

FIRST SUPPLEMENT DATED 8 MAY 2017 TO THE BASE PROSPECTUS DATED 3 NOVEMBER 2016



BANCA IMI S.p.A.

(incorporated with limited liability in the Republic of Italy)

STRUCTURED NOTE PROGRAMME

This first supplement (the **First Supplement**) to the Base Prospectus dated 3 November 2016 (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 Structured Note 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.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes issued under the Structured Note Programme before this First Supplement, dated 8 May 2017, is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date of publication of this First Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 10 May 2017.

1. PURPOSE OF THIS SUPPLEMENT

On 27 April 2017, the credit rating agency Fitch Ratings Ltd. (**Fitch**) downgraded the long-term rating of Banca IMI S.p.A. from BBB+ to BBB and revised the outlook from negative to stable, as a consequence of the same revision in relation to the parent company Intesa Sanpaolo S.p.A.. These changes followed the downgrade by Fitch of the Republic of Italy's long-term foreign and local-currency Issuer Default Ratings (IDRs) from BBB+ to BBB and the revision of its outlook from negative to stable, occurred on 21 April 2017.

For this reason, the first page (cover page) of the Base Prospectus and the section Summary of the Programme will be amended as better specified under sections 2 and 3 of this First Supplement.

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=859&uID=7343&FIELD SORT=fileDate>.

2. SUMMARY OF THE PROGRAMME

As a result of the downgrade by Fitch of the long-term rating of Banca IMI S.p.A. from BBB+ to BBB and the revision of its outlook from negative to stable, the Element B.17 "Credit ratings" of the Section B "Issuer" of the "Summary of the Programme" in the Base Prospectus is amended as set out in the "Summary of the Programme" in Schedule 1 hereto.

3. FIRST PAGE (COVER PAGE) OF THE BASE PROSPECTUS

As a result of the downgrade by Fitch of the long-term rating of Banca IMI S.p.A. from BBB+ to BBB and the revision of its outlook from negative to stable, the following paragraph of the first page (cover page) of the Base Prospectus is amended as follows:

"The Issuer has been rated Baa1 (long-term) and P-2 (short-term) with stable outlook by Moody's Italia S.r.l. (**Moody's**), BBB- (long-term) and A-3 (short-term) with stable outlook by Standard & Poor's Credit Market Services Italy S.r.l. (**Standard & Poor's**) and BBB (long-term) and F2 (short term) with stable outlook by Fitch Ratings Ltd. (**Fitch**). Each of Moody's, Standard & Poor's and Fitch is established in the European Union and is registered under the Regulation (EC) no. 1060/2009 (as amended) (the **CRA Regulation**). As such each of Moody's, Standard & Poor's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be specified in the applicable Final Terms. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency."

4. 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.

8 May 2017

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 Notes 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 because of the type of Notes 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

Element	
A.1	<p>This summary should be read as an introduction to the Base Prospectus and the applicable Final Terms.</p> <p>Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference and the applicable Final Terms.</p> <p>Where a claim relating to information contained in the Base Prospectus and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated.</p> <p>Civil liability attaches to the Issuer solely on the basis of this summary, including any translation of it, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or, following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of this Base Prospectus and the applicable Final Terms, key information in order to aid investors when considering whether to invest in the Notes.</p>
A.2	<p>Certain Tranches of Notes 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>[Issue specific summary:</p>
	<p>[Not Applicable – The Issuer does not consent to the use of the Base Prospectus for subsequent resales.]</p> <p><i>Consent:</i> Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of Notes by the Manager(s) [, <i>[names of specific financial intermediaries listed in final terms,]</i> [and] [each financial intermediary whose name is published on the Issuer's website (http://www.bancaimi.prodottiequotazioni.com/EN) and identified as an Authorised Offeror in respect of the relevant Public Offer] [and any financial intermediary which is authorised to make such offers under the Financial Services and Markets Act 2000, as amended or other 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, <i>[insert name of financial intermediary]</i>, refer to the offer of <i>[insert title of relevant Notes]</i> (the Notes) described in the Final Terms dated <i>[insert date]</i> (the Final Terms) published by Banca IMI S.p.A. (the Issuer). In consideration of the Issuer offering to grant its consent to our use of the Base</p>

	<i>Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [specify Member State(s)] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus accordingly".]</i>
	<i>Offer period: The Issuer's consent referred to above is given for Public Offers of Notes during [offer period for the Notes to be specified here] (the Offer Period).</i>
	<i>Conditions to consent: 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 Notes in [specify each Relevant Member State in which the particular Tranche of Notes can be offered] and (c) [specify any other conditions applicable to the Public Offer of the particular Tranche, as set out in the Final Terms].</i>
	AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES 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.]

SECTION B – ISSUER

Element	
B.1	Legal and commercial name of the Issuer Banca IMI S.p.A.
B.2	Domicile / legal form / legislation / country of incorporation The Issuer is incorporated as a <i>società per azioni</i> with limited liability under the laws of the Republic of Italy. The Issuer is registered with the Companies' Register of Milan under No. 04377700150. Its registered office is at Largo Mattioli 3, 20121 Milan, with telephone number +39 02 72611.
B.4b	Trend information Not Applicable - 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.5	Description of the Group The Issuer is a company belonging to the Intesa Sanpaolo banking group, of which Intesa Sanpaolo S.p.A. is the parent company.
B.9	Profit forecast or estimate Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.
B.10	Audit report qualifications Not Applicable - No qualifications are contained in any audit report included in the Base Prospectus.
B.12	Selected historical key financial information The audited consolidated balance sheets and income statements as of, and for each of the years ended, 31 December 2014 and 2015 and selected unaudited income statement figures and balance sheet figures for the six months ending 30 June 2016 have been extracted without any adjustment from, 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 2015 compared with corresponding figures for the year ending 31 December 2014

