p.A.), and five other financial intermediaries, claiming jointly and severally damages arising from:

- the arrangement of, and participation in, six bond issuances by companies belonging to the Cirio Group during the period from 2000 to 2002, which bond issuances were alleged to have increased the financial difficulties of the relevant issuers. Relevant damages were claimed, using three different criteria, for an amount of €2,082 million (on the basis of the first criterium), or the lower amount of €1,055 million (on the basis of the second criterium) or €421 million (on the basis of the third criterium);
- the loss of opportunity to bring bankruptcy claw-back actions, for undetermined amounts, as a result of the delay in the financial difficulties of the Cirio Group companies becoming known; and
- the payment of commissions in an aggregate amount of €9.8 million in relation to the placement activities rendered in respect of certain bond issuances.

The former Banca Caboto S.p.A. (now Banca IMI) opposed to the claim and requested a hearing to be scheduled to discuss the case with a view to avoiding lengthy negotiations and swiftly achieving a resolution of the dispute.

Further to a judgment delivered on September 2009, the Court of Rome rejected the plaintiffs' claims and ordered the reimbursement of costs incurred. The plaintiffs have appealed against this sentence, and both Intesa Sanpaolo and Banca IMI have appeared before the appeal court and have asked for the appeal to be thrown out. The appeal process is currently ongoing.

### ***Kalivac Green Energy Sh.p.k. Litigation***

In the first half of 2014 Banca IMI was sued by the Albanian company Kalivac Green Energy Sh.p.k.. at the Court of Tirana in connection with an alleged pre-contractual liability with regard to the non-funding of a hydroelectric project in Albania. The writ of summons was challenged regarding jurisdiction, due to the alleged lack of jurisdiction of the Albanian courts; the challenge concerning lack of jurisdiction has been disregarded in the first instance and appeal judgments. The pleading is currently resumed before the court of first instance.

### ***Fondazione MPS Litigation***

In July 2014 Banca IMI was sued, along with former officers of the administrative deputation of the Fondazione MPS and other leading financial and banking intermediaries, in relation to an assumed non-contractual contribution to the mismanagement performed by the deputation in the application for and use of pooled funding, where Banca IMI operated as a bank agent, used by the Fondazione for the purposes of subscribing the pro-quota increase in capital of Banca MPS in 2011. The first hearing is scheduled in May 2015. Banca IMI regularly appeared in court asking for the plaintiff's requests to be rejected.

### ***Petrobras Litigation***

At the end of December 2014, Banca IMI was sued, together with Petroleo Brasileiro S.A. - Petrobras, Petrobras Global Finance B.V. and corporate officers of the same companies and other leading financial and banking intermediaries in a class action brought in the US district courts in New York in connection with the issuance and distribution - including on the US market - of financial instruments issued and/or guaranteed by Petroleo Brasileiro S.A.- Petrobras and/or Petrobras Global Finance B.V..

Actions have been brought against the issuer Petrobras Global Finance B.V., the guarantor Petroleo Brasileiro S.A. - Petrobras, their senior management, and also against the institutions participating in the placement and guarantee syndicate related to the offer of the financial instruments on the US market (including Banca IMI S.p.A.) due to the alleged misrepresentation of certain data contained in the official financial statements of the

companies and incorporated by reference in the offering documents as well as in view of the presumed joint liability of the institutions participating in the placement and guarantee syndicate along with the issuer and the guarantor toward the investors, pursuant to the applicable US rules concerning liability related to omission of information and misrepresentation in public offering documents.

***Icelandic Banks Landsbanki Islands hf., Glitnir Banki hf., Kaupthing hf. Litigation***

On the second half of 2008, the U.S. economic and financial crisis, already appeared from August 2007, and culminated in the failure of Lehman Brothers Holdings Inc., the fourth American investment bank at the time, on September 2008, determined a general economic crisis worldwide and in particular with reference to the European economy. In particular the liquidity crisis of the international markets has had serious adverse effects on the three most important Icelandic banks Landsbanki Islands hf., Kaupthing hf. and Glitnir Banki hf., also in respect of their over dimension, high exposure to the global stock market, high dependence on liquidity loans on the international markets and high dimension of foreign currency loans. On October 2008, Icelandic authorities took legislative emergency measures granting extraordinary power to the prudential regulation authority and all the three banks were submitted to insolvency proceeding according to Icelandic Legislation.

Banca IMI has held residual relationship with such banks in the context of the bank's activities of trading intermediation on financial instruments. Furthermore Banca IMI has dealt with Glitnir Banki hf in relation to a limited number of operations concerning derivative financial instruments (swaps) which, as a result of the submission of Glitnir Banki hf to insolvency proceeding, were terminated by Banca IMI, with a subsequent almost full setoff (the "SetOff") between the credit position of Glitnir Banki hf vis-a-vis Banca IMI resulting from such swaps early termination and the credit position of Banca IMI vis-a-vis Glitnir Banki hf resulting from the ownership of some bonds issued by Glitnir Banki hf and from a banking loan relationship transferred to Banca IMI by a subsidiary of its banking group.

In particular the submission to insolvency crisis procedure has determined, as consequence, the right for the administrative bodies of the insolvency procedure of the above mentioned Icelandic banks, to bring clawback actions on the operations carried out in the course of the six months before the submission to the insolvency procedure.

Therefore Banca IMI has been called as defendant by liquidators of Kaupthing hf and Landsbanki Islands hf. in connection with a requested clawback of certain sale and purchase trades of bonds issued by such entities between Banca IMI as vendor and the relevant Icelandic bank as buyer during the six months period before the submission to insolvency proceeding, for an aggregate value of approximately EUR 3,85 million. Banca IMI has also been called as defendant by liquidators of Glitnir Banki hf. in connection with a requested partial clawback of the mentioned SetOff between the credit positions of Banca IMI and Glitnir Banki hf.

The legal actions initiated by the liquidators of Kaupthing hf and Landsbanki Islands hf. in connection with the clawback are currently pending before the courts of first instance. In relation to the legal actions promoted by the liquidators of Glitnir Banki hf., in March 2014 a settlement agreement has been entered by the parties.

**SELECTED FINANCIAL AND BALANCE SHEET FIGURES RELATING TO THE ISSUER**

The following table contains certain selected solvency figures relating to the Issuer on a non-consolidated basis as at 31 December 2014, compared to corresponding figures as at 31 December 2013.

	<b>31 December 2014</b>	<b>31 December 2013</b>
Common equity Tier 1 / Risk-weighted assets	12.40%	11%
Tier 1 / Risk-weighted assets	12.40%	11%
Total Capital Ratio	12.40%	11%

**31 December 2014    31 December 2013**

**Regulatory capital (in EUR millions)**

Tier 1 capital	2,733.4	2,698.4
Tier 2 capital	-	-
Total capital	2,733.4	2,698.4

The following table contains certain selected credit quality figures relating to the Issuer on a non-consolidated basis as at 31 December 2014, compared to corresponding figures as at 31 December 2013.

	<b>31 December 2014</b>	<b>31 December 2013</b>
Non-performing loans / Total credit exposures	17.70%	16.90%
Net impairment on loans / performing loans	1.50%	1.20%
Gross doubtful exposures / gross exposures	0.26%	0.47%
Net doubtful exposures / net exposures	0.11%	0.14%
Gross non-performing exposures / gross exposures	6.37%	5.04%
Net non-performing exposures / net exposures	5.11%	3.91%
Non-performing exposures coverage ratio	21.15%	23.62%
Doubtful exposures coverage ratio	60.00%	70.14%
Net doubtful exposures / equity	0.82%	1.30%

The following table contain certain selected income statement and balance sheet figures extracted from the Issuer's audited non-consolidated financial statements for the financial year ending 31 December 2014, compared with corresponding figures for the financial year ending 31 December 2013.

***Income Statement Figures***

	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>Percentage Variation</b>
	<i>(EUR million)</i>		<i>(per cent.)</i>
Net interest income	529.6	561	-5.6
Total income	1,278.4	1,261.0	1.4
Operating expenses	393.4	353.3	11.4
Net financial income	1,153.1	992.7	16.2
Pre-tax profit from continuing operations	768.1	458.7	67.5

	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>Percentage Variation</b>
	<i>(EUR million)</i>		<i>(per cent.)</i>
Profit for the year	504.1	144.7	-

### ***Balance Sheet Figures***

	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>Percentage variation</b>
	<i>(EUR million)</i>		<i>(per cent.)</i>
Net investments <sup>3</sup>	27,023.6	28,623.7	-5.6
Net funding <sup>4</sup>	31,715.7	31,829.3	-0.4
Assets under management	-	-	n.a.
Financial assets <sup>5</sup>	69,680.5	61,425.4	13.4
Total assets	147,230.0	137,743.8	6.9
Net equity	3,541.7	3,142.9	12.7
Share Capital	962.5	962.5	0.0

The following table contains certain selected credit quality figures relating to the Issuer on a consolidated basis as at 31 December 2014, compared to corresponding figures as at 31 December 2013.

	<b>31 December 2014</b>	<b>31 December 2013</b>
Non-performing loans to customers / total loans to customers	17.70%	16.90%
Net impairment on loans to customers / performing loans to customers	1.50%	1.20%
Gross doubtful exposures / gross exposures	0.26%	0.47%
Net doubtful exposures / net exposures	0.11%	0.14%
Gross non-performing exposures / gross exposures	6.35%	5.03%
Net non-performing exposures / net exposures	5.09%	3.90%
Non-performing exposures coverage ratio	21.15%	23.62%

<sup>3</sup> The aggregate amount consist of loans to customers plus financial assets held for trading, net of financial liabilities held for trading.

<sup>4</sup> The aggregate amount consists of securities issued plus due to customers plus due to banks less due from banks.

<sup>5</sup> The aggregate amount consists of financial assets held for trading plus available for sale financial assets.



Doubtful exposures coverage ratio	60.00%	70.14%
Net doubtful exposures / equity	0.80%	1.26%

The following table contain certain selected income statement and balance sheet figures extracted from the Issuer's audited consolidated financial statements for the financial year ending 31 December 2014, compared with corresponding figures for the financial year ending 31 December 2013.

### Income Statement Figures

	31 December 2014	31 December 2013	Percentage variation
	<i>(EUR million)</i>		<i>(per cent)</i>
Net interest income	530.0	561.8	-5.7
Total income	1,296.1	1,277.4	1.5
Operating expenses	407.5	366.7	11.1
Net financial income	1,170.8	1,009.2	16.0
Pre-tax profit from continuing operations	777.6	466.2	66.8
Profit for the year	505.9	146.9	-

### Balance Sheet Figures

	31 December 2014	31 December 2013	Percentage variation
	<i>(EUR million)</i>		<i>(per cent)</i>
Net investments <sup>6</sup>	27,121.7	28,676.9	-5.4
Net funding <sup>7</sup>	31,708.6	31,781.6	-0.2
Assets under management	-	-	n.a.
Financial assets <sup>8</sup>	69,726.2	61,451.7	13.5
Total assets	147,393.6	138,061.1	6.8
Net equity	3,649.4	3,236.1	12.8
Share Capital	962.5	962.5	0.0

<sup>6</sup> The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.

<sup>7</sup> The aggregate amount consists of securities issued plus due to customers plus due to banks less due from banks.

<sup>8</sup> The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

## RECENT EVENTS

On 31 July 2015 the Board of Directors of Banca IMI approved the interim consolidated financial statements as at 30 June 2015.

The following table contains certain selected solvency indicators relating to the Issuer on a non-consolidated basis as at 30 June 2015:

### 30 June 2015

Common Equity Tier 1 (CET1) (in EUR millions)	Euro 2,690.8
Additional Tier 1 (AT1) (in EUR millions)	-
Tier 2 (T2) (in EUR millions)	-
Total capital (in EUR millions)	Euro 2,690.8
Risk-weighted assets (in EUR millions)	Euro 22,998.8
Total capital ratio	11.70%
Total capital requirements	1,839.9

The regulatory capital and the capital ratios in the table above were calculated in accordance with the provisions in force since 1 January 2014, the date on which entered into force the supervisory rules following the Basel III directives.

The following table contains certain selected credit quality figures relating to the Issuer on a non-consolidated basis as at 30 June 2015, compared to corresponding figures as at 31 December 2014<sup>9</sup>.

	30 June 2015	31 December 2014
Non-performing loans to customers / total loans to customers	14.00%	17.70%
Net impairment on loan to customers / performing loans to customers	1.80%	1.50%
Gross doubtful exposures / gross exposures	0.26%	0.26%
Net doubtful exposures / net exposures	0.11%	0.11%
Gross non-performing exposures / gross exposures	4.74%	6.37%
Net non-performing exposures / net exposures	3.32%	5.11%

<sup>9</sup> The figures as at 31 December 2014 contained in this table have been derived from the Issuer's audited financial statements for the financial year ending 31 December 2014.

Non-performing exposures coverage ratio	30.97%	21.15%
Doubtful exposures coverage ratio	59.64%	60.00%
Net doubtful exposures / equity	0.89%	0.82%
Cost of risk (annualized loans adjustments / total net loans to costumers)	0.54%	0.55%

The following table contain certain selected income statement and balance sheet figures on a non-consolidated basis extracted from the Issuer's interim financial statements for the six months period ending 30 June 2015, compared with corresponding figures for the financial year ending 31 December 2014 or with the six months period ending 30 June 2014<sup>10</sup>.

#### ***Income Statement Figures***

	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>Percentage Variation</b>
	<i>(EUR milion)</i>		<i>(per cent.)</i>
Net interest income	289.3	364.9	-20.7%
Total income	889.4	824.1	7.9%
Operating expenses	(227.9)	(182.3)	25.0%
Net financial income	832.5	730.8	13.9%
Pre-tax profit from continuing operations	604.7	556.9	8.6%
Profit for the period	399.7	358.9	11.4%

#### ***Balance Sheet Figures***

	<b>30 June 2015</b>	<b>31 December 2014</b>	<b>Percentage Variation</b>
	<i>(EUR milion)</i>		<i>(per cent)</i>
Net investments <sup>11</sup>	26,607.8	27,023.6	-1.5%
Net funding <sup>12</sup>	36,497.0	31,715.7	15.1%
Assets under management	-	-	n.a.
Financial assets <sup>13</sup>	70,432.4	69,680.5	1.1%

<sup>10</sup> The figures for the six months period ending 30 June 2014 and for the financial year ending 31 December 2014 contained in these tables have been derived from the Issuer's interim financial statements for the six months period ending 30 June 2015.

<sup>11</sup> The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.

<sup>12</sup> The aggregate amount consists of securities issued plus due to customers plus due to banks net of due from banks.

Total assets	149,894.2	147,230	1.8%
Net equity	3,175.6	3,541.7	-10.3%
Share Capital	962.5	962.5	0.0%

The following table contains certain selected credit quality figures relating to the Issuer on a consolidated basis as at 30 June 2015, compared to corresponding figures as at 31 December 2014<sup>14</sup>.

	<b>30 June 2015</b>	<b>31 December 2014</b>
Non-performing loans to customers / total loans to customers	14.00%	17.70%
Net impairment on loan to customers / performing loans to customers	1.80%	1.50%
Gross doubtful exposures / gross exposures	0.26%	0.26%
Net doubtful exposures / net exposures	0.11%	0.11%
Gross non-performing exposures / gross exposures	4.70%	6.35%
Net non-performing exposures / net exposures	3.29%	5.09%
Non-performing exposures coverage ratio	30.97%	21.15%
Doubtful exposures coverage ratio	59.64%	60.00%
Net doubtful exposures / equity	0.86%	0.80%
Cost of risk (annualized loans adjustments / total net loans to costumers)	0.54%	0.55%

The following table contain the composition of the gross non-performing exposure and the net non-performing exposures on a consolidated basis and include comparative figures for the six months ending 30 June 2015 and the corresponding figures for the year ending 31 December 2014 and 31 December 2013<sup>15</sup>.

Gross non-performing exposures

	<b>30 June 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousands)</i>		
Doubtful	70,083	72,665	137,959

<sup>13</sup> The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

<sup>14</sup> The figures as at 31 December 2014 contained in this table have been derived from the Issuer's audited financial statements for the financial year ending 31 December 2014.

<sup>15</sup> The figures for the financial year ending 31 December 2014 or for the financial year ending 31 December 2013 contained in these tables have been derived, respectively, from the Issuer's audited financial statements for the financial year ending 31 December 2014 and from the Issuer's audited financial statements for the financial year ending 31 December 2013.

Unlikely to pay (*)	1,209,031	1,385,338	1,323,474
Past due exposures	0	33,387	3,521

Net non-performing exposures

	<b>30 June 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousands)</i>		
Doubtful	28,284	29,064	41,933
Unlikely to pay (*)	854,679	1,318,611	1,091,103
Past due exposures	0	33,387	3,521

(\*) The introduction of the new definitions of non-performing exposures in 2015 requires to show the relevant composition on a comparative basis.

