

## FINAL TERMS

30 April 2018

### BANCA IMI S.P.A.

#### STANDARD LONG AUTOCALLABLE BARRIER DIGITAL WORST OF CERTIFICATES on ENEL S.p.A. and Fiat Chrysler Automobiles NV Shares due 11.06.2021

*Banca IMI S.p.A. Worst Of Certificates su Azioni ENEL S.p.A. e Fiat Chrysler Automobiles NV -  
Scadenza 11.06.2021*

**under the Warrants and Certificates Programme**

#### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 15 June 2017 and the supplement to the Base Prospectus dated 19 February 2018 which together constitute a base prospectus for the purposes of the Prospectus Directive as amended. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus as supplemented. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus as supplemented. The Base Prospectus and the supplement to the Base Prospectus are available for viewing during normal business hours at the registered office of the Issuer and the specified offices of the Principal Security Agent. The Base Prospectus and the supplement to the Base Prospectus have been published on the websites of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the Issuer (<https://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents>). A summary of the Securities (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is annexed to these Final Terms. In the case of the Securities admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Final Terms will be published on the website of the Luxembourg Stock Exchange and of the Issuer.

References herein to numbered Conditions are to the terms and conditions of the relevant series of Securities and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms insofar as they relate to such series of Securities, save as where otherwise expressly provided.

These Final Terms relate to the series of Securities as set out in "Specific Provisions for each Series" below. References herein to "Securities" shall be deemed to be references to the relevant Certificates that are the subject of these Final Terms and references to "Securities" and "Security" shall be construed accordingly.

*By investing in the Securities each investor represents that:*

- (a) *Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Securities and as to whether the investment in the Securities is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer as investment advice or as a recommendation to invest in the Securities, it being understood that information and explanations related to the terms and conditions of the Securities shall not be considered to be investment advice or a recommendation to invest in the Securities. No communication (written or oral) received from the Issuer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Securities.*
- (b) *Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Securities. It is also capable of assuming, and assumes,*

*the risks of the investment in the Securities.*

(c) *Status of Parties. The Issuer is not acting as a fiduciary for or adviser to it in respect of the investment in the Securities.*

1. Specific provisions for each Series:

| <b>Series Number</b>                        | <b>No. of Securities issued</b> | <b>Issue price per Security</b>   |
|---|---------------------------------|---|
| 419   | Up to 40,000                    | EUR 1,000   |
| 2. Tranche Number:                          |                                 | Not applicable  |
| 3. Minimum Exercise Amount:                 |                                 | 1 (one) Certificate   |
| 4. Minimum Trading Amount:                  |                                 | 1 (one) Certificate   |
| 5. Consolidation:                           |                                 | Not applicable  |
| 6. Type of Securities and underlying asset: | (a)                             | The Securities are Certificates. The Certificates are Share Securities.   |
|   | (b)                             | The items to which the Securities relate are the ENEL S.p.A. share (ISIN Code: IT0003128367; Bloomberg Code: ENEL IM <Equity>) and the Fiat Chrysler Automobiles NV share (ISIN Code: NL0010877643; Bloomberg Code: FCA IM <Equity>) (the " <b>Underlyings</b> " or the " <b>Shares</b> ").         |
| 7. Typology:                                |                                 | Standard Long Certificates  |
| 8. (i) Exercise Date:                       |                                 | The Exercise Date of the Securities is 11 June 2021.  |
| (ii) Renouncement Notice Cut-off Time:      |                                 | Equal to the Valuation Date.  |
| 9. Settlement Date:                         |                                 | The Settlement Date for the Securities is 11 June 2021.<br><br>If, on the Valuation Date a Market Disruption Event occurs, the Settlement Date will be postponed accordingly. Such Settlement Date shall not, in any case, be postponed beyond the tenth Business Day following the Valuation Date. |
| 10. Delivery Date:                          |                                 | The Delivery Date for the Securities is 11 June 2018.   |
| 11. Issue Date:                             |                                 | The Issue Date is 11 June 2018.   |
| 12. Issue Currency:                         |                                 | The Issue Currency is Euro (" <b>EUR</b> ").  |
| 13. Discount Price                          |                                 | Not applicable.   |
| 14. Purchase Price:                         |                                 | Not applicable.   |
| 15. Business Day Centre(s):                 |                                 | The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 3 is Milan.  |

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|-----|--|---|
| 16. | Settlement Business Day:               | Not applicable.   |
| 17. | Settlement:                            | Settlement will be by way of cash payment ( <b>Cash Settled Securities</b> ).   |
| 18. | Exchange Rate:                         | Not applicable.   |
| 19. | Settlement Currency:                   | The Settlement Currency for the payment of the Cash Settlement Amount is EUR.   |
| 20. | Name and address of Calculation Agent: | The Calculation Agent is Banca IMI S.p.A., with registered office at Largo Mattioli 3, 20121 Milan.   |
| 21. | Exchange(s):                           | For the purposes of Condition 3 and Condition 15 the relevant Exchange, in relation to each Share, is Borsa Italiana S.p.A. - MTA ( <i>Mercato telematico azionario</i> ).  |
| 22. | Reference Source:                      | The relevant Reference Source, in relation to each Share, is Borsa Italiana S.p.A..   |
| 23. | Related Exchange(s):                   | For the purposes of Condition 15, the relevant Related Exchange, in relation to each Share, is Borsa Italiana S.p.A. - IDEM ( <i>Mercato degli strumenti derivati</i> ).  |
| 24. | Rollover Date:                         | Not applicable  |
| 25. | Open End Feature:                      | Not applicable  |
| 26. | Put Option:                            | Not applicable  |
| 27. | Call Option:                           | Not applicable  |
| 28. | Maximum Level:                         | Not applicable  |
| 29. | Minimum Level:                         | Not applicable  |
| 30. | Multiplier:                            | The Multiplier to be applied is equal to the Issue Price divided by the Initial Reference Value of the Worst Of Underlying.   |
| 31. | Relevant Asset(s):                     | Not applicable  |
| 32. | Entitlement:                           | Not applicable  |
| 33. | AMF Percentage:                        | Not applicable  |
|     | VMF Percentage:                        | Not applicable  |
| 34. | Cash Settlement Amount:                | Per each Certificate, an amount in the Settlement Currency calculated by the Calculation Agent in accordance with the following formula and rounding the resultant figure to nearest EUR cent, 0.005 EUR being rounded upwards: |

**A. If the Final Reference Value is higher than, or equal to, the Barrier Level (i.e. the Barrier Event has not occurred):**

*(Initial Percentage x Initial Reference Value x Multiplier) x*

*Minimum Exercise Amount*

**B. If the Final Reference Value is lower than the Barrier Level (i.e. the Barrier Event has occurred):**

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

|     |  |  |
|-----|--|--|
| 35. | Strike Price:                                    | Not applicable   |
| 36. | Conversion Rate:                                 | Not applicable   |
| 37. | Underlying Reference Currency:                   | The Underlying Reference Currency is EUR.  |
| 38. | Quanto Option:                                   | Not applicable   |
| 39. | Determination Date(s):                           | 11 June 2018.  |
| 40. | Valuation Date(s):                               | 8 June 2021.   |
| 41. | Intraday Value:                                  | Not applicable   |
| 42. | Reference Value:                                 | For the purposes of the Digital Event and the Early Redemption Event the Reference Value will be calculated, respectively, on the relevant Digital Valuation Period and on the relevant Early Redemption Valuation Period and will be an amount equal to the reference price of the Worst Of Underlying resulting from the listing made by the Reference Source on such dates. |
| 43. | Initial Reference Value:                         | The Initial Reference Value will be calculated in relation to each Share on the Determination Date and is an amount equal to the reference price of the relevant Share resulting from the listing made by the Reference Source on such date.   |
|     | Initial Reference Value Determination Period(s): | Not applicable   |
|     | Initial Calculation Date:                        | Not applicable   |
| 44. | Final Reference Value:                           | The Final Reference Value will be calculated on the Valuation Date and is an amount equal to the reference price of the Worst Of Underlying resulting from the listing made by the Reference Source on such date.  |
|     | Final Reference Value Determination Period(s):   | Not applicable   |
|     | Expected Final Calculation Date:                 | Not applicable   |
| 45. | Best Of Feature:                                 | Not applicable   |
| 46. | Worst Of Feature:                                | Applicable.  |
|     |  | For the determination of the Reference Value in relation to each Digital Valuation Period or Early Redemption Valuation Period, the Calculation Agent will select the Worst Of Underlying, that is the Share with the worst performance.   |

In respect of the selection of the Worst Of Underlying, the performance of each Share will be calculated as follows:

$$\frac{RV}{IRV} - 1$$

Where:

"**RV**" means the reference price of the relevant Share on the relevant Digital Valuation Period or Early Redemption Valuation Period;

"**IRV**" means the Initial Reference Value of the relevant Share.