Assets	31 December 2015 <i>(EUR thousand)</i>	31 December 2014
Cash and cash equivalents	4	3
Financial assets held for trading	56,954,580	61,620,174
Available-for-sale financial assets	11,643,236	8,106,027
Due from banks	60,923,615	53,979,092
Loans to customers	23,353,892	22,440,904
Hedging derivatives	203,228	323,864
Equity investments	13,324	12,175
Property and equipment	878	1,031
Intangible assets	287	327
of which:		
- goodwill	-	-
Tax assets	502,230	455,103
a) current	292,543	261,796
b) deferred	209,687	193,307
Other assets	445,523	454,874
Total Assets	154,040,797	147,393,574

Liabilities and Equity	31 December 2015 <i>(EUR thousand)</i>	31 December 2014
Due to banks	68,073,695	53,046,794
Due to customers	16,026,878	11,158,308
Securities issued	13,866,789	21,482,603
Financial liabilities held for trading	51,653,544	56,939,378
Financial liabilities at fair value through profit and loss	-	-
Hedging derivatives	164,568	463,170
Tax liabilities	342,293	364,346
a) current	325,988	327,905
b) deferred	16,305	36,441
Other liabilities	587,215	249,266
Post-employment benefits	8,743	9,780
Provisions for risks and charges	24,074	30,489
a) pensions and similar obligations	12	12
b) other provisions	24,062	30,477
Fair value reserves	(50,076)	49,105
Reserves	1,573,629	1,550,686
Interim dividends	(307,988)	-
Share premium reserve	581,260	581,260
Share capital	962,464	962,464
Equity attributable to non-controlling interests (+/-)	-	-
Profit for the year	533,715	505,925
Total Liabilities and Equity	154,040,797	147,393,574

Audited Consolidated Income Statements for the year ending 31 December 2015 compared with corresponding figures for the year ending 31 December 2014

	31 December 2015 <i>(EUR thousand)</i>	31 December 2014
Interest and similar income	1,470,106	2,041,034
Interest and similar expense	(891,695)	(1,323,488)
Net interest income	578,411	717,546
Fee and commission income	488,754	477,787

Fee and commission expense	(230,529)	(269,288)	
Net fee and commission income	258,225	208,499	
Dividends and similar income	41,092	36,550	
Profits (Losses) on trading	328,785	296,232	
Profit (Losses) on hedging	7,797	56	
Profits (Losses) on disposal or repurchase of:	184,890	37,197	
a) <i>loans and receivables</i>	(34,912)	(16,504)	
b) <i>available-for-sale financial assets</i>	274,519	188,639	
c) <i>held-to-maturity investments</i>	-	-	
d) <i>financial liabilities</i>	(54,717)	(134,938)	
Total income	1,399,200	1,296,080	
Impairment losses/reversal of impairment losses on:	2,942	(125,238)	
a) <i>loans and receivables</i>	(421)	(123,807)	
b) <i>available-for-sale financial assets</i>	(5,850)	(628)	
c) <i>held-to-maturity investments</i>	-	-	
d) <i>other financial assets</i>	9,213	(803)	
Net financial income	1,402,142	1,170,842	
Net banking and insurance income	1,402,142	1,170,842	
Administrative expenses	(595,882)	(407,281)	
a) <i>personnel expenses</i>	(162,051)	(140,636)	
b) <i>other administrative expenses</i>	(433,831)	(266,645)	
Net accruals to provision for risks and charges	1,700	(3,000)	
Depreciation and net impairment losses on property and equipment	(475)	(451)	
Amortisation and net impairment losses on intangible assets	(73)	(77)	
Other operating income (expenses)	3,204	3,340	
Operating expenses	(591,526)	(407,469)	
Net gains on sales of equity investments	6,840	14,225	
Pre-tax profit from continuing operations	817,456	777,598	
Income tax expense	(283,741)	(271,673)	
Post-tax profit from continuing operations	533,715	505,925	
Profit for the year	533,715	505,925	
Profit (loss) attributable to non-controlling interests	-	-	
Profit attributable to the owners of the parent	533,715	505,925	
<i>Unaudited consolidated Income Statement Selected Figures for the six months ending 30 June 2016 compared with corresponding figures for the six months ending 30 June 2015</i>			
	30 June 2016	30 June 2015	Percentage Variation
	<i>(EUR million)</i>		<i>(per cent)</i>
Net interest income	270.6	289.5	-6.5%
Total income	909,632	909.7	0%
Net financial income	894.3	852.9	4.9%
Operating expenses	(256.8)	(237.0)	8.4%
Pre-tax profit from continuing operations	658.6	619.3	6.4%
Profit for the period	440.5	406.6	8.4%
<i>Unaudited consolidated Balance Sheet Selected Figures for the six months ending 30 June 2016 compared with corresponding figures for the year ending 31 December 2015</i>			
	30 June 2016	31 December 2015	Percentage Variation

	(EUR milion)		(per cent)
Net investments ¹	31,450	28,654.9	9.7%
Net funding ²	42,509.8	37,043,741	14.8%
Assets under management	-	-	
Financial assets ³	79,359.27	68,597.8	14.2%
Total assets	167,399.7	154,040.8	8.7%
Net equity ⁴	4,031.1	3,293.0	22.4%
Share Capital	962.5	962.5	0%
<p>Statements of no significant or material adverse change There has been no significant change in the financial or trading position of the Issuer since 30 June 2016 and there has been no material adverse change in the prospects of the Issuer since 31 December 2015.</p>			
B.13	Events impacting the Issuer's solvency		
	Not Applicable - 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.14	Dependence upon other group entities		
	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.15	Principal activities		
	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</i> , <i>Investment Banking</i> and <i>Structured Finance</i> .		
B.16	Controlling shareholders		
	The Issuer is a wholly-owned direct subsidiary of Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo banking group.		
B.17	Credit ratings		
	The Issuer has been rated Baa1 (long-term) and P-2 (short-term) with stable outlook by Moody's Italia S.r.l. (Moody's), BBB- (long-term) and A-3 (short-term) with stable outlook by Standard & Poor's Credit Market Services Italy S.r.l. (Standard & Poor's) and BBB ⁵ (long-term) and F2 (short-term) with stable ⁶ outlook by Fitch Ratings Ltd. (Fitch).		
	Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Series of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency.		