The following table contain certain selected income statement and balance sheet figures on a consolidated basis extracted from the Issuer's interim financial statements for the six months period ending 30 June 2015, compared with corresponding figures for the financial year ending 31 December 2014 or with the six months period ending 30 June 2014<sup>16</sup>.

**Income Statement Figures**

	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>Percentage Variation</b>
	<i>(EUR million)</i>		<i>(per cent)</i>
Net interest income	289.5	365.1	-20.7%
Total income	909.7	827.3	10.0%
Net financial income	852.9	734.1	16.2%
Operating expenses	(237.0)	(188.6)	25.6%
Pre-tax profit from continuing operations	619.3	555.5	11.5%
Profit for the period	406.7	352.9	15.3%

**Balance Sheet Figures**

	<b>30 June 2015</b>	<b>31 December 2014</b>	<b>Percentage Variation</b>
	<i>(EUR million)</i>		<i>(per cent)</i>

<sup>16</sup> The figures for the six months period ending 30 June 2014 and for the financial year ending 31 December 2014 contained in these tables have been derived from the Issuer's interim financial statements for the six months period ending 30 June 2015.

Net investments <sup>17</sup>	26,804.1	27,121.7	-1.2%
Net funding <sup>18</sup>	36,559.0	31,708.6	15.3%
Assets under management	-	-	n.a.
Financial assets <sup>19</sup>	70,482.0	69,726.2	1.1%
Total assets	150,151.1	147,393.6	1.9%
Net equity	3,299.7	3,649.4	-9.6%
Share Capital	962.5	962.5	0.0%

### ***Exposure to Sovereign Credit Risk***

Overall, the exposure to sovereign risk amounts to 20.2 billion euro, and breaks down into 65% Italian Republic, 11% Germany, approximately 7% Spain, approximately 6% France and the US, approximately 2% the UK and approximately 1% Ireland.

As at the date of the First Supplement to the Base Prospectus:

- the following ratings have been assigned to the Republic of Italy: a Baa2 long term rating by Moody's Investors Service, a BBB- long term rating by Standard & Poor's Rating Services, a BBB+ long term rating by Fitch Ratings;
- the following ratings have been assigned to Germany: an Aaa long term rating by Moody's Investors Service, an AAA long term rating by Standard & Poor's Rating Services, an AAA long term rating by Fitch Ratings;
- the following ratings have been assigned to Spain: a Baa2 long term rating by Moody's Investors Service, a BBB long term rating by Standard & Poor's Rating Services, a BBB+ long term rating by Fitch Ratings;
- the following ratings have been assigned to France: an Aa1 long term rating by Moody's Investors Service, an AA long term rating by Standard & Poor's Rating Services, an AA long term rating by Fitch Ratings;
- the following ratings have been assigned to the United States: an Aaa long term rating by Moody's Investors Service, an AA+ long term rating by Standard & Poor's Rating Services, an AAA long term rating by Fitch Ratings;
- the following ratings have been assigned to the United Kingdom: an Aa1 long term rating by Moody's Investors Service, an AAA long term rating by Standard & Poor's Rating Services, an AA+ long term rating by Fitch Ratings; and
- the following ratings have been assigned to Ireland: a Baa1 long term rating by Moody's Investors Service, an A+ long term rating by Standard & Poor's Rating Services, an A- long term rating by Fitch Ratings.

<sup>17</sup> The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.

<sup>18</sup> The aggregate amount consists of securities issued plus due to customers plus due to banks net of due from banks.

<sup>19</sup> The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

In accordance with the IFRS (specifically IAS 1 and IFRS 7), as regards in particular the disclosures to be made concerning exposure to sovereign credit risk (as the issuer of debt securities, counterparty to OTC derivative contracts and reference entity for credit derivatives and financial guarantees), the following breakdown is provided of the Banca IMI Group's exposures at 30 June 2015.

**Sovereign risk exposure (issuer, counterparty, reference entity) - Financial instruments**

(in millions of euro)

	Debt securities			Financial derivatives		Credit derivatives				Total exposure
	HFT Fair Value <sup>(1)</sup>	AFS Fair Value	L&R Amortised cost	Notional amount	Net Positive Value	Notional amount <sup>(2)</sup>	Gross Positive Value	Notional amount <sup>(2)</sup>	Gross Negative Value	
<b>EU Countries</b>	<b>5,584.6</b>	<b>9,302.7</b>	<b>193.0</b>	<b>7,582.5</b>	<b>3,498.7</b>	<b>4,911.8</b>	<b>254.4</b>	<b>5,157.2</b>	<b>(226.5)</b>	<b>18,606.9</b>
- Austria	5.9					51.8	0.6	51.8	(0.6)	5.9
- Belgium	3.3					147.5	1.7	147.5	(1.7)	3.3
- Bulgaria										0.0
- Croatia	3.1	7.3		357.5		17.9	1.8			12.2
- Finland		50.4								50.4
- France	263.0	924.7				1,461.3	3.8	1,430.9	(3.9)	1,187.6
- Germany	68.8	2,139.1				236.8	0.5	89.4	(0.3)	2,208.1
- Greece										
- Ireland	0.1	225.5				35.7	0.6	35.7	(0.6)	225.6
- Italy <sup>(3)</sup>	5,039.5	4,354.4	193.0	7,225.0	3,498.7	1,398.9	233.3	1,348.0	(201.2)	13,117.7
- Latvia						8.9	0.1	8.9	(0.1)	0.0
- Lithuania	0.2	19.7				8.9	0.1	8.9	(0.1)	19.9
- Netherlands	2.6					4.5		4.5		2.6
- Poland	5.9	47.4				8.9	0.1	8.9	(0.1)	53.3
- Portugal	18.3					82.2	1.5	82.2	(1.3)	18.5
- United Kingdom		347.8						8.9	(0.1)	347.7
- Czech Republic						8.9	0.1	8.9	(0.1)	0.0
- Slovak Republic										0.0
- Romania	7.3									7.3
- Slovenia	0.2					8.9	0.1	8.9	(0.1)	0.2
- Spain	146.2	1,186.4				1,398.4	9.8	1,881.5	(15.9)	1,326.5
- Sweden	0.9									0.9
- Hungary	19.3					32.3	0.3	32.3	(0.4)	19.2
<b>Other Countries</b>	<b>305.6</b>	<b>1,327.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>252.2</b>	<b>8.3</b>	<b>248.9</b>	<b>(5.1)</b>	<b>1,636.3</b>
- Albania	0.8									0.8
- Argentina	40.7									40.7
- Australia	7.7	178.4								186.1
- Brazil	2.0					8.9		8.9		2.0
- Canada		38.8								38.8
- Chile		4.0								4.0
- Philippines		16.0								16.0
- Iceland	0.1									0.1
- Israel		34.0								34.0
- Indonesia		26.0								26.0
- Kazakhstan	2.3					4.5		4.5		2.3
- Morocco						8.9		17.9		0.0
- Mexico	11.5	33.0				35.7	0.3	17.9	(0.1)	44.7
- Norway	0.1									0.1
- New Zealand		35.1								35.1
- Republic of Serbia										0.0
- Russia	0.7					98.3	6.5	49.2	(3.1)	4.1
- South Africa		25.0				8.9	0.3	17.9	(0.7)	24.6
- South Korea		4.4								4.4
- Turkey	1.0	26.2				67.0	1.2	62.6	(1.1)	27.3
- Ukraine										0.0
- USA	236.6	906.6				20.0		70.0	(0.1)	1,143.1
- Venezuela	2.1									2.1
<b>Total</b>	<b>5,890.2</b>	<b>10,630.2</b>	<b>193.0</b>	<b>7,582.5</b>	<b>3,498.7</b>	<b>5,164.0</b>	<b>262.7</b>	<b>5,406.1</b>	<b>(231.6)</b>	<b>20,243.2</b>

(1) It excludes the short positions of the HFT portfolio but includes interest accrued as at 30 June 2015.

(2) Absolute amount of protection purchases and sales.

(3) The short positions of the HFT portfolio amount to 2,243.5 million euro.

The 'Total exposure' column of financial instruments represents net total assets attributable to each individual sovereign country and included in the statement of financial position.

All derivative contracts listed on regulated markets are excluded since the earnings impact from these is directly recognised as a balancing entry to cash and cash equivalents as a result of the settlement of variation margins on a daily basis.

## OVERVIEW OF THE FINANCIAL INFORMATION

### Audited Consolidated Annual Financial Statements

The annual financial information below as at and for the years ended 31 December 2014 and 31 December 2013 has been derived from the audited consolidated annual financial statements as at and for the year ended 31 December 2014 (the **2014 Annual Financial Statements**) that include comparative figures as at and for the year ended 31 December 2013. The 2014 Annual Financial Statements have been audited by KPMG S.p.A., auditors to Banca IMI S.p.A., who issued their audit report on 11 March 2015.

### Interim Consolidated Financial Statements

The interim consolidated financial information below as at and for the six months ended 30 June 2015 and 30 June 2014 have been derived from the interim consolidated financial statements of the Issuer as at and for the six months ended 30 June 2015 (the **2015 Interim Consolidated Financial Statements**) that include comparative figures as at and for the six months ended 30 June 2014. The 2015 Interim Consolidated Financial Statements have been subject to limited review by KPMG S.p.A., who issued their report on 10 August 2015.

### Incorporation by Reference

The annual financial statements and the interim consolidated financial information referred to above are incorporated by reference in this Prospectus (see "*Information Incorporated by Reference*"). The financial information set out below forms only part of, should be read in conjunction with and is qualified in its entirety by reference to the above-mentioned annual financial statements, together with the accompanying notes and auditors' reports.

### Accounting Principles

The annual and half-yearly financial statements of the Issuer have been prepared in accordance with the accounting principles issued by the International Accounting Standards Board and the relative interpretations of the International Financial Reporting Interpretations Committee, otherwise known as International Financial Reporting Standards, as adopted by the European Union under Regulation (EC) 1606/2002. The half-yearly financial statements of the Issuer have been prepared in compliance with International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

## CONSOLIDATED ANNUAL BALANCE SHEET

The annual financial information below includes comparative figures as at and for the years ended 31 December 2014 and 31 December 2013.

<b>Assets</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousand)</i>	
Cash and cash equivalents	3	2
Financial assets held for trading	61,620,174	55,329,273
Available-for-sale financial assets	8,106,027	6,122,475
Due from banks	53,979,092	54,664,821
Loans to customers	22,440,904	20,364,686
Hedging derivatives	323,864	551,671



<b>Assets</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousand)</i>	
Equity investments	12,175	12,208
Property and equipment	1,031	1,218
Intangible assets	327	355
of which:		
- goodwill	-	-
Tax assets	455,103	610,740
<i>a) current</i>	261,796	414,174
<i>b) deferred</i>	193,307	196,566
Other assets	454,874	403,696
<b>Total Assets</b>	<b>147,393,574</b>	<b>138,061,145</b>

#### **CONSOLIDATED ANNUAL BALANCE SHEET**

The annual financial information below includes comparative figures as at and for the years ended 31 December 2014 and 31 December 2013

#### **Liabilities and Equity**

	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousand)</i>	
Due to banks	53,046,794	44,973,642
Due to customers	11,158,308	12,527,587
Securities issued	21,482,603	28,945,210
Financial liabilities held for trading	56,939,378	47,017,075
Hedging derivatives	463,170	475,201
Tax liabilities	364,346	429,630
<i>a) current</i>	327,905	395,883
<i>b) deferred</i>	36,441	33,747
Other liabilities	249,266	418,353
Post-employment benefits	9,780	8,569
Provisions for risks and charges	30,489	29,805
<i>a) pensions and similar obligations</i>	12	12
<i>b) other provisions</i>	30,477	29,793

**Liabilities and Equity**

	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousand)</i>	
Fair value reserves	49,105	10,497
Reserves	1,550,686	1,534,957
Share premium reserve	581,260	581,260
Share capital	962,464	962,464
Equity attributable to non-controlling interests (+/-)	-	-
Profit for the year	505,925	146,895
<b>Total Liabilities and Equity</b>	<b>147,393,574</b>	<b>138,061,145</b>

**CONSOLIDATED ANNUAL INCOME STATEMENT**

The annual financial information below includes comparative figures as at and for the years ended 31 December 2014 and 31 December 2013.

	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousand)</i>	
Interest and similar income	1,853,529	2,192,798
Interest and similar expense	(1,323,488)	(1,631,044)
<b>Net interest income</b>	<b>530,041</b>	<b>561,754</b>
Fee and commission income	477,787	459,034
Fee and commission expense	(269,288)	(255,533)
<b>Net fee and commission income</b>	<b>208,499</b>	<b>203,501</b>
Dividends and similar income	36,550	94,676
Profits (Losses) on trading	296,232	263,136
Profit (Losses) on hedging	56	7,364
Profits (Losses) on disposal or repurchase of:	224,702	147,013
<i>a) loans and receivables</i>	<i>(16,504)</i>	<i>3,944</i>
<i>b) available-for-sale financial assets</i>	<i>359,606</i>	<i>178,197</i>
<i>c) held-to-maturity investments</i>	-	-
<i>d) financial liabilities</i>	<i>(118,400)</i>	<i>(35,128)</i>
<b>Total income</b>	<b>1,296,080</b>	<b>1,277,444</b>
Impairment losses/reversal of impairment losses on:	(125,238)	(268,286)

	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousand)</i>	
<i>a) loans and receivables</i>	(123,807)	(239,566)
<i>b) available-for-sale financial assets</i>	(628)	(3,604)
<i>c) held-to-maturity investments</i>	-	-
<i>d) other financial assets</i>	(803)	(25,116)
<b>Net financial income</b>	<b>1,170,842</b>	<b>1,009,158</b>
<b>Net banking and insurance income</b>	<b>1,170,842</b>	<b>1,009,158</b>
Administrative expenses	(407,281)	(359,982)
<i>a) personnel expenses</i>	(140,636)	(114,825)
<i>b) other administrative expenses</i>	(266,645)	(245,157)
Net accruals to provision for risks and charges	(3,000)	(10,000)
Depreciation and net impairment losses on property and equipment	(451)	(319)
Amortisation and net impairment losses on intangible assets	(77)	(65)
Other operating income (expenses)	3,340	3,687
<b>Operating expenses</b>	<b>(407,469)</b>	<b>(366,679)</b>
Net gains on sales of equity investments	14,225	17,839
Impairment of goodwill	-	(194,070)
<b>Pre-tax profit from continuing operations</b>	<b>777,598</b>	<b>466,248</b>
Income tax expense	(271,673)	(319,353)
<b>Post-tax profit from continuing operations</b>	<b>505,925</b>	<b>146,895</b>
<b>Profit for the year</b>	<b>505,925</b>	<b>146,895</b>
Profit (loss) attributable to non-controlling interests	-	-
<b>Profit attributable to the owners of the parent</b>	<b>505,925</b>	<b>146,895</b>

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The interim consolidated financial statements below includes comparative figures for the six months ending 30 June 2015 compared with corresponding figures for the year ending 31 December 2014<sup>20</sup>.

<sup>20</sup> The figures for the financial year ending 31 December 2014 contained in these tables have been derived from the Issuer's interim financial statements for the six months period ending 30 June 2015.

<b>Assets</b>	<b>30 June 2015</b>	<b>31 December 2014</b>
	<i>(EUR thousand)</i>	
Cash and cash equivalents	4	3
Financial assets held for trading	58,165,806	61,620,174
Available-for-sale financial assets	12,316,213	8,106,027
Due from banks	56,765,479	53,979,092
Loans to customers	21,121,557	22,440,904
Hedging derivatives	450,757	323,864
Equity investments	9,864	12,175
Property and equipment	905	1,031
Intangible assets	315	327
of which:		
- goodwill	-	-
Tax assets	425,085	455,103
<i>a) current</i>	128,163	261,796
<i>b) deferred</i>	296,922	193,307
Other assets	895,110	454,874
<b>Total Assets</b>	<b>150,151,095</b>	<b>147,393,574</b>

<b>Liabilities and Equity</b>	<b>30 June 2015</b>	<b>31 December 2014</b>
	<i>(EUR thousand)</i>	
Due to banks	58,957,962	53,046,794
Due to customers	19,295,739	11,158,308
Securities issued	15,070,769	21,482,603
Financial liabilities held for trading	52,483,268	56,939,378
Hedging derivatives	191,876	463,170
Tax liabilities	280,145	364,346
<i>a) current</i>	271,818	327,905
<i>b) deferred</i>	8,327	36,441
Other liabilities	518,336	249,266

<b>Liabilities and Equity</b>	<b>30 June 2015</b>	<b>31 December 2014</b>
	<i>(EUR thousand)</i>	
Post-employment benefits	8,152	9,780
Provisions for risks and charges	45,171	30,489
<i>a) pensions and similar obligations</i>	<i>12</i>	<i>12</i>
<i>b) other provisions</i>	<i>45,159</i>	<i>30,477</i>
Fair value reserves	(218,478)	49,105
Reserves	1,567,832	1,550,686
Share premium reserve	581,260	581,260
Share capital	962,464	962,464
Equity attributable to non-controlling interests (+/-)	-	-
Profit for the year	406,599	505,925
<b>Total Liabilities and Equity</b>	<b>150,151,095</b>	<b>147,393,574</b>

## CONSOLIDATED INTERIM INCOME STATEMENT

The consolidated interim income statement below includes comparative figures for the six months ending 30 June 2015 and the corresponding figures for the year ending 31 December 2014<sup>21</sup>.

