

FIRST SUPPLEMENT DATED 19 FEBRUARY 2018 TO THE BASE PROSPECTUS DATED 15 JUNE 2017



BANCA IMI S.p.A.

(incorporated with limited liability in the Republic of Italy)

€ 3,000,000,000

WARRANTS AND CERTIFICATES PROGRAMME

This first supplement (the **First Supplement**) to the Base Prospectus dated 15 June 2017 (the **Base Prospectus**), constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the **Prospectus Directive**) and as implemented in Luxembourg by the Luxembourg Law dated 10 July 2005, as amended (the **Prospectus Law**) and is prepared in connection with the 3,000,000,000 Warrants and Certificates Programme (the **Programme**) established by Banca IMI S.p.A. (the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this First Supplement.

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

This First Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority under the Prospectus Directive. The CSSF only approves this First Supplement as meeting the requirements imposed under Luxembourg and EU law pursuant to the Prospectus Directive.

The language of the First Supplement is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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

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

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Securities to the public, investors who have already subscribed for Securities to be issued under the 3,000,000,000 Warrants and Certificates Programme before this First Supplement, dated 19 February 2018, is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date of publication of this First Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 21 February 2018.

1. PURPOSE OF THIS SUPPLEMENT

The purpose of this First Supplement is to:

- (i) add references to the newly approved Intesa Sanpaolo Group's 2018-2021 Business Plan;
- (ii) reflect the changes that occurred in the composition of the Board of Directors of the Issuer on 18 January 2018;
- (iii) disclose and incorporate by reference the limited reviewed unaudited company condensed interim consolidated financial statements and the unaudited interim financial statements of the Issuer as at and for the six months ending 30 June 2017; and
- (iv) update and amend some sections of the Base Prospectus in the light of point (i), (ii) and (iii) above.

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

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

For this reason, the following sections of the Base Prospectus will be amended and/or updated, as the case may be, as better specified under paragraphs 2 to 6 of this First Supplement:

- Summary of the Programme;
- Risk Factors;
- Documents incorporated by reference;
- Description of the Issuer; and
- General Information.

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

Copies of the Base Prospectus and this First Supplement can be obtained from the registered office of the Issuer and from the specified offices of the Principal Security Agent for the time being in Luxembourg. The Base Prospectus and this First Supplement are available on the official website of the Issuer at <https://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents> and on the official website of the Luxembourg Stock Exchange at www.bourse.lu.

2. SUMMARY OF THE PROGRAMME

I. As a result of the approval of the limited reviewed company condensed interim consolidated financial statements and the interim financial statements of the Issuer as at and for the six months ending 30 June 2017, Element B.12 of the Section B "Issuers and Guarantor" of the "Summary of the Programme", on page 13 of the Base Prospectus, shall be amended as follows:

B.12	Selected historical key information	SELECTED FINANCIAL AND BALANCE SHEET FIGURES RELATING TO THE ISSUER		
		<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>		
		<i>Audited Consolidated Balance Sheets for the year ending 31 December 2016 compared with corresponding figures for the year ending 31 December 2015</i>		
		Assets	31 December 2016	31 December 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>	<i>251,068</i>	<i>292,543</i>
		<i>b) deferred</i>	<i>238,303</i>	<i>209,687</i>
		Other assets	467,011	445,523
		Total Assets	150,406,826	154,040,797
		Liabilities and Equity	31 December 2016	31 December 2015
			<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>	<i>410,436</i>	<i>325,988</i>
		<i>b) deferred</i>	<i>14,127</i>	<i>16,305</i>
		Other liabilities	450,312	587,215
		Post-employment benefits	9,178	8,743
		Provisions for risks and charges	30,387	24,074
		<i>a) pensions and similar obligations</i>	<i>12</i>	<i>12</i>
		<i>b) other provisions</i>	<i>30,375</i>	<i>24,062</i>
		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

Total Liabilities and Equity	150,406,826	154,040,797
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Audited Consolidated Income Statements for the year ending 31 December 2016 compared with corresponding figures for the year ending 31 December 2015

