

**FIRST SUPPLEMENT DATED 22 FEBRUARY 2018 TO THE BASE PROSPECTUS DATED 28 JULY 2017**



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

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

**WARRANTS AND CERTIFICATES PROGRAMME**

This first supplement (the **First Supplement**) to the Base Prospectus dated 28 July 2017 (the **Base Prospectus**), constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the **Prospectus Directive**) and as implemented in Ireland by the Prospectus Regulations 2005, as amended (the **Prospectus Regulations**) and is prepared in connection with the Warrants and 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.

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 Securities to the public, investors who have already subscribed for Securities to be issued under the Warrants and Certificates Programme before this First Supplement, dated 22 February 2018, 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 26 February 2018.

## 1. PURPOSE OF THIS SUPPLEMENT

The purpose of this First Supplement is to:

- (i) add references to the newly approved Intesa Sanpaolo Group's 2018-2021 Business Plan;
- (ii) reflect the changes that occurred in the composition of the Board of Directors of the Issuer on 18 January 2018;
- (iii) disclose the limited reviewed unaudited company condensed interim consolidated financial statements and the unaudited interim financial statements of the Issuer as at and for the six months ending 30 June 2017; and
- (iv) include certain legends and selling restrictions relating to MIFID II Product Governance language.

In particular, in relation to point (i) above, on 6 February 2018, the Board of Directors of Intesa Sanpaolo S.p.A., the parent company of the Issuer, approved the Group's 2018-2021 Business Plan (the "**Plan**").

The Plan lays down measures aimed, *inter alia*, at cost reduction through further simplification of the operating model. For this purpose, 12 legal entities of the Intesa Sanpaolo Group, including Banca IMI, will be merged into the parent company Intesa Sanpaolo S.p.A..

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

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

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&FIELDSORT=docId>.

## 2. COVER PAGE

In the Cover Page of the Base Prospectus, right after the paragraph “**IMPORTANT – EEA RETAIL INVESTORS**”, the following paragraph shall be added:

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Securities will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

### **3. SUMMARY OF THE PROGRAMME**

- I. As a result of (i) 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 2017 and of (ii) the approval by the Board of Directors of Intesa Sanpaolo S.p.A. of the "Intesa Sanpaolo Group's 2018-2021 Business Plan", Element B.12 "Selected historical key financial information", the "Significant changes in the financial or trading position", Element B.14 "Dependence upon other group entities" and Element B.16 "Controlling shareholders" of the Section B "Issuer" of the "Summary of the Programme" are amended as set out in Schedule 1 hereto.
  
- II. As a result of the approval by the Board of Directors of Intesa Sanpaolo S.p.A. of the "Intesa Sanpaolo Group's 2018-2021 Business Plan", Element D.2 "Key risks specific to the issuer" of the Section D "Risks" of the "Summary of the Programme" is amended as set out in Schedule 1 hereto.

#### 4. RISK FACTORS

- I. As a result of the approval by the Board of Directors of Intesa Sanpaolo S.p.A. of the "Intesa Sanpaolo Group's 2018-2021 Business Plan", under the Section "Risk Factors" of the Base Prospectus, within the sub-section "Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme", right after the risk factor "Banca IMI's business is sensitive to current adverse macroeconomic conditions in Italy", the following risk factor "Risk related to the merge of Banca IMI into the parent company Intesa Sanpaolo S.p.A." shall be added:

***Risk related to the merge of Banca IMI into the parent company Intesa Sanpaolo S.p.A.***

On 6 February 2018 the Board of Directors of Intesa Sanpaolo S.p.A., the parent company of the Issuer, approved the Group's 2018-2021 Business Plan (the "**Plan**"). The Plan lays down measures aimed, *inter alia*, at cost reduction through further simplification of the operating model. According to the Plan, 12 legal entities of the Intesa Sanpaolo Group, including Banca IMI, will be merged into the parent company Intesa Sanpaolo S.p.A..

Merger transactions could cause uncertainties to business operations, particularly when unrelated companies are involved.

Considering that Intesa Sanpaolo S.p.A. is the parent company of Banca IMI and that the merger takes place between two entities belonging to the same banking group, such merger is not expected to have any material adverse effects on the business of Banca IMI or the parent company.

- II. 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 2017, under the Section "Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme", the following risk factor "Legal risks" shall be replaced as follows:

***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 2017, provisions for risks and charges are in the amount of approximately €15.9 million.

Administrative expenses include the ordinary contribution pursuant to Directive EU/2014/59 equal to €34 million and the extraordinary contribution equal to €79 million. For more detailed information, see Paragraph headed "Litigation" under Section headed "Description of the Issuer".

## 5. DOCUMENTS INCORPORATED BY REFERENCE

Section "**Documents incorporated by reference**" 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 2015 (available at <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci>):

|   | <i>2015 Company<br/>Financial Statements</i> | <i>2015 Consolidated<br/>Financial Statements</i> |
|---|--|---|
| Balance sheet (Statement of financial position) | Page 62                                      | Page 306  |
| Income statement                                | Page 64                                      | Page 307  |
| Changes in shareholders' equity                 | Page 66                                      | Page 309  |
| Statement of cash flows                         | Page 68                                      | Page 310  |
| Accounting principles and explanatory notes     | Pages 72 -94                                 | Pages 315-329                                     |
| Auditors' report                                | Pages 225 - 229                              | Page 403  |

2. The audited company financial statements and the audited consolidated financial statements of the Issuer for the financial year ending 31 December 2016 (available at <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci>):

|  | <i>2016 Company<br/>Financial Statements</i> | <i>2016 Consolidated<br/>Financial Statements</i> |
|--|--|---|
| Balance sheet (Statement of financial position)  | Pages 70 - 71                                | Page 322  |
| Income statement   | Page 72                                      | Page 323  |
| Statement of comprehensive income  | Page 73                                      | Page 324  |
| Statement of changes in equity   | Pages 74-75                                  | Page 325  |
| Statement of cash flows  | Pages 76 - 77                                | Pages 326-327                                     |
| Notes to the condensed interim consolidated financial statements and Accounting policies |  |   |
| Independent Auditors' report   | Pages 241 - 244                              | Pages 419 - 422                                   |

3. The limited reviewed unaudited company condensed interim consolidated financial statements and the unaudited interim financial statements of the Issuer as at and for the six months ending 30 June 2017 (available at <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci>):

|  | <i>2017<br/>Condensed<br/>Consolidated<br/>Financial Statements</i> | <i>Company<br/>Interim<br/>Financial Statements</i> | <i>2017<br/>Interim<br/>Financial Statements</i> |
|--|---|---|--|
| Balance sheet (Statement of financial position)  | Pages 56-57   |   | Pages 122-123                                    |
| Income statement   | Page 58   |   | Page 124   |
| Statement of comprehensive income  | Page 59   |   | Page 125   |
| Statement of changes in equity   | Page 60   |   | Pages 126-127                                    |
| Statement of cash flows  | Pages 61-62   |   | Pages 128-129                                    |
| Notes to the condensed interim consolidated financial statements and Accounting policies | Pages 63-120  |   | -  |
| Independent Auditors' report   | Pages 141-143   |   | -  |

4. The Terms and Conditions set out in the base prospectus dated 5 July 2016, as from time to time supplemented, relating to the Programme (the base prospectus dated 5 July 2016 is available at [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_7051cb59-099f-491f-99ea-c9066374ddc4.pdf](http://www.ise.ie/debt_documents/Base%20Prospectus_7051cb59-099f-491f-99ea-c9066374ddc4.pdf) and the first supplement dated 1 September 2016 is available at [http://www.ise.ie/debt\\_documents/Supplements\\_03d91780-e8d0-4661-9d2c-0880906e8a66.pdf](http://www.ise.ie/debt_documents/Supplements_03d91780-e8d0-4661-9d2c-0880906e8a66.pdf)):

*Base Prospectus dated 5 July 2016*

Terms and Conditions Pages 78 – 218

*First Supplement dated 1 September 2016*

Annex to the Terms and Conditions of the Securities -

Description of the Proprietary Indices Pages 4 – 16

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/ShowSecProgramme/?progID=673> and all documents incorporated by reference herein are available on the official website of the Issuer at <https://www.bancaimi.com/en/bancaimi/chisiamo/documentazione/bilanci>, and on the official website of the Irish Stock Exchange at [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_7051cb59-099f-491f-99ea-c9066374ddc4.pdf](http://www.ise.ie/debt_documents/Base%20Prospectus_7051cb59-099f-491f-99ea-c9066374ddc4.pdf) and at [http://www.ise.ie/debt\\_documents/Supplements\\_03d91780-e8d0-4661-9d2c-0880906e8a66.pdf](http://www.ise.ie/debt_documents/Supplements_03d91780-e8d0-4661-9d2c-0880906e8a66.pdf).

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).

## 6. DESCRIPTION OF THE ISSUER

Section "Description of the Issuer" of the Base Prospectus shall be entirely 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.

On 6 February 2018 the Board of Directors of Intesa Sanpaolo S.p.A., the parent company of the Issuer, approved the Group's 2018-2021 Business Plan (the "**Plan**"). The Plan lays down measures aimed, *inter alia*, at cost reduction through further simplification of the operating model. According to the Plan, 12 legal entities of the Intesa Sanpaolo Group, including Banca IMI, will be merged into the parent company Intesa Sanpaolo S.p.A..

### 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 Issuer operates under Legislative Decree No. 385 of 1 September 1993, as amended (the "Italian Consolidated Banking Act") and the implementing regulations of the Bank of Italy, and under Legislative Decree No. 58 of 24 February 1998, as amended (the "Italian Consolidated Financial Act") and the implementing regulations of CONSOB. 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 2017, 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 2015 and on the Issuer's consolidated financial statements for the financial year ending 31 December 2015 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 2016 and on the Issuer's consolidated financial statements for the financial year ending 31 December 2016 were issued without qualification or reservation.

KPMG carried out a limited review of the interim consolidated financial statements of the Issuer as at and for the six months ending on 30 June 2017.

## **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 *Global Markets* division deals with all activities relating to the markets area, including risk management for institutional and corporate clients and the trading and distribution of financial instruments, both on its own

account and on account of third parties; the business unit remains responsible for capital markets operations of a more structural nature (treasury and funding, investment and management portfolio, and bond issues) and monitoring the Bank's overall risk profiles.

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'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                                   |
|---|--|
| Gaetano Miccichè<br>Chairman                    | Member of the Board of Directors of RCS S.p.A.<br>Member of the Board of Directors of Alitalia Società Aerea Italiana S.p.A. |
| Giuliano Asperti<br>Acting Deputy Chairman      | Chairman of TEM S.p.A.<br>Chairman of SIA S.p.A.<br>Chairman of P4CARD S.r.l.  |
| Fabio Alberto Roversi Monaco<br>Deputy Chairman | Chairman of IMI Investimenti S.p.A.  |
| Mauro Micillo<br>Chief Executive Officer        |  |
| Aureliano Benedetti<br>Board Member             |  |
| Gerardo Pisanu                                  | Member of the Board of Directors of Banca CR Firenze S.p.A.  |

| NAME AND POSITION                           | PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER  |
|---|---|
| Board Member                                |   |
| Fabio Buttignon<br>Board Member             | <p>Member of the Board of Directors of Valentino S.p.A.</p> <p>Member of the Board of Directors of Benetton Group S.r.l.</p> <p>Member of the Board of Directors of Tecnica Group S.p.A.</p> <p>Member of the Board of Directors of Carraro S.p.A.</p> <p>Member of the Board of Directors of Stevanato Group S.p.A.</p> <p>Member of the Board of Directors of AFV Acciaierie Beltrame S.p.A.</p> <p>Member of the Board of Directors of Prime Holding S.p.A.</p> <p>Member of the Board of Directors of Edizione S.r.l.</p> <p>Professor at the University, Economics and Management Department “Marco Fanno”, Padova</p> |
| Vincenzo De Stasio<br>Board Member          | Professor at the University, Faculty of Law of Bergamo  |
| Paolo Maria Vittorio Grandi<br>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 PFH Palladio Holding</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<br>Board Member             |   |
| Giuseppe Attanà<br>Board Member             | <p>Chairman of MID SIM S.p.A.</p> <p>Member of the Management Board of Intesa Sanpaolo Vita S.p.A.</p>  |

The Board was appointed by the shareholders' meeting held on 31 March 2016.

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

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.

### **Chief Executive Officer**

Mauro Micillo, born in Desenzano del Garda on 19 January 1970, has held the position of Chief Executive Officer of the Issuer since 14 April 2015 and has been confirmed by the Board of Directors on 1 April 2016 until the end of his term of office (approval of the financial statements as at 31 December 2018).

### **General Manager**

Massimo Mocio, born in Viterbo on 8 July 1961, has held the position of General Manager of the Issuer since 18 January 2018.

### **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 31 March 2016 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 2018.

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<br>Chairman | Chairman of the Board of Statutory Auditors of Epsilon SGR S.p.A.<br><br>Chairman of the Board of Statutory Auditors of Luisa Spagnoli S.p.A.<br><br>Chairman of the Board of Statutory Auditors of Midco S.p.A.<br><br>Chairman of the Board of Statutory Auditors of SPAIM S.p.A.<br><br>Standing Auditor of ALITALIA Società Aerea Italiana S.p.A.<br><br>Standing Auditor of G.S. S.p.A.<br><br>Standing Auditor of Carrefour Italia S.p.A.<br><br>Standing Auditor of Telecom Italia S.p.A.<br><br>Standing Auditor of De' Longhi S.p.A. |
| Stefania Mancino                | Chairman of the Board of Statutory Auditors of  |

| NAME AND POSITION                                    | MAIN ACTIVITIES CARRIED OUT OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER  |
|--|--|
| Standing statutory auditor                           | Gruppo Editoriale l'Espresso S.p.A.<br><br>Standing Auditor of Italgas Reti S.p.A.<br><br>Standing Auditor of Acam Gas S.p.A.<br><br>Standing Auditor of Umbria Distribuzione Gas S.p.A.   |
| Giulio Stefano Lubatti<br>Standing statutory auditor | Chairman of the Board of Statutory Auditors of Fideuram S.p.A.   |
| Carlo Maria Bertola<br>Alternate statutory auditor   | Chairman of the Board of Statutory Auditors of Gianmarco Moratti S.a.p.A.<br><br>Chairman of the Board of Statutory Auditors of Ital Press Holding S.p.A.<br><br>Chairman of the Board of Statutory Auditors of Massimo Moratti S.p.A.<br><br>Chairman of the Board of Statutory Auditors of Atam S.p.A.<br><br>Standing Auditor of Fideuram Vita S.p.A.<br><br>Standing Auditor of Intesa Sanpaolo Reoco S.p.A. |
| Alessandro Cotto<br>Alternate statutory auditor      | Chairman of the Board of Statutory Auditors of NEVA FINVENTURES S.p.A.<br><br>Standing Auditor of Farmaceutici dott. Ciccarelli S.p.A.<br><br>Standing Auditor of Intesa Sanpaolo Assicura S.p.A.<br><br>Standing Auditor of Sanpaolo Invest S.p.A.  |

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 2017, provisions for risks and charges are in the amount of approximately € 15.9 million.

Administrative expenses include the ordinary contribution pursuant to Directive UE/2014/59 equal to €34 million and the extraordinary contribution equal to €79 million.

### ***Tax Litigation***

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

Tax audits were conducted by the Italian Tax Police (*Guardia di Finanza*) on the fiscal years 2011 and 2012. In general terms, the audits addressed matters taken up with many other Italian banks. 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 December 2016 a settlement was reached regarding the 2011 tax audit and requiring payment of approximately €1.8 million compared to a claim of the tax authority of about €26 million (including taxes, withholdings and fines). Although fully convinced of the groundlessness of this and previous similar claims, the decision to settle the various disputes was taken with a view to avoid long and costly litigation over specific matters plagued by marked uncertainty.

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 December 2016 the Italian Revenue Agency (*Agenzia delle Entrate*) asked for data and information (through a questionnaire) with reference to the Italian "Tobin Tax".

In May 2016 – 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 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 2016, no final ruling had been handed down on any of the fiscal years disputed.

In December 2015, as per years 2008 and 2009, a settlement agreement was reached with the Italian Tax Police (*Guardia di Finanza*) through alternative dispute resolution mechanisms for the fiscal year 2010, entailing a payment of approximately 2 million euro to settle claimed tax arrears of some €89 million (taxes, withholdings and fines).

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. The Italian Revenue Agency (*Agenzia delle Entrate*), through the self-protection procedure, has voided the payment notice.

A total of approximately €12 million in provisional deposits was paid in relation to tax litigation pending at 31 December 2016; 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 July 2016, the ordinary tax assessment by Her Majesty's Revenues & Customs regarding direct taxation of the London branch for the year 2013 concluded without any significant impact in terms of higher tax imposed.

#### ***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. In February 2016, the Court of Tirana found that the writ of summons was inadmissible. Kalivac Green Energy Sh.p.k. has appealed against that decision and the relevant proceedings still pending.

#### ***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. Fondazione MPS, in support of its claim for damages jointly for all the defendants, alleged liability of a contractual nature against the previous directors and the advisor for having violated the limit regarding the debt-to-equity ratio established in the articles of association, and liability of a non-contractual nature against the lending banks for knowingly providing assistance in the alleged violation committed by the former. Banca IMI made its appearance in the proceedings with a request for total rejection of the opposing parties' claims. In particular, Banca IMI believes that the claim, as presented against the defendant banks, is groundless for a variety of reasons including: technically incorrect assessment of items in the financial statements from which the violation of such limit is alleged, non-existence of the causal link between the censured conduct and the harmful event; finally, incorrect quantification of the items of damages on which the civil claim rests.

#### ***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. The proceedings at first instance are pending before the competent U.S. District Court in New York.

#### ***Icelandic Banks Landsbanki Islands 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 two most important Icelandic banks Landsbanki Islands hf. and Kaupthing 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 two 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.

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.

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.

#### **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 2016, compared to corresponding figures as at 31 December 2015.

|   | 31 December<br>2016 | 31 December<br>2015 |
|---|---------------------|---------------------|
| Common equity Tier 1 / Risk-weighted assets | 9.59%               | 10.67%              |
| Tier 1 / Risk-weighted assets               | 12.85%              | 10.67%              |
| Total Capital Ratio                         | 12.85%              | 10.67%              |
| <b>Regulatory capital (in EUR millions)</b> |                     |                     |
| Tier 1 capital                              | 3,646.5             | 2,623.5             |
| Tier 2 capital                              | -                   | -                   |
| Total capital                               | 3,646.5             | 2,623.5             |

The following table contains certain selected credit quality figures relating to the Issuer on a non-consolidated basis as at 31 December 2016, compared to corresponding figures as at 31 December 2015.

|  | <b>31 December 2016</b> | <b>31 December 2015</b> |
|--|-------------------------|-------------------------|
| Gross doubtful exposures / gross exposures       | 0.39%                   | 0.33%                   |
| Net doubtful exposures / net exposures           | 0.15%                   | 0.15%                   |
| Gross non-performing exposures / gross exposures | 4.11%                   | 4.41%                   |

|  |        |        |
|--|--------|--------|
| Net non-performing exposures / net exposures | 3.02%  | 3.32%  |
| Non-performing exposures coverage ratio      | 27.73% | 25.77% |
| Doubtful exposures coverage ratio            | 61.59% | 54.29% |
| Net doubtful exposures / equity              | 0.91%  | 1.40%  |

The following table contains 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 2016, compared with corresponding figures for the financial year ending 31 December 2015.