	<b>30 June 2015</b>	<b>31 December 2014</b>
	<i>(EUR thousand)</i>	
Interest and similar income	785,730	1,853,529
Interest and similar expense	(496,226)	(1,323,488)
<b>Net interest income</b>	<b>289,504</b>	<b>530,041</b>
Fee and commission income	261,304	477,787
Fee and commission expense	(122,722)	(269,288)
<b>Net fee and commission income</b>	<b>138,582</b>	<b>208,499</b>
Dividends and similar income	26,821	36,550
Profits (Losses) on trading	280,455	296,232

<sup>21</sup> The figures for the financial year ending 31 December 2014 contained in this table have been derived from the Issuer's audited financial statements for the financial year ending 31 December 2014.

	<b>30 June 2015</b>	<b>31 December 2014</b>
	<i>(EUR thousand)</i>	
Profit (Losses) on hedging	10,918	56
Profits (Losses) on disposal or repurchase of:	163,438	224,702
<i>a) loans and receivables</i>	2,117	(16,504)
<i>b) available-for-sale financial assets</i>	199,495	359,606
<i>c) held-to-maturity investments</i>	-	-
<i>d) financial liabilities</i>	(38,174)	(118,400)
<b>Total income</b>	<b>909,718</b>	<b>1,296,080</b>
Impairment losses/reversal of impairment losses on:	(56,809)	(125,238)
<i>a) loans and receivables</i>	(57,955)	(123,807)
<i>b) available-for-sale financial assets</i>	(1,886)	(628)
<i>c) held-to-maturity investments</i>	-	-
<i>d) other financial assets</i>	3,032	(803)
<b>Net financial income</b>	<b>852,909</b>	<b>1,170,842</b>
<b>Net banking and insurance income</b>	<b>852,909</b>	<b>1,170,842</b>
Administrative expenses	(221,652)	(407,281)
<i>a) personnel expenses</i>	(70,900)	(140,636)
<i>b) other administrative expenses</i>	(150,752)	(266,645)
Net accruals to provision for risks and charges	(17,000)	(3,000)
Depreciation and net impairment losses on property and equipment	(250)	(451)
Amortisation and net impairment losses on intangible assets	(35)	(77)
Other operating income (expenses)	1,977	3,340
<b>Operating expenses</b>	<b>(236,960)</b>	<b>(407,469)</b>
Net gains on sales of equity investments	3,380	14,225
Impairment of goodwill	-	-
<b>Pre-tax profit from continuing operations</b>	<b>619,329</b>	<b>777,598</b>
Income tax expense	(212,730)	(271,673)
<b>Post-tax profit from continuing operations</b>	<b>406,599</b>	<b>505,925</b>
<b>Profit for the year</b>	<b>406,599</b>	<b>505,925</b>
Profit (loss) attributable to non-controlling interests	-	-
<b>Profit attributable to the owners of the parent</b>	<b>406,599</b>	<b>505,925</b>

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements below includes comparative figures for the six months ending 30 June 2015 compared with corresponding figures for the six months ending 30 June 2014<sup>22</sup>.

<b>Assets</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
	<i>(EUR thousand)</i>	
Cash and cash equivalents	4	3
Financial assets held for trading	58,165,806	58,536,755
Available-for-sale financial assets	12,316,213	4,224,956
Due from banks	56,765,479	51,492,695
Loans to customers	21,121,557	21,152,150
Hedging derivatives	450,757	470,790
Equity investments	9,864	8,012
Property and equipment	905	1,154
Intangible assets	315	333
of which:		
- goodwill	-	-
Tax assets	425,085	288,775
a) current	128,163	96,127
b) deferred	296,922	192,648
Other assets	895,110	517,199
<b>Total Assets</b>	<b>150,151,095</b>	<b>136,692,822</b>

<b>Liabilities and Equity</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
	<i>(EUR thousand)</i>	
Due to banks	58,957,962	47,512,418
Due to customers	19,295,739	9,660,309
Securities issued	15,070,769	24,064,270

<sup>22</sup> The figures for the six months period ending 30 June 2014 contained in these tables have been derived from the Issuer's interim financial statements for the six months period ending 30 June 2014.

<b>Liabilities and Equity</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
	<i>(EUR thousand)</i>	
Financial liabilities held for trading	52,483,268	50,712,717
Hedging derivatives	191,876	410,882
Tax liabilities	280,145	280,620
<i>a) current</i>	<i>271,818</i>	<i>256,704</i>
<i>b) deferred</i>	<i>8,327</i>	<i>23,916</i>
Other liabilities	518,336	555,354
Post-employment benefits	8,152	9,333
Provisions for risks and charges	45,171	28,674
<i>a) pensions and similar obligations</i>	<i>12</i>	<i>12</i>
<i>b) other provisions</i>	<i>45,159</i>	<i>28,662</i>
Fair value reserves	(218,478)	23,285
Reserves	1,567,832	1,538,366
Share premium reserve	581,260	581,260
Share capital	962,464	962,464
Equity attributable to non-controlling interests (+/-)	-	-
Profit for the year	406,599	352,870
<b>Total Liabilities and Equity</b>	<b>150,151,095</b>	<b>136,692,822</b>

## CONSOLIDATED INTERIM INCOME STATEMENT

The consolidated interim income statement below includes comparative figures for the six months ending 30 June 2015 and the corresponding figures for the six months ending 30 June 2014<sup>23</sup>.

	<b>30 June 2015</b>	<b>30 June 2014</b>
	<i>(EUR thousand)</i>	
Interest and similar income	785,730	1,130,611
Interest and similar expense	(496,226)	(765,519)
<b>Net interest income</b>	<b>289,504</b>	<b>365,092</b>
Fee and commission income	261,304	254,802

<sup>23</sup> The figures for the six months period ending 30 June 2014 contained in this table have been derived from the Issuer's interim financial statements for the six months period ending 30 June 2015.



	30 June 2015	30 June 2014
	<i>(EUR thousand)</i>	
Fee and commission expense	(122,722)	(167,075)
<b>Net fee and commission income</b>	<b>138,582</b>	<b>87,727</b>
Dividends and similar income	26,821	20,650
Profits (Losses) on trading	280,455	268,148
Profit (Losses) on hedging	10,918	22
Profits (Losses) on disposal or repurchase of:	163,438	85,682
<i>a) loans and receivables</i>	2,117	1,186
<i>b) available-for-sale financial assets</i>	199,495	145,031
<i>c) held-to-maturity investments</i>	-	-
<i>d) financial liabilities</i>	(38,174)	(60,535)
<b>Total income</b>	<b>909,718</b>	<b>827,321</b>
Impairment losses/reversal of impairment losses on:	(56,809)	(93,245)
<i>a) loans and receivables</i>	(57,955)	(87,274)
<i>b) available-for-sale financial assets</i>	(1,886)	-
<i>c) held-to-maturity investments</i>	-	-
<i>d) other financial assets</i>	3,032	(5,971)
<b>Net financial income</b>	<b>852,909</b>	<b>734,076</b>
<b>Net banking and insurance income</b>	<b>852,909</b>	<b>734,076</b>
Administrative expenses	(221,652)	(185,997)
<i>a) personnel expenses</i>	(70,900)	(55,765)
<i>b) other administrative expenses</i>	(150,752)	(130,232)
Net accruals to provision for risks and charges	(17,000)	(2,000)
Depreciation and net impairment losses on property and equipment	(250)	(214)
Amortisation and net impairment losses on intangible assets	(35)	(37)
Other operating income (expenses)	1,977	(393)
<b>Operating expenses</b>	<b>(236,960)</b>	<b>(188,641)</b>
Net gains on sales of equity investments	3,380	10,062
Impairment of goodwill	-	-
<b>Pre-tax profit from continuing operations</b>	<b>619,329</b>	<b>555,497</b>
Income tax expense	(212,730)	(202,627)
<b>Post-tax profit from continuing operations</b>	<b>406,599</b>	<b>352,870</b>
<b>Profit for the year</b>	<b>406,599</b>	<b>352,870</b>
Profit (loss) attributable to non-controlling interests	-	-
<b>Profit attributable to the owners of the parent</b>	<b>406,599</b>	<b>352,870</b>

## 7. FORM OF FINAL TERMS

I The items "Intraday Value" and "Cap Barrier Amount" are inserted, respectively, as item 37 and item 44 of Part A of the section "**Form of Final Terms**" on page 191 of the Base Prospectus, and the numbering of the following items is amended accordingly:

37. Intraday Value: The Intraday Value will be determined [pursuant to the definition of "Calculation of the Basket Level" in the Terms and Conditions, where the Intraday Value at time "t" in relation to the Basket Constituent[s] will be determined] on the basis of [the official level published by the Index Sponsor] [the official traded price quoted on the relevant Reference Source] [the Exchange Rate value quoted on [*insert any over-the-counter or quotation-based market*]] [the Interest Rate value] [the Net Asset Value] as continuously observed on each Exchange Business Day during [the Early Redemption Valuation Period] [and] [the Barrier Event Determination Period] by the Calculation Agent on the Electronic Page[s]. [Not Applicable]
- Electronic Page[s]: [●] [*specify for each Underlying or Basket Constituent, as the case may be*] [Not Applicable]
- (*N.B.: item 37 is only applicable in relation to the determination of a Barrier Event and/or and Early Redemption Event*)
44. Cap Barrier Amount: [●] [Not Applicable]

II The item 6 "Type of Securities and underlying asset" and the item 47 "Underlying(s)" (within the Section "**PROVISIONS RELATING TO DIGITAL AMOUNT(S)**") of Part A of the section "**Form of Final Terms**", on page 191 of the Base Prospectus, are amended as follows:

6. Type of Securities and underlying asset (a) The Securities are Certificates. The Securities are [ Index Securities] [and] [Share Securities] [and] [Exchange Rate Securities] [and] [Interest Rate Securities] [and] [Commodity Futures Contract Securities] [and] [Commodity Securities] [and] [Fund Securities] [and] [Combined Securities].
- (b) The item(s) to which the Securities relate is/ are [*specify underlying asset(s) in relation to the remuneration amounts and the Cash Settlement Amount*][*in case of Combined Securities specify the amount(s) to which each underlying relates*][*in case of Basket specify the relevant Basket Constituents and the relevant Basket Constituent Weight*][*in case of Interest Rate specify Calculation Entity*]
47. Underlying(s): [*specify underlying(s) in relation to each Digital Valuation Period*][Not applicable]

## 8. GENERAL INFORMATION

I. Paragraph (4) "**Documents available**" of the section "**General Information**" on page 260 of the Base Prospectus shall be replaced by the following:

### **Documents Available**

For so long as any Securities remain outstanding, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified offices of the Principal Security Agent in Luxembourg and the registered office of the Issuer by electronic means, save that item (iii) will be available for inspection only:

- (i) the constitutional documents of the Issuer;
- (ii) the audited non-consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2014 and 2013 and the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2014 and 2013 and the limited reviewed company condensed interim consolidated financial statement and the interim financial statements of the Issuer as at and for the sixth months ending 30 June 2015;
- (iii) the Agency Agreement and the forms of the Global Securities;
- (iv) a copy of this Base Prospectus;
- (v) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Security which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Security and such holder must produce evidence satisfactory to the Issuer and the relevant Security Agent as to its holding of Securities and identity) and any other documents incorporated herein or therein by reference; and
- (vi) in the case of each issue of listed Securities subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

A copy of this Base Prospectus (and the information incorporated by reference therein) has been published on the websites of the Irish Stock Exchange (<http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=673&uID=4875&FIELDSORT=docId>) and of the Issuer (<http://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents>). Any Final Terms that are listed on the Irish Stock Exchange will be published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)). Any Final Terms that are not listed on the Irish Stock Exchange but which relate to a Security which is offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will be published on the website of the Issuer only.

II. Paragraph (7) "**Significant or Material Adverse Change**" of the section "**General Information**" on page 261 of the Base Prospectus shall be replaced by the following:

### **Significant or Material Adverse Change**

There has been no significant change in the financial or trading position of the Issuer since 30 June 2015 and there has been no material adverse change in the prospects of the Issuer since 31 December 2014.

III. Paragraph (8) "**External Auditors**" of the section "**General Information**" on page 261 of the Base Prospectus shall be replaced by the following:

### **External Auditors**

KPMG S.p.A., with registered office at Via V. Pisani, 25, 20121 Milan, was appointed by the Issuer as its independent auditor to audit its financial statements for the period 2012-2020. KPMG S.p.A. is a member of Assirevi-Associazione Nazionale Revisori Contabili, the Italian association of auditing firms. KPMG S.p.A. audited the company financial statements and consolidated financial statements of the Issuer for the financial

year ending 31 December 2013, the company financial statements and consolidated financial statements of the Issuer for the financial year ending 31 December 2014 and carried out a limited review of the interim consolidated financial statements as at and for the six months ending on 30 June 2015 and on 30 June 2014, which is incorporated by reference in this Base Prospectus KPMG.

## **9. GENERAL**

All references to pages, sections, sub-sections, paragraphs, sub-paragraphs, sentences and lines referred to in this First Supplement are intended to be to the original unsupplemented Base Prospectus, notwithstanding any amendments described herein.

To the extent that there is any inconsistency between (a) any statement in this First Supplement or any statement incorporated by reference into the Base Prospectus by this First Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this First 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.

**Banca IMI S.p.A.**

19 October 2015

# SCHEDULE 1

## SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary due to the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

### Section A – INTRODUCTION AND WARNINGS

<b>A.1</b>	<p>This summary should be read as an introduction to the Base Prospectus.</p> <p>Any decision to invest in the Certificates should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
<b>A.2</b>	<p>[Not Applicable – The Issuer does not consent to the use of the Base Prospectus for subsequent resales.]</p> <p>Certain Tranches of Certificates with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a Public Offer.</p> <p><b>[Consent:</b> Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of Certificates by (i) the Distributor(s), whose name(s) are listed in the applicable Final Terms and whose name(s) is(are) published on the Issuer's website and identified as an Authorised Offeror(s) in respect of the relevant Public Offer; and/or (ii) any financial intermediary which is authorised to make such offers under the applicable legislation implementing Directive 2004/39/EC (MiFID) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):</p> <p>"We, [insert name of financial intermediary], refer to the [insert title of relevant Certificates] (the "<b>Certificates</b>") described in the Final Terms dated [insert date] (the "<b>Final Terms</b>") published by Banca IMI S.p.A. (the "<b>Issuer</b>"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Certificates in [specify each Relevant Member State in which the particular Tranche of Certificates can be offered] (the "<b>Offer</b>") in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus in connection with the Offer accordingly".</p> <p>(each an "<b>Authorised Offeror</b>").</p> <p><b>Offer period:</b> The Issuer's consent referred to above is given for Public Offers of Certificates during the offer period for the Certificates to be specified in the applicable Final Terms (the "<b>Offer Period</b>").</p> <p><b>Conditions to consent:</b> The conditions to the Issuer's consent, in addition to the conditions referred to above, are that such consent (a) is only valid during the Offer Period; (b) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Certificates in the Relevant Member State in which the particular Tranche of Certificates can be offered, as specified in the applicable Final Terms, and (c) is valid according to any other conditions applicable to the Public Offer of the particular Tranche, as set out in the Final Terms.]</p> <p><b>[AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY CERTIFICATES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH CERTIFICATES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.]</b></p>

### Section B – ISSUERS AND GUARANTOR

<b>B.1</b>	<b>Legal and Commercial Name of the Issuer</b>	Banca IMI S.p.A..
<b>B.2</b>	<b>Domicile/ Legal Form/ Legislation/ Country of Incorporation</b>	The Issuer is incorporated as a società per azioni with limited liability under the laws of the Republic of Italy. Its registered office is at Largo Mattioli 3, 20121 Milan, with telephone number +39 02 72611.
<b>B.4b</b>	<b>Description of trends</b>	<i>Not applicable.</i> There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.
<b>B.5</b>	<b>Description of the group of the Issuer(s)</b>	The Issuer is a company belonging to the Intesa Sanpaolo banking group, of which Intesa Sanpaolo S.p.A. is the parent company.
<b>B.9</b>	<b>Profit forecast/estimate</b>	<i>Not applicable.</i> No profit forecasts or estimates have been made in the Base Prospectus.
<b>B.10</b>	<b>Qualifications in the audit report</b>	<i>Not applicable.</i> No qualifications are contained in any audit report included in the Base Prospectus.
<b>B.12</b>	<b>Selected historical key information /</b>	<b>SELECTED FINANCIAL AND BALANCE SHEET FIGURES RELATING TO THE ISSUER</b> The audited consolidated balance sheets and income statements as of, and for each of the years ended, 31 December 2013 and 2014 and selected income statement figures and balance sheet figures for the six months ending 30 June 2015 have been extracted without any adjustment from,

material adverse change/ significant changes<sup>1</sup>

and are qualified by reference to and should be read in conjunction with, the Issuer's consolidated financial statements in respect of those dates and periods:

