



10 May 2016

BANCA IMI S.p.A.
(incorporated with limited liability in the Republic of Italy)

FINAL TERMS

Issue of 500,000,000 EUR Fix to Floater Rate Notes due to 10.05.2026

"Banca IMI S.p.A. Collezione Tasso Misto Euro serie II"

under the Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated 17 July 2015 and the supplements to the Base Prospectus dated 9 October 2015 and 22 January 2016, which together constitute a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the registered office of the Issuer and the specified offices of the Paying Agents. The Base Prospectus has been published on the websites of the Irish Stock Exchange (<http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=643&FIELDSORT=docId>), the Central Bank of Ireland (<http://www.centralbank.ie>) and the Issuer's website (<https://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents>). In the event of any inconsistency between the Conditions and the Final Terms, these Final Terms prevail.

A summary of the Notes (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is annexed to these Final Terms.

By investing in the Notes 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 Notes and as to whether the investment in the Notes 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 Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. 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 Notes.*
- (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 Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.*
- (c) *Status of Parties. The Issuer is not acting as a fiduciary for or adviser to it in respect of the investment in the Notes.*

- 1. Issuer: Banca IMI S.p.A..
- 2. (a) Series Number: 14.

- (b) Tranche Number: 1.
- (c) Date on which the Notes will be consolidated and form a single Series: Not applicable.
3. Specified Currency: The Specified Currency is Euro ("**EUR**").
4. Aggregate Nominal Amount:
- (a) Series: EUR 500,000,000.
- (b) Tranche: EUR 500,000,000.
5. Issue Price of Tranche: 99.42 per cent. of the Aggregate Nominal Amount.
6. (a) Specified Denominations: EUR 1,000.
- (b) Calculation Amount: EUR 1,000.
7. (a) Issue Date: The Issue Date is 10 May 2016.
- (b) Interest Commencement Date: Issue Date.
8. Type of Notes: Fixed to Floating Rate Notes.
9. Maturity Date: 10 May 2026.
10. Interest Basis: 2.20 per cent. per annum Fixed Rate from and including the Issue Date up to but excluding 10 May 2020 only, Floating Rate thereafter.
- 3 (three) Month EURIBOR + 0.60 per cent. Floating Rates, subject to a Maximum Rate of Interest of 2.20 per cent. p.a.
- (further particulars specified below)*
11. Redemption/Payment Basis: Redemption at par.
12. Change of Interest Basis: Not applicable.
13. Put Options: Not applicable.
14. Call Options: Not applicable.
15. Dual Currency Note Provisions: Not applicable.
16. Tax Gross-Up: Condition 7(ii) applicable.
17. Method of distribution: Not applicable.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

| | | |
|-----|--|---|
| 18. | Fixed Rate Note Provisions: | Applicable in respect of the period from and including the Issue Date to but excluding 10 May 2020. |
| | (i) Rate of Interest: | <p>2.20 per cent. per annum in respect of the Interest Period from (and including) the Interest Commencement Date to (but excluding) 10 May 2017;</p> <p>2.20 per cent. per annum in respect of the Interest Period from (and including) 10 May 2017 to (but excluding) 10 May 2018;</p> <p>2.20 per cent. per annum in respect of the Interest Period from (and including) 10 May 2018 to (but excluding) 10 May 2019; and</p> <p>2.20 per cent. per annum in respect of the Interest Period from (and including) 10 May 2019 to (but excluding) 10 May 2020.</p> <p>In each case payable in arrear.</p> |
| | (ii) Interest Payment Dates: | 10 May in each year up to and including 10 May 2020. The first Interest Payment date is 10 May 2017. |
| | (iii) Fixed Coupon Amounts: | EUR 22 per Calculation Amount in respect of each Interest Period. |
| | (iv) Broken Amount(s): | Not applicable. |
| | (v) Day Count Fraction: | Actual/Actual (ICMA) following unadjusted. |
| | (vi) Determination Dates: | 10 May in each year. |
| 19. | Fixed Rate Reset Note Provisions: | Not applicable. |
| 20. | Floating Rate Note Provisions: | Applicable in respect of the period from and including 10 May 2020 to but excluding the Maturity Date. |
| | (i) Specified Periods/Specified Interest Payment Dates: | 10 May 2021, 10 May 2022, 10 May 2023, 10 May 2024, 10 May 2025, and 10 May 2026 (Maturity Date). The first Specified Interest Payment Date is 10 May 2021. |
| | (ii) Business Day Convention: | Following Business Day Convention. |
| | (iii) Additional Business Centre: | Not applicable. |
| | (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: | Screen Rate Determination. |
| | (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): | Banca IMI S.p.A., with registered office at Largo Mattioli 3, 20121 Milan, Italy. |