### *Income Statement Figures*

|   | <b>31 December<br/>2016</b> | <b>31 December<br/>2015</b> | <b>Percentage<br/>Variation</b> |
|---|-----------------------------|-----------------------------|---------------------------------|
|   | <i>(EUR million)</i>        |                             | <i>(per cent.)</i>              |
| Net interest income                       | 536                         | 578                         | -7.3                            |
| Total income                              | 1,631.4                     | 1,367.9                     | 19.3                            |
| Operating expenses                        | (538.9)                     | (571.9)                     | -5.8                            |
| Net financial income                      | 1,629.2                     | 1,370.8                     | 18.8                            |
| Pre-tax profit from continuing operations | 1,109.2                     | 799.0                       | 38.8                            |
| Profit for the year                       | 741.2                       | 522.0                       | 42.0                            |

### *Balance Sheet Figures*

|                               | <b>31 December<br/>2016</b> | <b>31 December<br/>2015</b> | <b>Percentage variation</b> |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                               | <i>(EUR million)</i>        |                             | <i>(per cent.)</i>          |
| Net investments <sup>1</sup>  | 27,657.7                    | 28,547.2                    | -3.1                        |
| Net liabilities <sup>2</sup>  | 37,766.5                    | 37,066.5                    | 1.9                         |
| Financial assets <sup>3</sup> | 68,105.0                    | 68,547.0                    | -0.6                        |
| Total assets                  | 150,249.6                   | 153,797.1                   | -2.3                        |
| Net equity <sup>4</sup>       | 4,618.0                     | 3,160.6                     | 46.1                        |
| Share Capital                 | 962.5                       | 962.5                       | 0.0                         |

<sup>1</sup> The aggregate amount consists of loans to customer plus financial assets held for trading, net of financial liabilities held for trading.

<sup>2</sup> The aggregate amount consists of securities issued, due to banks, due to customers, liabilities at fair value net of due from banks.

<sup>3</sup> The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

<sup>4</sup> The aggregate amount consists of reserves, share premium reserve, share capital, fair value reserves, equity instruments and interim dividends (if any) and the profit for the year.

The following table contains certain selected credit quality figures relating to the Issuer on a consolidated basis as at 31 December 2016, compared to corresponding figures as at 31 December 2015.

|  | <b>31 December 2016</b> | <b>31 December 2015</b> |
|--|-------------------------|-------------------------|
| Gross doubtful exposures / gross exposures       | 0.39%                   | 0.33%                   |
| Net doubtful exposures / net exposures           | 0.15%                   | 0.15%                   |
| Gross non-performing exposures / gross exposures | 4.09%                   | 4.39%                   |
| Net non-performing exposures / net exposures     | 3.01%                   | 3.31%                   |
| Non-performing exposures coverage ratio          | 27.73%                  | 25.77%                  |
| Doubtful exposures coverage ratio                | 61.59%                  | 54.29%                  |
| Net doubtful exposures / equity                  | 0.88%                   | 1.34%                   |

The following table contains certain selected income statement and balance sheet figures extracted from the Issuer's audited consolidated financial statements for the financial year ending 31 December 2016, compared with corresponding figures for the financial year ending 31 December 2015.

#### **Income Statement Figures**

|   | <b>31 December<br/>2016</b> | <b>31 December<br/>2015</b> | <b>Percentage variation</b> |
|---|-----------------------------|-----------------------------|-----------------------------|
|   | <i>(EUR million)</i>        |                             | <i>(per cent)</i>           |
| Net interest income                       | 536.1                       | 578.4                       | -7.3                        |
| Total income                              | 1,661.4                     | 1,399.2                     | 18.7                        |
| Operating expenses                        | (574.6)                     | (591.5)                     | -2.9                        |
| Net financial income                      | 1,659.1                     | 1,402.1                     | 18.3                        |
| Pre-tax profit from continuing operations | 1,115                       | 817.5                       | 36.4                        |
| Profit for the year                       | 741.7                       | 533.7                       | 39.0                        |

#### **Balance Sheet Figures**

|                              | <b>31 December<br/>2016</b> | <b>31 December<br/>2015</b> | <b>Percentage variation</b> |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                              | <i>(EUR million)</i>        |                             | <i>(per cent)</i>           |
| Net investments <sup>5</sup> | 27,724.3                    | 28,654.9                    | -3.2                        |

<sup>5</sup> The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.

|                               | <b>31 December<br/>2016</b> | <b>31 December<br/>2015</b> | <b>Percentage variation</b> |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                               | <i>(EUR million)</i>        |                             | <i>(per cent)</i>           |
| Net liabilities <sup>6</sup>  | 37,683.7                    | 37,043.8                    | 1.7                         |
| Financial assets <sup>7</sup> | 68,171.5                    | 68,597.8                    | - 0.6                       |
| Total assets                  | 150,406.8                   | 154,040.8                   | -2.4                        |
| Net equity                    | 4,755.0                     | 3,293.0                     | 44.4                        |
| Share Capital                 | 962.5                       | 962.5                       | 0.0                         |

## RECENT EVENTS

On 1 August 2017 the Board of Directors of Banca IMI approved the interim consolidated financial statements as at 30 June 2017.

The following table contains certain selected solvency indicators relating to the Issuer on a non-consolidated basis as at 30 June 2017, compared to corresponding figures as at 31 December 2016:

|   | <b>30 June 2017</b> | <b>31 December 2016</b> |
|---|---------------------|-------------------------|
| Common Equity Tier 1 (CET1)<br>(in EUR million) | 2,886.0             | 2,719.2                 |
| Additional Tier 1 (AT1)<br>(in EUR million)     | 1,187.6             | 927.3                   |
| Tier 2 (T2)<br>(in EUR million)                 | -                   | -                       |
| Total capital<br>(in EUR million)               | 4,073.6             | 3,646.5                 |
| Risk-weighted assets<br>(in EUR million)        | 27,428.8            | 28,368.8                |
| Total capital ratio                             | 14.85%              | 12.85%                  |
| Total capital requirements                      | 2,194.3             | 2,269.5                 |

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 2017, compared to corresponding figures as at 31 December 2016.

<sup>6</sup> The aggregate amount consists of securities issued, due to banks, due to customers, liabilities at fair value net of due from banks.

<sup>7</sup> The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

|  | <b>30 June 2017</b> | <b>31 December 2016</b> |
|--|---------------------|-------------------------|
| Gross doubtful exposures / gross exposures       | 0.34%               | 0.39%                   |
| Net doubtful exposures / net exposures           | 0.10%               | 0.15%                   |
| Gross non-performing exposures / gross exposures | 4.06%               | 4.11%                   |
| Net non-performing exposures / net exposures     | 2.78%               | 3.02%                   |
| Non-performing exposures coverage ratio          | 32.64%              | 27.73%                  |
| Doubtful exposures coverage ratio                | 69.74%              | 61.59%                  |
| Net doubtful exposures / equity                  | 0.67%               | 0.91%                   |

The following table contains certain selected income statement and balance sheet figures on a non-consolidated basis extracted from the Issuer's unaudited interim financial statements for the six months period ending 30 June 2017, compared with corresponding figures for the financial year ending 31 December 2016 or with the six months period ending 30 June 2016.

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

|   | <b>30 June 2017</b> | <b>30 June 2016</b> | <b>Percentage Variation</b> |
|---|---------------------|---------------------|-----------------------------|
|   | <i>(EUR)</i>        |                     | <i>(per cent.)</i>          |
| Net interest income                       | 260,340,583         | 270,521,861         | - 3.8                       |
| Total income                              | 760,653,632         | 893,490,748         | - 14.9                      |
| Operating expenses                        | (254,686,825)       | (246,479,390)       | 3.3                         |
| Net financial income                      | 705,509,795         | 878,185,771         | -19.7                       |
| Pre-tax profit from continuing operations | 450,822,970         | 649,929,584         | -30.6                       |
| Profit for the period                     | 316,822,970         | 435,929,584         | -27.3                       |

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

|                              | <b>30 June 2017</b> | <b>31 December 2016</b> | <b>Percentage Variation</b> |
|------------------------------|---------------------|-------------------------|-----------------------------|
|                              | <i>(EUR)</i>        |                         | <i>(per cent)</i>           |
| Net investments <sup>8</sup> | 28,743,348,891      | 27,657,745,919          | 3.9                         |
| Net funding <sup>9</sup>     | 38,344,717,278      | 37,766,519,288          | 1.5                         |
| Assets under management      | -                   | -                       | -                           |

<sup>8</sup> The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.

<sup>9</sup> The aggregate amount consists of securities issued plus due to customers plus due to banks net of due from banks.

|                                |                 |                 |       |
|--------------------------------|-----------------|-----------------|-------|
| Financial assets <sup>10</sup> | 62,394,781,661  | 68,104,921,704  | - 8.4 |
| Total assets                   | 161,360,251,482 | 150,249,643,142 | 7.4   |
| Net equity <sup>11</sup>       | 4,448,964,414   | 4,617,993,034   | - 3.7 |
| Share Capital                  | 962,464,000     | 962,464,000     | 0     |

The following table contains certain selected credit quality figures relating to the Issuer on a consolidated basis as at 30 June 2017, compared to corresponding figures as at 31 December 2016.

|  | <b>30 June 2017</b> | <b>31 December 2016</b> |
|--|---------------------|-------------------------|
| Gross doubtful exposures / gross exposures       | 0.34                | 0.39%                   |
| Net doubtful exposures / net exposures           | 0.10%               | 0.15%                   |
| Gross non-performing exposures / gross exposures | 4.05%               | 4.09%                   |
| Net non-performing exposures / net exposures     | 2.77%               | 3.01%                   |
| Non-performing exposures coverage ratio          | 32.64%              | 27.73%                  |
| Doubtful exposures coverage ratio                | 69.74%              | 61.59%                  |
| Net doubtful exposures / equity                  | 0.66%               | 0.88%                   |

The following tables 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 2017 and the corresponding figures for the years ending 31 December 2016 and 31 December 2015.

Gross non-performing exposures

|                     | <b>30 June 2017</b>    | <b>31 December 2016</b> | <b>31 December 2015</b> |
|---------------------|------------------------|-------------------------|-------------------------|
|                     | <i>(EUR thousands)</i> |                         |                         |
| Doubtful            | 99,052                 | 109,308                 | 96,674                  |
| Unlikely to pay (*) | 1,078,411              | 1,044,572               | 1,181,697               |
| Past due exposures  | 8,764                  | -                       | -                       |

Net non-performing exposures

|  | <b>30 June 2017</b>    | <b>31 December 2016</b> | <b>31 December 2015</b> |
|--|------------------------|-------------------------|-------------------------|
|  | <i>(EUR thousands)</i> |                         |                         |

<sup>10</sup> The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

<sup>11</sup> 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.

|                     | <i>thousands)</i> |         |         |
|---------------------|-------------------|---------|---------|
| Doubtful            | 29,970            | 41,982  | 44,186  |
| Unlikely to pay (*) | 761,734           | 791,925 | 904,784 |
| Past due exposures  | 7,380             | -       | -       |

(\*) 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 contains certain selected income statement and balance sheet figures on a consolidated basis extracted from the Issuer's unaudited interim financial statements for the six months period ending 30 June 2017, compared with corresponding figures for the financial year ending 31 December 2016 or with the six months period ending 30 June 2016.

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

|   | <b>30 June 2017</b>   | <b>30 June 2016</b> | <b>Percentage Variation</b> |
|---|-----------------------|---------------------|-----------------------------|
|   | <i>(EUR thousand)</i> |                     | <i>(per cent)</i>           |
| Net interest income                       | 260,800               | 270,576             | - 3.6                       |
| Total income                              | 760,525               | 909,632             | - 16.4                      |
| Net financial income                      | 705,381               | 894,327             | - 21.1                      |
| Operating expenses                        | (288,189)             | (256,816)           | 12.2                        |
| Pre-tax profit from continuing operations | 423,803               | 658,675             | - 35.7                      |
| Profit for the period                     | 290,413               | 440,559             | - 34.1                      |

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

|                                | <b>30 June 2017</b>   | <b>31 December 2016</b> | <b>Percentage Variation</b> |
|--------------------------------|-----------------------|-------------------------|-----------------------------|
|                                | <i>(EUR thousand)</i> |                         | <i>(per cent)</i>           |
| Net investments <sup>12</sup>  | 28,804,820            | 27,724,281              | 3.9                         |
| Net funding <sup>13</sup>      | 38,260,656            | 37,683,602              | 1.53                        |
| Assets under management        | -                     | -                       | -                           |
| Financial assets <sup>14</sup> | 62,456,253            | 68,171,456              | - 8.38                      |
| Total assets                   | 161,721,735           | 150,406,826             | 7.5                         |

<sup>12</sup> The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.

<sup>13</sup> The aggregate amount consists of securities issued plus due to customers plus due to banks net of due from banks.

<sup>14</sup> The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

|                          |           |           |      |
|--------------------------|-----------|-----------|------|
| Net Equity <sup>15</sup> | 4,550,513 | 4,754,983 | -4.3 |
| Share Capital            | 962,464   | 962,464   | 0    |

## OVERVIEW OF THE FINANCIAL INFORMATION

### Audited Consolidated Annual Financial Statements

The annual financial information below as at and for the years ended 31 December 2016 and 31 December 2015 has been derived from the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2016 (the **2016 Annual Financial Statements**) that include comparative figures as at and for the year ended 31 December 2015. The 2016 Annual Financial Statements have been audited by KPMG S.p.A., auditors to Banca IMI S.p.A., who issued their audit report on 9 March 2017.

### Interim Consolidated Financial Statements

The interim consolidated financial information below as at and for the six months ended 30 June 2017 and 30 June 2016 have been derived from the unaudited interim consolidated financial statements of the Issuer as at and for the six months ended 30 June 2017 (the **2017 Interim Consolidated Financial Statements**) that include comparative figures as at and for the six months ended 30 June 2016. The 2017 Interim Consolidated Financial Statements have been subject to limited review by KPMG S.p.A., who issued their report on 3 August 2017.

### 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 2016 and 31 December 2015.

| <b>Assets</b>                     | <b>31<br/>December<br/>2016</b> | <b>31<br/>December<br/>2015</b> |
|-----------------------------------|---------------------------------|---------------------------------|
|                                   | <i>(EUR thousand)</i>           |                                 |
| Cash and cash equivalents         | 3                               | 4                               |
| Financial assets held for trading | 53,477,591                      | 56,954,580                      |

<sup>15</sup> 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.

| <b>Assets</b>                       | <b>31<br/>December<br/>2016</b> | <b>31<br/>December<br/>2015</b> |
|-------------------------------------|---------------------------------|---------------------------------|
|                                     | <i>(EUR thousand)</i>           |                                 |
| Available-for-sale financial assets | 14,693,865                      | 11,643,236                      |
| Due from banks                      | 53,305,542                      | 60,923,615                      |
| Loans to customers                  | 27,798,310                      | 23,353,892                      |
| Hedging derivatives                 | 154,440                         | 203,228                         |
| Equity investments                  | 19,560                          | 13,324                          |
| Property and equipment              | 848                             | 878                             |
| Intangible assets                   | 285                             | 287                             |
| Tax assets                          | 489,371                         | 502,230                         |
| <i>a) current</i>                   | <i>251,068</i>                  | <i>292,543</i>                  |
| <i>b) deferred</i>                  | <i>238,303</i>                  | <i>209,687</i>                  |
| Other assets                        | 467,011                         | 445,523                         |
| <b>Total Assets</b>                 | <b>150,406,826</b>              | <b>154,040,797</b>              |

## CONSOLIDATED ANNUAL BALANCE SHEET

The annual financial information below includes comparative figures as at and for the years ended 31 December 2016 and 31 December 2015.

### Liabilities and Equity

|  | <b>31<br/>December<br/>2016</b> | <b>31<br/>December<br/>2015</b> |
|--|---------------------------------|---------------------------------|
|  | <i>(EUR thousand)</i>           |                                 |
| Due to banks                               | 60,716,591                      | 68,073,695                      |
| Due to customers                           | 18,989,914                      | 16,026,878                      |
| Securities issued                          | 11,282,639                      | 13,866,783                      |
| Financial liabilities held for trading     | 53,551,620                      | 51,653,544                      |
| Hedging derivatives                        | 196,639                         | 164,568                         |
| Tax liabilities                            | 424,563                         | 342,293                         |
| <i>a) current</i>                          | <i>410,436</i>                  | <i>325,988</i>                  |
| <i>b) deferred</i>                         | <i>14,127</i>                   | <i>16,305</i>                   |
| Other liabilities                          | 450,312                         | 587,215                         |
| Post-employment benefits                   | 9,178                           | 8,743                           |
| Provisions for risks and charges           | 30,387                          | 24,074                          |
| <i>a) pensions and similar obligations</i> | <i>12</i>                       | <i>12</i>                       |
| <i>b) other provisions</i>                 | <i>30,375</i>                   | <i>24,062</i>                   |

**Liabilities and Equity**

|  | <b>31<br/>December<br/>2016</b> | <b>31<br/>December<br/>2015</b> |
|--|---------------------------------|---------------------------------|
|  | <i>(EUR thousand)</i>           |                                 |
| Fair value reserves                                    | (131,153)                       | (50,076)                        |
| Equity Instruments                                     | 1,000,000                       | -                               |
| Reserves   | 1,600,694                       | 1,573,629                       |
| 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                                    | 741,718                         | 533,715                         |
| <b>Total Liabilities and Equity</b>                    | <b>150,406,826</b>              | <b>154,040,797</b>              |

**CONSOLIDATED ANNUAL INCOME STATEMENT**

The annual financial information below includes comparative figures as at and for the years ended 31 December 2016 and 31 December 2015.