**Audited Consolidated Balance Sheets for the year ending 31 December 2014 compared with corresponding figures for the year ending 31 December 2013**

<b>Assets</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousand)</i>	
Cash and cash equivalents	3	2
Financial assets held for trading	61,620,174	55,329,273
Available-for-sale financial assets	8,106,027	6,122,475
Due from banks	53,979,092	54,664,821
Loans to customers	22,440,904	20,364,686
Hedging derivatives	323,864	551,671
Equity investments	12,175	12,208
Property and equipment	1,031	1,218
Intangible assets	327	355
of which:		
- goodwill	-	-
Tax assets	455,103	610,740
a) current	261,796	414,174
b) deferred	193,307	196,566
Other assets	454,874	403,696
<b>Total Assets</b>	<b>147,393,574</b>	<b>138,061,145</b>

<b>Liabilities and Equity</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousand)</i>	
Due to banks	53,046,794	44,973,642
Due to customers	11,158,308	12,527,587
Securities issued	21,482,603	28,945,210
Financial liabilities held for trading	56,939,378	47,017,075
Financial liabilities at fair value through profit and loss	-	-
Hedging derivatives	463,170	475,201
Tax liabilities	364,346	429,630
a) current	327,905	395,883
b) deferred	36,441	33,747
Other liabilities	249,266	418,353
Post-employment benefits	9,780	8,569
Provisions for risks and charges	30,489	29,805
a) pensions and similar obligations	12	12
b) other provisions	30,477	29,793
Fair value reserves	49,105	10,497
Reserves	1,550,686	1,534,957
Share premium reserve	581,260	581,260
Share capital	962,464	962,464
Equity attributable to non-controlling interests (+/-)	-	-
Profit for the year	505,925	146,895
<b>Total Liabilities and Equity</b>	<b>147,393,574</b>	<b>138,061,145</b>

**Audited Consolidated Income Statements for the year ending 31 December 2014 compared with corresponding figures for the year ending 31 December 2013**

	<b>31 December 2014</b>	<b>31 December 2013</b>
	<i>(EUR thousand)</i>	
Interest and similar income	1,853,529	2,192,798
Interest and similar expense	(1,323,488)	(1,631,044)
<b>Net interest income</b>	<b>530,041</b>	<b>561,754</b>
Fee and commission income	477,787	459,034
Fee and commission expense	(269,288)	(255,533)

<sup>1</sup> As a result of the approval of the limited reviewed company condensed interim consolidated financial statements and the interim financial statements of the Issuer as at and for the six months ending 30 June 2015, the First Supplement dated 19 October 2015 has added certain information regarding the Issuer. Therefore Element B.12, "Selected historical key information / material adverse change/ significant changes" of this Section B "Issuers and Guarantor" of the "Summary of the Programme" in the Base Prospectus has been updated accordingly.

<b>Net fee and commission income</b>	<b>208,499</b>	<b>203,501</b>	
Dividends and similar income	36,550	94,676	
Profits (Losses) on trading	296,232	263,136	
Profit (Losses) on hedging	56	7,364	
Profits (Losses) on disposal or repurchase	224,702	147,013	
of:			
a) <i>loans and receivables</i>	(16,504)	3,944	
b) <i>available-for-sale financial assets</i>	359,606	178,197	
c) <i>held-to-maturity investments</i>	-	-	
d) <i>financial liabilities</i>	(118,400)	(35,128)	
<b>Total income</b>	<b>1,296,080</b>	<b>1,277,444</b>	
Impairment losses/reversal of impairment losses on:	(125,238)	(268,286)	
a) <i>loans and receivables</i>	(123,807)	(239,566)	
b) <i>available-for-sale financial assets</i>	(628)	(3,604)	
c) <i>held-to-maturity investments</i>	-	-	
d) <i>other financial assets</i>	(803)	(25,116)	
<b>Net financial income</b>	<b>1,170,842</b>	<b>1,009,158</b>	
<b>Net banking and insurance income</b>	<b>1,170,842</b>	<b>1,009,158</b>	
Administrative expenses	(407,281)	(359,982)	
a) <i>personnel expenses</i>	(140,636)	(114,825)	
b) <i>other administrative expenses</i>	(266,645)	(245,157)	
Net accruals to provision for risks and charges	(3,000)	(10,000)	
Depreciation and net impairment losses on property and equipment	(451)	(319)	
Amortisation and net impairment losses on intangible assets	(77)	(65)	
Other operating income (expenses)	3,340	3,687	
<b>Operating expenses</b>	<b>(407,469)</b>	<b>(366,679)</b>	
Net gains on sales of equity investments	14,225	17,839	
Impairment of goodwill	-	(194,070)	
<b>Pre-tax profit from continuing operations</b>	<b>777,598</b>	<b>466,248</b>	
Income tax expense	(271,673)	(319,353)	
<b>Post-tax profit from continuing operations</b>	<b>505,925</b>	<b>146,895</b>	
<b>Profit for the year</b>	<b>505,925</b>	<b>146,895</b>	
Profit (loss) attributable to non-controlling interests	-	-	
<b>Profit attributable to the owners of the parent</b>	<b>505,925</b>	<b>146,895</b>	
<b>Consolidated Income Statement Selected Figures for the six months ending 30 June 2015 compared with corresponding figures for the six months ending 30 June 2014<sup>2</sup></b>			
	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>Percentage Variation</b>
	<i>(EUR million)</i>		<i>(per cent)</i>
Net interest income	289.5	365.1	-20.7%
Total income	909.7	827.3	10.0%
Net financial income	852.9	734.1	16.2%
Operating expenses	(237.0)	(188.6)	25.6%
Pre-tax profit from continuing operations	619.3	555.5	11.5%
Profit for the period	406.7	352.9	15.3%
<b>Consolidated Balance Sheet Selected Figures for the six months ending 30 June 2015 compared with corresponding figures for the year ending 31 December 2014<sup>3</sup></b>			
	<b>30 June 2015</b>	<b>31 December 2014</b>	<b>Percentage Variation</b>
	<i>(EUR million)</i>		<i>(per cent)</i>
Net investments <sup>4</sup>	26,804.1	27,121.7	-1.2%

<sup>2</sup> As a result of the approval of the limited reviewed company condensed interim consolidated financial statements and the interim financial statements of the Issuer as at and for the six months ending 30 June 2015, the First Supplement dated 19 October 2015 has added the Consolidated Income Statement Selected Figures for the six months ending 30 June 2015 compared with corresponding figures for the six months ending 30 June 2014.

<sup>3</sup> As a result of the approval of the limited reviewed company condensed interim consolidated financial statements and the interim financial statements of the Issuer as at and for the six months ending 30 June 2015, the First Supplement dated 19 October 2015 has added the Consolidated Balance Sheet Selected Figures for the six months ending 30 June 2015 compared with corresponding figures for the year ending 31 December 2014.



		<table> <tr> <td>Net funding<sup>5</sup></td> <td>36,559.0</td> <td>31,708.6</td> <td>15.3%</td> </tr> <tr> <td>Asset under management</td> <td>-</td> <td>-</td> <td>n.a.</td> </tr> <tr> <td>Financial assets<sup>6</sup></td> <td>70,482.0</td> <td>69,726.2</td> <td>1.1%</td> </tr> <tr> <td>Total assets</td> <td>150,151.1</td> <td>147,393.6</td> <td>1.9%</td> </tr> <tr> <td>Net equity</td> <td>3,299.7</td> <td>3,649.4</td> <td>-9.6%</td> </tr> <tr> <td>Share Capital</td> <td>962.5</td> <td>962.5</td> <td>0.0%</td> </tr> </table> <p><i>Statements of no significant or material adverse change<sup>7</sup></i> There has been no significant change in the financial or trading position of the Issuer since 30 June 2015 and there has been no material adverse change in the prospects of the Issuer since 31 December 2014.</p>	Net funding <sup>5</sup>	36,559.0	31,708.6	15.3%	Asset under management	-	-	n.a.	Financial assets <sup>6</sup>	70,482.0	69,726.2	1.1%	Total assets	150,151.1	147,393.6	1.9%	Net equity	3,299.7	3,649.4	-9.6%	Share Capital	962.5	962.5	0.0%
Net funding <sup>5</sup>	36,559.0	31,708.6	15.3%																							
Asset under management	-	-	n.a.																							
Financial assets <sup>6</sup>	70,482.0	69,726.2	1.1%																							
Total assets	150,151.1	147,393.6	1.9%																							
Net equity	3,299.7	3,649.4	-9.6%																							
Share Capital	962.5	962.5	0.0%																							
<b>B.13</b>	<b>Recent events impacting the Issuer's solvency</b>	<i>Not applicable.</i> At the date of approval of this Prospectus there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.																								
<b>B.14</b>	<b>Issuer dependent upon other entities within the group</b>	The Issuer is subject to the management and co-ordination of its sole shareholder, Intesa Sanpaolo S.p.A., which is the parent company of the Intesa Sanpaolo banking group, to which the Issuer belongs.																								
<b>B.15</b>	<b>Description of the principal activities of the Issuer<sup>8</sup></b>	The Issuer is a banking institution established under the laws of the Republic of Italy engaged in investment banking activities. The Issuer is the investment banking arm and securities firm of Gruppo Intesa Sanpaolo and it offers a wide range of capital markets, investment banking and special lending services to a diversified client base including banks, companies, institutional investors, entities and public bodies. The Issuer's business is divided into three business divisions: <i>Global Markets, Investment Banking and Structured Finance.</i>																								
<b>B.16</b>	<b>Control of Issuer</b>	The Issuer is a wholly-owned direct subsidiary of Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo banking group.																								
<b>Section C – SECURITIES</b>																										
<b>C.1</b>	<b>Type and class of securities being offered / Security identification number</b>	<p>[BEARER SECURITIES]</p> <p>Each Security is a [Temporary Global Security] [Permanent Global Security]. [The Temporary Global Security will be exchangeable either, in accordance with its terms, for a Permanent Global Security or for Definitive Securities.] [The Permanent Global Security will be exchangeable in limited circumstances for Definitive Securities.] Each [Temporary Global Security] [Permanent Global Security] will be held by a common depository on behalf of Euroclear and Clearstream, Luxembourg.]</p> <p>[REGISTERED SECURITIES]</p> <p>Registered Securities will be represented by definitive registered certificates registered in the name of the beneficial owner thereof ("<b>Registered Certificates</b>") and/or a registered certificate in global form (a "<b>Global Registered Certificate</b>") which will be registered in the name of a nominee for a common depository for [Euroclear and Clearstream, Luxembourg] [<i>or insert other clearing system[*]</i>]. Definitive Exchangeable Bearer Securities [will] [will not] be exchangeable for definitive Registered Securities [<i>specify details[*]</i>]. Registered Securities will not be exchangeable for Bearer Securities or an interest therein.]</p> <p>The Securities and any non-contractual obligations arising out of or in connection with the Securities will be governed by, and shall be construed in accordance with, English Law.</p> <p>The ISIN of the Certificates will be [*].</p>																								
<b>C.2</b>	<b>Currency</b>	<p>[<i>specify the currency of the Securities</i>] [*] [The Securities provide for a Settlement Currency that is different from the currency in which the Issue Price was denominated ("<b>Issue Currency</b>") (the "<b>Dual Currency Securities</b>").]</p> <p>The Settlement Currency is [*].</p> <p>The Issue Currency is [*].]</p>																								
<b>C.5</b>	<b>Restrictions on free transferability</b>	There are restrictions on the offer, sale and transfer of the Securities in the United States, the European Economic Area (including the Republic of Italy, the United Kingdom, the Grand Duchy of Luxembourg, the Portuguese Republic, Germany, France, The Netherlands, Belgium, Spain, Czech Republic, Hungary, Ireland, Poland, Slovak Republic, Croatia, Sweden, Denmark and Slovenian Republic) and Switzerland.																								
<b>C.8</b>	<b>Description of rights and ranking</b>	<p><u>SETTLEMENT AT EXERCISE DATE</u></p> <p>Each Certificate entitles its holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount, [where positive] [and an Early Redemption Event has not occurred].</p> <p><u>[DIGITAL AMOUNT[S]]</u></p> <p>Upon the occurrence of the Digital Event[s], the Certificates will entitle their holders to receive from the Issuer on the Digital Payment Date[s] the relevant Digital Amount[s].]</p> <p><u>[EARLY REDEMPTION AMOUNT[S]]</u></p> <p>Upon the occurrence of an Early Redemption Event, the Certificates will be redeemed before the Exercise Date originally scheduled and the</p>																								

<sup>4</sup> The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.

<sup>5</sup> The aggregate amount consists of securities issued plus due to customers plus due to banks net of due from banks.

<sup>6</sup> The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

<sup>7</sup> As a result of the approval of the limited reviewed company condensed interim consolidated financial statements and the interim financial statements of the Issuer as at and for the six months ending 30 June 2015, the First Supplement dated 19 October 2015 has added the statement of no significant change in the financial or trading position of the Issuer since 30 June 2015.

<sup>8</sup> In order to correctly reflect the new set-up of the Issuer's business divisions, the First Supplement dated 19 October 2015 has amended certain information regarding the Issuer. Therefore Element B.15, "Description of the principal activities of the Issuer" of this Section B "Issuers and Guarantor" of the "Summary of the Programme" in the Base Prospectus has been updated accordingly.

		<p>Securityholders will receive from the Issuer on the Early Payment Date the Early Redemption Amount.]</p> <p><u>[INTERNAL RETURN AMOUNT(S)]</u></p> <p>Each Certificate pays the Internal Return Amounts, which is [IRA Compound] [IRA Simple], calculated on the performance of the Underlying. Such performance will be annualised for [the] [each] Annual Valuation Date.]</p> <p><u>[PLUS AMOUNT(S)]</u></p> <p>Each Certificate pays [a] Plus Amount[s] equal to [•] on the [•] [the [First] [Second] [•] Plus Payment Date].]</p> <p><u>RANKING</u></p> <p>The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and, unless provided otherwise by law, rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.</p>
C.11	<b>Trading of Certificates</b>	<p>[Application [has been][will be] made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the regulated market of the Irish Stock Exchange with effect from [(or [after][around]) the Issue Date.]</p> <p>[Application[ is expected to be made] [[has been][will be] made] by the Issuer (or on its behalf) for the Securities to be [listed on [•] [specify the market in Republic of Italy, the United Kingdom, the Grand Duchy of Luxembourg, the Portuguese Republic, Germany, France, The Netherlands, Belgium, Spain, Czech Republic, Hungary, Ireland, Poland, Slovak Republic, Croatia, Sweden, Denmark and Slovenian Republic]] [admitted to trading on [•] [specify the trading venue in Republic of Italy, the United Kingdom, the Grand Duchy of Luxembourg, the Portuguese Republic, Germany, France, The Netherlands, Belgium, Spain, Czech Republic, Hungary, Ireland, Poland, Slovak Republic, Croatia, Sweden, Denmark and Slovenian Republic]] with effect from (or [after][around]) the Issue Date.]</p>
C.15	<b>Description of how the value of the investment is affected by the value of the underlying instrument</b>	<p>Underlying means, for the purposes of this Series,</p> <p>[in the case of Certificates linked to one or more financial asset(s), [name of the Underlying [•]] [Share] [Index] [Commodity] [Commodity Futures Contract] [Exchange Rate] [Interest Rate] [Fund]]</p> <p>[in the case of Spread Certificates, the following two Underlyings:</p> <ul style="list-style-type: none"> <li>- Underlying A: [name of the Underlying [•]] [Share] [Index] [Commodity] [Commodity Futures Contract] [Exchange Rate] [Interest Rate] [Fund]; and</li> <li>- Underlying B: [name of the Underlying [•]] [Share] [Index] [Commodity] [Commodity Futures Contract] [Exchange Rate] [Interest Rate] [Fund]]</li> </ul> <p>[in the case of Certificates linked to a Basket, a Basket composed of [specify basket constituents [•]] (each a Basket Constituent).</p> <p>In particular, the Certificates are linked to the performance of the Underlying and their value depends also on the volatility of such Underlying, [the applicable interest rates], the time from the Issue Date [and the correlation between the Basket Constituents (insert if the Underlying is a Basket)].</p>
C.16	<b>The expiration or maturity date of the derivative securities – the exercise date or final reference date</b>	<p>[Each Certificate shall be automatically exercised on the Exercise Date. [Otherwise, they may only be redeemed before the Exercise Date upon the occurrence of an Early Redemption Event].</p> <p>The Exercise Date is [•].]</p> <p>[In case of Benchmark Certificates, if the Open End Feature is applicable: No Exercise Date will be provided and the Certificates may only be redeemed following the exercise of the [Call Option by the Issuer (on [the] [a] Call Valuation Date)] [or] [Put Option by the investor (on [the] [a] Put Valuation Date)].</p>
C.17	<b>Settlement procedure</b>	<p>The Issuer shall pay or cause to be paid the relevant Cash Amount (if any) for each Certificate by credit or transfer to the Securityholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, for value on the Settlement Date, less any Expenses not already paid, such payment to be made in accordance with the rules of Euroclear or Clearstream, Luxembourg, as the case may be.</p> <p>The Issuer's obligations will be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg (as the case may be) of the amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular amount of the Certificates must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each such payment.</p> <p>Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.</p>
C.18	<b>Description of how the return on derivative securities takes place<sup>9</sup></b>	<p style="text-align: center;"><b>[DIGITAL AMOUNT(S)]</b></p> <p>A feature of the Certificates is represented by the Digital Event that will occur, in the relevant Digital Valuation Period[s], if the value of the Underlying is [lower than] [higher than] [[or] equal to] the Digital Level.</p> <p>[The Digital Valuation Period is [•].]</p> <p>[The Digital Valuation Periods are the following: [•] (the First Digital Valuation Period), [[•] (the Second Digital Valuation Period),] [[•] (the Third Digital Valuation Period)] [insert other Digital Valuation Periods, if any]</p> <p>If the Digital Event occurs, the investor will receive the Digital Amount[s], equal to [•] [in relation to [each][the [•]] Digital Valuation Period.]</p> <p>[The Digital Amount is an amount [fixed] [increasing] [decreasing] [variable] [specify details[•]]]</p> <p>[The Determination Method of the Digital Event is:</p> <p>[Single Level Option, i.e. the same Digital Level has been provided for all the Digital Valuation Periods. Such Digital Level is an [increasing] [decreasing] [variable] value in relation to each Digital Valuation Period];</p> <p>[Multiple Level Option, i.e. several Digital Levels in relation to the relevant Digital Valuation Period have been provided: [•] (the First Digital</p>

<sup>9</sup> In order to implement certain amendments in relation to (i) the provisions relating to the determination of the Barrier Event and the Early Redemption Event and (ii) the provisions regarding the determination of the Cash Settlement Amount upon occurrence of a Barrier Event, the First Supplement dated 19 October 2015 has made some changes to the relevant section in the Terms and Conditions and in the Form of Final Terms. Therefore also Section C.18 "Description of how the return on derivative securities takes place" has been updated accordingly.