| | | |
|--------|--------------------------------------|--|
| (vi) | Screen Rate Determination: | Applicable. |
| | – Reference Rate(s): | 3 (three) month EURIBOR. |
| | – Relevant Financial Centre: | Not applicable. |
| | – Reference Currency: | Not applicable. |
| | – Designated Maturity: | Not applicable. |
| | – Specified Time | Not applicable. |
| | – Interest Determination Date(s): | The second day on which the TARGET2 System is open prior to the start of each Interest Period. |
| | – Relevant Screen Page: | Reuters Page EURIBOR01. |
| (vii) | ISDA Determination: | Not applicable. |
| (viii) | Difference in Rates: | Not applicable. |
| (ix) | Linear Interpolation: | Not applicable. |
| (x) | Margin(s): | + (plus) 0.60 per cent. per annum. |
| (xi) | Rate Multiplier: | Not applicable. |
| (xii) | Minimum Rate of Interest: | 0 per cent. per annum |
| (xiii) | Maximum Rate of Interest: | 2.20 per cent. per annum. |
| (xiv) | Day Count Fraction: | Actual/Actual (ICMA) following unadjusted. |
| 21. | Change of Interest Basis Provisions: | Not applicable. |
| 22. | Zero Coupon Note Provisions: | Not applicable. |

PROVISIONS RELATING TO REDEMPTION

| | | |
|-----|--------------------------------------|-----------------------------------|
| 23. | Issuer Call: | Not applicable. |
| 24. | Investor Put: | Not applicable. |
| 25. | Final Redemption Amount of each Note | EUR 1,000 per Calculation Amount. |

26. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required): EUR 1,000 per Calculation Amount.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes:
- (a) Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes only upon an Exchange Event.
 - (b) New Global Note: Yes.
28. Additional Financial Centre(s): Not applicable.
29. Talons for future Coupons to be attached to definitive Notes (and dates on which such Talons mature): Not applicable.

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue and admission to trading on the Irish Stock Exchange of the Notes described herein pursuant to the Euro Medium Term Note Programme of Banca IMI S.p.A..

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Banca IMI S.p.A.:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Ireland and the Republic of Italy.
- (ii) Admission to trading: Application for Notes has been made for listing on the Official List of the Irish Stock Exchange and for admission to trading on the Regulated Market of the Irish Stock Exchange.
- Application for Notes has also been made for (i) admission to trading on the Italian multilateral trading facility EuroTLX, which is not a regulated market for the purposes of directive 2004/39/EC as amended from time to time; and (ii) listing on the MOT market (*Mercato Telematico delle Obbligazioni*), organised and managed by Borsa Italiana S.p.A..
- Application may also be made by the Issuer (or on its behalf) to list the Notes on such further or other stock exchanges or regulated markets or admitted to trading on such other trading venues (including without limitation multilateral trading facilities) as the Issuer may determine.
- (iii) Estimate of total expenses related to admission to trading: EUR 600.

2. RATINGS

- Ratings: At the date of these Final Terms, the Issuer is rated Baa1 (long-term) and P-2 (short-term) with stable outlook by Moody's Italia S.r.l. (**Moody's**), BBB- (long-term) and A-3 (short-term) with stable outlook by Standard & Poor's Credit Market Services Italy S.r.l. (**Standard & Poor's**) and BBB+ (long-term) and F2 (short-term) with stable outlook by Fitch Ratings Ltd. (**Fitch**).
- Not applicable. No ratings have been assigned to the Notes at the request of or with the cooperation of the Issuer in the rating process.

3. NOTIFICATION

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

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Banca IMI is a shareholder of EuroTLX SIM S.p.A. who manages the multilateral trading facility EuroTLX on which application for the trading of the Notes thereof is expected to be made by the Issuer.

5. 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 of the issue of the Notes will be equal to 99.42 per cent. of the Aggregate Nominal Amount of the Notes issued, i.e. EUR 497,100,000.
- (iii) Estimated total expenses: The estimated total expenses that can be determined as of the Issue Date are up to EUR 600 consisting of Listing Fees, such expenses excluding certain out-of pocket expenses incurred or to be incurred by or on behalf of the Issuer in connection with the admission to trading of the Notes.