|  | <b>31<br/>December<br/>2016</b> | <b>31<br/>December<br/>2015</b> |
|--|---------------------------------|---------------------------------|
|  | <i>(EUR thousand)</i>           |                                 |
| Interest and similar income                    | 1,337,482                       | 1,470,106                       |
| Interest and similar expense                   | (801,338)                       | (891,695)                       |
| <b>Net interest income</b>                     | <b>536,144</b>                  | <b>578,411</b>                  |
| Fee and commission income                      | 599,097                         | 488,754                         |
| Fee and commission expense                     | (217,026)                       | (230,529)                       |
| <b>Net fee and commission income</b>           | <b>382,071</b>                  | <b>258,225</b>                  |
| Dividends and similar income                   | 38,035                          | 41,092                          |
| Profits (Losses) on trading                    | 554,800                         | 328,785                         |
| Profit (Losses) on hedging                     | (425)                           | 7,797                           |
| Profits (Losses) on disposal or repurchase of: | 150,754                         | 184,890                         |
| <i>a) loans and receivables</i>                | <i>1,481</i>                    | <i>(34,912)</i>                 |
| <i>b) available-for-sale financial assets</i>  | <i>170,072</i>                  | <i>274,519</i>                  |
| <i>c) held-to-maturity investments</i>         | -                               | -                               |
| <i>d) financial liabilities</i>                | <i>(20,799)</i>                 | <i>(54,717)</i>                 |
| <b>Total income</b>                            | <b>1,661,379</b>                | <b>1,399,200</b>                |

|  | <b>31<br/>December<br/>2016</b> | <b>31<br/>December<br/>2015</b> |
|--|---------------------------------|---------------------------------|
|  | <i>(EUR thousand)</i>           |                                 |
| Impairment losses/reversal of impairment losses on:              | (2,249)                         | 2,942                           |
| <i>a) loans and receivables</i>                                  | (8,572)                         | (421)                           |
| <i>b) available-for-sale financial assets</i>                    | (1,618)                         | (5,850)                         |
| <i>c) held-to-maturity investments</i>                           | -                               | -                               |
| <i>d) other financial assets</i>                                 | 7,941                           | 9,213                           |
| <b>Net financial income</b>                                      | <b>1,659,130</b>                | <b>1,402,142</b>                |
| <b>Net banking and insurance income</b>                          | <b>1,659,130</b>                | <b>1,402,142</b>                |
| Administrative expenses  | (574,278)                       | (595,882)                       |
| <i>a) personnel expenses</i>                                     | (166,029)                       | (162,051)                       |
| <i>b) other administrative expenses</i>                          | (408,249)                       | (433,831)                       |
| Net accruals to provision for risks and charges                  | (8,118)                         | 1,700                           |
| Depreciation and net impairment losses on property and equipment | (346)                           | (475)                           |
| Amortisation and net impairment losses on intangible assets      | (78)                            | (73)                            |
| Other operating income (expenses)                                | 8,224                           | 3,204                           |
| <b>Operating expenses</b>  | <b>(574,596)</b>                | <b>(591,526)</b>                |
| Net gains on sales of equity investments                         | 30,506                          | 6,840                           |
| <b>Pre-tax profit from continuing operations</b>                 | <b>1,115,040</b>                | <b>817,456</b>                  |
| Income tax expense   | (373,322)                       | (283,741)                       |
| <b>Post-tax profit from continuing operations</b>                | <b>741,718</b>                  | <b>533,715</b>                  |
| <b>Profit for the year</b>                                       | <b>741,718</b>                  | <b>533,715</b>                  |
| Profit (loss) attributable to non-controlling interests          |                                 | -                               |
| <b>Profit attributable to the owners of the parent</b>           | <b>741,718</b>                  | <b>533,715</b>                  |

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The interim consolidated financial statements below includes comparative figures for the six months ending 30 June 2017 compared with corresponding figures for the year ending 31 December 2016.

| <b>Assets</b>             | <b>30<br/>June<br/>2017</b> | <b>31<br/>December<br/>2016</b> |
|---------------------------|-----------------------------|---------------------------------|
|                           | <i>(EUR thousand)</i>       |                                 |
| Cash and cash equivalents | 4                           | 3                               |

| <b>Assets</b>                             | <b>30<br/>June<br/>2017</b> | <b>31<br/>December<br/>2016</b> |
|---|-----------------------------|---------------------------------|
|   | <i>(EUR thousand)</i>       |                                 |
| Financial assets held for trading         | 48,628,038                  | 53,477,591                      |
| Available-for-sale financial assets       | 13,828,215                  | 14,693,865                      |
| Due from banks                            | 69,378,280                  | 53,305,542                      |
| Loans to customers                        | 28,804,452                  | 27,798,310                      |
| Hedging derivatives                       | 124,952                     | 154,440                         |
| Equity investments                        | 16,006                      | 19,560                          |
| Property and equipment                    | 702                         | 848                             |
| Intangible assets                         | 265                         | 285                             |
| Tax assets                                | 331,385                     | 489,371                         |
| <i>a) current</i>                         | <i>107,872</i>              | <i>251,068</i>                  |
| <i>b) deferred</i>                        | <i>223,513</i>              | <i>238,303</i>                  |
| <i>- of which as per Law no. 214/2011</i> | <i>108,549</i>              | <i>115,541</i>                  |
| Other assets                              | 609,436                     | 467,011                         |
| <b>Total Assets</b>                       | <b>161,721,735</b>          | <b>150,406,826</b>              |

| <b>Liabilities and Equity</b>              | <b>30<br/>June<br/>2017</b> | <b>31<br/>December<br/>2016</b> |
|--|-----------------------------|---------------------------------|
|  | <i>(EUR thousand)</i>       |                                 |
| Due to banks                               | 79,782,709                  | 60,716,591                      |
| Due to customers                           | 17,890,292                  | 18,989,914                      |
| Securities issued                          | 9,965,935                   | 11,282,639                      |
| Financial liabilities held for trading     | 48,627,670                  | 53,551,620                      |
| Hedging derivatives                        | 140,500                     | 196,639                         |
| Tax liabilities                            | 185,258                     | 424,563                         |
| <i>a) current</i>                          | <i>172,573</i>              | <i>410,436</i>                  |
| <i>b) deferred</i>                         | <i>12,685</i>               | <i>14,127</i>                   |
| Other liabilities                          | 518,958                     | 450,312                         |
| Post-employment benefits                   | 8,974                       | 9,178                           |
| Provisions for risks and charges           | 50,926                      | 30,387                          |
| <i>a) pensions and similar obligations</i> | <i>13</i>                   | <i>12</i>                       |
| <i>b) other provisions</i>                 | <i>50,913</i>               | <i>30,375</i>                   |
| Valuation reserves                         | (134,613)                   | (131,153)                       |

| <b>Liabilities and Equity</b>                          | <b>30<br/>June<br/>2017</b> | <b>31<br/>December<br/>2016</b> |
|--|-----------------------------|---------------------------------|
|  | <i>(EUR thousand)</i>       |                                 |
| Equity instruments                                     | 1,200,000                   | 1,000,000                       |
| Reserves   | 1,650,989                   | 1,600,694                       |
| Interim dividends                                      | -                           | -                               |
| Share premium reserve                                  | 581,260                     | 581,260                         |
| Share capital  | 962,464                     | 962,464                         |
| Equity attributable to non-controlling interests (+/-) | -                           | -                               |
| Profit for the year                                    | 290,413                     | 741,718                         |
| <b>Total Liabilities and Equity</b>                    | <b>161,721,735</b>          | <b>150,406,826</b>              |

## CONSOLIDATED INTERIM INCOME STATEMENT

The consolidated interim income statement below includes comparative figures for the six months ending 30 June 2017 and the corresponding figures for the year ending 31 December 2016.

|  | <b>30 June 2017</b>   | <b>31<br/>December<br/>2016</b> |
|--|-----------------------|---------------------------------|
|  | <i>(EUR thousand)</i> |                                 |
| Interest and similar income                    | 613,582               | 1,337,482                       |
| Interest and similar expense                   | (352,782)             | (801,338)                       |
| <b>Net interest income</b>                     | <b>260,800</b>        | <b>536,144</b>                  |
| Fee and commission income                      | 240,721               | 599,097                         |
| Fee and commission expense                     | (82,239)              | (217,026)                       |
| <b>Net fee and commission income</b>           | <b>158,482</b>        | <b>382,071</b>                  |
| Dividends and similar income                   | 25,907                | 38,035                          |
| Profits (Losses) on trading                    | 201,271               | 554,800                         |
| Profit (Losses) on hedging                     | 2,968                 | (425)                           |
| Profits (Losses) on disposal or repurchase of: | 111,097               | 150,754                         |
| <i>a) loans and receivables</i>                | <i>2,793</i>          | <i>1,481</i>                    |
| <i>b) available-for-sale financial assets</i>  | <i>119,050</i>        | <i>170,072</i>                  |
| <i>c) held-to-maturity investments</i>         | -                     | -                               |
| <i>d) financial liabilities</i>                | <i>(10,746)</i>       | <i>(20,799)</i>                 |
| <b>Total income</b>                            | <b>760,525</b>        | <b>1,661,379</b>                |

|  | <b>30 June 2017</b>   | <b>31<br/>December<br/>2016</b> |
|--|-----------------------|---------------------------------|
|  | <i>(EUR thousand)</i> |                                 |
| Impairment losses/reversal of impairment losses on:              | (55,144)              | (2,249)                         |
| <i>a) loans and receivables</i>                                  | (57,054)              | (8,572)                         |
| <i>b) available-for-sale financial assets</i>                    | (249)                 | (1,618)                         |
| <i>c) held-to-maturity investments</i>                           | -                     | -                               |
| <i>d) other financial assets</i>                                 | 2,159                 | 7,941                           |
| <b>Net financial income</b>                                      | <b>705,381</b>        | <b>1,659,130</b>                |
| <b>Net banking and insurance income</b>                          | <b>705,381</b>        | <b>1,659,130</b>                |
| Administrative expenses  | (265,495)             | (574,278)                       |
| <i>a) personnel expenses</i>                                     | (75,480)              | (166,029)                       |
| <i>b) other administrative expenses</i>                          | (190,015)             | (408,249)                       |
| Net accruals to provision for risks and charges                  | (23,063)              | 8,118                           |
| Depreciation and net impairment losses on property and equipment | (161)                 | (346)                           |
| Amortisation and net impairment losses on intangible assets      | (49)                  | (78)                            |
| Other operating income (expenses)                                | 579                   | 8,224                           |
| <b>Operating expenses</b>  | <b>(288,189)</b>      | <b>(574,596)</b>                |
| Net gains on sales of equity investments                         | 6,611                 | 30,506                          |
| Impairment of goodwill   | -                     | -                               |
| <b>Pre-tax profit from continuing operations</b>                 | <b>423,803</b>        | <b>1,115,040</b>                |
| Income tax expense   | (133,390)             | (373,322)                       |
| <b>Post-tax profit from continuing operations</b>                | <b>290,413</b>        | <b>741,718</b>                  |
| <b>Profit for the year</b>                                       | <b>290,413</b>        | <b>741,718</b>                  |
| Profit (loss) attributable to non-controlling interests          | -                     | -                               |
| <b>Profit attributable to the owners of the parent</b>           | <b>290,413</b>        | <b>741,718</b>                  |

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements below includes comparative figures for the six months ending 30 June 2017 compared with corresponding figures for the six months ending 30 June 2016.

| <b>Assets</b> | <b>30<br/>June<br/>2017</b> | <b>30<br/>June<br/>2016</b> |
|---------------|-----------------------------|-----------------------------|
|               | <i>(EUR thousand)</i>       |                             |

| <b>Assets</b>                       | <b>30<br/>June<br/>2017</b> | <b>30<br/>June<br/>2016</b> |
|-------------------------------------|-----------------------------|-----------------------------|
|                                     | <i>(EUR thousand)</i>       |                             |
| Cash and cash equivalents           | 4                           | 3                           |
| Financial assets held for trading   | 48,628,038                  | 64,427,417                  |
| Available-for-sale financial assets | 13,828,215                  | 14,931,853                  |
| Due from banks                      | 69,378,280                  | 57,710,181                  |
| Loans to customers                  | 28,804,452                  | 29,010,159                  |
| Hedging derivatives                 | 124,952                     | 234,814                     |
| Equity investments                  | 16,006                      | 10,923                      |
| Property and equipment              | 702                         | 727                         |
| Intangible assets                   | 265                         | 269                         |
| Tax assets                          | 331,385                     | 330,652                     |
| <i>a) current</i>                   | <i>107,872</i>              | <i>131,858</i>              |
| <i>b) deferred</i>                  | <i>223,513</i>              | <i>198,794</i>              |
| Other assets                        | 609,436                     | 742,740                     |
| <b>Total Assets</b>                 | <b>161,721.7</b>            | <b>167,399.7</b>            |

| <b>Liabilities and Equity</b>              | <b>30<br/>June<br/>2017</b> | <b>30<br/>June<br/>2016</b> |
|--|-----------------------------|-----------------------------|
|  | <i>(EUR thousand)</i>       |                             |
| Due to banks                               | 79,782,709                  | 66,673,457                  |
| Due to customers                           | 17,890,292                  | 19,277,557                  |
| Securities issued                          | 9,965,935                   | 14,268,967                  |
| Financial liabilities held for trading     | 48,627,670                  | 61,987,702                  |
| Hedging derivatives                        | 140,500                     | 506,097                     |
| Tax liabilities                            | 185,258                     | 281,633                     |
| <i>a) current</i>                          | <i>172,573</i>              | <i>265,217</i>              |
| <i>b) deferred</i>                         | <i>12,685</i>               | <i>16,416</i>               |
| Other liabilities                          | 518,958                     | 340,495                     |
| Post-employment benefits                   | 8,974                       | 9,692                       |
| Provisions for risks and charges           | 50,926                      | 23,053                      |
| <i>a) pensions and similar obligations</i> | <i>13</i>                   | <i>12</i>                   |
| <i>b) other provisions</i>                 | <i>50,913</i>               | <i>23,041</i>               |

| <b>Liabilities and Equity</b>                          | <b>30<br/>June<br/>2017</b> | <b>30<br/>June<br/>2016</b> |
|--|-----------------------------|-----------------------------|
|  | <i>(EUR thousand)</i>       |                             |
| Valuation reserves                                     | (134,613)                   | (59,767)                    |
| Equity instruments                                     | 1,200,000                   | 500,000                     |
| Reserves   | 1,650,989                   | 1,606,569                   |
| Share premium reserve                                  | 581,260                     | 581,260                     |
| Share capital  | 962,464                     | 962,464                     |
| Equity attributable to non-controlling interests (+/-) | -                           | -                           |
| Profit for the year                                    | 290,413                     | 440,559                     |
| <b>Total Liabilities and Equity</b>                    | <b>161,721,735</b>          | <b>167,399,738</b>          |

## CONSOLIDATED INTERIM INCOME STATEMENT

The consolidated interim income statement below includes comparative figures for the six months ending 30 June 2017 and the corresponding figures for the six months ending 30 June 2016.

|   | <b>30 June 2017</b>   | <b>30 June 2016</b> |
|---|-----------------------|---------------------|
|   | <i>(EUR thousand)</i> |                     |
| Interest and similar income                         | 613,582               | 682,848             |
| Interest and similar expense                        | (352,782)             | (412,272)           |
| <b>Net interest income</b>                          | <b>260,800</b>        | <b>270,576</b>      |
| Fee and commission income                           | 240,721               | 274,839             |
| Fee and commission expense                          | (82,238)              | (127,146)           |
| <b>Net fee and commission income</b>                | <b>158,482</b>        | <b>147,693</b>      |
| Dividends and similar income                        | 25,907                | 26,009              |
| Profits (Losses) on trading                         | 201,271               | 377,342             |
| Profit (Losses) on hedging                          | 2,968                 | (10,552)            |
| Profits (Losses) on disposal or repurchase of:      | 111,097               | 98,564              |
| <i>a) loans and receivables</i>                     | <i>2,793</i>          | <i>1,384</i>        |
| <i>b) available-for-sale financial assets</i>       | <i>119,050</i>        | <i>111,019</i>      |
| <i>c) held-to-maturity investments</i>              | <i>-</i>              | <i>-</i>            |
| <i>d) financial liabilities</i>                     | <i>(10,746)</i>       | <i>(13,839)</i>     |
| <b>Total income</b>                                 | <b>760,525</b>        | <b>909,632</b>      |
| Impairment losses/reversal of impairment losses on: | (55,144)              | (15,305)            |
| <i>a) loans and receivables</i>                     | <i>(57,054)</i>       | <i>(17,914)</i>     |

|  | <b>30 June 2017</b>   | <b>30 June 2016</b> |
|--|-----------------------|---------------------|
|  | <i>(EUR thousand)</i> |                     |
| <i>b) available-for-sale financial assets</i>                    | (249)                 | (1,366)             |
| <i>c) held-to-maturity investments</i>                           | -                     | -                   |
| <i>d) other financial assets</i>                                 | 2,159                 | 3,975               |
| <b>Net financial income</b>                                      | <b>705,381</b>        | <b>894,327</b>      |
| <b>Net banking and insurance income</b>                          | <b>705,381</b>        | <b>894,327</b>      |
| Administrative expenses  | (265,495)             | (257,163)           |
| <i>a) personnel expenses</i>                                     | (75,480)              | (74,042)            |
| <i>b) other administrative expenses</i>                          | (190,015)             | (183,121)           |
| Net accruals to provision for risks and charges                  | (23,063)              | (1,000)             |
| Depreciation and net impairment losses on property and equipment | (161)                 | (183)               |
| Amortisation and net impairment losses on intangible assets      | (49)                  | (38)                |
| Other operating income (expenses)                                | 579                   | 1,568               |
| <b>Operating expenses</b>  | <b>(288,189)</b>      | <b>(256,816)</b>    |
| Net gains on sales of equity investments                         | 6,611                 | 21,164              |
| Impairment of goodwill   | -                     | -                   |
| <b>Pre-tax profit from continuing operations</b>                 | <b>423,803</b>        | <b>658,675</b>      |
| Income tax expense   | (133,390)             | (218,116)           |
| <b>Post-tax profit from continuing operations</b>                | <b>290,413</b>        | <b>440,559</b>      |
| <b>Profit for the year</b>                                       | <b>290,413</b>        | <b>440,559</b>      |
| Profit (loss) attributable to non-controlling interests          | -                     | -                   |
| <b>Profit attributable to the owners of the parent</b>           | <b>290,413</b>        | <b>440,559</b>      |

## 7. FORM OF FINAL TERMS

Within “PART A – CONTRACTUAL TERMS” of the Section “Form of Final Terms”, right after the paragraph “PROHIBITION OF SALES TO EEA RETAIL INVESTORS”, the following legends shall be added:

**[[MIFID II product governance / professional investors and ECPs only target market** – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.]

**OR**

**[MIFID II product governance / retail investors, professional investors and ECPs target market** – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); [and (ii) all channels for distribution of the Securities are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Securities to retail clients are appropriate - investment advice[, / and] portfolio management[, / and][ non-advised sales ][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]].

Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]

## 8. GENERAL INFORMATION

- I. Paragraph "**Documents available**" of the Section "**General Information**" 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 2016 and 2015 and the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2016 and 2015 and the unaudited 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 2017;
- (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/ShowSecProgramme/?progID=673>) 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 "**Significant or Material Adverse Change**" of the Section "**General Information**" 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 2017 and there has been no material adverse change in the prospects of the Issuer since 31 December 2016.

- III. Paragraph "**External Auditors**" of the Section "**General Information**" 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 years ending 31 December 2015 and 31 December 2016, which are incorporated by reference in this Base Prospectus, and carried out a limited review of the unaudited interim consolidated financial statements of the Issuer as at and for the six months ending on 30 June 2017, which are incorporated by reference in this Base Prospectus.