¹ The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.

² The aggregate amount consists of securities issued plus due to customers plus due to banks net of due from banks.

³ The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

⁴ The aggregate amount consists of reserves, share premium reserve, share capital, valuation reserves, equity instruments and interim dividends (if any) and the profit for the year.

⁵ As a result of the downgrade by Fitch of the long-term rating of Banca IMI S.p.A. from BBB+ to BBB, this Element B.17 "Credit ratings" of the Section B "Issuer" has been amended by the First Supplement dated 8 May 2017.

⁶ As a result of the revision by Fitch of the outlook of Banca IMI S.p.A. from negative to stable, this Element B.17 "Credit ratings" of the Section B "Issuer" has been amended by the First Supplement dated 8 May 2017.

	<i>[Issue specific summary:</i>
	The Notes [have been/are expected to be] rated [<i>specify rating(s) of Series being issued</i>] by [<i>specify rating agent(s)</i>].
	A security rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.]
	[Not Applicable – No ratings have been assigned to the Issuer or its Notes at the request of or with the co-operation of the Issuer in the rating process.]]

SECTION C – NOTES

Element	
C.1	<p>Type and class of the Notes</p> <p>The Issuer may issue Notes pursuant to the Programme.</p> <p>All Notes issued under this Programme will bear Structured Rate Interest. In addition to Structured Rate Interest, Notes may also bear Fixed Rate Interest, Fixed Rate Reset Interest and Floating Rate Interest.</p> <p>Notes will be issued in bearer form (Bearer Notes) or registered form (Registered Notes). Notes may be in definitive form, or may initially be represented by one or more global securities deposited with a common depository or a common safekeeper for Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking, société anonyme (Clearstream, Luxembourg) and/or any other relevant clearing system. Global securities may be exchanged for definitive securities in the limited circumstances described in the relevant global security.</p> <p>In addition, in certain circumstances, investors may also hold interests in the Notes indirectly through Euroclear UK & Ireland Limited through the issuance of dematerialised depository interests issued, held, settled and transferred through CREST (CDIs). CDIs represent interests in the relevant Notes underlying the CDIs; the CDIs are not themselves Notes. CDIs are independent securities distinct from the Notes, are constituted under English law and transferred through CREST and will be issued by CREST Depository Limited pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated). CDI holders will not be entitled to deal directly in the Notes.</p> <p>The Notes shall be redeemed at par.</p> <p>The security identification number of the Notes will be set out in the relevant Final Terms.</p>
	<i>[Issue specific summary</i>
	<p><i>[Issue specific summary</i></p> <p>Title of Notes: <input type="checkbox"/></p> <p>Series Number: <input type="checkbox"/></p> <p>Tranche Number: <input type="checkbox"/></p> <p>ISIN Code: <input type="checkbox"/></p> <p>Common Code: <input type="checkbox"/></p> <p>Relevant Clearing Systems(s): The Notes will settle in [Euroclear and Clearstream, Luxembourg]/<input type="checkbox"/>. [The Notes will also be made eligible for CREST</p>

	<p>via the issue of CDIs.]</p> <p>[The Securities will initially be issued in global [bearer] [registered] form.] [The Securities will be issued in definitive registered form.]</p> <p>[The Notes will be consolidated and form a single series with [<i>identify earlier Tranches</i>] on [the Issue Date/ exchange of the Temporary Global Note for interests in the Permanent Global Note/the first interest payment date after the Issue Date, which is expected to occur on or about [<i>date</i>]]]</p>
C.2	<p>Currency of the Notes</p> <p>Subject to compliance with all relevant laws, regulations and directives, the Notes may be denominated in any agreed currency and payments in respect of the Notes may be made in the currency of denomination of the Notes or in such currency and based on such rates of exchange, as the Issuer and the relevant Manager may agree at the time of issue of the relevant Notes.</p>
	<p><i>[Issue specific summary]</i></p> <p>The Notes are denominated in [●]. Payments of interest in respect of the Notes will be made in [●]. Payments of principal in respect of the Notes will be made in [●].]</p>
C.5	<p>Restrictions on free transferability</p> <p>Selling restrictions apply to offers, sales or transfers of the Notes under the applicable laws in various jurisdictions. A purchaser of the Notes is required to make certain agreements and representations as a condition to purchasing the Notes.</p>
	<p><i>[Issue specific summary]</i></p> <p>Regulation S Compliance Category 2. TEFRA [C] [D] [not applicable]]</p>
C.8	<p>Description of the rights attaching to the Notes</p> <p>Status: The Notes and any relative Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p> <p>Negative pledge: The Notes do not have the benefit of a negative pledge.</p> <p>Deed of covenant: The Notes have the benefit of a deed of covenant dated on or around 3 November 2016.</p> <p>Right to interest: Notes may bear interest as determined in accordance with item C.9 below.</p> <p>Right to redemption: The early redemption amount or final redemption amount is determined in accordance with item C.9 below.</p> <p>Taxation: If the applicable Final Terms specify that Condition 8(i) is applicable to the Notes, principal and interest in respect of the Notes will be payable by the Issuer without withholding or deduction for or</p>

on account of withholding taxes imposed by the Republic of Italy or by or on behalf of any political subdivision or any authority therein having power to tax subject as provided in Condition 8(i). In the event that any deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8(i), be required to pay additional amounts to cover the amounts so deducted.

If the applicable Final Terms specify that Condition 8(ii) is applicable to the Notes, the Issuer is not obliged to gross up any payments in respect of the Notes and 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, presentation and surrender for payment, or enforcement of any Note 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.

All payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to the Foreign Account Tax Compliance Act, as provided in Condition 4.

Events of Default: The terms of the Notes will contain, amongst others, the following events of default:

- (a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;
- (b) non-performance or non-observance by the Issuer of any of its other obligations under the Terms and Conditions continuing for a specified period of time;
- (c) the Issuer suspends its payments generally; and
- (d) events relating to the insolvency or winding up of the Issuer.