For the determination of the Final Reference Value, the Calculation Agent will select the Worst Of Underlying that is the Share with the worst performance.

In respect of the selection of the Worst Of Underlying, the performance of each Share will be calculated as follows:

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

Where:

"**FRV**" means the reference price of the relevant Share on the Valuation Date;

"**IRV**" means the Initial Reference Value of the relevant Share.

47. Rainbow Feature: Not applicable

#### **PROVISIONS RELATING TO CERTIFICATES**

Applicable

48. Performance Cap: Not applicable

Performance Floor: Not applicable

Performance Participation Factor: Not applicable

49. Initial Percentage: 100.80%

50. Participation Factor: Not applicable

51. Down Participation Factor: Not applicable

52. Up Participation Factor: Not applicable

53. Initial Leverage: Not applicable

54. Barrier Event: Applicable.

The Barrier Event will occur when the Calculation Agent

determines that, on the Barrier Event Determination Period, the Final Reference Value is lower than the Barrier Level.

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|--|--|
| Barrier Event Determination Period(s):     | 8 June 2021  |
| Barrier Level:                             | The Barrier Level is equal to 65% of the Initial Reference Value of the Worst Of Underlying. |
| Barrier Selection Period:                  | Not applicable   |
| Strike Observation Period:                 | Not applicable   |
| Air Bag Factor:                            | Not applicable   |
| Protection Level:                          | Not applicable   |
| Protection Percentage:                     | Not applicable   |
| Spread Protection:                         | Not applicable   |
| Protection Amount:                         | Not applicable   |
| Dropdown Protection Level:                 | Not applicable   |
| Dynamic Protection Level:                  | Not applicable   |
| Step Up Amount:                            | Not applicable   |
| Sigma Amount:                              | Not applicable   |
| Predetermined Loss Percentage:             | Not applicable   |
| Short Protection:                          | Not applicable   |
| 55. Barrier Gap Event:                     | Not applicable   |
| 56. Cap Level:                             | Not applicable   |
| 57. Cap Barrier Amount:                    | Not applicable   |
| 58. Cap Down Amount:                       | Not applicable   |
| 59. Strike Percentage:                     | Not applicable   |
| 60. Switch Event:                          | Not applicable   |
| 61. Spread:                                | Not applicable   |
| 62. Gearing Event:                         | Not applicable   |
| 63. Buffer Event:                          | Not applicable   |
| 64. Global Performance:                    | Not applicable   |
| 65. Failure to Deliver due to Illiquidity: | Not applicable   |

66. Digital Percentage: Not applicable
67. Settlement Level: Not applicable

**PROVISIONS RELATING TO REMUNERATION AMOUNTS AND EARLY REDEMPTION AMOUNTS**

68. Knock-out Feature: Not applicable
69. Knock-in Feature: Not applicable
70. Digital Amount(s): Applicable. The Digital Amount is equal to EUR 8 in relation to each Digital Valuation Period.

The Digital Amount will be paid if the Digital Event occurs on the relevant Digital Valuation Period.

A Digital Event will occur when the Calculation Agent determines that, in the relevant Digital Valuation Period, the Reference Value is equal to or higher than the Digital Level. In that case, the Securityholders are entitled to receive the payment of the Digital Amount on the relevant Digital Payment Date.

Underlying(s): Not applicable

Digital Level(s): In relation to each Digital Valuation Period, the Digital Level is equal to 65% of the Initial Reference Value of the Worst Of Underlying.

Up Range Digital Level: Not applicable

Down Range Digital Level: Not applicable

Digital Valuation Period(s): 5 July 2018 (the "**First Digital Valuation Period**")

7 August 2018 (the "**Second Digital Valuation Period**")

5 September 2018 (the "**Third Digital Valuation Period**")

5 October 2018 (the "**Fourth Digital Valuation Period**")

6 November 2018 (the "**Fifth Digital Valuation Period**")

5 December 2018 (the "**Sixth Digital Valuation Period**")

7 January 2019 (the "**Seventh Digital Valuation Period**")

5 February 2019 (the "**Eighth Digital Valuation Period**")

5 March 2019 (the "**Ninth Digital Valuation Period**")

5 April 2019 (the "**Tenth Digital Valuation Period**")

7 May 2019 (the "**Eleventh Digital Valuation Period**")

5 June 2019 (the "**Twelfth Digital Valuation Period**")

5 July 2019 (the "**Thirteenth Digital Valuation Period**")

6 August 2019 (the "**Fourteenth Digital Valuation Period**")

5 September 2019 (the "**Fifteenth Digital Valuation Period**")

7 October 2019 (the "**Sixteenth Digital Valuation Period**")

5 November 2019 (the "**Seventeenth Digital Valuation Period**")

5 December 2019 (the "**Eighteenth Digital Valuation Period**")

7 January 2020 (the "**Nineteenth Digital Valuation Period**")

5 February 2020 (the "**Twentieth Digital Valuation Period**")

5 March 2020 (the "**Twenty-first Digital Valuation Period**")

6 April 2020 (the "**Twenty-second Digital Valuation Period**")

5 May 2020 (the "**Twenty-third Digital Valuation Period**")

5 June 2020 (the "**Twenty-fourth Digital Valuation Period**")

7 July 2020 (the "**Twenty-fifth Digital Valuation Period**")

5 August 2020 (the "**Twenty-sixth Digital Valuation Period**")

7 September 2020 (the "**Twenty-seventh Digital Valuation Period**")

6 October 2020 (the "**Twenty-eighth Digital Valuation Period**")

5 November 2020 (the "**Twenty-ninth Digital Valuation Period**")

7 December 2020 (the "**Thirtieth Digital Valuation Period**")

5 January 2021 (the "**Thirty-first Digital Valuation Period**")

5 February 2021 (the "**Thirty-second Digital Valuation Period**")

5 March 2021 (the "**Thirty-third Digital Valuation Period**")

6 April 2021 (the "**Thirty-fourth Digital Valuation Period**")

5 May 2021 (the "**Thirty-fifth Digital Valuation Period**").



Digital Payment Date(s):