6. YIELD

Indication of yield: The yield is 0.966 per cent. per annum at maturity, calculated as the annual expected return as at the Issue Date on the basis of the Issue Price in respect of the Fixed Rate only.

It is not an indication of future yield.

7. HISTORIC INTEREST RATES

Details of historic 3 (three) Month EURIBOR rates can be obtained from Reuters at page EURIBOR01.

8. OPERATIONAL INFORMATION

- (i) ISIN Code: XS1379091546.
- (ii) Common Code: 137909154.
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not applicable.
- (iv) Delivery: Delivery against payment.
- (v) Names and addresses of additional Paying Agent(s): Not applicable.

- | | | |
|------|---|--|
| (vi) | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. |
|------|---|--|

9. DISTRIBUTION

- | | | |
|-------|--|--|
| (i) | If syndicated, names and addresses of Managers and underwriting commitments: | Not applicable. |
| (ii) | Date of Subscription Agreement: | Not applicable. |
| (iii) | Stabilisation Manager: | Not applicable. |
| (iv) | If non-syndicated, name and address of relevant Manager, if applicable: | Not applicable. |
| (v) | Total commission and concession: | Not applicable |
| (vi) | US Selling Restrictions: | Reg. S compliance category 2; TEFRA D. |
| (vii) | Public Offer: | Not applicable. |

10. TERMS AND CONDITIONS OF THE OFFER

Not applicable.

APPLICABLE FINAL TERMS - SUMMARY OF THE NOTES

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

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

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

SECTION A – INTRODUCTION AND WARNINGS

| Element | |
|------------|---|
| A.1 | <p><i>This summary should be read as an introduction to the Base Prospectus and the applicable Final Terms.</i></p> <p><i>Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference and the applicable Final Terms.</i></p> <p><i>Where a claim relating to information contained in the Base Prospectus and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated.</i></p> <p><i>Civil liability attaches to the Issuer solely on the basis of this summary, including any translation of it, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or, following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of this Base Prospectus and the applicable Final Terms, key information in order to aid investors when considering whether to invest in the Notes.</i></p> |
| A.2 | <p><i>Not applicable – The Issuer does not consent to the use of the Base Prospectus for subsequent resales.</i></p> |

SECTION B – ISSUER

| Element | |
|------------|--|
| B.1 | <p>Legal and commercial name of the Issuer</p> <p>Banca IMI S.p.A..</p> |
| B.2 | <p>Domicile / legal form / legislation / country of incorporation</p> <p>The Issuer is incorporated as a <i>società per azioni</i> with limited liability under the laws of the Republic of Italy. The Issuer is registered with the Companies' Register of Milan under No. 04377700150. Its registered office is at Largo Mattioli 3, 20121 Milan, with telephone number +39 02 72611.</p> |

