

KEY INFORMATION DOCUMENT

PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

NAME	Banca IMI Telefonica, Eni, Enel, Telecom Italia, IBERDROLA, Finmeccanica, Fiat and Glencore Pro Rata Credit Linked Certificates - 07.01.2019	You are about to purchase a product that is not simple and may be difficult to understand
IDENTIFIER	ISIN: XS0994949302	
ISSUER/MANUFACTURER	BANCA IMI S.p.A.	
CONTACTING THE MANUFACTURER	Website: www.bancaimi.com Phone number: 800 99 66 99 Email address: info@bancaimi.com	
COMPETENT AUTHORITY	CONSOB	
DATE	12 December, 2018	

WHAT IS THIS PRODUCT?

TYPE	Pro Rata Credit Linked Investment Certificate
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OBJECTIVES The objective of the product is to provide an amount on settlement date, as well as one or more amounts during the life of the product, conditional upon the non-occurrence of certain credit events regarding a specific entities' creditworthiness, in exchange for the risk of loss of capital.

Reference Entities

TELEFONICA SA; ENI S.p.A.; ENEL S.p.A.; TELECOM ITALIA S.p.A.; IBERDROLA SA; LEONARDO-FINMECCANICA S.p.A.; FIAT CHRYSLER AUTOMOBILES N.V.; and GLENCORE INTERNATIONAL AG.

How the return is determined

- **Settlement Amount at Expiry Date:** Since the Settlement Amount in respect of all the Reference Entities is a Credit Event Cash Settlement Amount, the amount at the Expiry Date will be determined as follows:

If no Credit Events have occurred on or prior to the Final Observation Date:

The investor will receive on the Settlement Date an amount equal to the Issue Price.

If a Credit Event in respect of one or more Reference Entities has occurred on or prior to the Final Observation Date:

The investor will receive on the Exercise Date an amount equal to the difference, where positive, of (a) the Issue Price; and (b) the sum of the Pro Rata Principal Amount of each Reference Entity in respect of which a Credit Event occurred.

- **Pro Rata Remuneration Amounts:** The Pro Rata Remuneration Amounts payable to the investor will be predetermined remuneration amounts calculated as follows:

(i) If no Credit Events occur to any of the Reference Entities:

The investor will receive, on the relevant Remuneration Payment Date, an amount equal to the sum of the Pro Rata Remuneration Amounts set out in respect of such Remuneration Payment Date and relating to all the Reference Entities.

(ii) If one or more Credit Events occur in respect to some, but not all of the Reference Entities:

The investor will receive, on the relevant Remuneration Payment Date, an amount equal to the sum of the Pro Rata Remuneration Amounts set out in respect of such Remuneration Payment Date and corresponding to the Reference Entity(ies) in respect of which no Credit Event occurred.

(iii) If one or more Credit Events occur in respect to all the Reference Entities:

No Pro Rata Remuneration Amount will be paid on the relevant Remuneration Payment Date.

For avoidance of doubt, where one or more Credits Event have occurred to all the Reference Entities on or prior to the First Remuneration Payment Date, no Pro Rata Remuneration Amounts will be paid on all Remuneration Payment Dates and the investor will receive only the Credit Event Cash Settlement Amount, determined according to the formula set out above.