	31 December 2016	31 December 2015
	<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	-	-
Profit attributable to the owners of the parent	741,718	533,715

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

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

II. As a result of the approval by the Board of Directors of Intesa Sanpaolo S.p.A. of the "Intesa Sanpaolo Group's 2018-2021 Business Plan", Element B.14 "Issuer dependent upon other entities within the group" of the Section B "Issuers and Guarantor" of the "Summary of the Programme", on page 13 of the Base Prospectus, shall be amended as follows:

B.14	Issuer dependent upon other entities within the group	<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> <p>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..</p>
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III. As a result of the approval by the Board of Directors of Intesa Sanpaolo S.p.A. of the "Intesa Sanpaolo Group's 2018-2021 Business Plan", Element B.16 "Control of Issuer" of the Section B "Issuers and Guarantor" of the "Summary of the Programme", on page 13 of the Base Prospectus, shall be amended as follows:

B.16	Control of Issuer	<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> <p>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..</p>
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¹ The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.

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

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

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

IV. As a result of the approval by the Board of Directors of Intesa Sanpaolo S.p.A. of the "Intesa Sanpaolo Group's 2018-2021 Business Plan", within Element D.2 "Key risks specific to the issuer" of the Section D "Risks" of the "Summary of the Programme", on page 31 of the Base Prospectus, the following new risk factor iv) shall be added:

<i>Section D – RISKS</i>		
D.2	Key risks specific to the Issuer	<p>(...)</p> <p>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;</p> <p>(....)</p>

3. RISK FACTORS

- I. **As a result of the approval by the Board of Directors of Intesa Sanpaolo S.p.A. of the "Intesa Sanpaolo Group's 2018-2021 Business Plan", under the Section "Risk Factors" of the Base Prospectus, within the sub-section "Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme", right after the risk factor "Banca IMI's business is sensitive to current adverse macroeconomic conditions in Italy", on page 44 of the Base Prospectus, the following risk factor "Risk related to the merge of Banca IMI into the parent company Intesa Sanpaolo S.p.A." shall be added:**

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

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

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

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

- II. **As a result of the approval of the limited reviewed company condensed interim consolidated financial statements and the interim financial statements of the Issuer as at and for the six months ending 30 June 2017, under the Section "Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme", the following risk factor "Legal risks", on page 47 of the Base Prospectus, shall be replaced as follows:**

Legal risks

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

As at 30 June 2017, provisions for risks and charges are in the amount of approximately €15.9 million.

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

4. DOCUMENTS INCORPORATED BY REFERENCE

Within the Section "Documents incorporated by reference", on page 77 of the Base Prospectus, after point 2, the following new point 3 shall be added (and, consequently current point 3 shall become point 4):

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

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

5. DESCRIPTION OF THE ISSUER

- I. At the end of the sub-section "History of the Issuer", on page 236 of the Base Prospectus, the following paragraph shall be added:

History of the Issuer

(...)

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

- II. The last paragraph of sub-section "Legal Status, Registered office and Share Capital of the Issuer" on page 237 of the Base Prospectus shall be amended as follows:

Legal Status, Registered office and Share Capital of the Issuer

(...)

At 30 June 2017, the Issuer's issued and paid-up share capital amounted to € 962,464,000 divided into 962,464,000 ordinary shares. The shares are in registered form and each share entitles to one vote. Intesa Sanpaolo S.p.A. holds directly 100 per cent. of the fully subscribed and paid up share capital of the Issuer.

- III. At the end of the sub-section "Independent Auditors" on page 237 of the Base Prospectus, the following paragraph shall be added:

Independent Auditors

(...)