| B.4b | Trend information Not applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|---------------|---------------------------------|---------------------------------|--|-----------------------|--|---------------------------|---|---|-----------------------------------|------------|------------|-------------------------------------|-----------|-----------|----------------|------------|------------|--------------------|------------|------------|---------------------|---------|---------|--------------------|--------|--------|------------------------|-------|-------|-------------------|-----|-----|-----------|--|--|------------|---|---|------------|---------|---------|------------|---------|---------|-------------|---------|---------|--------------|---------|---------|---------------------|--------------------|--------------------|-------------------------------|---------------------------------|---------------------------------|--|-----------------------|--|
| B.5 | Description of the Group The Issuer is a company belonging to the Intesa Sanpaolo banking group, of which Intesa Sanpaolo S.p.A. is the parent company. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.9 | Profit forecast or estimate Not applicable - No profit forecasts or estimates have been made in the Base Prospectus. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.10 | Audit report qualifications Not applicable - No qualifications are contained in any audit report included in the Base Prospectus. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.12 | Selected historical key financial information | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>The audited consolidated balance sheets and income statements as of, and for each of the years ended, 31 December 2013 and 2014 and selected balance sheet figures for the six months ending 30 June 2015 have been extracted without any adjustment from, and are qualified by reference to and should be read in conjunction with, the Issuer's consolidated financial statements in respect of those dates and periods:</p> <table border="1"> <thead> <tr> <th colspan="3"><i>Audited Consolidated Balance Sheets for the year ending 31 December 2014 compared with corresponding figures for the year ending 31 December 2013</i></th> </tr> <tr> <th>Assets</th> <th>31 December 2014</th> <th>31 December 2013</th> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;"><i>(EUR thousand)</i></td> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents</td> <td>3</td> <td>2</td> </tr> <tr> <td>Financial assets held for trading</td> <td>61,620,174</td> <td>55,329,273</td> </tr> <tr> <td>Available-for-sale financial assets</td> <td>8,106,027</td> <td>6,122,475</td> </tr> <tr> <td>Due from banks</td> <td>53,979,092</td> <td>54,664,821</td> </tr> <tr> <td>Loans to customers</td> <td>22,440,904</td> <td>20,364,686</td> </tr> <tr> <td>Hedging derivatives</td> <td>323,864</td> <td>551,671</td> </tr> <tr> <td>Equity investments</td> <td>12,175</td> <td>12,208</td> </tr> <tr> <td>Property and equipment</td> <td>1,031</td> <td>1,218</td> </tr> <tr> <td>Intangible assets</td> <td>327</td> <td>355</td> </tr> <tr> <td>of which:</td> <td></td> <td></td> </tr> <tr> <td>- goodwill</td> <td>-</td> <td>-</td> </tr> <tr> <td>Tax assets</td> <td>455,103</td> <td>610,740</td> </tr> <tr> <td>a) current</td> <td>261,796</td> <td>414,174</td> </tr> <tr> <td>b) deferred</td> <td>193,307</td> <td>196,566</td> </tr> <tr> <td>Other assets</td> <td>454,874</td> <td>403,696</td> </tr> <tr> <td>Total Assets</td> <td>147,393,574</td> <td>138,061,145</td> </tr> <tr> <td>Liabilities and Equity</td> <td>31 December 2014</td> <td>31 December 2013</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;"><i>(EUR thousand)</i></td> </tr> </tbody> </table> | <i>Audited Consolidated Balance Sheets for the year ending 31 December 2014 compared with corresponding figures for the year ending 31 December 2013</i> | | | Assets | 31 December 2014 | 31 December 2013 | | <i>(EUR thousand)</i> | | Cash and cash equivalents | 3 | 2 | Financial assets held for trading | 61,620,174 | 55,329,273 | Available-for-sale financial assets | 8,106,027 | 6,122,475 | Due from banks | 53,979,092 | 54,664,821 | Loans to customers | 22,440,904 | 20,364,686 | Hedging derivatives | 323,864 | 551,671 | Equity investments | 12,175 | 12,208 | Property and equipment | 1,031 | 1,218 | Intangible assets | 327 | 355 | of which: | | | - goodwill | - | - | Tax assets | 455,103 | 610,740 | a) current | 261,796 | 414,174 | b) deferred | 193,307 | 196,566 | Other assets | 454,874 | 403,696 | Total Assets | 147,393,574 | 138,061,145 | Liabilities and Equity | 31 December 2014 | 31 December 2013 | | <i>(EUR thousand)</i> | |
| <i>Audited Consolidated Balance Sheets for the year ending 31 December 2014 compared with corresponding figures for the year ending 31 December 2013</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assets | 31 December 2014 | 31 December 2013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <i>(EUR thousand)</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 3 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial assets held for trading | 61,620,174 | 55,329,273 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Available-for-sale financial assets | 8,106,027 | 6,122,475 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Due from banks | 53,979,092 | 54,664,821 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans to customers | 22,440,904 | 20,364,686 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hedging derivatives | 323,864 | 551,671 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity investments | 12,175 | 12,208 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property and equipment | 1,031 | 1,218 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intangible assets | 327 | 355 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| of which: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - goodwill | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tax assets | 455,103 | 610,740 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a) current | 261,796 | 414,174 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b) deferred | 193,307 | 196,566 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other assets | 454,874 | 403,696 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 147,393,574 | 138,061,145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Liabilities and Equity | 31 December 2014 | 31 December 2013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <i>(EUR thousand)</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | |
|--|---------------------------------|---------------------------------|
| Due to banks | 53,046,794 | 44,973,642 |
| Due to customers | 11,158,308 | 12,527,587 |
| Securities issued | 21,482,603 | 28,945,210 |
| Financial liabilities held for trading | 56,939,378 | 47,017,075 |
| Financial liabilities at fair value through profit and loss | - | - |
| Hedging derivatives | 463,170 | 475,201 |
| Tax liabilities | 364,346 | 429,630 |
| a) current | 327,905 | 395,883 |
| b) deferred | 36,441 | 33,747 |
| Other liabilities | 249,266 | 418,353 |
| Post-employment benefits | 9,780 | 8,569 |
| Provisions for risks and charges | 30,489 | 29,805 |
| a) pensions and similar obligations | 12 | 12 |
| b) other provisions | 30,477 | 29,793 |
| Fair value reserves | 49,105 | 10,497 |
| Reserves | 1,550,686 | 1,534,957 |
| Share premium reserve | 581,260 | 581,260 |
| Share capital | 962,464 | 962,464 |
| Equity attributable to non-controlling interests (+/-) | - | - |
| Profit for the year | 505,925 | 146,895 |
| Total Liabilities and Equity | 147,393,574 | 138,061,145 |
| <i>Audited Consolidated Income Statements for the year ending 31 December 2014 compared with corresponding figures for the year ending 31 December 2013</i> | | |
| | 31 December 2014 | 31 December 2013 |
| | <i>(EUR thousand)</i> | |
| Interest and similar income | 1,853,529 | 2,192,798 |
| Interest and similar expense | (1,323,488) | (1,631,044) |
| Net interest income | 530,041 | 561,754 |
| Fee and commission income | 477,787 | 459,034 |
| Fee and commission expense | (269,288) | (255,533) |
| Net fee and commission income | 208,499 | 203,501 |
| Dividends and similar income | 36,550 | 94,676 |
| Profits (Losses) on trading | 296,232 | 263,136 |
| Profit (Losses) on hedging | 56 | 7,364 |
| Profits (Losses) on disposal or repurchase of: | | |
| a) loans and receivables | (16,504) | 3,944 |
| b) available-for-sale financial assets | 359,606 | 178,197 |
| c) held-to-maturity investments | - | - |
| d) financial liabilities | (118,400) | (35,128) |
| Total income | 1,296,080 | 1,277,444 |
| Impairment losses/reversal of impairment losses on: | | |
| a) loans and receivables | (123,807) | (239,566) |
| b) available-for-sale financial assets | (628) | (3,604) |
| c) held-to-maturity investments | - | - |
| d) other financial assets | (803) | (25,116) |