## **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.**

22 February 2018

## 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><i>This summary should be read as an introduction to the Base Prospectus.</i></p> <p><i>Any decision to invest in the Securities should be based on consideration of the Base Prospectus as a whole by the investor. 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.</i></p> <p><i>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.</i></p>   |
| <b>A.2</b> | <p><i>[Not Applicable – The Issuer does not consent to the use of the Base Prospectus for subsequent resales.]</i></p> <p><i>Certain Tranches of Securities 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.</i></p> <p><i>[Consent: Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of Securities 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):</i></p> <p><i>"We, [insert name of financial intermediary], refer to the [insert title of relevant Securities] (the "<b>Securities</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 Securities in [specify each Relevant Member State in which the particular Tranche of Securities 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".</i></p> <p><i>(each an "<b>Authorised Offeror</b>").</i></p> <p><i><b>Offer period:</b> The Issuer's consent referred to above is given for Public Offers of Securities during the offer period for the Securities to be specified in the applicable Final Terms (the "<b>Offer Period</b>").</i></p> <p><i><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 Securities in the Relevant Member State in which the particular Tranche of Securities 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.]</i></p> <p><b>[AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES 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/<br/>Legal Form/<br/>Legislation/<br/>Country of<br/>Incorporation</b> | Domicile: Largo Mattioli 3, 20121 Milan, Italy.<br>Legal form: Public limited liability company ( <i>società per azioni</i> ).<br>Legislation under which the Issuer operates: Italian law.<br>Country of incorporation: Italy.   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
|--|--|---|--|--|--|--------|------------------------|------------------------|--|-----------------------|--|---------------------------|---|---|-----------------------------------|------------|------------|-------------------------------------|------------|------------|----------------|------------|------------|--------------------|------------|------------|---------------------|---------|---------|--------------------|--------|--------|------------------------|-----|-----|-------------------|-----|-----|------------|---------|---------|-------------------|---------|---------|--------------------|---------|---------|--------------|---------|---------|---------------------|--------------------|--------------------|-------------------------------|-----------|-----------|
| <b>B.4b</b>  | <b>Description of trends</b>   | <u>Not applicable</u> . 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</b>                                      | The Issuer is a company belonging to the Intesa Sanpaolo banking group (the " <b>Intesa Sanpaolo Group</b> "), of which Intesa Sanpaolo S.p.A. is the parent company.<br><br>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.<br><br>The Issuer is the investment banking arm and securities firm of the Intesa Sanpaolo Group.  |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| <b>B.9</b>   | <b>Profit forecast/estimate</b>  | <u>Not applicable</u> . No profit forecasts or estimates have been made in the Base Prospectus.   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| <b>B.10</b>  | <b>Qualifications in the audit report</b>  | <u>Not applicable</u> . No qualifications are contained in any audit report included in the Base Prospectus.  |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| <b>B.12</b>  | <b>Selected historical key information</b>   | <p><b>SELECTED FINANCIAL AND BALANCE SHEET FIGURES RELATING TO THE ISSUER<sup>1</sup></b></p> <p>The audited consolidated balance sheets and income statements as of, and for each of the years ended, 31 December 2015 and 2016 and selected unaudited income statement figures and balance sheet figures for the six months ending 30 June 2017 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:</p> <table border="1"> <thead> <tr> <th colspan="3"><i>Audited Consolidated Balance Sheets for the year ending 31 December 2016 compared with corresponding figures for the year ending 31 December 2015</i></th> </tr> <tr> <th>Assets</th> <th>31<br/>December<br/>2016</th> <th>31<br/>December<br/>2015</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;"><i>(EUR thousand)</i></td> </tr> <tr> <td>Cash and cash equivalents</td> <td>3</td> <td>4</td> </tr> <tr> <td>Financial assets held for trading</td> <td>53,477,591</td> <td>56,954,580</td> </tr> <tr> <td>Available-for-sale financial assets</td> <td>14,693,865</td> <td>11,643,236</td> </tr> <tr> <td>Due from banks</td> <td>53,305,542</td> <td>60,923,615</td> </tr> <tr> <td>Loans to customers</td> <td>27,798,310</td> <td>23,353,892</td> </tr> <tr> <td>Hedging derivatives</td> <td>154,440</td> <td>203,228</td> </tr> <tr> <td>Equity investments</td> <td>19,560</td> <td>13,324</td> </tr> <tr> <td>Property and equipment</td> <td>848</td> <td>878</td> </tr> <tr> <td>Intangible assets</td> <td>285</td> <td>287</td> </tr> <tr> <td>Tax assets</td> <td>489,371</td> <td>502,230</td> </tr> <tr> <td><i>a) current</i></td> <td>251,068</td> <td>292,543</td> </tr> <tr> <td><i>b) deferred</i></td> <td>238,303</td> <td>209,687</td> </tr> <tr> <td>Other assets</td> <td>467,011</td> <td>445,523</td> </tr> <tr> <td><b>Total Assets</b></td> <td><b>150,406,826</b></td> <td><b>154,040,797</b></td> </tr> <tr> <td><b>Liabilities and Equity</b></td> <td><b>31</b></td> <td><b>31</b></td> </tr> </tbody> </table> | <i>Audited Consolidated Balance Sheets for the year ending 31 December 2016 compared with corresponding figures for the year ending 31 December 2015</i> |  |  | Assets | 31<br>December<br>2016 | 31<br>December<br>2015 |  | <i>(EUR thousand)</i> |  | Cash and cash equivalents | 3 | 4 | Financial assets held for trading | 53,477,591 | 56,954,580 | Available-for-sale financial assets | 14,693,865 | 11,643,236 | Due from banks | 53,305,542 | 60,923,615 | Loans to customers | 27,798,310 | 23,353,892 | Hedging derivatives | 154,440 | 203,228 | Equity investments | 19,560 | 13,324 | Property and equipment | 848 | 878 | Intangible assets | 285 | 287 | Tax assets | 489,371 | 502,230 | <i>a) current</i> | 251,068 | 292,543 | <i>b) deferred</i> | 238,303 | 209,687 | Other assets | 467,011 | 445,523 | <b>Total Assets</b> | <b>150,406,826</b> | <b>154,040,797</b> | <b>Liabilities and Equity</b> | <b>31</b> | <b>31</b> |
| <i>Audited Consolidated Balance Sheets for the year ending 31 December 2016 compared with corresponding figures for the year ending 31 December 2015</i> |  |   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Assets   | 31<br>December<br>2016   | 31<br>December<br>2015  |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
|  | <i>(EUR thousand)</i>  |   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Cash and cash equivalents  | 3  | 4   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Financial assets held for trading  | 53,477,591   | 56,954,580  |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Available-for-sale financial assets  | 14,693,865   | 11,643,236  |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Due from banks   | 53,305,542   | 60,923,615  |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Loans to customers   | 27,798,310   | 23,353,892  |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Hedging derivatives  | 154,440  | 203,228   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Equity investments   | 19,560   | 13,324  |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Property and equipment   | 848  | 878   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Intangible assets  | 285  | 287   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Tax assets   | 489,371  | 502,230   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| <i>a) current</i>  | 251,068  | 292,543   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| <i>b) deferred</i>   | 238,303  | 209,687   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| Other assets   | 467,011  | 445,523   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| <b>Total Assets</b>  | <b>150,406,826</b>   | <b>154,040,797</b>  |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |
| <b>Liabilities and Equity</b>  | <b>31</b>  | <b>31</b>   |  |  |  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |           |           |

1 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 2017, this Element B.12 "Selected historical key information", of the Section B "Issuers and Guarantor" has been amended by the First Supplement dated 22 February 2018.

|  | <b>December<br/>2016</b><br><i>(EUR thousand)</i>        | <b>December<br/>2015</b>        |
|--|--|---------------------------------|
| Due to banks   | 60,716,591   | 68,073,695                      |
| Due to customers   | 18,989,914   | 16,026,878                      |
| Securities issued  | 11,282,639   | 13,866,789                      |
| Financial liabilities held for trading   | 53,551,620   | 51,653,544                      |
| Financial liabilities at fair value through profit and loss  | -  | -                               |
| Hedging derivatives  | 196,639  | 164,568                         |
| Tax liabilities  | 424,563  | 342,293                         |
| <i>a) current</i>  | 410,436  | 325,988                         |
| <i>b) deferred</i>   | 14,127   | 16,305                          |
| Other liabilities  | 450,312  | 587,215                         |
| Post-employment benefits   | 9,178  | 8,743                           |
| Provisions for risks and charges   | 30,387   | 24,074                          |
| <i>a) pensions and similar obligations</i>   | 12   | 12                              |
| <i>b) other provisions</i>   | 30,375   | 24,062                          |
| Fair value reserves  | (131,153)  | (50,076)                        |
| Equity Instruments   | 1,000,000  | -                               |
| Reserves   | 1,600,694  | 1,573,629                       |
| 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  | 741,718  | 533,715                         |
| <b>Total Liabilities and Equity</b>  | <b>150,406,826</b>                                       | <b>154,040,797</b>              |
| <b><i>Audited Consolidated Income Statements for the year ending 31 December 2016 compared with corresponding figures for the year ending 31 December 2015</i></b> |  |                                 |
|  | <b>31<br/>December<br/>2016</b><br><i>(EUR thousand)</i> | <b>31<br/>December<br/>2015</b> |
| Interest and similar income  | 1,337,482  | 1,470,106                       |
| Interest and similar expense   | (801,338)  | (891,695)                       |
| Net interest income  | 536,144  | 578,411                         |
| Fee and commission income  | 599,097  | 488,754                         |
| Fee and commission expense   | (217,026)  | (230,529)                       |
| Net fee and commission income  | 382,071  | 258,225                         |
| Dividends and similar income   | 38,035   | 41,092                          |
| Profits (Losses) on trading  | 554,800  | 328,785                         |
| Profit (Losses) on hedging   | (425)  | 7,797                           |
| Profits (Losses) on disposal or repurchase of:   | 150,754  | 184,890                         |
| <i>a) loans and receivables</i>  | 1,481  | (34,912)                        |
| <i>b) available-for-sale financial assets</i>  | 170,072  | 274,519                         |
| <i>c) held-to-maturity investments</i>   | -  | -                               |
| <i>d) financial liabilities</i>  | (20,799)   | (54,717)                        |
| Total income   | 1,661,379  | 1,399,200                       |
| Impairment losses/reversal of impairment losses on:  | (2,249)  | 2,942                           |
| <i>a) loans and receivables</i>  | (8,572)  | (421)                           |
| <i>b) available-for-sale financial assets</i>  | (1,618)  | (5,850)                         |
| <i>c) held-to-maturity investments</i>   | -  | -                               |
| <i>d) other financial assets</i>   | 7,941  | 9,213                           |
| Net financial income   | 1,659,130  | 1,402,142                       |
| Net banking and insurance income   | 1,659,130  | 1,402,142                       |
| Administrative expenses  | (574,278)  | (595,882)                       |
| <i>a) personnel expenses</i>   | (166,029)  | (162,051)                       |
| <i>b) other administrative expenses</i>  | (408,249)  | (433,831)                       |
| Net accruals to provision for risks and charges  | (8,118)  | 1,700                           |
| Depreciation and net impairment losses on property and equipment   | (346)  | (475)                           |

|  |   |   |                       |                             |
|--|---|---|-----------------------|-----------------------------|
|  |   | Amortisation and net impairment losses on intangible assets (78)  | (73)                  |                             |
|  |   | Other operating income (expenses)   | 8,224                 | 3,204                       |
|  |   | Operating expenses  | (574,596)             | (591,526)                   |
|  |   | Net gains on sales of equity investments  | 30,506                | 6,840                       |
|  |   | Pre-tax profit from continuing operations   | 1,115,040             | 817,456                     |
|  |   | Income tax expense  | (373,322)             | (283,741)                   |
|  |   | Post-tax profit from continuing operations  | 741,718               | 533,715                     |
|  |   | Profit for the year   | 741,718               | 533,715                     |
|  |   | Profit (loss) attributable to non-controlling interests   | -                     | -                           |
|  |   | <b>Profit attributable to the owners of the parent</b>  | <b>741,718</b>        | <b>533,715</b>              |
|  |   | <i>Unaudited consolidated Income Statement Selected Figures for the six months ending 30 June 2017 compared with corresponding figures for the six months ending 30 June 2016</i> |                       |                             |
|  |   |   | <b>30 June 2017</b>   | <b>30 June 2016</b>         |
|  |   |   | <i>(EUR thousand)</i> |                             |
|  |   |   |                       | <b>Percentage Variation</b> |
|  |   |   |                       | <i>(per cent)</i>           |
|  |   | Net interest income   | 260,800               | 270,576                     |
|  |   | Total income  | 760,525               | 909,632                     |
|  |   | Net financial income  | 705,381               | 894,327                     |
|  |   | Operating expenses  | (288,189)             | (256,816)                   |
|  |   | Pre-tax profit from continuing operations   | 423,803               | 658,675                     |
|  |   | Profit for the period   | 290,413               | 440,559                     |
|  |   |   |                       | - 3.6                       |
|  |   |   |                       | - 16.4                      |
|  |   |   |                       | - 21.1                      |
|  |   |   |                       | 12.2                        |
|  |   |   |                       | - 35.7                      |
|  |   |   |                       | - 34.1                      |
|  |   | <i>Unaudited consolidated Balance Sheet Selected Figures for the six months ending 30 June 2017 compared with corresponding figures for the year ending 31 December 2016</i>      |                       |                             |
|  |   |   | <b>30 June 2017</b>   | <b>31 December 2016</b>     |
|  |   |   | <i>(EUR thousand)</i> |                             |
|  |   |   |                       | <b>Percentage Variation</b> |
|  |   |   |                       | <i>(per cent)</i>           |
|  |   | Net investments <sup>2</sup>  | 28,804,820            | 27,724,281                  |
|  |   | Net funding <sup>3</sup>  | 38,260,656            | 37,683,602                  |
|  |   | Assets under management   | -                     | -                           |
|  |   | Financial assets <sup>4</sup>   | 62,456,253            | 68,171,456                  |
|  |   | Total assets  | 161,721,735           | 150,406,826                 |
|  |   | Net equity <sup>5</sup>   | 4,550,513             | 4,754,983                   |
|  |   | Share Capital   | 962,464               | 962,464                     |
|  |   |   |                       | 3.9                         |
|  |   |   |                       | 1.53                        |
|  |   |   |                       | -                           |
|  |   |   |                       | - 8.38                      |
|  |   |   |                       | 7.5                         |
|  |   |   |                       | - 4.3                       |
|  |   |   |                       | 0                           |
|  | <b>No material adverse change statement</b> | There has been no material adverse change in the prospects of the Issuer since 31 December 2016   |                       |                             |
|  | <b>Significant changes in</b>               | <u>Not applicable.</u> There has been no significant change in the financial or trading position of the Issuer since 30 June 2017. <sup>6</sup>                                   |                       |                             |

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

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

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

5 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.

6 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

|                               |  |  |
|-------------------------------|--|--|
|                               | <b>the financial or trading position</b>   |  |
| <b>B.13</b>                   | <b>Recent events impacting the Issuer's solvency</b>                               | <u>Not applicable</u> . 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<sup>7</sup></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.<br><br>In accordance to the Intesa Sanpaolo Group's 2018-2021 Business Plan (approved on 6 February 2018 by the Board of Directors of Intesa Sanpaolo S.p.A.) the Issuer will be merged into the parent company Intesa Sanpaolo S.p.A..  |
| <b>B.15</b>                   | <b>Description of the principal activities of the Issuer</b>                       | The Issuer is a banking institution engaged in investment banking activities. The Issuer 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>B.16</b>                   | <b>Control of Issuer<sup>8</sup></b>   | The Issuer is a wholly-owned direct subsidiary of Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo banking group.<br><br>In accordance to the Intesa Sanpaolo Group's 2018-2021 Business Plan (approved on 6 February 2018 by the Board of Directors of Intesa Sanpaolo S.p.A.) the Issuer will be merged into the parent company Intesa Sanpaolo S.p.A..   |
| <b>Section C – SECURITIES</b> |  |  |
| <b>C.1</b>                    | <b>Type and class of securities being offered / Security identification number</b> | The Securities are [Certificates] [Warrants]. The Securities are issued in [bearer form (" <b>Bearer Securities</b> ")][registered form (" <b>Registered Securities</b> ")]<br>[The Warrants are [European Style Warrants] [American Style Warrants] The Warrants are [Call] [and] [Call Spread] [and] [Put] [and] [Put Spread] [as specified for each Series in the Annex to the Summary]].<br>[The [Certificates] [Warrants] are [cash settled] [[and/or]] [physical settled].]<br>[BEARER SECURITIES<br>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.]<br>[REGISTERED SECURITIES<br>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] [or insert other clearing system[*]]. Definitive Exchangeable Bearer Securities [will] [will not] be exchangeable for definitive Registered Securities [specify details[*]]. Registered Securities will not be exchangeable for Bearer Securities or an interest therein.]<br>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.<br>The ISIN of the [Certificates][Warrants] is [[*][specified for each Series in the Annex to the Summary]]. |

2017, the "Significant changes in the financial or trading position", of the Section B "Issuers and Guarantor" has been amended by the First Supplement dated 22 February 2018.

7 As a result of the approval by the Board of Directors of Intesa Sanpaolo S.p.A. of the "Intesa Sanpaolo Group's 2018-2021 Business Plan", this Element B.14 "Issuer dependent upon other entities within the group" , of the Section B "Issuers and Guarantor" has been amended by the First Supplement dated 22 February 2018.