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

- IV. The sub-sections "Board of Directors", "Chief Executive Officer" and "General Manager" on pages 238 to 240 of the Base Prospectus, shall be replaced as follows:

Board of Directors

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

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

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

NAME AND POSITION	PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER
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NAME AND POSITION	PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER
Gaetano Miccichè Chairman	Member of the Board of Directors of RCS S.p.A. Member of the Board of Directors of Alitalia Società Aerea Italiana S.p.A.
Giuliano Asperti Acting Deputy Chairman	Chairman of TEM S.p.A. Chairman of SIA S.p.A. Chairman of P4CARD S.r.l.
Fabio Alberto Roversi Monaco Deputy Chairman	Chairman of IMI Investimenti S.p.A.
Mauro Micillo Chief Executive Officer	
Aureliano Benedetti Board Member	
Gerardo Pisanu Board Member	Member of the Board of Directors of Banca CR Firenze S.p.A.
Fabio Buttignon Board Member	Member of the Board of Directors of Valentino S.p.A. Member of the Board of Directors of Benetton Group S.r.l. Member of the Board of Directors of Tecnica Group S.p.A. Member of the Board of Directors of Carraro S.p.A. Member of the Board of Directors of Stevanato Group S.p.A. Member of the Board of Directors of AFV Acciaierie Beltrame S.p.A. Member of the Board of Directors of Prime Holding S.p.A. Member of the Board of Directors of Edizione S.r.l. Professor at the University, Economics and Management Department “Marco Fanno”, Padova
Vincenzo De Stasio Board Member	Professor at the University, Faculty of Law of Bergamo

NAME AND POSITION	PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER WHERE RELEVANT WITH REGARD TO THE ISSUER
Paolo Maria Vittorio Grandi Board Member	Chairman of Banca Prossima S.p.A. Member of the Board of Directors of Cassa di Risparmio di Firenze S.p.A. Member of the Board of Directors of PFH Palladio Holding Member of the Board of Directors of SIA S.p.A. Chairman of Intesa Sanpaolo Holding International SA Luxembourg
Massimo Mattera Board Member	
Giuseppe Attanà Board Member	Chairman of MID SIM S.p.A. Member of the Management Board of Intesa Sanpaolo Vita S.p.A.

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

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

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

No Executive Committee has been appointed.

Chief Executive Officer

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

General Manager

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

V. The sub-sections "LEGAL AND ARBITRATION PROCEEDINGS" and "Tax litigation" on pages 242 to 243 of the Base Prospectus, shall be replaced as follows:

LEGAL AND ARBITRATION PROCEEDINGS

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

As at 30 June 2017, provisions for risks and charges are in the amount of approximately € 15.9 million.

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

Tax Litigation

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

Tax audits were conducted by the Italian Tax Police (*Guardia di Finanza*) on the fiscal years 2011 and 2012. In general terms, the audits addressed matters taken up with many other Italian banks. Specifically, the matters concerned accusations of "abuse of process" over alleged links between futures and cash instruments tied to listed equities. For the years under examination up to the end of 2012, the audit investigated the application of substitute tax to a very small number of medium and long-term corporate loans.

In December 2016 a settlement was reached regarding the 2011 tax audit and requiring payment of approximately €1.8 million compared to a claim of the tax authority of about €26 million (including taxes, withholdings and fines). Although fully convinced of the groundlessness of this and previous similar claims, the decision to settle the various disputes was taken with a view to avoid long and costly litigation over specific matters plagued by marked uncertainty.

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

In February 2015 the Large Taxpayers Division of the Italian Tax Police (*Guardia di Finanza*) asked for data and information (through a questionnaire) with reference to certain decreases in tax declarations made for the years 2010-2013. In December 2016 the Italian Revenue Agency (Agenzia delle Entrate) asked for data and information (through a questionnaire) with reference to the Italian "Tobin Tax".

In May 2016 – subsequent to the settlements reached in 2014 through recourse to the so-called "alternative dispute resolution mechanisms" – there were residual tax assessments for the period 2003-2006 for a demand of approximately €39 million for taxes, penalties and interest. Litigation primarily concerns equities trading and other matters connected with typical capital market and investment banking transactions, and to a much lesser degree corporate governance.