Meeting of Noteholders: The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

Governing law: English law.

C.9 Interest and Redemption

Interest

Notes may or may not bear interest. All Notes issued under this Programme will bear Structured Rate Interest. In addition to Structured Rate Interest, Notes may also bear Fixed Rate Interest, Fixed Rate Reset Interest and Floating Rate Interest or a combination of the foregoing. Interests may be paid in the currency of denomination of the Notes or, if the Notes are specified as being dual currency interest Notes, in such currencies, and based on such rates of exchange, as the Issuer and the relevant Manager may agree at the time of issue of the relevant Notes.

[Issue specific summary

Structured Rate Interest[s]

[Call Interest[s]

The Notes bear interest [from their date of issue/from [●]] to [●] equal to the product of (A) [●] (the **Nominal Amount**) and (B) [the lower of (i) [●] (the **Maximum Rate**); and (ii)] [the higher of (x) [●] (the **Minimum Rate**) and (y)] the performance of [Underlying] [Basket] (the **Call Performance**) multiplied by [●] (the **Participation Factor**) [[plus/minus] a margin of [●] per cent (the **Margin**)]. [Depending on the performance of the Underlying][I][i]interest will be paid in arrear on [●] [and [●]]

(the **Call Interest Payment Date[s]**) in each year.

The Call Interests embed an option that provides exposure to the Call Performance, calculated as [single value (**European Call Option**)] [arithmetic mean (**Asian Call Option**)].

[The Call Option will be [activated][deactivated] upon occurrence of a [Knock-in Event][Knock-out Event]. In particular, the [Knock-in Event][Knock-out Event] will occur when the Reference Value, on [●] ([each a][the] **Knock[-in][-out] Observation Date[s]**) or at any time during the period from [●] to [●] (the **Knock[-in][-out] Observation Period**) [is [higher than] [higher than or equal to] [lower than] [lower than or equal to] [●] (the **Knock[-in][-out] Level**)] [falls within [●] and [●] (the **Knock[-in][-out] Range**)]

[Put Interest[s]

The Notes bear interest [from their date of issue/from [●] to [●] equal to the product of (A) [●] (the **Nominal Amount**) and (B) [the lower of (i) [●] (the **Maximum Rate**); and (ii) [the higher of (x) [●] (the **Minimum Rate**) and (y)] the performance of [Underlying] [Basket] (the **Put Performance**) multiplied by [●] (the **Participation Factor**) [[plus/minus] a margin of [●] per cent (the **Margin**)]. [Depending on the performance of the Underlying][I][i] interest will be paid in arrear on [●] [and [●]] (the **Put Interest Payment Date(s)**) in each year.

The Put Interests embed an option that provides exposure to the Put Performance, calculated as [single value (**European Put Option**)] [arithmetic mean (**Asian Put Option**)].

[The Put Option will be [activated][deactivated] upon occurrence of a [Knock-in Event][Knock-out Event]. In particular, the [Knock-in Event][Knock-out Event] will occur when the Reference Value, on [●] ([each a][the] **Knock[-in][-out] Observation Date[s]**) or at any time during the period from [●] to [●] (the **Knock[-in][-out] Observation Period**) [is [higher than] [higher than or equal to] [lower than] [lower than or equal to] [●] (the **Knock[-in][-out] Level**)] [falls within [●] and [●] (the **Knock[-in][-out] Range**)]

[insert any of the following features where applicable to the Call Interest or Put Interest:

*[Cliquet Option: the calculation of the performance of the Underlying is based on a series of forward start options. Each option enters into force on [●][specify dates]. The value used in the calculation of the Underlying's performance, being the level that is compared to the Final Reference Value in order to determine the performance of the Underlying (the [Call][Put] **Strike**) of each forward start option is reset when the option enters into force.]*

*[Himalaya Option: On [●][specify dates] (the **Himalaya Valuation Period[s]**), the Basket Constituent having the best Performance [specify how the performance will be determined in accordance to Condition 3] will be selected and removed from the Basket for each subsequent Himalaya Valuation Period(s) relating to the same [Call][Put] Interest Payment Date (but shall not be removed in respect of subsequent [Call][Put] Interest Payment Dates). Therefore, once the Basket Constituent has been selected in relation to a Himalaya Valuation Period, it will not be taken into account for the following Himalaya Valuation Period(s) relating to the same [Call][Put] Interest Payment Date. On each such subsequent Himalaya Valuation Period, other best performing Basket Constituents will be selected and removed from the Basket for each subsequent Himalaya Valuation Period(s) relating to the same [Call][Put] Interest Payment Date. As a result, for the purposes of the calculation of the [Call][Put] Performance, the Calculation Agent will consider the arithmetic mean of the performance of the Basket Constituents having the best Performances in the relevant Himalaya Valuation Periods according to the selection process described above.]*

[Rainbow Option: [specify (i) the weightings (expressed as percentages) and (ii) how such weightings will be assigned to each Basket Constituent on the basis of such Basket Constituent's performance compared to the performances of the other Basket Constituents.]

[*Best Of Option*: [where there is a single Underlying or Basket, the Calculation Agent will select the [first] [second] [third] [●] [specify, on the basis of the number of the Underlyings] [best performance of [Underlying] [Basket] among those determined on [●] and on [●] [and on [specify other periods]]] [where there are two or more Underlyings, or two or more Baskets, the Calculation Agent will select the [first] [second] [third] [●] [specify, on the basis of the number of the Underlyings] [best performance compared with the other [Underlyings] [Baskets]]]

[*Worst Of Option*: [where there is a single Underlying or Basket, the Calculation Agent will select the [first] [second] [third] [●] [specify, on the basis of the number of the Underlyings] [worst performance of [Underlying] [Basket] among those determined on [●] and on [●] [and on [specify other periods]]] [where there are two or more Underlyings, or two or more Baskets, the Calculation Agent will select the [first] [second] [third] [●] [specify, on the basis of the number of the Underlyings] [worst performance compared with the other [Underlyings] [Baskets]]]