| | | | |
|--|----------------------|-------------------------|-----------------------------|
| Net financial income | 1,170,842 | 1,009,158 | |
| Net banking and insurance income | 1,170,842 | 1,009,158 | |
| Administrative expenses | (407,281) | (359,982) | |
| a) <i>personnel expenses</i> | (140,636) | (114,825) | |
| b) <i>other administrative expenses</i> | (266,645) | (245,157) | |
| Net accruals to provision for risks and charges | (3,000) | (10,000) | |
| Depreciation and net impairment losses on property and equipment | (451) | (319) | |
| Amortisation and net impairment losses on intangible assets | (77) | (65) | |
| Other operating income (expenses) | 3,340 | 3,687 | |
| Operating expenses | (407,469) | (366,679) | |
| Net gains on sales of equity investments | 14,225 | 17,839 | |
| Impairment of goodwill | - | (194,070) | |
| Pre-tax profit from continuing operations | 777,598 | 466,248 | |
| Income tax expense | (271,673) | (319,353) | |
| Post-tax profit from continuing operations | 505,925 | 146,895 | |
| Profit for the year | 505,925 | 146,895 | |
| Profit (loss) attributable to non-controlling interests | - | - | |
| Profit attributable to the owners of the parent | 505,925 | 146,895 | |
| <i>Consolidated Income Statement Selected Figures for the six months ending 30 June 2015 compared with corresponding figures for the six months ending 30 June 2014</i> | | | |
| | 30 June 2015 | 30 June 2014 | Percentage Variation |
| | <i>(EUR million)</i> | | <i>(per cent)</i> |
| Net interest income | 289.5 | 365.1 | -20.7% |
| Total income | 909.7 | 827.3 | 10.0% |
| Net financial income | 852.9 | 734.1 | 16.2% |
| Operating expenses | (237.0) | (188.6) | 25.6% |
| Pre-tax profit from continuing operations | 619.3 | 555.5 | 11.5% |
| Profit for the period | 406.7 | 352.9 | 15.3% |
| <i>Consolidated Balance Sheet Selected Figures for the six months ending 30 June 2015 compared with corresponding figures for the year ending 31 December 2014</i> | | | |
| | 30 June 2015 | 31 December 2014 | Percentage Variation |
| | <i>(EUR million)</i> | | <i>(per cent)</i> |
| Net investments ¹ | 26,804.1 | 27,121.7 | -1.2% |
| Net funding ² | 36,559.0 | 31,708.6 | 15.3% |
| Assets under management | - | - | n.a. |
| Financial assets ³ | 70,482.0 | 69,726.2 | 1.1% |
| Total assets | 150,151.1 | 147,393.6 | 1.9% |