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

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

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

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

As concerns the question of substitute tax, in relation to a claim for approximately €10 million. The Italian Revenue Agency (*Agenzia delle Entrate*), through the self-protection procedure, has voided the payment notice.

A total of approximately €12 million in provisional deposits was paid in relation to tax litigation pending at 31 December 2016; the entire amount was deducted from tax provisions allocated, with no credit entry charged. The provisional deposits were paid in compliance with specific legislative provisions governing tax litigation. The amounts will be deducted from the final claim awarded in the event of defeat, or refunded in the event of a ruling in favour of Banca IMI.

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

In July 2016, the ordinary tax assessment by Her Majesty's Revenues & Customs regarding direct taxation of the London branch for the year 2013 concluded without any significant impact in terms of higher tax imposed.

VI. Right after the sub-section "SELECTED FINANCIAL AND BALANCE SHEET FIGURES RELATING TO THE ISSUER" on page 244 to 247 of the Base Prospectus, the following new sub-section "RECENT EVENT" shall be added:

RECENT EVENTS

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

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

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

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

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

	30 June 2017	31 December 2016

Gross doubtful exposures / gross exposures	0.34%	0.39%
Net doubtful exposures / net exposures	0.10%	0.15%
Gross non-performing exposures / gross exposures	4.06%	4.11%
Net non-performing exposures / net exposures	2.78%	3.02%
Non-performing exposures coverage ratio	32.64%	27.73%
Doubtful exposures coverage ratio	69.74%	61.59%
Net doubtful exposures / equity	0.67%	0.91%

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

Income Statement Figures

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

Balance Sheet Figures

	30 June 2017	31 December 2016	Percentage Variation
	<i>(EUR)</i>		<i>(per cent)</i>
Net investments ⁵	28,743,348,891	27,657,745,919	3.9
Net funding ⁶	38,344,717,278	37,766,519,288	1.5
Assets under management	-	-	-
Financial assets ⁷	62,394,781,661	68,104,921,704	- 8.4

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

⁶ The aggregate amount consists of securities issued plus due to customers plus due to banks net of due from banks.

⁷ The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

Total assets	161,360,251,482	150,249,643,142	7.4
Net equity ⁸	4,448,964,414	4,617,993,034	- 3.7
Share Capital	962,464,000	962,464,000	0

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

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

The following tables contain the composition of the gross non-performing exposure and the net non-performing exposures on a consolidated basis and include comparative figures for the six months ending 30 June 2017 and the corresponding figures for the years ending 31 December 2016 and 31 December 2015.

Gross non-performing exposures

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

Net non-performing exposures

	30 June 2017	31 December 2016	31 December 2015
	(EUR thousands)		
Doubtful	29,970	41,982	44,186

⁸ 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.

Unlikely to pay (*)	761,734	791,925	904,784
Past due exposures	7,380	-	-

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

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

Income Statement Figures

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

Balance Sheet Figures

	30 June 2017	31 December 2016	Percentage Variation
	<i>(EUR thousand)</i>		<i>(per cent)</i>
Net investments ⁹	28,804,820	27,724,281	3.9
Net funding ¹⁰	38,260,656	37,683,602	1.53
Assets under management	-	-	-
Financial assets ¹¹	62,456,253	68,171,456	- 8.38
Total assets	161,721,735	150,406,826	7.5
Net Equity ¹²	4,550,513	4,754,983	-4.3
Share Capital	962,464	962,464	0

⁹ The aggregate amount consists of loans to customers plus financial assets held for trading net of financial liabilities held for trading.

¹⁰ The aggregate amount consists of securities issued plus due to customers plus due to banks net of due from banks.

¹¹ The aggregate amount consists of financial assets held for trading plus available for sale financial assets.

¹² 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.