8 As a result of the approval by the Board of Directors of Intesa Sanpaolo S.p.A. of the "Intesa Sanpaolo Group's 2018-2021 Business Plan", this Element B.16 "Control of Issuer" , of the Section B "Issuers and Guarantor" has been amended by the First Supplement dated 22 February 2018.

|          |   | [The Securities are to be consolidated and form a single series with the <i>[insert title of relevant series of Securities]</i> issued on <i>[insert issue date]</i> .]   |              |                           |                                  |              |     |     |      |     |     |     |      |     |          |                   |  |  |
|----------|---|---|--------------|---------------------------|----------------------------------|--------------|-----|-----|------|-----|-----|-----|------|-----|----------|-------------------|--|--|
| C.2      | <b>Currency</b>   | [The Securities are issued in [•] (the " <b>Issue Currency</b> ") .]<br>[The Securities provide for a Settlement Currency that [is][may be] different from the currency in which the Issue Price was denominated (the " <b>Dual Currency Securities</b> ").]<br>[The Settlement Currency is [•] [the Issue Currency or the Dual Currency, as set out in Element C.18.]<br><i>[In relation to Dual Currency FX Certificates specify: The Dual Currency is [•].]</i>  |              |                           |                                  |              |     |     |      |     |     |     |      |     |          |                   |  |  |
| C.5      | <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 Ireland, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Luxembourg, Hellenic Republic, Hungary, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden and United Kingdom) and Switzerland.  |              |                           |                                  |              |     |     |      |     |     |     |      |     |          |                   |  |  |
| C.8      | <b>Description of rights and ranking</b>  | <i>[Insert in case of Cash Settled Securities: Each [Certificate] [Warrant] 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.]</i><br><br><i>[Insert in case of Physical Settled Securities or in case of Securities that could be either Cash Settled or Physical Settled: Each [Certificate] [Warrant]entitles its holder to receive from the Issuer on the Settlement Date the Entitlement, where positive [and an Early Redemption Event] has not occurred [or, alternatively, if a [•] Event has [not] occurred, the Cash Settlement Amount, where positive].]</i><br><br>[The Certificates provide also for the Remuneration Amount[s] specify at Element C.18 below.]<br><br>The [Certificates] [Warrants] 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.<br><br>The [Certificates] [Warrants] and any non-contractual obligations arising out of or in connection with the [Certificates] [Warrants] will be governed by, and shall be construed in accordance with, English Law. |              |                           |                                  |              |     |     |      |     |     |     |      |     |          |                   |  |  |
| C.11     | <b>Admission to trading of Securities</b>   | [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 [a date] [after] [or] [around]] the Issue Date.]<br><br>[Application [is expected to be made] [[has been][will be] [may [also] be] made] by the Issuer (or on its behalf) for the Securities to be [admitted to trading on [•] <i>[specify the market in Ireland, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Luxembourg, Hellenic Republic, Hungary, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden and United Kingdom]</i> ] [admitted to trading on [•] <i>[specify the trading venue in Ireland, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Luxembourg, Hellenic Republic, Hungary, Malta, Netherlands, Poland, Portuguese Republic, Republic of Italy, Slovak Republic, Slovenia, Spain, Sweden and United Kingdom]</i> ] with effect from [a date] [after] [or] [around]] the Issue Date.]  |              |                           |                                  |              |     |     |      |     |     |     |      |     |          |                   |  |  |
| C.15     | <b>Description of how the value of the investment is affected by the value of the underlying instrument</b> | Underlying[s] [[mean[s] [•] [are [•] as specified for each Series in the Annex to the Summary]]:<br><i>[in the case of Securities linked to one or more financial asset(s), [name of the Underlying [•]] [Share/ADRs/GDRs] [Index] [Commodity] [Futures Contract] [Exchange Rate] [Interest Rate] [Fund] [Proprietary Index] (the "<b>Underlying[s]</b>")]</i><br><i>[in the case of Securities linked to a Basket, a Basket of [ ] (each a "<b>Basket Constituent</b>") composed as follows:</i><br><table border="1" data-bbox="274 1603 1062 1809"> <thead> <tr> <th><i>i</i></th> <th><b>Basket Constituent</b></th> <th><b>Basket Constituent Weight</b></th> <th><b>[Cap]</b></th> </tr> </thead> <tbody> <tr> <td>[ ]</td> <td>[ ]</td> <td>[ ]%</td> <td>[ ]</td> </tr> <tr> <td>[ ]</td> <td>[ ]</td> <td>[ ]%</td> <td>[ ]</td> </tr> </tbody> </table><br><i>]</i><br><i>[(in case of Multiperformance Certificates insert:)</i><br>the following Underlyings:<br><table border="1" data-bbox="274 1984 735 2040"> <thead> <tr> <th><i>i</i></th> <th><b>Underlying</b></th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>   | <i>i</i>     | <b>Basket Constituent</b> | <b>Basket Constituent Weight</b> | <b>[Cap]</b> | [ ] | [ ] | [ ]% | [ ] | [ ] | [ ] | [ ]% | [ ] | <i>i</i> | <b>Underlying</b> |  |  |
| <i>i</i> | <b>Basket Constituent</b>   | <b>Basket Constituent Weight</b>  | <b>[Cap]</b> |                           |                                  |              |     |     |      |     |     |     |      |     |          |                   |  |  |
| [ ]      | [ ]   | [ ]%  | [ ]          |                           |                                  |              |     |     |      |     |     |     |      |     |          |                   |  |  |
| [ ]      | [ ]   | [ ]%  | [ ]          |                           |                                  |              |     |     |      |     |     |     |      |     |          |                   |  |  |
| <i>i</i> | <b>Underlying</b>   |   |              |                           |                                  |              |     |     |      |     |     |     |      |     |          |                   |  |  |
|          |   |   |              |                           |                                  |              |     |     |      |     |     |     |      |     |          |                   |  |  |

|     |     |
|-----|-----|
| [ ] | [ ] |
| [ ] | [ ] |
| [ ] | [ ] |

]

[in the case of Proprietary Index Securities, The Proprietary Index is composed of a non-risky component represented by the daily compounding of the EONIA Rate (the "**Non-Risky Component**") and a risky component represented by an Index Reference Fund (the "**Risky Component**") elected from time to time among the following Index Funds:

| Index Fund  | Identifier Code (ISIN) | Index Fund Name | Annual Percentage Fees | Nav Lag | Execution Delay |
|-------------|------------------------|-----------------|------------------------|---------|-----------------|
| Index FundA | [ ]                    | [ ]             | [ ]%                   | [ ]     | [ ]             |
| Index FundB | [ ]                    | [ ]             | [ ]%                   | [ ]     | [ ]             |

For the purpose of the rebalancing:

- the upper bound is equal to [ ] (the "**Upper Bound**") and
- the lower bound is equal to [ ] (the "**Lower Bound**")

The allocation of weights of the Risky Component and the Non-Risky Component will be determined on the basis of a target percentage equal to [•]% (the "**Target Volatility Level**").]

[in the case of Spread Certificates, the following two Underlyings:

- Underlying A: [name of the Underlying [•]] [Share/ADRs/GDRs] [Index] [Commodity] [Futures Contract] [Exchange Rate] [Interest Rate] [Fund] [a Basket composed of [specify basket constituents [•]] (each a Basket Constituent)]; and
- Underlying B: [name of the Underlying [•]] [Share/ADRs/GDRs] [Index] [Commodity] [Futures Contract] [Exchange Rate] [Interest Rate] [Fund] [a Basket composed of [specify basket constituents [•]] (each a Basket Constituent)] the ("**Spread**")]

[in the case of Multiperformance Certificates insert:, in relation to the calculation of [specify remuneration amount [•]] [and of] the Settlement Amount, the sum of the performances of each Underlying (the "**Cumulated Performance**") will be considered.]

[in the case of Gap Certificates insert:, in relation to the calculation of [the Premium Gap Amount[s]] [and of] the Settlement Amount, the daily performance of the Underlying on the basis of its [Reference Value(the "**Gap Daily Performance**") will be considered.]

[in the case of Buffer Protection Certificates insert:, in relation to the calculation of [specify remuneration amount [•]] [and of] the Settlement Amount, the sum of the performances of the Underlying (the "**Performance Sum**") in respect of any Performance Observation Date, will be considered.]

[[in case of Currency Certificates insert:the following exchange rates:

| exchange rate | Exchange Rate Weight |
|---------------|----------------------|
| [ ]           | [ ]%                 |
| [ ]           | [ ]%                 |
| [ ]           | [ ]%                 |

]

[in the case of Global Performance Certificates insert:, in relation to the calculation of [specify remuneration amount [•]] [and of] the Settlement Amount, the [sum][average] of the performances of the Underlying (the "**Performance Sum**") in respect of any Performance Observation Date, will be considered.]

In particular, the Securities 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].   |
| C.16 | <b>The expiration or maturity date of the derivative securities – the exercise date or final reference date</b> | <p><u>Exercise Date</u><br/> <i>[In the case of Warrants insert:</i><br/> [The Securities are European Style Warrants. The Exercise Date of the Securities is [[•] [specified for each Series in the Annex to the Summary]].]<br/> [The Securities are American Style Warrants. The American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period [from [•] to [•]] [specified for each Series in the Annex to the Summary].]</p> <p><i>[In the case of Certificates insert:</i><br/> Each Certificate shall be automatically exercised on the Exercise Date. The Exercise Date is [•]. [Otherwise, they may be redeemed before the Exercise Date upon the occurrence of an Early Redemption Event.]</p> <p><i>[If a Call Option/Put Option is applicable:</i> the Certificates may be redeemed also in the case of the exercise of the [Call Option by the Issuer (on [the] [a] Call Valuation Date, i.e. [•])] [or] [Put Option by the investor (on [the] [a] Put Valuation Date, i.e. [•])].]</p> <p><i>[In case of Benchmark Certificates, if the Open End Feature is applicable:</i> 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, i.e. [•])] [or] [Put Option by the investor (on [the] [a] Put Valuation Date, i.e. [•])].]</p> <p><u>Valuation Date</u><br/> The Valuation Date of the Securities is [[•] [specified for each Series in the Annex to the Summary]], subject to certain adjustment provisions which will apply if it is not a scheduled trading day on which [(i) the Index Sponsor fails to publish the level of the Index,] [(ii) [(i)] any relevant stock exchange fails to open for trading during its regular trading session or [(iii) [(ii)] certain market disruption events have occurred.]</p> <p><u>Settlement Date</u><br/> <i>[Insert if the Securities are Cash Settled:</i><br/> [The Settlement Date of the Securities is [•]]<br/> [The Settlement Date of the Securities is specified for each Series in the Annex to the Summary.]]<br/> <i>[Insert if the Securities are Physically Settled Securities:</i><br/> The Settlement Date of the Securities is [•].]</p>  |
| C.17 | <b>Settlement procedure</b>   | <p><i>[Insert if the Securities are Cash Settled Securities:</i><br/> The Issuer shall pay or cause to be paid the Cash Settlement Amount (if any) for each Security 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. 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 Securities must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each such payment.]</p> <p><i>[Insert if the Securities are Physically Settled Securities:</i><br/> [In the case of physical delivery,][S][s]subject to payment of any Expenses <i>[Insert in case of Warrants:</i> and of the Premium] with regard to the relevant Securities, the relevant Issuer shall, on the Settlement Date, deliver, or procure the delivery of, the Entitlement for each Security pursuant to the details specified in a notice (the “<b>Physical Delivery Confirmation Notice</b>”) provided by the relevant Securityholder.</p> <p>In the event that no valid Physical Delivery Confirmation Notice has been duly delivered at or prior to 10.00 a.m. (Brussels or Luxembourg time, as the case may be) on the Exercise Date in respect of a Security, the Issuer in respect of such Security shall pay or cause to be paid the Assessed Value Payment Amount by credit or transfer to the Securityholder's account with Euroclear or Clearstream, Luxembourg as soon as reasonably practicable following the determination of the Assessed Value Payment Amount. Upon payment of the Assessed Value Payment Amount as aforesaid, the Issuer's obligations in respect of such Certificate shall be discharged. The “Assessed Value Payment Amount” means an amount determined by the Calculation Agent to be the fair market value of the Relevant Assets comprised in the Entitlement in respect of the relevant Certificate, less any Expenses.]</p> <p><i>[Insert if the Securities have an option to vary settlement:</i><br/> Upon a valid exercise of Securities, the Issuer may, at its sole and unfettered discretion, in respect of each such Security, elect not to pay the relevant Securityholders the Cash Settlement Amount or not to deliver or procure delivery of the Entitlement to the relevant Securityholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Securityholders, as the case may be. Notification of such election will be given to Securityholders no</p> |

|             |   |   |
|-------------|---|---|
|             |   | later than 10.00 a.m. (Luxembourg time) on the second Business Day following [the Exercise Date] [the Actual Exercise Date].]   |
| <b>C.18</b> | <b>Description of how the return on derivative securities takes place</b> | <p>[The [Certificates][Warrants] have an issue price equal to [•] [(the "Issue Price")][(the "Premium").]</p> <p><i>[If the Discount Price is applicable insert: The Certificates will be traded on the basis of the discount price, which is lower than the Issue Price and is equal to [•] (the "Discount Price").]</i></p> <p style="text-align: center;"><b>[REMUNERATION AMOUNT[S]</b></p> <p>The Certificates provide for the following remuneration amount[s]. <i>[For each remuneration amount specify, if applicable: The [specify remuneration amount [•]] will cease to be due upon occurrence of a Knock-out Event, described as follows.][becomes payable after the occurrence of a Knock-in Event, described as follows.]</i></p> <p><u><i>[Knock-out Feature]</i></u></p> <p>The [specify remuneration amount(s) [•]] eventually payable, will cease to be due and payable to the Securityholders if the [Reference Value of the [relevant] Underlying] [Spread] [the Cumulated Performance] on [specify the date(s) of the period and for each period if more than one: [•]] (the "[specify the number if more than one [•]] <b>Knock-out Valuation Period[s]</b>") is [lower than] [higher than] [[or] equal to] [specify the level of the period and for each period if more than one: [•]] (the "<b>Knock-out Level[s]</b>") (such event a "<b>Knock-out Event</b>"). [Upon the occurrence of a Knock-out Event the investor will not benefit from the payment of any further [specify remuneration amount [•]].]</p> <p><u><i>[Knock-in Feature]</i></u></p> <p>The [specify remuneration amount(s) [•]] will become payable to the Securityholders if the [Reference Value of the [relevant] Underlying] [Spread] [the Cumulated Performance] on [specify the date(s) of the period and for each period if more than one: [•]] (the "[specify the number if more than one [•]] <b>Knock-in Valuation Period[s]</b>") is [lower than] [higher than] [[or] equal to] [specify the level of the period and for each period if more than one: [•]] (the "<b>Knock-in Level[s]</b>") (such event a "<b>Knock-in Event</b>").]</p> <p style="text-align: center;"><b>[DIGITAL AMOUNT[S]</b></p> <p>The Certificates provide for the Digital Amount[s].</p> <p>In particular, if the [Reference Value of the [relevant] Underlying][Spread][Cumulated Performance] on [specify the date(s) of the period and for each period if more than one: [•]] (the "[specify the number if more than one [•]] <b>Digital Valuation Period[s]</b>"),</p> <p><i>[If Single Level Option/Multiple Level Option is applicable insert: is [lower than] [higher than] [[or] equal to] [specify the level(s) of the period and for each period if more than one: [•]] (the "<b>Digital Level[s][•]</b>"),]</i></p> <p><i>[If Range Level Option is applicable insert: falls [within] [out of] a range between [specify the level of the period and for each period if more than one: [•]] [included][excluded] (the "<b>Up Range Digital Level[s]</b>") and [specify the level of the period and for each period if more than one: [•]] [included/excluded] (the "<b>Down Range Digital Level[s]</b>"),]</i></p> <p><i>[If Cliquet Feature is applicable insert: is [lower than] [higher than] [[or] equal to] [specify the level of the period: [•]] (the "<b>Digital Level</b>") (provided that 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),]</i></p> <p>the investor will receive the [relevant] amount (the "<b>Digital Amount[s]</b>"), equal to</p> <p><i>[specify the amount(s) for the level/period and for each level/period if more than one: [•]] [If a Multiple Level Option is applicable insert: On the [relevant] Digital Valuation Period, the investor will receive only the Digital Amount corresponding to the higher Digital Level reached by the Reference Value of the Underlying.]</i></p> <p><i>[If Coupon Event is applicable: equal to [•] (the "<b>Coupon Premium 1</b>"), if the [Reference Value of the [relevant] Underlying] [Spread] [the Cumulated Performance] on [specify the date(s) of the period: [•]] (the "<b>Coupon Determination Period</b>") is [lower than] [higher than] [[or] equal to] [•] (the "<b>Coupon Level</b>") (such event a "<b>Coupon Event</b>"). Otherwise, if the Coupon Event does not occur, the Digital Amount[s] will be equal to [•] (the "<b>Coupon Premium 2</b>").]</i></p> <p>[In relation to the Digital Amount[s], the following effect[s] [applies][apply]:</p> <p style="text-align: center;"><i>[Consolidation Effect]</i></p> <p>If the [Reference Value of the [relevant] Underlying] [Spread][Cumulated Performance] on [specify the date(s) of the period and for each period if more than one: [•]] (the "[specify the number if more than one [•]] <b>Consolidation Valuation Period[s]</b>") is [lower than] [higher than] [[or] equal to] [specify the level of the period and for each period if more than one: [•]] (the "<b>Consolidation Level[s]</b>"),] the Digital Event will automatically occur without further determinations for all the Digital Valuation Periods following the occurrence of the [relevant] Consolidation Valuation Period.]</p> |

[Memory Effect

If the [Reference Value of the [relevant] Underlying][Spread][Cumulated Performance] on [specify the date(s) of the period and for each period if more than one: [•]] (the "[specify the number if more than one [•]] **Memory Valuation Period[s]**") is [lower than] [higher than] [[or] equal to] [specify the level of the period and for each period if more than one: [•]] (the "**Memory Level[s]**"), the investor will receive the previously unpaid Digital Amount[s] [(except where such Digital Amount[s] [was][were] already paid due to the occurrence of a Memory Effect in a previous Memory Valuation Period)].

[Path Dependency Effect

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

[ACCUMULATED AMOUNT[S]

The Certificates provide for the Accumulated Amount[s].

In particular, the investor will be entitled to receive, in relation to the following date[s]: [specify the dates: [•]] (the "[specify the number if more than one [•]] **Accumulated Valuation Date[s]**") the [relevant] amount (the "**Accumulated Amount**"), that will be equal to the product between an amount, equal to [specify the amount(s) for each period if more than one: [•]] (the "**Accumulating Amount[s]**"), and the number of Accumulating Events (as defined below) occurred during the [relevant] period (such period, the "**Accumulating Valuation Period**"). The Accumulating Valuation Period[s] [is][are]: [specify the date(s) of the period and for each period if more than one: [•]] [if more than one period, insert: (the "[specify the number if more than one [•]] **Accumulating Valuation Period**")].

The occurrence of the Accumulating Event[s] will be contingent upon the [Reference Value of the [relevant] Underlying][Spread][Cumulated Performance] on the [relevant] Accumulating Valuation Period [being [lower than][higher than][or][equal to] [specify the level of the period and for each period if more than one: [•]] (the "**Accumulating Level[s]**"),][falls [within] [out of] a range between [specify the level of the period and for each period if more than one: [•]] [included][excluded] (the "**Up Range Accumulating Level[s]**") and [specify the level of the period and for each period if more than one: [•]] [included/excluded] (the "**Down Range Accumulating Level[s]**")].

[If an Early Redemption Level is provided, and if applicable, specify: The Accumulated Amount will be paid only upon occurrence of an Early Redemption Event (as indicated in relation to the Early Redemption Amounts). In such case, the Accumulated Amount will be paid on the Accumulated Payment Date coinciding with, or immediately after, the Early Payment Date in relation to which an Early Redemption Event has occurred.]]

[PLUS AMOUNT[S]

The Certificates provide for the unconditional payment of the Plus Amount[s], that [is][are] not linked to the performance of the Underlying. The Plus Amount[s] [is][are] equal to [specify the amount(s) for each payment date if more than one: [•]], and will be paid on the following date[s]: [specify the date(s): [•]] (the "[specify the number if more than one [•]] **Plus Payment Date[s]**").]

[INTERNAL RETURN AMOUNT[S]

The Certificates provide for the 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 the following date[s]: [specify the date(s): [•]] (the "[specify the number if more than one [•]] **Annual Valuation Date[s]**"). [if a IRA Cap is applicable: in addition, the Internal Return Amount[s] will be subject to a maximum amount represented by the IRA Cap, i.e. [•]].]

[PARTICIPATION REMUNERATION AMOUNT[S]

The Certificates provide for the Participation Remuneration Amount[s].