Level), [•] (the Second Digital Level), [[•] (the Third Digital Level)][•].

In particular, if the value of the Underlying, in the relevant Digital Valuation Period, is [lower than] [higher than] [[or] equal to] the Digital Levels, the investor will receive the relevant Digital Amount;]

[Range Level Option], i.e. the investor will receive the relevant Digital Amount if, in the relevant Digital Valuation Period, the value of the Underlying will fall [within] [out of] a range between [•]% of the Initial Reference Value [included/excluded] (the "**Up Range Digital Level**") and [•]% of the Initial Reference Value [included/excluded] (the "**Down Range Digital Level**") and therefore a Digital Event will occur;]

[Cliquet Feature], i.e. the Digital Level is [•]% of the Reference Value of the Underlying determined during the relevant Digital Valuation Period, [•]. The Digital Level will be updated by the Calculation Agent from time to time, and the Calculation Agent will determine the Reference Value of the Underlying: (i) in relation to the relevant Digital Valuation Period or (ii) only when the Digital Event has occurred, in the relevant Digital Valuation Period.]

[In the case of Spread Certificates], For the calculation of the Digital Amount, reference will be made to the Spread. The Spread indicates the difference between the performances of [Underlying A] and [Underlying B]. Therefore, the Digital Level will be equal to [•]%. The Digital Event will occur only if the Spread between Performance A and Performance B [lower than] [higher than] [[or] equal to] the Digital Level.

**[Insert one of the following if a specific calculation procedures is applicable:**

[Consolidation Effect]

If the value of the Underlying is [lower than] [higher than] [[or] equal to] than the Consolidation Level (equal to [•]% of the Initial Reference Value in addition to the Digital Level) in the [number of the period] Consolidation Valuation Period, the Digital Event will automatically occur without further determinations for all Digital Valuation Periods following such Consolidation Valuation Period.

Therefore, the investor will benefit from the payment of all the amounts provided in relation to the Digital Valuation Periods following the Consolidation Valuation Period in which the Underlying has [reached] [or] [exceeds] the Consolidation Level.

[In the case of Spread Certificates], The Consolidation Effect will occur only when the Spread between the performance of the Underlying A and the Underlying B is [lower than] [higher than] [[or] equal to] the Consolidation Level]]

[Memory Effect]

If the value of the Underlying is [lower than] [higher than] [[or] equal to] the Memory Level (equal to [•]% of the Initial Reference Value in addition to the Digital Level) by the [number of the period] Memory Valuation Period, the investor will receive the previously unpaid Digital Amount(s) in the event that a Digital Event has not occurred (except where such Digital Amounts were already paid due to the occurrence of a Memory Effect in a previous Memory Valuation Period).

[In the case of Spread Certificates], The Memory Effect will occur only when the Spread between the performance of the Underlying A and the Underlying B is [lower than] [higher than] [[or] equal to] the Memory Level.] ]

[Digital Knock-out Feature]

The Digital Amounts eventually payable during the life of the Certificates will cease to be due and payable to the Securityholders. In particular, if the [value of the Underlying] [the Spread] during the [number of the period] Digital Knock-out Valuation Period is [lower than] [higher than] [[or] equal to] than the Digital Knock-out Level, equal to [•] (such event a "**Digital Knock-out Event**"), the investor may not benefit from the payment of any Digital Amount during the Digital Valuation Periods following the Digital Knock-out Valuation Period in which the Digital Knock-out Event has occurred.

The Digital Knock-out Level is equal to [•]% [of the Initial Reference Value] in addition to the Digital Level.

The investors will be notified in the event of a Digital Knock-out Event through a notice published on the website of the Issuer <http://www.bancaimi.prodottiequotazioni.com/EN.>

[Path Dependency Effect]

The Digital Amount may increase in relation to each Digital Valuation Period. Such increase will depend on the occurrence of the Digital Event[s] in the previous Digital Valuation Period[s]. In particular, the increase will be calculated as the product of (i) [•] (the Path Dependency Amount) and (ii) a number which will be determined in relation to each Digital Valuation Period and which is equal to the number of the Digital Event(s) that have occurred from the first Digital Valuation Period (included) until the Digital Valuation Period on which such Digital Amount is calculated.]]

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#### **[EARLY REDEMPTION AMOUNT[S]<sup>10</sup>**

The Certificates provide the possibility of an automatic early redemption if an Early Redemption Event has occurred. In particular, if the [Reference Value] [Intraday Value][Spread] of the [Underlying[s]] [in relation to][at any time during] the [number of the period] Early Redemption Valuation Period is [lower than] [higher than] [higher than] [[or] equal to] the Early Redemption Level, equal to [•], the certificate will be automatically redeemed and the Securityholder will receive on the Early Payment Date the payment of the Early Redemption Amount, equal to [•]. [Insert if the Intraday Value is applicable: For the purposes of determining the occurrence of an Early Redemption Event the Intraday Value will be determined [pursuant to the definition of "Calculation of the Basket Level" [specify as described in the Terms and Conditions], where the Intraday Value at time "t" in relation to the Basket Constituent[s] will be determined] on the basis of [the official level published by the Index Sponsor] [the official traded price quoted on the relevant Reference Source] [the Exchange Rate value quoted on [insert any over-the-counter or quotation-based market]] [the Interest Rate value] [the Net Asset Value] as continuously observed on each Exchange Business Day during the Early Redemption Valuation Period by the Calculation Agent on the [specify the relevant Electronic Page(s)].

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#### **[PLUS AMOUNT[S]**

The Certificates may provide the unconditional payment of the Plus Amount[s], allowing the investor, during the life of the Certificates or at the Exercise Date, to receive an additional amount which is not linked to the performance of the Underlying. [The payment of such Plus Amount(s) does not affect the provisions for the calculation of the Digital Amount(s)]. The Plus Amount[s] is equal to [•] and will be paid on the Plus Payment Date[s], i.e. [•].

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#### **[FX CURRENCY (in the case of Benchmark FX Currency Certificates)**

The Cash Settlement Amount will also depend on the multiplication factor i.e. the "FX Multiplier" (equal to the ratio between the Initial Reference Value and the Final Reference Value). The application of the FX Multiplier shall enable the investor to simulate a direct investment in the foreign currency and the subsequent conversion into Euro.]

<sup>10</sup> The First Supplement dated 19 October 2015 has introduced in the relevant section in the Terms and Conditions and in the Form of Final Terms, the method of determination of the Early Redemption Event based on the Intraday Value. Therefore also the paragraph "[EARLY REDEMPTION AMOUNT[S]" within this Section C.18 "Description of how the return on derivative securities takes place" has been updated accordingly.

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**[INTERNAL RETURN AMOUNT(S)]**

In this case, the Internal Return Amount, which is [IRA Compound] [IRA Simple], will be linked to the performance of the Underlying and calculated on such performance which is annualised in relation to each Annual Valuation Date, i.e. [•]. [if the relevant Final Terms provide a IRA Cap: The Internal Return Amount will be subject to a maximum amount represented by the IRA Cap, i.e. [•].]

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**[PARTICIPATION REMUNERATION AMOUNT(S)]**

The Participation Remuneration Amount consists of an amount determined on each Participation Valuation Date on the basis of the performance of the Underlying during a Participation Valuation Period [•], according to the following methods:

*[If Long Participation Remuneration Amount is applicable:*

The amount of remuneration payable to the Securityholders is linked to the positive performance of the Underlying (i.e. it increases if the performance is positive and it is equal to zero if such performance is negative).]

*[If Short Participation Remuneration Amount is applicable:*

The amount of the remuneration payable to the Securityholders is linked to the negative performance of the Underlying (i.e. such remuneration increases if the performance is negative and it is equal to zero if the performance is positive).]

*[If Spread Participation Remuneration Amount is applicable:*

For the purposes of determining the Spread Participation Remuneration Amount, reference will be made to the Spread, which is the difference between the performances of two underlying assets, [Underlying A] and [Underlying B].

*[If a Cap is applicable: The Participation Remuneration Amounts will not be higher than the Cap Level, equal to [•].]*

[The following feature[s] apply in respect of the Participation Remuneration Amount:

*[Participation Knock-out Feature: The Participation Amounts potentially payable after the occurrence of a Participation Knock-out Event (as defined below), will cease to be due and payable to the Securityholders. In particular, if the [Reference Value][Spread], during the [number of the period] Participation Knock-out Valuation Period, is [lower than] [higher than] [[or] equal to] the relevant Participation Knock-out Level, equal to [•]% (such event a "Participation Knock-out Event"), the investor will not benefit from the payment of any Participation Remuneration Amounts on any payment date following the Participation Knock-out Valuation Period in which the Participation Knock-out Event has occurred.]*

*[Participation Switch Feature. The Remuneration Amount potentially payable depend on the occurrence of a Participation Switch Event. If a Participation Switch Event has not occurred during a Participation Switch Valuation Period, on the relevant payment date [•], the Certificates will pay a Participation Remuneration Amount; otherwise, if during such [number of the period] Participation Switch Valuation Period, a Participation Switch Event has occurred on the relevant payment date the Certificates will pay a Participation Switch Amount, equal to [•]. In particular, if the [Reference Value][Spread], during the [number of the period] Participation Switch Valuation Period, is [lower than] [higher than] [[or] equal to] than the relevant Switch Level, equal to [•] (such event a "Participation Switch Event"), the investor will receive the specified Participation Switch Amount on the relevant payment date following the Participation Switch Valuation Period in which the Participation Switch Event has occurred.]*

*[Net Profit Feature. The Remuneration Sum (the sum, in respect of any Valuation Date, of the Remuneration Amounts, equal to [•], if already paid on the prior payment dates, as defined in Condition 3 (Definitions) will be deducted from the relevant amounts, provided that the resulting amount cannot be lower than zero.]]*

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**CASH SETTLEMENT AMOUNT**

**CALCULATION METHOD IN THE CASE OF POSITIVE AND NEGATIVE PERFORMANCE OF THE UNDERLYING – (NO BARRIER LEVEL APPLICABLE)**

The Securityholder will receive on the Settlement Date for each Minimum Exercise Amount payment of the Cash Settlement Amount [if positive].

[In the event of Non Quanto Certificates, if the Underlying Reference Currency is different from the Settlement Currency, the Cash Settlement Amount will be exchanged into the Settlement Currency at the applicable Exchange Rate.]

At the Exercise Date the following scenarios may occur:

**[STANDARD CERTIFICATES**

**STANDARD [LONG][SHORT] CERTIFICATES**

In relation to such type, the investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value, equal to [•].]

**[MAX CERTIFICATES**

**[MAX LONG CERTIFICATES**

[In relation to such type, the investor will receive a percentage of the invested capital equal to [•] with the possibility to participate to the increasing performance of the Underlying depending on the Participation Factor.]

*[If a Cap Level is applicable:*

In such case, the amount that the investor will receive on the Settlement Date may be equal to or higher than the percentage of the Initial Reference Value multiplied by the multiplier. In any case, such Cash Settlement Amount will not exceed the Cap Level multiplied by the multiplier.]]

**[MAX SHORT CERTIFICATES**

[In relation to such type, the Securityholder will receive a percentage of the invested capital equal to [•] with the possibility to participate to the negative (decreasing) performance of the Underlying depending on the Participation Factor.]

*[If a Cap Level is applicable:*

In such case, the investor will receive in any case at least a percentage of the invested capital equal to [•] with the possibility of receiving a higher amount participating to the negative (decreasing) performance of the Underlying depending on the Participation Factor. In any case, the Cash Settlement Amount will not exceed the Cap Level multiplied by the multiplier.]]

**[SPREAD CERTIFICATES**

**[TYPE A SPREAD CERTIFICATES**

In relation to such type, the investor will receive an amount linked to the average between: (i) a percentage of the Initial Reference Value of the Underlying A equal to [•] and (ii) a percentage of the Initial Reference Value of the Underlying B equal to [•] multiplied by the relevant

multipliers.]

**[TYPE B SPREAD CERTIFICATES**

In relation to such type, the investor will receive (1) an amount linked to the average between (i) a percentage of the Initial Reference Value of the Underlying A equal to [•] and (ii) a percentage of the Initial Reference Value of the Underlying B equal to [•] multiplied by the relevant multipliers and eventually (2) an amount linked to the Spread [if positive] depending on the Participation Factor.]

**[If a Cap Level is applicable (only in relation to Type B Spread Certificates):**

In such case, the investor will receive (1) an amount linked to the average between (i) a percentage of the Initial Reference Value of the Underlying A equal to [•] and (ii) a percentage of the Initial Reference Value of the Underlying B equal to [•] multiplied by the relevant multipliers and eventually (2) an amount linked to the spread, if positive, depending on the Participation Factor that, in any case, will not be higher than the Cap Level.]]

**[TWIN WIN CERTIFICATES**

**a. If the Final Reference Value is higher than or equal to the Initial Reference Value:**

[In relation to such type, the investor will receive on the Settlement Date the capital invested plus an amount equal to the positive performance of the Underlying multiplied by the Participation Factor. Such formula will be applicable, provided that on the Valuation Date the Final Reference Value is higher than or equal to the Initial Reference Value.]

**[If the relevant Final Terms provide a Cap Level:**

In such case, the investor will receive on the Settlement Date the capital invested plus an amount equal to the positive performance of the Underlying multiplied by the Participation Factor. Such formula will be applicable, provided that on the Valuation Date the Final Reference Value is higher than, or equal to, the Initial Reference Value. The total amount that the investor will receive on the Settlement Date will be in any case subject to a maximum level equal to the Cap Level multiplied by the Multiplier.]

**b. If the Final Reference Value is lower than the Initial Reference Value (and the Barrier Event, if applicable, has not occurred):**

In relation to such type, the investor will receive on the Settlement Date the capital invested plus an amount equal to the negative performance of the Underlying multiplied by the Down Participation Factor. Therefore, the Twin Win Certificates will enable the investor to also profit from a negative performance of the Underlying.]

**[BENCHMARK CERTIFICATES**

**[LONG BENCHMARK CERTIFICATES**

In relation to such type, [following the (automatic) exercise at the Exercise Date] [following the exercise of [a Put] [or] [a Call] Option], the Securityholder is entitled to receive a Cash Settlement Amount [if positive] depending on the Final Reference Value of the Underlying, the Multiplier, [the Annual Management Fee] [and] [the Variable Management Fee] [as well as the applicable Exchange Rate (*in case of Euro Long Benchmark Certificates, if the Reference Currency is different from the Settlement Currency*)].