VII. The sub-section "OVERVIEW OF THE FINANCIAL INFORMATION" on pages 247 to 251 of the Base Prospectus, shall be replaced as follows:

OVERVIEW OF THE FINANCIAL INFORMATION

Audited Consolidated Annual Financial Statements

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

Interim Consolidated Financial Statements

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

Incorporation by Reference

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

Accounting Principles

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

CONSOLIDATED ANNUAL BALANCE SHEET

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

Assets	31 December 2016	31 December 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

Assets	31 December 2016	31 December 2015
	<i>(EUR thousand)</i>	
Equity investments	19,560	13,324
Property and equipment	848	878
Intangible assets	285	287
Tax assets	489,371	502,230
<i>a) current</i>	<i>251,068</i>	<i>292,543</i>
<i>b) deferred</i>	<i>238,303</i>	<i>209,687</i>
Other assets	467,011	445,523
Total Assets	150,406,826	154,040,797

CONSOLIDATED ANNUAL BALANCE SHEET

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

Liabilities and Equity

	31 December 2016	31 December 2015
	<i>(EUR thousand)</i>	
Due to banks	60,716,591	68,073,695
Due to customers	18,989,914	16,026,878
Securities issued	11,282,639	13,866,783
Financial liabilities held for trading	53,551,620	51,653,544
Hedging derivatives	196,639	164,568
Tax liabilities	424,563	342,293
<i>a) current</i>	<i>410,436</i>	<i>325,988</i>
<i>b) deferred</i>	<i>14,127</i>	<i>16,305</i>
Other liabilities	450,312	587,215
Post-employment benefits	9,178	8,743
Provisions for risks and charges	30,387	24,074
<i>a) pensions and similar obligations</i>	<i>12</i>	<i>12</i>
<i>b) other provisions</i>	<i>30,375</i>	<i>24,062</i>
Fair value reserves	(131,153)	(50,076)
Equity Instruments	1,000,000	-
Reserves	1,600,694	1,573,629

Liabilities and Equity

	31 December 2016	31 December 2015
	<i>(EUR thousand)</i>	
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
Total Liabilities and Equity	150,406,826	154,040,797

CONSOLIDATED ANNUAL INCOME STATEMENT

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

	31 December 2016	31 December 2015
	<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
<i>a) loans and receivables</i>	<i>1,481</i>	<i>(34,912)</i>
<i>b) available-for-sale financial assets</i>	<i>170,072</i>	<i>274,519</i>
<i>c) held-to-maturity investments</i>	-	-
<i>d) financial liabilities</i>	<i>(20,799)</i>	<i>(54,717)</i>
Total income	1,661,379	1,399,200
Impairment losses/reversal of impairment losses on:	(2,249)	2,942
<i>a) loans and receivables</i>	<i>(8,572)</i>	<i>(421)</i>
<i>b) available-for-sale financial assets</i>	<i>(1,618)</i>	<i>(5,850)</i>
<i>c) held-to-maturity investments</i>	-	-

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Assets	30 June 2017	31 December 2016
	<i>(EUR thousand)</i>	
Cash and cash equivalents	4	3
Financial assets held for trading	48,628,038	53,477,591
Available-for-sale financial assets	13,828,215	14,693,865
Due from banks	69,378,280	53,305,542
Loans to customers	28,804,452	27,798,310

Assets	30 June 2017	31 December 2016
	<i>(EUR thousand)</i>	
Hedging derivatives	124,952	154,440
Equity investments	16,006	19,560
Property and equipment	702	848
Intangible assets	265	285
Tax assets	331,385	489,371
<i>a) current</i>	<i>107,872</i>	<i>251,068</i>
<i>b) deferred</i>	<i>223,513</i>	<i>238,303</i>
<i>- of which as per Law no. 214/2011</i>	<i>108,549</i>	<i>115,541</i>
Other assets	609,436	467,011
Total Assets	161,721,735	150,406,826
Liabilities and Equity	30 June 2017	31 December 2016
	<i>(EUR thousand)</i>	
Due to banks	79,782,709	60,716,591
Due to customers	17,890,292	18,989,914
Securities issued	9,965,935	11,282,639
Financial liabilities held for trading	48,627,670	53,551,620
Hedging derivatives	140,500	196,639
Tax liabilities	185,258	424,563
<i>a) current</i>	<i>172,573</i>	<i>410,436</i>
<i>b) deferred</i>	<i>12,685</i>	<i>14,127</i>
Other liabilities	518,958	450,312
Post-employment benefits	8,974	9,178
Provisions for risks and charges	50,926	30,387
<i>a) pensions and similar obligations</i>	<i>13</i>	<i>12</i>
<i>b) other provisions</i>	<i>50,913</i>	<i>30,375</i>
Valuation reserves	(134,613)	(131,153)
Equity instruments	1,200,000	1,000,000
Reserves	1,650,989	1,600,694
Interim dividends	-	-
Share premium reserve	581,260	581,260