11 July 2018 in relation to the First Digital Valuation Period

13 August 2018 in relation to the Second Digital Valuation Period

11 September 2018 in relation to the Third Digital Valuation Period

11 October 2018 in relation to the Fourth Digital Valuation Period

12 November 2018 in relation to the Fifth Digital Valuation Period

11 December 2018 in relation to the Sixth Digital Valuation Period

11 January 2019 in relation to the Seventh Digital Valuation Period

11 February 2019 in relation to the Eighth Digital Valuation Period

11 March 2019 in relation to the Ninth Digital Valuation Period

11 April 2019 in relation to the Tenth Digital Valuation Period

13 May 2019 in relation to the Eleventh Digital Valuation Period

11 June 2019 in relation to the Twelfth Digital Valuation Period

11 July 2019 in relation to the Thirteenth Digital Valuation Period

12 August 2019 in relation to the Fourteenth Digital Valuation Period

11 September 2019 in relation to the Fifteenth Digital Valuation Period

11 October 2019 in relation to the Sixteenth Digital Valuation Period

11 November 2019 in relation to the Seventeenth Digital Valuation Period

11 December 2019 in relation to the Eighteenth Digital Valuation Period

13 January 2020 in relation to the Nineteenth Digital Valuation Period

11 February 2020 in relation to the Twentieth Digital Valuation Period

Period

11 March 2020 in relation to the Twenty-first Digital Valuation Period

14 April 2020 in relation to the Twenty-second Digital Valuation Period

11 May 2020 in relation to the Twenty-third Digital Valuation Period

11 June 2020 in relation to the Twenty-fourth Digital Valuation Period

13 July 2020 in relation to the Twenty-fifth Digital Valuation Period

11 August 2020 in relation to the Twenty-sixth Digital Valuation Period

11 September 2020 in relation to the Twenty-seventh Digital Valuation Period

12 October 2020 in relation to the Twenty-eighth Digital Valuation Period

11 November 2020 in relation to the Twenty-ninth Digital Valuation Period

11 December 2020 in relation to the Thirtieth Digital Valuation Period

11 January 2021 in relation to the Thirty-first Digital Valuation Period

11 February 2021 in relation to the Thirty-second Digital Valuation Period

11 March 2021 in relation to the Thirty-third Digital Valuation Period

12 April 2021 in relation to the Thirty-fourth Digital Valuation Period

11 May 2021 in relation to the Thirty-fifth Digital Valuation Period.

Digital Combo Feature: Not applicable

Cliquet Feature: Not applicable

Range Level Option: Not applicable

|  |  |
|--|--|
| Consolidation Effect:                  | Not applicable   |
| Consolidation Level:                   | Not applicable   |
| Consolidation Valuation Period(s):     | Not applicable   |
| Extra Consolidation Digital Feature:   | Not applicable   |
| Extra Consolidation Digital Level:     | Not applicable   |
| Extra Consolidation Digital Period(s): | Not applicable   |
| Memory Effect:                         | Not applicable   |
| Memory Level:                          | Not applicable   |
| Memory Valuation Period(s):            | Not applicable   |
| Path Dependency Effect:                | Not applicable   |
| Path Dependency Amount:                | Not applicable   |
| 71. Restrike Feature:                  | Not applicable   |
| 72. Plus Amount(s):                    | Not applicable   |
| 73. Accumulated Amount(s):             | Not applicable   |
| 74. Early Redemption Amount(s):        | Applicable. The Early Redemption Amount is equal to EUR 1,000 in relation to each Early Redemption Valuation Period.   |
| Early Redemption Event:                | An Early Redemption Event will occur when the Calculation Agent determines that, in the relevant Early Redemption Valuation Period, the Reference Value is equal to or higher than the Early Redemption Level. In that case, the Securityholders are entitled to receive the payment of the Early Redemption Amount on the relevant Early Payment Date and the Certificates are deemed to be early redeemed. |
| Underlying(s):                         | Not applicable   |
| Early Redemption Level:                | In relation to each Early Redemption Valuation Period, the Early Redemption Level is equal to 100% of the Initial Reference Value of the Worst Of Underlying.  |
| Early Redemption Valuation Period(s):  | 5 December 2018 (the " <b>First Early Redemption Valuation Period</b> ")<br><br>7 January 2019 (the " <b>Second Early Redemption Valuation Period</b> ")<br><br>5 February 2019 (the " <b>Third Early Redemption Valuation</b> ")  |

**Period")**

5 March 2019 (the "**Fourth Early Redemption Valuation Period**")

5 April 2019 (the "**Fifth Early Redemption Valuation Period**")

7 May 2019 (the "**Sixth Early Redemption Valuation Period**")

5 June 2019 (the "**Seventh Early Redemption Valuation Period**")

5 July 2019 (the "**Eighth Early Redemption Valuation Period**")

6 August 2019 (the "**Ninth Early Redemption Valuation Period**")

5 September 2019 (the "**Tenth Early Redemption Valuation Period**")

7 October 2019 (the "**Eleventh Early Redemption Valuation Period**")

5 November 2019 (the "**Twelfth Early Redemption Valuation Period**")

5 December 2019 (the "**Thirteenth Early Redemption Valuation Period**")

7 January 2020 (the "**Fourteenth Early Redemption Valuation Period**")

5 February 2020 (the "**Fifteenth Early Redemption Valuation Period**")

5 March 2020 (the "**Sixteenth Early Redemption Valuation Period**")

6 April 2020 (the "**Seventeenth Early Redemption Valuation Period**")

5 May 2020 (the "**Eighteenth Early Redemption Valuation Period**")

5 June 2020 (the "**Nineteenth Early Redemption Valuation Period**")

7 July 2020 (the "**Twentieth Early Redemption Valuation Period**")

5 August 2020 (the "**Twenty-first Early Redemption**

**Valuation Period")**

7 September 2020 (the **"Twenty-second Early Redemption Valuation Period")**)

6 October 2020 (the **"Twenty-third Early Redemption Valuation Period")**)

5 November 2020 (the **"Twenty-fourth Early Redemption Valuation Period")**)

7 December 2020 (the **"Twenty-fifth Early Redemption Valuation Period")**)

5 January 2021 (the **"Twenty-sixth Early Redemption Valuation Period")**)

5 February 2021 (the **"Twenty-seventh Early Redemption Valuation Period")**)

5 March 2021 (the **"Twenty-eighth Early Redemption Valuation Period")**)

6 April 2021 (the **"Twenty-ninth Early Redemption Valuation Period")**)

5 May 2021 (the **"Thirtieth Early Redemption Valuation Period")**).

Early Payment Date(s):

11 December 2018 in relation to the First Early Redemption Valuation Period

11 January 2019 in relation to the Second Early Redemption Valuation Period

11 February 2019 in relation to the Third Early Redemption Valuation Period

11 March 2019 in relation to the Fourth Early Redemption Valuation Period

11 April 2019 in relation to the Fifth Early Redemption Valuation Period

13 May 2019 in relation to the Sixth Early Redemption Valuation Period

11 June 2019 in relation to the Seventh Early Redemption Valuation Period

11 July 2019 in relation to the Eighth Early Redemption Valuation Period

12 August 2019 in relation to the Ninth Early Redemption

Valuation Period

11 September 2019 in relation to the Tenth Early Redemption Valuation Period

11 October 2019 in relation to the Eleventh Early Redemption Valuation Period

11 November 2019 in relation to the Twelfth Early Redemption Valuation Period

11 December 2019 in relation to the Thirteenth Early Redemption Valuation Period

13 January 2020 in relation to the Fourteenth Early Redemption Valuation Period

11 February 2020 in relation to the Fifteenth Early Redemption Valuation Period

11 March 2020 in relation to the Sixteenth Early Redemption Valuation Period

14 April 2020 in relation to the Seventeenth Early Redemption Valuation Period

11 May 2020 in relation to the Eighteenth Early Redemption Valuation Period

11 June 2020 in relation to the Nineteenth Early Redemption Valuation Period

13 July 2020 in relation to the Twentieth Early Redemption Valuation Period

11 August 2020 in relation to the Twenty-first Early Redemption Valuation Period

11 September 2020 in relation to the Twenty-second Early Redemption Valuation Period

12 October 2020 in relation to the Twenty-third Early Redemption Valuation Period

11 November 2020 in relation to the Twenty-fourth Early Redemption Valuation Period

11 December 2020 in relation to the Twenty-fifth Early Redemption Valuation Period

11 January 2021 in relation to the Twenty-sixth Early Redemption Valuation Period

11 February 2021 in relation to the Twenty-seventh Early

#### Redemption Valuation Period

11 March 2021 in relation to the Twenty-eighth Early Redemption Valuation Period

12 April 2021 in relation to the Twenty-ninth Early Redemption Valuation Period

11 May 2021 in relation to the Thirtieth Early Redemption Valuation Period.

|     |                                       |                |
|-----|---------------------------------------|----------------|
| 75. | Early Partial Capital Payment Amount: | Not applicable |
| 76. | Coupon Event:                         | Not applicable |
| 77. | Internal Return Amount:               | Not applicable |
| 78. | Participation Remuneration Amount:    | Not applicable |
| 79. | Participation Rebate Feature:         | Not applicable |
| 80. | Floating Amount:                      | Not applicable |
| 81. | Premium Gap Amount:                   | Not applicable |

#### PROVISIONS RELATING TO WARRANTS

Not applicable.

|     |                                  |                |
|-----|----------------------------------|----------------|
| 82. | Type of Warrants:                | Not applicable |
| 83. | Notional Amount:                 | Not applicable |
| 84. | Exercise Price:                  | Not applicable |
| 85. | Premium:                         | Not applicable |
| 86. | Strike Percentage:               | Not applicable |
| 87. | Exercise Period:                 | Not applicable |
| 88. | Maximum Exercise Number:         | Not applicable |
| 89. | Settlement Determination Period: | Not applicable |
| 90. | Settlement Determination Date:   | Not applicable |

#### GENERAL

|     |                     |                    |
|-----|---------------------|--------------------|
| 91. | Form of Securities: | Bearer Securities. |
|-----|---------------------|--------------------|

Temporary Global Security exchangeable for a Permanent Global Security which is exchangeable for Definitive Securities only in the limited circumstances specified in the Permanent

Global Security.

92. Prohibition of Sales to EEA Retail Investors: Not applicable

## DISTRIBUTION

93. Syndication: The Securities will be distributed on a non-syndicated basis.

(i) If syndicated, names and addresses of Managers and underwriting commitments: Not applicable.