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

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

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

| | | | | | | | | | |
|---------------|---|------------|---------|---------|-------|---------------|-------|-------|------|
| | <table border="1"> <tr> <td>Net equity</td> <td>3,299.7</td> <td>3,649.4</td> <td>-9.6%</td> </tr> <tr> <td>Share Capital</td> <td>962.5</td> <td>962.5</td> <td>0.0%</td> </tr> </table> | Net equity | 3,299.7 | 3,649.4 | -9.6% | Share Capital | 962.5 | 962.5 | 0.0% |
| Net equity | 3,299.7 | 3,649.4 | -9.6% | | | | | | |
| Share Capital | 962.5 | 962.5 | 0.0% | | | | | | |
| | <p>Statements of no significant or material adverse change</p> <p>There has been no significant change in the financial or trading position of the Issuer since 30 June 2015 and there has been no material adverse change in the prospects of the Issuer since 31 December 2014.</p> | | | | | | | | |
| B.13 | <p>Events impacting the Issuer's solvency</p> <p>Not Applicable - There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.</p> | | | | | | | | |
| B.14 | <p>Dependence upon other group entities</p> <p>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.</p> | | | | | | | | |
| B.15 | <p>Principal activities</p> <p>The Issuer is a banking institution established under the laws of the Republic of Italy engaged in investment banking activities. The Issuer is the investment banking arm and securities firm of Gruppo Intesa Sanpaolo and it offers a wide range of capital markets, investment banking and special lending services to a diversified client base including banks, companies, institutional investors, entities and public bodies. The Issuer's business is divided into three business divisions: <i>Global Markets</i>, <i>Investment Banking</i> and <i>Structured Finance</i>.</p> | | | | | | | | |
| B.16 | <p>Controlling shareholders</p> <p>The Issuer is a wholly-owned direct subsidiary of Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo banking group.</p> | | | | | | | | |
| B.17 | <p>Credit ratings</p> <p>The Issuer has been rated Baa1 (long-term) and P-2 (short-term) with stable outlook by Moody's Italia S.r.l. (Moody's), BBB- (long-term) and A-3 (short-term) with stable outlook by Standard & Poor's Credit Market Services Italy S.r.l. (Standard & Poor's) and BBB+ (long-term) and F2 (short-term) with stable outlook by Fitch Ratings Ltd. (Fitch).</p> <p>Not applicable – No ratings have been assigned to the Notes at the request of or with the co-operation of the Issuer in the rating process.</p> | | | | | | | | |

SECTION C – NOTES

| Element | |
|----------------|--|
| C.1 | <p>Type and class of the Notes</p> <p>Title of Notes: Fixed to Floating Rate Notes.</p> <p>Series Number: 14.</p> <p>Tranche Number: 1.</p> <p>ISIN Code: XS1379091546</p> <p>Common Code: 137909154</p> <p>Relevant Clearing Systems(s): The Notes will settle in Euroclear and Clearstream, Luxembourg.</p> |
| C.2 | <p>Currency of the Notes</p> <p>The Notes are denominated in Euro ("EUR"). Payments of interest in respect of the Notes will be made in EUR. Payments of principal in respect of the Notes will be made in EUR.</p> |
| C.5 | <p>Restrictions on free transferability</p> <p>Regulation S Compliance Category 2. TEFRA D.</p> |