[*If the Benchmark Certificates having an Exchange Rate (or a Basket of Exchange Rates) as Underlying, provide a "FX Currency" (Benchmark FX Currency Certificates)*, the Cash Settlement Amount will also depend on the multiplication factor i.e. the "FX Multiplier" (equal to the ratio between the Initial Reference Value and the Final Reference Value).]]

**[SHORT BENCHMARK CERTIFICATES**

In relation to such type, The value of the Certificates is inversely proportional to the performance of the Underlying and consequently gives to the investor the possibility to receive a positive amount in case of negative (decreasing) performance of the Underlying.

Following the exercise, the Securityholder is entitled to receive the Cash Settlement Amount depending on the Final Reference Value of the Underlying, the Strike Price, [the Multiplier (that represents the amount of the Underlying controlled by a single Short Benchmark Certificate),] [the Annual Management Fee] [and] [the Variable Management Fee] [as well as the applicable Exchange Rate (*in case of Euro Short Benchmark Certificates, if the Reference Currency is different from the Settlement Currency*)]. [*If Benchmark Certificates, having an Exchange Rate (or a Basket of Exchange Rates) as Underlying, provide a "FX Currency" (Benchmark FX Currency Certificates)*, the Cash Settlement Amount will also depend on the multiplication factor i.e. the "FX Multiplier" (equal to the ratio between the Initial Reference Value and the Final Reference Value).]]

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[Specific management fees may be charged to the investor and, in this case, they will be deducted from the Cash Settlement Amount.]

[In particular:

[(i) the Annual Management Fee or "AMF", a fee directly proportionate to the term of the Benchmark Certificates;]

[(ii) the Variable Management Fee or "VMF", an additional fee compared to the AMF indicated as a percentage determined by the Calculation Agent within a range [*specify range*].]]

[*If Open End Feature is applicable*, no Exercise Date will be provided and the Valuation Date, for the calculation of the Cash Settlement Amount, will be identified following the exercise of [the Call Option by the Issuer (Call Valuation Date)] [or] [the exercise of the Put Option by the investor (Put Valuation Date) (*The same applies also when an Exercise Date and the Put Option and/or the Call Option, as the case may be, are applicable*)]. [Without prejudice to the purposes of the investment and the calculation methods of the Cash Settlement Amount as described for the [Long Benchmark Certificates] [Short Benchmark Certificates], it must be noted that the Final Reference Value will be determined by the Calculation Agent on [the Call Valuation Date] [or] [the Put Valuation Date][, as the case may be].]

**[OUTPERFORMANCE CERTIFICATES<sup>11</sup>**

**[LONG OUTPERFORMANCE CERTIFICATES**

[Long Outperformance Certificates give to the investor the possibility to receive, in case of positive performance of the Underlying, a positive amount that depends on the Up Participation Factor. Moreover, in case of negative performance of the Underlying, the amount that the investor will receive depends on of the Down Participation Factor.

As a result of the exercise of the Long Outperformance Certificates, the Securityholder is entitled to receive a Cash Settlement Amount – if positive- depending on the Final Reference Value, the Initial Reference Value and the Up Participation Factor (in case of positive performance) or Down Participation Factor (in case of negative performance), the Multiplier (that represents the amount of the Underlying controlled by a single Long Benchmark Certificate, fixed by the Issuer)[, and the applicable Exchange Rate (*in case of Euro Long Benchmark Certificates, if the*

<sup>11</sup> The First Supplement dated 19 October 2015 has amended in the relevant section in the Terms and Conditions and in the Form of Final Terms, the description of the calculation of the cash Settlement Amount in relation to Outperformance Certificates. Therefore also the paragraph "[OUTPERFORMANCE CERTIFICATES" within this Section C.18 "Description of how the return on derivative securities takes place" has been updated accordingly.

Reference Currency is different from the Settlement Currency)].]

***[If a Cap Level is applicable:***

In such case, the amount that the investor will receive on the Settlement Date may be equal to or higher than the percentage of the Initial Reference Value multiplied by the Multiplier. In any case, such Cash Settlement Amount will not exceed the Cap Level multiplied by the Multiplier.]]

***[SHORT OUTPERFORMANCE CERTIFICATES***

[Short Outperformance Certificates entitle the investor of receiving, in case of negative performance of the Underlying, a positive amount that depends on the Up Participation Factor. Moreover, in case of positive performance of the Underlying, of the amount that the investor will receive depends on the Down Participation Factor.

As a result of the (automatic) exercise at maturity of the Short Outperformance Certificates, the Securityholder is entitled to receive a cash settlement amount – if positive- depending on the Final Reference Value, the Initial Reference Value and the Up Participation Factor (in case of negative performance) or Down Participation Factor (in case of positive performance), the Multiplier (that represents the amount of the Underlying controlled by a single Short Benchmark Certificate, fixed by the Issuer)[, and the applicable Exchange Rate (*in case of Euro Short Benchmark Certificates, if the Reference Currency is different from the Settlement Currency*)].]

***[If a Cap Level is applicable:***

In such case, the investor will receive in any case at least a percentage of the invested capital equal to [•] with the possibility of receiving a higher amount participating to the negative (decreasing) performance of the Underlying depending on the Up Participation Factor (in case of positive performance) or Down Participation Factor (in case of negative performance). In any case, the Cash Settlement Amount will not exceed the Cap Level multiplied by the multiplier.]]

***[PATH DEPENDANT GROWTH CERTIFICATES***

In relation to such type, the formula for the calculation of the Cash Settlement Amount will depend on whether a Switch Event has occurred. In particular:

***[LONG PATH DEPENDANT GROWTH CERTIFICATES***

**(1) If the Switch Event has not occurred during the life of the Certificates**

a) [If the Final Reference Value is higher than or equal to the Initial Reference Value:

In such scenario, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Initial Percentage, the Participation Factor and the Strike.]

***[If a Cap Amount is applicable:***

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Amount equal to [•].]

b) If the Final Reference Value is higher than or equal to the Barrier Level and lower than the Initial Reference Value:

In such scenario, the investor will receive on the Settlement Date an amount linked to a percentage of the Issue Price equal to [•]. Consequently, at least the payment of a percentage of the invested capital equal to [•] will be granted.

**(2) If the Switch Event has occurred during the life of the Certificates**

a) If the Final Reference Value is higher than or equal to the Initial Reference Value:

In such scenario, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Initial Percentage, the Participation Factor and the Strike.

b) If the Final Reference Value is lower than the Initial Reference Value:

In such scenario, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Pick Up Factor and the Strike.]

***[SHORT PATH DEPENDANT GROWTH CERTIFICATES***

**(1) If the Switch Event has not occurred during the life of the Certificates**

a) [If the Final Reference Value is lower than or equal to the Initial Reference Value:

In such scenario, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Initial Percentage, the Participation Factor and the Strike.]

***[If a Cap Amount is applicable:***

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Amount equal to [•].]

b) If the Final Reference Value is lower than or equal to the Barrier Level and higher than the Initial Reference Value:

In such scenario, the investor will receive on the Settlement Date an amount linked to a percentage of the Issue Price equal to [•]. Consequently, at least the payment of a percentage of the invested capital equal to [•] will be granted.

**(2) If the Switch Event has occurred during the life of the Certificates**

a) If the Final Reference Value is lower than or equal to the Initial Reference Value:

In such scenario, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Initial Percentage, the Participation Factor and the Strike.

b) If the Final Reference Value is higher than the Initial Reference Value:

In such scenario, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Pick Up Factor and the Strike.]

***[PATH DEPENDANT INCOME CERTIFICATES***

In relation to such type, the formula for the calculation of the Cash Settlement Amount will depend on whether a Switch Event has occurred. In particular:

***[LONG PATH DEPENDANT INCOME CERTIFICATES***

**(1) If the Switch Event has not occurred during the life of the Certificates**

a) If the Final Reference Value is higher than or equal to the Barrier Level:

In such scenario, the investor will receive on the Settlement Date an amount linked to a percentage of the Issue Price equal to [•]. Consequently, at least the payment of a percentage of the invested capital equal to [•] will be granted.

b) If the Final Reference Value is higher than or equal to the Barrier Level and lower than the Initial Reference Value:

In such scenario, the investor will receive on the Settlement Date an amount linked to a percentage of the Issue Price equal to [•]. Consequently, at least the payment of a percentage of the invested capital equal to [•] will be granted.

**(2) If the Switch Event has occurred during the life of the Certificates**

a) If the Final Reference Value is higher than or equal to the Initial Reference Value:

In such scenario, the investor will receive on the Settlement Date an amount linked to a percentage of the Issue Price equal to [•]. Consequently, at least the payment of a percentage of the invested capital equal to [•] will be granted.

- b) If the Final Reference Value is lower than the Initial Reference Value:  
In such scenario, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Pick Up Factor and the Strike.]

**[SHORT PATH DEPENDANT INCOME CERTIFICATES]**

**(1) If the Switch Event has not occurred during the life of the Certificates**

- a) If the Final Reference Value is lower than or equal to the Barrier Level:  
In such scenario, the investor will receive on the Settlement Date an amount linked to a percentage of the Issue Price, equal to [•]. Consequently, at least the payment of a percentage of the invested capital equal to [•] will be granted.
- b) If the Final Reference Value is lower than or equal to the Barrier Level and higher than the Initial Reference Value:  
In such scenario, the investor will receive on the Settlement Date an amount linked to a percentage of the Issue Price equal to [•]. Consequently, at least the payment of a percentage of the invested capital equal to [•] will be granted.

**(2) If the Switch Event has occurred during the life of the Certificates**

- a) If the Final Reference Value is lower than or equal to the Initial Reference Value:  
In such scenario, the investor will receive on the Settlement Date an amount linked to a percentage of the Issue Price equal to [•]. Consequently, at least the payment of a percentage of the invested capital equal to [•] will be granted.
- b) If the Final Reference Value is higher than the Initial Reference Value:  
In such scenario, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Pick Up Factor and the Strike.]]

**[BUFFER PROTECTION CERTIFICATES]**

[In relation to such type, the formula for the calculation of the Cash Settlement Amount will depend on whether a Buffer Event has occurred. In particular:

**(1) If the Buffer Event has not occurred during the life of the Certificates**

In relation to such type, the investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value equal to [•].

**(2) If the Buffer Event has occurred during the life of the Certificates**

In relation to such type, the investor will receive in any case at least a percentage of the Issue Price depending on the Protection Percentage equal to [•] with the possibility of receiving an higher amount which will depend on the Performance Sum and the Buffer Percentage.]

**[GLOBAL PERFORMANCE CERTIFICATES]**

[In relation to such type, the investor will receive in any case at least a percentage of the Issue Price depending on the Protection Percentage equal to [•] with the possibility of receiving an higher amount which will depend on the Global Performance.]

\*\*\*\*

[If the Restrike Feature is applicable. In relation to the Max [Long][Short] Certificates, on the occurrence of a Restrike Event, the Initial Reference Value will be automatically set at a percentage of the Initial Reference Value which is equal to the Restrike Percentage, equal to [•]. All the values dependant from the Initial Reference Level (such as the Barrier Level, the Cap Level, the Multiplier and so forth) will be consequently amended.]

[If the Restrike Feature is applicable. In relation to the Cap Level, the [Cap Style 1] [Cap Style 2] will be applicable.] [In particular[, in case of Cap Style 1, if a Restrike Event has occurred, the Cap Level will be determined in accordance with the Restrike Percentage.], in case of Cap Style 2 the Cap Level will not be taken into consideration for the purposes of the Cash Settlement Amount.]

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**[CALCULATION METHOD IN THE CASE OF NEGATIVE PERFORMANCE OF THE UNDERLYING – WITH A BARRIER LEVEL (BARRIER CERTIFICATES)]<sup>12</sup>**

[The Barrier Event will occur if [on the Valuation Date[s]] [during the Barrier Event Determination Period[s]], the [Reference Value][Intraday Value][Spread] of the Underlying[s] is [lower than] [higher than] [[or] equal to] the Barrier Level] [Insert if the Intraday Value is applicable: For the purposes of determining the occurrence of a Barrier Event the Intraday Value [insert, in case of Spread: in relation to Underlying A and Underlying B] will be determined [pursuant to the definition of "Calculation of the Basket Level" [specify as described in the Terms and Conditions], where the Intraday Value at time "t" in relation to the Basket Constituent[s] will be determined] on the basis of [the official level published by the Index Sponsor] [the official traded price quoted on the relevant Reference Source] [the Exchange Rate value quoted on [insert any over-the-counter or quotation-based market]] [the Interest Rate value] [the Net Asset Value] as continuously observed on each Exchange Business Day during the Barrier Event Determination Period by the Calculation Agent on the [specify the relevant Electronic Page(s)].]

**[BARRIER LEVEL IN THE CASE OF [STANDARD LONG CERTIFICATES] [MAX LONG CERTIFICATES] [TWIN WIN CERTIFICATES]**

In relation to [Standard Long Certificates] [Max Long Certificates] [Twin Win Certificates], if **a Barrier Event has occurred**, the Cash Settlement Amount will be calculated in accordance with the following formula:

**[WITHOUT PROTECTION LEVEL, AIR BAG FACTOR, SIGMA AMOUNT OR PREDETERMINED LOSS PERCENTAGE]**

In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying (i.e. the investment in the Certificate is a direct investment in the Underlying) and therefore might be exposed to the total or partial loss of the capital invested.]

**[If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]

**[WITH A PROTECTION LEVEL]**

In such case, the protection of the capital invested will depend on the percentage of the Initial Reference Value equal to [•].]

**[If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]

**[IN ABSENCE OF A PROTECTION LEVEL AND WITH THE AIR BAG FACTOR]**

In such case, the investor will receive at the maturity an amount which is not directly proportionate to the performance of the Underlying due to

<sup>12</sup> The First Supplement dated 19 October 2015 has introduced in the relevant section in the Terms and Conditions and in the Form of Final Terms, the method of determination of the Barrier Event based on the Intraday Value and the feature of the Cap Barrier Amount. Therefore also the paragraph "[CALCULATION METHOD IN THE CASE OF NEGATIVE PERFORMANCE OF THE UNDERLYING – WITH A BARRIER LEVEL (BARRIER CERTIFICATES)]" within this Section C.18 "Description of how the return on derivative securities takes place" has been updated accordingly.

the Air Bag Factor. Consequently, the investment loss is lower than the loss in value of the Underlying. Such reduction of the loss decreases with the reduction of the Final Reference Value until the Final Reference Value is equal to zero.]

**If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]

**[IN ABSENCE OF A PROTECTION LEVEL AND WITH THE SIGMA AMOUNT]**

In such case, whatever the performance linked to the Final Reference Value is, the investor will receive at least an amount equal to the Sigma Amount.]

**If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]

**[IN ABSENCE OF A PROTECTION LEVEL AND WITH THE PREDETERMINED LOSS PERCENTAGE]**

In such case the investor will receive an amount which will depend on the Predetermined Loss Percentage equal to [•].]

**[IN ABSENCE OF A PROTECTION LEVEL AND WITH THE FX MULTIPLIER]**

In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying, depending also on the FX Multiplier. The application of the FX Multiplier shall enable the investor to simulate a direct investment in the foreign currency.]

**If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]

**[BARRIER LEVEL IN THE CASE OF SPREAD CERTIFICATES]**

In relation to the Spread Certificates, if **a Barrier Event has occurred**, the Cash Settlement Amount will be calculated pursuant to the following formula:

**[WITH THE PREDETERMINED LOSS PERCENTAGE]**

In such case, the amount that the investor will receive on the Settlement Date will depend on the Predetermined Loss Percentage equal to [•].]

**[WITHOUT THE PREDETERMINED LOSS PERCENTAGE AND WITH THE SPREAD PROTECTION]**

In such case, the protection of the capital invested will depend on the percentage equal to [•] (the Protection Spread).]

**If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]

**[WITHOUT THE PREDETERMINED LOSS PERCENTAGE OR THE SPREAD PROTECTION]**

The Cash Settlement Amount will be calculated pursuant to the following formula:

**[Amount linked to the Spread]**

In such case, the investor will receive on the Settlement Date an amount directly linked to the Spread (i.e. the differential registered between the performance of the Underlying A and the performance of the Underlying B) and therefore the investor might be exposed to the total or partial loss of the capital invested]

**If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]; or

**[Amount linked to the performance of the Underlying A]**

In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying A (i.e. the investment in the Certificate is a direct investment in the Underlying A) and therefore the investor might be exposed to the total or partial loss of the capital invested]

**If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]; or

**[Amount linked to the performance of the Underlying B]**

In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying B (i.e. the investment in the Certificate is a direct investment in the Underlying B) and therefore the investor might be exposed to the total or partial loss of the capital invested.]

**If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]

**[BARRIER LEVEL IN THE CASE OF [MAX SHORT CERTIFICATES] [STANDARD SHORT CERTIFICATES]**

In relation to [Max Short Certificates] [Standard Short Certificates] if **a Barrier Event has occurred**, the Cash Settlement Amount will be calculated as follows:

**[WITH THE SHORT PROTECTION]**

In such case, the protection of the capital invested will depend on an amount equal to [•] (the Short Protection).]