(ii) Date of Subscription Agreement: Not applicable.

(iii) Stabilising Manager (if any): Not applicable

If non-syndicated, name and address of Manager (if not the Issuer): **IW Bank S.p.A.**, with registered office at Piazzale Fratelli Zavattari n. 12 - 20149 Milan, Italy (the "**Manager**").

Total commission, concession and other costs: The Offer Price embeds:

- placement commissions payable to the Manager equal to 3.00 per cent. of the Issue Price in respect of the aggregate Securities placed;
- costs payable to the Issuer in relation to the maintenance of the condition of the Offer equal to 0.40 per cent. of the Issue Price; and
- other structuring costs payable to the Issuer equal to 0.07 per cent. of the Issue Price.

## ADDITIONAL INFORMATION

Example(s) of complex derivatives securities: Not applicable

Signed on behalf of the Issuer:

By: .....

*Duly authorised*



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Luxembourg
- (ii) Admission to trading: Application has been made for the Securities to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date or a date around the Issue Date.

Application has also been made for the Securities to be admitted to trading on the Italian multilateral trading facility Securitised Derivatives Market (the "SeDeX"), organised and managed by Borsa Italiana S.p.A., which is not a regulated market for the purposes of Directive 2014/65/EU with effect from the Issue Date or a date around the Issue Date.

### 2. NOTIFICATION

The CSSF has provided the Commissione Nazionale per le Società e la Borsa (CONSOB) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

The Issuer is expected to enter into hedging arrangements with market counterparties in connection with the issue of the Securities in order to hedge its exposure.

The Issuer will act as Calculation Agent under the Securities. In addition, the Issuer may act as specialist (as defined under the Italian Stock Exchange rules) in respect of the Securities. See the risk factor "Potential Conflicts of Interest" at page 72 of the Base Prospectus.

Save as discussed above and save for any fees payable to the Manager and costs payable to the Issuer referred to in item 93 of Part A above, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the Offer.

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: See "Use of Proceeds" wording in Base Prospectus.
- (ii) Estimated net proceeds: The net proceeds (resulting from subtracting the commissions and the costs referred to in item 93 of Part A, from the aggregate Issue Price paid by the Securityholders) of the issue of the Securities will be up to EUR 38,612,000.

(iii) Estimated total expenses: Not applicable.

## 5. TERMS AND CONDITIONS OF THE OFFER

Applicable

Public Offer Jurisdiction(s): Republic of Italy

Offer Price: Issue Price.

Investors should take into consideration that the Offer Price embeds placement commissions payable by the Issuer to the Manager and costs payable to the Issuer as described in Paragraph 93 of Part A above.

Investors should also take into consideration that when the Securities are sold on the secondary market after the Offer Period, the above mentioned commissions and costs are not taken into consideration in determining the price at which such Securities may be sold on the secondary market.

Conditions to which the offer is subject: Offer of the Securities is conditional on their issue and on the release by Borsa Italiana S.p.A. or by other trading venues, before the Issue Date, of the relevant authorisation to the admission to trading of the Securities.

The Offer Period, including any possible amendments, during which the offer will be open and description of the application process: An offer (the "**Offer**") of the Securities may be made by the Manager other than pursuant to Article 3(2) of the Prospectus Directive in the Republic of Italy during the period from 2 May 2018 to and including 6 June 2018 or, in respect of sales by means of financial advisors authorised to make off-premises offers (*consulenti finanziari abilitati all'offerta fuori sede*) only, to and including 30 May 2018 (the offer period, as it may be amended in case of early closure or extension of the Offer, the "**Offer Period**").

The Securities are being offered to the public in Italy pursuant to Articles 17 and 18 of the Prospectus Directive and the implementing provisions in Italy.

The Issuer reserves the right, in its sole discretion, to close the Offer Period early, also in circumstances where purchases of Securities are not yet equal to the maximum amount offered of 40,000 Securities. Notice of the early closure of the Offer Period will be given by the Issuer by publication on the website of the Issuer and the Manager. The early closure of the Offer will become effective from the date specified in such notice.

The Issuer reserves the right, in its sole discretion, to revoke or withdraw the Offer and the issue of the Securities at any time prior to the Issue Date. Notice of revocation/withdrawal of the Offer will be given by publication of such notice on the website of the Issuer and the Manager. Revocation/withdrawal of the Offer will be effective upon publication. Upon revocation/withdrawal of the Offer, all subscription applications will become void and of no effect, without further notice.

The Issuer reserves the right to postpone the closure of the Offer Period, in order to extend the Offer Period. Notice of the postponement of the closure of the Offer Period will be given by the Issuer by publication on the website of the Issuer and the Manager.

During the Offer Period, prospective investors may subscribe the Securities during normal Italian banking hours at the offices (*filiali*) of the Manager by filling in, duly executing (also by appropriate attorneys) and delivering a specific acceptance form (the "**Acceptance Form**") (*Scheda di Adesione*).

The Acceptance Form is available at each Manager's office.

Subscription of the Securities may also be made by means of financial advisors authorised to make off-premises offers (*consulenti finanziari abilitati all'offerta fuori sede*).

Subscription of the Securities may not be made by means of distance communication techniques.

There is no limit to the subscription application which may be filled in and delivered by the same prospective investor.

The subscription requests can be revoked by the potential investors through a specific request made at the office of the Manager which has received the relevant subscription forms within the last day of the Offer Period (i.e., for avoidance of any doubt, 6 June 2018) as amended in the event of an early closure or an extension of the Offer Period.

Once the revocation terms are expired, the subscription of the Securities is irrevocable.

In addition to what stated above, in respect of subscription of the Securities made by means of

financial advisors authorised to make off-premises offers (*consulenti finanziari abilitati all'offerta fuori sede*), subscription will be effective only after seven days following completion of the subscription form; by this deadline investor is fully entitled, at no cost and fees, to revoke its subscription by notice to the Manager and/or the financial advisor authorised to make off-premises offers (*consulente finanziario abilitato all'offerta fuori sede*).

|   |  |
|---|--|
| Details of the minimum and/or maximum amount of application:  | <p>The Securities may be subscribed in a minimum lot of no. 1 Security (the "<b>Minimum Exercise Amount</b>") and an integral number of Securities higher than the Minimum Exercise Amount and being an integral multiple of 1.</p> <p>There is no maximum amount of application within the maximum number of Securities offered of 40,000 Securities.</p> <p>The Issuer reserves the right to increase, during the Offer Period, the maximum amount of Securities offered. The Issuer shall forthwith give notice of any such increase by publication of a notice on the website of the Issuer and the Manager.</p> |
| Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:                     | Not applicable.  |
| Details of the method and time limits for paying up and delivering the Securities:  | <p>The total consideration for the Securities subscribed must be made by the investor on the Issue Date to the Manager's office which has received the relevant subscription form.</p> <p>The Securities will be delivered on the Issue Date, subsequent to the payment of the Offer Price, to potential Securityholders in the deposit accounts held, directly or indirectly, by the Manager at Euroclear and/or Clearstream.</p>   |
| Manner in and date on which results of the offer are to be made public:   | Not later than 5 days on which the TARGET2 System is open following the closing of the Offer Period (as amended in the event of early closure or extension of the Offer), the Issuer will notify the public of the results of the Offer through a notice published on the website of either the Issuer and the Manager.  |
| Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not | Not applicable   |

exercised:

Whether tranche(s) have been reserved for certain countries: The Securities will be offered to the public only in Italy.

Qualified investors, as defined in Article 2 (i) (e) of the Prospectus Directive, are allowed to subscribe any Securities.

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: The Manager shall notify applicants with amounts allotted.

Subscription applications will be satisfied until reaching the maximum number of Securities offered of 40,000 Securities and thereafter the Manager will immediately suspend receipt of further subscription applications and the Offer Period will be closed early by the Issuer.

Upon the close of the Offer Period, in the event that, notwithstanding the above, the aggregate amount of Securities requested to be subscribed exceed the maximum number of Securities offered of 40,000 Securities, the Issuer will allot the Securities in accordance with allotment criteria so to assure transparency and equal treatment amongst all potential subscribers thereof.

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: No expenses and duties will be charged by the Issuer to the subscribers of the Securities.

Investors should take into consideration that the Offer Price embeds placement commissions payable by the Issuer to the Manager and costs payable to the Issuer as described in Paragraph 93 of Part A.