[**Digital Interest[s]**]

The Notes bear interest [from their date of issue/from [●]] to [●] equal to the rate of [●] per cent. (the **Digital Rate 1**) if in relation to [●] (the **Digital Interests Period[s]**), [the performance of the [Underlying] [Basket] [is [higher than] [or] [equal to] [or] [lower than] [●] (the **Barrier Level**)] [falls [within] [●] and [●] (the **Reference Range**)] (the **Single Performance Condition**)] [the performance of n. [●] (specify a number of Underlyings) Underlyings [is [higher than] [or] [equal to] [or] [lower than] [●] (the **Barrier Level**)] [falls within [●] and [●] (the **Reference Range**)] (the **Podium Performance Condition**)] [the difference between the performance of [●] (the **Underlying 1**) and the performance of [●] (the **Underlying 2**) (the **Spread Difference**) is [higher than] [or] [equal to] [or] [lower than] [●] (the **Barrier Level**)] [falls within [●] and [●] (the **Reference Range**)] (the **Spread Performance Condition**)] [the value of the [Underlying] [Basket] [on [●] (the **Digital Observation Date**)] [or at any time during the period from [●] to [●] (the **Digital Observation Period**)] [is [higher than] [or] [equal to] [or] [lower than] [●] (the **Barrier Level**)] [falls within [●] and [●] (the **Reference Range**)] (the **Single Reference Value Condition**)] [the value of n. [●] (specify a number of Underlyings) [Underlying] [Basket] [on [●] (the **Digital Observation Date**)] [or at any time during the period from [●] to [●] (the **Digital Observation Period**)] is [higher than] [or] [equal to] [or] [lower than] [●] (the **Barrier Level**)] [fall [within] [●] and [●] (the **Reference Range**)] (the **Podium Reference Value Condition**)] [the difference between the value of [●] the [(the **Underlying 1**)] [(the **Basket 1**)] and the value of [●] the [(the **Underlying 2**)] [(the **Basket 2**)] [on [●] (the **Digital Observation Date**)] [or at any time during the period from [●] to [●] (the **Digital Observation Period**)] is [higher than] [or] [equal to] [or] [lower than] [●] (the **Barrier Level**)] [falls within [●] and [●] (the **Reference Range**)] (the **Spread Reference Value Condition**)] [the [first] [second] [third] [●] [specify, on the basis of the number of the Underlyings] best performance of the [Underlying] [Basket] selected by the Calculation Agent among the performances of the [Underlying] [Basket] determined on [●] and on [●] [and on [specify other periods] is [higher than] [or] [equal to] [or] [lower than] [●] (the **Barrier Level**)] [falls within [●] and [●] (the **Reference Range**)] (the **Single Best Of Performance Condition**)] [[the [first] [second] [third] [●] [specify, on the basis of the number of the Underlyings] worst performance of the [Underlying] [Basket] selected by the Calculation Agent among the performances of the [Underlying] [Basket] determined on [●] and on [●] [and on [specify other periods] is [higher than] [or] [equal to] [or] [lower than] [●] (the **Barrier Level**)] [falls within [●] and [●] (the **Reference Range**)] (the **Single Worst Of Performance Condition**)]]. Otherwise, the Notes bear interest equal to the rate [●] per cent. (**Digital Rate 2**).

Interest will be equal to the product of (A) [●] Nominal Amount, (B) the relevant digital rate (being Digital Rate 1 or Digital Rate 2, as the case may be), and (C) the applicable Day Count Fraction (being [●] in relation to Digital Rate 1 or [●] in relation to Digital Rate 2).

Interest will be paid in arrear on [●] [and [●]] (the **Digital Interest Payment Date[s]**).

[*Memory Effect*: where a Digital Condition has not occurred in relation to a Digital Interest Period or in relation to two or more Digital Interest Periods (and only when the Digital Rate is equal to 0% as a

consequence of the non-occurrence of the Digital Condition), the Noteholder will receive an amount equal to the interest amounts payable in respect of the previous Digital Interest Period (not paid because of the non-occurrence of the relevant Digital Condition) on the Digital Interest Payment Date of the Digital Interest Period where the Digital Condition has occurred.]

[Reload Effect: following the occurrence of a Digital Condition, on each Digital Interest Payment Date following the Digital Interest Payment Date where a Digital Condition has occurred (such a date where a Digital Condition occurred, a **Reloaded Digital Interest Payment Date**), the Noteholder will receive a Digital Interest Amount equal to the Digital Interest Amount paid in respect of the Reloaded Digital Interest Payment Date] *[not applicable if the Consolidation Effect is applicable]*

[Consolidation Effect: if a Digital Condition has occurred in relation to a Digital Interest Period, the Digital Condition related to the following Digital Interest Period(s) will be deemed to have occurred] *[not applicable if the Reload Effect is applicable]*

[Range Accrual Interest[s]

The Notes bear range accrual interest [from their date of issue/from [●]] to [●]. If [the difference between] the Reference Value[s] of [[two][the]Underlying[s]] [[two][the]Basket] on [●] (the **Reference Period[s]**) fall[s] within [●] and [●] (the **Fluctuation Range**) the Notes bear interest equal to the rate of [●] per cent. (the **In Range Yield**). Otherwise if [the difference between] the Reference Value[s] of [[two][the]Underlying[s]] [[two][the]Basket] on the Reference Period[s] fall outside the Fluctuation Range the Notes bear interest equal to the rate of [●] per cent. (the **Out Range Yield**).

The Range Accrual Interest will be equal to the product of (A) [●] (the **Nominal Amount**) and (B) [the lower of (i) [●] (the **Maximum Rate**); and (ii) [the higher of (x) [●] (the **Minimum Rate**) and (y)] the sum of (1) a rate equal to the product of (I) the In Range Yield, and (II) the ratio between (i) the number of days in which the Reference Value falls inside the Fluctuation Range (the **In Range Days**) and (ii) the total number of days of the Reference Period; and (2) a rate equal to the product of (I) the Out Range Yield, and (II) the ratio between (i) the number of days in which the Reference Value of the Underlying falls outside the Fluctuation Range (the **Out Range Days**) and (ii) the total number of days of the Reference Period.