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| C.8 | <p>Description of the rights attaching to the Notes</p> <p>Status: The Notes and any relative Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p> <p>Negative pledge: The Notes do not have the benefit of a negative pledge.</p> <p>Deed of covenant: The Notes have the benefit of a deed of covenant dated on or around 17 July 2015.</p> <p>Right to interest: Notes may bear interest as determined in accordance with item C.9 below.</p> <p>Right to redemption: The early redemption amount or final redemption amount is determined in accordance with item C.9 below.</p> <p>Taxation: The Issuer is not obliged to gross up any payments in respect of the Notes and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.</p> <p>All payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to the Foreign Account Tax Compliance Act, as provided in Condition 4(ii).</p> <p>Events of Default: The terms of the Notes will contain, amongst others, the following events of default:</p> <ul style="list-style-type: none"> (a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time; (b) non-performance or non-observance by the Issuer of any of its other obligations under the Terms and Conditions continuing for a specified period of time; (c) the Issuer suspends its payments generally; and (d) events relating to the insolvency or winding up of the Issuer. <p>Meeting of Noteholders: The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Governing law: English law.</p> |
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| <p>C.9</p> | <p>Interest and Redemption</p> <p><i>Interest</i></p> <p><u>Fixed Rate</u></p> <p>The Notes bear interest from but including 10 May 2016 (Issue Date and Interest Commencement Date) to but excluding 10 May 2020 at the fixed rate of 2.20 per cent. per annum.</p> <p>The yield is 0.966 per cent. per annum at maturity, calculated as the annual expected return as at the Issue Date on the basis of the Issue Price in respect of the Fixed Rate only. It is not an indication of future yield.</p> <p>Interest will be paid in EUR in arrear on 10 May in each year until 10 May 2020. The first interest payment will be made on 10 May 2017.</p> <p><u>Floating Rate</u></p> <p>The Notes bear interest from 10 May 2020 at a floating rate calculated by reference to 3 (three) month EURIBOR plus a margin of 0.60 per cent. p.a. subject to a Maximum Rate of Interest of 2.20 per cent. p.a..</p> <p>Interest will be paid in EUR in arrear on 10 May 2021, 10 May 2022, 10 May 2023, 10 May 2024, 10 May 2025, and 10 May 2026 (Maturity Date). The first interest payment will be made on 10 May 2021.</p> <p><i>Redemption</i></p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on 10 May 2026 at 12 p.m.. The Notes will be redeemed in EUR.</p> <p><i>Representative of holders</i></p> <p>Not Applicable – No representative of the Noteholders has been appointed by the Issuer.</p> |
| <p>C.10</p> | <p>Derivative component on interest</p> <p>Not applicable – The Notes do not have a derivative component in the interest payment.</p> |
| <p>C.11</p> | <p>Listing and Admission to trading</p> <p>Application for Notes has been made for listing on the Official List of the Irish Stock Exchange and for admission to trading on the Regulated Market of the Irish Stock Exchange.</p> <p>Application for Notes has also been made for (i) admission to trading on the Italian multilateral trading facility EuroTLX, which is not a regulated market for the purposes of directive 2004/39/EC as amended from time to time; and (ii) listing on the MOT market (Mercato Telematico delle Obbligazioni), organised and managed by Borsa Italiana S.p.A..</p> <p>Application may also be made by the Issuer (or on its behalf) to list the Notes on such further or other stock exchanges or regulated markets or admitted to trading on such other trading venues (including without limitation multilateral trading facilities) as the Issuer may determine.</p> |

SECTION D – RISKS



D.2 Key risks regarding the issuer

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

These factors include:

- Banca IMI's business may be adversely affected by international markets and economic conditions;
- Disruptions and volatility in the global and Euro-zone financial markets may adversely impact Banca IMI's business;
- Negative economic developments and conditions in the markets in which Banca IMI operates may adversely affect Banca IMI's business and results of operations;
- Banca IMI's business is sensitive to current adverse macroeconomic conditions in Italy;
- Banca IMI's business is exposed to counterparty credit risk;
- Deterioration in Banca IMI's loan portfolio to corporate customers may affect Banca IMI's financial performance;
- Banca IMI's business is exposed to settlement risk and transfer risk;
- Banca IMI's business is exposed to market risk;
- Banca IMI's business is exposed to operational risks;
- Banca IMI's business is exposed to liquidity risk;
- Legal risks;
- Banca IMI's business is exposed to risks arising from assumptions and methodologies for assessing financial assets and liabilities measured at fair value;
- Banca IMI's business is exposed to increasing competition in the financial services industry;
- Banca IMI's business is exposed to risks arising from the loss of key personnel;
- Banca IMI's framework for managing its risks may not be effective in mitigating risks and losses;
- Banca IMI's business is exposed to reputational risk;
- Regulatory claims may arise in the conduct of Banca IMI's business;
- Banca IMI operates within a highly regulated industry and its business and results are affected by the regulations to which it is subject including the Banking Resolution and Recovery Directive;