Consent to use of Base Prospectus: Not applicable.

## 6. DISTRIBUTORS

(i) Name(s) and address(es), to the extent known to the Issuer, of the Distributors in the various countries where the offer takes place: See paragraph 93 of Part A.

(ii) Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: The Issuer will act as lead manager of the placement (*Responsabile del Collocamento* as defined under article 93-bis of the Legislative Decree of 24 February 1998, n. 58, as subsequently amended (the "**Financial Services Act**")) but will not act as Manager and, accordingly, will not place any Securities to the public in Italy.

- |       |  |   |
|-------|--|---|
| (iii) | Name and address of any paying agents and depository agents in each country (in addition to the Principal Security Agent):   | Not applicable.   |
| (iv)  | Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements: | The Issuer and the Manager have agreed under a placement agreement (the " <b>Placement Agreement</b> ") that the Manager will place the Securities without a firm commitment. |
| (v)   | Date of signing of the placement agreement   | The Placement Agreement will be dated on or about 30 April 2018.  |

## 7. POST-ISSUANCE INFORMATION

The Issuer does not intend to provide any post-issuance information in relation to the Underlying and performance thereof and/or the market value from time to time of the Securities and/or any other post-issuance information in relation to the Securities, unless required by applicable law or save as otherwise provided in the Conditions.

## 8. OPERATIONAL INFORMATION

- |       |   |  |
|-------|---|--|
| (i)   | ISIN Code:  | XS1813588313   |
| (ii)  | Common Code:  | 181358831  |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> , relevant address(es), and relevant identification number(s): | Not applicable   |
| (iv)  | Names and addresses of initial Security Agents:   | BNP Paribas Securities Services, Luxembourg branch<br>60, avenue J.F. Kennedy<br>Luxembourg<br>L – 2085 Luxembourg |

## PART C – SUMMARY OF THE SECURITIES

### Section A – INTRODUCTION AND WARNINGS

|            |  |
|------------|--|
| <b>A.1</b> | <p>This summary should be read as an introduction to the Base Prospectus.</p> <p>Any decision to invest in the Securities should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p> |
|------------|--|

|            |  |
|------------|--|
| <b>A.2</b> | Not Applicable – The Issuer does not consent to the use of the Base Prospectus for subsequent resales. |
|------------|--|