Liabilities and Equity	30 June 2017	31 December 2016
	<i>(EUR thousand)</i>	
Share capital	962,464	962,464
Equity attributable to non-controlling interests (+/-)	-	-
Profit for the year	290,413	741,718
Total Liabilities and Equity	161,721,735	150,406,826

CONSOLIDATED INTERIM INCOME STATEMENT

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

	30 June 2017	31 December 2016
	<i>(EUR thousand)</i>	
Interest and similar income	613,582	1,337,482
Interest and similar expense	(352,782)	(801,338)
Net interest income	260,800	536,144
Fee and commission income	240,721	599,097
Fee and commission expense	(82,239)	(217,026)
Net fee and commission income	158,482	382,071
Dividends and similar income	25,907	38,035
Profits (Losses) on trading	201,271	554,800
Profit (Losses) on hedging	2,968	(425)
Profits (Losses) on disposal or repurchase of:	111,097	150,754
<i>a) loans and receivables</i>	2,793	1,481
<i>b) available-for-sale financial assets</i>	119,050	170,072
<i>c) held-to-maturity investments</i>	-	-
<i>d) financial liabilities</i>	(10,746)	(20,799)
Total income	760,525	1,661,379
Impairment losses/reversal of impairment losses on:	(55,144)	(2,249)
<i>a) loans and receivables</i>	(57,054)	(8,572)
<i>b) available-for-sale financial assets</i>	(249)	(1,618)
<i>c) held-to-maturity investments</i>	-	-

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

Assets	30 June 2017	30 June 2016
	<i>(EUR thousand)</i>	
Cash and cash equivalents	4	3
Financial assets held for trading	48,628,038	64,427,417
Available-for-sale financial assets	13,828,215	14,931,853
Due from banks	69,378,280	57,710,181

Assets	30 June 2017	30 June 2016
	<i>(EUR thousand)</i>	
Loans to customers	28,804,452	29,010,159
Hedging derivatives	124,952	234,814
Equity investments	16,006	10,923
Property and equipment	702	727
Intangible assets	265	269
Tax assets	331,385	330,652
<i>a) current</i>	<i>107,872</i>	<i>131,858</i>
<i>b) deferred</i>	<i>223,513</i>	<i>198,794</i>
Other assets	609,436	742,740
Total Assets	161,721.7	167,399.7
Liabilities and Equity	30 June 2017	30 June 2016
	<i>(EUR thousand)</i>	
Due to banks	79,782,709	66,673,457
Due to customers	17,890,292	19,277,557
Securities issued	9,965,935	14,268,967
Financial liabilities held for trading	48,627,670	61,987,702
Hedging derivatives	140,500	506,097
Tax liabilities	185,258	281,633
<i>a) current</i>	<i>172,573</i>	<i>265,217</i>
<i>b) deferred</i>	<i>12,685</i>	<i>16,416</i>
Other liabilities	518,958	340,495
Post-employment benefits	8,974	9,692
Provisions for risks and charges	50,926	23,053
<i>a) pensions and similar obligations</i>	<i>13</i>	<i>12</i>
<i>b) other provisions</i>	<i>50,913</i>	<i>23,041</i>
Valuation reserves	(134,613)	(59,767)
Equity instruments	1,200,000	500,000
Reserves	1,650,989	1,606,569
Share premium reserve	581,260	581,260