Interest will be paid in arrear on [●] [and [●]] (the **Range Accrual Interest Payment Date[s]**) in each year.]

[Spread Interest[s]

The Notes bear interest [from their date of issue/from [●]] to [●] equal to the product of (A) [●] (the **Nominal Amount**) and (B) [the lower of (i) [●] (the **Maximum Rate**); and (ii) [the higher of (x) [●] (the **Minimum Rate**) and (y)] the differential between the [Reference Values] [Performances] of [●] (the **Underlying 1**) and [●] (the **Underlying 2**) (the **Spread**) multiplied by [●] (the **Participation Factor**) [[plus/minus] a margin of [●] per cent (the **Margin**)]. Interest will be paid in arrear on [●] [and [●]] (the **Spread Interest Payment Date[s]**) in each year.]

[Fixed Rate Interest[s]

The Notes bear interest [from their date of issue/from [●]] to [●] at the fixed rate of [●] per cent. per annum [and from [●] at the fixed rate of [●] per cent. per annum]. The yield of the Notes is [●] per cent. Interest will be paid [●] in arrear on [●] [and [●]] in each year. The first interest payment will be made on [●].

[Fixed Rate Reset Interest[s]

The Notes bear interest [from their date of issue/from [●]] to [●] at the fixed rate of [●] per cent. per annum and from [●] to [●] (the "**Reset Period**") [and each successive Reset Period thereafter] at a fixed rate of interest per annum [of [●] per cent. per annum/calculated by reference to [*describe reference rate*]

for Notes being issued] [plus/minus] a margin of [●] per cent. The yield of the Notes is [●] per cent. Interest will be paid [●] in arrear on [●] [and [●]] in each year. The first interest payment will be made on [●].

[Floating Rate Interest[s]

The Notes bear interest [from their date of issue/from [●] to [●] at [●] floating rate[s] calculated by reference to [*specify reference rate(s) or difference of reference rate(s), as applicable, for Notes being issued*] [multiplied by a rate multiplier of [●] per cent.] [plus/minus] a margin of [●] per cent. [Subject to a maximum rate of interest of [●]] [and] [subject to a minimum rate of interest of [●]] Interest will be paid [●] in arrear on [●] [and [●]] in each year, subject to adjustment for non-business days. The first interest payment will be made on [●].

[The Notes may bear interest on a different interest basis in respect of different interest periods. The Issuer has the option of changing the interest basis between [Structured Rate Interest][Fixed Rate Interest], [Fixed Rate Reset Interest] and [Floating Rate Interest] in respect of different periods, upon prior notification of such change in interest basis to Noteholders.]

Redemption

The terms under which Notes may be redeemed (including the maturity date, the price at which they will be redeemed on the maturity date, the currency of redemption and rate of exchange with the currency of denomination, as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Manager at the time of issue of the relevant Notes.

[Issue specific summary:

Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [●] at par. [The Notes will be redeemed in [*insert payment currency*].]

[The Notes may be redeemed early for tax reasons [or [*specify any other early redemption option applicable to the Notes being issued*]] at [*specify the early redemption price and any maximum or minimum redemption amounts, applicable to the Notes being issued*].

[The Notes may be redeemed early if the [Reference Value] [Performance] [Spread] with reference to [●] (the **Mandatory Early Redemption Valuation Period[s]**) is [lower than [or equal to]] [higher than [or equal to]] [●] (the **Mandatory Early Redemption Level**) (such an event, a **Mandatory Early Redemption Event**). Upon the occurrence of a Mandatory Early Redemption Event, the Noteholders are entitled to receive the payment of the Mandatory Early Redemption Amount [equal to [●] [*insert an amount equal at least to the Issue Price*]] on [●] (the **Mandatory Early Payment Date[s]**) and no further amounts are due under the Notes.]

[The Notes may be redeemed early upon (Issuer Call) (Investor Put)]The Issuer may, having given [●] days' notice to the Noteholders and to the Agent, redeem all or some only of the Notes then outstanding on [●] (the **Optional Redemption Date[s]**) and at [●] (the **Optional Redemption Amount[s]**) [together with interest accrued to (but excluding) the relevant Optional Redemption Date].

[In the case of a redemption of some only of the Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published not less than 15 days prior to the relevant Optional Redemption Date. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the Optional

	<p>Redemption Date and notice to that effect shall be given by the Issuer to the Noteholders at least five days prior to the Selection Date.]]</p> <p>[Upon the holder of any Note giving to the Issuer not less than [●] days' notice the Issuer will, upon the expiry of such notice, [redeem such Note on [●] (the Optional Redemption Date[s]) and at [●] (the Optional Redemption Amount[s]) [together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date] [buy such Note on [●][<i>specify date</i>] and at [●][<i>specify amount</i>]].</p> <p>Representative of holders</p> <p>Not Applicable – No representative of the Noteholders has been appointed by the Issuer.</p>
<p>C.10</p>	<p>Derivative component on interest</p> <p>The Notes are characterised by a pure bond component and an implied derivative component. The derivative component is related to:</p> <ul style="list-style-type: none"> - Structured Rate Interests: the amount of interest payable may be calculated by reference to shares, indexes (which will not be indices composed by the Issuer or any legal entities of the group), commodities, commodity futures contracts, exchange rates, inflation rates, interest rates, funds, swap rates and Baskets composed of the aforementioned financial reference assets. The underlying asset may be the same until the Maturity Date (and identical for all the Interest Periods) or differ in relation to each Interest Period.- the Minimum Rate of Interest and/or the Maximum Rate of Interest, if specified in the applicable Final Terms; -the Global Cap and/or the Global Floor, if specified in the applicable Final Terms.
	<p>[Issue specific summary</p> <p>See Element C.9 above.</p> <p>The Notes entail derivative component[s] linked to the payment of interest. In particular:</p> <ul style="list-style-type: none"> - Structured Rate Interests: the amount of interest payable is calculated by reference to the [performance][value] of [the [<i>insert name of Underlying</i> [●]] [share] [index] [commodity] [commodity futures contract] [exchange rate] [inflation rate] [interest rate] [fund] [swap rate]] [<i>in the case of basket: a basket composed of [specify basket constituents [●] and relevant weighting]</i>] [calculated as [a single value] [arithmetic mean]]. <p>[and</p> <ul style="list-style-type: none"> - [the Minimum Rate of Interest] [and] [the Maximum Rate of Interest];] <p>[and</p> <ul style="list-style-type: none"> - [the Global Cap] [and] [Global Floor];] <p>In respect of [<i>insert name of Underlying</i> [●]], [<i>specify the relevant ISIN code and the relevant source of information</i> [●] [<i>in case of an index specify the Index Sponsor</i> [●]].</p>
<p>C.11</p>	<p>Listing and Admission to trading</p> <p>Notes issued under the Programme may be listed on the Official List of the Irish Stock Exchange and admitted to trading on the Regulated Market of the Irish Stock Exchange, or may be admitted to trading</p>