### Section B – ISSUERS AND GUARANTOR

|             |  |   |
|-------------|--|---|
| <b>B.1</b>  | <b>Legal and Commercial Name of the Issuer</b>                     | Banca IMI S.p.A..   |
| <b>B.2</b>  | <b>Domicile/ Legal Form/ Legislation/ Country of Incorporation</b> | <p>Domicile: Largo Mattioli 3, 20121 Milan, Italy.</p> <p>Legal form: Public limited liability company (<i>società per azioni</i>).</p> <p>Legislation under which the Issuer operates: Italian law.</p> <p>Country of incorporation: Italy.</p>  |
| <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>                      | <p>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.</p> <p>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.</p> <p>The Issuer is the investment banking arm and securities firm of the Intesa Sanpaolo Group.</p> |
| <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> | <b>SELECTED FINANCIAL AND BALANCE SHEET FIGURES RELATING TO THE ISSUER</b>  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |                                 |                                 |  |                       |  |              |            |            |                  |            |            |                   |            |            |  |            |            |   |   |   |                     |         |         |                 |         |         |                   |         |         |                    |        |        |                   |         |         |                          |       |       |                                  |        |        |  |    |    |                            |        |        |                     |           |          |                    |           |   |          |           |           |                   |   |           |                       |         |         |               |         |         |  |   |   |                     |         |         |                                     |                    |                    |
|---|--|---|--------|------------------------|------------------------|--|-----------------------|--|---------------------------|---|---|-----------------------------------|------------|------------|-------------------------------------|------------|------------|----------------|------------|------------|--------------------|------------|------------|---------------------|---------|---------|--------------------|--------|--------|------------------------|-----|-----|-------------------|-----|-----|------------|---------|---------|-------------------|---------|---------|--------------------|---------|---------|--------------|---------|---------|---------------------|--------------------|--------------------|-------------------------------|---------------------------------|---------------------------------|--|-----------------------|--|--------------|------------|------------|------------------|------------|------------|-------------------|------------|------------|--|------------|------------|---|---|---|---------------------|---------|---------|-----------------|---------|---------|-------------------|---------|---------|--------------------|--------|--------|-------------------|---------|---------|--------------------------|-------|-------|----------------------------------|--------|--------|--|----|----|----------------------------|--------|--------|---------------------|-----------|----------|--------------------|-----------|---|----------|-----------|-----------|-------------------|---|-----------|-----------------------|---------|---------|---------------|---------|---------|--|---|---|---------------------|---------|---------|-------------------------------------|--------------------|--------------------|
|   |  | <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>  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |                                 |                                 |  |                       |  |              |            |            |                  |            |            |                   |            |            |  |            |            |   |   |   |                     |         |         |                 |         |         |                   |         |         |                    |        |        |                   |         |         |                          |       |       |                                  |        |        |  |    |    |                            |        |        |                     |           |          |                    |           |   |          |           |           |                   |   |           |                       |         |         |               |         |         |  |   |   |                     |         |         |                                     |                    |                    |
|   |  | <p><i>Audited Consolidated Balance Sheets for the year ending 31 December 2016 compared with corresponding figures for the year ending 31 December 2015</i></p> <table border="1"> <thead> <tr> <th data-bbox="316 488 384 510">Assets</th> <th data-bbox="715 488 823 568">31<br/>December<br/>2016</th> <th data-bbox="1134 488 1243 568">31<br/>December<br/>2015</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" data-bbox="772 568 932 591" style="text-align: center;"><i>(EUR thousand)</i></td> </tr> <tr> <td>Cash and cash equivalents</td> <td data-bbox="715 600 730 622">3</td> <td data-bbox="1134 600 1150 622">4</td> </tr> <tr> <td>Financial assets held for trading</td> <td data-bbox="715 629 823 651">53,477,591</td> <td data-bbox="1134 629 1243 651">56,954,580</td> </tr> <tr> <td>Available-for-sale financial assets</td> <td data-bbox="715 658 823 680">14,693,865</td> <td data-bbox="1134 658 1243 680">11,643,236</td> </tr> <tr> <td>Due from banks</td> <td data-bbox="715 687 823 710">53,305,542</td> <td data-bbox="1134 687 1243 710">60,923,615</td> </tr> <tr> <td>Loans to customers</td> <td data-bbox="715 716 823 739">27,798,310</td> <td data-bbox="1134 716 1243 739">23,353,892</td> </tr> <tr> <td>Hedging derivatives</td> <td data-bbox="715 745 799 768">154,440</td> <td data-bbox="1134 745 1219 768">203,228</td> </tr> <tr> <td>Equity investments</td> <td data-bbox="715 775 783 797">19,560</td> <td data-bbox="1134 775 1203 797">13,324</td> </tr> <tr> <td>Property and equipment</td> <td data-bbox="715 804 751 826">848</td> <td data-bbox="1134 804 1182 826">878</td> </tr> <tr> <td>Intangible assets</td> <td data-bbox="715 833 751 855">285</td> <td data-bbox="1134 833 1182 855">287</td> </tr> <tr> <td>Tax assets</td> <td data-bbox="715 862 783 884">489,371</td> <td data-bbox="1134 862 1219 884">502,230</td> </tr> <tr> <td><i>a) current</i></td> <td data-bbox="715 891 783 913">251,068</td> <td data-bbox="1134 891 1219 913">292,543</td> </tr> <tr> <td><i>b) deferred</i></td> <td data-bbox="715 920 783 943">238,303</td> <td data-bbox="1134 920 1219 943">209,687</td> </tr> <tr> <td>Other assets</td> <td data-bbox="715 949 783 972">467,011</td> <td data-bbox="1134 949 1219 972">445,523</td> </tr> <tr> <td><b>Total Assets</b></td> <td data-bbox="715 987 839 1010"><b>150,406,826</b></td> <td data-bbox="1134 987 1259 1010"><b>154,040,797</b></td> </tr> <tr> <td data-bbox="316 1093 544 1115"><b>Liabilities and Equity</b></td> <td data-bbox="715 1093 823 1173"><b>31<br/>December<br/>2016</b></td> <td data-bbox="1134 1093 1243 1173"><b>31<br/>December<br/>2015</b></td> </tr> <tr> <td></td> <td colspan="2" data-bbox="772 1173 932 1196" style="text-align: center;"><i>(EUR thousand)</i></td> </tr> <tr> <td>Due to banks</td> <td data-bbox="715 1227 823 1249">60,716,591</td> <td data-bbox="1134 1227 1243 1249">68,073,695</td> </tr> <tr> <td>Due to customers</td> <td data-bbox="715 1256 823 1279">18,989,914</td> <td data-bbox="1134 1256 1243 1279">16,026,878</td> </tr> <tr> <td>Securities issued</td> <td data-bbox="715 1285 823 1308">11,282,639</td> <td data-bbox="1134 1285 1243 1308">13,866,789</td> </tr> <tr> <td>Financial liabilities held for trading</td> <td data-bbox="715 1314 823 1337">53,551,620</td> <td data-bbox="1134 1314 1243 1337">51,653,544</td> </tr> <tr> <td>Financial liabilities at fair value through profit and loss</td> <td data-bbox="715 1344 730 1366">-</td> <td data-bbox="1134 1344 1150 1366">-</td> </tr> <tr> <td>Hedging derivatives</td> <td data-bbox="715 1395 783 1417">196,639</td> <td data-bbox="1134 1395 1219 1417">164,568</td> </tr> <tr> <td>Tax liabilities</td> <td data-bbox="715 1424 783 1447">424,563</td> <td data-bbox="1134 1424 1219 1447">342,293</td> </tr> <tr> <td><i>a) current</i></td> <td data-bbox="715 1453 783 1476">410,436</td> <td data-bbox="1134 1453 1219 1476">325,988</td> </tr> <tr> <td><i>b) deferred</i></td> <td data-bbox="715 1482 783 1505">14,127</td> <td data-bbox="1134 1482 1203 1505">16,305</td> </tr> <tr> <td>Other liabilities</td> <td data-bbox="715 1512 783 1534">450,312</td> <td data-bbox="1134 1512 1219 1534">587,215</td> </tr> <tr> <td>Post-employment benefits</td> <td data-bbox="715 1541 767 1563">9,178</td> <td data-bbox="1134 1541 1187 1563">8,743</td> </tr> <tr> <td>Provisions for risks and charges</td> <td data-bbox="715 1570 783 1592">30,387</td> <td data-bbox="1134 1570 1203 1592">24,074</td> </tr> <tr> <td><i>a) pensions and similar obligations</i></td> <td data-bbox="715 1599 735 1621">12</td> <td data-bbox="1134 1599 1155 1621">12</td> </tr> <tr> <td><i>b) other provisions</i></td> <td data-bbox="715 1628 783 1650">30,375</td> <td data-bbox="1134 1628 1203 1650">24,062</td> </tr> <tr> <td>Fair value reserves</td> <td data-bbox="715 1657 799 1680">(131,153)</td> <td data-bbox="1134 1657 1219 1680">(50,076)</td> </tr> <tr> <td>Equity Instruments</td> <td data-bbox="715 1686 799 1709">1,000,000</td> <td data-bbox="1134 1686 1150 1709">-</td> </tr> <tr> <td>Reserves</td> <td data-bbox="715 1715 799 1738">1,600,694</td> <td data-bbox="1134 1715 1243 1738">1,573,629</td> </tr> <tr> <td>Interim dividends</td> <td data-bbox="715 1744 730 1767">-</td> <td data-bbox="1134 1744 1219 1767">(307,988)</td> </tr> <tr> <td>Share premium reserve</td> <td data-bbox="715 1774 783 1796">581,260</td> <td data-bbox="1134 1774 1219 1796">581,260</td> </tr> <tr> <td>Share capital</td> <td data-bbox="715 1803 783 1825">962,464</td> <td data-bbox="1134 1803 1219 1825">962,464</td> </tr> <tr> <td>Equity attributable to non-controlling interests (+/-)</td> <td data-bbox="715 1832 730 1854">-</td> <td data-bbox="1134 1832 1150 1854">-</td> </tr> <tr> <td>Profit for the year</td> <td data-bbox="715 1861 783 1883">741,718</td> <td data-bbox="1134 1861 1219 1883">533,715</td> </tr> <tr> <td><b>Total Liabilities and Equity</b></td> <td data-bbox="715 1915 839 1937"><b>150,406,826</b></td> <td data-bbox="1134 1915 1259 1937"><b>154,040,797</b></td> </tr> </tbody> </table> | 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<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 | 13,866,789 | 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> |
| 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<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                                 | 13,866,789  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |                                 |                                 |  |                       |  |              |            |            |                  |            |            |                   |            |            |  |            |            |   |   |   |                     |         |         |                 |         |         |                   |         |         |                    |        |        |                   |         |         |                          |       |       |                                  |        |        |  |    |    |                            |        |        |                     |           |          |                    |           |   |          |           |           |                   |   |           |                       |         |         |               |         |         |  |   |   |                     |         |         |                                     |                    |                    |
| 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>  |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |                                 |                                 |  |                       |  |              |            |            |                  |            |            |                   |            |            |  |            |            |   |   |   |                     |         |         |                 |         |         |                   |         |         |                    |        |        |                   |         |         |                          |       |       |                                  |        |        |  |    |    |                            |        |        |                     |           |          |                    |           |   |          |           |           |                   |   |           |                       |         |         |               |         |         |  |   |   |                     |         |         |                                     |                    |                    |
|   |  | <p><i>Audited Consolidated Income Statements for the year ending 31 December 2016 compared with corresponding</i></p>   |        |                        |                        |  |                       |  |                           |   |   |                                   |            |            |                                     |            |            |                |            |            |                    |            |            |                     |         |         |                    |        |        |                        |     |     |                   |     |     |            |         |         |                   |         |         |                    |         |         |              |         |         |                     |                    |                    |                               |                                 |                                 |  |                       |  |              |            |            |                  |            |            |                   |            |            |  |            |            |   |   |   |                     |         |         |                 |         |         |                   |         |         |                    |        |        |                   |         |         |                          |       |       |                                  |        |        |  |    |    |                            |        |        |                     |           |          |                    |           |   |          |           |           |                   |   |           |                       |         |         |               |         |         |  |   |   |                     |         |         |                                     |                    |                    |



*figures for the year ending 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)                       |
| 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                         |
| a) <i>loans and receivables</i>                                  | 1,481                           | (34,912)                        |
| b) <i>available-for-sale financial assets</i>                    | 170,072                         | 274,519                         |
| c) <i>held-to-maturity investments</i>                           | -                               | -                               |
| d) <i>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                           |
| a) <i>loans and receivables</i>                                  | (8,572)                         | (421)                           |
| b) <i>available-for-sale financial assets</i>                    | (1,618)                         | (5,850)                         |
| c) <i>held-to-maturity investments</i>                           | -                               | -                               |
| d) <i>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)                       |
| a) <i>personnel expenses</i>                                     | (166,029)                       | (162,051)                       |
| b) <i>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>                  |

*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*

|                      | <b>30 June 2017</b>   | <b>30 June 2016</b> | <b>Percentage<br/>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                      |
| <b>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</b> |   |   |                       |                         |                             |
|  |   |   | <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>1</sup>  | 28,804,820            | 27,724,281              | 3.9                         |
|  |   | Net funding <sup>2</sup>  | 38,260,656            | 37,683,602              | 1.53                        |
|  |   | Assets under management   | -                     | -                       | -                           |
|  |   | Financial assets <sup>3</sup>   | 62,456,253            | 68,171,456              | - 8.38                      |
|  |   | Total assets  | 161,721,735           | 150,406,826             | 7.5                         |
|  |   | Net equity <sup>4</sup>   | 4,550,513             | 4,754,983               | - 4.3                       |
|  |   | Share Capital   | 962,464               | 962,464                 | 0                           |
|  | <b>No material adverse change statement</b>                     | There has been no significant change in the financial or trading position of the Issuer since 30 June 2017.   |                       |                         |                             |
|  | <b>Significant changes in the financial or trading position</b> | <u>Not applicable.</u> There has been no material adverse change in the prospects of the Issuer since 31 December 2016.   |                       |                         |                             |
| <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</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</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>  |   |   |                       |                         |                             |

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

<sup>2</sup> The aggregate amount consists of securities issued plus due to customers plus due to banks 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, valuation reserves, equity instruments and interim dividends (if any) and the profit for the year.