The Participation Remuneration Amount consists of an amount determined on the following date[s]: [specify the date(s): [•]] (the "[specify the number if more than one [•]] **Participation Valuation Date[s]**"), which is linked to the [positive (i.e. it increases if the performance is positive and it is equal to zero if such performance is negative)][negative (i.e. such remuneration increases if the performance is negative and it is equal to zero if the performance is positive)] performance of the [[relevant] Underlying][Spread] during the following period[s]: [specify the date(s) of the period and for each period if more than one: [•]] (the "[specify the number if more than one [•]] **Participation Valuation Period[s]**"). [If a Cap is applicable: The Participation Remuneration Amount[s] will not be higher than equal to [•]] (the "**Cap**").]

[In relation to the Participation Remuneration Amount[s], the following feature[s] [applies][apply]:

[Participation Rebate Feature

If the [Reference Value of the [relevant] Underlying][Spread] on the following period[s]: [*specify the date(s) of the period and for each period if more than one: [•]*] (the "*specify the number if more than one [•]*" **Participation Rebate Valuation Period[s]**"), is [lower than] [higher than] [[or] equal to] [*specify the level of the period and for each period if more than one: [•]*] (the "**Participation Rebate Level[s]**"), (such event a "**Participation Rebate Event**"), the investor will receive the amount[s] equal to [*specify the amount(s) in relation to each period if more than one: [•]*] (the "**Participation Rebate Amount[s]**") following the Participation Rebate Valuation Period on which the Participation Rebate Event has occurred. Otherwise, if a Participation Rebate Event has not occurred during a Participation Rebate Valuation Period, the Certificates will pay the [relevant] Participation Remuneration Amount.

*[Net Profit Feature*

The sum of the [*specify remuneration amount [•]*] already paid prior to [each] [the] [Participation Valuation Date] will be deducted from the Participation Remuneration Amount to be paid, provided that the resulting amount cannot be lower than zero.]

**[PREMIUM GAP AMOUNT[S]**

Gap Certificates provide for the payment of the Premium Gap Amount[s].

Such amount[s] may vary depending on the occurrence of a Barrier Gap Event. The Barrier Gap Event occurs if the Gap Daily Performance on the following period[s]: [*specify the date(s) of the period and for each period if more than one: [•]*] (the "*specify the number if more than one [•]*" **Barrier Gap Observation Period[s]**"), is [lower than] [higher than] [[or] equal to] [*specify the level of the period and for each period if more than one: [•]*] (the "**Barrier Gap Level[s]**"), (such event a "**Barrier Gap Event**"). The date on which the Barrier Gap Event has occurred is the "**Barrier Gap Event Date**".

After the occurrence of the Barrier Gap Event:

- The Premium Gap Amount[s] will be determined on the basis of the actual number of days within the [relevant] Premium Gap Observation Period and not on the basis of all the days of the [relevant] Premium Determination Period and
- [after the payment of the Premium Gap Amount that will be paid on the payment date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the investors.]

The Premium Determination Period[s] [is][are] the following: [*specify the date(s) of the period and for each period if more than one: [•]*] [(the "*specify the number if more than one [•]*" **Premium Determination Period[s]**)].

[Each] [The] Premium Gap Observation Period will be the period from the initial date of the [relevant] Premium Determination Date [included][excluded], to the [relevant] Barrier Gap Event Date [included][excluded]. If the Barrier Event has not occurred the Premium Gap Observation Period will coincide with the [relevant] Premium Determination Period.

[*Specify the determination method for each Premium Determination Method:* The determination method of the Premium Gap Amount [in relation to the [•] Premium Determination Period] is:

[FLOATING PREMIUM: the investor will receive a Premium Gap Amount linked to a percentage equal to [•] (the "**Premium Percentage**") of the [•] [EURIBOR] [LIBOR][CMS Rate][EONIA Rate] [[+/-][•] (the "**Premium Margin**")]. Such amount shall be calculated on the basis of the number of days during of the [relevant] Premium Gap Observation Period, according to the day count fraction [ACT/360][Actual/Actual].]

[FIXED PREMIUM: the investor will receive a Premium Gap Amount linked to a percentage equal to [•] (the "**Premium Percentage**"). Such amount shall be calculated on the basis of the number of days during of the [relevant] Premium Gap Observation Period, according to the day count fraction [ACT/360][Actual/Actual].]

[DIFFERENCE IN RATES: the investor will receive a Premium Gap Amount linked to a percentage equal to [•] (the "**Premium Percentage**") of the difference between [*specify the relevant Reference Rate 1 which can be a Reference Entity [•]*] and [*specify the relevant Reference Rate 2 which can be a Reference Entity [•]*], provided that if such amount is less than zero, it shall be deemed to be zero. Such amount shall be calculated on the basis of the number of days during of the [relevant] Premium Gap Observation Period, according to the day count fraction [ACT/360][Actual/Actual].]

\*\*\*\*

**[EARLY REDEMPTION AMOUNT[S]**

The Certificates provide the possibility of an automatic early redemption if an Early Redemption Event has occurred.

[In particular, if the [[Reference Value] of the [relevant] Underlying[s]] [Spread] [Cumulated Performance] in relation to [*specify the date(s) of the period and for each period if more than one: [•]*] [(the "*specify the number if more than one [•]*" **Early Redemption Valuation Period[s]**")] is [*specify in relation to each period if different: [lower than] [higher than] [[or] equal to] the Early Redemption Level [and][or] [has been, at least once during the [relevant] Early Redemption Valuation Period, [lower than] [higher than] [[or] equal to] the Early Redemption Level [and][or] [has never been during the [relevant] Early Redemption Valuation Period [lower than] [higher than] [[or] equal to] the Early Redemption Level], equal to [*specify the level of the period or the different levels for the same period and for each period if more than one: [•]*], the certificate will be automatically redeemed and*

the Securityholder will receive on the [relevant] Early Payment Date, i.e. [•], the payment of the [relevant] amount, [equal to [specify the amount(s) in relation to each period if more than one: [•]]] (the "**Early Redemption Amount[s]**") [In the case the Coupon Event is applicable: equal to [•] (the "**Coupon Premium 1**"), if the [Reference Value of the [relevant] Underlying] [Spread] [the Cumulated Performance] on [specify the date(s) of the period: [•]] (the "**Coupon Determination Period**") is [lower than] [higher than] [[or] equal to] [•] (the "**Coupon Level**") (such event a "**Coupon Event**"). Otherwise, if the Coupon Event does not occur, the Early Redemption Amount[s] will be equal to [•] (the "**Coupon Premium 2**").]

[In particular, if the Accumulated Amount[s] payable on the [relevant] Accumulated Valuation Date is [lower than][higher than][or][equal to] the [relevant] [specify the amount(s) in relation to Accumulated Valuation Date if more than one: [•]] (the "**Accumulating Autocallable Trigger**"), the certificate will be automatically redeemed and the Securityholder will receive on the [relevant] Early Payment Date, i.e. [•], the payment of the [relevant] amount, equal to [specify the amount(s) in relation to each period if more than one: [•]] (the "**Early Redemption Amount[s]**").]

\*\*\*\*

#### [[CASH] SETTLEMENT AMOUNT

The Securityholder will receive on the Settlement Date [if an Early Redemption Event has not occurred] for each Minimum Exercise [Amount][Number] [specified for each Series in the Annex to the Summary] the payment of the Cash Settlement Amount (if positive) determined as follows [Insert In the event of Non Quanto Securities, provided that, since 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.]]

#### **CALCULATION METHOD IN THE CASE OF [POSITIVE] [AND] [NEGATIVE] PERFORMANCE OF THE [RELEVANT] UNDERLYING [[BARRIER EVENT] [BARRIER GAP EVENT] NOT OCCURRED]**

##### [STANDARD [LONG][SHORT] CERTIFICATES

The investor will receive an amount linked to a percentage of the Initial Reference Value, equal to [•] (the "**Initial Percentage**").]

##### [MAX [LONG] [SHORT] [CAP] CERTIFICATES

[The investor will receive a percentage of the invested capital equal to [•] with the possibility to participate to the [increasing] [decreasing] performance of the Underlying depending on a percentage equal to [•] (the "**Participation Factor**").] [The Cash Settlement Amount will not exceed the Cap Level, equal to [•].] [If the Restrike Feature is applicable insert: Upon the occurrence of a Restrike Event, which occurs if, on [specify the date(s) of the period and for each period if more than one: [•]] [(the "[specify the number if more than one [•]] Restrike Observation Period[s]"), the Reference Value is [higher than] [lower than] [[or] equal to] [•] (the "**Restrike Level**"), [Insert in the case of Cap Style 1: 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 that depend on the Initial Reference Level will be consequently amended.][Insert in the case of Cap Style 2: the Cap Level will not be taken into consideration for the purposes of the Cash Settlement Amount.]]

##### [TYPE A SPREAD CERTIFICATES

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 [CAP] SPREAD CERTIFICATES

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 (2) an amount linked to a percentage of the Spread equal to [•] (the "**Participation Factor**"). [In any case, the Cash Settlement Amount will not be higher than the CAP, equal to [•].]

##### [TYPE C [CAP] SPREAD CERTIFICATES

###### **a. If the Spread [[+/-] [•]] is higher than or equal to 0:**

In this case, the investor will receive an amount that will depend on the Participation Factor, equal to [•] multiplied by the Spread [[+/-] [•]] [, but it will not be higher than [•] (the "**Cap Amount**").]

###### **b. If the Spread [[+/-] [•]] is lower than 0:**

In this case, the investor will receive an amount that will depend on the Down Participation Factor, equal to [•] multiplied by the Spread [[+/-] [•]] [, but it will not be lower than [•] (the "**Protection Amount**").]

##### [TWIN WIN [CAP] CERTIFICATES

**a. If the Final Reference Value is higher than or equal to the Initial Reference Value, multiplied by the**

**Strike Percentage (equal to [•]):**

In this case, the investor will receive the capital invested plus an amount linked to the performance of the Underlying multiplied by a percentage equal to [•] (the "**Participation Factor**"). [In any case, the Cash Settlement Amount will not be higher than the CAP, equal to [•].]

**b. If the Final Reference Value is lower than the Initial Reference Value, multiplied by the Strike Percentage (equal to [•]) (and the Barrier Event, if applicable, has not occurred):**

In this case, the investor will receive the capital invested plus an amount linked to the performance of the Underlying, multiplied by a percentage equal to [•] (the "**Down Participation Factor**"). [In any case, the Cash Settlement Amount will not be higher than the Cap Down Amount, equal to [•].]

[BENCHMARK [LONG] [SHORT] CERTIFICATES

[The investor will be exposed to the performance of the Underlying. As a result, on the Settlement Date, the investor will receive an amount, if positive, equal to the Final Reference Value multiplied by the Multiplier][The exposure of the investor will be inversely proportioned to the performance of the Underlying, therefore the investor will receive an amount, if positive, equal to the difference between the Strike Price, equal to [•], and the Final Reference Value, multiplied by the Multiplier] [net of [the Annual Management Fee, which will be calculated on the basis of a percentage equal to [•] (the "**AMF Percentage**") [the Variable Management Fee, which will be calculated on the basis of a percentage equal to [•] (the "**AMF Percentage**") and on the basis of a percentage equal to [•] (the "**VMF Percentage**")]]] [Insert in the case of physically settled Certificates: the Entitlement, being the quantity of [specify relevant assets] (the "**Relevant Assets**")].

[OUTPERFORMANCE [LONG] [SHORT] [CAP] CERTIFICATES

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

In this case, the investor will receive a Cash Settlement Amount, if positive, linked to the performance of the Underlying, depending on a percentage equal to [•] (the "**Up Participation Factor**"). [The Cash Settlement Amount will not exceed the Cap Level, equal to [•].]

**b. If the Final Reference Value is lower than the Initial Reference Value:**

In this case, the investor will receive a Cash Settlement Amount, if positive, linked to the performance of the Underlying, depending on a percentage equal to [•] (the "**Down Participation Factor**").]

[BUFFER PROTECTION CERTIFICATES]

[The Cash Settlement Amount will depend on whether a Buffer Event has occurred. In particular, the Buffer Event will occur if on [•] (the "**Buffer Valuation Date[s]**"), the Performance Sum is [lower than] [higher than] [[or] equal to] [•] (the "**Buffer Percentage**").

**a. If the Buffer Event has not occurred during the life of the Certificates:**

In this case, the investor will receive an amount linked to a percentage of the Initial Reference Value equal to [•].

**b. If the Buffer Event has occurred during the life of the Certificates**

In this case, the investor will receive in any case at least a percentage of the Issue Price equal to [•] (the "**Protection Percentage**"), with the possibility to receive a higher amount which will depend on the Performance Sum and on the Buffer Percentage.]

[GLOBAL PERFORMANCE [CAP] CERTIFICATES]

[The investor will receive in any case at least a percentage of the Issue Price equal to [•] (the "**Protection Percentage**"), with the possibility to receive a higher amount which will depend on the Global Performance. [In any case, the Cash Settlement Amount will not be higher than the Cap Down Amount, equal to [•].]

[LUCKY PROTECTION [LONG] CERTIFICATES

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

[In this case the investor will receive a Cash Settlement Amount which reflects the positive performance of the Underlying, depending on a percentage equal to [•] (the "**Participation Factor**").]

[In this case the investor will receive a Cash Settlement Amount linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]

**b. if the Final Reference Value is lower than the Initial Reference Value:**

In this case the investor will never receive an amount lower than the Dropdown Protection Level, equal to [•].]

[LUCKY PROTECTION [SHORT] CERTIFICATES

**a. if the Final Reference Value is equal to or lower than the Initial Reference Value:**

[In this case the investor will receive a Cash Settlement Amount which reflects the negative performance of the Underlying, depending on a percentage equal to [•] (the "**Participation Factor**").]

[In this case the investor will receive a Cash Settlement Amount linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]

**b. if the Final Reference Value is lower than the Initial Reference Value:**

In this case the investor will never receive an amount lower than the Dropdown Protection Level, equal to [•].]

[DYNAMIC PROTECTION [LONG] CERTIFICATES

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

[In this case, the investor will receive a Cash Settlement Amount which reflects the positive performance of the Underlying, depending on a percentage equal to [•] (the "**Participation Factor**").]

[In this case the investor will receive a Cash Settlement Amount linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]

**b. if the Final Reference Value is lower than the Initial Reference Value but equal to or higher than the Dynamic Protection Level:**

In this case, the investor will receive a Cash Settlement Amount linked to the performance of the Underlying multiplied by a percentage whose value will be determined by subtracting to a percentage equal to [•] (the "**Initial Gearing**") the Final Gearing. The Final Gearing is calculated as the number of Gearing Events occurred during the life of the Certificates, multiplied by a percentage equal to [•] (the "**Gearing**"). The Gearing Event will occur when the Reference Value of the Underlying is [lower than] [higher than] [[or] equal to] the [relevant] Gearing Level, which is equal to [•].

**c. if the Final Reference Value is lower than the Dynamic Protection Level:**

In this case, the investors will receive a Cash Settlement Amount represented by the sum of (i) the Protection Amount, equal to [•] and (ii) the Step Up Amount, equal to [•], multiplied by the number of Gearing Events occurred during the life of the Certificates.]

[DYNAMIC PROTECTION [SHORT] CERTIFICATES

**a. if the Final Reference Value is equal to or lower than the Initial Reference Value:**

[In this case, the investor will receive a Cash Settlement Amount inversely proportioned to the performance of the Underlying, depending on a percentage equal to [•] (the "**Participation Factor**").]

[In this case the investor will receive a Cash Settlement Amount linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]

**b. if the Final Reference Value is higher than the Initial Reference Value but equal to or higher than the Dynamic Protection Level:**

In this case, the investor will receive a Cash Settlement Amount linked to the performance of the Underlying multiplied by a percentage whose value will be determined by subtracting to a percentage equal to [•] (the "**Initial Gearing**") the Final Gearing. The Final Gearing is calculated as the number of Gearing Events occurred during the life of the Certificates, multiplied by a percentage equal to [•] (the "**Gearing**"). The Gearing Event will occur when the Reference Value of the Underlying is [lower than] [higher than] [[or] equal to] the [relevant] Gearing Level, which is equal to [•].

**c. if the Final Reference Value is higher than the Dynamic Protection Level:**

In this case, the investors will receive a Cash Settlement Amount represented by the sum of (i) the Protection Amount, equal to [•] and (ii) the Step Up Amount, equal to [•], multiplied by the number of Gearing Events occurred during the life of the Certificates.]

[CURRENCY CERTIFICATES

In relation to such type, the investor will receive a percentage of the Issue Price depending on the weighted sum of the performances of the Underlyings.][*Insert if a Protection Percentage is applicable:* In any case the Cash Settlement Amount will not be lower than an amount equal to the Protection Percentage equal to [•], multiplied by the Issue Price.]

[MULTIPERFORMANCE [LONG] [SHORT] CERTIFICATES

The investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value equal to [•] (the "**Initial Percentage**").]

[MULTIPERFORMANCE MAX LONG [CAP] CERTIFICATES

[The investor will receive a percentage of the invested capital, equal to [•], with the possibility to participate to the increasing Cumulated Performance of the Underlyings depending on the Up Participation Factor, equal to [•].]  
[The amount will not be higher than [•] (the "**Cap Amount**").]

[MULTIPERFORMANCE MAX SHORT [CAP] CERTIFICATES

[The investor will receive a percentage of the invested capital, equal to [•], with the possibility to participate to the decreasing Cumulated Performance of the Underlyings depending on the Up Participation Factor, equal to [•].]  
[The amount will not be higher than [•] (the "**Cap Amount**").]

[DUAL CURRENCY FX [LONG] [SHORT] CERTIFICATES

The investor will receive an amount in the Issue Currency linked linked to a percentage of the Initial Reference

Value equal to [•] (the "**Initial Percentage**").]

[GAP [LONG] [SHORT] CERTIFICATES

The investor will receive a percentage of the invested capital, equal to [•] (the "**Initial Percentage**").]

[SWITCH CERTIFICATES

**a. if the Switch Event has not occurred during the life of the Certificates:**

In this case, the Cash Settlement Amount will be calculated [•]. The Switch Event will occur if the [Reference Value] of the [Underlying] on [specify the date(s) of the period and for each period if more than one: [•]] (the "[specify the number if more than one [•]] **Switch Valuation Period[s]**"), is [lower than] [higher than] [[or] equal to] [specify the level of the period and for each period if more than one: [•]] (the "**Switch Level[s]**").]