	<p>on the electronic order book for retail bonds on the London Stock Exchange's regulated market, or such other stock exchange, market or trading venue specified below, or may be issued on an unlisted basis.</p> <p>The Notes may be listed or admitted to trading, as the case may be, on such other further stock exchange(s) or market(s) or trading venue(s) in the jurisdictions indicated in the applicable Final Terms, as determined by the Issuer.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and if so, on which stock exchange(s) and/or market(s) and/or trading venue(s).</p>
	<p><i>[Issue specific summary:</i></p> <p>[Application for Notes [has been] [is expected to be] made for [listing on the Official List of the Irish Stock Exchange and for admission to trading on the Regulated Market of the Irish Stock Exchange] [for admission to trading on the electronic order book for retail bonds on the London Stock Exchange's regulated market].]</p> <p>[Application for Notes [has also been] [is expected also to be] made for [listing][admission to trading][specify the market and/or trading venue(s) in Czech Republic, France, Germany, Hungary, Republic of Italy, The Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, United Kingdom, Grand Duchy of Luxembourg, Belgium, Croatia, Denmark, Sweden, Austria, Cyprus, Greece, Malta][with effect from (or [after][around]) the Issue Date.]</p> <p>[Application may also be made by the Issuer (or on its behalf) to list the Notes on such further or other stock exchanges or regulated markets or admitted to trading on such other trading venues (including without limitation multilateral trading facilities) as the Issuer may determine.]</p> <p>[The Notes are not intended to be listed or admitted to trading.]</p>
C.21	<p>Market where Notes will be traded and for which the Base Prospectus has been published</p> <p>Notes issued under the Programme will be admitted to trading on such stock exchange or regulated market specified below.</p> <p>The Notes may be listed or admitted to trading, as the case may be, on such other further stock exchange(s) or market(s) in the jurisdictions indicated in the applicable Final Terms, as determined by the Issuer.</p>
	<p><i>[Issue specific summary:</i></p> <p>[Not applicable.]</p> <p>[Application for Notes [has been] [will be] made for listing [insert the name of the regulated market(s) in the United Kingdom/ the Republic of Italy/ France/ Germany/ Spain/ the Portuguese Republic/ the Czech Republic/ Hungary/ the Republic of Poland/ the Slovak Republic/ the Netherlands/ the Republic of Slovenia/ Grand Duchy of Luxembourg/ Belgium/ Croatia/ Denmark/Sweden/ Austria/ Cyprus/ Greece/ Malta, as the case may be, <u>only where a summary is required in accordance with Articles 5(2) and 19(4) of the Prospectus Directive</u>][with effect from (or [after][around]) the Issue Date.]</p>

SECTION D – RISKS

D.2	<p>Key risks regarding the issuer</p> <p>In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect</p>

	<p>of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.</p> <p>These factors include:</p> <ul style="list-style-type: none"> • Banca IMI's business may be adversely affected by international markets and economic conditions; • Disruptions and volatility in the global and Euro-zone financial markets may adversely impact Banca IMI's business; • Negative economic developments and conditions in the markets in which Banca IMI operates may adversely affect Banca IMI's business and results of operations; • Banca IMI's business is sensitive to current adverse macroeconomic conditions in Italy; • Banca IMI's business is exposed to counterparty credit risk; • Deterioration in Banca IMI's loan portfolio to corporate customers may affect Banca IMI's financial performance; • Banca IMI's business is exposed to settlement risk and transfer risk; • Banca IMI's business is exposed to market risk; • Banca IMI's business is exposed to operational risks; • Banca IMI's business is exposed to liquidity risk; • Legal risks; • Banca IMI's business is exposed to risks arising from assumptions and methodologies for assessing financial assets and liabilities measured at fair value; • Banca IMI's business is exposed to increasing competition in the financial services industry; • Banca IMI's business is exposed to risks arising from the loss of key personnel; • Banca IMI's framework for managing its risks may not be effective in mitigating risks and losses; • Banca IMI's business is exposed to reputational risk; • Regulatory claims may arise in the conduct of Banca IMI's business; • 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; • Banca IMI's business performance could be affected if its capital adequacy ratios are reduced or perceived to be inadequate; • Banca IMI's business is exposed to risk of changes in tax legislation as well as to increases in tax rates; and • Banca IMI's business is exposed to risk related to transactions in financial derivatives.
D.3	Key risks regarding the Notes

There are also risks associated with specified types of Notes and with the Notes and the markets generally, including:

- the Notes may not be a suitable investment for all investors;
- [the value of the Notes may be adversely affected by movements in market interest rates;]
- [the value of the Notes may be adversely affected by fluctuations in currency exchange rates;]
- structured interests are determined by reference to one or more values of shares, indexes, commodities, commodity futures contracts, exchange rates, inflation rates, interest rates, funds, swap rates and baskets composed of the aforementioned financial reference assets, either directly or inversely. As a result, an investment in the Notes may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time. Potential investors should be aware that: (i) the market price of such Notes may be volatile; (ii) movements in the underlying asset may adversely affect the amount of interest to be paid to the Noteholder and may also affect the market value of the Notes; and (iii) they may receive no interest.
- the occurrence of any disruption event may result in the postponement of the relevant observation date relating to any underlying or affected basket constituent, the postponement of the relevant payment date for interest or redemption of the Notes by the Issuer. Investors should be aware that the Calculation Agent has a large amount of discretion upon the occurrence of any disruption event.
- [the calculation of structured interests will not be made only by reference to the performance of the relevant underlying(s) and the application of such a maximum rate and/or a minimum rate, or a cap and/or a floor, may result in the calculation being subject to a minimum and/or maximum amount or otherwise increasing or decreasing the amount that would otherwise have been calculated had no such feature(s) been applicable.]
- [movements in the value of the relevant Underlying will be magnified where a participation factor applies and may therefore result in greater gains or losses than if no participation rate applied.]
- [upon occurrence of an early redemption event linked to an underlying, the Notes will be redeemed on before the Maturity Date and the relevant early redemption amount will become payable and no further amount shall be payable in respect of such Notes.]
- [Potential investors should consider that where the underlying interest rate rises above the level of the Maximum Rate of Interest, comparable investments in notes which pay interests based on a rate which is higher than the Maximum Rate of Interest are likely to be more attractive to potential investors than an investment in the Notes. Under those conditions, investors in the Notes may find it difficult to sell their Notes on the secondary market (if any) or might only be able to realise the Notes at a price which may be substantially lower than the nominal amount.
- To the extent a Maximum Rate of Interest applies, investors should be aware that the Interest Rate is capped at such Maximum Rate of Interest level. Consequently, investors may not participate in any increase of market interest rates, which may also negatively affect the market value of the Notes.]
- [structured interests are linked to the performance of underlying asset(s), then certain features of such Notes may determine interest amounts due thereunder. Investors must ensure that they fully understand the risks of such features.]

	<ul style="list-style-type: none"> • [as the issuer has the right to redeem the Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate;] • [there can be no assurance that Notes will be recognised as eligible collateral for Eurosystem monetary and intra-day credit operations and added to the list of eligible assets maintained by the European Central Bank or, if they are so recognised, that they will continue to be recognised at all times during their life;] • [where the Issuer acts as Calculation Agent or the Calculation Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Notes that may influence the amounts receivable in respect of the Notes;] • the terms and conditions of the Notes contain provisions which may permit their modification without the consent of all investors; • in respect of certain Notes, the Issuer is not obliged to gross up any payments in respect of the Notes; • stamp taxes or other documentary charges may be payable in the country where the Notes are transferred; • U.S. Foreign Account Tax Compliance Act withholding may affect payments on the Notes; • investors are exposed to the risk of changes in law or regulation affecting the value of Notes held by them; • that there may be no or only a limited secondary market in the Notes; • that the value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor's own currency; • that any credit rating assigned to the Notes may not adequately reflect all the risks associated with an investment in the Notes; • the Notes will be settled by the Issuer through one or more clearing systems and agents. In addition investors may hold Notes through one or more intermediaries. As a result it may be necessary to enforce rights under the Notes through such indirect holding structure and delays and settlement risk may exist as a result. Further, investors may be subject to provisions outside of, and different from, the Notes by virtue of their holding through one or more intermediaries. <p>Additionally, the risks relating to investment in the Notes depend on their features and may include, inter alia, risks relating to (but not limited to) operational/business risk, credit risk, liquidity risk, interest rate risk, regulatory risk, reputational risk, competition risk, unsecured obligations, market risk, hedging and potential conflicts of interest, tax liabilities, expenses and taxation, third party risk, structural risks relating to particular Notes, exchange rate risks, possible illiquidity of Notes, modification, meetings, optional redemption, a requirement to hold a minimum amount of Notes, transfer restrictions and exchange listing and legal regulation risk.</p>
--	---

SECTION E – OFFER

Element

E.2b	<p>Use of proceeds</p> <p>The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.</p>
	<p><i>[Issue specific summary]</i></p>
	<p>The net proceeds from the issue of Notes will be applied by the Issuer [for its general corporate purposes] [and] [<i>specify other</i>].</p>
E.3	<p>Terms and conditions of the offer:</p> <p>If so specified in the relevant Final Terms, the Notes may be offered to the public in a Public Offer in one or more specified Public Offer Jurisdictions.</p>
	<p>The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Managers at the time of issue and specified in the applicable Final Terms. Offers of the Notes are conditional on their issue. An Investor intending to acquire or acquiring any Notes in a Public Offer from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.</p>
	<p><i>Issue specific summary:</i></p>
	<p>[Not Applicable - the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency.)]</p>
	<p>[Not Applicable - the Notes are not being offered to the public as part of a Public Offer.]</p>
	<p>The issue price of the Notes is [●] per cent. of their nominal amount.</p>
	<p><i>[Summarise the terms of any Public Offer as set out in paragraph [●] and section [●] of Part B of the Final Terms]</i></p>
E.4	<p>Description of any interest of natural and legal persons involved in the issue/offer that is material to the issue/offer including conflicting interests</p> <p>The relevant Managers may be paid fees in relation to any issue of Notes under the Programme. Any such Manager and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and their affiliates in the ordinary course of business.</p>
	<p><i>Issue specific summary</i></p>
	<p>[Other than as mentioned above, [and save for [any fees payable to the Manager [and any other Authorised Offeror]] [●],] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]</p>
E.7	<p>Expenses charged to the investor by the Issuer or an Authorised Offeror</p> <p><i>[Issue specific summary:</i></p>
	<p>[No expenses are being charged to an investor by the Issuer [or any Authorised Offeror]. [For this specific issue, however, expenses may be charged by an Authorised Offeror (as defined above) in the range between [●] per cent. and [●] per cent. of the nominal amount of the Notes to be purchased by the relevant investor.]] [<i>Specify other</i>]</p>