|      |   |  |
|------|---|--|
| C.1  | <b>Type and class of securities being offered / Security identification number</b>                              | The Securities are Certificates. The Securities are issued in bearer form (" <b>Bearer Securities</b> ").<br>The Certificates are cash settled.<br>The ISIN of the Certificates is XS1813588313  |
| C.2  | <b>Currency</b>   | The Securities are issued in EUR (the " <b>Issue Currency</b> ").<br>The Settlement Currency is EUR.   |
| 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 Luxembourg, Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Hellenic Republic, Hungary, Ireland, 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>  | Each Certificate entitles its holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount, where positive and an Early Redemption Event has not occurred.<br><br>The Certificates provide also for the Remuneration Amount specified at Element C.18 below.<br><br>The Certificates 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 and any non-contractual obligations arising out of or in connection with the Certificates 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 made for the Securities to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date or a date around the Issue Date.<br><br>Application has also been made for the Securities to be admitted to trading on the Italian multilateral trading facility Securitised Derivatives Market (the " <b>SeDeX</b> "), organised and managed by Borsa Italiana S.p.A., which is not a regulated market for the purposes of Directive 2014/65/EU with effect from the Issue Date or a date 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 means the ENEL S.p.A. share (ISIN Code: IT0003128367; Bloomberg Code: ENEL IM <Equity>) and the Fiat Chrysler Automobiles NV share (ISIN Code: NL0010877643; Bloomberg Code: FCA IM <Equity>) (the " <b>Underlyings</b> " or the " <b>Shares</b> ").<br><br>In particular, the Securities are linked to the performance of the Underlyings and their value depends also on the volatility of each Underlying, the applicable interest rates, the time from the Issue Date.  |
| C.16 | <b>The expiration or maturity date of the derivative securities – the exercise date or final reference date</b> | <u>Exercise Date</u><br>Each Certificate shall be automatically exercised on the Exercise Date. The Exercise Date is 11 June 2021. Otherwise, they may be redeemed before the Exercise Date upon the occurrence of an Early Redemption Event.<br><br><u>Valuation Date</u><br>The Valuation Date of the Securities is 8 June 2021.<br><br><u>Settlement Date</u><br>The Settlement Date of the Securities is 11 June 2021.   |
| C.17 | <b>Settlement procedure</b>   | 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.  |

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| <b>C.18 Description of how the return on derivative securities takes place</b> | <p>The Certificates have an issue price equal to EUR 1,000 (the "<b>Issue Price</b>").</p> <p style="text-align: center;"><b>REMUNERATION AMOUNT</b></p> <p>The Certificates provide for the following remuneration amounts.</p> <p style="text-align: center;"><b>DIGITAL AMOUNT</b></p> <p>The Certificates provide for the Digital Amount.</p> <p>In particular, if the Reference Value on the following dates: 5 July 2018; 7 August 2018; 5 September 2018; 5 October 2018; 6 November 2018; 5 December 2018; 7 January 2019; 5 February 2019; 5 March 2019; 5 April 2019; 7 May 2019; 5 June 2019; 5 July 2019; 6 August 2019; 5 September 2019; 7 October 2019; 5 November 2019; 5 December 2019; 7 January 2020; 5 February 2020; 5 March 2020; 6 April 2020; 5 May 2020; 5 June 2020; 7 July 2020; 5 August 2020; 7 September 2020; 6 October 2020; 5 November 2020; 7 December 2020; 5 January 2021; 5 February 2021; 5 March 2021; 6 April 2021 and 5 May 2021 (the "<b>Digital Valuation Periods</b>"), is higher than or equal to 65% of the Initial Reference Value of the Worst Of Underlying (the "<b>Digital Level</b>"), the investor will receive the amount (the "<b>Digital Amount</b>"), equal to EUR 8.</p> <p style="text-align: center;">****</p> <p style="text-align: center;"><b>EARLY REDEMPTION AMOUNT</b></p> <p>The Certificates provide the possibility of an automatic early redemption if an Early Redemption Event has occurred.</p> <p>In particular, if the Reference Value in relation to the following dates: 5 December 2018; 7 January 2019; 5 February 2019; 5 March 2019; 5 April 2019; 7 May 2019; 5 June 2019; 5 July 2019; 6 August 2019; 5 September 2019; 7 October 2019; 5 November 2019; 5 December 2019; 7 January 2020; 5 February 2020; 5 March 2020; 6 April 2020; 5 May 2020; 5 June 2020; 7 July 2020; 5 August 2020; 7 September 2020; 6 October 2020; 5 November 2020; 7 December 2020; 5 January 2021; 5 February 2021; 5 March 2021; 6 April 2021 and 5 May 2021 (the "<b>Early Redemption Valuation Periods</b>") is higher than or equal to the Early Redemption Level, equal to 100% of the Initial Reference Value of the Worst Of Underlying, in relation to each Early Redemption Valuation Period, the certificate will be automatically redeemed and the Securityholder will receive on the relevant Early Payment Date, i.e. 11 December 2018; 11 January 2019; 11 February 2019; 11 March 2019; 11 April 2019; 13 May 2019; 11 June 2019; 11 July 2019; 12 August 2019; 11 September 2019; 11 October 2019; 11 November 2019; 11 December 2019; 13 January 2020; 11 February 2020; 11 March 2020; 14 April 2020; 11 May 2020; 11 June 2020; 13 July 2020; 11 August 2020; 11 September 2020; 12 October 2020; 11 November 2020; 11 December 2020; 11 January 2021; 11 February 2021; 11 March 2021; 12 April 2021 and 11 May 2021, the payment of the relevant amount, equal to to EUR 1,000 in relation to each Early Redemption Valuation Period (the "<b>Early Redemption Amount</b>").</p> <p style="text-align: center;">****</p> <p style="text-align: center;"><b>CASH SETTLEMENT AMOUNT</b></p> <p>The Securityholder will receive on the Settlement Date, if an Early Redemption Event has not occurred, for each Minimum Exercise Amount the payment of the Cash Settlement Amount (if positive) determined as follows.</p> <p style="text-align: center;"><b>STANDARD LONG CERTIFICATES</b></p> <p><b>CALCULATION METHOD IN THE CASE OF POSITIVE AND NEGATIVE PERFORMANCE OF THE UNDERLYING (<u>BARRIER EVENT NOT OCCURRED</u>)</b></p> <p>The investor will receive an amount linked to a percentage of the Initial Reference Value, equal to 100.80% (the "<b>Initial Percentage</b>").</p> <p><b>CALCULATION METHOD IN THE CASE OF NEGATIVE PERFORMANCE OF THE UNDERLYING (<u>BARRIER EVENT OCCURRED</u>)</b></p> <p>The Barrier Event will occur if on the Valuation Date, the Final Reference Value is lower than the Barrier Level equal to 65% of the Initial Reference Value of the Worst Of Underlying.</p> <p>If a Barrier Event has occurred, the Cash Settlement Amount will be linked to the performance of the Worst Of Underlying, (i.e. the investment in the Certificate is a direct investment in the Worst Of Underlying) and therefore might be exposed to the partial or total loss of the capital invested.</p> <p style="text-align: center;">****</p> <p>In relation to the Digital Amounts, the Early Redemption Amounts and the Cash Settlement Amount the</p> |
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|                          |  | <p>following option applies:</p> <p style="text-align: center;"><i>Worst Of Feature</i></p> <p>The Calculation Agent selects the Worst Of Underlying which is the underlying asset with the worst performance compared with the other underlying asset.</p>  |
| <b>C.19</b>              | <b>Exercise price or final reference price of the underlying</b>                   | <p>The exercise price of each Underlying will be determined on the basis of its reference price.</p> <p>For the purposes of the Digital Event and the Early Redemption Event, the Reference Value will be calculated, respectively, on the relevant Digital Valuation Period and on the relevant Early Redemption Valuation Period and will be an amount equal to the reference price of the Worst Of Underlying on such dates.</p> <p>The Final Reference Value will be calculated on 8 June 2021 (the "<b>Valuation Date</b>") and is an amount equal to the reference price of the Worst Of Underlying on such date.</p> <p>The Initial Reference Value in relation to each Share will be calculated on 11 June 2018 (the "<b>Determination Date</b>") and is an amount equal to the reference price of the relevant Share on such date.</p>  |
| <b>C.20</b>              | <b>Type of underlying and where the information on the underlying can be found</b> | <p>The Underlyings are the ENEL S.p.A. Share (ISIN Code: IT0003128367; Bloomberg Code: ENEL IM &lt;Equity&gt;) and the Fiat Chrysler Automobiles NV Share (ISIN Code: NL0010877643; Bloomberg Code: FCA IM &lt;Equity&gt;).</p> <p>In respect of the Underlyings, certain historical information (including past performance thereof) may be found on major information providers, such as Bloomberg and Reuters. Information about the Shares may be found on the web site of Borsa Italiana S.p.A. <a href="http://www.borsaitaliana.it">www.borsaitaliana.it</a></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> <ul 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;</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 security has been finally confirmed) and transfer risk (i.e. is the risk attributable to the transfer of money</li> </ul> |