Liabilities and Equity	30 June 2017	30 June 2016
	<i>(EUR thousand)</i>	
Share capital	962,464	962,464
Equity attributable to non-controlling interests (+/-)	-	-
Profit for the year	290,413	440,559
Total Liabilities and Equity	161,721,735	167,399,738

CONSOLIDATED INTERIM INCOME STATEMENT

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

	30 June 2017	30 June 2016
	<i>(EUR thousand)</i>	
Interest and similar income	613,582	682,848
Interest and similar expense	(352,782)	(412,272)
Net interest income	260,800	270,576
Fee and commission income	240,721	274,839
Fee and commission expense	(82,238)	(127,146)
Net fee and commission income	158,482	147,693
Dividends and similar income	25,907	26,009
Profits (Losses) on trading	201,271	377,342
Profit (Losses) on hedging	2,968	(10,552)
Profits (Losses) on disposal or repurchase of:	111,097	98,564
<i>a) loans and receivables</i>	<i>2,793</i>	<i>1,384</i>
<i>b) available-for-sale financial assets</i>	<i>119,050</i>	<i>111,019</i>
<i>c) held-to-maturity investments</i>	-	-
<i>d) financial liabilities</i>	<i>(10,746)</i>	<i>(13,839)</i>
Total income	760,525	909,632
Impairment losses/reversal of impairment losses on:	(55,144)	(15,305)
<i>a) loans and receivables</i>	<i>(57,054)</i>	<i>(17,914)</i>
<i>b) available-for-sale financial assets</i>	<i>(249)</i>	<i>(1,366)</i>
<i>c) held-to-maturity investments</i>	-	-
<i>d) other financial assets</i>	<i>2,159</i>	<i>3,975</i>
Net financial income	705,381	894,327

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

6. GENERAL INFORMATION

I. Paragraph "Documents available" of the section "General Information", on page 368 of the Base Prospectus, shall be replaced by the following:

Documents Available

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

- (i) the constitutional documents of the Issuer;
- (ii) the audited non-consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2016 and 2015 and the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2016 and 2015 and the unaudited limited reviewed company condensed interim consolidated financial statement and the interim financial statements of the Issuer as at and for the sixth months ending 30 June 2017;
- (iii) the Agency Agreement and the forms of the Global Securities;
- (iv) a copy of this Base Prospectus;
- (v) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Security which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Security and such holder must produce evidence satisfactory to the Issuer and the relevant Security Agent as to its holding of Securities and identity) and any other documents incorporated herein or therein by reference; and
- (vi) in the case of each issue of listed Securities subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

A copy of this Base Prospectus (and the information incorporated by reference therein) has been published on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and of the Issuer (<http://www.bancaimi.prodottiequotazioni.com/EN/Legal-Documents>). Any Final Terms that are listed on the Luxembourg Stock Exchange will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any Final Terms that are not listed on the Luxembourg Stock Exchange but which relate to a Security which is offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will be published on the website of the Issuer only.

II. Paragraph "Significant or Material Adverse Change" of the section "General Information", on page 369 of the Base Prospectus, shall be replaced by the following:

Significant or Material Adverse Change

There has been no significant change in the financial or trading position of the Issuer since 30 June 2017 and there has been no material adverse change in the prospects of the Issuer since 31 December 2016.

III. Paragraph "External Auditors" of the section "General Information", on page 369 of the Base Prospectus, shall be replaced by the following:

External Auditors

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

audited the company financial statements and consolidated financial statements of the Issuer for the financial years ending 31 December 2015 and 31 December 2016, which are incorporated by reference in this Base Prospectus, and carried out a limited review of the unaudited interim consolidated financial statements of the Issuer as at and for the six months ending on 30 June 2017, which are incorporated by reference in this Base Prospectus.

7. GENERAL

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

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

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

Banca IMI S.p.A.

19 February 2018