**If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]

**[WITH THE PREDETERMINED LOSS PERCENTAGE]**

In such case the investor will receive an amount which will depend on the Predetermined Loss Percentage equal to [•].]

**[WITHOUT THE SHORT PROTECTION AND THE PREDETERMINED LOSS PERCENTAGE]**

In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying (i.e. the investment in the Certificate is a direct investment in the Underlying) and therefore might be exposed to the total or partial loss of the capital invested.]

**If a Cap Barrier Amount is applicable:**

In such case, the amount that the investor will receive at the Settlement Date will not exceed the Cap Barrier Amount equal to [•].]

**[BARRIER LEVEL IN THE CASE OF [PATH DEPENDANT GROWTH CERTIFICATES] [PATH DEPENDANT INCOME CERTIFICATES]**

**[[Long Path Dependant Growth Certificates] [Long Path Dependant Income Certificates]**

In relation to the [Long Path Dependant Growth Certificates] [Long Path Dependant Income Certificates], if **a Barrier Event has occurred**, and if the Switch Event has not occurred, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Pick Up Factor and the Strike.]

**[[Short Path Dependant Growth Certificates] [Short Path Dependant Income Certificates]**

In relation to the [Short Path Dependant Growth Certificates] [Short Path Dependant Income Certificates], if **a Barrier Event has occurred**, and if the Switch Event has not occurred, the investor will receive on the Settlement Date an amount which will depend on the performance of the Underlying, the Pick Up Factor and the Strike.]]

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		<p>[The following options may be applicable:</p> <p style="text-align: center;"><b>[Series with two or more underlying assets]</b></p> <p style="text-align: center;"><b>[Best Of Feature]<sup>13</sup></b></p> <p>For the calculation of the Cash Settlement Amount [and] [the Early Redemption Amount] [and] [the Digital Amount], the Calculation Agent selects the Best Of Underlying which is the underlying asset with the [first] [second] [third] [•] [specify, on the basis of the number of the Underlyings] best performance compared with the other underlying assets.]</p> <p>[insert in case of application of the Intraday Value: for the purposes of determining the occurrence of [a Barrier Event][an Early Redemption Event] [specify the number of Underlyings that have to be equal to, higher than or lower than the Barrier Level or Early Redemption Level, as the case may be]</p> <p style="text-align: center;"><b>[Worst Of Feature]<sup>14</sup></b></p> <p>For the calculation of the Cash Settlement Amount [and] [the Early Redemption Amount] [and] [the Digital Amount], the Calculation Agent selects the Worst Of Underlying which is the underlying asset with the [first] [second] [third] [•] [specify, on the basis of the number of the Underlyings] worst performance compared with the other underlying assets.]</p> <p>[insert in case of application of the Intraday Value: for the purposes of determining the occurrence of [a Barrier Event][an Early Redemption Event] [specify the number of Underlyings that have to be equal to, higher than or lower than the Barrier Level or Early Redemption Level, as the case may be]</p> <p style="text-align: center;"><b>[Series with a Basket as Underlying]</b></p> <p style="text-align: center;"><b>[Digital Combo Feature (in case of Digital Amounts)]</b></p> <p>For the calculation of the Digital Amount, the Calculation Agent will determine whether a Digital Event has occurred [(and will determine the [Consolidation Level][the Memory Level] [the Knock-out Level])] in relation to each Basket Constituent. However, for the purpose of the calculation of the Cash Settlement Amount [and] [the Early Redemption Amount], the Calculation Agent will take into account the Initial Reference Value, the Final Reference Value [and][, the Early Redemption Level][, the Barrier Level][, the Cap Level] [, the Protection Level] in relation to a Basket. <i>Such calculation method shall not apply to the Spread Certificates.</i></p> <p style="text-align: center;"><b>[Participation Combo Feature (in case of Participation Remuneration Amounts)]</b></p> <p>For the calculation of the Participation Remuneration Amounts linked to a Basket, the Calculation Agent will determine the arithmetic mean of the Participation Amounts for each single Basket Constituent[, as calculated taking into account for each single Basket Constituent the relevant [CAP][, Floor Percentage][, Participation Factor][, Strike Percentage]. However, for the purpose of the calculation of the Cash Settlement Amount [and] [the Early Redemption Amount], the Calculation Agent will take into account the Initial Reference Value, the Final Reference Value[, the Early Redemption Level][, the Barrier Level][, the Cap Level] [and] [the Protection Level] in relation to a Basket. <i>Such calculation method shall not apply to the Spread Certificates.</i></p> <p style="text-align: center;"><b>[Rainbow Feature]</b></p> <p>[insert: (i) the financial assets which represent the Basket Constituents, (ii) the percentage of the weights within the Basket without any preliminary reference to specific financial activities and (iii) the objective criteria pursuant to which the weight will be allocated by the Calculation Agent (for instance, in a Basket constituted by three financial activities, the Basket would be weighted as follows: 50% for the Basket Constituent with the best performance; 30% for the Basket Constituent with the worst performance; and 20% for a Basket Constituent with the second best performance).]</p> <p>For each determination (during the life of the Certificates and at the exercise date), the Calculation Agent will weigh the relevant Basket Constituents on the basis of the performance registered on such determination date and pursuant to the objective criteria provided above. The allocation of the weights within a Basket may result differently on each determination date and depending on the performance of the Basket Constituents.</p> <p>The Calculation Agent will then calculate the total amount of the Basket pursuant to the methods applied to the instruments normally linked to the Basket.</p> <p><i>Such option shall not apply to the Spread Certificates.</i></p>
C.19	<b>Exercise price or final reference price of the underlying</b>	<p>The exercise price of the Underlying will be determined on the basis of [•].</p> <p>[The Final Reference Value will be calculated on [specify date] and will be an amount equal to [specify the calculation method in accordance to Condition 3].]</p> <p>[The Initial Reference Value will be calculated on [specify date] and will be an amount equal to [specify the calculation method in accordance to Condition 3].]</p>
C.20	<b>Type of underlying and where the information on the underlying can be found</b>	<p>The Underlying[s] is[are] [[•]select one or more among the following: share (or basket of shares), index (or basket of indices), exchange rate (or basket of exchange rates), interest rate (or basket of interest rates), fund (or basket of funds), commodity (or basket of commodities), commodity future contract (or basket of commodity futures contracts)].</p> <p>In respect of [•], [specify the relevant source of information [•]].</p>
<b>Section D – RISKS</b>		
D.2	<b>Key risks specific to the</b>	<p>There are certain factors that may affect each Issuer's ability to fulfil its obligations under the Certificates issued under the Programme. These include the following risk factors:</p> <p>(i) Banca IMI's business may be adversely affected by international markets and economic conditions;</p>

<sup>13</sup> The First Supplement dated 19 October 2015 has introduced in the relevant section in the Terms and Conditions and in the Form of Final Terms, the method of determination of the Reference Value or of the Spread based on the Intraday Value. Therefore also the paragraph "[Best Of Feature]" within this Section C.18 "Description of how the return on derivative securities takes place" has been updated accordingly.

<sup>14</sup> The First Supplement dated 19 October 2015 has introduced in the relevant section in the Terms and Conditions and in the Form of Final Terms, the method of determination of the Reference Value or of the Spread based on the Intraday Value. Therefore also the paragraph "[Worst Of Feature]" within this Section C.18 "Description of how the return on derivative securities takes place" has been updated accordingly.

	<b>Issuer</b>	<p>(ii) Disruptions and volatility in the global and Euro-zone financial markets may adversely impact Banca IMI's business;</p> <p>(iii) Negative economic developments and conditions in the markets in which Banca IMI operates may adversely affect Banca IMI's business and results of operations;</p> <p>(iv) Banca IMI's business is sensitive to current adverse macroeconomic conditions in Italy;</p> <p>(v) Banca IMI's business is exposed to counterparty credit risk;</p> <p>(vi) Deterioration in Banca IMI's loan portfolio to corporate customers may affect Banca IMI's financial performance;</p> <p>(vii) Banca IMI's business is exposed to settlement risk and transfer risk;</p> <p>(viii) Banca IMI's business is exposed to market risk;</p> <p>(ix) Banca IMI's business is exposed to operational risks;</p> <p>(x) Banca IMI's business is exposed to liquidity risk;</p> <p>(xi) Legal risks;</p> <p>(xii) Risks arising from assumptions and methodologies for assessing financial assets and liabilities measured at fair value;</p> <p>(xiii) Banca IMI's business is exposed to increasing competition in the financial services industry;</p> <p>(xiv) Banca IMI's business is exposed to risks arising from the loss of key personnel;</p> <p>(xv) Banca IMI's framework for managing its risks may not be effective in mitigating risks and losses;</p> <p>(xvi) Banca IMI's business is exposed to Reputational Risk;</p> <p>(xvii) Regulatory claims may arise in the conduct of the Banca IMI's business;</p> <p>(xviii) Banca IMI operates within a highly regulated industry and its business and results are affected by the regulations to which it is subject including the Banking Resolution and Recovery Directive;</p> <p>(xix) Banca IMI's business performance could be affected if its capital adequacy ratios are reduced or perceived to be inadequate;</p> <p>(xx) Banca IMI's business is exposed to risk of changes in tax legislation as well as to increases in tax rates;</p> <p>(xxi) Banca IMI's business is exposed to risks associated with a reduction in the support actions for the banking and financial system; and</p> <p>(xxii) Banca IMI's business is exposed to risk related to transactions in financial derivatives.</p>
<b>D.6</b>	<b>Key risks specific to the securities<sup>15</sup></b>	<p>An investment in relatively complex securities such as the Certificates involves a greater degree of risk than investing in less complex securities. In some cases, investors may stand to lose the value of their entire investment or part of it. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme. In particular:</p> <p><i>(i) The Certificates may not be a suitable investment for all investors</i></p> <p>Certificates are complex financial instruments. A potential investor should not invest in Certificates which are complex financial instruments unless it has the expertise to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact that this investment will have on the potential investor's overall investment portfolio.</p> <p><i>(ii) Option Risk</i></p> <p>The Certificates are derivative financial instruments which may include an option right. Transactions in options involve a high level of risk.</p> <ul style="list-style-type: none"> <li>• <b>Risks related to the structure of the Certificates</b></li> </ul> <p><i>[In relation to each Series, insert only the applicable risk factors]</i></p> <p><i>( ) General risks and risks relating to the underlying asset or basis of reference</i></p> <p>The Securities involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Purchasers should be prepared to sustain a partial or total loss of the purchase price of their Securities.</p> <p><i>( ) Certain Factors Affecting the Value and Trading Price of Securities</i></p> <p>The Cash Settlement Amount at any time prior to the expiration is typically expected to be less than the trading price of the Securities at that time. The difference between the trading price and the Cash Settlement Amount will reflect, among other things, a "time value" for the Securities. The "time value" of the Securities will depend partly upon the length of the period left until they expire and the expectations concerning the value of the underlying asset. Securities offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Securities varies with the price of the underlying asset, as well as a number of other interrelated factors.</p> <p><i>( ) Certain Considerations Regarding Hedging</i></p> <p>Prospective purchasers intending to purchase Securities to hedge against the market risk associated with investing in the underlying asset, should recognise the complexities of utilising Securities in this manner.</p> <p><i>( ) Certain Considerations Associated with Share Securities</i></p> <p>In the case of Securities relating to a share (or basket of shares), no issuer of such shares will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities and neither the Issuer nor any Manager will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date that would affect the trading price of the shares will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the shares and therefore the trading price of the Securities. Securityholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Securities relate.</p> <p><i>( ) Certain Considerations Associated with Exchange Rate Securities</i></p> <p>Fluctuations in exchange rates will affect the value of Exchange Rate Securities. Purchasers of Securities risk losing their entire investment if the relevant exchange rates do not move in the anticipated direction.</p> <p><i>( ) Certain Considerations Associated with Fund Securities</i></p> <p>An investment in Fund Securities may bear similar market risks to a direct investment in the relevant fund(s) and investors should take advice accordingly.</p> <p><i>( ) Certain Considerations Associated with Commodity Securities and Commodity Future Contracts Securities</i></p> <p>The yield on Securities which are linked to commodity futures contracts may not be perfectly correlated to the trend in the price of the underlying commodities, as the use of commodity futures contracts generally involves a rolling mechanism. Investors may only marginally benefit from any rise or fall in the price of the commodities.</p> <p><i>( ) Certain Considerations Associated with Index Securities</i></p>

<sup>15</sup> In order to correctly update the risk factors due to the insertion of the Intraday Value and the Cap Barrier Amount, the First Supplement dated 19 October 2015 has made some changes to the risks related to the Cap, the Early Redemption Event and the Barrier Event. Therefore the Section D.6 "Key risks specific to the securities" has been updated accordingly.

	<p>The underlying index may be a well-known and widely published index or an index which may not be widely published or available.</p> <p><i>( ) Certain Considerations Associated with Interest Rate Securities</i></p> <p>On the exercise of Interest Rate Securities, Securityholders will receive an amount (if any) determined by reference to the value of the underlying interest rate(s). Accordingly, an investment in Interest Rate Securities may bear similar market risks to a direct investment in the underlying interest rate, and investors should take advice accordingly.</p> <p><i>( ) Certain Considerations Associated with Combined Securities</i></p> <p>An investment in Combined Securities will entail significant risks depending on the specific underlying assets. The risk associated with the aforementioned types should be considered in accordance with the specific financial assets of each issue.</p> <p><i>( ) Certain Considerations Associated with Securities providing for the application of a Multiplier</i></p> <p>The Securities may provide for the application to the relevant Reference Items of a Multiplier in order to increase or decrease the percentage of each Reference Item used to determine the amounts payable or deliverable to investors. The Multiplier may be lower than 100 per cent.</p> <p>In such case, the amounts payable or deliverable to investors will be reduced and, therefore, will contribute to the yield of the Securities only to such reduced extent. The performance of the relevant reference item(s) will, therefore, impact the yield of the Securities only to a limited extent.</p> <p><i>( ) Certain Considerations Associated with Securities providing for the application of a Cap<sup>16</sup></i></p> <p>The Securities provides for the application of a maximum return payable to investors or of a maximum value or level to the relevant reference item(s).</p> <p>In such case, the amounts payable to investors will be subject to the predetermined maximum. [For the purposes of this Series, the Cap is equal to [•]]</p> <p><i>( ) Loss risk in relation to the investment</i></p> <p>The investor shall consider that, in relation to their investment, there is a risk of loss of the capital invested depending on the performance of the underlying asset. In particular, if a Barrier Level is applicable, the investor shall consider that, upon occurrence of a Barrier Event, a loss may occur in respect of the capital invested. [For the purposes of this Series, the Barrier Level is equal to [•]]</p> <p><i>( ) Risk related to a Protection Level lower than 100%</i></p> <p>The Certificates provides a Protection Level. The Protection Level represents the protection percentage of the Issue Price of the Certificate and that the Cash Settlement Amount will not fall below such Protection Level. The lower the Protection Level the higher the loss (if any) that the investor might suffer, given that the Issue Price of the Certificate will not be entirely protected and the Settlement Amount at the Exercise Date might be lower than the Issue Price. [For the purposes of this Series, the Protection Level is equal to [•]]</p> <p><i>( ) Exchange risk related to the absence of a Quanto Option</i></p> <p>The investment in Certificates which do not provide a Quanto Option may entail risks related to the exchange rate. The Underlying Reference Currency of the underlying asset may be different from the Settlement Currency of the Certificates. In particular, in the event that the Underlying Reference Currency is other than the Settlement Currency, the return of the Certificate without a Quanto Option might be negative as the value of the underlying asset [or the Cap Level] shall be exchanged in the Settlement Currency at the applicable exchange rate. Therefore, any negative variation of the exchange rate might frustrate either the performance of the underlying asset at maturity and the returns linked to the Cap Level (if applicable) might determine a loss of the capital invested. [In relation to Protected Certificates without a Quanto Option, any negative variation of the exchange rate might also reduce the effect of total or partial protection on the capital invested (depending on the structure of the product) represented by such Protection Level.]</p> <p><i>( ) Price Risk and components that determine the value of the Certificates</i></p> <p>The Certificates are composed of a combination of several options and the Securityholder shall take into account that the value of the Certificates will depend on the value of each option composing the certificate. The fluctuation over the time of the value of each optional components mostly depends on the current value of the underlying asset to which the Certificates relate, the volatility of the underlying asset, the residual life of the options composing the Certificates, [the levels of the interest rates of the monetary markets,] [the expected dividends (in case of Share Securities)], [the correlation (in the event that the underlying asset is a Basket)] as well as the business of the Issuer of the underlying asset, speculative contractions and other factors.</p> <p><i>( ) Risk related to the Participation Factor [in case of Max (Long/Short) Certificates, Spread Certificates, Global Performance Certificates, Growth &amp; Income Certificates, Participation Remuneration Amount and Spread Participation Remuneration Amount]</i></p> <p>The Cash Settlement Amount [the Global Performance in the case of Global Performance Certificates] will be calculated in relation to the Participation Factor, that is a value predetermined by the Issuer in the relevant Final Terms which is [lower] [equal to] [or] [higher than] 100%. Therefore, such Participation Factor will determine (if equal or higher than 100%) the potential return of the Certificates. [For the purposes of this Series, the Participation Factor is equal to [•]]</p> <p><i>( ) Risk related to Up Participation Factor and Down Participation Factor (only in case of Outperformance Certificates)<sup>17</sup></i></p> <p>The Cash Settlement Amount will be calculated in relation to the Up Participation Factor and Down Participation Factor.</p> <p>In particular, the return deriving from the positive performance of the Underlying (respectively, positive performance in case of Long Outperformance Certificates and negative performance in case of Short Outperformance Certificates) will depend on the Up Participation Factor, which may be lower than 100%. Conversely, the return deriving from the negative performance of the Underlying (respectively, negative performance in case of Long Outperformance Certificates and positive performance in case of Short Outperformance Certificates) will depend on the Down Participation Factor, which may be higher than 100%.</p> <p>For the purposes of this Series, the Up Participation Factor is equal to [•], the Down Participation Factor is equal to [•].</p> <p><i>( ) Risk related to the determination method of the Digital Level</i></p> <p>[In relation to the Certificates to be issued, the Issuer set, at its own discretion, one or more Digital Level(s) [higher] [lower] than the Initial Reference Value of the relevant underlying asset. In particular, the higher the Digital Level in respect of the Initial Reference Value, the greater the possibility that the Digital Event will not occur and therefore that the relevant Digital Amount will not be paid. [If the Cliquet Feature is applicable in the relevant Final Terms, the Digital Level might be different in each Digital Valuation Period.] [In relation to the Range Level Option, the possibility that a Digital Event will not occur and therefore that the relevant Digital Amount will not be paid will depend on how the Up Range Digital Level and the Down Range Digital Level will be set by the Issuer in the relevant Final Terms and on whether the value of the Underlying will be closer (in case it is represented by a value falling within the range) or more distant (in case it is represented by a value falling out of the range) in respect of the Initial Reference Value.] [In relation to the Spread Certificates, reference will be made to the differential of the financial assets (two shares two indices, etc.). Therefore, the payment of the Digital Amount will depend on the performance of two financial assets.] [For the purposes of this Series, the Digital Level is equal to [•]] [the Up Range Digital Level is equal to [•]][the Down Range Digital Level is equal to [•]][•]</p> <p><i>( ) Risk related to the Knock-out Level</i></p> <p>In the event that the underlying asset reaches (or the Spread in the case of Spread Certificates) the Knock-out Level in a Knock-out Valuation</p>
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<sup>16</sup> In order to correctly update the risk factors due to the insertion of the Cap Barrier Amount, the First Supplement dated 19 October 2015 has made some changes to the risks related to the Cap. Therefore the Section D.6 "Key risks specific to the securities" has been updated accordingly.