Key dates and values

- Issue Price – EUR 1,000
- Issue Date – 29 November, 2013
- Pro Rata Remuneration Amounts – in respect of all the Reference Entities: EUR 6.64 (in respect of the First Remuneration Payment Date); EUR 6 (in respect of the Second Remuneration Payment Date); EUR 6 (in respect of the Third Remuneration Payment Date); EUR 6 (in respect of the Fourth Remuneration Payment Date); and EUR 6 (in respect of the Fifth Remuneration Payment Date)
- Remuneration Payment Dates – 7 January, 2015 (the First Remuneration Payment Date); 7 January, 2016 (the Second Remuneration Payment Date); 9 January, 2017 (the Third Remuneration Payment Date); 8 January, 2018 (the Fourth Remuneration Payment Date); and 7 January, 2019 (the Fifth Remuneration Payment Date)
- Final Observation Date – 4 January, 2019
- Credit Event Cash Settlement Amount – an amount equal to the difference, where positive, of (a) the Issue Price; and (b) the sum of the Pro Rata Principal Amount of each Reference Entity in respect of which a Credit Event occurred
- Pro Rata Principal Amounts – in respect of all the Reference
- Exercise Date – 4 January, 2019
- Credit Events – in respect of all the Reference Entities: (a) bankruptcy of the Reference Entity; (b) after the expiration of any applicable grace period, failure, by the Reference Entity, to make, where and when due, any payments in an aggregate amount of USD 1,000,000 under one or more of its obligations (Failure to Pay); (c) a restructuring of one or more obligations of the Reference Entity in an aggregate nominal amount of USD 10,000,000 occurs (Restructuring)
- Reference Obligations – obligations identified as follows: (1) (a) primary obligor/issuer: Telefonica Emisiones S.A.U.; (b) coupon: 4.375% p.a.; (c) maturity: 2 February, 2016; (d) bond ISIN: XS0241946630; (2) (a) primary obligor/issuer: ENI S.p.A.; (b) coupon: 5% p.a.; (c) maturity: 28 January, 2016; (d) bond ISIN: XS0411044653; (3) (a) primary obligor/issuer: Enel S.p.A.; (b) coupon: 5.25% p.a.; (c) maturity: 20 June, 2017; (d) bond ISIN: XS0306644344; (4) (a) primary obligor/issuer: Telecom Italia S.p.A.; (b) coupon: 5.375% p.a.; (c) maturity: 28 January, 2019; (d) bond ISIN: XS0184373925; (5) (a) primary obligor/issuer: IBERDROLA Finanzas S.A.U.; (b) coupon: 3.50% p.a.; (c) maturity: 22 June, 2015; (d) bond ISIN: XS0222372178; (6) (a) primary

Entities: EUR 125

obligor/issuer: Finmeccanica Finance S.A.; (b) guarantor: Leonardo-Finmeccanica S.p.A.; (c) coupon: 5.75% p.a.; (d) maturity: 12 December, 2018; (e) bond ISIN: XS0182242247; (7) (a) primary obligor/issuer: Fiat Chrysler Finance North America Inc.; (b) guarantor: Fiat Chrysler Automobiles; (c) coupon: 5.625% p.a.; (d) maturity: 12 June, 2017; (e) bond ISIN: XS0305093311; (8) (a) primary obligor/issuer: Glencore Finance Europe SA; (b) coupon: 6.50% p.a.; (c) maturity: 27 February, 2019; (d) bond ISIN: XS0288783979

- Settlement Date – 7 January, 2019
- Expiry Date – 7 January, 2019
- Admission to listing / trading – Irish Stock Exchange and EuroTLX

Adjustments

The terms of the product provide that upon occurrence of certain adjustments events, the Issuer, acting in its capacity as calculation agent, will be entitled to take certain actions determinations or judgments acting in its sole discretion. All such actions, determinations or judgments may influence the amounts receivable under the certificates.

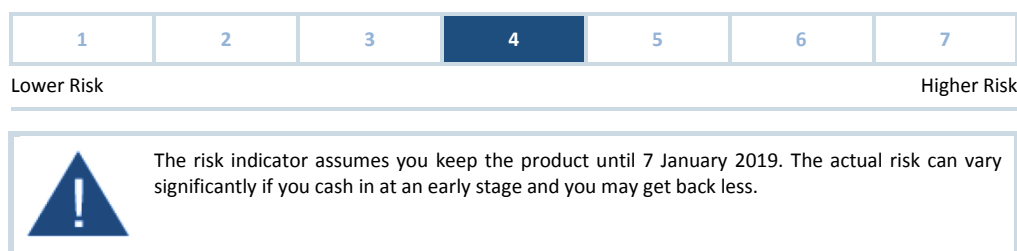
INTENDED RETAIL INVESTOR

This investment is intended for investor who:

- Has a high knowledge of Markets and Financial Products;
- Has an investment horizon consistent with the expiry date of the product;
- Is willing to afford a loss up to the total invested amount;
- Wants to have the possibility to disinvest the product before its expiry date, although without any guarantees to get back the invested amount.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

SUMMARY RISK INDICATOR



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Issuer is not able to pay you. The Issuer has classified this product as 4 out of 7, which is a medium risk class. This classification results from two elements: an estimation of the market risk that rates the potential losses from future performance at a medium level, and an estimation of the credit risk, according to which poor market conditions are very unlikely to impact the capacity of the Issuer to pay you. This product does not include any protection from future market performance so you could lose some or all of your investment. If the Issuer is not able to pay you what is owed, you could lose your entire investment.

PERFORMANCE SCENARIOS

INVESTMENT EUR 10,000		
SCENARIOS		Expiry Date (Recommended holding period)
Stress scenario	What you might get back after costs	EUR 7,503
	Average return each year	-97.94%
Unfavourable scenario	What you might get back after costs	EUR 10,004
	Average return each year	0.54%
Moderate scenario	What you might get back after costs	EUR 10,004
	Average return each year	0.54%
Favourable scenario	What you might get back after costs	EUR 10,004
	Average return each year	0.54%

This table shows the money you could get back until the Expiry Date, under different scenarios, assuming that you invest EUR 10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where the Issuer is not able to pay you.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

WHAT HAPPENS IF BANCA IMI S.P.A. IS UNABLE TO PAY OUT?

This product is not protected by any investor compensation scheme or guarantee scheme. The Issuer's obligations arising out of the product are not subordinated to other Issuer's liabilities – except for secured ones. As a consequence, in the case of Issuer's winding-up, the investors claims would rank pari passu with the other unsecured claims, thus you could lose part or all of the invested capital. Moreover, if the Issuer is failing or likely to fail, the investment in the security may be subject to the application of the bail-in tool, which could imply the writing-down of the security, the reduction to zero of the claims attached to such security or its conversion into equity. In addition, you should be aware that any payment may be delayed.

WHAT ARE THE COSTS?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account the one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for the holding period. They include potential early exit penalties. The figures assume you invest EUR 10,000. The figures are estimates and may change in the future.

Cost over time

The Subject selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

INVESTMENT EUR 10,000	
Scenarios	If you cash in at the end of the recommended holding period
Total costs	EUR 71.59
Impact on return (RIY) per year	10.26%

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

THIS TABLE SHOWS THE IMPACT ON RETURN PER YEAR			
ONE-OFF COSTS	Entry costs	10.26%	The impact of the costs already included in the price.
	Exit costs	0.00%	Not applicable
ONGOING COSTS	Portfolio transaction costs	0.00%	Not applicable
	Other ongoing costs	0.00%	Not applicable
INCIDENTAL COSTS	Performance fees	0.00%	Not applicable
	Carried interests	0.00%	Not applicable

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: until the Expiry Date

The recommended holding period is selected to correspond with the maximum residual duration of the product. Please note that you may not be able to sell the product before the Expiry Date. If you are able to sell the investment at an earlier date, you may incur costs and may lose part or all of your Investment. The Issuer is under no obligation to make a secondary market in the product, but may choose to re-purchase the products early on a case-by-case basis. Further information is available upon request.

HOW CAN I COMPLAIN?

You may lodge a formal complaint to the Issuer by letter - addressed to "Banca IMI S.p.A. – Ufficio Reclami – Largo Mattioli 3 – 20121 MILANO" - or alternatively by email at: info@bancaimi.com.

OTHER RELEVANT INFORMATION

For other information about the terms and conditions of the product, please refer to the documentation published on the Issuer's website www.bancaimi.prodottiequotazioni.com, or alternatively on the distributor's website, in compliance with the applicable legal provisions.