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|            |                                  | <p>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</b> | An investment in relatively complex securities such as the Certificates involves a greater degree of risk than investing in less complex securities. In some cases, investors may stand to lose the value of their entire investment or part of it. In addition, there are certain factors which are material for the purpose of assessing the  |

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| <p><b>securities</b></p> | <p>market risks associated with Securities issued under the Programme. In particular:</p> <p><u>(i) The Certificates may not be a suitable investment for all investors</u></p> <p>Certificates are complex financial instruments. A potential investor should not invest in Certificates which are complex financial instruments unless it has the expertise to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact that this investment will have on the potential investor's overall investment portfolio.</p> <p><u>(ii) Option Risk</u></p> <p>The Certificates are derivative financial instruments which may include an option right. Transactions in options involve a high level of risk.</p> <ul style="list-style-type: none"> <li>• <b>Risks related to the structure of the Certificates</b></li> </ul> <p><u>(i) General risks and risks relating to the underlying asset or basis of reference</u></p> <p>The Securities involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Purchasers should be prepared to sustain a partial or total loss of the purchase price of their Securities.</p> <p><u>(ii) Certain Factors Affecting the Value and Trading Price of Securities</u></p> <p>The Cash Settlement Amount at any time prior to the expiration is typically expected to be less than the trading price of the Securities at that time. The difference between the trading price and the Cash Settlement Amount will reflect, among other things, a "time value" for the Securities. The "time value" of the Securities will depend partly upon the length of the period left until they expire and the expectations concerning the value of the underlying asset. Securities offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Securities varies with the price of the underlying asset, as well as a number of other interrelated factors.</p> <p><u>(iii) Certain Considerations Regarding Hedging</u></p> <p>Prospective purchasers intending to purchase Securities to hedge against the market risk associated with investing in the underlying asset, should recognise the complexities of utilising Securities in this manner.</p> <p><u>(iv) Certain Considerations Associated with Share Securities</u></p> <p>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.</p> <p><u>(v) Loss risk in relation to the investment</u></p> <p>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.</p> <p><u>(vi) Price Risk and components that determine the value of the Certificates</u></p> <p>The Certificates are composed of a combination of several options and the Securityholder shall take into account that the value of the Certificates will depend on the value of each option composing the certificate. The fluctuation over the time of the value of each optional components mostly depends on the current value of the underlying asset to which the Certificates relate, the volatility of the underlying asset, the residual life of the options composing the Certificates, the levels of the interest rates of the monetary markets, the expected dividends as well as the business of the Issuer of the underlying asset, speculative contractions and other factors.</p> <p><u>(vii) Risk related to the determination method of the Digital Level</u></p> <p>In relation to the Certificates, the Issuer has set, at its own discretion, the Digital Level. 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.</p> <p><u>(viii) Risk related to the occurrence of an Early Redemption Event</u></p> <p>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 but it will be composed of an amount predetermined by the Issuer.</p> <p><u>(ix) Risk related to the Barrier Event</u></p> <p>If a Barrier Event occurs, the Cash Settlement Amount will be determined in accordance with a calculation method other than the calculation method applicable if the Barrier Event does not occur and such circumstance may have a negative influence on the price. This may entail the risk of partial or total loss of the investment.</p> <ul style="list-style-type: none"> <li>• <b>Risks Related to Securities Generally</b></li> </ul> <p><u>(i) Modification</u></p> |
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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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) Other taxation considerations

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

(vi) Illegality and Cancellation

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

(vii) Hedging Disruption

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

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

(viii) Change of law

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

(ix) Potential Conflicts of Interest

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

(x) 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

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|                          |  | <p>its relationship with the EU.</p> <p>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.</p> <ul style="list-style-type: none"> <li>• <b>Risks Related to the Market Generally</b></li> </ul> <p><u>(i) Impact of implicit fees on the Issue/Offer Price</u></p> <p>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.</p> <p><u>(ii) Certain considerations associated with public offers of Securities</u></p> <p>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.</p> <p><u>(iii) Possible Illiquidity of the Securities in the Secondary Market</u></p> <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>(iv) 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>(v) 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> | 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.  |
| <b>E.3</b>               | <b>Terms and conditions of the offer</b>         | <p>Public Offer Jurisdiction(s): Republic of Italy</p> <p>Maximum number of Securities offered: 40,000</p> <p>Offer Period: from 2 May 2018 to and including 6 June 2018 or, in respect of sales by means of financial advisors authorised to make off-premises offers (<i>consulenti finanziari abilitati all'offerta fuori sede</i>) only, to and including 30 May 2018 (the offer period, as it may be amended in case of early closure or extension of the offer, the "<b>Offer Period</b>").</p> <p>Offer Price: EUR 1,000.</p>   |

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|            |  | <p>Conditions to which the offer is subject: The offer of the Securities is conditional on their issue and on the release by Borsa Italiana S.p.A. or by other trading venues, before the Issue Date, of the relevant authorisation to the admission to trading of the Securities.</p> <p>Terms of the Offer: This issue of Securities is being offered in a Non-Exempt Offer in Italy pursuant to Articles 17 and 18 of the Prospectus Directive. The Securities will be distributed by way of public placement and the placement activities will be carried out by IW Bank S.p.A. (the "<b>Manager</b>").</p> <p>The Issuer will act as lead manager of the placement (<i>Responsabile del Collocamento</i> as defined under article 93-bis of the Legislative Decree of 24 February 1998, n. 58, as subsequently amended (the "<b>Financial Services Act</b>")) but will not act as Manager and, accordingly, will not place any Securities to the public in Italy. The Issuer and the Manager have agreed under a placement agreement (the "<b>Placement Agreement</b>") the Manager will place the Securities without a firm commitment. The Placement Agreement will be dated on or about 30 April 2018.</p> <p>The Issuer reserves the right, in its sole discretion, to close the Offer Period early, also in circumstances where purchases of Securities are not yet equal to the maximum amount offered of 40,000 Securities. Notice of the early closure of the Offer Period will be given by the Issuer by publication on the website of the Issuer and the Manager. Early closure of the Offer will become effective from the date specified in such notice. The Issuer reserves the right to postpone the closure of the Offer Period, in order to extend the Offer Period. Notice of the postponement of the closure of the Offer Period will be given by the Issuer by publication on the website of the Issuer and the Manager. The Issuer reserves the right to increase, during the Offer Period, the maximum amount of Securities offered. The Issuer shall forthwith give notice of any such increase by publication of a notice on the website of the Issuer and the Manager. The Issuer reserves the right, in its sole discretion, to revoke or withdraw the Offer and the issue of the Securities at any time prior to the Issue Date. Notice of revocation/withdrawal of the Offer will be given by publication of such notice on the website of the Issuer and the Manager. Revocation/withdrawal of the Offer will be effective upon publication. Upon revocation/withdrawal of the Offer, all subscription applications will become void and of no effect, without further notice.</p> <p>Minimum and maximum subscription amount: The Securities may be subscribed in a minimum lot of no. 1 Security (the "<b>Minimum Exercise Amount</b>") and an integral number of Securities higher than the Minimum Exercise Amount and being an integral multiple of 1. There is no maximum amount of application within the maximum number of Securities offered of 40,000 Securities.</p> |
| <b>E.4</b> | <b>Material interests in the offer</b> | Save as discussed above and save for any fees payable to the Manager and the costs payable to the Issuer, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.  |
| <b>E.7</b> | <b>Estimated expenses</b>              | <p>Investors should take into consideration that the Offer Price embeds:</p> <ul style="list-style-type: none"> <li>– placement commissions payable to the Manager equal to 3.00 per cent. of the Issue Price in respect of the aggregate Securities placed;</li> <li>– costs payable to the Issuer in relation to the maintenance of the conditions of the Offer, equal to 0.40 per cent. of the Issue Price;</li> <li>– other structuring costs equal to 0.07 per cent. of the Issue Price.</li> </ul>   |