<sup>17</sup> In order to correctly update the risk factors due to the amendment made to the description of the calculation of the cash Settlement Amount in relation to Outperformance Certificates, the First Supplement dated 19 October 2015 has made some changes to the risk related to Up Participation Factor and Down Participation Factor. Therefore the Section D.6 "Key risks specific to the securities" has been updated accordingly.

	<p>Period, a Knock-out Event will occur and the Digital Amounts provided in relation to the Digital Valuation Periods following such Knock-out Valuation Period will be deactivated. [For the purposes of this Series, the Knock-out Level is equal to [•]]</p> <p><u>( ) Risk related to the occurrence of an Early Redemption Event<sup>18</sup></u>  If an Early Redemption Event occurs, the Early Redemption Amount to be paid to the Securityholder will not depend on the value of the Underlying (or of the Spread, in the case of Spread Certificates) but it will be composed of an amount in the Settlement Currency determined by the Issuer in the relevant Final Terms. [For the purposes of this Series, the Early Redemption Amount is equal to [•]] [Furthermore, since the value of the Underlying is calculated as Intraday Value, the Underlying will be observed on a continuous basis and the probability that an Early Redemption Event occurs may be magnified.]</p> <p><u>( ) Risk related to the Barrier Event<sup>19</sup></u>  If a Barrier Event occurs, the Cash Settlement Amount will be determined in accordance with a calculation method other than the calculation method applicable if the Barrier Event does not occur and such circumstance may have a negative influence on the price. This may entail the risk of partial or total loss of the investment.  [Furthermore, since the value of the Underlying is calculated as Intraday Value, the Underlying will be observed on a continuous basis and the probability that a Barrier Event occurs may be magnified.]</p> <p><u>( ) Risk related to the Predetermined Loss Percentage</u>  In relation to the Certificates, the Predetermined Loss Percentage may be also included together with the Barrier Level. The lower the Predetermined Loss Percentage the smaller the Cash Settlement Amount that the investor will receive on the Settlement Date. [For the purposes of this Series, the Predetermined Loss Percentage is equal to [•]]</p> <p><u>( ) Risk related to the Best Of and Worst Of Features</u>  In the case of Best Of Feature, the lower will be the performance selected by the Issuer among the financial activities (First Best Of, Second Best Of, etc.) within the underlying asset of the relevant Series, the less the revenue that the investor will receive. However, in the case of Worst Of Feature, the higher will be the performance selected by the Issuer among the financial activities (First Worst Of, Second Worst Of, etc) within the underlying asset of the relevant Series, the less the revenue that the investor will receive.</p> <p><u>( ) Risk related to the Baskets of Underlyings – [Risk related to the Rainbow Feature -] Correlation risk</u>  In the case of a Basket of underlying assets, the investor shall take into account that the value and the return of the Certificates depends on the value of each Basket Constituents, the weighting allocated to each Basket Constituents and the correlation between the Basket Constituent. In the case of a Basket, the investor shall consider that a different weighting allocated to the Basket Constituents entails a higher or lower value of the Basket. [In the case of a Rainbow Feature, the investor shall consider that upon the variation of even only one Basket Constituent, the Reference Value of the Basket that is recorded on a determination date might be completely different from a Reference Value recorded on a prior date.]</p> <p><u>( ) Risk related to management fees applied by the Issuer in case of Benchmark Certificates</u>  As specified from time to time in the relevant Final Terms, the Issuer may apply to the Benchmark Certificates an Annual Management Fee ("AMF") which will be calculated according to the AMF Percentage indicated in the applicable Final Terms. Such fee will accrue proportionally to the tenor of the Certificates and will not be affected in any way by the performance of the Underlying. The AMF will be deducted from the Cash Settlement Amount, and in case of listing of the Certificates on an exchange the price of the Certificates will include such AMF, as accrued progressively. [For the purposes of this Series, the AMF is equal to [•]]</p> <p>In conjunction with the AMF, the Issuer may also apply a Variable Management Fee ("VMF"), whose VMF Percentage (specified as a range in the relevant Final Terms) may vary during the life of the Certificates. Any variation of the VMF Percentage will be published by the Issuer on its website and by appropriate communication to the relevant exchange where the Certificates are listed. [For the purposes of this Series, the VMF is equal to [•]]</p> <p>Prospective investors in Benchmark Certificates should consider that, if the AMF (and, eventually also the VMF) are applicable pursuant to the relevant Final Terms, the daily value of the Underlying will be affected by such fees and, consequently, at maturity, the positive (or negative) performance of the Underlying during the life of the Certificates shall be considered net of the AMF (and of the VMF, as the case may be).</p> <p><u>( ) Risk related to the Restrike Feature</u>  In relation to the Restrike Feature, if a Restrike Event has occurred, the Initial Reference Value will be recalculated and set at the Restrike Percentage. Therefore, the amounts that the investor may receive, in case of Restrike Feature and upon occurrence of the Restrike Event, depend on the Restrike Percentage. [For the purposes of this Series, the Restrike Percentage is equal to [•]]</p> <p><u>( ) Risk related to the Open End Feature</u>  Prospective investors should consider that if the Open End Feature is applicable in relation to <i>Benchmark Certificates</i>, the Certificates will not have a predetermined Exercise Date and will be exercised only upon the Exercise of the Call Option by the Issuer or the Exercise of the Put Option by the investor, as the case may be and as better specified in the relevant Final Terms. Consequently, the exercise of the Call Option by the Issuer might frustrate long term investment strategies pursued by the investors.</p> <ul style="list-style-type: none"> <li>• <b>Risks Related to Securities Generally</b> <ul style="list-style-type: none"> <li><u>(i) Modification</u>  The Conditions provide that the Principal Security Agent and the Issuer may, without the consent of Securityholders, agree to (i) any modification (subject to certain specific exceptions) of the Securities or the Agency Agreement which is not prejudicial to the interests of the Securityholders or (ii) any modification of the Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.</li> <li><u>(ii) Expenses and Taxation</u>  The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Security by any person and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.</li> <li><u>(iii) U.S. Foreign Account Tax Compliance Withholding</u>  The Issuer and other financial institutions through which payments on the Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of "foreign passthru payments" made after 31 December 2016 (at the earliest) in respect of (i) any Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued or materially modified after 30 June 2014 (at the earliest) and (ii) any Securities characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. In addition, pursuant to the Conditions of the Securities, the Issuer may issue further Securities (<b>Further Securities</b>) in respect of any Series of Securities already issued (<b>Existing Securities</b>) such that the Further Securities shall be consolidated and</li> </ul> </li> </ul>
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<sup>18</sup> In order to correctly update the risk factors due to the insertion of the Intraday Value in relation to the determination of the occurrence of an Early Redemption Event, the First Supplement dated 19 October 2015 has made some changes to the risks related to the Early Redemption Event. Therefore the Section D.6 "Key risks specific to the securities" has been updated accordingly.

<sup>19</sup> In order to correctly update the risk factors due to the insertion of the Intraday Value in relation to the determination of the occurrence of a Barrier Event, the First Supplement dated 19 October 2015 has made some changes to the risks related to the Barrier Event. Therefore the Section D.6 "Key risks specific to the securities" has been updated accordingly.

form a single Series with the Existing Securities. An issue of Further Securities after 30 June 2014 that will be consolidated and form a single Series with, and have the same operational identification numbers as Existing Securities issued on or before 30 June 2014 may result in such Existing Securities also being subject to withholding.

While the Securities are in global form and held within the clearing systems, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Securities are discharged once it has paid the common depository for the clearing systems (as bearer or registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries. The documentation expressly contemplates the possibility that the Securities may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA withholding.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from payments on the Securities, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive a lesser amount than expected. Holders of Securities should consult their own tax advisers for a more detailed explanation of FATCA and how FATCA may apply to payments they receive under the Securities.

FATCA is particularly complex and its application to the Issuer, the Securities, and investors in the Securities are uncertain at this time. The application of FATCA to "foreign passthrough payments" on the Securities or to Securities issued or materially modified on or after 1 July 2014 may be addressed in the relevant Final Terms or a supplement to the Base Prospectus, as applicable. On 10 January 2014, representatives of the governments of Italy and the United States signed an intergovernmental agreement to implementing FATCA in Italy (the "IGA"). The FATCA agreement between Italy and the United States entered into force on 1st July 2014. The IGA ratification law entered into force on 8 July 2015.

(iv) Legislation Affecting Dividend Equivalent Payments

The United States Hiring Incentives to Restore Employment Act (the "HIRE Act") treats a "dividend equivalent" payment as a dividend from sources within the United States. Under the HIRE Act, unless reduced by an applicable tax treaty with the United States, such payments generally will be subject to U.S. withholding tax. If the IRS determines that a payment is substantially similar to a dividend, it may be subject to U.S. withholding tax, unless reduced by an applicable tax treaty. If withholding is so required, the Issuer will not be required to pay any additional amounts with respect to amounts so withheld.

(v) Other taxation considerations

It is not possible to predict whether the taxation regime applicable to Securities on the date of purchase or subscription will be amended during the term of the Securities.

(vi) Illegality and Cancellation

If the Issuer determines that its performance under any Securities has, or that any arrangements made to hedge the Issuer's obligations under any Securities have, become (i) illegal, in whole or in part for any reason, or (ii) by reason of a force majeure event (such as an act of God, fire, flood, severe weather conditions, or a labour dispute or shortage) or an act of state, impossible or impracticable, the Issuer may cancel the Securities. If the Issuer cancels the Securities, it will pay the holder of each Security an amount equal to the fair market value of such Security.

(vii) Hedging Disruption

In connection with the offering of the Securities, the Issuer or its affiliates may enter into one or more hedging transaction(s) with respect to an Underlying or related derivatives, which may affect the market price, liquidity or value of the Securities.

In case of the occurrence of an Hedging Disruption the Calculation Agent may consider such event as an Early Redemption Event and the Issuer shall terminate its obligations under the Securities and shall pay or cause to be paid an amount on the basis of the fair market value of the Securities (the bid-value in case of Italian Listed Securities).

(viii) Change of law

No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

(ix) Potential Conflicts of Interest

Some activities of the Issuer or any of its Affiliates could present certain conflicts of interest, influence the prices of such shares or other securities and adversely affect the value of such Securities.

(x) EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid (or deemed to be paid) by a paying agent within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State (the **Disclosure of Information Method**). However, for a transitional period, Austria will withhold an amount on such payments instead of using the Disclosure of Information Method, except if the beneficiaries of the interest payments opt for the Disclosure of Information Method.

**• Risks Related to the Market Generally**

[In relation to each Series, insert only the applicable risk factors]

( ) Impact of implicit fees on the Issue/Offer Price

Investors should note that implicit fees may be a component of the Issue/Offer Price of Securities, but such fees will not be taken into account for the purposes of determining the price of the relevant Securities in the secondary market.

( ) Certain considerations associated with public offers of Securities

If Securities are distributed by means of a public offer, the Issuer may have the right to withdraw the offer, which in such circumstances will be deemed to be null and void.

( ) Possible Illiquidity of the Securities in the Secondary Market

If the Issuer does list or admit to trading an issue of Securities, there can be no assurance that at a later date, the Securities will not be delisted or that trading on such exchange or market will not be suspended. In the event of a delisting or suspension of listing or trading on a stock exchange or market, the Issuer will use its reasonable efforts to list or admit to trading the Securities on another exchange or market. The Issuer or any of its Affiliates may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation. To the extent that an issue of Securities becomes illiquid, an investor may have to wait until the Exercise Date to realise value.

( ) Listing of Securities

In respect of Securities which are to be listed on a stock exchange, market or quotation system, the Issuer shall use all reasonable endeavours to maintain such listing, provided that if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer

		<p>may apply to delist the relevant Securities, although in this case it will use all reasonable endeavours to obtain and maintain an alternative admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide. If an alternative admission is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.</p> <p><i>( ) Exchange rate risks and exchange controls</i></p> <p>There are certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Settlement Currency. These include the risk that exchange rates may significantly change and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls.</p> <ul style="list-style-type: none"> <li>• <b>Legal Risks</b></li> </ul> <p><i>(i) Legal investment considerations may restrict certain investments</i></p> <p>Potential investors should consult with their own tax, legal, accounting and/or financial advisers before considering investing in the Securities.</p> <p><i>(ii) No reliance</i></p> <p>None of the Issuer, the Managers, if any, or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities.</p> <p><i>(iii) Disclaimers</i></p> <p>Each type of structured Security will be issued subject to express disclaimers in respect of the risks involved in investing in such Securities.</p>
<b>Section E – OFFER</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	<p>The Issuer intends to use the net proceeds from each issue of Certificates for general corporate purposes, including making a profit. [A substantial portion of the proceeds may be used to hedge market risks with respect to the Certificates.][<i>specify if there is a particular identified use of proceeds</i> [*]]</p> <p>[Not Applicable - the Securities are not being offered to the public as part of a public offer.]</p>
<b>E.3</b>	<b>Terms and conditions of the offer</b>	<p>[[<i>Summarise the terms of any public offer as set out in the Final Terms</i>]]</p> <p>[Not Applicable - the Securities are not being offered to the public as part of a public offer.]</p>
<b>E.4</b>	<b>Material interests in the offer</b>	<p>[Save as discussed above [and save for any fees payable to the [Manager][Lead Manager][, <i>specify other</i> [*].]] [so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.] [Not Applicable - the Securities are not being offered to the public as part of a public offer.]</p>
<b>E.7</b>	<b>Estimated expenses</b>	<p>[<i>Specify if there are fees specifically charged to purchasers of the Certificates in accordance with the applicable Final Terms</i> [*]]</p> <p>[No expenses are being charged to an investor by the Issuer [or any Authorised Offeror].][Investors should take into consideration that the Offer Price embeds placement commissions [payable by the Issuer to the Manager] equal to [*] per cent of the Issue Price [in respect of Securities placed up to an aggregate of [*] Securities and in excess determined so that the aggregate commission will be [no [higher][lower] than] [*] per cent of the Issue Price of the aggregate Securities placed.][<i>specify other</i> [*]]</p> <p>[Not Applicable - the Securities are not being offered to the public as part of a public offer.]</p>