[[[CALL][PUT][SPREAD] WARRANTS

The investor is entitled to receive, upon payment of the Premium, [in case of cash settled Warrants: a Cash Settlement Amount equal to: [in case of Call Warrants: the Notional Amount [specified for each Series in the Annex to the Summary] multiplied for the maximum between 0% and the performance of the Underlying] [in case of Call Spread Warrants: the Notional Amount [specified for each Series in the Annex to the Summary] multiplied by the minimum between the CAP (equal to [•]) and the maximum between 0% and the performance of the Underlying] [in case of Put Warrants: the Notional Amount [specified for each Series in the Annex to the Summary] multiplied for the maximum between 0% and the difference between 1 and the ratio between the Final Reference Value and the Initial Reference Value] [in case of Put Spread Warrants: the Notional Amount [specified for each Series in the Annex to the Summary] multiplied for the minimum between the CAP (equal to [•]) and the maximum between 0% and the difference between 1 and the ratio between the Final Reference Value and the Initial Reference Value] [in case of physically settled Warrants: the Entitlement, being the quantity of [specify relevant assets] (the "**Relevant Assets**") equal to: [•]]]

**[CALCULATION METHOD IN THE CASE OF [NEGATIVE] [POSITIVE] PERFORMANCE OF THE [RELEVANT] UNDERLYING – ([BARRIER EVENT] [BARRIER GAP EVENT] OCCURRED)**

The [Barrier Event] [Barrier Gap Event] will occur if [on the [last] Valuation Date] [during the Barrier Event Determination Period[s]] [during the Barrier Gap Observation Period[s]], the [Final Reference Value] [Reference Value] [Spread][Cumulated Performance] [Gap Daily Performance] of the [relevant] Underlying[s] [Specify in relation to which Underlying if more than one [•]]] is [lower than] [higher than] [[or] equal to] [the Barrier Level][the Barrier Gap Level] equal to [specify the level of the period or the different levels for the same period and for each period if more than one: [•] [[and][or] [has been, at least once during the [relevant] [Barrier Event Determination Period] [Barrier Gap Observation Period] [lower than] [higher than] [[or] equal to] [the Barrier Level][the Barrier Gap Level] equal to [specify the level of the period or the different levels for the same period and for each period if more than one: [•]][%]] [[and] [or] has never been, during the [relevant] [Barrier Event Determination Period] [Barrier Gap Observation Period] [lower than] [higher than] [[or] equal to] [the Barrier Level][the Barrier Gap Level] equal to [specify the level of the period or the different levels for the same period and for each period if more than one: [•]]]

[[[STANDARD] [MAX] [LONG] [TWIN WIN] CERTIFICATES

[If a Barrier Event has occurred, the Cash Settlement Amount will be linked [to the performance of the [relevant] Underlying (i.e. the investment in the Certificate is a direct investment in the Underlying) and therefore might be exposed to the partial [or total] loss of the capital invested.][to a percentage equal to [•] (the "**Down Participation Factor**")]]

[Insert if a Protection Level is applicable: The protection of the capital invested will depend on the percentage of the Initial Reference Value equal to [•] (the "**Protection Level**").]

[Insert if Air Bag Factor is applicable: 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 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.]

[Insert if Sigma Amount is applicable: The investor will receive at least an amount equal to [•] (the "**Sigma Amount**").]

[Insert if Predetermined Loss is applicable: The investor will receive an amount which will depend on the Predetermined Loss Percentage equal to [•].]

[Insert if a Cap Barrier Amount is applicable: The Cash Settlement Amount will not exceed the Cap Barrier Amount equal to [•].]

[[[STANDARD] [MAX] [SHORT] CERTIFICATES

[If a Barrier Event has occurred, the Cash Settlement Amount will be [inversely proportionated to the performance of the Underlying (i.e. in a short position in respect of the Underlying) and therefore may be exposed to the partial [or total] loss of the capital invested.][linked to a percentage equal to [•] (the "**Down Participation Factor**")]]

[Insert if a Short Protection is applicable: The protection of the capital invested is represented by an amount

equal to [•] (the "Short Protection").]

[Insert if Predetermined Loss is applicable: The investor will receive an amount which will depend on the Predetermined Loss Percentage equal to [•].]

[Insert if a Cap Barrier Amount is applicable: The Cash Settlement Amount will not exceed the Cap Barrier Amount equal to [•].]

#### [SPREAD CERTIFICATES

If the Barrier Event has occurred,

[Insert if Predetermined Loss is applicable: the investor will receive an amount which will depend on the Predetermined Loss Percentage equal to [•].]

[Insert if Spread Protection is applicable: The investor will receive an amount which will depend on the Spread Protection, equal to [•].]

[Insert if the Cash Settlement Amount will be linked to the Spread: the investor will receive 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.]

[Insert if the Cash Settlement Amount will be linked to the performance of Underlying A: the investor will receive 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.]

[Insert if the Cash Settlement Amount will be linked to the performance of Underlying B: the investor will receive 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.]

[Insert if a Cap Barrier Amount is applicable: The Cash Settlement Amount will not exceed the Cap Barrier Amount equal to [•].]

#### [MULTIPERFORMANCE [MAX] [LONG] [SHORT] CERTIFICATES

If the Barrier Event has occurred, the investor will receive a Cash Settlement Amount which will depend on the Cumulated Performance of the Underlyings and the Down participation Factor, equal to [•]. [The Cash Settlement Amount will not be lower than [•].]

#### [GAP [LONG][SHORT] CERTIFICATES

If a Barrier Gap Event has occurred the investor will receive an amount that will depend on the Barrier Gap Leverage (equal to [•]), the Gap Daily Performance and the Barrier Gap Level. Therefore the investor may be exposed to the total or partial loss of the capital invested.]

#### [DUAL CURRENCY FX [LONG] [SHORT] CERTIFICATES

If a Barrier Event has occurred the investor will receive an amount in [the Issue Currency] [or] [the Dual Currency],

[If the Barrier Event depends on the Final Reference Value: which is a predetermined amount that depends on the Conversion Rate (equal to [•]) and on the Initial Percentage (equal to [•]).]

[If the Barrier Event depends on the Reference Value: that depends on:

**a. If the Final Reference Value [is equal to or higher than] [is equal to or lower than] the Strike Level (equal to [•]):**

In this case the investor will receive a predetermined amount in the Issue Currency that depends on the Initial Percentage (equal to [•]).

**b. If the Final Reference Value [is lower than] [higher than] the Strike Level (equal to [•]):**

In this case the investor will receive a predetermined amount in the Dual Currency that depends on the Conversion Rate (equal to [•]) and on the Initial Percentage (equal to [•]).]

\*\*\*\*

[In relation to [specify the Remuneration Amount(s) and for what valuation period(s): [•]] [and] [the Early Redemption Amount[s]] [and] [the Cash Settlement Amount] the following option[s] apply:

#### *Best Of Feature*

The Calculation Agent selects the Best Of Underlying which is the underlying asset with the [specify, on the basis of the number of the Underlyings: [•]] best performance compared with the other underlying assets.]

[In relation to [specify the Remuneration Amount(s) and for what valuation period(s): [•]] [and] [the Early Redemption Amount[s]] [and] [the Cash Settlement Amount] the following option[s] apply:

#### *Worst Of Feature*

The Calculation Agent selects the Worst Of Underlying which is the underlying asset with the [specify, on the basis of the number of the Underlyings: [•]] worst performance compared with the other underlying assets.]

|  |  |
|--|--|
|  | <p>[In relation to <i>[specify the Remuneration Amount(s) and for what valuation period(s): [•]]</i> [and] [the Early Redemption Amount[s]] [and] [the Cash Settlement Amount] the following option[s] apply:</p> <p style="text-align: center;"><i>Digital Combo Feature</i></p> <p>The Calculation Agent will determine whether a Digital Event has occurred [and] [the Consolidation Effect] [and] [the Memory Effect] in relation to each [Basket Constituent][Underlying]. The amount of the Digital Amount will therefore depends on the number of [Basket Constituents][Underlyings] in relation to which the Digital Event has occurred.]</p> <p>[In relation to <i>[specify the Remuneration Amount(s) and for what valuation period(s): [•]]</i> [and] [the Early Redemption Amount[s]] [and] [the Cash Settlement Amount] the following option[s] apply:</p> <p style="text-align: center;"><i>Participation Combo Feature</i></p> <p>The Calculation Agent will determine the [arithmetic mean][weighted average][sum] of the Participation Amounts for each [Basket Constituent] [Underlying].]</p> <p>[In relation to <i>[specify the Remuneration Amount(s) and for what valuation period(s): [•]]</i> [and] [the Early Redemption Amount[s]] [and] [the Cash Settlement Amount] the following option[s] apply:</p> <p style="text-align: center;"><i>Rainbow Feature</i></p> <p><i>[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).]</i></p> <p>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. 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 style="text-align: center;">****</p> <p style="text-align: center;"><b>[[PHYSICAL DELIVERY]]</b></p> <p>[The Securityholder will receive on the Settlement Date [if an Early Redemption Event has not occurred] for each Minimum Exercise [Amount][Number] [specified for each Series in the Annex to the Summary] the Entitlement, being the quantity of <i>[specify relevant assets]</i> (the "<b>Relevant Asset(s)</b>") determined as <i>[specify details]</i>]</p> |
| <p><b>C.19</b></p> <p><b>Exercise price or final reference price of the underlying</b></p> | <p>The exercise price of the Underlying[s] will be determined on the basis of [•].</p> <p>[The Reference Value will be calculated on the basis of the [•][level][price][amount] of the Underlying[s].]</p> <p>[For the purposes of the [Cliquet Feature][determination of the [Accumulating Event][Barrier Event][Barrier Gap Event][Coupon Event][Digital Event][Memory Effect][Consolidation Effect][Early Redemption Event][Extra Consolidation Digital Event][Gearing Event][Knock-in Event][Knock-out Event][Participation Rebate Event][Restrike Event][Switch Event][Internal Return Amount][Participation Remuneration Amount]][calculation of the performance in relation to the [Global Performance][Performance Sum]] the Reference Value will be [•].]</p> <p>[The Final Reference Value will be calculated on <i>[specify date(s)]</i> and will be an amount equal to [[[insert a predetermined value] [[•][level][price][amount] of the Underlying[s] on such date] [the arithmetic mean of the [•][levels][prices][amounts] of the Underlying[s] on such dates] [the [maximum][minimum] [•][level][price][amount] of the Underlying[s] on such dates] <i>insert in the case of Exchange Rate Securities: the quotient of (a) 1 (as numerator) and (b) the [insert a predetermined value] [[•][level][price][amount] of the Underlying[s] on such date] [the arithmetic mean of the [•][levels][prices][amounts] of the Underlying[s] on such dates] [the [maximum][minimum] [•][level][price][amount] of the Underlying[s] on such dates] (as denominator)].]</i></p> <p>[The Initial Reference Value will be calculated on <i>[specify date(s)]</i> and will be an amount equal to [[[insert a predetermined value] [[•][level][price][amount] of the Underlying[s] on such date] [the arithmetic mean of the [•][levels][prices][amounts] of the Underlying[s] on such dates] [the [maximum][minimum] [•][level][price][amount] of the Underlying[s] on such dates] <i>insert in the case of Exchange Rate Securities: the quotient of (a) 1 (as numerator) and (b) the [insert a predetermined value] [[•][level][price][amount] of the Underlying[s] on such date] [the arithmetic mean of the [•][levels][prices][amounts] of the Underlying[s] on such dates] [the [maximum][minimum] [•][level][price][amount] of the Underlying[s] on such dates] (as denominator)]</i><i>insert in the case of Underlying represented by a Futures Contract and if the feature Futures Contract First Near-by is specified as applicable: the Reference Value of the futures contract first near-by with the expiry date which immediately follows the [•] (the "<b>Determination Date</b>") with the following rollover</i></p>   |

|                          |  |   |
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|                          |  | <p>date[s] [•].]</p> <p><i>[Insert in case of Proprietary Index Securities:</i><br/>The Expected Final Calculation Date is <i>[specify date(s)]</i>.<br/>The Initial Calculation Date is <i>[specify date(s)]</i>.]</p> <p><i>[Insert if Open End Feature is applicable:</i> 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)]. Without prejudice to the calculation methods of the Cash Settlement Amount, the Final Reference Value will be determined by the Calculation Agent on [the Call Valuation Date] [or] [the Put Valuation Date].]</p> <p><i>[Insert if Call Option/Put Option apply:</i> 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)]. Without prejudice to the calculation methods of the Cash Settlement Amount, the Final Reference Value will be determined by the Calculation Agent on [the Call Valuation Date] [or] [the Put Valuation Date].]</p> <p><i>[Insert in the case of Warrants:</i> The Strike Percentage is [•]</p>   |
| <b>C.20</b>              | <b>Type of underlying and where the information on the underlying can be found</b> | <p>The Underlying[s] [is[are] [•] <i>select one or more among the following: share or GDRs/ADRs (or basket of shares or GDRs/ADRs), 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), future contract (or basket of futures contracts), proprietary index]] [and the relevant [Exchange][Reference Source][Sponsor of the Index] [is] [•][specified for each Series in the Annex to the Summary]]].</i></p> <p>In respect of [•], <i>[specify the relevant ISIN code and the relevant source of information [•]] [in relation to proprietary index securities specify the index funds that may comprise the risky component and source of information [•]].</i></p>  |
| <b>Section D – RISKS</b> |  |   |
| <b>D.2</b>               | <b>Key risks specific to the Issuer</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> <ol style="list-style-type: none"> <li>i) Banca IMI's business may be adversely affected by international markets and economic conditions;</li> <li>ii) Negative economic developments and conditions in the markets in which Banca IMI operates may adversely affect Banca IMI's business and results of operations;</li> <li>iii) Banca IMI's business is sensitive to current adverse macroeconomic conditions in Italy. The persistence of adverse economic conditions in Italy, or a slower recovery in Italy compared to other Euro-zone and OECD nations, any downgrade of the Italian sovereign credit rating, or the perception that such a downgrade may occur, could have a material adverse effect on Banca IMI's business, results of operations or financial condition;</li> <li>iv) In accordance to the Intesa Sanpaolo Group's 2018-2021 Business Plan, Banca IMI will be merged into the parent company Intesa Sanpaolo S.p.A.. Merger transactions could cause uncertainties to business operations, particularly when unrelated companies are involved. Considering that Intesa Sanpaolo S.p.A. is the parent company of Banca IMI and that the merger takes place between two entities belonging to the same banking group, such merger is not expected to have any material adverse effects on the business of Banca IMI or the parent company;<sup>9</sup></li> <li>v) Banca IMI's business is exposed to counterparty credit risk. Banca IMI routinely executes transactions with counterparties in the financial services industry. Many of these transactions expose Banca IMI to the risk that the Banca IMI's counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative contract defaults on its obligations prior to maturity when Banca IMI has an outstanding claim against that counterparty;</li> <li>vi) Deterioration in Banca IMI's loan portfolio to corporate customers may affect Banca IMI's financial performance. Adverse changes in the credit quality of Banca IMI's borrowers or a decrease in collateral values are likely to affect the recoverability and value of Banca IMI's assets and require an increase in Banca IMI's individual provisions and potentially in collective provisions for impaired loans, which in turn would adversely affect Banca IMI's financial performance;</li> <li>vii) Banca IMI's business is exposed to settlement risk (i.e. the risk of losing the principal on a financial contract due to default by the counterparty or after when Banca IMI has given irrevocable instructions for a transfer of a principal amount or security, but before receipt of the corresponding payment or</li> </ol> |

<sup>9</sup> As a result of the approval by the Board of Directors of Intesa Sanpaolo S.p.A. of the "Intesa Sanpaolo Group's 2018-2021 Business Plan", within Element D.2 "Key risks specific to the issuer" of the Section D "Risks" this new risk factor has been added by the First Supplement dated 22 February 2018.

|            |   |  |
|------------|---|--|
|            |   | <p>security has been finally confirmed) and transfer risk (i.e. is the risk attributable to the transfer of money from a country other than the country where a borrower is domiciled, which is affected by the changes in the economic conditions and political situation in the countries concerned);</p> <p>viii) Banca IMI's business is exposed to market risk, as the value of the financial and other assets held by Banca IMI in its trading portfolio may decrease as a result of changes in market variables ;</p> <p>ix) Banca IMI's business is exposed to operational risks (i.e. the risks of incurring losses as a result of the inappropriateness or the malfunctioning of procedures, mistakes or shortcomings of human resources and internal systems, or external events);</p> <p>x) Banca IMI's business is exposed to liquidity risk (i.e. the risk that Banca IMI will be unable to meet its obligations as they fall due or meet its liquidity commitments only at an increased cost);</p> <p>xi) 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;</p> <p>xii) Banca IMI is exposed to risks arising from assumptions and methodologies for assessing financial assets and liabilities measured at fair value and linked to the entry into force of new accounting principles and to amendments to the applicable accounting principles. The estimates and assumptions used may vary from time to time and, as a result, in subsequent financial years the current values may differ, even significantly, due to changes in subjective assessments made or be otherwise reviewed to take account of changes occurred in that period;</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. There can be no assurance that, should Banca IMI's risk management prove to be ineffective and/or ineffective in certain conditions or circumstances, this will not result in Banca IMI suffering unexpected losses or that such risk management inefficiency will not materially adversely affect Banca IMI's business, financial condition or results of operation;</p> <p>xvi) Banca IMI's business is exposed to reputational risk. Banca IMI's ability to attract and retain customers and transact with its counterparties could be adversely affected to the extent its and/or Intesa Sanpaolo Group's reputation is damaged;</p> <p>xvii) Regulatory claims may arise in the conduct of the Banca IMI's business. There can be no assurances that breaches of regulations by Banca IMI will not occur and, to the extent that such a breach does occur, that significant liability or penalties will not be incurred;</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 (BRRD). The powers set out in the BRRD, as implemented in Italy, impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders of Securities may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD, as implemented in Italy, or any suggestion of such exercise could therefore materially adversely affect the rights of Securityholders, the price or value of their investment in any Securities and/or the ability of the Issuer to satisfy its obligations under any Securities;</p> <p>xix) Banca IMI's business performance could be affected if its capital adequacy ratios are reduced or perceived to be inadequate. Any market perception, or any concern regarding compliance with capital adequacy requirements under the CRR/CRD IV Package, could increase Banca IMI's borrowing costs, limit its access to capital markets or result in a downgrade in its credit ratings, which could have a material adverse effect on its results of operations, financial condition and liquidity;</p> <p>xx) Banca IMI's business is exposed to risk of changes in tax legislation as well as to increases in tax rates; and</p> <p>xxi) Banca IMI's business is exposed to risk related to transactions in financial derivatives. Derivatives transactions expose the Issuer to the risk that the counterparty in derivative contracts defaults on its obligations or becomes insolvent before the relevant contract expires, when amounts are still payable to the Issuer by such party. The Issuer is also exposed to possible changes in the value of the financial instruments held (including financial derivatives).</p> |
| <b>D.6</b> | <b>Key risks specific to the securities</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] [part of the value of their investment]. 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>   |

(i) The Certificates may not be a suitable investment for all investors

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.

(ii) Option Risk

The Certificates are derivative financial instruments which may include an option right. Transactions in options involve a high level of risk.

(iii) Risk arising from the Benchmark Regulation

[The Underlying] [The following Basket Component [•]] qualifies as a benchmark (the "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**") which most provisions will apply from 1 January 2018. According to the Benchmark Regulation, a Benchmark could not be used as such if its administrator does not obtain authorisation or is based on a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision and is not "endorsed" for such purpose. Consequently, it might be not possible to further utilise the Benchmark as [Underlying][Basket Component] of the Securities. In such event, depending on the particular Benchmark and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted.

Potential investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Securities.]

• **Risks related to the structure of the Certificates**

( ) General risks and risks relating to the underlying asset or basis of reference

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.

( ) Certain Factors Affecting the Value and Trading Price of Securities

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.

( ) Certain Considerations Regarding Hedging

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.