| | |
|-------------------|---|
| | <ul style="list-style-type: none"> • Banca IMI's business performance could be affected if its capital adequacy ratios are reduced or perceived to be inadequate; • Banca IMI's business is exposed to risk of changes in tax legislation as well as to increases in tax rates; • Banca IMI's business is exposed to risks associated with a reduction in the support actions for the banking and financial system; and • Banca IMI's business is exposed to risk related to transactions in financial derivatives. |
| <p>D.3</p> | <p>Key risks regarding the Notes</p> <p>There are also risks associated with specified types of Notes and with the Notes and the markets generally, including:</p> <ul style="list-style-type: none"> • <i>The Notes may not be a suitable investment for all investors</i> Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances; • <i>Risks related to the structure of a particular issue of Notes</i> <ul style="list-style-type: none"> (i) <u><i>Fixed/Floating Rate Notes</i></u> Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. (ii) <u><i>Euro-system Eligibility</i></u> The European Central Bank maintains and publishes a list of assets which are recognised as eligible collateral for Eurosystem monetary and intra-day credit operations. In certain circumstances, recognition may impact on (among other things) the liquidity of the relevant assets. Recognition (and inclusion on the list) is at the discretion of the Eurosystem and is dependent upon satisfaction of certain Eurosystem eligibility criteria and rules. If application is made for any Notes to be recognised and added to the list of eligible assets, there can be no assurance that such Notes will be so recognised, or, if they are recognised, that they will continue to be recognised at all times during their life. • <i>Risks related to Notes generally</i> <ul style="list-style-type: none"> (i) <u><i>Modification, waivers and substitution</i></u> The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Terms and Conditions of the Notes also provide that the Agent and the Issuer may, without the consent of Noteholders, agree to (i) any modification (subject to certain specific exceptions) of the Notes or the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders or (ii) any modification of the Notes, the Coupons 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) <u><i>EU Savings Directive</i></u> Under EC Council Directive 2003/48/EC on the taxation of savings income (the EU Savings Directive), Member States are required to provide to the tax authorities of other Member State details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State. (iii) <u><i>Taxation</i></u> |

Potential purchasers and sellers of Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred and/or any asset(s) are delivered or in other jurisdictions. In addition, it is not possible to predict whether the taxation regime applicable to Notes on the date of purchase or subscription will be amended during the term of the Notes. If such amendments are made, the taxation regime applicable to the Notes may differ substantially from the taxation regime in existence on the date of purchase or subscription of the Notes.

(iv) No Gross Up in respect of Certain Series of Notes

The Issuer is not obliged to gross up any payments in respect of the Notes and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

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

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (FATCA) impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Notes are in global form and held within Euroclear and Clearstream, Luxembourg (together the ICSDs), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see "Taxation – U.S. Foreign Account Tax Compliance Act" below). 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. It 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. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depository or common safekeeper for the ICSDs (as bearer of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

(vi) Change of law

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. 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.

(vii) Notes where denominations involve integral multiples: definitive Notes

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

(viii) Reliance on Euroclear and Clearstream, Luxembourg procedures

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depository or common safekeeper for Euroclear and Clearstream, Luxembourg (see "Form of the Notes"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants. While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of

the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note. Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

- ***Risks related to the market generally***

- (i) *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

- (ii) *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency or, if Dual Currency Interest and/or Dual Currency Redemption is specified as being applicable in the Final Terms, the Issuer will pay principal and/or interest on the Notes in a currency different to the Specified Currency (the Payment Currency). This presents certain risks relating to currency conversion if an investor's financial activities are denominated principally in a currency or currency unit (the Investor's Currency) other than the Specified Currency and/or, as applicable, the Payment 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. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. The above risks may be increased for currencies of emerging market jurisdictions.

- (iii) *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes. Investment in Floating Rate Notes involves the risk that interest rates may vary from time to time, resulting in variable interest payments to Noteholders.

- (iv) *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

- (v) *Any decline in the credit ratings of the Issuer may affect the market value of the Notes*

The credit ratings of the Issuer are an assessment of its ability to pay its obligations, including those on the Notes. Consequently, actual or anticipated declines in the credit ratings of the Issuer may affect the market value of the Notes.

- ***Legal risks***

- (i) *Legal investment considerations may restrict certain investments*

Each prospective purchaser of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. Potential investors should consult with their own tax, legal, accounting and/or financial advisers before considering investing in the Notes. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the

appropriate treatment of Notes under any applicable risk-based capital or similar rules.

(ii) No reliance

A prospective purchaser may not rely on the Issuer, the Managers, if any, or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above. 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 Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

SECTION E – OFFER

| Element | |
|---------|--|
| E.2b | Use of proceeds Not applicable - The Notes are not being offered to the public as part of a public offer. |
| E.3 | Terms and conditions of the offer: Not applicable - The Notes are not being offered to the public as part of a public offer. |
| E.4 | Description of any interest of natural and legal persons involved in the issue/offer that is material to the issue/offer including conflicting interests Not applicable - The Notes are not being offered to the public as part of a public offer. |
| E.7 | Expenses charged to the investor by the Issuer or an Authorised Offeror Not applicable - The Notes are not being offered to the public as part of a public offer. |