[ ( ) Certain Considerations Associated with Share Securities

In the case of Securities relating to a share or to a GDR/ADR (or basket of shares or basket of GDRs/ADRs), 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.]

[ ( ) Certain Considerations Associated with Exchange Rate Securities

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.]

[ ( ) Certain Considerations Associated with Fund Securities

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.]

[ ( ) Certain Considerations Associated with Futures Contract Securities

The yield on Securities which are linked to futures contracts may not be perfectly correlated to the trend in the price of the underlying asset of the future contract, as the use of futures contracts generally involves a rolling mechanism. Investors may only marginally benefit from any rise or fall in the price of the underlying asset of the future contract.[Since the feature Futures Contract First Near-by is applicable, the Issuer will be entitled to determine the Initial Reference Value on the basis of a Futures Contract First Near-by, i.e. the futures contract that has the same features of the Futures Contract indicated as Underlying, and has an expiration date which is the closest to the Determination Date. Since the Issuer will not make any adjustment to the price of the Securities following such rollover, investors should consider that the price of the futures contract used before the rollover may be different from the price of the futures contract used after the rollover.]]

*[ ( ) Certain Considerations Associated with Commodity Securities*

An investment in Commodity Securities may bear similar market risks to a direct commodity investment. The movements in the price of the Commodity may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices. The price of Commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which the relevant Commodities may be traded.]

*[ ( ) Certain Considerations Associated with Index Securities*

The underlying index may be a well-known and widely published index or an index which may not be widely published or available.]

*[ ( ) Certain Considerations Associated with Interest Rate Securities*

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.]

*[ ( ) Certain Considerations Associated with Combined Securities*

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.]

*[ ( ) Certain Considerations Associated with Proprietary Index Securities*

In relation to an investment in Proprietary Index Securities, investors should consider the following risks:

*- Factors affecting the Proprietary Index*

The performance of the Proprietary Index is dependent upon the performance of each Component, which may depend on interest rates, currency developments, political factors, market factors such as the general trends in capital markets. If the Proprietary Index does not perform as expected, this will materially and adversely affect the market value of the Securities and the Cash Settlement Amount payable by the Issuer.

The frequency and magnitude of changes in the market prices of the fund may affect the market value of the Securities. Volatility is affected by a number of factors such as macro economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets.

*- Returns on the Securities do not reflect a direct investment in the fund*

The return payable on the Securities may not reflect the return a potential investor would realize if it actually owned the fund comprised in the risky component of the Proprietary Index. Accordingly, Securityholders may receive a lower Cash Settlement Amount than such Securityholders would have received if they had invested in the fund directly. The units comprised in the risky component of the Proprietary Index distribute no dividend.

*- A change in the weightings and/or composition of the Proprietary Index could adversely affect the market value of the Securities*

The Calculation Agent may rebalance the weighting of the components which comprise the Proprietary Index or proceed with the substitution of the fund with the other fund[s].

Such circumstances may adversely affect the market value of the Securities and the Cash Settlement Amount payable by the Issuer.

*- The Underlying is a Proprietary Index*

The relevant Proprietary Index is owned and maintained by Banca IMI S.p.A. as Index Sponsor. Banca IMI S.p.A. as the Calculation Agent is also responsible for the composition and calculation of the Proprietary Index. Banca IMI S.p.A. as Index Sponsor and Calculation Agent, is under no obligation to take into account the interests of the Securityholders. Banca IMI S.p.A. as Index Sponsor and Calculation Agent will have the authority to make determinations with respect to the Proprietary Index that could materially and adversely affect the market value of the Securities and the Cash Settlement Amount payable by the Issuer on the Settlement Date.

*- Provision of information*

Each investor should be aware that Banca IMI S.p.A. as Issuer, Calculation Agent, Index Sponsor and Calculation Agent in relation to the Proprietary Index has no obligation to provide the investor with any information which is in the public domain or any information additional to that which will be published on the fund relevant sources.]

*[ ( ) Certain Considerations Associated with Securities providing for the application of a Multiplier*

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.

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.]

*[ ( ) Certain Considerations Associated with Securities providing for the application of a cap*

The Securities provides for the application of a [maximum return payable to investors] [maximum value] to the relevant reference item(s). Therefore, the amounts payable to investors will be subject to such predetermined maximum.]

*[ ( ) Loss risk in relation to the investment*

The investor shall consider that, in relation to their investment, there is a risk of [total or] partial loss of the capital invested depending on the performance of the underlying asset.]

[ ( ) Cash Settlement Amount or the physical delivery of the Entitlement less than the Value of an Investment in the Securities

Each Securityholder may receive a Cash Settlement Amount, as applicable, and/or physical delivery of the Entitlement the aggregate value of which may be less than the value of the Securityholder's investment in the relevant Securities. In certain circumstances Securityholders may lose the entire value of their investment.]

[ ( ) Risk related to a [protection level] [protection amount] lower than 100%

The Certificates provides a protection [level][amount]. The protection [level][amount] represents the protection of the Issue Price of the Certificate and that the Cash Settlement Amount will not fall below such protection. The lower the protection, 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.]

[ ( ) Exchange risk related to the absence of a Quanto Option

The investment in Securities which do not provide a Quanto Option may entail risks related to the exchange rate. The Underlying Reference Currency of the underlying is different from the Settlement Currency of the Securities. In particular, the return of the Security without a Quanto Option might be negative as the value of the underlying asset 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 Remuneration Amount] might determine a loss of the capital invested.]

[ ( ) Risk relating to Dual Currency Securities

The Cash Settlement Amount [and the Remuneration Amount[s]] are paid in the Settlement Currency which is different from the Issue Currency.

Currency exchange rates may be subject to significant fluctuations that may not correlate with changes in the Cash Settlement Amount [and in the Remuneration Amount[s]] and the timing of changes in the exchange rates may affect the actual return to investors.

Therefore, fluctuations in exchange rates of the relevant currencies (i.e. the Issue Currency and the Settlement Currency) will affect the value of Dual Currency Securities, and may determine a loss of the capital invested.]

[ ( ) Risk relating to Dual Currency FX Certificates

Upon occurrence of a Barrier Event, the Cash Settlement Amount may be payable in the Dual Currency which is different from the currency in which the Certificates are denominated (the Issue Currency). The Issue Currency is [•], and the Dual Currency is [•].

Currency exchange rates may be subject to significant fluctuations that may not correlate with changes in the Cash Settlement Amount and the timing of changes in the exchange rates may affect the actual return to investors.

Therefore, fluctuations in exchange rates of the relevant currencies (i.e. the Issue Currency and the Dual Currency) will affect the value of Dual Currency FX Certificates, and may determine a loss of the capital invested.]

[ ( ) Price Risk and components that determine the value of the Certificates

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], [the correlation] as well as the business of the Issuer of the underlying asset, speculative contractions and other factors.

[ ( ) Risk related to [the Participation Factor] [the Up Participation Factor] [and] [the Down Participation Factor]

The Cash Settlement Amount will be calculated on the basis of the [Participation Factor, which is lower than 100% and, therefore, the investor will partially benefit from the [Insert in case of Long Strategy: positive performance] [Insert in case of Short Strategy: negative performance] of the Underlying.

[Up Participation Factor, which is lower than 100% and, therefore, the investor will partially benefit from the positive performance of the Underlying] [Down Participation Factor, which is higher than 100% and, therefore, the negative impact of the decreasing performance of the Underlying will be amplified.]]

[ ( ) Risk related to the determination method of the Digital Level

In relation to the Certificates, the Issuer has set, at its own discretion, the Digital Level[s]. 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. [Insert if the Cliquet Feature is applicable: The investors should also consider that the Digital Level might be different in each Digital Valuation Period.] [Insert if the Range Level Option is applicable: 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 are set by the Issuer 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.]

[ ( ) Risk related to the Knock-out Feature

In relation to [*specify the remuneration amount: [•]*], a Knock-out Feature applies. In this case, if the Knock-out Event occurs, such remuneration amount provided in relation to [such Knock-out Valuation Period][and][the valuation period[(s)] following such Knock-out Valuation Period] will be deactivated and will not be paid.]

[ ( ) Risk related to the Knock-in Feature

In relation to [*specify the remuneration amount: [•]*], a Knock-in Feature applies. In this case, if the Knock-in Event does not occur, such remuneration amount provided will not be activated and therefore will not be paid. The higher the Knock-in Level in respect of the Initial Reference Value, the greater the possibility that a Knock-in Event will not occur.]

[ ( ) Risk related to the occurrence of an Early Redemption Event

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 asset[s] but it will be composed of an amount predetermined by the Issuer. [Furthermore, since the value of the underlying asset[s] is calculated as Intraday Value, the underlying asset[s] 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][Barrier Gap Event]

If a [Barrier Event][Barrier Gap 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][Barrier Gap 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 asset[s] is calculated as Intraday Value, the underlying asset[s] will be observed on a continuous basis and the probability that a [Barrier Event][Barrier Gap Event] occurs may be magnified.]

[Finally, in relation to the payment of the Premium Gap Amount[s] payable to the investor during the life of the Gap Certificates, the investor should consider that after the occurrence of the Barrier Gap Event the Premium Gap Amount will be determined on the basis of the actual number of days within the relevant Premium Gap Observation Period and not on the basis of all the days of the relevant Premium Determination Period and after the payment of the Premium Gap Amount that will be paid on the first Premium Payment Date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the investors.]

[ ( ) Risk related to the Predetermined Loss Percentage

The lower the Predetermined Loss Percentage the smaller the Cash Settlement Amount that the investor will receive on the Settlement Date.]

[ ( ) Risk related to the [Best Of Feature] [and] [Worst Of Feature]

[Insert in the case of Best Of Feature: The lower will be the performance selected by the Issuer among the financial activities within the underlying asset, the less the revenue that the investor will receive.] [Insert in the case of Worst Of Feature: The higher will be the performance selected by the Issuer among the financial activities within the underlying asset, the less the revenue that the investor will receive.]

[ ( ) Risk related to the Baskets of Underlyings – [Risk related to the Rainbow Feature -] Correlation risk

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.]

[ ( ) Risk related to management fees applied by the Issuer in case of Benchmark Certificates

The Issuer applies to the Benchmark Certificates [an Annual Management Fee which will be calculated according to the AMF Percentage. 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. [a Variable Management Fee, whose VMF Percentage 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.]

Prospective investors in Benchmark Certificates should consider that the [Insert in the case of Long Strategy: positive][Insert in the case of Short Strategy: negative] performance of the Underlying during the life of the Certificates shall be considered net of the [AMF][VMF].]

[ ( ) Risk related to the Restrike Feature

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.]

[ ( ) Risk related to the Call Option

Prospective investors should consider that the Certificates will be exercised upon the Exercise of the Call Option by the Issuer. Therefore, the exercise of the Call Option by the Issuer might frustrate long term investment strategies pursued by the investors.]

( ) Risk related to the Accumulated Amount's payment contingent upon occurrence of an Early Redemption Event  
The Accumulated Amount will be paid only upon occurrence of an Early Redemption Event. As a result, even if one or more Accumulating Events have occurred, the Securityholders will not receive any Accumulated Amount unless an Early Redemption Event has occurred.]

( ) Impact of running structuring fees on the value of the Certificates

Investors should also note that running structuring fees are applied by the Issuer in respect of the value of the Certificates.

Such running structuring fees will not be affected in any way by the performance of the relevant Underlying.

[specify the running structuring fee and how such fee will be charged]. Prospective investors should consider that the value of the Certificates will be affected by such fees also on the secondary markets.]

• **Risks relating to Warrants**

Prospective investors should consider that (i) there will be a time lag between the time a Warrantholder gives instructions to exercise, or the time the Warrant is automatically exercised, and the time the applicable Cash Settlement Amount (in the case of cash settled warrants) relating to such exercise is determined, (ii) the risks associated with Minimum Exercise Amounts and (iii) that there may be limitations on a Warrantholder's ability to exercise the Warrants. [insert if a Strike Percentage higher than 100% (in case of Call Warrants) or lower than 100% (in case of Put Warrants) is applicable: Furthermore, the Cash Settlement Amount will be calculated on the basis of the Strike Percentage, equal to [•]%. Such Strike Percentage contributes to the determination of the potential return of the Warrants.

[insert in relation to Call Warrants: Since it is higher than 100%, the positive performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of negative performance of the Underlying, the Cash Settlement Amount will be equal to zero.]

[insert in relation to Put Warrants: Since it is lower than 100%, the negative performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of positive performance of the Underlying, if the Strike Percentage is lower than 100% the Cash Settlement Amount will be equal to zero.]]

• **Risks Related to Securities Generally**

(i) Option to Vary Settlement

The Issuer may have an option to vary settlement in respect of the Securities, at its sole and unfettered discretion, and may elect (1) not to pay the relevant Securityholders the Cash Settlement Amount, but to deliver or procure delivery of the Entitlement or (2) not to deliver or procure delivery of the Entitlement, but to make payment of the Cash Settlement Amount on the Settlement Date to the relevant Securityholders

(ii) Modification

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.

(iii) Settlement Disruption Event

In the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Settlement Date, settlement will be postponed until the next Settlement Business Day on which no Settlement Disruption Event occurs. The Issuer in these circumstances also has the right to pay the the fair market value of such Security (less the cost of unwinding any underlying related hedging arrangements and any cost of funding in respect of such hedging arrangements) as determined by the Issuer in its sole and absolute discretion [plus, if already paid, the Premium] in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Securities.

(iv) Expenses and Taxation

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.

(v) U.S. Foreign Account Tax Compliance Withholding

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" (a term not yet defined) made after 31 December 2018. This withholding would potentially apply to payments 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 after the "grandfathering date" which (A) with respect to Securities that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury Regulations defining the term foreign passthru payment are filed with the Federal Register, and (B) with respect to Securities that give rise to a dividend equivalent pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") as discussed below (and therefore do not give rise to foreign passthru payments), is the date that is six months after the date on which obligations of their type are first treated as giving rise to dividend equivalents, or in either case are issued on or before the grandfathering date and are

materially modified thereafter, and (ii) any Securities characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Securities are issued on or before the grandfathering date, and additional Securities of the same series are issued after that date, the additional Securities may not be treated as grandfathered, which may have negative consequences for the existing Securities, including a negative impact on market price.

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 after the grandfathering date 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 implement 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 (Law No. 95 dated 18 June 2015, published in the Official Gazette – general series No. 155, on 7 July 2015). Under these rules, the Issuer, as a reporting financial institution, will be required to collect and report certain information in respect of its account holders and investors to the Italian tax authorities, which would automatically exchange such information periodically with the U.S. Internal Revenue Service. Please consider that if the Issuer or any other relevant withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

(vi) U.S. Dividend Equivalent Payments

Section 871(m) of the Code and Treasury regulations promulgated thereunder ("**Section 871(m)**") generally impose a 30% withholding tax on dividend equivalents paid or deemed paid to non-U.S. holders with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities (such equities and indices, "**U.S. Underlying Equities**"), unless reduced by an applicable tax treaty with the United States. Section 871(m) generally applies to instruments that substantially replicate the economic performance of one or more U.S. Underlying Equities, as determined generally upon the earlier of pricing or issuance, based on tests set forth in the applicable Treasury regulations (a "**Specified Security**"). Specifically, and subject to the calendar year 2017 exemption described below, Section 871(m) will apply if a financial instrument either meets (i) a "delta" test, if it is a "simple" contract, or (ii) a "substantial equivalence" test, if it is a "complex" contract. Section 871(m) provides certain exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations, as well as instruments that track such indices. Withholding tax under Section 871(m) is generally applicable with respect to financial instruments issued on or after 1 January 2017, but notional principal contracts and equity-linked instruments issued in calendar year 2017 will be exempt unless they have a "delta" of one (meaning that the fair market value of the notional principal contract or equity-linked instrument must replicate changes to the value of the U.S. Underlying Equities exactly) and are "simple." If the terms of a Security issued in calendar year 2017 (that is exempt from withholding under Section 871(m)) are "significantly modified" sometime after 2017 such that the Security is treated as retired and reissued for U.S. federal income tax purposes, it will lose this exemption.

Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Security or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Security. If U.S. Underlying Equities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security does not provide for payments explicitly

linked to dividends. If the Issuer or any other relevant withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

(vii) 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.

(viii) 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.

(ix) Hedging Disruption

[In connection with the offering of the Securities,] [t]/[T]he 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).

(x) 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.

(xi) 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.

( ) Physical Delivery Requirements and Settlement Risk

[In order to receive the Entitlement in respect of a Physical Delivery Security, the holder of such Security must (1) deliver or send by authenticated swift message (confirmed in writing) to Euroclear or Clearstream, Luxembourg (as the case may be), with a copy to the Issuer and the Principal Security Agent [*Insert in the case of a Physical Delivery Warrant: a duly completed Exercise Notice on or prior to the relevant time on the Expiration Date*] [*Insert in the case of a Physical Delivery Certificate: a duly completed Physical Delivery Confirmation Notice on or prior to the relevant time on the Exercise Date*] and (2) pay [the relevant Premium and] Expenses, together with any other amounts payable. Failure to do so will result [*Insert in the case of a Warrant where Automatic Exercise is not specified: the relevant Warrant's becoming void*] [*Insert in the case of a Warrant where Automatic Exercise is specified or in the case of a Certificate: the Securityholder receiving the Assessed Value Payment Amount instead of the Entitlement. The Assessed Value Payment Amount will be determined by the Calculation Agent by reference to the fair market value of the assets comprised in the Entitlement.*] [Following the exercise of [Physical Delivery Warrants] [Physical Delivery Certificates], unless otherwise indicated, the Calculation Agent may determine that a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity is subsisting. Any such determination may affect the value of the Securities and/or may delay settlement and/or lead to cash settlement rather than physical settlement in respect of the Securities.]]

( ) United Kingdom's exit from the European Union

On 23 June 2016, the United Kingdom ("UK") held a referendum on the UK's membership of the EU. The result of the referendum's vote was to leave the EU, which creates several uncertainties within the UK, and regarding its relationship with the EU.

The result is likely to generate further increased volatility in the markets and economic uncertainty which could adversely affect the Securities. Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and no assurance can be given that such matters would not adversely affect the rights of the Securityholders, the market value of the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities.]

**• 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

|                          |  |   |
|--------------------------|--|---|
|                          |  | <p>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.</p> <p><u>( ) Listing of Securities</u></p> <p>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 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><u>( ) Exchange rate risks and exchange controls</u></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><u>(i) Legal investment considerations may restrict certain investments</u></p> <p>Potential investors should consult with their own tax, legal, accounting and/or financial advisers before considering investing in the Securities.</p> <p><u>(ii) No reliance</u></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><u>(iii) Disclaimers</u></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] [and] [the 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</i> [•]]</p> <p>[No expenses are being charged to an investor by the Issuer [or any Manager].]</p> <p>[Investors should take into consideration that the Offer Price embeds placement commissions [payable by the Issuer to the Manager [and to the Lead 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[, taking into account [<i>specify elements, if any, to be taken into account for the purposes of determining the variable commissions</i>] [•]].][<i>specify other</i> [•]]</p> <p>[Not Applicable - the Securities are not being offered to the public as part of a public offer.]</p>  |